

Live From the DMA Nonprofit Conference: Reaching Out to Catholics

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When Kevin Whorton took over as director of DR fundraising for Catholic Relief Services (CRS) two years ago, he had a strange idea: Why not run the operation, which funds overseas relief efforts, like a for-profit company?

On the surface, it seemed to Whorton that his job was to "fix something that wasn't broken." But he quickly realized that there were serious problems.

For one thing, the group was working in an increasingly crowded field. Non-Catholic groups were "successfully mining our territory, and they were more aggressive than we were," he said.

For another, it was tough to expand the universe to non-Catholics. "Catholic is our first name, and it's hard to get around that," he said.

Worse yet, it was difficult to draw a response even from Catholics themselves.

"With 62 million Catholics in the U.S. and 24 million households, why are we getting gifts from only 350,000 a year?" Whorton asked. One possible answer: Many would rather see their money go funds to tackle problems in the U.S.

All that may explain why the Baltimore-based group, which mails 10 million to 12 million pieces a year in up to seven acquisition campaigns, has been pulling ever more dismal response rates. Whorton's unit makes an annual \$51 million contribution—more than half of all private funds raised by the group—and spends \$11 million a year on marketing.

The first thing to tackle was the culture in which "the CEO personally edited every package that went out." Whorton has won a degree of autonomy, including creative control and the authority to shift budgetary resources as he sees fit.

"We've killed entire programs if they were not performing to my satisfaction," he said.

He has also moved functions like merge purge inhouse. The group was spending up to \$250,000 a year on outside service, but stopped that and bought a \$100,000 piece of software.

Under Whorton's direction, the group also halted its Hispanic fundraising efforts because the results were so poor. Other donors give a second gift of \$35 to \$40. The average for Hispanics was \$15-20.

Hispanics looked like good prospects on paper because they are expected by 2020 to comprise 50% of all U.S. Catholics. But they do not always have money to send, and it is hard to grab their attention with fundraising pieces, Whorton said.

"We decided to stop spending \$1.2 million or \$1.3 million per year until we get it right."

The good news is that the group has started targeting Hispanics once again. And Whorton is targeting Korean-Americans, Indian-Americans and other groups. They are particularly prone to give when a disaster hits their homeland.

The group is also adjusting the balance between restricted campaigns (those for particular relief efforts) and

non-restricted. Generally, the latter pulls a stronger response. A restricted effort for a special program for Africa pulled \$4.9 million. An unrestricted pitch to the same group later generated only \$2.9 million.

CRS has also started using the Web. It acquired 110,000 e-mail addresses in six months, and is using e-mail for some of its renewal efforts and gingerly integrating it into acquisition.

Finally, the group is using market research and cluster analysis to help it in its targeting. It has identified segments. The two top tiers are "religious givers" and "globally concerned." And "direct helpers," those who do not have much cash to give, could end up as a "swing segment," Whorton said.

Whorton admits that the stakes are high. CRS runs the largest number of refugee camps in Afghanistan, and also did in Kosovo. It also raises funds to relieve people harmed by disasters like Hurricane Mitch in Central America.

But there is good news. CRS recently got a \$335 million from the Bush administration to fight AIDS. While Whorton's group didn't generate that, "we will use it" in marketing, he said.