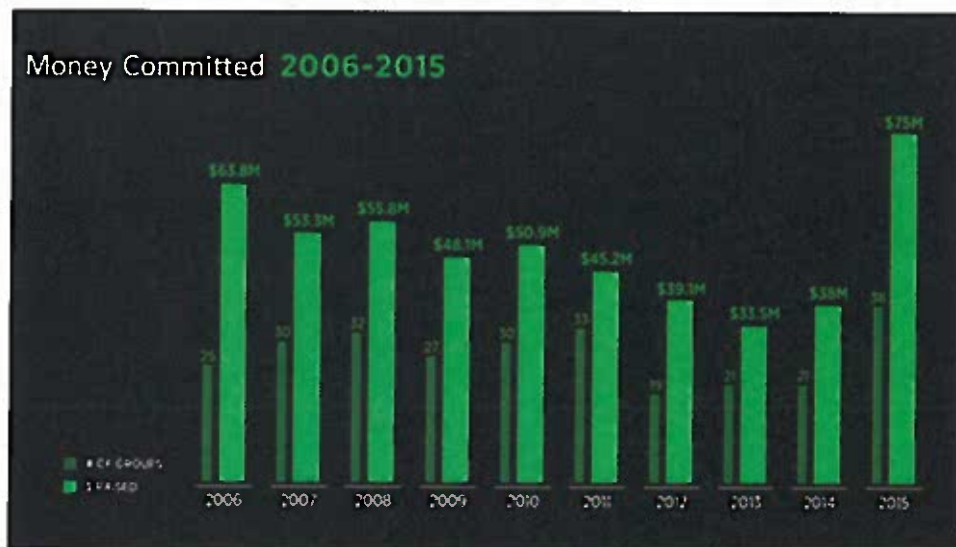


Growing Resources for the Progressive Movement
Gara LaMarche
April 11, 2016

I thought it would be good to take a few moments here to get a conversation started about how we increase the resources we need for the progressive movement. Thanks to Alida Messinger, you all have copies of Jane Mayer's new book, Dark Money, which tells the story of what we are up against, financially and strategically.

We have always been outgunned by the right in elections and infrastructure. The research that Rob Stein did to document that is what gave birth to the Democracy Alliance. Over the years, we've tried to identify gaps in the landscape and help to fill them, and some of the results can be seen in the strong and effective organizations in the DA portfolio, like CAP, Catalist and the American Constitution Society, which would not be where they are today without steady support from DA Partners - not to mention the fact of the Partnership itself, and the community that has been created here.

Over the years, we have tracked what DA Partners have committed to organizations in our core portfolio, and this slide shows that from 2005 through last year. Allowing for variations over time in the groups we recommend and the size of the Partnership, last year we were able to document more Partner support for core groups than ever before.



We should be proud of that, and hope to make a good start on exceeding that total this year when we have our "intentions" session late tomorrow afternoon. But I think everyone in this room agrees we need to do more - particularly because of the threat we face in the states and the consistent underfunding of core infrastructure in communities of color, women and millennials.

Part of the answer to that is continuing to recruit more Partners, and with the help of the Membership Committee now led by Keith Mestrich, and the team led by Senior Vice President Robin McQueen, we are off to a great start meeting our goal of at least fifteen new Partners this year, with eight already committed in the first quarter of 2016. We need the help of every Partner to keep on this path, because it makes us a stronger community better able to deliver for key organizations and campaigns.

Part of it is to expand our fundraising beyond the growing Partnership to donors who haven't yet joined, or may never join the DA. Most of the other organizations you and I are involved with, if they ask a major donor for a big gift - say, \$200,000 - and they say they can't make such a large contribution, would happily take \$100,000 or \$50,000 and keep trying. For most of our history, the DA's relationship with people we try to recruit has been binary - if they won't or can't join - we stop talking with them, and we certainly don't include them in our events. But many of these folks would be prime prospects for support of DA-recommended organizations or funds, and in the last few months I've been involved in raising six-figure gifts for the Inclusive Economy Fund from non-DA Partners. I believe, and have begun to discuss with the DA board and some Partners, that if we make an investment in the capacity to research and approach a wider range of donors, it will pay off in a stronger progressive movement, which is what we are all here for.

Both recruitment and stepped-up fundraising from non-DA Partners would be greatly aided by experiments with stronger regional presence for DA in key cities around the country. In the past few months we've done several salons and receptions hosted by DA Partners - at the homes of Tom Steyer and Kat Taylor in San Francisco and Marcy Carsey in LA, and Shelley and Donald Rubin's gallery in New York. These were also great events in bringing together and strengthening the current DA community as well.

And I believe we have to explore as many innovations as we can that will diversify the revenue sources for the progressive movement. Last year at our conference in San Francisco, Rob Stein encouraged us to think about how we can find ways to help "nourish and grow a large, sustainable base of small and medium-sized donors contributing annually to the progressive cause".

Last August, we met with about a dozen respected progressive fundraisers who specialize in small and medium donor prospecting, direct mail, on-line, canvassing, and building benefits-based membership organizations. The group agreed that progressive organizations need, more than ever, to optimize small and medium donor fundraising and that recent developments with various fundraising techniques suggest that a new era of experimentation and creative innovation is at hand.

Over the past six months, we have also facilitated two conversations about small and medium donor innovation. One involves how best to encourage development of an on-line sustainable, universal progressive payment processing platform for frictionless payment that would produce greater income, enable valuable data analytics, and over time, as on-line contributions to progressive organizations continues to grow, contribute to the building of a large, scalable small/medium donor contributor base. Exploration of this idea has included Keith Mestrich, Laura Quinn, an adviser to Donald Sussman, Paul Egerman, Rob Stein and me.

The other idea is a Multiplier Fund - an innovation fund to provide multi-stage investment for small and medium donor prospecting, retention and upgrading projects. A professionally managed center of excellence can innovate and experiment with progressive small and medium donor fundraising, discover and spread best practices that result in millions of annual donors to progressive causes. This idea is being pursued by a small group of thought leaders - Phil Radford, Peter Murray, Roger Craver (a legendary direct mail and on-line fundraising consultant), Kathryn Greenberg and Rob Stein. They are in early conversations with several foundations about advancing this idea to a next level of development.

You should also know about MyChange, another opportunity to aggregate progressive small and medium contributions that has just been launched. It is the brainchild of Eli Yong Lee, who many of us know, and several of his colleagues. The core concept is that anyone who uses their application - called "MyChange" - authorizes that any transactions on their designated credit card will be "rounded up" to the nearest dollar, and that once a month, these cumulative "round ups" will be contributed to a progressive organization. Over time, they hope that millions of progressives will authorize their credit card company to charge this "spare change" and that tens or hundreds of millions will be contributed to progressive organizations.

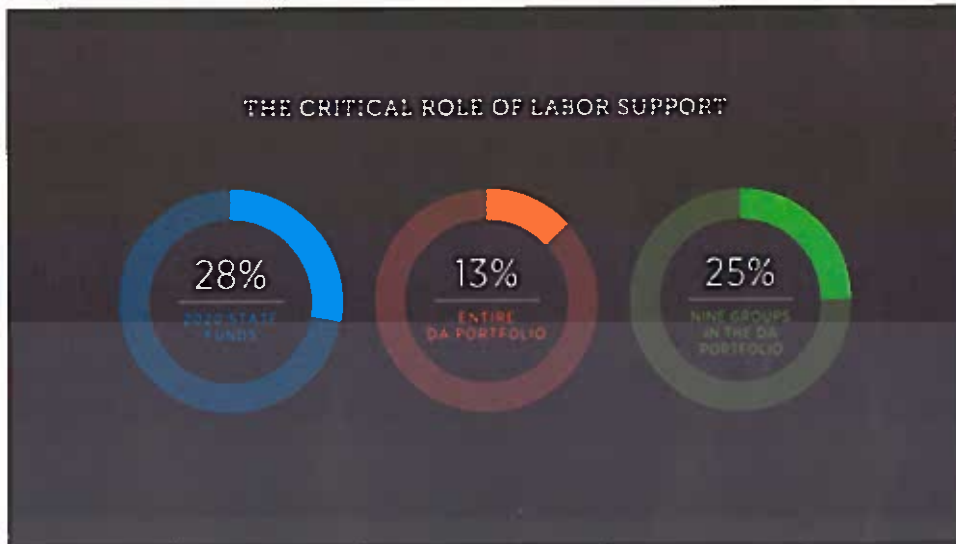
Please let Julie, Robin, me or Rob Stein know if any of these ideas are of interest and we will be sure to keep you informed and include you in conversations to develop them.

While these explorations and new initiatives won't produce significant new sources of funding for three to five or more years, if we don't work now to experiment or innovate in these realms, we will forego critical sources of funding for the future.

Finally, while all the emphasis here has been on growth, it is ever more urgent because not all the resources we currently bring to bear are secure. Our labor allies, due to the split court brought about by the death of Justice Scalia, dodged a bullet in the Friedrichs case this spring, but they were all making contingency plans for the significant hits to their budgets that a

defeat would have entailed. Whether that defeat is put off for a year or for many years, we would be foolhardy to assume that we will always have the labor resources that have been such a significant engine for progressive politics and organizations. Make no mistake about it, labor is a key anchor of funding for progressive campaigns and causes. The right has always understood this better than we have, which is why going after labor is always at the top of their agenda when they achieve power.

Just to give you a picture of this, I asked the staff to run some numbers and here is the percentage of labor support for the groups in the DA portfolio. Last year, labor support accounted for 13% of the funds going to DA-supported groups, and 28% of the 2020 Vision State Funds. Nine of the 30 portfolio groups receive at least 25% of their support from labor. Think about the impact if - or when - that is significantly diminished.



We've spent a lot of time in these Partner Forums in the last year or two trying to get our Vision in place, and our strategies right, and I feel good about the progress we have made. We've also steadily increased resources for the movement through Partnership growth and marshaling. But in my view the most important challenge we face now is to turbocharge our fundraising through investment and innovation. I plan to devote much of my time and energy to that in the next few years, and I want to draw on the brainpower, experience and energy of the people in this room - as well as your wallets - in that effort.