



# Donor Retention: Crucial for Success

Acquiring donors is no doubt one of the most difficult, not to mention expensive, activities a non-profit organisation undertakes. So, when we spend so much time and money on getting new donors, are we focused enough on making sure we keep them?

According to a recent global benchmarking study by membership and fundraising software company, Advanced Solutions International (ASI), the answer is a resounding no. Donor retention measures the number of donors that continually donate to your organisation, and almost half of the organisations examined indicated that donor retention was a concern for their charity.

The study, conducted with over 300 fundraising professionals across the US, Canada, Asia-Pacific and Europe, identified that 45% highlighted declining or stagnant retention rates, whilst 30% didn't even know their overall retention rate. For a small portion of the organisations that had declining rates, their donor turnover was more than 90%.

Despite these findings, it was apparent that improving donor retention was not considered an important objective for many; they instead had goals focused on increasing donations, acquiring new donors and expanding donor engagement. Sure, expanding donor engagement is one way to improve donor retention, but if so many of your supporters are not hanging around shouldn't one of your top priorities be to try and keep them?

Other research, done as part of The Fundraising Effectiveness Project which is undertaken regularly by the Association of Fundraising Professionals, found that from over 3,500 charities there was an average retention rate of 43%. Initially, this sounds pretty good, but when you think about it for a moment, that means the average charity is losing more than half of their donors every year! That's a lot of wasted time and money.

So, if we are investing resources into donor acquisition, we really need to be sure we have a plan in place to work towards keeping more of them. One of the best

ways to do this is by making sure you keep them engaged and connected to your cause. Here are nine key ways to start doing this today.

## 1. Be Welcoming

Donors matter. Without them, your organisation would cease to exist; so as a fundraiser, it's your job to let them know that, especially a first-time donor. They may not have thought too much about making their first gift to you, or alternatively they may have been very deliberate with where their money went. Either way you want to make them feel like they made the right decision and that their contribution is making a difference.

A first-time donor welcome pack can help you to achieve this. Sent a week or two after their receipt has been provided, a welcome pack is an opportunity to provide your new supporter with some more information about your cause and more specifically, how their recent gift will be used.

## 2. Get to Know Them

The more you know about your donors, the more you will be able to tailor messages to them and grow their level of trust in your organisation. Key demographics are great, such as birth dates, marital status and occupation, but ideally you want to get to know them deeper than that.

What motivated them to first donate to your cause? What interests them most about your organisation? What other organisations do they believe in? How does your cause measure up against what others are doing in a similar field? Some of this can be done through donor surveys, but whenever possible talk to your donors. Have a conversation, whether in person at a donor event or over the phone. Just start a conversation.

## 3. Get Personal

Nothing makes a donor feel more connected to your organisation than feeling like you really know them and appreciate their support. One of the best ways to show this is to be as personal as

you can with your communications with them. Where possible, write a hand written note on their receipts or thank you letters. If you know the date, send them a birthday card.

## 4. Keep in Touch

In any relationship regular communication is important and it's no different with your donors. How you choose to do this depends on who you're communicating with and ultimately, your budget. What is most important is that you do it regularly.

While a newsletter twice a year might be enough, emails might be better to do once a month. And, don't forget, your communication doesn't always need to be about asking for a donation – in fact your communication becomes more powerful if it isn't always an ask.

## 5. Say Thank You

This point seems like the most obvious one, but you will be amazed by how many organisations are not recognising their donors properly. Saying thank you is a must in building good donor relationships. Personally, I think it's one of the best parts of fundraising and it's something you can get your trustees or volunteers involved with.

Sending out a thank you letter when a donation is received is mandatory, but making phone calls from time to time is also a nice gesture. Insist that your Chairperson spends an hour each month phoning your top 20% of donors from the previous month, for no other reason than to say thank you. It's a rewarding task that once they start doing, they will love, not to mention the positive response from your donors.

## 6. Celebrate Generosity

Your organisation couldn't exist without your donors, so celebrate their generosity. Tell their stories in newsletters, on your website and even in your annual reports. Not just the big givers either. It's important to celebrate all levels of generosity. And, what's more, most donors will love being asked to feature in a story about their support.



Don't forget social media is great for doing shout outs too. This is particularly well-received if the donor is a business or a philanthropic foundation. (Of course, remember to get their permission before you acknowledge anyone publicly.)

## 7. Report Back

Sharing updates and completion reports on your projects is a great way to engage your supporters. The more they know about what you're doing (and hear it from you wherever possible – not read about it in the paper) the more they will feel connected with your cause.

It doesn't always have to be a long four page letter – just something so they know you thought of them. It could even be a little postcard-type photo of one of your service users or some of the work you've been doing. If you show them that you care about keeping them informed, they will be more likely to keep caring about your cause.

## 8. Seek Opinion

There's no better way to make someone feel important than by asking for their advice – and then listening to it! From time to time, send 'test' mailings or campaign materials to a select group of donors and ask them what they think. Let them know it's a tester only and that you really value

their opinion. Or, if it's geographically viable, hold a few donor focus groups once or twice a year to get feedback on various aspects of your fundraising and marketing material.

## 9. Involve Them

Find ways to get your donors involved with your cause. Whether it's through volunteering opportunities or hosting community fundraising events, have tangible 'connections' with your supporters wherever possible. And give them opportunities to do something more than donate. That's why peer to peer fundraising is so great – it empowers your supporters to do more for your organisation.

While you may not have a large number of donors now, this number will grow. Therefore, it is important to organise your ideas for connecting with donors and building retention rates as best as possible. It would be useful to develop an engagement plan with some basic processes to be followed at key intervals in your donor relationships. Some examples of these might be; each time a new donor makes a gift, when someone donates over a certain amount (\$100/\$500/\$1,000), or if a donor makes their 10th gift to you or has been supporting you for a specific number of years.

Remember, while growing your donor base is important for your organisation's future, you need to care for the donors you've already worked so hard to attract. Putting some of your efforts to 'work with what you've got' will noticeably increase your fundraising success and future sustainability of your organisation.



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