

Strategies to Ensure Nonprofit Donors Don't Leave

by Claire Axelrad, J.D., CFRE



I've written on the subject of [strategies to renew lapsed donors](#). Because folks who've demonstrated a willingness to support your cause are too valuable to let them fade away without making a concerted effort to [win them back](#).

What about nipping this problem in the bud, *before* your donor leaves you?

That would be the smart thing to do, right? It's a lot more trouble to find something you've *lost* than to just *keep* it with you!

Today we're going to take a look at why your donors may decide to leave.

It's important to understand why donors leave, and why they stay.

Otherwise, you won't be able to take control of your donor retention numbers. And by now I hope you know that **donor retention (or the lack thereof) will make or break your fundraising program**. Read the latest [Fundraising Effectiveness Project](#) report to see how average donor retention has been less than 50% over the past decade.

The name of the game in the business of sustainable fundraising is [maximizing the lifetime value of your donor database](#).

Every year you keep your donor with you contributes to this lifetime value, and the shorter their stay with you, the lower this value. Pretty obvious, right? Yet most nonprofits due a poor job – right from the get go — [maximizing lifetime donor value](#).

Problems begin right after a donor makes their first gift!

The problem is gift recipients too seldom think of this as the beginning of a beautiful *transformative relationship*. Rather, they look at it as a simple *monetary transaction*.

It's not too hard to imagine this perspective doesn't make donors feel good. In fact, if you're losing a lot of donors it's likely because **you're not making supporters feel their donations make a significant difference**. And this translates *personally*. Donors report feeling they don't matter.

That is really terrible, right? In fact, you can probably relate. Have you ever made a donation someplace where you weren't thanked? Where the organization never reported back to you on the impact of your gift? Where the only time you ever heard from these folks was when they wanted something from you?

Many of the **primary reasons donors leave are related to poor communication** – both in terms of quality and amount – and the reasons are similar to why friendships frizzle and evaporate. You get busy; forget to call or write, fail to show gratitude... even stop thinking about each other.



It doesn't inspire repeat giving.

I often say if you want gifts, you must first give them. If all you do is take, take, take, that's a surefire recipe for disaster. If you don't meet your friend or donor's needs by doing a little giving, you're going to lose them. **Period.**

What can you do differently?

Begin with a written wooing strategy.

I also call this a **Donor Love & Loyalty Plan**.

There's plenty of research showing the rewards you'll reap if you pay more attention to **doing the woo**. Show your donors you (1) know them and (2) love them; when the time is right, also (3) give them meaningful opportunities to do things that make them feel good. They will reward you!

SURVEYS SAY:

Why donors leave

- **46% leave for reasons tied to lack of meaningful info or appreciation** (Penelope Burk, [Donor-Centered Fundraising](#)).
- **53% leave due to lack of communication** ([Bloomerang](#), "Nonprofit Donor Loyalty Primer" Infographic via Dr. Adrian Sargent, "Managing Donor Defection").

What donors want

- **60% want impact and success stories** and will renew based on organization's ability to show what it can accomplish. (Software Advice; see also [The 2013 Millennial Impact Report](#). Achieve. The Case Foundation.)
- **75% use information about a nonprofit's impact** in their giving decisions (Informed Giving: [Information Donors Want and How Nonprofit Can Provide It](#). Root Cause. 2013).
- **75% list "information on results achieved with their gifts"** as their top requirement to motivation for future giving. ([The Burk Donor Survey](#). Cygnus Applied Research, Inc. 2013).
- **93% would give a second gift** to the same organization if its fundraising were donor-centered (Penelope Burk. [Donor-Centered Fundraising](#)).

What donors will do

- **70% would increase their philanthropy** if they received what they needed (Penelope Burk, [Donor-Centered Fundraising](#)).
- **35% want to give more** (2014 U.S. Trust Study of High Net Worth Philanthropy)

Donors need to hear from you immediately after they give, and again before you ask again.

And when I say 'hear,' I mean **you've got to send them something *relevant and personal***.

Otherwise, they won't even notice it. An [Abila Donor Engagement Study](#) found that 21% of donors say they were never thanked for their gift. My hunch is some of them technically were, but the thank you was so perfunctory, boring and/or sounded like another fundraising letter (i.e., "The need is still so great... we hope to serve X thousand clients this year... we have X hundred on a waiting list... yada, yada, yada) that they tossed it without even reading it.

Guess what? **It's *your* job to make sure donors know how much they matter**. If you don't do this effectively, you're a *thief*! That may sound harsh, but you're actually *robbing* donors of their deserved 'feel good' if you don't put some real attention, time and resources into **communicating impact to your supporters**.

Think of it this way – the next time someone asks you at a cocktail party what you do for a living, do you want to have to tell them you're a 'donor thief?'

I didn't think so!

So let's begin at the beginning.

The only way donors can tell how much you appreciate them, and their gift, is if you tell them.

You notice how you have to appreciate the donor *as a person*, and not just thank them for giving money?

Per an [Abila Donor Loyalty Study](#), approximately 71% of donors reported feeling more engaged with a nonprofit when they received content that was *personalized*.

You see, from the donor's perspective it's not just about the money. In fact, it's *mostly* not about the money. It's about doing something that makes them feel part of something larger than themselves. Something that makes them feel good. Something that literally (based on [MRI research](#)) gives them *a shot of dopamine that produces a 'warm glow'*.

Alas, the feeling doesn't last. At least not on its own. **Donors need a little positive reinforcement.** Sadly, *giving is seldom its own reward*. People may tell you it is, but the research shows otherwise. People need **acknowledgement**. Beyond that, they need **gratitude**. And if you want them to stick with you and grow their investment over time, they need a little **love**.

The way you communicate with donors must make them feel good.

If you do what I call 'checklist stewardship,' you're merely focusing on your own processes and not on donor needs (i.e., "A thank you went out" vs. "I called Claire personally to let her know how much her first-time gift meant").

The donor acknowledgement, to work its magic, must be **prompt, personal, relevant and 'stand out.'**

- **Prompt means within 48 hours.** This reassures your donor the gift was received and you're an efficient organization. It establishes trust – the foundation of all lasting relationships. If you wait too long to say thank you, the donor ends up feeling the exact opposite of how you want them to feel. Neglected. Uncertain. Distrustful.
- **Personal means you show you know this donor.** The thank you must acknowledge the donor by name, refer back to the campaign to which they responded, and recognize the amount and purpose of their gift. If they asked for something (e.g., to remain anonymous; to have a gift made in honor of a loved one; to have their deceased spouse's name removed from your list) the thank you must mention this. If you asked for something special (e.g., an upgrade; a response to a matching gift challenge; a commitment to give monthly; a commitment to share the appeal with their networks), the thank you must reflect this.
- **Relevant means you remind donors their gift will accomplish what they intended.** This means harking back to the purpose of the appeal, and reflecting this back to the donor. Don't say "thank you for standing with us." That's not why they gave. Say "because you care, mothers will have a safe home for their children."
- **Stand out means it must cut through the clutter and be perceived as a pure, genuine expression of gratitude.** [See [Nonprofit Donor Thank You's: What are You Doing to Stand Out?](#)]

The way you say thank you is the most important part of your overall donor love and loyalty communication strategy.

If you at all doubt this, test it for yourself. Take a **subset** of this year's donors and do something special for them. For example:

- You could **call one out of five new donors** immediately to say thank you. See if those who received the call renew at a higher rate, or give larger second gifts, than those who did not receive the call. If so, you can roll this strategy out to a larger group.
- You could send every other donor who gives online a **mailed letter in addition to their email receipt**. Again, see if those who received the additional thank you renew at a higher rate, or give larger second gifts, than those who did not receive a letter. If so, you can roll this strategy out to a larger group.
- You could send half of donors who give via mail at or above a particular dollar amount a **personal hand-written note** on their letter.
- You could send half of donors who gives above \$1,000 a **second thank you from someone directly involved with the program** for which they earmarked their gift (e.g., a program director or a beneficiary).

If you don't want to bother with tests and tracking, I doubt you'll find a downside to enacting any of these suggested strategies. Here's what other studies tell us:

- Donors **called by a board member within 24 hours of their gift being received gave an average of 39% more** than those not called.
- Donors receiving a thank you call were an average of **51% more likely to pledge again** the following year.
- Donors who only **received a voicemail were more likely to give** the following year than those who received no call.
- Even calls made **months after gift receipt** made a difference.

Are you doing enough to make donors feel like they matter?

If you think you could do a more effective job, don't procrastinate. Commit to putting a better plan in place. Today!

There's plenty of research showing this will pay off, big time, by increasing donor retention and the lifetime value of your donors. The best way to begin improving donor retention is with an easy-to-execute commitment – and a written plan – to say thank you more effectively.

Take a look at these related resources:

- **Building Donor Loyalty: The Fundraiser's Guide to Increasing Lifetime Value**, Adrien Sargeant and Elaine Jay
- **A Guide to Donor Retention**, Bloomerang