

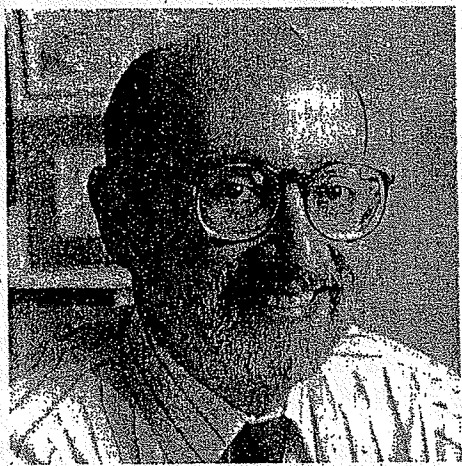
# How Big a Gift Should You Ask For?

*This case history in direct-mail fundraising research offers some startling results. Keep them in mind next time you write a fundraising letter.*

BY MAL WARWICK

**H**ow much money should you ask for when writing a fundraising letter? That's one of the most significant decisions you face in direct-mail fundraising—and one of the trickiest.

Ask too little, and you may generate too little revenue—despite a high percentage response. Ask too much, and the percentage response may be unacceptably low.



*Mal Warwick is the founder of Mal Warwick & Associates, Inc., one of the country's leading full-service direct-mail fundraising firms (2550 Ninth Street, Suite 103, Berkeley, California 94710-2516). He is also the author of several books for nonprofit organizations (see "Selected References").*

## The Test

In hopes of boosting the revenue from one client's ongoing direct-mail member acquisition program, we decided to test different suggested gift levels. In theory, by *lowering* the suggested minimum gift, we could *increase* the percentage response—without significantly lowering the average contribution.

To test this theory, we selected approximately 68,000 households—part of the target audience in one membership acquisition mailing—and split them into three equal groups of 22,653 each. The three groups of names and addresses were drawn from statistically identical sources.

The letters mailed to each group were identical in every respect except one: the suggested minimum gift. One group of letters—the so-called "control" group—suggested minimum membership

gifts of \$25 or more. Other options offered in these 22,653 letters were \$35, \$50, \$100, \$500, and \$1,000.

The second group of 22,653 letters suggested \$20 or more, while the third asked for \$15 or more. The additional gift options were identical for all three groups. (To avoid distortions caused by statistically random large gifts, contributions of \$100 or more were ignored for all three groups).

The outcome was startling. The three groups produced dramatically different results.

## The Results

The control group, which asked for \$25 gifts, yielded a response rate of 0.98 percent with a \$22 average gift. This corresponded to \$0.216 per letter mailed, or \$216 *per thousand* letters mailed.

The letters seeking gifts of \$15 or higher produced significantly better results: a response rate of 1.11 percent with a \$21.56 average. This was \$0.239 per letter mailed, or \$239 *per thousand*.

However, the appeals for contributions of \$20 or more produced the best results by far: \$0.27 per letter mailed, or \$270 *per thousand*.

In other words, asking for \$20 gifts produced 25 percent more revenue than asking for \$25 gifts! The response to the

A little change  
in how much  
you ask for can  
sometimes  
make a very  
big difference.

Continued on back

# CREATIVE FUNDRAISING IDEAS

## Write Long Letters.

Tests show that four-page-long fundraising letters generate more donations than shorter ones. Successful appeal letters usually include five essentials: (1) They create a *link* between the person who sends and the person who receives the letter. (2) They offer an opportunity to *participate* in the organization. (3) They make a compelling *case* for the offer. (4) They establish *urgency*. (5) They ask for a *specific* sum of money.

## Know the Direct Mail Keys.

When putting together a direct-mail fundraising letter, keep in mind the ingredients that will determine its success. In order of importance, these ingredients are as follows (the percentages tell how much each factor contributes to the letter's success: your organization's record, message, and leadership (50%); list selection (25%); the actual wording of the letter (10%); the offer—how you structure the "pitch" or marketing concept (5%); the format—the size, shape, and color of the letter and envelope (5%); the design (5%).

## Remember the 5 Ws.

Be sure each of your mailings is based on a unique marketing concept and fits into an overall marketing strategy. For every mailing, make clear *whom* you're writing, *what* you want from them, *why* you need money, *when* you need it, and *what* you're offering in return. For details on these and other direct-mail strategies, see *Raising Money by Mail* (see page 23).

appeals for \$20 minimum gifts was 1.11 percent, 13 percent higher than the control group's.

But here's what was really surprising (and significant) about this test: The appeals for \$20 gifts actually yielded an 11 percent *higher* average gift—\$24.35—than those that suggested \$25 minimum gifts!

## The Moral

Test results aren't often as dramatic as these. And a similar test of giving lev-

els, conducted for another charity, might produce opposite results. But there's a moral to this case history that's valid for any direct-mail fundraising program: A *little* change in how much you ask for can sometimes make a very *big* difference. ■

## Selected References

Clark, Constance L., "25 Steps to Better Direct Mail Fundraising," *Nonprofit World*, July-August 1989.

Krit, Robert L., *The Fund-Raising Handbook*.

Muehrcke, Jill, ed., *Fundraising and Resource Development, Leadership Series*.

Warwick, Mal, *Revolution in the Mailbox: How*

*Direct Mail Fundraising Is Changing the Face of American Society—And How Your Organization Can Benefit*.

Warwick, Mal, *You Don't Always Get What You Ask For: Using Direct Mail Tests to Raise More Money for Your Organization*.

These publications are available through the Society For Nonprofit Organizations' Resource Center. For ordering information, see the Society's *Resource Center Catalog*, included in this issue, or contact the Society at 6314 Odana Road, Suite 1, Madison, Wisconsin 53719 (800-424-7367).

*Nonprofit World* • Volume 17, Number 2 March/April 1999  
Published by the Society for Nonprofit Organizations  
6314 Odana Road, Suite 1, Madison, WI 53719 • (800) 424-7367

Remember you can't specifically ask an individual to fund your program, but you can ask businesses. Also there is nothing that says a parent, guardian, friend can't mention to another parent/guardian/friend that your program needs money. Just don't start a phone calling campaign! For example, I know of a parent who put in their Christmas letter that they'd decided to give money to Special Olympics rather than buy gifts for co-workers, etc. They asked others to consider joining them.