

## **ANNUAL CAMPAIGNS**

An annual campaign is best described as a campaign conducted each year for the purpose of raising money to provide unrestricted operating funds. The money raised can be applied to any purpose. The annual campaign is usually an organization's primary source of unrestricted contributed income and should be a mainstay of its fund-raising efforts.

The goals of any annual campaign ought to include:

1. Stimulating the contribution of unrestricted funds
2. Raising an awareness of the organization and enhancing your institutional marketing
3. Developing a base of knowledgeable supporters and volunteers
4. Cultivating prospects for future giving

Every non-profit organization with a need to raise contributed income should have an annual campaign which it conducts every year.

### **Timing of the Annual Campaign**

The best time to run an Annual Campaign is in the late fall to coincide with end of the year tax planning and also to take advantage of the bonus season for those patrons who generally receive a bonus each year based on individual or company performance. The first appeal letter should be prepared and ready to mail by mid-November. Many organizations are also mailing their annual campaign appeals at that time so waiting too long can mean that your appeal may get less consideration than the others that arrive earlier. Don't mail too early, or your appeal may be put aside and forgotten since the donor may not yet be focusing on their year-end giving. The second appeal should be prepared and ready to mail right after Thanksgiving or in the first week of December minus those donors who have already responded to your first letter. If you plan to do a targeted third letter, narrow the list only to those who have previously supported your organization or are very likely to support you. The third letter, if sending, should be mailed about two weeks after the second letter to those donors who have not yet responded.

### **Cost- Effective Annual Campaigns are the most cost-effective form of development**

It is not necessary to spend an enormous amount of money on expensive solicitation packets. An organization only needs a carefully prepared letter, a pledge form, and a stamped self-addressed return envelope. Unlike events, where an organization has to spend \$30, \$40 or more per attendee, the annual campaign does not have these associated expenses thus allowing more of the gift to be directed to the organization and clients.

For the organization, annual campaigns have seven primary objectives:

- To get the gift, to get it repeated, and to get it upgraded;
- To build and develop a base of donors, and through this process to establish habits and patterns of giving;
- To raise annual unrestricted and restricted money;
- To inform, involve, and bond the constituency to the organization;
- To use the donor base as a vital source of information to identify potential large donors;

- To promote giving habits that encourage the contributor to make capital and planned gifts; and
- To remain fully accountable to the constituency through an informational newsletter or annual report.

For the donor to an organization, annual campaigns create a sense of membership or belonging. This helps to establish a habit of giving to the organization and creates an emotional bond. Methods used to reinforce this feeling include giving-level recognition groups or societies and special informational publications.

The costs for the campaign should be less than five to six cents for every dollar raised in the campaign. These costs include the stationary, stamps, and the printed pledge cards. Depending on the size of the database, costs should be minimal.

### **The Direct Mail Appeal**

With a response rate of only 2-5%, are direct mail appeals a cost-effective use of time and materials? Absolutely, but keep in mind the primary purpose of a direct mail appeal is to educate the public as to your mission and successes, establish your organizational identity, and create awareness of giving opportunities among people who may or may not have a connection to your organization. Of course, you are seeking to raise money. Keep the following suggestions in mind when developing your direct mail campaign:

- Appeals are made with a solicitation letter (stronger appeals are accompanied by supporting materials such as a brochure, a case study, or a fact sheet or these materials have been provided prior to the annual campaign mailing).
- Issue direct mail appeals once a year. The first letter aims high, affirms the organizational vision and mission, and announces the annual campaign, challenge gift if any, and specifically asks for the donor's help. The second letter might be copy of the first letter clearly stamped "copy" with a brief facsimile post it note that references the first letter and leaves room for a short hand-written message from the ED, AD or Board Chair, or it might be a new, shorter letter that calls attention to a new project or program and repeats the original ask. The third appeal might be a short letter that references the progress to the current goal and reminds the donor of last year's gift, or it might be a copy of the first or second letter similar to the one referenced above. The final mailing is often an end of the year postcard or letter urging support.
- Based on where your audience "lives", use multiple channels to reiterate your campaign. Market your campaign as a slider on your website, post on social media, send an email that mimics the letter.
- Only send personalized letters. You are wasting postage and opportunities when you send Dear Friend letters. Have the letter signed by the executive director, artistic director, or board chair whenever possible. Add a short personal note on each one (up to a point – if mailing list is large, scale back the personal notes to the most important prospective donors).
- Make the letter "You" centric. When appropriate, remove "we, our, us" and make the letter about the donor. EX: "Help us meet our goal" changes to "Your gift helps reach the goal and makes a difference in your community"
- Segment your appeals to address the interests of your various constituencies if you serve multiple areas.

- Use letters to announce new developments, successes, and upcoming events.
- Remember, the perception of your organization's image and organization will be established by your mailings. Errors, cheap materials, generic appeals can cause harm to your organization's image. Present materials in keeping with who you are and where you wish to go (not where you've been). Keep in mind your institutional marketing.
- Letters should be no more than one page. As important as your organization may be, most people will scan your letter if they read it at all. Keep it brief, to the point, and include many breaks. Use photos and/or video to tell your campaign story through your letter or new media.
- In some cases, request a specific amount. How else will they know what you desire? An alternative is to put various gift options on the pledge card.
- Make donating easy. Always include a pledge card or form and stamped return envelope in your letter. Also, give them the option to call or go online to make their gift.
- Consider the use of giving clubs to engage new donors and elevate giving levels of regular donors.
- Answer the following questions in your appeal: Why should they be interested? Why should they invest? What will their investment bring (present examples)? Highlight the impact. Tell a short story about how donors funds have made a difference in the past.
- Change up the strategy each year so the letters do not look "canned". If you use the "copy" approach for the second appeal letter in one year, do something else the next year.
- Consider using stamps on your envelopes rather than franking through a machine.
- Send a follow-up letter at the end of the annual campaign season usually in late January or February, to let the donors know that you achieved your goal and thanking them again for their help. Include some bullets telling them how their funds were used. Consider including a "Donor Honor Roll" so they see their name included. Be very careful not to include any names for anonymous donations.

### **Multi-year Annual Campaign Gifts**

A multi-year commitment ensures funding will be in place, freeing you to pursue new sources of support each year. Consider identifying ten to twelve prospects with a past record of support for a three-year commitment. Example: \$500 for three years equals \$1500. Having some multi-year commitments will ensure that going into the next year's campaign, you will already have a baseline of support for the campaign goal.

- Each year try to add additional multi-year donors so that you create an ongoing base of support for the campaign. As multi-year donors complete their pledge, ask them to renew and at a higher level.
- Three years is the usual multi-year gift term, but there may be some donors who you would want for up to five years so carefully review each prospect's situation as you plan on your multi-year gift prospect list.
- Solicit multi-year gifts in person, usually with a staff member (ED or Development Director) plus a board member. Do this over lunch or ask for a special meeting at their office or home or invite them to come to your facility for a special tour and meeting.

### **Personal Solicitations**

Where direct mail educates and special events engage and create awareness, personal solicitations are the most direct and effective method to raise money. People give to People. Personal solicitations significantly increase contribution size and number, build relationships with current and potential donors, cultivate donors for greater annual, and possibly, major gifts. When preparing to solicit annual campaign prospects keep the following suggestions and observations in mind:

- Solicitations are conducted by development officers, executive directors, trustees, staff, and key volunteers.
- Consider recruiting a chair and committee to lead and implement your annual campaign.
- Always request a specific amount or ask them to join the next higher level of your giving societies.
- Ask the donor to identify other prospects. Will they help you set up and solicit the prospects?
- Carefully match solicitors to prospects.
- Carefully prepare a personalized proposal and train volunteers to be knowledgeable, prepared, and focused ambassadors and solicitors if they will be part of the solicitation.

### **Challenge Gifts**

Consider challenge gifts. With a willing major donor you can use a significant gift to challenge prospects to make their first gift or to increase their giving. For example, Ann Smith will give \$15,000 and has agreed to use it as challenge gift to encourage first time donors. Her gift will match one dollar for every \$1 dollar raised up to \$15,000. Arrange the challenge to suit your situation and needs. Challenge gifts are very effective and have great appeal to donors since their gift is multiplied. It creates a sense of urgency with the donor.

- Identify your most likely prospect or several prospects who could pool their smaller gifts to create a challenge gift. Cultivate the donor or donors and meet with them face-to-face to ask for the gift and stress how their dollars would multiply their gift and incite others to give.
- Make sure to have plan “B” in case your primary prospect says no, or agrees to a lesser amount.
- Make sure to follow up with the Challenge donor(s) in person at the end of the campaign to let them know the outcome and whether you achieved the match or exceeded the match.
- Try to get a multi-year commitment from the challenge donor(s).
- Secure the donors permission to use their name – identify them as the challenge donor. If they prefer that you not use their name, honor their wishes. You might ask to use their name in a limited fashion with select prospects.
- Keep your donors updated on the status of the match – this includes those who have and haven’t yet given. Engage them and get them excited to help reach the goal. If possible, make a visual that shows how close to the goal you are.

### **Online Donations**

More and more donors want to make their gifts online so if you do not yet have this capability, make sure you put it in place on your website as soon as possible. Whether the donations are

made through a third-party portal or PayPal, it is necessary to have this option to ensure that donors can make their gifts easily.

- Have a “donate” button on every page of your website
- Have a brief statement of what their donation will do for the organization/community
- Offer the online option in your appeal letter/pledge form
- Make the online gift email autoresponder personal, thanking them for their investment in the organization. Or, call an online donor to thank them and let them know you received their gift.

### **Membership Programs:**

Annual Campaigns and Membership Programs are not mutually exclusive. A membership program is a good alternative to a season subscription or can be an adjunct to one. It combines the discount benefit and the loyalty factor of the season subscription with the flexibility that more and more patrons prefer. Memberships at various levels provide a range of benefits beginning with a discount on tickets, name in the program, etc. As long as members do not receive valuable tangible benefits, memberships are usually tax deductible and are really a type of donation. A pool of loyal members is a great source for other donations including an annual campaign donation. Many members will do both. Even if you have use a season subscription model, an elite “membership” program can be a way to lock in annual donations, or get targeted gifts spread over several years such as support for an endowment, or scholarships, etc.

### **OTHER TIPS:**

- Consider and employ the appropriate use of recognition tools (plaques, publications, recognition at special events, press releases, etc.)
- Plan according to your resources. Make a sober assessment of what financial and volunteer resources you will have to implement your annual campaign. Plan accordingly. Focus on doing a good job and gradually increasing the scope of activities each year.
- Set an achievable campaign goal. Do an analysis of your current donor base and assess who is likely to give again and at what level. Assume that you will get some new donors each year but there will also be attrition so you will lose some donors each year as well.
- 80% of your total annual campaign contributions will come from 20% of your donor base, so concentrate your efforts on those individuals and spend extra time cultivating them.
- Donor prospects include current donors, patrons, members if you have a membership program, alumni (if any), volunteers, current and past board members and advisory council members.
- Always send a Gift Confirmation Form (sample provided) along with a thank you letter.
- Use readable type size for all documents – also applies to grants. Not less than 10 pt.
- Try to send a thank you letter as soon as possible after receiving a gift. 24 to 48 hours if possible.
- Cull your annual campaign mailing list every year after the campaign ends. If a patron or donor has not re-engaged in more than five years, they are probably not likely to respond so move them to an inactive file. Do not send a solicitation to single ticket buyers who have only attended once or twice. That does not signify a committed and engaged donor. Do send them a newsletter and season flyers. If they continue to attend events, go ahead and add them to your mailing list.

**Reading List:**

Raising More Money – Terry Axelrod

The Cycle – Michael Kaiser

Asking – Jerold Panas

Fund Raising Realities Every Board Member Must Face – David Lansdowne