

MainStreetNews

THE MONTHLY JOURNAL of THE NATIONAL TRUST MAIN STREET CENTER

in this issue

MAKE MORE MONEY FROM MEMBERS:

EASY WAYS TO BOOST REVENUE

BY: DONNA ANN HARRIS

Most Main Street organizations develop membership programs as they start their revitalization efforts. But as Main Street organizations mature, the membership list should become an increasingly important and growing source of revenue for your organization. Whether you call the people who provide annual dues members, investors, contributors, or donors, this article will review a variety of easy ways to increase the sums you raise from existing members. This article is not meant as a primer on starting a membership program; rather it is designed for organizations that already have a program and want to exploit their member list to its fullest potential. *continued on page 2.*



- 9. **Heritage Retailing: Successful Strategies**
In the second of our series on Heritage Retailing, we examine success stories ranging from the Artists-in-Residence program in Spartanburg, S.C. to the Silver Hand Branding Program, which promotes Alaska Native handicrafts, and Handmade in America, which has enhanced opportunities for craftspeople in western North Carolina.
- 14. **Network Notes**
Find out how you can help flood-ravaged Main Street communities in Iowa, Missouri, and Wisconsin rebuild through the National Trust's online secure donation pages at PreservationNation.org. Check out Band of Neighbors, an innovative crime prevention system, which was recently launched in Tulare, Calif.; and welcome five new communities to Main Street Maryland.
- 16. **Main Street Basic Training**
If you're new to the Main Street process, get the training and information you need October 14-17, 2008, at our four-day basic training session in Washington, D.C.

NATIONAL TRUST FOR HISTORIC PRESERVATION®

Continued from cover.

MEMBERSHIP: THE QUICKEST WAY TO RAISE MONEY

Joan Flanagan in her seminal work, *The Grass Roots Fund-raising Book*, defines members as “those who need your organization and give time and talent in addition to money” by paying annual dues. You already know that membership dues provide regular, predictable income every year as part of your overall budget. Members also provide an accurate evaluation of your program and leadership because they vote with their check book or credit card every year when you send a renewal notice.

Membership is one of the seven traditional revenue sources for Main Street organizations. (See *Chart 1: Ideal Revenue Mix*.) It is also one of the few revenue sources that the organization completely controls. The amount of effort put into taking advantage of your membership list, including renewals, gift increases, and additional appeals, rests entirely with the organization, not an outside entity that you cannot influence. Joan Flanagan also reminds us that selling memberships is the fastest way to raise funds, as requests for support can result in immediate donations from a sympathetic audience.

Who are your members now?

Ideally, your members should include your key stakeholders, such as merchants and property owners, who contribute both money and time to your operation on an annual basis. Your business membership level(s) may be based on a fee schedule,

square footage, or number of employees. But your member list should also include residents and non-Main Street business owners, as everyone uses the commercial district and, therefore, should be invited to support its revitalization and improvement.

What percentage of your budget should membership represent?

A healthy, thriving Main Street organization should aim for membership to be a quarter (25%) to a third (33%) of its operating budget after the first few years, and on toward maturity. (See *Chart 1*.) If you take renewals seriously and continually seek new members to replace those who drop off, you are creating an excellent foundation for the organization's annual budget. Pushing membership beyond 50 percent of your operating budget may be unsustainable, if only because the renewal effort can be time intensive for both staff and volunteers.

If your membership rolls are thin now, or if recruiting residential membership has not been a top priority, use the following suggestions to upgrade and expand your renewal effort.

Member database

Your database is critical to this highly time-intensive record-keeping function. All membership records should be in one place, on a spreadsheet or in a database program so you can manipulate the data and print personalized, mail-merged letters with a few keystrokes. The database reports must be easy to understand, so you can take quick action, spot trends, and track progress. Maintaining the integrity of the data and retaining a backup copy are essential.

Who should be responsible for membership renewals?

Some organizations give the entire job of membership development and renewals to the organization committee. This is a fine approach if renewals are routinely sent, dues payments are processed, and follow-up calls are made when there are questions. If the Main Street staff is responsible for renewals, then at least two days (or more) per month must be allocated to review the database, print letters, send notices, and conduct follow-up calls.

Processing credit card information and depositing dues checks should be the responsibility of the treasurer or bookkeeper (if there is one). Otherwise, the manager should process them to retain the confidentiality of your members' personal information. Your treasurer or auditor can suggest a sound fiscal control process to assure confidentiality of these important private records.

Data entry into the database can be done by staff or volunteers. According to Kristi Travarrow, executive director of the Rochester (Mich.) Downtown Development Authority (DDA), their community resident membership solicitation and renewal program for The Big Bright Light Show brings in \$15,000 to support the annual million light Christmas event. Rochester's renewal process is conducted entirely by staff, but your organization may choose to divide up the tasks so that most of the work is handled by the organization committee or individual board members.

Members need to be cultivated and renewed through a predictable system. (See *Chart 5: A Model 14-Month Member Development and Renewal Schedule on page 5*.) If your membership roll is large, the board may encourage the organization committee to develop a sub-committee or task force to handle specific projects, such as making calls to encourage renewals, calling lapsed members, or creating regular special fund-raising appeals to members (described later).

Supercharge your renewal process

The first step toward making more money from members is to understand your current membership list. First, determine how many current

CHART I
Ideal Revenue Mix for a Main Street Organization

- Memberships 25%
- Fund-raising events 10%
- Special events 15%
- Government 30%
- Sponsors 10%
- Tax revenue 5%
- Grants 5%





The membership campaign for the Big Bright Light Show (above and right) annually brings in \$15,000 to support the million light Christmas event in Rochester, Mich.

The Big Bright Light Show Membership Program is a initiative of the Rochester Economic Development Authority (REDA). The mission of the Rochester REDA is to maximize the economic development potential of the Rochester Region by providing services, programs, and incentives to existing, prospective, and emerging businesses. The program is designed to attract and retain businesses in the Rochester Region by providing services, programs, and incentives to existing, prospective, and emerging businesses. The program is designed to attract and retain businesses in the Rochester Region by providing services, programs, and incentives to existing, prospective, and emerging businesses.

Rochester REDA
100 N. Main Street
Rochester, MI 48307

800.454.2424
www.RochesterREDA.com

WHY SHOULD I JOIN?

As a member you will receive:

- 100% of all membership support contribution and expenses of The Big Bright Light Show, Rochester Region's Most Amazing Holiday Light Show in any other state of Michigan.
- The 100% Big Bright Light Show Membership Program
- The Rochester Economic Development Authority (REDA) - Making Businesses and Jobs in the Rochester Region
- Member Only Privileges
- Exclusive Invitation to The Big Bright Light Show
- Local Business Fund
- Recognition of membership on www.RochesterREDA.com

100% of all membership support contribution and expenses of The Big Bright Light Show, Rochester Region's Most Amazing Holiday Light Show in any other state of Michigan.

Yes, I want to join The Big Bright Light Show Membership Program!

100.00 Big Bright Membership

Name of Member(s) _____
Address _____
City _____
State _____
Phone Number _____
E-mail _____

100 membership benefits are available July 1, 2007 to June 30, 2008. For more information, call the Rochester REDA at 800.454.2424.

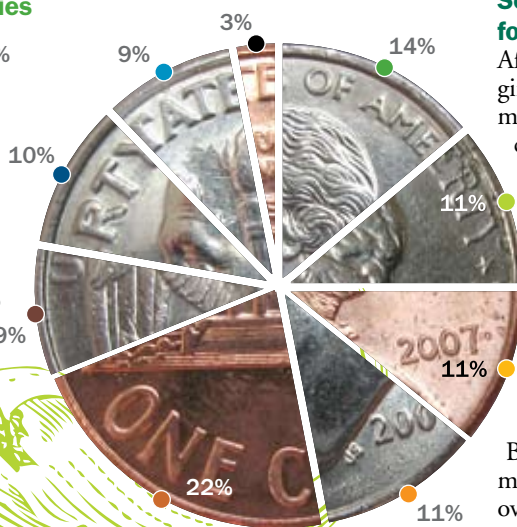
You will receive your Big Bright Membership by e-mail 2 weeks.

CHART II Gift Categories for Anytown Main Street

Title	Amount	Number	Cumulative \$	% of total
Diamond	\$2,500	2	\$5,000	14%
Gold	\$1,000	4	\$4,000	11%
Silver	\$500	8	\$4,000	11%
Bronze	\$250	15	\$3,750	10%
Donor	\$100	78	\$7,800	22%
Investor	\$75	45	\$3,375	9%
Family	\$50	72	\$3,600	11%
Individual	\$30	103	\$3,090	9%
Senior/Student	\$20	48	\$960	3%
TOTAL		375	\$35,575	100%

CHART III Pie Chart of Anytown Main Street's Gift Categories

- Diamond \$2,500, 14%
- Gold \$1,000, 11%
- Silver \$500, 11%
- Bronze \$250, 11%
- Donor \$100, 22%
- Investor \$75, 9%
- Family \$50, 10%
- Individual \$30, 9%
- Student/senior \$20, 3%



(paid-up) members you actually have for this year. Do not fudge and include lapsed members (those who did not renew after their membership expired.) We'll discuss what to do with lapsed members later.

Divide this current list by your gift categories. (See Chart 2.) Identify the number of current members in each category. Multiply the number of members in each category by the dues for that category. For example, in Chart 2, there are 78 members in the \$100 giving category, generating \$7,800, or 22 percent of the entire membership revenue.

With this information, create a pie chart or other graphic representation of the data. (See Chart 3.) This can be done simply through an Excel spreadsheet, or you can just sketch one on paper. The chart will reveal how important certain giving categories are to the continued support of your program. It may also reveal trends and priorities that can determine how your organization allocates its resources to member renewals.

Segment your membership for renewal purposes

After you have reviewed your gift chart, identify different methods for renewing member contributions based on giving categories. Generally, the organization should spend more time and effort to renew the members who generate more money for the organization.

Chart 2 shows some interesting trends: The 29 gifts at \$250 and over (Diamond, Gold, Silver, and Bronze categories) generate more than 47 percent of the overall revenue. The 78 mem-

bers giving \$100 gifts are the most significant category, generating 22 percent of the total. Together, these two groups represent more than two-thirds of all membership revenue. Logically, you should expend the most effort to renew these members.

Given these facts, you might want to set up three different kinds of renewal processes based on these categories. For the 29 members giving \$250 or more, a personal visit, rather than a phone call or a letter, would be appropriate. You know these people as current or former board members, former committee chairs, volunteers, or very interested neighbors. They are highly involved with the organization, believe in it, and want you to succeed.

Bonnie Crockett, former director of Federal Hill Main Street in Baltimore, said that they returned to face-to-face renewals after seeing their renewal rate slip when they used a direct mail renewal process: "It takes time and the right personality to walk up and down the street to collect renewals, but it was worth it to us."

For the second group (the 78 "\$100" members in our Anytown Main Street example), you can use a variety of media, including a series of letters, e-mails, and follow-up phone calls as a renewal process. Finally, for those 268 members who donate \$75 or less, you might want to renew them by letter (or by e-mail, if you have their e-mail addresses).

continued on page 5.

MAINSTREET LIBERTYVILLE:

Renewing 1,200 “new” members

In September 2007, MainStreet Libertyville (MSL) in suburban Illinois began a “do or die” community membership appeal to replace the ever-dwindling government support from its municipality and the unexpected sharp drop in profits from its annual Streetdance fund raiser. Both of these sources once represented \$100,000 in revenue to the organization, a Great American Main Street award winner in 1997.

Realizing that the very future of the organization was at stake, the board devised an appeal to the community to step up and ensure that the highly regarded 65 days of downtown programming could continue in 2008. A prominent real estate broker and former board chair offered to match all new contributions up to \$10,000, which generated a considerable outpouring of support. All told, more than 1,200 members contributed \$97,000 over four months.

But now, nearly a year later, the organization must convince these people to renew. Member revenue has become the very lifeblood of the organization, making up nearly half of its annual budget. While it is true that it is cheaper to renew than get a new member, renewal rates are unpredictable. A renewal rate goal of 80 percent might be unrealistic given that so many of Libertyville’s donors are first-time members.

An analysis of the MSL membership (*see pie chart*) tells the story. Eighty seven (87) donors give \$250 and above, but this group accounts for close to 40 percent of the revenue; 396 \$100 members contribute another 40 percent of revenue. Finally smaller donors (those giving less than \$100) provide only 20 percent of the revenue, despite the large number (562) of members in these categories.

Revise the Dues Structure

We worked with the organization this summer to outline a renewal plan. First, we reviewed the current giving levels and suggested some new categories and revisions to permit small, incremental increases for those who wished to upgrade their memberships. We also added the ability to pledge or give automatically on a monthly or quarterly basis. Finally, we encouraged the organization to accept American Express cards to round out the options available.

Renewal Process

For renewal purposes, we segmented MSL’s members into larger categories based on the gift chart. Those giving above \$250 should be asked to renew in person as most are already known to the organization as board members, volunteers, or longstanding friends. Board members should make the pitch to these donors in the 10th month of their membership year.

The organization committee was advised to create a Renewal Task Force to make telephone calls after the first renewal letter goes out to all 396 \$100 members. Using various methods, including e-mail, letters, and phone calls, to renew these critical donors over the traditional three-month renewal period (months 10, 11, and 12 of the membership year) will help the organization get through the clutter. During phone calls, we suggested that the caller ask members to consider upgrading their membership or pledge either monthly or weekly. Task Force members will call the people they know on the list, as a call from a friend is a potent reminder to renew. For members giving below \$100, we suggested that requests for renewal by letter or e-mail over the last three months of their membership year made the most sense.

Planning and Tracking

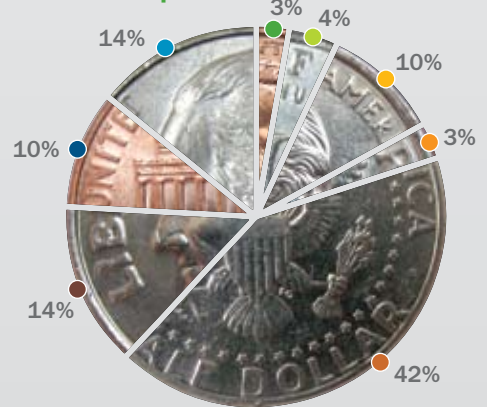
Preparing for this important renewal season requires intense work by the Organization Committee, as a Renewal Task Force is needed to make phone calls to follow up on the \$100 gifts and help with planning and tracking. The massive renewal effort will require form letters, envelopes, business reply envelopes, and bulk mailings, while volunteers will be needed to sign, check, and personalize letters to 1,200 members.

The organization uses the Main Streets Data Base Template, which generates good reports to show the results of the renewal campaign. Perseverance is essential during the key renewal weeks to see which contact methods work best. Look for a report later in the year in Network Notes to see how it all turned out!

▼ Every summer, MainStreet Libertyville’s “Out to Lunch” festivities offer a relaxing escape for area residents seeking a break from their busy day. Offering music and food from 14 vendors, the series of lunches are held in the historic downtown’s Cook Park in July and August.



MainStreet Libertyville 2007 Membership Chart



- Student/senior \$25, 3%
- First-time member \$30, 4%
- Supporter \$40, 10%
- Contributor \$70, 3%
- Donor \$100, 42%
- Donor \$250, 14%
- Benefactor \$500, 10%
- Investor \$1,000, 14%



▼ Libertyville Mayor Jeff Harger opens the annual farmer’s market with the traditional slicing of the watermelon (below). The 28-year-old farmer’s market prides itself as being a traditional market in which every vendor must either grow, bake, or make what they sell. Main Street Libertyville’s goal is not just to help downtown merchants thrive but also to support local farmers and other vendors. The market has a family-friendly atmosphere that makes it very popular among residents (above).



continued from page 3.

The renewal schedule

Once you have segmented your members by giving levels and identified how you wish to renew them, develop a yearlong schedule for membership renewals. If you renew members monthly, a schedule like the one in Chart 4 will help you visualize how many renewals must be sent each month, allowing you to track your progress throughout the year. The monthly renewal timeline in Chart 4 will also help you organize your renewal activities each month.

If your membership year is fixed (i.e., July 1 to June 30), you can still use the timeline in Chart 5 to set benchmarks for the organization committee's workload through the work plan process.

Member drop-off rate

Now use your data base to determine how many lapsed or dropped members you have for this year. Sort your lapsed members into their gift categories and determine how much revenue the organization has lost by not renewing these members.

There are many reasons for lapsed memberships. Some members move, die, or experience financial changes that prevent them from renewing. There is little you can do to win back these members, so your organization may not want to spend much time on lapsed members except in higher giving categories. But you can and should examine and confront other reasons for non-renewal, such as an unsatisfactory experience with the organization or failure to process pledged payments in a timely manner. The last thing you want to hear is that members aren't renewing because they didn't realize it was time to do so. While this may just be an excuse, it might also indicate that your organization's renewal system isn't functioning properly.

Review your lapsed member list. If higher level donors are not renewing (especially if you know these donors), get your board members to visit them and

CHART IV Monthly Renewal Benchmarks

2007	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Members	16	45	48	33	35	28	8	9	43	55	35	20	375
Renewed	14	39	44	30	33	25	7	8	40	50	33	15	338
RATE													90%

CHART V A Model 14-Month Member Development and Renewal Schedule

Adapted from Tony Rossell, www.membershipmarketing.blogspot.com.

Month Member Joins	Action	Responsible Party
1	New member joins and receives thank-you letter and written acknowledgement of gift.	Organization committee
2	Newsletter with all new members listed.	
3-8	Normal member communication activities.	Appropriate committees
9	Letter to over \$250 members asking for appointment; Call to set appointment.	Board members (call)
10	Visit to over \$250 members; First renewal letter to \$100 members; First renewal letter to under \$100 members; Any thank you/acknowledgement letters.	Board members (visit) Org. committee Org. committee Main Street office
11	First follow-up call to all over \$250 members; First e-mail and phone call to \$100 members; Second renewal letter to under \$100 members; Any thank you/acknowledgements letters.	Board members (call) Org. committee Org. committee Main Street office
12	Second follow-up call to over \$250 members; Second e-mail to \$100 members; Third renewal letter for under \$100 members; Any thank you/acknowledgements.	Board members (call) Org. committee Org. committee Main Street office
13	Second call to \$100 members; Lapse of members under \$100 for non-renewal; Any thank you/acknowledgements.	Org. committee None Main Street office
14	Lapse of \$250 and above members for non-renewal; Lapse of members over \$100 for non-renewal; Any thank you/acknowledgements.	Board members (call) None Main Street office

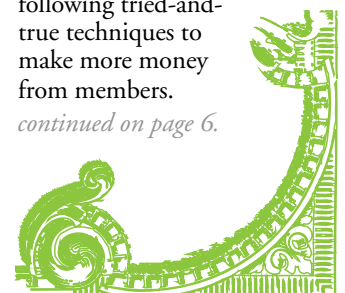
ask them to rejoin. First-time members are more likely to lapse, as these members have not fully committed to the organization, according to Tony Rossell's article, "The Lowdown on Raising Dues." (See sidebar *For More Information on page 8*.) Membership drop rates vary widely, but anything above 20 percent deserves serious concern because at that rate your entire membership will be wiped out in five years! (See sidebar *Membership Math on page 7* to determine your loss rate.)

Member retention goal

Once you know your current renewal and drop rates, focus on developing a better renewal process. First, create a realistic goal for annual renewals based on past performance. If your renewal rate was 85 percent and generated \$30,000 last year, shoot for a 90 percent renewal next year, and look for a proportionate increase in gifts among renewing members, e.g., a 5 percent per-member increase totaling \$31,500 or more.

You will still have to solicit new members to replace the 15 percent and \$4,500 that was lost due to non-renewals in this example, or you can make a concerted effort to use the following tried-and-true techniques to make more money from members.

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INTERNAL REVENUE SERVICE ISSUES & MEMBERSHIPS

The IRS has a series of requirements for public charities organized as 501 (c) (3) nonprofits, such as many Main Street organizations. (See “Tax Exempt Status for Your Organization,” IRS Publication 557, listed in the sidebar *For More Information on page 8.*) Check with your attorney if you have questions.

Gifts over \$75.00

According to the IRS, “members making gifts of \$75 or more must receive a written disclosure if goods or services are provided in exchange for a single payment in excess of \$75.” An annual membership benefit may be considered insubstantial if it is provided in exchange for an annual payment of \$75 or less and consists of annual recurring rights or privileges, such as free parking or admission, discounts at gift shop, or events. There are significant penalties if there is no disclosure. See IRS Publication 1771 (revised 2008).

Gifts over \$250.00

Members making gifts of more than \$250 must receive a written acknowledgement, which can be a letter or e-mail from your organization, sent before January 31 of the year following the donation, according to IRS regulations. Here is an example from the IRS: “Thank you for your cash contribution of \$300 that (organization’s name) received on December 12, 2008. No goods or services were provided in exchange for your contribution.” See IRS Publication 1771 (revised 2008).

Offering premiums and IRS language

Some Main Street organizations feel compelled to offer members something in exchange for their membership, such as a coupon book, mug, window sticker, or other premium. Your organization should make this decision based on local precedent and preference. However, the cost of the member “premium,” along with other member benefits, such as your newsletter or discounted rates for ticketed events, must be acknowledged if it meets certain thresholds.

The IRS recommends the following language for a written acknowledgement: “Thank you for your cash contribution of \$350 that (organization’s name) received on May 6, 2008. In exchange for your contribution, we gave you a cookbook with an estimated fair market value of \$60.”

Certain low cost member benefits such as logo mugs, calendars, or decals may be considered “insubstantial.” See IRS Publication 1771 (revised 2008), and IRS Publication 557 (revised 2008).

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SEVEN EASY WAYS TO MAKE MORE MONEY FROM MEMBERS

1. Accept all credit cards.

Many Main Street organizations seem reluctant to accept all credit cards because of the fees to the credit card processor. But if your goal is to make it easy for people to support your organization, you must make it convenient for them by offering every credit card option (Visa/Master Card/Discover/American Express). Most organizations find that they get more and larger gifts if members can use any credit card to join, as noted in the article “Study Finds Small Gifts Make a Big Difference” by Marla Noble. (See sidebar *For More Information on page 8.*)

Work with your organization’s bank or financial institution to obtain these credit card services and allow their use for events, vendor fees, and other payments throughout the year.

The Ellensburg (Wash.) Downtown Association accepts all credit cards for membership donations online through a special link to the National Trust for Historic Preservation’s website. The National Trust hosts contribution pages on its secure website and you can link to these secure online pages through your web page free of charge. Using the National Trust’s contribution pages, donors can contribute to your organization from the comfort of their home or office.

Members of the National Main Street Network can offer National Trust memberships to their constituents for free! You can sell the memberships valued at \$20 and keep the revenue or you can offer the memberships as introductory premiums for your own membership program. See <http://www.mainstreet.org/content.aspx?page=188§ion=14>, or contact Margaret Gattis at margaret_gattis@nthp.org, or call 202-588-6118. To see

Ellensburg’s donation form on the National Trust website check <http://my.preservation-nation.org/ellensburg>.

2. Offer multiple renewal options. Give members many ways to join or renew. Put membership forms on your website, even if it is a simple form to download, print, sign and send, as Federal Hill Main Street does. (See illustration on page 7.) Offer members the option to pay by credit card, check, or call you with their credit card number.

MainStreet Libertyville (Ill.) allows members to join on its website and directs them to PayPal (a third party vendor) to process the credit card transaction. “We got 50 members that way last year and the donations always seem to come at midnight,” says MainStreet Libertyville Executive Director Randy Nelson. Other organizations with more sophisticated websites, such as the University City District (UCD) in Philadelphia, take donations on their website. See UCD’s website at http://www.uciityphila.org/about/contribute/contribute_online.

There are many options available for accepting donations online. Laura S. Quinn’s article “Donate Now: Selecting an Online Donation Tool” is an excellent starting place for reviews of many third-party vendors, such as Network for Good, PayPal, eTapestry and others. (See sidebar *For More Information on page 8.*)

3. Review your rate structure; create new membership levels.

If you have never increased your membership dues levels, now is the time to consider it. Review your gift categories, then select one or two giving levels and increase them slightly (between 5 and 15 percent) for the coming year. Generally speaking, members will accept a modest increase in dues, provided that the organization regularly informs them of its accomplishments. (See article



MEMBERSHIP APPLICATION

Yes! I would like to become a Member of Federal Hill Main Street, Inc. for the 2006-2007 Membership Year

Name _____
Address _____
City _____ State _____ Zip _____
Phone (Day) _____ Phone (Evening) _____
Email _____

I would prefer to receive the newsletter by email, and would like to be added to Federal Hill Main Street's email list for the latest news about the business district.

My donation is enclosed in the amount of:

- \$25
- \$50
- \$100
- Other \$ _____

Please make checks payable to Federal Hill Main Street and mail to:

Memberships
Federal Hill Main Street
1205 Light Street
Baltimore, MD 21202

Or pay by credit card:

- Visa MasterCard American Express

Credit Card Number _____

Expiration Date (mm/yyyy) _____

Authorized Signature _____

I would also like to receive more information about Volunteering for Main Street!

Comments: _____

For more information log onto www.historicfederalhill.org or call 410-727-4500.

A copy of Federal Hill Main Street's current financial statement is available upon request. Send your request to: Federal Hill Main Street, Inc., 1205 Light St., Baltimore, MD 21202, or call 410-727-4500. For the cost of copies and postage, statements and information submitted by Federal Hill Main Street, Inc., under Title 8 of the Business Regulations of the Maryland Code are available from the Secretary of State.

In Baltimore, Federal Hill Main Street's simple on-line membership form is easy to download, print, sign and send off.



MEMBERSHIP MATH

Retention rate

Number of renewals divided by renewals sent, then multiplied by 100 equals your retention rate. If 90 people out of 100 members renewed their memberships, you have a 90 percent renewal rate.

Loss rate

Number of lapsed or dropped members divided by the number of members, then multiplied by 100 equals your drop rate. If you lost 100 out of 1,000 members, your drop rate would be 10 percent.

Turnover rate

This determines how long it will take the organization to lose its entire membership base if the loss rate continues without intervention. Calculate the turnover rate by dividing 100 by the loss rate that you have calculated. If the loss rate is 10 percent it would take 10 years to wipe out your entire membership.

(Source: Adapted from Robert Harris, "Budgeting for Membership Retention and Recruitment," July 2004, at http://www.axi.ca/TCA/jul2004/guestarticle_1.shtml.)

"The Lowdown on Raising Dues" listed in the sidebar For More Information on page 8.) Review your list every year and select other categories to revise. Make sure you list your donation values from top to bottom—highest amount first—to encourage a greater contribution.

Another alternative is to add several new categories, just a bit above a particularly fruitful gift category. In our example of Anytown Main Street, a new giving category at \$110 might be appropriate since there are 78 \$100 members. You could highlight this new member category in your letters and phone calls to these members; ask them to increase their giving level and avail themselves of any new perks offered at the higher membership rate.

4. Ask about employer matching gifts. This is the easiest money you'll ever get, and it's free. Just add one line to your membership form. Many corporations will match gifts made by their employees on a one-to-one basis; some have higher matches. All the local Main Street program needs to do is have the employee identify his or her employer and send the appropriate paperwork to the right

office at work. Often the corporation will want to see proof of the donation (a copy of your member's check or contribution form), your organization's 501(c)(3) letter of determination from the IRS, and perhaps other materials.

The company sends a check at its next processing cycle. Make sure you thank and acknowledge both the company and its employee in letters and on the list of contributors that you publish in your newsletter, website, and annual report. MainStreet Libertyville raised \$3,000 this year from employer matching gifts. (See the article "Matchmaker, Matchmaker" listed in the sidebar For More Information on page 8.)

5. Ask members to upgrade at renewal time. If you do not directly ask members to give more, they probably won't. Tell them specifically how increasing their gift to the next highest level in your gift chart will help the organization. Many Main Street programs use a soft-sell approach, merely suggesting an increase to the next level up. Instead, make a compelling case. What would 10 additional dollars from your member mean to your organization today? Could you offer more entertainers at your street festival? Provide more banners?

Beautify another flower bed this year? Tell members what their increased gift actually buys so it has meaning and convinces them to open their wallets.

6. Start a monthly (or quarterly) donor program. Offer all members the option to pay their membership or renewal fee over time by pledging with a credit card or paying by check on a monthly or quarterly basis. This is a wonderful convenience for your members and will permit them to pay on their schedule rather than writing one large check. Smaller gifts will come regularly and can add up to more than you would get if you received one check.

Recurring gifts might be appealing to larger donors, those on fixed incomes, or those just starting their careers. A monthly giving club or recurring gift continues until it is cancelled by the donor. They can call your office to cancel or change their gift at any time and you should acknowledge the member's request immediately.

continued on page 8.



The Ellensburg Downtown Association (Wash.) takes full advantage of online membership donations through a special link to the National Trust for Historic Preservation's secure online contribution page (above), as well as a donation page hosted by Change.org (below).



continued from page 7.

Philadelphia's University City District permits donors to make monthly or quarterly gifts online. See the form at <https://secure.groundspring.org/dn/index.php?aid=15434>. According to Ann Mintz, the UCD's development director, "online donations are a small but growing component of our annual appeal. We are particularly pleased with the number of people who have chosen to make regular monthly donations online. Online giving also provides a convenient way to purchase tickets for fund-raising events and make larger gifts such as event sponsorships."

There is much written about this form of giving on the Internet, mostly called "monthly giving clubs." (See the articles, "Online Monthly Giving" and "Donate Now: Selecting an Online Donation Tool," listed in the sidebar **For More Information at right.**)

Recurring gifts require extra work by the Main Street staff or treasurer/bookkeeper, as there must be a usable and predictable reminder system in place to process the gift on the same day each month or quarter. You will lose all credibility with your donor if they have to call you to make sure their gift is processed as you promised.

7. Ask for donations more than once a year. Main Street programs are sometimes reluctant to ask their members for contributions over and above their annual dues, and that is unfortunate. To fully exploit your now very valuable membership list, take some tips from the cultural organizations around you. Ask your members to contribute more often. Many large cultural institutions ask for support six to 10 times annually (check your mail from your local museum or zoo, if you don't believe me). While various studies show that this is an effective fund-raising method, asking that often is probably excessive for grassroots organizations like Main Street.

At the very least, however, Main Street organizations should seriously consider starting an annual donation program in early November. Tell your members how much their donation means, what you have done with their money, and why ending the calendar year in the black is critical to your continued success. These donations are not annual dues, but could be used for capital improvements, cultural events, special programs, or general operating support. Appeals for donations at the end of your fiscal year might also make sense if you are undertaking specific projects that excite members.

UPGRADE YOUR RENEWAL PROGRAM NOW

So what will happen if you implement some or all of these recommendations? You will likely make more money from the people who love you the most, your members. Keep track of what works for you and what does not. Renewals, like voters, are fickle, and subject to the whims of the check writer. But offering more convenience, options, and alternatives for collecting hard earned membership renewals will surely help your organization grow and thrive.

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Local business owners in Ellensburg, Wash., promote the Main Street program's website and online fund raising.

For More Information

Check out these articles and websites for more information to improve your renewal efforts.

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