Strategies to Boost Your

Annual Fundraising Appeal:
Use the 40-40-20 Rule

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by Claire Axelrad, J.D., CFRE

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Intro

What makes a fundraising appeal, well, appealing?

Success is not that hard to achieve, provided you systematically consider all the key elements that go into creating a compelling fundraising offer your donor won't be able to refuse. It's not rocket science. Yet there is some science, and art, involved.

Fundamentally, success boils down to answering these questions:

1. **Who, exactly, are you talking to** and what do they care about?
2. **What, specifically, are you offering** and why would someone accept this offer?
3. **How is this offer so outstandingly appealing** that it's something the person you're talking to might want to consider?

The last six weeks of the calendar year are make-or-break time for nonprofits. In fact, nearly 30% of nonprofits raise 26% to 50% of their annual fundraising in November and December – when people are feeling their most grateful and generous. So you really want to be firing on all cylinders!

As the end of the calendar year approaches, it's important to get everything in order to assure your year-end appeal does its job. Which is why the 40-40-20 Rule is so important. Because, if you're unclear on this concept, you may put too many eggs in the wrong basket. Or you simply may not have enough eggs to make an omelet!

40-40-20 Rule explained

This is a rule long preached by direct mail experts. It goes like this:

40 percent of a direct mailing campaign's success is dependent upon the list; 40 percent of the success comes from the offer; and 20 percent of the success is due to the creative aspects of the campaign.

- **40 – Mailing list** (audience you're talking to)
- **40 – Offer** (what you're asking audience to do)
- **20 – Creative** (words, pictures, fonts, colors and design)

Too often, nonprofits focus exclusively on writing the letter, and don't think at all about the other critical components that can tank their mailing.

This eBook will review some key components of each of these fundamentals. (You also can find more in the free, downloadable 18-point Annual Appeal Checklist).

I. 40% Mailing List Fundamentals

1. Is your mailing list too small?

The Direct Marketing Association calculated the average response rates for a number of industries and found that it was 5.35% for fundraising. But even this small average can be misleading. In practice, I've noted average return on fundraising direct mail these days hovers around 0.5% for lists you acquire through rental or exchange.

In-house lists may do better, up to about 5%. Of course, part of the reason these rates may be so low is that too often nonprofits mail to lists that include bad addresses, duplicates, the deceased, people who've never given and/or donors who lapsed many years ago.

First-time donor renewals, on average, hover at 23%. Ongoing donor renewals average 60%. Based on the numbers of donors you hope to acquire, renew and upgrade, it's important to determine if you have enough names on your list. You really need to think about this because, net/net, for every 100 donors gained last year, 99 will likely be lost to attrition.

> *"Scrutinize and analyze the gift potential in the donor base before making any effort to put the fundraising plan on paper."*
>
> — Henry Rosso, Achieving Excellence in Fundraising



2. Is your mailing list out of date?

Roughly 20% of addresses in nonprofit databases are out of date. As noted above, if you're mailing to a lot of dead wood, your rate of return will fall. Plus, you'll be spending more money than you should. The guidelines I use include the following:

1. **Do an annual address** correction request using a process like NCOA (National Change of Address). 17% of Americans move each year, and running an NCOA is a requirement to qualify for USPS bulk mailing rates.
2. **Purge your list of anyone who's never given and has been on the list three years.**
3. **Purge your list of anyone who's given but not in the past five years.**

You can have a different guideline, but make sure you have one! You can cull the list and keep those such as former board and staff members on the list (they might leave a bequest). And you can always archive these names if you're uneasy about entirely getting rid of them, but don't waste precious resources mailing to them.

Just don't kid yourself. If you have a 7,000-name list but only 250 donors, that's a sign that something is really off.

3. Do you have viable prospects on your mailing list?

Don't acquire mailing lists with people who are unlikely to give to your cause. The best lists are donor lists. Not buyers of services. Not subscribers or members. Also, if you're relying on an in-house list of donors, take into account how recent they were engaged with your organization.

Someone who was a patient, parent, volunteer or attendee once 10 years ago is akin to a cold prospect.

4. Can you easily segment your mailing list?

In his book, *Tiny Essentials of Writing for Fundraising*, George Smith says the number one thing that should be in the back of your mind whenever you write any fundraising communication is this: ***"Who am I talking to?"***

The more targeted your appeal, the better success it will have. Can you separate your list into donors vs. prospects? Into donors under and above the $500 level (so you can use different remit devices and donation forms)? Into donors who earmark their gifts for cats vs. dogs (so you can send different appeal language)?

First, think of all the major constituent groups your organization wants to target. For example:

- One-time donors
- Monthly recurring donors
- Mid-level donors
- Major donors
- Lapsed donors
- Volunteers
- Event participants
- Users of services

Next you'll want to pull different lists of prospects by segment. Ideally, you'll have a donor database and/or CRM system that enables you to do this efficiently based on the data you've collected.

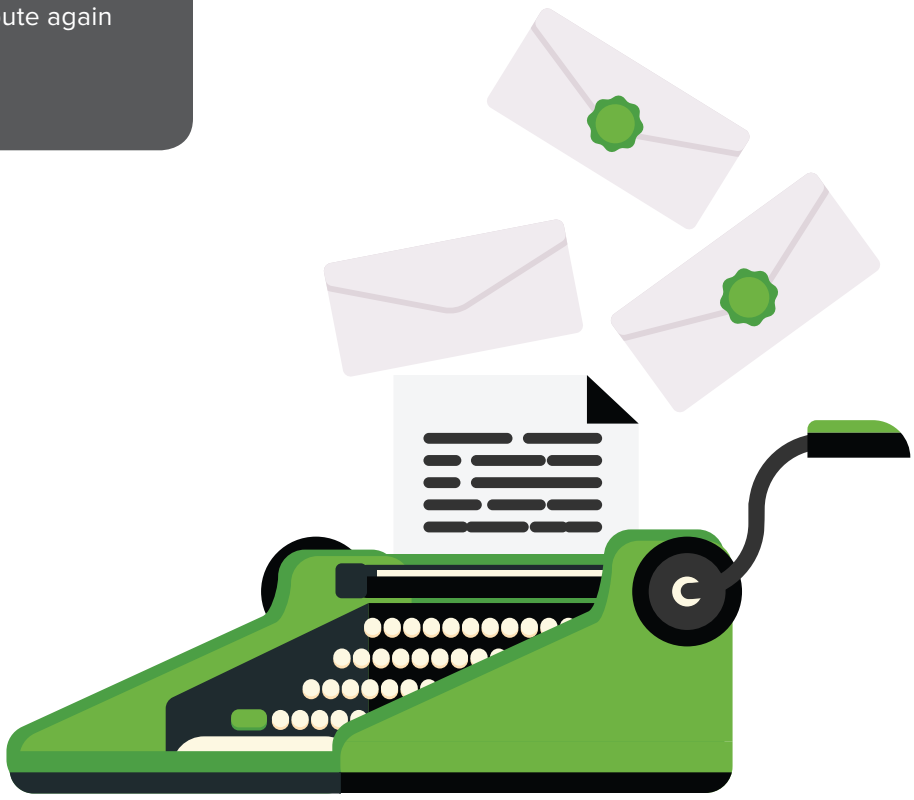
The last step is to strategize how you want to approach each group. Your appeal should be tweaked to (1) show prospects in this segment you know them, and (2) offer a call to action that will help you more deeply engage the people in this group.



CASE EXAMPLE: OneJustice recently took the leap to segmentation because their savvy Executive Director, Julia Wilson, noted: “We used to send out just ONE blanket direct mail to everyone on our list. Been giving to us for 20 years? Well, sorry. You get the same letter as the law firm partner who just attended one of our trainings one month ago. Well, this is the year we are stopping that! We are heavily segmenting our list so that we’re actually sending out six different variations on our direct mail letter. If we know you are interested in legal assistance for children and youth, and that is the fund you gave to last year, well, we’re making sure the letter you receive this year thanks you very specifically for THAT gift, reflects that interest, and invites you to contribute again this year in order to help kids.”

5. Are you leveraging the success of your mailing list by also using an email list and social media?

Confining yourself just to a snail mail list will depress overall response. We live in an increasingly digital landscape, and today direct mail works best when integrated with digital channels. Per MobileCause, donors are 50% more likely to respond to direct mail when they receive multiple messages across several fundraising channels.



II. 40% Fundraising Offer Fundamentals

If you don't make it clear and easy for prospective donors to take the exact action you desire, the rest of your mailing has little purpose. Every appeal should include these fundamentals within the content.

1. A specific problem. It should be something the donor can visualize. Not something broad and generic like "support our cause." If you've had success in the past with a generic appeal, I understand. That can work, especially with the people who already "get it." But that limits your reach and appeal.

To expand beyond people who already love you requires greater specificity. And, to be frank, when you're more specific, you'll secure larger gifts. So stop leaving money on the table and describe a specific fundraising goal and cost to achieve what you propose. Don't say "support our senior nutrition program with a gift of any amount." That's likely to yield a token gift.

Tell the donor what is needed: "Will you consider a gift of $20 per month to feed a hungry senior?" Donors shouldn't have to guess at what you need, or how their money will be spent.

> *"Don't start by writing. Start by feeling. Feel, and feel passionately, and the emotion you feel will come through the spaces in between the words."*
>
> — Indra Sinha, copywriter

2. A simple solution. This should be something capable of being easily grasped by your audience. Not all the underlying complexities.

Your fundraising offer is not a place to educate your donors. Or try to explain them into giving. Don't feel compelled to expound on every nuance of what you do. Or every piece of the puzzle. Get right to the most important part of what you do. The demonstrated outcome. One wrong that donors can believably right with their gift. Donors want to make happy endings come true.

3. An emotional appeal. People give when their hearts are touched. Usually from ONE compelling story. Often from a photo that depicts this story, accompanied by a compelling caption. A zingy, succinct opening line can help as well. Come up with something memorable and "sticky" with which recipients can easily connect.

Usually the best way to do this is through storytelling. Don't make it an educational lesson or intellectual exercise — something that people will struggle to remember. People don't give because of the fact that 27,000 people in your community are hungry. They don't give to statistics. They don't give with their heads. People give when something tugs at their heart strings.



4. Donor benefits. Human beings always ask themselves: "What's in it for me?" Always show your donor what the benefit will be if they give. Remind them they'll feel really good. Studies show merely contemplating giving releases "feel good" dopamine. Everything about giving — thinking and doing — is good for us! Tell prospective donors giving will save a life, lead to a cure, offer a resource for them and their children or make their community a better place. You can also add in benefits like tax deductions, inclusion in a giving society and even token gifts (like invitations to free events, being entered into a raffle to win something, etc.). Perhaps one of the biggest benefits you can offer is to make your donor feel like a hero.

Use YOU. Don't make it all about "I," "we," "our organization." The donor doesn't want to know what you did; they want to know what they can do. There's nothing more magical you can do to put your appeal on steroids than cross out all the egocentric stuff and replace it with "you." As veteran fundraising copywriter Tom Ahern says: *"You is the glue."*

5. Leverage. Offer the donor a "good deal." Show them how their dollar can go further than they might have imagined. One meal provided in Third World countries may seem relatively cheap. Donations that will be matched dollar-for-dollar due to a matching grant can be more alluring to donors. It shows how one dollar can have ripple effects; helping not just the recipient, but their entire family. People love to S-T-R-E-T-C-H their dollar.

6. A deadline. You've worked hard to trigger prospective donors' emotions. Offer deadlines as another motivator. These can include a matching grant for a limited time. It can mean the disappearance of certain programs if you don't raise a specific amount of funds before a deadline. It may involve a year-end tax deduction. Even if you can't find a natural deadline, give some kind of deadline like: "Do it by next Monday." Don't give prospective donors the chance to put off giving until a future time … when their passion for your cause may have cooled.

7. A call to action. Ask early and often. Ask in black and white. Force a decision. Make your donor say "Yes, I'll help" or "No, I won't help." Think about the single, most important thing you need to communicate, then tie your opening to your reason for writing as quickly as possible. It may be the only thing your prospect will read before deciding whether or not to continue reading, or simply toss your appeal into the trash. Remember, too, that busy people skim. Put your ask in multiple places to assure it's seen.



III. 20% Creative Fundamentals

1. Compelling image(s). People look at photos before they read text. You only have about two seconds to capture their attention, so a photo that helps people visualize the problem is super important. When you see a problem, you react viscerally. Your gut gets involved. Your gut talks to your heart. The heart trumps the head. Every single time.

If you can grab attention and stir the heart with a compelling photo that tells a story, it's much likelier your prospective donor will read the rest of your letter. If you add a caption, you've got almost the entire purpose of your appeal. A picture really is worth 1,000 words. It's a decision-making shortcut.

The best photos generally fall in the following categories (but always test for yourself):

- **Headshots.** Big eyes looking right at you.
- **Sad.** For appeals and calls to action, because they show a problem in need of resolution.
- **Happy.** For remit devices and thank you letters, because they make the donor feel good they've been part of the solution.
- **Kids.**
- **Animals.**
- **Kids holding animals.**





> *"Direct mail appeals are unlike any other writing on earth. We write (and review) these letters at 1 mph. Readers, though, read at 100 mph."*
>
> — Tom Ahern, fundraising copywriter

2. Readable text. When it comes to fonts, 14 point is the new 12. This is comfortable for most readers. Anything else is asking for trouble. Use Serif fonts for text (e.g. Times New Roman); and Sans Serif for headlines and subheads (e.g., Arial). Include some white space (a.k.a. "oxygen") to make the copy more readable.

Intersperse one-line paragraphs with longer ones. Avoid a paragraph longer than seven lines. Also, avoid a line that exceeds 70 characters, including spaces. Indent paragraphs to give your readers' eyes a rest. Strive for an accessible and reader-friendly format.

3. Easily comprehensible. When people are reading — or, more than likely, skimming — this fast, anything that gets in the way of their comprehension will stop them dead in their tracks.

For this reason, you should strive to never write above a 7th-grade comprehension level. The Flesh-Kincaid score, built in to Microsoft Word, makes it easy to calculate the grade level of your writing. This doesn't mean you're infantilizing adults; it simply means your writing is barrier free.

Use short sentences with short action words in active voice. Help Julie go to college. Build a well in Africa. Get Sharon and her two young kids off the streets. Action words like "help," "build" and get" inspire action.

4. Letters within your letter. Break up your copy using headlines, subheads, boldface, underlines and italics. I like to consider the fact that people may read only the bold face. Or only the subheads. Or only what's underlined. And so forth. Whatever they read, I want to be sure it conveys my entire message. Repetition is essential. Hedge your bets and put your key messaging and ask in multiple places.

5. Envelope. An envelope that screams, "Open me!" is the first step to a successful appeal. Here are some of my favorite tips (read more here):

- **Plain.** This is mysterious; therefore, hard to toss. No logo. Not even your name. Just a return address (and a place where a volunteer who is adding personal notes can hand write their own name). Note: the post office won't allow this unless you're using a first-class stamp.
- **Colored.** I've had success with brightly colored envelopes that don't even match the design of the enclosed appeal. Others have success using their brand colors so the people who are already loyal recognize them and open them because they love them.
- **Oversized.** It works best for event invitations rather than annual appeals, because you don't want people to think you're spending too much money. But test this for yourself.
- **Teaser.** Direct mail fundraising guru Mal Warwick says, "Often the best teaser is no teaser at all. Yet, a good teaser can get the envelope opened. Conduct a test. Ask people outside your office if the teaser would turn them on or off. And begin your own collection at home, noting which teasers get you to open the envelopes and which you'd be inclined to toss.

IV. Where to Begin: Put the 40-40-20 Rule to Work!

Just knowing what to do won't boost your results. You need an action plan. Work backwards from the date you want to drop your mailing and create a **step-by-step timeline** that: (1) incorporates every task; (2) names the person(s) responsible for each step; and (3) has a deadline for each tactic. (See an abbreviated timeline example here)

Mailing List Steps

Do a self-audit of the state of your mailing lists. Ask/answer what you need to do to:

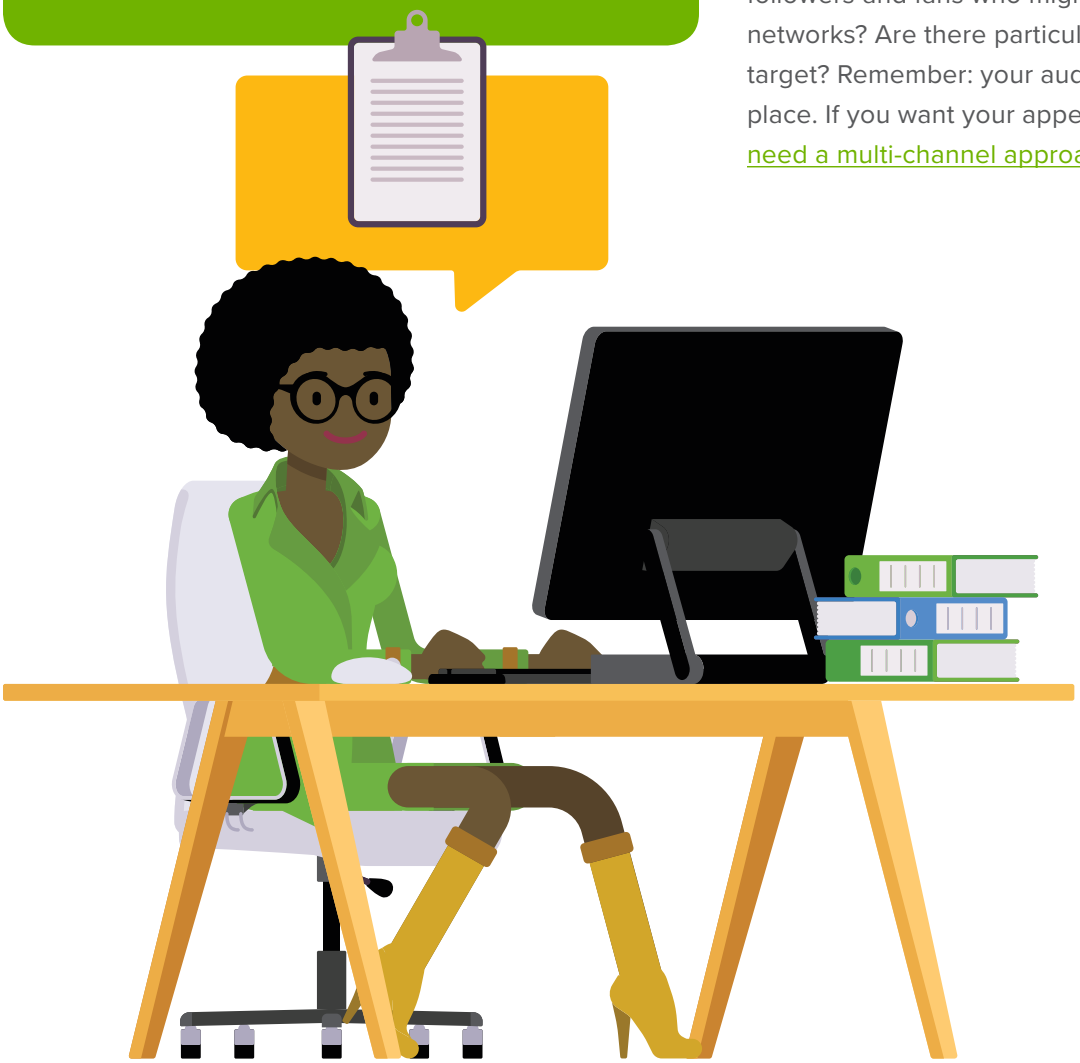
1. Grow your lists. Look at both snail mail and email lists. How big are they, and if you get the percentage return you anticipate will you get enough donations? Are you able to communicate with most people through multiple channels, or do you need to figure out a way to acquire additional contact information? Do you also need to add new names? What specifically will you do, and when and where?

2. Update your lists. How clean are they? Are you sending appeals to prospects who aren't viable? Consider what to do next (e.g., run address correction such as NCOA; de-dupe; remove deceased; remove people who haven't given).



“The best plan is only good intentions unless it degenerates into work.”

— Peter Drucker



3. Segment your lists. What data makes sense for your segments? Do you have this data in a database? Can you easily run segmented lists for your mailings? If so, what segments will you run and how can you tweak your appeal for different segments? If not, what do you need to do to get to this point?

4. Leverage your lists using social media. Do you have followers and fans who might share your appeal with their networks? Are there particular influencers you should target? Remember: your audience is in more than one place. If you want your appeal to really take flight, you need a multi-channel approach.

Fundraising Offer Steps

Think about your vision, mission and values from the perspective of what truly matters to your constituents. What's in it for them to be invested with you? What areas do they earmark their giving for? Which of your articles do they read and share? What are the most frequently asked questions? What's going on in the news that people are thinking about, and how can your message tie back to what people are already concerned about?

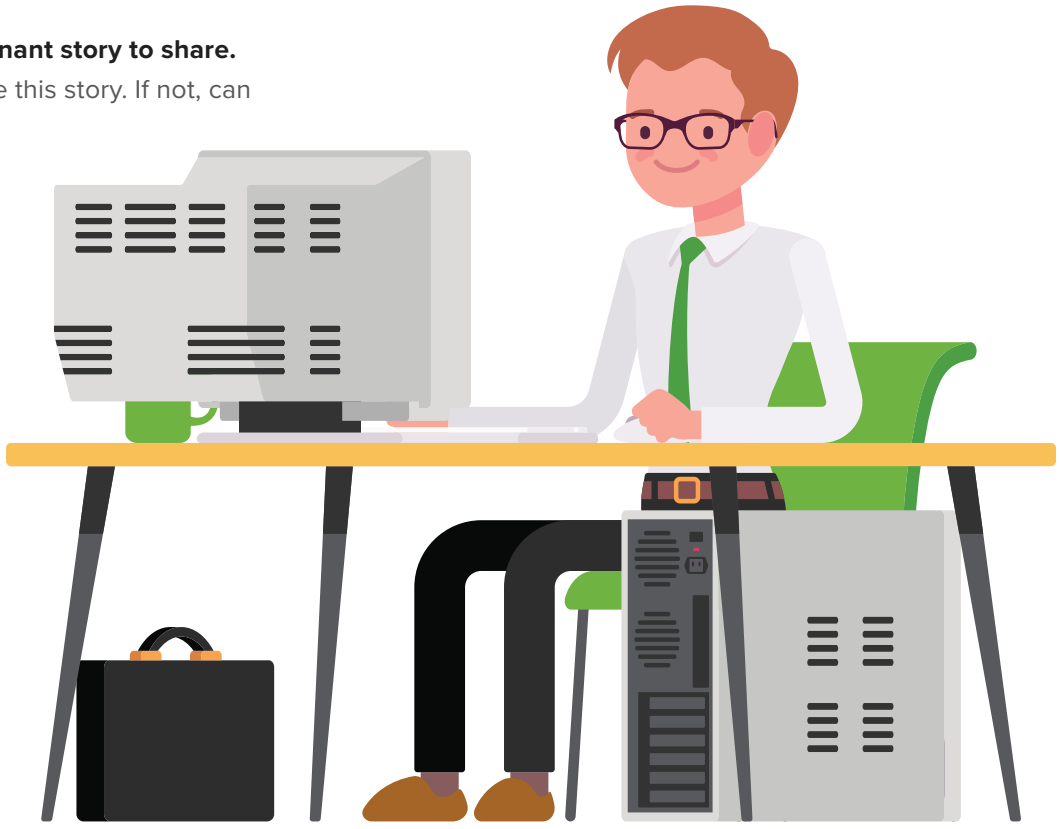
Assure that everyone on your team has ownership of your annual campaign theme. This way, you'll get greater investment in seeing every step of the plan through to fruition.

1. Decide on a compelling, resonant story to share. Do you have permission to share this story. If not, can you get it or work around it?

2. Find a photo and/or video to visually tell your story. If you've got two great stories, but a compelling photo for only one of them, choose the story for which you have an image.

3. Write a brief storytelling caption for your visual image. Pretend this is all your donor reads. Have you made it clear what the problem is, and suggested (or implied) a solution?

4. Write a succinct opening sentence that leads into your story and succinctly outlines: (1) problem; (2) solution, and (3) how the donor can help/benefit.





> *"If only one man dies of hunger, that is a tragedy. If millions die, that's only statistics."*
>
> — Lenin

Examples

From the archives of Impact Communications:

- *Imagine having to tell a nine-year-old child that from now on they will be working ten hours a day in the family business — instead of starting the fourth grade.*
- *Joan Stein is so tiny that her head can't be seen over the music stand of the baby grand in the community room.*

From Clairification archives:

- *Lake Louise used to provide water for the whole county. In 20 years, people won't be able to swim in it, let alone drink it. Unless you help.*
- *Alicia dreams of being the first person in her family to graduate from college and become a nurse. Instead, she'll probably get a minimum wage job after high school. Unless you help.*

5. Write a rough draft of an appeal letter and remit that includes as many offer fundamentals as possible. (See previous pages).

6. Get to the point; put an ask in early. Don't wait until the end of the copy to make your appeal. Your reader may not get that far.

7. Edit ruthlessly. Consider the famous advice of Roland Kuniholm: "Take your first three paragraphs of any direct mail piece and just throw them out. Now you're getting to the good stuff!" Even if you think you know how to begin with the good stuff, you don't. Ask a friend to read your letter and tell you what jumps out as most important. You're too close to it. Then move your copy around strategically.

8. Replace egocentric "I," "we," and "our organization" with "you" and "your." You've got to put the donor into the letter. Multiple times.

9. Add subheads, italics, underlines and boldface to highlight important points, make the appeal easier to read, and repeat important messages.

10. Remove statistics wherever you can. Remember, data doesn't sell. Stories do. If you do use numbers, stick to amounts people can visualize (marketing guru Seth Godin says when the scope gets above the number 10, scope gets tossed out the window).

"One in four children in our city don't get enough to eat" is something a reader can visualize. "There are 50,000 hungry children in our city" is less emotionally compelling.

Creative Steps

> *"The most impactful part of a direct mail piece is the carrier (outer) envelope. More than anything else you do, the carrier determines success or failure."*
>
> — Jeff Brooks, fundraising copywriter

1. Choose your best photo. Is it a close-up? Is the subject sad or happy? Does it tell a story? Make sure you have a signed release form.

2. Hire or assign a designer. Once you have copy approval, hand the appeal over to a graphic designer/ layout artist. Writers and designers are usually not the same people.

3. Consider color. Different colors can arouse different emotions.

4. Consider fonts. Some are easier to read than others. Don't use too many. Do use different fonts for headlines than for body copy.

5. Consider envelope color. Will yours stand out in the mailbox? Will it convey the right message? (e.g., pink is great for breast cancer; not so great for an environmental organization).

6. Consider envelope design. Will you add a teaser? Will you add photos to the carrier envelope? To the response envelope? Also, don't forget to consider things like:

- Postage (first class vs. bulk; live stamp vs. indicia or meter)
- Address (window vs. label vs. printed on the envelope in a font that looks like handwriting vs. actual handwriting) Read more on outer envelopes here.

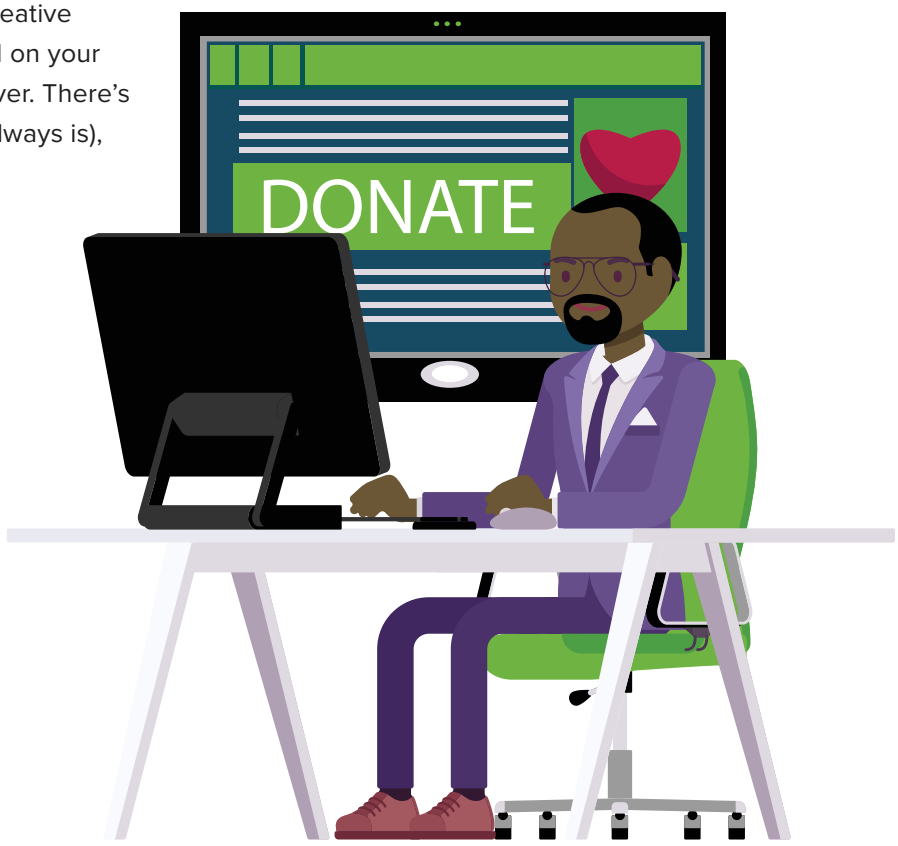
To your success!

You can't explain people into caring about you. No matter how much information you spit out it isn't going to sink in. Why? Two reasons: (1) because it isn't what your constituents care about, and (2) human beings aren't wired to easily process facts. Instead, we're wired for storytelling and emotional drama; something that inspires us to become actors in the story.

What this means is that you should be developing messages that help your would-be supporters easily see themselves as actors on your stage. And not just actors, but Oscar-winning ones! Offer the opportunity for warm and fuzzy feel good experiences and people will leap at the chance.

Carefully consider the mailing list, offer and creative fundamentals outlined here, and you'll be well on your way to having your best fundraising season ever. There's plenty more to be said on the subject (there always is), but this will give you an excellent start.

> *"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."*
>
> — Maya Angelou



About the author

Claire Axelrad



Claire Axelrad, J.D., CFRE is a fundraising visionary with 30 years of frontline development work helping organizations raise millions in support. Her award-winning blog showcases her practical approach, which earned her the AFP "Outstanding Fundraising Professional of the Year" award.

Claire, who teaches the CFRE course that certifies professional fundraisers, is a regular contributor to Guidestar, Nonprofit Pro, Network for Good and Maximize Social Business. Her passion is coaching nonprofits to address 21st century challenges and overcome barriers to sustainable funding.

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5724 Birtz Road,
Indianapolis, Indiana 46216
(317) 296-8100
bloomerang.co

