Donor Segmentation Cheat Sheet

How to uncover five key donor segments in your database.

Network for Good

Why do I need to use donor segmentation?

Donor segmentation is an important practice for every fundraiser. Especially when you start fundraising for a new organization (or fundraising for the first time!), this is the first step you take to know your donor base better. Grouping donors by certain criteria or segments gives you a better idea of who is in your donor management system based on giving habits, location, involvement, and more. Segmentation not only tells you who is in your system, but also helps you communicate with these segments of donors with messages that makes the most sense to them.

If you're just getting started with donor segmentation or need new ideas on how to segment donors for better outreach, this cheat sheet is for you!

How to use this cheat sheet:

→ Print me!

→ Generate donor lists by using the suggested filtering criteria.

→ Record your donor totals in the space provided. It's also helpful to record the date that the list was generated.

→ If you're using Network for Good's new donor management system, some of these lists are already generated for you in the suggested filters section of your database.

About the Author

This resource was written by Liz Ragland, Senior Associate at Network for Good. Liz serves as the associate editor of The Nonprofit Marketing Blog and manages Network for Good's social media in addition to writing and editing numerous eGuides, checklists, and templates for nonprofit fundraisers and marketers. Liz worked in communications serving nonprofits in the arts, advocacy, and association spaces in Seattle and Washington, DC, before joining the team at Network for Good.

But first, a personal story on donor segmentation.

I'm a monthly donor to a nonprofit I love. It uses a membership model to boost monthly giving. However, I noticed that during its seasonal membership drives that I continued to get emails asking me to become a member.

At first I ignored these emails, thinking maybe the nonprofit incorrectly segmented its list. Then, when I got a second email appeal a few months later, I thought maybe my membership had lapsed. I checked, but no, I found the receipt for the gift I made the previous month. I couldn't figure out what was going on.

I glanced at the email again and the call to action in this email was a hyperlinked sentence reading something like this: "Click here to become a member, increase your monthly gift, or donate." Um, what? The entire email (including the header image) had language that asked me to generally "support the membership drive." I blew right past the rest of the email because the first message I saw didn't apply to me. I was already a member. I must have received this by mistake.

I sent an email along with screenshots of the emails I had received to the organization's development team explaining why I was so confused and offering a solution.

I recommended they use three different segments to target their list:

- One email to nondonors—email list subscribers, I suppose—who haven't yet given a gift.
- One to lapsed donors asking them to renew.
- One to current members asking them to increase their monthly gift.

By segmenting the list and choosing extremely clear, appropriate calls to action to target each group, this organization probably would have received a larger response to its seasonal appeal.

I received a big thanks (and an apology) from the nonprofit's VP of development. I made it clear that I wasn't a whiny, fussy, mad donor (although these folks do exist—and please listen to their feedback, but don't take it personally). I truly wanted to see this organization grow and raise more money with better seasonal appeals.

Unfortunately, this isn't an isolated case. I get confusing emails from nonprofits all the time. Don't let your emails fall into this dazed and confused state! Using donor segmentation will take a bit of effort at first, but it will pay off in the long run, and it will delight your donors in the short and long term.

Donors and Non-donors

In some cases, a database keeps records of donors only—those who have given a gift—but what about volunteers and event attendees? Those are two audiences of supporters who know your nonprofit but haven't yet made the leap to becoming a donor. Keeping track of who in your system has and hasn't donated can help you better reach out to those who have yet to make a first-time gift. This is an easy win when it comes to new donor acquisition.

This segmentation can help you:

→ Reach out to supporters and ask them to make the leap to donor.
→ Stop sending a confusing "Thanks for giving!" message to those who are not giving (yet).
→ Easily see the breakdown of your database of donors vs. volunteers/advocates/etc.

Donors
Criteria: Total donation is greater than zero.

Number of records in this segment

Notes

Date list was generated

Nondonor
Criteria: Total donation equals zero.

Number of records in this segment

Notes

Date list was generated

Giving Levels

Segmenting donors based on giving levels is a great way to ensure you're asking the right audience for the right donation. For example, if you're sending an appeal with a gift string that starts at $10, don't send it to a major donor! For major donors, create a different version of the appeal with a gift string starting at $500 (or whatever is appropriate for your major donors).

This segmentation can help you:

→ Confirm how many of your donors are giving at certain thresholds.

→ Better customize gift strings in both direct mail and email campaigns.

→ Provide a list to your executive director of major donors who should receive a phone call or special note of thanks.

→ Give you an idea of who to reach out to and how when you are upgrading donors to the next level.

Small-Gift Donors
Criteria: Total donation this year is equal to or less than X.

Number of records in this segment	Date list was generated	Notes

Midlevel Donors
Criteria: Total donation this year is equal to or more than X; Gift amount is equal to or less than X.

Number of records in this segment:	Date list was generated:	Notes

Major Donors
Criteria: Total donation this year is equal to or less than X.

Number of records in this segment	Date list was generated	Notes

Recurring Donors

Every nonprofit should encourage recurring donations from donors. But how can you explicitly ask for recurring gifts if you don't have an accurate account of who is already giving on a recurring basis? Being able to create a list of donors who aren't current recurring donors but have the potential to be—based on previous gift amounts or other interactions with your organization that would be stored in their donor record—is the first step to recruiting qualified recurring donors.

This segmentation can help you:

→ Confirm how many of your donors are recurring givers.
→ Craft better communications to connect with these dedicated supporters. These donors should receive regular communication as to how their gift is being used.
→ Suppress these donors when you are launching a recurring giving campaign.

Monthly Donors
Criteria: With Network for Good's Donor Management System, simply filter by using the tag labeled "recurring".

Number of records in this segment

Date list was generated

Notes

Lapsed Donors

In your Excel spreadsheet, can you quickly discover donors who gave a gift last year but not this year? Donors who stop giving are an important donor segment that deserves attention. Because recruiting new donors is hard, it's important to ensure that the donors you already have in your system are still giving. It's also a good idea to identify why these donors haven't given a gift yet this year.

This segmentation can help you:

→ Report this important data point to your staff and board.
→ Create a campaign to regain these lapsed donors.

Lapsed Donors
Criteria: Days since last donation is equal to or greater than 365. OR with Network for Good's Donor Management System, simply filter by using the tag labeled "lapsed"
(This segment is commonly referred to as LYBUNT—last year but unfortunately not this.)

Number of records in this segment:	Date list was generated

Notes

Campaign Giving

If a donor gives to a specific campaign and contributed to fund a project they are excited about, how will you follow up to show them the project's success if you can't keep track of giving history based on campaign participation? Furthermore, how can you raise that last $5,000 for your capital campaign if you don't have an accurate count of who has already given to that fund?

This segmentation can help you:

→ Send a last chance to give when you are working with a time-sensitive campaign.
→ Customize thank you messages reporting outcomes of the campaign the donors gave directly to.
→ Generate thank you call lists for board members to personally get in touch with donors who gave to a specific campaign.

Campaign Giving
Create an advanced filter with the criteria: donated to campaign
contains [choose name of campaign]

Number of records in this segment	Date list was generated

Notes