

Good Work



Jonah Sutherland



Working Assets

How two savvy professionals proved that building a dynamic business and building a better world are not mutually exclusive.

BY LINDA HAGEN MILLER

Businesses that give a portion of their profit to charities, worthwhile causes and philanthropic organizations are nothing new. American Express is commonly credited with launching the idea in 1984 when the credit card innovator announced they would donate five cents of every charge card purchase to the restoration of the Statue of Liberty. Actor Paul Newman goes one better. His food product empire donates 100% its profits to charities. • The idea has boundless, everyday charm and is a perfect panacea for overscheduled Americans. You need to fix dinner, you like Newman's Own spaghetti sauce, you endorse charitable giving, so why not buy a jar of Paul's marinara with mushrooms? Presto, the dinner dilemma is solved and you assuage that nagging sensation that you really should be doing something to make this a better world.

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Along comes Working Assets, a San Francisco-based long distance, credit card, wireless telecommunications company that offers a twist on share-the-wealth corporate giving. Never mind being generous with profits, Working Assets does their giving *before* the balance sheet is tallied. The donations come from a percentage of the company's top-line sales revenue, not bottom-line profits. In the 19 years since its inception, Working Assets has donated over \$40 million to progressive nonprofits like Children's Defense Fund, Rainforest Action Network, Amnesty International, AIDS Action Council, America's Second Harvest and more. The list of over 50 organizations reads like a who's who of social activism and change.

that was dedicated to socially conscious investment. As the company grew, one thing became apparent: Americans were much better at spending than saving. Kieschnick decided a way to tap into that underlying truth was to provide customers with an efficient, quick and easy way to donate to charitable causes while they were in the spending mode.

His spend-and-donate model was a credit card company that would pledge 10 cents of every customer purchase to progressive nonprofit groups at no extra cost to the cardholder. In 1985 Scher was hired to lead the subsidiary start-up. The same year, the mutual fund company separated and renamed itself the Citizens Funds, leaving Scher as chair/chief executive officer of Working Assets with Kieschnick in the president/chief operating officer position. The credit card division now boasts 78,000 card holders.

Long distance telephone service was added in 1991, refining and expanding the donation model. 1% of Working Assets' long distance revenue is given to nonprofit groups at no extra charge to the customer. The more calls made, the more money is donated. In addition, customers can opt to round up their phone bill payment each month to the nearest \$1, \$5 or \$10 (a 100% tax deductible contribution) and the additional revenue goes directly to the nonprofit group of their choice. Over 380,000 residential and commercial phone customers participate. Wireless service was added in 2000, contributing an additional one percent of monthly charges to the donation pool.

A light-hearted but still-targeted addition to the monthly phone bill is *Recommended Reading*. A list of book reviews is included in each bill with titles ranging from *Now & Zen Recipes* to the children's book *The Tree*. Customers who purchase recommended books receive a 10% discount on the book

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Working Assets' founders Michael Kieschnick and Laura Scher were destined for top corporate jobs. With their Harvard education (he has a Ph.D. in Public Policy, she has an M.B.A.), both could have opened any number of corporate doors. It was their socially-conscious upbringing, however, that gave the Working Assets seed a place to sprout. Kieschnick was strongly influenced by his family church's involvement in anti-war and pro-integration movements. Scher's mother was politically active and her father ran a company that made environmentally safe chemicals.

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Working Assets is passionate about responsible corporate giving and equally passionate about political and social activism.



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and 1% of the price of the book is donated to Working Assets' nonprofit recipients.

Those phone bills, by the way, are printed on chlorine-free, 100% post-consumer recycled paper with non-toxic soy-based ink. And, Working Assets plants 100 trees for every ton of paper used. To sweeten the entire telephone deal even more, and maybe to prove this is no stuffy bunch of do-gooders, new customers receive a coupon for a free pint of Ben & Jerry's ice cream every month for a year.

Nonprofit organizations are chosen by customer nomination and must fit into one or more of the following categories: civil rights; peace and international development; the environment; education and freedom of expression; economic and social justice. An independent foundation reviews the effectiveness and mission of the hundreds of nominees and narrows the field, then Working Assets' employees and board of directors select 50-60 groups for the annual donations ballot. Customers voice their choices again when they vote

on how to distribute the donations among those groups.

Just as Working Assets' staff is passionate about responsible corporate giving, they are equally passionate about political and social activism, and they make sure their customers have opportunities to quickly and easily send messages to elected officials and corporate leaders.

In 1991, Working Assets created the *Citizen Action* program which highlights two crucial national issues per month and two state issues (in California and New York), explains the issues and advises customers which decision-maker they should contact to most effectively voice their concerns or support.

Action Alerts, summaries of timely political issues that range from nuclear weapons proliferation to oil drilling in the Arctic Wildlife Refuge, are included with monthly phone bills and online at ActForChange.com and ShopForChange.com. Customers can call the targeted decision-maker free of charge any day of the week or

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if they choose, an advocacy letter is sent on their behalf. Working Assets' radio station (www.RadioForChange.com) broadcasts social commentary and provides a toll-free line to encourage listeners to get involved.

In 1995 Working Assets created *Flash Activist Network* (FAN), a rapid-response program that keeps customers abreast of hot issues and gives them an almost-instant way to speak out. FAN members pay a low monthly fee and are notified by phone, fax or email of critical concerns. Members can call a toll-free number for additional details then be transferred directly to the targeted decision-maker.

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Working Assets developed ActForChange.com, a website that provides background information on current political issues, links readers with advocacy organizations and has contact information and a directory of elected officials. Emails can be sent directly from the site to decision-makers.

ShopForChange.com is Working Assets' online shopping center with nine merchants and specialty stores like Lands End, Patagonia and Uncommon Goods. All ShopForChange merchants have one thing in common: their commitment to social responsibility. Working Assets donates up to 5% of every purchase made on the site to nonprofit groups at no extra cost to the customer. ShopForChange.com is also an activist site: corporate issues are highlighted monthly and site visitors can send email messages to targeted businesses.

Each month, Working Assets' customers generate over 80,000 letters, faxes, phone calls and emails to the White House, Congress and influential leaders. The company takes credit for numerous victories, including convincing Congress to invest \$12 billion in conservation initiatives over the next six years and influencing the renewal of the Violence Against Women Act.

If Working Assets' lofty principles weren't backed by solid business practices and competitive pricing, however, they wouldn't be able to float this highly successful corporation or their lofty practice of before-profit giving. Laura Scher and Michael Kieschnick have proved that building a business and building a better world are not mutually exclusive.

"While it's satisfying to demonstrate the possibility of having a successful business while fighting to change the world, it is most important to have engaged hundreds of thousands of people along with us," Kieschnick says. "It is clear, however, that there's

more to be done."

So picture this: you're a Working Assets customer. You sit down to pay your phone bill and in the process, you garner an idea for a good read for your next book group, you catch up on some politically hot topics and you send a Working Asset-organized *CitizenLetter* to Congress. Then you put your feet up and enjoy some of that complimentary Ben & Jerry's ice cream. 🍦

For more information: Working Assets, www.workingassets.com, 877/564-6669.

*Linda Hagen Miller writes business, travel and human interest articles for national magazines and is the creator and publisher of **Bylines Writer's Desk Calendar**. She pays her bills in Spokane, Washington.*