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CEO Greed and Stock Options

[Take Action--5 Things You Can Do](#)

Digna Showers worked for Enron for 18 years but found out on December 3, 2001 that she had a half an hour to pack up and leave the building. Her savings in Enron stock, totaling \$400,000, money that she counted on for retirement -- would soon be worthless. She later found out that her boss, Enron CEO Ken Lay, had raked in \$53 million and cashed out on \$123 million in stock options in 2000 as the company approached its downfall, all while he convinced his own employees to hold their Enron stock. [See AFL-CIO, www.aflcio.org/corporateamerica/enron/formerworker_ds.cfm.]

World Com laid off Cara Alcantar on July 3, 2002. Her stock options are now worthless, and WorldCom said it could not pay her severance benefits. Her retirement savings in WorldCom stock is also virtually worthless. "Not only were they not looking out for our interests," Ms. Alcantar told the New York Times in September, 2002, "they were so greedy they made sure the money went into their pockets." [*New York Times*, Steven Greenhouse, "USA: What Do You Mean 'Us,' Boss?", 9/2/02]

Neither Ken Lay nor Bernie Ebbers has been indicted or sent to jail. Nor have most of the other executives and directors of corporations who cashed out while their corporations cooked the books.

Although they were originally intended to align the interests of management and investors, it is now well recognized that the massive increase in the use of stock options as a form of executive compensation created a huge incentive for senior executives to seek short-term stock market gains, whether or not such a strategy was a sound approach to long-term corporate planning. Stock options have grown from 5 percent of shares outstanding at major companies to 15 percent in the last decade. For top executives the figures are even more obscene. In 1992, options were 27% of median CEO compensation, whereas by 2000, options were 60% of median CEO compensation.

We now know that executives at Enron cooked the books so that they could meet the expectations of investors and analysts, drive the stock price up and ultimately exercise over 1.4 billion dollars in 2000 in stock options before the stock crashed and the company declared bankruptcy. We also know that Enron was only one in an orchard of rotten apples.

It is no wonder that top executives at many companies became so focused on the stock price that they cooked up whatever accounting tricks they could think of to keep profits high and the stock price rising. Others cashed out before their company's stock price dropped. CEO Jeffrey Skilling took home \$60 million. At Qwest, chairman Philip Anschutz made \$1.9 billion in options and CEO Joe Nacchio made \$232 million. At Global Crossing, Gary Winnick cashed in \$735

million. At Oracle Corp., CEO Larry Ellison exercised a whopping \$706 million in options while his company's stock dropped 50%.

We also now know that stock options fueled an epidemic of fraud and abuse at many major corporations. According to the Financial Times, 208 executives and directors from the 25 largest U.S. companies that filed for bankruptcy protection between January 2001 and July 2002 walked away with gross earnings of \$3.3 billion, most of it in the form of revenues from stock sold before the company collapsed. (See "The Barons of Bankruptcy," Financial Times, July 31, 2002.)

Fortune reported that executives and directors of 1,035 corporations whose stock price fell by at least 75 percent from the highs they reached during the bubble years made off with \$66 billion. At the 25 corporations where the executives cashed out the most, 466 insiders took a total haul of \$23 billion. (Mark Gimein, "The Greedy Bunch," Fortune, September 2, 2002.)

As Senator Levin has said, "Virtually every corporate disaster that has struck in recent years has had a stock option component."

The problems caused by the massive distribution of options to top executives was not remedied by the Sarbanes-Oxley Accounting Reform Act. Financial regulators and other experts have been pressing since the early 1990s to close a loophole in the way corporations are allowed to treat options on their profit-and-loss statements. The companies that use them - especially many high-tech firms and financial services companies - have pushed hard to retain this loophole which lets them avoid counting options as an expense on the books at the time they are issued, though they are deducted from a company's taxes.

This is really a battle for a few executives to preserve enormous compensation packages. While CEOs like to note that more than 90 percent of those who receive options are average employees (10 million employees now have stock options, up from 1 million in 1992), 80% of the value of stock options has been given to the most senior executives. According to the Economist, stock options accounted for 58% of the pay of U.S. CEOs in 2001. That same year, the average CEO earned an outrageous \$10.83 million - or 411 times the average worker.

The much touted "global settlement" with the big banks will result in a pittance for shareholders who have lost hundreds of millions of dollars because of corporate crime, fraud and abuse. We need to prevent these outrages from happening again.

Right now there is a battalion of lobbyists working Capitol Hill to stall the reform to expense options. How Congress reacts is a litmus test of how serious decision-makers are about corporate reform.

The expensing of options is recognized by most observers as a modest yet key step toward restoring investor confidence in the markets. The expensing of options is supported by both the current and former chair of the Securities and Exchange Commission, by the business-oriented Conference Board (which at the time of the recommendation included current Treasury Secretary John Snow), the Financial Accounting Standards Board (FASB) and more than 200 corporations who have voluntarily begun to treat options as an expense.

The FASB has been working on a rule that it expects to issue for public comment in October of 2003 which would propose how to expense options. The FASB

expects to incorporate all public comment on this proposed rule and issue its final finding around March, 2004.

Many high-tech corporations that are opposed to any expensing of options have begun to lobby Congress to undermine the standards-setting body's efforts. These corporations (led by Intel, Cisco, Netscape, Microsoft, Seibel Systems, Apple and Oracle) have formed the International Employees Stock Option Coalition, an umbrella group that includes such trade associations as TechNet, the Semiconductor Trade Association, the Biotechnology Industry Organization and others, in order to coordinate its efforts on the Hill.

They have succeeded in getting Senator Barbara Boxer (D-Calif.), along with Senators Enzi (R-WY), Allen (R-VA) and Ensign (R-Nev) to introduce S 979, The "Broad-Based Stock Option Plan Transparency Act of 2003" to delay FASB's rule by requiring the SEC to study the issue for three years. (A companion bill, HR 1372, has been introduced by Rep. Dreier (R-Calif.) in the House).

Citizen Works is coordinating a public education campaign to counter these efforts to stall this important reform. Our contacts at FASB and on the Hill say that although they are hearing from constituents concerned that they are not doing enough about the corporate scandals, they haven't heard any specific complaints about stock options abuse.

Expensing of stock options is one of the many unfinished reforms that we can win now.

Support the Campaign Against CEO Greed.

These are five things you can do today:

- 1) [Learn more by reading the fact sheet on executive compensation and stock options.](#)
- 2) [Sign up for the Corporate Reform Weekly today to get a weekly update on corporate reform and action items on this issue. Follow the action items.](#)
- 3) [Write a letter to the editor on CEO greed and stock options. See the sample here:](#)
- 4) [Write to your member of Congress about this issue. They are hearing from the lobbyists but not their constituents. See a sample letter here:](#)
- 5) [Donate now to fund this campaign. We need your help today!](#)

[To learn more, go back to the Stock Options Main Page.](#)

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CEO Greed and Stock Options

Stop the Stock Options Con Game

An explosion in the use of stock options as executive compensation fueled the recent epidemic of corporate fraud and abuse. The possession of huge quantities of options led many greedy executives to do everything they could (including cook the books) to drive the stock price up so they could cash in while the stock was artificially high.

Although corporations are entitled to a tax deduction when stock options are exercised, loopholes in accounting rules continue to allow corporations to avoid counting them in financial statements when they are issued, creating misleading financial reports.

Financial regulators and other experts have long proposed expensing options (i.e. closing the accounting loophole) as a critical step toward providing investors and others with a clearer financial picture of a corporation and restoring confidence in the markets. But many companies that use options -- especially many high-tech executives -- continue to fight to keep the accounting loophole open.

Citizen Works believes that expensing options is a modest yet important reform.

The Basics of Stock Options

- [Stock options fact sheet](#)

What are stock options and why do they need to be expensed?

- [Opponents' arguments](#) How to respond to what opponents of expensing are saying.
- [Quotes about stock options](#)

Executive Pay and Options Links

- [Supporters of expensing options](#)

TAKE ACTION!

Oppose The Stock Option Accounting Reform Act!

Contact your [Senators](#) and [Representatives](#) today and tell them to oppose [S. 1890 / H.R. 3574](#). This bill would derail a [proposed rule by the Financial Accounting Standards Board \(FASB\)](#) to require stock options to be expensed. Currently, members of Congress are only hearing from a small but vocal minority composed mostly of high-tech executives and their lobbyists who are desperately trying to gain support for this bill. **Congress needs to hear that you want independent and transparent accounting standards!**

- [Talking points on S. 1890/ H.R. 3574](#)
- [Sample letter to your Senator](#)
- [Sample letter to your Representative](#)

NEW! (5/19/04): Financial Accounting Coalition for Truthful Statements (FACTS) calls on Congress to allow FASB to issue rule on Stock Options

- [Read the FACTS statement](#)
- [Read the FACTS press release](#)
- [See list of FACTS members \(includes Citizen Works\)](#)

In the News

- ["Intel investors: Expense Options"](#) - San Jose Mercury News, May 20, 2004
- ["FAF Chairman Responds to 'The Stock Option Accounting Reform Act'"](#) - Accountingweb.com, May 17, 2004
- ["U.S. House panel backs limit to options expensing"](#) - Reuters, May 12, 2004
- ["Sen. Shelby warns lawmakers: leave options open"](#) - Reuters, May 6, 2004
- ["Consumer groups oppose HR 3574"](#) - Consumers Union, May 4, 2004

- [Opponents of expensing options](#)
- [Reports and books on stock options](#)
- [Who's Expensing?](#) A Bear Stearns report on 175 companies that have started to count options as expenses.
- [AFL-CIO Executive PayWatch](#)
- [Report on CEO pay at Defense Contractors](#)
- [Conference Board Report on Executive Pay](#)
- [Executive Compensation News from newstrove.com](#)

- [Committee on Small Business and Entrepreneurship hearing on stock options](#), April 28, 2004
- ["House Opposition to Expensing of Options Increases: Bill Would Block Accounting Oversight Board's New Rule"](#) - Washington Post, March 29, 2004
- ["CBO: Expensing Options Won't Hurt Economy."](#) - Reuters, March 28, 2004
- ["Compromise on Stock Options: Bill calls for only partial listing on expenses"](#) -San Francisco Chronicle, November 20, 2003
- ["Advocates of Expensing Criticize Options Proposal"](#) - San Jose Mercury News, November 20, 2003

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What stock options are and why they should be expensed

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What are stock options?

Stock options are offered to managers and employees as a way to tie their compensation to the success of the company. A stock option gives the holder the right to buy a stock from the company at a certain price (“strike price”) at a future date. If the stock values goes up above that price, the holder gains additional profit from the sale of the options.

In the last decade the use of options has grown exponentially. In 1992, one million employees received options. Today 10 million do, though the vast majority of actual options are concentrated heavily at the top. Business Week estimates that 16.3% of all outstanding shares at large companies are in the form of options.

Stock options have fueled reckless behavior by management

Stock options were introduced in the early ‘90s as a way to tie the compensation of managers and executives more closely with share price and thus the interest of shareholders. In reality, widespread stock options facilitated reckless greed that harmed many shareholders.

According to the Economist, stock options accounted for 58% of the pay of U.S. CEOs in 2001. That year, the average CEO earned an outrageous \$10.83 million – or 411 times the average worker.

Since stock options are not counted as expenses and are also tax-deductible, it makes perfect sense that corporations would pay their executives with boatloads of stock options. Executives get filthy rich, the company lowers its taxes, and everybody is happy.

The only problem is that with boatloads of options, executives became so focused on the stock price that they cooked up whatever accounting tricks they could think of to keep profits high and the stock price rising. Executives could then cash in on their millions of options when the stock price was artificially high – deceiving millions of investors for their own profit in the process.

As Senator Carl Levin (D-Mich.) put it: “Virtually every corporate disaster that has struck in recent years has had a stock option component.”

At Enron, for example, Chairman Ken Lay cashed in \$123 million in stock options in 2000. CEO Jeffrey Skilling took home \$60 million. At Qwest, chairman Philip Anschutz made \$1.9 billion in options and

CEO Joe Nacchio made \$232 million. At Global Crossing, Gary Winnick cashed in \$735 million. At Oracle Corp., CEO Larry Ellison exercised a whopping \$706 million in options while his company's stock dropped 50%.

How do they get away with it? One reason is that options don't show up as an expense

Almost all stock options go to top executives and managers

Broad-based options are potentially an effective management tool to reward hard-working employees with a piece of company ownership. But unfortunately, the vast majority of stock options go to a handful of top greedy executives.

According to the Bureau of Labor Statistics, only 1.7% of non-executive workers got any stock options in 2000, a banner year for options. According to professors Joseph R. Blasi and Douglas L. Kruse, the authors of "In the Company of Owners: The Truth about Stock Options," about 30% of options go to the top five employees, and the other 70% are "spread narrowly among other executives and managers." From 1992 to 2001, the top five executives of the largest 1,500 U.S. companies made \$67 billion in stock-option profits, according to Blasi and Kruse.

Not expensing options gives a misleading financial picture of the company

Technically, the options appear as nothing more than footnotes in the company's financial statements. *Fixed-price stock options are the only form of compensation that companies do not have to book as an expense at any time.* But corporations receive tax deductions based on the compensation executives received from cashing in their options. The only thing that adds up is a colossal distortion of a company's financial health.

A Federal Reserve study found that if stock options had been expensed between 1995 and 2000, annual corporate earnings growth would have been just 5%, not the 8.3% reported. Merrill Lynch has estimated that had options been expensed, earnings for the S&P 500 would have been 21% lower in 2001, and 39% lower in the information technology sector.

Yahoo reported a profit of \$71 million for 2000, but adjusting for employee stock options it should have been a loss of \$1.3 billion. Cisco reported \$4.6 billion in profits – which should have been a \$2.7 billion loss. As the Washington Post concluded in an editorial, "By reporting make-believe profits, companies may have conned investors into bidding up their stock prices." (see "Money Talks" April 18, 2002) This hurts investors and it hurts the economy as a whole.

Opponents of expensing argue that options should not be expensed because granting them doesn't have a direct cost. But as investing guru Warren Buffett explains it: "If stock options aren't a form of compensation, what are they? If compensation isn't an expense, what is it? And, if expenses shouldn't go into the calculation of earnings, where in the world do they go?"

If options do not have any value, why do executives and employees want them so much? Every option given to an executive is an option that the corporation could have sold on the open market, raising money for the corporation. Since options could fetch a value on the open market, they do have a value.

Corporations list options as expenses for tax deduction purposes

Companies regularly deduct the cost of exercised stock options when filing their tax returns. Yet, if

options are considered an expense for tax purposes, why are they not also considered an expense when it comes to financial statements?

This disparity allowed U.S. corporations to deduct a remarkable \$56 billion for stock options in 2000, according to Tax Notes, up from \$42 billion in 1999 and \$28 billion in 1998.

Enron, for example, took a whopping tax deduction of \$1.4 billion in 2000 alone for stock options given to top executives. This was one of the key accounting loopholes that the corporation utilized to paint a grossly inaccurate picture of its finances. But Enron was not alone. Microsoft took a stock options tax deduction of \$5.54 billion in 2000. Cisco took \$3.08 billion. Citigroup took \$1.4 billion. Pfizer took \$1.3 billion. Lucent took \$1.1 billion.

To make matters worse, in 2001 the IRS issued Revenue Ruling 2001-1. This states that the alternative minimum tax, which requires corporations with extensive deductions to pay a minimum tax, did not apply to companies who reduced their taxes using stock options deductions.

With tax deductions like these, it's no wonder that corporations are giving out boatloads of options. But there's no such thing as a free lunch. These disparities create a misleading picture of the company's financial health, which results in bad investments. Bad investments turn unprofitable and/or inefficient companies into overvalued companies, which may be good for CEOs, but bad for the workers, the investors, and ultimately, the economy as a whole.

Options dilute the value of company stock

The more company shares are printed, the less each share will be worth because the earnings per share will be reduced. So every time options are issued, the value of outstanding shares declines. In other words, the value of executive stock options comes partly at the expense of all other shareholders. Business Week estimates that 16.3% of all outstanding shares at large companies are in the form of options.

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The Corporate Reform Weekly:

Citizen Works' look at the Campaign for Corporate Reform

What is *The Corporate Reform Weekly*?

The Corporate Reform Weekly was an e-mail newsletter produced by Lee Drutman from 2002 through 2006, and designed to keep readers informed of the latest developments relating to corporate reform in Washington and around the country, as well as the latest news of corporate scandals and fiascos. Each issue also gave readers a weekly action item to help make real corporate reform a reality. The archives of the issues are [here](#).

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Are you working on corporate reform? We would like to connect you with other people who are working in similar areas and build a giant network capable of fighting big business. E-mail us with your news.

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Letters to the editor are a high-profile way to express your opinion and educate your fellow citizens. Below is a sample letter, which may be useful as a guide. But we encourage you to cite local examples or relevant articles in your local paper.

To the editor:

As Senator Carl Levin (D-Mich.) recently stated to Congress, stock options are “the 800-pound gorilla that has yet to be caged by corporate reform.” Currently, a loophole the size of the California High Tech industry allows stock options to remain unexpensed and thus invisible in corporate financial records.

While corporations don’t have to deduct stock options from the company books, they can conveniently claim them as a tax deduction when reporting to the IRS. As a result, greedy executives continue to cash out on millions of dollars of unexpensed stock options, which inflates company earnings, reduces corporate taxes, and misleads investors. Unexpensed options were a major factor in the recent corporate scandals. Have we not learned our lesson?

Federal Reserve Chairman Alan Greenspan, investing authority Warren Buffet, former SEC chief accountant Lynn Turner, and Nobel Prize winning economist Joseph Stiglitz, among other notable economists, all support the practice of expensing options publicly. In order to restore confidence in American business, we must begin by restoring honest and accurate accounting standards. That means expensing options.

See ["Nine Steps to a Successful Letter to the Editor"](#)

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Skills to Challenge Corporate Power

"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has." --Margaret Mead

In the first part of this handbook, you learned about the structure and consequences of corporate power, particularly how corporate wrongdoing and abuse is fundamentally integrated into the configuration of corporations. Much more can be found on our web site at www.citizenworks.org. If we are to build a serious citizen challenge to the conglomeration of power in fewer and fewer corporate hands we must organize an active and intelligent movement. This movement must be able to articulate our long-term goals of reasserting citizen control over corporations while simultaneously finding ways to run winnable campaigns. This section focuses on the nuts and bolts of organizing a citizen movement that effectively challenges corporate power.

The only way to pressure corporations and governments is to build a movement that is able to effectively challenge injustice and unaccountable corporations. This undoubtedly requires numbers and organization. One of the most essential components of this movement will be local citizens banding together to form groups that are working to chip away at corporate power while laying the ground work for longer term systemic change. The number of people and level of participation required will vary depending on the scale (neighborhood, town, district, state, national) and the scope (a particular corporation, law, initiative, or elected official). Each community will need to decide on its own what issues will provide the best opportunity to begin to tip the scales of power back towards the citizenry. Whatever the issue, we know that lasting, sustainable groups and organizations will be necessary to significantly shift power on a number of fronts.

LAUNCHING YOUR GROUP

Getting started is often the hardest, and most exciting, part of building a campaign or social change project. A good place to begin is a kick-off meeting, which can accomplish multiple goals: invest key leaders, activists and volunteers in the project, present or decide on the issue, and develop a plan of action.

The First Meeting

The first meeting of your group is a critical opportunity to generate excitement about the campaign, demonstrate the potential of the project, and solidify support from the people who will be able to successfully implement the campaign. It's also very important that the meeting be organized and relatively short, so that people come back for the next one. Here are the basics to cover for the first meeting:

Picking the Issue. Clearly, there are a multitude of important issues that you could work on, but it is important not to spread your resources too thin. In most cases, it is best for young groups to focus on one issue. You can decide before the first meeting or use the meeting to decide on an issue. In either case, here's a list of important criteria to consider:

- **Result in Real Improvement in People's Lives:** People want to know that the issue they are working on is really going to make a difference. No matter how interesting or noble the issue, people are probably not going to participate unless they will gain some kind of benefit from their involvement.
- **Give People a Sense of Their Own Power:** Many people are hesitant about getting involved because they don't think that they can make a significant impact. Campaigns that create the opportunity for

people to realize their own power are more likely to be successful and will help to build a strong and growing movement in which individuals see themselves as powerful agents of change.

- **Alter the Relations of Power:** Campaigns that challenge corporate power are fundamentally about reasserting our democratic right to control the institutions that influence our lives. Your campaign should have the potential to shift these relations of power.
- **Be Winnable.** Make sure your campaign has an attainable end-point that also lays the groundwork for further more fundamental change.
- **Be Widely and Deeply Felt.** Your campaign should resonate with a large audience.
- **Be Easy to Understand.** Develop a message that is accessible and compelling.
- **Have a Clear Target.** Know exactly who or what can give you what you want. This could be an elected official, an executive, a business leader or other community member.
- **Have a Clear Time-frame.**
- **Build Leadership.** You should seek out campaigns that develop the organizing and leadership skills of your group members. This will set you up for success in this and future campaigns.
- **Set Your Organization up for the Next Campaign.** Good campaigns provide opportunities to build a volunteer and support base while developing relationships with other organizations, funders and the media. This will ensure that you are developing a sustainable group.

Recruitment. The first meeting doesn't need to be a big meeting, but it does need to involve a core group of concerned and resourceful people. You'll need to figure out who cares about the issue and then demonstrate that coming to your meeting will benefit them. Cast a wide net; invite members of other progressive groups, churchgoers, local small business owners, your neighbors, students, labor union folks and anyone else that you can think of. Keep track of who expresses interest along with a phone number and email so you can begin to compile a list of supporters and remind interested folks as your meeting approaches. A general organizing principle is "the rule of halves," basically that about half the people who sign up to attend will actually show up. The best way to guarantee that you'll have enough people at your first meeting is to personally contact individuals to inform them about the meeting and tell them why their involvement would be beneficial for both parties. A personal phone call or brief visit is usually effective.

Good Meetings. A successful meeting is one that gets things done. It is orderly, but remains flexible enough to encourage the sharing of ideas. It empowers participants and builds leaders, but focuses ultimately on making decisions efficiently. Finally, it is fun and friendly without wasting time.

The most important component of running good meetings is to set goals for what you want to accomplish before hand. For the first meeting this could be to determine the issue the group will be working on, developing plans for the organization and campaign or developing a strategy to recruit new people. Make sure that your agenda reflects the goals of your meeting.

After you've set the goals, determined the time and place, and recruited people for the meeting, these are the basics to help you run effective meetings:

1. Prepare materials

- **Sign up sheet.** This will keep track of meeting attendance and collect the contact information for new participants. Assign someone to greet folks and make sure that everyone signs in.
- **Chalk board or paper.** Make sure the room has a chalk board or that you bring big sheets of paper and markers for brainstorming and planning sessions.
- **Minutes from the last meeting.** Have at least one copy available in case anyone needs to refer to what happened last time.
- **Agenda.** The agenda should be visible to all participants, so either have it posted or bring copies. The agenda should reflect the short

Sample Agenda

1. Introductions (10 min)
2. Update from State Senator (10 min)
3. Presentation of the goals for the campaign (10 min)
4. Brainstorm about campaign tactics (20 min)

and long-term goals of the group and allow room for 1) follow up on old business, 2) updates on continued projects, and 3) discussion of new proposals (see sample agenda).

- Coffee and Snacks. This will help keep the creative juices flowing, and people are more likely to show up if they know that there will be food.

5. Developing a plan of action (20 min)

6. Delegating of Tasks (10 min)

7. Announcements (5 min)

2. *Assign roles.* Many groups choose to rotate these responsibilities with each meeting, but however you decide, they should be designated before the meeting starts.

- **Facilitator.** You'll need to decide whether the leader or chair of the group will facilitate each meeting, or if this will be a rotating position. The facilitator is a neutral figure who guides the discussion (see the Facilitation section below for more.)
- **Greeters.** In addition to greeting people as they walk in (pay particular attention to new folks!), one person should remain near the door during the meeting, so that late-arrivers can be welcomed, briefly brought up to speed, and directed to a place in the room.
- **Timekeeper.** This person helps the facilitator keep to the agenda by gently notifying the group when it has gone on too long on a topic, or when there is extra time.
- **Note-taker.** This person collects the sign-in sheets and takes notes. The notes should be written up into "Minutes" and distributed before the next meeting to everyone who attended the meeting and others who were not able to attend.
- **Presenters.** It's an excellent idea to have multiple people giving updates or presenting other information. You can involve new people in the meeting by asking them to give an update or presentation - but make sure that you prepare people beforehand.

3. *Start on Time.*

4. *Introductions.* Introductions are a must unless they will be unwieldy due to the size of the group. They can set the tone of the meeting and make the meeting more welcoming for new people.

5. *Review the Agenda.* You should post the agenda on a board visible to everyone in the room, or make copies available to everyone. At the beginning of the meeting, briefly review the agenda and ask if anyone has additions. Agreeing on the agenda will help the facilitator keep the discussion on track.

6. *Facilitation and Sticking to the Agenda.* Leading a meeting can be tricky, but when it's done well it makes the time efficient, fair, and productive. Your group may decide to rotate facilitators each meeting, or have the chair of the group lead each time. Either way, the facilitator needs to know how to listen and encourage everyone's participation. The facilitator will need to maintain a neutral stance while running the meeting and allow all opinions to be heard. In cases of a vote, the facilitator can temporarily take off the leader hat and cast a vote, but during discussion, this person should remain neutral. During discussion a good way to keep track of people who want to give input is to keep a "stack", which is basically a line for speaking, where people get to speak in the order they raise their hands and the facilitator calls them.

7. *Follow up.* Do it promptly! We all lead busy lives and most of us need a little friendly nudge to follow through on tasks we've committed ourselves to. Email is an efficient way to communicate, but not always the most effective. If you're trying to make sure someone does something, the best method is usually a phone call. It's likely that not everyone in the group will operate with email, so you'll need to figure out a protocol for communication, such as a phone tree system or fax.

Research

Do your homework! You've got to be informed to develop a strategic campaign and communicate its importance. In addition to researching the problem side of your campaign, you might need to do a bit of research on local elected officials, corporate executives, or the decision-making process. There is usually

at least one person in each group who feels more comfortable and excited about doing research than grassroots organizing, so find out who that person is and let them lead the way on digging up good facts to fuel your work! Understand that if your campaign succeeds in stirring up discussion about change, then there will undoubtedly be people who criticize your stance and information. Be as prepared as possible to justify your claims with solid, credible facts and citations for where you found the information. When fighting corporations, the best weapons are often facts that you find in their own materials! For information about researching corporations see page 25.

Campaign Planning

Do it early and review it often. Campaign planning is one of the most important, yet overlooked components of running a project. A good campaign plan will outline your overall strategy, define your tactics and put it all into a timeline. Strategies and tactics are often confused, but they are different. Strategy is the broad approach you are using to achieve your goals (for instance, leveraging the power of the target's constituency to pass corporate reform legislation) while tactics are the methods that you employ to carry out your strategy (demonstrate grassroots support through handwritten letters and phone calls to pressure the target).

Here are parts of the planning process:

1. **Clearly state what you want.**
2. **Figure out who has the power to give you what you want.** This is the target. In some cases it will be an elected official, in some cases it will be an executive, and sometimes it will be an entire government agency.
3. You'll need to **sort out the relations of power among all people and entities involved**, and a good way to do this is to create a power map. This is a visual representation of the steps between you and the target. It shows all potential constituents, allies, intermediaries, and other people, entities, and resources that could help you win your campaign. Place your target at the center of your map, and then identify all of the people, institutions and forces that influence your target. For instance if a corporate executive is your target a few of the influences could be shareholders, customers, and public opinion of their brand. If it's an elected official, your power as a voting constituent is clear. Ask the question, how can we influence our target directly or through the other factors that are influencing her? Then ask, how can we demonstrate this power to the target and to others who will help us?
4. **Inventory your resources**, including people, working space and supplies, phone lists, money, vehicles, and anything else of potential value.
5. **Set goals.** Be realistic and consider your resources, but also challenge yourself and be confident that an organized group can achieve a lot! You should set both long and short term goals for the campaign; long term goals being what you ultimately want to achieve (pass corporate three strikes legislation) and short term goals being the intermediate steps that allow to you to reach your ultimate goal (generate 500 petition signatures, hold two press conferences and meet with 10 state legislators). This will allow you to evaluate your progress, trouble shoot any setbacks, celebrate intermediate success and know what has to happen to win.
6. **Be inclusive.** Find ways to be inclusive and build leadership within the organization, as well as constantly develop a base of supporters and volunteers that includes all parties whose voices would be valuable to the group.
7. **Set a timeline** for achieving each step of your plan and ultimately winning your campaign. A written plan that outlines weekly or monthly goals is important for staying on track. Involve many people in the timeline development process; people tend to be more invested in projects that they actively contributed to from the beginning. Share your goals, plan and timeline with everyone who is working on the campaign.
8. **Evaluate.** In addition to continually critiquing the campaign as you go along, you'll need to build formal structures for evaluating the successes and failures of the project.

THE CAMPAIGN: TOOLBOX OF TACTICS

THE POWER OF THE GRASSROOTS

As the familiar organizing saying goes: there are two types of power, money and people. Grassroots tactics involve organizing the power of people to demonstrate that citizens support your platform and, hopefully, strategically directing this power in order to pressure your target to meet your demands.

Some common grassroots tactics include writing letters, generating phone calls, sending faxes or emails to your target, collecting petition signatures and door knocking. Think strategically about what type of grassroots action will have the most effect on your target. For example, handwritten letters to a local legislator from constituents are effective because elected officials need to listen to those who put them in office. Handwritten letters carry much more weight than emails or sign-on letters because people have to invest much more of their time. If you are targeting a CEO, phone calls from shareholders may be more effective than emails from citizens.

Volume is essential for grassroots pressure to be heard above the din of money, so find ways to involve dozens, hundreds or thousands of people in your grassroots actions. An effective way to do this is to organize events where you generate signatures, letters or phone calls. There are endless opportunities to organize these events; just brainstorm locations where there will be a high volume of people. Think concerts, bus or metro stops, festivals, grocery stores, the meetings of other progressive groups, or the local progressive bookstore or coffee shop.

Tips:

- Set a realistic but challenging goal for your grassroots effort (calls, petition signatures, whatever) both for your overall campaign and for each specific event.
- Recruit volunteers! Drives to generate petition signatures, letters or phone calls are a great activity for new and veteran volunteers alike. Remember the universal truth of organizing, that about half the people who sign up to help will actually show up.
- Remind volunteers of their commitment the night before with a quick call.
- Develop a script that quickly and effectively conveys your message. For example: "Corporate crime costs society billions of dollars, yet often goes unpunished. Will you sign this petition to pass legislation that would punish corporate criminals if they repeatedly commit egregious crimes?"
- Practice the script and approaching people. Talking to strangers can be intimidating and practice will give you confidence.
- Bring enough materials including petition forms, clipboards, pens, fact sheets and other informational materials.

In addition to pressuring your target, grassroots tactics provide an excellent opportunity to educate the public about corporate abuse of power while recruiting new supporters and volunteers. In order to create a meaningful dialogue about the role that corporations play in democracy we need to create opportunities to talk to regular folks about our work. Petitioning or door knocking are great tools to begin these conversations. Talking to strangers about political issues can be intimidating, whether it is knocking on doors to gather petition signatures or handing out flyers in a parking lot, so here are some suggestions about how to more effectively approach and engage people.

- Run formal and informal trainings. Lack of confidence is often a formidable barrier people need to overcome before they take action. Also, many people view activism as something that "other people" do instead of skills that every citizen should be cultivating. Trainings provide people the opportunity to develop activism skills and the chance to realize that they can be confident and effective agents of change. Trainings can be formal sessions, incorporated into meetings or right before a grassroots outreach event.
- Be friendly. People will be more likely to stop and talk to you if you are upbeat and friendly.
- Make Eye Contact. This conveys confidence, legitimacy and humanity.
- Master "the ask." Whether you are asking for petition signatures in a parking lot or for handwritten letters at someone's front door, ask for people to take action with confidence.

Pair up veterans with new folks. This will make the experience more fun and less daunting for new people and will give experienced volunteers the opportunity to offer feedback to the newer folks.

- Ask supportive people to volunteer. If our movement is going to be effective we need to involve as many people as possible. Don't be afraid to articulate this to people as you are generating grassroots support by asking them to volunteer.
- Have fun!

EDUCATIONAL FORUMS

Educational forums are an excellent way to jumpstart a serious dialogue about how corporations are crippling democracy, bring new people into our movement, develop our knowledge base about corporate power, motivate people to take action, as well as give people the facts and tools they need to become active. You don't need to be an expert on corporate history, theory, and law to assert your belief that citizens and not corporations should have the power to shape our democracy, but a better-developed understanding will help us more effectively articulate our perspective. Here's a guide to organizing educational forums:

Step 1: *Develop goals.* What topics do you want to cover? What do you want attendees to be able/willing to do upon leaving? How many people do you want to attend? Are there specific constituencies that you want to reach out to? How many and what types of speakers do you want? Do you want media attention? How many volunteers will you need for a successful event?

Step 2: *Set the date, place and time.* Libraries, churches, schools, and non-profit organizations often have free or cheap space available. Work to find an accessible location with easy parking (or accessible by mass transit) and pick a time that will be easy for working folks to attend.

Step 3: *Invite speakers.* Look for speakers that will help you meet your goals. Be sure to have an idea of what you would like each speaker to discuss and to invite them as early as possible. Citizen Works has a corporate reform commission composed of experts on a variety of issues who may be available to speak at your event.

Step 4: *Develop an agenda for the event.* This should include speakers, including the titles and topics of their talks, breaks and enough time for people to register or sign in and get settled before the event begins. You can also use this agenda to recruit people to the event. This is a good time to make sure that you are thinking about ways to involve people after the forum.

Step 5: *Recruit, recruit, recruit!* Attendance is likely the most important, and the most difficult part of organizing an educational forum. Start by brainstorming a list of people that you would like to have in the room, like shareholders, small business owners, other progressive activists, college and high school students, and church members. Then decide how you can reach them. Flyers and emails are good ways to let the general public know about the event, but tend to yield less results than personal invitations. More effective recruitment techniques include making announcements at other groups meetings, personally inviting friends and family, and calling through lists of past volunteers and supporters. You also could set up an informational table at a local grocery store, festival, concert or other progressive event in order to sign people up for your forum.

Step 6: *Keep track of who signs up.* Either a formal registration process or informal sign-up lists are fine, but it is essential to gather the names, phone numbers and emails of interested folks so you can make sure to meet your goals (remember the pesky rule of halves and recruit double!) as well as remind people of the event via email and phone calls.

Step 7: *Turn out the media.* If you decide to invite the media, make sure that you have a plan to invite and follow up with local news outlets. See page 23 for a guide.

Step 8: *Double check logistics.* Details can have a big impact on the overall success of your forum so be sure to think through the entire event. It's a great idea to walk through the space before the event, decide

how you want the room arranged, pull together any materials that you want available to attendees. Make sure that everyone who attends either registers or signs in so you can keep track of supporters. It is also helpful to post signs directing people to the exact location of the event or have greeters welcoming people as they walk into the building and directing them to the forum.

Step 9: Follow up! In addition to sending thank you notes to speakers and others who helped with the event, make sure that you have a way to follow up with forum attendees, especially if they expressed interest in your group.

LOBBYING DECISION-MAKERS

While corporate big bucks often dominate the attention of our elected officials, senators and representatives on the local, state and national level do listen to and meet with their constituents. After you have decided that a lobbying meeting is strategically important for your campaign, find ways to demonstrate public support (i.e. the grassroots power!) behind your platform. A few ideas: bring your "grassroots results" (handwritten letters, petitions signatures from constituents, etc.), involve respected and/or well known community members in the lobby meeting, or deliver an endorsement letter from independent business owners.

Here's a guide for a successful lobbying meeting:

Before the Meeting

- *Make an appointment.* Simply call your representative's office, identify yourself as a constituent, quickly state the reason for your meeting request, and ask for a meeting. If your Senator or Representative is not available, ask to meet with her staff. Obviously, local and state level officials will be more available than national members of congress.
 - As soon as you made a lobbying appointment, *send a confirmation letter* confirming the meeting and describe why you want the meeting.
 - *Gather your delegation.* Again, bring more than the usual suspects and consider whose voices will carry weight with this particular elected official.
- Preparing for the Meeting
- *Establish your agenda and goals.* The most important part of this process is determining your "ask", or what commitment you want the elected official to make.
 - *Research your elected official.* This will allow you to tailor your message and determine what is a realistic "ask."
 - *Divide up roles for the meeting,* including a group leader and people to run different parts of the meeting (see sample lobbying agenda below).
 - *Practice!* Definitely rehearse your meeting.
- At the Meeting
- *Be concise and diplomatic.* You may have a limited amount of time, so keep your presentation short and to the point while making sure you effectively articulate your position. It is important to listen to the elected official even if their viewpoint differs from your own and allot sufficient time for them to express their opinion. Don't be argumentative or confrontational.
 - *Include a local and personal angle.* Convey why excessive corporate power affects the elected official's constituents and use specific examples or cite statistics. Personal stories or examples from the local community can be particularly powerful.
 - *Get a commitment.* When asking for a commitment or an opinion, don't let the elected official avoid or change the subject. Ask for their position on your issue, and follow up with a specific request for a commitment.
 - *Don't be intimidated.* It's ok to say that you don't know the answer to a question, just let the official know you will get back to them with a response.

Sample Lobby Meeting Agenda for Three Strikes Legislation:

I. Introductions.

II. Overview. Go over why you asked for the lobby meeting and what you plan to cover in the meeting.

III. Thank for past support, if appropriate.

IV. Presentation of the problem. Explain why you are concerned about excessive and unpunished corporate crime, how this affects your community perhaps citing local examples.

V. Solution. Present Three Strikes legislation as an integral way to ensure that corporations comply with the law, to deter corporations from engaging in criminal behavior and to minimize negative effects on employees, communities and the environment.

VI. Request a commitment. Ask the elected officials to support, co-sponsor legislation, make a floor speech or write a "Dear Colleague" letter in support of Three Strikes legislation.

VII. Response. Let the official explain her position.

VIII. Questions and Answers.

IX. Wrap-up/Thank You. Clarify what each party has committed to do as a result of the meeting and thank the official for taking the time to meet with you.

After the Meeting

- **Follow Up.** Send a thank you note to the official and her staff, including any follow up information that they requested, you promised, or that you think she would find helpful. Work to be a resource for the elected official, which is an excellent starting point for a relationship.
- **Build a Relationship.** A lobby visit should never be the end of contact. Stay in touch in order to develop a relationship that will be useful in the future.

Pressuring Corporate Leaders

Because corporate leadership is not an elected position, you will need to approach meetings with corporate leaders differently than with government officials even though the preparation for the meeting will be similar. Here are some hints:

- Find ways to demonstrate your power. Corporations are unaccountable to the general public, but there are groups whose voices carry weight. Shareholders, investors and business leaders could be very effective messengers.
- Large corporations often spend millions of dollars cultivating their brand and image, and we can use this to our advantage. Bring the media to a creative event that exposes corporate crime, abuse or irresponsibility and don't stop the pressure until your demands are met.
- Use customer testimony. Consumer power lies mainly in our buying power, so it could be persuasive to bring a life-long customer who explains why they are considering taking their business elsewhere.
- Don't threaten what you can't deliver. Boycotts are very difficult to organize because they require massive public education and support. Don't threaten a corporation with a boycott or other action that you aren't going to be able to make happen.
- Research your executive. Perhaps with a bit of research you can uncover a unique way to pressure a particular corporation through the individuals who work there. Maybe the CEO regularly attends a local church and would listen to church leaders.
- Remember that we are challenging the way corporations are structured and not the individuals who are in them. We are not looking for individual villains, but seeking ways to limit the ways that corporations interfere with democracy. Executives may be more receptive if they understand that you are not personally attacking them.

MEDIA

When used effectively and creatively, the media can be an excellent way to educate the public, put pressure on corporations and elected leaders, build recognition for your group and cause, and ultimately, catalyze a broad discussion about the proper role for corporations in a democracy.

There are several common avenues for media coverage.

News articles or stories. These generally cover some sort of news worthy event or current happening. There are ways to create these opportunities by holding press conferences, launching campaigns, organizing demonstrations, or inviting media to other timely events. Don't forget about your local paper!

Letters to the Editor (LTEs). The letters page in many papers is a great indicator of public opinion and is thus read by citizens, executives, and elected officials alike. LTEs are also a fairly easy way to get press coverage.

Editorials and Opinion Editorials. Editorials are written by the staff of a newspaper while Opinion Editorials are authored by experts, community members or recognized leaders. Both are powerful vehicles for conveying your message to a broad audience and widely read by policy makers and business leaders.

Radio Shows. Conservatives have long recognized and utilized the radio as an effective vehicle to influence public opinion, so it is important to claim airtime for progressive voices. The easiest method is to call into a radio show when they are soliciting comments from community members, although you may also be able to land a spot as a guest. Don't forget about public radio, college radio or other community access stations.

Television. While TV can be the most difficult medium to break into, it can also be the most effective due to the breadth of the audience. Use creative and visible tactics to make your event "TV worthy." Also, check out our tips on working with reporters.

Magazines, Journals and Newsletters. There are a variety of progressive and mainstream publications that you could target, as well as organizational newsletters.

The Internet. Many on-line publications accept submissions from the public. Also email and the web sites of allied organizations could be good vehicles to convey your message.

HOW TO BEGIN

The first step to working with the media is to develop a concise, compelling message. Generally, it is a good idea to decide on three major points that encompass the problem and your proposed solution.

Hints for developing an effective message:

- **Know your target audience** and their motivations. Generally people are motivated by self-interest so convey why your campaign affects the lives of everyday people.
- **Keep it simple.** Use language that everybody understands and avoid insider jargon. Especially when dealing with television, you should boil down your message to a "sound bite" that contains the core content of the message that you want to communicate so even if you only have a 10 second spot on the nightly news you are able to convey your platform.
- **Test out your message** on laypeople uninvolved with your organization to gauge its effectiveness.

GETTING PRINTED

NINE STEPS TO A SUCCESSFUL LETTER TO THE EDITOR

- **Be Timely** - Capitalize on current events and stories. The more quickly you respond, the more likely

you are to get printed. Many papers give preference to LTEs that reference a specific past article.

- **Follow the Guidelines** - Generally, papers have guidelines for submitting LTEs. Follow them.
- **Short and Sweet (and Simple)** - Papers usually only print a few paragraphs, so make your point quickly, clearly and stick to one subject.
- **Hook the Reader** - Many people scan the paper and read what grabs their attention so use a catchy first sentence to "hook" the reader.
- **Think Locally** - Corporations often seem too huge and distant to change so it is critical that we find ways to demonstrate how excess corporate power affects our everyday lives in order to motivate people to take action.
- **Sign Your Letter** - Include your name, address and phone number. Often newspapers contact people before they print letters so your contact information is important.
- **Follow up** - Call the newspaper and ask if they are going to print your letter. Just ask to speak to the person in charge of letters to the editor. If they don't plan on printing it, ask for feedback.
- **If You Don't Succeed, Try Again** - Newspapers get a lot of letters to the editor, so if they don't print yours, try again. Every time you submit a letter you are educating the editorial board, and paving the way for future letters to be printed. Don't give up!
- **Share Your Success** - Let us know when you get printed so we can share your success with the rest of the corporate reform network.

OPINION-EDITORIALS (OP-EDS)

Op-eds are often viewed as a barometer of public opinion and can be extremely powerful. The same tips apply to op-eds as letters to the editor, although you must carefully select your messenger because op-eds are printed when the newspaper staff views the author as an "expert" or a prominent leader. Once you have identified your messenger (business owner, accountant, investor, church leader, etc.) pitch your idea to them and give them your ideal op-ed. Your messenger can then sign onto the op-ed you have written or write their own piece. Remember to follow-up with newspaper staff.

EDITORIALS

Editorials are authored by the newspaper staff and can be very influential vehicles to persuade policy makers of your viewpoint. See if you can schedule a meeting with the editorial board to pitch your position and view these meetings as mini-lobby meetings (see lobbying and working with reporters). At the editorial board meeting you should demonstrate broad support for your position, again carefully picking your messengers and practicing your presentation beforehand. Your presentation should be about 10-15 minutes. This leaves plenty of time for questions, which is how journalists are accustomed to getting information. Make sure to ask them if they will write an editorial on corporate reform and if so, when. If they decline to print an editorial, propose that they print an op-ed from you. In any case, be gracious and thank the editors for their time.

PRESS EVENTS

Press events are timely and exciting opportunities to generate media around a newsworthy happening. This could be a press conference about a campaign launch, a corporate scandal, an anniversary of a historic or important event or it could be a rally or demonstration, an educational forum, or direct action. The opportunities to create press events are endless, but to get the press to turn out you will need to make sure that your event is timely, relevant and appealing. Whatever avenue you choose to get your issues in the media, here is a guideline to a successful press event.

Step 1: *Develop the idea and message* for your event. Be creative!

Step 2: *Find ways to entice the media.* This could be large numbers of people, big name speakers, or creative and relevant angle to a current issue.

Step 3: *Pick a convenient and interesting location* that relates to your event. Schedule your event on slow dull news days and allow enough time to process for the local evening news. 11:00 a.m. is a good time for a press conference.

Step 4: *Develop the materials.* A sample press advisory and press release are in the appendix. Other materials could include interesting visuals. You will also want to prepare a press release, which essentially is your ideal article, as well as a sign in sheet for reporters.

Step 5: A week before the event, *send out your press advisory* with the basic who, what, when, why of your press event. Don't send out your press release until after the news conference and re-send your press advisory the day before the event.

Step 6: *Follow up* to make sure that the right reporter received the advisory and to personally invite journalists to your event. The first time you talk to the reporter you will want to pitch the story to them conveying why they should cover it.

Step 7: *Practice your presentation!* Pick an articulate spokesperson and remember that on T.V. tone and body language also convey information.

Step 8: On the morning of your event *call through your media contacts one more time* to remind them of your event and to nudge them to show up.

Step 9: *Make sure reporters sign in at your event*, so you can follow up with them afterwards and invite them to your next event.

Step 10: After the press conference, *fax your press release out to media outlets that didn't attend.* Call through your entire media list and ask everyone to print your story. Be sure to keep track of all our your media hits, as well as your contact with reporters.

WORKING WITH REPORTERS

When you are holding press events, you have two goals. In addition to gaining media attention for a particular event, you also want to develop good relationships with reporters so they will cover future events. Here are some hints:

- Keep an up to date press list that includes press contacts, phone numbers, and a record of your interaction.
- Pay attention to the authors of articles and work to develop relationships with progressive reporters.
- Always be polite and respectful when talking to reporters. Press calls are a critical element to generating media attention, but reporters are often very rushed and have multiple demands on their time. Be confident when pitching your story, after all, reforming corporations is critical to the health of our democracy, but also be concise and brief.
- Practice your pitch! You may have less than 60 seconds to convince a reporter to show up to your press event, so make sure you are as articulate, concise and compelling as possible.
- Work to be a resource by providing additional and helpful information and answering reporters questions.
- Respect that reporters have deadlines. It's best to reach them in the morning or early afternoon, as reporters are busiest in the afternoons and evenings.

MAINTAINING YOUR ORGANIZATION

Organizations that last need both smart, winning campaigns, and a strong internal structure. In addition to filling gaps so as not to duplicate existing efforts, new organizations should seek to work in coalition with existing groups when possible. They should also have systems in place to develop the leadership skills of everyone in the group, and be able to raise enough funds to maintain and build the organization. Also, groups should be continually recruiting new people and reaching out to diverse constituencies to build the strength and breadth of the group. In most campaigns, recruitment fits naturally as an essential campaign component, but organizations should make sure that on-going recruitment is always part of the plan. Following are guides to help maintain a strong organization.

DEVELOPING LEADERSHIP

Strong leaders often determine the success of an organization or a campaign, not only due to their own leadership abilities, but also to their commitment to developing leadership skills in others. There is an enormous amount of work needed in order to create a just and sustainable world in which corporations are accountable to people. The only way we can move towards this vision is to train as many people as possible in the skills they need to be effective agents of change, individuals who, in turn, can teach others these same skills. Keep in mind that leadership is developed and not discovered and is a skill that most people can develop and refine. Following is a guide adapted from Organizing for Social Change, Midwest Academy Manual for Activists.

Start With Self-Interest

People give their time to a cause or struggle for a variety of different reasons, but almost invariably these reasons spring from a place of self-interest. After all, someone who is going to work hard and spend the time necessary to win a campaign or develop an organization probably wants something in return. The reasons could include a personal connection to an issue, desire to gain new skills, satisfaction, friends, or connections. Volunteers could be seeking out excitement, recognition, or an "in" to a new career, or wanting to reassert citizens rights to determine the appropriate role for corporations in a democracy. In order to effectively develop the skills of potential leaders, and continue to build their commitment to your group, you will need to know what is motivating a particular individual so you can match the needs of the organization or campaign to the personal goals of that person. The core of successful organizing is building relationships people; finding out the motivation of a volunteer or potential leader is a great way to start or develop a relationship, just ask questions about why they are interested in working to reform corporations. Once you know a bit more about an individual's motivation and goals, you can better find a role with your group that will be rewarding for the individual while furthering organizational goals.

Create Leadership Opportunities

There are two ways that people develop leadership skills, either by attending trainings designed to teach people skills, or in a more hands-on way by just trying new things. A good organization and campaign finds ways to provide both opportunities to their volunteers. You can think of the leadership opportunities in an organization as a ladder or pyramid, with a foundation of "entry level" activities followed by other actions that require an increasing amount of time, investment and responsibility. Most people begin their involvement with activities that require only a small amount of commitment and then take on increasing amounts of responsibility. Entry-level activities could be attending an event or donating money. This might be followed by a one time volunteer activity, like office work or staffing an information table. The next step could be acting as a captain at an outreach event, or helping to organize other volunteers. The next level of involvement may require a longer-term commitment, like sitting on a committee or coordinating a specific campaign. The further up the pyramid that a person progresses, the more involved they become in determining the direction of the organization. The folks at the top of the pyramid are responsible for coordinating the overall work of the organization, long term planning and much of the logistical side of maintaining and developing an organization. People at every level of the leadership pyramid are equally important, as a successful group needs people at every stage.

Guidelines for Leadership Maintenance and Growth

Proactive Evaluations. Look for and give positive as well as growth-producing, feedback. Regular group evaluations at meetings are good.

Institute the Rotations of Roles, and Develop Systems for Training People for New Roles. Few of us want to remain doing the same job forever.

Make Sure Leaders Are Enjoying Their Positions. If leaders are not enjoying their positions, they will either get frustrated and quit or make themselves and those around them miserable.

Use Strong, Skilled Leaders to Train Others. Every strong leader should be training others. No one should

become "irreplaceable." Build leadership development into every position.

Ask Leaders to Set Personal Leadership Development Goals as Part of Your Annual Goal-Setting Session. Provide needed support and training to help leaders achieve their goals, as long as they don't conflict with the organization's goals.

Skills and Qualities

There are some qualities that good leaders generally share like commitment, honesty, a positive outlook, self-assurance, a trust in people and a healthy mistrust of unaccountable institutions. In addition to these qualities, there is set of skills that we should be seeking to develop in leaders:

Listening: Good listening means not only opening one's ears but also really concentrating on what someone else is saying.

Diplomacy: Leaders must learn to be direct, assertive, and yet tactful, unless a group has consciously decided in a particular situation not to be diplomatic.

Recruitment: Almost all leaders need to recruit others to work with them in some capacity or other. Thus, they must clearly understand how to recruit and develop experience recruiting.

Personal Organization: Leaders need good systems for keeping track of meetings, following up with people, making calls, and so forth.

Goal Setting: All leaders need to develop skills in setting measurable and realistic goals. Without such goals, we are unclear about where we are going. If we get there, we don't know to congratulate ourselves. Learning how to set such goals helps avoid leadership burnout.

FUNDRAISING

One of the biggest challenges to groups, whether a small community group or nationally well established non-profit organization, is raising the funds to maintain and expand your work. It is an ongoing process and the effort should be incorporated into many of the group's activities but without dominating the selection of projects. In many cases, fundraising events can double as good recruitment or media events, and there is always an opportunity to build leadership throughout this process, so fundraising can be seen as opportunities to achieve other organizational goals. Most groups find that a broad range of fundraising approaches is necessary for long-term sustenance, and you'll need to plan out your fundraising just like you do the rest of your campaign. The following are various categories of sources of income.

Dues or Membership. Many groups ask that members pay a one-time, monthly, or annual dues fee to help sustain the group, sometimes with a sliding scale respective of status as student, senior citizen, or coalition partner. Dues can be a good way to diffuse large operational costs, but always remember that paying a periodic membership fee does not in and of itself constitute active contribution to the group. For some large national groups, it is effective enough to have passive members who mainly contribute by writing a check once a year, but this will not be enough for a local action-oriented group.

Grassroots Events and Appeals. Events are a great way to raise awareness, build a reputation for your group, and bring in contributions from concerned individuals who are sympathetic to your cause, but who may not necessarily be able to commit to joining as an active member. They are effective when you link solving a problem directly with the event's revenue, so that people gain a sense of efficacy. In other words, you don't want to appeal to potential donors by saying that you need money so you can pay the groups phone bill next month, but rather, their money is an important contribution to the cause you're fighting for. Following are some ideas for grassroots fundraising, though this list is not exhaustive, and remember that your creativity and ingenuity will go a long way in creating memorable, successful, fun and lasting events.

- Benefit Concerts, Talent/Variety Shows
- Car washes

- Bake Sales, Book Sales, Yard Sales,
- Raffles
- Auctions
- Brunches or Dinners
- Public Television Tele-a-thon
- Walk-a-thon
- Door-knocking

Foundation Grants. Even though it requires significant research, writing, and time to acquire a foundation grant, the pay off is generally large and certainly worth the effort. While grants are usually given for specific campaigns or projects, it is sometimes possible to apply for operating budget funds. In any case, the proposal should clearly state the purpose of the project, follow the application guidelines, and be customized to the specific foundation as much as possible. There are many good online sources for citizen group and nonprofit grant fundraising. Here are a few:

The Internet Nonprofit Center includes an extensive FAQ section, www.nonprofits.org

The Foundation Center Library is a national clearinghouse, www.fdncenter.org

Ohio Citizen Action has compiled a great list for small groups, www.ohiocitizen.org

BUILDING COALITIONS

In many cases your group will benefit by partnering up with other groups to add power to your message and broaden your base of support. As part of your campaign planning and power mapping, you should consider which community groups or associations might help you demonstrate your power to the target. Coalitions are usually formed for short-term campaigns, but the relationships built will benefit the groups involved for future events, networking, and increasing capacity for grassroots efforts.

Neighborhood groups, churches, PTA's, small business associations, environmental groups, and civil rights groups could all be natural allies for your corporate reform work. You'll need to consider what value potential coalition members might bring to the campaign in terms of resources, broadening the power base, and improving publicity.

When joining a coalition, you should consider the potential overall disadvantages as well. Possible drawbacks include compromise on priority issues, distraction from other goals of organization, and structural problems that result from inequality in resources and power. Clearly stating expectations and guidelines in the coalition building process can prevent many unnecessary conflicts down the road.

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A surprisingly small number of letters from concerned citizens can catch the attention of our elected officials, especially letters from voting constituents. Below is a sample you might use when expressing your opinion to your representatives. However, we encourage you to personalize your letter with individual and local examples.

The Honorable Jane Doe 1234
Senate Office Building
Washington, DC
Date

Dear Senator Doe:

I am writing to urge you to oppose SB 979, the Broad-Based Stock Option Plan Transparency Act. The bill would block FASB's decision to expense options and allow greedy executives to continue to cash out on millions of dollars of unexpensed stock options. It is widely recognized that this loophole in financial accounting can inflate company earnings, reduce corporate taxes, and mislead investors. Unexpensed options were a major factor in the recent corporate scandals. Have we not learned our lesson?

The Financial Accounting Standards Board's (FASB) decision to expense options reflects simple common sense. Options are compensation and compensation is a corporate operating expense. Federal Reserve Chairman Alan Greenspan, investing authority Warren Buffet, former SEC chief accountant Lynn Turner, the Conference Board, SEC Chairman William Donaldson, Nobel Prize winning economist Joseph Stiglitz, other notable economists, all support the practice of expensing options. It is an important part of the effort to protect employees, investors and consumers from the devastating consequences of corporate accounting scandals. We must not allow SB 979 to block FASB from enforcing this long-overdue rule!

As a voter, I urge you to oppose SB 979 and to support FASB's effort to end the devastating consequences of escalating CEO greed. I also urge you to support the Levin-McCain bill (SB 182, "Ending the Double Standard for Stock Options Act"), which would prevent a company from claiming a stock option expense on its tax return unless the company also includes that expense on its books. In order to restore confidence in American business and encourage sustained economic growth, we must begin by restoring honest and accurate accounting standards.

Sincerely,

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