



Donor Retention

**Rates Continue To Plummet
What Every Fundraiser Can Do
To Reverse The Trend!**

Your Presenter

Jay B. Love



- 35 Years of NP Technology Leadership
- Over 20,000 Database Installations
- Former Founder & CEO of eTapestry
- Former CEO of Master Software/Fund-Master
- Conner Prairie Museum Board Member
- AFP Ethics Committee (Past Chair)
- Former Center on Philanthropy at IU Board Member
- Innovation Fund at Butler University
- Former Gleaners Food Bank Board Member
- Co-Chair of Indianapolis YMCA Capital Campaign

Do you know your retention rate?

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In our surveys, less than
15% of fundraisers
knew their current
donor retention rate.

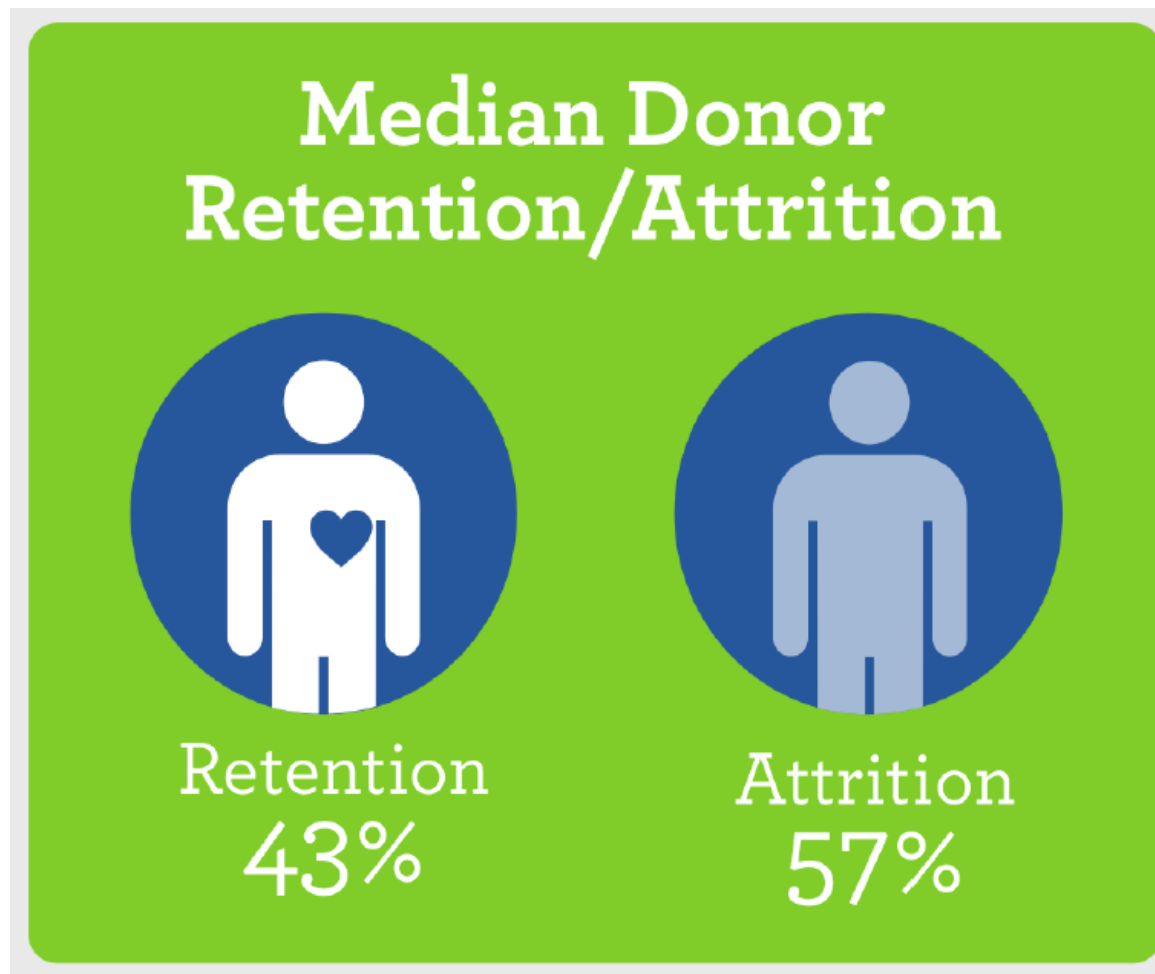


Growth in Giving Initiative / FEP »



<http://afpfep.org>

The 2016 results are in »

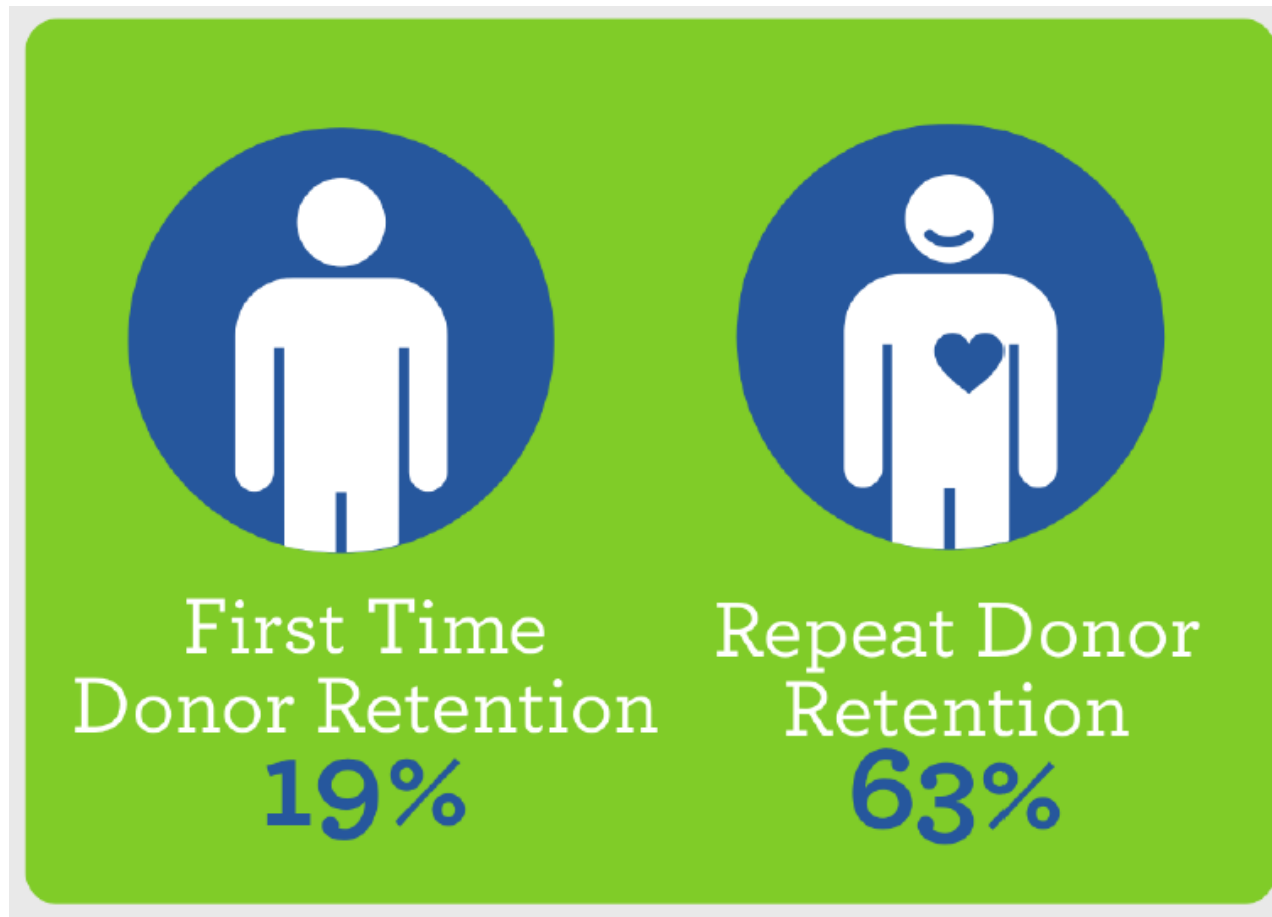




Yes, your eyes read correctly:
Nearly SIX out of every TEN Donors
from the previous year did NOT
donate at all the next year!



New donor retention is even worse»



Who to focus on »

88% of dollars raised comes
from 12% of the donors

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>

So what?

Improving donor retention rates by just 10% can increase the lifetime value of your database by 150-200%!

- Dr. Adrian Sargeant,
Bloomerang Chief Scientist



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

Calculating donor retention »

of Donors in Current 12 Months

(from the previous years pool)

Divided by

of Donors in Previous 12 Months

<https://bloomerang.co/retention>

Importance of dollar retention »

\$0 - \$25

\$26 - \$100

\$101 - \$1,000

\$1,001 - \$10,000

\$10,000 & Up

(50% of Total)

(Where do you desire
a 10% change?)

Database Effect on Retention »



Can you have too many names in your database?

0 / 10 / 90 Rule »

- 0% of your funding
- 10% of your funding
- 90% of your funding

0 / 10 / 90 Rule »

- 0% of your funding
- 10% of your funding
- 90% of your funding

What should you do with each segment?

0 / 10 / 90 Rule »

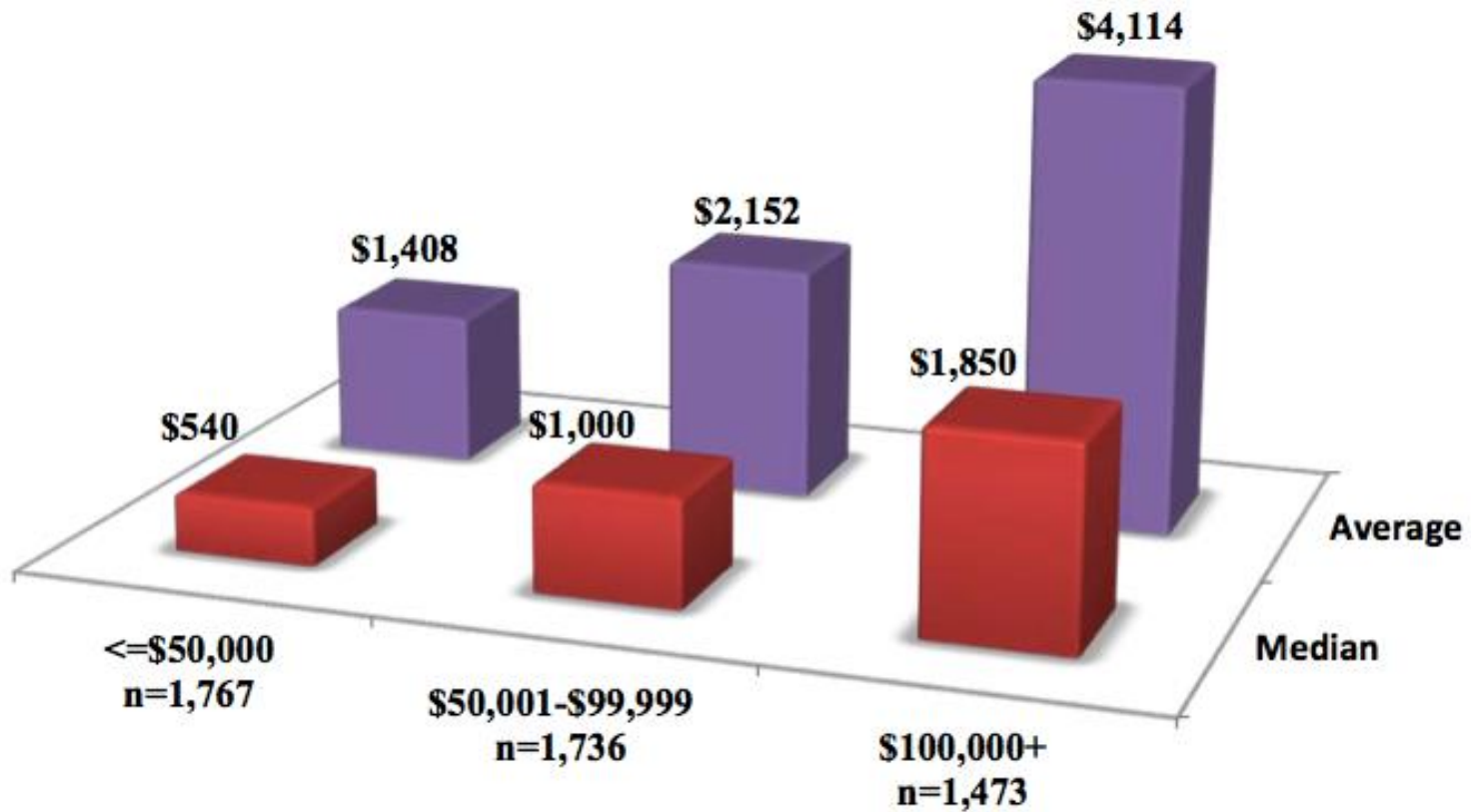
- 0% of your funding
 - remove all but:
 - previous above-average donors
 - previous board members
 - previous top volunteers
 - alumni
 - positive replies to surveys
- 10% of your funding
 - handle in an automatic manner, but research
- 90% of your funding
 - focus the majority of your efforts here

Defining Lifetime Value »

“The total net contribution that a customer/donor generates during his/her lifetime in your database”

Overall Giving by Household Income Level

Source: Philanthropy Panel Study - Lilly School of Philanthropy



Importance of being a chosen charity »

The number of charities supported annually:

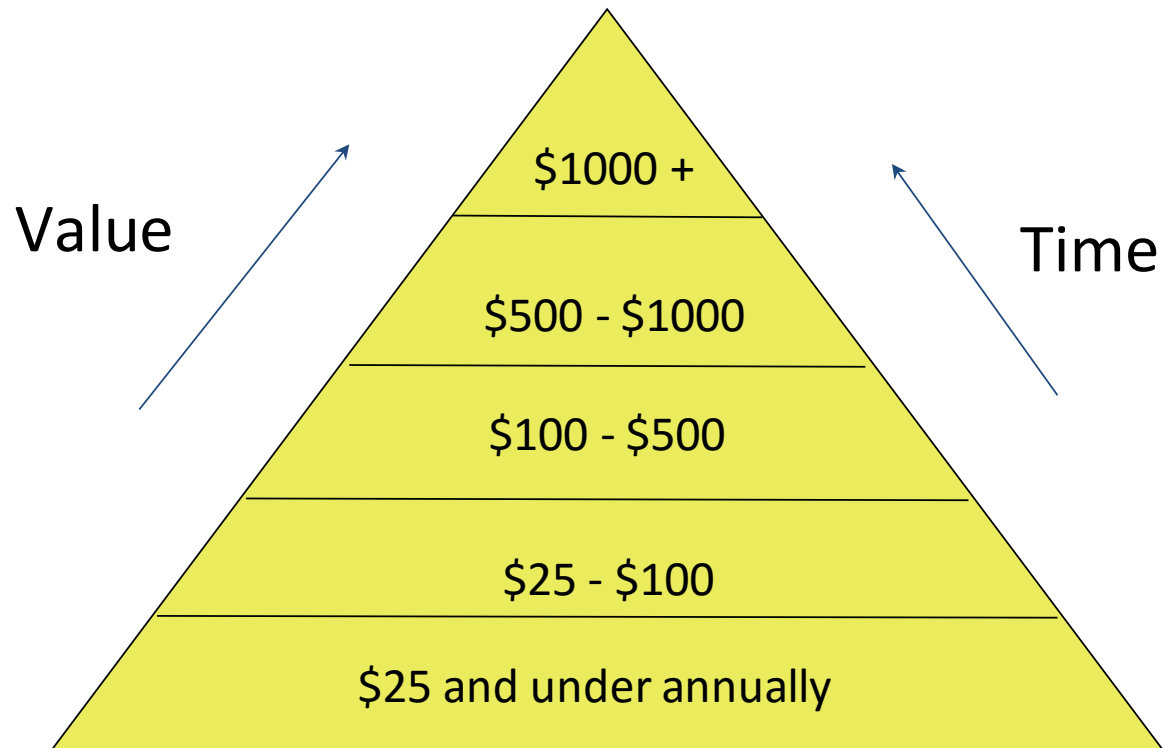
- Income 50K – 2-3
- Income 100K – 3-4
- Income >100K – 4-5
- One is usually their church
- Second is most likely their school



Where Does This Leave Your Cause?



Value Segments »



Why for-profit customers leave »

- 1% - death
- 3% - relocation
- 5% - won by competitor
- 14% - bad complaint handling
- 77% - lack of interest from us

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

<https://www.linkedin.com/today/post/article/20140520191728-746287--infographic-why-donors-stop-their-support>

6 Key Retention Drivers

(That can double lifetime value)

- Drip feed mission performance via stories
- Connect often (1st 90 Days!)
- Be personal (SEGMENT via DB)
- Develop like a good personal friendship
- Find & use numerous human connectors
- Always communicate what \$'s are doing!

Donor communications »

“Are your charity's fundraising, advocacy or other "persuasion" communications riddled with common, hidden flaws that limit their effectiveness?”

- Tom Ahern,
Bloomerang Donor
Communications Head Coach





Edit Letter Major Donor Thank You

Delete

Cancel

Save And ▾

Design

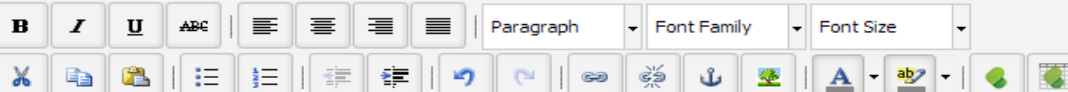
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The Ahern Audit



People for Puppies
5625 N. Post Rd., Suite 100
Indianapolis, Indiana 46216

Today's Date



Name

Address

City, State/Province Postal Code

Hi Formal Name,

We wanted to thank you for the Amount donation that you made on Date. Every act of your generosity helps us further our mission. *In fact, your gift has helped us rescue 2 puppies!* Two cuddly creatures that would have otherwise been homeless are now safe because of your donation.

Because we are a registered 501(c)3 organization, your donation is completely tax deductible. Please keep this for your tax records to claim your deduction. Again, we thank you for your support in helping to make the world a better place.

Thank You

Kay Nine, Executive Director
People for Puppies

Ahern Audit Results



The "You" Test



You used "you" words 11 times and "we" words 5 times.
Ideally, you should use twice as many "you" words as "we" words.

[Read More](#)

Flesch Kincaid Reading Level Test



Your letter is written at a 6th grade reading level.
It should ideally be between 6th and 8th grade.

[Read More](#)

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Thank You

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B*I*U

ABC

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Paragraph

Font Family

Font Size



Ahern Audit Results

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You used "you" words 11 times and "we" words 6 times.

Ideally, you should use twice as many "you" words as "we" words.

Flesch Kincaid Reading Level Test[Read More](#)

Your letter is written at a 5th grade reading level.

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Thank You



by  bloomerang

Honoring **OUTSTANDING**
donor communications

<https://bloomerang.co/bloomies>

Engagement Begins With The Thank You!



5 Acknowledgment Principles

(Drastically Improve First Year Donor Retention)

- 48 Hour Rule
- Be Different Than the Rest
- Handwritten Rule Written Communications
- State Exactly What the Monies will Fund
- Call or See in Person as Often as Possible

5 Communication Strategy Practices

(Involve Your Entire Fundraising Team)

- Fully Map a Track for Each Key Segment
- Survey in 1st 90 Days, Then “Honor”
- Involve Human Connectors
- Nurture Means Personal
- Never Forget the “You” Test for EVERY “Touch”

Free educational resources »

- Daily blog post
- Weekly webinar
- Downloadables
- Nonprofit Wrap-Up
- Bloomerang TV

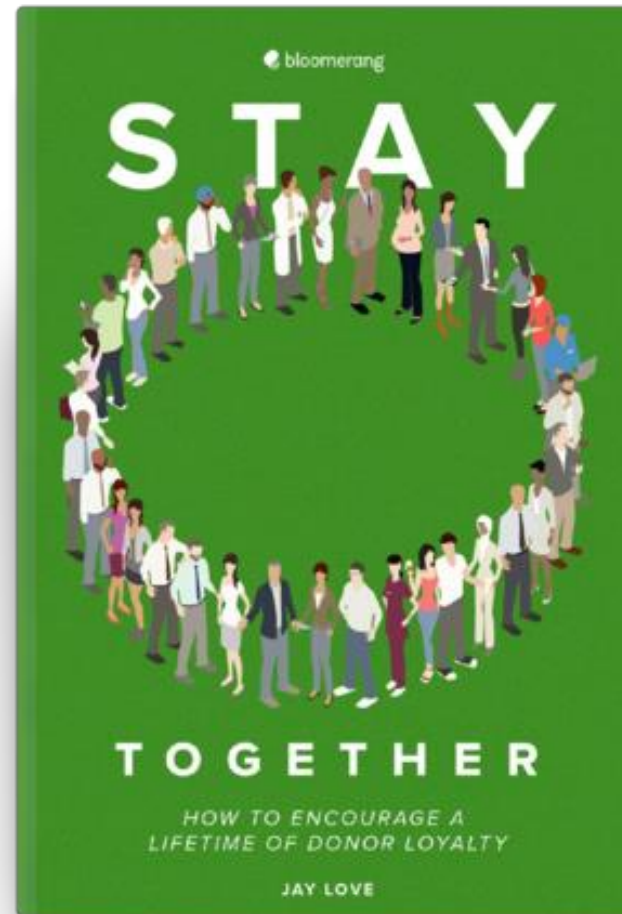


<https://bloomerang.co/resources>

Questions?

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@JayBarclayLove

Free Book »



<https://bloomerang.co/staytogether/>