



MAXIMIZE FUNDRAISING IMPACT:

The Impact of House File
Modeling for Direct Mail

DONOR BUREAU
DATA » ANALYTICS » INSIGHTS

THE CHALLENGE

Traditional mailing methods often result in high costs and low returns, emphasizing the clients need for a more targeted approach to optimize its fundraising strategy and improve donor outreach.



- **Opportunity to Improve Cost Efficiency:** The client sought to enhance the effectiveness of its direct mail strategy by focusing on donors with the highest engagement, ensuring resources were allocated for maximum impact.
- **Refining Donor Targeting:** The client had an opportunity to better prioritize high-potential donors and optimize outreach efforts through predictive modeling.
- **Maximizing ROI Potential:** By identifying and focusing on the most responsive donors, the client aimed to increase fundraising efficiency and drive greater returns on investment.

THE SOLUTION

DonorBureau's House File Modeling provided the client with a data-driven approach to optimize direct mail campaigns.

By ranking donors into performance-based twentiles—where *twentile 20* represented the highest-performing donors and *twentile 1* the lowest—the client was able to:



- **Focus on top-performing donors** by mailing only to the highest-ranked segments.
- **Reduce mailing costs** by excluding the lowest-performing twentiles.
- **Increase response rates and average donation values** by targeting donors most likely to contribute.

RESULTS

An analysis of three random, separate mailings over the past six months revealed that top-ranked donors contributed, on average, 1,188.5% more per gift than the lowest-ranked donors. Additionally, the top 20% of donors generated an average of \$5.72 in gross donations per mailing, while the bottom 20% averaged only \$0.328 per mailing.

TWENTILE 20 IN FOCUS

(on average)

Response Rate

12.41%

**Gross Donation
per Mailing**

\$16.10

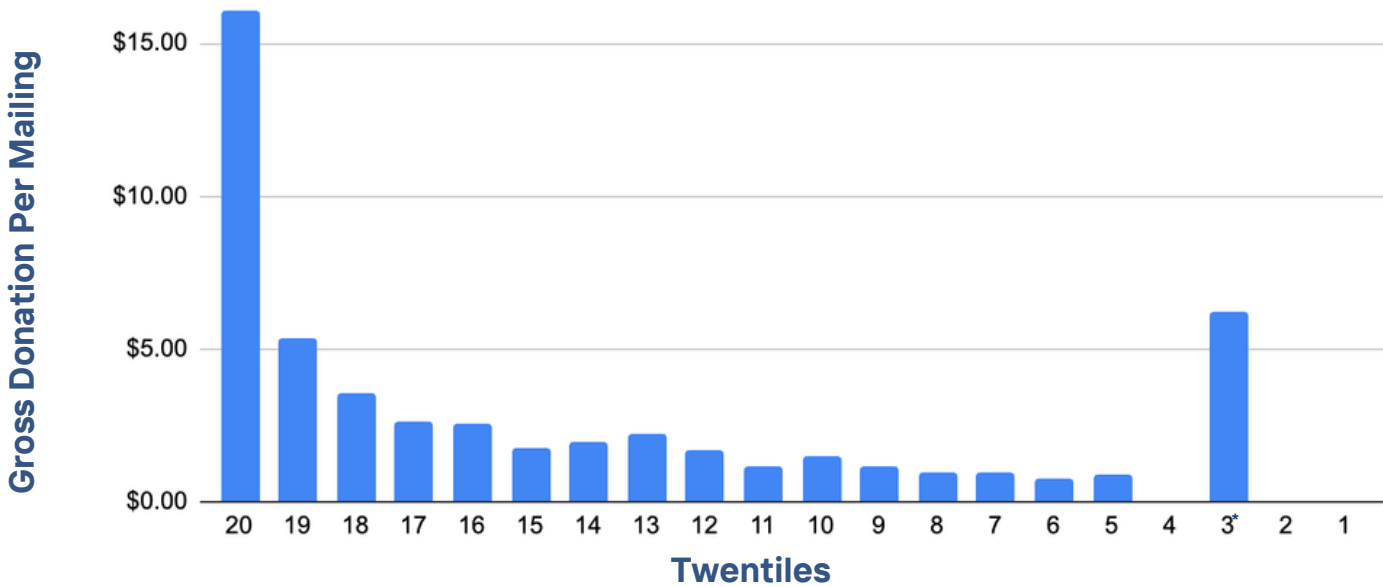
**Average Gift
Per Donor**

\$129.73

By utilizing DonorBureau's House Modeling tool, the client significantly increased net revenue while reducing mail costs, demonstrating the power of predictive analytics in direct mail fundraising.

RESULTS CONT.

Breakdown of GDPM by Twentile



**Note: The mailer sent fewer than 10 pieces for that twentile and received one high-dollar donor, skewing the results at the tail.*

Breakdown of Donation Revenue per Twentile

