

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

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 on December 26<sup>th</sup>. The second letter is sent exclusively 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.

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 they were asked, but that the appeal letter was misplaced or overlooked. I will explain 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 tradition of your nonprofit, although both of those have their place.

*Your appeal letter must generate or reinforce the deep feeling the donor has of being a key part of your work.*

[A LAPA client](#) who offers an afterschool program told the moving story, through a progression of photographs, of a young boy named Javier who a donor had sponsored. Despite coming from a severely disadvantaged background, Javier became a statewide chess champion and later returned as a volunteer to the nonprofit which had nurtured him in his youth. The donor was the hero of the story.

Client stories are great for newsletters and annual reports, but your appeal letters are 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? Also, 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 we 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 standard process for mail houses, but if you're doing the mailing in-house you must mail merge the letter and the list. Personalization more than pays for itself.

**State Past Giving Amounts:** Customize your appeal letter so that it states the exact giving history of that particular donor. Very few nonprofits do this, but it's very powerful for a donor to know their total giving amount for the year, or, in the case of major donors, the cumulative amount going back to their first gift. People are very 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've done your cultivation work well, your donors care about your cause and understand the central role that your organization plays in your community. They don't have to be convinced. They are "value-aligned" with your organization and will enjoy receiving detailed letters about your work because they already identify with your cause.

**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, the appeal should request for renewal at \$100. Your mail house can insert an automatic algorithm for calculating this increase, or you can do it manually in-house. The sentence 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 student 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, a pastel color preferably. You will 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 you would use this investment to advance an established donor and let them know they are important to you.

**Integration of Direct Mail and Email:** It is a best practice to send an e-mail appeal 4-5 days 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 e-mail. 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.

**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. This giving option should be geared for those donors who give from \$1 to \$999, your "bread and butter" donors.

**Text a "Thank You":** "Thank you" texts should also be sent the day before Thanksgiving. 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 lot of warm and fuzzy feelings, plus a few “remove me” messages: *“Happy Thanksgiving. This is Laurence from the Great Humane Society. Today, 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.”*

**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. 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 all kinds of relevant information, from dates of birth, multiple addresses, and the donor's preference for how he or she wants to hear from you. Without a well-maintained database, though, targeting lapsed donors and engaging in the kind of segmentation needed 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 ten-users but it's not an easy interface. To quote Peter Drucker once again, “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 on December 26<sup>th</sup>. It is critical that you update your database daily as the mail 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 thought we'd try one last time. RSVP.”

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

## Other Crucial Tips

**In Person Meetings and Phone Calls:** The top 30% of your donors need a phone call or a meeting. They must be approached with a deep mindset 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, but 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 client's art, a magnet with a quote from your client, a bumper sticker about the vision of your work, a coffee mug with your agency's name on it. These gifts create positive good will and generate sentimental feelings.

**Large Postcards:** Once you send your year-end appeal letter out and 30 days have elapsed without a response, you should supplement it with a “We Miss You. May We Hear Back?” large postcard. This step alone can increase your donations by as much as five percent. 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 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 her 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, about .55c per piece which includes nonprofit rate postage. However, at year-end we recommend that you mail your pieces first class.

**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.*