

## Great Read, Great Gift!

### The Last Half Hour of the Day: An Anthology of Stories and Essays That Have Inspired Physicians

Very interesting book! Unique collection of short stories and essays that reveals the many dramas physicians face daily, from miraculous recoveries to a doctor's own illness. Features several Pulitzer Prize and National Book Award winners as well as seven Nobel Laureates. Available at Amazon.

**Brain Rules** – Fascinating read! Development molecular biologist John Medina outlines 12 rules to boost our brainpower which can be applied to our daily lives to help us to better teach, learn and conduct business. Available at Amazon.

RAM ■

## Return on Investment Can Be Big With Direct Mail

According to Direct Marketing Association, non-profit organizations got \$14.47 back for every dollar they spent on direct marketing in 2007. Specifically, health services companies spent \$2.4 billion on direct marketing advertising in 2007, resulting in \$28.7 billion in sales. That's a total return on investment for each dollar spent of \$11.86. Final figures are not yet in for 2008, but pharmaceutical companies were forecast to generate \$10.6 billion in sales through direct marketing. ■

## ALERT! Don't Lose Your Non-Profit Mailing Permit!

Unless you are up to speed on this USPS quirk, there's a chance your non-profit mailing "privileges" could be lost! Half-hidden in the labyrinth of USPS rules and regulations, there is a provision you must be aware of. Simply, it states that your right to utilize the non-profit postage advantage will be cancelled by your local post office where your non-profit permit is held and originated if you have not mailed at least one time from that local post office in the past two years. Makes no difference if you have mailed from another city (Phoenix, etc.). You must use the permit with your local post office at least once every two years. This is real, and the system will cause the cancellation to happen automatically. And as it presently stands, you will not even be notified. ■

Without the support of donors, many hospitals struggle under unremitting financial pressure. The good news is you can open the door to new and greater donor relationships and connect much more effectively with your current donors! The *Jay Reardon Healthcare Direct Mail Program*, teamed with the premier services of United Printing & Mailing, Inc., provides an effective, efficient and affordable method to promote fund development using direct mail as the medium. Plus our services are turnkey and all under one roof: Strategy and planning, list development, creative, printing, mailing and post-campaign evaluation that is customized and professional.

If you would like to learn more about how we can bring new donors to your development efforts, call, email, fax or write us today!

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# DONOR

## Development for Hospitals

## Sluggish economy? Volatile stock market? No time to stop building your donor base!

By Jay Reardon



Talk with ten people about philanthropy in a down economy and you will get ten different opinions how market condition will affect charitable giving, but one thing remains clear – this is no time to lessen your efforts to build a donor base.

Is giving going to grow or decline? Will people delay their charity as they wait to see which way the winds are blowing? Did donors give so much to political campaigns in 2008 that they'll skimp or even ignore that check they were going to write to your hospital now in 2009? Have rising prices and the scare of runaway inflation drained family budgets and left nothing for charity? Have 401K plans been depleted and real estate values depressed to the point where giving will take a back seat?

An Arizona CPA and financial planner told us he expects little or no decline in individual giving among

his clients. "There are still two major opportunities for tax write-offs," he told us. "One is the interest you pay on your first home mortgage. The other is the money you give to a legitimate charity. But some charitable organizations are different, more deserving because of what they give back to the community. My wife developed breast cancer this past year. The care and healing she received at our local hospital saved her life. We will support their financial needs for as long as we can, with or without the tax deduction."

Marie Matson, vice president for development at the John F. Kennedy Center for the Performing Arts says, "The economy and the election hit at the same time... and I know that every four years there is always a little bit of a hit."

The president of a consulting firm for philanthropic institutions and individuals says in one of her blogs, "I think we'll see a drop in charitable giving...and I'm just wondering how far into 2009 and 2010 this will go." Of course, she deals with giant philanthropists, the foundations and the billionaires whose portfolios have

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# at-tri-tion

*To wear, rub away. A wearing away by friction. The process or state of being gradually worn down. Any gradual wearing or weakening.*

In direct marketing we deal with two kinds of attrition – the wearing away of mailing lists and the disappearance of donors. List attrition and donor attrition. An old rule of thumb on mailing lists was to expect them to lose their efficacy at the rate of about 25 percent per year. In other words, theoretically, a list would be useless in four years. People move away, change addresses, die and occasionally just plain disappear. When it comes to donor lists, the attrition rate can be as high as 50 percent the first year with the remaining contributors falling by the wayside at the rate of as much as 30 percent per year.

As far as mailing lists are concerned, the secret is to work only with top quality providers who assemble highly reliable lists and constantly review, screen and update. Which we insist upon with all our list vendors. Because of normal attrition, the hedge against donor attrition is to keep filling the pipeline with potential contributors. Foundations are urged then to pursue an ongoing program aimed at replacing lapsed donors as well as expanding their donor base.

Donor acquisition, replacement and maintenance is absolutely essential to your capital development efforts. First of all, “your” donors are most likely not exclusively your donors at all. Many support multiple causes, and often the first and most effective appeal to reach them gets their gift. We have found this is especially true with donors who make gifts of less than \$250. This is one reason we recommend



a minimum of two appeals each year: Renewal of previous donors. And Acquisition of new donors.

Any successful direct mail donor development program is a footstool with three legs: A dependable mailing list. A creative, inspiring and motivating message. And a professional, experienced and disciplined printing and mailing company that knows precisely how to assemble the elements, how to find exactly the right window for mailing and has an hour-to-hour working knowledge of the U.S. Postal Service. Saw off any one of those three legs and you’ve got trouble.

Research has shown that the biggest single reason (about 54 percent) why donors fail to send that second or third check is, “I can no longer afford to offer my support.” The

second biggest reason (around 36 percent) is, “I feel other causes are more deserving.”

Attrition is a fact of life in today’s shifting marketplace. You’ll be wise not to look back to the past and your donor losses but to plan instead for those you’ll be adding through a sound, ongoing donor development/replacement program. Which, for some reason, reminds us of the oft-quoted admonishment by baseball great Leroy “Satchel” Page who said, “Don’t look back; they may be gaining on you.” Page also said, “Don’t pray when it rains if you don’t pray when the sun shines.” Making hay when the sun shines prepares us for the losses we’re sure to face when the skies go dark. ■

## Direct Mail: “My secret weapon”

Time magazine once referred to David Ogilvy as “the wizard of advertising.” He is widely recognized as one of a very few all-time greats in the business. In his best-seller book, Ogilvy wrote the following: “One day, a man walked into a London agency and asked to see the boss. He had bought a country house and was about to open it as a hotel. Could the agency help him to get customers? He had \$500 to spend. Not surprisingly, the head of the agency turned him over to the office boy, who happened to be the author of this book. I invested his money in penny postcards and mailed them to well-heeled people living in the neighborhood. Six weeks later the hotel opened to a full house. From that day on, direct mail was my secret

weapon in the avalanche of new business acquisitions which made Ogilvy & Mather an instant success.” The office boy rose to fame, and his agency established a reputation with campaigns for Rolls-Royce, Schweppes, Mercedes, Shell gasoline and countless others. ■

UCLA scientists have found that for computer-savvy, middle-aged and older adults, searching the Internet triggers key centers in the brain that control decision-making and complex reasoning. The findings demonstrate that Web search activity may help stimulate and possibly improve brain function.—www.news-medical.net ■

# About that 3-legged footstool—

There are a lot of do’s and many don’ts in direct mail. In the preceding article we mention the three most important elements of a successful direct mail donor program. 1. Dependable mailing list. 2. Creative message. 3. Professional mailer. Here’s what we deliver in each case:

### DEPENDABLE MAILING LIST

There are hundreds of mailing list vendors. With more than 30 years experience of working with mailing lists and dealing with the companies that create them, we know how to separate the good from the bad and the ugly. A superior list must have a high and proven focus on people most likely to be your type of donor. It should be up-to-date with maximum deliverability. And it should be yours exclusively for a definite window of opportunity.

### CREATIVE MESSAGE

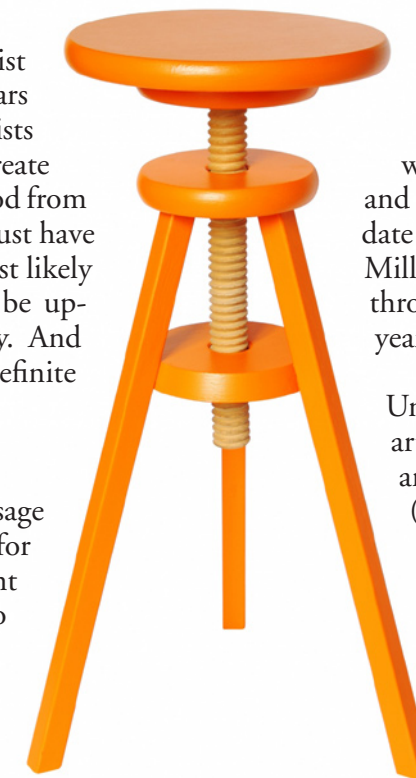
Do not trust the creation of your message to someone on staff who has “a flair for writing” or to someone in management who feels “close to the subject” or to one of your associates who may have been editor of the their high school newspaper. Our Creative Directors are experienced, professional, proven and successful veteran writers.

Writing is their trade. They know direct mail and just how to turn a phrase for top results. They’re creative. They are grammarians. They follow proven stylebook standards for capitalization, abbreviation, punctuation, spelling and usage. Good writing is an art, and these people are true artists.

### PROFESSIONAL MAILER

United Printing & Mailing, Inc. is an industry leader in the creation, processing and distribution of direct mail. They work with local, regional and nationwide clients and maintain one of the most modern, up-to-date and cutting-edge operations in the country. Millions of direct mailings have been flowing through their plant in Phoenix, Arizona, every year over the company’s 44-year history.

United is a family owned business with complete art, creative, production, printing, data storage and mailing experts. Their CASS Certification (Coding Accuracy Support System) checks your mail against the United States Postal Service’s national database to ensure that each of the addresses are deliverable. In fact, United Printing & Mailing works so closely with the postal system that USPS actually maintains an office within the United plant! ■



*Build Your Donor Base! – Continued from page 1*

been severely damaged, and the level of their generosity is almost sure to decline. Lehman Brothers gave \$39 million to various causes in 2007, and you know that probably went to zero in 2008. Energy tycoon T. Boone Pickens who lost \$270 million personally in the financial crisis typically makes donations in the \$200 million range but by the fourth quarter of 2008 had given only \$3.7 million. But then, there is that vast army, that silent majority of individuals and families who are the community-minded donors who write the \$50, \$100 and \$200 checks and who account for millions upon millions of dollars in the aggregate. Nationwide, donations by individuals make up much more than 80 percent of all donations.

Fortunately, we see a resolve among aggressive health care institutions to double their efforts in challenging times, to build a broader donor base which invariably leads to greater giving and a more solid future. While giant foundations may alter their allocations, families in your community are for ever sensitive to the role their local hospital plays in their health and that of their friends and family. Your continuing responsibility is one of dramatically demonstrating through highly focused direct mail how successful you are in responding to their health needs and how important their support is to you. It’s an investment you should not ignore. ■