



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?**

Contents

Your Year-End Appeal Letters 2
 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 26th. The second letter is sent exclusively to those donors who have not yet replied to the first appeal. Allow me to explain... [[Read More](#)]

Which Donors Should You Focus On? 6
 We fundraisers determine a donor or funder’s “value-alignment” by looking at their behavior. Specifically, we research where they make their 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... [[Read More](#)]

How to Get Donors to Agree to a Visit 8
 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 e-mail 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... [[Read More](#)]

Are You Up For A Challenge? 13
 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... [[Read More](#)]

#GivingTuesday: You Have A Decision To Make 20
 There is no harm in making a hard choice to skip Giving Tuesday, 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... [[Read More](#)]

The Last Four Days are Most Important 23
 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 amplifies even further as New Year’s approaches. The last four days of the year are the biggest, with giving literally quintupling over the course of the last two... [[Read More](#)]

Six Messages to Share with Your Donors At Year-End 25
 As year-end giving (YEG) is upon us, and you search for essential communication to your donors, here are six messages to share with them, one a week. [[Read More](#)]



Your Year-End Appeal Letters

September 9, 2019 | Laurence A. Pagnoni

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 26th. 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 26th. 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 31st 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.

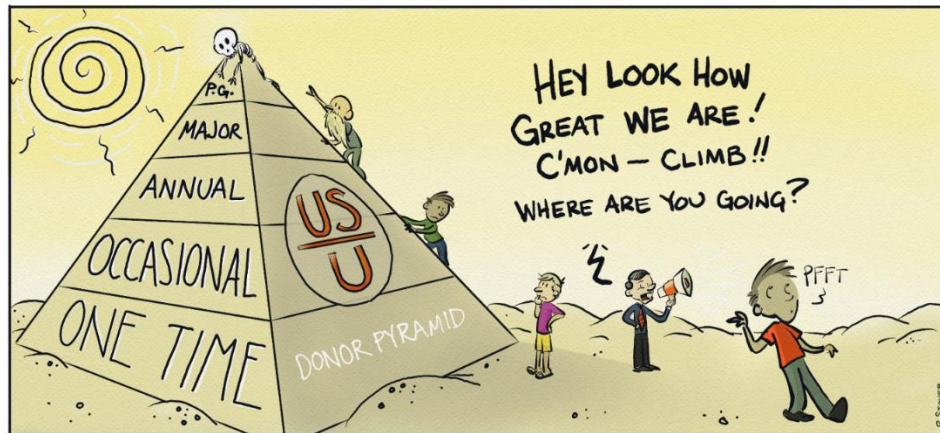
Post Your Appeal Letter Online: Don’t forget to post your year-end appeal letter on your website so donors can make their contributions online as well. Your “Donate Now” button should be prominent and visible on all pages of your site.

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

Which Donors Should You Focus On?

September 18, 2019 | 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 in your blog posts 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 or funder’s “value-alignment” by looking at their behavior. Specifically, we research where they make their 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 that 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. 95% of nonprofits cannot afford to market to everyone, but instead should focus just on those donors and funders who really get what you do, and it's only research that 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 with creating a roll-out plan for using the data, and knowing how to focus on the donors that bring the largest returns.

Donor Capacity is King

I am fond of saying that it takes the same amount of time to raise \$5,000 as it does \$50,000 but you have to know 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 the donors with lower capacity to give.

Do you have a question that's been on your mind? Your questions are welcomed as well. Laurence replies personally to all questions, and a few are made public with the reader's permission.



How to Get Donors to Agree to a Visit

September 20, 2019 | 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 e-mail 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, passing proofs around to anyone with a pulse. So much time and energy is 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 e-mails?*

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 e-mail 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 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 sixty seconds and your e-mails 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 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 upfront. “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 the 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 e-mails? 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 ten 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 e-mail follow-up as well. Our visit should take about forty-five minutes unless you and Mike have lots of questions. Would you let me know your availability to visit the week of January third 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 in our work.

Some comments about this message:

- **I let them know how long the visit should take.** Most people can spend forty-five minutes. This relieves the donor of any concerns about our visit taking up too much of their time.
- **I alter this based on the 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 e-mails. 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, how many e-mails 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 e-mail.
- Attempt 2—Attempt to reach, do not leave voicemail or e-mail.
- Attempt 3—Attempt to reach, do not leave voicemail or e-mail.
- Attempt 4—Mail survey (as discussed in Chapter 14).
- Attempt 5—Final voicemail and e-mail.

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 ten-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 the 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 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. Gee, I feel like I am stalking you. 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?

October 2, 2019 | 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" thirty 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, oftentimes a donor will still give a challenge gift even if other donors failed 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 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 percent, 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, although 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 (aka 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 time frame 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, not the drive itself.

BEST PRACTICES IN CHALLENGE GIFT DRIVES

There have been cases where 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 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, your 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 thirty-five 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've 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 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 General Electric Company. 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 percent 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 the right 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, Yay or Nay?

October 16, 2019 | Laurence A. Pagnoni

There is no harm in making a hard choice to skip Giving Tuesday, 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.

Tuesday December 3rd is this year's Giving Tuesday, the Tuesday after "Black Friday." Started in 2012, #GivingTuesday is a global day of giving over social media. The average gift was \$111.

NAY

Don't get me wrong, I am a big fan of Giving Tuesday—within its proper use. Last year, Giving Tuesday raised nearly \$400 million in the US alone. But the preponderance of the funds went to very large nonprofits with robust social media programs.

Also, 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 Giving Tuesday. Sadly, online searches around these two keywords are even more disproportionate, according to Google Trends data that indicates search volume.

Is #GivingTuesday right for you? That all depends on your current needs. Here are a few cautions:

1. **Your Message Will Likely Be Overlooked.** Every other non-profit, large and small, is going to be sending messages that day. How sure are you that your e-mail or social media campaign is going to be able to cut through the clutter?
2. **Social media is a poor fundraising method.** It's impersonal and fast, and the average gifts range from \$40 to \$111m, depending on which stat you're looking at. Social media is best for cultivating interest in your mission by 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 relationship with them.

3. **One-time gifts take your donors out of their normal giving pattern.** A real 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 out of 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?

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

YAY

However, 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 for 2019." Instead, talk about one dog or cat in need, one child and the difference a gift can make in his or her life, one thing, and not more than one.

"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" sounds a lot better, right?

That's because this goal is impact focused with a definite plan. When you only have 24-hours to make your case for giving, this approach is necessary.

If you are committed to launching a #GivingTuesday drive, there'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 still undecided, I suggest that you reach out to 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 the public will resonate with.

I welcome your input and am interested in learning how you're thinking about this. Please let me know on my blog.



The Last Four Days are Most Important

October 23, 2019 | Laurence A. Pagnoni

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 amplifies even further **as New Year's approaches**. The last four days of the year are the biggest, with giving literally quintupling over the course of the last two. We even know that the peak period on December 31 is between 11 AM and 7 PM in whatever time zone the donor happens to be in.

What fuels this surge of beneficence is the ubiquitous reinforcement of the holiday giving spirit, coupled with the pressing need for donors to lock in a tax deduction for the fiscal year. So how best to make use of these remarkably specific statistics?

An E-mail A Day

To begin with, you'll want to send an email to your donors on December 28 letting them know to expect an email from you every day for the next four days (in which you'll be telling stories which highlight your organization's successes over the past year). Each of your emails can share an aspect of your program's impact that may be little-known or frequently overlooked, or perhaps a description of what makes your service unique. Another option is to tell four client stories, one per day, in great detail, about how your services made a positive impact. One social service provider for youth whom I worked with told the story of their partnership with a local community college. College students would volunteer at the nonprofit, helping the client youth with homework and recreational activities, culminating 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 heart-warming mentorship setting. A graphic designer to help create your appeal, and vibrant clear photographs to illustrate it can help immeasurably. Your own storytelling options will, of course, vary, but your donors will be glad for this concentrated period of cultivation and outreach.

One Last Bit of Advice

When it's time to send your final email of the year, I suggest not sending out appeals on the thirty-first until about 11:00 or 11:30 AM. Since email programs such as Constant Contact or Mail Chimp allow you to see when your recipients have actually read your emails, you can send a second email around 3 PM to those who haven't yet opened their morning email.

Be sure you mention your December 31 fundraising deadline, and remind your donors that if their donation envelope is postmarked by that date, their gift qualifies as a tax-deductible contribution for that year, even if it is received after New Years. For appeals sent by direct mail, write "Time Sensitive" on the outer envelope.

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



LET YOUR DONORS KNOW: SIX MESSAGES TO SHARE WITH DONORS AT YEAR-END

November 18, 2019 | Laurence A. Pagnoni

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

The six messages –*Financial Securities; Retirement Plans; Age 70.5 Distributions; Life Insurance; Charitable Gift Annuities; and The Last Will & 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 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 two-fold 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/IRA's

IRAs, 401(K), 403(B) 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 70 ½, you are required to take distributions from an IRA. Instead of creating a taxable event for yourself, make the distribution a charitable gift using 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, ask your donors to review your Will and revisit their estate plan.

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.

This document may be reproduced for educational purposes only. In all cases, attribution to the author and his contact information must be provided.