Focus Gets Results

Fundraising, Policy, and People
INTRODUCTION

The Foundation for Government Accountability (FGA) is a Florida-based public policy think tank focused exclusively on health and welfare reform across the United States. Its mission is “to strengthen communities and improve the lives of individuals and families by equipping policymakers with principled strategies to replace failed health and welfare programs nationwide.”

The FGA’s founder, Tarren Bragdon, is a former Maine state legislator, first elected at 21 years of age, one of the youngest ever in the state. Prior to founding the FGA in 2011, he led the Maine Heritage Policy Center as its chief executive officer for four years. In that capacity, he was awarded the prestigious Thomas Roe Award in September 2010 by the State Policy Network. The award “pays tribute to those in the state public policy movement whose achievements have greatly advanced the free market philosophy.” Former winners have included John Tillman of the Illinois Policy Institute, Joe Lehman of the Mackinac Center for Public Policy, and Jeff Coors of Golden Technologies Company.

In 2011, Bragdon founded the FGA with $50,000 in seed money. The organization grew quickly in size, revenue, and national impact, and by 2015 the FGA’s annual budget had grown to $4 million.

“Lifting Americans out of poverty and helping them return to the dignity of independence is our main priority,” Bragdon said. In 2015, its impact included policy wins across 22 states, with 2.7 million people leaving welfare subsidies at a projected taxpayer savings of $56 billion over the next 10 years. The FGA anticipates further successes in 2016, with commitments from sponsors of policy initiatives in 32 states that would move an additional 4.3 million people off welfare, resulting in $102 billion in taxpayer savings over the next decade.

Jonathan Bechtle, former CEO of the Freedom Foundation, a state-based think tank in Olympia, Wash., serves as the chief operating officer and general counsel for the FGA. The team of 15 staff are organized into policy, communications and outreach, advancement, and operations departments. In addition to its staff, the FGA has contracts with 25 state-based liaisons and contractors.

1 More information can be found at: TheFGA.org
2 See: spn.org/about/page/the-roe-awards
After starting as a more traditional state-based think tank that focused on many issues within a single state (Florida), the FGA quickly decided to pivot its business model to focus on only a couple of issues in many states. The organization narrowed its policy focus to two interrelated issues: welfare and health care reform. Its team determined that they would become experts in these areas, with solutions ready to address the two subjects on both a national and a state-by-state basis. They researched existing solutions and innovative practices that could be replicated in other states to create immediate impact.

WELFARE REFORM

The FGA is clear about its vision for improvement. “Welfare programs are trapping our fellow citizens in poverty and dependence,” the organization explains. “A new round of reform is needed.” By leveraging its research into existing solutions and identifying a clear path forward for legislators, the FGA could make a compelling case for reform. The organization has received the most attention with its effort to stop Medicaid expansion. During four years of work on this issue, the FGA helped keep 19 states from expanding Medicaid, saving billions of taxpayer dollars — a projected $372 billion by 2022.

With its success in defeating welfare expansions on this defensive front, the FGA pivoted again in 2014 to expand a proactive strategy of pushing policy solutions that reduce the welfare state and government control.

Welfare reform provisions adopted during the Clinton administration in 1996 required able-bodied adults without dependents to work at least part-time in order to be eligible for food stamps, the FGA noted. However, these work requirements had since been relaxed across 42 states in order to allow indefinite participation in the food stamp program, regardless of employment status. Food stamp participation quickly rose from 16.7 million individuals in 2000 to more than 48 million in 2013, and spending on food stamp programs rose from $17 billion to nearly $80 billion. Work helps people escape the poverty trap of welfare, so the FGA began working with states in order to reinstate work requirements to their food stamp programs, add income eligibility caps, include asset testing of beneficiaries,
and reduce fraudulent use of food stamp benefits.

Kansas, for example, reinstated work requirements and restricted use of food stamps at places such as casinos and strip clubs, thereafter seeing 20,000 people leave the ranks of welfare recipients. Those individuals saw their incomes rise 127 percent on average. Nine other states are now looking to follow the Kansas model.

The FGA is also working to fight fraud across all welfare programs. Its solutions include using technology to verify eligibility for welfare programs, monitor welfare enrollees for continued eligibility, and prosecute fraudulent use of benefits. Its Stop the Scam program “saves Illinois taxpayers an estimated $350 million annually and saved Pennsylvania taxpayers more than $300 million in its first year,” the FGA reported.³

³ For more information on this program, see: thefga.org/solutions/welfare-reform/stop-fraud/
HEALTH CARE REFORM

In health care reform, the FGA seeks to reduce health care costs by enacting a “right to shop.” This would provide increased transparency in medical costs and estimates, create incentives for patients to comparison shop between insurers, and enable patients to shop outside of provider care networks in order to decrease costs. The FGA also advocates expanding access to health care services by providing incentives for doctors to volunteer their services, through continuing education credits and protection from malpractice suits under “Good Samaritan” laws. In Florida, for example, these kinds of volunteer programs provided nearly $300 million in free health care goods and services to the indigent in nearly 470,000 free medical visits in 2014 alone.

LAUNCHING A NEW ORGANIZATION

During its rapid growth from new idea to a robust organization with national impact, the FGA relied on several factors for success. These include clarity of focus, a culture of excellence, and the talent to make it happen.

CLARITY OF FOCUS

Bragdon pointed out that one challenge in the think tank movement is having a precise focus. “The secret to our success is our laser focus on health care and welfare,” he said. Too often, think tanks fall to the temptation to become commentators on every issue, which can result in substantial media exposure that covers only a little about a lot of issues. “The world does not need more talking heads,” Bragdon continued. “The world needs talented folks with expertise and solutions to fix the economic and policy problems we have. That’s the role think tanks could occupy if they were willing to narrow their focus.” Think tanks are often afraid that if they pare down the issues they address, they might lose visibility and perceived power across a range of issues. Bragdon believes that think tanks instead gain credibility through their focus. The FGA’s model turns the standard think tank approach upside down, enabling it to bring its focused expertise to a much larger geographical area.

Bragdon’s advice to think tanks everywhere is to select one or two key issues and to invest organizational time, resources, and expertise heavily into that issue. This allows think tanks to set the agenda rather than responding or reacting to someone else’s agenda. “Stay out of the little fights that distract,” he added. “Either be heavily into the issues, or don’t be there at all.”

CULTURE OF EXCELLENCE

When the FGA began as a small start-up, it initially had concerns about the
difficulties of starting from scratch. It has since discovered the tremendous and often overlooked advantages that result from creating a new organization. Entering an existing organization entails inheriting what has already been built, along with historical processes and practices that may no longer be applicable. Building a brand-new organization, however, enables an entirely new culture, focus, set of working conditions, and measurement of success. As the leader of a new organization, Bragdon discovered that being able to make his own mistakes was an asset, contrasted with the liability of having to deal with someone else’s mistakes from the past. He had the opportunity to create from the beginning a culture of excellence, and found that creating that new culture is easier than changing an existing organizational culture. For new organizations, this can be an important advantage.

Bragdon focuses on team awareness, to ensure that each person on staff understands what the organization is trying to accomplish and what every other person’s roles and expectations are in reaching the FGA’s targets. Using the business tools outlined in the book Traction, the staff defined and wrote down clear goals for the organization, including goals for policy, revenue, and internal infrastructure. They then broke those goals down into a few specific actions that each person on staff needs to accomplish per quarter. Every Monday morning, the staff participates in a 20-minute conference call, covering what happened during the previous week and what is coming up in relation to each staff member’s identified quarterly actions. These calls are tightly focused on the specific actions and outcomes that they are measuring.

The measurements of success that drive the FGA are based on outcomes. “Goals are what we win, not what we fight,” Bragdon said. “We only give ourselves credit for winning.” Media hits, for instance, are not an organizational goal, but rather a piece of the larger process that should help achieve policy wins. Those wins are the goals that the organization is focused on, and their transparent written nature enhances the coordination and communication among staff. Everyone understands that the better each person does in their specific areas, the more their efforts help achieve goals in other areas.

**ATTRACTING AND RETAINING TALENT**

A key to the FGA’s success is “getting great talent,” Bragdon explained. “Many times in the think tank culture, certainly in the United States and maybe even

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in other countries, we have a poverty mindset. We want to do amazing work but we want to do it with below-market wages.”

His answer is to recruit and retain a talented workforce with above-market wages, then give the staff independence and ownership over their work. This one decision, made within the first 18 to 24 months of starting up the FGA, has been “transformative.” Bragdon found that his donors were willing to support paying more for higher-quality staff once he explained the results he was able to achieve with them. “I’d rather have one highly talented person than four B-level staff members,” he said.

The FGA also is careful about staffing costs as a percentage of the total budget. It has been thoughtful about limiting in-house payroll expenditures to 40 percent of the budget, with another 30 percent available for contractors. The outcome is that 60 percent of the budget is available to leverage support and magnify the 40 percent allocated for in-house talent.

This thoughtful balance in the budget, using a contract or vendor model as a vital piece of the staffing model, allows the FGA to be nimble as needs change. With staffing taking up less than half of the total budget, the organization has money available to seize opportunities as they arise, something that would not always be possible with a more traditional budget restricted by high payroll costs. The organization also faces less institutional risk this way, being able to weather all but a catastrophic fundraising hit before payroll is affected. For hiring and retaining staff, this provides a sense of comfort that financial storms won’t immediately result in layoffs.

The FGA recruits staff from both inside and outside the liberty movement, always looking for strong talent. Because they pay well, create a rewarding work environment, and allow employees to live anywhere and connect virtually to the organization, they are able to find and keep the highly talented staff that they seek. “When you hire motivated and talented people, and treat them like independent adults, they do amazing things,” Bradon said. “This is simply putting free-market principles to work: when people are given opportunities, they exceed expectations.”
FUNDRAISING

The way in which the FGA has approached fundraising has made this a key strength of the organization.

FUNDRAISING AND ORGANIZATIONAL DEVELOPMENT

The nature of fundraising challenges change depending on an organization’s stage of development. Bragdon identified three distinct phases in organizational development that alter fundraising approaches.

1. **Startup mode:** When an organization is in startup mode, the challenge is to raise funds before the organization has demonstrated results. During this stage of development, potential donors aren’t investing in your idea as much as they are investing in the leader. “If I had understood this initially, the approach I took with potential donors would have been different,” Bragdon said. “I spent too much time talking about issues and our plans rather than building rapport and trust with the donor. During the startup phase of the organization, fundraising is all about asking people to take a risk on you, your track record and credibility. In the startup phase, that’s all you have.”

   The approach during this phase should center on the successes that the new organization’s leadership has had in other areas. This will demonstrate to potential donors why they can have confidence that investing in this organization is a good way to make an impact. There are donors who are quite open to this kind of approach. One donor told Bragdon, “Don’t tell me what you’re going to do, because that will inevitably change and adapt; I am investing in you and your team to do what it takes to get there.”

2. **Proof of concept:** Although donors are investing in a leader during that first stage, the next stage of donors will invest in a proof of concept. At this point, the think tank must be able to demonstrate the feasibility, at least in part, of the methods through which it expects to make an impact. This is the point at which results look promising, even though the real impact of the organization has not yet been shown. This stage requires a different kind of pitch, which often means reaching out to a different kind of donor. Again, there are donors who appreciate the opportunity to invest in taking the proof of concept to fruition.

3. **Track record:** In this third phase of think tank development, the organization has a track record and demonstrable impact. Donors at this phase are investing in a known quantity. Fundraising is a more straightforward exercise at
this point, because the donors have clear expectations about what the organization will accomplish with their support.

While progressing through these stages, the think tank should attempt to bring donors along through that journey. However, think tank leadership should not be surprised if some donors change their support along the way. “Some people only invest in one of the phases, perhaps because they only invest in startups or in a proof of concept,” Bragdon explained. “Early on we thought we had done something wrong if someone stopped funding us. Understanding your donors will help you see which ones have a ‘sweet spot’ where they like to make a difference.”

SCRIPTING PITCHES

The FGA found that it has had success in taking the time to think through and prepare a formal scripted pitch as it appeals to donors. The organization’s focus on doing only a couple of things well means that its approach to donors also has to be tightly focused. Before founding the FGA, Bragdon said, he used to fundraise by sitting with potential donors, getting to know what interests them, finding some area of common ground between their interests and the work of the think tank, and then asking for (and receiving) a small donation. Today, the FGA is focused on a smaller number of donors who each provide significant support, because the work of the FGA exactly aligns with their interests.

Fundraising for the FGA begins with a sincere respect for donors and their time. The team knows that donors, be they foundations or individuals, constantly receive requests for funding. The challenge is to stand out from the crowd of appeals and demonstrate why your particular organization needs their support. The FGA works to ensure that its pitches are memorable, clever, different, and above all interesting — or “sticky,” as the team says. Preparation for a five- to seven-minute pitch may take days, because the FGA carefully scripts and

“Foundations and donors love our carefully scripted pitches. It gives you credibility that you are going to put the time and effort into why they are giving you the money.”

TARRENN BRAGDON, CEO
tests each moment of the pitch, finding elements to enhance it such as a video clip, an unusual twist, or even paper dolls for one pitch. At least one hour of preparation is conducted for each minute of talking. “Foundations and donors love it, and it shows them respect,” Bragdon said. “It gives you credibility that you are going to put the time and effort into why they are giving you the money.”

Because the pitches are scripted, they are shared with all staff. During professional development meetings, the staff internally hears, analyzes, tears down and builds up the scripted pitches to ensure high quality standards. This approach builds synergy between the policy side and the development side, allowing all staff to know how the organization is being presented to donors. “Internal marketing and communications are almost as important as what we do externally, though as a field we don’t think about it as much,” Bragdon said. This approach bore unexpected fruit recently when a policymaker had difficulty understanding the reasons for a particular FGA policy endorsement. The staff member participating in that conversation, who was not a fundraiser, shared the organization’s fundraising pitch as an explanation and was able to move the policy forward.
KEY INSIGHTS

The FGA has gone from startup to significant impact in a brief span of time. Its model demonstrates the importance of focus on what matters most.

ON FOCUS
Focus makes a difference. The strategies used by the FGA would be difficult if the organization were trying to do many different things. Bragdon points out that by focusing its attention on a couple of important policy topics, it can ensure that both its internal and external communications are clear, and “everyone can understand that this is how we do it and how we talk about it.”

ON QUALITY
The FGA insists not only on being good at what it does, but also on being great. The team recognizes that this takes a great deal of time and attention. In all areas, including policy and fundraising, the organization pushes staff toward excellence — investing the time and resources to make that possible.

ON PITCHING
The FGA begins fundraising with a clear focus on what it will do, how it will do that, what it will accomplish, and how it will be measured. It then crafts a unique, memorable, and concise pitch, revising and practicing until the pitch is perfect. It approaches the prospective donor with respect, building a transparent, clear, and accountable relationship with them.

ON CRITICISM
On Nov. 18, 2013, Rachel Maddow of MSNBC devoted a segment of her program to criticizing the FGA for its work around the country. “If you’re doing something important, you’ll get attacked,” Bragdon said of Maddow’s criticism. “This is better validation than positive praise. That attack was a gold mine because it gave us national exposure and visibility. We couldn’t have paid for that validation. The left is great and vicious about attacking, but each attack is a massive opportunity and legitimizes the work we’re doing and our impact.” Although criticism can be cruel at times, the FGA has responded by sharing these attacks with their supporters as proof of the work that they are doing.
DISCUSSION QUESTIONS

- What advantages did the FGA discover after narrowing its focus? How did it leverage existing research in its field of interest as part of developing that focus?

- How does the staffing model that the FGA uses help in recruitment and retention of talented staff? How does this staffing model help it achieve strong impact?

- The FGA has a deliberate fundraising approach that invests significant time and resources in creating the right message for its prospective donors. How can your organization balance the need for resources right away with the effort it takes for this funding strategy?

- In its focused approach to solutions, the FGA is careful about its messaging, ensuring consistency in its approaches to policymakers, funders, and the media. How does the FGA’s work on language, message, and pitch compare to the work in your organization? How could improved messaging strengthen your impact?

- How does the FGA’s selection of measures help it describe its impact? Do you agree with its approach to measuring only policy wins, rather than traditional measures such as media hits?