Stewarding Donors for Lasting Support Following a Crisis

BY DAVID LAMB
Foreword

In the wake of a crisis, many people who do not regularly donate to nonprofits are moved to help by making one-time gifts. New donors flood nonprofit databases. What can be done to kindle that spark of compassion into a flame of philanthropy? In a word: stewardship.

The recent COVID-19 pandemic has ushered in a lingering uncertainty for many. Given its uniqueness from the crises and natural disasters of the past, its macro-level long-term impact on the fundraising sector and the broader economy will not be known for some time.

What is known is that many donors around the world, galvanized by calls to action from health experts and inspired by stories and images of heroic first responders and medical professionals fighting the pandemic, have mobilized to support the efforts of nonprofits working to respond to the current crisis. Direct Relief recently received more than $3.7 million in donations during Diddy’s star-studded Team of Love Dance-a-Thon.1 A crowdfunding campaign by World War II veteran Captain Tom Moore has raised 14 million and counting from over 700,000 supporters from 144 countries for NHS Charities Together.2 Gleaners Community Food Bank of Southeastern Michigan reported an 1,100% increase in online fundraising during the second half of March compared to last year, one of many food banks reporting a spike in online donations.3 These are just a few examples that represent a growing list of stories sharing a common theme: human generosity emerges from a crisis.

I originally wrote this whitepaper in 2011, but I believe its content holds up well and has some relevance to events in 2020. While the crisis we currently face stands apart from those of the past, those nonprofits experiencing an influx of gifts from new donors can still benefit from these principles of donor stewardship to retain them as long-term supporters.
Overview

Retaining crisis donors is not a trivial challenge. Giving to crisis relief is often an emotional decision. It is impulse philanthropy. Technology has dramatically grown in its ability to facilitate donations for crisis relief: cell phone text giving, web donations, digital wallets, and multimedia publicity (including traditional media plus Twitter®, Facebook®, LinkedIn® and other social media). Spurred by heart-wrenching images and stories, hundreds of thousands of new donors use these technologies to lend their aid. However, retention of these “crisis donors” usually falls off precipitously in the months following the disaster. As Giselle Holloway, director of direct response for the International Rescue Committee based in New York once said, “A person doesn’t truly become a donor until they make their second gift.” That is to say, a crisis donor’s connection to your organization is tenuous at best until he or she becomes a repeat donor.

Sometimes the inflow of crisis donations creates a unique problem: too much money earmarked for a specific purpose. These crisis-specific donations coming in large numbers in a short time frame can exceed an organization’s ability to spend the money effectively for the intended purpose. This creates a different kind of stewardship problem. The danger is that, in trying to honor the donors’ intent, the nonprofit may spend the money unwisely or ineffectively.

The American Red Cross historically resolved this problem by taking donations given in response to one crisis and banking them against future events. This was a rational approach that helped them prepare for the unknown, but it was not widely or well understood by many of the donors. This business model became publicized during the Hurricane Katrina disaster and brought a great deal of negative publicity to the organization. Under pressure, the Red Cross adopted a policy of double-checking with donors who did not earmark their donations to make sure they understood their gifts were going to a general fund instead of a specific crisis.

The clear answer – and the challenge for donor stewardship – is to convert impulse donors who respond compassionately to an emergency into long-term supporters who help the organization to prepare for future emergencies. However, experience from past events suggests that most of these will not become ongoing supporters of these nonprofits. They are mostly one-time donors – or periodic crisis-only donors. Nevertheless, an effective post-crisis stewardship plan may help convert some into repeat donors who would otherwise fall away.
Personalizing Your Stewardship

Let’s start with the basics. You will certainly not retain your donors—no matter how they are acquired—if you do not give them a timely acknowledgement. Although an IRS-compliant receipt is a must, it’s a good idea to respond back as personally as you can to the donors in the same way they initially reached out to you. Did they give through a Facebook donation page? Invite them to become members of your Facebook fan page to keep up with the latest things you are doing. Did they give through a telephone solicitation? Follow up with a phone call—even if it’s only robo-calling.

Personalize the acknowledgements as much as possible. Use the donor’s name and reference the purpose for which the gift was given. And since they are particularly interested in that crisis-related purpose, let your acknowledgement provide the donors with feedback about what their gifts accomplished in human terms—people sheltered, treated, and fed, for example. Tell the story of those who benefited from the generosity of the donors.

Although it is acceptable—and probably expected—that your initial acknowledgement will include some kind of ask for additional support, it is best that this be a soft ask through inclusion of a donation card or insert. Your initial contact after the donation should be primarily focused on welcoming the donor to your organization and educating them on your mission. Most advisors suggest that you not wait too long before you do make the next ask, but the advice here is to let the thank-you be sincere and simple.

Mission Focus

Changes in our economic and political landscape have made it critical to diversify fundraising efforts and expand your strategy beyond the annual appeal, board fundraising, or whatever else was “good enough” in the past. Today’s successful strategies are multi-channel and multi-faceted, using technology to strategically engage across constituencies. The foundation of a diversified fundraising program remains built on solid relationship management principles, but once that is in place, opportunities abound.

Stewardship materials give you an opportunity to expand the story beyond what happened in the immediate aftermath of the crisis at hand to the larger mission of your organization. Impulse donors often don’t know a great deal about what else the nonprofit they supported does. This is your chance to make the case for ongoing support. Your goal is to make crisis donors feel like partners with you in fulfilling your overall
mission, not just one-time donors. Make the case that sustaining donors enable your organization to be quick in responding to future crises.

With mission in mind, it must be said that if your organization’s mission has nothing to do with crisis relief, it is unethical to accept donations designated for that purpose. That said, many organizations with a humanitarian focus may not have disaster relief as their primary purpose but may nevertheless be in a position to offer relief. For example, CARE USA, whose mission is to fight poverty, received tens of thousands of new donors who gave their first gift online following the Indonesian tsunami in 2004. Although disaster relief is not specifically what they do, they are well equipped to provide support to people in need.

After previous emergencies, CARE’s approach was to thank new donors and put them in the normal direct mail system. Historically, their retention of these new donors was very poor. However, they tried a new approach with the tsunami donors. They created a stewardship program specifically for these people. Their message to them was “Poverty is the Silent Tsunami.” “The strategy aimed to gain support for any poverty that makes people susceptible to crisis,” said Adam Hicks, CARE’s vice president for marketing and communications. This approach highlighted the mission of the organization while engaging donors on the level of the crisis that brought them to CARE in the first place.

In this context, we need to also keep in mind a strategy to draw periodic donors closer. Some people give repeatedly, but only in response to catastrophic events. For a certain proportion of those who have historically given this way, this will never change. However, each new donation gives you a new chance to tie the donor more closely to what you do. In your acknowledgement, mention what they have given to before, as well as how (and who) their past donations have helped. This is your chance to make the case that, since they have demonstrated trust in your organization multiple times in the past, they can make you even more effective in the future by establishing a regular giving pattern. They can become partners with you in preparing for the inevitable crises to come rather than simply reacting on a case by case basis.

**Strategic Stewardship**

Given the huge numbers of new and occasional donors who give in the aftermath of a crisis, it may not be possible to give the same level of highly personalized stewardship to every person. While all donors deserve a thank-you note and a receipt for their gift, a little extra attention may be warranted with some more than others. There are several ways to segment your population for special attention. One strategy is based on gift size. For donors to Hurricane Katrina relief, there was a correlation between gift size and household income. Household incomes of more than $80,000 had a median gift size of $100 and an average gift size of $241. This immediately suggests a strategy of allocating your more personal and more costly stewardship resources to donors at these higher levels.

When prioritizing donors for special stewardship, consider not only their gift size, but their capacity to give, even if their actual gift is small. How can you know someone’s capacity? This requires some additional analysis. Use data mining and screening techniques to identify high priority donors among your newly acquired constituents. Outside vendors are well positioned to assist you with quick data appends and wealth screening. Services designed to help healthcare organizations screen patients for wealth and philanthropic propensity on a daily or weekly basis can be adapted for other organizations that are in a heavy acquisition mode.

Finally, do not wait until disaster strikes to create your stewardship plan. More crisis-inducing events will follow, and gifts may begin to come in almost immediately. Make key decisions ahead of time so that your donor response is as effective as your relief efforts. Have letter, email, and website templates ready to go so that you can quickly communicate with your new donors without having to compose copy from scratch.
The messages in these templates should focus on your organization’s mission, with blanks where you can insert language specific to the emergency at hand.

Build the following steps into your plan:

• Acknowledge new donors as soon as possible as personally as possible.

• Emphasize the special value of monthly donations to sustain the mission of your organization – a mission that motivated your new donors to give in the first place. As an aside, it is highly advisable to give new donors a monthly option at the point of acquisition. Monthly donors give more and are retained at a higher rate than single-gift donors.7

• When practical, respond to them through the same channel (social media, direct mail, phone call) they used to reach you.

• Let your stewardship materials tell the stories of those who were helped.

• Use stewardship materials to expand your message beyond the immediate crisis to a description of your larger mission.

• Engage new donors as partners in that mission.

• If you cannot provide the same level of stewardship to all constituents, prioritize prospects based on gift size or criteria you establish through data mining and modeling.

• Prepare your stewardship plan before the disaster strikes.

By following these recommendations, you stand a much better chance of retaining more of the large influx of donors that give during a crisis.

5. Tom Pope, “Converting Donors: How to Retain Donors from Disaster Solicitations”, NonProfit Times, February 15, 2006
About the Author

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