

Give the Change Makes it Easy to Be a Philanthropist

TRANSACTIONS:

Debit Card Allows Consumers to Donate Change to Charity

By EMMET PIERCE

The goal of **Give the Change**, a San Diego cause-based company, is to make charitable giving simple and convenient through the use of debit cards.

"Give the change is a way for nonprofits to open up sources of donations and to better engage with their supporters," said CEO **Stephen Statler**. "We basically enable charities to give supporters a debit card link to their bank account."

"It rounds up everything you buy to the next dollar and gives 100 percent of the change to the charity. Basically, you give the change to the charity that you care about."

The average donation is 50 cents per transaction, and the average debit card is used 14 times per month, he said. The \$7 per month that is contributed each month typically goes unnoticed by the cardholder. Although the amount is small, it adds up over time, allowing anyone to become a philanthropist.

"You feel good every time you shop," he said. "You feel connected with something that is larger than yourself."

Statler said he worked at **Qualcomm** as the head of strategies for retail solutions when he got the idea for Give the Change. He left the company to launch the project in mid-2014.

"It struck me that the people with the least amount of money were the most generous," he said. "If [the contribu-



Melissa Jacobs

Stephen Statler, CEO of Give the Change, says the cause-based company makes its money through "swipe fees" merchants pay when there is a debit card transaction.

tion] were a dollar or less, they would be willing if it was a chance to help people. I wanted to be able to make our mission to democratize philanthropy. When you give money, you feel good."

His company now is "up and running" and working with several nonprofits, he said. "We have confirmation for our fourth charity."

Give the Change earns its money through the "swipe fees" that merchants pay when there is a debit card transaction. He said his company receives 6 cents per transaction.



Melissa Jacobs

People can help a charity by agreeing to donate the change from a transaction to that cause.

GIVE THE CHANGE

Managing partner: CEO Stephen Statler

Revenue: Undisclosed

No. of local employees: Four

Investors: Self-funded company

Headquarters: San Diego

What makes the company innovative:

The company provides a low-cost method for nonprofits to create new revenue streams.

Key factors for success: It relies on the "viral effect" of cause-based marketing to change the way people make donations. Rather than advertising, it depends on word of mouth.

million charities in the U.S. the potential market for Give the Change is huge. His plan for 2015 is to focus on working with local charities and growing awareness through public radio stations.

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Optimal Giving: Helping Nonprofits Keep More of the Money

TECH: Direct Debit Payments Eliminate Processing Fees

By EMMET PIERCE

By teaching nonprofits about cost-saving payment-processing practices, San Diego-based **Optimal Giving** helps them keep more of the money they raise.

"We're not just another credit card processing company," said President **Jeff Dowler**. "Our objective is to eliminate unnecessary credit card fees. It's about educating nonprofits and educating donors so more of the donation can go directly to the front line."

"We take existing technology and help nonprofits understand it, implement it, and optimize it to the maximum potential. We try to take a consultative approach to sales. We're not there to talk anybody into anything."

One of the best ways to eliminate fees is to encourage donors to have money transferred directly from their bank accounts as electronic checks or debits, said Dowler, who formed **Optimal Giving** in 2013.

Dowler supports use of the **Automated Clearing House (ACH)**, the banking system's way of moving money.

"We are an ACH-first company," he said. "I am not saying get rid of credit cards... just give them another option so you don't have to pay the fees."

Dowler has been working in the payment-processing industry for 15 years. He says he has worked with local nonprofits as a board member and volunteer for 30 years. He urges nonprofits to give donors an option to avoid using credit cards.



Jeff Dowler

Direct debit transactions avoid costly processing fees because the funds are withdrawn directly from the donor's bank account. Credit card processing fees often amount to 2.5 percent to 3.5 percent of donations, Dowler said.

In contrast, "direct debit or electronic check donations cost less than the price of a stamp for donations of any size," he said.

Dowler noted that the **San Diego Rescue Mission** offers its donors a choice of using direct debit payments or credit cards. "They explain why they prefer direct debit in a concise and compelling way," he said.

Dowler said his company makes just pennies on each donation that is made to the nonprofits he works with.

"We have a big vision," he said. "We're more mission-driven than money-driven. We'll make plenty of money because pennies add up."

Dowler noted that his company also encourages nonprofits to use mobile texts to solicit funding. **Optimal Giving** has

OPTIMAL GIVING

Managing partner: President Jeff Dowler

Revenue: Undisclosed

Headquarters: San Diego

No. of local employees: Six

Investors: Undisclosed

What makes the company innovative: It helps nonprofit businesses minimize credit card fees to increase revenues

Key factors for success: A commitment to educating the nonprofit community about best business practices.

licensed technology from **Mobile Cause**, a fund-raising platform, to help them accomplish this.

"Ninety-nine percent of texts get opened," he said. "Mobile is a great way to communicate."

Cause-based:

from page 1

managing, and distributing charitable funds."

"You can purchase the product or service you need and do good at the time," she said. If you want to make the world a better place, "the cause-based model makes it easy to do."

For example, some businesses offer debit cards that enable people to make a small contribution to the cause of their choice each time they make a purchase. The amount donated may be less than a dollar

for each purchase, but it adds up over time. "Every one of us can be philanthropists every day," Mead said.

Jennifer Borba von Stauffenberg, president of **Olive PR Solutions Inc.**, said consumers are hungry for ways to make contributions to charitable causes. This benefits businesses that partner with nonprofits.

"Consumers will choose a company that is cause-based over another," she said.

When the public discovers a company that has successfully partnered with a worthwhile charitable group, "everyone wins," she added. The charity is enriched and the company gets an opportunity to

publicize itself as a caring member of the community.

Passion for Giving


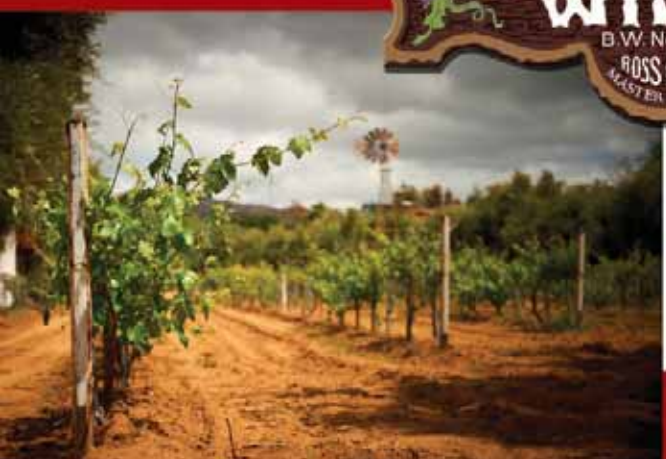
Brian Hawkins, who teaches cause marketing at the **University of California, San Diego Extension** program, said companies can gain loyal followings by helping their customers connect with worthwhile charities.


"Typically, companies compete on the classic four P's: product, price, place and promotion," Hawkins said. "In terms of cause marketing, I add a fifth, which is passion. The consumer feels great. They realize that in consuming they also are giving."

Hawkins traces cause-based marketing in the U.S. back to World War II. Car production was stopped in order to allow automakers such as **General Motors**, **Chrysler** and **Ford** to concentrate on the war effort. During the years they weren't allowed to make cars, Detroit automakers kept a high public profile by throwing themselves behind the effort to create trucks, tanks and airplanes for military use.


The result was an enhanced public image. President **Franklin D. Roosevelt** gave automakers a boost by calling America's weapons makers "the arsenal of democracy."

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