

# Philanthropy Journal

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OF NORTH CAROLINA

## Challenge raises \$33 million for food banks, pantries

Direct-mail entrepreneur Alan Feinstein helps nonprofits throughout U.S. raise money.

By MICHAEL R. HOBBS

The tally is in. An unusual challenge issued by a Rhode Island philanthropist prompted food banks, soup kitchens and food pantries throughout the U.S. to raise a total of \$32.9 million.

A foundation established by former newsletter publisher Alan Shawn Feinstein will be sending out checks this month to disburse \$1 million pledged as a challenge to the groups.

Splitting Feinstein's \$1 million will be 3,575 food banks and soup kitchens and pantries that responded to the challenge. Feinstein's donation will be split equally among the participating groups, meaning each will receive a check for approximately \$279, said Kerry Park,



Feinstein

a publicist for Feinstein. The checks will be mailed by mid-April, the foundation said.

Kathy Super, director of development for Second Harvest, a Chicago-based network of food banks, said the results of Feinstein's challenge were wonderful.

She said the most important development stemming from the challenge was the realization that food banks and soup kitchens could effectively raise money in February, a time of year not considered to be a good time to raise money for such groups.

"What this shows them is that donors respond at any time of year,"

she said. "I hope they go out again next year, whether or not they have a challenge."

Feinstein, 66, made millions in newsletter publishing and through the sale of collectibles advertised in his newsletters. He closed his business two years ago to devote himself to his philanthropy, which has made him a celebrity in Rhode Island. He regularly appears and schools and soup kitchens to give away money.

He estimates he has given away more than \$50 million, including the money used to establish the Feinstein Foundation.

Feinstein's challenge included a

provision that charities send him copies of donors' checks. Although it wasn't mentioned in his announcement of the challenge, Feinstein did allow groups to black out the names and addresses of the donors.

Feinstein said he may send other fundraising material to the people who made donations in response to his challenge. He told the *Philanthropy Journal* the list of names and addresses never would be used for commercial purposes and would not be given to anyone else.

## Serious funny money Scrip offers major fundraising tool

The selling of the retail certificates has become a major fundraising tool for many grassroots organizations.

By JOAN ALFORD

More and more schools and churches are finding they can raise real cash by selling less-than-real money.

What they're selling is scrip — a currency that's akin to gift certificates. When scrip is sold, a portion of the proceeds goes to the organization.

Looking for a way to help her daughter's school raise money, Jan Raymond of Manchester, N.H., convinced school administrators in 1995 to begin a scrip-selling program.

"After introducing the idea at a parents' meeting, we began selling scrip and made \$15,000 the first year," she says. "There was no turn-

ing back."

Raymond now runs FundIt, one of a handful of firms throughout the U.S. that supply scrip to schools, churches, scout troupes and other grassroots groups.

The companies make scrip arrangements with grocery store and restaurant chains and other major retailers. The scrip compa-

nies make their money by getting a percentage of the value of the scrip.

Big business The selling of scrip has become big business.

An estimate recently published by the *Los Angeles Times* pegged the scrip industry at \$600 million to \$1 billion a year.

National Scrip Center, which also

### Tips for Selling the Idea of Scrip

- Get support from your organization's administrators before making the decision and commitment to sell scrip.

- Develop a good team of volunteers. The number you need depends on the size of your organization and your planning skills.

- Choose a nonholiday time of the year to start your program.

- Do the best job possible in publicizing the initial meeting describing the program. If you use a PTA forum, ask the school to allow you to speak near the beginning of the meeting so your audience will be fresh and alert.

- Use graphs and charts to show what percentage of scrip will go to your charity and what will return to the retailer and/or

scrip service.

- Earmark funds for smaller, more easily attainable items when you begin. You might choose a piece of playground equipment or a printer for a computer lab. Once that goal is reached, your organization will be encouraged to go for higher-ticket items.

grew out of the fundraising efforts of a mother trying to raise money for her child's school, is the nation's largest scrip supplier, with \$241 million in revenue last year.

Scrip Plus, which was No. 4 on Inc. magazine's 1997 list of "Top 500 Fastest-Growing Private

Look for SCRIP, page 13

## Blue Cross panel preparing to write its proposal

By MICHAEL R. HOBBS

A commission studying what rules should be established for the possible conversion to for-profit status of Blue Cross and Blue Shield of North Carolina is nearing the point at which it begins putting together its proposal.

The commission needs to shoot for completion of its work in April to be ready for the convening of the legislature in May.

The commission needs to decide what form its report will take. The panel includes members of the conference committee appointed by House and Senate leaders to negotiate differences between the two versions of a Blue Cross bill that passed both houses last year. As a result, the group has the option of issuing a report that cannot be amended when it comes up for votes in both cham-

Look for BLUE CROSS, page 11

## Rising risk Investment trends, strategies grow more sophisticated

While the bull market carries philanthropic endowments to new heights, trustees, managers and staffs are confronted with new challenges. Should they stick with the conservative investment policies of the past or expand their risk to achieve a higher return?

By SEAN BAILEY

Observers agree nonprofits and foundations are getting smarter and more sophisticated about how they

invest and manage the growing pot of assets given to them to support their charitable purposes.

In the past, charitable investments were extremely conservative. Managers purchased bonds that paid fixed rates of interest, and it was easy to plan for future cash flow and the needs of the institution entrusted with the charitable money.

But the financial and economic landscape has changed dramatically in the last 15 years. The economy has exploded, producing new wealth and new philanthropy. High interest rates

### MONEY MANAGEMENT

of the early 1980s have disappeared. And the stock market continues to reach record highs.

It's a financial environment few experts have known before. And it has created a variety of complex challenges for those people entrusted with overseeing the growth of large gifts that philanthropists expect to be managed safely and wisely.

High returns mean more money to carry out an organization's

charitable purpose, be it to give money to nonprofits or spend money fulfilling a nonprofit's mission. The primary change has been in the area of "fixed assets."

Relatively safe bonds that guarantee a fixed rate of return are clearly less popular. Although they are safe because they put the power of compound interest behind a nonprofit's or foundation's investment, the total return on such bonds cannot compare favorably to the stock market, or other investment areas.

"If you look at the decade of the

90's, there's been a major shift in the reduction of fixed assets," says Wayne Coon, chief financial offi-

Look for ALLOCATION, page 7

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**INSIDE**

Grants & Gifts .....15  
 In April .....15  
 Opinion .....10  
 People.....16  
 Professional Services..17

**NONPROFITS**

**Poe options**  
 A health education group ponders its future following a two-year planning process.  
 ■ Page 4

**FOUNDATIONS**

**Anti-gun grants**  
 A foundation commits \$30 million to reduce handgun violence.  
 ■ Page 6

**VOLUNTEERS**

**Paid volunteering**  
 Corporations find employee volunteers help company, community.  
 ■ Page 8

**CORPORATE GIVING**

**Checkout fundraising**  
 Unusual Procter & Gamble coupon fundraiser supports Special Olympics.  
 ■ Page 12

**FUNDRAISING**

**Giving rises**  
 United Way results show contributions rose again in 1997.  
 ■ Page 14