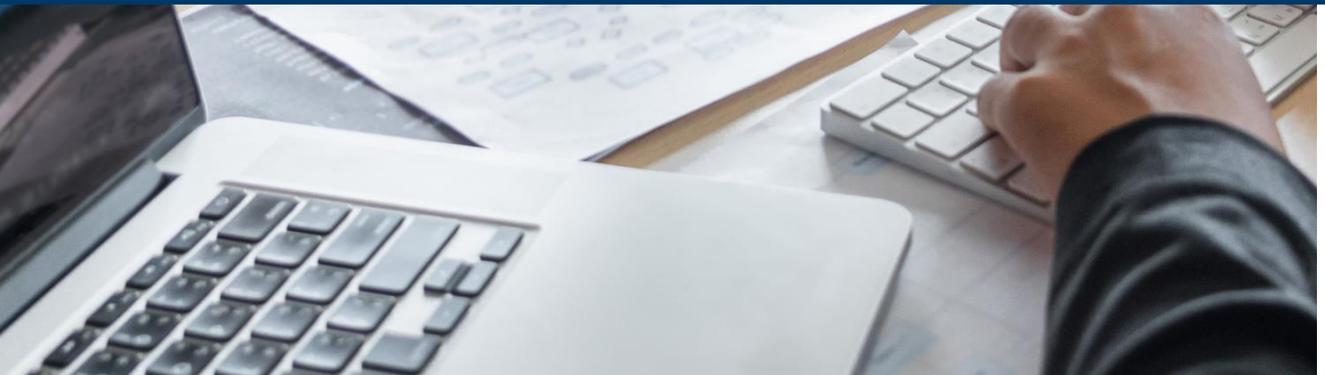




# CASE STUDY

National Committee to Preserve  
Social Security and Medicare

Digging into Data to  
Reengage Donors &  
Increase Revenue



## BACKGROUND

For over 40 years, the National Committee to Preserve Social Security and Medicare (NCPSSM) has advocated to



protect and preserve landmark federal programs that ensure the financial security, health, and well-being of maturing Americans. With millions of active members laser-focused on its mission, NCPSSM is well known to lawmakers in Washington, DC and throughout the nation—and its hard work shows. It's repeatedly prevented the privatization of Medicare, restored funding to Social Security, and regularly conducts nationwide public campaigns to raise awareness and encourage action.

As a tax-exempt nonprofit, NCPSSM relies entirely on membership support and donations. Faced with rising costs, it was looking to shake up traditional fundraising efforts and discover untapped sources of revenue.

## CHALLENGES

NCPSSM was presented with two significant challenges:

1. The cost of its most successful direct mail package increased by 43% over the last three years.
2. The cost to target inactive donors was more than the revenue generated by reengagement campaigns.

Past attempts of using a performance model to reengage inactive donors—defined as those who had not donated in over 25 months—had mixed results. On one hand, the performance model successfully identified the best donors to solicit. However, the gift amounts received were no longer enough to cover the increased expenses that the direct mail industry was now facing.

Based on historical data, the ask strings were set at \$12, \$15, and \$25, and attempts to apply Highest Previous Contribution (HPC) or Most Recent Contribution (MRC) schema didn't encourage sufficient gift amounts. In short, NCPSSM was losing money by targeting inactive donors.

## OBJECTIVE

NCPSSM partnered with The Lukens Company (TLC) to identify a way to reengage inactive donors while producing net positive results.

## TLC SOLUTIONS

TLC began by rethinking how to strategically use the immense amount of data at hand to revive this historically reliable campaign. Since traditional modeling did not serve up positive results, TLC tapped into the power of personalized ask strings by layering on additional data points from our cooperative data partner.

The cooperative database provided critical insights to NCPSSM's inactive members and personalized ask strings that better reflected donor spending habits. With this data, we tested the new asks against long-standing controls to encourage larger donations.

In the first test campaign, the adjusted ask strings were distributed as such:

- ▶ 19.5% were asked for lower gift amounts
- ▶ 24.2% received a comparable ask string
- ▶ 52.5% received ask strings that were higher gift amounts
- ▶ 3.8% didn't have data to use and received the control ask string by default

## RESULTS

After two running two separate test campaigns, results showed a **25% higher average gift**.

### CAMPAIGN #1

At first glance, the initial results of the first campaign looked below par: the

response rate for optimized ask strings was lower than expected and dropped by half a percent. However, the **average gift increased by 21.4%**, more than making up for the lackluster response.



**▲ 21.4%  
Average  
Gift**

## CAMPAIGN #2

Four months later, a second test campaign ran with a larger mail volume. The response rate mimicked the original test campaign, however the **average gift amount increased by 28%** over the control.



**▲ 28%  
Average  
Gift**

Not only are these strategic changes increasing NCPSSM's average gift and injecting some much needed immediate revenue, but they're also projected to make a big impact on future revenue in two additional ways: Lifetime Value and enhanced audience segmentation.



**▲ 2X  
Lifetime Value**

The donors are reengaging with higher gift amounts and are therefore projected to increase their value incrementally over the next few years. In fact, estimates based on historical data show that the Lifetime Value of the donors who responded to the test panel will nearly double within three years.



**\$6,000  
Savings  
per Campaign**

Additionally, the optimized strategy encouraged a more thorough cleaning of the mail file, resulting in significant cost savings. Armed with data, donors who showed no charitable donations or donations below a specific ask string threshold were scrubbed from the mailing list since their contributions would not cover the expense of the direct mail package. This cleaning alone now saves NCPSSM nearly \$6,000 per campaign in direct mail expenses!

Americans say  
**NO CUTS**  
Social Security  
& Medicare!



## **Are you ready to grow your donor base, raise more funds, and increase your impact?**

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