The Fundraiser's Guide to

DONOR RETENTION

How to Keep the Donors You Worked So Hard to Get

PURSUANT®

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Introduction

Donor retention is one of the hottest topics of discussion in the nonprofit sector. In recent years, the fundraising world has turned its focus from acquisition to retention, and with good reason. The cost of acquisition continues to rise as more and more nonprofits compete for the attention and resources of donors.

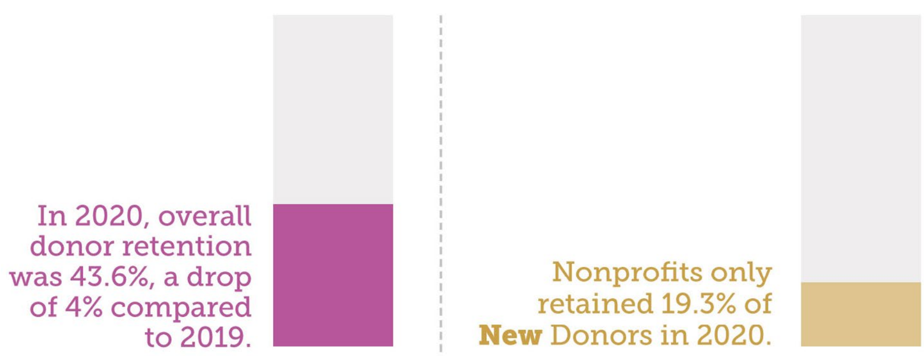
In *a recent study* on building donor loyalty, Dr. Adrian Sergeant revealed an interesting statistic that summarizes why the conversation has shifted from acquisition to retention.

The research states:

> *"Because organizations have to spend a lot of time and effort to find new major donors, and even in the realm of direct marketing, where expenses (per donor) are lower than in major donor development work, it still costs up to ten times more to reach a new donor than to successfully communicate with an existing one."*
>
> *—Dr. Adrian Sargeant*

Unfortunately, the significant buzz around the topic hasn't lead to very much improvement...

According to the *2020 Fundraising Effectiveness Project*...



While these statistics are definitely a cause for concern, it's important for nonprofits to remember that there is no single way to define successful retention. You will never achieve a 100 percent retention rate, but there is probably room for improvement. If you haven't started by defining for yourself what successful retention means for your organization, then nothing else matters.

The Key to Donor Retention...

After working with hundreds of organizations across the nonprofit sector, there's one thing that's universally true when it comes to donor retention: *improving donor retention starts by creating a transformational relationship with donors, not just a transactional one.*

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You must be intentional about creating the best possible experience with your donors and starting the relationship on the right foot. If you're just trying to get donors in the door at any gift amount and then immediately upgrade them without building a relationship, that's a bait-and-switch strategy your donors will see right through.

How you interact with donors in the beginning makes a significant impact in their overall lifetime value to your organization. You must be consistent with how you're going to be following up with them. Start with a transformational approach, not just transactional.

Let's Face it... Donor Retention is Hard Work.

In this resource, we'll unpack the proven best practices to improve your donor retention strategy, provide real world examples for creating the right donor experience, and share practical steps your organization can begin to take today.

Are you ready to transform your retention efforts by working smarter, not harder? Let's start by diving into one of the biggest challenges organizations face when it comes to donor retention...

New Donors, Newer Challenges

As a nonprofit leader or fundraising professional, you realize the importance of donor retention. You probably even understand that creating the right donor experience would go a long way in improving your retention efforts. But that doesn't make it easy.

Here are a few of the biggest challenges we hear from fundraisers when it comes to donor retention:

1. A Shotgun Approach to Acquisition

Technology is often a blessing and a curse. While it gives us the ability to connect with donors in new ways, it also makes it difficult to develop a strategy for cultivating every new donor.

Should we follow up with a person who donated at an event the same way we follow up with a donor who gave online?

It used to be easy to identify how a donor came on the file. Because today's donors are coming from so many different places, it can be difficult to identify the best way to cultivate them.

2. Greater Expectations from Donors

Not only are new donors harder to track, they also come on your file with greater expectations. Today's donors expect nonprofits to create the same kind of personal experience they get from companies like Amazon.

They don't *want* to be recognized for their gift. They *expect* it. They also expect organizations to provide information and resources that are relevant to their passions and interests.

3. Limited Resources and Bandwidth

Working with limited resources can make the two previous challenges seem impossible. Most fundraising professionals are already overworked and underpaid. Finding time to follow up with donors and make sure they are cultivated properly is incredibly difficult with all the other responsibilities on your plate.

Fortunately, fundraising data analysis tools like the GivingDNA Platform can make it easier for organizations to know which donors to prioritize for follow-up, and which communication channels are best to engage them.

Fortunately, fundraising data analysis tools like the GivingDNA Platform can make it easier for organizations.

4. Disparate Data

Even organizations that have fundraising automation tools have challenges when it comes to following up with new donors. Challenges around disparate data have caused many organizations to become fearful about implementing specific donor retention strategies.

What if a donor is giving in memory of someone and we follow up using the wrong name? What if it's a regular donor, but they use a different email address? This is why integration is such a critical aspect of any fundraising software.

These are legitimate obstacles organizations face when it comes to donor retention. However, they shouldn't keep us from taking care of the basics and working toward creating a transformational experience with donors. New tools are available to help fundraisers get a 360-degree view of their donors to understand what motivates them to give, who is at risk of lapsing, and who might give more if asked.

Proven Principles for New Donor Retention

So, you've brought new donors onto your file, but how do you keep them? In our increasingly personalized world, it's more important than ever to treat your new donors like new friends... not like walking wallets. What brought your new friends to your organization in the first place? What are their desires and expectations? What inspires them and moves them to action? What do they need to become one of your most loyal friends...not just an acquaintance who stops by every now and again?

1. First impressions matter.

What is the first piece of communication a new donor receives from your organization? Is it a personal thank-you email? A general tax receipt in the mail? Or maybe nothing at all? First impressions matter, especially to donors who have more than 1.5 million other options for nonprofit giving. At minimum, new donors should receive a personalized thank you message, ideally in the channel they made their gift, with messaging that communicates the impact of their donation.

☞ **Put it into practice:** *Make small donations to peer organizations and see what type of new donor engagement process you experience as a donor to that organization.*

2. It's not about you, it's about them.

Yes, your organization might be conducting groundbreaking research or sending new graduates out into the world to accomplish great things. But donors don't want to hear what you are doing. They want to hear what they are doing. Share with donors what they are making possible through you...not what you are doing because of them.

☞ **Put it into practice:** *Think about the way you frame your messaging. Is it organization-centric or donor-centric?*

ORGANIZATION-CENTRIC

Donor → Your Organization → Changed Lives

"You stand with us as we heal millions."

DONOR-CENTRIC

Donor → Changed Lives Through Your Organization

"Through this organization, you heal millions."

3. Be personal.

We live in a world of status updates, selfies, and personalized news feeds. Our engagement determines the coupons we receive, the ads that show up on our screen, and the content in our emails. What we receive is relevant to our interests. And donors expect to have the same experience with your organization. Your new friend began their donor relationship in a particular campaign and has decided to give to one particular fund within your organization. How are you talking to that donor in a way that's different than another donor who began their relationship through a different avenue and gives to another area of your organization?

☞ **Put it into practice:** *List all of the different ways your organization acquires new donors and all of the areas to which new donors can give. Think about how you can communicate to these various audiences in a personal way.*

4. Bring your mission to life.

Yes, your mission and vision statements might be inspirational in writing but have you brought them to life through video? Or challenged donors to a quiz that exposes them to different aspects of your organization? Or offered a digital download of your most shared content? Think about the information you can share with donors that will encourage them, help them, and engage them while reinforcing your organization's case for support.

☞ **Put it into practice:** *Brainstorm with your team new ways that you can tell your organization's story that will move the heart and soul of your new donor...and create a plan for making it come alive!*

5. Don't be shy.

If you have welcomed new donors to your organization, spoken to them as if you know them personally, and clearly communicated your organization's need for their ongoing support, don't be afraid to ask for a second gift. In fact, everything you do in the first 30 days following a new donor's gift should lead to a second ask. If they make their next gift within this timeframe, they are prime candidates for a recurring gift program and could possibly be a prospect with the affinity and capacity to be upgraded into your upper donor program. If they choose not to make a gift, then keep building the relationship. Remember, it's about transformational experiences, not transactional ones. And some people need more time to warm up to you than others. Don't take it personally...yet.

In fact, everything you do in the first 30 days following a new donor's gift should lead to a second ask.

☞ **Put it into practice:** *On a calendar, plot out the days between a new donor's first gift and when they receive a second ask from your organization. If it's more than 30 days, think about ways to shorten the gap.*

Strategic Donor Retention in Action

At Pursuant, we put all of these best practices together in the form of a donor engagement series. This series takes different forms based on organization type and outreach. Some are online only, others are offline only, and still others are multichannel. The series can be simple, or it can be fairly complex. But regardless of the process, the purpose of each series is to steward new donors into lifelong supporters.

A new donor engagement series is comprised of touch points that start the day a donor makes their first gift. A combination of communications that offer stewardship, case for support messaging, and engagement opportunities are used to solidify the donor relationship and lead to a second ask.

Here's how organizations are applying the principles of strategic donor retention to create a transformational donor experience:

Step #1: Thank you for making a gift.

Within two days of a donor making their first gift, a thank you message of some kind should be en route. Ideally, this thank you message will mirror the channel in which your donor gave. If your new donor made their first gift online, be sure you have an autoresponder thank you email set up in your online donation system to be sent the moment their gift is made. If your new donor made their first gift by mail, send a thank-you letter with their tax receipt in the mail as quickly as possible.

Don't forget to be personal. Consider how you might make your thank you stand out from other form letters. Consider writing a hand written thank you note. Use language that resonates with the campaign to which they responded or the fund to which they made their gift.

Strategic Donor Retention in Action: *Pepperdine University*

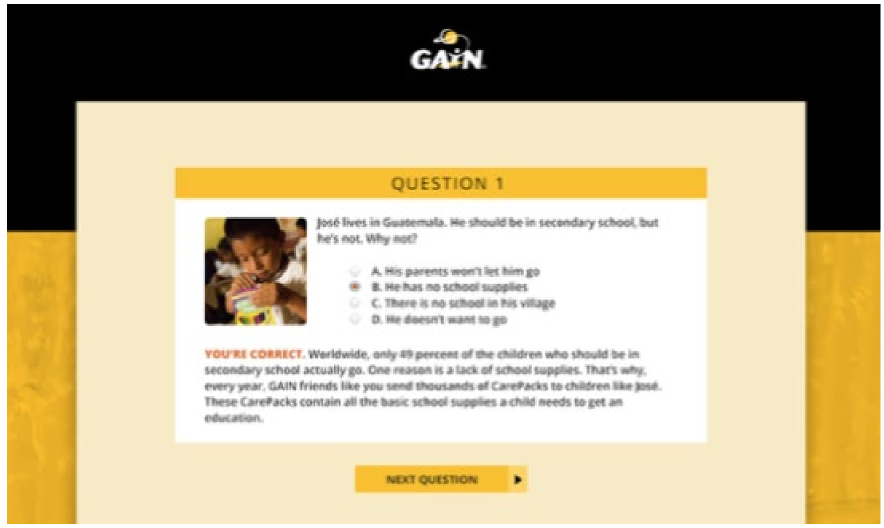
Finish this sentence: Thank you for making a gift to ______. Did your organization's name fill in the blank? If so, you might want to revisit our best practices. When you thank your new donors for making a gift, be sure to first connect their gift to the direct impact they are making—relieving suffering and restoring dignity, bringing us closer to a world without type 1 diabetes—not to your organization. Treat this new donor, not your organization, like the hero of the story. Here's an example from a recent campaign for Pepperdine University's Seaver College.

Step #2: This is what your gift makes possible.

During the week following a donor's first gift, further explain your case for support—why your organization exists, what need your organization is solving, and why this new donor's relationship with the organization is crucial. When conveyed through a video from organizational leaders and people who've been impacted by your organization or through a story that paints the picture of the life change taking place because of donor support, your case for support comes alive and reinforces the donor's decision to make their first gift.

Strategic Donor Retention in Action: *GAIN USA*

Think of new ways that you can showcase your support. In the example from GAIN USA opposite, the case for support was told through an online quiz that asked questions related to sstories of people who had been directly impacted by GAIN's outreach. Donors were able to test their own knowledge about the lives of people in developing nations through seven questions with answer descriptions that conveyed the ways in which donor support was addressing the needs of real people.



Step #3: This is how you can be involved.

By making a gift to your organization, new donors are opening the door to a relationship, so provide them with opportunities to deepen that relationship. Ask donors for their feedback in the form of a short online survey, or invite them to become your social ambassadors (feed them social media posts they can share with their network of friends). Share upcoming events and volunteer opportunities that can strengthen their engagement with your organization.

These and other points of involvement move the new donor relationship from transactional to transformational—a key element for securing a second gift.

Step #4: Continue your impact.

Within 21 to 30 days of your new donor's first gift, you should make your second ask. "That feels too quick," you might say. Well, if you've thanked, informed, and invited your new donor into a deeper relationship with your organization over the preceding 20 to 29 days, then a second ask feels natural.

In your communication, think about sharing tangible outcomes of the donor's first gift—*in the 21 days since your first gift, you've provided clean drinking water for the first time to four families in Guatemala*—and the impact a second gift could have—*your next gift today will provide seed packs that will help an entire community grow food in Zimbabwe*.

Community
Health Network Foundation

Dear <<First Name>>,

I'm writing to express my deepest gratitude. *Because you were there*…standing with Community Health Network Foundation…a woman fighting cancer has hope… an injured child received the exceptional care he needed to recover…and a family is able to celebrate another birthday with their loved one.

Yet, *every day more people turn to Community* for the best possible patient care. They need you to be there for them, too.

That's why I'm asking you to become a monthly donor to Community Health Network Foundation. Your steadfast, ongoing support will ensure that Community can provide patients exceptional care and support for as long as they need it.

Please use the enclosed response form to indicate the amount you would like to give monthly as a Community Partner member. Thank you for caring about your neighbors and your Community.

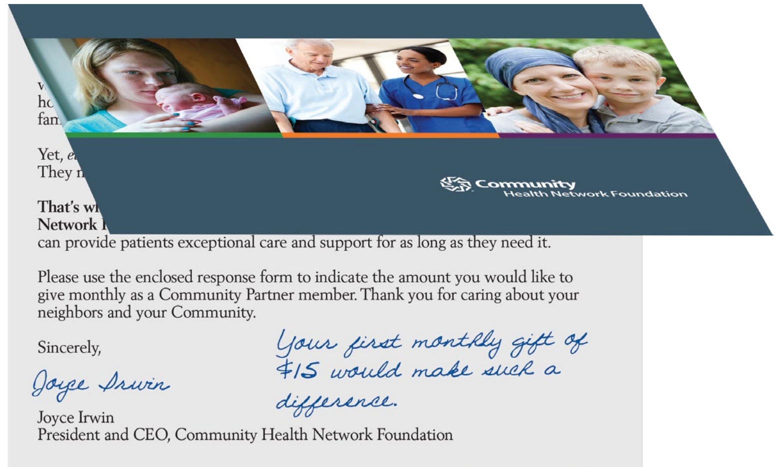
Sincerely,

Joyce

Joyce Irwin
President and CEO, Community Health Network Foundation

My monthly gift to Community!

ONLINE FOLLOW UP PIECE



Community
Health Network Foundation

can provide patients exceptional care and support for as long as they need it.

Please use the enclosed response form to indicate the amount you would like to give monthly as a Community Partner member. Thank you for caring about your neighbors and your Community.

Sincerely,

Joyce Irwin

Your first monthly gift of $15 would make such a difference.

Joyce Irwin
President and CEO, Community Health Network Foundation

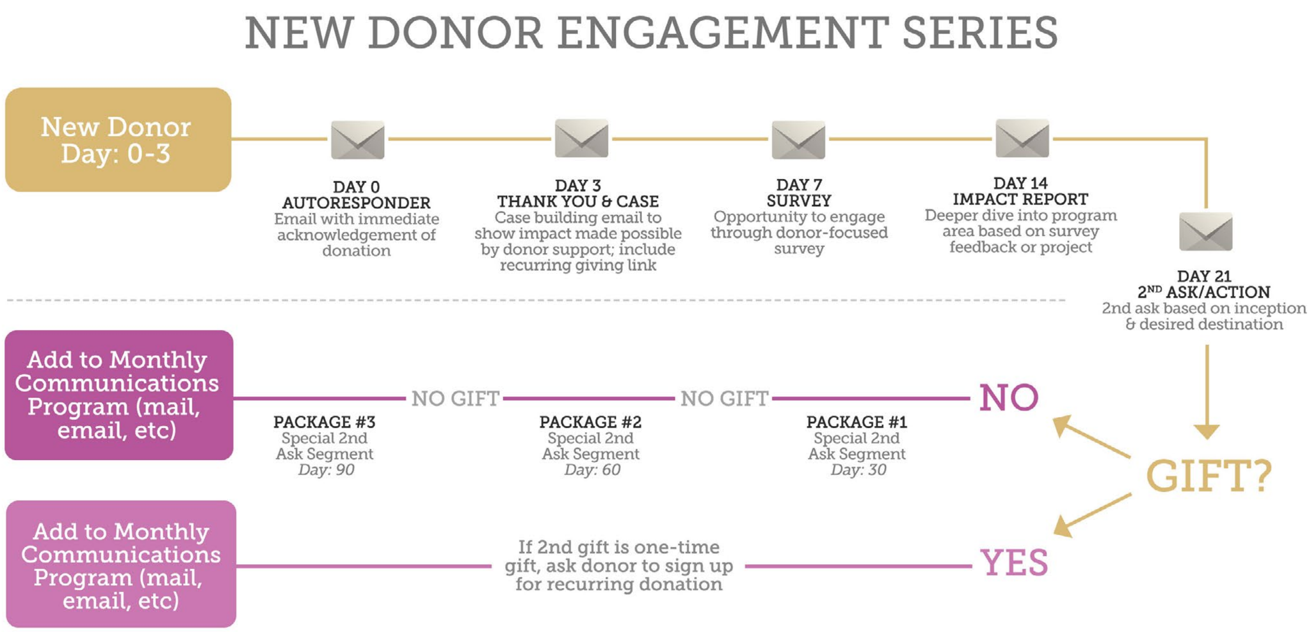
DIRECT MAIL NOTE CARD

Strategic Donor Retention in Action: Community Health Network Foundation

Here's a great example of how to effectively cultivate a new donor to make a second gift. Banner Health leverages both online and direct mail communications to secure a second gift. Consider sending an "ask" email to new donors first—it's the most cost-efficient way to secure a second gift, will be the preferred donation method of new donors who incepted through the online channel, and may convert your direct mail donors into multichannel donors, which are more valuable to your organization in the long-term. After your email ask goes out, follow-up with a mail piece to those new donors who did not make a second gift. Direct mail gives you space to tell a more detailed impact story and reinforce your case for support, which some new donors may need in order to commit to a second gift.

Building Your Own Donor Retention Engagement Series

So what does this look like when it's all combined into one engagement series? Here is a flowchart outlining a possible stream of communications from the day a new donor makes their first gift to your organization:



This engagement series uses email to communicate the thank you, case for support, engagement opportunities, and second ask with multiple versions of messaging that relate to a donor's inception point. Once a new donor completes the email engagement series, they are funneled into mail communications with specific language referencing their first gift and asking for a second gift.

New Donor Welcome Series Checklist

Are you ready to show your new donors some love? Here are 10 steps to create your very own new donor engagement series:

- [ ] **1. Assess your current communications.** Take inventory of anything you currently send to new donors – emails, letter, receipts, welcome gifts, etc. Use data to analyze which giving channels your donors and constituents engage in the most.

- [ ] **2. Map out all of your new donor inception points and develop a personal message for each.** You don't have to create completely separate messaging for all of your various inception points. Unless there are drastic differences, write one message with a sentence or paragraph that changes based on inception point.

- [ ] **3. Identify three things your new donor's first gift makes possible.** What are three tangible outcomes of a donor's gift? Make sure they are framed in terms of what the donor is making possible, not what your organization is making possible.

- [ ] **4. Find one great story, and tell it well.** Identify a story that conveys your organization's mission in a moving, emotional, donor-connected way. Ideally, the story arc will include what it was like before your organization stepped in, what it was like when your organization stepped in, and what it has been like since your organization stepped in because of donor support.

- [ ] **5. Identify three ways your new donor can get involved with your organization.** Besides making a donation, what other ways can a new donor get engaged with your organization? Consider highlighting areas of your organization of which your new donor might not be aware.

- [ ] **6. Identify three reasons why your new donor should make a second gift.** If you don't have concrete reasons for why a new donor should continue giving, then you are unlikely to see a high second gift conversion rate. Think of noticeable impacts that a donor's gift could have going forward.

- [ ] **7. Put it all together.** You've done a lot of work to get to this point – but it's for a reason! Messaging is the most important factor in a engagement series, and now you get to piece it all together into a engagement series that makes the most sense for your organization.

- [ ] **8. Map it out.** Determine the number of contacts you want to make with a new donor from Day 0 (the day they make their first gift) to Day 30 (the day by which you should make the second ask). Ideally, the series will consist of at least four touch points that span both email and mail channels.

- [ ] **9. Automate it.** Once you have the content and creative pieced together into a full engagement series, automate as much of the process as possible. For some organizations, this is easy. For others, automation may be a foreign word. In any case, find ways to make the process work without constant monitoring and attention.

- [ ] **10. Reapply it.** So, you've just created an out-of-this-world new donor engagement series...it doesn't end there! You can apply the same methodology to your reactivated donors. They might need a refresher course on your case for support and still need the same love and attention as your new donors in order to move into a lifelong relationship.

Conclusion:
Are You Ready to Keep the Donors You've Worked So Hard to Get?

You work hard to reach new supporters and acquire donors. However, with a little effort your organization can reap the rewards of turning those donors into life-long supporters...

Improving donor retention takes intentionality. Fortunately, innovative approaches and technology-enabled solutions provide a way for you to work smarter, not harder.

Our hope is that this resource would be the catalyst your organization needs to transform your donor retention efforts. Take some time to consider how you can apply the principles we outlined and create an exceptional experience for your new donors. Rather than simply throwing new donors into your regular stream of communication, be intentional about thanking them, casting a compelling case for support, and highlighting the impact they are making through their gift.

Don't wait another day to develop a strategy for improving your donor retention efforts. When you do, you'll create a transformational experience that not only benefits your organization, it benefits your donors too.

Next Steps

- *Learn more* about Pursuant's innovative donor acquisition, retention, and upgrade solutions.
- Check out our entire list of *fundraising resources* for more content papers, fundraising tools, and webinars.
- Connect with us on *Twitter*, *LinkedIn*, and *Facebook*.
- Call us at 214.866.7700.
- *Contact us* to discuss your organization's fundraising needs.

About the Authors

With leadership experience spanning over two decades, Rebecca Gregory Segovia has a strong vision and passion to help nonprofits reach donors and raise dollars to further their mission. Currently, Rebecca is executive vice president at Pursuant. Her strength is to come alongside nonprofit organizations regardless of size or tenure and help them achieve their long-term vision and goals. Her specialties include integrated marketing, direct response fundraising, and leveraging technology to achieve results. You can connect with Rebecca on *LinkedIn* or Twitter (*@GoConnectServe*).

Alyssa Boger serves as vice president of client strategy at Pursuant. With nonprofit experience spanning a decade, Alyssa has partnered with organizations of varying size and purpose to create successful comprehensive fundraising solutions across the donor pyramid. She partners with our clients to create integrated, comprehensive donor-centered fundraising initiatives to build transformational donor relationships and achieve breakthrough organizational goals. You can connect with Alyssa on *LinkedIn*.

What is the next step for your organization?

Call us today!

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