

Staff Reports

Meeting of the Libertarian National Committee, Inc.

August 19-20, 2017

Kansas City, Missouri

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Executive Director's Report

Submitted by Wes Benedict

Summary

2016 was an excellent year for the Libertarian Party. The Party excelled in areas including ballot access, presidential election vote results, membership growth, and financial performance.

We're working to maintain gains from 2016 (results typically peak in Presidential election years), and we're laying the foundation to prepare for the 2018 election cycle.

In Q1 2017 we focused on infrastructure upgrades: LP.org, LPStore.org, LPAction.org, upgrading the membership database to Raisers Edge NXT, a development department, and staff changes. Those projects have gone well, as have overall Q1 financial results.

In Q2 2017, we've continued implementation of Raisers Edge NXT and have had more staff changes.

Areas of concern include the recent large decline in membership, although that was expected.

Much of the content of my section of this report was generated by copying and pasting directly from the great work of the rest of our staff and contractors.

Membership

Interest generated by the 2016 Presidential election drove “membership” up to the highest level since 2004. At our April 2017 LNC meeting in Pittsburgh, I explained and wrote in my staff report: “I’m projecting a drop of 4,000 to 5,000 members by August.” That drop has mostly occurred, and I expect membership levels will stop declining after the end of August. I’ll have proposals for prospecting for new members.

We use several membership retention efforts:

- “Snail mail” renewal letters
- Email renewal notices
- Phoning lapsed members (by staff and LNC volunteers)
- Special offers, like books and T-shirts
- Facebook (regular posts and paid ads)
- Prospecting to the Johnson for President donor list (subject to contract restrictions)
- Prospecting to lists of other organizations
- New memberships from LP.org

Staff

We’ve made several staff changes since the December LNC meeting.

Salaried and hourly staff:

- Wes Benedict—Executive Director
- Robert Kraus—Operations Director
- Eric Dixon—Editor & Technology Developer (added)
- Nick Dunbar—Special Projects
- Matthew Thexton—Member Services

Staff contractors:

- Bob Johnston—Candidate and Affiliate Support Specialist
- Andy Burns—State Affiliate Support Specialist
- Lauren Daugherty—Head of Development
- Elizabeth Brierly—Assistant Editor; helps with various publications
- Denise Luckey—Designer
- Jess Mears—Development Coordinator
- Richard Fields—Press Secretary (added)

Other contractors used on a regular basis:

- Oliver Hall—Special Counsel
- Paula Edwards—FEC Consultant
- Mat Thexton—membership renewal calls
- Collin Daugherty—graphic design

- There are more contractors we use on a semi-regular basis that are not detailed here for things such as cleaning services, HVAC repair, general maintenance, tech support, legal help, ballot access petitioning, LP News articles, and other things.

Former staff and contractors:

- Carla Howell—Political Director
- Burlly Cain—Special Projects (added)

Upcoming Staff Plans

- Add Candidate Support Specialist
- Add Development Associate

Director of Operation's Report – April 2017

by Robert Kraus

Blackbaud – Data Dumps – Internal Customer Service

As a reminder we have moved to the upgraded next generation cloud based database by Blackbaud called RE NXT. This also incorporates Online Express by Blackbaud which will tie some of our fundraising via the web site directly into the database. We have utilized this aspect currently for the regional reps who are calling their lapses members & also in-house for some of our renewals, tele-fundraising & pledge updates.

We are now in process of setting up access to our database by the affiliates with testing by Daniel Hayes & Andy Burns on LA Data & we will soon be adding IN, MO & SC as well. If all goes well we should be able to give all the affiliates access by the end of the year. Current access is read-only with the ability to export their own dumps, donor lists, member lists & mailing labels. For their state They also will have access to RE NXT for quick donor lookup via the web.

Building Fund

Curr mortg balc = \$250,860 as of 08/22/17 – that would be HALF of our original mortgage total!

Extra payments made so far this year = \$62,000

Curr in restricted fund \$3108

FEC Filing

We continue to file accurate FEC reports and use Paula Edwards to complete the FEC Filing Process on a monthly basis and handle our amendments. The reconciliation and audit steps to this process continue to work to assure that these reports are correct prior to filing, and to insure that the disbursements and contributions match to our cash accounting records.

As a reminder, the FEC reports are done on a cash basis while our financial reports are done on an accrual basis as required by our bylaws which require adherence to GAAP. Therefore, our Statement of Operations will not always look the same as what is reported on the summary page of our FEC Filings.

Financial

As expected fundraising has slowed down but revenue is on target in terms of budget. Our current reserve as of 07/31/17 is only at \$75,124. We would caution the LNC when it comes to any new expensive projects that are not already planned within the budget. We continue to allocate staff compensation on a monthly basis to functional programs / projects & fundraising as noted in the Monthly P&L Detail report.

Thank you!

Robert

Lauren Daugherty, Head of Development

August 2017

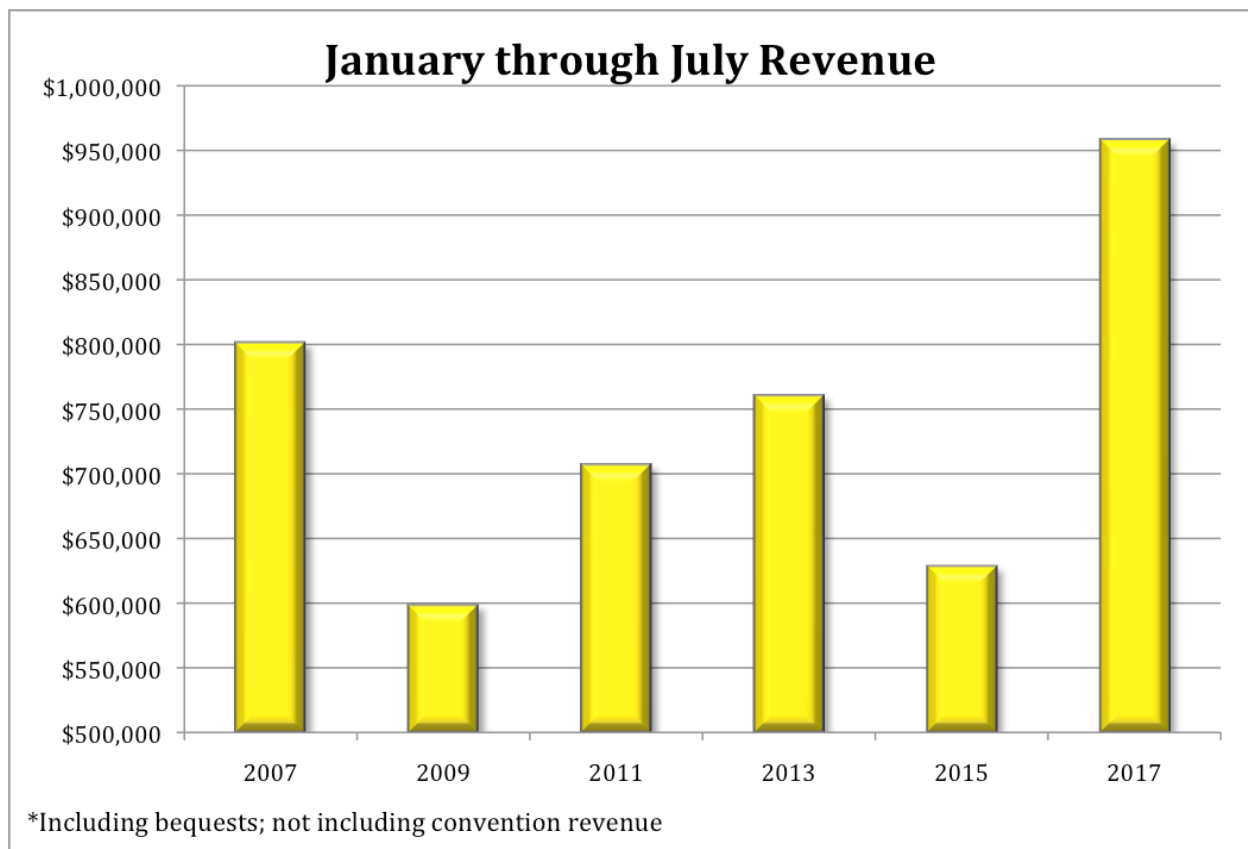
Since its establishment just 7 months ago, our fundraising department has been experimenting with a variety of methods and angles, to find the optimal forms of outreach for our organization given the resources (both financial and human) available to us. That experimentation continues and is bearing fruit. Our revenue continues to be strong. Most of our increase in revenues is because existing donors are increasing their giving.

Between January and July 2017, we raised \$957,529. This number includes the Clinard bequest that will be booked for June and does not include convention revenue.

Our January through July 2017 revenue surpassed all of the past 10 years with the exceptions of 2016 and 2008, which were presidential election years.

Average January through July revenue from 2007 to 2016 (again, minus convention revenue, not counting rollover bequest revenue, but including bequest revenues at the time they were booked) is \$804,599. January through July 2017 revenue surpasses that average by 19%.

This graph compares 2017 with the 5 preceding odd-numbered years:



When compared to these previous odd-numbered years, January through July 2017 beats their average by 37%. This is really the most accurate and useful comparison, given the nature of our election calendar.

As you know, our membership numbers have fallen, as we expected that they would with the nature of the election cycle.

This decline was exacerbated by two things: 1) we don't do much prospecting; 2) our renewals caller was tasked with additional important responsibilities.

Over the summer, our consultant who had been previously tasked primarily with calling members for renewals, was tasked with also processing our in-house mail. This includes processing donations, thank you notes, membership cards, LP Store items, and so on. All of this is important work and must be done carefully and properly if we want our membership and fundraising to grow. Mat Thexton's fastidious nature makes him an excellent fit for making sure this job is done well. But, because of his additional responsibilities, he was not doing as many renewal calls this summer as he might have otherwise.

We are in the process of hiring another consultant to focus on renewal phone calls. We are hoping to start a trial contract for one such consultant within the next week. Getting another solid renewals caller on board will help with member retention and fundraising. I plan for this new person to prioritize upgrades and broader cultivation during these calls as well. This had not been a priority for the renewals caller in the past.

Jess Mears and I are also looking at new options for prospecting. Prospecting through the mail is the traditional method and very costly. It is still worth doing, but we are hoping to use diversified methods to bring in new folks who might not respond to mail and to do so at a lower cost. For example, Blackbaud/Raiser's Edge has a number of features that we seem to have access to under our current contract but which we haven't tried yet. Over the next quarter, we'll be exploring these options, experimenting, and planning for a well-rounded approach in 2018.

I am also very hopeful that our new press secretary's work to get us more press attention will be very helpful for recruiting new members. In the time that I have worked for the national party and, before that, as Executive Director of the Libertarian Party of Texas, it has been my opinion that earned press is the most cost effective way for Libertarians to prospect for new members. When Richard Fields gets settled into his job and starts generating more media attention for our party, Jess and I will be working hard to capitalize on that media attention for fundraising.

In recent years, the national party has not hosted many fundraising events. We are currently experimenting with various formats. Earlier this month, we co-hosted one such event with a donor in Pittsburgh. Arvin Vohra was the featured speaker and did an excellent job. Jess facilitated the event and it went smoothly and was successful. We've raised about \$3,000 from that event so far and I am confident that the event will continue to pay dividends over time as those who attended give in the future. The donor who co-sponsored the event with us was very happy with how the event turned out. He wrote,

Not knowing the politics or interest in politics of most of my friends, I was gratified by both the turnout and level of interest. Arvin Vohra fielded a broad range of questions and held the group's interest longer than I would have thought possible: this suggests that there is

an enhanced opportunity for our party to grow based not only on dissatisfaction with the choices offered by the Republicans & Democrats, but the merits.

We will co-sponsor another fundraising event in a different format on the Friday before this LNC meeting. I had planned for it to take one format and then, when a generous donor offered a matching pledge, we reconfigured the event to try to maximize that special opportunity. This event too is an experiment and we'll learn various lessons from it that will be useful as we plan future events. Jess has significant event planning experience that has been and will continue to be very useful for us in this way.

Other major organizations send their senior representatives and development officers on the road for a good portion of the year to meet with donors across the country. If we want the Libertarian Party to grow to the levels we aspire for it to, we need to do more of that type of outreach. When Nick is traveling, we try to arrange donor meetings wherever he going. This has been very fruitful. Arvin gave the presentation at the event in Pittsburgh a few weeks ago. That too was very fruitful. Nick can't reasonably add any more travel to his already packed schedule but Arvin has volunteered to travel on our behalf on a regular basis and give presentations to groups of donors. I would like to take him up on that generous offer. Wes, Jess, and I also need to increase our travel to meet with more donors.

The opportunities for growing our donor base are truly limitless at this time. We have so many people on our lists that need to be reached out to and cultivated.

Face-to-face meetings are by far the most effective method for growing those relationships with donors and increasing the likelihood that they will increase their giving. Last month, Nick, Wes, and I attended FreedomFest at met with as many donors as we could. We were successful in raising about \$38,000 during those 3 days.

Until recently, we had no specific donor documents to give to donors at meetings or events. So I created a document called "Path to 2018." Fundraising in an "off year" such as this one has many challenges, as you can imagine. "Path to 2018" encourages donors to invest now to lay the foundation for progress in 2018. So far, this document has been very well received and helpful in securing some

significant donations. We'll be using it in a high dollar mailing in the next couple of weeks.

As mentioned above, we are experimenting with various new tools. We are also experimenting with some traditional tools. Direct mail is timeless though slowly changing. Our housefile rates of return are not as high as we'd like. I have some ideas on how to potentially improve on that and will be experimenting with those ideas more over the coming months. I've also started experimenting with high dollar mailings. High dollar mailings are mailings that are specifically tailored for a higher dollar donor and which ask for a larger gift. Such mailings usually cost a bit more to create but, if well constructed and targeted effectively, they can have a higher return on investment. The first high dollar mailing I put together in the early summer did very well, generating about 20 times what it cost to produce the mailing. The second version, which included almost the exact same content but in a different format, did poorly. This is helpful information to know. I intend to try the first format again sometime in the next few months and see if we have similar results to that first, very successful mailing.

Over the summer, Wes tasked Jess and me with writing and producing the *Liberty Pledge Newsletter*. Previously, the newsletter included mostly excerpts from news articles. Jess and I are generating original content, some written by us, some written by others, and attempting to turn this into a more exciting resource for our Liberty Pledgers who are such a critical resource for the party.

Jess is indispensable in making all of the above happen. She filters data, does research, books meetings, thanks donors, asks for donations, generates content, manages conference calls for members, and so much more. Her event planning experience has been very helpful and she is developing really solid instincts for cultivation and fundraising. Her hard work and creative thinking are invaluable as we continue to ramp up our various fundraising programs.

Up until this time, I have been working part-time. As of the week of the LNC meeting, I'll start booking full-time hours on a regular basis. I think this will help further ramp up our fundraising outreach and rate of progress.

I often say that if we want this party to grow to the ambitious levels that we desire, we need to create an army of fundraisers. Many of you have helped in various ways over the past few months and I appreciate that very much. Special

thanks and recognition go to Caryn Ann Harlos and Daniel Hayes for their work on a weekly basis to increase our fundraising.



Affiliate Development Specialist Report
Submitted by Andy Burns for 2017 Q2

Key Points

- Launch revised lpaction.org site with Carla Howell
- Consulted with Florida and Wisconsin fundraising chair's on fundraising practices
- Sent 11 "Leading Like a Libertarian" book to new state chairs with welcome letter
- Created LP Support Slack channel to facilitate state collaboration. <https://lp-support.slack.com/signup>
- Finalized outreach kit materials to complement existing offering. New items include 10'x10' tent and table throw ([see here](#)).
- Working with Ryan Waterbury on vendor pricing on some of the outreach kit items.
- Provide logos and other graphics via Ryan Waterbury to affiliates who request them. Some clients include Nassau County, NY; Orange County, CA, LPNM, LPKY. We continue to use a centralized Google Drive folder system to store and disseminate these graphics to affiliates.
- Installed, configured and customize LPIA CiviCRM with voter profile fields to house their near 10K registered Libertarian records
- Provide training and import 10k records into LPIA CiviCRM
- Debug and revise lpia.org site to integrate with CiviCRM without conflict. Made upgrades to donation, email capture and home page.
- Connected Google Analytics to lp.org
- Upgrade plugins at lp.org and ensure no conflicts
- Conference call on Outreach tabling to LP Members
- Revised run for office, info requests and volunteer forms for clarity. Better labeling in subject lines and from email addresses for states to easily see and sort.
- Add promotions and products to lpstore.org upon request. Upgrade and maintain on ongoing basis.
- Added "Shop" section on LP Facebook page
- Develop framework for LP 2018 convention site
- Answer several questions by phone, email and Slack from affiliates

Website Services Update

States currently on WPEngine multi-site:

lpnorthdakota.org (moving off)

lpid.org

lpne.org

lpvirginia.org

lpar.org

States sites in development that will be moving onto the platform shortly:

Tennessee

Missouri

Michigan (originally made on MI's host)

Kentucky

Wyoming

Indiana (originally made on IN host)

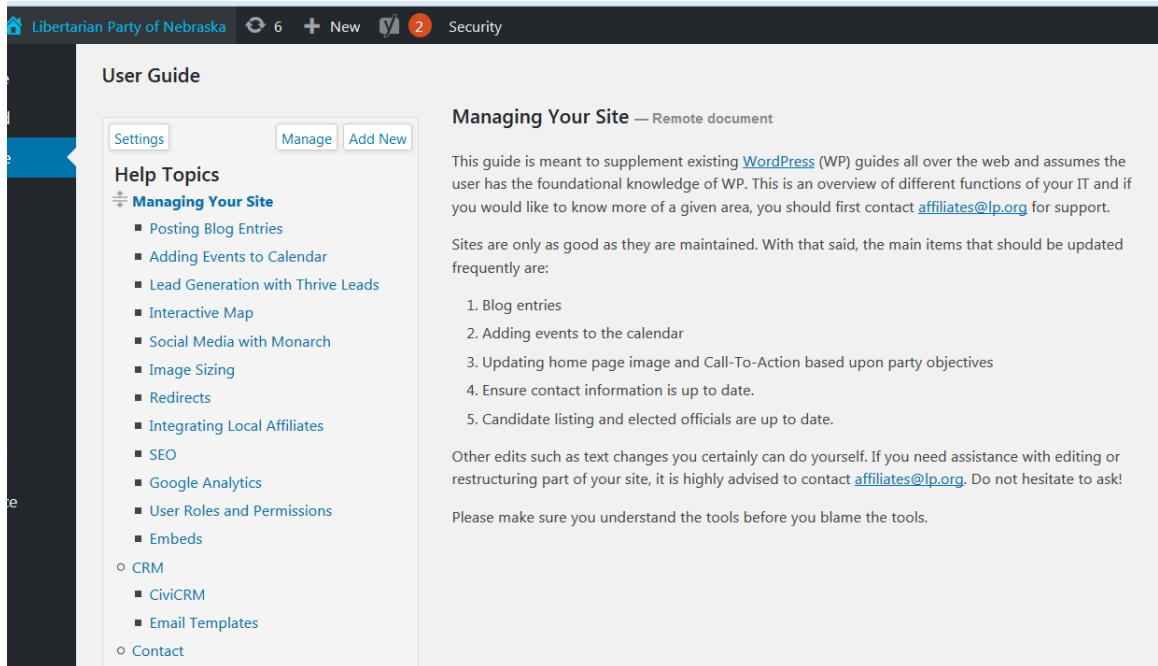
Other sites as documented before were made on state's own hosting account. Some of them are now being brought into the multi-site.

Typically setting up states on MailChimp and configuring flow of contacts and HTML templates to reflect their brand.

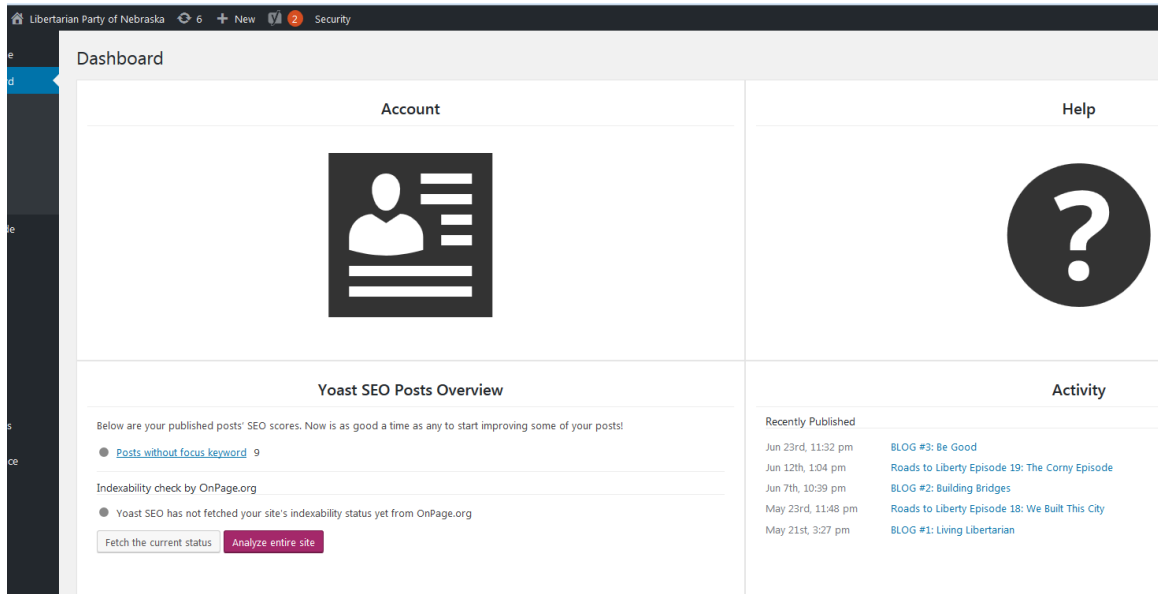
Continue to Extend Functionality

- Created a process to do a one-click site duplication off a template.lpnational.wpengine.com to bring new states and to speed up website creation.
- Addition of Gravity Forms plugin to take payment information and other form data. Robust functionality with conditional formatting. e.g. routing contacts to appropriate county contact or consolidation of the number of form pages. (In KY for instance, we have free membership and dues membership offering on one page, and collecting volunteer inquiries. On confirmation screen, they are pushed to the SOS to register Libertarian.)

- Completed central user guide documentation deployed to each state site on managing a state site so users have clear understanding what plugins and components do what, how to post blog entries, etc.



- Configured dashboard to make it useful and removed unnecessary modules



Moving Forward

Projects moving forward include:

- **Wiki multi-site for state's internal wiki**

Ability for states to easily document things like convention rules, affiliate organizations, board voting by e-mail, etc.

- **CRM solution for states**

A barrier that continues is the lack of a CRM to integrate with our multi-site offering. I am discussing with Back Office Consulting on a CiviCRM/Drupal portal for states to manage voter contact, donations, events, and leads. Creation of a robust user portal where it becomes natural for state volunteers to log in on a regular basis and if there is state staff, this is where they would start each morning.

Some features:

- Show incoming leads (volunteers, run for office requests, info requests)
- Latest donations/members
- Contacts needing follow up (assigned to)

They will be providing me with a discovery process quote to scope the project by July 10.