

# THE MISSING MIDDLE

## PART TWO

### 2018



Sea Change  
Strategies



Middle Donors:  
What's New? What's Not? What's Next?

## INTRODUCTION

Four years ago, we set out to shine a spotlight on the phenomenon of mid-level donors, then defined as those donors giving between \$1,000 and \$10,000 each year. These donors, we found, while few in number, were in many cases generating as much as one-third of an organization's income from individuals. And four years ago, we found that most organizations did at best a marginal job of handling these donors.

The resulting white paper, *THE MISSING MIDDLE*, made waves. Part study and part rant, the paper called on our fundraising comrades to up their game in their treatment of these extraordinarily valuable and chronically ignored donors. We continue to see people downloading the study today, four years later.

Mid-level fundraising has evolved dramatically since 2014 and we are delighted at the changes we see. That evolution is the product of many factors, but we do hope that we helped to move things along.

What's new? There's more staffing. There are distinct metrics and new analytics. Stewardship investments have risen. Direct marketers and major gifts officers are cooperating and collaborating in new ways. Practice communities have emerged for mid-level fundraisers.

One effect of this evolution is a change in definition. In 2014, as noted, a typical mid-level program topped out at \$10,000. After that you were in the hands of major gifts officers. Today, some organizations classify donors giving as much as \$25,000 a year

as mid-level. At one organization the mid-level goes all the way up to \$100,000.

This paper is an attempt to capture the state of evolution of mid-level giving. There's a lot of progress. But there are also unanswered questions. Mid-level fundraisers are still uncertain about how much to invest in stewardship. And there are still discussions about the optimal mix of direct marketing and high touch.

The basis of this report is a deep dive into the mid-level programs of 20 organizations covering a range of issues from human health to animal welfare to social justice.

Fundraisers at each organization completed a lengthy questionnaire and sat for a 30-minute interview during which they shared their insights, breakthroughs, and challenges.

For the sake of comparability, we have with few changes maintained the same structure as *Missing Middle One*, identifying the eight habits we see shared between the most effective mid-level donor programs. The habits have largely remained the same, but the conversations have changed. Reading the two together reveals a great deal about the speed of change in this area.

Finally the necessary caveats, and an invitation. We hope and believe that the organizations participating in the study serve as a representative cross-section of groups, and that therefore most of what is contained here is broadly applicable to the

sector. That said, there are 1.5 million nonprofits in the U.S. alone. So if your experience has been radically different, we would love to hear about it.

And the invitation: In keeping with our passion for mid-level fundraising we have created a free (and commercial-free) Google Group/Listserv open to all mid-level practitioners, consultants, and curious onlookers. You will find among the members many of the people quoted in this paper. You are warmly invited to join, by sending your request to [info@seachangestrategies.com](mailto:info@seachangestrategies.com).

We look forward to seeing you there.

Alia McKee and Mark Rovner  
Principals, Sea Change Strategies  
June 2018



## ACKNOWLEDGMENTS

Our deepest thanks to the fundraisers who participated in this research. You may not feel like pioneers, but that's exactly what you are. And what you are practicing and learning will only grow in importance.

Special thanks to Dave Strauss at The Nature Conservancy (TNC). TNC provided critical support for this research.

Sann Knipple, our intrepid business manager and research deity, outdid herself in managing the countless moving parts of this study.

And a heartfelt thanks to all of you who make mid-level donations to the causes that are dear to you. You are so much more important than you will ever know.

Following is a list of participating organizations:

American Civil Liberties Union	Planned Parenthood Federation of America
American Rivers	Save the Children
Amnesty International USA	Share Our Strength / No Kid Hungry
Best Friends Animal Society	The Smithsonian Institution
Environmental Defense Fund	Union of Concerned Scientists
Food & Water Watch	The Wilderness Society
Friends of the Earth	World Wildlife Fund
Human Rights Campaign	
Mercy Corps	
The Nature Conservancy	
Oxfam America	
Partners in Health	

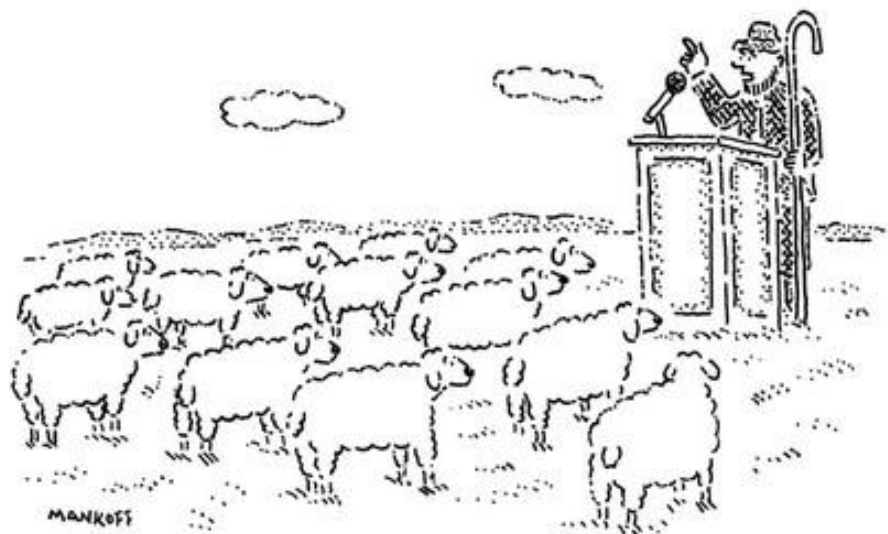
# 8 HABITS OF HIGHLY EFFECTIVE **MID-LEVEL DONOR PROGRAMS**

## HABIT ONE

### LEADERSHIP DRIVES MID-LEVEL PROGRAMS

Without leadership support, mid-level programs never take root or die on the vine.

In our last study, we identified leadership commitment to mid-level fundraising as the first habit of highly effective mid-level donor programs.



*"My platform can be summarized in a single word: Leadership!"*

## WHAT'S NEW

In 2014, leadership commitment to mid-level fundraising was the exception, not the norm.

Today, while there is still progress to be made on the leadership front, we're thrilled to report many areas of improvement stemming from champions in the C-suite, most notably the chief development officer (CDO).

Since the last report, we have seen mid-level giving gain more attention from CDO's, which has led to a sea change in how many organizations are talking about, prioritizing and ultimately investing in mid-level donors.

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Chief development officer  
support has led to a sea change  
in mid-level programs.

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Andrea O'Brien with The Wilderness Society reports, "I don't feel like there are obstacles to seeing the mid-level program as valuable. Leadership—especially in fundraising—recognizes that it is something important. It's not something that we have to navigate."

Further, many organizations who had languishing or non-existent programs in 2014 have re-entered the market or launched programs. Jennifer Kolarsick with Food and Water Watch says, "2016 was really the start of the program. It was bare bones. But this year, we've put in place some programmatic and stewardship aspects."

World Wildlife Fund restructured and relaunched their program four years ago. Andrew Wiley reports, "We felt like the program was kind of stagnant. There wasn't a lot of energy behind it. We knew very little about our mid-level supporters, what they wanted in a program, why they gave at this level, and how they wanted to be treated. So we embarked on a research program and asked them directly. The whole point of this is to engage people in a more meaningful way—to show that each individual donor is an important person among the many hundreds of thousands of members at WWF."

## WHAT'S NOT NEW

What hasn't changed in mid-level programs is that there is little evidence of CEO attention, and mid-level programs have to compete for scarce resources.

One fundraiser said, "I'm thinking about eithers and ors—for instance, should I develop a more sophisticated mailing

plan or expand our membership team to provide more personalized experiences for mid-level folks."

Evan Johnson with Mercy Corps tells us that emergency donors can stress his budget. "Whenever we get a quick influx of mid-level donors, it stresses our resources. We have to try and retain as many as we can. But due to the budget, some of them get left out."

Tricia Hart with Amnesty International USA emphasizes the gap between the ideal and the reality: "There is more opportunity to invest in having more personal staff outreach and more customer service for mid-level donors."

## WHAT'S NEXT

CEOs will need to take up the mid-level charge in order to maximize growth from this important fundraising audience.

Further, organizations will start incorporating retention as a primary success metric. See more details in section four on metrics, data and analytics.

## HABIT TWO IT TAKES PEOPLE POWER

A common thread uniting successful middle giving programs is adequate staffing. In the past, organizations struggled with a staffing desert between direct response and major donors. Few organizations had the foresight to focus a full-time employee on mid-level donors.

Not any more: more organizations are identifying one or more development staff members with the primary responsibility of growing and stewarding mid-level donors, with encouraging results.

### WHAT'S NEW

Since the last study, we have seen exponential growth in staffing mid-level donors. In 2014, few organizations had even one full time staffer dedicated to mid-level. Study participants now report having on average three full-time mid-level fundraisers.

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Showing further progress, the position and title of Mid-Level Gift Officer has become standard, although the job description and reporting lines vary across study participants.

Only two organizations report not having dedicated staff for mid-level, instead utilizing fundraising staff to manage the program as part of a larger portfolio. This has its drawbacks.

For instance, one development director said their mid-level program has been neglected because the staff who run it do so in parallel with the rest of the membership program. "Without clear staff leads, it's easy for mid-level donors to get short changed when push comes to shove."

### WHAT'S NOT NEW

What hasn't changed since the previous study is consistent job descriptions and reporting lines. Mid-level staff continue to have varying duties and positions on organization charts across study groups.

Anna Brey serves as the operations manager for Best Friends' Golden Circle of \$1,000 plus donors. Her colleagues include "a mid-level annual giving officer whose main goal is to move donors who have given, or have the potential to give, between \$10,000 and \$25,000 up the giving ladder through personal

touches.” An additional staffer, Best Friends’ “engagement ambassador” keeps in touch with donors between \$1,000 and \$9,999.

Victoria Smith, who runs mid-level giving at Oxfam, says, “I manage the program and have three staff within the mid-level team that report to me. We have also developed an exciting collaboration with our major gift team. We have three major gift officers that spend one-third of their time working with mid-level prospects. That’s the equivalent of one person working on high touch relationship building that includes face to face meetings and personalized proposals.”

Senior Membership Director at American Rivers, Bruce Leathwood also has a mid-level gift officer who reports to him. “We wanted to add a hybrid component, a major gift approach, in which someone is spending a lot of time on stewardship.”

Even with the surge in mid-level staff, justifying positions that focus on stewardship is still a challenge.

Peter Stocker, who runs Development and Membership at Friends of the Earth, says, “Going forward I want to see if dedicating a full-time person to this role can really improve retention of the mid-level. From a management perspective, that’s a key data point I need to know.”

## WHAT’S NEXT

With increased investment in mid-level staffing, organizations need skilled mid-level fundraisers. Many study participants expressed frustration at the small pool of candidates to hire.

We see the need for an emerging practice community. We encourage professional development within the field and have developed a listserv for mid-level practitioners.

Join the digital community of practice.  
Email [info@seachangestrategies.com](mailto:info@seachangestrategies.com) and ask to be added to the mid-level practitioners listserv.  
Some of us may or may not be actual dogs.



*"On the Internet, nobody knows you're a dog."*



## HABIT THREE BUST THOSE SILOS

Huge progress here! Four years ago the silos that were posing the biggest obstacles to mid-level nirvana were internal within development. The tactical and cultural gap between direct marketers and major gifts officers was leaving many mid-level programs in a no-persons-land with neither group taking complete ownership.

In 2018 we're seeing a giant leap in coordination between membership and major gifts.

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### Major gifts and direct marketers are learning to tango

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Four years ago we heard horror story after horror story in which new mid-level donors would get tagged by major gifts based on a wealth score, at which point the donor would be removed from the mail stream. But then because the major gifts team was either overloaded or was pursuing mega-gifts, the mid-level donor would end up hearing nothing from the organization.

The Wilderness Society's Andrea O'Brien describes that "weird gap where a mid-level donor spends a year in a major gift officer's portfolio. But the officer never gets around to setting that meeting, and then six months later she realizes 'oh—I never followed up with them.' And now the donor hasn't heard from the organization for a year and a half."

But that was then. According to O'Brien, "We've implemented new rules around when a donor comes out of the direct response mail stream. It doesn't happen when the donor enters the major gift officer portfolio anymore. It only happens after the major gift officer has a face-to-face meeting with the donor and has decided that they are qualified to move into the cultivation stage towards the solicitation."

And the experience at The Wilderness Society appears to be the emerging new normal.

At Share Our Strength's No Kid Hungry campaign, the team is designed for cooperation. Says Diane Clifford, "the way we're structured is so we have a smooth pipeline between direct response and major gifts. There is not a lot of friction there."

At Amnesty International USA and Environmental Defense Fund (EDF), mid-level donors stay in the mail stream by default.

Says Amnesty's Tricia Hart, "even if a mid-level donor gets assigned to a gift officer, they still stay in the mail stream and then the gift officer has their separate communication with them. So until someone says stop mailing me, they don't come out of the mail."

That only makes sense, fundraisers say, given that most mid-level donors came into the program via direct marketing. Moreover, they note, not all donors want a face-to-face relationship. As a result, EDF maintains a direct marketing-only relationship with some donors giving \$25,000 or more.

Says the ACLU's Liz FitzGerald, "If the donor is a direct marketing acquired donor or they've been in our direct marketing program for a certain amount of time, mail is what they're accustomed to."

At Oxfam, Victoria Smith reports the organization has gone a step further by formally integrating efforts. As noted above in the staffing section, three major gifts officers spend one third of their time working with mid-level prospects.

In a world where high pressure, stretch goals and squabbles over attribution once ruled the day, The Wilderness Society's O'Brien ends with this bit of beautiful heresy: "I don't actually care where their money goes just as long as they are continuing to be engaged year after year."

## What's Not New

The internal cultural differences between direct marketing and major giving are real, and at some organizations barriers to cooperation remain. Said one fundraiser, "There is still a lot of fear of direct mail from major gifts. They worry we say and do crazy things."

## What's Next

As we reported in our 2017 report *INSIDE OUT FUNDRAISING*, silo issues continue to hamstring fundraising at many organizations. But instead of intramural scraps within fundraising, the friction is more commonly between fundraisers and communications staff, or sometimes with program staff.

There remains a lot of culture work to do at many organizations. The cost of not doing that work may well show up in the fundraising bottom line.

For a deep dive into organizational culture work, see [Inside Out Fundraising: How to Create a Culture of Philanthropy by Treating Systems Instead of Symptoms](#).



*"So, does anyone in the group feel like responding to what Richard has just shared with us?"*

## HABIT FOUR

### METRICS, DATA AND ANALYTICS

Four years ago, two issues dominated our conversation about metrics. First was the widespread tussle over attribution within fundraising departments. If a donor responds to a direct mail piece by making a \$1,000 gift online, who gets credit? While those conflicts certainly still exist, we heard a great deal less about them in 2018.

The bigger problem was a growing sense that direct marketing metrics were not entirely applicable to mid-level giving, and that there was as yet no progress in developing metrics specific to the hybrid nature of mid-level giving.

In the first report we quote Roger Craver as saying: *"transactional analysis of fundraising by most direct mail people is that all the analytics are geared toward efficiency... None of these metrics has anything to do with effectiveness in terms of how are they helping me keep this donor."*

Karen Barr of Save the Children echoes this concern: "Sometimes we try to force mid-level to live with the same KPIs as a mass market program. While response rates and cost to raise a dollar are important metrics, in mid-level programs it is more important to look at top line and overall growth."

### What's New

In the data-driven world of 2018, fundraisers are formulating new approaches that meet the distinctive needs of mid-level fundraising.

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We're spotting four major trends  
in metrics, data and analytics:  
Tailored metrics, advances in  
segmentation, modeling and new  
acquisition tactics.

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On the metrics front, there's a whole lot of change going on. Here are four major trends we're spotting:

## 1. Tailored metrics

Mid-level fundraisers do not talk about efficiency or cost per thousand packages. They often do not focus primarily on gross or net income. In our conversations, three mid-level metrics stand out among KPIs:

**Retention.** As noted above, retention rules the roost among mid-level KPIs. Says ACLU's FitzGerald, "this entire year for us is really about retention."

**Lifetime value.** Mid-level programs serve two purposes. First they serve as 'destination' programs for committed donors who are not wealthy enough to advance to major donor levels. According to fundraisers we spoke with, the vast majority of mid-level donors fall into this category.

But of equal importance, mid-level programs also serve as a bridge between membership and major giving. So for 'destination donors,' the most important metric is retention, and perhaps retention upgrades. But for the upwardly mobile donors, the name of the game is lifetime value.

**Velocity.** Velocity is the measure of how quickly and by how much a donor is upgrading their giving. A donor with a pattern of rising gift amounts may be ready to graduate to major gifts, or from the membership file to the mid-level file. Several fundraisers mentioned velocity as a key element of their segmentation and upgrade strategies.

Further, organizations should take note about measuring loyalty. [See sidebar on page 28: The Love Score: What Can We Learn from A Beauty Retailer?](#)

## 2. Advances in segmentation

Four years ago, the only segmentation we heard about was based on giving level and that was used to guide stewardship investments.

Advanced segmentation is a relatively new conversation in mid-level circles. One major reason for this is the size of mid-level files. If you only have a few thousand mid-level donors, the numbers probably do not support many slices.

Planned Parenthood Federation of America has seen steep increases in mid-level givers, owing largely to the political environment. As a result their file has risen to the point that they now segment based on six different factors, including past giving behavior. PPFA and other groups are also looking at donors who are making modest gifts to their organization but making major gifts elsewhere. [See Segmentation The Next Generation Sidebar on page 30.](#)

## 3. Modeling

A number of organizations report using predictive analytics to identify potential major donors and to identify candidates for upgrade to mid-level giving from the general membership file. Any number of huge data sets have come on the market, including millions of records of individual donors' behavior. These models can

help pinpoint both existing and prospective donors who may be more likely to rise through an organization's giving pyramid to the mid-level and perhaps beyond.

"It's a very complex undertaking with a number of varying factors, but all I need to say to our strategic analysis team is I've got a mailing of 150K pieces," says WWF's Wiley, "and they give me the best prospects for the program. We have yet to see a diminishing return on the investment."

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Some fundraisers say it is not yet clear whether predictive models live up to the hype. "We've tried scoring and modeling and the jury is still out as to how effective that is," says one fundraiser. "I think we—probably like everybody else in the field—are looking for the magic bullet that is going to say 'this group of people is really ready to make a mid-level gift.'"

#### **4. New Acquisition Strategies**

A growing number of fundraisers are harnessing data to change the way they bring in new mid-level donors. In many organizations, there is no formal upgrade program to the mid-level. If an existing or new donor makes a gift above the mid-level threshold they receive a welcome to the program. That's it.

Increasingly, however, organizations are using new analytics, including models, to identify potential upgrade candidates from among low-dollar givers. This is giving rise to more dedicated upgrade campaigns.

Some are going even further, by working with membership programs to acquire brand new donors who are more likely to upgrade from the get-go. Save the Children is one of the groups that invests in acquiring donors who come in at a higher average gift. They find these donors are more likely to upgrade. And here's the kicker: Most donor acquisition programs incur a loss of as much as \$50 or more per new donor recruited. The groups depend on the repeat givers and the upgraders to repay the investment. But in the case of higher-dollar joiners, Save the Children found they were able to break even after the first gift.

A couple of organizations are wealth profiling at the merge stage—that is, they are profiling the entire direct mail prospect list which may include hundreds of thousands of names. They then send a more elaborate package to the better prospects. Another similar approach we heard during our study is from an organization targeting their non-donor email list members, including their e-activists and newsletter subscribers.



They told us, “In the last couple of years we’ve started modeling people who are on our file who haven’t given anything—like those who have signed a petition or who have taken some kind of action—and we are looking at them to see if we can determine which similar nonprofits they are giving to in a meaningful way.”

## WHAT’S NOT NEW

Limited resources—particularly with databases—is an old problem that has taken on new urgency.

Given the dramatic rise in the availability and the importance of strategic data for mid-level fundraising, chronic problems with donor databases and lack of access to analytic resources have become a growing concern.

These issues are explored in greater detail in [INSIDE OUT FUNDRAISING](#).

## WHAT’S NEXT

The speed at which things have evolved for mid-level analytics leaves us hesitant to make any predictions. With artificial intelligence programs poised as the ‘next big data thing’ it would be easy to imagine AI playing a role in personalizing the donor journey.

One thing is nearly certain, the next four years will not be boring.



*“All I’m saying is now is the time to develop the technology to deflect an asteroid.”*



## HABIT FIVE

### CONTENT AND STEWARDSHIP

Missing Middle One offered some guidelines for communicating with mid-level donors. Those guidelines remain relevant and bear repeating:

“The ideal strategy for middle donor content hews closer to major donor than to low-dollar direct mail. Cultivation mailings, as opposed to solicitations, predominate. Letters and emails are meaty and substantive. Premiums are almost non-existent. A personal touch is a must.”

This time around we took a deeper dive into mid-level stewardship, which is both monumentally important and still a source of heated discussion. The stewardship conundrum is this: When you have 100 major donors, providing for their care and feeding is both cost-effective and relatively straightforward. But when you have several thousand mid-level donors, the logistics and the economics are less clear.

#### WHAT'S NEW

It's not so much that the following strategies themselves are new; what is new—since the launch of Missing Middle One—is that nearly every organization we spoke to has invested in them. This may mark the beginning of a new normal.

#### 1. A Clear Engagement Strategy

While the ‘why people give’ question has been the subject of innumerable books, many of the fundraisers we spoke with boiled it down as did EDF's Aimee Gibbons, “How do we make people feel like we know who they are? I think that is all that they want really.”

When relaunching their program, World Wildlife Fund embarked upon a large-scale listening campaign to inform their engagement strategy. [See The Power of Listening Sidebar on page 31.](#)

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like we know who they are?  
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Across all organizations we studied, we noted three stewardship constants: More elaborate gratitude tactics; tailored welcome packages; and regular impact reporting. Beyond those three, a number of organizations have identified additional strategies aimed at cementing and deepening the donor relationship. These add-on strategies included access to senior staff, a sense of community, experience opportunities, special events, and unsolicited gifts. The most forward thinking groups have commissioned donor research to identify strategic principles of engagement with their mid-level donors. But most have not.

## 2. A focus on thank yous

The Wilderness Society is among the gratitude stand-outs. Says Andrea O'Brien, "we've got a good process in place to thank people immediately and personally in a couple of different ways."

And in our hyper-digital depersonalized world, the gratitude tool of choice, increasingly, is the good old-fashioned handwritten note. [See Cutting Edge Stewardship: Everything Old is New Again Sidebar on page 32.](#)

Many organizations also add a phone call welcome to the process, though these may be outsourced or handled by volunteers. At the International Rescue Committee a new mid-level donor is likely to get a phone call from a refugee who benefited directly from the IRC's work.

Gratitude is not just a welcome tactic. As WWF's Wiley puts it, "We've got the mantra 'at WWF you can't thank someone enough.'"

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"We've got the mantra 'at WWF you can't thank someone enough.'"

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Kevin Clift at Human Rights Campaign adds a strong personal touch to the exit experience of donors who cycle out of the program. "I will write notes to everyone who leaves," he says. Those are handwritten notes from me that say I want to thank them for their contributions and that their contributions have led us to where we are, the successes we've had and our ability to fight back and now fight back against this administration, and I hope that we'll give them some opportunity in the future to join us but until then I want to make sure that they know that we are deeply appreciative of everything they've given us."

## 3. Welcome Packages

Building on a prompt and personal thank you, many organizations are revamping their welcome packages to make them meatier and to reinforce the critical role mid-level donors play in achieving program goals. Typically these packages emphasize both impact and access.

It's almost *de rigueur* to include a fundraiser's business card in the welcome kit, a clear message that says 'we are accountable for your donor experience.' Says PPFA's Lori Hutson, "We want donors to feel like they are part of this exclusive group of leaders who have personal access to the organization."

#### 4. More Impact Reporting

Regular impact reports to donors are now among the 'new normal' program elements for nearly all organizations. Most mid-level fundraisers agree that at this giving level, donors are more interested in making a difference than personal benefits. HRC recently revamped its welcome package accordingly. "We've modified it a little," says HRC's Clift, "made it a little warmer, a little less focused on benefits and more on what their contributions do."

#### 5. The 'Je Ne Sais Quoi' Factor

Many organizations build on solid gratitude and impact reporting strategies with additional touches that are unique to the organization's mission.

Says Save the Children's Karen Barr: "How can we find ways to surprise and delight people? We want to give them as much access as the organization can support."

At International Bird Rescue, a new mid-level donor can participate in the release into the wild of a newly rehabbed bird. At Best Friends Animal Society, mid-level donors are offered VIP tours of the organization's vast animal sanctuary in Utah.

#### 6. Outsourcing Stewardship

Many organizations are finding it cost effective to outsource part or, in some cases, all of their mid-level donor management. Agencies like DSG, THD and Veritus provide a range of stewardship services from thank you calls to cultivation touches to making asks in some cases.

HRC's Clift outsources his thank you calling and is happy with the results. "It is an [agency] call but it is someone who has been working with us for 4 years and to our membership there is no distinction between that person and someone from HRC who is calling just to thank them and welcome them and make sure that if they have any questions they are answered."

### WHAT'S NOT NEW

#### 1. Fewer Asks

Another near universal trait of mid-level programs is the emphasis on cultivation communications and the de-emphasis on solicitation. The Wilderness Society's O'Brien describes her communications calendar, saying, "We've got about seven different lines or buckets noting the efforts planned for these donors over the course of the year. Out of the seven, only two of them are solicitation lines. The other five are stewardship and in most cases pure stewardship. It's not the newsletter with a walletflap or a thank you email with a giant donate button."

## 2. More Substance

Substance is one area where mid-level programs tend to look more like major donor communications and less like low-dollar direct mail. Here's how the ACLU's Liz FitzGerald describes their approach: "We have been able to successfully move to that next level. Our mail is no longer just a low dollar letter that was fancied up for the mid-level. We are able to have a more strategic conversation with these donors."

## 3. Uncertainty about Stewardship ROI

Many fundraisers continue to struggle with how much to invest in stewarding mid-level donors. Fletcher Sams of CARE summed up the challenge he and many of his counterparts are facing: "The idea (for me at least) is to try to get as close to a major gifts feel as I possibly can with the smallest amount of budget that I can possibly get by with." Or, as Best Friends Animal Society's Barbara Camick puts it, "what we hope to do is to build an infrastructure that creates a transactional relationship that feels very personal."

This is an area, as noted in the previous chapter, where traditional direct mail math is less helpful. It is impossible to measure the ROI of a single stewardship touch. The donor experience is the product of a well-orchestrated series of touches over a period of time. The inability to assess the return on a telephone town hall or a small group gathering makes stewardship tactics a harder sell when budget time comes around.

HRC's Clift summarizes his conundrum: "Given my mid-level program and the revenue and the size of my donors, it is hard for me to justify any kind of a more boutique/concierge kind of

a program so I'm caught in the middle there in terms of how—with 5300 households—do I make it more personal for each of them in a way that it is cost efficient and staff efficient?"

At Environmental Defense Fund, there's a stark difference between treatment for the high-middle Catalyst Circle (5K to 25K) and the low-middle Leadership Team (1K to 5K). Says EDF's Cynthia Hampton, "because the Catalyst Circle program is a lot smaller, I'm at the point where if a new gift comes in I know it is a new gift because I don't recognize the name. I have gotten to know these donors. I understand their giving pattern. I will have email exchanges with them, so they know that I know who they are and it is that sense that they feel personally valued that is so key. The challenge with the Leadership Team is that it is now 10,000 people. It has to be somewhat of a mechanical program, but what are the smart strategies that we can come up with to let people feel more valued?"

As noted above, some organizations are moving away from segmentation based solely on giving levels, and are focusing more on behavioral attributes. Then, they are allocating their stewardship resources accordingly.

## WHAT'S NEXT

Highly personalized donor journeys are next.

The holy grail for mid-level fundraisers is a data-driven program that helps fashion unique communication strategies that match the interests, needs and expectations of every donor. The good news is that—arguably at least—

the data exists to do that. The less good news is that few if any organizations have invested in donor research nor have they made a sufficient investment in their data and analytics infrastructure to pull it off.

CARE's Fletcher Sams offers a glimpse of what a future approach might look like. He is experimenting with a semi-manual process for customizing his donors' experiences. He created a content-based segmentation scheme based on the kinds of other organizations his donors support. If a donor gives primarily to women's economic empowerment organizations, they'll receive similar content from CARE. Other categories Sams is tracking include food and nutrition organizations, women's health groups, and humanitarian aid groups.

It's an intriguing approach, and Sams is seeing promising results. The average gift from these content-segmented donors is 23% higher than it is for those donors getting more generalized content.

## HABIT SIX PATIENCE IS A VIRTUE

CFO's and hard core direct marketers will groan, but the reality is that the value of middle donor prospects won't be unleashed overnight. This type of relationship takes time and nurturing to mature. Measuring your results by immediate revenue in the door alone is not the whole story. Organizations must include retention and lifetime value as key performance indicators.

Roger Craver, a noted middle donor expert emphasizes, "Organizations will find that low dollar donors are a significant wellspring for middle donors, then major donors and almost always for planned giving. You must have a long-term view of donors."

This cradle to grave attitude is crucial for organizations committed to long-term sustainability.

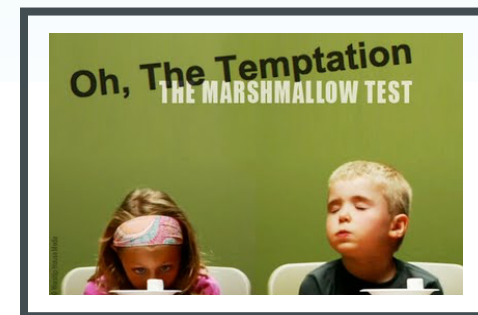
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This cradle to grave attitude is  
crucial for organizations committed  
to long-term sustainability.

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### Fun Fact: The Power of Delayed Gratification

The marshmallow experiment is a famous test conducted by Walter Mischel at Stanford University. A group of four-year olds were given a marshmallow and promised another, only if they could wait 20 minutes before eating the first one. Some children could wait and others could not. The researchers then followed the progress of each child into adolescence, and demonstrated that those with the ability to wait were better adjusted and more dependable and scored an average of 210 points higher on the SAT.





## WHAT'S NEW

More organizations are focused on retention as a metric.

Andrew Wiley with WWF says, "Of course we're focused on revenue. But we also look at retention. How many donors who were Partners last year are Partners this year?"

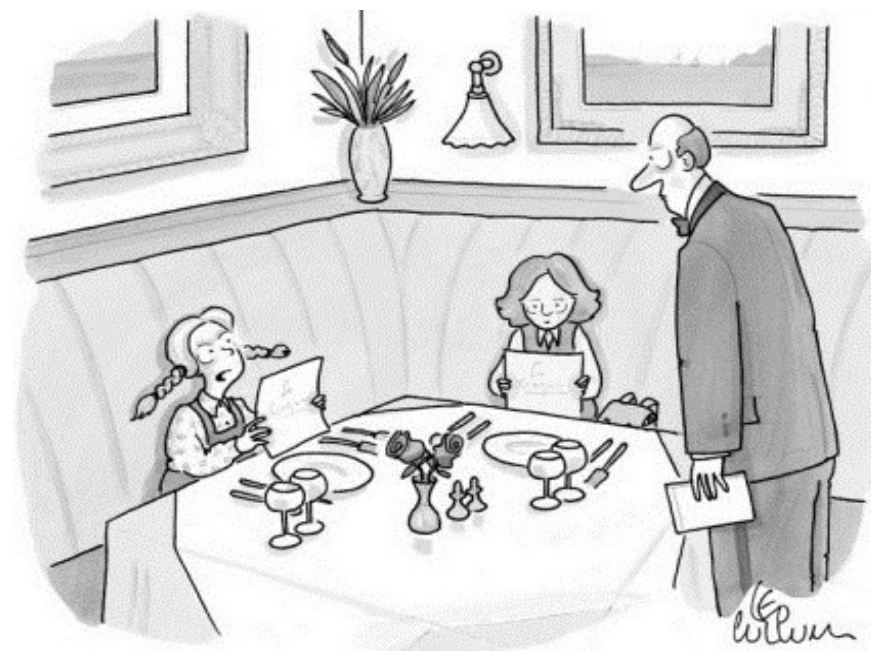
Andrea O'Brien of The Wilderness Society reports, "We're looking to hit our revenue targets, to see that we're bringing new people onto the file and that our year-over-year retention rates are holding strong."

## WHAT'S NOT NEW

Few organizations have systematized lifetime value reporting. We see this as more a technology and organizational structure problem vs. a strategic problem. Many study participants stress the importance of lifetime value, but tracking this metric over time across organizational silos and databases proves difficult.

## WHAT'S NEXT

Organizations will continue focusing on retention and will work through systematizing lifetime value to see a cradle to grave picture of donor relationships. With these goals in mind, there will be less pressure to prove investment in stewardship within typical direct response windows of 0 to 12 months and 13 to 24 months.



## HABIT SEVEN LISTEN UP

Listening to donors is arguably the most important thing that most organizations almost never do.

According to fundraising sage Roger Craver, nearly 20 percent of all donor defections stem from bad donor service. Moreover, in this rapidly changing philanthropic environment, the only way to know what's on a donor's mind is to ask her—again and again and again.

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Listening to donors is arguably the most important thing that most organizations almost never do.

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Listening is a powerful tool for making a donor feel seen and heard. It's not expensive. It provides distant early warning of changing values and attitudes or mounting frustration with some aspect of your organization's work. And it's a source of important ideas about how to communicate most effectively with your donors.

Yet we still often receive pushback when we suggest clients invest in structured listening efforts. Perhaps it's the spreadsheet mentality that comes with direct marketing. There is indeed no immediate measurable ROI from being a good listener. Yet, we agree wholeheartedly with Roger that "there's gold in them thar feedback hills."

### WHAT'S NEW

At Sea Change we use a range of listening tactics with clients, each of which have distinct benefits, and most of which are eminently affordable. Many of these tactics are hardly new, but they are being embraced with renewed vigor.

**Donor insight panels.** You've probably been invited to be part of a customer panel for your bank or your airline. Panels consist of a group of donors who sign up to be surveyed on a regular basis and who agree to provide regular feedback. We have adapted this model for nonprofits, and to good effect.

Insight panels offer two powerful benefits. First, fundraisers have nearly real-time access to many of their most valuable donors, allowing them to closely track changing attitudes and concerns and test new ideas and messages. Of equal importance, panel members are more likely to continue giving, so the panels also improve retention.

**Telephone Town Halls.** These are sort of conference calls on steroids. In practice, a telephone town hall is like a radio talk show, but donors ‘tune in’ via their cell phones. At any time you punch a code and get connected to a volunteer operator who will take your question and patch you through to the moderator for you to ask your question live. Donors love it, and the invisible bonus is that even donors who do not attend love being invited. One donor wrote a client, “I can’t make this event, but plan to listen to the recording. I feel so connected to the cause and appreciate the invitation.”

## WHAT’S NOT NEW

**Phone chats.** Is a \$5,000 donor worth 20 minutes of your time? If the answer is yes, make it part of your schedule to call a few donors every week and just see how they’re doing and what they’re thinking. You’ll learn a lot and you’ll probably blow donors’ minds, because outreach like this is so rare.

**Surveys.** This is arguably the cheapest and easiest way to get feedback, and it’s shocking how few organizations survey their donors on a regular basis. One of our favorite survey tools is the Net Promoter Score, a measure of a donor’s sense of connection to your organization. While the Net Promoter number boils donor loyalty down to a single number, the real power of it lies in the open-ended questions that are part of the process. [See Net Promoter Score sidebar on page 33.](#)

**Focus Groups.** Organizing small groups of donors, whether online or in person, can yield a gold mine of information about how donors think about you, and how you fit into their world. It’s also a remarkable source of intel on the language and imagery that donors find most evocative.

## WHAT’S NEXT

**Closing the Loop.** The key is not only to ask good questions and be a good listener. It’s also to act on feedback when you get it. Your opinion of an airline is driven not by marketing or the CEO’s philosophy, but the last customer service person you spoke to. In the same way, a donor’s perception of your organization may be more a function of whether a phone call or email query is handled promptly and well by your donor services team.

Here’s a practical way to see if your customer service is helping or hurting donor relationships: Pretend you’re a donor and you want to find out how to make a stock gift, or to report not receiving a premium you were promised, or to get an explanation of why your organization took a certain action.

Start at your website. Is there an easy and obvious way to contact you? Is your phone number on your home page? Once you find the number, call it. Does someone answer? Do you get a voicemail?

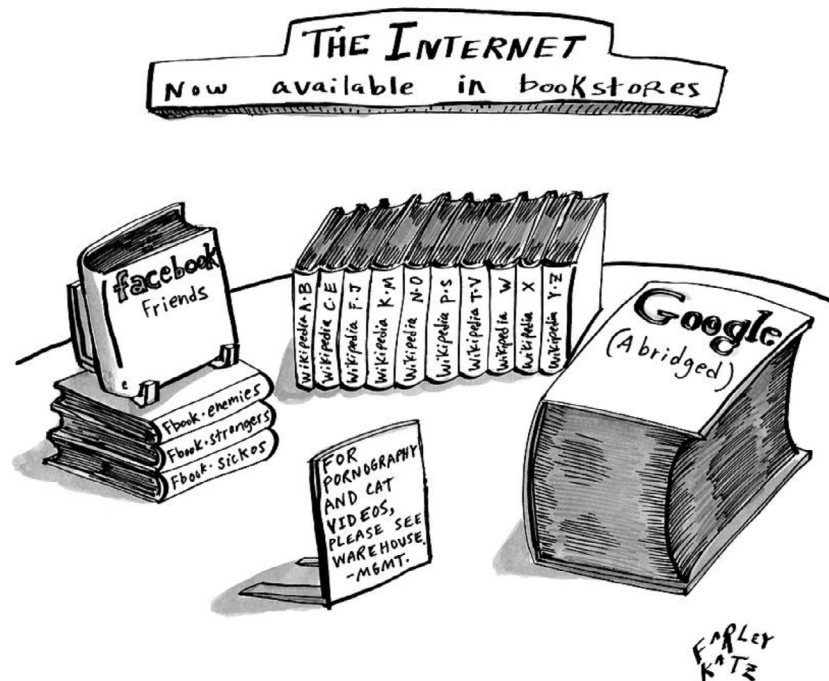
Leave a message. Does someone get back to you? How quickly? How well do they solve your problem? Odds are you are not going to enjoy the experience. And if you’re serious about donor retention, your money will be well spent getting your customer service house in order.

Sincere listening is hard. It takes practice. And it’s your job.

## HABIT EIGHT

### DIGITAL IS NOT THE EASY BUTTON

The utility of the Internet in terms of mid-level giving is still up for debate. What is consistent across study participants is that successful middle donor programs rely heavily on highly personalized and substantive communications regardless of channel.



### WHAT'S NEW

Organizations are figuring out how digital plays into their strategy depending upon their unique attributes and the special needs of their individual programs.

Diane Clifford with No Kid Hungry, a digital native organization, sees the digital strategy as crucial to mid-level growth. She says, “A large number of our \$1,000 plus donors are web donors, so stewarding them online is really important.”

Lori Hutson with Planned Parenthood reports, “We have a lot of digital donors that are brand new to us who came in at \$1,000 plus. They came in online, most of them after the Trump election. The age on these folks is trending very young so they are very much an at-risk group. We want to make sure that we’re meeting them online. So although we haven’t done much previously online, it’s an area we are really focusing on—thinking about the digital donor’s journey with the President’s Circle and what those touch points look like.”

Kevin Clift with Human Rights Campaign thinks differently. “Years ago, the internet was perceived as something that made it easier to do our jobs. Instead of picking up the phone, calling somebody, taking them out for coffee, we emailed. We have numbers that it doesn’t work. One of the things we’ve been drilling into our volunteers—people who are helping

recruit other mid-level donors—is that emails won’t bring someone in or keep them. More meaningful personal touches will.”

## WHAT’S NOT NEW

Contrasting views about the value of online communications and mid-level fundraising abound. There are passionate differences of opinion about reaching and stewarding mid-level donors online.

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While groups are grappling with this question, we also note few outright digital success stories reported by study participants. Andrew Wiley with World Wildlife Fund says, “Since we relaunched our program, digital has been absolutely critical. It’s just the way that business happens now. Online retailers,

paying your bills, everything. We were pretty absent in that space. We didn’t have a structured and well-coordinated digital program for Partners.”

## WHAT’S NEXT

We believe that organizational digital strategy will become a core part of mid-level programs.

Organizations will begin to utilize technology via CRMs to support individualized donor journeys at the mid-level. For instance, automated email marketing efforts can deepen a mid-level donor’s experience with the organization.

Further, groups will begin to leverage the Internet as a research tool—to connect more deeply with mid-level donors with capacity for larger gifts. Prospect managers can use basic tools like Google, LinkedIn and real estate websites to determine a donor’s interests and capacity for giving.

Finally, organizations will continue to focus less on the Internet as a ‘channel’ and more as part of an integrated approach to mid-level acquisition and retention.

## CONCLUSION

Four years ago, mid-level programs were in their infancy. The quantum leaps organizations have made with this crucial donor group are impressive.

Organizations have stepped up their game by overcoming hurdles with organizational structure and staffing. They have leveraged technology to advance their modeling and segmentation strategies. They are offering high-touch donor experiences—based on input from the donors themselves—that create a deeper, more meaningful connection to the organization. And they are collaborating – across organizational silos—and across the non profit community as a whole.

We remain committed mid-level champions and look forward to assessing the next evolution down the road.



# A SAMPLING OF MID-LEVEL DONOR PROGRAMS

The chart below offers a representative snapshot of selected mid-level programs. Our thanks to the participating organizations for providing data for this table.

Table 1

ORGANIZATION	MID-LEVEL PROGRAM STAFF FTEs	NAME OF MID-LEVEL GIVING PROGRAM	MID-LEVEL GIVING FLOOR AND CEILING	TOTAL INCOME FROM MID-LEVEL DONORS LAST FISCAL YEAR	MID-LEVEL GIVING AS % OF TOTAL INDIVIDUAL GIVING	% OF TOTAL INDIVIDUAL DONORS THAT ARE MID-LEVEL	1st YEAR RETENTION RATE OF MID-LEVEL DONORS	MULTI-YEAR RETENTION RATE OF MID-LEVEL DONORS
ACLU	3	Crystal Eastman Leadership Society	\$1,000 - \$10,000	Not Provided	7%	1.8%	\$1-2.5K = 48%, \$2.5K-\$9.9K = 28%	75%
American Rivers	2.5	River Guardians Anglers Fund	\$1,000 - \$10,000	\$0.3 million River Guardians \$0.3 million Anglers Fund	17%	1.3%	\$1-\$4.9K = 46% \$5K+ = 60%	\$1-\$4.9K = 63% \$5K+ = 82%
Amnesty USA	0 designated midlevel	Amnesty Leadership Group	\$500 - \$10,000	\$6 million	17%	2.0%	35%	67%
Best Friends Animal Society	2	Golden Circle	\$1,000 - \$9,999	\$3.2 million	10%	2.3%	13%	40%
EDF	2	Catalyst Circle Leadership Team	\$5,000 - \$24,999 \$500 - \$4,999	\$6.2 million	7%	1.8%	45%	68%
Food & Water Watch	1.25	Food & Water Champions	\$100 - \$999	\$0.4 million	22%	7.5%	35%	44%
Friends of the Earth	1.15	Vanguard Society	\$250 - \$15,000	\$1.1 million	11%	4.8%	42%	51%
Human Rights Campaign	5	Federal Club	\$1,200 - \$4,999	\$7 million	15%	1.6%	74%	83%
Mercy Corps	1	No name	\$1,000 - \$9,999	\$7.4 million	30%	3.2%;	61%	88%
The Nature Conservancy	National Level: 3 State Level: 20-30	Last Great Places Society Nature Guardians Conservation Partners	\$10,000-\$99,999 \$5,000-\$9,999 \$1,000-\$4,999	Not Provided	15% at national level	2% combined national and state level	44%	86%
Oxfam America	5	Impact Circle	\$1,000 - \$9,999	\$10.4 million	18%	6.0%	53%	73%
Partners in Health	3.5	No name	\$1,000 - \$100,000	Not Provided	Not Provided	Not Provided	Not Provided	Not Provided
Planned Parenthood Federation of America	6	President's Circle	\$1,000 - \$24,999	Not Provided	27%	2.4%	74%	80%
Save the Children	3.75	Leadership Circle	\$1,000 - \$10,000	Not Provided	Not Provided	Not Provided	Not Provided	Not Provided
Share Our Strength/No Kid Hungry	1	Circle of Strength	\$1,000 - \$9,999	\$1 million	11%	1.5%	32%	73%
Smithsonian Institution	3	James Smithsonian Society Castle Circle	\$2,500 - \$24,999 \$1,000 - \$2,499	\$3.2 million	6%	2.0%	63%	83%
Union of Concerned Scientists	4	Henry Kendall Society	\$1,000 - \$9,999	\$2.6 million	9%	1.4%	51%	79%
The Wilderness Society	1	Advocates for Wilderness Leadership Partners	\$1,000 - \$24,999 \$10,000 - \$24,999	\$1.2 million	6%	0.9%	68%	Not Provided
World Wildlife Fund	5	Partners in Conservation	\$1,000 - \$9,999	Not Provided	Not Provided	Not Provided	Not Provided	Not Provided

# The Love Score: What Can We Learn from A Beauty Retailer?

To learn more about cutting edge loyalty programs, we turned to the for profit sector for some guidance.

When Tiffany Lei was VP of Content and Website Experience at Sephora, she was on the task force to define and launch their Beauty Insider program, a loyalty initiative aimed at moving customers from first time buyer to their top tier VIB Rouge.

VIB Rouge is financially analogous to many non profit mid-level programs. Customers in VIB Rouge spend at least \$1,000 per calendar year at Sephora.

## APPROACH

Sephora focused on a consumer life cycle approach.

They clearly identified “micro” levels of customer spending—small jumps from tier to tier. Then, they defined obstacles customers experience in getting from one tier to the next. They developed tactics that would inspire and motivate customers across different channels to overcome those barriers and move up to the next tier. Finally, they systematized their data so they could look at the life cycle of a customer across channels.

Tiffany says, “Non profits and many retailers struggle with consumer lifecycle approach because it’s hard to do.”

She continues, “A lot of companies have a lot of data, but they don’t have good ways of getting to that data and making it usable. It is time consuming and it takes work to identify those micro milestones, what you really want those subsegments of customers to do and how to track when and how they do it.”

## THE PRIMARY METRIC

Sephora developed their own loyalty metric, the love score, which Tiffany says is very similar to the Net Promoter score ([see page 33](#)).

“The love metric is huge. We used it across channels, but in stores it was the number one metric that everything was measured against.”

“We knew that the higher the love score, the higher the frequency of that consumer coming back and the higher the spend.”

To increase the love score, they realized arming the store staff with additional information from the website, especially through the mobile app, helped store staff as well as consumers. “It was a very holistic approach. If we are going to do this, how do we support it on all fronts?”

## PROMOTION

The Beauty Insider program was primarily promoted in stores and via email.

Tiffany says they were very successful at moving customers from one tier to the next via email through messaging and content strategy.

She says, “Our top clients got attention, but I would say a lot of effort was on trying to get basic consumers to the first tier of our loyalty program.”

## BENEFITS

Tiffany believes customers joined the program for more than just the discounts, free perks and special events.

“We realized that customers appreciated more than just the benefits. It was the way we made people feel about the service and the extra attention they received that made it special.”

One part of the strategy was making sure customers knew when they were moving through the tiers—showing them they had achieved a new level and recognizing them differently because of it.

She says, “It was resource intensive because they had to get a different level of experience if they were in stores or if they called for support.”

## RECOMMENDATION

If Tiffany were to recommend one high-level strategy for non profits, she would encourage them to create micro levels with clear “experiences” at each tier.

“If I give \$1,000, what is my expectation? What is standing in the way of me wanting to donate more? Figure out what information or experience I’m lacking. It could be information. It could be the way you contact me. It could be services. It could be your message.”

Tiffany cautions that organizations not only need to gain the intelligence and map out the tiers, but also be prepared to invest the resources to act on them.

“Automation is great. But some of this is very manual and needs a human touch.”

# Segmentation: The Next Generation

It's only in recent years that anyone's mid-level file was big enough to even have a conversation about segmentation. But as the definition of mid-level giving has expanded, so have the donor files. For organizations involved in fighting the Trump agenda, that was for a time true with a vengeance.

Lori Hutson at Planned Parenthood Federation of America has built the mid-level program virtually from scratch. One side effect of the relentless political attacks on the organization has been a dramatic growth in mid-level donors.

"I feel like we're in a constant state of improvement," Hutson reports, citing an especially sophisticated approach to segmentation as one of those advances..

PPFA goes well beyond RFM and looks closely at what donors are actually doing. "We have plotted out our contact calendar to really address these certain behaviors," says Hutson, "and what we are calling cohorts of donors within these behaviors."

These behavioral cohorts consider whether a newly qualified mid-level donor is new to PPFA or is upgrading from the low-dollar file; or whether they are 'pre-lapsing' based on their giving history; or have newly reactivated, or are performing so well they show promise to be high value.

Based on their cohort, Hutson continues, "we're touching them at different points in time and giving them different treatment. Some cohorts, for instance, get deeper, intellectual information based on their engagement patterns. It continues to operate as a mass marketing one-to-many approach, but we can tailor and layer communications when appropriate."

One at-risk group that is keeping Hutson up at night are her new online mid-level donors. "We know we have a lot of brand new Planned Parenthood donors that came in online," she says. "Their age is trending younger and they came in at \$1K+, so they are very much an at risk group that we want to make sure that we're meeting where they want to engage with us: online."

Hutson finds that different cohorts also call for different success metrics. "We know that with these brand new donors we want to get that second gift, so we are going to be watching for that metric. We've put revenue per donor; we've put retention metrics behind these behavioral groups of cohorts that we're now segmenting on."

What's next? Hutson is satisfied with the progress made on the direct marketing aspect of her mid-level program, at least for now. She's setting her sights on overhauling PPFA's stewardship and engagement program for mid-levels. Keeping in mind the need to operate a mid-level fundraising program as a balance between the science of direct marketing and the art of major gifts fundraising, she recently hired a full-time stewardship associate director and manager to join her previous direct marketing-focused team.

# The Power of Listening

In 2011, World Wildlife Fund concluded their mid-level program was in need of a makeover. There was much speculation about how to overhaul and update the program, and WWF's Andrew Wiley took a step many organizations never take.

He asked his donors.

WWF launched a massive listening campaign to find out just what their mid-level donors wanted and expected. What they learned became the guideposts for an overhaul that rolled out in 2012.

They found that three key themes captured mid-level donors' expectations: Impact, Access and Community. They retained the program name, Partners in Conservation, but decided to infuse new meaning into 'partner.'

## Impact

Wiley acknowledges that communicating impact is a no-brainer for nearly all organizations. But how one communicates impact, WWF concluded, matters.

Based on the feedback, WWF decided, in Wiley's words, "to take WWF out as the middle man. So the donor is not helping WWF to solve the world's most important conservation issues but rather the donor is doing it directly with WWF as the trusted partner."

He continues, "This idea that their impact is a more direct impact of their gifts; when you think about it this idea of partnership

stands out. We took the spirit of the word partner to build out why give at this level."

## Access

Wiley said mid-level donors expected to have more access to WWF staff. According to Wiley "people said 'if I'm going to be involved in some kind of program, I want to have more access to the experts at WWF. I want to have better contact or feel like I'm more directly connected to the good people who do the good work.'" Every mid-level donor has a staff contact they can call or email at any time. In addition, mid-level donors receive regular invitations to connect, virtually and in person, with senior members of the conservation team. And more recently, WWF has begun offering donors at this level exclusive travel opportunities with key WWF staff experts.

## Community

The third pillar after impact is community. This theme also carries forward the idea of partnership.

Wiley concludes: "It is thousands of people who care about the same thing, who are banding together to solve these challenges together with WWF. That's powerful."

Community events include invitations to an annual symposium at WWF Headquarters in Washington, DC, regional get-togethers in cities that have clusters of donors, a dedicated Partners-only newsletter, and recognition in WWF's annual report.

Listening is the most important thing most groups never do. But WWF does, and it's no small wonder that their mid-level program is considered one of the leaders in the field.

# Cutting Edge Stewardship: Everything Old is New Again

Ask The Wilderness Society's Andrea O'Brien what's the most important stewardship technology she uses, and there's a good chance she'll say pen and ink.

"I think that probably one of the most important things that we do as a stewardship team is the handwritten notes because they go out quickly and they're truly personal," says O'Brien, who oversees donor stewardship for the conservation group. "To me that's the one thing that I just wouldn't sacrifice if we were ever faced with having to make cuts or change things up with the program. It is the one thing we just find time for."

Not that the effort is easy. "It's exhausting between November and January," O'Brien concludes.

Handwritten notes reflect an ethic at The Wilderness Society that values treating mid-level donors like VIPs as much as possible. The handwritten thank you note is only the beginning. With thank yous, promptness matters, so they have invested in learning about mid-level gifts as soon as they come in.

"We get notified through a couple of different channels of every gift of \$500 or more," she says. "Our caging company sends us screens every day of anything that comes in, so we're getting notices even before they hit our database. And we get instant online notifications of gifts and I get alerts from Fidelity and some other sources for donor-advised funds that are headed our way." [For more information on donor-advised funds see page 34.](#)

"The second we get any of those notifications," she continues, "a handwritten note goes out to the donor and I would say that happens within a day or two at the most."

Following the handwritten note, The Wilderness Society sends a more formal acknowledgement letter, typically within a week of the gift.

"We change the letters up quarterly to make sure they are referencing current situations," says O'Brien. "Those are all hand signed. New and upgrade folks get a letter from our president where he also provides my contact information. Anyone current gets one from me."

Within a month of giving, new mid-level donors receive a welcome kit in the mail. The kit includes a photo book of wilderness areas and a survey asking donors how they want to be communicated with.

As end of year approaches, O'Brien's team takes to the phones. "Every year we do end of year phone calls to all mid-level donors and we call as many of them as we can until our fingers fall off, just thanking them for their gift," she continues. Next year, she hopes to increase the calling frequency to once a quarter.

Overall O'Brien seeks to maintain a personal, sometimes informal, tone with the donors. The idea is to forsake 'corporate speak' and to encourage donors to think of their contacts with the organization as truly personal.

"We just sent letters to everybody saying 'hey, it has been a rough year for those of us who are advocating for our environment'" she says. "'Please take it easy on yourself; take some time to go outside and remember why we care.'"



# What is Net Promoter Score?

Net Promoter Score is a loyalty metric that is widely used in the for profit space.

It is simple and relatively easy to benchmark because it relies on two questions:

(1) On a scale of 1-10, how likely are you to recommend “donating/joining/championing” organization x to a colleague, friend or family member?

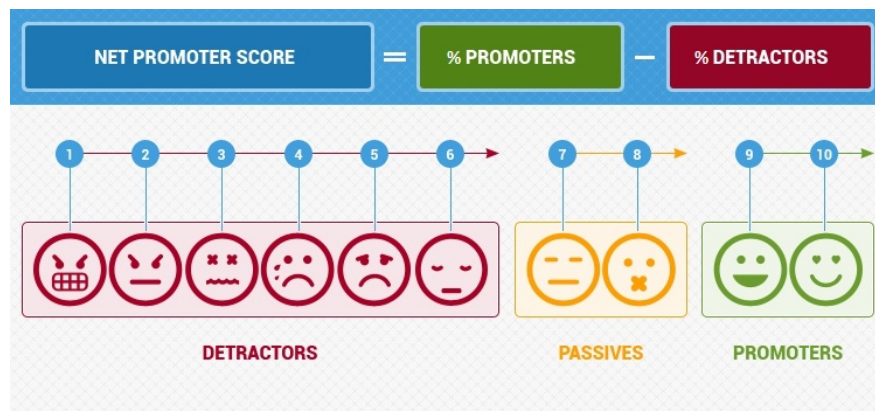
(2) What about your experience informed that rating?

Your net promoter score can and should be tracked across key audience segments including mid-level donors, low dollar donors, non donors and action takers/activists.

The open ended answers will open a window into sources of donor happiness, as well as donor frustration.

Benchmarking NPS twice a year can show you whether tactics you are deploying are increasing your donor loyalty, which leads to overall increased donor lifetime value.

## How to calculate your Net Promoter Score



Calculate your Net Promoter Score by subtracting the percentage of detractors (people who answer 1-6) from the percentage of promoters (people who answer 9 and 10).

# What About Donor Advised Funds?

Think of a Donor Advised Fund as a Health Savings Account for charitable gifts. A donor contributes to the fund as frequently as they like—getting immediate tax benefits. The contribution is placed into a donor-advised fund account where it can be invested and grow tax free. The donor can give “grants” from the fund to the charity or charities of their choice when they are ready.

Donor Advised Funds are growing in popularity and account for nearly 3% of all charitable giving in the United States.

Figure 1: Total Grants Made by Donor-Advised Funds (\$B)



Donor Advised Funds are growing in popularity and account for nearly 3% of all charitable giving in the United States.

Despite the growth in Donor Advised Funds, few study participants have Donor Advised Fund Strategies.

Evan Johnson with Mercy Corps says, “We’ve seen increases in giving through donor advised funds. We’re still trying to crack the nut. One of the first wins was simply isolating the donor advised fund so we could track and flag those donors. Now we’re focusing on how we can better speak to people who give through DAFs. We are launching some special touches in direct mail and online to retain them and upgrade them.”

Victoria Smith with Oxfam reports, “We are seeing increases every year in the percent of donors giving to a donor-advised fund. We include some proactive outreach in our mid-level inserts and in our year-end appeals. We use the DAF Direct widget on our website and we developed a DAF landing page. But because we often don’t know who actually made the donation, it increases the distance between us and our donors.”

# ABOUT SEA CHANGE STRATEGIES

Sea Change Strategies is a boutique research and fundraising consulting firm recognized for helping high profile nonprofit leaders develop successful fundraising strategies, with authentic engagement at the core.

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We'll be taking this study on a speaking tour. Find out when and where you can see us live at [seachangestrategies.com/missing-middle/](https://seachangestrategies.com/missing-middle/)

