

Memberships:

How to Build Your Organization's Donor Base and Political Clout at the Same Time.

By Joan Flanagan

Capturing names drives the world's economic expansion. E-commerce is creating huge new fortunes through its ability to create "sticky" sites, where shoppers log on, learn about a seller's inventory, spend money, and return often. The best of these Web sites engage the most shoppers in the most different ways.

Successful nonprofits do the same thing. Their best way to capture names is through membership sales.

Once you have the names, it is about engaging prospects' minds and, as they say in Texas, "twanging on their heartstrings," until your prospects decide to become donors. With careful cultivation, loyal friends and supporters can give to your organization several times every year for their lifetimes.

Most organizations build their base of small donors through a systematic campaign using direct mail, e-mail, telephoning, or going door-to-door. Ideally, you will ask your market at least four times a year in three different ways. The best way by far is simply asking as many people as you can face-to-face. For the rest, use any combination of mail, e-mail, phones, and door-to-door canvassing that fits your community and your volunteers.

Membership drives are the reality check for an organization. I could move to Fargo tomorrow, rent an office for the Friends of the Fargo Felines, and say that I represent every cat lover in Fargo. Or in North Dakota. Or in the Red River Valley, including all of Minnesota and Manitoba. But the way my donors, friends, enemies, and elected officials measure who my organization really represents is by asking, "How many members do you have?"

Members are people who give you money because they want to support the mission of your organization. They are not giving money for a T-shirt or a party. They are giving money because they want the results that only your organization can produce.

Besides the revenue itself, there are five advantages to raising money through membership dues. Your organization will get:

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- More political power
- More accurate evaluation of your programs and leaders
- More prospects for major gifts and planned gifts
- More loyalty from donors
- More opportunities to educate donors and prospects.

Why does an organization gain more political power as it obtains more members? Almost every organization will need to influence public policy. If you can tell your state representative that 3,000 members of your museum are voters in her district and they all want the culture trolley to go past your museum, she is more likely to vote to fund it.

The second reason for doing a membership drive is that it will give you a current, accurate, and objective evaluation of your programs and your leadership. Selling memberships separates the fundraisers from the philosophers. Convincing regular people to pay dues keeps you from sinking into a swamp of jargon or taking the easy route of preaching to the converted.

Dues also allow you to "test the turf." Membership sales tell you which neighborhoods or which people really care about your issues. If they pay, they want it. If they don't pay, they don't want it. You will never waste staff or supplies if they are allocated to the communities that pay dues to support your group.

For example, Mike Easter is the star membership salesman of the Roane County chapter of Save Our Cumberland Mountains (SOCM) in rural Tennessee. He says, "Most of the recruiting happened around people working on an issue that they cared a lot about, such as the proposed medical waste incinerators in Roane County, and really, the SOCM organization sold itself. People were saying, 'We couldn't have done this without SOCM,' and it was easy to say, 'SOCM isn't something far off; it's us, we're doing it,' and to ask them to join us."

I personally have been a proud T-shirt-wearing (there are no cards to carry) member of SOCM since 1976. Although I live in Chicago, far from the coal fields of Tennessee, Boomer Winfrey sold me a membership when I interviewed him and his leaders for the first edition of *The Grass Roots Fundraising Book*.

From small beginnings in one county, SOCM has become the most successful organization in Appalachia fighting for economic justice. Memberships have always been their mainstay to provide unrestricted income, identify the most enthusiastic leaders, and prove their local support to funders outside the region.

In one of the poorest rural areas in the United States, SOCM raised more than \$12,000 in dues in 1999, and those members raised more than \$120,000 from dues, donations, great fundraising events, and Community Shares, the alternative workplace payroll deduction campaign. This show of local support helped leverage more than \$213,000 from foundations outside the region.

A Spur to Growth

Selling memberships is the only form of fundraising that gives your organization an incentive to grow. New members are also an excellent source of new volunteers. If you sell 100 new memberships, you can project 20 new names for the annual event and 10 new people to actually volunteer and do some work for you. Out of those 10 volunteers, perhaps one or two will show enough interest and aptitude to become your future leaders.

Best of all, your own leaders are raising money internally for your own programs. This gives you pride, power, and independence. Your organization can negotiate with any grantmaker outside the community and do so with dignity—because you know you have enough internal money to walk away from any deal that does not meet your ethical standards.

By asking for money, your own leaders will be more involved. As Mary Gonzales, associate director of the United Neighborhood Organization (UNO), says, "If the people are paying for it, the people are going to do two things. Number one, they are going to demand accountability. And number two, they are going to stay in their inner circle, where the decisions are being made, because it's their money on the table."

Annual Membership Drives

Many groups sign up all their members once a year. School groups, clubs, and parents' associations sell their memberships in the fall. Summer sports clubs and block clubs sell their memberships in the spring. Professional associations often run on a calendar year, with memberships renewed in the fall for the next year.

Especially when you start, it is easiest if the membership committee does a lot of intense work all at one time. In reality, the committee's effort takes place in about three months. When your campaign is a success and the group is larger, you can spread out the work, doing sales and renewals all year long.

Three months before the membership drive, clean up your lists. Take off the people who have moved out, have died, or no longer want to be involved. Add the new names. Also add the names of people you are not sure about; at least half of them may be interested.

Two months before the drive, prepare your membership materials, such as receipts, membership cards, buttons, and any other materials you want to sell. Recruit the volunteers to sell the memberships, and make any necessary arrangements to reserve rooms or advertising.

One month before the membership campaign, collect prizes for the salespeople. Get the committee together and have a short meeting to practice your sales pitch. Divide up your prospects by geography (Barb and Hector will recruit everyone west of the river), dues category (Chris and Shannon will sell to the President's Club prospects at \$1,000+), or subgroup (Juanita and Charlie will be responsible for all the parents of the preschoolers).

Kick off with some unusual event that will get you on the evening news or in the local paper. Sell enthusiastically for two to four weeks, and then have a party and stop. Celebrate and announce the chairs for next year's membership drive. They can handle any sales between the campaigns.

Track Your Turnover

You need to know your net membership—how many members you have left at the end of the year. In every community, people die, move away, or simply lose interest. They may drop out because they change jobs (work nights), get married (had triplets), go back to school (double major), or retire (gone fishing). Keep track of how many people join and how many quit each year. Then you will know how many new donors you need to recruit. In other words, if you know that 20 percent leave each year and you want 800 members each year, you need to start with 1,000 to allow for attrition.

The turnover figure can vary greatly, depending on your location and constituencies. Most small towns have less turnover than suburbs; age-

specific groups, such as the Little League, have more turnover than institutions that serve all age groups.

Renewals and Rewards

Most organizations limit their membership sales drive to one or two months, but some organizations recruit members year-round. The easiest system to implement is to put your membership data on a computer, code it by month and salesperson, and then generate letters by month. For example, if Gail sells Morgan a membership in May, the office sends Morgan a letter the next March saying, "Your membership is about to expire; renew now for another exciting year." If Morgan does not respond, send another letter in April. If he still does not respond, in May give his name (and all the others who have not responded to the mail) to Gail, who sold the membership to him last May. Then she can contact him by phone or in person and ask him to renew.

If the original salesperson is not available, give the renewals to someone else in the same neighborhood or category. Renewals are much easier than new sales, so they are a good way to help timid salespeople get started.

Think of ways to reward your members who renew. For example, the Denver Symphony gave its season subscribers purple buttons that said, "I've renewed—have you?" This way, the people who renewed first can urge everyone else in their row or their box to renew.

The Santa Fe Opera attracts fans from all over New Mexico as well as from Texas, California, Colorado, New York, and beyond. To encourage repeat audiences and repeat gifts, the opera created a special group called the Encore Club. Those who give four years in a row get an asterisk by their name in the program. An explanatory note reads, "Santa Fe Opera extends special thanks to those individuals and businesses who have contributed on an annual basis for the past four years. Such dedication and loyalty are deeply appreciated."

Using Professionals

Any organization, no matter how new, young, or radical, can sell memberships to raise money and expand its political power. When you get larger, you may want to hire professional firms that specialize in raising money from direct mail, e-mail, telemarketing, or a door-to-door canvass. The

best way to find a competent and ethical fundraising consultant or firm is to ask other charities working in your community.

Start with your local chapter of the National Society of Fundraising Executives (www.nsfre.org) and the nearest Cooperating Collection of the Foundation Center (www.fdncenter.org). If there is no professional consultant in your area, use your state and national network of similar organizations to get good recommendations.

You want someone who will work on time and on budget. But you also need someone who shares your values, your politics, and your style. If you're dealing with a firm, be sure you interview the person who will be assigned to your organization. As in all sales, the "face man" often comes out to make the deal, but the person who actually does the work is someone else.

The professional should be able to guarantee that you get the newest ideas and the most experience to find new members. Although there is a cost to recruiting new members, these same people are your best prospects for larger gifts, volunteer time, and community leadership.

Dues are the most democratic way to raise money. You get more people to give you money once a year who feel they are a part of your organization.

Most community organizations give their members a vote and a voice in the governance of the organization. Every charity includes their members in the family of people who get their publications, direct mail, and e-mail action alerts. If you want to build a broad base of economic and political support, begin with memberships.

Joan Flanagan, an internationally recognized fundraising trainer, is the author of the world's bestselling fundraising manual, The Grass Roots Fundraising Book. This article was adapted from the newly revised edition of her popular book, Successful Fundraising, published by Contemporary Books. Copyright © 2000 Joan Flanagan. Both Successful Fundraising, 2nd Edition and The Grass Roots Fundraising Book are available through your local bookstore or any online bookseller.