

Five Things Nonprofits Must Know to Keep Donors

As you begin planning donor retention strategies for 2018, keep five things in mind:

1. You will lose most of your donors – and that’s not hyperbole.

The 2015 Fundraising Effectiveness Project discovered that the average donor retention rate for nonprofits was 46%. In other words, roughly 5 out every 10 donors won’t continue to support your nonprofit year-over-year. And for first-time donors (like the ones you scored on #GivingTuesday), only 19% of them will ever give you another gift.

2. Take time to review 2016 and plan 2017

The beginning of the calendar year is an ideal time to conduct your first assessment of how your organization’s comprehensive strategy, board, staff, fundraising, and communications have served your mission. It’s essential that you review functions, processes, and roles that are contributing to or distracting from your mission, vision, programs and overall sustainability as an organization.

3. Find your loyal donors

Take a step back and look at your individual donor data from last year and find your most engaged donors. Who gave the most gifts? Who opened (and acted on) the most emails? Who is best equipped to start a peer-to-peer fundraiser? Identifying these star donors gives you the ideal profile of what a good, engaged donors looks like and gives you clues on how to turn un-engaged donors into loyal donors.

4. Be data-driven not data-heavy

Data-heavy organizations are saturated with overwhelming amounts of information to analyze. Data-driven organizations use topline statistics to advance fundraising, communication and program performance.

To be a data-driven organization, gather these key metrics:

- **Know year-over-year results**

The easiest and most obvious indicator of your overall fundraising results is your year-over-year comparison, which shows whether your nonprofit’s fundraising activities have fallen behind, improved or stagnated. The year-over-year totals will give you a baseline of gains and losses.

- **Determine board of directors' participation**

Fundraising is essential to meeting your organization's mission. And your board, whether through direct donations and/or fundraising functions, directly impacts the effectiveness of your fundraising. Review how your board contributed to fundraising last year and the year before. As with your overall fundraising results, you will want to review these data sets against the previous year. In addition to quantitative direction, this data can also guide board leadership and development for the coming year.

- **Use donor segmentation**

Donor segmentation makes donor stewardship easier. It empowers you to better personalize messages, communication channels, and cultivation strategies.

To get started with donor segmentation use lifecycle segmentation. Assign 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 donors

Since each donor remains in their lifecycle segment for a full year, it's easy to compare each segment year-over-year.

5. Retention starts when someone clicks

Donor retention activities begin as soon as someone seals your No. 9 envelope or clicks "Donate" on your online giving page. Right away you should start communicating the impact of that gift by telling each donor – regardless of the gift size – what you will do to enhance or sustain a program that has been (in part) funded by them.