Where Have All The Donors Gone?

The Art of Saying “Thank You”

BETH ANN LOCKE

Director of Advancement
Simon Fraser University, Burnaby, BC

AFP Fraser Valley Summit: Greater Things!

#GreaterThings2017
@FundraiserBeth @AFPFV
Saying “thank you” is a privilege, not an obligation.

— Shanon Doolittle —
HOW MANY IN THIS ROOM

ARE EVALUATED ON THE AMOUNT THEY RAISE?
ARE EVALUATED ON DONOR RETENTION?
GUIDE THE DONOR APPRECIATION PROCESS?
PREPARE THE THANK YOU LETTERS?
SEND THEIR OWN THANK YOUS?
1. THE STATE OF DONOR RETENTION

2. WHAT CANADIAN DONORS WANT

3. THE ART OF SAYING THANK YOU

4. THINK OUTSIDE THE "THANK YOU BOX"
It is the fundraiser's job, your only job, to make the supporter feel good about supporting your charity. You have to love your donors. The money will follow.

— Stephen Pidgeon —
THE CURRENT STATE OF NEW DONOR RETENTION

FEWER DONORS ARE GIVING A SECOND GIFT;
FOR EVERY 100 DONORS GAINED, 99 ARE LOST THROUGH ATTRITION

IN 2016, THE AVERAGE NEW DONOR RETENTION RATE WAS 25.8%
• For new donors giving under $100 retention was 17.5%
• For new donors giving $250 to $999 retention was 48.5%
• For new donors giving $1,000 to $49,999 retention was 57%

2017 Fundraising Effectiveness Project
THE CURRENT STATE OF RENEWING DONOR RETENTION

RETENTION IS BETTER FOR RETURNING DONORS!

IN 2016, THE AVERAGE RETURNING DONOR RETENTION RATE WAS 64.8%

• For returning donors giving under $100 retention was 52.25%
• For returning donors giving over $250 to $999 retention was 76%
• For returning donors giving $1,000 to $49,999 retention was 87%
Loss ratios for number of donors by percentile level

<table>
<thead>
<tr>
<th>Percentile Level</th>
<th>Lapsed new</th>
<th>Lapsed repeat</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOTTOM 20%</td>
<td>-68.3%</td>
<td>-33.9%</td>
</tr>
<tr>
<td>20-40%</td>
<td>-48.0%</td>
<td>-25.4%</td>
</tr>
<tr>
<td>40-60%</td>
<td>-35.6%</td>
<td>-20.3%</td>
</tr>
<tr>
<td>60-80%</td>
<td>-25.3%</td>
<td>-13.5%</td>
</tr>
<tr>
<td>TOP 20%</td>
<td>-14.1%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
HIGH RETENTION RATES ARE A SIGN OF HEALTH

IF YOU DON’T KNOW YOUR RETENTION RATE, GO BACK + DISCOVER

DIRECT MARKETING: KNOW RETENTION BY SEGMENT
new donors, returning donors, lapsed donors, by channel

EVENTS: RETAIN YOUR BEST TABLE CAPTAINS, TEAM LEADERS
Thank those who bring others to events, open their networks, raise the most
A 10% improvement in retention can yield a 200% increase in the Life Time Value of the donor.

- **Life Time Value** = (Average Annual Gift) / (attrition rate)
  - For a 90% retention rate $100 / (.10) = $1,000
  - For a 40% retention rate $100 / (.60) = $166

<table>
<thead>
<tr>
<th>Starting # of Donors In Database</th>
<th>Attrition Rate (Percentage Lost)</th>
<th>Donors Remaining After 1 Year</th>
<th>Donors Remaining After 3 Years</th>
<th>Donors Remaining After 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>20%</td>
<td>800</td>
<td>512</td>
<td>328</td>
</tr>
<tr>
<td>1,000</td>
<td>40%</td>
<td>600</td>
<td>216</td>
<td>78</td>
</tr>
<tr>
<td>1,000</td>
<td>60%</td>
<td>400</td>
<td>64</td>
<td>10</td>
</tr>
</tbody>
</table>
The deepest craving of human nature is the need to be appreciated.

— William James —
WHAT DO CANADIAN DONORS WANT?

GOOD NEWS:

Canadian donors continue to express a higher confidence in the charitable sector (73%) than the private sector (63%) or the public sector (62%)
When a donor gives any gift, she wonders:

- Is it needed?
- Has it been received?
- Was it put to good use?
- Who or what did it help?
The reasons donors say they give:

- 35% To help those in need
- 22% It’s the right thing to do
- 15% To give back to the community
- 9% It feels good
- 8% I benefitted from services, want to give back
- 7% It’s part of my religious beliefs
- 2% Other

2016 AFP What Canadian Donors Want
After giving a gift, she wants to feel that:

• I made the right choice giving here!
• I *am* making a difference!
• I can easily read / scroll / call for info.
• I could make another gift by simply…
The reasons donors say they leave:

- 54% Death
- 36% Believed other charities are more deserving
- 18% Poor service or communication
- 16% Can no longer afford to give
- 13% Never thanked
- 8% Never heard how money was used
- 5% Thought the charity did not need them
We must find time to stop and thank the people who make a difference in our lives.

— John F. Kennedy —
THE ART OF SAYING THANK YOU

Express Authentic Appreciation

Offer More Connection

Demonstrate the Impact
THANK YOUR DONOR 
SO SHE FEELS LIKE 
ONE-IN-A-MILLION 
RATHER THAN 
ONE OF A MILLION
DON'T CONFUSE GIFT ACKNOWLEDGEMENT WITH A NOTE OF THANKS

Merged letters are personalized, but they are not personal.

No more “on behalf of”

No more “the general thank you will do”

No more “thanking as an afterthought”
Donors never tire of hearing how important they are to your cause.

— Tom Ahern —
1. EXPRESS AUTHENTIC APPRECIATION

Write your thank you note with authenticity, humility + vulnerability.

Get in touch with YOUR deep appreciation for this gift, then channel that feeling.

Be as eager to send the thank you as you were to receive the donation.
2. OFFER MORE CONNECTION

Write with the intention of creating connection.

In the thank you, link to shared interactions, past exchanges, shared values.

Always include your business card or print your name + number.
3. DEMONSTRATE THE IMPACT

Show the donor the “front lines” of the “fight”: a tour, a short video, or a photo.

Your thank you must include where the gift was directed + what impact can be expected.

Thank yous from recipients, clients or their proxies may also illustrate the impact.
When thank yous are authentic, prompt + creative:

- They reflect back the joy the donor felt in making the commitment.
- They increase confidence + trust.
- The “feel good” is real.
The neurocognitive mechanisms of emotions
Deliver more gratitude than expected.

— Tom Ahern —
THINK OUTSIDE THE ‘THANK YOU BOX’

When a donor gives, we must honor their dreams!

We do this by reflecting back appreciation, then reporting on the impact of their valued gift.
“We received your gift, enclosed is your tax receipt.”

“We are on track with the school we are building in Tanzania…”

Report on the Endowment: Annualized Rates of Return

“Your scholarship gift, along with many others, helped students.”

“You are giving our pediatric burn patients a better start to the day.”

“I want you to see the classrooms you are building in Mvomero, Tanzania.”

Endowment Report: The Lives You Have Touched

“You are the difference between hoping to attend university and enrolling in classes. Lisa wants to say thank you…”
BOARD THANK YOU CALLS:
POST GIFT, BOARD CALLS WERE MADE IN 24 HOURS. RESOLICITATION 4 MONTHS ON;
THESE DONORS GAVE 39% MORE THAN OTHERS. 10 MONTHS ON, DONORS GAVE 42% MORE OVERALL.
(PENELlope BURk)

BE PROMPT FOR FIRST TIME DONORS:
FIRST TIME DONORS WHO RECEIVE A PERSONAL THANKS WITHIN 48 HOURS ARE 4 TIMES MORE LIKELY TO GIVE AGAIN.
(MCCONKEY INTERNATIONAL UK)
DON’T ASK AGAIN, THANK INSTEAD:
NOVEMBER 2012, THANK YOU CALLS TO 2,500 NEW DONORS. BY MARCH 2013, 800 HAD GIVEN 2ND GIFT, WITH NO ADDITIONAL SOLICITATION.
(VANESSA CHASE LOCKSHIN)

GET PERSONAL WITH MID-LEVEL DONORS:
BEGIN WITH A POOL OF 3,000 GIVERS. USING CALLS, HANDWRITTEN NOTES + DONOR VISITS, TEAM REACHED OUT (~ 250 TOUCHES/ MONTH). FOLLOWING YEAR, 30% GAVE 2ND GIFT OF $200+ MORE; OVER 10% BECAME MAJOR DONORS.
(VANESSA CHASE LOCKSHIN)
WORK YOUR SEGMENTS:
• LOYAL DONORS - STRONG AFFINITY; DEVELOP ONGOING ENGAGEMENT STRATEGIES FOR THEM.
• WEALTH RATINGS - SEGMENT, ENGAGE, ASK.
• KNOW WHO WANTS TO ENGAGE – USE SURVEYS, SOCIAL MEDIA, EVENTS, TRACK EMAIL OPENS (CHUCK LONGFIELD)

MAKE TIME, SET TIME: CALENDAR YOUR THANKING; DON’T LEAVE IT TO CHANCE OR MOOD. MAKE 2 THANK YOU CALLS AT START + END OF DAY (OR WRITE NOTES). IN ONE YEAR, YOU’LL HAVE 200 MORE THANK YOUS!
START TOMORROW
Lead with gratitude

QUESTIONS?

hello@bethannlocke.com
bethannlocke.com
Resources

• The Fundraising Effectiveness Project 2017:
  FEP2017Report4212017.pdf

• Calculating your donor retention rate:
  https://bloomerang.co/retention

• What Canadian Donors Want 2016:
  http://www.afpnet.org/ResourceCenter/ArticleDetail.cfm?
  ItemNumber=36796&ext=1