

# The **DONOR**



## Retention Checklist

4 Key Investments To Make Toward  
Increasing Donor Retention



## FOREWORD

Throughout 2021, [new donor retention was around 19%](#) while overall retention of donors of all types continued to slide downward.

Donor retention has always been a priority for nonprofits, as it costs more to acquire a new donor than it does to retain one. But the current trends are underlining just how critical it is to welcome, nurture, and keep first-time supporters engaged.

This can feel like a daunting task, but it's simple at its core. You need to strike the right balance in acquisition costs and have a solid retention plan to keep and even increase support from existing supporters.

Below, you'll find a key elements of a successful donor retention strategy and an engagement timeline to help get you started.

# Address The Barriers

1

Start by taking a good look at your operations and strategy to identify room for improvement or areas where you can improve your donor retention efforts. Here are the five areas to audit ahead of implementing a retention strategy.



## #1 - DESTROY THE DATA SILOS

In 2021, [NTEN found](#) that 64% of nonprofits were using multiple platforms that were not integrated with each other to manage their operations. Your tools, including things like your event management system, online fundraising platform, email service, and other solutions, should integrate and work well together. Otherwise, you're going to have problems; an online donor may not make it into your email lists, for example, or an event registrant may not receive thanks for an online gift. This can have a negative impact on your nonprofit—[research shows](#) that bad data management can cost an organization up to 12% of its revenue if not addressed properly.



## #2 - FOCUS ON LIFETIME VALUE

Once you get your data from different platforms connected together, you will need to establish some key reports to help you track if your work is effective or not. When setting up your reports, think through how you can look at transactions as part of the lifetime value of the donor, not just if they gave one gift. For example, you should be able to identify a donor's gifts to you, see which of your events they've attended, and see if they've volunteered for you. Understanding your donor's history with your nonprofit will help you identify the best ways to engage them year after year.



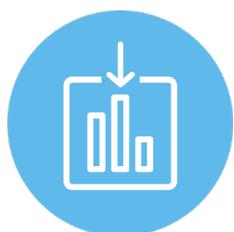
## #3 - LEARN FROM YOUR PEERS

Take inspiration by looking at what organizations similar to yours are doing, or look at how successful nonprofits in your community are engaging donors in your area. For example, if you see a direct mail campaign that you like, don't be afraid to reach out and ask if they'd be willing to share how they put it together.



#### #4 - NO MORE TOTE BAGS

Donors want meaningful experiences, not items that will be thrown into a drawer and forgotten. When you offer a premium item for a gift, it shifts the donor's mentality toward a transactional relationship. Get rid of the junk and create something memorable for them. Instead of tote bags or other branded merchandise, try offering donors the opportunity to connect more deeply to your mission. As an example, a nature conservancy organization may arrange a guided tour of a local park, or an animal shelter may invite their donors to a tour of their facility. Unique experiences or small items that are relevant to your mission will keep them engaged with your work.



#### #5 - GROW THE MIDDLE

Review your mid-tier donation buckets (e.g. \$500 - \$5000) and establish dedicated benchmarks of success around growing this segment specifically. A retention program should address all segments, but this is one you want to pay extra attention to; mid-tier donors often have major-gifts capacity, and they can be valuable ambassadors

[Fundraising Campaign Action Planning In Four Steps](#)



# Motivate Donors to Give Using Personalization



When we say “personalization,” we aren’t talking about adding their name to your email subject line. Professor Jen Shang of the Institute for Sustainable Philanthropy identifies three primary motivations for why donors ultimately give to an organization: [situation-based, relationship-based, and identity-based.](#)

Referencing these motivations in your donor communications will make your messaging more personal.

Situation-based motivations are often triggered by sudden changes in the environment, and individuals respond to those changes by giving. Relationship-based

## **TRY THIS:** Look at your donation receipt's first sentence.

If it says:

“Thank you for your donation of \$XX that was given on DATE,” your receipt is focusing on situation-based motivations. There’s nothing wrong with this, but situation-based motivations are harder to transform into ongoing support; the situation that inspired a donor to give may not arise again. Instead, you can try an identity-based approach.



motivations are when donors give based on their connection to an organization or its staff. Finally, identity-based motivations focus on giving as a way for the donor to express who they are.

An identity-based approach to donor retention gives an organization the ability to help activate a donor’s feeling of autonomy, competency, and connectedness to the organization. By leaning into messaging and moments that reinforce these feelings for the donor, your organization can more quickly build affinity for your organization.

To \_\_\_\_\_  
Subject \_\_\_\_\_

*Try changing it to:*

“You are a generous person because of your donation of \$XX that was given on DATE.” It’s a simple change, but you’ve changed the focus from a one-time circumstance or situation (which can change) to the donor’s identity. Since a donor’s identity is less likely to change quickly, appealing to their identity will open more opportunities for them to engage with you in the future.

✓

## KEY INVESTMENT

# Provide a Fulfilling Giving Experience

3

In 2018, research published in [Psychological Science](#) found that people may be holding back from expressing gratitude due to overestimating the potential for the recipient to feel awkward, and underestimating how happy the recipient would feel. In each of the three experiments, the expressers of gratitude underestimated how much of a positive impact it would have on the recipient, which led to people choosing not to show gratitude, and consequentially denying the recipient a positive, rewarding emotion.

Instead of assuming your donors know how much their support means, and denying them the warm, fuzzy feelings of knowing their impact, just tell them. Even better than telling them? Show them! Find creative ways to show supporters that their donations, volunteering, or fundraising on your behalf is valuable so that they come back and do it again.

Use these six ideas to create your own cadence of gratitude moments throughout the year to ensure your donors feel the love and support they deserve (and that keeps them coming back to donate).



Hire a local artist to create note cards that your board members can send to donors with a special handwritten note.



Set up a yearly Thank-A-Thon where your organization pulls together to call donors, starting with all new donors from that year.



Offer an exclusive livestream interview with your leadership that is just for donors and have your leadership talk about the mission, share impact stories, or invite attendees to ask questions about your programs.



Record videos for different segments of your donors, such as a thank you message to all monthly donors or an update especially for people who gave to a specific campaign.

## TRY THIS:

Here's an example of how your organization can automate your thank you note process. This will vary depending on the specifics of each donors' gift.

01

**A Donation is Made:** A donor gives to your organization, usually online or with a check sent through the mail. You enter the donation in your CRM.

02

**You Immediately Thank Them:** Your CRM automatically creates a thank you letter that references the specifics of the gift. That letter is either printed, signed, and mailed to the donor, or the letter is sent to the donor's provided email address.

03

**Set Up Automatic Next Steps:** You can customize the workflow to add on to the process. Choose your triggers such as donation amount, channel, or campaign, and the desired next step. For example, donations over a certain amount could send a notification to the Director of Development so that they can follow up with a phone call or personal email.

# Donor Retention Engagement Timeline

For every \$1 your organization acquires from a new donor, it costs you \$1.25.

Keep that donor past that first year? Then it will only cost your organization \$0.20.

We've covered some strategies you can use to retain your donors. Now, let's outline the steps you can implement to create a stellar donation retention engagement program that will keep bringing people back for years to come.

DAY 1

## Immediate Gratitude

Configure your processes to send a donation-related receipt and to initiate the stewardship process immediately in a meaningful way.



**Tech Tip** - send the donor to a thank-you video from your organization right after an online gift is made.



**Example:** Thank you so much for your donation! Because of you, the animals in our shelter will continue to receive the best-possible care. The details of your gift are included below.

Over the next couple of weeks, we'll send you a few updates about how your gift is used to provide food and medical treatment to our animals. In the meantime, enjoy this video of some of our favorite furry guests that have found forever homes because of people like you!

WEEK 1-6

## Welcome

Establish at least two touchpoints of follow-up. A handwritten thank you is a good first step, but you may want to consider another mailing a few weeks after that initial gift that is a welcome packet for the donor.



**Tech Tip** - include a QR code that drives the donor to a survey asking them about motivations for donating. [See how Neon CRM has integrated QR codes into its platform.](#)



**Example:** "Welcome to the Chicago Animal Shelter family! Thank you so much for your gift. Your donation will provide life-saving care to the dogs, cats, and other critters that come through our doors. If you want to see some of the pets you're supporting, check out this picture gallery from our latest adopt-a-thon. Every single pet that was adopted that day went to their forever home with toys, food, and a clean bill of health... and it's all thanks to people like you."

If you're interested in learning more about Chicago Animal Shelter and how our programs help local animals, you might like this article. It's the story of Tank, a shelter dog that found a safe, loving home after being surrendered by his previous owner. He'll warm your heart!"

## MONTH 3

### Report Back

Send the donor an impact report about how their gift is being utilized. This can go to the donor either in the mail or through personalized email communication.



**Tech Tip** - this is also a good time to set a reminder to initiate a thank you phone call to these donors.



**Example:** "Thank you again for the gift you made last week! Your donation helped a litter of six kittens that was dropped off at the shelter right after you donated. They had been abandoned by their mother and needed immediate attention! Thankfully, they had someone like you to support them. Your gift helped provide veterinary care, kitten replacement formula, and a warm place to sleep. They'll be well cared-for until they're old enough to adopt—and it's all thanks to you."

Would you do me a favor? I'd love to learn a little more about you and why you chose to donate to our shelter. Here's a link to a donor survey (you can also scan the QR code below!) where you can share a little about yourself, why you love animals, and what kinds of updates you'd like to receive from us in the future."

## MONTH 4

### Upgrade

This is a great time to shift a one-time gift into a recurring one. Direct donors to your monthly giving program.



**Tech Tip** - create a dedicated donation page campaign just for shifting one-time givers into monthly givers.



**Example:** "A few weeks ago, I sent you an email about a litter of kittens that received top-notch care because of your support. Today, they're old enough to adopt! From the moment they were dropped off at our shelter to the day they find their forever home, your gift meant that they were safe, warm, and well-fed."

Believe it or not, kitten season is just beginning—by the end of the spring, litter after litter will arrive at our facility. Thankfully, the members of our Animal Alliance group are ready to help. Will you join them?

You can become part of the Animal Alliance by setting up a monthly gift. A monthly donation of \$20 can provide a veterinary check-up and a whole month of food to a new kitten. Joining the group is easy; you can click here or scan the QR code to make a gift! As an Animal Ally, you'll receive a monthly newsletter especially for Animal Alliance members and regular updates (with lots of pictures!) on all the furry friends you support.

## MONTH 7

### Create Affinity

Give the donor ways to join your community as someone who identifies with the mission on a deeply personal level. Volunteering, attending events, or signing petitions around your cause are great ways to do this.



**Tech Tip** - consider inserting a soft call to action to volunteer right into the initial donation receipt the donor receives.



**Example:** "Remember that litter of kittens that you helped save a few weeks ago? They've all found their forever homes—and you made it happen! Here's a picture of one of them, Pico, on the day he was adopted. He's so happy!"

Since you've become a member of our Animal Alliance, I wanted to invite you to an event we're having at the shelter this weekend. Come by this Saturday between 8:00 a.m. and 2:00 p.m. to tour the facility and visit some of our residents! This is a great opportunity to see your donations at work, snuggle up to some of our furry friends, and learn about volunteer opportunities and other cool programs you may love. Did we mention there will be snacks? Because there will be snacks!"

## MONTH 12

### Gratitude Anniversary

Mark the occasion of the original gift with a bit of anniversary gratitude.



**Tech Tip** - worried about missing this important occasion? Look into implementing automated workflows that focus on scheduling these important tasks for you. Check out some of the [recipes we've cooked up for Neon CRM's automated workflows feature](#).



**Example:** "Happy Anniversary! You didn't think we'd forget, did you?"

One year ago today, you donated \$20 to our shelter. It was the beginning of a beautiful friendship! Since then, you've become a member of our Animal Alliance and have helped provide medical care, food, and shelter to hundreds of Chicago's animals. Thank you for all you do for our city's most vulnerable four-legged friends—you're amazing!"

Now that you have all the insights into setting up your retention programming for success, we can't wait to see how you increase your own retention rates!

Interested in learning more about creating amazing donation experiences?

[DOWNLOAD OUR DONATION PAGE CHECKLIST](#)

