

GREAT CATCHES

Fish through your database for new annual fund prospect segments

BY JEFF HAUK & ROBERT A. BURDENSKI

I

n the 1940s, Wells College in New York had an unusual idea for expanding its donor base. The college sent an appeal letter to everyone in the Manhattan phone book listed under the last name "Wells."

The mailing generated exactly one response, from a Richard D. Wells, who said he was grateful to be asked but unable to make a contribution at that time. He promised to remember the college if his circumstances ever changed, however.

Was this solicitation a huge waste of the college's money and time? Not necessarily. Fifty years later, Mr. Wells died and left the college more than \$1 million.

The Wells College story is just one in a long line of bright (and not so bright) ideas campuses have had for identifying and segmenting prospects. Even Wells College officials admit that writing to total strangers and expecting them to give because they share your institution's name is, well, crazy. And you won't be surprised to find that the college has no plans to repeat the appeal. Without going to that extreme, however, you can find creative strategies that move far beyond past giving habits and reunion-year classes in targeting prospects.

We searched high and low for campuses that are identifying and connecting with new

prospect segments and found that what is effective is not always conventional. Here are profiles of our eight favorites—and what they all have in common despite their varied approaches.

Keeping first-time donors at the University of Michigan

If you've heard the rule that "the best prospect is the donor you already have," the corollary might be "the best donor to retain is the one who just gave his first gift."

The University of Michigan proved this for its own donor base by analyzing donor-giving trends. It found that donors who make a second gift in the year following their first gift are much more likely to make Michigan part of their regular annual giving priorities.

To increase first-time donors' likelihood of renewal, the university designed and mailed out a special gift acknowledgment packet similar to a new-member kit. The package contains a "Welcome to the Annual Fund Family" brochure, Rolodex cards for the alumni/donor help line and the alumni association, a bookmark with the alumni association World Wide Web address, and a static-cling decal.

In its telemarketing, Michigan segmented this group and focused the script on renewal with little pressure for an upgrade. In addition, the campus put an extra renewal piece targeted to this group on the direct mail calendar.

Juliana Brown, Michigan's director of annual

Illustration by Dave Cutler for CASE

Robert Burdinski
Annual Giving

FUND RAISING IN SHORT

The more you know ...

... about your prospects, the more ways you'll find to segment and solicit them. That's why in 1994 Stanford University's development office hired market researcher Jerold Pearson to continuously study alumni opinions and behavior. Pearson's work has determined, among other things, that three of Stanford's answers to "Why should I give?" were falling flat with its alumni population. To learn which three—and what else Pearson's research has revealed—visit his World Wide Web site, www.stanford.edu/~jpearson, and click on "research archive."

A forwarding address for fundsvcs.

Attention advancement services and gift records staffers! The fundsvcs listserv operated by John Taylor, Duke University's director of alumni and development records, has a new e-mail address and a new Web site. If you're already a fundsvcs subscriber, you've been moved automatically. To join the list, send the message "subscribe fundsvcs" to listserv@lists.duke.edu. Or visit the Web site, lists.duke.edu/archives/fundsvcs.html. There you can sign up for the digest version, postpone messages, or search through past discussions.

Philanthropy is women's work.

If CURRENTS' February story on women and philanthropy has whet your appetite, visit the Women in Philanthropy Web site created by Ann Castle, editor of *Philanthropic Digest*. She's compiled a clearinghouse of information on women and giving: lists of articles, dissertations, books, and newsletters about women's giving; links to online resources; a directory of research libraries with expertise in this area; and a list of notable women givers, both recent and historical. To find the site, go to www.hamilton.edu/personal/acastle/.

Oldies but goodies.

For annual fund advice that has stood the test of time, turn to *Classic CURRENTS: Annual Giving*. This best-of collection features guidance on planning your program, strategies for phonathons and direct mail, ways to evaluate results, and more. The book also features two new articles by annual fund directors at Smith College and Bucknell University. The 68-page book is \$27 for CASE members; \$40 for nonmembers. To order, call CASE Books at (800) 554-8536 (U.S. and Canada) or (301) 604-2069 (international) and ask for Item No. 28111-200.

giving and customer support services, says the focused effort has resulted in an increase in the retention rates for these donors. Prior to this program, retention hovered around 30 percent. After a year and a half of this new effort, the rate has climbed to 42 percent.

Cautiously contacting "don't call" prospects at Syracuse

You'll find few prospects as daunting as those coded "do not phone" or "do not solicit," but rarely does a campus record when and why those codes appeared.

These prospects are not necessarily a lost cause. Many fund raisers will tell you that the angry prospect is a much more likely donor than the apathetic one because you may be able to address the situation that has caused the anger. Yet most institutions will remove these prospects from the solicitation pool, no questions asked.

Syracuse University has decided that the risk of approaching them, albeit cautiously, is worth the potential reward.

"DON'T PHONE" AND "DON'T MAIL" PROSPECTS ARE NOT ALWAYS A LOST CAUSE.

Within a month of when someone enters such a code on a prospect's record, the university sends the prospect a thoughtfully worded letter that expresses the university's concern and notes the many items other than solicitations the prospect will be missing.

"Don't phone" prospects who are former donors or who have requested that status in the past year also receive a special mail solicitation in the fall with a reply card and courtesy reply envelope. By February, this fiscal year's mailing to these prospects had a 13.7 percent response rate, raising \$85,000 in gifts.

By communicating its concern while leaving the proverbial door open, Syracuse invites further discussion about the real source of prospects' frustration, which could be just about anything. When possible, "we research and try to provide a response to the concern," says Tammy Schlafer, assistant director of annual giving programs at Syracuse. This may require a follow-up letter or call from the chancellor, a dean, or the office concerned.

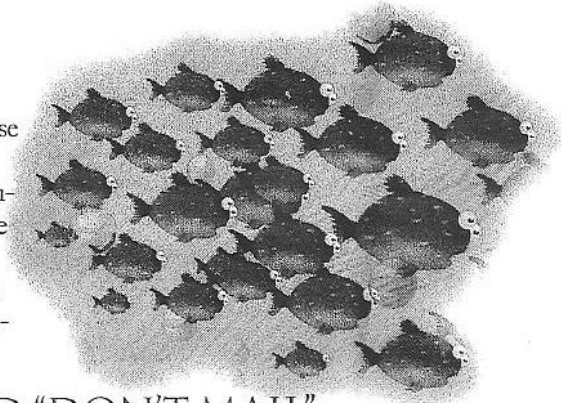
"Often, those situations where we are successful involve a misunderstanding," Schlafer says. "Everyone feels better

when they realize their concern is being taken seriously."

Minding the generation gap at Stanford

While many campuses solicit recent graduates differently from older alumni, Stanford University has determined that among its prospects, an important dividing line is 1965.

Though no specific memorable event took place that year, Stanford Fund focus group and phone research revealed that



alumni who graduated before 1965 are more likely than recent graduates to be deterred from giving because they feel the university has strayed from its mission, says Jerold Pearson, director of market research for Stanford's development office.

When soliciting these prospects, the fund conveys information in ways that reinforce the university's unwavering attention to its primary mission of teaching and research.

Pushing plateaued donors at Wheaton College

Wheaton College in Illinois takes its segmenting of LYBUNTS—those who gave last year but not this year—one step further. It singles out those LYBUNTS who have given the same amount for at least three years, otherwise known as "plateaued" donors.

The college determined that one major cause of this stagnation was a giving club. The threshold level for joining the Wheaton Associates has remained at \$1,000 for 18 years, and many of its members' giving levels stopped right there with it.

To upgrade these donors while remaining true to the college's tradition of

low-key solicitation, Wheaton added an economics lesson to its solicitation letter. Its communications to Wheaton Associates noted what \$1,000 could buy 10 years ago and compared that to its reduced purchasing power today. The college is repeating the message in publications this spring.

Although it's too soon to gauge results, Director of Annual Giving Erin Shade says the appeal looks promising because many prospects say they have never before viewed their giving in those terms.

Segmenting by student life at Mesa and UNA

Do your alumni identify more with their extracurricular activities than their classroom experiences? Two campuses have found fund-raising success by segmenting based on these student affiliations.

In 1996, Mesa Community College used former students' common activities or interests as the basis for chartering new alumni chapters. One of the more successful solicitations went to the chapter of alumni who used the college's child-care facility while attending classes. Mesa's annual appeal to this group now asks for support for the child-care center so that current and future Mesa students can have the same opportunities these students did.

Barbara Thelander, director of alumni and community services, notes that a side benefit of this approach has been the increase in contact among alumni who have had similar campus experiences.

In the same vein, the University of North Alabama invokes alumni nostalgia by segmenting according to fraternity and sorority membership. Judy Jackson, director of annual giving and donor research, says she even matches each segment with phonathon callers who are members of that organization. UNA has initiated a competition among the organizations' houses, with the winning sorority or fraternity receiving a plaque and a monetary award in the spring.

"Using current Greeks to do the calling allows alumni to keep in touch with current campus events they can relate to," Jackson says. She has seen a higher number of pledges from the "maybes," those who won't commit to a specific amount over the phone. The approach has been successful enough that she plans to extend it to the members of the Pride of Dixie university band this year.

Soliciting by geography at Iowa State

Because Iowa State University's phonathon program focuses on the quality, not quantity, of its calls, phoners spend eight to 12 minutes speaking to each alumnus. At that rate, the university can't reach all alumni by phone each year. So after analyzing several years of giving trends, the university chose a novel way to prioritize its phonathon this year: by state.

The university will solicit by phone the alumni in the 18 states from which it received the most support in the previous year, according to two criteria: double-digit pledge rates from nondonors and an average gift per donor greater than ISU's national average, \$116. To make the state-based solicitation as personal as possible, one Iowa State student from each state will "represent" his or her home state by signing the pre-call letter mailed to that segment.

The strategy seems to be working: All states have again seen double-digit nondonor pledge rates and "exceptionally high" average gift levels, says ISU Foundation Annual Giving Director Shaun Keister.

Interestingly, the state of Iowa didn't make the top 18, despite the fact that it's the home of the majority of ISU's donors and 50 percent of its alumni. "We may have already tapped out Iowa in previous years," Keister says.

Striking the right note at Baldwin-Wallace

If your institution has a program with a natural constituency beyond the typical students, alumni, parents, faculty, and staff, you may be able to turn this interest into monetary support.

Baldwin-Wallace College is a good example. The college's nationally renowned Conservatory of Music conducts many concerts, recitals, and other events each year. The college compiles the names and addresses of those who have attended these events and approaches many of them each year for a gift to support its nationally known Bach Festival.

The appeal gives conservatory fans the perfect opportunity to support its work and gives the college an important source of funds from an audience that, for the most part, may have no other affiliation with the campus.

Annual giving today is a continually-changing matrix of strategies, methods and media.

For institutions seeking to maximize program effectiveness, Bentz

Whaley Flessner

provides a full range of annual giving

consultation services

with consultants who are nationally recognized

specialists in the field.

From the customized training of a new staff

member to a

comprehensive program

review, Bentz Whaley

Flessner combines

seasoned experience

with objective data and

the best practices of

institutions around

the world.

Bentz Whaley Flessner offers a full range of advancement services for not-for-profit organizations. Its highly successful team approach to consulting provides the level of expertise required by today's more sophisticated advancement programs. Services are tailored specifically to the development needs of its clients.

BWF services include:

- *Strategic planning and leadership development*
- *Advancement and marketplace audits*
- *Readiness assessments and feasibility studies*
- *Capital campaign planning and management*
- *Annual and planned giving assessment and planning*
- *Prospect identification, prioritization and management*
- *Hardware and software systems analysis*

Going after grandparents at Reed College

Increasingly, colleges and universities are recognizing something that independent schools have long known: Grandparents are often worthwhile prospects.

Each summer, Reed College sends parents of incoming students a questionnaire that asks for, among other things, information on the students' grandparents. About 50 percent of those responding to the survey provide names and addresses, which the college adds to its alumni magazine mailing list.

In November, the college sends "a gentle pitch" to the grandparents asking for support of the college, says Annual Fund Director Julia Feely. Then in the spring, the college sends out another annual fund appeal that invites grandparents to make a gift "in tribute" to their student-grandchildren. The annual report then lists donor grandparents' and students' names together.

"We've received a great response" to this appeal, Feely says, "with many gifts of \$1,000 and more."

THESE CAMPUSES COLLECT NEW DATA ABOUT THEIR PROSPECTS—AND USE IT.

Common denominators

While many campuses confine themselves to segmenting by basic elements like gift history, degree, or year of graduation, the aforementioned institutions have chosen new directions. How have they done it? We found three things these campuses have in common.

1. They examine the information they already have in greater detail. Most development databases, and the staff members that manage them, only generate the basic reports essential for accounting and tracking purposes. Annual fund staffs often have little time—or computing capacity—to delve deeper in search of meaningful giving trends and opportunities. The result is that they're missing donor upgrade possibilities, shifts in giving, and a better understanding of their prospects.

But the campuses mentioned in this article took the time to look closer and develop new approaches based on what they learned. Michigan discovered that an investment in converting first-time donors would pay off in multiple subsequent gifts. Wheaton College made an extra effort to move plateaued donors up

to a new level. And Iowa State focused its limited resources on states with the greatest potential for giving.

2. They collect useful new information about their prospects. While most campuses produce an alumni directory and conduct alumni surveys, the information they collect in these activities often does not tie into their fund-raising plans.

But some of the campuses in this article make use of the new information they discover. Stanford found attitudinal differences among its alumni by conducting qualitative and quantitative research, for example. And Syracuse made an effort to find out the causes behind prospects' "do not solicit" codes in hope of making these prospects receptive to new appeals.

Would your usual nondonor appeal change if you knew which nondonors had very positive opinions of the school and which didn't? Would your phonathon callers' rapport-building be easier if they knew a particular prospect was very fond of his business professor? Advances in surveying, screening, bar-coding, and phonathon automation are

making more data more accessible than ever before. The challenge is in how we collect and use it.

3. They find new prospects. Our institutions connect with their communities, the country, and the world in many ways beyond the lives of our graduates. When we confine our appeals to alumni, students, parents, faculty, and staff, we leave out some of our institutions' most supportive advocates. The local retiree taking a continuing education course, the subscriber to the campus theater season, or the researcher who's used your one-of-a-kind research lab may better appreciate a targeted case for support than many of your alumni. Two institutions mentioned that have done this are Reed College, by appealing to grandparents, and Baldwin-Wallace, with its appeal to conservatory patrons.

Above all, these institutions saw an opportunity to identify and reach a particular audience, then devised a way to act on it. If you think you've exhausted your ability to increase your annual giving returns, take another look. As Stanford's Jerold Pearson puts it, the best segment strategies are those that are your institution's alone. **G**