

A WHITEPAPER FROM TRUESENSE MARKETING

The Three Myths About Salvation Army Disaster Fundraising

***Challenge Them — and You Can Create
Another Way for Your Donors to Give***

Disaster fundraising for The Salvation Army is a world unto itself. It doesn't follow the usual rules or the usual expectations of everyday fundraising. So it's not surprising that some durable myths have grown out of the successes and failures in this unique arena.

The fact is that disaster fundraising isn't the hit-or-miss proposition that it might appear to be. Disaster donors can be acquired, and they can be cultivated. And in doing so, you can expand your donor-support base and create another stream of income for your organization.

What's more, sending disaster appeals reinforces the brand of The Salvation Army, and communicates to donors that The Salvation Army is actively engaged in helping others at a time when compassion and caring are often especially needed.

In this white paper, we'll address the three myths of disaster fundraising, and debunk them with documented, case-history results from our work with the Kansas and Western Missouri Division of The Salvation Army.

Myth No. 1

Sending Disaster Appeals Will Sink Your Retention of Non-Disaster Donors

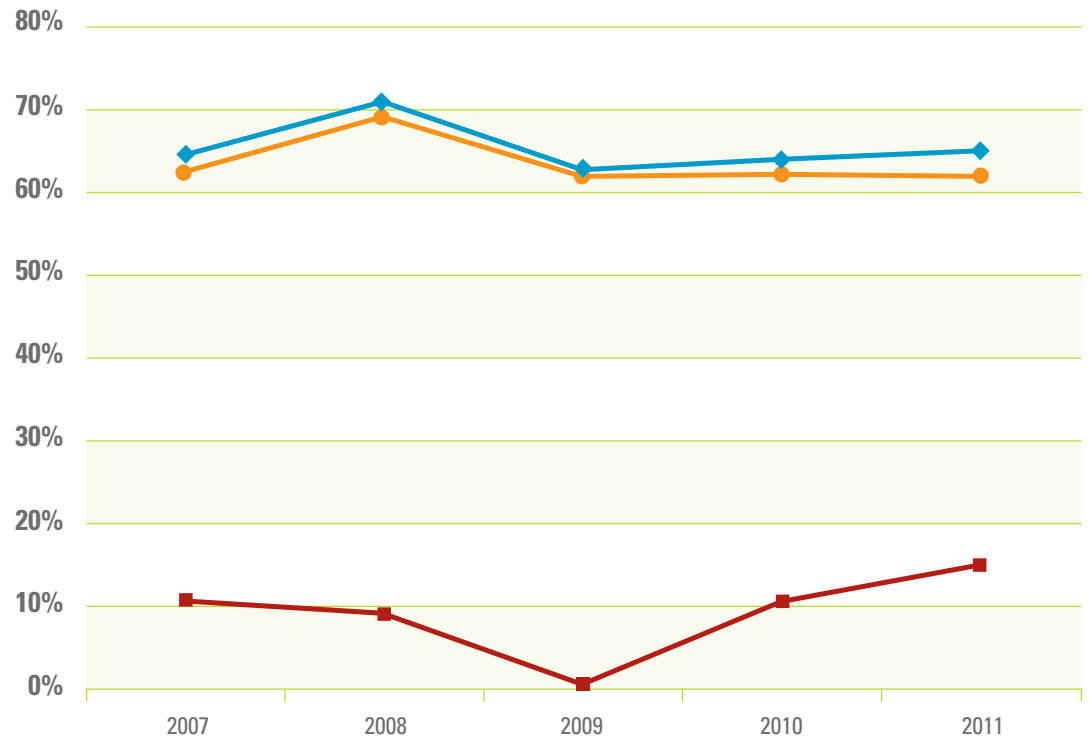
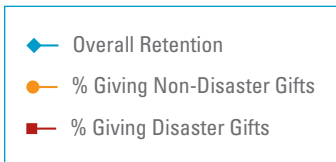
There's a perception out there that sending disaster appeals will cause a drop in the retention of the non-disaster donors who receive them. Another perception is that sending disaster appeals will cause substitutional giving, meaning regular donors who give to disaster appeals will then fail to give to other, non-disaster appeals. Fortunately, neither is the case.

When we looked at donor retention data, we found that overall donor retention and the percentage of donors giving non-disaster gifts ran on roughly the same track, as we would expect. But what's important here is that the disaster giving did not interfere with that retention. As Chart 1 shows, disaster giving was up in 2007 and 2008, and then in 2010 and 2011, and still the retention of regular non-donors remained unaffected.

CHART 1

Disaster Fundraising and Donor Retention

Disaster giving had no effect on the retention of multi-year donors.



It's clear that sending disaster appeals — whether for local, national, or international disasters — does not detract from non-disaster giving. In fact, for many donors, disaster giving becomes another way to give. Disaster appeals are effective at enlarging donors' giving portfolios, and when donors are giving through more avenues, they tend to increase their long-term value, which in turn means greater and more sustained funding for the nonprofit.

Myth No. 2

You Can't Reactivate Lapsed Donors with Disaster Appeals

The conventional wisdom is that disasters aren't good opportunities for reactivating lapsed donors, and that only established donors should be approached, because they're already familiar with the non-profit and its work.

While there may be a grain of truth in these sentiments, a large disaster creates its own reality when it comes to fundraising. Our analysis shows two conclusions. The first is that, of course, new donors are acquired through disaster fundraising. The second is that it's a rich opportunity for reactivating lapsed donors.

In both cases, though, speed is essential. Disaster fundraising appeals — whether mail or e-mail — must reach donors as quickly as possible, and certainly while the disaster is still receiving news coverage. Otherwise, donors will turn their attention elsewhere.

In addition, since many donors visit a charity's website before giving through the mail, and since many donors prefer to donate online, it's important to make your website easy to navigate, so donors can easily see how to give.

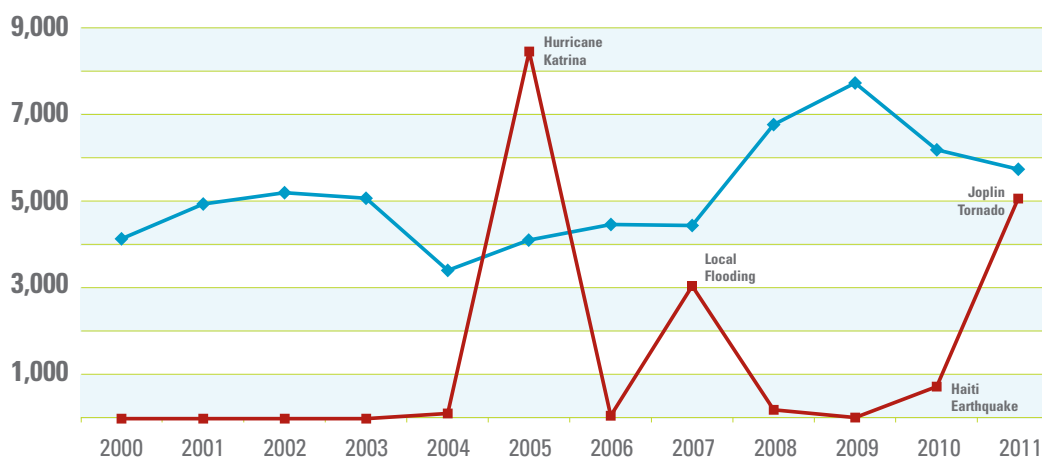
Chart 2 confirms that a disaster will attract a great number of new donors. In 2005, for example, more than 8,000 new donors were acquired after Hurricane Katrina, while traditional acquisition produced about half that number in the same time period. In 2007, acquisition spiked after local flooding in Missouri. And in 2011, right after the tornadoes in Joplin, MO, donor acquisition rose again, almost equaling acquisition rates for traditional direct mail.

But this is the important point. Disaster fundraising is highly effective for reactivating lapsed donors. As Chart 3 shows, over 35% of all reactivated donors

CHART 2

Acquisition: Disaster Donors vs. Typical Direct Mail Donors

Disasters are opportunities for acquiring new donors.

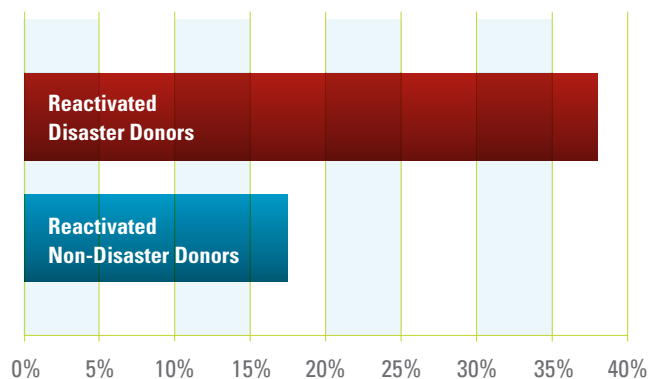


were motivated to give again after receiving a disaster appeal, while just a little over 15% of reactivated donors were motivated by a non-disaster, lapsed donor appeal. It's clear that disaster appeals work extremely well at prompting lapsed disaster donors to give again.

CHART 3

Donor Reactivation from Disaster Fundraising

Disasters often motivate lapsed donors to resume giving.



As we've seen, you will of course acquire new donors via a disaster, but you also have the opportunity to reactivate donors. Even more importantly, though, you can cultivate these donors to become regular supporters and generate value for your organization.

Myth No. 3

Donors Who Give to Disasters Don't Generate Any Real Value

If you ask many fundraisers, they'll tell you that most donors who give to disasters are giving small impulse gifts. Our analysis found just the opposite.

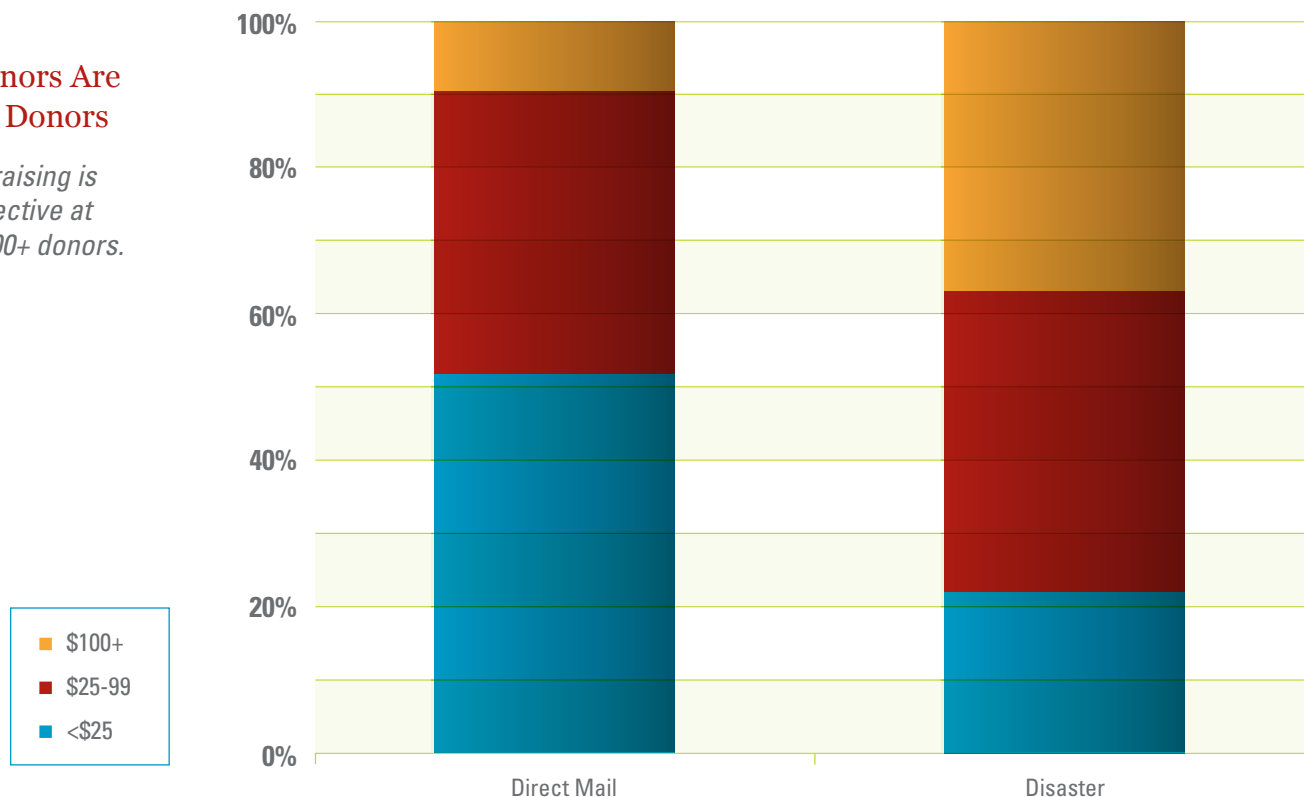
As Chart 4 shows, disaster donors gave higher-value gifts than typical direct mail donors. For example, compared with traditional direct mail donors, there was a higher percentage of disaster donors in the \$25 to \$99 segment — about 3% higher. But even more significantly, there was a dramatic 27% increase in the \$100+ segment over that of typical direct mail donors. Clearly, donors who give to disasters are responding with greater levels of generosity than typical direct mail donors.

Disaster donors are high-value donors. A percentage of these donors will convert to become regular supporters, and those donors in the higher-dollar segments are well worth cultivating, because their larger initial gifts mean that they represent a greater long-term value.

CHART 4

Disaster Donors Are High-Value Donors

Disaster fundraising is especially effective at motivating \$100+ donors.



Obviously the conventional wisdom is wrong. With disaster fundraising, you can keep your donor retention high, you can reactivate lapsed donors, and you can generate real value.

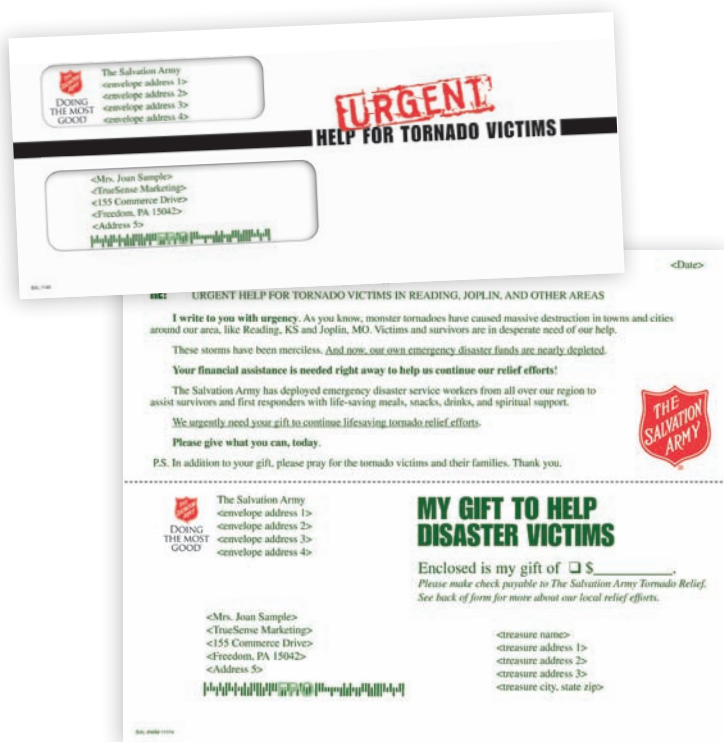
Now let's take a look at some specific disaster appeals.

How Disaster Appeals Perform

Engaging donors successfully when a disaster strikes requires two essentials. First, your appeal must reach donors quickly. Second, your appeal must be simple and direct in copy and design, communicating the urgency of the need without embellishment.

With these guidelines in mind, TrueSense created the following appeal for the Kansas and Western Missouri Division of The Salvation Army in response to the devastating tornadoes that swept through Joplin, MO, and Reading, KS, in 2011.

Of course, not all disasters are local. Many, in terms of the media coverage they receive, are national and even global in scope. One example is the Haiti earthquake in 2010. Like many aid organizations, the Kansas and Western Missouri Division of The Salvation Army turned to its donors. TrueSense created this appeal to help with their Haiti relief efforts.



In the mail within 48 hours of the disaster and sent to current donors and lapsed donors, this appeal generated a 9.7% response and an ROI of 10.5, which means that it produced \$10 in revenue for every \$1 spent on fundraising. It's a strong performance for a fundraising appeal that's sent after a local disaster. As we've seen, sending an appeal like this to non-disaster donors will not reduce their retention level. This appeal produced significant income for our client and much-needed help for people affected by the disaster.

The appeal was in-home shortly after the earthquake hit, and was sent to prior disaster donors as well as all new donors acquired in the past year. The response was amazing — an 11.9% response rate with an incredible 11.4 ROI. Its success demonstrates the effectiveness of reaching out to both disaster donors and non-disaster donors.

Cultivating Disaster Donors

Persuading donors to respond to disaster appeals is one part of a disaster fundraising strategy. Another is cultivating disaster donors to encourage them to give in support of your organization’s disaster preparedness.

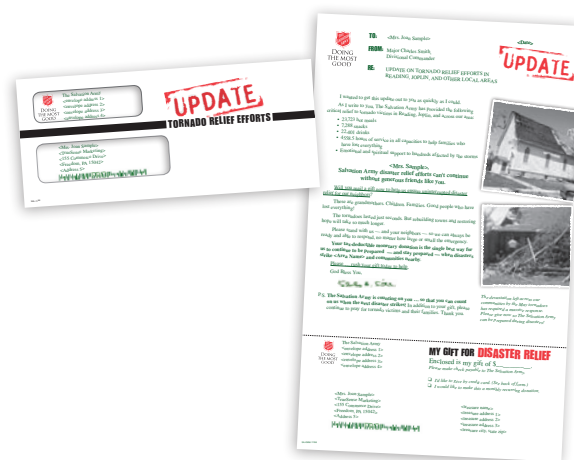
In the Kansas and Western Missouri Division of The Salvation Army, in order to avoid the need for the charity to pay for disaster response out of its general fund, TrueSense created a plan to raise funds for disaster preparedness.

To see how this strategy plays out, let’s look at two appeals. The first was sent one year after the Haiti earthquake to donors who had given to a prior disaster appeal. Its purpose was to convert disaster donors into supporters who will also give to non-disaster appeals.



The appeal acknowledges the Haiti disaster and then pivots to discuss the need for general disaster preparedness. Even though this appeal was sent a full year after the Haiti earthquake, it still generated a respectable 1.9% response with an ROI of 2. This is good performance for a conversion appeal of this type, and it shows that donors will shift their giving from disaster relief to disaster preparedness.

The second appeal is a follow-up sent after a local disaster – the tornado in Joplin, MO. The appeal gave donors the opportunity to designate their gift. They could donate to the Joplin disaster fund or donate to help with all local disasters. While the appeal mentions the Joplin tornado, it is a disaster-preparedness offer.



The appeal generated a significant 3% response rate and a very good ROI of 3. It demonstrates that donors will fund disaster preparedness and will respond to disaster preparedness as a specific fundraising offer.

Overall, this cultivation strategy for disaster donors accomplished three important goals. First, it allowed the organization to present a new and different offer to donors — the need for disaster preparedness. Second, it created another way for donors to give in support of the organization’s work. And third, it created another stream of funding.

By understanding the strategies and tactics that are unique to disaster fundraising, nonprofits can reach donors who are motivated to give to disasters and cultivate those donors so they continue giving, all while providing other support to the organization. The nonprofit, the donor, and the disaster survivors all win.

