DONOR RETENTION TOOLKIT

How to retain every new and returning donor so they give again and again.
Introduction

Where does your nonprofit focus most of its fundraising energy? Chances are, the answer is getting more donors. From sending email appeals to hosting events, the goal usually is getting more people to care (and to give!) to your organization.

What you really don’t need is for someone to pull the drain on the bathtub while you’re trying to fill it up. **And yet, if you’re not focused on donor retention, that’s exactly what’s happening.**

Statistics show that for every 100 donors in a given year, only 46 will give again. That means that over half of those hard-earned donors are leaving your organization after their first donation.¹

We’re here to help you change that statistic by focusing on the human side of fundraising.

You put so much work into getting your donors.

Now here’s how to keep them.

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We love small nonprofits. We also believe small organizations deserve great technology, too. We’re helping 6,000 emerging nonprofits create more successful fundraising campaigns, and we want to help you, too.

Network for Good combines fundraising expertise with simple-to-use technology to provide smarter fundraising software that’s easy to use, with all the support and coaching you need to get the most out of your investment.

Ready to launch your fundraising campaign?

We’ve got you covered. Our suite of tools includes everything you need to grow results, not expenses. Schedule a time to talk with a fundraising consultant today!
Donor Retention: A Gratitude-Centered Communications Strategy

First Things First: Know Your Donors

The first step to effective communication is knowing your audience. Of course, knowing each and every donor personally might not be feasible. That’s why organized and easily accessible donor data is crucial.

A functional, easy-to-use donor management system (DMS) is going to be your best friend here. You’ll want a system that lets you easily track giving history, personal details, and your previous conversations with particular donors. This information makes it easier to build and maintain donor relationships and easily segment donors into groups based on shared characteristics, like giving levels.

Tracking and analyzing your donors also optimizes donor stewardship. With accurate information, you can better personalize messages, communication channels, and cultivation strategies based on each donor’s unique needs and preferences.

Calculate Your Donor Retention Rate

A: Number of donors who gave a gift in 2014 (or a specific 12-month period)

B: Number of donors who gave a gift in 2015 (or the subsequent 12-month period)

C: Number of donors who gave their first gift in 2015 (or the subsequent 12-month period)

$$\frac{B-C}{A} \times 100 = \text{Your Donor Retention Rate}$$

Download our Fundraising Data Calculator for help calculating more important fundraising metrics

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Donor Segmentation: Start Simple

When segmenting your donor list, start with lifecycle segmentation. This means assigning donors into the following segments at the start of each fiscal year:

- New donors
- Second-year donors
- Multi-year donors
- Reactivated donors
- Lapsed donors
- Event (non-annual) donors

Since each donor remains in their lifecycle segment for a full year, it’s easy to compare each segment year-over-year to leverage donor segmentation. You can identify target groups and potential donor cultivation to develop and build an ongoing donor pipeline, reinforcing both the fundraising results and sustainability of your nonprofit. Once your data is organized, you’re ready to begin crafting retention-focused communications. For more ideas on how to segment donors for effective communications download our Donor Segmentation Cheat Sheet.

Your donor management system should:

- Give you the power to segment your donors so you can tailor messages based on giving history, engagement levels and more.
- Allow for real-time reporting so you can monitor donation volume.
- Report key metrics in a simple dashboard that is ready to share with your board and leadership.
- Have a built in email marketing platform so you can track email statistics side-by-side with donor information and history.

Segmenting lists, sending emails, and viewing donation reports are simplified with Network for Good’s donor management system.

REQUEST A DEMO>>
5 Principles of Retention-Focused Communications

Every communication between you and your donors should be focused on retention. As you plan your communication strategy, keep these tips in mind to turn one-time donors into lifetime supporters:

1. Connect early and often.

After a donor makes that first donation, welcome them! Say thank you, share your gratitude, and tell them what you plan to accomplish with their funds. You can also ask first-time donors how they would like you to communicate with them and how often.

2. Be personal.

Segment your donors so that a first-time donor receives a different thank you letter than a repeat donor or a VIP donor. That simple separation will show your donors that you understand their unique relationship with your organization.

3. Relate to donors like they’re great friends.

Donor retention is built just like a friendship: sometimes you call your friends, sometimes you write to them, and sometimes you invite them to an event. Put the same variety of communication to work when getting to know your new donors.

4. Rally supporters to send your message.

All of the messages you send to your donors don’t have to come from you. If someone benefits from the funds raised at your event, ask them to write a letter about why that was meaningful to them, or let a sponsor write about why they chose to be involved. There are many different messengers you can call on to sing your organization’s praises.
5. Show how you’re achieving your mission.

Are the donations being put to good use? Let your donors know all the good work they’re helping you do whenever you contact them.

Craft Compelling Content

The best way to boost retention is engagement. Many donors stop giving because they were never updated on how their funds were used. A monthly donor update solves this problem.

To help you quickly craft a series of monthly emails to your donors, download the Donor Communications Kit* and answer the questions on the Content Helper tab. The information you provide will be automatically added to the templates on the tabs labeled with each month. Simply copy and paste the emails into your email marketing tool, select the appropriate list of donors and schedule.

The Donor Communications Kit’s last message is scheduled for October, just in time for one last touch that demonstrates their gift’s impact before your year-end appeal hits their inboxes.

*After you click this link, the kit will be downloaded to your computer as an Excel spreadsheet. Visit your recent downloads folder to access the file.
Putting it All Together: Your Donor-Retention Timeline

Now that you know the basic principles of retention-focused donor communications, it’s time to put your plan in action. This straightforward timeline from nonprofit expert Nancy Schwartz shows how and when to interact with first-time donors to ensure they stay engaged.

**On receiving an online gift:** Show your gratitude.

- Share your appreciation via a follow-up page as soon as your first-time donor finishes the transaction.

**Same day:** Get all donor and gift data into your donor management system.

- Many data points, from the time of day the gift was made to your donor’s zip code, can help you customize upcoming donor communications and increase the probability of future gifts. Don’t delay in inputting that data into your system.

**Within one day:** Thank your donor in a brief, but compelling, email.

- Use your donor management system to automate this initial email after the first-time gift.
- Mention the campaign or specific project your donor is supporting.
- Include a receipt (online gifts should get an auto-generated receipt the same day the gift was made).
- Send it from your executive director or star program staffer (if that staffer is well known).

**Within four to seven days:** Reinforce your thanks with a warm, heartfelt follow-up email or letter.

- Reiterate your appreciation for this first-time gift. Welcome your new donor to the cause.
- Share a specific impact story—photo or video op!—that donations made possible to show the importance of the donor’s gift. This person gave to your organization because they found something you said appealing, so reinforce that!
• Tell the donor how and when you’ll be following up and that you’re looking forward to getting to know him or her better.

• Invite the donor to get in touch with you or a colleague with any questions or requests.

• Send future messages from your executive director or development or program director to add a personal touch. Relationships are built from person to person, not from organization to person. Your donors will notice the difference in the email’s “from” field.

**Within two weeks:** Dig into your data to get to know your new donors.

• Assess your new-donor data at least every two weeks.

• Determine if your new donors do or don’t fit into your donor framework (target groups and segments within each).

• For new donors similar to your current groups and segments, determine how you can customize your messages to match the relevant segment while integrating your new-donor welcome and appreciation messages.

• Note any groups of outliers who are similar to one another but don’t fit well into existing segments.

• Articulate what’s unique about their wants and preferences. These gifts may signal the potential for more donors like them, but you need to know what “like them” is so you can look for it.

**Over the next 12 months:** Stay in close touch with relevant content.

• Use our [Donor Communications Kit](#) to create a drip series for your donors.

• Regular updates on your nonprofit’s work and how their donations are making a difference will decrease the chances that this donor will lapse.
About Network for Good

We love nonprofits. We also believe small organizations have important missions and deserve great technology, too. We’re a mission-minded organization, and, like you, we’re passionate about seeing good causes succeed.

Network for Good combines fundraising expertise with simple-to-use technology to provide smarter fundraising software, tools, and coaching that are easy to use and raise more money. Since 2001, we’ve processed over $1.4 billion in online donations for more than 125,000 nonprofits. We’re here to help you connect with donors and create more successful fundraising campaigns.

Ready to get even more from your fundraising campaigns?

We’ve got you covered. Our suite of tools includes everything you need to grow individual giving:

- Donation Pages
- Peer-to-Peer Fundraising
- Donor Management

Plus, best-in-class email marketing, event ticketing, and expert-backed coaching and resources.

For a personalized demo or to find out more, contact us today: 888.284.7978, option 1.

Or visit us online to reserve a time with one of our fundraising consultants and find out how the right software, tools, and support can help your organization raise more money this spring.