

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 »

⇒ FUNDRAISING EFFECTIVENESS *project*



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%

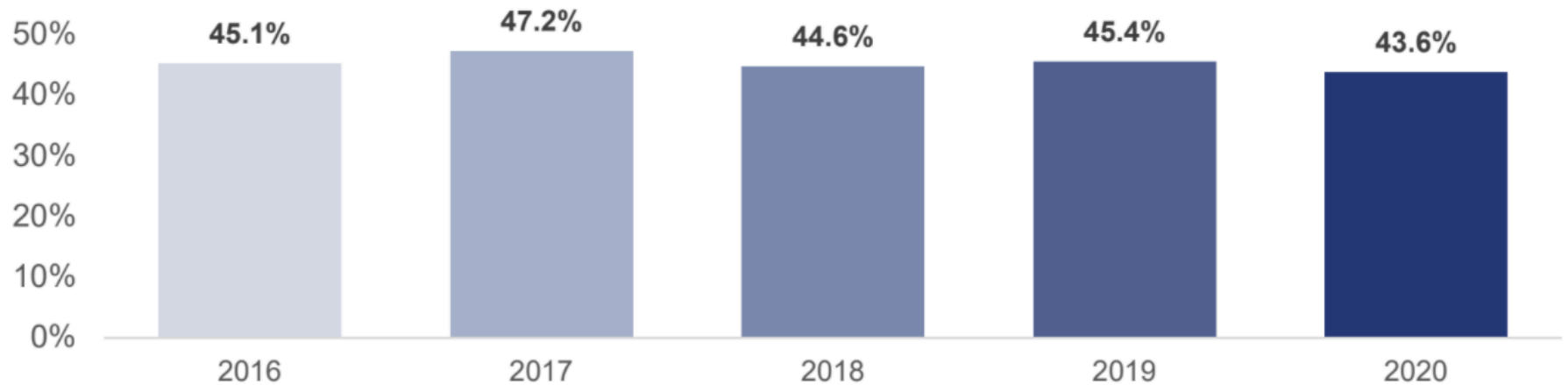


REPEAT
59.6%



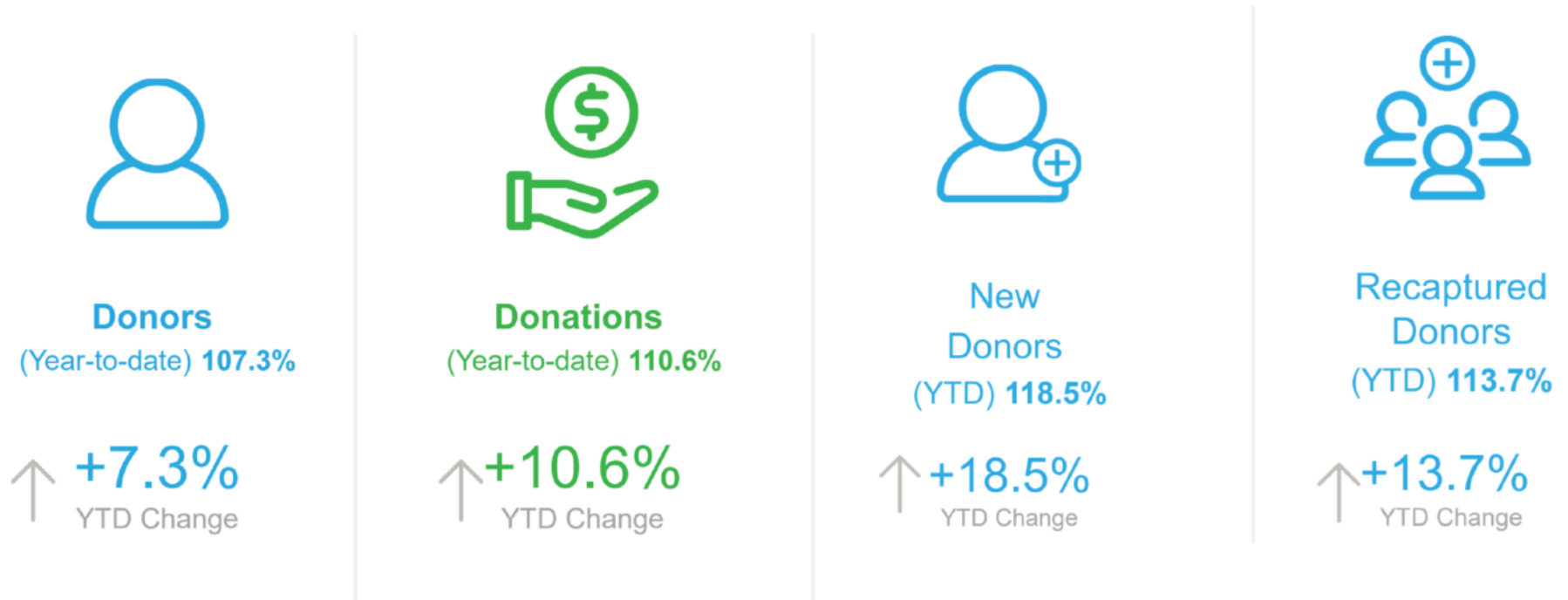
Source: Fundraising Effectiveness Project <http://afpfep.org>

Donor retention over the years »



Source: Fundraising Effectiveness Project <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%**

↑ **+15.3%**
YTD Change



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

↑ **+8.0%**
YTD Change



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

↑ **+10.4%**
YTD Change

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

So what?

Donor Attrition Over Five Years

# of Donors	Attrition Rate	Donors Remaining After 1 Year	Donors Remaining After 2 Years	Donors Remaining After 3 Years	Donors Remaining After 4 Years	Donors Remaining After 5 Years
1,000	20%	800	640	512	410	328
1,000	40%	600	360	216	130	78
1,000	60%	400	160	64	26	10

<https://bloomerang.co/resources/downloadables/donor-retention-math-made-simple>

Donor retention math »

Original Retention Rate: 41%

Improved Retention Rate: 51%

Year	Donors	Avg. Gift*	Total	Year	Donors	Avg. Gift*	Total
Start	5,000	\$ 200.00		Start	5,000	\$ 200.00	
2	2,050	\$ 220.00	\$ 451,000	2	2,550	\$ 220.00	\$ 561,000
3	841	\$ 242.00	\$ 203,401	3	1,301	\$ 242.00	\$ 314,721
4	345	\$ 266.20	\$ 91,734	4	663	\$ 266.20	\$ 176,558
5	141	\$ 292.82	\$ 41,372	5	338	\$ 292.82	\$ 99,049
6	58	\$ 322.10	\$ 18,659	6	173	\$ 322.10	\$ 55,567
7	24	\$ 354.31	\$ 8,415	7	88	\$ 354.31	\$ 31,173
8	10	\$ 389.74	\$ 3,795	8	45	\$ 389.74	\$ 17,488
9	4	\$ 428.72	\$ 1,712	9	23	\$ 428.72	\$ 9,811
10	2	\$ 471.59	\$ 772	10	12	\$ 471.59	\$ 5,504
11	—	—	—	11	6	\$ 518.75	\$ 3,088
12	—	—	—	12	3	\$ 570.62	\$ 1,732
13	—	—	—	13	2	\$ 627.69	\$ 972
14	—	—	—	14	1	\$ 690.45	\$ 545

Grand Total from Original Donors: **\$ 820,859**

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

Total Savings: \$ 456,349

<https://bloomerang.co/resources/downloadables/donor-retention-math-made-simple>

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



http://www.campbellrinker.com/Managing_donor_defection.pdf

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

http://www.campbellrinker.com/Managing_donor_defection.pdf

Why do donors stay?

Key drivers of donor commitment »



- 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

<http://www.thedonorvoice.com/national-donor-commitment-study-and-proof-of-link-between-donor-attitudes-and-behavior/>

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

<http://www.thedonorvoice.com/national-donor-commitment-study-and-proof-of-link-between-donor-attitudes-and-behavior/>

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



	Given Above Average Gift Size	LYBUNT*	SYBUNT*	Never Given
Current Parents	Segment 1 (9/35)	Segment 2 (37)	Segment 4 (54)	Segment 6 (675)
Non-Parents	Segment 1 (26/35)	Segment 3 (64)	Segment 5 (150)	Segment 7 (150 staff + 340 send/870)
	(\$500+)	(7/1/14-6/30/15)	(Before 7/1/14)	

Heather Carroll

Executive Director at
Skaneateles Education
Foundation



	Never Given	Given Once (Over a Year Ago)	Given Once (Last Year)	Given Multiple Times
Above Average Gift Size	Segment 1	Segment 2	Segment 4	Segment 6
At or Below Average Gift Size	Segment 1	Segment 3	Segment 5	Segment 7

	Never Given	Has Given
Current Parent	Segment 1	Segment 3
Non-Parent	Segment 2	Segment 4

The power of segmentation »

Dear "([Informal Name])",

Are you going stir crazy? Adjusting to a whole new routine? Channel all that energy into changing an animal's life today!

It's true the future is uncertain. We are facing the potential of limited staff coping with a possible increase in need as we are unable to offer spay and neutering services for the time being. We may also be called to help more pets whose families are financially affected by closures and quarantines.

With people limiting their time in public, animals like Blue, Courage, Tyson, and Norma may have to stay with us a little longer, too, but we are committed to making sure they will continue to receive love, and shelter as long as they need to because you care!

We don't know what is headed our way, but we're working hard to prepare for whatever it is. And you can help!

That's where you will make the biggest impact. [Give today.](#) Together we will be ready.

Costs are increasing as we adjust to different working routines, stock up on essentials, and respond to the rapidly changing needs of our shelter animals and the community we serve. We also moved to appointment-only pet adoption and animal intake appointments to ensure our staff, pets, and visitors stay safe while we continue towards our mission. You can find more information [here](#).

Thank you for caring. And know that we care about you too. Together, we will get through this! You have our best wishes for health and safety.



Sara Masser
Donor Programs Manager

P.S. We want to see how you and your pets are social distancing...together. Send your photo to happytails@whs4pets.org

[Click Here to Donate](#)



Dear "([Informal Name])",

Thank you for being a donor to Willamette Humane Society (WHS). It's inspiring to know you care about shelter pets and are committed to keeping them safe, especially during this difficult period we are all experiencing together.

It's true the future is uncertain. We are facing the potential of limited staff coping with a possible increase in need as we are unable to offer spay and neutering services for the time being. We may also be called to help more pets whose families are financially affected by closures and quarantines.

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Donor Programs Manager

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[Click Here to Donate](#)



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We don't know what is headed our way, but we're working hard to prepare for whatever it is. And you can help!

Give, or increase your monthly giving amount, today.

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<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>

THANK YOU
for your *first* gift!



first DAY



fir



first MEMORIES



first FIELD TRIP

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

Girls Inc. Girls' Bill of Rights

girls inc.

Inspiring all girls to be strong, smart, and bold

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.

Girls Inc. of Greater Indianapolis
3935 N. Meridian Street
Indianapolis, IN 46208
(317) 283-0388
girlsincindy.org

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Andi Metzel
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Joan Lonnemann
Chad Pittman
Jim Schacht

Elyssa Campodonico-Barr
President & CEO



- 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

Madeleine Smith, CFRE
Vice President of Development & Public Relations

We are grateful
for you!

Stay connected to Girls Inc. Indy by following us on social media and signing up for our newsletter at www.girlsincindy.org under "Connect With Us."

You are inspiring girls to be strong, smart, and bold.

Young Women in Leadership (YWIL) has become more than just an extracurricular to me. It has become a part of my chosen family. Through this program, I have learned how to appropriately plan for my future, become the best leader I can be in my community, and how to manage my time. The program has offered more opportunities than I can list. The program directors' constant guidance in scholarship application, resume building, finding possible jobs that are available, etc. has instilled a gratitude towards them that I show through my constant involvement with not only this program, but Girls Inc. in general. What makes YWIL so special is that the program directors do all these things to help us, and they do them with creative concepts, open discussion, and a smile.

-Aeriana W.

I seek to challenge myself and find ways to better myself as a person. Girls Inc. is a place to really be yourself and take risks without fear of being looked down upon. This is my first year at Girls Inc. and so far it's great! I love that they encourage you to be yourself and to not just be a follower. For example, recently we had a speaker come in and tell us to be limitless and go beyond what others expect. I've been looking for a program like Girls Inc. that could give me advice and a little guidance in this crazy world, and I'm glad I found it!

-Joleena M.

I enjoyed going to one of the IUPUI campuses and learning how to create and work with graphic designing. I decided to continue working with Girls Inc. because the program shows you different opportunities that are available to you and the program helps you explore careers. You dive deep into yourself wondering what your interests are and what your future looks like. I like how the organization motivates education and who you are personally not just the outside of your skin. Girls Inc. gives many lessons but the main one that I will remember is focusing on my happiness. I can't base all of my decisions on what I think other people will be happy about, sometimes I have to think about myself.

-Cyncere

New Donor **Cultivation Timeline** (First 90 Days)



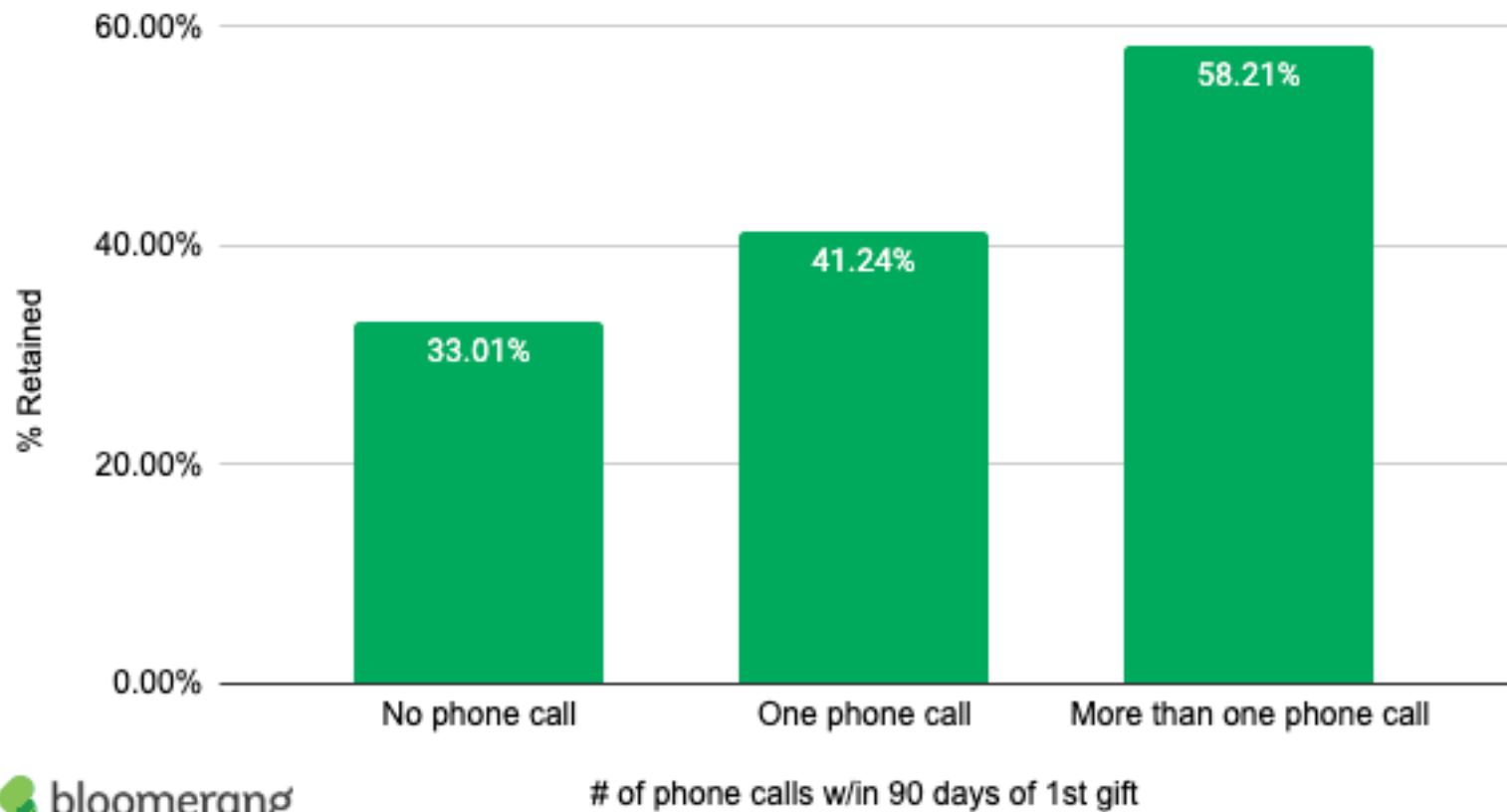
The fast, personal touch »

- 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)

<http://www.guidestar.org/rxa/news/articles/2010/how-to-increase-donations-by-39-percent.aspx>

Bloomerang research »

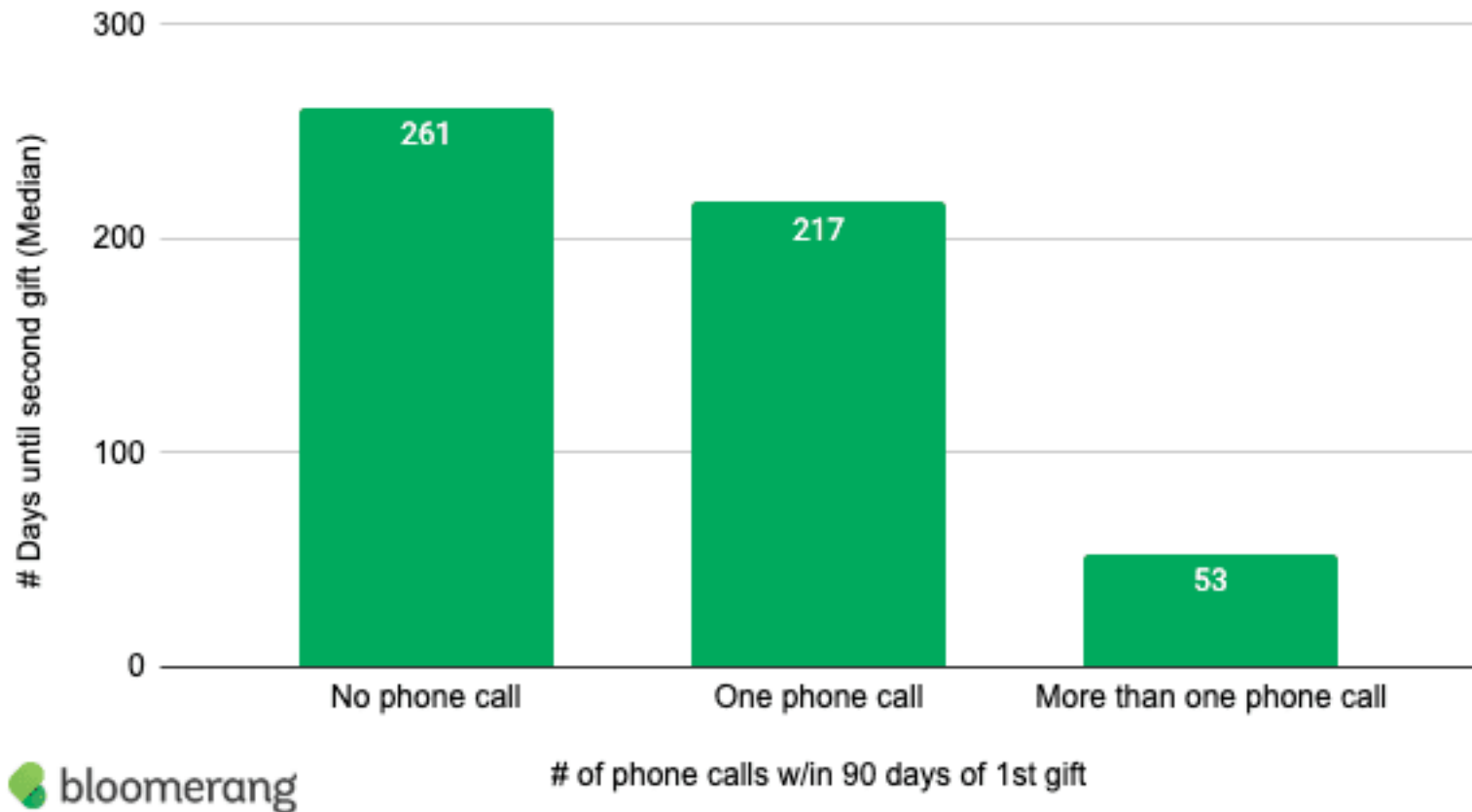
Impact of phone calls on 1st-time donor retention



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

Bloomerang research »

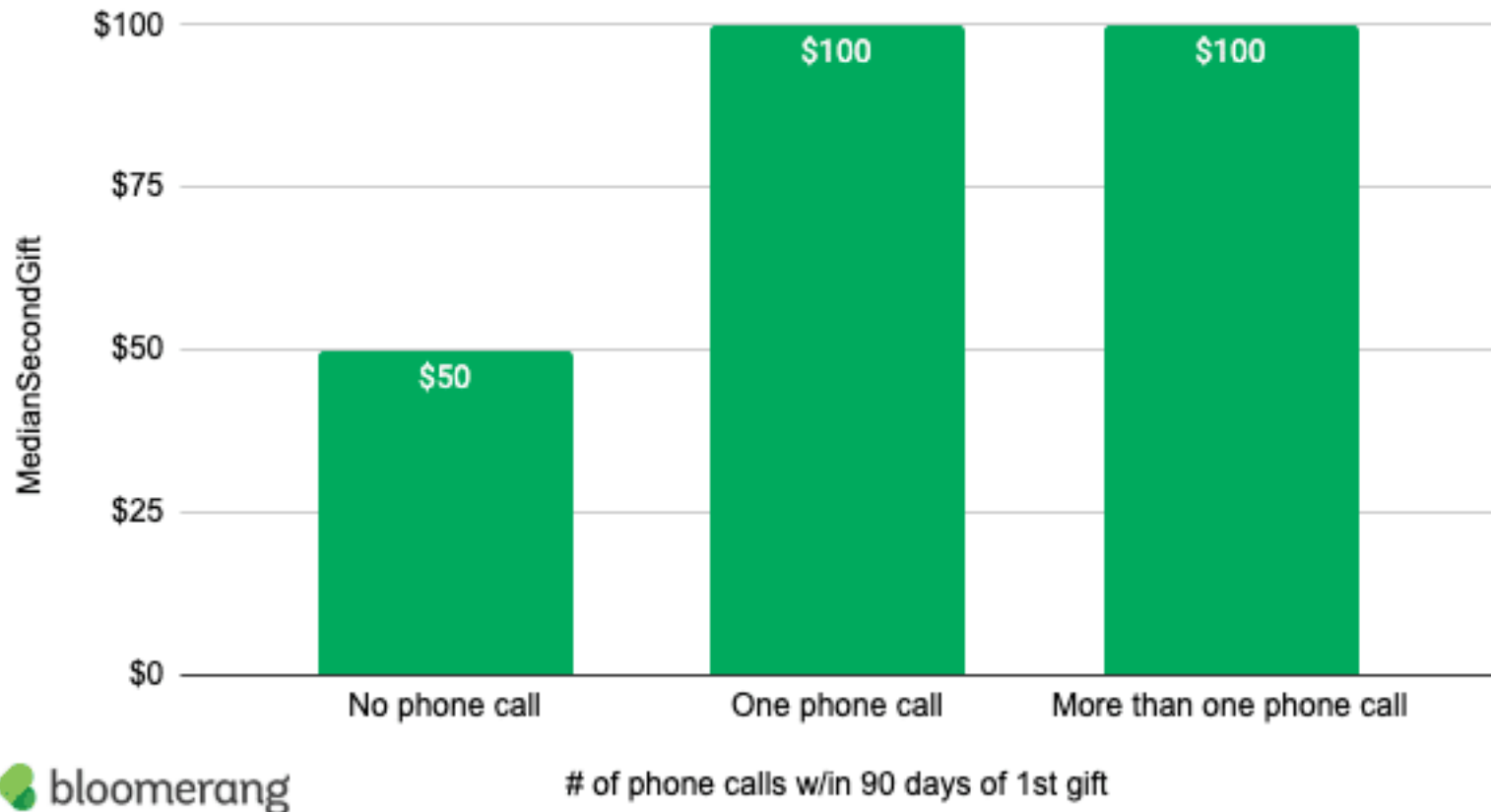
Impact of phone calls on speed of second gift



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

Bloomerang research »

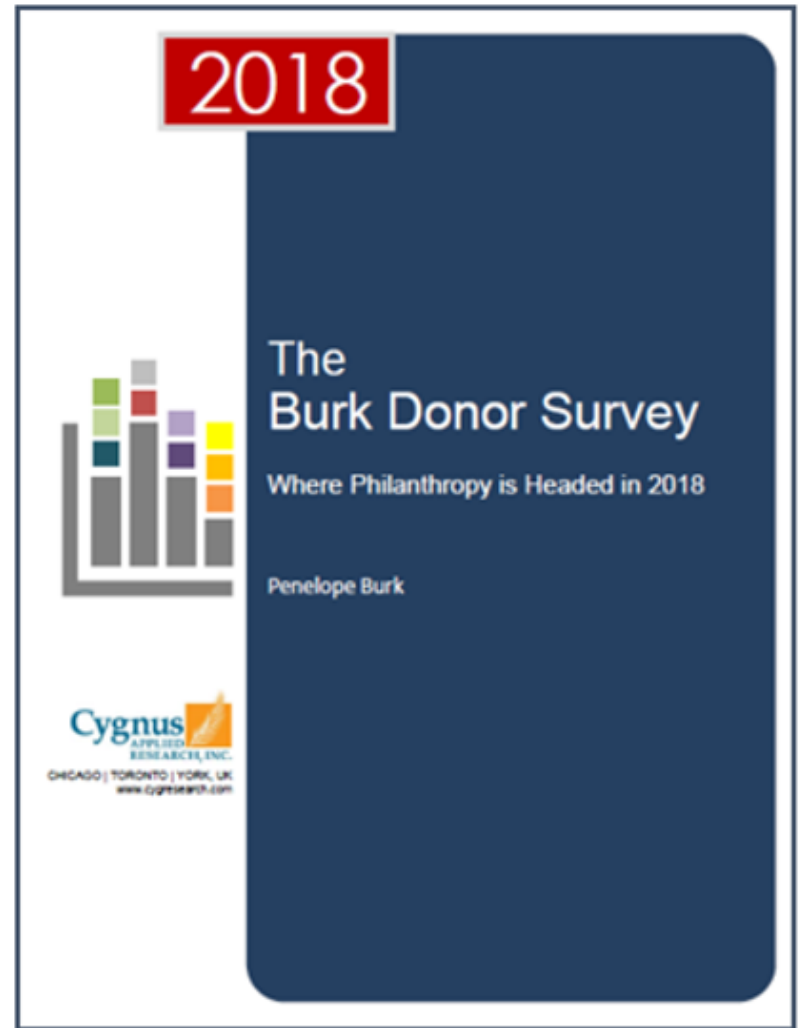
Impact of phone calls on second gift size



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

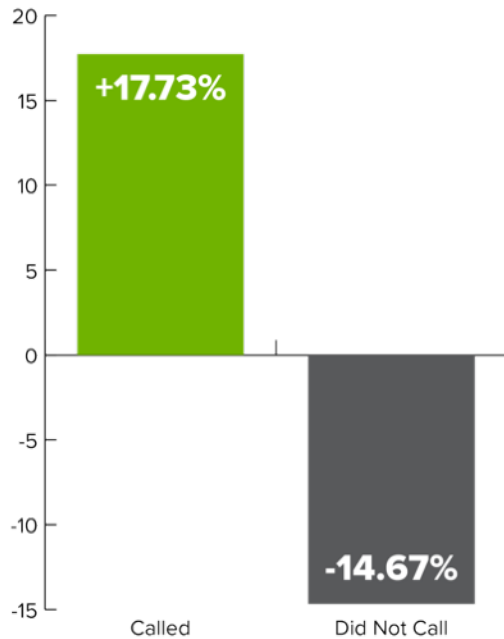
The power of the personal touch »

“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.”



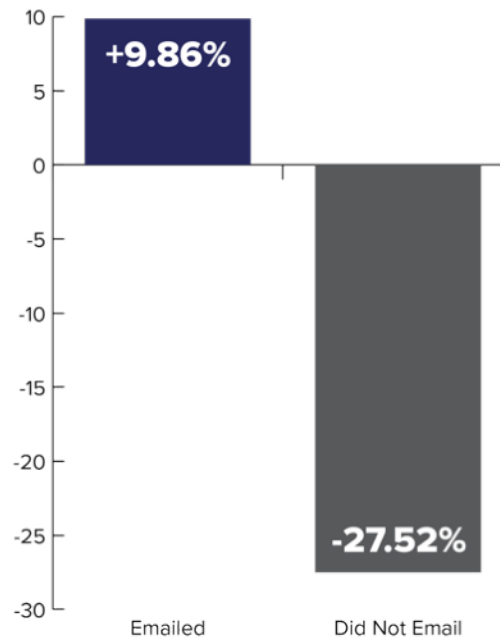
% change in revenue YoY »

Phone Calls



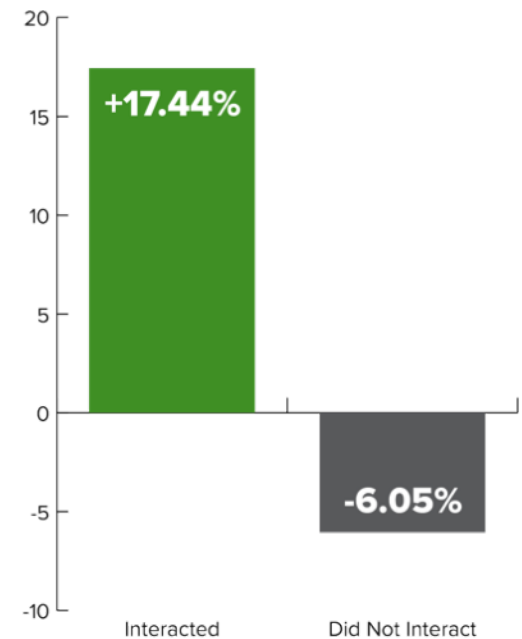
Phone Calls	Customers	%
Called	1,085	26%
Did Not Call	3,015	74%

Personal Emails




Personal Emails	Customers	%
Emailed	2,360	58%
Did Not Email	1,740	42%

In-Person Interactions



In-Person	Customers	%
Interacted	729	18%
Did Not Interact	3,371	82%


Thank you! 



Mike Elliott <melliott@outreachindiana.org>

Nov 2 (5 days ago) ☆



to me, Eric 

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 are 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](#)



OUTREACH
Hope for homeless youth

outreachindiana.org
317-951-8886



<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

<http://www.thedonorvoice.com/national-donor-commitment-study-and-proof-of-link-between-donor-attitudes-and-behavior/>

We can't do this without you!

Dear ,

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](#)

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
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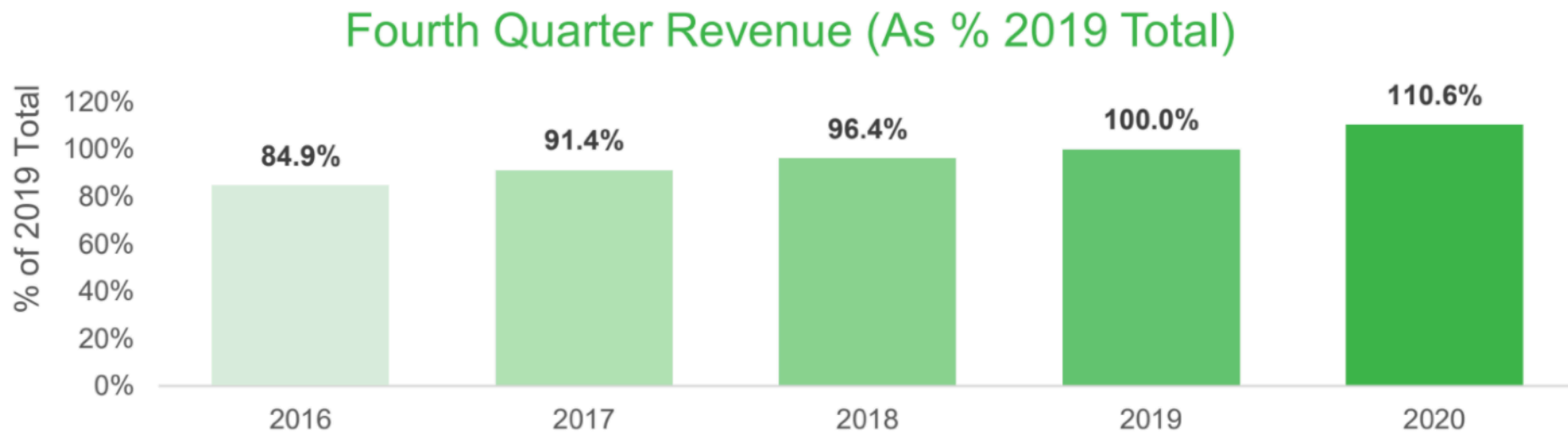
0 of 10 answered

1 2 3 4 5 6 7 8 9 10

Previous

Next

Pay attention to Q4 »



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.

FREE ABSOLUTELY 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.

SEE HOW



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.

SEE HOW



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

SEE HOW



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.

SEE HOW



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.

SEE HOW



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.

SEE HOW



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.

SEE HOW



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.

SEE HOW

<https://bloomerang.co/covid19/success>

Questions?

steven.shattuck@bloomerang.co

@StevenShattuck

Free eBook »

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

