Marketing AdVents

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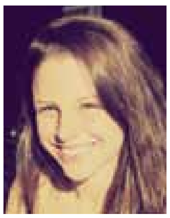
Year-End Fundraising Checklist for Nonprofits

By Kayla Matthews



Many organizations start wrapping up their operations at the end of the year and prepare to reset. If you're in the nonprofit sector, the last months of the year are precisely when you should ramp up fundraising efforts.

"The World Vision Holiday Giving Survey," conducted by Harris Poll in 2016, found 63 percent of Americans usually donate to charities during the last two weeks of the year. That statistic emphasizes why it's essential to have a strategy in mind that encourages people to give generously.

1. DON'T DELAY GETTING STARTED

The end of the year creeps up on everyone. You can't afford to wait too long to lay the groundwork for your year-end fundraising campaign.

Kickstart preparations by holding meetings where staff members brainstorm possibilities for reaching out to people. Try to also come up with phrases that relate to the fundraising efforts you could use on direct mail pieces or insert in email footers to generate high levels of awareness.

Continued on page 5

Photo: iStock/Getty Images

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In This Issue:
Getting Ready for Year-End

Email Volume Isn't the Right Answer to Retention (It's Not Even the Right Question)

By Kevin Schulman

The people who got rich from the California Gold Rush weren't the people searching for gold. They were the people selling the picks, shovels and jeans.

The people getting rich from a volume-based email strategy aren't the nonprofits sending the emails. They are the people selling the writing, design and deployment.

Can you get a boost in revenue from adding more and more and more? Yes, temporarily.

But M+R Benchmarking Reports show that a volume-first-and-last "strategy" poisons the well for future donations.

Increasing emails, and fundraising emails, are correlated with a decrease in clicking and donating. Let's zoom in at the years when organizations in the M+R Benchmarks sent the least emails (2015) and the most (2017):

• 2015: 48 emails, 21 of which are fundraising. If you have 1,000 donors giving at a .06 percent rate, you get 12.6 donations.

• 2017: 69 emails, 24 of which are fundraising. If you have 1,000 donors giving at a .05 percent rate, you get 12 donations.

As a result, since 2011, our lists have grown faster than our online revenues. We are getting less per subscriber than when we were sending fewer emails.

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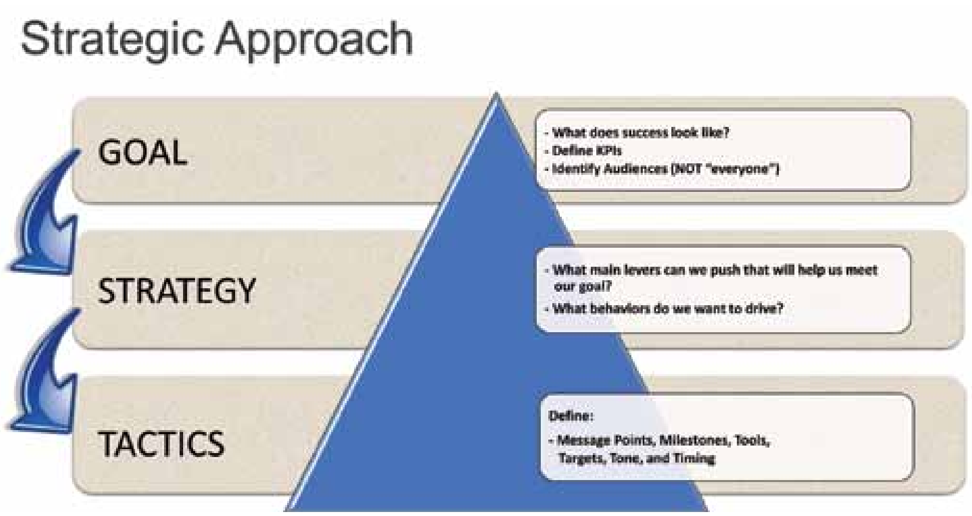
President's Perspective

Year-End Is Almost Here

By Mikaela King

How is it that 2018 is already halfway over and we're beginning to seriously focus on year-end campaign planning? It seems like January was not that long ago, and we were just celebrating (and recovering from) having run across the finish line of 2017.

The reality for many of us is that a large chunk of our budgeted revenue is stacked in Q4, starting with Black Friday, Cyber Monday, Giving Tuesday and rolling quickly into the holidays and Dec. 31—often right up until 12:59 p.m.! This is the time of year that many of us go deep into strategic planning, user experience, evaluating what tests to schedule (or getting all of our testing in before we roll out winners in our year-end campaigns) and we collaborate with teams we may not often work with. This is actually the work I enjoy the most—I love nothing more than using the magic of strategic and collaborative planning to make great user experience and beat budget, so I've included here a handy strategic planning process reference that you can use to build your best year-end campaigns yet.



Such an impactful time of year means that we need to start planning for it now, and so DMAW has dedicated the July issue of AdVents to year-end planning. In this issue you'll find tips to help you kick off planning, get up to speed on the latest strategies and trends and help get your year-end campaign plans in order. Despite fluctuating performance throughout 2017, the direct marketing industry saw big jumps in performance last year-end over the prior year, so we explore what you can do to continue to capitalize this year.

I hope you'll also take advantage of the many summer and fall DMAW events that will help you further refine your year-end strategy. We've packed the next few months with hyper-relevant programming, including brainstorming and year-end planning this month, the Bridge Conference July 31 – August 2 (where you're sure to find value whether you're new to direct marketing or an industry expert) and in the fall, events where you'll learn the latest on neuroscience, analytics, sustainers and telefundraising. We're even planning two "Best of Bridge" highlight events and of course, the ever-popular Fall Happy Hour, as some of our best learning and creative happens when direct marketers connect over drinks!

May all your year-end plans be finalized by Labor Day.

Regards,

Mikaela
miking@ngs.org

Postmaster: Send address changes to DMAW Marketing AdVents, 11709 Bowman Green Drive, Reston, VA 20190-3501; email info@dmaw.org • www.dmaw.org

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DMAW
Direct Marketing Association of Washington

Calendar of Events

THUR JULY 12

Lunch and Learn
Great Idea! The Basics of Brilliant Brainstorming!
12:00PM – 2:00PM
SEIU, Washington, DC

TUES JULY 31

2018 Maxi Awards
4:30PM – 6:30PM
Gaylord National Hotel & Conference Center
National Harbor, MD

TUES JULY 31– THUR AUG 2

2018 Bridge to Integrated Marketing & Fundraising Conference
The Art & Science of Fundraising & Marketing Discover the Best Mix!

BRIDGE CONFERENCE
PRODUCED BY DMAW AFP

WED AUG 15

Webinar
Results/Metrics Refresher
1:00PM – 2:00PM

SEPT TBD

Webinar
Tele-Fundraising
1:00PM – 2:00PM

THUR SEPT 20

Sustainer Day + Lunch and Learn
9:00AM – 2:00PM
SEIU, Washington, DC

Photos: iStock/Getty Images

Deadline for registration is 24 hours before the event, space permitting.
Cancellations must be received 48 hours in advance. No-shows will be billed.
Register at dmaw.org or call 703-689-3629.

Quick Takes

Every month DMAW asks people in our industry for their 'quick take' on a topic

What do you do to ensure a positive year-end donor experience?

We think it's important to create a 360° experience for the donor.

We start by building one unified end-of-year campaign around stories that illustrate the positive impact of the nonprofit. We then convey those stories through a variety of touch points, like email, social media and direct mail starting on Giving Tuesday and continuing through the end of the year. Then we follow up to make sure the donor understands the critical role they play in the success of the nonprofit, not just at the end of the year, but all year long—and not just through financial support.

It's incredibly important the the donor feel a relationship to the organization and the mission, so they'll act as an ambassador as well, sharing the stories with friends and family.

— Jen Linck
Chief Marketing Officer
Corporate Giving Connection
jen.linck@cgcgiving.com
(202) 505-2779

I think the most important thing to remember about ensuring a positive year-end donor experience is not to extort the year-end donations.

People know that there are tax benefits—but that is not why they are giving to you.

Subject lines like, "Take advantage of your year-end tax benefits," are what I call donation extortion and rarely works.

Stick to your core values, your case statement, the real reasons why people give to you—and the tax benefits, which is number seven on the list of why people give, will work its own magic.

— Moshe Hecht
Chief Innovation Officer
Charidy
moshe@charidy.com
(347) 565-4943

Your year-end giving can be significantly boosted by personal meetings with your current donors who have the capacity to give more.

You will know who to focus on by wealth vetting your donor base. When I've said this before, a lot of fundraisers call me to say they have trouble getting donor meetings these days. I empathize, but suggest that we cannot just blame the dilemma on the over saturation of modern communication channels.

I suggest the deeper problem is that you don't really know your major donors, and they don't know you well enough. Wealth technology married with relationship science software can help you get to know your donors, but that's just the start. Real engagement is needed and the last three months of the year are prime time to get those conversations going.

Deep listening skills also is a key factor once the meeting is set

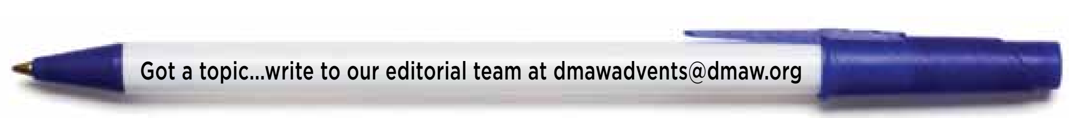
— Laurence Pagnoni
Chairman
LAPA Fundraising
lpagnoni@lapafundraising.com
(212) 932-2466

The end of the year is the busiest time of the year for nonprofits. Most organizations earn nearly 30 percent of their donated revenue in December. One of the best things an organization can do to ensure a positive donor experience is to thank each donor directly, whether it's by a personalized email or through a direct mail campaign once the year is up.

You can make the process of thanking your donors quick and easy by using email automation immediately following their donation and maintaining a clean and updated donor database that will allow you to easily pull names and mailing addresses for any direct mail thank you letters.

Be sure to include information in your letter detailing the impact their donation made on your mission!

— Kelly Yaker
Digital Marketing Manager
Arreva



Fundraising checklist

Continued from page 1

2. IDENTIFY YOUR PRIMARY GOALS

All fundraising campaigns aim to increase financial resources. When assessing your hopes for a giving initiative, dig deeper. Do you want to target a particular demographic group that got overlooked during previous years? Are you trying to encourage a large number of people to donate small amounts?

Iron out those specifics before diving into the rest of your approach. Be sure to get feedback from your staff before settling on particular approaches to get closer to those objectives.

3. OFFER MULTIPLE WAYS TO DONATE

There's not a one-size-fits-all method that caters to all donors who want to give. When appealing to Millennials, make sure to provide text-based and online donation options.

However, consider that some older generations balk at providing payment details through the Internet. They'll likely respond favorably to traditional mailings. Pay attention to the makeup of your target audience when weighing each way to contribute.

Make sure all tech-based donation options perform as expected no later than October—before the busy season starts.

4. RECOGNIZE THE TALENTS AND CONTRIBUTIONS OF YOUR VOLUNTEERS

No matter how many volunteers you have, it's essential to realize they all have skills that could help your fundraising efforts go smoothly.

Use purpose-built platforms or other tools to help you track the service hours of volunteers and the associated distinctions they receive for contributing to your organization. You could even give specific awards for the most dedicated volunteer fundraisers.

Also, some people initially engage with your nonprofit as donors, then decide they support your organization so much that they want to contribute in ways spanning beyond money. You need all hands on deck for a successful fundraising campaign, and that means not overlooking the unpaid members of your team.

5. FIGURE OUT THE BEST WAYS TO TELL YOUR NONPROFIT'S STORIES

Statistics alone are often too dry to interest the public in helping your organization. Storytelling should be an integral part of your year-end fundraising campaign to make it more relatable.

Start deciding the best ways to tell stories in July or August, so there is plenty of time to approach the people who could give momentum to this part of the effort.

For example, if your nonprofit focuses on supporting domestic violence victims, you might have stories from people who've been directly helped by the organization, along with their friends and family members who are thankful that your nonprofit offered assistance during a time of need.

6. YEAR-END GIVING THAT WORKS

Metrics will help determine which methods are most effective from year to year and which fall short. Besides using the checklist above, keep track of trends and apply your acquired knowledge to future campaigns.

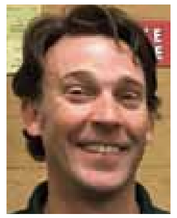
Kayla Matthews writes about fundraising and volunteer management for Nonprofit Hub, VolunteerMatch and Top Nonprofits. To read more posts by Kayla, follow her on LinkedIn.

> "THERE'S NOT A ONE-SIZE-FITS-ALL METHOD THAT CATERS TO ALL DONORS WHO WANT TO GIVE. WHEN APPEALING TO MILLENNIALS, MAKE SURE TO PROVIDE TEXT-BASED AND ONLINE DONATION OPTIONS. HOWEVER, CONSIDER THAT SOME OLDER GENERATIONS BALK AT PROVIDING PAYMENT DETAILS THROUGH THE INTERNET. THEY'LL LIKELY RESPOND FAVORABLY TO TRADITIONAL MAILINGS."

PRINTING UPDATE

2018 Paper Forecast: What You Need to Know About Potential Price Increases and Shortages

By Jeff Davis



There's a lot going on in the paper and printing business relating to paper cost and availability. Here's what we've already experienced and the forecast for the remainder of the year.

- October 2017: 4.5 percent paper cost increase
- March 2018: 4.5 percent paper cost increase
- May 2018: 6.5 percent paper cost increase

In my 25 years in the printing and mailing business, I have never seen three paper cost increases—that stuck—in such a short amount of time.

Since last fall, the cost of paper has increased over 15 percent. Analysts are forecasting a few more increases this year that are likely to occur if demand continues to outpace supply.

Paper represents approximately 30 percent to 60 percent of the cost to produce your job. With this in mind, the price to produce a letter, reply, envelope, etc., has gone up between 5 percent to 10 percent.

So what does that equate to for what you're buying?

The simple answer is approximately an \$0.80/M increase on an 8-1/2 x 11, one-sheet/two-page letter and a \$1.60/M increase on an 8-1/2 x 11, two-sheet/four-page letter.

The next question is: Why?

The simplified answer is supply and demand. Paper manufacturers have seen shrinking demand in the paper market over the last five-plus years. To keep up with declining demand over this period of time, mills took paper machines offline and closed down mills altogether. As we very slowly move towards a paperless society, the demand for printed newspapers, magazines, etc., continues to decrease.

At the same time, online business is booming, and, as a result, paper manufacturers are converting their paper-making machines to packaging, fluff and other related products. This is where the paper manufacturers see future growth and profit. For this reason, there are fewer machines making coated paper, white offset, colored offset, hi-bulk, etc. The reductions in supply are now causing paper shortages in the market with demand outpacing supply. As a result, prices are going up.

> “IN AN EFFORT TO STABILIZE THE SUPPLY/DEMAND BALANCE, PAPER MANUFACTURERS HAVE ALREADY MOVED TO WHAT ARE CALLED ‘ALLOCATIONS.’ WHICH MEANS THE MILLS WILL CONTINUE TO SUPPLY THEIR LOYAL, LONG-TERM PARTNERS WITH THE PAPER THEY NEED AND WILL ALLOW THEM TO BUY WHAT THEY HISTORICALLY PURCHASED OVER THE LAST COUPLE YEARS.”

In an effort to stabilize the supply/demand balance, paper manufacturers have already moved to what are called “allocations.” Which means the mills will continue to supply their loyal, long-term partners with the paper they need and will allow them to buy what they historically purchased over the last couple years.

Most printers can still get the paper they need, but the challenging issue we're seeing is turnaround time to receive paper once it's ordered. White offset mill direct orders are anywhere from six weeks to three months out, depending on the mill. For non-white stocks (e.g. colors, hi-bulk, special sheet or roll sizes), the turnaround time has gone from three to five days to five weeks to three months.

So in summary… You should be able to get the paper you need, but plan ahead! If you know a job is coming and it is produced on a special stock or unique size, contact your supplier of choice and communicate your need. Most of the time, stock can be purchased in advance and be there or on the way when art is released. But expect to pay more than the last time you mailed it.

Jeff Davis is president of West End Printing in Richmond, Va. He can be reached at at (804) 355-7770 or jdavis@westendprinting.com.

Photo: iStock/Getty Images

MARKETING ADVENTS JULY 2018

TECHNOLOGY UPDATE: THE LATEST INFORMATION ON THE TOOLS THAT MAKE YOUR JOB EASIER

What the Data Tells Us: Biggest Takeaways from 2017

By Paula T. Morris

Why would a college professor drive 3 hours each way through DC traffic for a DMAW Wake Up & Learn session?

DATA! That's right—you say analytics, and I say, "YES, please!" Carol Rhine's insightful Target Analytics presentation was definitely worth the trip from Salisbury, Md.

I'm a firm believer that data does not give us answers. It empowers us to ask better questions. So, what did the data tell us, and how does that impact our decisions?

1. 2017 WAS DIFFERENT.

The numbers tell us it was a double whammy. First, politically-driven reactive giving started in late 2016 and continued throughout most of 2017. Things started settling down a bit in the third quarter, but then year-end 2017 gave us tax reform and BOOM! More contributions plus a new twist: Donor Advised Funds.

Now that we have some data, think about what questions you should be asking next:

Am I comparing this year's numbers to last year? Should I?

2. PEOPLE PAY DIFFERENTLY.

There's been a consistent increase in online donations, but don't assume that those donations all look the same. In addition to traditional credit card transactions, third-party payment options like Apple Pay, Venmo, PayPal, Facebook and a variety of other options exist for donors. Oh, and don't forget, we also need to think about Donor Advised contributions.

Analysis of data also tells us sustainer programs are mandatory.

Remember, data does not give you answers. Ask yourself:

- Have we figured out how to ask folks to contribute through different payment methods?
- Do we have the ability to track these methods? (Ugh, attribution just got more complicated!)
- If donors are paying online, is the mail dying? (Don't kid yourself. TEST!)
- Are we asking donors to consider using their Donor Advised Funds to support our organization?
- Do we have the capacity to comply with the laws associated with Donor Advised Funds? (Remember, the donor has already received the tax benefit. Our thank-you procedure may need an update.)

AMERICA'S NEW MAJORITY: MILLENNIALS? OH, MY!

They have overtaken the Baby Boomers as the largest demographic segment in America. Have no fear, though.

Although we're comfortable with our loyal boomers, there's some good news with this inevitable change. First, the millennials are coming into our donor files at a younger age than other generations. They're socially conscious and politically charged. They want to make a difference. We need to engage with them in a way that makes sense to them.

Another bonus: subscription-based purchasing is natural for this generation. They subscribe to Netflix and Hulu. They pay monthly for streaming music services like Spotify instead of buying CDs. Subscription boxes and prepackaged meals arrive at their doorsteps on a regular basis. It seems logical that we interact similarly. If they are comfortable making regular monthly payments elsewhere, it makes sense that they might treat contributions the same way.

Photo: iStock/Getty Images

Remember, donors do what donors do. Behaviors repeat themselves. Boomers behave the way they do because they know what to expect from the relationship we've built. How do we work with millennials in a way that makes sense for both of us? Start with sustainer programs. It's important to us and logical to them.

- Are we asking younger donors to join us in a way that makes sense to them or in a way that makes sense to their parents?
- How do we build a meaningful, authentic relationship with our younger donors?
- Can we create an environment where millennials expect us to ask for reoccurring (sustainer) contributions?

ONE LAST TIDBIT

When someone asked Carol to get out her 'crystal ball,' look at the data, and predict what year-end 2018 might look like, her response was simple. "You might want to compare year-end 2018 to year-end 2015. That makes more sense than comparing it to the reactionary giving in 2016 and the impact of tax laws in 2017."

Paula T. Morris is a Professor of the Practice in the Management and Marketing Department at the Perdue School of Business, Salisbury University and the founder of Kids of Honor®. She can be reached at PTMORRIS@salisbury.edu.

COPYWRITING: EXPLORING THE NATURE AND NUANCES OF EFFECTIVE COPYWRITING FOR DIRECT MARKETING

5 Winning Tips to Developing Your Creative Formula for Success

By Erica O'Brien

They say pictures are worth a thousand words… images can capture raw emotion in a way that words, even scribed by the most talented author, may struggle to accomplish. In fact, carefully chosen pictures can bring a situation to your donors' attention in a such a real and very powerful way that at times it can be difficult to look away.

As direct marketers, it would seem there is little argument about how powerful pictures can draw an audience in and prompt action. Yet, we often can get bogged down in how to select images effectively and, subsequently, how to develop core messaging planks that compliment and strengthen your organization's case for support.

The plot thickens in that there is no standard recipe that applies to each organization. Just like Nike wouldn't use the same tactics as Coca Cola; similarly, we should not try to pigeonhole all nonprofits into one large creative bucket. What is likely, however, is that you can follow a set of focused guidelines in order to create your organization's own unique creative "formula for success." By methodically developing this roadmap through a regimented approach to testing and analysis, you can enable the development of messaging that speaks to constituents to engage, steward and convert them.

CREATING YOUR FORMULA FOR SUCCESS

There are several factors that combined make up your organization's specific formula for success:

1. Image Selection. As stated above, pictures can be a powerful asset in conveying a human experience. The images and style of pictures used, however, can have a significant impact on experience. This picture (left) is a great compelling example… one individual looking straight at the camera. What would make this picture even better would be a meaningful caption describing something about the child pictured.

Photo: iStock/Getty Images

a. Remember to make captions meaningful and part of the overall story arc. The more personal and specific the image is, the better.

b. Not too sad… not too happy… just right. Like everything in life, too much or too little is not good; having a balance of realistic authenticity and hopefulness is desired. Images that are too sad and melancholy can often turn donors off and, therefore, limit future support.

2. The 3 Questions. The problem? What is your organization doing about it? How can the donor help?

a. The importance of these three questions cannot be overstated. For it is with these questions' answers that you will develop your basic case for giving. Take time in developing these messaging planks—sorting through what unique selling propositions you have as an organization and how this can be leveraged in messaging.

b. Create different scenarios for how value propositions can be leveraged, focusing on several specific focus areas and building out messaging from there.

3. Be Specific. While organizations often want to avoid designated giving, providing supporters with generalized specifics of how their gifts will be used is helpful and compelling. How many meals can my $50 gift provide? What makes my $50 with your organization go farther and impact a greater number of lives? The more specific you can get, with "first and onlys" as appropriate, the more significant your message becomes.

4. Show Them You Know Them. Each and every time you communicate with donors, you have an opportunity to "relationship build" or "relationship break." Spend time as an organization thinking about the data that you collect and how valid you think it is. Conduct an internal investigation to determine where your organization's weaknesses are, so you can build up and out and create a more positive donor experience. Nothing falls flatter than personalization gone awry.

a. Also, note the difference between personalization and customization. Personalizing my name and address (albeit with accuracy is a plus), is not the same as knowing, and applying, information about my likes and affinities. There are some new innovative strategies out there using alternate media to target donors and potential donors on variables like music taste, and concert venues. As we navigate a world with an increasing (and scary) amount of data available, harnessing the information that is meaningful and directive might just be the next direct marketing frontier!

> "EACH AND EVERY TIME YOU COMMUNICATE WITH DONORS, YOU HAVE AN OPPORTUNITY TO "RELATIONSHIP BUILD" OR "RELATIONSHIP BREAK." SPEND TIME AS AN ORGANIZATION THINKING ABOUT THE DATA THAT YOU COLLECT AND HOW VALID YOU THINK IT IS."

5. Be Authentic. Lastly, and critically important, be authentic in your communications. As stated above, each and every donor communication can either build up, or break down, relationships with your constituents. Be judicious in the words used in every interaction in order to consistently promote positive feelings between your organization and its supporters.

Today's supporter is busy, with limited time and an even more limited attention span. But you can break through the noise! With a focus on developing your organization's specific "formula for success," you can relationship build, promote brand awareness and engage constituents in a meaningful and powerful way.

Erica O'Brien is a managing partner and co-owner at MINDset direct. Erica has been in the industry for over 20 years and enjoys working with organizations of all sizes to help them realize their goals and objectives.

All About GDPR: Are You Prepared?

By Nhu Te

Assuming you aren't living under a rock, you are aware that the General Data Protection Regulation went into effect on May 25. It's crucial for your organization to be prepared for what this means—by making sure your data, marketing and fundraising practices are in compliance with this new legislation.

WHAT IS THE GDPR?

Let's backtrack a little first. The General Data Protection Regulation (GDPR) was originally approved back in April 2016, at which time European authorities gave companies and organizations two years to comply. According to CNBC, its purpose is to give consumers control of their personal data that is collected by organizations. Basically, you can find out which organizations have your data, where they are storing it and what they are using it for. This is to protect personal data of European residents that were retrieved through transactions of goods or services.

But "personal data" is pretty vague, isn't it? What classifies as "personal" data? The GDPR defines it as:

- Names
- Addresses
- Social security numbers
- Photos
- Email addresses
- Banking information
- Social media posts
- Medical information
- IP addresses

HOW THIS AFFECTS NONPROFITS

While this is a European policy, many U.S. organizations can be affected by the GDPR. Those organizations that function solely in the U.S. will not have any immediate effect, but those organizations that operate in and out of the U.S. into European territory will need to understand how the GDPR will affect their practice.

Organizations need to understand the compliance policies of the GDPR. Every organization needs to place appropriate governance measures—reviewing and approving internal policies, documenting activities, keeping records of data processing and undertaking data protection impact assessments. Organizations can process personal data in a lawful manner, which has been outlined in "GDPR & Charitable Fundraising: Introduction."

Photo: iStock/Getty Images

- Consent: You can show that an individual has performed a clear affirmative action (such as saying "yes" to a question or ticking an opt-in box) to allow you to process their personal data for a specific purpose.
- Contract: The processing is necessary for a contract you have with the individual, or because they have asked you to take specific steps before entering into a contract.
- Legal Obligation: The processing is necessary for you to comply with the law (not including contractual obligations).
- Vital Interests: The processing is necessary to protect someone's life.
- Public Task: The processing is necessary for you to perform a task in the public interest or for your official functions, and the task or function has a clear basis in law.
- Legitimate Interests: The processing is necessary for your legitimate interests or the legitimate interests of a third party unless the interests or rights and freedoms of the individual override those interests. (This cannot apply if you are a public authority processing data to perform your official tasks.)

And if you continue to collect data from European donors, be sure to explain how you are using that data and obtain proper consent from those donors. And in the event that your organization experiences a data breach, be sure to have some kind of plan in place. In fact, GDPR requires that companies and organizations have a plan in place to contact an EU authority within 72 hours in the case of a data breach, according to BoardEffect.

> **WHILE THIS IS A EUROPEAN POLICY, MANY U.S. ORGANIZATIONS CAN BE AFFECTED BY THE GDPR. THOSE ORGANIZATIONS THAT FUNCTION SOLELY IN THE U.S. WILL NOT HAVE ANY IMMEDIATE EFFECT, BUT THOSE ORGANIZATIONS THAT OPERATE IN AND OUT OF THE U.S. INTO EUROPEAN TERRITORY WILL NEED TO UNDERSTAND HOW THE GDPR WILL AFFECT THEIR PRACTICE.**

HOW NONPROFITS CAN PREPARE

We can't stress enough how important it is for organizations to take every step possible to ensure they are abiding by GDPR rules and regulations. Yes, U.S. organizations may not be immediately impacted by the GDPR, but that doesn't mean it has no effect on them at all. How can you ensure you are crossing your T's and dotting your I's?

- Alert and educate your entire organization about the GDPR. Don't let anything slip through the cracks.
- Take a look at your consent form, and revise it. Make sure it tells the donor what you're asking of them and what you will be doing with that information.
- Separate the European donors. If you do this, it will be easier to track whom the GDPR directly affects and what information you have on file—and make sure what you have on file matches what they have consented to.

To help you prepare even further, Perlman & Perlman has provided several checklists to ensure that your organization is GDPR compliant.

- "GDPR Readiness Checklist"
- "General & GDPR Third Party Vendor Checklist"
- "GDPR Privacy Policy Requirements Summary"
- "GDPR Consent Checklist"

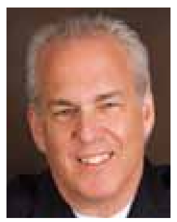
These checklists can be downloaded at dmaw.org/gdpr-checklists/

Nhu Te is the editor of DMAW Marketing AdVents. She is also the editor-in-chief and content director of NonProfit PRO, a leading publication on nonprofit management. Reach her at nhute@napco.com.

OUT OF THE TRENCHES: YOUR DIRECT MARKETING COLLEAGUES TAKE A BIG-PICTURE LOOK AT THINGS

Year End Giving and the New Tax Law: What Will It Look Like?

By Randy Fox



The largest change to the income tax in 30 years, the Tax Cuts and Jobs Act is now part way through its first year. It's overall impact on the economy is yet to be determined, but as we approach year end, many will be focused on the impact on charitable giving and on the charities that benefit from America's philanthropic largesse.

America is generous like no other nation, with giving recorded at $390.5 billion in 2016. Historically, America also gives most heavily in the last quarter. It's estimated that as much as 80 percent of gifts arrive specifically in November and December.

How will the Tax Cuts and Jobs Act (TCJA) impact year-end giving, what should donors do to adapt to the changes and how should charities communicate with their donors to keep giving levels intact? A few insights and options should prove helpful.

The major concern about TCJA for many has been the change to personal exemption, to $12,000 per individual and $24,000 for a married couple. Coupled with this change, the SALT deduction limits effectively remove the deduction for state and local income taxes, plus eliminate the ability for most taxpayers to itemize their deductions. No itemization means that most charitable gifts will no longer be income tax deductible for most taxpayers.

And while arguments rage over whether or not people give to save taxes (they don't), I've never seen a taxpayer who doesn't appreciate the tax savings that come with giving. Non-itemizers may continue to give at the same rate, but what will happen to those gifts from

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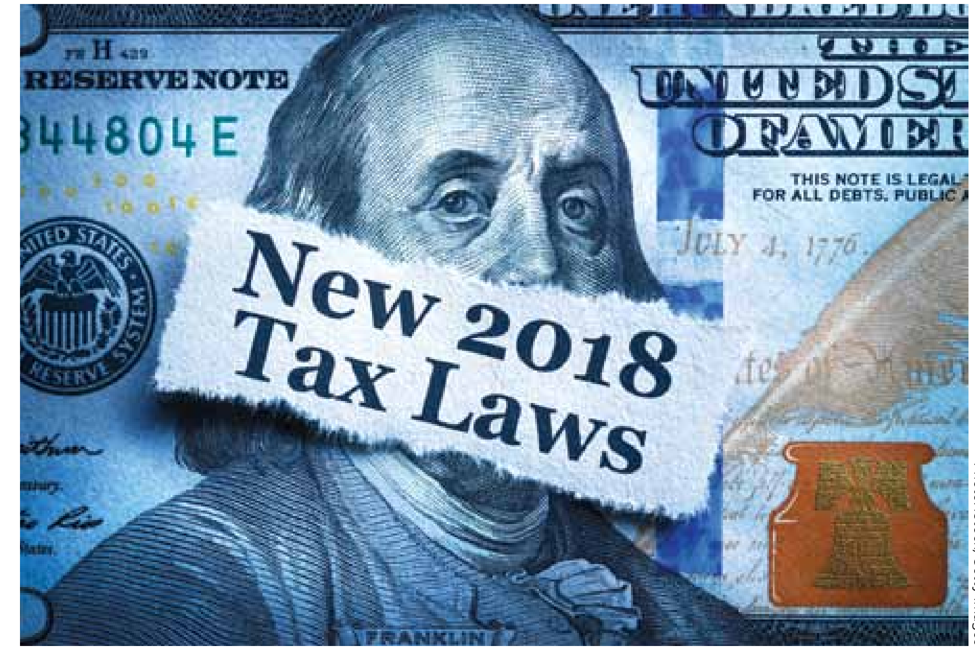
donors who have always been able to use the deduction and now can't for the very first time? What can advisors and charities do to help them continue their generosity under the new law?

Three solutions present themselves that will allow donors to continue giving at the same levels, albeit using slightly different methods:



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1. "Bunch" deductions by making four or five years of gifts in one year. Normally, a gift of $10,000 would not be deductible under the current law for a married taxpayer. Give $50,000 instead, perhaps to a donor-advised fund (DAF), and they can use it to distribute the funds over the next five years. Same money, same amount of giving—just timed differently. In order to enhance this gift, transfer low basis, appreciated assets, such as publicly traded stock, to accomplish this. Since state income taxes are no longer income tax deductible, the effect of state tax on the capital gains rate has essentially raised the cost of selling appreciated assets. Giving them to charity with no tax makes more sense than ever.

2. Instead of a DAF, set up a non-grantor irrevocable trust for your gifts. This requires a little more innovative thinking, but it also allows for a fair amount of flexibility. With this strategy, donors transfer assets to a non-grantor trust. They make a gift to the trust, utilizing some of their lifetime exemption amount (now $11.18 million) to do so. Since the trust is "non-grantor," it is its own taxpayer. As the trust earns income each year, it can distribute that income to charity at the direction of the trustee of the trust. The distribution is tax deductible to the trust, without limitation. Essentially, the donors have not only removed the (taxable) income created by the asset from their income tax return, but the trust has an unlimited charitable income tax deduction. Further, the donors have removed this asset from their estate, if that's an issue. Call this "super bunching" if you like.

3. The use of almost any of the common planned gifts has now become more and more appealing. Pooled Income Funds, Charitable Remainder Trusts, Charitable Lead Trusts, Charitable Gift Annuities and other gifts can all create large charitable income tax deduction and still leave the donor with either an income interest or a reversionary interest in the gift assets. While these gifts may be complex, they are also quite powerful.

Waiting until the end of the year to make gifts has been the norm. Perhaps the new law will help change that. It makes donors and advisors think more and plan more. There are many opportunities that should keep giving as part of our cultural imperative. We may just have to give more thoughtfully and a little earlier.

A third-generation entrepreneur, Randy Fox is a founder of Two Hawks Consulting, LLC., and EzCharitable, LLC., an online training resource for professional advisors who wish to expand their capabilities in philanthropic giving. EzCharitable has created original content that is useful for attorneys, financial advisors, CPAs all of which will facilitate better philanthropic advice for families of wealth. He is also currently the Editor-in-Chief of Planned Giving Design Center, a national newsletter for philanthropic advisors.

Photo: iStock/Getty Images

Email volume

Continued from page 1

Is the answer to send fewer emails? No, no more than it is to send more emails. Volume is one lever to pull; pretending that setting it anywhere is a retention strategy gives strategy a bad name. Responding to donors' plaintive pleas by cutting volume is nothing more than cleaning up a mess we made.

Instead, we—and the agencies we hire—must not do more, but better.

Better is listening to your donors and potential donors. One organization actively listened to their online donors, then spent a month implementing their recommendations on their donation page—simple changes like adding PayPal and reducing required fields. Their "dissatisfied" rating went from over 50 percent to almost zero.

More importantly, their online conversion rate went from 12 percent to 32 percent. You could send emails like a "Nigerian prince" and not have the same impact.

Better is also understanding why your donors are donating and customizing to that reason for giving. With Make-a-Wish, adding "as a medical professional" to the beginning of online ads focused to medical professionals increased click-through rate by 42 percent. That's an incredible jump for a simple priming of donor identity.

Identity may be different for your organization. At a child sponsorship organization, some donors are parents looking to involve their kids in their philanthropy. At a disease organization, some donors have the disease themselves; some don't. At a museum, you can differentiate between those who live close and those who don't.

Each are identities where you can increase revenues by meeting these donors' needs and desires. And each is a case where you decrease revenues by trying to treat all your donors the same way.

Learning about your donors and customizing to why they donate is not easy. But, unlike a volume strategy, it works, it scales and it makes your constituents happier.

Kevin Schulman is founder and managing partner at DonorVoice. Reach him at kschulman@thedonorvoice.com

> "OUR LISTS HAVE GROWN FASTER THAN OUR ONLINE REVENUES. WE ARE GETTING LESS PER SUBSCRIBER THAN WHEN WE WERE SENDING FEWER EMAILS.
> IS THE ANSWER TO SEND FEWER EMAILS? NO, NO MORE THAN IT IS TO SEND MORE EMAILS. VOLUME IS ONE LEVER TO PULL; PRETENDING THAT SETTING IT ANYWHERE IS A RETENTION STRATEGY GIVES STRATEGY A BAD NAME."

Marketing AdVents

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News Notes

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● Infogroup Media Solutions, a provider of business and consumer media management solutions, has partnered up with Easterseals. The partnership strengthens the relationship between Infogroup and Easter Seals, which delivers strategic planning, data acquisition and analytics. "We are excited about the opportunities the expansion of our more-than-20-year relationship with Infogroup will provide and look forward to the benefits of a holistic approach to our national fundraising efforts," said Stacey Adams, senior director, direct response marketing at Easterseals. According to a press release, under the terms of the agreement, Infogroup will deliver advanced data management techniques and strategies that broaden list exposure and focus on increased revenue. Furthermore, Easterseals intends to leverage Infogroup's data to gain a more complete view of its donor base.

● Concord Direct recently celebrated its 60th year in nonprofit fundraising. Originally a small print shop in New England, the company has grown into one of the most recognized and respected names in direct-response fundraising, according to a press release. Last year, Concord Direct acquired a digital fundraising firm, Strength in Members, which completed the company as a true omnichannel provider. "Over the last decade in particular, we have significantly upgraded our strategic, creative design, mailing and digital capabilities to offer a truly integrated approach to solving our customers' direct response marketing challenges," CEO Peter Cook said in the release.

● The Los Angeles Mission, a nonprofit serving homeless men and women in Los Angeles, has chosen RKD Group, a multichannel direct-response marketing agency serving nonprofits throughout the country, to provide direct mail and online fundraising services to increase donor support of the organization's response to one of the most impacted homeless communities in the U.S., according to a press release. "Fundraising in any large city is a challenge, especially in Los Angeles. We like the creative and analytical approach that we are seeing from RKD. We look forward to a productive association with the RKD Group team," said Herb Smith, president of the Los Angeles Mission. The partnership between the Los Angeles Mission and RKD Group begain earlier this year. Critical email and direct mail campaigns are currently in process and focuses on raising funds for the summer months.

Is something exciting happening in your company or organization?

Tell us about it!

Email the editor, Nhu Te, at dmawadvents@dmaw.org

DMAW Educational Foundation

Many Roads to Giving

By Gail Battle

Has a phrase or statement ever caught your attention and made you stop and think? This recently happened to me when I read Steve Goodier's quote: *"Money is not the only commodity that is fun to give. We can give time, we can give our expertise, we can give our love or simply give a smile. What does that cost? The point is, none of us can ever run out of something worthwhile to give."*

That message hit home for me. I was first introduced to this expansive giving concept as a Girl Scout. We were taught to give back to our community through service. Fast-forwarding to today, I still try to give in creative ways.

As a long-time member of Direct Marketing Association of Washington (DMAW), I have met many members who live to give. When I entered the direct marketing field and joined DMAW, I did not realize what a gift I would be given in becoming a member.

I remember my first event as a new member. I was terrified at the thought of approaching a large group of people I did not know. To my surprise, it was easy. I was welcomed by DMAW leadership and introduced to other new members. That day I met my first friend in the industry, with whom I am still in contact. It was the gift of a warm smile and a friendly welcome that immediately made me feel a part of this organization. And that gift kept on giving.

Over the years, the leaders in marketing and fundraising trained me on business trends and shared how changes in technology would affect our industry. These men and women gave their time and expertise to help me develop my own skills. Their gifts helped me become a leader to share skills and insight with a new generation.

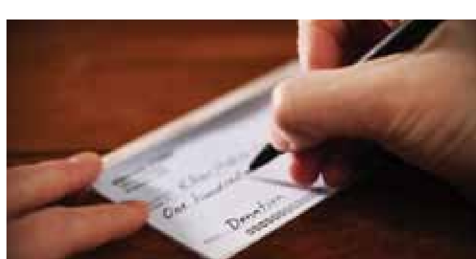
DMAW members all benefit from the generous funding of numerous corporations and individuals. The next time you go to a luncheon, networking event or the Bridge Conference, know that these events are made possible because experienced leaders in our industry have a passion for giving back. They understand the value of education for those who make a commitment to our field and invest generously in that endeavor.

These same leaders created our DMAW Educational Foundation. They aspired to give back to educators by helping them stay abreast of the developments in our field, thereby reaching a new generation of young professionals. Over the years, DMAW leaders and members financially supported or participated in programs like University Day, Mentor-for-a-Day, the Collegiate MAXI Awards and Professors Institute. Both professors and students have the opportunity to learn from professionals at the top of their field. These programs have led to numerous career opportunities, as well as lifelong friendships.

Through my DMAW and EF volunteer work, I have met and mentored many young people. These individuals include marketing professionals who live in Africa, Australia, Europe and India. The reach of our work in the U.S. spans the globe, and it's exciting to hear how students everywhere have applied their knowledge, skills and passion for marketing and fundraising. They tell me how thankful they are for the experiences DMAW provided.

I recently joined the DMAW Educational Foundation (EF) Board, knowing that DMAW/EF is a priceless way to give back to the industry that has taught me how to be successful. I invite you to ask yourself, "How much have I given this year to DMAW/EF?" As Steve Goodier said: "None of us can ever run out of something worthwhile to give."

Gail Battle is the director of development at St. Luke Institute. Gail serves on the DMAW/EF board. She donates her time and talents to helping small nonprofits and businesses develop marketing and fundraising strategies. She can be reached at gailb@sli.org.



Member Spotlight

A dancer with passion, all Colleen wanted was to work for an organization that she was passionate about. She got her start in the direct marketing world at NARAL Pro-Choice America. After, she went on to work at several different organizations, such as EMILY's List, DSCC, Environmental Working Group and now Chapman Cubine + Hussey.

She fell in love with the sector because of the ability to communicate with people in such a quick manner. She's also very goal-oriented, so having regular budget goals and campaign launch dates really motivates her. On top of that, she enjoys the blend of creativity and analytical skills needed to be successful. Colleen has given 20 trainings/presentations at a variety of conferences and co-chaired DMAW's "Digital Day" for the second time. The campaigns that she has worked on have been featured in TIME and NonProfit PRO.

Outside of direct marketing, Colleen still performs professionally at DancEthos.

COLLEEN HUTCHINGS
Vice President
CCAH
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Education: B.F.A. in dance, with a minor in women's studies, from George Mason University

DMAW Member Since: 2015

Who do you consider your mentors?

I've been lucky to have several great mentors throughout my career—supervisors, consultants and my mother. Being a strong mentor is really important to me. And being a mentor for the people I supervise is something I work very hard at.

What advice would you offer a novice who wants to move up in direct marketing?

Work hard and say "yes" whenever you can, and listen to the advice and direction from your supervisors and mentors. Go to as many networking events and trainings as you can to meet people and learn new things.

What is the most helpful step you took to advance your direct marketing career?

Going to and speaking at conferences. I got to learn a lot of new things, make connections and have my ideas and opinions heard.

Tell us about your volunteer experiences with DMAW.

Co-chairing "Digital Day" is so rewarding—bringing together great speakers, working so that attendees really come away from the day with new ideas and information that they can implement in their programs.

Describe yourself in three words.

Fabulous, feisty, mentoring.

Describe your life in six words.

Eclectic, exciting, creative, fast-paced, flavorful, mission-driven.

Colleen's Favorites

Restaurant Tail Up Goat

Film "Dirty Dancing"

Book "The Blind Assassin"

Music The Gossip, Robyn and Sia

Leisure Interests Dancing, cooking and exploring new D.C. bars and restaurants.

Quote "The world is in perpetual motion, and we must invent the things of tomorrow. One must go before others, be determined and exacting, and let your intelligence direct your life. Act with audacity" — Barbe-Nicole Ponsardin Clicquot (the Veuve Clicquot)