SCHOLARSHIPS FOR EDUCATION CHOICE

Federal and State SGO Donor Marketing Guide

Purpose: To provide school leaders with communications and marketing best practices and tools to encourage current and potential donors to learn about the opportunity to give through the federal and state Scholarship Granting Organization (SGO) programs.

This guide is not intended to be comprehensive, and we encourage schools to learn and grow in their communications around SGO programs. This guide is based over ten years' experience growing donor bases for state-level SGO programs and non-profit and social impact communications and marketing best practices.

Key Communications Themes and Principles

Understanding Your Donor Audience

Understanding audiences is the most important part of any communications and marketing strategy. Take some time to think through your donor audiences for the SGO programs. Some key guiding questions: What do *you want them to do (donate)* and *what do they want,* what information do they *need to know*, and what is the *best way to continuously reach them?*

- **The current typical SGO donor:** Middle-age or retired individuals and families with higher-than-average net worths, with connections to the school (alumni, children or grandchildren attend). They *need* timely tax information regarding their donation (provided by SEC) and *want* (1) the tax credit and (2) to understand how they made an impact. They likely have existing ideological affinities regarding school choice. They do not make donation decisions based on social media and are best reached via email, snail mail, or in person.

With the new federal program that offers 100% credit up, this may also be an opportunity for schools to expand their donor audience, especially with parents and community members. These younger, likely more diverse donors are keenly interested in understanding impact and how their donation helps students.

Segmenting Your Donor Audience

The purpose of segmenting your audience is to ensure that individuals receive the most relevant and critical information that compels them to donate and/or stay engaged with the program. Breaking down your donor audience by giving history is a great way to start. The actual process of segmenting audiences is most easily achieved via email marketing, although it can be helpful for social media campaigns (See Communications Channels section for more).

Regular annual donors: Individuals who have given for the last several years to the State SGO program. They are familiar with the program and expect communication at certain times (e.g. start of school year, holidays, tax season).

Major Giver: Individuals who have donated significant, regular amounts to the program may have higher expectations regarding communication and engagement. Specific emails thanking this

audience, acknowledging their impact, and providing a point of contact with an individual may be beneficial.

Last Year But Unfortunately Not This year (LYBUNT) and Some Years But Unfortunately Not This year (SYBUNT): Individuals who are familiar with the program and its mission but do not regularly donate. Communications to these segments should emphasize the value/impact of their gift and attempt to "reignite" their desire to donate, along with a specific ask. They are also riper for individual communication with opportunities for feedback and questions (phone calls, events, direct email, etc.) The new 100% federal credit may be an enticing hook.

Federal donors → State donors: Donors who capped out their federal donation and could give more through the state program. They will want to see how their initial gift made an impact before donating more.

New donors: Individuals who have given their first gift within the last year. These individuals are still forming their impression of the program and are looking for a mix of key information (e.g. taxes and important deadlines) as well as stories/evidence of impact. Consistent communication is important for this group, as well as messaging and opportunities that emphasize relationship building that can lead to conversion to regular giving.

Event- or campaign-driven donors: New donors acquired through a specific event, campaign, or fundraiser may be more transactional in their initial motivation. Follow-up communications should aim to connect their initial gift to the broader mission, to help convert a one-time act of support into an ongoing relationship.

School relationships: These segments could include current or past parents, grandparents, or key stakeholders (teachers, admin, PTA, board members, etc.) This allows for targeted communications that directly appeal to an individual's connection to the school and it's students.

Donation Strategy, Continuous Engagement, and Communicating Impact

Continually engaging your audiences with relevant information and examples of how their gift creates impact through their preferred channels should be the primary goal of marketing SGO programs. Using an understanding of your segmented audiences, you can then start to determine messaging content, channels and cadence.

Communications approach that emphasizes the school's mission and the impact of the donations will help cultivate a consistently engaged donor audience. While the tax benefits of the programs are enticing, you can plant the deeper "why" of donating through mission-driven messaging. There are many ways to communicate this info, from short impact stories of students in email messages to parent testimonials. We encourage schools to be as specific as possible on how their gift makes a difference by going beyond "tuition." For example, students have the opportunity to access additional resources and high-quality teachers; are more academically

challenged and are prepared for what's next; or learning and growing in an environment that aligns with their families' values. Giving concrete examples of *recent* success and impact is especially helpful and allows for you to make the donation appeal of "look what we've accomplished, will you join us." Ultimately, you want your donor audience to know your program makes a true impact for students at the school and, crucially, that impact would not be possible without donors.

One strategy we anticipate many schools to pursue is to engage regular annual donors through a "federal first, state second" strategy. Messaging would encourage individuals to donate their first $1,700 through the federal program, receiving a 100% tax credit (see Elevator Pitches for more). Further donations to the state program are framed as a way to continuing to maximize their benefits and impact. These donors trust the program/process but do not know about this new option and want key information on how they can maximize their benefit and impact.

- **Content:** Announcement of new federal giving opportunity, with clear pitch of "federal first, state second" strategy. Give a concrete example of how it works (e.g., "a $1,700 federal gift + $1,000 state gift = $2,200 in tax credits).
- **Cadence**: A single dedicated announcement ASAP, with follows up throughout that year that showcase impact stories of how giving helps students
- **Channel**: Email using plain language

You may want to tweak this pitch and regularly follow up with LYBUNT/SYBUNT donors who know the program and once found it compelling. Consider more personal outreach rather than an increased volume of messages.

- **Content:** New federal program announcement, acknowledge the gap without guilt-tripping ("we've missed your partnership"),
- **Cadence**: A handful of well-timed, specific outreaches per year.
- **Channel**: A more personal newsletter, a phone call, or in-person touch point

Targeting school relationship segments can help donors re-engaged and/or expand the donor base by appealing to the school's mission and history. For example, a message to non-giving current grandparents could be:

- **Content**: Appeal to strengthen the school for their grandchildren, with impact example
- **Cadence**: 2-3 well-timed emails or calls per year around holiday season, back-to-school, grandparent days
- **Channel**: Email or more personal phone, consider having it come from a current giving grandparent

As the federal program takes off, you can strategically engage your federal donors → state donor segment. These donors have already donated this year and trust the program, and you are trying to encourage further giving through the state program.

- **Content:** Frame it as "in addition to," not "instead of" and give a concrete combined-giving example. Thank them for their support and give an impact story of how their donation made a difference at the school (i.e. their gift is "worth it" to give more)
- **Cadence:** A quarterly email or timed as you add capped-out federal donors (e.g. an email or call two months after their first donation)
- **Channel:** Email or personal call

For more on crafting messaging and communicating, see these resources:

- StoryBrand: The key elements of compelling storytelling and "why your brand is not the hero."
- A Spirituality of Fundraising: A brief guide on fundraising for Christian organizations.
- Crafting a Case Statement: A process to succinctly communicate about your programs and impact (See Elevator Pitches for more).

How to Talk About SGO Programs

It is critical that all the stakeholders involved with your program's marketing and fundraising have a shared language. Below are suggested elevator pitches for SGO programs that can be adapted and used to inform messaging across all your channels. Notice how these pitches link donations with both tax benefits *and* real impact for students.

Suggested State and Federal Combined SGO Elevator Pitch ("Federal first, state second"): There are two simple ways to support scholarships for students at [School Name] and get real tax benefits. The state program gives you a 50% tax credit with no cap on all scholarship donations that help pay for tuition at our school. There's also new federal credit starting on January 1st, 2027, that gives you a full dollar-for-dollar credit up to $1,700 per year. *We're expecting many of our donors to use both: the federal credit for the first $1,700, then add a state gift on top for additional impact and tax benefit. Either way, 100% of these funds are being used to fund tuition and key educational services for students.*

Suggested State SGO Elevator Pitch 1: Did you know you can help fund scholarships for students at [School Name] *and* lower your Indiana state taxes at the same time? When you give to our Scholarship Granting Organization, you get a credit for 50% of your donation directly off your state tax bill — not just a deduction, a dollar-for-dollar credit. So, a $1,000 gift could cost you as little as $500 out of pocket, and it goes straight to helping a student afford tuition at our school.

Suggested State SGO Elevator Pitch 2: Did you know you can help fund scholarships for students at [School Name] *and* lower your Indiana state taxes at the same time? Here's an

example: Imagine you owe $3,000 in state taxes, which is typical for someone making $100,000/year. If you donate $6,000 through SGO at our school, you could *eliminate your state tax liability* with the 50% credit, and almost all that money goes directly to scholarships for students.

Suggested Federal SGO Elevator Pitch: There's a brand-new federal tax credit starting on January 1st, 2027, that lets you support educational fees at [School Name] and get every dollar back on your federal taxes — up to $1,700 per year, dollar-for-dollar. It's about as close to a "free'" donation as exists and the money funds tuition, tutoring, and other education costs at our schools for eligible students in need.

Explaining tax benefits

The biggest challenge of marketing SGO programs is clearly communicating about the tax benefits. We recommend having clear language on tax benefits on an easily accessible page on your website – ideally linked on your donation page. See the below examples for Federal and State, as well as a suggested FAQ's section for a website.

Tax Benefits for Indiana State SGO

Your gift to our scholarship granting organization (SGO) will qualify for a 50% Indiana state tax credit with no cap on donations.

Individuals can also qualify for an additional federal deduction for this state-level donation. If you take the standard deduction, single filers may deduct up to $1,000 on qualifying cash donations and married joint filers may deduct up to $2,000. We recommend talking to a tax professional to learn how to maximize your benefits.

If you choose to itemize your taxes, you must clear a small Adjusted Gross Income (AGI) floor of 0.5% before state-level donations qualify for federal deductions. For example, if you make $100,000 per year then 0.5% of your AGI is $500. This means that only your cash donations above $500 are deductible, so a $2,000 donation would qualify for a $1,500 deduction. Either way, we will provide you with a confirmation number for your donation that can be used when you file your taxes. It's that easy.

Tax Benefits for Federal SGO

Beginning January 1, 2027, eligible taxpayers can claim a dollar-for-dollar federal tax credit of up to $1,700 for donations to approved scholarship-granting organizations (SGOs) whose states have opted in to the program. You do not need to itemize this donation on your taxes like typical charitable deductions – our program will supply you with a confirmation number for your donation that will give you a 100% federal tax credit on your gift. Couples filing jointly are eligible for up to $3,400 in federal tax credits for two separate donations.

Donation and Tax FAQs – Federal Program

Feel free to use and adapt this information for this website. We recommend including language such as "We recommend checking with your tax advisor on your individual situation" somewhere on this page.

- **How does the tax credit work and how do I claim it?**
    - Starting January 1, 2027, there is a new Federal Scholarship Tax Credit Program (FSTCP) where eligible taxpayers can claim 100% credit on their federal income taxes for up to $1,700 in donations to qualified scholarship-granting organizations, such as our school's partners at Scholarships for Education Choice (SEC). After you donate, SEC will provide you with a personal tax receipt number and instructions on how to claim your credit on your taxes.
- **What are the ways I can donate to the federal program?**
    - Only cash donations are eligible for the FSTCP. Starting January 1, you can donate online [add school link] or via check via a mailed form.
- **Who is eligible for the tax credit?**
    - Only individual taxpayers, not businesses, are eligible for the FSTCP.
- **How does the federal scholarship tax credit work if I already claim other federal tax credits?**
    - Other federal tax credits, such as the Child Tax Credit, take precedence over the FSTCP. For example, if your federal tax liability is $4,000 and you claim $3,000 in other federal tax credits, you are only eligible for $1,000 in credit for your donation. Check with your tax advisor on your personal situation.
- **Can I claim both the state tax credit and a federal tax credit on a single gift?**
    - The Indiana State Tax Credit Program and the Federal Scholarship Tax Credit Program (FSTCP) operate independently. Donors may contribute to both programs, provided the contributions are made as separate gifts. A single gift cannot be applied to both credits.
- **Can I claim the federal gift as a charitable deduction if I itemize?**
    - No. A donation made through the Federal Program only receives the credit.
- **Can a couple filing jointly claim the federal tax credit for a gift of $3,400?**
    - Yes. A couple filing jointly is eligible for up to $3,400 in federal tax credit through *two separate $1,700 gifts*.

Donation and Tax FAQs – Indiana State Program

- **How does the tax credit work and who is eligible?**
    - Any individual or business in Indiana is eligible for a 50% state tax credit on their donations to qualified scholarship-granting organizations like our school's partners at Scholarships for Education Choice (SEC). Your donation goes directly to scholarships for students at our school.
- **Is there a limit to how much I can give and still receive the credit?**

  - No, there is no limit on your donations as long as there are tax credits available (see here for availability). If the amount of your credit exceeds your tax liability, the unused credit may be carried forward for up to nine years, but it may not be carried back or refunded.
- **How do I claim my state tax credit?**
  - The receipt letter that you receive from SEC will include the amount of the donation, the tax credit certification number, and instructions for claiming the credit. We also send out year-end letters in January that summarize your donation and include detailed directions.
- **Can I designate a specific student to receive my gift?**
  - No. You may only designate a specific school(s) for your donation.
- **What are the ways I can donate?**
  - The easiest ways to give are online or by mailing a check with a donor form. You can also donate non-cash assets, such as appreciated stock. Click here to start the process.
- **If I sign up for a recurring gift, can I go back and change the information on it myself?**
  - If someone makes a monthly gift they can always go back and control that gift – timing, updating card information etc. To login, go to https://donor.idonate.com/login and use the email used on the donation.
- **Is this gift eligible for a federal deduction?**
  - Yes, but only if you itemize. The amount eligible for federal tax deduction as a charitable contribution is 50% of the value of the gift. We recommend you speak to a tax professional regarding your deduction.
- **Can I give through a Donor Advised Fund?**
  - No, as benefiting (i.e. a tax credit) from a donation through a DAF violates federal law. The Indiana Department of Revenue will technically provide a donor with a tax credit certification number for a gift given from a DAF, but **we strongly recommend you do not donate this way.** If you want to use DAF funds, please consider giving directly to the school.
- **Can I give to the SGO through my IRA?**
  - Yes, anyone who is over 70 1/2 can donate from their IRA without a penalty and qualify for the 50% state tax credit. However, this would *not* be considered a Qualified Charitable Distribution and would need to be included as taxable income on your federal taxes. If you itemize, you will deduct 50% as a charitable donation. We recommend you speak to a tax professional regarding your deduction.

Communications Channels

It's vital to meet your audience where they are, not where you want them to be. With an understanding of your audience, you align and prioritize your communications channels with your key segments.

Email

Email is likely the best value-for-money communications channel for SGO donor audiences. Crafting fundraising emails is relatively simple:

1. **Put the ask and key info at the top of the email and keep it short.** Use clear, simple language when possible and use bolding, headers, and bullets to create signposts for your reads.
2. If you have multiple features (e.g. a donor ask + an impact story + event) break these up in sections or consider sending separate emails.
3. Subject lines and who the email is from greatly impact open rates. In general, balance eye-catching subject lines with simplicity. Have the from field be a real person's name if possible. Experiment with both of these variables to see what works best for your audience.
4. Make sure your email is mobile-friendly. Don't use too many busy or complex graphics and check a mobile preview before sending.

See here for some example text, and here for some simple design examples.

Segmenting: Email marketing is where segmenting your audiences is truly put into practice. By using contact tags or similar tools, you can send emails to specific audience segments that are highly relevant and effective. We recommend you create audience segments for regular donors, high-amount donors, LYBUNT/SYBUNT, federal→state, and new donors as a starting point. You may then want to get creative with segments such as combined federal/state donors, targets for increased giving, etc.

Frequency: We recommend sending your entire audience approximately 1 email per month. For some audience segments, such as regular donors and major givers, you could consider sending them less frequently. Most platforms offer tools for email automation and scheduling, including sending at the "right" time for opens.

Stewardship: SEC provides all donors with thank you emails and donation receipts when they donate to your school. We recommend sending at least 1 other communication per year thanking donors, which can be used to market further donations or federal→state convesions.

Tools: MailChimp, Constant Contact, Feathr, Emma, Zoho, Salesforce Marketing Cloud (only recommended for Salesforce-integrated organizations)

Social Media

In general, SGO donation requests on social media are not very effective. The typical donor audience does not use social media in ways that lead to conversions. Instead, we recommend using social media for building the case for your program and demonstrating real-world impact e.g. the story of a student who was able to attend due to scholarships, new textbooks going to students, etc.

For schools and organizations who already have large social media following, you may consider using those channels more, especially to build awareness about the federal program among parents and the wider community. If you choose to use social media, ensure you have a plan to make consistent posts across your platforms.

Tools: Hootsuite, Sprout (post scheduling), Canva (templates and design)

Events

Events can be a great way to directly engage potential donors and directly communicate the impact of scholarships. SGO events and pitches can also be simple and inexpensive, especially as they are easy to tack onto scheduled school events like grandparents' nights, PTA functions, parent-teacher conferences, etc. For more guidance on how to host events, from invites to programming, see our Small Donor Event Guide.

Website

It is critical that your website has clear and concise information on scholarship programs and how to donate. Ideally, both program information and donation options should be featured on the same page. See this FAQ example from CSF. Make sure your donation form and key link buttons contrast with the page background so they stand out and you have a clear point of contact listed. Additional clarifying information should be below your primary content and giving options/links. You can use FAQ or accordion schemes to organize these. See this FAQ example from CSF. Another good overall example is this simple donation page from Trinity Greenlawn.

Using a free Search Engine Optimization (SEO) tool on your donation and SGO-related webpages can help your donors find the right content as quickly as possible. These tools are very easy to use, and your website administrator may use them in some capacity already. Some SEO basics include:

- The word "donate" or "give" should be in the page title
- The page text should use key words/phrases that you use to identify your program e.g. "SGO at ABC High School"
- Make sure your page has a search and social media meta description and image card. For example, a good meta description would be "Donate to student's tuition at ABC High School earn you a real tax credit. Give online in minutes with state and federal options."

Tools: Yoast SEO, AIOSEO

Collaterals

SEC has put together templates for brochures and other print collaterals, social media posts, and emails. We'll help customize some of these for your school.

Suggested Timelines

Timing	Focus	Channel	What to Send
August – September (Start of School Year)	Re-engage existing donors; introduce both giving options for the year ahead	Email and social	Welcome-back message (re-)introducing both programs. Good moment to reach existing donors with school-year excitement, and to reach parents/families thinking about tuition costs. Starts of school relationship appeal to grandparents/parents
October	Internal prep; light impact-story engagement	Internal + light email	Align internally on messaging, update collateral, and brief key spokespeople (board, community leaders, PTA) ahead of year-end giving season. Good time to note upcoming grandparents' day, PTA events, or parent-teacher conferences as potential outreach methods.
November	Story collection; Giving Tuesday opens the year-end appeal	Email, social	Continue collecting impact stories for December communications. Send 1-2 Giving Tuesday emails (early morning and midday, or Monday/Tuesday) to open the year-end campaign with clear impact stories. Can tease the federal program here as well. Could add school relationship appeal to nongiving parents/grandparents. Hold off on further asks until December.
December	Early month: year-end appeal Mid/late month: holiday thank-you + federal program reminder Major Giver touchpoint	Email, social, direct mail	Consider a physical year-end letter to land by mid-December, followed by a thank-you/impact email later in the month. Include a reminder that the federal credit resets January 1. Best holiday season send times: Saturday mornings or weekday evenings. Consider a personal touchpoint for major givers this month.
January	Fresh start; federal program launch (first year) or annual reminder (ongoing)	Email, social	Announce the formal start of the federal program with key info and a live donation link. Note: this is a one-time launch announcement the first year; in following

			years, treat as a lighter "fresh start" reminder rather than a launch.
February	Cultivation	1:1 outreach, light follow-up	Quieter month - good for relationship-building: outreach to key leaders (especially on the federal program), and LYBUNT/SYBUNT re-engagement.
March	Tax-season prep; cultivation	Email, continued 1:1 outreach	Light "tax season is coming" reminder to connect filing season with the credit ahead of April 15. Continue 1:1 cultivation.
April 15	Tax-season appeal; focus on Federal -> State donors and LYBUNT/SYBUNT	Email	Congratulate donors on receiving their credits and share the impact their gift made. Good moment to invite non-donors too, since taxes are top of mind.
May	Cultivation; quieter month	Select email, social, continued 1:1 outreach	Impact-focused social content (not asks) to maintain visibility without appeal fatigue heading into summer.
Early June	Fiscal-year reset appeal (priority: Federal -> State donors and LYBUNT/SYBUNT); new-donor thank-you	Email and/or direct mail	Remind donors that state credits reset July 1. End of year is a good time to lean on impact stories (i.e. “this what you helped us accomplish this year”). Thank donors who gave for the first time this fiscal year, with a prompt to give again next year.
July 1	Fiscal-year reset appeal (all donors)	Email and/or direct mail, social	Formally announce that state credits have reset, emphasizing the tax benefit of giving early in the new cycle.