



# *PLANNING FOR THE LONG HAUL:* **MAXIMIZING DONOR RETENTION WITH YOUR ANNUAL DEVELOPMENT PLAN**

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**“TAKING POSITIVE  
STEPS TO REDUCE GIFT AND DONOR LOSSES IS THE LEAST  
EXPENSIVE STRATEGY FOR INCREASING NET  
FUNDRAISING GAINS.”**

**2014 AFP’s Fundraising Effectiveness Survey**

**[afpfe.org](http://afpfe.org)**

*Starting with the end in mind.....*



## PLANNING FOR THE LONG HAUL

1

Remind us of what we know – donor engagement is a top focus

2

What are your tools?

3

Leveraging tools with an eye to maximizing donor engagement

4

Building a plan

# IDEAL DONOR LIFECYCLE



# A FEW THINGS ABOUT NEW DONOR RETENTION

The hardest donor to renew is a first time donor

- Typical renewal rates are 15 to 35 %
- Median rates are 20-23%
- Goal to strive for: 40-45% overall
- Major donor renewal rates often over 50%

# Numbers Matter, But They Don't Tell Us How to Build Donor Loyalty

# ***RETENTION FUNDRAISING: THE NEW ART AND SCIENCE OF KEEPING YOUR DONORS FOR LIFE, ROGER CRAVER***



Why donors leave:

- Feel unknown by the organization
- Poor customer service
- Inconsistent messages
- Too much communication
- Lack of information
- Lack of two-way dialogue
- Irrelevant communications

# YOUR “MUST HAVES” TO KEEP YOUR DONORS

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

*Starting with the end in mind.....*



## **BUILDING YOUR ANNUAL PLAN**

1

Goal Setting

2

Your Tools – Elements of the Plan

3

Considering Return on Investment

4

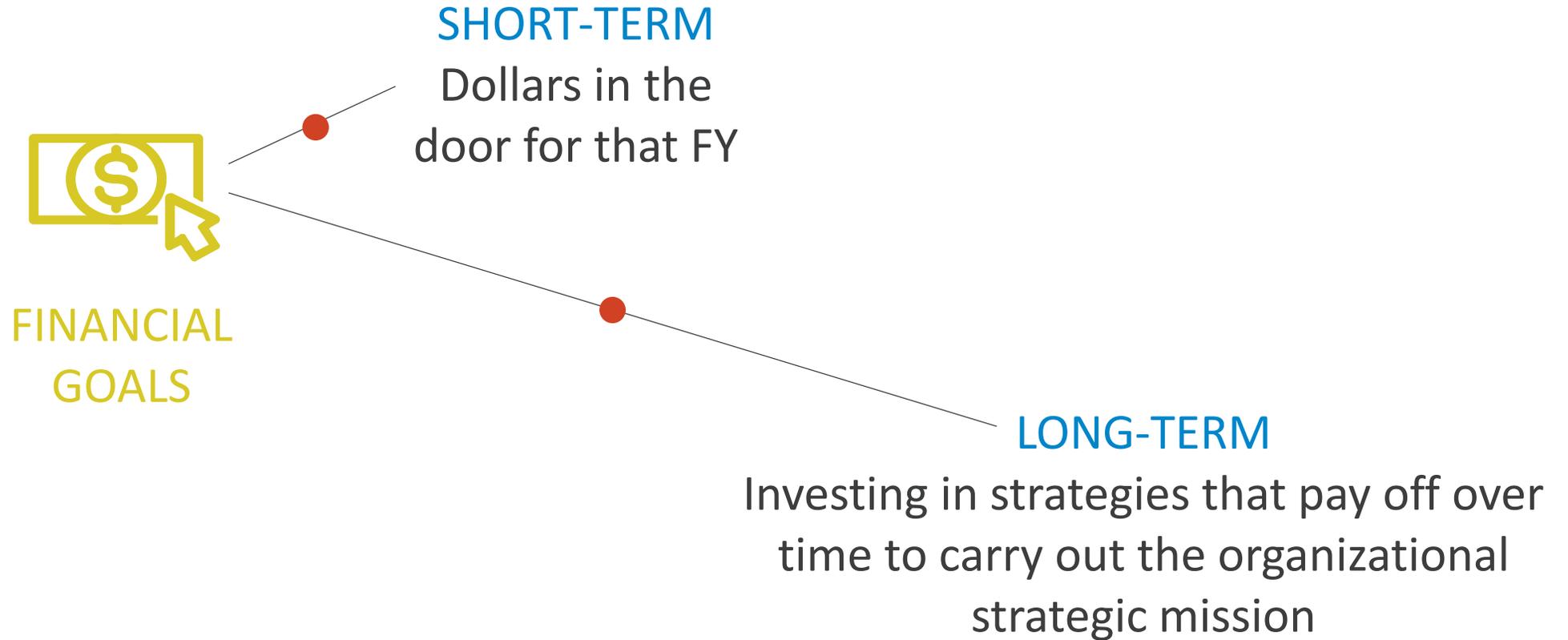
Leveraging Timing and Structure

## Development goals should strategically address:

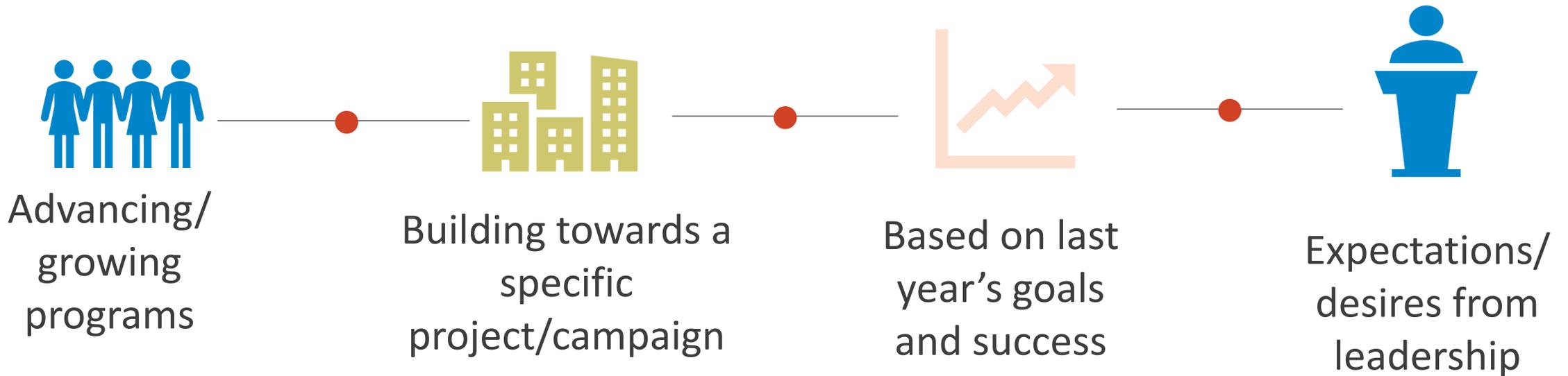


**How do you tie these goals together to advance your mission through donor retention?**

# GOAL SETTING

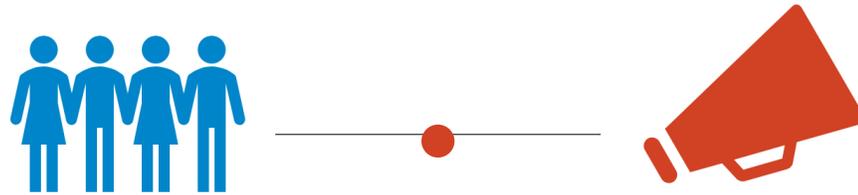


## How are your financial goals determined?



**What are you fundraising for?  
Can you articulate this simply?**

## Participation and Awareness



**ORGANIZATIONAL POSITIONING GOALS =**

**marketing**

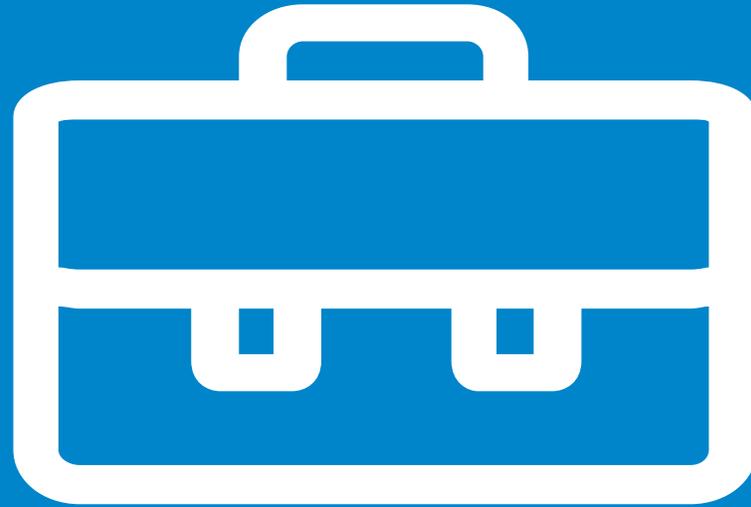
**awareness**

**enhanced image**

**attracting new supporters**

**engaging current supporters**

# First...



## *What are your tools?*

# WHAT ARE YOUR TOOLS?



MAJOR GIFTS



CORPORATE  
SPONSORSHIPS



PLANNED  
GIFTS



EVENTS



FOUNDATION  
GRANTS

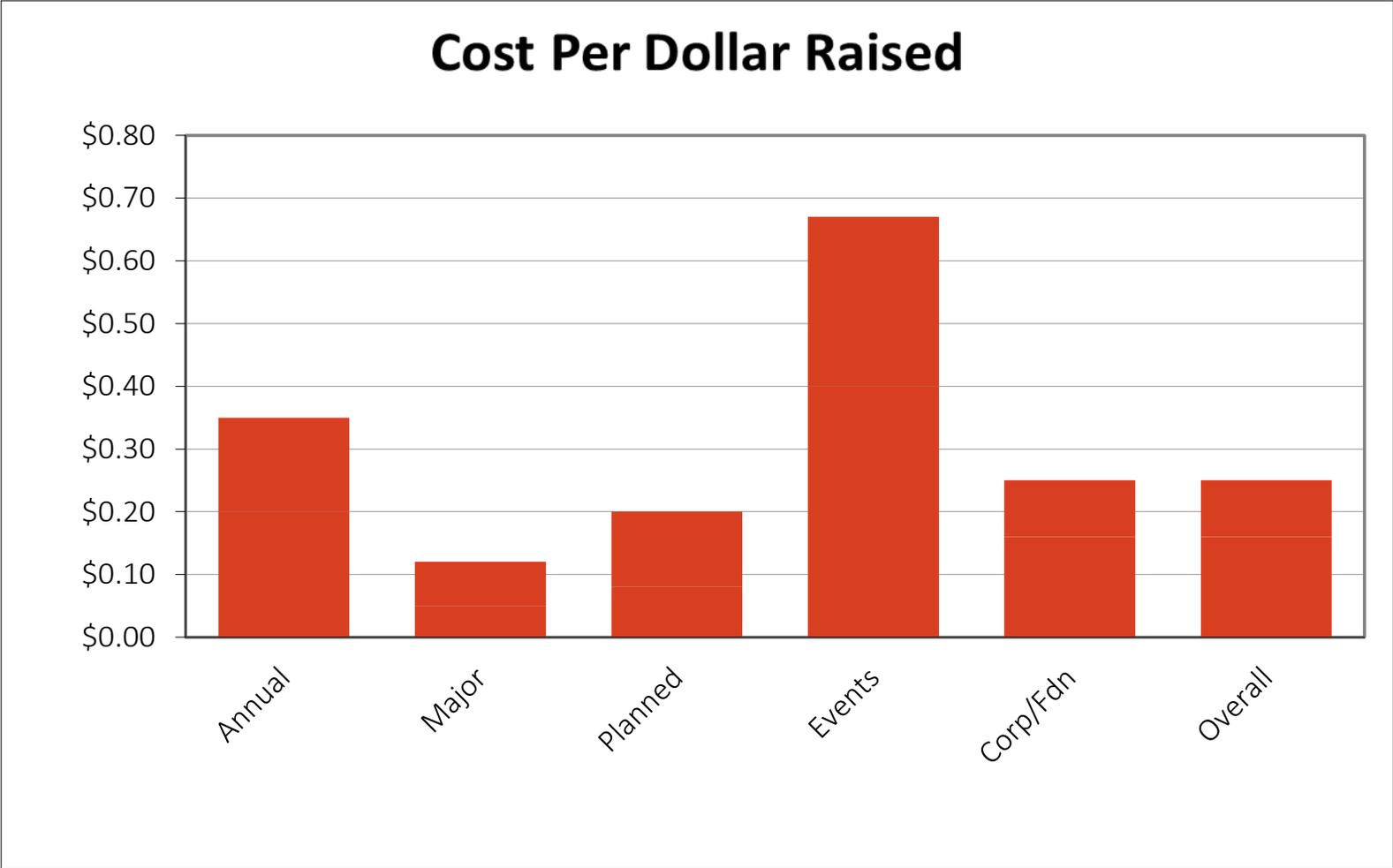


STEWARDSHIP

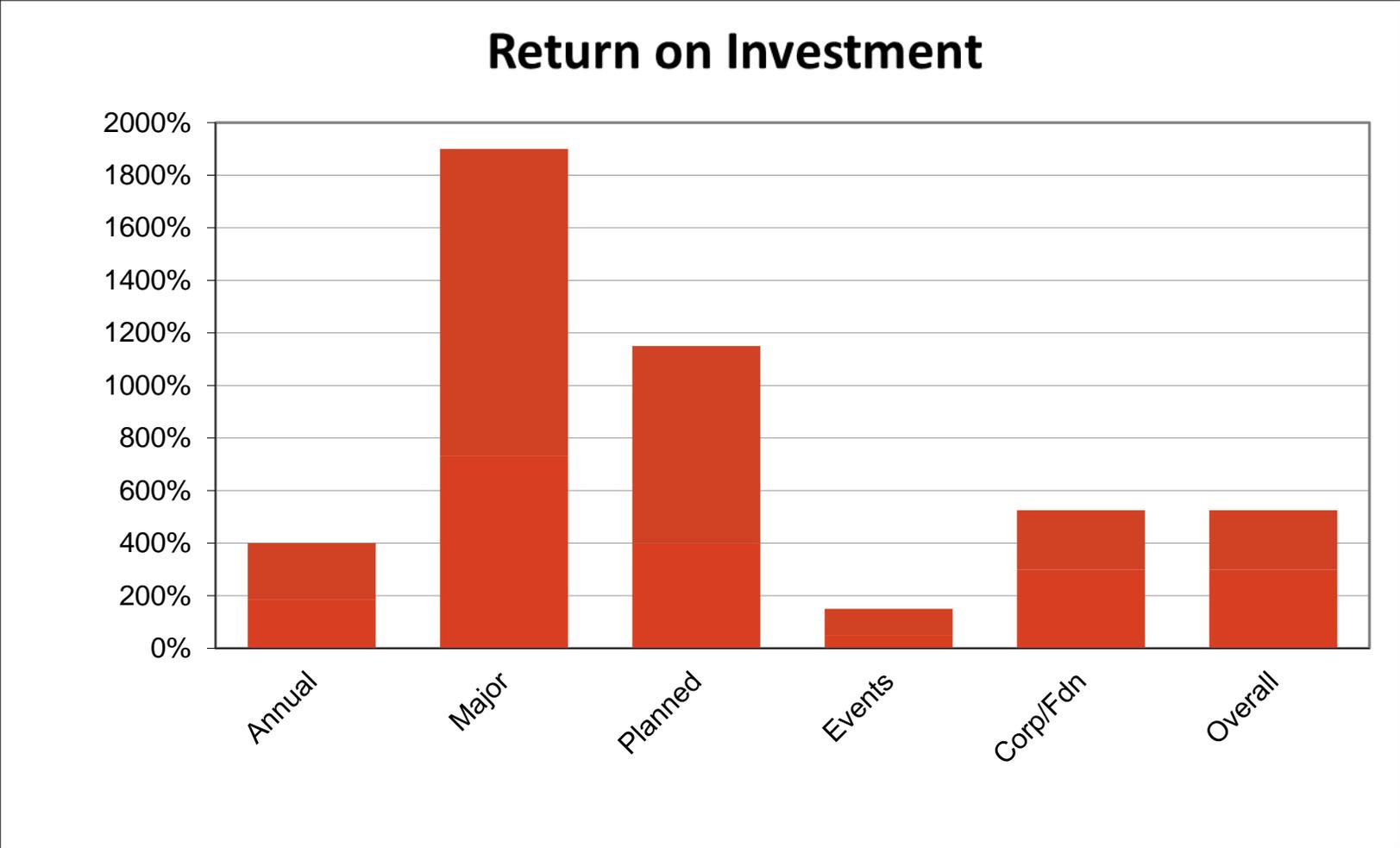
**What is the purpose and ROI of each?**

**How do you leverage these activities to attract and keep donors?**

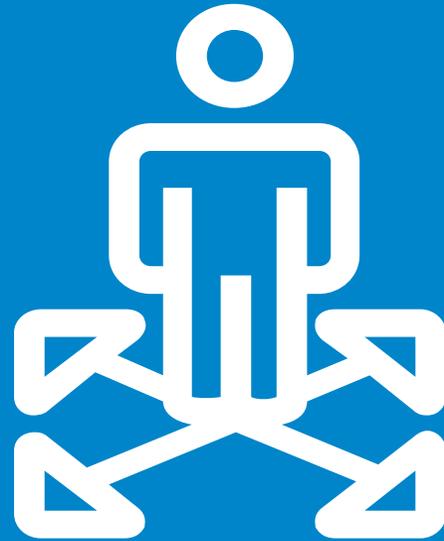
# PLAN WITH THE RIGHT TOOLS



# KNOW WHAT TO EXPECT FROM YOUR TOOLS

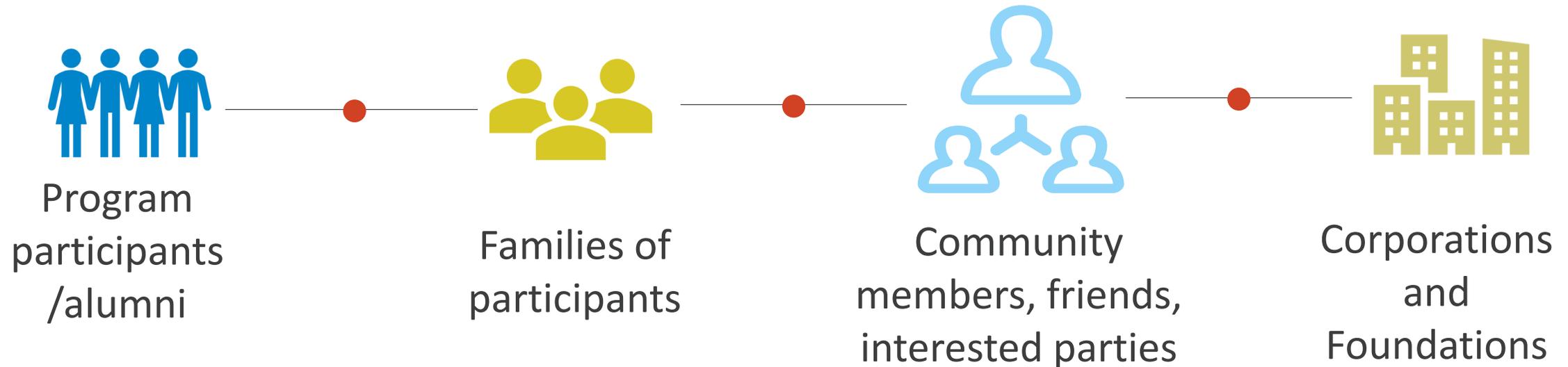


But really – this is first...



*Who are your stakeholders?*

**For each stakeholder group there will be a different reason to support your organization – your donor strategy is tied to those reasons.**



# DONOR SEGMENTS

## WHY DO PEOPLE GIVE?

Donors are not alike. We found that, statistically, donors break out into six behavioral segments



### Repayer

*"I give to my alma mater"*  
*"I support organizations that have had an impact on me or a loved one"*

### Casual Giver

*"I primarily give to well known nonprofits through a payroll deduction at work"*  
*"I donated \$1,000 so I could host a table at the event"*

### High Impact

*"I give to the nonprofits that I feel are generating the greatest social good"*  
*"I support causes that seem overlooked by others"*

### Faith Based

*"We give to our church"*  
*"We only give to organizations that fit with our religious beliefs"*

### See the Difference

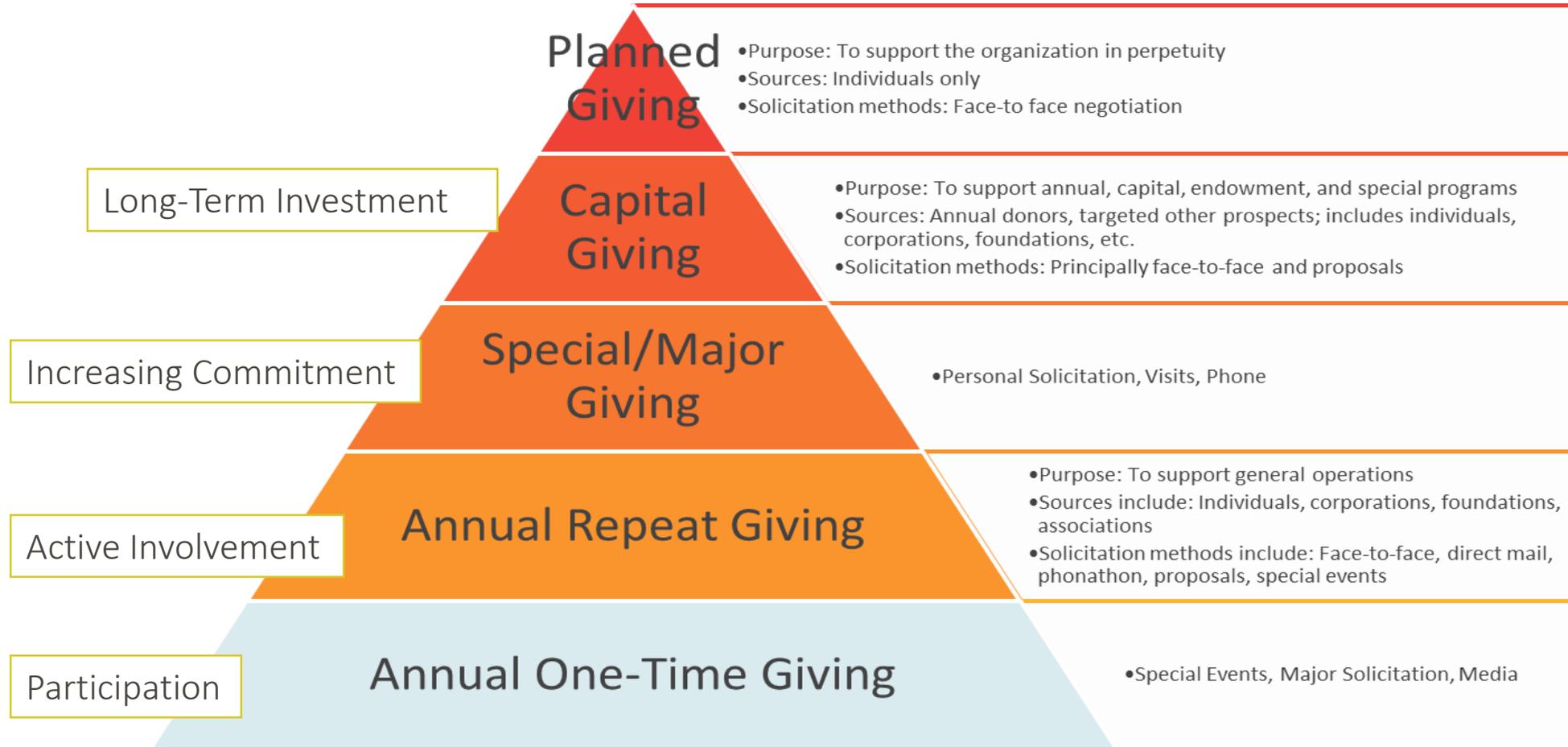
*"I think it's important to support local charities"*  
*"I only give to small organizations where I feel I can make a difference"*

### Personal Ties

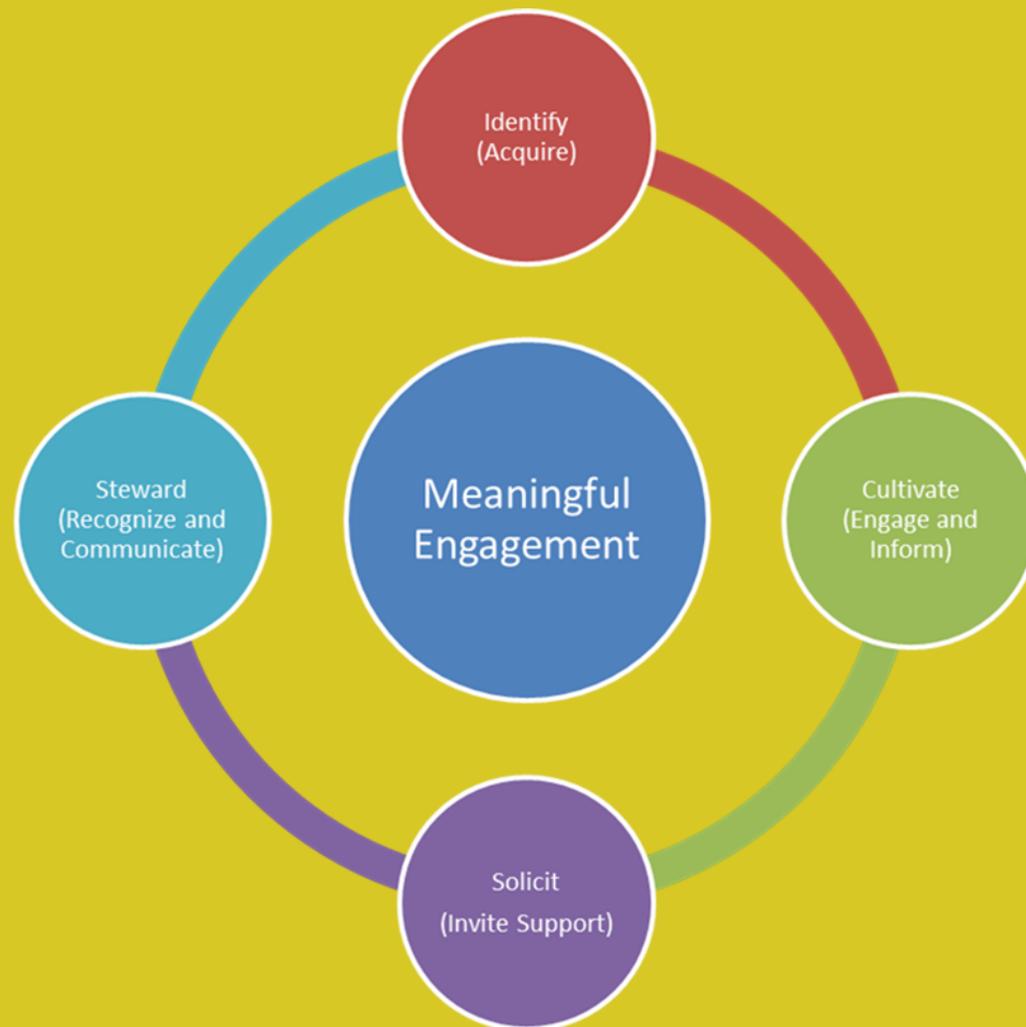
*"I only give when I am familiar with the people who run an organization"*  
*"A lot of my giving is in response to friends who ask me to support their causes"*

Note: Segments based on statistical analysis.

# USE YOUR TOOLS TO BUILD YOUR PIPELINE



# MOVE YOUR DONORS UP THE PIPELINE WITH THE DONOR CYCLE



Let's set an annual goal to raise \$500,000 – how do you get there?

Sample Gift Table

Goal Amount:

\$500,000

Gift Range	No. Gifts required	No. Prospects required	Subtotal	Cumulative total
50,000	1	4	50,000	50,000
38,000	1	4	38,000	88,000
25,000	2	8	50,000	138,000
19,000	3	12	57,000	195,000
13,000	5	20	65,000	260,000
9,400	8	32	75,200	335,200
6,300	10	40	63,000	398,200
3,200	12	48	38,400	436,600
1,300	12	48	15,600	452,200
Under 1,300	73	294	47,800	500,000
<b>Totals</b>	<b>127</b>	<b>508</b>		<b>500,000</b>

**WHAT DO YOU EXPECT  
FROM THE ELEMENTS OF  
YOUR PLAN?**

# STRATEGY BEHIND EACH ELEMENT



## TOOL: ANNUAL GIVING

WHY ANNUAL GIVING?

WHAT, WHEN, WHY? WHERE DOES ANNUAL GIVING FIT INTO YOUR GOALS?

HOW DO YOU USE THIS FOR ENGAGEMENT?

# STRATEGY BEHIND EACH ELEMENT



TOOL: EVENTS

WHY EVENTS?

HOW DO EVENTS FIND  
AND KEEP DONORS?

WHAT ARE THE RISKS  
WITH EVENTS?

# STRATEGY BEHIND EACH ELEMENT



## TOOL: MAJOR AND PLANNED GIVING

WHY MAJOR AND  
PLANNED GIVING?

WHAT ARE THE  
CHALLENGES?  
WHAT IS THE ROI?

HOW IS THIS DONOR  
ENGAGEMENT?

# STRATEGY BEHIND EACH ELEMENT



## TOOL: CORPORATE GIVING

WHY CORPORATE GIVING?

HOW IS THIS PART OF DONOR ENGAGEMENT?

WHAT DO CORPORATIONS TEACH US ABOUT STEWARDSHIP?

# STRATEGY BEHIND EACH ELEMENT



## TOOL: FOUNDATION GIVING

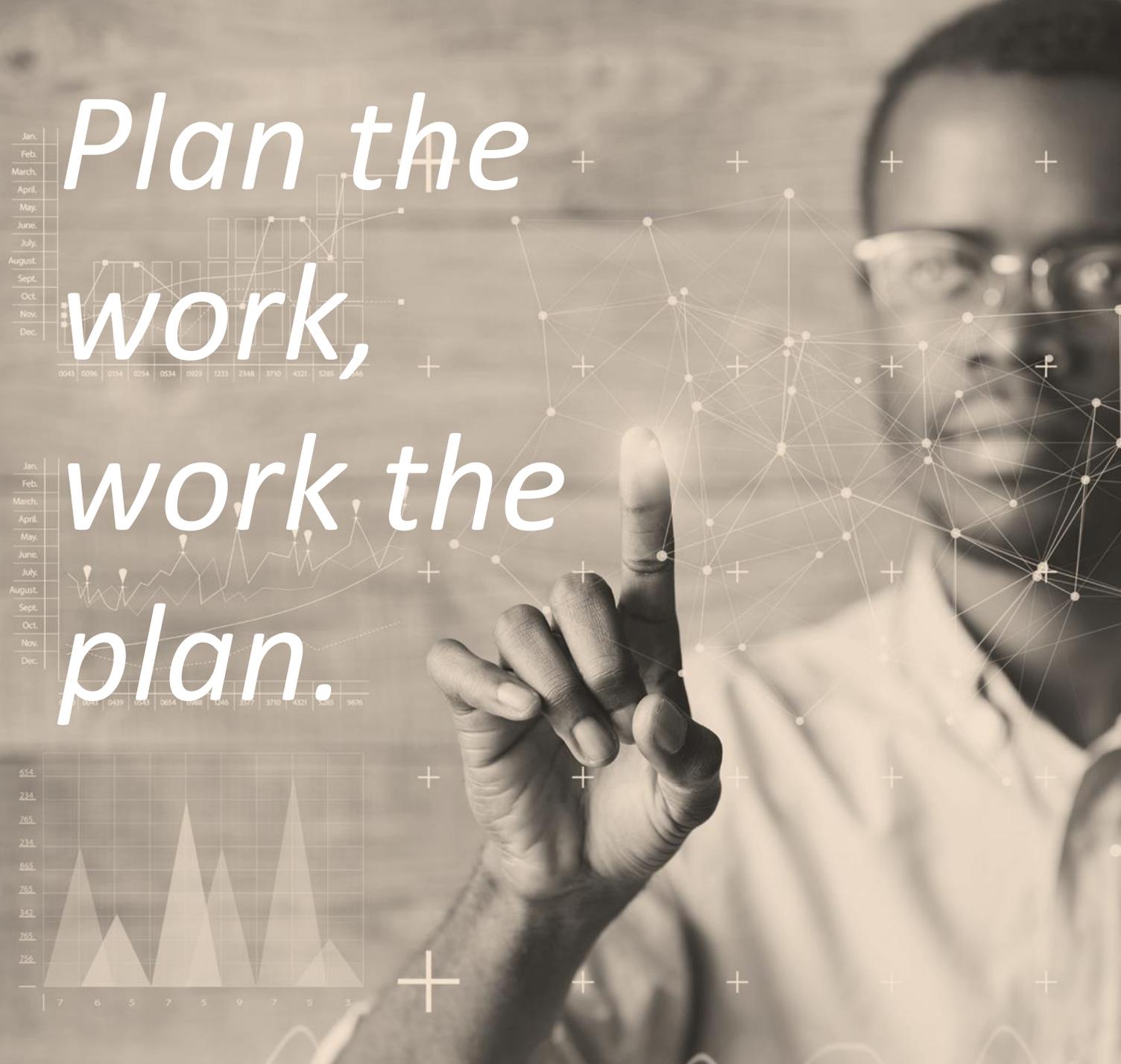
WHY FOUNDATION  
GIVING?

WHAT IS THE ROI?

WHAT DO YOU NEED  
TO IMPLEMENT?



**LEVERAGING TIMING  
AND STRUCTURE**



*Plan the  
work,  
work the  
plan.*

Jan. Feb. March. April. May. June. July. August. Sept. Oct. Nov. Dec.

0043 0096 0154 0254 0534 0928 1233 2348 3710 4321 5385 6126

Jan. Feb. March. April. May. June. July. August. Sept. Oct. Nov. Dec.

0111 0493 0439 0543 0654 0788 8246 8377 3710 4321 5385 9876

654 234 265 234 865 765 342 265 226

7 6 5 7 5 9 7 5 3

# TIMING AND STRUCTURE



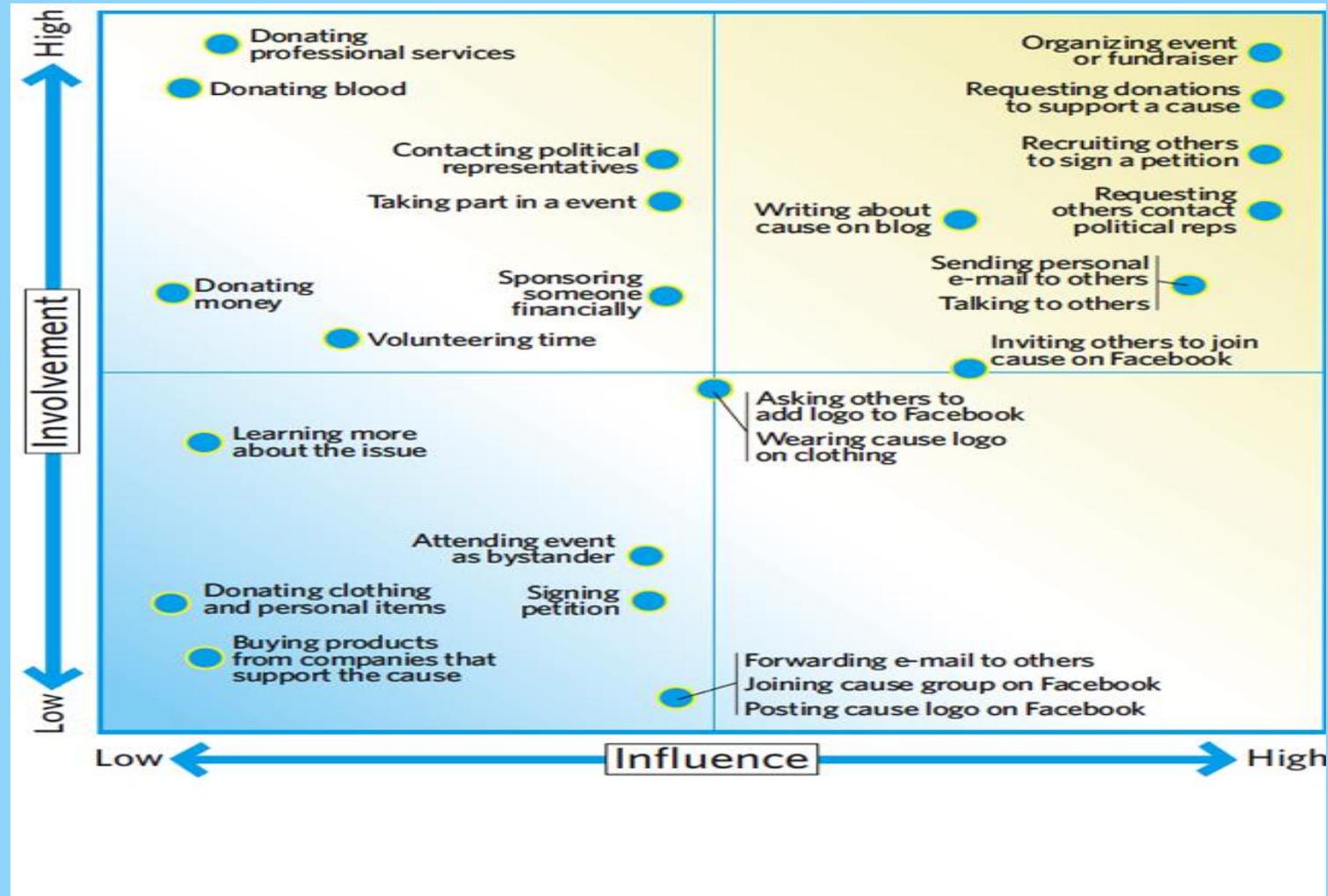
*Focus on your goals, bandwidth, and ROI*

# ROUGH OUT YOUR PLAN



Goals	GOAL (financial and organizational)											
Key Objectives	KEY BENCHMARKS to accomplish goals											
	January	February	March	April	May	June	July	August	September	October	November	December
Annual Giving												
Events												
Outreach												
Stewardship												
Major Gifts												
Corporate/ Foundation Proposals												

# VALUING SUPPORT ACTIVITIES AS A STRATEGY



Julie Dixon and Denise Keyes, "The Permanent Disruption of Social Media," *Stanford Social Innovation Review (SSIR)*, Winter 2013

# STRATEGIES THAT WORK – BUILDING LOYALTY AND RETENTION

- **Build a culture of philanthropy:** everyone equipped to answer donor questions
- **Metrics drive action:** track upgrades, downgrades, lapsed, gift size, and first gifts
- **Remind donor of history:** “Your tradition of giving started in 2010”
- **Share the impact donors helped to create**
- **Implement donor welcome packages and calls**

## STRATEGIES THAT WORK – BUILDING LOYALTY AND RETENTION

- Focus team on stewardship of *first* time donors at all levels
- Offer experiences that matter to donors - awareness tours
- Segment by program interest area, not mode of giving (event, mail, etc.)
- Ask corporate donors what recognition they want; one size does not fit all

# A DELIBERATE BUT NIMBLE PLAN, FOCUSED ON GOALS, INVOLVING THE ENTIRE ORGANIZATION, WILL BUILD LASTING SUCCESS...



Data-driven plans inform strategy and donor engagement



Simple messages that focus on impact, and can be used throughout the year



Build in high and low touch activities to keep donors engaged

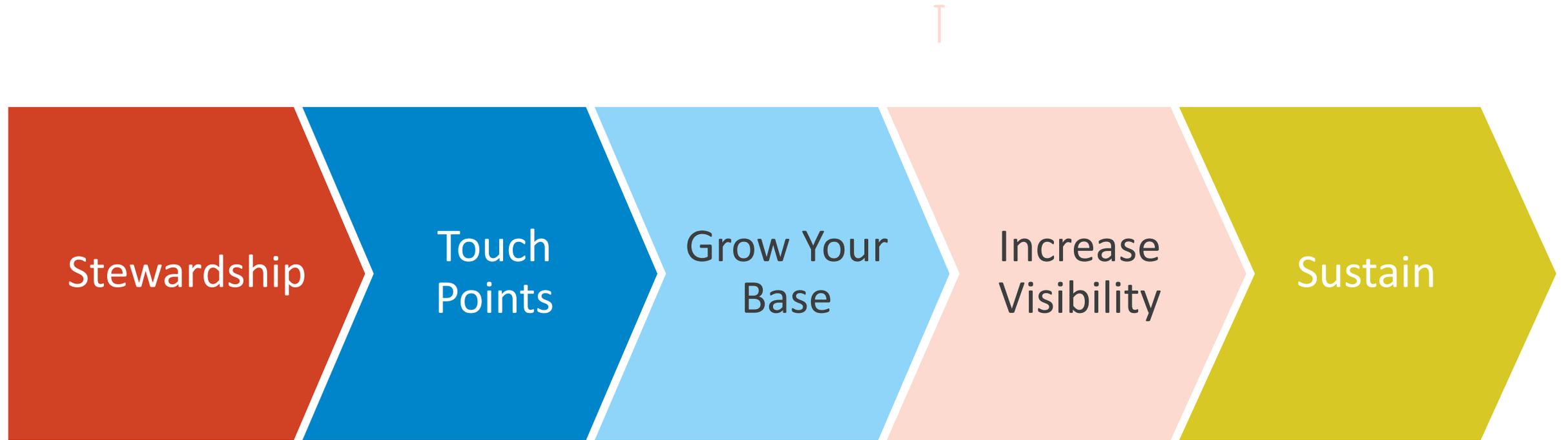


Plan activities by defining your goals, leverage existing resources



Keep your eye on the target, tweak and refine but stick to the plan

# LASTING MOMENTUM: THE VALUE BEHIND A PLAN



# THANK YOU

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