

Transcript – Episode 76 – [The Dollar Dash with Otis Fulton](#)

Dolph Goldenburg: Welcome to the Successful Nonprofit™ Podcast. I'm your host Dolph Goldenburg with a conversation that will help your nonprofit thrive in a competitive environment. A couple of months ago, we had Mark Becker on episode 71 of the podcast to discuss peer to peer fundraising. That was our first episode focused on P2P, and we are making up for lost time by having Otis Fulton to discuss the psychology behind peer to peer fundraising. I am sure that we are going to end up answering some of the committee meeting questions that may drive you up the wall. Do you know questions like, “Should we offer even better swag to motivate our volunteers,” or “How do we create the next ice bucket challenge?” The answers to these questions might just surprise you. Otis Fulton is co-author of the book *Dollar Dash* would use as behavioral economics to better understand peer to peer fundraising. He is also a doctoral candidate in social psychology, so this is clearly a topic that he has spent a great deal of time studying. His book chronicles the stories of some of the most successful P2P fundraisers from Relay for Life and the March of Dimes to the Ice Bucket Challenge. So please join me in welcoming Otis Fulton,

Hey Otis, welcome to the podcast.

Otis Fulton: Thank you. It's great to be with you today.

Dolph Goldenburg: Well, we don't hear a lot about behavioral economics in the nonprofit sector. Let me back up. We don't hear a lot about economics in general and the nonprofit sector. So, can you share how you use behavioral economics as an approach to better understand peer to peer fundraising?

Otis Fulton: Well, you know, behavioral economics is just good old-fashioned economics with a good dose of psychology. It turns out that, economics has studied how people make economic decisions are very much influenced by the social realm. We're a bit like fish. We live in this ocean of a social influence, so much so that we don't even notice it, but everything that we do in terms of the decisions we make to support nonprofits, donate, fundraise on beyond behalf of these nonprofits, go to a charitable walk and so forth, they're done in the context of social influences with other people.

Dolph Goldenburg: What actually motivates people to participate in a peer to peer fundraising event?

Otis Fulton: It's the pure connection. In a peer to peer fundraising campaign, if you don't get 30 percent of the people to say yes, you're doing it wrong.

Dolph Goldenburg: Really, that high?!

Otis Fulton: There was some blackboard data that says they're a direct response campaign, gets about a .04 percent “yes” rate. Whereas the peer to peer 25 to 30 percent and it's simply

because the people are so motivated to say yes to people that they know they're not necessarily. Let's say you've got a couple of little kids from your neighborhood showing up on your front door. They're asking you to support the school band or the PTA; it's hard to say no, you're not necessarily supporting the school band, although it might be a great thing to do. What you're doing is you're supporting them. That's the power of that peer to peer ask; it helps organizations get their foot in the door, and then after they make that donation, then they're able to acquire them to do bigger and better things. It's that first way to make connection with potential constituents.

Dolph Goldenburg: Obviously, if you're looking for a 25 or 30 percent yes or response rate, then really the numbers game ends up being finding those volunteers who are willing to be peer to peer solicitors.

Otis Fulton: Absolutely. That's crucially important. You know, the whole success of the peer to peer is that the organization staff isn't doing the ask. They're recruiting people that are doing the ask on their behalf. And that's what makes it so powerful.

Dolph Goldenburg: How do you recruit the maximum number of volunteers that are doing the ask?

Otis Fulton: There's some science involved here. It turns out that one thing that'd be good to know is how many people are in an average person's social network? There's some work by an anthropologist named by Robin Dunbar in England. Tools like Twitter, LinkedIn use this very effectively. It turns out that there are about 150 people in the average person's social network. Now, that's an average. It can be as few as 100 for the most solitary of us, up to 200 for Bill Clinton, you know, uh, he, he may be 2000, who knows, but 150 is a pretty stable average. People come in and out of your social network. Let's say you, you recruiting 10 people to be team captains, you know, that means you've got about 1500 a possible connections into the community; you can use that kind of a number to then build out a plan to create a peer to peer fundraising campaign. If you, you know, what the average team raises how you want to raise, then you really have a way to figure out the goal in terms of how many people you've got to get involved.

Dolph Goldenburg: Assuming you've got 10 team captains that you've recruited, how are those team captains going to actually recruit the additional volunteers out of their 150-person network that will be doing the asks as well, asking their friends to give?

Otis Fulton: You don't want to do it by email. You want to show up in person because that reinforces this idea that *you're supporting me*. We did a little experiment a couple of years ago. We've been interested in trying out the peer to peer idea in politics. I am a Democrat, so we found a Republican candidate who was running for the state legislature seat. Good guy. In fact, I would tell people he's a good guy and makes the right decisions. We did a fundraising campaign for this candidate, and I turned out to be the highest a fundraiser for him. My little experiment was I reached out only to my democratic friends. Some of them thought that the campaign had

stolen my email, but I had to call people on the phone usually to say, “Hey, listen, this is somebody who's worth supporting.” Most of them had never given to a Republican candidate. Most of them didn't even live in the state, but I turned out to be his biggest fundraiser because people were supporting me

Dolph Goldenburg: When I talked to folks about fundraising, I say something similar. I almost always say in-person beats on the phone. On the phone beats United States Postal Service mail. USPS mail beats email. Personal email beats that mass email, you know, “Dear friend, I'm doing something very important. I hope you'll support me.”

Otis Fulton: Yes, it is. And your last two words: support me. That's really the key to peer to peer.

Dolph Goldenburg: When you're coaching team captains about how to approach the people in their network. What are some of the things that you recommend team captains do?

Otis Fulton: Team captains, just like in any area of fundraising, are going to be more successful when they connect the mission to the individual that they're speaking to. Maybe there's no connection, but there probably is some kind of a connection, even if it's tangential. Emphasizing what's common about the mission to that person's interest makes a big difference. It really is about supporting me, but there's also something that touches the individual as well. By the way, that's going to make it easier for the nonprofit down the road to engage with that person because now they're in the database of contacts and so forth. And so they can nurture that relationship, and it won't just be about supporting the peer. Now, it will be about supporting organization,

Dolph Goldenburg: One of the things that I've always also suggested to volunteer solicitors, if you're nervous about making the ask when you're face to face with your friend or your colleague say, “You know, I am really nervous about asking you for this, but I believe in this cause so much that I'm going to put myself in this really uncomfortable space and ask you to give, to volunteer whatever it might be.” I'm always very clear. I don't think anyone should do that unless they are genuinely nervous, but it's kind of human nature among our friend group, you know, that 150-person network. If we tell someone we're uncomfortable, they want to make us feel a little more comfortable unless they're a sadist, and how they do that is by saying ‘yes.’

Otis Fulton: There was some very interesting research that came out a couple of years ago that I talk about a lot. It's from the national usage, but anyway, what they did was they pulled about 100,000 people who had been giving to cultural organizations, but then it stopped; these were people that gave 250 to \$2,500 a year. They just asked them why they stopped, and the two top reasons were that they weren't thanked for a previous gift, and they weren't asked to donate again. The very last reason was that they were asked too much. People overestimate people's response to being asked... people are much more open to it than we think that they are.

Dolph Goldenburg: I also think that sometimes we're held back because we're afraid that we're as fundraisers because we're afraid that we're going to ask for too much. There's a story that

happened to me, and I kind of loved to tell the story whenever someone says, “Oh, can we really ask Otis for a gift of \$20,000?” And years ago, I was solicited by the High Museum of Art here in Atlanta. This is 20 plus years ago. They were doing a capital campaign, and at the time, I was a struggling young professional, but I was giving the high like \$500 a year, which a lot of money for me. That was the most I was going to give them, and I was doing it because I lived maybe two blocks from the museum, and I got great levels of access, you know, I got previewed tickets, I got to go to parties.

I was kind of doing it because it became like my entertainment expense for the year. Then when they decided to do this capital campaign, you know, somebody essentially, you know, listed everyone that gets 500 or more, and they assigned solicitors and someone who I barely knew took me to coffee and asked me to make a gift of like five or \$10,000. I remember being incredibly flattered that the person thought I could make a gift of five or \$10,000. I wasn't insulted; I wasn't outraged. Even though for that \$500 gift was a for me, I said, you know, \$5,000 a big stretch, but I'll tell you what, I'll do \$500, and then I'll do an additional \$250. I'll do my regular \$500 operating, and I'll do an additional \$250 towards the campaign. My takeaway from that was to say, you know, you can't ask for too much. People aren't insulted when you ask them for too much money.

Otis Fulton: That's absolutely not. And you know, people, you will also find you a betrayed there in that story, that *consistency bias*. People want to be consistent in their previous behaviors, and they want their attitudes to be consistent with their behavior. You would identify yourself as someone who was supportive of the arts. That's why you were called upon to make this donation when you have been donating before. It's very easy for you to justify doing further donations. It becomes part of your identity.

Dolph Goldenburg: I also agreed to do 50 percent more and honestly had they only sent me a letter, I probably would not have done that. There's this person sitting in front of me, and I did not want them to feel like they've wasted their time. They weren't successful, you know what I mean? It was all of that behavioral economics piece as well, that I wanted that person to walk away and say, “Okay, now at the 10,000 that I wanted, but I feel like I was successful.”

Otis Fulton: By having someone take the time to sit down with you, they were recognizing you. People are very, very finely tuned to recognition and they respond very powerfully. You found that very rewarding just to be put in that situation with the fundraiser, and you and you responded in kind.

Dolph Goldenburg: I know we're talking about peer to peer today, but I think that also probably applies to almost all areas of fundraising.

Otis, we're going to take a short break, and when we come back, we're going to have a conversation about the role of staff and peer to peer fundraising and also a little bit more about what team captains should be doing.

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Are you looking for someone to help you with peer to peer fundraising and maybe even putting together a peer to peer campaign? Fantastic, but you know what? I'm not your guy for that. Give Otis a call if you need help putting together a peer to peer campaign, but if your organization is ready to begin strategic planning, prepare for a leadership transition or needs board development, then give me a call. Just visit www.successfulnonprofits.com, and reach out. I currently have the bandwidth to take on a new project probably in April or May, so now's a good time to reach out.

Hey, welcome back, Otis. Can you share with our listeners the basic roles and responsibilities of team captains and a peer to peer fundraising campaign?

Otis Fulton: They're going to vary depending on the type stuff. You know, one thing that's very important is that you want your team captains to have a sense of autonomy, you know, if they're setting up the tents, don't tell them exactly where and how to set up the tents. Giving people tasks and letting them figure out how to do it sends a very important message to them, and it says, "I trust you." Being autonomous is really very important. There are campaigns where we set up the strategy for where we will make up tasks for team captains, just to give them some responsibility. It's not always that everything is mission critical. Sometimes just giving people responsibility and letting them go out and successfully accomplish these things which is really important to them.

Dolph Goldenburg: What does the role of **SWAG** play in motivating team captains and the people on their team?

Otis Fulton: SWAG is these small gifts are very effective. We call them recognition items. There ways to recognize folks for doing specific things. You've got to be careful about SWAG. You know, a lot of organizations think that the more SWAG that's out there, if I can hand out a bracelet to everybody that comes through the turnstile list at a football stadium, I've got 50,000 people that are one step away from writing a check. We know that that's not true. In fact, there have been studies that show that these token shows of support can sometimes inoculate people to make later-on donations and say 'yes' to further requests. SWAG is something that has to be used very carefully. People live in two different worlds. They live in a world of market exchanges, and they live in a world of social exchanges, and these worlds have different norms. Giving people swag that has a high value has known value and so forth, it suggests that people, that they're in a market relationship with your organization, that it's *transactional* and you want to keep them in a *social* relationship. People are in social relationships when he asked them, "Why do you do what you do?" They have. They typically say things like, well, it's just the right thing to do. Their behaviors consistent with their beliefs and so SWAG, and if it's too much can suggest to people that they're not in a social relationship, that you're trying to reward them with things, and you want to avoid that.

Dolph Goldenburg: Let's use an example of saying like, a walk-a-thon, where if you raise 100 bucks, you get a t-shirt. If you raised \$250, you get a cap and another threshold you get, you know, really nice a windbreaker or something like that. Are you saying that incentives like that can be counterproductive for the walk-a-thon?

Otis Fulton: I don't like to use the word incentive because it suggests that you're incenting incentivizing people with these things. These things can be very productive as long as they're all was branded. They should always have the name of the organization on him. They should be of modest value, and they should be otherwise unavailable, you know, it's not the kind of thing that you can get any other way than by participating in this walk or whatever you're doing. I've got kind of a little rule of thumb. Let's say you, you would invite your sister or your best friend over to help you clean out your garage on a Saturday after they're done. Would you say, Hey, thank you. Here's a \$35 Target gift card that's awkward. That's not the kind of relationship that you're in with them. Think about that when you're giving out your SWAG, if, if you wouldn't give it to your sister for helping you clean out the garage, rethink it. Give them something else.

Dolph Goldenburg: When you say have modest valued, what kind of monetary threshold are you thinking?

Otis Fulton: Four to six percent. It actually goes down as the people give more. We worked with a program that involved Racing Regattas. They have the dogs that they race, and the nonprofit was convinced that they had to have this expensive racing jacket or a certain brand of some kind as a thank you for participating and so forth and we were able to convince them that, you know, what they would really much rather have is a set of six styrofoam beer koozies that have the logo of the, of the nonprofit on it and say that there are [inaudible] for XYZ. So that when people visit them on their yacht, they can serve them drinks and it can talk about their experience supporting this organization. That's an example of much more modest swag being much more effective in recognizing people for their support of your organization.

Dolph Goldenburg: I think it's critically important is that the swag has to be exclusive.

Otis Fulton: I actually support some. I'm a big animal rights advocate, and I've noticed that on some of the websites of the organizations that I support a, you can buy their apparel and so forth with their brands and so on. The things that you gave that you were mentioning tee shirts and blazers and so forth, these are things that should be only available to people that are participating; they're recognizing a certain level of participation so that when people see these things, they know, "Oh gosh, there are a thousand dollars down or their team captain," these sorts of things.

Dolph Goldenburg: Here in Atlanta, our food bank and our food banks, the large organization probably has a 60, \$70,000,000 budget. They do an annual hunger walk, and each year they have a custom designed tee shirt for people who raise at a certain threshold, \$100, \$250, something like that. There are actually people that walk the hunger walk every year, more or less to get that tee shirt. Maybe they walked in the first two or three years because a friend asked them, but

after that, they are about raising enough money to get that 12 unique hunger walk tee shirt, which is different from their other 11 t-shirts.

Otis Fulton: They get a lot of attention. They're a great item to give away. Nobody walks 10 miles for a \$3 tee shirt.

Dolph Goldenburg: Amen.

Otis Fulton: They do. But, but not for the value of the shirt. It's what psychologists call insufficient justification. Anytime you give something to anybody, it should be insufficient justification for what they've done for the organization, and that's how you keep it out of that transactional relationship with them.

Dolph Goldenburg: I would also imagine that if you want it to be exclusive, if as the organization, if you've got an extra, say 100 t-shirts or 1,000 t-shirts, what you don't want to do then is just give them away willy nilly. Give them to the local homeless shelter or give them to volunteers who show up three weeks later.

Otis Fulton: Absolutely not. Your overstock doesn't get distributed to the community here. You're absolutely right. Those were exclusive items.

Dolph Goldenburg: I've got to ask this question because I know some listeners in their car are thinking this as well. Does that mean like if you're doing really custom swag for that year, or example, the 2018 Atlanta hunger walk, does that mean if you have an extra 500 tee shirts, you just destroy them or what do you do with them?

Otis Fulton: That's a great question. I can tell you that I wouldn't put them into the community. There are good ways to get those out of sight. There are people around the world that need things like that, that don't have to be distributed in the community.

Dolph Goldenburg: That is a really fair chance. I just had to ask it. Sorry. I was like, okay, so what are you doing it,

Otis Fulton: You know, that that isn't an interesting question. We ship things out of a warehouse here too, for our clients. We find we're pretty good at estimating based on their target, what they're expecting to raise and so forth. We're pretty good at estimating the quantities of things that they need like that. We're not shipping blenders. Listen, if the research said that shipping blenders and scooters would result in a bigger bottom line for the organization, we can get a bigger warehouse. Research doesn't tell us that. It says that these items that have modest value, are branded and are exclusive to doing these things are really what brings people back and is most motivating for them instead of incenting.

Dolph Goldenburg: Do organizations ever run out of the item, and how should they handle it?

Otis Fulton: That really doesn't happen in our experience a whole lot. If we do, we find that people are very accepting of getting into alternative items and so forth. There's usually something else that has the brand on it that they're very willing to accept. Frankly, getting that additional message says, "Hey, we recognize you. Thank you for doing this. We know that you're not in it for the tee shirt or the wristband and we ran out." Be frank and say, "Thanks to great fundraisers like you, we had an unprecedented demand this year. We'd like to send you this whatever." People are super happy to hear that.

Dolph Goldenburg: The other thing I really wanted to ask you about it and everyone in the nonprofit sector has sat in fundraising committee meetings and someone says, how can we have the next Ice Bucket Challenge or how can we have the next Relay for Life? And I know that you have spent a lot of time studying those types of peer to peer fundraising campaigns. And how would you answer that question for those committees?

If you're expecting to have the next ice bucket challenge, you're going to probably be disappointed. I spoke to challenge, although it had some elements of a peer to peer fundraising campaign. It was really different. You know, a peer to peer campaign has a limited number of people involved. You know, you've got your target number and so forth, and you've got a target, a fundraising goal. You build out your committees and so forth based on that goal. The ice bucket challenge was an open system. It was something that completely went viral. It was an unusual kind of convergence of an interesting behavior that led to a lot of fundraising. Now, you know, what it did tell us is a very, a very important principle that behavior leads to belief. If you can get people behaving in a certain way, then they are much more likely to support the organization.

Very few people are affected by ALS. I would say that very few people that were involved in the ice bucket challenge had ever heard of ALS and so forth, but they wound up donating total of over \$125 million dollars. So, you know, people observe their own behaviors and then infer their beliefs from that. That made the ALS Association, uh, a much more positive target is psychologists call it for these individuals that dumped ice water on their head. They were able to raise a lot more money off of that behavior.

Dolph Goldenburg: If you want next ice bucket challenge, you kind of have to be lucky because there's just a lot of luck involved in. What about some of the other ones like Relay for Life, so you know, if the committee says how do we build the next Relay for Life?

Otis Fulton: Relay was a program that we have turnkey had a lot of involvement within the early years, and they were very much a homegrown organization that relied on a lot of local chapters. They gave a lot of freedom to their chapters. Remember I talked earlier about people find that people really value autonomy; in the early days of Relay, they were much making their own signs and then one of the issues was as relay grew, the national leadership wanted to institutionalize all these things and standardize it all because that a great model. They raised a lot of money; a lot of the things that were happening at the local level were kind of downplayed. They said this is the way you're going to do at this is the model that we use, and that's really been to realize

detriment. So, you know, I think that the whole DIY movement that is becoming, you know, more significant. Now, in peer to peer having people figure out how they want to raise funds, I think that that's going to be something that's going to be much more important than the future. We know that there are reasons that people are very motivated to do that.

Dolph Goldenburg: Otis, we're starting to run out of time and before I let you go, I've got to ask you the Off-the-Map question. This is a question that has nothing or almost nothing to do with our topic today, but will help listeners get to know you a little bit better. Now, I understand that you were a D1 college basketball player.

Otis Fulton: I was back in the disco era. You probably have seen it in movies. Yes, yes. We were in leisure suits to our away games. That's how long ago it was.

Dolph Goldenburg: I want to ask you a question about your basketball journey. What is the single most important thing that you learned? And let me back up my assumption is if you played basketball at a D1 school, you're probably played basketball and elementary school and middle school and in high school. You probably had a basketball journey that was 18 or 20 years long. Over the course of that journey, what is the one big lesson that you learned?

Otis Fulton: Becoming an expert at anything. You know, the guys that you watch it at any D1 basketball game, they are basketball experts. The value of commitment to developing that kind of skill no matter what it's in, if it's in a coding, it's in computer coding, a bits in being a musician, if it's, you know, whatever have you, it just takes great determination and a great willingness to just put in the kinds of hours that you need to become an expert. Find something that you can stay with over a long period of time because it just takes that kind of commitment of that kind of time.

Dolph Goldenburg: I could not agree more. I don't play basketball. I'm like five foot two inches tall. I'd be the worst basketball player in the world if I tried to play it probably, but I could not agree more.

Otis, thank you so much for joining us today. You have provided such incredible information for our listeners, whether someone has done 20 peer to peer campaigns or is just contemplating their first, I would recommend that listeners have absolutely get your book *Dollar Dash* which they can get on Amazon and Barnes and Noble and probably by special order from the local bookstore. If they like the Bricks and Mortar, that's an option. Now they can also visit you online at www.Turnkey2p.com, and from there they can access free resources that you have. They can learn more about the services that www.Turnkey2p.com offers, and they can also reach out and contact you. I want to make sure that our listeners know if you're listening to a podcast, you probably like blogs as well and every Wednesday, Otis has a blog post on www.nonprofitpro.com. This podcast comes out on Tuesday. Now, you've got something to do on Wednesday. You can check out his blog post. It comes out every week.

Hey Otis, thank you so much for joining us today.

Otis Fulton: It's been a pleasure to be with you, Dolph. Thank you so much.

Are you standing in line at the grocery store and realize that you can't write down Otis has URL because you lost your pan in the pasta section? Don't despair, relax, flip through the tabloids and know that you can get all of this information from the show notes <http://www.successfulnonprofits.com/>. If you don't feel like perusing the tabloids, then get on your phone to rate and review the podcast. You'll feel good about joining the illustrious reviewers before you, and you still also will not lose your place in line at the grocery store. Now, if it's an especially long line, you have a couple extra seconds on your phone, you can also find and friend me on the social media of your choice. I am pretty easy to find. That is our show for this week. I hope you have gained some insight that will help your nonprofit thrive in a competitive environment.

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