

# The Challenges of Direct Mail for Non- Profit Organizations

Presentation by Marcia Feldman  
to

Houston Postal Customer  
Council Conference

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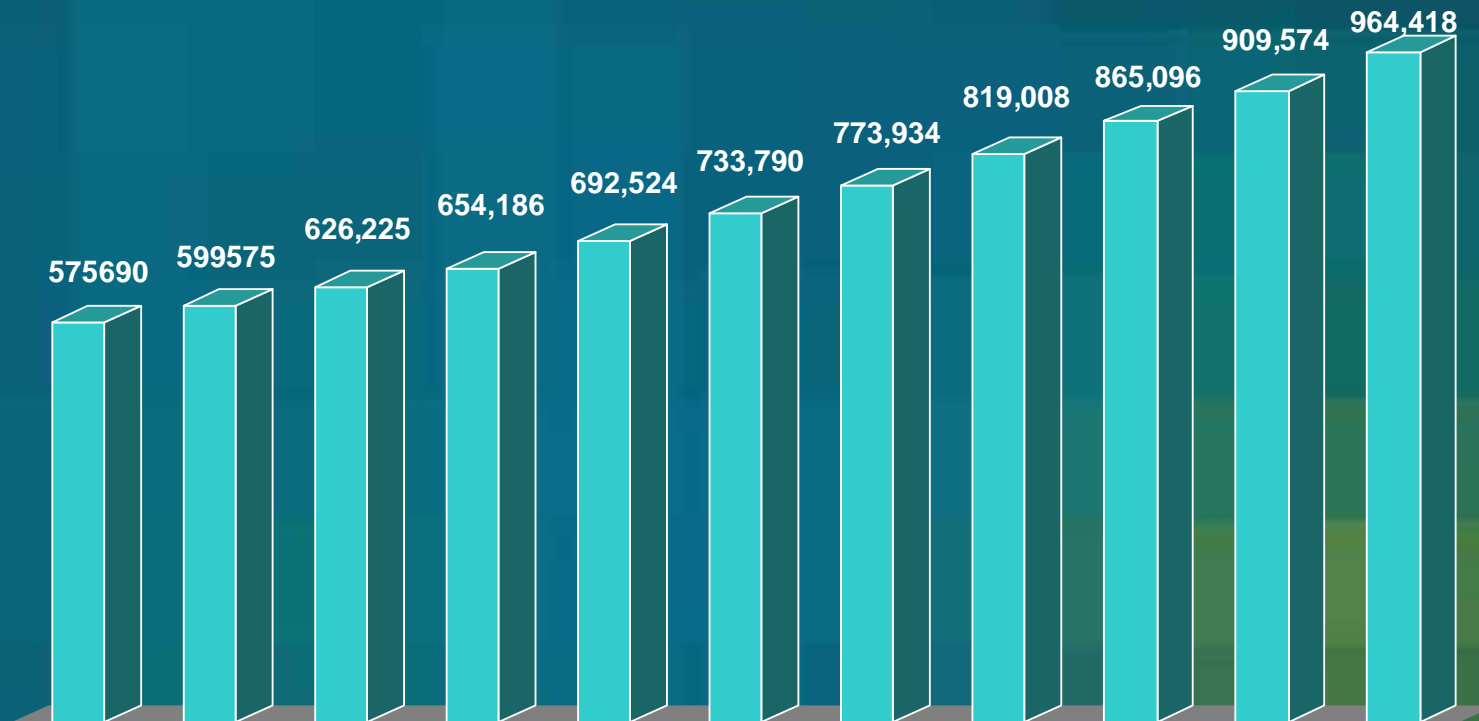
# New and Continuing Challenges

- Donor database management
- Rising costs
- Postal regulations
- HIPAA requirements
- Prospect list availability
- Online donations
- Increasing number of nonprofits



# Competition: Rising Number of Non-Profit Organizations in the US

The number of 501(c)3 organizations, 1993 - 2003



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# Growth of the Non-Profit Sector in Houston

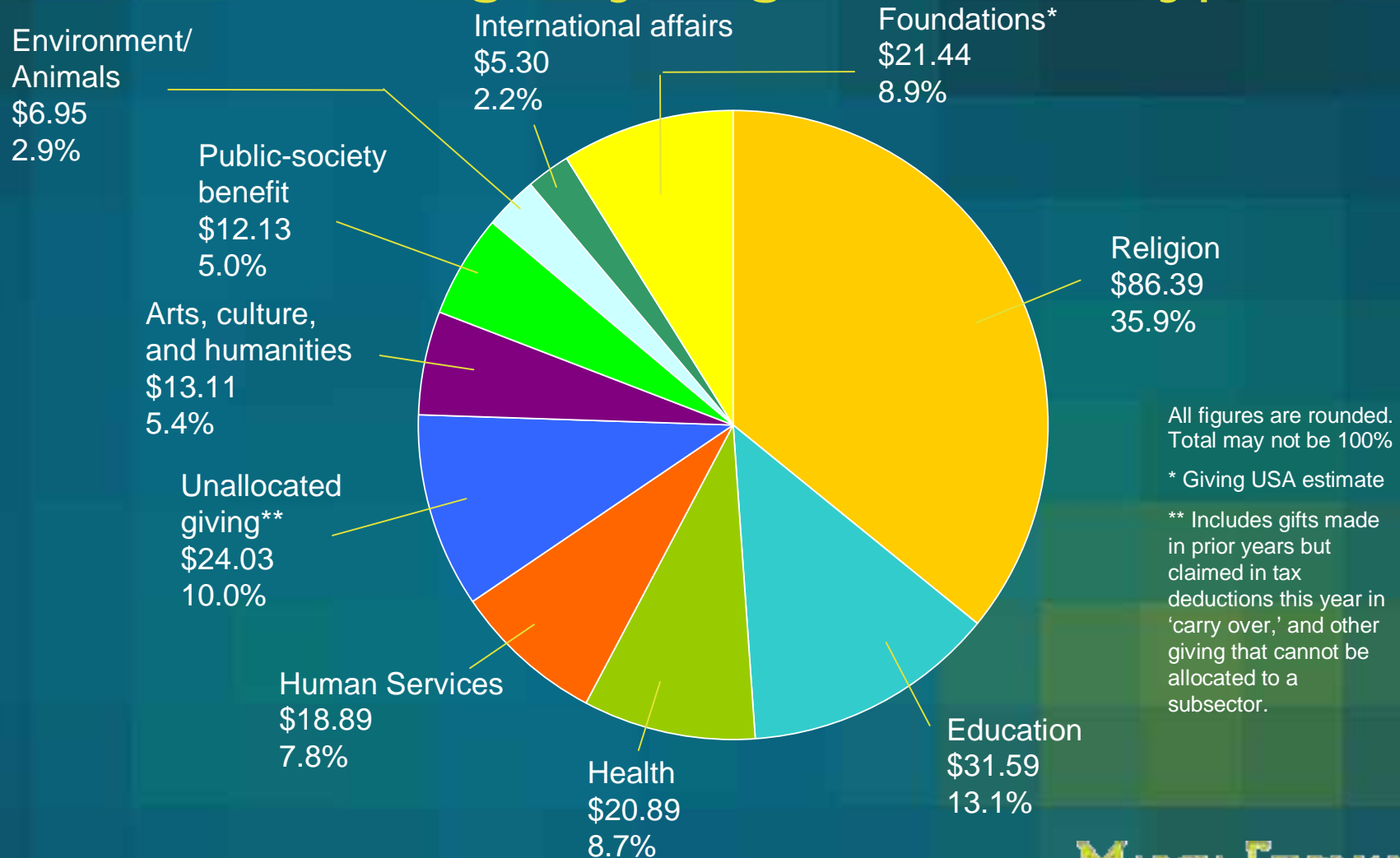
- Currently there are 13,586 non-profit organizations – 2,182 formed between 1999 and 2003 – 19% increase!
- In Texas new non-profits are
  - 23% are religious
  - 15% are educational
  - 13% human service

*Source: Sterling Associates*



# \$240.72 Billion in 2003

## Percentage by Organization Type



Source: AAFRC Trust for Philanthropy/Giving USA 2004

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# Online Donations: Some Stats

- Total retail e-commerce sales in the US for 2004 is an estimated \$21.4 billion, a 23.5% increase over 2003 online sales
- Estimated 30 million American households pay bills online
- Chronicle of Philanthropy reports an increase of online donations by 48% at 148 charities in 2004, with a total of \$100 million in online gifts for these organizations
- 46% of respondents of the annual 2003 AFP survey used internet giving and 61% of those respondents reported an increase in online donations
- 8.3% of online gifts for more than 3,000 fundraising campaigns were more than a \$1,000 in a 2004 Kintera survey



# Online Donations: Making Sense of the Stats

- An increasingly large number of people are comfortable using their credit card over the internet
- Trends indicate that many individuals will use the internet as a preferred or even sole method of payment
- Larger charities are taking advantage of these trends
- Organizations that implement online fundraising strategies or methods can expect their online donations to increase from year to year
- Non-profits can receive substantial gifts over the internet



# SPAM and Online Appeals

“Almost 80% of donors on the Federal DNC (Do Not Call) registry would sign up for a Federal Do Not E-mail list, if it becomes available to the public. Most respondents considered SPAM to be a “real problem” with seven out of ten respondents, currently not on the DNC registry, expressing a desire to be included on a list banning unsolicited e-mail”

*Source: Chip Grizzard*



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# Email v. Direct Mail Appeals

Website giving will continue to expand but not replace direct mail fundraising.

WHY?

- **Accessibility:** Spam controls affect the ability to send mass appeals over email
- **Lists:** People change email addresses much more often than home addresses and are more reluctant to give out their email addresses



# More About Email v. Direct Mail Appeals

- **Presentation:** Websites lack the “tactile” nature of direct mail
- **Duration:** Direct mail often has a longer “shelf –life”
- **Privacy:** Some donors still do not want to give their credit card online



# Direct Mail Appeals, Online Donations

**Establish a complimentary relationship  
between offline and online fundraising**

- List website giving as an alternative option
- Capture email addresses
- Cross promote branding and marketing messages



# Enclosure Promoting Website

## A Gift to DSF Benefits all Parishioners



DSF supports more than 57 programs including: Catholic education, the formation and training of church leadership, pastoral care for the sick, the elderly, and the imprisoned, and programs that nurture our families and respect for life. The DSF also helps provide social services through agencies such as St. Dominic Village, San Jose Clinic, and Catholic Charities. *Please give from your grateful heart to the Diocesan Services Fund today.*



DEVELOPMENT DEPARTMENT 713.659.5461  
You can give online at [diogh.org/dsf](http://diogh.org/dsf)

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# Values of Direct Mail in an Internet-Enabled World

## DIRECT MAIL

- Continues to be a highly effective communication and prospect tool
- Offers an opportunity to capture email addresses
- Reminds donors that your organization offers online giving
- Presents many fundraising alternatives in a single response device



# Prospect List Availability

- **Quantity:** While some new lists do become available every year, they have fewer names
- **Quality:** List usage demonstrates that too many non-profits use the larger lists
- **Alternatives:** Expanding through Zip + 4 and new homeowner lists can add names but these lists often require testing



# HIPAA

HIPAA is the Health Insurance Portability and Accountability Act of 1996

- Affects all fundraising and communication materials for any entity that has medical history information
- Must give donors and prospects, even non-patients, the opportunity to “opt out” on all mailings



# HIPAA Compliance

- **Reply Slip:** add opt out language on back
- **Rented Lists:** do not add this option to rented lists, as you cannot remove names from these lists
- **Purge lists:** keep track of those who request removal
- **Confidentiality:** never refer to a former patient's specific illness



# HIPAA on a Reply Slip

If you wish to make your gift in *honor* or *memory of someone*, please fill out the information below.

We will promptly send a letter informing the person you designate of your generous gift.

This gift is in  honor of \_\_\_\_\_  memory of \_\_\_\_\_

Commemorating \_\_\_\_\_ (Holiday, Birthday, Anniversary, etc.)



PLEASE NOTIFY:

NAME

ADDRESS

CITY

STATE

ZIP

How would you like your name to appear on the notification letter? \_\_\_\_\_



*If you need additional information or would like your name taken off our list, please call 832.824.6806*

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# Postal Regulations Compliance

- Effective June 1, 2005, USPS will more closely enforce rules on personalization for Standard (bulk) Mail
- Get post office approval if personal donor information other than names and addresses



# Using Donor Personal Information in Bulk Mail

3 conditions of using personal donor information:

- The mail piece contains an explicit solicitation for a donation
- All personal information is directly related to the solicitation
- The exclusive reason for inclusion of all personal information is to support the solicitation in the mail piece

*Source: Customer Support Ruling PS-262 (E610.3.1)*



# More About Using Donor Personal Information

USPS may no longer accept the inclusion of the following personal information in a standard mail piece:

- “Member or “supporter since”
- Specific fields relating to volunteering, church committees, special events
- Alumni info – such as year of graduation, type of degree, etc.

*Source: 2005 Non-Profit Times*



# Coping with Rising Costs

- Re-design a direct mail package if the “cause” can communicate *more* with less
- Send only to the most productive part of your donor file except at holiday time
- Segment the donor file because often event donors, honor gift recipients, etc do not make good direct mail donors



## Holiday Lights . . .

Whether the lights of a Christmas tree or the candles of a Menorah . . . lights signify the season of hope, faith and celebration. With your help we can fill our House with lights this holiday season. At Ronald McDonald House you can bring cheer to families who will not be home during the holidays. Instead, they will be here fighting for their children's lives.



Treated at Texas Medical Center hospitals, children like eighteen-year-old Alyssa from Marshall, Texas is fighting leukemia, three-year-old Felix from Mission, Texas is being treated for a brain tumor and three-year-old Salina from Naylor, Missouri has a fast-growing tumor that she can't even pronounce — rhabdomyosarcoma. These children and their families have all made Ronald McDonald House their *home away from home*. The only gift they want this holiday season is to get well and go back to their own home.

A child's illness brings special sacrifice to families both emotionally and financially. Ronald McDonald House provides them with affordable lodging, a kitchen to prepare home-cooked meals, a schoolroom, a laundry facility, transportation to the medical center and the connection to other families who are experiencing similar challenges and emotions. *Our care is provided at no charge to our families.*

Ronald McDonald House is one large family of children, like Alyssa, Felix and Salina, and their parents, siblings and our dedicated staff and volunteers. As a donor, you become a part of this extended family — wrapping your heart and your support around those who need you most.

Please make this time of year as bright as possible by contributing to our *One Light, One Night Program*. For a gift of \$50 or more, we will add one light with a tag bearing your name to our Holiday tree. You will also be invited to enjoy a festive holiday meal with our families in mid-December (You will be notified of the date and time by mail).

A gift of any size will be appreciated and will assist us with the on-going care of the House. *Whenever you choose to give please know that our families say*

Thank you!

Here is my gift to support the children and families at Ronald McDonald House:

\$25  
  \$50  
  \$68  
  \$75  
  \$100  
  \$250  
  \$500  
  other \$ \_\_\_\_\_

Please make check payable to Ronald McDonald House or I am authorizing a gift of \$\_\_\_\_\_ using my credit card  
 MasterCard  
 Visa  
 AMEX

Your daytime phone number \_\_\_\_\_ email \_\_\_\_\_

DATE \_\_\_\_\_ NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

Below the zip is the national average. You contribute 1 hundredth of 1% of the total amount of the tax.

For gifts of \$50 or more: Name to be written on tag attached to holiday light (please print)

Have someone special \_\_\_\_\_

Send to Home:  Division \_\_\_\_\_

Where should we notify of your gift?

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Please send no information on how to reach me to my unit.

I intend to re-visit our holiday gift form.

Ronald McDonald House of Houston 1967 Holcombe Boulevard Houston, Texas 77030 713.761.3333  
 For more information or to give online please visit our website: [www.romhouston.org](http://www.romhouston.org)

# Using a New Design to Reduce Costs

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# Target Audience of Large Lists

- Studies show that the upper middle class (\$200,000 to 1 Million and middle rich (1 Million to 10 Million) give ½ percent of their income
- The “super rich” give 1% of their wealth to charity
- Less affluent people give 21% more of the total giving or \$3.26 billion

*Source: New Tithing Group*

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# Addressing Poor List Response

- If a response list gives a poor return after several years of good performance – give it a rest!
- Use more recent names on the list or those who donate more than \$10
- Test a new direct mail piece





**CITIZENS FOR ANIMAL PROTECTION**

*Please give from your heart today*  
so that a pet can receive food, shelter and loving care at CAP!

**Dear Friend of Animals:** We are so grateful for your support of the CAP shelter. Last year, more than 13,000 animals needed our help, and thanks to you we were able to fill this great need in our community. One such pet was *Shelby*, a beautiful Border Collie/Sheltie mix. His human companion was a woman who had lost her job, her home and the financial resources to care for him. *Shelby* only weighed 20 pounds, so he could ill afford to go hungry.



We learned on our pet personality profile questionnaire that there was absolutely nothing this lady would change about *Shelby* — he had been a perfect pet! *Shelby* was adopted during his first week at the CAP shelter. His new family delights in his sweet nature and wants to be his forever home.

Four adorable, but underweight, kittens were left at the door of a local Home Depot. A Good Samaritan brought them to CAP. Dehydrated and afraid, these kitties that we named *Pumpkin, Puddin', Precious and Lily* went to a CAP foster home. With tender care, they began to thrive and soon became ready for adoption. *Pumpkin and Puddin'* were adopted together and *Precious and Lily* also found wonderful loving homes!

*Not all stories are as happy as these.* Some pets do not survive the terrible diseases or injuries they sustain through neglect, abuse or abandonment. CAP works tirelessly to save as many animals as possible resulting in one of the highest adoption rates in the nation. Please open your heart and help other pets like these with a generous gift. Thank You! *Kappy Luong*, Executive Director



P.S. For donors who give \$50 or more, we will place a *heart* on our shelter bulletin board with your name and/or your pet's name, recognizing your gift. Only a great heart like yours can sustain a great shelter like CAP!

CAP is proud to have a 4-Star rating from [CharityNavigator.org](http://CharityNavigator.org).

Here is My Gift to Bring *Love and Care* for Animals in Need.  
 \$25    \$15    \$50    \$75    \$100    \$250    Other \$ \_\_\_\_\_

Please make check payable to Citizens for Animal Protection and return this card in the enclosed envelope. Your contribution is deductible for tax purposes. email \_\_\_\_\_

I am authorizing a gift of \$ \_\_\_\_\_ using my credit card:  MasterCard    Visa    Discover    AMEX

CARD NO. \_\_\_\_\_ DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_

NAME ON CARD (please print) \_\_\_\_\_ NO TWIST OR FOLD HERE

MR. SAMPLE A. SAMPLE  
123 ANY STREET  
ANYTOWN, USA 12345



Attached is my employer's matching gift form.  
 I have designated CAP in my will. Please enroll me in CAP's Cordial Club, so I can join other thoughtful donors.

Citizens for Animal Protection | 1925 Katy Freeway Houston, Texas 77079 | 281.497.0591 | Website: [cap4pets.org](http://cap4pets.org)

# Improve Response with a New Look and Message

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# Getting Donors to Open the Envelope

## USE:

- Provocative teaser copy
- If no teaser copy, then a closed face envelope with barcode under the name
- Compelling photo
- Anything but white paper
- Live stamp not an indicia





Medical Benevolence Foundation

P. O. Box 770656  
Houston, Texas 77215-0656  
[www.MBFfoundation.org](http://www.MBFfoundation.org)

Address Service Requested

This baby was saved  
at the crisis nursery



UNIVERSITY OF HOUSTON  
Learning. Leading.

307 McElhinney Hall  
Houston, TX 77204-5016  
<https://giving.uh.edu/gift/>

ADDRESS SERVICE REQUESTED

it  
Matters

# Teasers with Impact

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# Personalized Letters Without Personalization

- Indent the paragraphs instead of using block style
- Use only one signature – no one sends a personal letter with two signatures
- Don't use an inside address – it wastes space and looks like a business letter
- Use a comma not a colon on the salutation.
- Use a font with serifs – like Bookman Old Style or Palatino Linotype



# Optimizing Donor Data for Direct Mail

- No more than 50 characters in a line
- No more than 4 address lines if using a window envelope
- Format prefix, suffix, first name, last name in separate fields for personalized letters
- Data in either upper or lower case is best



# Donor Base Problems

Certain problems with your donor base can cause a dip in the response rate

- **Dupes:** avoid duplication when possible
- **New Prospects:** keep a separate prospect file for individuals who have never made a gift
- **Salutations:** inappropriate particularly for donors you know well
- **Errors:** do not use giving totals or other forms of personalization with potentially faulty data



# Conclusion

With proper design, careful planning, donor segmentation and good donor cultivation, direct mail can produce fruitful financial results. Direct mail must be a team effort between staff from the organization, the consultant if one is used, the mail house and the USPS.

