



Ask the experts

# Is 9/11 TO BLAME?

Have you experienced a drop-off in members or donors? What's the reason, and what can you do about it?

**Q:** I would like to ask one big question: It concerns our membership and its lack of growth — ever since 9/11.

Our membership varies between 1,950 and 2,100. The members who have been with us the longest, stay. The ones who have been with us for 1-2 years are the ones who leave. Our lapse ratio runs anywhere from 30-45%. To me that's high. In fact, our prospect list (people who have inquired of us or people who are lapsed members) is almost the same number as our membership list.

Our dues are just \$20 per year, and we offer solid member benefits, including a newsmagazine. We started up in 1998, and had phenomenal growth until 9/11 and then.... nothing.

We are in a narrow, small marketing area. There are very few of us in this field so not much competition. That's why this hurts. Anything you can do to help would be appreciated.

*Howard Thiel*

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**A:** What we have here is a classical case of donor attrition. There's nothing unusual about the circumstances

you describe. Unfortunately, this is a description of reality.

It's common for newly-recruited members to lapse much more readily than those who've been around for awhile. Nowadays, in most national direct-mail fundraising programs, first-year renewal rates of 25-35% are not uncommon. Many consider them the rule.

**First-year renewal rates of 25-30% are not uncommon.**

Renewal rates tend to improve in the second and subsequent years, often trending upward from 50% in the second year to 70%, 80%, or even 90% after many years of membership. Overall renewal rates are normally in the range of 60-75%.

However, it's important not just to recognize the problem but to do something about it! This is where it's well worthwhile to understand the concept of "relationship fundraising" — and to put it into practice.

All fundraisers pay lip service to the truism that fundraising is about building strong relationships with donors. Many fewer actually practice it on a day-to-day basis.

That's what's required to reduce donor attrition and to make the most of your investment in donor acquisition and donor cultivation.

In a nutshell, what this means is that you must not just provide membership benefits. You must also continue to reinforce the passion that led your donors to join in the first place. You must thank them promptly and warmly for every gift. You must solicit their preferences about such things as whether they want you to contact them by phone, how many times per year they want you to write them, whether or not they want to receive your newsletter, whether or not they'll let you exchange or rent their names — and you must act on this information. You must also offer them opportunities to get involved in your work, if they wish.

When donors feel well cared for, they are much more likely to renew their support from year to year — and to increase it from time to time as well. Good luck! ■

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