

# Grassroots Fundraising Journal

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**Throwing a Fun, Profitable and Mission-Aligned Event**

**Growing Mid-Level Donors**

**Reclaiming Your Power with Funders**

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By Lindsey Harris & Karla Vazquez

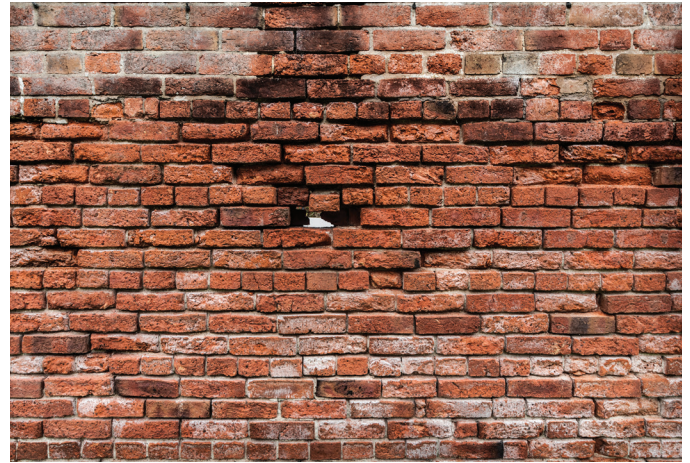
Here's how the Tennessee Immigrant & Refugee Rights Coalition has grown an event that embraces local immigrant and refugee communities while bringing in thousands of unrestricted dollars to support their work.



### ON OUR COVER

Tennessee Immigrant & Refugee Rights Coalition (TIRRC) staff and board members wear TIRRC's specially branded T-shirts at the fourth annual InterNASHional Food Crawl. Read more about TIRRC's Food Crawl in this issue's feature article.

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# The Middle Way

By Beth Raps, RAISING CLARITY

**I WAS READING UP ON FUNDRAISING RECENTLY**, and this jumped out at me:

*“...Among the groups participating in the 2008 study, donors at the \$1,000 to \$10,000 levels represented roughly one percent of the donor population, but were giving more than a third of the dollars.”*

I began to read with more zest. THIS was what I'd been waiting for. Of course I liked it in part because it was a report that proved me right. For years, I've told clients to pay attention to mid-level donors. People often behave in the ways they're treated, so if we want larger donors, we need to treat smaller donors a bit more like mid-level ones and stop paying all our personal attention to large donors.

*“[W]e've studied the mid-level giving space ever since.....At organization after organization, [mid-level donors] appear lost in an institutional chasm between two distinct fundraising cultures—major gifts and direct marketing..”*

I was hooked. I'm obviously excerpting to get you hooked on reading the full report, *The Missing Middle*, by Alia McKee and Mark Rovner of Sea Change Strategies, which you can download free at [seachangestrategies.com/missing-middle](http://seachangestrategies.com/missing-middle).

*“The habit of using baubles and banal techniques to solicit donations has infected online fundraising as well—faux-personal subject lines, fake for-*

*wards, and ad nauseam resends. These practices dominate the landscape because they “work”—in the short term, at least. But we continue to wonder whether [they] can really lead to long-term committed donor relationships.”* (Emphasis mine.)

Who could I share the news with? GFJ readers are people who want long-term committed donor relationships—but may not have time to read the full report. In this article, I want to bring the report’s findings to your attention in a way that is immediately actionable and cuts through any resistance you might feel upon seeing what is considered “mid-level” in the report (more on that later).

“Mid-level” and “high-level” are relative. What they really indicate is *how much time you spend* on each level.

Surely you devote more time and attention to some donors than others. *How do you choose which ones?* My article’s intention (just like the report it summarizes by Sea Change Strategies) is to get you to rethink how you choose which donors you spend time on.

### There’s a Retention Crisis—and Mid-level Donor Cultivation Can Help

*“New donor acquisition has fallen every year since 2005. A decade ago, overall donor retention was an anemic 33 percent—that means only one in three newly acquired donors was still giving a year later. Today, the decline has accelerated and overall retention is hovering around 25 percent....Most believe that neglect of middle donors is fueling the retention crisis.”* (Emphasis mine)

Behind these words are 12 months of interviews, research and analysis by report authors Alia McKee and Mark Rovner (the principals of Sea Change Strategies). McKee and Rovner are saying we are encouraged too much and too often to spend time focused on offering fundraising “baubles” and email resends that bring in initial gifts while neglecting to cultivate mid-level donors. But, according to the report, “[It’s mid-level] prospects [who] represent significant income potential and greater retention stability—probably even more than major donor prospects.”

Why do we neglect mid-level donors? First, we may not know there is a retention crisis. A long, slow decline over years—especially given how quickly many of us change jobs—is not going to be noticed unless we set out to track it. And how would we think to track it? So many of us tend to think it’s just our issue, it’s our fault, it’s something other organizations have no problem with.

Second, it’s the internet. The fast and furious fundraising on the internet makes us we feel like we’re behind the times if we don’t jump into that stream. So many of my clients want crowdsourcing before they have considered who their crowd is—and long before they have one. And crowdsourced gifts are often much smaller than cultivated mid-level gifts.

Third is a factor Sea Change Strategies emphasizes: the influence of organizational leadership on rank-and-file fundrais-

### UPPER-LEVEL STAFF AND BOARD MEMBERS NEED TO BE EDUCATED ABOUT HOW IMPORTANT MID-LEVEL DONORS ARE: THEY ARE THE MISSING MIDDLE OF THE DONOR PYRAMIDS WE ARE ALL SO FOND OF.

ing staff. The report emphasizes that upper-level staff and board members need to be educated about how important mid-level donors are: They are the missing middle of the donor pyramids we are all so fond of.

Fourth is a funny kind of factor that just might make sense:

*“No one much respects the middle of things. Middles are bland and boring. In politics, Jim Hightower famously said that the only thing in the middle of the road are white stripes and dead armadillos.”*

McKee and Rovner even suggest (in passing) that it could help us, our executive directors and boards if we “re-label” mid-level donors:

*“What we are really talking about is committed donors—individuals who believe in your cause, believe in your organization, and are prepared to make a substantial investment in your success for many years.”*

### What to Do First

*“[We] looked closely at organizations that appear to be bucking the trend and building successful programs. Our goal was to isolate and distill their success so it could be replicated. We hope this report will help spur on a small revolution in philanthropy; it’s a revolution that is overdue.”*

## WE HAVE TO REDISTRIBUTE NOT ONLY WEALTH BUT ATTENTION.

One of my favorite observations came from an organization big enough to have a special staffer dedicated to mid-level donors—but it's not the special staffer that makes them successful. It is their understanding that, as Cathy Finney, VP of Strategic Services at the Wilderness Society, says, “[M]iddle donors is sort of a no man's land between direct response and major donors, and not enough organizations have had the foresight to really focus a full-time employee on this audience.”

For many of us, it has nothing to do with foresight and everything to do with budget. (And if this is the case, you will also love Stephanie Roth's webinar with slides downloadable from [GIFT at grassrootsfundraising.org/webinars](http://GIFTatgrassrootsfundraising.org/webinars). It is packed with tips for smaller organizations).

But we can still learn not to leave mid-level donors in the unspoken middle of the fundraising pyramid, the “no person's land” between small and large donors. I like the way Jamal Harris sees his job at The Nature Conservancy: “...to provide that single, comprehensive view of all these donors, regardless of how or where they are managed.” This unified approach is worthy politically, budgetarily, and transformationally. It's what feels right and good to us as social justice activists, it's what will transform our leadership's understanding of fundraising well done, and it makes sense financially. We have to redistribute not only wealth but attention. When we put all donors on more equal footing in terms of the attention we give them, we immediately see the “missing middle” deserves more of our focus. While “silo-smashing” may not be as urgent for GFJ readers as for other readers of the Sea Change Strategies report, we can smash our own inner silos.

For Sea Change Strategies, the silo problem breaks down to a problem of attribution: We focus on who gets credit for the gift, while no one even asks who gets credit for bringing in, cultivating, and keeping a donor over the long-term. We all know it takes a lot more time, energy, and actual cash investment to get a new donor than it takes to keep an existing donor. This means it makes sense to spend time cultivating donors' loyalty and being certain not to neglect mid-level donors in our cultivation of all donors, from small to large.

In smaller and more radical organizations like ours, we can easily redistribute not only attention but credit and appreciation for who brings in which gifts. We know perfectly well the person who brings in large gifts is not more valuable to our organization than the one who brings in small gifts. We also know that a donor who starts out giving small can, for many reasons, begin to give large gifts—but that is not why we should pay attention to them.

In smaller, radical organizations, we can redistribute our atten-

tion across all donors, consciously choosing a three-part cultivation strategy, studying:

1. what works to attract small gifts (which most of us know);
2. what works to attract large gifts (which most of us also know); and
3. what works to attract mid-level gifts (which most of us don't have a clue about).

### Mid-Level Donors: What Works

*“The ideal strategy for middle donor content hews closer to major donor than to low-dollar direct mail. Cultivation mailings, as opposed to solicitations, predominate. Letters and emails are meaty and substantive. Premiums are almost non-existent. A personal touch is a must.”*

The report emphasizes:

1. **Deep substance:** In anything you send mid-level donors, assume they care not so much about your financial health as about your issues.
2. **Consistent narrative across all channels:** The authors repeat Roger Craver's belief that, “If the telephone people are doing one thing, the internet people are doing another thing and the mail people still another thing, the one certainty is that you'll lose those donors.” This can mean we include more “deep substance” in all our asks—middle, large and small. And it means doing what Jamal Harris does at The Nature Conservancy: providing that “single, comprehensive view” across all donors.
3. **A major focus on stewardship:** Cathy Finney of The Wilderness Society shares an inspirational story: “We've got quarterly scheduled cultivation mailings, and there are a couple additional ad hoc things they'll get....There was a great *New York Times* editorial in February, which we just reprinted and sent with a little note. [It] didn't reference us. It was just all about our issues. We...said ‘you may or may not have seen this, but this is why our work is important.’ That brought in \$26,000.”
4. **A branded name:** All the successful programs studied had a special name for the mid-level donor “club” to encourage giving. The Nature Conservancy, for example, calls theirs “The Last Great Places Society.”
5. **A personal point of contact:** A single staffer's name on appeals helps donors feel at home in the organization.

6. **Reduced ask frequency:** Fascinatingly, the report observes, “Middle donor fundraisers we spoke with send between two and eight solicitations a year—mostly via postal mail.” And, at a successful organization studied, “One of the main differences between their ‘low middle’ program and their ‘high middle’ program is that the ‘high middle’ people receive fewer asks. This speaks to the importance of treating donors like we’d like them to behave—in this instance, treating mid-level donors like higher-level donors.
7. **A focus on listening:** Ask what donors want and need. This is something Sea Change Strategies offers in creative ways well known to organizers such as one-on-ones, surveys and focus groups.
8. **The internet is not the easy button:** The report states, “Successful middle donor programs are channel agnostic and rely heavily on highly personalized and substantive communications across channels. Good old phone calls, personal emails and note cards will come in mighty handy.”

The report follows up these recommendations by showcasing two “Profiles of Success,” the Human Rights Campaign Fund and the Rainforest Alliance, and a brief sketch of a “30-Day Plan” to revamp your mid-level donor program. It closes with a table showing 10 larger, progressive nonprofits’ mid-level fundraising data as compared with overall fundraising.

### Practical Tips and Resources

In closing, in addition to this report’s strong, well-researched case for redistributing attention to the middle, I would highly recommend McKee and Rovner’s spin-off, *How to Treat Mid-Level Donors Like Major Donors Without Breaking the Bank* (seachangestrategies.com/resources/). If your organization doesn’t want or need the research of the entire report, you might prefer their quicker how-to or GIFT’s webinar, also called “The Missing Middle,” by Stephanie Roth.)

Finally, here are some practical tips to cultivate mid-level donors, which are fleshed out in more detail in the report:

1. Give them a personal touch:
  - include a business card
  - write a handwritten note
  - call them to say thank you
2. Get face to face:
  - small gatherings
  - focus groups
3. Postal mail cultivations:
  - send articles
  - send a hard-copy newsletter
  - share press hits
  - send a brand-appropriate gift
4. Invite them to virtual meetings
5. Listen:
  - online focus groups
  - surveying
  - interviews
6. Digital recognition of their loyalty online
7. Invitations to learning experiences.

I hope this inspires you to cultivate relationships with your own mid-level donors, whoever they are, and however much they give. ■

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Beth Raps is the founder of RAISING CLARITY: your practical and intuitive guide to money, integrity and other resources for change. She specializes in seeing radically simple solutions inside apparently complex problems: [www.raisingclarity.com](http://www.raisingclarity.com)

### Find More Tips for Deepening Donor Relationships in the *Journal* Archive

*\$3 each or free if you're a current Journal subscriber! Don't have your password? Email [jennifer@grassrootsfundraising.org](mailto:jennifer@grassrootsfundraising.org).*

11 Steps to a Great Donor Cultivation Event by Jean Van't Hul, Jan-Feb 2008, v27 n1.

Strategic Communications for Year-Round Donor Engagement by Joleen Ong, Sep-Oct 2014, v33 n5.

Love & Systems by Nisha Anand, May-June 2014, v33 n3.

After the Gift: How Many Relationships Can You Manage? By Andrea Kihlstedt & Andy Robinson, Jan-Feb 2014, v33 n1.

Donor Perspectives on Giving by Marjorie Fine & Ryan Li Dahlstrom, May-June 2013, v32 n3.

Using Surveys to Strengthen Donor Relationships by Stephanie Roth, May-June 2013, v32, n3