

HOW TO TREAT MID-LEVEL DONORS LIKE MAJOR DONORS WITHOUT BREAKING THE BANK

Affordable Mid-Level Donor Stewardship Ideas

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INTRODUCTION

"I gave \$500 and all I got was this lousy t-shirt."

That's what many mid-level donors could say about their experience with the nonprofits they support.

Neglecting or mistreating mid-level donors is a huge missed opportunity. That's why we're releasing this easy-to-follow primer filled with ideas for how to cultivate mid-level donors without breaking the bank.

By focusing on stewardship and personal touches common amongst major gifts officers, while also maintaining a direct marketer's focus on cost, non-profits can unlock the potential of mid-level donors.

With a little bit of strategy and a lot of care, you can retain them longer and upgrade them into your major gifts portfolio more successfully.

And did we mention it also doesn't have to break the bank?

WHY FOCUS ON MID-LEVEL DONORS?

Mid-level donors give a lot of money. In one study of donors to more than a dozen causes, we found that donors who give between \$1,000 and \$10,000 represent only 1% of individual donors, but make up 34% of total individual revenue.

And, mid-level donors are dramatically plugged into your work and represent a significant block of commitment and loyalty. They are tuned into you because of your mission, not because they get a premium gift.

But we also found that middle donors – like middle children – are prone to neglect. They appear lost in an institutional chasm between two distinct fundraising silos – major gifts and direct marketing.

Following are some ideas and mini-case studies that showcase affordable and effective mid-level stewardship. We've grouped them from "lowest tech" to "highest tech" and hope you find them useful for both refreshing an established program and creating one from scratch.

I. GIVE THEM A PERSONAL TOUCH

Mid-level donors should feel a connection to "real" people at your organization.

(1) Put a high-level staff person's business card in mid-level donor acknowledgments

Lori Hutson, who runs the middle donor program at Planned Parenthood Federation of America, sends her business card with every new mid-level donor packet she mails out. She knows she is running the risk of becoming deluged with donor inquiries, but she believes the risk is worth taking.

In her experience, mid-level donors call her mostly for substantive reasons – reasons that merit her being their point of contact. She told us, "There are a few address changes, but the conversation is more 'I just sent in my stock gift. I want to volunteer. Who do I get in touch with to get more involved? What state would be best impacted by my gift?'"

(2) Write a handwritten note

Margaret Cohen at Population Services International began the individual giving program from scratch two years ago. She decided early on that retention was key to her success and has sent a handwritten note to every new donor she has acquired.

Scaling this effort will become increasingly challenging as her program grows, but she is committed to continuing this practice for mid-level donors. She says, "No argument that it

is a time-consuming task and one that often falls to the bottom of the to-do list. But then I get an email response like this from a donor ...



Thank you very much for the letter. It means a lot to receive such personalized letters from people within the organization. It's a sign that you care, which resonates strongly with me. I am very grateful for the work you (and the rest of the organization) are doing to reduce global suffering.

“Notes like this affirm that what we’re doing is special and appreciated by our supporters. They also give me a reason to pause and think about why I’m proud to be part of my organization.”

(3) Call them to say thank you

Giselle Holloway, the director of Direct Response at the International Rescue Committee, began a mid-level donor thank you calling program in 2010. She hired refugees whom the IRC had helped resettle in the United States to call donors and thank them for their support of the IRC’s efforts. She reports that “donors who were contacted had a higher retention rate than those who were not contacted.” She also says, “One of our callers has been able to get about 40% of her contacts to give a second gift within six months. She doesn’t ask for a gift. She just thanks the donors and tells them her story.”

If you don’t have the budget to start a calling program, consider training a volunteer to make calls or carve out some existing staff time for phone stewardship.

II. GET FACE TO FACE

(1) Small gatherings

There is no greater opportunity for intimacy and connection than a genuine old-fashioned get-together. Major donor officers will jet across the country to have tea with a single seven-figure donor. That’s not cost effective for mid-level givers. What does work, however, are small group gatherings in areas of the country where mid-level givers are concentrated.

Rainforest Alliance develops certification programs to ensure that commodities like coffee and chocolate are sustainably grown and that workers and farmers in developing countries get a fair price for their crop. The frog logo – indicating a sustainable product – has become ubiquitous in recent years.

How fitting therefore that for middle donor cultivation, Rainforest Alliance launched a series of chocolate tastings with world-class quality sustainable chocolate varieties. Donors can literally sample the fruits of their generosity. Each event drew nearly 30 donors.

“These donors don’t want goodies or gift baskets,” said Nick Canedo, who oversees mid-level giving for Rainforest Alliance. “What they want is exclusive insider experiences and the feeling of being an integral part of our work. Plus it’s fun!”

Nick has also been holding film screenings for mid-level folks, so far with promising results.

(2) Focus groups

While focus groups are typically viewed as research tools, their potential as a means for donor cultivation is enormous. In 2010 Sea Change conducted focus groups in New York and California with 12 mid-level donors to the Environmental Defense Fund. The goal was to learn more about them, but in both cases, the donors had a fabulous time. Conversations extended well after the gathering ended, business cards were exchanged, etc.

Donors felt like they were part of a tribe of like-minded, thoughtful and committed people. That sense of belonging is priceless.

And this was all for the cost of coffee and Danish for 12.

III. POSTAL MAIL CULTIVATIONS

Successful mid-level fundraisers devote at least as much time to stewardship as they do to asking. This needs not be ruinously expensive. Most of the programs we looked at send out between three and six cultivation mailings a year. And even though there is no ask associated with cultivations, the response is often a burst of generosity.

(1) Send them articles about your organization

Cathy Grams is VP of Strategic Services at the Wilderness Society and her approach is typical. She says, "We've got quarterly scheduled cultivation mailings and there are a couple additional ad hoc things they'll get. We just reprinted a great *New York Times* editorial and sent it to mid-level donors with a little note. That brought in \$26,000 just on its own."

Grams' team has had to be creative in order to provide middle donors the extra stewardship they require. She says, "We do stuffing parties and have everybody gather around in the conference room to get the cultivations out the door."

(2) Send them a newsletter

At American Farmland Trust, Gretchen Mais says, "We had a magazine, but it was too expensive to print so we introduced a quarterly newsletter. It blew us away how much it raised without an ask in it. It is a money-maker for us (albeit a small money-maker). But even if it wasn't it would be worth the effort. We have increased our new donor retention rate 50% since bringing the newsletter back."

(3) Share press hits

Donors often cite news coverage as a strong indicator that the organization they support is effective and spending their donations well. For years, the flagship publication of the International Campaign for Tibet was a bimonthly compilation of clips of news coverage of the Tibet movement. While the majority of stories did not quote ICT directly, enough of them did to create a sense that your support was changing the world.

(4) Send them a brand-appropriate gift

Gretchen Mais with American Farmland Trust says, "Every November during harvest season, we send our mid-level donors – we call them Barnraisers – a Bounty of the Land gift. This outreach effort is more than a thank you gift. It honors the values we share with our donors."

Gretchen elaborates, “We get a farm to donate the gifts each year. This year we sent pecans from an orchard in Arizona with a note from Nan Walden, the orchard’s proprietor.”

“One of our donors sent us a thank you note that raved about the experience of opening the mailbox during a time of year when she usually dreads getting overwhelmed with appeals. Instead she found a parcel with nothing in it but delicious food and a letter of gratitude.”

IV. INVITE THEM TO VIRTUAL TELEPHONE TOWN HALLS AND/OR CONFERENCE CALLS

Middle donors should feel like organizational insiders. Treat them to VIP phone conversations with program staff (ideally those who are particularly skilled at talking to individual donors).

The donor doesn’t even have to attend the town hall or conference call. It’s the invitation that does the cultivation heavy lift.

Peter Stocker, VP of Development at Friends of the Earth, says, “Our mid-level donors are very focused on the substantive work we do at Friends of the Earth. Inviting them to hear directly from program staff and ask questions during telephone town halls helps connect them more deeply to our issues and the people behind our work.”

A recent phone attendee wrote, “The call was very effective. It motivated me to donate monthly... and brought me up to speed on all the wonderful work you have done with our donations.”

V. LISTEN

We are a society of talkers, not listeners. We have all had the experience of having someone be truly curious about us or our opinions, and then listen intently to what we had to say. Those moments are so rare you remember them.

(1) Online Focus Groups

We suspect that the reason focus group participants are so energized by the experience of sitting around a crowded table in a windowless room is because they are being attended to by a moderator who is hanging onto their every word.

We were thrilled to discover that “virtual” focus groups - conducted online - can have much the same impact. For several years Sea Change has been using a platform called Qualboard to conduct online conversations with 25-30 donors that take place over a three day period. Qualboards are great research tools, but they are also underutilized cultivation opportunities.

We are always struck by the outpouring of appreciation that comes at the conclusion of a Qualboard. Here’s a typical reaction from a mid-level donor:

“I feel energized by this opportunity to share thoughts about these wildlife issues. Thank you so much, Mark, and thanks to everyone else out there who participated and inspired me. Let’s all keep up the good work. My pledge is to be more involved - to get out of my lethargic, middle-aged comfort zone - and to work harder, both for wolves and all our other fellow earthlings.”

(2) Survey Middle Donors

The same logic applies to surveys – people like being asked their opinion. The research value of surveying your mid-level donors is substantial. But the cultivation value of inviting them to participate is also significant.

In addition to being a great source of critical intel, those donors really open up in responding to those open-ended questions. If they have something they want to get off their chest, or if there is something they especially appreciate, you'll hear about it.

And being heard is powerful juju.

(3) In-Depth Interviews

Suppose you don't have enough middle donors to launch a survey? That's a common enough problem. The answer then is in-depth interviews, known colloquially by researchers as IDIs. In many respects this is a variant of the thank you call (see above), with a twist: you're not only calling to say thank you, but you have a couple of questions you'd like to ask. These can be simple softballs like "have you been following [our issue] in the news lately? What's concerning you the most?". Or "we'd love to know how good a job we're doing of keeping you up to date with how your money is being spent."

First of all, do listen! If you're hiring an outsider to make these calls, make sure they tape (and ideally transcribe) the interviews. Read the transcript. Be prepared to get back to that donor if they have a specific concern that can be addressed.

Second, end every interview with this question: "Is there

anything else about [organization] you'd like to share with me today?" Nine times out of ten you'll just get a "you're doing a great job" kind of answer, but sometimes, you'll get a donor to really open up in response to this question. The value to the donor (as cultivation) and to you (as research) is enormous.

VI. RECOGNITION BY DIGITAL DESIGN

We have yet to see a nonprofit do this, and frankly we don't know why:

When I log onto Amazon.com, I don't get the ordinary Amazon logo, I get the Amazon Prime logo. That tells me that Amazon knows who I am, that I buy a ton of stuff from them, and that I can expect a higher level of service (on which they deliver by the way).

When I log into American Airlines, my Gold status displays, reassuring me that I won't have to stand in the back of the boarding line or sit in a middle seat.

Organizations often develop a unique look and feel in the mail for their middle donors, but we have yet to see a case of applying that unique look and feel to digital communications. How hard would it be to create a variant of your email template that bakes in recognition for middle donors as part of a special, and specially valued group? By including that, you are telling middle donors you know who they are, and that they matter.

You want to really blow their minds? Carry that special logo over to your landing pages!

VII. INVITE THEM TO VIRTUAL OR IN PERSON DAYS OF LEARNING

Ok – we’re getting a little fancy here, but stay with us. Take the Town Hall/Conference call idea a step further and invite your middle donors to a virtual day of learning with your experts.

(1) Book Club, Anyone?

Start a book club like Environmental Defense Fund did. They invited mid-level donors to read Eric Pooley’s book *The Climate War* and discuss it with the author and their Executive Director Fred Krupp via a threaded online discussion board. [Hint: They sent participants a signed book for free. Second hint: They used the Qualboard platform and no, we don’t get kickbacks.]

(2) Prospecting

In order to prospect for pre-qualified mid-level donor leads, Population Services International took this idea one step further and created an in-person day of learning, which they called a Development Boot Camp. They launched a contest to win a trip to DC and attend the boot camp – an immersive day-long experience with PSI experts. Through this initiative, they generated a strong response of highly qualified mid-level donor leads.

CLOSING

We’re often asked, will it be worth it? We think fundraising guru Roger Craver says it best. “Frankly, when you see the amount of money that is left on the table by neglecting mid-level donors – I mean tens of millions of dollars – sooner or later organizations are going to have to deal with this. They can’t squeeze any more blood out of the particular business-as-usual stone they are currently working.”

We agree.

Further, you must have patience and think beyond 12-24 month return on investment parameters. Veteran fundraiser Krista Harte Sassaman says, “In direct response, we look at 0-12 months and 13-24 months. Donor relationships don’t fit into these neat little boxes. The challenge we have in direct response is that we have to prove that the investment we made in cultivation plays out in these time frames. But with middle donors, you have to invest in things that don’t have the immediate payoff.”

This is why organizations must take a cradle-to-grave view of the donor pool. Measure retention rate. Measure lifetime value. Measure major donor gifts that originate from your mid-level file. These metrics will tell you more about the health of your mid-level donor program than a simple response rate.