6

WAYS TO ROCK YOUR

YEAR-END FUNDRAISING

e-guide

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CONSULTING LLC

BUILDING NONPROFIT EXCELLENCE THROUGH EFFECTIVE FUNDRAISING

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FALL IS BUSY. GETTING THE KIDS BACK TO SCHOOL, FOLLOWED BY THE QUICK TRANSITIONS BETWEEN FALL AND WINTER HOLIDAYS, ARE BRISK REMINDERS THAT THE LAZY DAYS OF SUMMER ARE LONG BEHIND US.

AS IF THAT WASN'T ENOUGH… FOR NONPROFIT LEADERS IT'S ALSO THE SEASON FOR SQUARELY FACING OUR END-OF-THE YEAR FUNDRAISING PUSH. THE TEMPERATURES MIGHT BE DROPPING, BUT THE HEAT IS ON.

Whether or not your fiscal year ends December 31st, it's still prime giving season. Consider these stats from *Network for Good's Digital Giving Index*:

- 30% of all giving occurs in December
- 12% of all giving happens in the last three days of the year.

Organizations are competing for limited philanthropic dollars. And the noise of appeals from will grow louder over the final months on the calendar. Which is one reason wise fundraisers think of the end-of-year blitz as just one part of their broader donor engagement plan. Sustainable fundraising means a year-round dialogue with your donors, not just limited to the last few months of the year. And showing current donors the love, retaining them and growing their gifts, is one of the best ways you can end the year with a win.

HERE'S HOW YOU CAN USE THE LAST QUARTER OF THE CALENDAR YEAR TO KEEP AS MANY OF YOUR CURRENT DONORS AS POSSIBLE—AND INSPIRE THEM TO INCREASE THEIR GIVING.

#1 SHARE & CELEBRATE, DON'T OVERSOLICIT

Penelope Burk, guru of *Donor-Centered Fundraising*, found in her research that the number one reason donors stop supporting an organization is because they feel they are being "oversolicited." With tight deadlines and many multichannel communications, it's easy to get swept up in the transactional part of fundraising—trying to get those gifts in by December 31st. "Oversolicited" might not mean frequency. It more likely points to donors not feeling that they know if their gift made a difference before they're asked again for another contribution.

Are your communications—e-newsletters, mailed and electronic solicitations, tweets, Facebook posts, etc.—bringing your donors closer to your work and inspiring them to more deeply commit to your mission, without always asking for money?

Before you start asking for year-end gifts, set the stage. Prior to the last quarter of the year, ensure your calendar includes a variety of ways to bring your work and your beneficiaries to your donors:

- Send a genuine "thank you" email with stories of impact that illustrate the transformation their gift has made possible.
- Highlight what you were able to do because of the gifts you received from your donors.
- Celebrate your donors and make them feel that their support made a difference in some way.

Then your asks will be natural extensions of the dialogue you've created about the results your donors have made possible. And they will be more open to investing in you again because they felt that their gift has made a difference.

#2 SEGMENT & CUSTOMIZE YOUR APPEALS

All donors are important to your mission, but not all donors are the same. Your messaging must be grounded in showing all donors how important they are and how their gifts have made a difference, but they won't always upgrade their giving on their own. You must invite them to do so.

Segment and customize your appeals to increase the likelihood of upgrades.

Donor segments to start with are:

a) Current Donors—Divided between your higher-level annual donors and everyone else. *(You have to decide how to define these groups.)*

b) Lapsed Donors (past two fiscal years)

c) New Donors

You don't necessarily need to create separate communications pieces for these three groups. But adding a special sentence that shows them you know who they are—a first-time donor to you this year, a donor who became inactive, a regular supporter who's been with you – goes a long way. Ask amounts also can be personalized by segments based on giving patterns, inviting them to consider gifts that are increases and reflective of the range of support they've shown you.

Now, about ask amounts. There are several schools of thought about what's most effective—the specific amount requested or the ask string. Either can work well, but they have to be based on the donor's own giving history. Test with your donor audience which is more effective with them.

Whichever method you choose, remember our human brains are all hard-wired similarly. And there's lots of research to guide you toward the right approach.

Here's some basic neuroscience to keep in mind: *(For more in-depth information, check out Nick Ellinger's great e-guide, The Science of Ask Strings.)*

How to use Anchoring

Our brains make shortcuts all the time in decision-making. One shortcut is using a first piece of information to influence our decision. In an ask string that lists a few gift options, for example, having a higher gift amount as the first number on the left anchors the reader. If they can't or won't give that specific amount, they might view the lower amounts that follow a little more appealing.

While there are formulas you can use to determine the ask string for your donors, they are not cut and paste options. Generally, our short memories will try to recall the last gift we made to an organization. There's strong evidence[1] that using the "Most Recent Contribution" (MRC) is more donor-centered than the old school "Highest Previous Contribution" (HPC). However, for donors who give multiple gifts throughout the year, say $100 in response to your spring appeal and $25 for Giving Tuesday, you don't want to ask them for an upgrade from their most recent contribution of $25 when they have supported you at much higher amounts. In that case, using the average of total fiscal year giving as the anchor amount can result in higher retention and increased giving.

Don't overcomplicate this especially if you have a small development team, limited technological resources, or are a fundraising staff of 1. You have a lot of competing priorities, and uber-personalization can be time-consuming. See what your donor database can do in terms of pulling average gifts for that fiscal year or last fiscal year. If it seems complicated, use the HPC as your anchor and build the ask string around that one.

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[1] *Ellinger, N., The Science of Ask String*

How do you create your ask strings? There are generally recommended ranges to use and for higher-level annual donors use the middle to higher end of the ranges suggested below. In theory they've already got a higher disposition to your organization, so may be more inclined to consider the upgraded levels. Here's the basic formula for thinking about your own ask string:

1-1.75 x MRC or Average Contribution; 1.5-2.25 x MRC or Average Contribution; 2-3 x MRC or Average Contribution; other

How to use Social Proof

We are hard-wired to take cues from those around us. The more we see others doing something, the more reassurance we have that it's ok to join them. In prehistoric times, decisions literally meant life or death. So if we knew others were doing something, it could mean making a decision to stay safe or not.

In fundraising, social proof guides our donors to see themselves as part of a larger movement for change. Simple phrases woven into your copy that say "donors like you care about OR see the importance of…" are powerful. You can also circle an amount in the ask string with a notation that says "average gift donors make to us," cueing the donor to see where to fit in.

#3 LEVERAGE CHALLENGE GRANTS OR MATCHING GIFTS[1]

Along the lines of social proof, people love to know they are part of something that can leverage greater results. This is why challenge grants or matching gifts are so effective.

Challenges and matching gift promotions can be especially effective in re-engaging inactive donors or in inspiring newer donors to make an additional gift. But the value in challenges or matches is that donors see tangibly how their gift will go even further in your work.

Ask a major donor or your board to contribute a challenge grant, and consider a few ways to incorporate this into your appeals:

a) The challenge grant will match all gifts of or above a certain amount.

b) The challenge grant will match all upgraded gifts to a certain gift level.

c) Donors can see the result of this matched supported from examples of what you can achieve if you meet this challenge or match. This might be how many more families you'll be able to feed, how many more students you'll be able to serve in your after-school program, how many more homes you can build, etc.

Good old neuroscience shows us that we respond better to the idea of the leverage than the amount. If you decide that you are going to present a matching gift offer in your appeals, *studies* have shown that the amount of the match (2:1, 3:1, etc.) doesn't matter.

[1] *For more information, check out https://bloomerang.co/blog/3-foolproof-ways-to-supercharge-year-end-donations/*

#4 USE ONLINE AND SOCIAL MEDIA AS PART OF YOUR YEAR-END CAMPAIGN (BUT NOT ITS ENTIRETY)

In our hyper-connected world, it's easy to default to a completely digital outreach strategy. We think we'll get greater reach with little to no costs invested. Win-Win, right? The irony is that because we are online all the time, getting your message out through social and digital means that you are competing with all the other content filling our inboxes and news feeds. So it's not necessarily an effective strategy.

Interestingly, a recent *study* showed that online contributions comprise only about 23% of all donations made. That said, *multi-channel* communications is the way to go. Make sure all of your print and digital messaging around your organization's great results, celebrating your donors, inviting your wider audience to support your work are consistent across all channels and link to each other. After all, you don't know what will be the exact prompt to inspire your donor or reader to act.

How to ensure you're maximizing online giving opportunities?

First, confirm it's easy to make an online contribution. Look at your donation page from a desktop, tablet, and phone. Does the page adapt depending on the device? Do you have any extraneous fields asking for information that's not really necessary and may slowly discourage your page visitor from completing their online gift? Is it clear from the online giving options what those gifts will support? Sometimes it's helpful to include concrete examples like: "Your gift of $150 will feed a family for a month."

Make a test online contribution to see what donors receive after their gift. If it's an impersonal receipt or nondescript email that says "Thank you for your submission," change it immediately. Nothing about that communications shows that you care about the person who just made that gift. Instead, consider these ideas:

a) Have your first email message be a warm thank-you email that cites the specific gift, frequency indicated (one-time, monthly, etc.), and tells the donor what to expect next in terms of communications from you.

b) Follow up within a few days with a message from a staff person. Make it a little more personal and tell the donor what their gift will be helping to achieve. Be sure to have a way for the donor to communicate back to you if they have any questions.

c) For first-time gifts, upgraded gifts, or gifts from inactive donors, do #1 and #2 AND follow-up with a phone call to show the donors you noticed them and are excited to have them join your organization's journey.

d) If your online system has the capability, include a pop-up message that follows the completion of the online gift. *Ask 3–4 questions* about the online giving experience and whether the donor has any other feedback they'd like to share. For more ideas on donor surveys, check out *Mighty Citizen's Donor Survey e-guide* and this *collection from SOFII*.

And then there's Giving Tuesday.

Giving Tuesday contributions have surged over the years from $10 million in 2012 to $380 million raised in 2018, causing many nonprofits to believe they should be holding their own Giving Tuesday campaign. But it may not be the right strategy for you. The writer, Jocelyn K. Glei likens sending emails to yelling to someone across a busy intersection. Our inboxes are flooded on a normal day and the volume of all digital Giving Tuesday promotions can be downright deafening—and not the best ROI if your fundraising team is small and already overstretched.

Consider this:

a) If you've done Giving Tuesday campaigns in the past, analyze those results and benchmark against the time and staff effort it took to raise those funds. Was it worth it?

b) Don't feel you HAVE to participate in Giving Tuesday outreach. Based on what you learn in your analysis, your limited resources may be better focused on closing higher-level annual gifts through phone calls or in-person meetings.

c) If you're getting pressure from your executive leadership or board to run a Giving Tuesday campaign, suggest instead doing a *"Thanks for Giving" Tuesday outreach* This is a wonderful and unique way to capitalize on this popular day AND show genuine gratitude and can involve your board and other volunteers.

#5 THANK. DON'T JUST RECEIPT.

In the rush of the year-end fundraising outreach, it's easy to feel like you're running from a boulder bounding down a mountain. It's also easy to lose sight of details in the volume of gifts and communications you're managing. But *studies have shown that genuine thank you's* are integral to long-term retention of donors.

In addition to sending gift acknowledgements within 72 hours of receipt of the gifts, thank you calls and notes from board members to first-time donors or those who have upgraded their giving are meaningful gestures. Provide your board members with scripts for the phone calls and email templates to make their outreach even easier. Use videos of beneficiaries talking about the impact your nonprofit has had on their lives. Or simply use a video from a staff or executive leader providing a short thank-you and report of how this gift will help your organization.

A word about gift acknowledgment language around tax-deductibility: With the changes to the tax laws, individuals may not be able to deduct their charitable contributions. It depends on whether they are able to itemize. Review your acknowledgement and receipt language and remove any mention of that gift being tax-deductible. It's anyone's guess, so let the donor determine if it applies to them.

#6 ASSESS LESSONS LEARNED FOR THE NEXT CALENDAR YEAR

We all know that feeling of relief when December 31st has come and gone. But how will you build off the momentum of year-end fundraising?

There's the housekeeping part making sure all the gifts are processed and acknowledged promptly (another key ingredient in Penelope Burk's *Donor-Centered Fundraising*). It's also a good time to assess and adjust your plans for next year in two ways.

First, determine which messages or type of communication resonated most with your audience. Make necessary adjustments in your plans next year so you speak to your donors in the way that resonates most with them. Not sure? Ask them by sending out short surveys asking for their feedback.

Then, take stock of who gave to you:

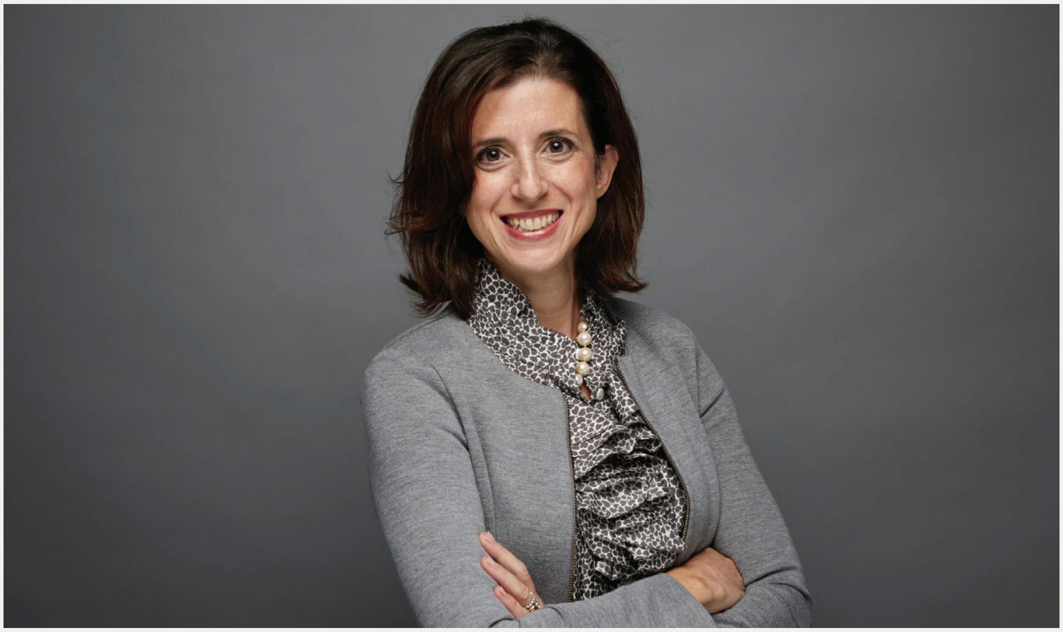
- Did you have new donors (whether first-time or lapsed donors who returned)? Did you have donors who upgraded their support? Call or visit your new and upgraded donors to thank them and find out what motivated their new or increased gifts.
- Did any of those donors who supported you last year not make a gift this year? Find out why your larger and longstanding donors didn't include you in their philanthropic plans this time. This definitely warrants a phone call because understanding what drove their decision is important and shows your donors that you care about their motivations and don't just view them as a walking ATM.
- You might also conduct wealth capacity screening to identify which of these new and upgraded donors has potential for a larger commitment. Then tailor a personalized engagement strategy to try to bring them closer to your organization.

PUTTING IT ALL TOGETHER

The key to not burning out in the last quarter of the year is not putting all of your fundraising eggs in the one basket of year-end outreach. Create a regular cadence of print and digital solicitations (at least one or two per quarter) and updates throughout the year so your audience is used to hearing from you. Weave in multi-channel updates in between solicitations to show donors how their gifts made a difference. Videos or personal calls are lovely surprises that your donors will appreciate.

WITH THIS YEAR-ROUND APPROACH, YOUR LAST QUARTER OF THE CALENDAR YEAR WILL BECOME A NATURAL PART OF YOUR OVERALL COMMUNICATIONS AND DONOR STRATEGY—AND NOT **THE** CORE OF YOUR FUNDRAISING PLAN.

ABOUT BARBARA O'REILLY, CFRE, & WINDMILL HILL CONSULTING



As senior fundraising consultant, Barbara helps non-profits of all sizes cut through the noise and develop a profitable fundraising strategy that focuses on the resources, skills and tactics they need to build more effective donor relationships and catapult their revenue.

Over the last 25 years, Barbara has led record-setting reunion campaigns, been a part of three major capital campaigns, and successfully managed relationships with major individual and corporate donors. She also helped to launch a nonprofit, spent many years in large, complex organizations, and worked with everyone in between. So she knows she can help you.

Whether you are a start-up organization, a small shop, or a large, complex nonprofit, we work with you to create a fundraising roadmap that is tailored to your staff capacity and budget through strategic development planning, annual funds, capital campaigns, individual and institutional major gifts, as well as staff and leadership training and coaching.

To learn how Windmill Hill Consulting can help you transform your fundraising strategies, visit *www.whillconsulting.com*.

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