INVESTING IN A WEEKLY LOTTERY - DOES IT WORK?

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Investing in a weekly lottery can seem like a significant financial risk for a small to medium sized hospice and paying an external canvassing company to recruit members a step too far. In this time of economic insecurity, however, Lottery continues to be a very attractive and affordable fundraising proposition for a wide range of donors and is therefore worthy of significant consideration.

The Myton hospices ran a lottery recruitment campaign in 2009 using an external canvassing agency – the target was to recruit 12 000 new donors over 12 months, results outlined below

Year 1

Income; £ 574 080, Cost; £ 360 000, net income; £ 214 000 Year 2

Income; £ 505 191, Cost £ 165 000, net income; £340 191 Attrition

Year 1 = 8%, Year 2 = 12%

Predicted net income over 5 years = £ 1 450 000

In addition to the above the increase to the Donor database of $12\,000$ new names has resulted in over £ $50\,000$ in Raffle income and £13 000 in donations.

The secret to making a campaign work is as follows;

- ► Train the external canvassers in house and to keep them up to date
- ► Negotiate the recruitment costs with the agency ensuring that a 3 month "drop out "clause is built in
- Ensure that recruitment costs are phased over the expected life time value of the member / donor, that is, don't pay the full costs up front but make sure that there are anniversary reviews
- Build a solid business case and make sure the Trustees buy in to the campaign!