

1/19/2010 — by *Josh Slocum, Executive Director*

Lots of Funeral Consumers Alliance groups are considering scaling back on printed, paper-based newsletters, and moving to electronic versions instead. Money is tight, and since email is free, we're all just wasting money paying for postage, right?

Wrong. We urge any affiliate that's considering dropping a paper newsletter and replacing it completely with an electronic version not to do so. Even for members who say they want email versions only. Sure, the savings look good upfront, but it's not a bargain in the end. It's the quickest way to see your donations plummet, and a darned good way to make sure your members forget about you and your work. Don't let tough economic times spook you into fool's bargains that will make your situation even worse.

At the national office, we don't keep separate lists of people who only receive email news updates. Why? Because it's a false economy for a small nonprofit:

1. The small savings you see from not printing and mailing as much paper will be far outstripped by the amount of donations and exposure you *lose* by failing to send a paper newsletter. People are far more likely

**not to donate**

or respond to your fundraiser request if they receive it only by email, and not on paper. Why? People receive so many electronic updates, news alerts, blog alerts, etc., there's a high risk they'll accidentally delete your newsletter.

2. In addition, many people are not sophisticated email users. They don't understand spam filtration, so they allow their email programs to overzealously block legitimate emails, or dump them in a spam folder. The end result - they never see your newsletter. This is a particular problem with the AOL and Earthlink systems (this is not a criticism of you if you use those services, but you should be aware that AOL and Earthlink block a lot of legitimate mail, and you likely don't know it).

3. It's too easy to skim an electronic newsletter, then just hit "delete" before you've finished it. Your newsletter is never seen again. It's not on the coffee table and it doesn't get handed to another family member or friend. It literally **no longer exists** in your member household. This is the worst outcome for your FCA group.

All this means that your members *don't know* they're not reading your newsletter, and you don't know there's a problem. A paper newsletter has the advantage of physically being there and

staring you in the face. When you include a return envelope addressed to your FCA, that piece of paper falls into the reader's hands, and that makes all the difference in the amount of people who respond to your fundraising efforts. This is why professional fundraising organizations that serve nonprofits still recommend direct **paper** mail as the most effective fundraiser in most cases. These folks aren't Luddites; they know what works.

Ann Gallon, a board member of the Funeral Consumers Alliance of Kern County, California, recently confirmed it was a mistake for their group to substitute email for paper newsletters:

“In a cost-cutting move, we began emailing our newsletter to those who opted in – about 25% of member households. What we lost was donations from those people. Only one donation (and that was from our past president) came in from those who received the newsletter by email - all the rest came in the envelope included with the paper newsletter. We will be going back to paper newsletters.”

We think the best approach is to mail to all of your members, and offer the additional convenience of sending them an email copy **as well**, if they request it. This reinforces your circulation, rather than detracting from it. In addition, occasional email-only news updates are a good way to stay in touch with your members between regular mailings, and direct them to new content on your website. But email updates are a **supplement to, not a substitute for** , your actual paper newsletter.

There's a growing place for electronic "communities", particularly for advocacy groups. That's one reason FCA national rebuilt its Web site and included a discussion forum and blog capability. But for now, this cannot replace paper communications successfully for groups our size. Sure, all-electronic organizations like Moveon.org have raised millions of dollars and organized effective campaigns with email alone. But they have millions of email addresses - we don't. We can't use the same model and expect to get returns when we've got a few thousand addresses at most.

### **Saving Money on Newsletter Costs**

First, please think of your newsletter not as an expense, but as investment. An investment in your mission, your community, and your membership, yes, but also as a means to make money. Just the inclusion of a small, pre-addressed (not postage-paid) return envelope in your newsletter will double or triple your income - *yes, really*. If you can lower your printing and postage costs, that's more money for your mission. Here are some tips:

1. **Shop around** - get bids for the printing, sorting, and addressing for your newsletter from as many printshops and mailing houses as you can. Some are much more competitive than others. Pitch yourself as a nonprofit; some of them will offer reduced rates, or throw in a portion of their services free. Professional mailing houses have a "bulk-rate" permit at the post office. This enables them to send pre-sorted mail above a certain number (about 200) for much cheaper than first-class.

2. **Apply for 501(c)(3) status with the IRS.** Not only will that enable you to offer tax-deductible donations to members and the public, but it will allow you to apply for non-profit mailing rates with the US Postal Service.

Guess how much the national office pays in postage for our 12-page, three-times yearly newsletter? 16 cents each. Think about it - if you're paying 44 cents in first class postage for your newsletters, you're spending almost three times more than you need to.

As an example, say you have a mailing list of 400 households. Here are your costs if you go first class as compared to bulk/nonprofit:

First Class — 44 cents x 400= \$176

Bulk/Nonprofit —16 cents by 400= \$64

That's a savings of **\$112**. Imagine how much you'd save if your mailing list numbers in the thousands of households!

Questions? Comments? Join the conversation below in the comments section.