

RIVER FUNDRAISING ALERT

Acquiring and Retaining Members, Special Appeals

No. 4/Winter 1994

The Art of Renewing Current Members

by Pat Munoz

In the last issue of the *Fundraising Alert*, we discussed how to recruit new members. Since acquiring new members is a time consuming and expensive endeavor, it is vital that every possible effort be made to retain them. Here are some pointers on this fundamental fundraising strategy.

Members Versus Donors

Why use the terms "member" and "renewal" at all? Why not just write to your mailing list several times a year asking them for "donations"? Repeatedly, statistics show that people like the idea of "belonging" to an organization and receiving some kind of "member benefits," and that 2 to 3 times more contributors will send money in response to requests asking them to renew their membership than will send gifts in response to "special appeals" for funds. Special appeals have their place, too, but should be used strategically to ask renewed members for additional gifts and to get those donors who don't respond to your renewal mailings to make a gift.

Establishing a Renewal System

The key to renewing your members is to ask them to renew several times

during the course of the year. Each time you ask, some members will send in their dues, but others will forget, or lose the reply envelope, or throw away the renewal request because they are feeling cranky. Your system has to provide a number of opportunities for recalcitrant members to give, and vary the approach a little each time.

In order to do this effectively, you have to create a SYSTEM for renewals, based on your own particular needs, and stick by it, come hell or high water! If you do this religiously, you will almost certainly be rewarded with a 60-70% renewal rate. Chart No. 1 illustrates the results of a series of renewal mailings using five renewal requests.

There is nothing magic about the numbers used in this chart. You may want to do more requests, or to vary the order by putting the phone call in the middle, or omitting it. The response rates listed below, however, are typical of hundreds of mailings and will probably come pretty close for your group.

Scheduling

Chart two (see page 4) gives a sample timeline for renewal mailings, and illustrates a situation in which

notices are sent out at the beginning of each quarter, and every month thereafter, except for April, which is a bad month to mail in because of income taxes.

Again, there is nothing magic about the schedule shown on the chart, and each group should come up with a schedule appropriate to its needs and resources. This scenario is an appropriate one for groups doing mailings that will reach their destination fairly quickly, since it does not allow a great deal of time between mailings. An advantage to this timeline is that almost all the mailings (except for the 4th Quarter expires) are over by December, which is a good time of year to send out a special appeal to all members except those receiving their regular renewal notice.

The Mailing List

It is essential that you keep certain data on your members in order to ask them to renew in an effective and productive fashion. At a minimum, you need to record the date and amount of their last renewal gift, and you need to be able to produce mailing labels for segments of your list based on renewal

(continued on page 4)

Chart 1: Results Produced by a Well-thought-out Renewal System

Req.	Theme	Mailed	Response	#	Cum%	Cum \$\$\$
1	Renew early	1,000	35%	350	35%	8,750
2	Time to renew	650	18%	117	47%	11,675
3	You get benefits	533	9%	48	51%	12,875
4	Have you forgotten?	485	6%	29	54%	13,600
5	Phone call	456	12%	55	60%	14,975

In this example, the average renewal gift is assumed to be \$25.

RIVER FUNDRAISING ALERT

The “River Fundraising Alert,” was previously a feature of River Network’s quarterly newsletter, *River Voices*, but now is mailed specifically to River Network Partners. This publication and other fundraising information is produced by the River Wealth Program, which is dedicated to building the capacity of river organizations to support themselves financially.

Editors: Pat Munoz, Kathleen Krushas, David Wilkins
Design and Layout: To the Point Publications, Portland, OR

For more information on the contents of this publication contact:

River Network
P.O. Box 8787
Portland, Oregon 97207
(503) 241-3506 or
(800) 423-6747
Fax: (503) 241-9256
Econet: rivernet@igc.apc.org

MEMBERSHIP TIP:

Using Newsletters to Recruit Members

Newsletters can be effective membership recruitment tools. One effective strategy used by the Rivers Council of Washington is to print extra copies of their newsletter, include a membership coupon inside the newsletter, and stamp them on the outside prominently with a rubber stamp reading “COMPLIMENTARY COPY: We hope you will consider becoming a member today”. These stamped copies are then distributed at meetings and sent out to people requesting information on the organization. ✉

What Makes an Effective Fundraising Letter?

by David Malakoff

Unfortunately, in my opinion, there is no single successful formula. For example, a slick multi-piece appeal that works wonders for a national environmental group may attract only complaints from the members of a local river conservation group, who expect a simple, inexpensive-looking appeal.

At Pine Cabin Run Ecological Laboratory, however, we have found a few general techniques that have proved modestly successful over the last few years. You may want to consider trying them for your group.

Generally, we try to be brief, honest, specific, and demonstrate a sense of humor.

We keep our letters to one page, and print them in easy-to-read type with lots of white space. We assume that people spend about one minute looking over our appeal.

We always tell the reader: 1) as specifically as possible, how we will spend their donation; 2) what our overall budget is; 3) that their donation is tax-deductible—we are a 501(c)(3); and 4) that we appreciate their donation.

We usually enclose a one sheet informational piece that goes into greater depth on some topic. For example, we have sent brochure-style annual reports, news clippings, and humorous, “personal touch” profiles of our staff. We assume that donors like to know about the people who are spending their money.

Lab mailings almost always have a humorous aspect to them; sometimes it is in the letter, sometimes it is in the informational piece. We also try to balance any discussion of a threat or problem with a statement of what we are doing to confront it—and a realistic prediction of how long it might take to reach a solution.

We always enclose a reply device

that suggests specific donation amounts and an already-addressed reply envelope. This makes things easier for the donor. Sometimes, the back of the reply sheet describes merchandise available for certain donation amounts; we almost always offer some sort of premium.

We often print a “teaser” message and attention-getting graphic on the outside envelope of the whole package; this is an oft-missed opportunity to get a person to actually open your appeal, instead of throwing it away.

Originally, the Lab mailed the same fundraising appeal to everyone on its list once per year. Today, however, we mail different “customized” appeals to donors and non-donors, and we ask for money twice each year (in the spring and the fall).

Generally, we assume that donors need less information about the Lab’s goals and past activities and more information about current issues and what the Lab will do in the future. In contrast, we assume that non-donors need more information about the Lab’s history and past accomplishments before they will donate.

You should examine your list to see if there are different groups (such as local residents vs. vacationers, or anglers vs. paddlers) which would respond better to customized letters. You might also consider sending your top 10% donors a special letter.

A final suggestion: take a look at the fundraising appeals you liked best or which prompted you to send in money. Figure out what it was about the appeal that was effective—then steal the idea for your letter! ✉

David Malakoff is Acting Director of the West Virginia-based Pine Cabin Run Ecological Laboratory, which works to study and protect Appalachian rivers. He can be reached at (304)876-0725.

Sometimes they don't spell very well, but the hundreds of students who join us each year to learn about rivers sure know what they like. And the fact is we couldn't have said it better than Jamie — we like the Lost, North, and Cacapon rivers too.

Unfortunately, simply liking a river isn't enough to keep it healthy.

We understand that. That's why we've spent much of the last decade pioneering a river conservation strategy which links detailed ecological research and hands-on education to citizen and government action.

It's making a difference. Government officials have used our scientific data to help stop pollution. Property owners have adopted our suggestions for restoring degraded riverbanks. And teachers have used our riverside workshops to nurture a new generation of river stewards - young and old.

But major challenges lie ahead. In just two years, for example, state officials want to start building a major four-lane highway called Corridor H along the upper part of the river. We oppose the billion dollar project; if the highway is built, however, we want to make sure that damage to the river is minimized. Already, the Lab has helped convince highway engineers to drop an early plan to bulldoze parts of the Lost River.

With your help, the Lab will continue to keep a close watch on the Lost, North, and Cacapon rivers.

Your contribution to this effort is tax-deductible. And you can be sure it won't be wasted on excessive salaries or overhead. With an annual budget of less than \$60,000 - and three staff - the Lab can't afford to waste a penny. To learn more about the Lab and how we used our resources in the last year - and what we plan to accomplish in 1994 - please read the enclosed brochure.

It will take work and dedication to reach the Lab's goal of permanently protecting our waterways. But, like Jamie, we know what we like - healthy rivers.

Best wishes,

Director

Administrator

Senior Associate

CASE STUDY

Merrimack River Watershed Council: Building Membership

by Lucie Dufresne

Once upon a time, our membership was strong. We knew lots of people who generously supported us. Then the clock struck twelve, and we woke up to fewer members and less unrestricted income. . . a trend we know we have to turn around. We don't have a fairy godmother with a magic wand to acquire thousands of new members for us. But we have goals. Here's how we're attempting to meet them.

Step 1: Develop a Plan

An organization with a concrete plan and specific goals is more likely to succeed and meet their goals than one taking the attitude "we just want as many members as possible." Consequently, our first step was to develop a month by month plan. We outlined the programs we would run each month, the expected cost, and the expected results, both in new members and in revenue.

Normally when developing a plan, programs that have been successful in the past become the core. But when you have no history of what has been successful, you have to start off testing new ideas. At the M.R.W.C., we made a decision to run many smaller programs instead of one large one, even though this takes a lot more effort. We had two reasons for doing this. First, we didn't want all of our budget tied up in one program. Having only a hazy idea of the best methods to use, we wanted to minimize the effects, in case one didn't work. (continued on page 7)

Renewing Members *(continued from page 1)*

date. You also need to be able to easily update your renewal records so that you can exclude members who give to the first request from the second mailing, and so on.

Because of the complexities of renewal mailings, even groups with memberships of less than 1,000 should give serious consideration to buying a good membership software program or having a computer service handle their list.

The Letters

Renewal requests can be short and to the point, since the recipient already knows who your group is and what you do. However, the more personalized they are, the better chance for a positive response.

With whatever variations you wish, your first renewal request should include: 1. A statement about it being time to renew their membership; 2. A paragraph about some of the important things their dues will help accomplish; 3. A description of the benefits they will continue to receive; 4. A thank-you for past support, and if possible, a mention of what they gave last year and a request for a specific amount for the current year (the same as last year for 1st year renewals, a slightly increased gift for 2nd year and subsequent renewals); 5. A statement that their dues payment is tax deductible. Subsequent requests can be worded slightly differently, emphasizing how important their continued support is, highlighting some particular need, or even asking them to tell you why they have not renewed, but should repeat in some form the five elements outlined above.

One advantage of computerized membership software is that it lets you personalize renewal letters, as suggested above, fairly painlessly using mail merges. Because of the increas-

Chart 2: Sample Timeline for Quarterly Renewal Mailings

Mailing Dates	1st request	2nd request	3rd request	4th request	Call
Jan. 10	X				
Feb. 10		X			
March 10	O		X		
May 10		O		X	
June 10			O		X
July 10	*			O	
Aug. 10		*			O
Sept. 10			*		
Oct. 10	Z			*	
Nov. 10		Z			*
Dec. 10			Z		
Jan. 10				ZX	
Feb. 10					ZX

X=Members whose memberships expire during January, February, or March.

O=Members whose memberships expire during April, May, or June.

*=Members whose memberships expire during July, August or September.

Z=Members whose memberships expire during October, November or December.

ing difficulty in acquiring new members, I believe it is worth investing in good membership software that will enable groups to do this kind of personalization even for fairly small member bases in order to retain more of these hard-won new members.

The Response Card

The response card or form provides a place for members to indicate that they are renewing their support and at what level they are giving. It will be mailed back to you along with the member's check, so it needs to fit comfortably into the response envelope provided. As small a detail as this is, members can get so irritated by response cards that don't fit into envelopes that they fail to send in their renewals.

Response forms can be separate pieces, or they can be a part of the renewal letter, set off by a dotted line and a pair of scissors to indicate that

they need to be cut or torn off. They can even be included on the back of the response envelope. The important thing is to provide the member with something to fill out and send in with the dues payment to insure that the check will be properly processed.

The Reply Envelope

The reply envelope is an essential part of the renewal package. It is smaller than the outside envelope in which the renewal letter is mailed, but large enough so that the reply card fits into it. It is self-addressed so the member doesn't have to bother with that task. It is not necessary, however that the envelope be "Prepaid" or a "Business Reply Envelope". Most studies indicate that members are willing to affix their own postage.

The Carrier Envelope

Often, people use a window envelope for renewal letters, and put

“personal treatment usually produces better results.”



the member's label on the enclosed reply card/form in such a way that it shows through the window. This way, the member does not need to write their name and address unless changes are needed. You can print or stamp the outside envelope with the words, "Renewal Enclosed," or "It's time to renew!", to get attention. If you are doing small quantities of renewals, and can bring in volunteers for a mailing party, I recommend hand-addressing the envelopes and using first class stamps. Such personal treatment usually produces better results.

The Exception: Major Donors

Because major donors are special friends of the organization, they deserve special treatment. Their letters should always be personalized. They should only receive two or three renewal requests, spaced out more widely throughout the year, with the last one coming between Thanksgiving and Christmas. The reply envelopes in their renewal packages should bear live, first-class stamps. And because you have carefully asked them for a specific amount (which is equal to, or more than, last year's gift), there is no need to enclose a reply card with their letter.

Major donors who fail to renew should not be immediately dropped from the membership roster. They should continue to receive the newsletter and other benefits for at least an additional year, depending upon the size of their previous gift.

Make a special effort during this time to get them to renew. After two years have gone by, it may be time to move them back into the ranks of the regular members, and send them lapsed member mailings and special appeals, but many fundraisers keep major donors on a special list indefinitely, in the hope that they can find a way to induce the donor to make another major contribution by continuing to give them special treatment.

Lapsed Members

The 30-40% of your members who fail to renew their membership should not be removed from your member database. Rather, they should be mailed to once or twice a year and asked to rejoin. Mailings to lapsed members produce results which are significantly higher than mailings to people who have never been members, so this list should always be maintained and added to each year. The oldest names can be gradually culled out after they have been mailed to without results many times.

If you set up an appropriate system for renewing your members and follow it faithfully, you should be rewarded with a 60-70% renewal rate. Don't forget to thank your renewing members promptly and as personally as possible to build loyalty and ensure that your renewal rate will be even better next year! ☒

Pat Munoz is director of the River Wealth Program at River Network. She can be reached at (503)241-3506.

Portions of this article were adapted from two other articles: "Creating a Successful Renewal Program" by Nancy Adess, Grassroots Fundraising Journal, February, 1986 and "How to Boost Your Renewal Rate," by Mal Warwick.



Kentucky Waterways Alliance Starts Water Quality Education Grant Program

If your group is interested in implementing a nonpoint source pollution abatement project, there is a good source of federal funds that you should know about. The Environmental Protection Agency's 319(h) Program is administered by various state agencies. In Kentucky, the Nonpoint Source Section of the Division of Water provides funds for projects such as education, research, Best Management Practices demonstration projects, groundwater pollution control, and watershed restoration.

In 1994 the program made a grant of \$60,580 to the Kentucky Waterways Alliance for citizen outreach. As a result of this grant, the Kentucky Waterways Alliance is in a position to provide mini-grants to grassroots river groups for community environmental education projects on nonpoint source pollution.

For more information, contact Beth Stewart at the K.W.A. office: (502)863-1468. ☒

Special Appeal Fundraising by the Potomac Conservancy

by Paul Rosa

The Potomac Conservancy is a new land trust focused on the spectacular 15-mile Potomac River Gorge upriver from Washington, D.C. We recently sent a special appeal to our members with remarkably good results. The centerpiece was our first property acquisition, an 8-acre plus island in the Potomac with a large cabin valued at more than \$100,000. A scant few miles from downtown, this riparian gem gave people something tangible they could see and feel, and provided a favorable climate for leveraging the initial donation. Preliminary results are in, and I'd like to share some of the lessons we learned.

Have a concrete goal. From a marketing perspective, the island was the perfect "product" to build an appeal around. It gave us something tangible to sell, costs associated with stewardship provided a real need for the money, and an upcoming dedication ceremony imparted a sense of urgency. We kept the pitch simple: "We're out to raise \$10,000 in 30 days, and we're scaring up \$100 bills."

Energizing your board. First and foremost, fundraising is selling. Before you can sell your members you have to sell your board. Board members have to be convinced that they have a personal responsibility to bring in the resources to accomplish the organization's mission, that the appeal is both reasonable and necessary, and that time is of the essence. Getting the board to buy into its fundraising responsibilities is perhaps the toughest selling job. To motivate each board member to raise \$1,000, I chose to lead by example. When I explained to the board how I raised my \$1,000 with a dozen phone calls, their personal goals suddenly seemed reasonable and everybody bought in.

Packaging your product. The most significant direct mail hurdle is getting the recipient to open the

envelope. We overcame this by using a plain white #10 envelope with the recipient address handwritten, an individual's return address, and a first class postage stamp. Thus the letter looked like what it really was: an honest to goodness letter from a real person. Inside was a one-page appeal letter, with handwritten personalized margin comments, and a preaddressed #9 reply envelope. Major donors received a personal letter from the executive director. Everything was produced amidst the comradery of a mailing party, and when board members knew an individual, follow-up phone calls were made. The simple sales pitch set out above was remarkably effective. Prefacing the conversation with "we're scaring up \$100 bills" changed the listener's frame of reference from whether to give or not into deciding how much to give relative to the \$100 suggestion.

Asking and thanking. One of the oft forgotten fundamentals of fundraising is to thank people profusely and promptly. One of the most overlooked opportunities in thanking is to use the thank-you to ask again. Each donor received a personalized, laser printed thank you letter within 24 hours. The letter reinforced what the contribution meant to the organization, and at the same time, invited the individual's participation in upcoming work parties on the island. Over half accepted and participated in at least one work party. Bringing your audience to your river is a bonding experience that draws them closer to your organization. It strengthens the individual's commitment, while maximizing long-term yield from your member acquisition investment.

Closing the feedback loop. The party isn't over when the letters go out. Board members have to be kept abreast of progress to keep the campaign moving. As returns came in, a recap report was distributed, which summa-

rized responses and encouraged board members to press on. Donor names were crossed out on a set of mailing labels, and the amount of their contribution was penned in next to their name. These lists were then faxed or mailed to board members for perusal, in order to zero in on remaining prospects and to look for connections. For example, if a board member knows member A has given and B has not, and knows that A is B's best buddy, B might be persuaded to match A's contribution. The loop most likely will never completely close, but without feedback, opportunities for sustaining momentum will be lost.

Don't forget your board members. One of the most glaring oversights in many campaigns is the failure to ask board members to pony up. When outside donors and foundation executives ask "and what is your board doing?", it's embarrassing to reply "not much." Board members should be encouraged to reflect on their own giving potential and to give consistent with their ability, keeping in mind their special leadership responsibilities. A board that contributes is invested in the mission and can credibly inspire others to follow their lead.

The results. We're just a little over a week into our campaign. With a mailing to 205 members, our response rate is 27%, average gift is \$75, and contributions total \$4,125. Two-thirds of that total came from the one-third of donors giving \$100 or more. Printed invitations to the island dedication ceremony have just gone out. Given the favorable mood, and the power of touching the earth and the water at the dedication, we are confident we will achieve or surpass our goal. ☒

Paul Rosa is the executive director of The Potomac Conservancy in Merrifield, Virginia. For further information, you may telephone him at: (703) 642-9880.

Merrimack River Watershed Council: Building Membership (continued)

(continued from page 3)

Second, we wanted to build for the future and end the year having a better idea of the types of programs that would successfully acquire new members in our watershed.

Step 2: Decide Which Programs to Try

After researching different approaches, talking to many people, and looking at what we had done in the past, we started to pick the programs we would test. We had to involve our Board of Directors. After all, they are charged with the stewardship of our organization. We also knew we had supportive members we could count on. Many of the programs we chose centered around these two important strengths.

Involving the Board

Member-a-Month Program: Each member of our Board was asked to recruit one new member each month for the next year. We provide lots of support (preparing direct mail letters for them, watching to see that people they approach actually do join, reporting results, and occasionally even giving a gentle nudge to get the job done) to help the Board be as successful as possible.

Annual Board Telethon: In addition to our regular series of renewal letters, our Board spends one night calling members who did not renew their memberships in the prior year to invite them to rejoin, or to survey why they won't rejoin.

Involving Current Members

Membership Contest: In one small geographic area we're running a contest, rewarding members who recruit new members with prizes donated from local merchants. The contest runs over many months, and

reminders are mailed every other month. If this proves to be successful, we plan to run it in other parts of our watershed.

Holiday Gift Membership: Gift membership packets at two different giving levels are available during the holiday season. Each comes with a special gift and a gift card, in addition to all our regular membership benefits.

Council Programs

Direct Mail: Finding mailing lists was our biggest challenge. We didn't want to pay for names, because they are so expensive and would drive our costs up astronomically. So first, we looked inside to see what we had to work with. First, was a list of past members dating back several years. These were people who had been members at one time, but did not renew. We wrote and invited them to rejoin. This was very successful, producing almost 10% response. We had collected a fair number of prospect names, people who had called the Council looking for information. We wrote to these individuals and asked them to join. We wrote to individuals who volunteered to help with our various programs and committees, and asked them to join.

We've collected names at speaking engagements, at events, at programs, through the newspaper. . . everywhere. We've looked at obtaining public records of individuals who have registered boats in our watershed. We've asked other river-related organizations to exchange lists. Instead of spending money to buy mailing lists, we're developing our own at a much lower cost.

Speaker's Bureau: Increasing our visibility and introducing our programs and work to interested individuals throughout our watershed will only help our membership efforts. We developed and marketed a speaker's

bureau and recruited volunteers to help our staff strengthen and expand our speaking efforts. Every presentation includes a membership pitch, and sometimes we offer incentives for joining (discounted membership, a free map, trail guide, or other publication).

Events for Members Only: Canoe trips organized by volunteer M.R.W.C. members is one of our most popular membership benefits. Anyone can attend at no cost. This year we decided to take our two most popular trips and make them available to members only, giving an incentive to everyone taking part in these trips to join.

Step 3: Analyze results

As each program finishes, we look at how well it did compared to the results we projected in our plan. We evaluate the number of new members, the amount they contributed, the program cost, and, of course, the net gain or loss. We're approaching membership development with the understanding that acquiring new members is costly. If we cover our costs, we consider ourselves successful. Net revenue will come from renewing these new members, and from our Annual Appeals and Special Appeals.

Each program will be evaluated individually. If it is deemed successful, it will be incorporated into next year's efforts. If it's not successful, and we can't find a way to modify it to make it worth repeating, it will be discarded.

There's no magic, or fairy godmother that can build our membership—only commitment, attention, hard work. And, of course, a budget. ☒

Lucie Dufresne is a private consultant with 10 years of fundraising experience. Lucie is currently working with M.R.W.C. on membership development. She may be reached at (508)688-3429.

River Network
P.O. Box 8787
Portland, OR 97207

ADDRESS CORRECTION REQUESTED

FUNDING DEADLINES

Foundation Deadlines for December 31, 1994 - March 15, 1995

Listed below are January - March proposal deadlines for some funders with an interest in local river preservation efforts. Before submitting a proposal to any funder, be sure to obtain their guidelines and read them thoroughly.

<u>Funder</u>	<u>Region</u>	<u>Deadline</u>	<u>Phone</u>
The Conservation Fund	National	December 31	(703)525-6300
Laird, Norton Foundation	National	December 31	(206)464-5292
Ben and Jerry's Foundation	National	January 1	(802)244-7105
Lyndhurst Foundation	Southeast	January 1	(615)756-0767
Nor-Al Memorial Fund	National	January 1	(510)644-1904
Ellis L. Phillips Foundation	New England	January 1	(617)424-7607
The Max & Anna Levinson Fndtn.	West	January 4	(505)982-3662
Fund of the Four Directions	National	January 13	(212)768-1430
Abelard Foundation	National	January 15	(510)644-1904
Jessie B. Cox Charitable Trust	New England	January 15	(617)426-7172
George Gund Foundation	Great Lakes	January 15	(216)241-3114
The Strong Foundation	Pacific NW, N. CA	January 15	(415)882-7928
Virginia Environ. Endowment	VA, OH, WV, KY	January 15	(804)644-5000
Patagonia, Inc.	National	January	(805)643-8616
A Territory Resource	Northwest	February 1	(206)382-2640
Foundation for the Carolinas	NC, SC	February 1	(704)376-9541
General Service Foundation	National	February 1	(303)920-6834
New-Land Foundation	National	February 1	(212)479-6162
Haymarket People's Fund	New England	Feb. & March	(617)522-7676
Cabot Family Charitable Trust	New England	March 1	(617)345-0100
The Flow Fund	National	March 1	(212)649-5618
Nat'l. Environ. Educ. & Train. Fndtn.	National	March 15	(202)628-8200