

## Annual Fund

Erica Waasdorp  
President A Direct Solution



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## Key Message

If you remember one thing from today:

The Annual Fund is crucial to support your organization's revenue through a planned and consistent approach.

Annual Fund does NOT Mean appealing ONCE, it's ongoing.



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## Why the Annual Fund is Crucial

- An annual campaign allows an organization to build a **predictable** base of support and provides a pool of proven **donors** for other fund-raising efforts.
- The vast majority of individual donors give their first contribution to an organization through its annual campaign.
- Repeat contributors to annual campaigns become an identified group of loyal and established givers --- a constituency.



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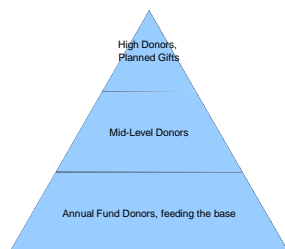
## Why do people give?

1. Someone I know asked me to give, and I want to help
2. I felt emotionally moved by someone's story
3. I want to feel I'm not powerless in the face of need and can help (this is especially true during disasters)
4. I want to feel I'm changing someone's life



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## Annual Fund Feeds Donor Pyramid



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## Annual Fund still typically DM

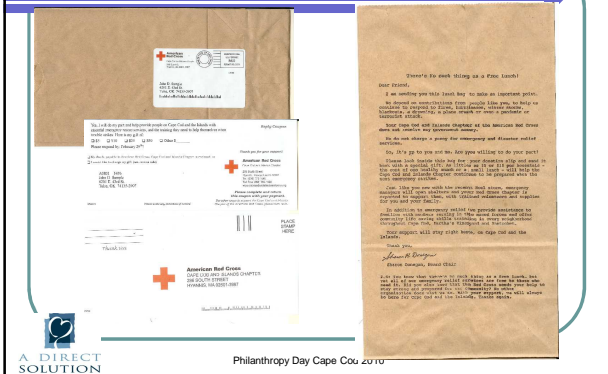
- Most donors are still older
- Most donors love getting letters
- Most donors still like writing checks
- We'd all love to get more funds via email/online, but...
- We found it works great for cultivation and information but not to raise money (yet) (unless your organization 'runs' on emergencies)



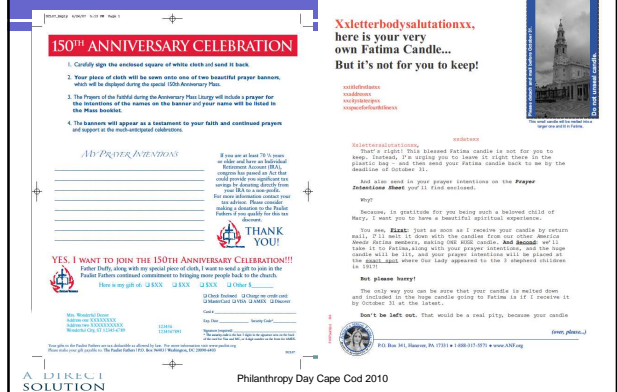
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## Standing out Works Too!



## Involvement Devices Work More!



## About the Economy

- Organizations who stuck to their direct mail, annual fund plans did well!
- Keep asking, stay the course
  - Keep building new donors
  - Keep asking for more money from existing donors
  - Do think about starting a monthly giving program

## Pressure is on Cost and Resources

- Postage is scheduled to go up again...
- So production prices must come down, right???
- Find simpler ways to produce without sacrificing results, go with one color instead of two or print for the year...
- Personalization does not have to be more expensive, but if you have to make a choice: Personalize the reply form
- Your own time is worth money too... If you're stuffing an envelope, you're not meeting with a donor...
- Cost alone is not the deciding factor, the ROI is...

## Response rate Benchmarks

- 1% is still typical average response rate for acquisition, but I also see 2 and 3%!!
- 5 to 10% are still typical response rates for donor appeals with exceptions higher/lower
- Response rate and average gift are directly related
- Getting that second gift is crucial, so how could you wait a year?

## More Benchmarks...

- Direct Mail Acquisition\* costs \$1.15 per \$1 raised
- Special Events costs 50¢ per \$1 raised
- Planned Giving costs 25¢ per \$1 raised
- Direct Mail (Prior Donors) costs 20¢ per \$1 raised
- Foundations / Corporations costs 20¢ per \$1 raised
- Major Gifts – Face to Face costs 5-10¢ per \$1 raised

Source: James Greenfield, Fund Raising: Evaluating and Managing the Fund Development Process

## And, always say Thank You!

- With or without an envelope..
- Giving level of donor key!
- You decide!



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