



**Annual Campaigns:
Once A Year Every Year
By Tony Poderis**

An annual campaign is best described as a campaign conducted each and every year for the purpose of raising money to assist in paying a non-profit organization's regular, ongoing expenses. The money it raises is most commonly used to offset an operational deficit, but it can be applied to any purpose. The annual campaign is usually an organization's primary source of unrestricted contributed income and should be a mainstay of its fund-raising efforts.

The goals of any annual campaign ought to include:

1. Stimulating the contribution of unrestricted funds
2. Raising an awareness and acceptance of the organization and its responsibility to raise money
3. Developing a base of knowledgeable volunteers
4. Cultivating prospects for future giving

Every non-profit organization with a need to raise contributed income should have an annual campaign which it conducts every year.

Use the chart below to help estimate an obtainable goal. For each source of annual fund income, list the previous year's achievement, identify what portion of that income will not be repeatable, and estimate expected new gifts and increases. From this information you should be able to project the total amount of contributions that can be realistically achieved.

For The Fiscal Year _____
Annual Fund Campaign Evaluation And Goal

<u>Division</u>	<u>Prior Year's Result</u>	<u>Major Losses</u>	<u>Net Available</u>	<u>Estimated Increases</u>	<u>Net Plus Increases</u>
Corporations	\$15,760	\$1,200	\$14,560	\$3,000	\$17,560
Foundations	4,110	500	3,610	500	4,110
Trustees	7,911	2,000	5,911	1,000	6,911
Individuals	25,419	1,800	23,619	5,000	28,619
Special Event	5,200	5,200	n/a	n/a	n/a
Raffle (New)	n/a	n/a	n/a	3,000	3,000
Miscellaneous	<u>1,280</u>	<u>n/a</u>	<u>1,280</u>	<u>300</u>	<u>1,580</u>
Final Result	\$59,680	\$10,700	\$48,980	\$12,800	\$61,780



Executing a well-conceived annual campaign allows an organization to build a predictable base of support and provides a pool of proven donors for other fund-raising efforts. The vast majority of individual donors give their first contribution to an organization through its annual campaign. Repeat contributors to annual campaigns become an identified group of loyal and established givers --- a constituency. Their record of contribution shows a care and concern for the organization that makes them prime prospects for capital and endowment campaigns.

A Campaign Deferred Is A Campaign Defeated

No matter what other fund-raising efforts are being planned for a given year, the annual campaign must go on. I have often had to convince people that an annual campaign can be successfully run in tandem with a campaign for a special purpose, such as endowment or capital. Their rationale for wanting to abandon the annual campaign is that the organization does not have the resources to conduct simultaneous campaigns. They also believe that supporters will not give to more than one fund-raising effort in the same year.

If an organization truly does not have the resources to conduct both an annual and a special-purpose campaign within the same 12-month period, it should not cancel the annual campaign. Rather, the fund-raising resources --- for the most part, the base of volunteers --- should be enlarged so that both campaigns can be conducted. In fact, the need to run two campaigns can be the impetus for making a much-needed expansion in an organization's base of volunteers. In my 20 years with the Cleveland Orchestra, we ran endowment or capital campaigns a number of times, without ever shutting down the annual campaign, and the collective amount given to the annual campaign by those who also contributed to an endowment or capital campaign always increased.

An annual campaign is a broad-based fund-raising effort directed at a large number of prospective donors. Both the overall goal and the average gift are usually far smaller than those in an endowment or capital campaign. Similarly, an annual campaign should be considerably shorter in duration than either capital or endowment efforts. The usual length is from several weeks to several months, but be prepared for the fact that annual campaigns almost always take longer than planned. An annual campaign relies upon a great many solicitors, and those solicitors will not all operate at optimum efficiency. They have other commitments, and the people they are trying to reach are not always available on the first try. Realistically, from the time solicitors start contacting prospects to close of effort, I like to see an annual campaign last no more than about six weeks.



Because of its broad-based nature, an annual campaign cannot rely upon individually rating prospects as strongly as do capital and endowment campaigns. Annual campaigns can have hundreds, thousands, even tens of thousands of potential donors. You rate and evaluate as many of those prospects as you can. At the Cleveland Orchestra, volunteer groups, such as our Women's Committee, were asked to go over the list of subscribers who were non-donors. Those subscribers whom someone could recommend as being able to contribute a specific amount were solicited for that amount. Subscribers for whom we had no information other than where they lived or the cost of their seats in our concert hall would be put down for an arbitrary, but we hoped realistic, suggested giving level.

Failing to suggest a specific gift size is the most common mistake made in annual campaigns. I know of organizations that have sent letters to former donors asking them to " renew your gift at last year's level," without even telling the donors what they gave last year. How will those donors know what to do? The one thing they can surmise from such a request is that the organization must have raised plenty of money last year since it isn't asking for more this year. Always ask for more each year. Your expenses are going up; you need to raise more money. Failing to target an amount --- an increased amount --- is the single most devastating mistake made in an annual campaign.

Energize Your Annual Fund Appeal

- To increase a donor's contribution to an annual campaign, one of the most useful tools is the creation of a membership program. Donors giving at a certain level to the annual fund receive the appellation of Friend of (organization name). The title can be inflated at specified giving levels by having categories of friends such as Contributing Friend, Supporting Friend, and Sustaining Friend. For very large gifts you can create distinct categories such as Benefactors League, Founders Society, and President's Circle. The idea here is to appropriately recognize donors for their generosity. You should always print their names under the appropriate membership category in your annual report and other media. Perhaps you even place the names of those in the highest categories on a wall in your building. This much-appreciated public thank-you exerts a little subtle peer group pressure on donors to give at a level that meets their capability, and attracts and compels others to want their names listed as well.

Depending on the type of organization, it is even possible to offer "benefits" of membership, which increase at each level. Performing arts and other cultural organizations have obvious benefits they can offer, such as tickets to performances and events, but it may require some creative thinking on the part of social service organizations to come up with "perks." One way might be to have a corporation sponsor your membership program and provide benefits. However, remember that membership benefits should not be the primary reason someone gives to your annual fund. If they are, then your membership program is actually a marketing program through which you are selling something for the money you receive.



Membership programs that sell are appropriate for some organizations: for instance, museums which charge admission, but waive that charge for members. However, to my way of thinking, such membership fees are really earned income, and as such should be the province of an organization's marketing department. People who join these kinds of membership programs have more in common with season ticket holders of a performing arts organization than with donors to that performing arts organization's annual campaigns. Such members would, of course, be fine prospective donors for the annual campaign.

There are two good reasons for establishing a non-marketing membership program. Having memberships at different giving levels provides an organization with a status to associate with a suggested donation to the annual fund, and this is sometimes persuasive to prospects. However, the greatest value is that they bolster the solicitor. Memberships are a sales tool that the volunteer solicitor can use for support when making a presentation to a prospect. They help the solicitor feel good about asking at a suggested level, and that means an organization is more likely to achieve its goal for the annual fund.

The goal --- the money that needs to be raised --- is always the primary reason for an annual campaign. However, there are secondary positive results. An annual campaign raises the public profile of an organization. It offers a number of opportunities to issue press releases with a real news hook --- goal announcement, campaign kickoff, steps in reaching goal, entering the homestretch, goal reached, volunteers and donors thanked. Annual campaigns give an organization an ongoing way to "exercise" its fund-raising muscles. If there is a strong base of volunteer fund-raisers in place, then capital or endowment campaigns have a foundation upon which to build.

Those are my views on the subject. What are yours? Your comments and suggestions are welcome.