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Charity contests let you pick winning nonprofits



Elizabeth Flores, Star Tribune

Melissa Keller talked about how her family members are joining the Internet voting on the current Sam's Club charity drive, Giving Made Simple, which will divide \$4 million among nonprofits. She's the store manager in St. Louis Park.

Companies put up the money, then allow the public to vote on where their donations should go.

By **JEAN HOPFENSBERGER**, Star Tribune

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Frank Altman isn't a particularly anxious guy. But the Minneapolis nonprofit he runs could

suddenly be \$1 million richer next week, if it rallies enough votes in a new online philanthropy experiment launched by Sam's Club.

The experiment invites every employee and member to vote on how to divvy up \$4 million in charity donations. Altman's Community Reinvestment Fund is one of eight national charities they can vote for. It's a tense weekend; the deadline is Sunday.

The voting is part of a new trend taking off in philanthropy: Contests that invite workers and the public to choose charities instead of executives in corporate conference rooms.

"It's a lot like an election," said Altman, whose staff has blitzed its contact lists on Facebook, LinkedIn and Twitter, reminding them that Sunday is the last day to vote.

"You start talking to total strangers. I was flying back from Los Angeles last night and I was literally recruiting people on the plane," he said, laughing.

Susan Koehler, spokesperson for Sam's Club, said the voting also is good business.

"These types of events have become wildly popular," she said. "And we, of course, are

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always interested in building [customer] loyalty."

More than 80 percent of Americans prefer to donate money based on recommendations of peers, according to recent national survey by Convio, a Texas provider of research and software to the nation's largest 1,300 nonprofits. The charity contests let the sponsor be that "peer."

Likewise, the contests tap the soaring number of Americans who prefer to donate online. Online donations to Convio's nonprofit groups, for example, jumped from \$402 million in 2007 to \$436 million the first quarter of 2010 alone.

Contests in Minnesota

The contests are taking off across the country, and Minnesotans often are beneficiaries.

Thrivent Financial for Lutherans in Minneapolis began a new program last month that lets its 350,000 national members vote on how to spend up to \$2 million. Members can choose among 10 national charities, including Feed My Starving Children, based in Coon Rapids. The money will be distributed based on the percentage of votes received.

"Our members said they wanted something more direct, that was easy and convenient," said Allison Ratwick, project manager. "And they wanted to give to an organization that had meaning in their life."

Meanwhile, Target started its first Facebook giving contest last spring, donating \$3 million to national charities picked by 167,000 voters. It followed with a \$1 million Facebook campaign in February. Likewise, when the GiveMN online giving website was launched by the Minnesota Foundation last fall, charities that got the most votes won bonus money.

How it works

Last year, Sam's Club vetted a variety of national charities promoting education and entrepreneurship, selecting the Community Reinvestment Fund as a finalist.

For the relatively low-key nonprofit, it has been a whirlwind four weeks. To attract votes and crank up its public profile, it overhauled its modest Facebook page, added a Twitter account and a blog, and started sending out e-mails like mad. Staff members tapped their inner extrovert to begin schmoozing with long-lost friends.

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"It's an adrenaline rush," Altman said. "It's created a new channel of awareness of what we do, that we could never do on our own."

Since April 10, Sam's Club members have been able to vote once a day. The winner takes home \$1 million. The second-highest vote getter lands \$500,000. All others take home \$250,000.

Jim Welna, who owns Welna II Hardware in Minneapolis, is among the thousands of people fascinated by the contest. Every night before bed, he heads to his computer, types in www.samsclub.com/giving, and casts his vote for the Community Reinvestment Fund. The fund helped his brother's hardware store about six months ago, he said. Now Welna wants to help them.

"This is a lot of money that can come back to our community and help businesses and homeowners," he said.

Strategic philanthropy

The trend is an extension of the charity "matching grants" that companies started using in the 1960s, said Dwight Burlingame, the associate director at the Center on Philanthropy at Indiana University.

It also reflects the "strategic philanthropy" trend, said Burlingame, meaning "Where can we do more good, and help ourselves at the same time?" Voting online allows the sponsor to gather information on the donor.

But some charity leaders say the process can lock out organizations that don't meet a company's "strategic needs." They also wonder how charities are selected, and what guarantees that the winner actually "wins."

Then there's the practical matter of luring voters to the Internet. For younger, more affluent voters, it's a no-brainer. But both Sam's Club and Thrivent also allow off-line voting. Thrivent inserted a voting postcard in its membership magazine. Sam's Club held in-store voting events April 10.

That event generated most of the 116,000 votes so far cast, Koehler said. Members had complained that registering on the Sam's Club website, which was necessary to vote, was too complicated, she said.

"We're learning a lot about what we can do in the future," she said.

A visit to Sam's Club in St. Louis Park this week illustrated the hurdle the company

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must leap. Of about 20 shoppers approached, not one reported voting.

But Melissa Keller, store manager, was making up for them. She has voted every day.

"You never know who it will come down to," she said. "Nonprofits have suffered since the economy got worse. I like this because everyone walks away a winner."

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