

After Windfall, ALS Group Grapples With 2.4-Million Donor Dilemma

By Avi Wolfman-Arent

Lance Slaughter isn't worried about the money.

The ALS Association's chief chapter-relations and development officer is confident that the \$107-million reaped so far from the ice-bucket challenge will go to good use fighting amyotrophic lateral sclerosis.

"This isn't a spending problem," he says.

What concerns him most are the 2.4-million new donors the challenge has attracted to the organization, triple the number it previously had in its online database. That list of names—larger than the population of Houston—could change the organization's fiscal trajectory and significantly increase awareness of ALS. Or it could melt away faster than an ice cube on August pavement. "The transformational question is: How do we maintain interest and engagement?" Mr. Slaughter says.

Sense of Urgency

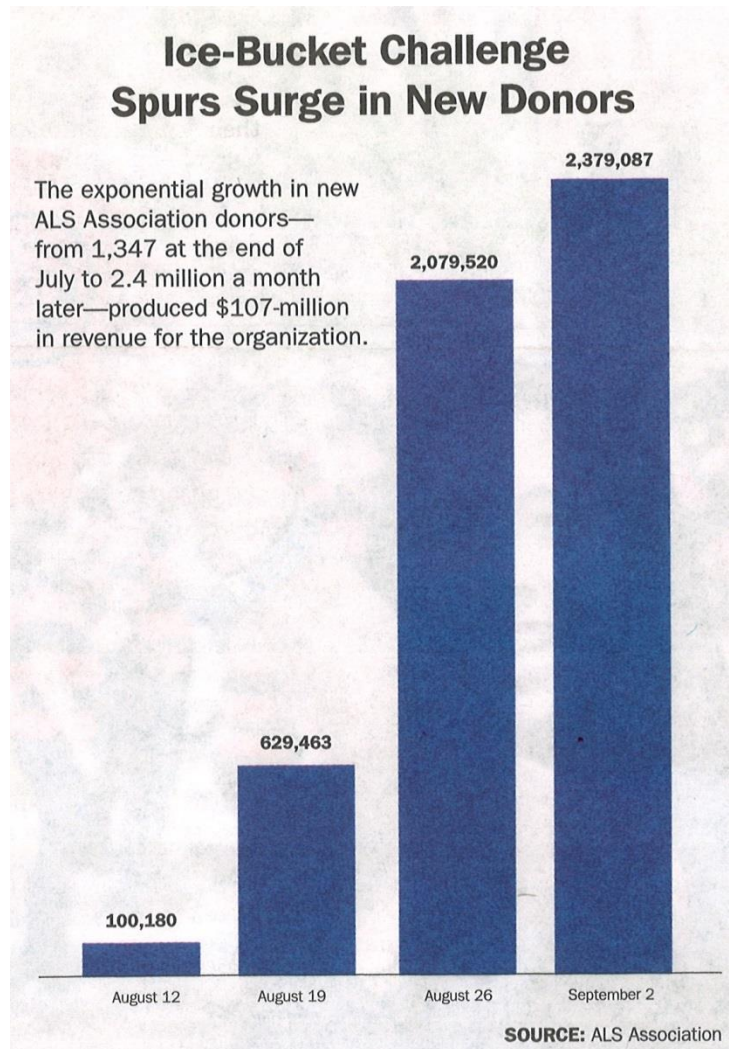
The organization has been busy calling and mailing people who gave more than \$1,000 during the ice-bucket challenge. It also is asking donors how they would like their money used and how they want to be contacted in the future.

"Urgency is really the word here," says Mr. Slaughter.

According to experts, it should be.

"The important thing is to thank [donors] and ask for money right away," says Roger Craver, author of *Retention Fundraising: The New Art and Science of Keeping Your Donors for Life*.

He says the ALS Association should reach out to new donors in a way that is both "heartfelt and emotional" within 48 hours.



"The danger here is that ALS is going to overthink this and take so long overthinking this they'll be paralyzed by the analysis," he says.

Jay Love, chief executive of the donor management firm [Bloomerang](#), says organizations should contact new donors two or three times within 90 days of the first gift. "The whole secret to retention is getting the second gift," says Mr. Love.

It's a secret few nonprofits have learned.

In [findings released this year](#) by the online fundraising company Blackbaud, only 27 percent of first-time donors gave again to the same charity, continuing a decline in such responses over the past decade. A [2013 Urban Institute report](#) concluded that "many organizations could enjoy significant financial gains from increased attention to activities that encourage long-term commitment by donors."

Putnam Barber, co-author of the Urban Institute report, says the biggest question the ALS Association faces is which of its recent 2.4-million new donors to target.

"It doesn't seem to me likely that ALS needs or wants to try to convert every single one of these people to a sustaining donor," says Mr. Barber. "They have to figure out how to find the ones who are convertible, and try to nurture them."

Those 2.4-million donors include plenty who came only for the viral thrill, a segment unlikely to continue contributing.

"X percent of these aren't what we would call real donors. They were transactions based on a gimmick," says Simone Joyaux, a nonprofit consultant and co-author of *Keep Your Donor: The Guide to Better Communications and Stronger Relationships*. "The first issue becomes how you figure out what percentage of those millions actually care."

Ms. Joyaux recommends baiting the donor pool with a series of emails. "They're going to have one hell of a great subject line to even get it opened," she says. "If they get it opened, what's the next thing they can do to get the people to act?"

That action, Ms. Joyaux says, doesn't need to be a second donation. It could be a link that says "tell me more" or "sign me up for the newsletter."

Deep Data Dive

Kevin MacDonell, acting director of advancement services at Dalhousie University, in Halifax, says the association should do a deep data dive and use "predictive modeling" to narrow its target list.

Mr. MacDonell, who also runs the higher-education analytics blog CoolData, [recently explored](#) the type of information the ALS Association might glean from its data, including how donors arrived at the online giving page, if they shared news of their gifts online, and whether they consented to future communications.

"The wrong way would be to send a piece of mail to every one of those people," he says. "There's a lot more potential in identifying the top 5 percent who are statistically more likely to make a second gift and mail them or approach them multiple times."

Email and telemarketing are among the possible approaches, but Mr. Love says the ALS Association should hire "a legion of interns" to write handwritten notes. "People keep handwritten notes for years," he says.

And soon, the association will have to decide whether to make the ice-bucket challenge an annual event. Mr. Slaughter says the organization has already been talking with Pete Frates, the former college baseball player [credited with sparking](#) the ice-bucket craze, about how to keep the campaign rolling.

Rarely, if ever, has an organization so small—it reported just over \$5 million in annual contributions on its 2013 tax form to the IRS—added so many new donors in so short a time.

Comparisons Elusive

One model for dealing with sudden cash surges may be disaster-relief organizations. In fact, the ALS Association's chief communications and marketing officer, Carrie Munk, is a former American Red Cross employee who says dealing with the ice-bucket madness reminds her of responses to hurricanes and earthquakes—right down to the rotating groups of employees working emergency shifts answering phones.

But curing ALS is a very different type of challenge.

"This is not a singular event or crisis," says Mr. Slaughter.

The model he prefers is the Obama campaign, which mobilized a new generation of small donors and kept them engaged for a second election cycle.

"It's already set a new standard," Mr. Love says of the challenge. "Whether it can be a model for sustaining a nonprofit long term—that's going to unfold over the next year to two years."

Finding the Next Ice Bucket

By Avi Wolfman-Arent

The facts, at this point, are well established. On July 31, former Boston College baseball player Pete Frates [posted a video](#) of himself dancing to "Ice Ice Baby" by rapper Vanilla Ice. He challenged a group of friends to dump ice water on their heads or donate money to the ALS Association.

After that, the challenge, which had been quietly circulating for months, went berserk.

Four weeks later, the ice-bucket challenge for ALS had become one of the most notable and profitable flash-philanthropy campaigns ever. Since July 29, the ALS Association has received more than \$100-million in donations. Celebrities and dignitaries have taken the challenge and countless nonprofit commentators have parsed it for its meaning.

Here are what experts consider the biggest takeaways from the wildly popular campaign:

Social Media Matters

Few dispute the growing influence of social media, but critics of "slacktivism" and "hashtag activism" initially were skeptical that the ice-bucket challenge would encourage actual giving. Then the money started rolling in.

"It's tremendously validating because I've done a lot of research around the value of influence—now we're seeing some numbers," says Julie Dixon, deputy director of Georgetown University's Center for Social Impact Communication. "We know if behavior follows intention, there should be tremendous value in people's networks."

Roger Craver, longtime fundraising consultant and editor of [The Agitator blog](#), adds, "Once again it's proven that people talking to their friends is more valuable than all the advertising and direct mail and online fundraising in the world."

Don't Try This at Home

Encouraging as the returns have been, there is a big caveat: The ALS Association didn't start the campaign. And there's no evidence a nonprofit could plan and execute something similar from the top down. If anything, the contrary seems true: Organic giving campaigns like the ice-bucket challenge have a spontaneous charm that contributes to their momentum.

"Everyone now is going to want to have their own ice-bucket challenge," says Ms. Dixon. "And you can't. You can't manufacture virality."

The best thing an organization can do? Be prepared for lightning to strike. That means having graphic designers, copywriters, and lawyers ready to promote and nurture a promising trend.

A Rising Tide Lifts All Boats

The ALS Association isn't the only organization to benefit from the ice-bucket exposure. The ALS Therapy Development Institute raised \$3 million. Project ALS brought in \$500,000, nearly 100 times the amount received over the same time last year.

Then there are the imitators: the [rubble-bucket challenge](#) in Gaza, the [rice-bucket challenge](#) in India, and a suicide-prevention effort called "[Doubtfire Face.](#)"

So powerful was the ice-bucket allure that a public-relations firm notified The Chronicle when the actor James Franco wore a shirt made by one of its clients in his ice-bucket video.

The firm asked, "Chances are you've heard about the #ALSIceBucketChallenge, right?"