

6 Lessons for River Groups' End-of-Year Appeals -

Hard Numbers from Organizations Using the WaterGrass Database

Baird Straughan, *LeadGreen.Org*

One of the purposes of the [WaterGrass database](#) is to gather data about what's working and what's not for river and watershed organizations.¹ With 15 groups now using WaterGrass, we've can draw some first, tentative conclusions. Recently, we conferenced about end-of-year appeals – how previous appeals have gone, and what allows some groups to be particularly successful.

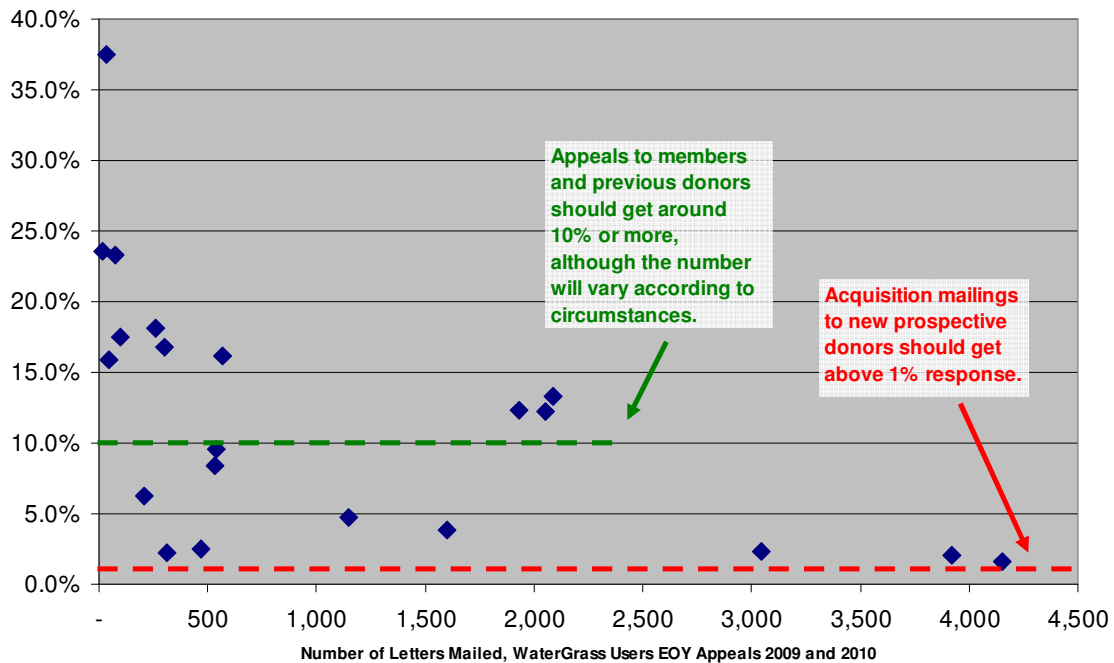
Lesson 1: Overall, rates of return are good.

The WaterGrass users are a cross-section of the rivers movement, from small groups focused on one local watershed to statewide organizations. So in general, their experience probably reflects that of the broader movement.

Since WaterGrass automatically tracks donations by campaign, we could compare rates of return for all the 2009 and 2010 end of year appeals. Below we see each different appeal as a point on a graph – its rate of return is on the left axis, and the number of people it went to is on the bottom.

¹ WaterGrass users agree that their aggregate data can be mined for lessons of use to the river and watershed movement. No individual data is ever shared.

Rate of Return vs. Size of Mailing



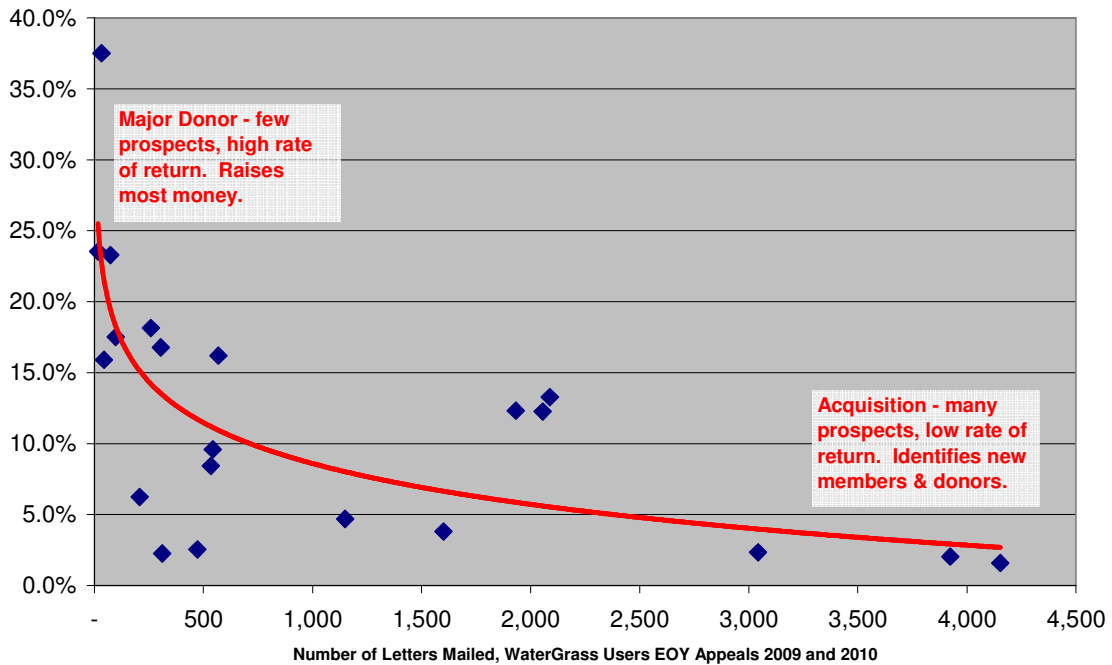
WaterGrass users, and probably river and watershed groups in general, got a better response to their letters than the industry standard. For direct mail, return rates of 1% and above are considered good if you're mailing to a list of people who don't know you well. All the WaterGrass user mailings did much better, even the "acquisition" mailings to new lists. A hard-headed marketing expert would say that means these groups should mail to larger lists and more often.

Appeal mailings to members and previous donors are generally expected to have rates of response around 10% or higher. Most of the appeals achieved that, too, although some organizations were just starting up their mailing and membership programs, and their results reflected that.

2nd Lesson: Rates of response fell along a curve.

In short, organizations got better rates of response from more personalized mailings to small groups of people they knew, and worse from less personalized mailings to larger groups of people they didn't. The WaterGrass results fall along a curve, which runs from major donor programs directed a few individuals to acquisition campaigns directed at large numbers.

Rate of Return vs. Size of Mailing



Try plotting your appeal results from the last years. Where do they fall? If they're above the curve, you're doing well. If they're below it, then you have room for improvement.

Lesson 3: The acquisition mailings were actually worth it.

It's easy to look at acquisition mailings and consider them a waste of time and money – if you don't look deeper into your data. For example, in 2009 one WaterGrass group mailed to 472 new prospects. Only 12 responded (2.5%), and the effort grossed only \$492, not much more than it cost (\$313). It would have been easy to conclude it hadn't been worth it.

But running a report on the 12 new donors reveals that seven went on to become regular donors, and some were very generous. Within two years the 12 had given a cumulative total of \$4,241.50, or more than ten times the cost of the acquisition mailing. One also became an active volunteer. So acquiring new donors was a good investment.

Lesson 4: Segmenting your mailing list boosts rate of return and income.

One small WaterGrass organization segmented their list five ways:

- People outside the watershed who had given before;

- People outside hadn't give before;
- People in the watershed who had given before;
- Volunteers; and
- Major donors.

Each group got a slightly different letter, some with personal notes or thank-you's for their support. The overall results were good ... a 9.6% cumulative response rate and \$8,575 gross income.

	Outside watershed donated before	Acquisition: Outside watershed not donated before	In watershed donated before	Volunteers	Major donors	All segments together
Nr. mailed	97	311	73	44	17	542
Nr. donations	17	7	17	7	4	52
Rate of return	17.5%	2.3%	23.3%	15.9%	23.5%	9.6%
Total Income	\$800	\$235	\$995	\$545	\$6,000	\$8,575
Average gift	47	34	59	78	1,500	165

Just as important as the fundraising success, this segmentation allowed the organization to learn. It could see that its approach to previous donors and volunteers worked well, with rates of return around 20%. And it could tell that the major donor work could improve – perhaps the 17 people chosen weren't genuine prospects – because in general the response should be closer to 50%. Effort spent there could pay off in spades.

Notice column 3 – the acquisition. They mailed to 311 prospects outside the watershed and only 7 responded. Not good, huh? But because they knew they had raised money well from previous donors, the effort they expended to find 7 new ones appeared in a more positive light. Unless they had known how well their other fundraising was doing, they would have been tempted to give up on that acquisition mailing.

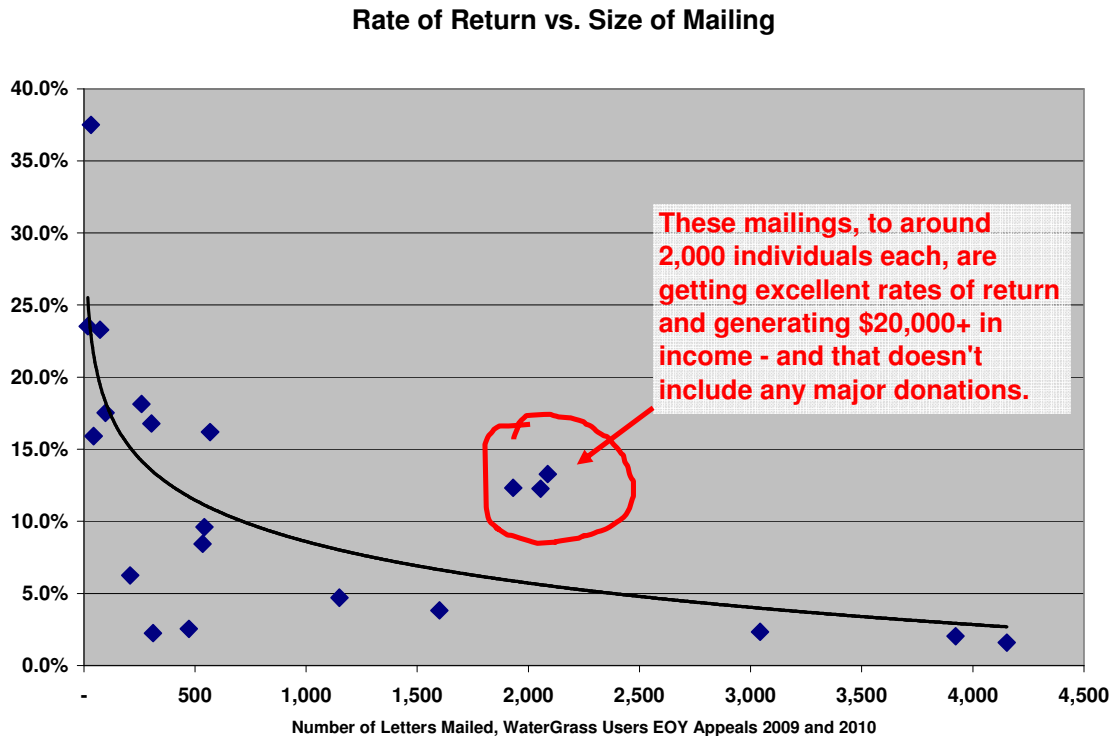
Lesson 5: Most income comes from major donors.

Just like the experts say. In the previous example, the organization raised \$6,000, or 70% of its end-of-year appeal gross, from 4 individuals, or 8% of its donors. Other WaterGrass organizations that did major donor programs had the same experience.

Of course, not all WaterGrass groups had major donor programs. What this means for them (and you): If you're only doing a general appeal mailing at the end of the year, and not making a special personalized appeal to those few generous individuals who could give major donations, then you're probably missing more than half the potential income.

Lesson 6: Some organizations manage to get *much better* rates of return than others.

In our initial graph there are some superstars:



When asked what they did to achieve this, one organization responded that it had focused on improving its appeal card. In particular, they had changed by emphasizing their achievements and maintaining an upbeat message. Their response rate improved from 2.3% in 2009 to 13.3% in 2010.

The other organization in this category has had consistently good results since 2009, when they invested a major effort in their membership program. They spent a lot of time cleaning up the database to make sure that the addresses were good, increased member communications, and responded more quickly to their concerns.

Both these organizations have a long history, get good press coverage for their work, and offer members different ways to contribute throughout the year.²

² It's our untested hypothesis that regular fundraising efforts throughout the year – say perhaps a mix of two regular appeals, a raffle, one issue appeal, or some other method – help keep members thinking about the possibility of donating and makes them more receptive to being asked. We'll study that when we have more data.

Questions for the future

For the 2011 end-of-year appeal, we expect that some WaterGrass groups will mix email appeals and end-of-year donor letters. We'll measure how that changes their donor response rates, and if, in particular, it helps to capture new people who hadn't donated before.

We'll also be looking for changes in overall fundraising climate since the beginning of this recession in 2008. What groups are weathering the economic downturn well, and how are they doing that?

We should have the results in time for River Rally 2012.

In the meantime ... we hope you hit a home run in your year-end fundraising season, and that your donors show their appreciation for the work that you do.

Appeal to you

We'd like to have more groups using the WaterGrass database so that we have a broader data set and can ask more questions – things like “How much does hiring a development director boost income, and over what length of time?” Or, “How much does offering a challenge donation improve an appeal's response rate and average gift size?” Or, “On average, how much value are groups generating from volunteer hours?”

So if you're considering a change in databases, or know of other groups that are, we'd ask that you consider joining the groups using WaterGrass. We think it's a good database (of course we think that), and it's also a learning experience for the larger movement. We can provide references so that you can talk with a similar group about how it's worked for them. More information at www.watergrass.org, or talk to us at (301) 775-5944.