

# Sage Nonprofit Solutions



## Be Your Donors' Favorite Charity: 10 Tips to Keep Them Giving Again and Again

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Industry Paper

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## Introduction

We all know that it takes more time, energy, and money to attract new donors than it does to keep existing donors. So how do you keep those new donors from becoming a one-hit wonder, and your repeat donors from fading to black? Here are some proven best practices to keep your donors engaged and their checkbooks open.

### Be Accountable

Trust is a precious commodity in the nonprofit sector. Given the recent events and temperament of the donor community, it is even more imperative than ever that you are being accountable not only in your financial audits, but to your donors as well. Make sure you use money raised for the purposes you outlined in your solicitations and communicate it clearly and often to your donors. Once a donor is lost due to a lack of trust, rarely do they return. Being accountable for the funds you raise will keep your organizational integrity intact and your donors contributing to your cause.

### Know Your Donors

Does Jane Smith not want to receive newsletters? Does the Jones Family Trust want to receive solicitations through your annual appeal? What is John Doe's normal giving cycle? Who knows the Taylors'? What prompted Ms. Clark to give to you in the first place? Knowing your donors is the foundation of any donor retention program.

If you don't know anything about the donor, start asking around. Ask your board members and senior staff. See if the donor appears in an Internet search or as a donor in another organization's annual report. Pay attention to any communication you receive from donors—written notes with contributions, attendance at a particular event, or a sudden change in giving pattern. As you begin to compile a donor profile, be sure you have a system in place to document and save this information for your future interactions and solicitations.

The more you know about your donors, the more opportunities you have to reinforce the relationship. Respect donors' wishes when it comes to communications, solicitations, and acknowledgements. Take advantage of what prompted that first donation, who in the organization knows the donor, how the donor likes to be treated, and why the donor

continues to give. After all, future gifts depend on how well you've nurtured the donor's relationship with your organization.

### **Thank Your Donors**

It sounds simple enough and we all know it's important. But *how* we thank donors can either secure their loyalty or begin to erode away their confidence in your organization. They have chosen to give to you, so do everything you can to reinforce what a good choice they have made.

Timeliness is of the utmost importance. Thank your donors as soon as possible after receiving their contribution. This can be either with a call, a card, a letter, or e-mail, whichever is the most appropriate for your organization. The gift is fresh in their mind, and by responding quickly, it secures their faith in your organization.

Take advantage of the fact that a thank you is another chance to strengthen your campaign message. Plan the strategy for thanking donors along with your campaign and experiment with other communication vehicles and mediums. For example, rather than the mail-merge form letter, use a custom thank you card designed to emphasize the cause to which their gift was sent. By sharing a success story and recent photo, you are supplying the donor with the immediate gratification that their dollars are making a difference and are being used for the donor's intended purpose.

### **Make it Personal**

Whenever possible, make your communications with your donors personal. One well-known and widely used technique is to personalize salutations. However, this is also a very visible personalization. Your donors may not be forgiving if they receive a half-hearted attempt to make their letter personal such as "Dear Jane Smith", a typo, or a blatant error. Accuracy in personalization is a necessity.

Within solicitation and thank you letters, include details of their most recent gift such as the specific amount of the donation, the date and/or time of year, and the campaign for which the contribution was made. Also acknowledge any uniqueness to their gift. For example, did their gift originate from a family trust or neighborhood event, include a matching gift form from their employer, or was it designated toward a specific purpose? This level of personalization shows you are paying attention not only to the gift itself, but the donor's intentions.

To take personalization a step further, add a special touch to event invitations, thank you cards, and solicitations by adding a hand-written note or making follow-up phone calls. Ideally these notes or calls would come from someone who the donor knows, i.e., the Executive Director, Board Member, or Campaign Chair, but can be from any staff member, volunteer, or even client. Wherever possible, physically sign correspondence rather than using an electronic signature. Hand-write addresses on envelopes and use a 1<sup>st</sup> class stamp rather than metered mail.

Although you may not be able to implement these techniques for all donors or for all mailings, start with the personalization technique that can be easily added to ongoing fundraising efforts. Over time, you will find that the extra effort can go a long way in not only keeping your donor's attention, but cultivating donors into that next giving category.

### **Be Consistent**

If you want donors to consistently give to your organization, then you need to be consistent with your donors. Part of maintaining the consistency is understanding the expectations that have been established with long-time donors, the expectations of those who recently began supporting your organization, and the goals/limitations of your organization to not only meet those expectations, but guide the expectations for the future. Consistency in messaging, in communication vehicles, in events, and in timing help to create a pattern of expectation from your donors and credibility for your organization.

Being consistent doesn't mean you are locked into the 'old ways' of doing something or you can't change to meet the needs of your organization. If for some reason there has been, or will be, a major change from the usual pattern of expectation, communicate that change with your donors. For example, if your major fundraising event is always held in October, but due to funding constraints needs to be held in May, survey the participants about attending in May and explain the reasons for the move. If your organization has a new logo, communicate the new look in a donor newsletter or on your Web site. Keeping the donors in the loop will strengthen their relationship with your organization and gives you another chance to touch your supporters.

On the other hand, inconsistency can plant seeds of doubt in donors' minds regarding your organization. This doubt can prevent future gifts, which is what a donor retention program is designed to address.

### **Show Donors How They've Helped—Engaging without the 'Ask'**

Although we naturally communicate with our top donors and grantors the results obtained from their contributions, we often don't implement the same strategy across the entire donor spectrum. No matter the size of the gift or the reason for giving, people want to feel valued and that their donation is making a difference.

As mentioned in the section on thanking your donors, one way to begin building and reinforcing donor loyalty is to share a success story within the thank you. This strategy shows how the donor's most recent contribution is making a difference and can be implemented for every gift, regardless of size. In every donor communication to follow, newsletters, Web sites, and solicitations, give examples of how the donor's money is being put to good use with testimonials, statistics, achievements, and images of success.

Frequency of these messages can play a big role in donor retentions. For example, if you highlight the good work done through their support *only* in your annual appeal, the donor is not as likely to respond as strongly as if it is a message they are receiving throughout the year. Reaching out to your donors often and through a variety of mediums will help keep 'top of mind' awareness for your organization.

Engaging your donors can be passive. It may take the form of newsletters, annual reports, postcards, or e-mails to share the accomplishments of your organization. Or it can be active. Invite donors to volunteer at your organization, hold an open house, or even ask for letters of support.

A key to donor retention is to build loyalty amongst every donor. Plan the 'pats on the back' and opportunities for donors to be engaged as a piece of your overall marketing/fundraising strategy to continually reinforce how important their gifts are and what good work you are achieving because of them.

### **Have a Media Strategy and Implement It**

One of the least expensive ways to promote your organization is by taking advantage of the various media outlets that serve your donor demographics. Having positive press coverage in the local newspapers, magazines, TV, or even on the radio serves as 3<sup>rd</sup> party validation of your organization and yet another way to reach out to your donors.

In order to successfully receive media coverage, it is important to develop a relationship with your media contacts. Decide on a consistent format for your press releases and send releases often so that the editor will get to know your organization. Make sure the contact person and supporting resources promoted within the release are available to the press for interviews and offer compelling visuals for TV footage and photos. Although you may not have total control over the decision to cover your story or the exact message the reporter creates, you do have control over the information you make available, the timing, and the selling points that would win coverage over a competing story.

Positive press reinforces the credibility and worthiness of your organization to your donors, just as negative press can have the opposite effect. Use the press wisely in your efforts to reinforce your message and to keep your donors excited about the good work being done by your organization.

### **Build Circles of Support to Reinforce your Message**

Word of mouth is a powerful marketing tool. In fact, some businesses rely on it alone to promote their business and acquire new customers. Likewise, it can be a powerful strategy for a nonprofit organization.

Encourage your board, volunteers, and staff to take advantage of opportunities to talk with others about your organizational achievements in their everyday interactions. Build relationships with local businesses that will be an advocate to their customers, clients, and business associates on your behalf. Utilize the various networking groups and service clubs as part of your marketing strategies to expand your contact sphere and circles of influence.

Word-of-mouth marketing serves multiple purposes, including attracting new donors and creating a good organizational image in the community. These efforts also promote donor retention. The more people who speak highly of your organization, the greater chance your donors will be hearing messages of credibility and worthiness in casual conversation. These messages confirm their choice in supporting your organization and can generate further excitement about being a consistent contributor.

## **Practice Continuous Improvement**

Continuous improvement is a phrase suggesting that a process or product should always get better as knowledge about it and experience with it accumulates over time.<sup>1</sup> This concept is not just for the manufacturing and quality control industries of the world, but is also for all aspects of your retention efforts.

It is intuitive to gather together after a major fundraising initiative to review the strengths and weaknesses of the effort in preparation for the next one. But everything you do, from direct mail solicitations to telethons, events to capital campaigns, to attract and retain your donors needs to be evaluated, documented, and improved upon for the future.

Continuous improvement means that for each donor-agency interaction, there are learnings that can be observed, documented, and tested. These learning can then be applied as appropriate to similarly profiled donors or across the spectrum of donors. Your donor communication vehicles (newsletters, website) are a great tool to show continuous improvement for the programs/efforts for which you are raising money, as well as improvements in your overall organizational image, style, and messaging. However, keep in mind your donor's perception of your organization when making upgrades to your communication vehicles. For example, a grassroots organization who wants to make the move from a black and white, in-house printed donor newsletter to one with color may want to try to get the printing for free or at a discount rather than paying full price for the upgrade. This way, the improvement to the newsletter can be communicated as the result of a charitable contribution rather interpreted as funds redirected from programming to marketing efforts.

Continuous improvements made to all aspects of your organization will not only help your programs be more effective, but will create an organization that your donors will be happy to be affiliated with.

## **Create a Recurring Gift Program**

One of the fastest-growing retention techniques, recurring gift programs are a proven method of increasing donor loyalty while providing a

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<sup>1</sup> Written as defined by Wikipedia, the free encyclopedia online - [http://en.wikipedia.org/wiki/Continuous\\_improvement](http://en.wikipedia.org/wiki/Continuous_improvement)

constant revenue stream into your organization. These programs can be easily integrated into current fundraising initiatives. By asking existing donors to make smaller donations on a recurring basis, you are keeping them active and engaged. Automatic deductions allow for a painless method of giving, provide an opportunity to easily upgrade to a higher recurring amount, and are more likely to keep your donors giving since it takes a specific action to stop the deductions.

Before implementing such a program, proper planning is essential. Determine the method for processing the recurring gift, the security measures needed to protect your donor's private information, the internal resources needed to manage the program, and the technology infrastructure needed to track all the additional information that a successful recurring gift program will create. By specifically inviting donors to join the program, you are not only securing their continued support, but opening the door for additional special 'asks' throughout the year.

Creating a recurring gift program alone will not ensure donor retention. However, when combined with the best practices above, it can be a powerful tool to keep your donors giving again and again.

## Conclusion

These are just a few techniques you can use to help you retain your most valuable resource, your donors. With donor funding now in short supply, it's more important than ever to have the information and resources you need to help your organization run smoothly. For more details on how Sage Software can help your organization attract and retain new donors, please contact us at: 1-800-647-3863 or visit [www.sagenonprofit.com](http://www.sagenonprofit.com)

## About Sage Software

Sage Software offers leading business management software and services that support the needs, challenges, and dreams of more than 2.4 million small and midsize customers in North America. Its parent company, The Sage Group plc (London: SGE.L), supports 4.7 million customers worldwide. For more than 25 years, Sage Software has delivered easy-to-use, scalable, and customizable software for accounting, customer relationship management, human resources, time tracking, and the specialized needs of accounting practices in the construction, distribution, manufacturing, nonprofit, and real estate industries.



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