3 Simple Data Practices to Cleaner Data and More Effective Fundraising

Over the years, most nonprofits develop large databases filled with past and current donors, which becomes a valuable asset to a nonprofit's fundraising program. The unfortunate reality is that over time database accuracy declines as donors move and their contact information changes. Mailings sent to incorrect addresses waste valuable resources and can result in inadvertent donor loss, making a nonprofit's database maintenance an essential part of the fundraising equation. Better data hygiene ensures mailings are reaching their intended donors, which can translate to higher campaign revenue and more potential future revenue.

Not only do outdated donor databases lead to a nonprofit spending its limited funds on undeliverable mail, but a nonprofit that doesn't update its mail file every 95 days may pay a higher postage rate. If undeliverable mail exceeds a certain percentage, a nonprofit can be charged at the first-class postage rate for the entire mailing, which can be up to 70 percent more! Mail deliverability can impact donor attrition – studies show that approximately 53 percent of donors stop supporting an organization due to lack of effective communications.

With this being said, it's critical that a nonprofit invest in and update its database. Here are three simple data practices that will improve data hygiene, donor retention, and ensure a nonprofit is maximizing its fundraising efforts.

A: National Change of Address (NCOA) and Coding Accuracy Support Services (CASS) Certification

NCOA and CASS certification are legal requirements mandated by the United States Postal Service (USPS) for a nonprofit to mail at a reduced postage rate. An organization must run its file through NCOALINK approximately once a quarter, and it will typically CASS certify each mailing. Not being able to send mail at a reduced rate is only one of the many important reasons to NCOA update a file.

Incorrect addresses also result in wasted resources and missed revenue for your nonprofit (both immediate revenue and potential future revenue). How big of a problem is undeliverable mail? Over a period of four years, 30 to 40 percent of individuals in a nonprofit's database will have moved or passed away. That means about one third of the database will not receive mail and will not have a chance to give. An NCOA update can fix this by identifying and correcting many

addresses prior to mailing and updating databases with accurate information.

B: Proprietary Address Enhancement Services (PAES)

While NCOA updates are essential it's not the only service a nonprofit should use to update its database. Between 25 to 40 percent of movers don't file a change of address notification with USPS, leaving more than half of annual moves unaccounted. This is where address enhancement services come in.

These services not only run files through NCOALINK, but also look at online and offline footprints created through subscriptions, financial institutions, retail interactions, and other consumer and public data sources to ensure accuracy. Address enhancement services can detect a significant portion of moves not captured by NCOA, leading to an additional 5-8 percent increase in address matches. Such services should be run at least annually, ideally as frequently as NCOA updates, if not more often.

C: De-duplication

A nonprofit dedicates significant efforts and funding to support direct mail fundraising. However, just postage alone, not including the associated cost to produce the mail piece, adds up quickly when the same donor is on the mailing list multiple times.

Maintaining a clean donor database requires subtraction as well as addition. The process of de-duplication or de-duping ensures individuals are only on nonprofit mailing lists once. This is another easy way to reduce unnecessary printing, production, and postage costs. De-duping removes or merges duplicate records in an organization's database so multiple mailings are not sent to the same donor. Nonprofits need to develop the best de-duping logic that fits their organizational needs.

A + B – C = Higher ROI

While NCOA and CASS certification ensure that a nonprofit is eligible for postage savings, investing in address enhancement services and de-duplication can result in greater ROI for an organization. With a clean and accurate database, the intended donors receive the communication necessary to retain donors and establish long-term relationships no matter how frequently a donor relocates.

As Vice President of Strategy at Merkle RMG, Amy Bobrick brings her extensive background in nonprofit and political fundraising to response management. A staunch believer that the same amount of effort to get the mail out the door

should be carried through to the processing of the donation and subsequent donor experience, Amy leads the development of back-end solutions at Merkle RMG to continue donor conversations, facilitate the ultimate donor experience and tackle industry challenges. With her knowledge-base deeply rooted in the implementation and execution — and the strategy and analytics — of fundraising, she brings a unique perspective to the team that enables Merkle RMG to deliver strategic solutions that complement clients' fundraising efforts. For over a decade, Amy has worked with nonprofits, presidential campaigns and political organizations to develop integrated multi-channel fundraising strategies. She is a graduate of Providence College with a B.A. in Political Science and Economics.