Cultivating Lifelong Donors:  
*Stewardship and the Fundraising Pyramid*

Stewarding One-Time Donors for Lasting Support

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Your Presenter

- Senior Consultant, Target Analytics™, a Blackbaud Company
- Joined Blackbaud in 2004
- More than 20 years of experience in the prospect research field, including at Santa Clara University and University of Washington
- Frequent speaker at professional conferences, including those sponsored by the Council for Advancement and Support of Education (CASE), The Association of Fundraising Professionals (AFP), and The Association of Professional Researchers for Advancement (APRA)
- Received APRA’s Service Award for outstanding service to the profession in 1997 and awarded the CASE Steuben Apple Award for excellence in teaching in 2001.
- Bachelor’s degree in sociology from Sterling College (Sterling, Kansas), a master’s degree in sociology from Wichita State University, and a Master’s in Divinity from San Francisco Theological Seminary
Opportunity and Challenge

- Cost to acquire $1 in new donations is often $1 to $1.50
- "One-time" donors from crisis or disasters can change that
- Multi media publicity grabs the heartstrings of many who don’t normally give
- Social media spread the message
  - Text giving
  - Facebook
  - Twitter
- The Center on Philanthropy reported that over $1.1 billion was raised by US Charities for Haitian earthquake relief by 4/12/2010
Why is Getting the Second Gift So Difficult?

- Making the first gift is often emotional
- Impulse philanthropy
- Technology makes quick donations easy
  - $50 million in text messaging within a few days of the disaster
  - Mostly $5 and $10 gifts
  - Low investment
- Giselle Holloway (director of direct response for the International Rescue Committee): “A person doesn’t truly become a donor until they make their second gift.”
- Most one-time donors never make the second gift – unless it’s to another emotional appeal
- Impulse donors don’t have staying power with the org because they give to meet the needs of those in crisis, not the needs of the org’s mission
- Lack of familiarity with the organization’s larger mission
Too Much of a Good Thing?

- Following a disaster, the quick influx of donations earmarked for relief overwhelms an organization’s ability to respond
- Potential to spend the money unwisely or ineffectively
- Negative publicity about how the money is spent can be worse than not receiving it at all
- The Red Cross historically solved this problem by banking donations received in one disaster to prepare for future disasters
  - Publicity about this practice following Katrina angered donors
  - Post Katrina, Red Cross adopted new procedures to ensure donors intent was honored
Converting Impulse Donors To Sustaining Donors

- The challenge is to turn impulse donors into sustaining donors who spread their gifts out over a longer period of time
  - Sustained support
  - Predictability
- Good stewardship uses the opportunity to communicate with the donor and educate about the mission
Get the Basics Right

- Timely acknowledgement and receipting is a must
- When possible, respond - beyond the receipt if necessary - through the same channel the donor used to contact you
  - Facebook? – invite them to become members of your fan page
  - Telephone? – respond with a phone call, even if it’s just a robocall
  - Text? – text them back
- When working with 3rd parties (e.g. Network for Good or Paypal), make sure you get the information you need to respond to your donors quickly
- Personalize your communication as much as possible
  - Use donor’s name
  - Reference the purpose of the gift
- Provide feedback on what their gifts accomplished in human terms
  - People sheltered
  - People treated
  - People fed
- Tell the story of who benefited from the donor’s generosity
Don’t Dilute Your Thank You With A Hard Sell

- Though it is important not to wait too long for the next ask, let your initial response to the gift be sincere and simple.
- Focus your gift acknowledgment on…
  - Welcoming the person to the organization
  - Educating them on your mission
- A “soft ask” reply card is OK
Sell Your Mission, Not The Crisis (or the Campaign)

- Impulse donors might not know much about you
- Let your story of how they helped people be a springboard to a depiction of your larger mission
- Make the case for ongoing support
- Invite one-time donors to be partners in preparing for the future
- If your mission is not disaster relief per se, look for the tie in
CARE USA

- Mission is to fight poverty
- Received 10s of thousands of first time donors following the Indonesian Tsunami in 2004
- In previous emergencies, CARE thanked new donors and added them to the normal direct mail population
- Retention was very poor
- New approach with Tsunami donors: respond to them in the context of their specific interest
  - “Poverty is the Silent Tsunami”
  - Poverty makes people more vulnerable to crisis
- Highlight the mission of the organization while engaging donors on the level of the crisis that motivated them to give in the first place
International Rescue Committee (IRC)

- Mission is to help rebuild lives of war refugees
- Working in Banda Ache when the tsunami struck in December 2004
- Acquired nearly 20,000 new donors giving specifically to tsunami relief
- Stewardship materials to new donors focused on the org rather than the emergency
- Welcome package
  - Thank you specifically recognizing support for tsunami victims
  - Brochure about IRC – not tsunami related
  - Insert about the tsunami relief efforts
- Ongoing communication reported on the scope of relief efforts
  - Online newsletter
  - Monthly printed direct mail
International Rescue Committee (IRC)

- First appeal to new donors went in May 2005 (after 4 months of stewardship communication)
  - 20,000 tsunami donors
  - 32,000 non-tsunami donors
- Results
  - 4.6% response from non-tsunami donors
  - 8.6% response from tsunami donors
- Due to effective stewardship, tsunami donors performed 86% better than non-tsunami donors
Periodic Donors

- Some people are repeat donors, but only in response to an outside stimulus like a disaster or a capital campaign.
- Each new donation gives you a chance to draw the donor closer.
- Personalize:
  - What did they give to before?
  - How (and who) their past donations helped?
- Since they have demonstrated trust in your org in the past, they can help you be better prepared by establishing a regular giving pattern.
- Invite them to become partners with you preparing for the future instead of reacting case by case.
- Use the anniversary of the disaster or the donor’s gift as an opportunity to re-engage donors, especially those who have not become sustaining partners.
Prioritize Your Stewardship

- It may not be possible to provide the same level of personalization to every donor.
- If you must triage your stewardship, be strategic about it.
- Correlation between gift size and income:
  - Katrina donors – households with incomes over $80,000 had a median gift size of $100 and average gifts of $241.
  - Allocate more personal and costly stewardship resources to donors at these levels or higher.
- Respond to people not only on the basis of their gift size but on the basis of their capacity to give:
  - Zip Code/Region/Neighborhood
  - Statistical profile.
Plan Ahead

- Don’t wait until the gifts start coming in to create your stewardship plan
- Keep up with the technology, both traditional and new media
- Have letter, email, and web-site templates ready
  - Messages focus on your mission
  - Blanks for inserting language specific to the emergency at hand
Summary

- Acknowledge new and renewing donors as soon and as personally as possible
- When practical, respond to them through the same channel (social media, direct mail, phone, text) they used to reach you
- Let your stewardship materials tell the stories of those who were served
- Use stewardship materials to expand your message beyond the immediate crisis to a description of your larger mission
- Engage new donors as partners in that mission
- If you can’t provide a high level of stewardship to all donors, prioritize based on gift size or criteria you establish through data mining and modeling
- Prepare your stewardship plan before the need arises