

THE ULTIMATE GUIDE TO MID-LEVEL GIVING



PART 1

The Case for Developing a Mid-Level Giving Program

PURSUANT. 

GivingDNA. 

The coronavirus pandemic **did more than scramble schedules** and **upend plans**; it also created **mixed signals for fundraisers.**



• 2019

Overall Donor Retention

45.4%

• 2020

Overall Donor Retention

41.3%

↓ 4.1%

On the one hand, 2020 saw big jumps at all giving levels, with small gifts (less than \$250) boasting an impressive 15.3 percent increase from the previous year.

On the other hand, the overall donor retention rate fell 4.1 percent in 2020 from its 2019 rate of 45.4 percent.

That drop is troubling because it's generally cheaper to retain donors than it is to acquire new ones,¹ suggesting that there may be rocky changes ahead for fundraisers.

The turbulence has already begun. Recent forecasts indicate wealthy donors could be settling back into their old giving habits as the pandemic and the urgent concerns it raised grow familiar — almost as if the pandemic itself is the new normal.² The tax advantage that charitable giving confers may also be less beneficial than it was in 2020, which could dampen enthusiasm among donors and philanthropists.³

The Antidote: Mid-Level Donors

As the nonprofit sector gets its bearings during this transition, fundraisers should consider turning to mid-level donors, supporters who fall somewhere between direct marketing (the one-to-many approach) and major gifts (carefully crafted one-on-one relationships). What each organization defines as mid-level depends on various factors — the size of the organization, its average gift size, and so on — but a common range falls between \$1,000 and \$10,000 donated annually.⁴

New research continues to underscore the significance of this group of supporters, and organizations are increasingly establishing or staffing up mid-level giving programs.

For example, adding to Sea Change Strategies' [recent study](#) of mid-level giving, Sylvia Brown, creator of the "Smart Donors . . . Make a Difference" online courses and workshops, partnered with Boston College School of Social Work assistant professor Cal Halvorsen last year to learn more about this important subset of donors. Looking at 1,260 Americans aged 35 and up whose total donations equaled \$2,000 to \$20,000, the duo found that the group contributed a higher share of their earnings (1.9 percent) than the national average.⁵

That's a powerful finding when coupled with results from Sea Change Strategies' earlier analysis: In the first of the organization's studies, mid-level donors, though small in number, produced as much as 33 percent of the income that nonprofits raised from individuals. No wonder, then, that Brown recommends fundraisers focus their attention on those with an annual income of \$100,000 to \$200,000 (roughly 20 percent of Americans).



Besides generosity, mid-level donors are characterized by their loyalty.

*When asked about their most significant gift in 2019, two-thirds of mid-level donors surveyed by Brown and Halvorsen said that they had **supported the same nonprofits for 5+ years.** Those kinds of numbers indicate mid-level donors are both predictable and valuable.*

In fact, if you examine your direct marketing program, you'll likely find that mid-level donors are its backbone. They're "your most loyal group of donors and retain at the highest levels," says Ryan Carpenter, vice president of client success at Pursuant.

Moreover, "they share your story with their social circles, which amplifies your footprint," says Whitney Norman, Pursuant's vice president of client solutions. Put another way, mid-level donors evangelize your organization, providing valuable (and free) word-of-mouth marketing.

More importantly, they're the prospects best suited to move up to your major gifts program. "On average,



two-thirds of your major donors start in direct marketing," says Krisitn Priest, Vice President, Client Strategy and resident mid-level giving expert. "Being proactive, creating a plan around mid-level donors, and elevating them is really going to help your major gifts program and your fundraising program as a whole."

Mid-level donors are simply the best segment for discovering major gift prospects not just for today, but for five years down the road. But, as their giving increases, they may drop off if they're not addressed or treated differently from your mass-market audience. You'll win loyalty when there's an intentional strategy for engaging, retaining, and perhaps nurturing mid-level donors for the next level of charitable giving.

And if they don't stair-step up to major gifts? They can still make a big impact as legacy donors. It's another way to think of the long-term stewardship of your mid-level program — as "a prime place for planned gifts," says Priest.



Roadblocks You May Face

As compelling as the generosity and loyalty of mid-level donors may be, you may still find roadblocks to creating a program just for them. Most budgets simply don't consider them. Plans for the fiscal year generally (and rightfully) dedicate resources towards major gifts and direct marketing efforts, leaving little for new initiatives.

*And then there's the **tech hurdle**.*

Without technology that can easily produce data insights such as where else your donors have contributed or who's in danger of lapsing, gathering the intel you need is time-consuming and cumbersome; it may not even yield information you can act on. Finding the right tech solutions, such as GivingDNA, can help you shape an efficient and effective program that can automate otherwise unwieldy tasks and free you and your team to focus on relationship-building campaigns.

What team, you say? With internal resources stretched thin and caution around adding head count for a program that is still being finetuned, it may feel like you don't have the resources you need to develop, launch and optimize a mid-level program. Finding the right partner, such as Pursuant, can help. The flexible structure of Pursuant's full-service agency allows you to benefit from the collective expertise of strategists, digital experts, print experts and data analysts to efficiently launch a mid-level giving program that maximizes the opportunity specific to your organization - and maintain it until (and if) you're ready to take it in-house.

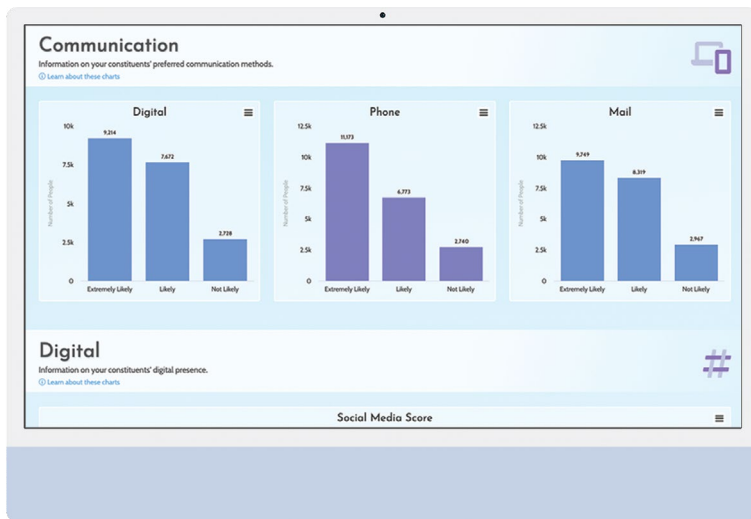
The Right Solution for Your Mid-Level Giving Program

To properly track your audiences — mass market, mid-level, major giving — you need a tool that can efficiently and effectively track them for your mid-level gift officer or team.

Take, for instance, GivingDNA. After users upload the portfolio lists of gift officers within their organization to the platform, each officer or their manager can easily access powerful visualizations of their progress towards yearly goals as well as the donor health of their lists. Officers can also see where constituents are located at a state level — maybe they're concentrated in a couple of states like Texas and Illinois, for example. In fact, users can drill down and discover concentrations at the county or parish level, which can be helpful when planning exclusive mid-level donor events or in-person visits with candidates for major giving programs.

Each visualization can also be downloaded with a single click, so gift officers can create reports for leadership or other colleagues without having to submit a request to a data or IT team. Managers can also quickly monitor their gift officers' performance to see who may need help or who others can tap to learn what's working best.

With a solution like GivingDNA + Pursuant's mid-level giving services, fundraising teams across every giving level and program can better meet their goals and support the mission of their nonprofits.



Kristin Priest, VP, Client Services, has helped Pursuant clients craft upgrade strategies that deepen relationships and increase revenue.

To learn more about our mid-level solutions, visit pursuant.com/midlevel

Respond to the Challenges in **4 Easy Steps**

Based on what we shared, you already have broad data on the value of mid-level donors. Now it's time to get specific on the potential returns that your mid-level audience offers your organization and cause.



1

Define Your Mid-Level

First, we have to define what mid-level means for your nonprofit. There are a few standard ways to do this. You could simply take the top 5 percent of your mass-market audience and call it a day, or you could define your mid-level as a range of \$500 to \$1,000 or up to whatever your major gift threshold is. Another option is the following equation:

$$\left(\text{Your average direct marketing gift} \times 3 \right) \times 12 = \text{Major Gift Threshold}$$

So, if your average direct marketing gift is \$35, you multiply that by three to end up with \$105. Then, you multiply that number by 12, which means the low end of your mid-level gift starts at \$1,260.

2

Calculate Your Potential Addressable Audience

Once you have that sum, go back to your file and see how many constituents fit that profile. When you have that number, you'll be able to predict the potential return of a mid-level giving program, e.g., "By creating such a program, we can expect a return of X because our addressable audience with upgrade potential is Y." **When nonprofits create strategies for engaging and elevating their mid-level pool, there's a noticeable lift across that segment.**





3

Streamline Your Tech Stack

But remember: Efficiency is the name of the game. You'll want to invest in technology (or augment your existing tech stack) to automate this work. Besides assisting your other fundraising efforts, the right software will identify which mid-level donors to target and when.

4

Visualize the Donor Journey

And to help colleagues or leadership who may be skeptical of establishing a mid-level program, map the donor journey for them. There are plenty of well-known insights about annual fund and major gifts programs, but emerging data about the potential of mid-level giving programs is still trickling throughout the industry. By mapping the donor journey of your average mid-level donor, you (and your colleagues) will see that it includes touchpoints throughout the organization. From their start in direct marketing, mid-level donors who qualify would then move on to the newly created program just for them. The ones with potential to climb to major gifts would be passed on to that department. There's a role for everyone to play, which can help dissolve departmental silos and territorial teams.

Raising funds for your organization's mission is a shared goal, and mid-level donors offer predictable, lucrative support to celebrate and honor. "They may not get their names on buildings, but they're the backbone of your direct marketing program and care deeply about your organization," says Carpenter. "They should be appreciated and listened to."



More about Pursuant

Founded in 2001, Pursuant is the leading full-service fundraising agency, building omnichannel solutions to drive marketing and fundraising results for nonprofit organizations. Grounded in analytics and powered by our GivingDNA technology, we extend an organization's impact by allowing more people to experience the joy of giving. Experience the difference.

Connect with an agency representative today if you're looking for help with your mid-level giving program.

Looking for tools to identify the best candidates for upgrading to a mid- or major gift? GivingDNA was built to help time-strapped fundraisers understand the giving motivations, behaviors, and attributes of their most passionate donors and then create targeted segments to engage them.

Learn more and get a demo here:

pursuant.com/midlevel



214.866.7700

info@pursuant.com

- 1 "Dollars & Donors: Study Shows Everything Up In 2020," *The NonProfit Times*, 15 Mar. 2021, https://www.thenonproffitimes.com/npt_articles/dollars-donors-study-shows-everything-up-in-2020/. Accessed 3 June 2021.
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- 3 Kate Dore, "Some donors may get a smaller than expected tax deduction for 2021 charitable gifts," CNBC, 30 Aug. 2021, <https://www.cnn.com/2021/08/30/some-donors-may-get-a-smaller-tax-benefit-for-2021-charitable-gifts.html>. Accessed 24 Oct. 2021.
- 4 Meyer Partners, "5 Keys to Successfully Cultivate and Upgrade Mid-Level Donors," Nonprofit Pro, n.d., <https://www.nonprofitpro.com/promo/5-keys-successfully-cultivate-mid-level-donors/>. Accessed 24 June 2021.
- 5 Sylvia Brown, "As Donors Return to Old Patterns of Giving, Here's How to Ensure Nonprofits Get the Resources They Need," *The Chronicle of Philanthropy*, 24 May 2021, <https://www.philanthropy.com/article/as-donors-return-to-old-patterns-of-giving-heres-how-to-ensure-nonprofits-get-the-resources-they-need>. Accessed 3 June 2021.