

Addressing Audience Diversity in Acquisition

March 2021

Have any of your clients and colleagues (or perhaps yourself) been asking contacts within the industry about marketing to and acquiring a more diverse audience? Given the events that transpired over the summer, it is not surprising that we have gotten a lot of questions about this in the past 6 months from nonprofits that are eager to diversify their file going forward and are inquiring about what lists and data are available.

We believe spotlighting audience diversification and inclusion is a welcome trend within the direct response fundraising arena. To that end, we wanted to share some of our thoughts about the landscape and what are seeing from the direct mail side of things, because executing these initiatives successfully in direct response fundraising can be challenging.

Below are some questions we use to help our clients guide the process, the answers to which will provide direction to your team of strategic partners (like us!). We also have laid out some of the challenges organizations may face executing these initiatives plus some ideas to help organizations prioritize their efforts.

Key Questions

Often "a more diverse audience" lacks any type of contextual definition of what diverse means for the organization when the inquiry is made (sound familiar?). Does it mean more people of a certain gender or sexual orientation? People of color and varying cultural and ethnic backgrounds? Creed? Political affiliation? Socioeconomic factors like income and age? Be as clear as you can and be prepared to say, "I don't know" if that is the truth. (But be open-minded if it indeed is still nebulous.)

Any strategic initiative should have a long-term objective in mind, and that is no different for audience diversification initiatives. Be prepared to answer as many of the following questions as you can to provide your team and your strategic partners with additional context:

- **What is the objective?**
- **What is the organization's definition of diverse?**
- **What is your organization's current donor profile?** In theory prospect audiences and new donors that do not meet this donor profile indicate your diversity marketing initiatives are working. Establishing a baseline will help frame your marketing and measurement initiatives across channels, increasing the chance your efforts are reaching and acquiring new audiences. Having the baseline established makes it easier to measure the successes of future initiatives.
 - **Have you already identified a sample of diverse donors on your file?** If you have not, don't sweat it, but it might behoove us to work together to identify the diverse donors—the ones you want more of—on your file to inform targeting, acquisition and post-join communication and retention strategies.
 - **And are your diverse donors also "good" donors?** Do they meet or exceed existing retention, valuation and upgrade metrics? How have they contributed

to major donor and legacy giving in the past? If they have underperformed or over-performed historically, you can anticipate how future key performance indicators (KPIs) may be impacted as your file composition evolves.

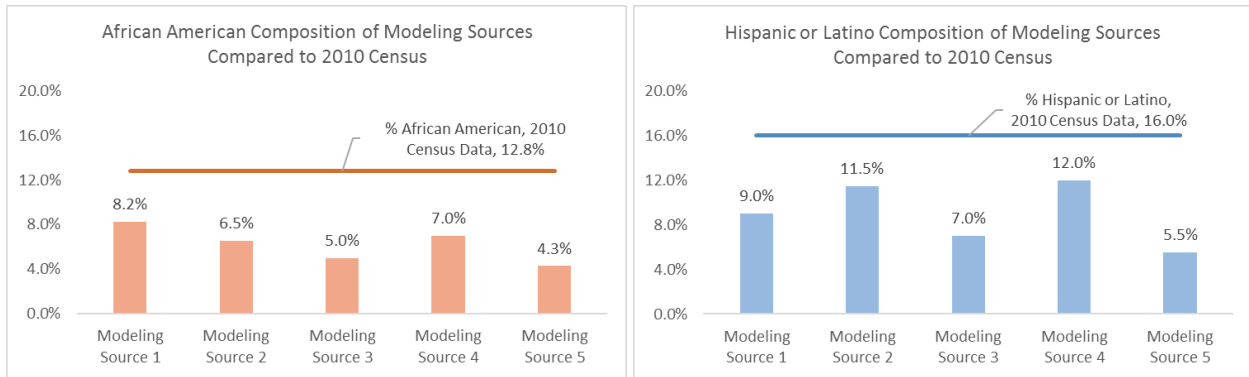
- **How will success be determined? What are the performance metrics?**
 - **Are there any non-financial measures of success?** Often there may be something non-fundraising related you can accomplish through these initiatives—if so, is that being passed down to your strategic partners? Examples of these measures include maximizing reach and brand impressions; generating leads or traffic to specific content; eliciting survey responses, information requests or other engagements. And if any of these is going to be an important component to your diversity and inclusion initiatives, then let’s talk about other channels, too. You may want to settle on an all-in cost per impression threshold to help guide your initiatives across multiple channels.
- **Are there any programs or other initiatives to highlight that will interest these communities now and in the future?**
 - **What is the offer? Are you planning any image or other creative and message testing?**
- **Who is responsible for measuring and reporting on the results?**
- **Who is paying for this? Are the expenses intended to be additive?** You knew these questions were coming (I hope)—everyone is going to want to know if it is coming out of “their” budget or if the expenses associated with these will be added to what already is needed to meet budgets.
 - We and many other strategic partners in the space recommend organizations establish an innovation fund within their broader fundraising, marketing and communications budgets each year to pilot new and scalable initiatives.

What are some of the challenges facing direct mail acquisition?

As have many of you, we have begun to compile information about audience composition from a variety of data sources available to our clients for the direct mail acquisition investments. We find these figures help frame the strategic discussions, manage expectations and put recommendations (and suggested alternatives) into context.

Let us presume for a moment that your diversity and inclusion initiatives will focus on the largest ethnic and racial minorities in the U.S. If that is the case, you will be hard-pressed to find many nonprofit lists or cooperative databases that come close to current U.S. population estimates for the largest ethnic and racial minority groups. For perspective, [roughly 12%-13% of the U.S. population is Black or African American](#) and [about 18% are Hispanic or Latino](#). Achieving a significant level of scale can be challenging if your traditional prospect pool is a fraction of these population percentages. For example, look at what we have found on some modeling sources—their composition is well below that of the U.S. population, with a median of 6.5% for African Americans and 9.0% for Hispanics and Latinos:

Percentages of minority groups on modeling sources compared to 2010 Census figures



What actually may be getting fulfilled within your models may index even lower. We took a look at what was sometimes getting fulfilled by models, and we found the percentages of African American and Hispanic or Latino prospects from the fulfilled orders were not only lower than the Census figures but also were below what the overall modeling sources’ composition is. This may not be a surprise to anyone, but it is evidence that existing strategies will have to change significantly for organizations that want to pivot investments to market to and to attract a more ethnically or racially diverse audience.

Percentages of minority groups on fulfilled modeling orders compared to 2010 Census figures

	African American	Hispanic or Latino
2010 Census Data (for context)	12.8%	16.0%
% Fulfilled from Modeling Source Example A	2.6%	2.3%
% Fulfilled from Modeling Source Example B	4.4%	3.8%
% Fulfilled from Modeling Source Example C	7.4%	6.4%

Beyond the modeling sources, a sampling of other sources we explored also suggests the traditional direct mail responsive audience falls well below the Census levels for the largest racial and ethnic minorities. This does not mean they are not worthwhile sources to test for your offer, but their net impact to your acquisition efforts and file growth goals may be marginal. The median numbers of African American donors and Hispanic donors on large national nonprofits are 13,000 and 25,000 respectively; you may be able to generate 8-20 donors from each when you mail them depending on your response rates.

Percentages of minority groups on direct mail lists compared to 2010 Census figures

	African American	Hispanic or Latino
2010 Census Data (for context)	12.8%	16.0%
Group of Retail/Pub Lists'	4.8%	3.5%
National Health Nonprofit Example	6.4%	5.5%
National Conservation Nonprofit Example	2.2%	4.2%
National Domestic Relief Nonprofit Example	6.2%	6.2%
National Humanitarian Nonprofit Example	6.2%	6.2%
National Animal Welfare Nonprofit Example	2.6%	5.7%

Here is a recap of some of the challenges we see:

- Selecting ethnic and racial minorities is not an option on every list.
- When it is a possibility we are finding the composition of traditional list and modeling sources lags far behind current Census figures.
- The percentages of prospects from these groups on *fulfilled* files can be even lower.
- There is (so far) limited data to suggest testing deliberately into these audiences is a sound business decision compared to other testing options.

So what do you suggest?

First, don't go all [Dante](#) on us. Just because it might be challenging does not mean that you cannot find sustained success. Here are some additional pieces of information that may help aid your initial efforts.

If you represent an organization that generates more than half its brand new donors annually from direct mail, now is the time to explore new channels or increase use of other existing channels as part of your diversity and inclusion initiatives.

Invest more on multiple social media and streaming platforms; Facebook alone isn't the answer.

- According to the [2018 Give.org Donor Trust Report](#) Hispanic U.S. adults are 69% more likely to donate via social media than other U.S. adults. Different channels net different audiences.
- A [2019 survey conducted by the Pew Research Center](#) showed Hispanic U.S. adults are utilizing Instagram, Twitter, Snapchat, YouTube, WhatsApp and Reddit more often than the rest of U.S. adults. [More than half of Hispanic U.S. adults are using YouTube, Facebook and Instagram](#). The same survey indicates Black U.S. adults also over-index on most of these.

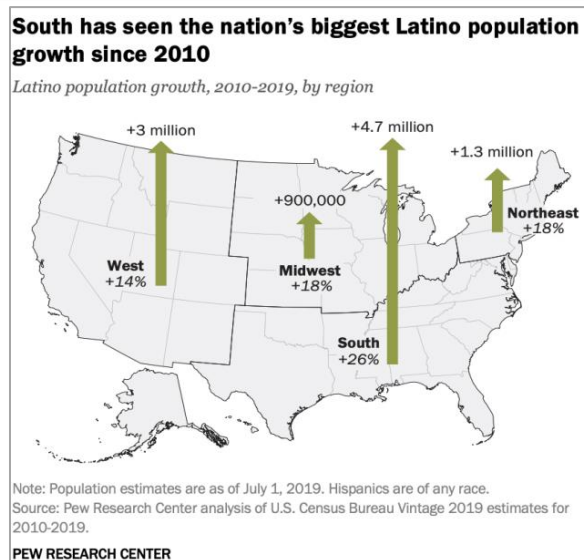
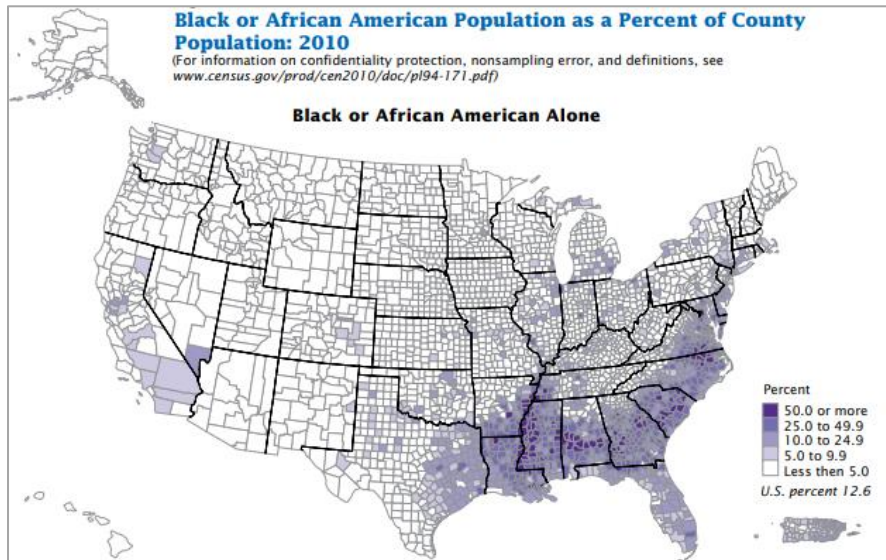
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Leverage mobile and texting. Give.org’s 2018 *Donor Trust Report* shows Hispanic adults are more than twice as likely to utilize text messaging to donate than Non-White U.S. adults

- According to a 2018 Quantcast report: [“Hispanic consumers are 1.5x more likely than other ethnicities to use mobile to browse.”](#)

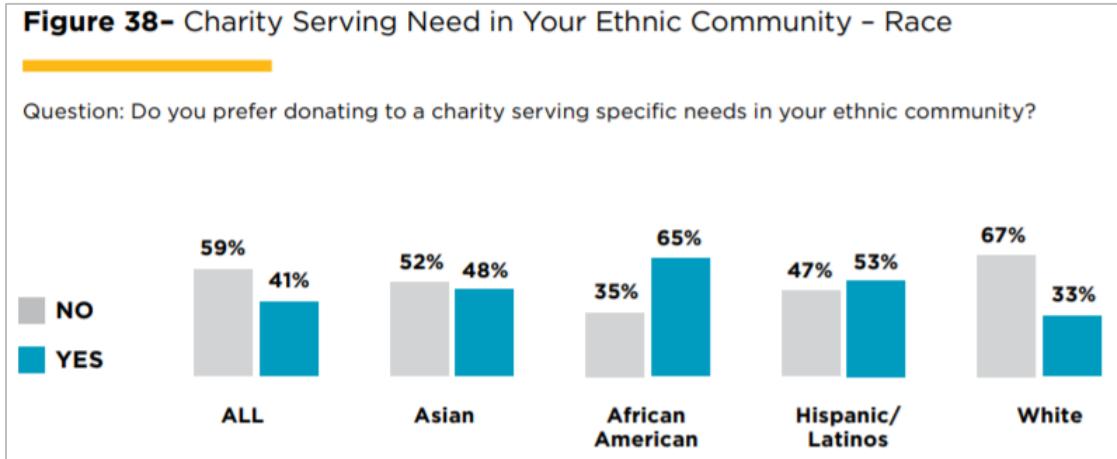
In addition, consider how you may be able to use other information to complement implementation.

Geo-target to increase chances of reaching more African Americans and Hispanics among your direct mail lists or other channels. A simplistic approach suggests [targeting Southeast states or metropolitan statistical areas \(MSAs\) to increase chances you may reach Black or African Americans](#) and [South and West for Hispanics](#). Aside from just geo-targeting, also consider increasing paid search cost-per-click thresholds in these areas.



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Adjust messaging and creative to be more community focused. Give.org’s 2018 Donor Trust Report shows [65% of African Americans prefer donating to a charity serving specific needs in their ethnic community](#). More than half of Hispanics and Latinos also preferred donating to charities serving specific needs in their communities:



Mind the [monolith](#). Depending on the organization’s mission, you may need to be even more sophisticated in your segmentation, messaging and creative to foster a positive brand experience.

Monitor your reach and how many brand impressions you are putting into the mail and across other channels. Even if the fundraising economics end up leaving a lot to be desired, **you likely will have a positive story to tell about your outreach efforts.**

Last but certainly not least, **work with what you have now and in the future.** Identify the diverse donors you already have on your file and leverage them as best you can: for profiling similar prospects; for understanding what they have been responsive to in the past; to prepare your team for how to onboard future diverse donors.

Closing Thoughts

Be patient and be prepared to stay the course. Significant changes to the complexion of your overall donor file likely won’t happen quickly. Remember to reflect back on those initial questions (and their answers!). Routinely revisit your KPIs and recalibrate them if necessary, because early success may look different than future success.

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