

Stewarding Donors for Lasting Support Following a Disaster

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Executive Summary

In the wake of a disaster, many people who do not regularly donate to nonprofits are moved to help by making one-time gifts. New donors flood nonprofit databases. What can be done to kindle that spark of compassion into a flame of philanthropy? In a word: stewardship.

Overview

Retaining disaster donors is not a trivial challenge. Giving to disaster relief is often an emotional decision. It is impulse philanthropy. Technology has dramatically grown in its ability to facilitate donations for disaster relief: cell phone text giving, web donations, and multi-media publicity (including traditional media plus Twitter®, Facebook®, and other social media). Spurred by heart-wrenching images from disaster scenes, hundreds of thousands of new donors use these technologies to lend their aid. However, retention of these “disaster donors” usually falls off precipitously in the months following the disaster. As Giselle Holloway, director of direct response for the International Rescue Committee based in New York, said, “A person doesn’t truly become a donor until they make their second gift.”¹ That is to say, a disaster donor’s connection to your organization is tenuous at best until he or she becomes a repeat donor.

Sometimes the inflow of disaster donations creates a unique problem: too much money earmarked for a specific purpose. These disaster-specific donations coming in large numbers in a short time frame can exceed an organization’s ability to spend the money effectively for the intended purpose. This creates a different kind of stewardship problem. The danger is that, in an effort to honor the donors’ intent, the nonprofit may spend the money unwisely or ineffectively.

The American Red Cross historically resolved this problem by taking donations given in response to one disaster and banking them against future disasters. This was a rational approach and helped them prepare for the unknown, but it was not widely or well understood by many of the donors. This business model became publicized during the Katrina disaster and brought a great deal of negative publicity to the organization. Under pressure, the Red Cross adopted a policy of double-checking with donors who did not earmark their donations to make sure they understood their gifts were going to a general fund instead of a specific crisis.

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The clear answer – and the challenge for donor stewardship – is to convert impulse donors who respond compassionately to an emergency into long-term donors who help the organization to prepare for future emergencies. However, experience from past disasters suggests that most of these will not become ongoing supporters of these nonprofits. They are mostly one-time donors – or periodic disaster-only donors. Nevertheless, an effective post-disaster stewardship plan may help convert some who would otherwise fall away into repeat donors.

Personalizing Your Stewardship

Let's start with the basics. You will certainly not retain your donors – no matter how they are acquired – if you do not give them a timely acknowledgement. Although an IRS-compliant receipt is a must, it's a good idea to respond back as personally as you can to the donors in the same way they initially reached out to you. Did they give through a Facebook® donation page? Invite them to become members of your Facebook® fan page to keep up with the latest things you are doing. Did they give through a telephone solicitation? Follow up with a phone call – even if it's only robo-calling.

Personalize the acknowledgements as much as possible. Use the donor's name and reference the purpose to which the gift was given. And since they are particularly interested in that disaster-related purpose, let your acknowledgement provide the donors with feedback about what their gifts accomplished in human terms – people sheltered, treated, and fed, for example. Tell the story of those who benefited from the generosity of the donors.

Although it is acceptable – and probably expected – that your initial acknowledgement will include some kind of ask for additional support, it is best that this be a soft ask through inclusion of a donation card or insert. Your initial contact after the donation should be primarily focused on welcoming the donor to your organization and educating them on your mission. Most advisors suggest that you not wait too long before you do make the next ask, but the advice here is to let your thank-you be sincere and simple.

Mission Focus

Changes in our economic and political landscape have made it critical to diversify fundraising efforts and expand your strategy beyond the annual appeal, board fundraising, or whatever else was “good enough” in the past. Today's successful strategies are multi-channel and multi-faceted, using technology to strategically engage across constituencies. The foundation of a diversified fundraising program remains built on solid relationship management principles, but once that is in place, opportunities abound.

Stewardship materials give you an opportunity to expand the story beyond what happened in the immediate aftermath of the disaster at hand to the larger mission of your organization. Often, impulse donors don't know a great deal about what else the nonprofit they supported does. This is your chance to make the case for ongoing support. Ideally, you want to convert these first-time donors into those who provide sustaining support, enabling your organization to be quick in responding to future disasters. Your goal is to make disaster donors feel like partners with you in fulfilling your overall mission instead of just one-time donors.

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About the Author

David Lamb joined Blackbaud in 2004 following three years as an independent consultant for prospect research. David has more than 20 years of experience in the prospect research field. His Prospect Research Page (www.lambresearch.com) is a trusted and popular resource among prospect researchers. David is a frequent speaker at professional conferences, including those sponsored by the Council for Advancement and Support of Education (CASE), The Association of Fundraising Professionals (AFP), and The Association of Professional Researchers for Advancement (APRA). His areas of expertise include prospect research, prospect management, fundraising, and database systems. In 1997, he received APRA's Service Award for outstanding service to the profession, and in 2001, he was awarded the CASE Steuben Apple Award for excellence in teaching. He holds a bachelor's degree in sociology from Sterling College (Sterling, Kansas), a master's degree in sociology from Wichita State University, and a Master's in Divinity from San Francisco Theological Seminary. You can contact David at David.lamb@blackbaud.com.

With mission in mind, it must be said that if your organization's mission has nothing to do with disaster relief, it is unethical to accept donations designated for that purpose. However, many organizations with a humanitarian focus may not have disaster relief as their primary purpose, but may be in a position to offer relief nonetheless. For example, CARE USA, whose mission is to fight poverty, received tens of thousands of new donors who gave their first gift online following the Indonesian tsunami in 2004. Although disaster relief is not specifically what they do, they are well equipped provide support to people in crisis.

After previous emergencies, CARE's approach was to thank new donors and put them in the normal direct mail system. Historically, their retention of these new donors was very poor. However, they tried a new approach with the tsunami donors. They created a stewardship program specifically for these people. Their message to them was "Poverty is the Silent Tsunami." "The strategy aimed to gain support for any poverty that makes people susceptible to crisis," said Adam Hicks, CARE's vice president for marketing and communications.² This approach highlighted the mission of the organization while engaging donors on the level of the crisis that brought them to CARE in the first place.

In this context, we need to also keep in mind a strategy to draw periodic donors closer. Some people give repeatedly, but only in response to catastrophic events. For a certain proportion of those who have historically given this way, this will never change. However, each new donation gives you a new chance to tie the donor more closely to what you do. In your acknowledgement, mention what they have given to before and how (and who) their past donations have helped. This is your chance to make the case that, since they have demonstrated trust in your organization multiple times in the past, they can make you even more effective in the future by establishing a regular giving pattern. They can become partners with you in preparing for the inevitable disasters to come rather than simply reacting on a case by case basis.

Strategic Stewardship

Given the huge numbers of new and occasional donors who give in the aftermath of a disaster, it may not be possible to give the same level of highly personalized stewardship to every person. While all donors deserve a thank-you note and a receipt for their gift, a little extra attention may be warranted with some more than others. There are several ways to segment your population for special attention, with one based on gift size. For donors to Katrina relief, there was a correlation between gift size and household income. Household incomes of more than \$80,000 had median gift sizes of \$100 and average gift sizes of \$241.³ This immediately suggests a strategy of allocating your more personal and more costly stewardship resources to donors at these higher levels.

Another strategy for prioritizing your stewardship resources is to respond to people, not only on the basis of their actual gift size, but on the basis of their capacity to give, even if their actual gift is small. But how can you know someone's capacity? This requires some additional analysis. Use data mining techniques to discover the characteristics of your best existing donors. Do they tend to live in certain counties or ZIP codes? New or occasional donors from those same ZIP codes may be similar to your best donors in

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other ways, including the capacity to make continuing and larger gifts. If you have performed a statistical analysis of your donor population (modeling) prior to the disaster, it may be possible to use that analysis as a filter to help you prioritize some of your new and occasional donors for special attention.

Finally, don't wait until disaster strikes to create your stewardship plan. Disasters will come. Gifts may begin to come in almost immediately. Make key decisions ahead of time so that your donor response is as effective as your relief efforts. Have letter, email, and website templates ready to go so that you can quickly communicate with your new donors without having to compose copy from scratch. The messages in these templates should focus on your organization's mission, with blanks where you can insert language specific to the emergency at hand.

Build the following steps into your plan:

1. Acknowledge new donors as soon as possible as personally as possible.
2. When practical, respond to them through the same channel (social media, direct mail, phone call) they used to reach you.
3. Let your stewardship materials tell the stories of those who were helped.
4. Use stewardship materials to expand your message beyond the immediate crisis to a description of your larger mission.
5. Engage new donors as partners in that mission.
6. If you can't provide the same level of stewardship to all constituents, prioritize prospects based on gift size or criteria you establish through data mining and modeling.
7. Prepare your stewardship plan before the disaster strikes.

By following these recommendations, you stand a much better chance of retaining more of the large influx of donors that give during a crisis.

¹ <http://gettingattention.org/articles/66/strategies-campaigns/communicate-fundraise-crisis.html>

² Tom Pope, "Converting Donors: How to Retain Donors from Disaster Solicitations", NonProfit Times, February 15, 2006

³ Center on Philanthropy, <http://www.philanthropy.iupui.edu/Research/Giving/Disaster%20Giving%205-29-06.ppt>

About Blackbaud

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