ADOPT A “RETENTION FIRST” FUNDRAISING PHILOSOPHY

Before your organization can even begin to think about raising support from new donors, you need to focus on retaining the ones that you already have. For US charities, the average donor retention rate was just 45 percent in 2016. So if the average organization had 100 donors in 2015, they only managed to renew 45 of those same donors in 2016. You can do better.

Your organization MUST adopt a fundraising philosophy of “retention first” or it will never get ahead in its fundraising. Without a retention first philosophy, you will always be treading water with donors leaving just as fast (if not faster) than you are able to bring in new ones. How do you retain your donors? You make them feel LOVED through a year round donor loyalty program.

SEND RESPONSE OPTIMIZED MAIL APPEALS

You can’t just send any old letter to potential supporters and expect them to respond. The typical direct mail appeal talks exclusively about the organization and its recent accomplishments. The letter really shouldn’t be about your organization at all – it should be about the donor and the change that they have brought to the local community through your organization.

Furthermore, this is not business writing. Optimized mail appeal copy often breaks all of the grammar rules that you learned in grade school. It isn’t pretty, but it works. The envelope isn’t an afterthought either, it too is optimized. Your goal is to get the piece opened and to inspire the donor to act, IMMEDIATELY — not to toot your own horn and send something that looks cool.
3. JUST 2 EVENTS PER YEAR WITH A FOCUS ON SPONSORS, NOT ATTENDEES

Let’s face it, special events are time consuming. When you look at their return on investment they typically aren’t even that great of a way to raise funds. Thankfully they have some redeeming qualities through their ability to bring in new donors and raise public awareness. But there are far too many of them at most nonprofit organizations. Holding ANOTHER special event seems to be every organization’s favorite way of dealing with a revenue shortfall.

By limiting your organization to two large special events per year, you create time to focus on other fundraising activities (like getting to know your donors). With only two, you also have the time to really maximize them and raise the bulk of the revenue from sponsors, not attendees. You will make far more when you start focusing on recruiting $300 (or $3,000) sponsors, rather than selling $30 tickets.

4. BUILD PERSONAL RELATIONSHIPS WITH THE TOP 10% OF DONORS

The number one law of fundraising is that people give to people. Specifically, they give to people that they know, like and trust. Yes, they will contribute in other ways. But large donations are typically only made when a donor develops a personal relationship with the organization. They have to know, like and trust your organization before they make a major commitment. This is not done via mail or email. This is done while sipping a cup of coffee together or taking a personal tour of the organization.

You MUST get to know your top donors. If they are giving you that much without a personal relationship, then they most likely could support you at a much higher level. They just have to have to get to know you. This is what we do with the time saved from conducting fewer events. We meet with our top donors one on one and bring their support of our organization to life for them.
Wouldn’t it be nice to have a steady, predictable flow of donations each and every month? When you convert your lower level supporters to be recurring monthly donors, that is what happens. Cash flow is no longer an issue and you can focus more on the strategic initiatives that will move your organization forward.

To sweeten the pie even more, recurring monthly donors give 42% more than regular donors over the course of the year! This makes the lifetime value of a recurring donor five times greater than that of a donor that makes two donations per year. Furthermore, donor retention is automatic with recurring donors ... the dollars just keep coming (as long as you show them the impact of their support)!

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