

19 Tips for Effective Fundraising with Letters

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A study conducted by the Direct Marketing Association in 2003 indicated that the average response rate for direct mail campaigns across all major industries was 2.61%. The response rate for nonprofit fundraisers was significantly higher, with an average of 5.35%. The reported ranges included a low of 0.19%, a median of 3.07% and a high of 26.5%.¹

Given the staggering competition for charitable contributions and corporate sponsorships, what can you do to increase your organization's chances of being on the high end of the spectrum? I have provided a list of tips that I have found to be particularly helpful. Individual results will vary based upon a number of factors, including organizational commitment to the campaign, the number and quality of prospects, your organization's reputation for providing necessary services for the community, timing, etc.

1. Before soliciting any funds, be sure your organization is registered with the Attorney General's Office http://www.ag.state.il.us/charities/register_report.html to read about registration requirements and to download the necessary forms.
2. If you work with a professional fundraiser, make sure s/he is also registered with the Attorney General's Office of your state. You can contact the Attorney General's Office to verify whether or not the fundraising consultant is registered.
3. Identify a revenue goal, and strategies to reach it.
4. Establish a realistic budget and timeframe to organize and implement your campaign.
5. Engage donors and prospects before you ask for money. Send annual reports and newsletters, and invite them to special events, etc.
6. Start your solicitation with your organization's board members. If your board members are not engaged, it will be difficult to garner excitement from other prospects. It will also be helpful to be able to tell other prospects that you have 100% participation from the board.
7. Develop a list of prospects consisting of individuals and organizations that are likely to support your cause. This should include the organization's board members and employees and their contacts; current and former organizational clients; organization vendors; community residents; organizational partners; civic leaders who have shown an interest in your organization's issue; and corporations that sell products that would perceive your clients as a desirable target audience. This is a numbers game. The more prospects you have, the better.

¹ Direct Marketing Association, "Landmark Study Finds Nonprofit Fundraisers and Retail Stores Report Top Direct & Interactive Marketing Response Rates" <http://www.the-dma.org/cgi/disppressrelease?article=519++++++>

8. If your direct mail campaign will last a couple months or so, consider supplementing the letter with reminder cards, notes on your website, a signature in your e-mail transmittals, ads in neighborhood newspapers or announcements in your organization's own newsletter.
9. Let the reader know why you are writing within the first paragraph of the letter. In the event s/he doesn't read the entire letter, you want him/her to read enough to consider your request, or pass it on to the appropriate person in the organization. Even if the reader decides not to give at this time, you will have at least let him/her know about your organization and its accomplishments.
10. Consider using creative graphic design to engage the reader's interest or to emphasize key points.
11. Draw connections between your organization's mission, goals and values and the core values of the individual prospect, or the mission, goals and values of the prospect organization.
12. Indicate how the gift will be in the mutual best interests of the organization and the prospective donor. A tax deduction in and of itself does not suffice.
13. Clearly demonstrate your organization or program's track record of success. If your organization is a start up, cast your vision for success. Express this in terms of numbers of clients served, impact (positive change) on the **community and client** (not the organization), percentage increases in growth, problems solved, return on investment, etc.
14. Get "behind the numbers" by providing anecdotal evidence of success (ie, human interest stories). Provide pictures that clearly demonstrate impact to clients or the community. Good examples include before and after pictures, or candid shots of a program in progress. (Remember to get signed releases if your subjects are people)
15. Follow up the letter with a phone call within a week of sending it out. Continue to call the prospect until you get a definitive "yes" or "no". A word of caution: Do not make a nuisance of yourself.
16. If you are working with a group of volunteers to make follow up phone calls, make sure they have a prepared script or speaking points so that your organization's message is consistent. Educate them on the campaign, your organization's mission and accomplishments so they may field questions.
17. If you are receiving pledges, confirm any oral pledges in writing immediately. Include an invoice to increase the likelihood of collection.
18. Follow up with a thank you letter within a week of receiving the gift.
19. Send informal progress reports from time to time

About Valerie F. Leonard

Valerie F. Leonard is a Chicago-based community development consultant, with a mission to strengthen the capacity of organizations to make a positive impact on the communities they serve through technical assistance, specialized workshops, resource and organizational development and project management. For further information, you may call Ms. Leonard at 773-521-3137, visit www.valeriefleonard.com or e-mail her at consulting@valeriefleonard.com.