

1Minute with 1Vision

How's your donor retention?

Is your nonprofit struggling with growing your donor and donation base? Everybody celebrates when a new donor enters the fold. They are necessary, but a retained donor is your lifeblood. ***Forgive me for stating the obvious, but it costs far less to retain an existing donor than to gain a new one.*** For organizations — and especially those losing ground or making only modest gains — taking positive steps to reduce gift and donor losses is the least expensive strategy for increasing net fundraising gains.

But, like the iceberg, what lies beneath that surface can be more damaging!

Who you are losing and who you are gaining matters. Your donor software should be able to give you access to these important categories. *If I mention facts and figures, I am sourcing them from the Association of Fundraising Professionals 2014 Fundraising Effectiveness Survey Report.* *

- Average Donor Lifespan.** It is estimated that donor lifespan averages less than two years for the nonprofits surveyed. Imagine your revenue if you keep them around for one more year!
- New Donors.** Track percentage and average new donors generated per event!
- Retention Rate.** The overall donor retention rate of those surveyed was 43%. That's right. Less than half of donors made a repeat gift from 2012 to 2013. Pay particular attention to new donors regardless of their giving category. It is reported that less than one quarter will give to you next year.
- Lapsed Donors.** Track those who gave last year but didn't this year.
- Downgraded Donors.** An indication of the future health of your donor base is the percent who gave less in the current year than in the previous one.
- Recaptured Donors.** Count how many came back to donate after an absence of a year or more.

If at all possible, try to capture this information BY CATEGORY (dollar level grouping). For example, each of these five pieces of data should be tracked and then compared for those giving less than \$100, \$100-\$999, \$1,000-\$4,999 and \$5,000 and greater.

But, let's not stop with tracking – let's take action to retain, upgrade, and energize!

Sincerely,



Blake Conover, President

* <http://www.afpnet.org/files/ContentDocuments/FEP2014FinalReport.pdf>