



Using Demographics for Fundraising

Who are the most generous donors? How do we persuade them to give to our cause? Here are two books with the answers.

BY TERRENCE FERNSLER

Pinpointing Affluence: Increasing Your Share of Major Donor Dollars

By Judith E. Nichols. 293 pages. Hardcover. Chicago: Precept Press.

Growing from Good to Great: Positioning Your Fundraising Efforts for Big Gains

By Judith E. Nichols. 212 pages. Hardcover. Chicago: Bonus Books.

In both these books, Judith Nichols uses demography (statistics about people's behavior) to deliver her message: We live in abundance. This fact is sometimes hard to remember as we struggle to raise funds for our organization.

She's right that we live in abundance, although her arguments are flawed. She claims unimagined wealth and the desire to give. She believes development officers and board mem-

bers are not asking, or not asking well. It's true that people give more when asked, and even more when asked well. But nonprofit organizations are nowhere close to obtaining the wealth she hints at. Why?

Because she fails to account for three vital trends: First, costs have increased more rapidly than income. Medical, educational, and recreational costs have skyrocketed far out of pro-

portion to cost of living. Second, people's perceived needs are greater than ever before. Two cars and a computer are now considered necessities. Third, people are concerned about living longer without adequate financial resources—for their own retirement and medical needs, for their children's health and education, and for their parents' housing and health needs. So they hesitate to spend.

Thus, Nichols' argument for boundless prosperity does not work. Nor does her "generational diagonal theory." This theory assumes that if we understand each generation's "personality," we can "sell" them our message. It's a flawed belief because it doesn't account for class, a much overlooked influence in our lives.

In her attempt to excite us about a goldmine of affluence, Nichols gives us statistics—so many that she sometimes

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overwhelms us. In a rush to find commonality, it can be a mistake to rely too heavily on demography. Faith in quantification can make us lose sight of the *art* of development—the all-important intuitive side of our work.

Why people give is an emotional issue, based more on individual experience than demography. Not all people who contribute to nonprofit organizations (particularly to any single organization) fall within the majorities Nichols gives us, and certainly not within the pluralities. It's not enough to know that 60% of affluent people like such and such. What you need to know is how many of those 60% are likely to donate

to nonprofit organizations—and, specifically, to *your* cause. People don't contribute simply because they have the means but because they think an organization is important. You must always do your own marketing research, not rely on broad statistics.

Nevertheless, Nichols' books have much to offer us. Some of her best advice includes the following:

- Segment your prospects as much as possible. The more you know about your prospective donors, the better you can communicate with them.
- Fundraise from the “center outward”—committing the greatest

share of your time, energy, and resources to those closest to your organization (your staff, board, volunteers, and others who have shown support in the past).

- Focus on renewal and upgrade.

It's in describing these strategies that Nichols makes the most sense. While there may not be the unlimited money she envisions, she's right about the abundance of resources. Rather than cash, these resources are more likely to take the form of volunteers, supplies, technology, or information. Available resources are unique to each organization. The important thing, as Nichols stresses, is to note how precious each organization's resources are and to use them wisely.

Nichols' books also give useful advice about “affluents”—the people who give the most to charity. Affluents, not wealthy people, are the most generous donors, Nichols explains. She goes into detail about who these people are, what they do and don't like, and how to get them to respond. This information is especially important as the gap between wealthy and poor people widens, and competition for those with discretionary income increases.

Finally, Nichols emphasizes the importance of understanding your supporters. If you know something about your prospects and contributors, you will realize how best to reach them with your message.

Reading Nichols' books may not make your organization as rich as she implies. But it will help you find supporters and communicate with them effectively.

That's the real value of these two books. ■

Tips for Reaching Affluents

- Articles are more effective than advertisements in reaching affluents.
- Affluents spend more time reading than other consumers. They prefer the written word over radio or TV.
- They make purchases via phone and mail.
- They read specialty magazines and journals.
- Their favorite radio and TV shows are public affairs and sports programs.
- Direct response campaigns—minus any hard sell—appeal to them.
- They spread the word among other affluents.
- They often choose the quickest way to communicate: the telephone.
- They trust instant buying and aren't squeamish about giving their credit card numbers over the phone.
- They respond best when you appeal to their knowledge and judgment, not status.
- They respond better to a spirit of cooperation than to a sense of competition.

From *Pinpointing Affluence*, by Judith Nichols