

Donor Communication and Recognition: A Right or a Reward?

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by PENELOPE BURK

AN ASTOUNDING NUMBER of Canadians have become philanthropic during the last 20 years. According to the *Canadian Centre for Philanthropy*, 78% of adult Canadians make at least one direct financial charity donation each year — an incredible statement of willingness to give by the citizens of this country. So why is there still so much unaddressed need out there and so much under-capitalized effort inside Canada's charities?

The problem is not with the number of people who give. Rather it's the size of the average gift, combined with a crippling rate of donor attrition. The same CCP survey found that Canadians' annual giving is \$239, though two thirds of Canadians give less than \$150 and half of them give less than \$40. As well, fully 50% of donors who give through direct marketing programs for the first time this year will not give to their charities of choice next year; and, by five years from now, charities will only be receiving gifts from 10% of the donors they secured this year. This is a heartbreaking statistic given the effort that charities make and the cost they bear in acquiring these donors, and given the evident desire of Canadians to be meaningfully philanthropic.

Why is participation in giving high but giving value low?

Low average gift value can be directly tied to the move away from old-style, personal contact fundraising in favour of a more arms-length relationship with donors through highly structured fundraising programs.

Direct marketing programs are proven vehicles for capturing new donors. Supported by increasingly sophisticated fundraising software, they are largely responsible for that amazing 78% giving participation figure. In fact however, direct marketing programs can actually work against charities' efforts to retain donors once they have been acquired. Combined with a failure to communicate with their donors in between solicitations, the charities' relentless asking is destroying donors' resolve to give. Most donors have become philanthropic nomads as a result, moving from one charity to the next, yearning for a real relationship but almost always continuing to get the same treatment.

They're not getting meaningful communication

Luckily, most donors keep trying to find that combination of worthwhile charity and meaningful relationship so that they can express their real capacity to give, at a level much higher than the current average gift. Our national research study on donor communication and recognition revealed that 84% of donors would continue to give and give more to charities that give them meaningful communication in the form of prompt gift acknowledgement and measurable results on their gifts at work. They are not getting this essential communication now. Fully 85% of individual donors and 82% of corporate donors say they never or hardly ever receive meaningful information on how their money was spent and with what results.

None of the major donors in our study attributed their high level of generosity to fundraising. Rather, they cited their upbringing, crediting their parents in particular for teaching them that philanthropy was important; and referred to their volunteer efforts on behalf of charitable organizations. Many of these donors also said that they continue to give major gifts in spite of how fundraising is conducted, not because of it.

Communicate effectively ... and create donors

When it comes to the creation of a major gift donor, fundraisers are generally reactive, not proactive. Look, for example, how recognition and communication are directly tied to gift size. If a donor gives a gift that is above the four or five choices suggested in the direct mail letter they are noticed and rewarded with a quick response and a personal letter. Those who give at the low end of the range will likely receive an impersonal pre-printed card, without any specific information. Fundraisers react after a donor has decided whether or not to become a major donor and the way they react influences what that donor will do the next time. However, if better and more personalized communication were the standard — regardless of gift size— fundraisers would actually create major donors.

Since publishing our donor communications and recognition research, Thanks! ... A Guide to Donor-Centred Fundraising, I have had many calls from charities who were planning to begin making personal thank you calls to donors. In every case, however, the fundraisers I talked to had categorized their donors by gift size and were intending to call only those who had given above a certain level. This misses the point. It is only by treating every donor, regardless of gift size as someone who is worthy of consideration that fundraisers will become proactive in creating loyal, major gift donors.

Meaningful communication and recognition are not meant to be privileges for the few; they are rather the right of every donor. One good definition of philanthropy is generosity within one's own means. It is measured not by the size of a donor's gift but by the size of the donor's heart.



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