The Current State of Donor Retention and What Fundraisers Can Do About It
About Presenter

Steven Shattuck
Chief Engagement Officer, Bloomerang

Author: Robots Make Bad Fundraisers
Contributor: Fundraising Principles and Practice: Second Edition
Member: Fundraising Effectiveness Project (FEP) Project Work Group, AFP Center for Fundraising Innovation (CFI), Study Fundraising Steering Group at the Hartsook Centre for Sustainable Philanthropy at Plymouth University

Fun facts:
- 1st job: producing fundraising videos
- prefers tea to coffee
- allergic to rhubarb
- won the David Letterman scholarship
A study of donor retention »

176 million transactions from more than 20,000 organizations and $80 billion in donations since 2005.

http://afpfep.org
Donor retention »

**AVERAGE**
43.6%

**FIRST-TIME**
19.3%

**REPEAT**
59.6%

Source: Fundraising Effectiveness Project [http://afpfep.org](http://afpfep.org)
Donor retention over the years »

Source: Fundraising Effectiveness Project [http://afpfep.org](http://afpfep.org)
There was some good news »

Overall giving increased by 10.6% in 2020 as compared to 2019, spurred by an increase in new and reactivated donors.

Source: Fundraising Effectiveness Project http://afpfep.org
Donors by giving level

General Donor (Under $250) (YTD) 8.0%

Mid-Level Donor ($250–$999) (YTD) 6.8%

Major Donor ($1,000+) (YTD) 85.1%

Source: Fundraising Effectiveness Project [http://afpfep.org](http://afpfep.org)
## Donor Attrition Over Five Years

<table>
<thead>
<tr>
<th># of Donors</th>
<th>Attrition Rate</th>
<th>Donors Remaining After 1 Year</th>
<th>Donors Remaining After 2 Years</th>
<th>Donors Remaining After 3 Years</th>
<th>Donors Remaining After 4 Years</th>
<th>Donors Remaining After 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>20%</td>
<td>800</td>
<td>640</td>
<td>512</td>
<td>410</td>
<td>328</td>
</tr>
<tr>
<td>1,000</td>
<td>40%</td>
<td>600</td>
<td>360</td>
<td>216</td>
<td>130</td>
<td>78</td>
</tr>
<tr>
<td>1,000</td>
<td>60%</td>
<td>400</td>
<td>160</td>
<td>64</td>
<td>26</td>
<td>10</td>
</tr>
</tbody>
</table>


@StevenShattuck
### Donor retention math »

#### Original Retention Rate: 41%

<table>
<thead>
<tr>
<th>Year</th>
<th>Donors</th>
<th>Avg. Gift*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>5,000</td>
<td>$200.00</td>
<td>$451,000</td>
</tr>
<tr>
<td>2</td>
<td>2,050</td>
<td>$220.00</td>
<td>$403,401</td>
</tr>
<tr>
<td>3</td>
<td>841</td>
<td>$242.00</td>
<td>$203,401</td>
</tr>
<tr>
<td>4</td>
<td>345</td>
<td>$266.20</td>
<td>$91,734</td>
</tr>
<tr>
<td>5</td>
<td>141</td>
<td>$292.82</td>
<td>$41,372</td>
</tr>
<tr>
<td>6</td>
<td>58</td>
<td>$322.10</td>
<td>$18,659</td>
</tr>
<tr>
<td>7</td>
<td>24</td>
<td>$354.31</td>
<td>$8,415</td>
</tr>
<tr>
<td>8</td>
<td>10</td>
<td>$389.74</td>
<td>$3,795</td>
</tr>
<tr>
<td>9</td>
<td>4</td>
<td>$428.72</td>
<td>$1,712</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>$471.59</td>
<td>$772</td>
</tr>
<tr>
<td>11</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>12</td>
<td>------</td>
<td>------</td>
<td>------</td>
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<tr>
<td>13</td>
<td>------</td>
<td>------</td>
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</tr>
<tr>
<td>14</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
</tbody>
</table>

#### Improved Retention Rate: 51%

<table>
<thead>
<tr>
<th>Year</th>
<th>Donors</th>
<th>Avg. Gift*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>5,000</td>
<td>$200.00</td>
<td>$561,000</td>
</tr>
<tr>
<td>2</td>
<td>2,550</td>
<td>$220.00</td>
<td>$314,721</td>
</tr>
<tr>
<td>3</td>
<td>1,301</td>
<td>$242.00</td>
<td>$176,558</td>
</tr>
<tr>
<td>4</td>
<td>663</td>
<td>$266.20</td>
<td>$99,049</td>
</tr>
<tr>
<td>5</td>
<td>338</td>
<td>$292.82</td>
<td>$55,567</td>
</tr>
<tr>
<td>6</td>
<td>173</td>
<td>$322.10</td>
<td>$31,173</td>
</tr>
<tr>
<td>7</td>
<td>88</td>
<td>$354.31</td>
<td>$17,488</td>
</tr>
<tr>
<td>8</td>
<td>45</td>
<td>$389.74</td>
<td>$9,811</td>
</tr>
<tr>
<td>9</td>
<td>23</td>
<td>$428.72</td>
<td>$5,504</td>
</tr>
<tr>
<td>10</td>
<td>12</td>
<td>$471.59</td>
<td>$3,088</td>
</tr>
<tr>
<td>11</td>
<td>6</td>
<td>$518.75</td>
<td>$1,732</td>
</tr>
<tr>
<td>12</td>
<td>3</td>
<td>$570.62</td>
<td>$972</td>
</tr>
<tr>
<td>13</td>
<td>2</td>
<td>$627.69</td>
<td>$45</td>
</tr>
<tr>
<td>14</td>
<td>1</td>
<td>$690.45</td>
<td>$545</td>
</tr>
</tbody>
</table>

**Grand Total from Original Donors:** $820,859  
**Grand Total from Original Donors:** $1,277,208

**Total Savings:** $456,349

The cost of poor retention »

- Cost per acquisition = 5x cost per renewal
- Cost per acquisition = 2-3x initial donation amount
  - break-even after 12-18 months
- Renewal response rates = 20x30 higher than acquisition response rates

Source: Adrian Sargeant - Lilly School of Philanthropy
Why do donors leave?
Why nonprofit donors leave »

- 2001 study by Adrian Sargeant
- Survey to lapsed donors of 10 major U.S.-based nonprofits
- Respondents were asked to check each reason for stopping their contributions

Why nonprofit donors leave »

- 5% - thought charity did not need them
- 8% - no info on how monies were used
- 9% - no memory of supporting
- 13% - never got thanked for donating
- 16% - death
- 18% - poor service or communication
- 36% - others more deserving
- 54% - could no longer afford

Why do donors stay?
Key drivers of donor commitment »

DonorVoice
The Experience and Relationship Company

- 2011 study
- Survey of 1,200 recent (last 12 months), frequent (more than 2 gifts to cause based charities) donors from over 250 nonprofit organizations
- Donors were given a list of 32 reasons why they might continue giving
- Asked to rank them by order of importance

Key drivers of donor commitment »

1. Donor perceives organization to be effective
2. Donor knows what to expect with each interaction
3. Donor receives a timely thank you
4. Donor receives opportunities to make views known
5. Donor feels like they’re part of an important cause
6. Donor feels his or her involvement is appreciated
7. Donor receives info showing who is being helped

How to increase retention »

• Focus on first-time and above-average donors
• Thank quickly + personally
• Go overboard with appreciation
• Donor-centric tone (more “you” than “we”)
• Illustrate that you know who the donor is
• Tell them how gifts are used / will be used
• Tell them what comes next
• Solicit feedback
• Keep lines of communication open
• Prioritize monthly giving
Data Segmentation

Powers Retention
<table>
<thead>
<tr>
<th>Segment</th>
<th>LYBUNT*</th>
<th>SYBUNT*</th>
<th>Never Given</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Parents</td>
<td>Segment 1 (9/35)</td>
<td>Segment 2 (37)</td>
<td>Segment 4 (54)</td>
</tr>
<tr>
<td>Non-Parents</td>
<td>Segment 1 (26/35)</td>
<td>Segment 3 (64)</td>
<td>Segment 5 (150)</td>
</tr>
</tbody>
</table>

($500+) (7/1/14-6/30/15) (Before 7/1/14)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Never Given</th>
<th>Given Once (Over a Year Ago)</th>
<th>Given Once (Last Year)</th>
<th>Given Multiple Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above Average Gift Size</td>
<td>Segment 1</td>
<td>Segment 2</td>
<td>Segment 4</td>
<td>Segment 6</td>
</tr>
<tr>
<td>At or Below Average Gift Size</td>
<td>Segment 1</td>
<td>Segment 3</td>
<td>Segment 5</td>
<td>Segment 7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Never Given</th>
<th>Has Given</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Parent</td>
<td>Segment 1</td>
<td>Segment 3</td>
</tr>
<tr>
<td>Non-Parent</td>
<td>Segment 2</td>
<td>Segment 4</td>
</tr>
</tbody>
</table>
The power of segmentation »

https://bloomerang.co/covid19/success/willamette-humane-society
Donor retention »

AVERAGE 43.6%

FIRST-TIME 19.3%

REPEAT 59.6%

Source: Fundraising Effectiveness Project http://afpfep.org

@StevenShattuck
THANK YOU for your first gift!

Here at The Oaks, relationships come first. We welcome you into our family of donors, partners, volunteers and supporters.

Every day is a great day to visit The Oaks Academy. To see your gift at work through a personal visit or tour, please contact:

advancement@theoaksacademy.org | 317.931.3687
Dear Steven,

On behalf of Girls Inc. of Greater Indianapolis, I want to thank you again for your support of girls in the Greater Indianapolis community. You are now part of our Girls Inc. family that equips girls with the skills needed to face the challenges of today and prepare for a bright tomorrow.

We know you chose to give your gift because you share our understanding of the obstacles that girls face in today’s world.

- Over 70% of girls ages 15 to 17 avoid normal daily activities like attending school when they feel negatively about their looks.
- Indiana ranks 46th of 50 states with regard to the wage gap between men and women, with women earning only 74 cents for every dollar men earn.
- Children in homes where domestic violence is present are 1500% more likely to become victims themselves.

The collective financial support from donors like you provides developmentally-appropriate, hands-on programming that prepares girls to overcome these and other obstacles.

- Redefining Beauty: Redefining Beauty builds self-esteem and self-confidence in girls by confronting body image stereotypes and identifying healthy lifestyle habits.
- Young Women in Leadership (YWIL): A year-long program for emerging leaders in high school. YWIL helps them focus on leadership development and college and career preparedness.
- Project BOLD: Project BOLD helps girls identify resources and people to increase their personal safety, while providing basic self-defense techniques. This violence-prevention program provides a safe environment for girls to ask questions, get answers, and feel supported.

Our work extends far beyond these three programs. You are supporting over 4,000 girls annually through hundreds of programs happening all around Indianapolis. You can be confident that we are using your gift wisely as we continuously reassess our curriculum, train engaged volunteers, and strive for more positive outcomes. We want you to know that our mission of inspiring all girls to be strong, smart, and bold is one we are happy to share with you. We look forward to continuously striving to better prepare girls for a life of creativity, empowerment, and growth with you.

Sincerely,

Madeleine Smith, CFRE
Vice President of Development & Public Relations

Blyssia Compton-Borr
President & CEO

Stay connected to Girls Inc. Indy by following us on social media and signing up for our newsletter at [www.girlsandindy.org](http://www.girlsandindy.org) under “Connect With Us.”
New Donor **Cultivation Timeline** (First 90 Days)

- **Day 0**: Donation Received!
- **Day 2**: Thank You Phone Call
  - Research shows that retention rates improve if you call a new donor within 48 hours.
- **Day 5**: Thank You Note by Mail
- **Day 10**: 1st Newsletter
- **Day 25**: 2nd Email Newsletter
  - Assuming you send a monthly newsletter, they should receive 2-3 in the first 90 days.
- **Day 50**: 3rd Email Newsletter
- **Day 70**: 2nd Gift Appeal
- **Day 85**: Stewardship Phone Call
  - Have a staff member or volunteer reach out to your donor and let them know what a difference they are making to you.

@StevenShattuck
The fast, personal touch »

- first-time donors who get a personal thank you within 48 hours are 4x more likely to give a second gift. (McConkey-Johnston International UK)

- a thank-you call from a board member to a newly acquired donor within 24 hours of receiving the gifts will increase their next gift by 39%. (Penelope Burk)

Bloomerang research »

Impact of phone calls on 1st-time donor retention

- No phone call: 33.01%
- One phone call: 41.24%
- More than one phone call: 58.21%

https://bloomerang.co/blog/actually-calling-donors-to-thank-them-does-make-them-more-likely-to-give-again-and-give-more/
Bloomerang research »

Impact of phone calls on speed of second gift

- **No phone call**: 261 days
- **One phone call**: 217 days
- **More than one phone call**: 53 days

[https://bloomerang.co/blog/actually-calling-donors-to-thank-them-does-make-them-more-likely-to-give-again-and-give-more/](https://bloomerang.co/blog/actually-calling-donors-to-thank-them-does-make-them-more-likely-to-give-again-and-give-more/)
Bloomerang research »

Impact of phone calls on second gift size

<table>
<thead>
<tr>
<th>No phone call</th>
<th>One phone call</th>
<th>More than one phone call</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Second Gift</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td># of phone calls w/in 90 days of 1st gift</td>
<td>$50</td>
<td></td>
</tr>
</tbody>
</table>

https://bloomerang.co/blog/actually-calling-donors-to-thank-them-does-make-them-more-likely-to-give-again-and-give-more/
The power of the personal touch »

“There were two instances this year where I made gifts over and above what I had intended and they both involved personal contact from someone in the development office (director or gifts officer). Being thanked for my previous gift was much more persuasive than receiving multiple emails and direct mail letters.”
% change in revenue YoY »

### Phone Calls

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Called</td>
<td>1,085</td>
<td>26%</td>
</tr>
<tr>
<td>Did Not Call</td>
<td>3,015</td>
<td>74%</td>
</tr>
</tbody>
</table>

### Personal Emails

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emailed</td>
<td>2,360</td>
<td>58%</td>
</tr>
<tr>
<td>Did Not Email</td>
<td>1,740</td>
<td>42%</td>
</tr>
</tbody>
</table>

### In-Person Interactions

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interacted</td>
<td>729</td>
<td>18%</td>
</tr>
<tr>
<td>Did Not Interact</td>
<td>3,371</td>
<td>82%</td>
</tr>
</tbody>
</table>
Hi Steven,

Thank you so much for becoming a monthly donor! You and your family give Outreach the ability to bring hope to homeless youth. I have made a quick 2min video for you to share what your monthly gift does for the mission of Outreach – click here to view

Thank you again, Eric, and I am truly humbled to have your support in the mission of Outreach.

Mike Elliott | Director of Development
2416 E. New York St Indianapolis, IN 46201
Direct: 317-653-1545 Mobile: 317-600-9561

https://share.vidyard.com/watch/rh6mDE1mrwLKqZChs2bPfS
Thank you Steven!

https://share.vidyard.com/watch/rh6mDE1mrwLKqZChs2bPfS
Survey »

- Send a donor info survey to 1st-time donors
- Send a donor satisfaction survey to repeat donors
- Boosts retention even if they don’t respond
  - Respondents signify high-engagement
- Email receipt is a great place to include
  - Google Forms / SurveyMonkey / Formstack

https://bloomerang.co/blog/23-questions-to-ask-donors-and-prospects/
Key drivers of donor commitment 

1. Donor perceives organization produces outcomes
2. Donor knows what to expect with each interaction
3. Donor receives a timely thank you
4. **Donor receives opportunities to make views known**
5. Donor feels like they’re part of an important cause
6. Donor feels his or her involvement is appreciated
7. Donor receives info showing who is being helped

We can't do this without you!

Dear [Informal Name],

Your support for our mission means so much more than we can convey with just, "Thank you". Without you, [fill in outcome] would not be possible.

There's something else you can give that's equally important - your opinion. Your real, honest opinion. Would you mind taking 2 minutes of your time to tell us how we can make you feel more connected to [fill in organization name]? It would mean so much!

Sincerely,
Executive Director

[Begin Survey]

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Our Contact Information
Blossom's Orangutan Rescue
5724 Birtz Road
Indianapolis, IN 46216
8663322999
www.bloomerang.co

https://bloomerang.co/blog/category/donor-surveys/
3. I trust Blossom's Orangutan Rescue to deliver the outcomes it promises for its beneficiaries

1  2  3  4  5  6  7

Strongly Disagree  Strongly Agree

4. I was thanked appropriately for my gift to Blossom's Orangutan Rescue

1  2  3  4  5  6  7

Strongly Disagree  Strongly Agree

5. Overall I am very satisfied with how Blossom's Orangutan Rescue has treated me as a new donor

1  2  3  4  5  6  7

0 of 10 answered 1 2 3 4 5 6 7 8 9 10

Previous  Next
Pay attention to Q4 »

Fourth Quarter Revenue (As % 2019 Total)

Source: Fundraising Effectiveness Project http://afpfep.org
Final thoughts »

- Communicate impact.
- Segment your donors.
- Create a written comms plan for each segment.
  - Concentrate on first-time donors.
- Get that second gift.
- Personalize!
- Steward, then solicit.
RESOURCES
All of our fundraising knowledge at your fingertips!

- Daily blog post
- Weekly webinars
- eBooks/guides
- Templates
- Case Studies
- Research

https://bloomerang.co/resources
Miranda and the team at Peace Community Center transformed an in-person event into a virtual experience via a multi-touch email campaign that raised over $118k.

Karen and the team at Ada Jenkins Center created a special COVID-19 fundraising appeal campaign that resulted in nearly $100k donated, despite an event cancellation.

Katie and the team at Boys & Girls Club of Boone County pivoted their programs in light of the coronavirus outbreak, and generated the funding necessary to make it happen.

Julia and the team from CommUnity shattered their pre-COVID-19 fundraising goals through individual donor support despite operating in one of the hardest-hit communities in their state.

Amy and Wendy from the Naperville Education Foundation created a special COVID-19 fundraising appeal campaign that resulted in over $100k donated, despite an event cancellation.

Gracie from B.E.A.M. (Beaches Emergency Assistance Ministry) kept their constituents frequently updated and didn’t shy away from fundraising, resulting in nearly six-figures raised.

Laurel and the team from Maggie’s Place maintained a steady stream of support while the COVID-19 crisis changed how they provide services and take donations.

Not in human services? No problem. Sara and the team from the Willamette Humane Society generated a 227% increase in donor support compared to the same period last year.

https://bloomerang.co/covid19/success
Questions?

steven.shattuck@bloomerang.co
@StevenShattuck

Free eBook »

https://go.qgiv.com/ebook-retaining-your-p2peeps