



A Comprehensive Guide to Your Year-End Drive

By Laurence A. Pagnoni, MPA, Chairman

The most lucrative fundraising months of the year are now upon us: September through year-end—and even January when lapsed donors can be cultivated.

The heat is on. **Are you ready?**

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Approximately one out of every three dollars in annual giving is donated during the month of December. For online giving, the figure is even higher. This powerful concentration of giving is amplified even more as New Year’s Day approaches. The last four days of the year are the biggest giving days, with giving literally quintupling during the final two... [[Read More](#)]

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Your Year-End Appeal Letters

| Laurence A. Pagnoni

At least two year-end appeal letters are required, not just one. The donor should receive the first appeal on the Monday before Thanksgiving and the second two weeks later. The second letter is sent only to those donors who have not yet replied to the first appeal. Allow me to explain.

With the fast pace of the holidays, if you don't give your donors a few gentle reminders, your appeal is likely to get overlooked. Your postal appeal must also be emailed about 10 days after the mail has dropped. Depending on mail delivery in your area, and especially if you have a smaller mailing (under 200), you may want to use a first-class stamp. For major donors, using a first-class stamp is best—and possibly even a priority mail stamp or an equivalent two-day delivery service.

One of the top reasons cited by donors for not making a gift is “No one asked me.” However, in some cases, we discovered that the appeal letter was misplaced or overlooked. I will explain below how to correct this problem.

I Hear Voices

It is best to think of your appeal letter as [a love letter to your donors](#), not so much to tell a client story or to extoll the storied traditions of your nonprofit (although both of these have their places).

Your appeal letter must generate or reinforce the deep feeling the donor has of being a key part of your work. Here's an example: Using a progression of photographs, [a LAPA client](#) who offers an afterschool program told the moving story of a young boy, Javier, whom a donor had sponsored. Despite coming from a severely disadvantaged background, Javier became a statewide chess champion and later returned to volunteer at that nonprofit. The donor was the hero of the story, and we learned about the amazing impact they had on a client.

Client stories are great for newsletters and annual reports, but your appeal letters are written to the donor and for the donor. It is about their past generosity and what their continued support will do. Do not stray from that path. I'd be glad to share a sample of an appeal letter written in “donor voice” if you [contact me](#).

The Details

State a Goal: How much is the year-end goal that are you raising? In addition, what percentage of those funds are part of your whole budget? State these facts as a way to inform the donor about how their gift fits into the whole.

I offer you this phrase to replicate:

"You are one of XYZ# people who we are appealing to—that's how important you are to reaching our \$XXX,000 goal—and we only have until Dec. 31 to make sure you receive this year's tax deduction. The \$XXX,000 is one part of our \$X,XXX,XXX annual budget, and it's a significant part. These funds will be used to accomplish X, Y, Z."

Avoid Generic Salutations: Many organizations broadcast "Dear Friend" mailings to thousands of people—a "one-size-fits-all" appeal to a broad audience. Today, with prospect identification software and market segmentation strategies, you can dice that audience into many sub-audiences, giving you the ability to custom-tailor the appeals and to make those appeals highly personal. This is a standard process for mail houses, but if you're doing the mailing yourself, you must mail merge the letter and the list. Personalization is a must.

State Past Giving Amounts: Customize your appeal letter so that it states the exact giving history of that particular donor. Few nonprofits do this, and yet it is powerful for a donor to know their annual total giving or, in the case of major donors, the cumulative amount going back to their first gift. People are moved when they see those numbers because it shows the extent of their generosity. *That's our job as fundraisers—to mirror back to the donor how generous they have been and express our deep gratitude.*

If you have cultivated the donor well and your donors care about your cause, then they don't have to be convinced to give. That means they are "value-aligned" with your mission and will enjoy receiving detailed letters about your work because they already identify with your cause. That's why the four-page appeal letter is still king in direct mail.

Ask for Increased Gifts: We fundraisers call this [Moves Management](#), and it's essential to your year-end drive. If the donor's last gift on record is \$50, your appeal should request a renewal at \$100. Your mail house can insert an automatic algorithm for calculating this increase, or you can do it manually in-house. The ask often reads, *"Your last highest gift of record was \$50. Thank you again for your generosity. We used that gift for our afterschool program. Would you consider a renewed gift of \$100 at this time? We'd appreciate that, and of course, we're asking on behalf of those students who*

need the extra support. Be assured, though, that all you give is welcomed—no matter the amount, it's celebrated and appreciated."

Special Envelope: Mail your appeal letter in large envelopes, 8.5" X 11" or 5.5" X 8.5", and make them a color other than white (preferably a pastel color). You may get a higher open rate, and it's worth the extra cost of postage. You should not use larger envelopes to solicit new donors unless they have been researched as having a high capacity to give. Rather, use this investment to advance an established donor with documented giving capacity, and let them know they are important to you.

Integration of Direct Mail and Email: It is a best practice to send an email appeal a week after the direct mail appeal has gone out. This assures that donors receive both pieces in close proximity to one another, reinforcing your message and increasing the chance that your appeal gets an open or response. This is a "multichannel" donor communication strategy, which utilizes both direct mail and email. Your email appeal can be practically identical to the direct mail appeal, with the only substantive difference being that the email appeal offers an option to donate online. Mention that you hope they received your recent mailing.

Monthly Giving Option: Your year-end drive should offer a [monthly giving option](#). Monthly giving increased by 17% last year and represents 16% of all online revenue. Monthly giving should be focused on those donors who give from \$1 to \$999, or your "bread and butter" donors.

Text a "Thank-You": Thank-you texts are effective, and sending one the day before Thanksgiving is a homerun. There are automated services that are affordable that will do this for you. Ask your social media technician or mail house for a recommendation of which service to use. Here's a short and sweet sample text that we used recently, and it created a lot of warm and fuzzy feelings (plus a few "remove me" messages): *"Happy Thanksgiving. This is Laurence from the Great Humane Society. I give thanks for you and the support you've given our pets and their adopted families. Have a great holiday, and think of us in your year-end giving."* I included a link to the "Donate Now" page on the website.

48-Hour Rule: Thank-you letters and emails must be sent within 48 hours of receiving a gift—no exceptions. With online giving, the thank-you can be automated to send as soon as the gift is made. Data from donor surveys support the fact that donors notice when a gift is recognized that fast. It means you're on top of your relationship with them, and they feel good about associating with you.

Donor Data Hygiene: A modern donor database is an essential tool for tracking donor information, from dates of birth to multiple addresses to donors' preferences for how they want to hear from you. Without a well-maintained database, your ability to identify lapsed donors and to segment donors is almost impossible. Thankfully,

there are many solutions readily available even to the most economically-challenged nonprofits. [Bloomerang](#) is a great resource for many nonprofits looking to track constituents, partners, donors, donations, activities, volunteers, and cases. Salesforce is free to nonprofits for up to 10 users, but it's not an easy interface. To quote Peter Drucker, "If you can't measure it, you can't manage it." Good data hygiene allows you to measure the performance of your donor giving and adjust accordingly.

The Second Year-End Appeal Letter

The second year-end appeal letter is focused on donors who have not yet responded to the first appeal. The donor should receive the second letter about two weeks after you mailed the first one. It is critical that you update your database daily when the mail or email comes in so that donors who responded to your first appeal letter aren't solicited again. The outside of that envelope should be marked with a tag line that says, "*We're trying once more. RSVP.*"

Freshen up your second letter as needed with new highlights and, of course, state the status of reaching your goal. Also, remind the donor that hearing back by December 31 will allow them to take a charitable deduction for that year's taxes.

Other Crucial Tips

Personal Video and Phone Calls: The top 30% of your donors need a phone call or, even better, a video meeting. They must be approached with a deep commitment to listen to their points of interest and to learn as much as you can about their connection with your cause and organization. Hopefully, your database has notes on past conversations. [This group of donors will bring 80% of the return for your year-end drive.](#)

Special Gifts: For the top 30% of your donors, it's a nice touch to send them a holiday gift, though not a commercial gift. Send them a gift that is "value-aligned" with your mission. Here are examples of value-aligned gifts: a book related to your cause, a calendar with your clients' art, a magnet with a quote from a client, a bumper sticker about the vision of your work, or a coffee mug with your agency's name on it. These gifts create positive goodwill and generate sentimental feelings.

Large Postcards: Once you send out your year-end appeal letter and 30 days have elapsed without a response, consider sending a large postcard that says something like, "We Miss You. May We Hear Back?" This step can increase your donations by as much as 5%. The postcard and appeal letter should contain the website link where the appeal is posted and ask the donor to go there to read it and donate online.

The Reply Envelope: The United States Postal Service has a Business Reply Mail service, and many nonprofits include a reply envelope where the upper right corner

says, “No postage necessary if mailed in the United States.” If you go that route, then when the donor mails the envelope back to you, the nonprofit pays the postage. I used to advocate for this method, but I have not seen it produce higher return rates, so I no longer recommend it. Instead, I suggest that you include a reply envelope where the donor puts their own stamp on it. Secondly, there’s a type of reply envelope called a “kost-kut envelope,” which offers a detachable form extending off the end of the flap. Your mail house will print your reply language right on the flap. This is a cost-saving step and avoids having a separate reply card, which often gets lost in the shuffle.

Costs: A typical price to send 5,000 direct mail letters is \$2,775, or about 55 cents per piece, which includes nonprofit rate postage. However, as noted above, at year-end, we recommend that you mail your pieces first class, at least for the major donors.

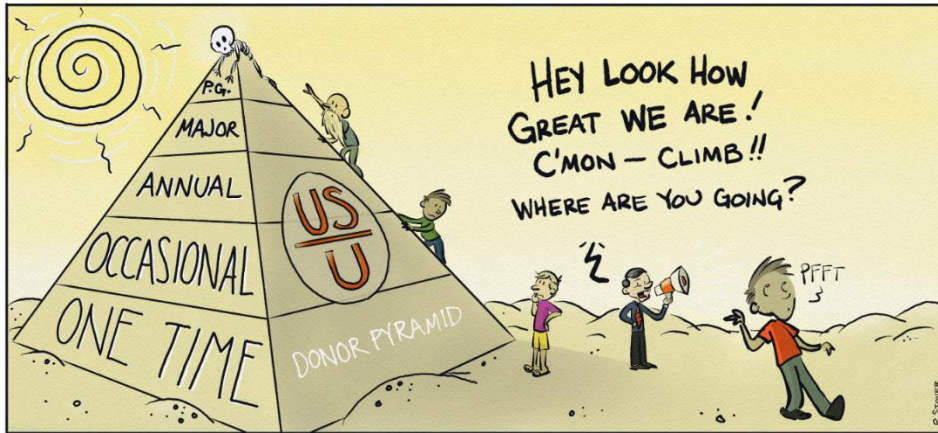
Post Your Appeal Letter Online: Don’t forget to post your year-end appeal letter on your website so donors can make their contributions online as well. Your “Donate Now” button should be prominent and visible on all pages of your site.

What strategies have been effective for your year-end appeal letters? Please let me know on our blog.

Which Donors Should You Focus On?

| Laurence A. Pagnoni

CommunityFunded™
Inspiring Philanthropy



Focus on those donors whose values are aligned with your mission.

What Is Value-Alignment?

Q: A reader writes: *Laurence, you mention “value-alignment” a lot when talking about the donors and funders who potentially can give the most to my nonprofit. What is a “value-aligned” donor, and why should I focus on them?*

A: Laurence’s response: Our real values are not what we talk about, but they are shown in what we do, how we live, and where we put our financial resources.

We fundraisers determine a donor’s “value-alignment” when we research where they make charitable donations because past giving is the best indicator of what they value. They may value many things, but our goal in fundraising is to determine the few things they value the most that receive their financial support. *This is why you must stick to cultivating and soliciting only those donors who are in love with your mission as much as you are—those donors whose heart is on fire with your daily mission and your vision for the future.*

Determine Giving to Other Charities

We uncover the donor's current giving to other charities through [advanced prospect research](#). *Knowing the donor's giving to other charities is a top indicator of their willingness to give to you.* It gives you an understanding of what they value and what they think is important. It's essential to be discerning about who you approach and cultivate. Ninety-five percent of nonprofits cannot afford to market to everyone. As such, most nonprofits should instead focus on those donors and funders who really get what they do—and only research can tell you that. If you are not familiar with prospect research and would like a proposal about how it works, [complete this form](#), and we'll be in touch.

Caution

There are [dangers to buying donor data](#). Many nonprofits buy data from “data mining” companies, and once they receive the data, they are paralyzed with what to do with it. It's a lot of information that overwhelms even those of us who work with it every day. Don't let that happen to you. Instead, work with a senior fundraiser who has experience creating a roll-out plan for using the data and who knows how to focus on the donors who bring the largest returns.

Donor Capacity Is King

Many fundraisers are fond of saying that it takes the same amount of time to raise \$5,000 as it does \$50,000. You avoid the lesser gifts by knowing which donors to focus on. I want you to focus on all value-aligned donors, but because you have limited time, focus your in-person time on those donors with the largest giving capacity, and find [automated methods](#) to cultivate and solicit donors who have a lower capacity to give.

Do you have a question that's been on your mind? Your questions are welcomed as well.



How to Get Donors to Agree to a Visit

| Joseph Tumolo

In my work with thousands of fundraisers, the biggest challenge I hear is that it's hard to get the visit. I sometimes struggle with getting the visit as well. Donors ignore our messages, or they email us back with short messages that say, "No need to visit, everything is good." It's not easy. If it were easy, our organizations would not need us. I remind myself of that when I am having one of those days where no one seems to respond.

The first step is to craft your messages carefully. I have seen people spend weeks and even months writing and refining copy for marketing materials, carefully examining every word, and passing proofs around to anyone with a pulse. So much time and energy are invested. Marketing is expensive, it is a reflection on your organization, and it should be done the right way. *But what about your voicemails and emails?*

Think of the last presentation you gave. No doubt you were prepared. You knew what you were going to say and what you wanted your audience to take away. Your goal was to inform, persuade, and/or inspire them. Hopefully, it included a clear call to action: what you wanted the audience to do because of your talk. Now, think of the last voicemail or email you sent. Were you equally prepared with your message? Did you know what you were going to say and what you wanted the recipient to know or do? Did you spend time working on that message? Did you refine it so it flowed smoothly? Was it compelling?

Our donors are getting calls from lots of other charities.

What will you say that will separate you from the rest of the pack and encourage your donor to say "yes" to a visit?

Here are some guidelines for developing voicemail script outlines to help you get more donor visits.

Keep it short. In this fast-paced world, it's more important than ever to keep our messages short and to the point. Look at Twitter, Facebook, and current website design. They all use snippets of information, not wordy and drawn-out messaging. Most people have the attention span of a hummingbird on Starbucks coffee. We are all bombarded with lots of messages, solicitations, and requests for our time and money from all areas of our lives. You must make your point quickly. I suggest you keep your voicemails under 60 seconds and your emails less than three paragraphs. I could go on, but...

Focus on the recipient. Your message should be all about the other person, not about you and your agenda. "You" should be used more than "I" or "we." Instead of saying "I want to come out and visit you," you can say, "I think you would enjoy or benefit from a visit because..."

Stress the benefit to the donor and those you serve. This is a huge point, and I find it to be one of the most challenging components of a message. How will the donor benefit from a phone conversation or a visit? "You might find it helpful if I update you on how we are investing your donation and the impact it's having here on campus."

Include a clear call to action. What is the result you are looking for? If you are calling a donor to set up a visit, say it right up front. "Hi, Mrs. Howell, I am calling (or reaching out to) you today to set a time for us to visit." Depending on what stage you are at with your donor, you may even tell them you are calling to set up a visit to talk about making a gift, how they might want to support the campaign, or something similar.

Say it with enthusiasm and passion. Your voicemails need to be upbeat and oozing with enthusiasm—not so much that it comes across as phony, but just enough for the recipient to think, "Hmm, this sounds like someone whom I could hang out with." People like dealing with happy, passionate people. Make sure that comes through in your message.

Write it out. Write out a voicemail script and practice it until you have it memorized. After you practice it enough, you'll internalize it, and it will sound natural. Great actors practice their lines until they sound natural and spontaneous. Think of Meryl Streep. The dialogue she delivers was written by someone else, yet it sounds like she is speaking those words for the very first time because she has practiced and internalized them until they sound natural and convincing.

Record yourself. This is tough. I hate hearing myself on playback, but it's incredibly helpful. Every time I listen back to my recorded messages, I find new ways to make the message more concise and impactful. Leave yourself voicemails with your new message. Keep refining it until it's just where you want it.

Get everyone on board. If you are managing gift officers, do you know what they are saying on their phone calls, voicemails, and emails? Are they sending the message you want them to send?

Here is a sample of a typical voicemail that I use to set up a visit with a donor.

Hello, Lorraine. This is Joe from the Foundation for Follicly Challenged Men. I am calling to set up a time for you, Mike, and me to visit because I was looking at your gift records today and saw that you have been giving for over 10 years. Other donors are telling me that they are benefiting from a visit to be thanked personally, updated on the impact of their gifts, and to provide feedback on how we can be better stewards of their donations. I will send you an email follow-up as well. Our visit should take about 45 minutes unless you and Mike have lots of questions. Would you let me know your availability to visit the week of January 3rd or suggest another week if that one does not work for you? You can reach me here at 610-653-7906. And my name is Joe Tumolo with the Foundation for Follicly Challenged Men. If you are not able to get back to me, I'll circle back next week. I look forward to connecting with you, Lorraine. Thanks to you and Mike for your continued support of our work.

Some comments about this message:

- **I let them know how long the visit should take.** Most people can spend 45 minutes. This relieves the donor of any concerns about our visit taking up too much of their time.
- **I alter this based on how well I know the donor.**
- **I always let them know what happens next.** If the donor is not able to get back to me, I let them know I will keep trying until we connect.
- **I try to include any other decision-maker** (spouse, partner, caretaker, etc.) in the visit.
- **This is a guideline.** Everyone has their own style. What I say may not exactly fit your approach. If you like this script, adapt it to your personality.

Exercise: Set up a few hours to meet with your team. Work on a script outline for phone calls, voicemails, and emails. Practice and role-play among the group. Everyone has their own style, but they should all be sending the same message containing the five key components outlined above.

Managing a Nonresponsive Donor

Often, you'll continue to try to reach a donor with no response. What do you do to get them to respond? How long do you keep trying? The last thing you want to do is irritate a donor. And the more time you spend chasing a disinterested donor, the less time you have for those donors who are open to a visit. The solution? Have a policy for how many attempts you and your team will make to reach a donor. Now, if the donor is a major or leadership donor, you might allow for a higher number of attempts. Second, decide what each attempt looks like. How many voicemails, and how many emails or letters?

Here is an example of a written process for a five-attempt approach for reaching a donor:

- Attempt 1—Leave a voicemail, and send an email.
- Attempt 2—Attempt to reach, and do not leave voicemail or email.

- Attempt 3—Attempt to reach, and do not leave voicemail or email.
- Attempt 4—Mail survey.
- Attempt 5—Final voicemail and email.

Third, get creative. How can you reach that person? I know a fundraiser who will stop at a donor's house with no appointment and drop off a small gift from the college. He has never had a donor get offended. I would be impressed if someone had the courage and commitment to show up at my door.

Here are some other ideas you can try to help you connect.

Forget trying to get the visit. Say what? Yes, forget about trying to get the visit right away. People are busy. **Instead, see if the donor is open to an initial 10-minute phone conversation.** Once you get them on the phone, your job is to keep them on the phone as long as you can (provided they are engaged in the conversation). The longer you stay on the phone with the donor, the more likely you are to build trust. If the call is going well, then you can ask for a visit.

Another approach for completely unresponsive donors is to **see if they have a LinkedIn profile.** Look at their connections to see if you or anyone in your organization knows one of those connections well enough to call them and see if they can assist you in reaching your donor. Mail a funny card. Have someone else in your office (or a board member) attempt to reach the person. A different voice might resonate better with the donor.

If nothing else works, **leave them a final voicemail** that sounds something like this:

Hi, Lorraine. It's Joe Tumolo, calling back from the Foundation for Follicly Challenged Men. The last thing I want to do is be a nuisance. I have been trying to connect with you because you are important to us and the men we serve. Sounds like it's just not a great time. Please know we are very grateful for your support. Should your schedule change and you are open to a visit or even a quick phone conversation, please let me know. Thanks so much. Again, it's Joe Tumolo, and my number is 610-653-7906.

There is no silver bullet for getting the visit every time, but we need to do everything we can to increase our odds. **Having a process keeps you from chasing the same donors over and over.** You can always circle back to the non-responders. Realize that there are some donors who just don't want to do more. They are perfectly content giving what they are giving but don't want to talk about doing more. There are others who no longer want to give, and there are still others who are open to doing more. Our job is to find the ones who want to do more and build relationships with them.



Are You Up for a Challenge?

| Laurence A. Pagnoni

Anyone who's ever listened to a public radio station in the U.S. will be familiar with the concept of a challenge gift drive. Deep into the annual pledge drive, the radio host announces something like, "Sponsor X is committing \$5,000 toward our goal of \$10,000, but only if we can raise the rest of our goal by the end of the month," or "Sponsor Y will match, on a 1:1 basis, each of the first \$5,000 in gifts we receive until the end of the month." No matter what your taste in radio programming, these time-sensitive pledge drives are inevitably irritating to listen to. Even professional fundraisers would rather hear music. Yet, they endure. Why?

The notion of the ticking clock is a recurrent theme in our journey through higher-level fundraising. During those "urgent" 30 minutes of the challenge, anyone who's ever thought about giving, or who has pledged money in the past, is almost forced to think, "If I give now, it'll be like giving double or triple the amount. If I wait past the deadline, my gift will only be worth half or a third of what it could be."

The approach works because it is tied to a sense of urgency. The ticking clock trumps all, if you will. In fact, the donor issuing the challenge will often still make their challenge gift even if other donors fail to live up to the challenge. Because they can jump-start a campaign or act as a midcourse correction to energize a flagging campaign, challenge drives are almost always an integral part of capital and endowment campaigns. They are equally effective in annual fundraising, sponsorship, and any other effort to secure underwriting—all for a negligible increase in your overall fundraising costs.

A similar matched-giving alternative for nonprofits exists within the realm of corporate matching gifts. Corporations need tax write-offs as well as opportunities to burnish their public image through good "corporate citizenship." One of the ways they accomplish these two objectives is by matching their employees' charitable

contributions. As with challenge giving, the matching ratio some company programs offer for each dollar donated can reach as high as 4:1. Yet, surprisingly, this rich potential resource goes largely underused.

How to Put Together Your Challenge Gift Drive

A challenge gift drive begins when a donor makes a substantial donation. Usually, it's a trustee or someone who knows and trusts your organization and has been giving for a while. Someone in your fundraising department realizes that now is a terrific opportunity to encourage giving by others. The fundraiser chats with the donor, and then, if they are in agreement, you launch a challenge or gift drive following the guidelines that you and the donor work out and sign off on. Guidelines can include whom to target for the challenge, when the donor pays (upfront or when the challenge is met), and how the challenge will be advertised or marketed.

In some cases, donors will propose a challenge gift on their own. However, if your strategy is to wait until that happens, be forewarned: You are more likely to grow old than to grow rich. The urgency behind challenge giving needs to begin with you, the fundraiser. Develop a proposal and take it to a major donor. Spell out what the challenge gift will do to help raise more money from other donors. A challenge gift is focused on a specific issue to solve a precise problem. It's not a general appeal; rather, it's a targeted effort to solve a problem that's easy to understand and articulate. You can and ought to show the major donor how much a challenge boosts responses compared to a typical appeal. Use the same pitch on the board. *It's all about leveraging the money.*

If you don't know what it will cost to complete the project at the heart of your challenge, take the time to figure it out. Just because you or the challenge donor thinks "x amount" of dollars will be sufficient doesn't mean it will be. Another question to consider is timing. Given that a challenge drive can increase giving by 30%, do you use it to pump up donations in a slower part of the year, or do you capitalize on your best giving season, say, [end of year](#)? Most signs point to the latter

option as your best one, though it's up to you to do what best suits your agency's fundraising needs.

The Three Key Steps to Carrying Out Your Challenge Gift Drive

Implementation of your drive involves finding the right individuals to take the lead, coming to an agreement about the procedure, and getting the word out. Those three steps should unfold as follows:

1. *Make a shortlist of those donors you can ask to make a challenge gift.* In the absence of a challenge donor, I recommend you identify several possible donors and assemble them in order of priority. The prospects on your list should include the most thoughtful and current donors—[the ones who truly “get you”](#) and what you do. Focus on top prospects, and solicit lead donors in person. Many fundraisers start with the board chairperson, move on to the development committee chair, [then to all the trustees](#), then to donors who have given significant gifts before (a.k.a., lead givers), and then to the community at large. As with any major gift fundraising, if a prospect replies, “I’ll think about it,” be sure to ask, “When is a good time to get back to you?”
2. *Once the challenge gift is secured, write an agreement or pledge that explains the terms binding the donor’s promise (even though it’s unlikely that it would be truly legally binding).* While it is a rare occurrence, donors can withdraw and cancel their pledges. Memorializing a pledge in writing will inevitably reduce the chances of misunderstandings and hurt feelings. Keep your agreement simple, and avoid a lot of “legalese.” Here are some basic points to cover:
 - How much will the donor give in total? This amount can be stated as: “\$_____ if no funds are received for the challenge, and up to \$_____ if the challenge is fully met.”
 - Does all giving count toward meeting the challenge or only new donations from first-time donors and increased donations from previous donors?

- What is the timeframe within which the remaining funds are to be raised? (Thirty to ninety days is customary.)
 - Will pledges count, or must the challenge be met with cash in hand?
 - Can the match apply to granting foundations and corporations as well as individuals? What about net proceeds from a special fundraising event?
 - Will the donor allow the challenge to be publicized and promoted and agree to be named as the challenger? This request may require some finessing, though it is well worth trying as it lends a “human” touch to the challenge campaign. You can even name it: “The [insert donor’s name] Challenge”—unless, of course, the gift comes from an anonymous donor. In that case, an artful name focused on your drive’s goal can be set, such as “The New Playground Challenge” or “The Stop the Violence Challenge.”
 - What is the match ratio? Will it be 1:1? 2:1? 1:2?
 - What happens if you don’t meet the entire challenge? In the best case, you can get your challenge donors to still give their gift, but remember that they are certainly under no obligation to do so. I recommend you ask upfront.
3. *Promote the challenge and its progress in your newsletter, on your website, by email, and in your local community newspapers.* Leverage the free coverage you can get from a journalist doing a story about why you have the challenge drive. When you pitch the story to local editors, focus on what the drive seeks to accomplish rather than the drive itself.

Best Practices in Challenge Gift Drives

There have been cases in which those who gave under a challenge drive later reduced their subsequent contributions, resulting in a net reduction of total contributions to the agency’s overall giving efforts. Some call this effect “donor fatigue,” though I’m not a fan of that term because people are too complex for such easy categorization. Thus, in addressing this issue, it’s important for you to be proactive and let your donors know upfront that maintaining their regular support is

essential. Let them know, “We don’t want to fix one problem (meeting the challenge) by creating another (losing your funding for our regular, ongoing work).”

A fundraiser I spoke with about this problem told me that one of her donors concluded that, with the advent of large challenge gifts, his small gift would no longer be needed. She became worried that others might get the same impression, so she quickly issued a [donor survey](#) to gauge how her other donors were thinking. Thankfully, she learned that only one other donor had a similar attitude about small gifts. [The lesson here is that it pays to verify attitudes within your donor base rather than assume them.](#)

Here are some other best practices to apply to your challenge drives:

- [Big goals get big gifts.](#) Increasing the target fundraising goal in a challenge drive has a significant effect on the size of the average gift.
- *Customize an appeal letter and the amounts you request.* Although the customization of donor appeals is time-consuming and possibly costly in the short run, there are clear rewards to understanding the mindset of each donor in order to send the [most personal and effective appeal](#). Customization can usually be done through a mail-merge process. While it’s not necessary to create a different letter for each individual, you may want to do so for your top givers.
- *Offer money-back guarantees.* In your drive, state that if the minimum challenge is not met by a certain date, donors’ contributions will be returned to them. Your appeal could read, “By May 1, we must raise an additional \$10,000 to match the donor’s \$10,000 challenge; if we fail to raise that full amount from you, our supporters, we will not be able to open the new environmental justice program for our teens, but we will refund your donation promptly. Please help us achieve our goal.”
- *Create an air of exclusivity.* Let the donor know how many people you are approaching: “You’re one of 35 people we’re personally approaching for support.” Donors often think that you have thousands and thousands of others

to turn to. It's important that you define the context of their engagement in real numbers. It conveys the importance of their unique participation.

- *Create mailers your donors will open.* If you are using the mail, the battle is often getting the recipient to open the envelope. Consider posing a question on the bottom left of the envelope exterior, such as: "Do you know what our kids want the most?" Or use a sentence-handle such as, "The most important thing we can do right now to preserve our environment is..." I often suggest using large, colorful envelopes that draw attention to themselves in the mail stack or eliminating the envelope altogether and using a large postcard or folding the mailing in half and wafer-sealing it. Be sure to check with the post office first so that your design meets postal regulations. I also recommend using fonts like 12-point Courier New, which is easy to read, clean, and looks very personal. Mail your challenge gift requests two or three times—at the start of the drive, midway through, and near the end—and be sure each time not to mail to those who have already responded. Too many nonprofits only mail once—a common and avoidable mistake.
- *Learn about your area.* Fundraisers have found that the location of a drive often affects its efficacy. Some areas are simply better than others. If you are going to try the challenge strategy for the first time, do some due diligence and seek out the experiences of others in the area or at your local chapter of the Association of Fundraising Professionals.

Corporate Matching Gift Programs

As I mentioned previously, there is another important type of matching gift that happens outside of a challenge drive. Corporate matching, as it is known, was begun back in 1954 by the General Electric Company (GE). Through its Corporate Alumni Program, the GE Foundation began making matching gifts to colleges and universities, eventually expanding to other areas of charitable giving. Today, countless companies such as Johnson & Johnson, Microsoft, and Union Pacific Railroad match employee contributions, sometimes at a ratio as high as 4:1.

Naturally, some companies have overall and/or per-employee limits to their matching programs, but the leveraging power of these programs is nonetheless formidable. A 2012 survey by the Committee Encouraging Corporate Philanthropy found that 83% of surveyed companies offered at least one matching gift program.

Though some agencies, such as political organizations, sports teams, and religious organizations, are restricted from applying for corporate matching programs, your own agency is quite likely eligible. If your church, synagogue, mosque, or meetinghouse focuses on community outreach, you probably qualify as well.

Increasing your fundraising through corporate matching doesn't cost more, though it takes some extra dedication from your fundraising team. To begin with, most individuals outside of the nonprofit sector have never heard of, and have never used, employee matching gift programs, so you'll have a lot of promotion and explaining to do. You may also worry about how to manage this work owing to staff or volunteer time constraints. Worse, if yours is like most development efforts, you probably have very little information on where your donors or their spouses work, and even when you have that information, you must still keep track of employee-giving programs at all of the companies where your donors or members work.

Finally, assuming you can manage those areas of focus, there's still the challenge of letting your donors know the appropriate process, guidelines, and steps so that they can complete the matching gift requests on their own. Is it any wonder that much of the available money goes untapped?

Thankfully, there are tactics in your fundraiser's toolbox that will help you ford this procedural and bureaucratic stream. If you lack sufficient staff, you can ask a volunteer to study and learn about this unique area of giving. Another option is to use a free searchable web page on corporate matching, such as those offered on the websites of most major universities (Stanford, Penn, American University, for instance). These services allow donors to instantly determine their eligibility and access company-specific program requirements and forms. You can provide donors with a list of corporations that offer these programs (also available for free online

at [Double the Donation](#) and many other sites) and ask them to check with their own employer.

As you begin unearthing corporate matches, try to walk in the shoes of your donors and think through all the ways they might get stuck in getting their employer's match. Address their issues in advance. Make it easy for them, and guide their charitable actions. Instead of simply asking them to check with HR on corporate matching programs, provide them with the necessary guidelines and forms.

Whether you help your donors find a corporate match or take the time to organize and implement a challenge drive, your potential benefits will easily outweigh the costs of your extra fundraising efforts.

At the End of the Day...

Challenge gift drives can unlock exponential giving, often doubling, tripling, or quadrupling the size of donations. The same is true of corporate matching gifts. Because challenge gift drives thrive on a sense of urgency, doing all you can to learn about and assist your donors will go a long way toward crafting the right kind of drive or corporate match for your agency. The easier you make it for your givers, the more likely they are to contribute.



#GivingTuesday: You Have a Decision to Make

| Laurence A. Pagnoni

Quickly approaching, #GivingTuesday (GT) will take place on Tuesday, Dec. 1. This day of global giving has grown into an impressive movement that inspires hundreds of millions of people to give, collaborate, and celebrate generosity. The average online gift was \$111.

It may be an opportunity for you to leverage your community giving, but *you will have to decide if it's worth your attention.*

Many nonprofits are incorporating GT into their year-end drive, but this year-end giving will be different than years before, and [I explain why here](#).

As you think about whether to focus on GT or not, here are a few unique aspects of GT for your consideration:

- GT has cause-based coalitions that you can join. Examples include #LatinxGive, #iGiveCatholic, #GivingTuesdayLGBTQ, and if you accept Cryptocurrencies, #CryptoGivingTuesday. The point is that you can join an existing campaign related to your mission and enjoy that support and expansiveness.
- GT has a special resource for young people. [Learn about it here](#). Led by a squad of young do-gooders ages 6–21 from all over the world, [GivingTuesdaySpark](#) is all about encouraging young people to take action around the causes they care about most.
- GT has a toolkit chock-full of amazing resources like logos that you can use. [You can see it here](#).

Your Decision

Making a choice to skip GT, especially if you have other parts of your year-end giving program designed and ready to launch, and most especially if your social media platforms are not what they could be, should be considered.

Is #GivingTuesday right for you? That all depends on your circumstances.

Nay

I am a fan of #GivingTuesday—within its proper use.

Charities raised an estimated \$511 million online on #GivingTuesday last year, [up from \\$380 million on that day the year before](#). This year, the [GivingTuesday Data Commons](#), a group of more than 60 partners, also estimated offline giving using a new statistical model, bringing this year's total estimate to \$1.97 billion.

Yet, the preponderance of the funds went to very large nonprofits with robust social media programs. I mean VERY large nonprofits, the very top 5% of the sector!

Albeit five years ago, in a 2015 national survey by the [John Templeton Foundation](#), 93% of consumers said they were familiar with Black Friday while only 18% were familiar with #GivingTuesday. Further, online searches using "Giving Tuesday" as keywords are also disproportionately low, according to Google Trends data that indicates search volume; however, in 2020, *August/September searches for "Giving Tuesday" were up 80% from last year, partially due to the May 5 #GivingTuesdayNow push designed to raise more revenue during the pandemic.*

Here are a few cautions:

1. **In a crowded field, your message may be overlooked.** Every other nonprofit, large and small, is going to be sending messages that day. How sure are you that your email or social media campaign is going to be able to cut through the clutter? If you have high recognition among your donors, then that will work in your favor.

2. **Social media is an important but minor fundraising method.** It's impersonal and fast, and the average gifts range from \$40 to \$111, depending on which data source you choose. Social media is best for cultivating interest in your mission, driving the reader to go to your website, and then asking them to share their email with you so that you can build a deeper, ongoing relationship with them.
3. **One-time gifts take your donors out of their normal giving pattern.** A donor is not someone who gives once, it is someone who gives repeatedly at increased levels. When you ask for a one-off gift, you're asking outside of the context of their past giving. It makes no sense to receive a \$100 gift if that donor's last gift was \$250!
4. **Will this raise the most funds?** What if you spent the same amount of time on major donor calls or doing end-of-year donor meetings? Let's say you spend 10 hours on #GivingTuesday. Do you think you would have raised more or less if you had spent those the same time meeting with your top donors or calling your most engaged givers?

If you already have a strong year-end fundraising program designed, and your social media presence is not strong, you may decide to pass.

Yea

If your largest source of individual giving comes from social media, then #GivingTuesday is definitely for you.

Secondly, if you need a one-day drive to fund a specific goal, #GivingTuesday may be a solid option. Fundraise for your exact need. Do not pitch "we need to raise \$25,000 to pay program costs." Instead, talk about one dog or cat in need or one child and the difference a gift can make in that child's life—*one thing*, and not more than one. For example, "We need to raise \$16,000 to buy a new rover for our local Garden Conservancy, which will allow our 7 gardeners to serve 4,000 visitors." This sounds good, right? This goal is to be impact focused with a definite plan. When you only

have 24 hours to make your case for giving, this approach is necessary. (Generally, your GT appeal should go out three times that day, maybe four, at 8:00 a.m., 1:00 p.m., 4:00 p.m., and 7:00 p.m. with updates about your progress toward your goal.)

Third, if your mission or cause appeals broadly, it may justify using #GivingTuesday in your year-end fundraising.

Lastly, because of the COVID-19 pandemic, digital fundraising is king and more important than ever before. Larger digital fundraising prep due to COVID-19 and the reduction of in-person events means that nonprofits may be more ready to activate their audiences. It may be the time for you to get on board, but if social media fundraising is new to you, start with a good consultant and a plan to get ready for next year.

If you are committed to launching a #GivingTuesday drive, here's a [complete toolkit](#) that's chock-full of vital content.

Of note, it's important to [register your nonprofit](#) on the #GivingTuesday website.

Undecided?

If you're undecided, I suggest that you reach out to one or two other local nonprofits and talk it through. Your best approach may be for a small group of you to come together and maximize the size and scope of your #GivingTuesday marketing efforts. Identify a shared specific goal that will resonate with the public.

I welcome your input and am interested in learning what you think about this. [Please let me know.](#)



The Last Four Days: When Online Giving Quintuples

| Laurence A. Pagnoni

Your year-end giving plan must pay special attention to the last four days of the year online.

The month of December is the most important month for giving overall and for online giving in particular. *Approximately one out of every three dollars in annual giving is donated during the month of December.* In fact, 28% of nonprofits raise 26–50% of their annual funds from their year-end drive. An additional 36% of nonprofits raise just under 10% of their annual funds from their year-end ask.

*For online giving, the figure is even higher, with 12% of all annual online giving coming in during the last four days of the year.**

This year will be different than past years, and [I explain how in this post.](#)

The Last Four Days Online

This powerful time of concentrated giving is amplified during the last four days of the year (12/28, 12/29, 12/30, and 12/31), which are the biggest giving days online. Further, giving literally quintuples over the course of the last two days of the year! Data analysts have documented that the peak donation period on December 31 is between 12:00 p.m. and 7:00 p.m., when 31% of donations come in for the day no matter your time zone.

The holiday giving spirit, coupled with the pressing need for U.S. donors to lock in a tax deduction for the year, fuels this beneficence.

So, how will you make the best use of this remarkable time period? Here are a few recommendations.

An Email a Day: A Few Approaches

To begin, send an email or video on December 28 letting donors know to expect an email from you every day for the next four days, and let them know what your approach will be. These emails should also be automatically posted to your social media accounts. That step can be automated if you use a service like [Buffer.com](https://buffer.com).

Here are some recommended approaches on how to style those emails and social media posts:

Donors and Volunteers Stories: *Volunteers are twice as likely to donate than non-volunteers.* The stories about why they give and volunteer are less likely to have been heard. *Why not tell one story a day, alternating between donors and volunteers?* One organization coached their client to video interview one of their donors, and WOW. It had the most open rates of any email that year. It lasted only 90 seconds. We prefer 90-second videos to be featured as the centerpiece of each email whenever possible.

Client Stories: Another approach is to *tell one client story per day that highlights your clients' struggles and your organization's success in supporting them to succeed over the past year.* Use a dynamic profile picture or, even better, a 30-second video of the client speaking about their experiences themselves. One of LAPA's clients tells four client stories—one per day, told in great detail, with a picture of each client or a representative picture—describing how their services made a positive impact. The four clients were from each of their four core services.

Surprising Facts: The next approach is to *share an aspect of your program's impact that may be little-known or frequently overlooked.* For example, we once did a "Last Four Days" Drive that shared four surprising facts about a nonprofit's innovative approach, one per day. Each day's email repeated the fact from the day before so that by the fourth day, the viewer saw all four facts grouped together in one email.

Community Connections: Another option is to *describe your partnerships and community connections.* A LAPA client, a social service provider for youth, told the story of their partnership with a local community college. College students would volunteer at the nonprofit, helping youth with homework and engaging them in

recreational activities, which culminated in two weekend camping trips. Their year-end drive emails contained photos from the trips, as well as portraits of younger and older kids together in a heartwarming mentorship setting.

Pithy and Emotional Content

You must write pithy emotional content. You see, most people scan an email before committing to read it carefully. In that scan, they must be emotionally engaged by the picture and the subheadings. You must create a high level of intrigue in your emails that makes someone want to read them.

It's always an option to find a graphic designer to help create your e-appeal, but most email programs are fairly user-friendly for dropping in a photo, and there's really no excuse not to, especially during such a critical fundraising time. If your graphic designer happens to be away on their holiday vacation, you should be able to do this work yourself. Further, in current email systems, you can even preset the messages to send while you're out of the office. Vibrant, clear, portrait photographs (no group shots) that illustrate the story and show emotion will help immeasurably. Your own storytelling will, of course, vary, but your donors will be glad for this concentrated period of cultivation and outreach.

Your *"Donate Now"* button should appear three times in the body of the email—at the beginning, middle, and end of each one—so that your donors may click at any time when they are ready to give.

I Fibbed: There's a Fifth Day

January 1 – Send an email on New Year's Day thanking donors for participating in your year-end campaign and telling them about the impact of their donations. You can include a message for those who did not give that says something like, "Didn't give yet? You can still support us by giving today." As noted, make sure to offer the ability to give on a monthly sustaining basis. You can repeat this email twice more in

January to nonresponders only: once in the second week of January and a final time in the third week. [You can see a full plan for fundraising in January here.](#)

Essential Guidance

Ask for Automated Recurring Gifts: Do all you can in your emails to shift your focus to recurring donations. By focusing on recurring donations for year-end giving, you will raise more revenue each year. Yes, you can just send an email to each of your past supporters and ask again—but is that really effective? Most research says it is not. In fact, not offering a recurring giving option is a leading cause of losing new donors! As online giving grows, people are warming up to [online monthly recurring donation options](#)—evidenced by its year-over-year growth. The recurring option does not apply to major donors, though. Segmenting your donor audience will ensure the right donors are receiving the right messages. For major donors, the message may simply be, thank you! Ultimately, your approach with major donors should be much more personal and focused on securing multiyear pledges.

Survey Your Donors: Including a link for the donor to [take a brief donor survey](#) is a smart move, but some argue against this because they want to keep the communication focused on securing a gift. New technology is allowing us to put donor feedback options on key pages of our website. [For more information about this technology, contact LAPA's Brian Dhaniram.](#)

Branded Donation Forms: Did you know that branded donation forms can help you raise up to 7x more? Be sure your online forms look their best to maximize the final days of year-end donations.

Send Times: When Dec. 31 hits, we recommend sending out your email at 11:00 a.m. or 11:30 a.m., which have been determined to be the ideal times; however, if you have good reason to believe your donor's behavior might vary from this, then go with what time you have seen works best. One science center we worked with had documents showing that their donors opened their email the most in the early

morning, so they sent theirs at 6:00 a.m. The point is that you need to think about what time is best to send your emails.

Unopened Email: Send a follow-up email to those who have not opened your email yet. Email programs such as Constant Contact or Mailchimp allow you to see when your recipients have actually read your emails. That way, you can send a second email around 3:00 p.m. on Dec. 31 to those who haven't yet opened their morning email. I mentioned before that you have to segment your audience. If you don't have a good way to do this within your email system, simply write a short note at the beginning of your email saying something like, *"Please disregard this message if you've already contributed to our year-end campaign. If you would share it with a friend and let them know you believe in and donate to our mission, that would be much appreciated."*

Subject Line on Dec. 31: Be sure you mention the Dec. 31 fundraising deadline in the subject line: *"Today's the deadline to receive your 2020 tax deduction."* Also, remind your donors who are using the postal mail that if their donation envelope is postmarked by Dec. 31, their gift qualifies as a tax-deductible contribution for that year even if it is received after that date.

Postal Mail: It is a best practice to integrate your emails with postal mail. Do not skip this step. When you mail your appeal letter by direct U.S. mail, write *"Time Sensitive"* on the outer envelope, and we recommend using a first-class stamp, at least for your major donors. For major donors, we recommend affixing a first-class stamp on your reply envelopes.

**Statistics provided by [NeonOne.com](https://neonone.com).*

What strategies do you currently use to advance giving the last four days of the year? Please leave your comments on our blog.



6 Tips for Virtual Major Donor Calls

| Laurence A. Pagnoni and Andrew Navarette

Given that most of us are working virtually, honing our skills for cultivating and soliciting donors virtually is essential. These six tips will help you with that work.

The context for these six tips is that the video calls last from 20 to 45 minutes; we schedule upwards of six to 10 a day. If video is not possible, we fall back on a phone call. We secure the time for the call by sending a short email.

The calls are both cultivation time and solicitation, but we generally follow the donor's lead. We follow up on a call with a thank-you email. We record our handwritten notes of what transpired on the call in the donor database.

We always define the next action step to take at the end of each call, either with the donor or just to ourselves.

Overall, we are listening for what the donor is “up for” in terms of more engagement and more giving. We seek multiyear pledges when that makes sense.

Tip No. 1: Talk to Your Current Donors First, Then Close In on Prospects

Now is the time to deepen your relationship with your closest donors and prospects. Initially, avoid cold calls to new prospects. Instead, ask for an introduction if you want to engage a new prospect. Without being introduced, you may turn off a new prospect if you reach out during the pandemic.

Tip No. 2: The Very First Question

“How are you doing during this time?” Authenticity matters. Be real, and be curious about how your donors are handling the pandemic. (If they don't want to talk about it, respect that, too.)

This one question will allow you to deepen your connection with your donor through shared experience. We're all experiencing the same hardship at the same time. That's a powerful point of connection.

Tip No. 3: Take Interest in What They're Doing During This Time

"How have you been filling your time during the pandemic?" What you're really asking and listening for is, "How does the donor cope with stress, and what are their real interests?"

Tip No. 4: Explore Going Deeper

Zoom calls with donors have an extra layer of intimacy because donors feel more comfortable sharing deep motivations and their true hopes for your organization.

They've had time to reflect, and many are thinking about what really matters to them.

Tip No. 5: Update (Inform and Educate) Your Donors

Come prepared with three pieces of good news about your work. Share what your organization is doing during the pandemic. Share client success stories. Share hopes your agency has for the near future.

Be genuine, and listen closely to their responses.

We are all being bombarded with so much bad news that a sprinkling of good news may brighten your donor's week. Most importantly, they will know that they helped.

Which brings us to our final tip...

Tip No. 6: State Your Need, and Listen... Your Donors Will Probably Volunteer to Give More

Your donors will probably say, "How can I help?"

Donors give to your cause, not to your organization, so speak to the urgency of your mission. More often than not, donors themselves suggest a way they would like to help. Good things come when you are authentic, curious, state your need, and wait.



Let Your Donors Know: Six Messages to Share with Donors at Year-End

| Laurence A. Pagnoni

As **year-end giving** (YEG) is upon us and you search for the essential communication to use with your donors, here are six messages to share with them.

These six messages—*Financial Securities, Retirement Plans, Age 70.5 Distributions, Life Insurance, Charitable Gift Annuities, and The Last Will and Testament*—are critical to communicate with your donors.

Share with your donors that these are easy ways to support your nonprofit.

Cash gifts are terrific and needed, but these six ways of giving are equally as important:

Year-End Giving Donor Message #1: *Securities*

Gifts of stocks and mutual funds are an extremely tax-efficient gifting option.

A gift of highly-appreciated securities offers you twofold tax savings by avoiding the capital gains tax you'd owe if you sold the stock and then made the gift.

Making a gift of appreciated stock allows you to take an income tax deduction for the full fair market value of the stock at the time of the gift, regardless of how much you paid for the shares when you bought them. (Stock should be owned for more than one year to qualify for the tax advantages.)

Gifts of long-term capital gain stock are deductible up to a maximum of 30% of your adjusted gross income.

Year-End Giving Donor Message #2: *Retirement Plans/IRAs*

IRAs, 401(k)s, 403(b)s, and other retirement accounts grow tax-deferred, often becoming quite large over the years. Unlike many other types of investments, funds withdrawn from retirement accounts can be taxable to you and, eventually, to your heirs.

Designating YOUR CHARITY as the beneficiary of your retirement account may be a very tax-savvy thing to do.

Retirement accounts left to YOUR CHARITY are removed from your estate for federal estate tax purposes. Plus, there is no income-tax assessed against your estate or your heirs when the funds are transferred to YOUR CHARITY, allowing you to avoid multiple taxes.

Year-End Giving Donor Message #3: *Age 70.5 Distributions*

If you are over 70½ years old, you are required to take distributions from your IRA. Instead of creating a taxable event for yourself, make the distribution a charitable gift of all or a portion of your mandatory withdrawal amount (up to \$100,000 total per person).

As long as the distribution is paid directly to YOUR CHARITY from your IRA administrator, the amount will not be counted in your taxable income for the year, which may result in tax savings for you!

Year-End Giving Donor Message #4: *Life Insurance*

If you have a life insurance policy that you no longer need, donating it to YOUR CHARITY may allow you to take advantage of a charitable tax deduction.

For a paid-up policy, you'll benefit from an income tax deduction equal to the replacement value of the policy or the tax basis (premiums paid on the policy up until the date of the gift), whichever is less.

If premiums remain to be paid, future annual premiums (paid to YOUR CHARITY) will qualify as tax-deductible charitable gifts.

Year-End Giving Donor Message #5: Charitable Gift Annuities

A charitable gift annuity (CGA) provides you (and/or another beneficiary) with a payment stream for life, and YOUR CHARITY will receive the remainder of the gift upon your death(s).

The payout rate for your income payments is based upon the age of the beneficiary at the time the payments begin, and you'll qualify for a charitable deduction based on the contribution portion of the purchase of the CGA.

Year-End Giving Donor Message #6: Their Will

During the year-end charitable giving planning process, review your will and revisit your estate plans.

Recent changes in estate tax law may allow you to leave more to your loved ones, tax-free.

A charitable bequest to YOUR CHARITY, whether a specific amount, a percentage of your estate, or the remainder after you have provided for your loved ones, will also allow you to create a philanthropic legacy while providing estate tax relief.

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