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Entrepreneur blogs about charity's money woes

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Like many social entrepreneurs caught in the economic crisis, Kjerstin Erickson is lying awake at night wondering if her tiny nonprofit is going to survive.

But in an unorthodox move, the 25-year-old decided to blog about her charity's financial problems - despite warnings from board members that she'll send her remaining donors fleeing.

It's come to this because 2008 may be the fifth and final year for FORGE, Erickson's Oakland-based nonprofit run by Stanford grads that brings libraries, schools and microloans to Zambian refugee camps. Because of the economy and some management missteps, FORGE is facing a \$90,000 budget shortfall.

After Erickson began blogging last month on the Skoll Foundation's Social Edge Web site, an interesting thing happened.

Her story went viral after it was picked up by the Tactical Philanthropy blog, and the social entrepreneur community took her on as an experiment in "radical transparency."

As nonprofits head into what is predicted to be one of the most dismal holiday donations seasons in years, Erickson may have stumbled onto a novel Wikipedia-style approach to strengthening charities by turning to online collaborations.

"FORGE has always been very open on our Web site. We talk about attendance problems at refugee schools, whatever," Erickson said. "I'm from the gossip generation, we blog about everything, so it was natural to talk about this."

Now, socially oriented financial analysts, nonprofit consultants and public relations firms offered to help her pro bono. Among them:

- Some top search engine marketers in New York have challenged themselves to raise \$100,000 for FORGE in 100 days by coming up with innovative ways to direct more online traffic to the point-and-click giving on FORGE's Web site.
- A family foundation in the Bay Area has offered to give FORGE \$10,000 if it can raise \$20,000 from its donor pool.
- Nonprofit consultant Curtis Chang has agreed to prepare a free sustainability plan for FORGE through his San Jose company, Consulting Within Reach.

Watching process unfold

Chang also is blogging about his experience trying to help a struggling nonprofit survive the economy. In a recent post, he gave Erickson a "reluctant B" for her essay on why FORGE deserves a community bailout. He dinged her for having a good long-term vision but not being clear on why FORGE is indispensable now.

"Normally, I'd never say anything like this in public when I consult for a nonprofit," Chang said. "But I got involved because it's educational for other people who are also in a budget shortfall. They can watch this whole process unfold."

Erickson dropped out of Stanford in her junior year in 2003 to start FORGE after several study-at-sea trips to impoverished nations persuaded her to become a social entrepreneur. She completed her degree in public policy in June.

She ran the three-employee nonprofit out of her home and borrowed seed money from her parents to start FORGE, which stands for Facilitating Opportunities for Refugee Growth and Empowerment. Her boyfriend raised \$40,000 by selling his house, which helped her pay daily expenses so she could run FORGE without a salary.

FORGE has amassed 25,000 books into one of the largest refugee libraries in the world; started schools, a refugee camp newspaper, AIDS and malaria health programs and women's centers; and helped small farmers secure microloans. Its programs are offered in three refugee camps in Zambia and serve 60,000 people.

Nobody had a salary at FORGE until this year. Erickson and her two employees each make less than \$33,000 annually.

Financially drastic change

Over the past year, FORGE has shifted from relying on a host of American volunteers to run the programs in Zambia to hiring 154 refugees for the jobs.

While the change fit FORGE's mission to help refugees become self-sufficient, it was financially drastic, Chang said.

"They basically went overnight from relying on college volunteers to fundraise and run the programs to hiring refugees and relying on the Web site to generate donations," Chang said. FORGE had hoped fundraising would help bridge the gap, but its direct-mail campaign went out the same week the stock market sank. A fundraiser in Boston with Aerosmith singer Steven Tyler and New England Patriots quarterback Tom Brady also flopped.

"The story of FORGE has yet to be told," said Erickson, who is optimistic she will be able to turn things around.

"The goal of all of this is not just that FORGE recovers, but we come out a lot stronger because of it and learn the lessons we need to learn - and that everyone learns with us."

All about FORGE

To follow the FORGE story online, go to:

www.forgenow.org
www.semchallenge.org

Kjerstin Erickson's blog:

www.socialedge.org/blogs/forging-ahead
www.tacticalphilanthropy.com

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