Spotlight on Individual Giving for Libraries
Direct Response Fundraising

• A cost-effective way to build a base of individual support.

• Increases retention and individual giving.

• Inspires gifts through other means, such as on the Internet and through events.

• Acts as a feeder program to other fundraising departments and program areas.

• Can be used to promote your brand to targeted audience.
The Goal of Direct Response Fundraising

- Invest to acquire new donors and members.
- Ask for an additional gifts throughout the year to increase revenue.
- Renew existing donors or members annually.
- Reinstate lapsed donors.
- Upgrade or convert loyal donors.
- Do all of these at the same time and constantly reinvest for best long-term revenue.

The Ideal Acquisition Lifecycle
Acquisition: New Donors

• Acquisition is a long-term investment.

• You may not break even upfront, but you will “profit” through subsequent fundraising solicitations.

• Acquisition mailings usually generate response rates between .9% - 2%. (Often higher for libraries doing their first acquisition.)
Acquisition: Where to find new donors

- Cardholders (if available)
- Rented lists of proven direct mail donors to other organizations
- Magazine subscribers, mail order buyers, high demographic compiled names
- Donors or members of other local groups with whom you partner to exchange
- Your own prospect list: volunteers, event attendees, book buyers and other “friends and family”
## Acquisition: Sample results

### November campaign

- Mid- to large-sized market in the Midwest
- First-time mailer with the Consortium
- Had 448 existing donors

<table>
<thead>
<tr>
<th>Quantity Mailed</th>
<th>Number of Responses</th>
<th>Response Rate</th>
<th>Average Gift</th>
<th>Gross Revenue</th>
<th>Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,010</td>
<td>410</td>
<td>1.95%</td>
<td>$51.08</td>
<td>$20,942</td>
<td>$6,970</td>
</tr>
</tbody>
</table>

- **Existing Donors**: 448
- **New Donors**: 410
- **Total Donors**: 858
- **Increase**: + 92%
Donors vs. Members

- Donor programs ask for smaller gifts, but more often
- Members renew a larger gift on an annual basis
- Libraries can use either strategy depending on how well each works for an organization
Retaining your donors: The Second Gift

• A person becomes a loyal, committed donor when they make their second gift.

• Appeals sent after acquisition will turn a “profit.”

• An opportunity to upgrade donors to a higher level or move them to a higher-grossing program.

• Use segmentation and personalization:
  • Donors want to know that you know them and be recognized for their generosity.
  • Donors are more likely to renew when reminded of the good feeling they had when they originally gave.
Retaining your donors

Special appeals can “pay for” an acquisition campaign.

– Mid-sized city in the Midwest:

<table>
<thead>
<tr>
<th>Acquisition Appeal</th>
<th>Quantity Mailed</th>
<th>Number of Responses</th>
<th>Response Rate</th>
<th>Average Gift</th>
<th>Gross Revenue</th>
<th>Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,596</td>
<td>107</td>
<td>1.01%</td>
<td>$33.04</td>
<td>$3,535</td>
<td>- $2,727</td>
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<tr>
<td>Appeal</td>
<td>5,828</td>
<td>188</td>
<td>3.23%</td>
<td>$106.49</td>
<td>$20,021</td>
<td>$16,577</td>
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<tr>
<td></td>
<td>5,828</td>
<td>83</td>
<td>1.42%</td>
<td>$80.47</td>
<td>$6,679</td>
<td>$3,235</td>
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<tr>
<td>Total Net Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$17,084</td>
<td></td>
</tr>
</tbody>
</table>
Getting more from your donors: SUSTAINERS

• Automatic recurring monthly gifts
  – Usually $5, $10, $20 per month (test what works for your library)
  – Usually credit card or Electronic Funds Transfer (EFT) although you can send monthly bills

• Very high retention (90%+) makes for a reliable and projectable monthly cash flow

• Once a Sustainer base is built, it works very well to upgrade them into giving larger monthly amounts

• Starts with small numbers and takes persistence and patience but will pay off in the long run.
Lapsed Reinstatement: Bring Donors Back

- Donors who have stopped giving:
  - You have already invested in acquiring these donors, so you need to bring them back.
- Segment them and treat them differently:
  - Mail those most likely to respond more often (the older their last gift, the less they’re likely to respond).
  - Personalize the message.
  - Treat them as though they’re still part of the family – don’t break the bond.
  - Lapsed mailings yield lower response and fewer gifts than appeals, but they yield higher than acquisition (and they cost less).
Emailing Your Donors

- Always be collecting email addresses
- Email communications are a cost-effective way to fundraise
- Fundraising emails should be sent in conjunction with your direct mail efforts for maximum exposure and return on investment
- Make sure all emails have large donation buttons leading back to your donation page
Social Media & Online Advertising

- Facebook and Twitter are a great way to let donors know what you have going on at the library.

- Integrating your fundraising messages and timing with your social media posts can increase campaign exposure.

- Online advertising is a useful tool to integrate into larger campaigns, but can be expensive.