

The Art and Science of Donor Relations

What's your donor retention rate?

At the average U.S. nonprofit, the percentage of first-timers who come back to give again the next year is just 27%. We're losing seven out of 10 new donors every year.

On top of that, it's *seven times* more expensive to replace a donor than to keep the one you have. This is why carefully cultivating donor relationships is so important—at all levels of giving. We have to focus on our relationship with every donor up and down the pipeline.

Take a look at your donors. The folks who give \$25 now fund the future of your organization. Here's a great example: Michael Bloomberg's first charitable gift was a \$25 annual fund to his alma mater, Johns Hopkins University; since then, he's given the school more than a *billion* dollars.

Building long-term donor relationships means adding a little art to the science.

You're probably tackling some of the science already: acknowledgement and impact reporting.

Acknowledgement means letting people know you received their gift (required by law), thanking them for it, and assuring them that their money is on its way to its intended purpose.

Impact reporting usually comes a bit later: telling donors what you did with their money and how it helped advance your organization's mission. You might combine these into one package, but you'll create a stronger bond by delivering them separately and in creative formats like photo stories, infographics, or video.

But the serious art comes next.

How do you get them to stay? Put on your creative cap to recognize and engage. Recognition moves giving from private—individuals making a donation—to public, celebrating their giving via meaningful thank-you emails, letters, social media, or video. This could even mean hosting an annual donor appreciation party alongside those who've benefited from your donors' giving.

Engagement asks, “How do we involve people with their philanthropy?” This is the height of donor relations. The number one thing you can do to retain donors is connect them with those who benefit from their giving. A day at camp or a personal thank-you letter from a beneficiary connects donors a lot more effectively than a mug or calendar with your nonprofit’s logo.

What about all those lapsed donors? “Bless and release” them. If someone hasn’t interacted with or given to your nonprofit in a few years, it’s time to let them go.

Take some of the funds you would’ve spent to bring them back and reallocate it to donor relations, then watch the money roll in as your retention rate begins to soar.

Adapted from Network for Good’s Nonprofit 911 webinar “Transform Your Donor Relationships” with donor relations guru Lynne Wester.