

HOW HAS COVID-19 IMPACTED YOUR PROGRAM?



By Steve Maggio
President & Chief Executive Officer
DaVinci Direct, Inc.

The COVID-19 pandemic swept into our lives last year like a Category 5 hurricane, bearing projections of sickness and death that struck fear in hearts all across the nation. By the time the pandemic was making news in January and February, your important winter campaigns were already in home, and fundraising results were probably as projected. But as drop dates for your spring direct mail and digital campaigns approached, it became clear that this would not be business as usual.

It became obvious that this pandemic was about to become a major disaster in the United States. By March, fundraising professionals were getting nervous. Some were pulling campaigns that were already printed and inserted at the mail shop.

It's easy to turn on dime and make adjustments to digital programs when necessary. But direct mail is different. Did you suspend a direct mail campaign due to the pandemic? Some fundraisers were willing to take a loss, fearing their fundraising ask would come off as callous in the face of a national pandemic.

But if you're a seasoned fundraiser "of a certain age" you've seen national disasters impact fundraising programs in the past. You've been through 9/11, Hurricane Katrina, Superstorm Sandy and other calamitous

DISASTER MESSAGING SPECIFICS:

- **WHY** your donation is needed.
- **What** your dollars will **DO**.
- **Mission areas MOST AFFECTED.**
- **What has CHANGED/ADDED?**



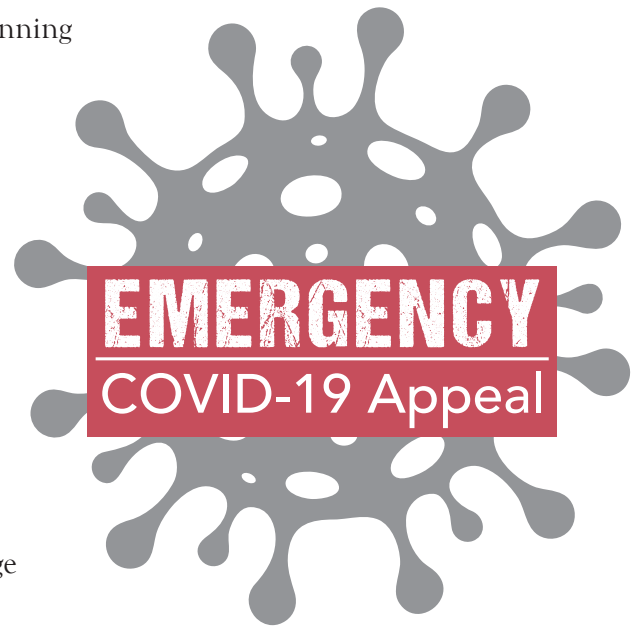
HONESTY • URGENCY • TRUE TO MISSION

events that affected the planning and strategy of fundraising campaigns.

This felt different. No one knew how bad the coronavirus pandemic would get — or how long it would last. There was talk of a wave of sickness that would take hundreds of thousands of lives in the spring and summer, with perhaps an even worse surge in fall and winter.

Some panicked — while others adjusted programs on the fly to protect revenue. After all, with the right messaging, you could ride out the storm and continue fundraising.

Smart fundraisers know that canceling an acquisition mailing is guaranteed to cost you over the long term. Delay if you must. Perhaps reduce testing



to minimize risk, but keep renewal programs running as planned, with adjustments to messaging to communicate the impact of COVID-19 on the nonprofit. Double down on digital fundraising.

The missions of most nonprofits were impacted significantly. It became more difficult to deliver

continued on next page ➤

programs and services. Cultural organizations had to shut their doors and cancel exhibits and performances; hospitals had to deal with much more complicated protocols to keep patients safe and provide medical care in a COVID-19 environment; and social services agencies with food programs were overwhelmed, some with an increase of 600% more people seeking emergency food assistance, due to the devastating economic impact of COVID-19.

Galas and other special events had to be canceled, or recast as “virtual events,” resulting in a loss of income. The cost of doing business increased overall.

The saving grace of this pandemic for fundraisers is that donors responded generously, again and again — especially online — in response to the growing need to provide a lifeline for people whose lives were affected by the pandemic.

In the following paragraphs, you will see the results of nonprofits in four sectors: Hospital/Healthcare, Animal Welfare, Cultural and Social Services.

One might assume that healthcare clients would fare the best. After all, they are on the front lines of the COVID battle, and donors would surely recognize that fact. Somewhat surprisingly, some hospitals cut back on spring fundraising. There was an initial loss of income from missed renewal and delayed acquisition campaigns, but the subsequent increase in generosity more than made up for the losses by year end.

Some hospitals that suspended March mailings later produced COVID emergency mailings in April. For one hospital, this mailing raised \$104,000 in April, nearly doubling the amount raised by the 2019 April renewal. The April mailing received almost twice as many gifts than it did in 2019.

COVID messaging enhanced all subsequent renewals. But delayed

acquisitions and missed renewals took their toll. Ultimately this organization came through 2020 unscathed, with more than \$1.3 million in revenue for the year, an increase of \$124,000 over 2019.

You might think that animal welfare organizations would be less affected by the pandemic than others. But a regional humane society that provides veterinary care has many of the same concerns as a hospital that treats humans. Special protocols must be developed. There were some animal surrenders due either to their owners getting sick or passing away from COVID-19, or the owners losing their jobs, making it harder to feed and care for their pets.

Outreach to underserved communities expanded dramatically. Low-cost veterinary care and more than a million pet meals were provided, so those who were struggling could still keep and care for their pets.

The response of donors — and prospects — was stunning... and heartwarming. A digital campaign with a “COVID-19 Update” e-newsletter raised an unprecedented \$57,000. Regular April campaigns were augmented with COVID messaging and more digital, and these measures increased revenue by more than 200%. A similar approach to May campaigns resulted in an increase of 100% over May ’19, including nearly \$110,000 from the #GivingTuesdayNow digital campaign alone.



The pandemic had a major impact on how hospitals provided healthcare, but donors responded generously, especially at year-end.

continued on next page ➤

By September, the increase in revenue began to level off. A fall COVID-19 E-Newsletter raised a fraction of the one that went out in April. Was this the beginning of the end of the “COVID-19 bump?” Fall and Holiday campaigns remained strong – above projections – but not as dramatically as in the spring. Overall, this organization saw a 47% increase in revenue, year over year.

Even in the Cultural category, many organizations held their ground. One nonprofit whose offer is membership and whose “product” is live performances did not suffer losses because they continued to ask for help. Despite many changes from their normal mail schedule, they produced several campaigns that reminded donors that “the arts must survive” this pandemic.

This organization suffered losses from missed spring mailings, but a “Summer Challenge Match” in June provided a much-needed lift of nearly 19% over projections. July and August renewals held steady at 2019 levels, raising nearly \$625,000.

Overall, they raised \$1.55 million through the mail in 2020 – surpassing 2019 by \$75,000 – all while being unable to offer members any live performances.

The most impressive gains were made by social services agencies that focus on hunger and food insecurity. Many of these organizations doubled down, in

both direct mail and digital, rather than delaying or canceling campaigns.

For one food bank, the April Challenge Match renewal raised \$374,000 – more than five times as much as the goal of \$70,500. This campaign passed the total for Thanksgiving (typically one of the strongest campaigns), making it the highest grossing campaign of the year. The response rate sits at 19% – nearly tripling the prior year’s 6.5%.

Overall, they grossed more than \$4 million for the year – exceeding goal by \$2,520,750. Both response rate and average gift doubled!

The organizations that were most successful in 2020 provided donors with COVID-19 updates, explaining how the pandemic was affecting mission, highlighting increased needs where appropriate and describing their response to this disaster.

The keys to “disaster messaging” are to be specific about “why your



donation is needed, and what your dollars will do.” Which areas of mission were most affected? What new wrinkles were added? The information must be current, stated honestly without embellishment – and with urgency. Most important, the messaging must ring true to the core mission of each nonprofit.

continued on next page ➤



Animal welfare nonprofits were impacted, not only in the way they delivered services during the pandemic, but also in responding to the urgent needs of families that lost jobs and income — and needed help to feed and care for their pets.

By year-end, it became clear that most nonprofits were seeing numbers reach or exceed projections. It's inspiring to see how donors respond in time of crisis. It demonstrates that the people who share the core values of your organization will step up in your time of need. Giving feels good, and people respond when asked correctly.

Why was 2020 so successful for these organizations?

In direct mail, we know that most of our donors are at retirement age, or older. What do older folks like to do? Many of them like to travel. The pandemic put their trips on hold. For many, going out for a nice lunch or dinner is a big part of their day. But, many restaurants closed or reduced hours, and many seniors did not feel it was safe to go out to eat.

One could speculate that the pandemic left a whole generation of donors stuck at home, with little to do other than read or watch TV. There may have been less fundraising mail in their mailboxes due to nonprofits who cut back. So those who continued to mail and gave good reasons why they needed help had an advantage.

The pandemic left many donors feeling alone and helpless. But one thing you could still do was support your favorite charities in their time of need. Some nonprofits received notes from donors saying, "I'm signing my COVID stimulus check over to you... the people you help need it more than I do."

Here are some of the questions most fundraisers are asking now:

- Will these newly acquired "COVID donors" renew as well as traditional donors?

- Or, will they behave more like emergency donors to relief organizations, who only give when the latest hurricane, earthquake or other disaster occurs?
- Will the explosion of digital donors continue in 2021?

The pandemic reminded us of the major disasters of the past. But in most of those cases, there was a specific, terrible event of limited duration. Sure, there was an aftermath for all these events. But none of them stayed in the news, in our minds, putting fear in our hearts — for as long as COVID-19.

Unlike disaster donors, these new COVID donors may have given two or more times to your organization. They may have begun to develop the bond that converts a one-time donor into a committed donor.

Or perhaps "COVID fatigue" has already set in and is eroding results.

Now it's time to rethink projections and reassess your contact strategy, with both newly acquired and long-time donors, and keep them engaged and active by providing new information and new reasons to give.

Here's to continued fundraising success in 2021 — and an end to this terrible pandemic!

© S. Maggio



Steve Maggio
President & CEO
steve@davinci-direct.com
davinci-direct.com