



the MESSENGER

a publication of Gabriel Group, an OSG company

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State of Philanthropy

GABRIEL GROUP RECENTLY SENT OUT several Nonprofit COVID Impact Surveys to help provide guidance and perspective on the impact COVID-19 has had on philanthropy across the U.S. With the help and participation of many of you, we have collected data from approximately 700 nonprofit organizations like yours from two of these surveys: our general nonprofit survey to a national audience across all sectors and our survey to cultural/membership organizations.

If you have been wondering how your experiences with COVID-19 stack up to other nonprofits, you are in the right place — following is a high-level overview of the data and trends identified by these surveys in the first half of 2020.

IMPACT ON OPERATIONS

- 90% of general survey respondents either experienced no change to operations OR offices/program centers closed for general activities but alternative programs/services being offered.
- Conversely, 94% of cultural/membership organizations experienced full shutdown of operations with 53% reopened as of August.

IMPACT ON STAFFING

- For both the general and cultural/membership organizations surveyed, about 50% of respondents indicated no significant changes to staffing, with the remainder experiencing temporary or permanent furloughs, layoffs and salary reductions.

IMPACT ON REVENUE

- Over 75% of general survey respondents reported expected decreases to operational revenue (non-fundraising).
- However, dollars can still be raised during a pandemic, as proven by the one-third of general survey respondents who reported an increase in annual fund donations from March to June 2020 as compared to the same period in 2019.

- The visitation factor has greatly impacted cultural/membership organizations, with 75% of those surveyed experiencing a decrease in membership totals from 2019 to 2020. Being closed eliminates members who renew or join at the time of their visit, and even when reopened, reduced capacity limits aren't being hit at many organizations.

Despite so much unknown, challenges amongst survey participants were universal:

- INCONSISTENT COMMUNICATION FROM ORGANIZATION'S LEADERSHIP LEADING TO FRACTURED TRUST AND FEAR** – Authentic communication both internally and externally will maintain relationships and open dialogue, helping your organization to hold true to your mission and brand.
- FORECASTING FOR Q4 AND 2021** – This is a concern for most businesses, not just nonprofits. There is a tremendous amount of variance between verticals and organizations, but for 2020, a median of 15–20% down seems to be a safe bet, especially with first-quarter philanthropy down 6% pre-COVID.
- STEWARDSHIP AND ENGAGING DONORS WITH NO FACE-TO-FACE MEETINGS** – Since this is going to likely continue well into 2021, figuring out strategies to connect with donors where they are (at home, for many) is key because waiting until you can be face-to-face to make your ask is no longer a reasonable timeline. Think Zoom, digital, direct mail, phone, etc.

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- Key Takeaways from the Survey
- Recovering from an Emergency
- Debunking Direct Mail Myths
- Register for our Upcoming Seminar

Winged Words



WITH
ALICIA LIFRAK, CFRE
EXECUTIVE VICE PRESIDENT

Friend and colleague,

It has already been a year of so many things. Resilience, appreciation and sacrifice, to name just a few. Here at Gabriel Group, we've been focusing our efforts on one aspect in particular: education. Learning what this pandemic has showed us about the nonprofit industry and gaining insights into how that affects our collective future has become paramount over the last few months.

With that being said, we'd love to share the key takeaways from our recent COVID Nonprofit Impact Surveys featured in the cover story of this edition.

- Americans are generous and willing to help.
- People will surprise you — there are many who love your organization, and they will show that love with their continued philanthropic support.
- Don't assume that people aren't going to give in times of uncertainty. Many are willing to help and want to be part of a solution.
- Do not hit pause during a crisis, but pivot messaging, outreach strategies and the timing of fundraising activities.
- Above all, authentic communication and connections with stakeholders are the key element to overcoming challenging times and cultivating strong lifetime value for those stakeholders.
- Do the right thing ... and then, do the next right thing.
- Stay the course.

Even during a global pandemic, we are always thankful for the expertise, generosity and positivity we are surrounded with as a partner to so many nonprofit organizations. Thank you to everyone who participated in our survey and for your thoughts on getting through this time together. Your willingness to collaborate always means so much — but especially now.

Gratefully,

Alicia Lifrak, CFRE

Reagan Case History — A Timely Approach to Emergency

WHILE THIS PARTICULAR CASE STUDY doesn't address the unexpected needs brought on by the current pandemic, the **Olive Tree Emergency Appeal** from our friends and clients at the Ronald Reagan Presidential Foundation & Institute deserves plenty of recognition and much discussion. The success of the appeal serves as a vital example of responding to any and every emergency that is thrown your organization's way now and in the future.

THE STORY: Late in 2019, California was once again ravaged by wildfires. As the Easy Fire in particular gained strength and momentum, its path headed straight for the Reagan Presidential Library & Museum. The staff was forced to evacuate and anxiously awaited to see what damage the fire would cause to the surrounding area. After days of firefighters battling the blaze, nobody was injured; however, the library's communications infrastructure was severely damaged as well as several mature olive trees on the property.

THE APPEAL: The library suffered around \$500,000 in total damages, spurring the staff to put together a recovery plan which the emergency appeal focused directly on, tying in a specific list of items they needed help to restore, including the olive trees lost in the fire. Using the metaphor of the olive tree, that of peace and friendship, as a theme throughout the appeal, the key ask within the letter was a donation for \$5,000 for a new tree to be planted on the grounds in honor of the donor with a dedication plaque included. An additional insert was added which outlined a partial list of other needs.



Debunking Myths ...

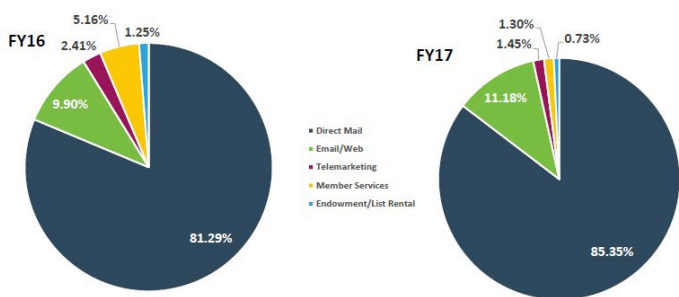
What You Think You Know About Direct Mail

ACCORDING TO LEGEND, a reporter asked Mark Twain for comment concerning the rumor he had died. As the story goes, Twain replied, "Reports of my death have been greatly exaggerated." The same could be said of direct mail, as one might be led to believe that everything is online these days ... but the results tell us otherwise.

MYTH #1 DIRECT MAIL IS DEAD

Direct mail generates more than 80% of direct marketing revenue when compared by channel, making it the single largest source of direct marketing revenue for fundraising by a long shot. Why is it so effective? It very accurately targets and personalizes to your audience. Approaches can be effectively

Direct marketing revenue by channel



Data from Blackbaud's "2017 Charitable Giving Report"

measured and tested, and there is a much longer shelf life (six to eight weeks) than in other channels.

MYTH #2 TODAY'S DONORS PREFER TO GIVE ONLINE

Online giving as a percentage of total fundraising is only 8.7%, according to Blackbaud's "2019 Charitable Giving Report." While that figure is growing, it is not doing so exceptionally fast given that it represented 7% of total giving in 2012. Additionally, according to Blackbaud's "50 Fascinating Philanthropy Stats," 32% of online donors will make their next year's gift offline.

Demographically speaking, those who give tend to respond to direct mail include:

- Boomers (ages 49 to 67), representing 43% of total giving with 40% giving in response to a direct mail solicitation.
- The Matures (ages 68+), representing 26% of total giving with 52% giving in response to a direct mail solicitation.

Meanwhile, Generation Y and Generation X represent 11% and 20% of total giving respectively. These younger audiences are important to cultivate utilizing a multichannel approach, but you can't stop fishing where the fish are — if nearly 70% of your donors demonstrate a preference for direct mail, you want that in your mix!

MYTH #3 IT'S NOT THE WAY OUR ORGANIZATION RAISES MONEY, AND IT'S TOO LATE TO START NOW

The 40/40/20 rule developed by marketing guru Ed Mayer states that an effective direct response fundraising campaign comes down to three key elements: 40% is audience, 40% is offer and 20% is creative. A targeted audience segmentation strategy paired with an effective and compelling "ask" will drive 80% of your success. Find a qualified data partner to assist you in your segmentation efforts (the goal is not to send more letters, but to send them to the right prospects), and make sure that you embrace direct mail best practices when it comes to copy and creative. "Pretty" doesn't typically win when it comes to successful gift procurement, but effective visuals and messaging that resonate can drive a return on your investment.

With COVID-19 challenges causing us all to re-evaluate, and most of your donors continuing to spend an inordinate amount of time at home, now might be a good time to revisit your direct response marketing and fundraising strategies. It can be a very effective tool in your fundraising toolbox. ▶

Response

THE RESULTS: The visually appealing letter package not only served to speak to the importance of a direct response plan for every type of situation, but it also produced phenomenal results for the Ronald Reagan Presidential Foundation & Institute. Boasting the second-highest-performing appeal in FY2020 (apart from their year-end mailing), the emergency response effort prompted a 6.26% response rate, an average gift of \$1,700 and a return on investment of nearly \$47,000.

As we've all learned this year, emergencies come in all shapes and sizes. If you need help in crafting your preparedness plan and strategizing your future emergency appeals, reach out to our team today. We're always here to help you and your organization bounce back in times of crisis. ▶



Don't miss out on our next **Membership Marketing Strategic Planning Success** virtual seminar!

JOIN US as we put on our **Membership Marketing Strategic Planning Success** virtual seminar, to learn the latest tips, tricks and trends for managing a thriving membership program both during COVID-19 and after.

When: Wednesday, November 18 – Friday, November 20, 2020 • From 12:30 – 4:30 pm CDT each day

Where: Your computer

Topics: Membership Planning, Acquisition, Retention, Analysis, Processing and Marketing Strategies

Registration: ~~\$445~~ \$150

Registration with a copy of Membership Marketing in the Digital Age by Dana Hines: \$195

To register, visit: <http://bit.ly/2020VirtualSeminarNov>

Questions? Contact Karen Mariani at 314.771.4664 x 103 or karen.mariani@gabrielgroup.com.

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● **NEW DONOR RETENTION** – Emergency donors behave differently than regular donors, so you need to have strategy in place to steward them differently to convert them.

● **INCREASING FUNDRAISING TO MAKE UP FOR OTHER LOST REVENUE** – If your organization relies heavily on special events, it is going to be hard to recapture these unique donors. A pivot and sound strategy will be

key – some organizations have seen success with virtual events, but if this will remain true in 2021 or was novel in 2020 is yet to be determined.

Everyone is experiencing limbo fatigue, and no one knows how long this will last, but with consistency and perseverance, better days are ahead. ▶

Connect with us!

@GabrielGroup



Gabriel Group | 3190 Rider Trail South | Earth City, MO 63045 | 314.743.5700 | Toll Free 888.576.6145 | gabrielgroup.com

We look forward to hearing from you!

Please update any of your information that may have changed.

John Q. Sample
Gabriel Group
3190 Rider Trail South
Earth City, MO 63045-1518

- I would like more information about Gabriel Group's following service offerings:
 - Full-service Fundraising
 - Membership Services
 - Planned Giving Lead Generation
 - Newsletters

NAME	ORGANIZATION
POSITION	ADDRESS
CITY	STATE ZIP
PHONE	
EMAIL	

Call Kelsey at 314.743.5736 or email kelsey.wuertz@gabrielgroup.com to talk to us about how we can help your nonprofit thrive.

