

# *Agitated about attrition?*

## **5 Easy Retention Wins**

Roger Craver

Roger@TheAgitator.net

@AgitatorEditors



**TOGETHER STRONGER**



# Session Outline

## We'll Cover

- Why “Retention” is important
- How to measure retention
- Other key metrics
- 8 reasons why donors quit
- 7 actions organizations take that determine retention
- Barriers to retention inside your organization
- 5 easy and inexpensive retention wins



# Why Retention is Important



Nonprofit Donor  
Retention is **39%**

Attrition is **61%**  
(dollars given)



Source: Urban Institute, Fundraising Effectiveness Project, 2015

# Improve Retention or face an Unsustainable future

For every  
100 donors gained



**103** donors  
are **lost**

Source: Urban Institute, Fundraising Effectiveness Project, 2015

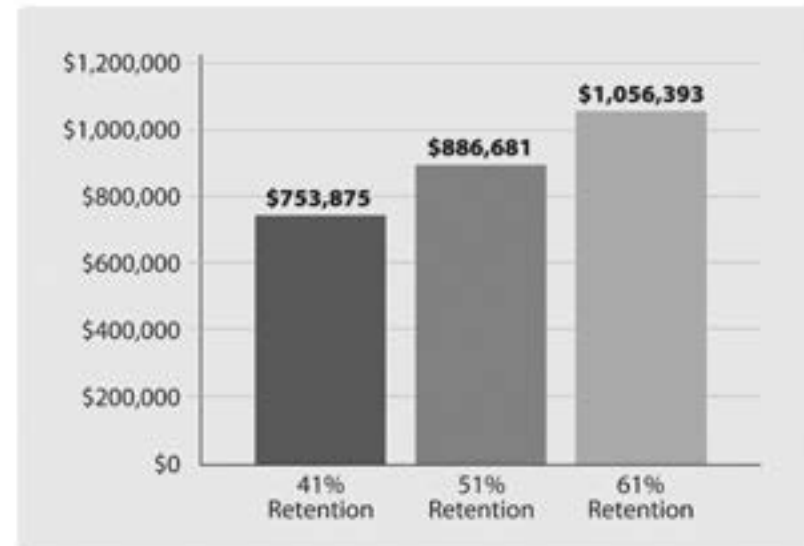
# Think about it!

You have less than a 2% chance of obtaining a gift from a prospect.

A 20%-40% chance of obtaining a gift from a recently lapsed donor.

BUT...a 60%-70% chance of obtaining an additional gift from an existing donor.

## CUMULATIVE INCOME OVER FIVE YEARS



**What's Your  
Retention Rate?**

# Let's Do The Math

**Step #1:** Count total number of donors who gave in most recent year

**Step #2:** Divide the number of donors who gave in year 2 by the total in year 1

**Step #3:** Multiply the result from Step 2 by 100 to arrive at retention rate %



# Example of simple retention calculation

**Step 1:** 100 donors gave in 2013

**Step 2:** Only 50 of same 100 donors made gift in 2014

**Step 3:**  $50/100 \times 100 = 50\%$

**Overall Retention Rate: 50%**



# Other Key Metrics

## In addition to Retention Rate

Donor Lifetime Value

Donor Commitment/Loyalty



# Life Time Value – The GPS of Fundraising

## INVESTING IN DONOR VS. CUSTOMER ACQUISITION

### What Would Your Board Say?

- Organization "A" spends \$24.30 for a first time gift of \$5.90 for a loss of \$18.40
- Organization "B" spends \$250 for a first time gift of \$110 for a loss of \$140
- Organization "C" spends \$320 for a first time gift of \$199 for a loss of \$121

### The Power of Lifetime Value

Investment:

**\$18<sup>40</sup>**



Return:

**\$14,090**

Over 20 Years

# The Value of Commitment

## APPLYING COMMITMENT MODEL TO BETTER TARGET MARKET SPEND

Donor Voice Client Trust Results	High Commitment	Low Commitment
Response Rate	31%	13%
Average Gift	\$22.06	\$20.03
ROI	943%	229%

# Why Donors Stop Supporting Your Organization

Take 1 minute and list the top 3 reasons for why donors leave your organization.



# 8 reasons why donors quit

- 5%- Think charity doesn't need them.
- 8%- No information on how contributions were used.
- 9%- No memory of supporting the organization
- 13%- Never got thanked for donating
- 16%- Death
- 18%- Poor service or communication
- 36%- Others more deserving
- 54%- Could no longer afford

With the exception of death and personal finances *every one* of the reasons why donors stay or go is within control of your organization!

As soon as you *understand and act on* this, your retention rates will begin to rise.

Source: Center for Philanthropy, Indiana University and Bloomerang.com  
Totals more than 100% because of survey design.

# The Importance of Donor Attitude

It is the donor's ***attitude*** that causes the donor's ***behavior***.

AND...It is the ***actions of the organization*** that influences the donor's attitude positively or negatively.

**Consistency + Reliability = TRUST**

Trust is the keystone of all human relationships. Without it there is no commitment/loyalty.

Donor attitude commitment/loyalty can be measured AND the positive and negative actions of the organization can be identified.

Until you understand how your actions affect the donor's feelings toward you you'll be in a constant guessing game about how to plug your leaky bucket.

# 7 Key Drivers of Donor Commitment

- Donor perceives organization is effective in achieving mission
- Donor knows what to expect from org with each interaction
- Donor receives timely thank yous
- Donor receives opportunities to make his/her views known
- Donor is given feeling that she/he is part of important cause
- Donor feels his/her involvement appreciated
- Donor receives information showing who is being helped





# Barriers to Retention



**Retention Barrier #1: Silos**

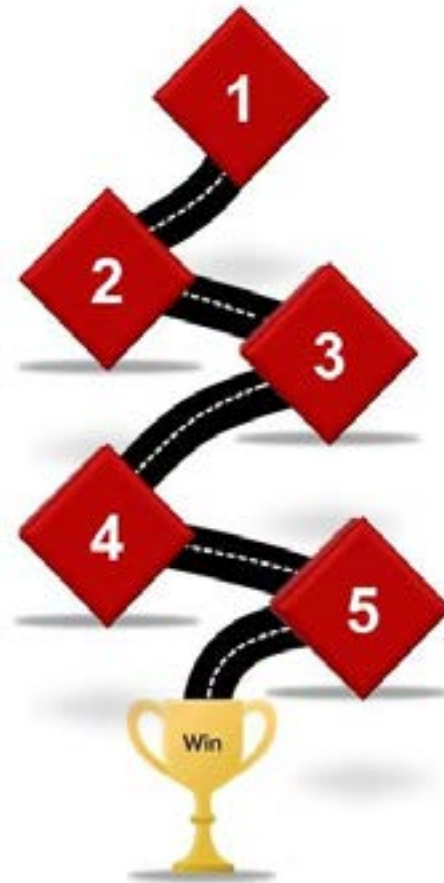
**Retention Barrier #2: False Attribution**

**Retention Barrier #3: Poor Differentiation**

**Retention Barrier #4: Premiums and Tschotchkes**

**Retention Barrier #5: Chasing the Unicorn**

# 5 Easy, Inexpensive Retention Wins





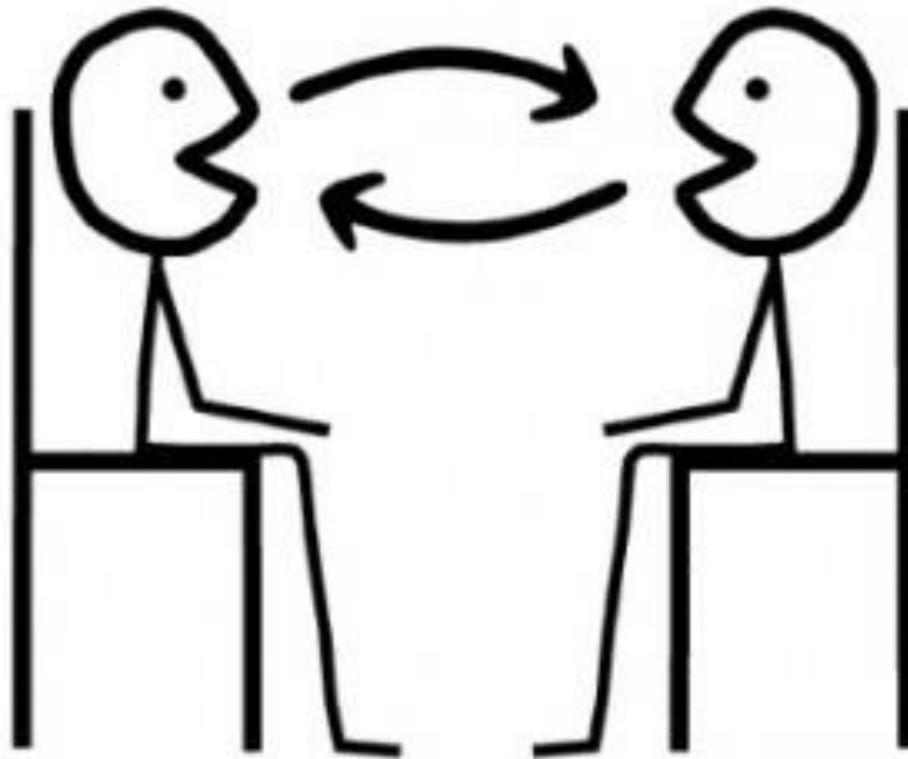
## 2: Improve Donor Service



# 3: Be Boring



## 4: Give Donors Opportunity to Talk Back



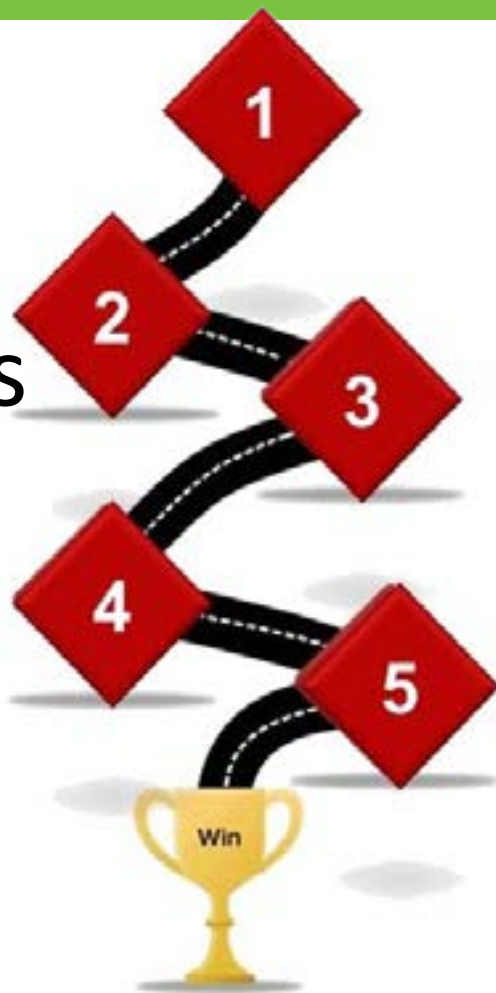
# 5: Pick up the Phone



# 5 Easy, Inexpensive Retention Wins

Improve  
Donor Services

Seek Donor  
Feedback



Say Thank You!

Be Boring

Pick up the  
Phone



# Retention Resources

[www.RetentionFundraising.com](http://www.RetentionFundraising.com)

[www.TheAgitator.net](http://www.TheAgitator.net)

[www.TheDonorVoice.com](http://www.TheDonorVoice.com)

[www.SOFII.org](http://www.SOFII.org)

AND...of course....

