



# Triangle AFP

## Mastering Donor Retention by Building Donor Relations

Clare Jordan, VP, CapDev



*Serving nonprofits across the Southeast since 1984*

Development Planning & Campaigns  
Executive Search



## About Us

Since 1984, CapDev has been making nonprofits better through inclusive philanthropy consulting and search services.

### Our Mission

CapDev partners with nonprofit communities to enlist, empower, and embolden its leaders to embrace the transformational power of inclusive philanthropy.

### Our Principles

#### Enlist

We identify and connect leadership.

#### Empower

We partner to build sustainability.

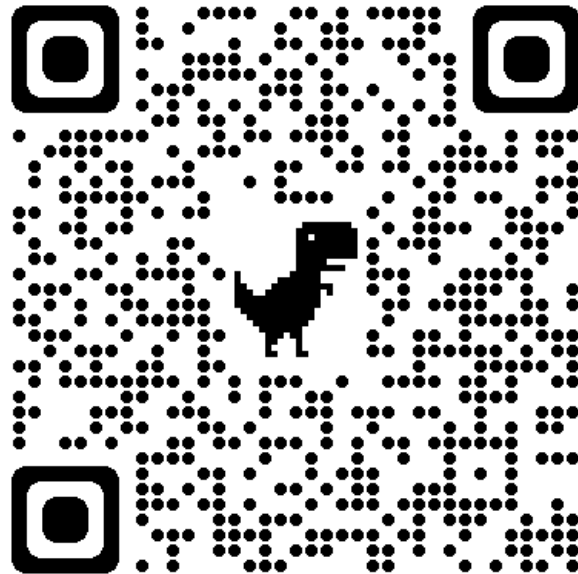
#### Embolden

We encourage talent and leadership.

#### Embrace

We transform lives through relational philanthropy.

Download today's slides:





Let's talk about:

What is happening?  
What you should know.  
What you can do about it.



# What's Happening: Donor Retention Data

- ↓ total number of donors 3.0%
- ↑ total dollars raised 3.7%
- ✓ retention rate 0.1%



DONORS

-3.0%

(+/- 3.5%)

YOY change



DOLLARS

+3.7%

(+/- 3.0%)

YOY change



RETENTION

+0.15

(+/- 0.15 p.p.)

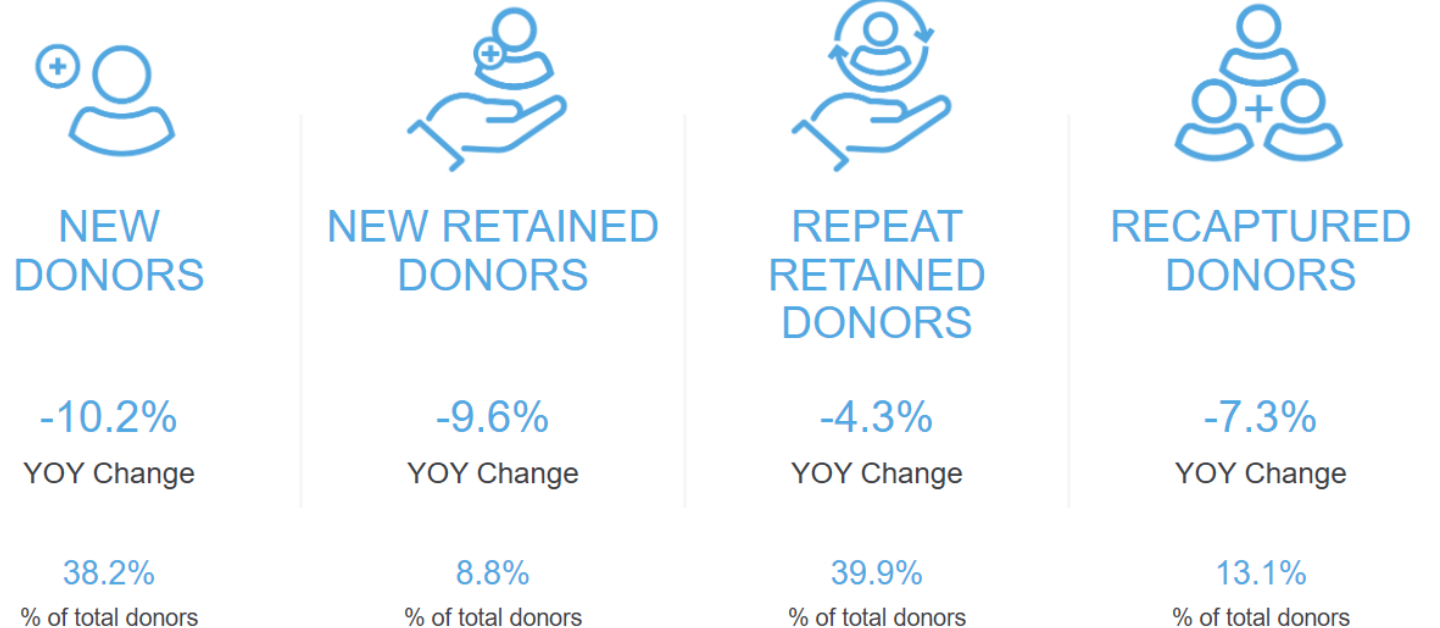
YOY change



# Deeper Dive Into Declines in # of Donors

## Key Takeaways:

- Challenges activating new donors
- Need to cultivate longer-term relationships
- Repeat donors are most stable supporters



*How are you engaging repeat donors to retain them?*



# Deeper Dive into Retention by Donor Types

- 14% of **New Donors** retained (on par with 2023-2024)
- **Repeat Donor** (43.6%) retention is higher
- **Recaptured Donors** are less consistent and declined slightly to 2%



## NEW DONOR RETENTION RATE

-0.0 p.p.  
YOY Change

14.0%  
retained YTD



## REPEAT DONOR RETENTION RATE

0.2 p.p.  
YOY Change

43.6%  
retained YTD



## RECAPTURE RATE

-0.2 p.p.  
YOY Change

2.0%  
recaptured YTD

*What are you doing to re-engage first-time donors?*



# What is a Good Donor Retention Rate?

Average across nonprofits

45 to 60%

First-time donor retention

20 to 25%

Repeat or major donor retention

60 to 75%

90%

Monthly Donors



from doublethedonation.com



## What can you do about it?

1. Analyze & monitor donor data/engagement
2. Personalize donor engagement
3. Show gratitude & communicate impact



# Solution: Assess Donor Data



# Start by Calculating Your Donor Retention Rate

Bloomerang [calculator](#) helps visualize the impact of increasing your donor retention rate on your fundraising revenue:

1. # of donors this year
2. how much did they gave
3. current donor retention rate
4. How much would you like to increase your rate?

## How to Calculate Donor Retention Rate

$$\text{Donor Retention Rate} = \frac{\text{\# of Donors Who Gave Last Year and This Year}}{\text{Donors Who Only Gave Last Year}} \times 100$$





# Calculate the Value of Improved Donor Retention

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 Difference: \$ 456,349**

Just a small change in your donor retention rate can cost your organization thousands of dollars!

Note: Some numbers rounded





## Analyze Donor Data

*What should you know about donors to personalize outreach?*

- What motivates them to give?
- What issues do they care most about?
- How do they like to be contacted?
  
- Does your CRM include: giving history, wealth indicators, donor interests?
- Do you record who opens/clicks, attends events, likes social media, etc.?



# Solution: Donor Engagement



# Research Indicators for Identifying Best Potential Donors

1. Those who are already giving (big):
  - RFM = Recency, Frequency, Money – *formulas on next slide*
2. People who are philanthropic
3. Current & past leaders
4. They make \$1k+ federal political contributions
5. Own \$2M+ in real estate



## Recency

Most recent gift received



## Frequency

How often they give to you



## Money

Lifetime dollars donated



# Engagement: Involve Board in Campaigns

**Marbles Kids  
Museum:**  
flash mob

Followed  
with mailing  
– board  
wrote  
personal  
notes to 100  
targeted  
prospects





# Where Are We Missing Opportunities

Tapping into  
the potential  
of your  
LYBUNT list



- LYBUNTS
- SYBUNTS
- Targeted segmenting
- Invite to non-FR events
- Follow-up:
  - Phone calls
  - Offer tours
  - Meet for coffee; home visits





# Engaging & Retaining DAF Donors

## ***Paying attention to DAF donors is critical!***

- More than doubled in past 5 years
- 2022 DAF grants totaled \$52.16 billion - a 9% boost

## **So... here are some things you can do:**

- Know your DAF donors & build trust with them
- Communicate with them consistently
- Be aware of DAF donors' giving trends (ex: time of year)
- Recognize DAF donors
- Make it easy for DAF donors to make gifts by streamlining your giving processes with them in mind



# Solutions: Stewardship



# Why Stewardship Matters

Good  
stewardship  
creates good  
supporters.

= more giving





# The Real Purpose of Stewardship is Gratitude

*Goal: Retain the relationship with a donor and show appreciation*

- More than just a “thank you” → ***Storytelling opportunity!***
  - Timely, personal acknowledgements are a critical part of stewarding donors
  - The thank you letter is not the only part
  - More than a receipt
  - Think of it as the first step in donor engagement
- **Ongoing process: Impact & Involvement**
  - **Impact:** keep donors apprised of the value that their gift adds to the organization
  - **Involve:** offer donors opportunities to be involved in the organization



# Example: Boys & Girls Club of Tar River

**Puzzle thank  
you notecards:**

“You are a  
piece of the  
puzzle” in  
making the  
Dream Center a  
reality.

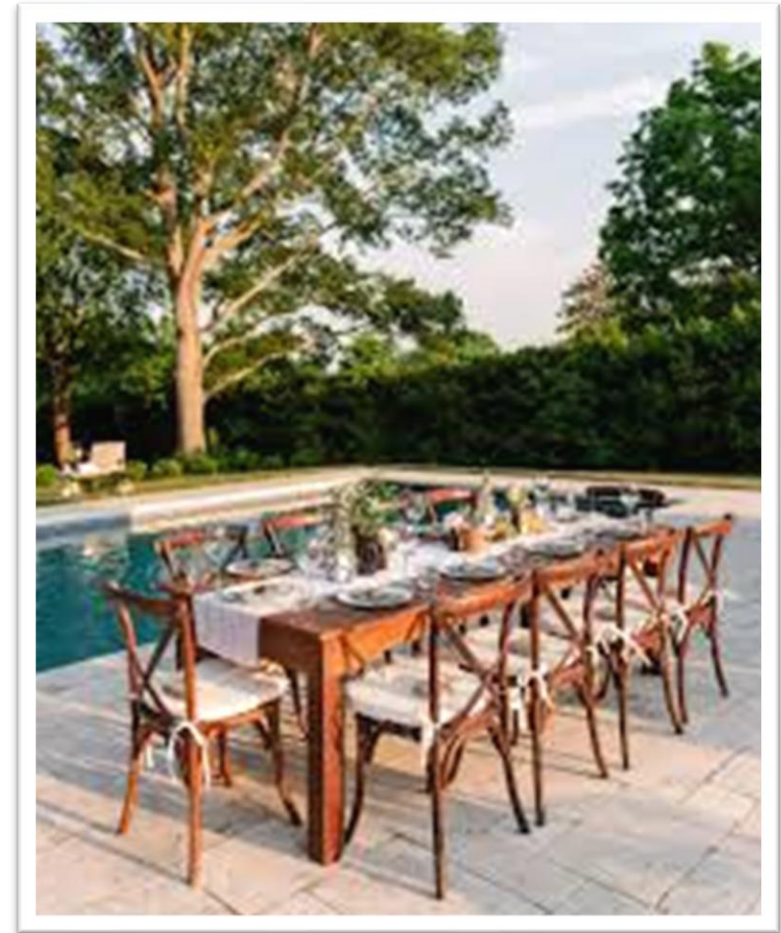
**+ scarves** for  
the tour on a  
chilly day





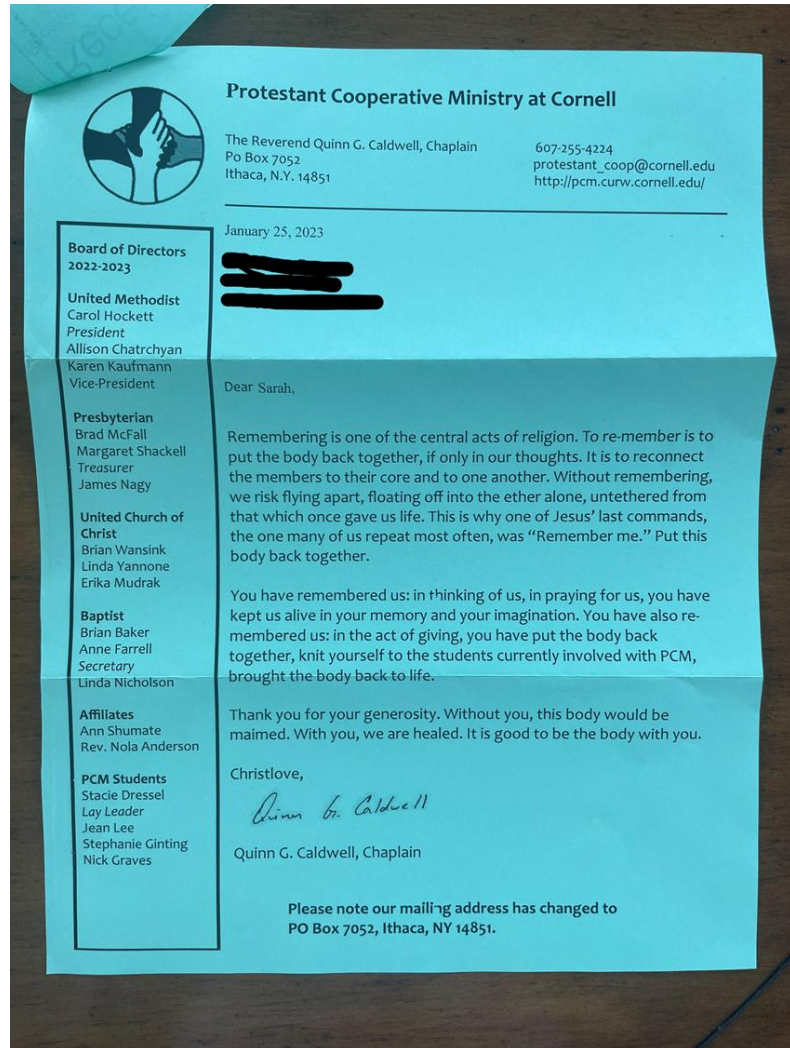
## Stewardship Event Example: NC Aquarium Society

- Hosted small community gatherings / neighborhood dinners
- Helps potential donors feel like insiders
- No ask at the event
- Follow-up is critical
- Received gifts from many first-time donors





# Example: A Simple but Really Good Thank-You Letter



It is more about the DONOR  
than the DOLLARS

3 Reasons to like this letter:

- Prompt
- Personal
- Powerful



# Example: Impact Statement



An Impact  
Report for  
The XXX Family

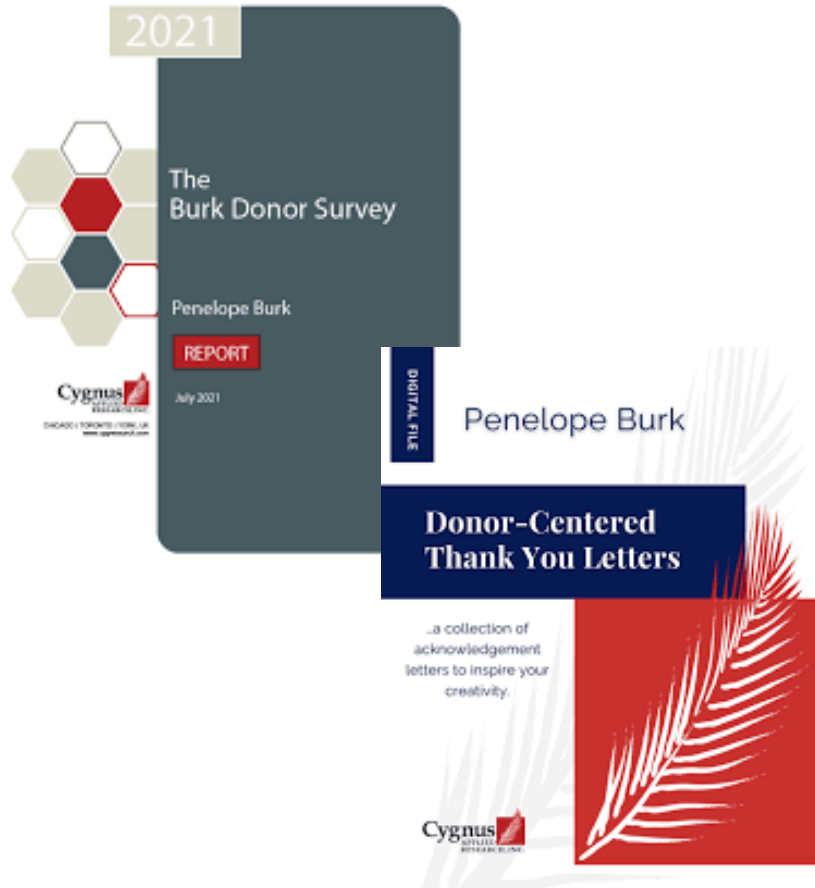
## Share a Personal Impact Report with Major Donors

Example from UNCSA includes:

- Photos
- Personal letter
- Scholarship recipients; profile
- Endowment/funds; testimonials
- Narrative descriptions of impacts
- Total of AF giving + other gifts



# Why Showing Impact Matters



“What could unleash your philanthropy at a whole new level?”

Penelope Burk survey:

Almost 50% said they were not giving at full potential because they hadn't received enough information about how their philanthropy had been spent.

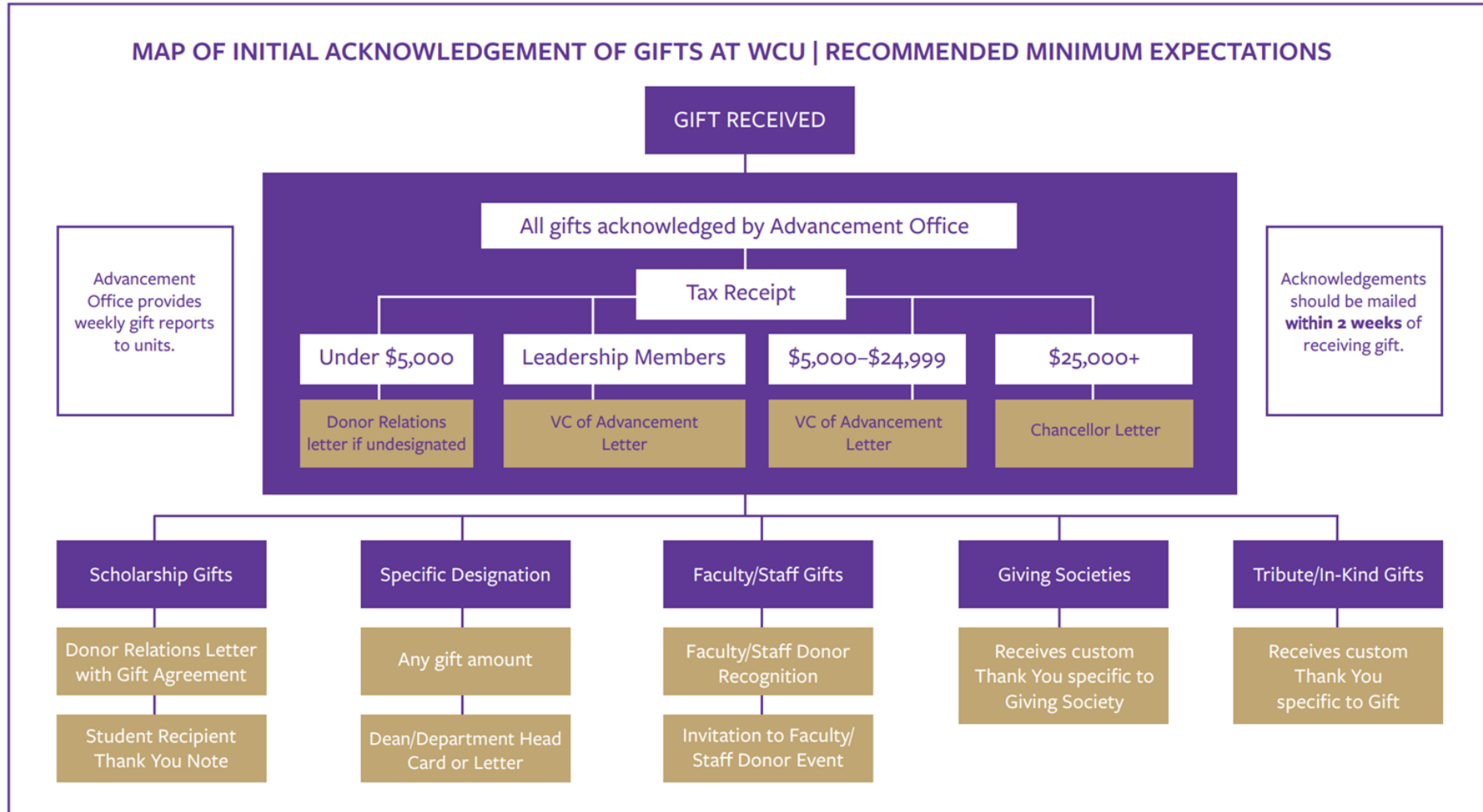


# How Do You Acknowledge Gifts?

- Acknowledge gift immediately
  - Not months later
  - Include organizational thank you (letter/receipt) AND personal notes from solicitor, executive director and/or board chair
- Transparency
  - Clearly describe to the donor the value of the gift
    - ▶ Where did my money go? What did it do?
  - Describe impact on programs, services...
  - Provide interesting annual reports
- Include photos, newsletters, testimonials in follow-up emails



# Example: WCU's "How We Thank"





# Example: Stewardship Matrix

Donor Type		Gift Amount	Acknowledgement Letter	New Donor Welcome Packet	Print Newsletter	Personal Email	Small Gift (Calendar, Magnet, etc.)	Major Donor Event	Phone Call from BOD	Quarterly Major Donor Special Newsletter	E.D. Handwritten Card or Call	Stewardship Trip Special Invite
Monthly	Up to 9	X	X	X								
One-time	up to 99											
Monthly	10 - 29	X	X	X	X							
One-time	100 - 299											
Monthly	30 - 49	X	X	X	X							
One-time	300 - 499											
Monthly	50 - 99	X	X	X	X	X	X					
One-time	500 - 999							X				
Monthly	100 - 199	X	X	X	X	X	X	X	X			
One-time	1,000 - 2,499											
Monthly	200 - 399	X	X	X	X	X	X	X	X	X		
One-time	2,500 - 4,999											
Monthly	400 & up	X	X	X	X	X	X	X	X	X	X	
One-time	5,000 & up											
<b>Bequest</b>			X	X			X	X	X	X		



## Create a Board Stewardship Committee or Appointee

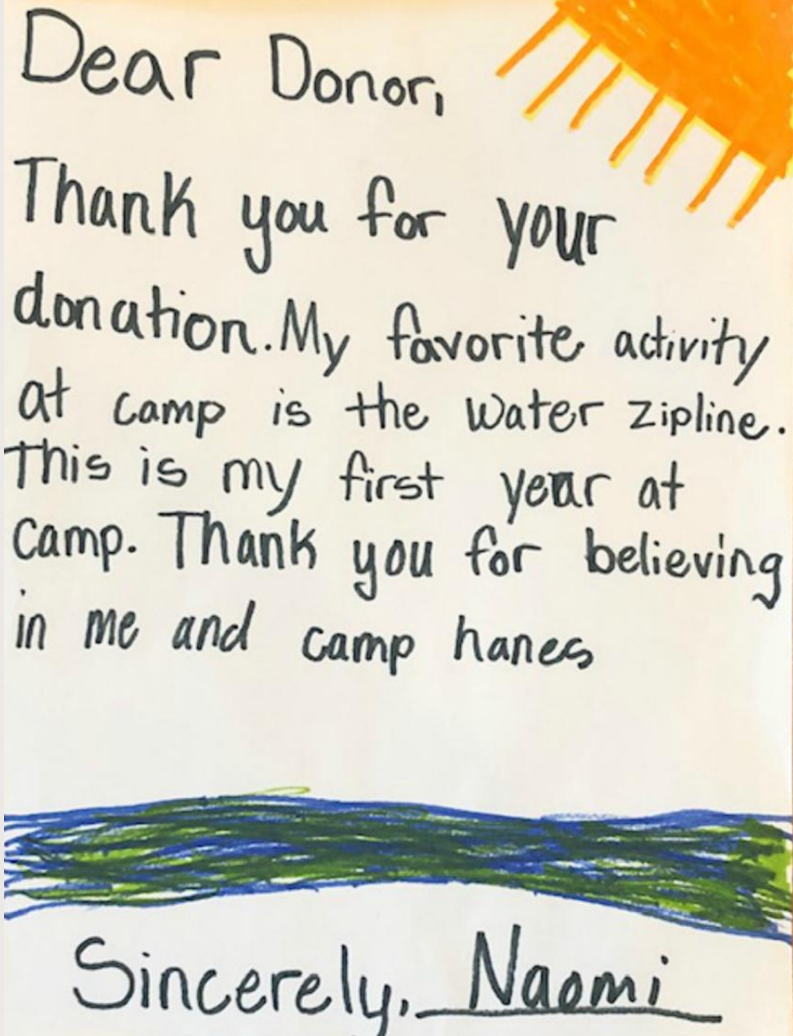
- Good stewardship is the antidote to poor retention rates
- Create a board-level **Stewardship Committee** charged with thanking donors
- Research shows that **increasing the donor retention rate** by 10% increases the value of the donor base by at least 50% (and up to 200%)
- Having a board member **call a first-time donor within 48 hours** of them making a gift:
  - Increases donation amounts by 40%
  - Increases likelihood of a 2<sup>nd</sup> gift by 33%



**Thankers  
Become  
Ambassadors**



# Stewardship Done Well: 3 Touches



Dear Donor,  
Thank you for your  
donation. My favorite activity  
at camp is the water zipline.  
This is my first year at  
camp. Thank you for believing  
in me and camp hanes

Sincerely, Naomi

- Acknowledge – 3 touches
  - Thank-you letter
  - Personal notes from solicitor
  - Call from board member
  - Ask the donor how they would like to be thanked
- Appreciate – Clearly describe the value of the gift  
Where did the money go? What did it do? What impact did it have?
- Again...Again...Again...
  - Thank repeatedly and creatively
  - Engage donors throughout the year

***Stewardship is done through timely actions that invoke feelings and encourage donor involvement.***



# 10 Ways to Tell Donors They Made a Difference

1. Children's Art
2. Photo Book
3. Site Visit Video
4. Timely Mailed Gift
5. Video Testimonial
6. Handwritten Card
7. Call and/or Email
8. Face-to-Face Meeting
9. Personalized Gift
10. Memorialize the Gift





# NC Aquariums Society: “Fintastic” TY/Kick-off





**Thank you**

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Q&A and Discussion