Turn First-Time Year-End Donors Into Repeat Givers

Presented By: Jennifer Palan, Bloomerang

Tuesday, November 1, 2022 | 2:00 – 3:00 p.m. EDT

A little housekeeping...

We're recording this webinar!

All registrants will receive an email containing a link to the recorded webinar AND a ton of other resources!

Feel free to ask questions!
Use the Questions chat box to ask your questions.
We will have a Q&A session at the end of the presentation.

FUNDRAISING TECH

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Designed for fundraisers by fundraisers through customer-led development input

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**Donation Forms | Event Registration
Text Fundraising | Peer-to-Peer | Auctions
Integrations & Data**

**Donor Database | Fundraising
Reporting | CRM**

Meet the Speaker

Jennifer Palan
**Senior Director of Channel Management,
Bloomerang**

Agenda

1. A study of first -time donor retention

2. Why donors lapse

3. Why is year -end donor cultivation so important?

4. 6 strategies to retain first -time year -end donors

A study of first-time donor retention

Average Donor Retention Rates

As of Jan 2022

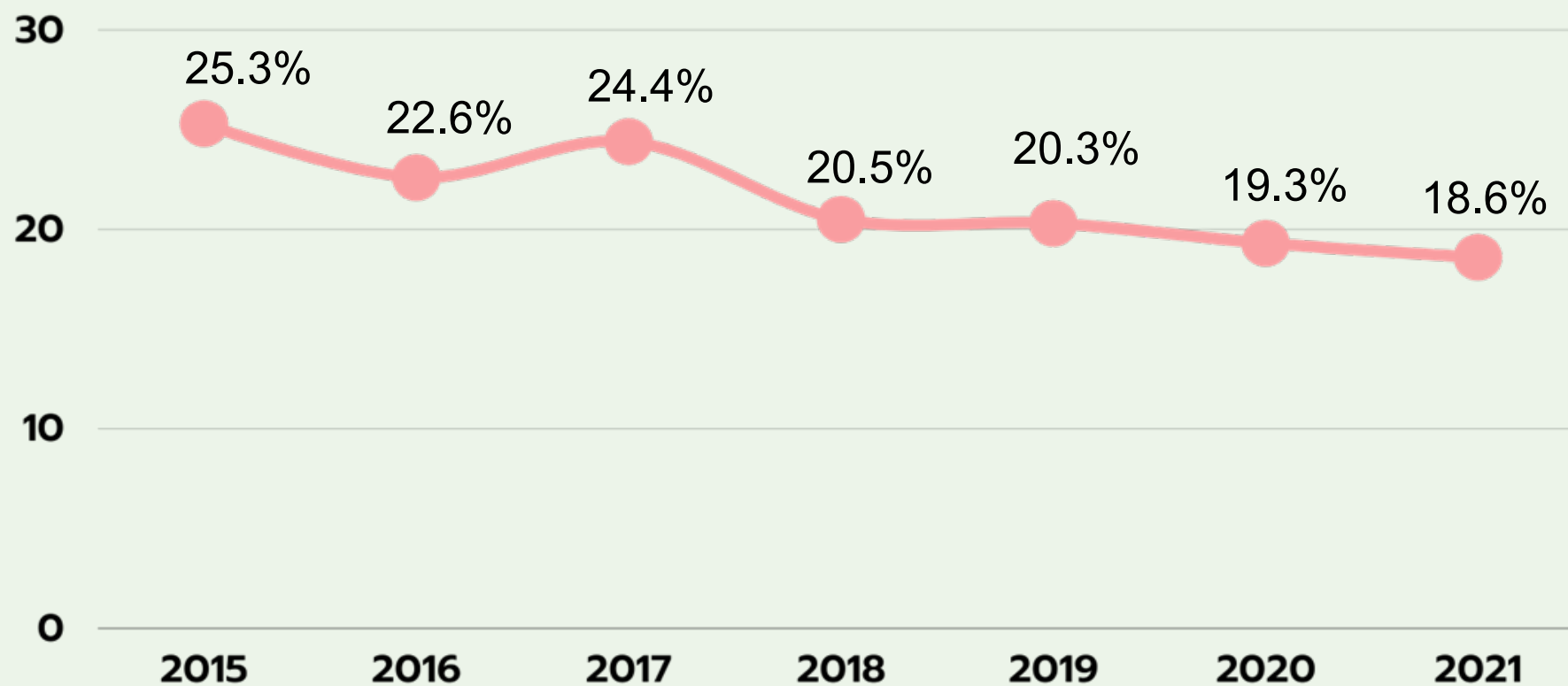**18.6%**
First-Time
Donors

41.6%
Average
Donors

60.7%
Repeat
Donors

Source: Fundraising Effectiveness Project
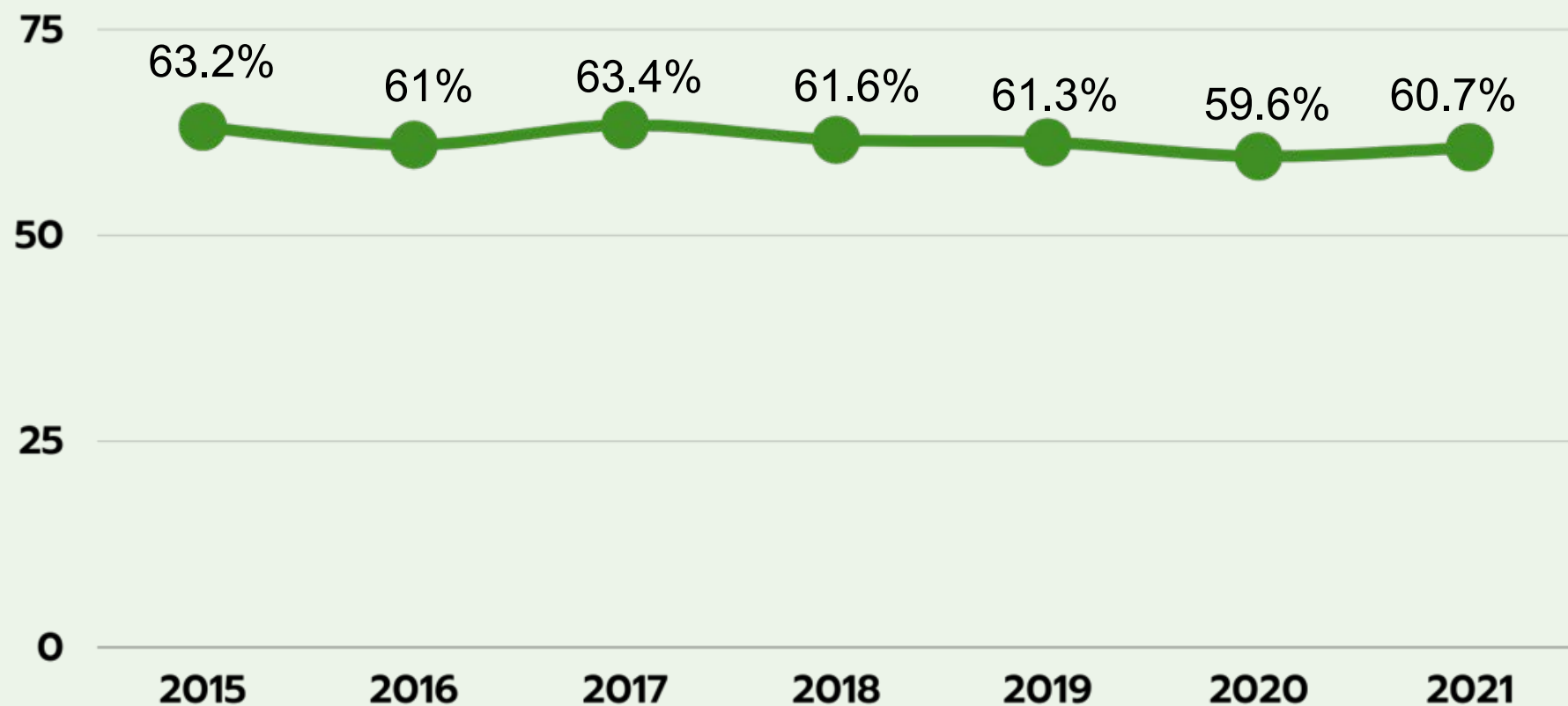
Why Donor Retention is Important

Higher lifetime value = higher revenue

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: $820,859
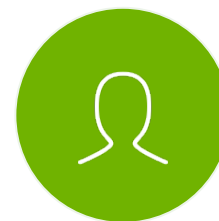
Grand Total: $1,277,208

Total Savings: $456,349

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Cost of Donor Retention

It's **easier** and **cheaper** to retain a donor than it is to acquire one

Cost Per Acquisition

Cost Per Acquisition

Renewal Response Rates

5X
Cost per renewal

2-3X
Initial donation amount

20-30X Higher than acquisition response rates

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Why Donors Lapse

Why Donors Stop Giving

2001 study by Adrian Sargeant

5% - Thought charity did not need them

8% - No info on how monies were used

9% - No memory of supporting

13% - Never got thanked for donating

16% - Death

18% - Poor service or communication

36% - Others more deserving

54% - Could no longer afford

INSIGHT: We can make a meaningful impact on the above reasons!

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Why Donors Keep Giving

2011 study by DonorVoice

1. Donor perceives organization to be effective

2. Donor knows what to expect with each interaction

3. Donor receives a timely thank you

4. Donor receives opportunities to make views known

5. Donor feels like they're part of an important cause

6. Donor feels his or her involvement is appreciated

7. Donor receives info showing who is being helped

ACTION: What is your thank-you turnaround time?

What Subscription - based Donors Tell Us

Source: IU Lilly School of Philanthropy

Preferred communication and content from nonprofit organizations they support

INSIGHT: Stories, heartfelt thank-yous and impact-based communications lead the way!

52% - Stories and experiences shared by the people my gifts have helped

32% - Frequent updates about organization's programs and services

32% - Emails with my donation's impact and heartfelt thank-you(s)

25% - Educational and interactive webinar series related to the organization's mission and impact areas

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How to Improve Donor Retention

ACTION: Pick one or two to start.

1. Thank quickly + personally

2. Illustrate that you know who the donor is

3. Segment communications

4. Tell them how gifts are used / will be used

5. Tell them what comes next

6. Be curious about donor motivation and solicit feedback

7. Prioritize monthly giving

Why is year-end donor cultivation so important?

Does your nonprofit have a year-end donor retention plan in place?

- Plan should be an ongoing, cyclical process that starts as soon as the donor makes their contribution

- The acquisition stage involves discovering prospective donors and communicating with them in a variety of ways

- Donor cultivation and retention involve engaging with supporters who are already familiar with your organization

Remember, donor cultivation and retention is easier and cheaper than acquiring new donors

Spend your time and energy stewarding donors

- Highlight additional ways to get involved with your organization and explain the positive impact of repeat donations

- Improve your retention rate by stewarding donors and building stronger relationships with them

- When you successfully steward your donors, you'll increase the odds that they'll support your future fundraising campaigns. This will free you up to spend your resources on your donor acquisition efforts.

6 strategies to retain first-time year-end donors

1. Send personalized thank -you messages

A strong appreciation strategy builds the groundwork for stronger relationships with year-end donors, giving your nonprofit access to year-round support.

Make your appreciation messages more impactful by following these tips:

- Personalize thank-you messages with donors' names and donation amounts.

- Have a board member or leader at your organization call first-time donors.

- Announce your year-end fundraising total.

- Show donors how you're putting their gifts to good use.

2. Send donors more information about your organization

Nonprofits retain 31% of first-time donors who made their gifts offline, and only retain about 25% of online donors. Diversify your outreach!

New donors might have known very little about your organization before they decided to give. That means it's now your job to educate them. Here's an example of what you can share in your messages:

- Your organization's history, mission, and goals
- Your current priorities regarding your projects and where you're directing funding
- Your volunteer program's history and purpose
- Your nonprofit's staff members

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3. Highlight upcoming ways to get involved

To retain year-end donors, you have to provide them with a variety of additional ways to engage with your mission.

Instead of soliciting another donation right away, you should focus on sending messages that cultivate your new donors.

- Attending webinars, workshops, and panels
- Participating in volunteer opportunities
- Posting about your organization on social media

In future communications, you can share ways to get involved that would include donating.

- Participating in peer-to-peer fundraisers
- Supporting major upcoming campaigns such as a capital campaign
- Joining your monthly giving program
- Making in-kind donations

4. Track donor interactions to appeal to their preferences

Your donor management software should help with this step!

Make your new donor interactions even more engaging by personalizing every aspect of the donor experience. This includes monitoring things like:

- Emails they've opened
- Phone conversations you've had with them
- Events they've attended
- Volunteer opportunities they've participated in
- Social media interactions you've had with them

5. Remind donors about matching gifts

Donors are 84% more likely to give if a match is offered.

Some new donors may be eligible for matching gifts through their employers. Remind new matching gift -eligible donors to apply for these matches.

- Contributing a matching gift can make new donors feel even more fulfilled knowing their contributions will have a more significant impact than they initially thought.
- Plus, knowing that their employer offers matching gifts can make donors feel even more inclined to give another donation in the future.

6. Send a survey to gather donor feedback

Asking donors for feedback shows them that you value their insight.

After your year -end giving campaign wraps up, send new donors a survey asking questions such as:

- What inspired you to give to our organization?
- On a scale of 1-10, how convenient was the donation process?
- Do you feel like you understand how your donation will be used?
- How likely are you to donate again?
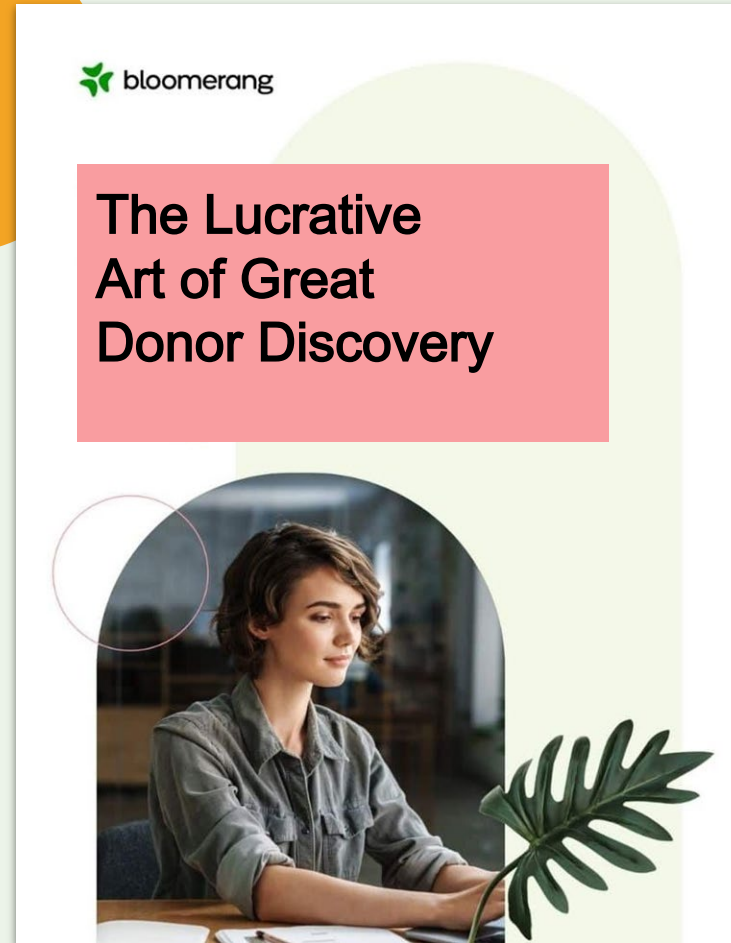- Do you have any other feedback about the donation process?

Wrap Up

1. Make retention a priority

2. Have a second gift strategy

3. Emphasis on thanking and sending personalized communications

4. Segment your year -end appeals & subsequent communications

5. Gather donor feedback and implement it

Free eBook

https://get.bloomerang.co/ebook -great -donor -discovery

Questions?

This webinar program qualifies for 1 point of continuing education toward maintaining the Certified Fundraising Executive Management (CFRE) credential.

Thank you for joining!

For more information on Qgiv's fundraising platform, contact:

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For more information on Bloomerang, contact:

hi@bloomerang.com | 866-332-2999