



The Donor Engagement Strategy Playbook

How you can engage and retain your donors this fundraising year and beyond

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Introduction

Whether you are new to fundraising or have been in the field for many years, you probably know that the key to developing a consistent stream of donations lies in building relationships. Once a donor connects with a nonprofit, they are much more likely to donate again and again if they are engaged with the organization.

The value that a retained donor brings to a nonprofit is enormous. In fact, nonprofit marketing expert [Adrian Sargeant](#) found that just a 10% increase in attrition can yield a 200% increase in projected value. By focusing on the long-term value of a donor, an organization can make a big and positive impact on the bottom line.

As a fundraiser, the ultimate goal is to retain these donors year after year. Therefore, it can be said that donor engagement is the key to retention.



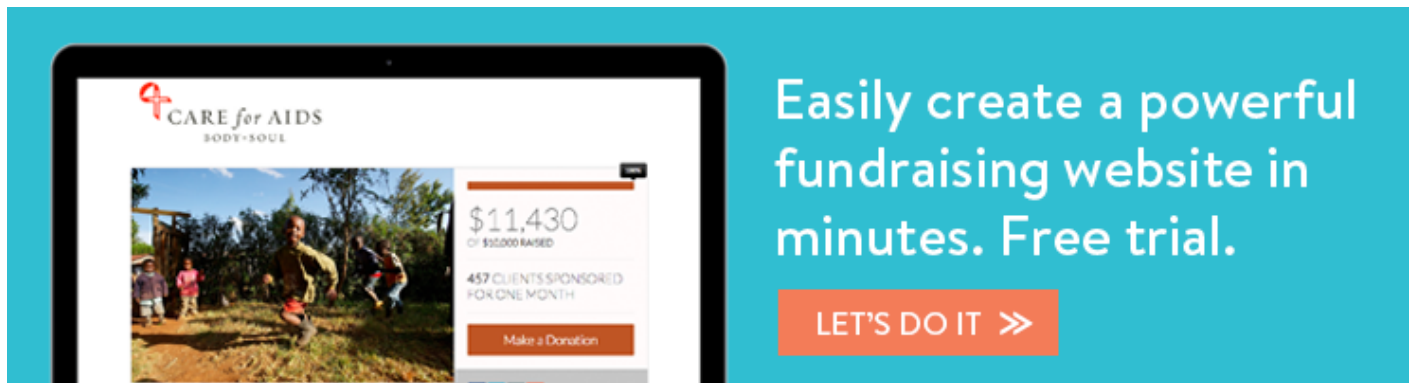
Why does retention matter?

Time and time again, studies have shown how strong the connection is between retention and increased gift amounts.

According to the [2015 Fundraising Effectiveness Project](#) (FEP), a joint project between the Association of Fundraising Professionals (AFP) and the Urban Institute (UI), 38% of retained donors that were studied increased their gifts, 28% gave the same amount and 34% gave less.

It is also important to note that securing donations from returning donors is more cost-effective than recruiting donations from first-time donors. [Nonprofit Quarterly](#) reported that new customers/donors cost a nonprofit up to five times more than returning ones.

Good retention rates an indicator of a healthy nonprofit with an effective fundraising plan. Donors are likely to return if they believe an organization is well run, producing results, and, most importantly, the donor feels as though they are playing an essential role in the operation via the donation. Now that we've established why all fundraisers should be focusing on retention strategies, let's discuss how to retain donors.



How does retention work?

Retention relies on an established connection between a donor and a cause/nonprofit/organization. This relationship is one that builds on itself over time.

After sending in a donation, most first-time and returning donors alike will be waiting for word from the receiving organization recognizing the gift and detailing how it was used. But the relationship shouldn't end with this financial transaction. In this case, the next step is to get the donor involved on a deeper level outside of their donation.

On the same note, prospective donors connecting with an organization need to be presented with opportunities for engagement from the start.

“Prospective donors connecting with an organization need to be presented with opportunities for engagement.”  [***Tweet this***](#)

Engagement Throughout The Donor Engagement Lifecycle

The donor engagement lifecycle details the steps taken to develop a relationship between a donor and the receiving organization. But, rather than look at the donor lifecycle as simply a series of steps, it is important to view each level as part of a bigger picture.

Where does donor engagement fall in this cycle? Engagement begins with the initial donor recruitment and inspiration and continues with each additional level. It is up to the fundraiser to make sure that the donor is engaged from start to finish, regardless of factors such as gift size.

Just like in any relationship, the process of building and maintaining this one takes time and effort. Below, the donor engagement lifecycle is outlined with detail being placed on the role engagement plays each step of the way.



Inspiration and Recruitment

People connect with a nonprofit for one of two reasons: they either seek out the organization themselves-- maybe because of past experiences or a connection to the work, or they are asked to get involved by friends, family, and possibly even someone already connected to the organization.

Inspire these new connections through engagement opportunities.

Education

Detail the needs/problems in the community and the ways the nonprofit is helping to solve them. Consider tours of buildings or service areas (if there are no confidentiality

issues), or highlight client success stories, impressive statistics, or a great return on investment (ROI).

For example, Children First/Communities in Schools (CIS) of Asheville have a [Mind the Gap](#) tour. Participants interested in learning about the work of Children First/CIS are taken around the community in a school bus, where they learn about the problems facing children and the solutions the nonprofit is providing.



[HOME](#) [ABOUT US](#) [DONATE](#) [PROGRAMS](#) [ADVOCACY](#) [SUCCESS EQUATION](#) [VOLUNTEER](#)

MIND THE GAP TOUR



On London's famous Underground subway, signs constantly remind riders to "Mind the Gap," or pay attention as they step onto the trains.

Mind the Gap Tours call attention to the gaps in our community that too often hinder the success of children, youth and their families living in poverty. The tour will educate and inspire you about our programs so you can help us close the gaps and realize a brighter future for our children. Please know that you will not be asked to give a donation at this tour.

Storytelling

Use the magic of words and attractive visuals to paint a picture of need and hope for prospective donors. There are many ways to tell a story, but videos, photos and a well-written narrative all have the potential to be informative and evoke emotion.

For example, WorldHelp has entire tab on their website devoted to stories. Check out [this one](#), featuring vivid pictures and emotional narrative.

WorldHelp
Help for today. Hope for tomorrow.

OUR APPROACH WAYS TO HELP CHILDREN OF THE WORLD STORIES ABOUT US HELP LOG IN SPONSOR A CHILD DONATE Q

in Asia, Featured Stories - 3 min read

Blankets Provide Tangible Hope

If you're anything like me, winter means one thing—constantly being cold.

I wear layers of socks, I drag a portable heater from room to room in my house, and I use an electric blanket every night. I dislike frigid air rushing through open doors and the icy sting of cold steering wheels in the morning.

But truthfully, I've never known *fear* or *anxiety* at the prospect of winter. The season is an inconvenience . . . but nothing more.



A photograph showing a woman in a patterned top holding a baby, with a young child standing next to her. They are in front of a large, colorful tent (yellow, orange, red) set up in a wooded area. Other tents and laundry are visible in the background.

Melissa Schultz
Staff writer for @world_help. Book hoarder, amateur cook, and lover of strong tea. Creative communicator. I believe stories can transform us.

Published February 29, 2016

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Remember that engagement- especially at the beginning of this relationship- is not meant to secure donations. It should only be about getting a person interested in furthering their involvement.

Learn About Your Donor

Once a donor understands the work of the organization, it is time to learn about the donor. After all, this relationship is a two-way street.

The actions that need to be taken to get to know a donor will depend on how that individual originally connected with the organization.

Start by learning the basics about the prospective donor. Many nonprofits begin with a simple 'Getting to Know You' [questionnaire](#) that asks for a name, contact information, place of employment, birthday, and preferred method of communication.

Follow up on the questionnaire/survey with a request to meet or schedule a phone call with the prospect. During this interaction, try to find out the following information:

- Philanthropic interests
- Ways they are interested in engaging with the organization such as volunteering, fundraising, networking, etc.
- Family information including a spouse/partner's name and the names and ages of children.
- Previous nonprofit engagement experience.

Keep the interaction casual, and again, this is not the time to ask for a donation. The goal here is to learn about what aspects of an organization will appeal to that prospective donor.

Remember to keep detailed records of all surveys, questionnaires, phone calls, and in-person meetings in a permanent location. Consider a [donor management software system](#) that tracks all communications, interactions, and gifts made by that individual.

Engage Your Donor

By now, the stars have aligned and it's time to provide tangible engagement opportunities for that prospective donor, but how?

Each individual donor (or prospective donor) should be presented with engagement opportunities tailored specifically to them based on two factors:

- 1) How they were recruited
- 2) The information during the "Getting to Know You" phase

Engagement Based On Recruitment

As stated above during the Recruitment and Inspiration step of the donor engagement lifecycle, donors are acquired because they either sought out an organization or were asked to get involved/give.

But, these two categories cover a lot of ground. Here are some common ways donors are connected to a nonprofit, and how they should be engaged based on this information:

Online (including peer-to-peer fundraising, stumbling on the nonprofit online, etc.):

When individuals are connected to a nonprofit via the Internet, they likely have had the chance to do some personal research about the organization. Because this relationship began online, this prospective donor may want to continue the relationship online. Try the following:

- Send out regular e-newsletters featuring relevant information about the organization, trends in the field, and client success stories (more on newsletters below).
- Connect via social media including Facebook, Twitter, and LinkedIn
- Suggest they run an [individual fundraising campaign](#)

Offline (including [in-person peer-to-peer fundraising events](#), general events, personal connections): When connections are made face-to-face, engagement opportunities should involve a mix of online and offline opportunities. Depending on the interests of the individual, consider the following ways to engage:

- Volunteer opportunities
- Advocacy opportunities
- Networking events

- Subscribe to the newsletter or other communications

Engagement Based on Interests and Demographics

While getting to know a donor, it is important to note what about the organization interests them. Find out if they would like to get their hands dirty with volunteer work, or if they may be interested in a [leadership role on the board](#).

Engagement opportunities should also be based on other information collected while getting to know your donor, including age, family make-up, place of employment, etc.

Special interest groups are becoming increasingly popular in the world of nonprofits, and for good reason. By bringing like-minded people together for a cause, participants gain a connection with both the organization and fellow members of the group.

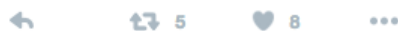
For example, United Way of Central Carolinas engages young professionals through the [Young Leaders](#) program. This group gives an annual donation and also engages in professional development, networking, and volunteer opportunities throughout the year.

Nonprofits that cater to the interests and demographics of donors (or prospects) are much more likely to retain that donor for the long haul.

“Nonprofits that cater to the interests and demographics of donors are much more likely to retain that donor.”  [Tweet this](#)

Engagement Strategies to Keep In Mind

Call to Action: All engagement opportunities, whether online or offline, should end with a call to action. Prompt your connections to take action, whether it be to connect with you via social media, read and comment on a story, share a promotional video, or encourage donations from friends and family. Here is a great example of a call to action from World Bicycle Relief on Twitter:



Keep Active On Social Media: Social media is a great tool to help organizations stay top-of-mind. Keep your social media accounts active, updated, and respond to every comment. Present educational information that helps viewers/followers learn about the organization and connect with other like-minded individuals. To help plan communications, consider a [marketing and fundraising calendar](#).

Send a Newsletter: Newsletters are a necessary part of any engagement strategy and those connected with a nonprofit have come to expect them over recent years. Yes, this document should feature information about the organization, but it doesn't have to be boring. Try highlighting staff members/volunteers, share a movie/picture or link relevant studies/news that are impacting the nonprofit.

- This [World Help newsletter](#) shows just how impactful pictures, movies, good writing, and solid calls to action can be in engaging readers.

Events: These should include both fundraising events and well as events where attendees are not asked to give. Here are some suggestions:

- Major donor networking events
- Volunteer meet and greet
- A “[Lunch and Learn](#)” that educates attendees about problems the organization solves

Be sure to leverage relationships in all events. Donors that are close to giving at major-donor levels may be interested in attending an event with current major donors. Also,

use staff and volunteers to make all current and potential donors feel safe and comfortable at events. After all, no one wants to be standing around by themselves.

Ask for A Donation

At this point in the donor engagement lifecycle, prospective donors have been introduced to the organization, information about that prospect has been gathered, and that individual has had the opportunity to engage via avenues that have not necessarily required a monetary donation.

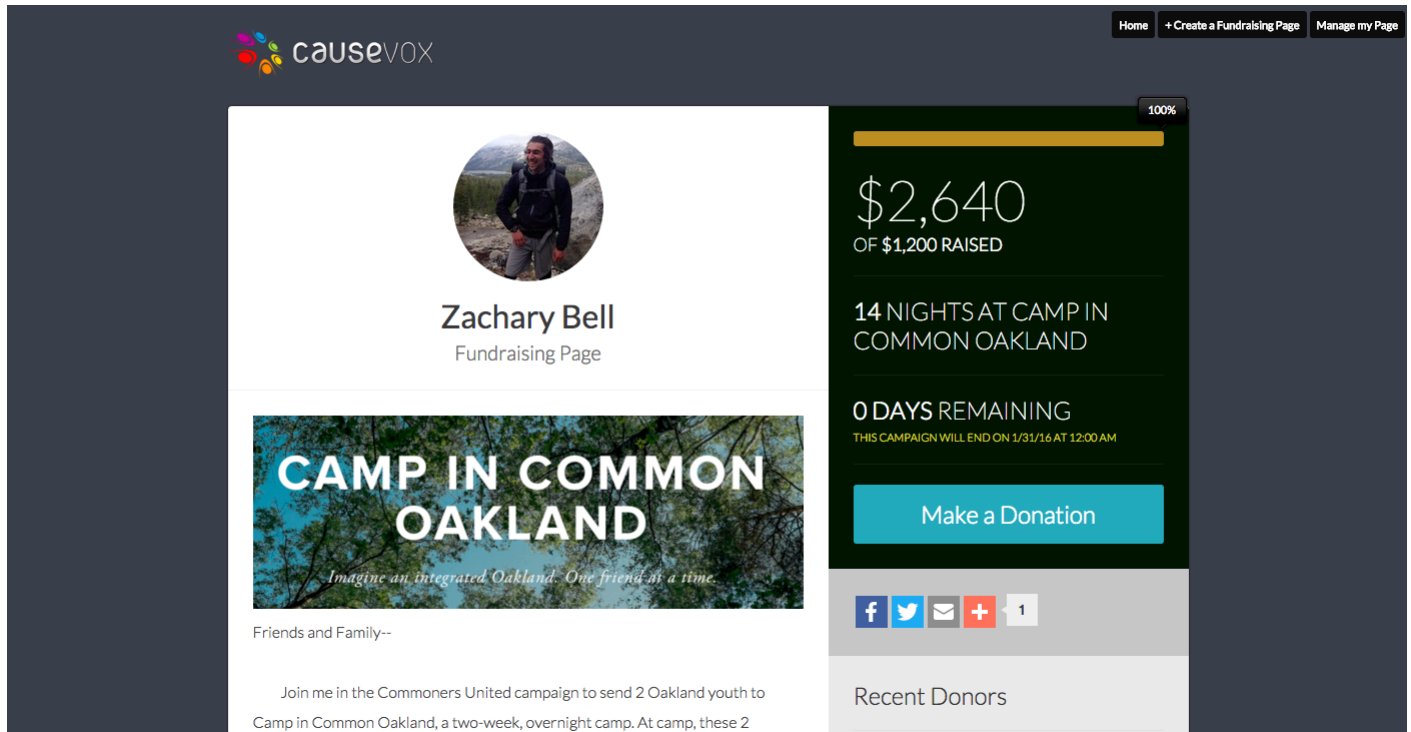
If that person is still around and eager to continue to engage, it is time to ask him/her for a donation.

Yes, asking for money is oftentimes the most stressful part of this process, but it doesn't have to be. Here are some basics regarding the big "ask."

The 'Ask' Depends on the Individual

Again, consider how the prospective donor acquired.

- Online: Send out a request to give through an individual peer-to-peer fundraising page, personalized email, or through social media. Use a strong call to action to appeal to the donor. Below is a personal fundraising page that this individual set up to ask his networks to give.



causeVOX

Home + Create a Fundraising Page Manage my Page

Zachary Bell
Fundraising Page

CAMP IN COMMON OAKLAND
Imagine an integrated Oakland. One friend at a time.

Friends and Family--

Join me in the Commoners United campaign to send 2 Oakland youth to Camp in Common Oakland, a two-week, overnight camp. At camp, these 2

100%

\$2,640
OF \$1,200 RAISED

14 NIGHTS AT CAMP IN COMMON OAKLAND

0 DAYS REMAINING
THIS CAMPAIGN WILL END ON 1/31/16 AT 12:00 AM

Make a Donation

f t e + 1

Recent Donors

- Offline: Organize a fundraising event, workplace giving campaign (discuss this option with local businesses/corporations), request a donation through mail, or make a personal ask in an in-person meeting.

Also, donor demographics will likely play a role in how the prospect should be asked.

- Age: Mature donors respond more positively to mail or in-person asks, while [Millennials and other younger donors](#) prefer the option to give online.
- Employment: Companies often allow nonprofits to solicit donations at the workplace.
- Family Size: Younger families may not have as much money to donate and see their time as being as valuable as money, whereas individuals with older kids may have the financial resources for larger gifts.

The ‘Ask’ Depends on Giving Level

Researching prospective donors is extremely important, especially when attempting to secure a first time or major gift.

First-Time Donor: First-time donors give for a variety of reasons, as mentioned above. For new and established nonprofits alike, providing the option for an entry-level gift helps to make first-time donors feel comfortable giving and allows the donor to see the potential progression of the gift-giving process.

Check out this graphic by the National Park Service, which outlines the park’s giving pyramid.



Major Gifts: By learning information such as the employment status and other philanthropic commitments, the fundraising team can get a better understanding regarding how much to ask for.

When considering requesting a major gift (the number itself varies from one nonprofit to the next), do research with tools like [Donorsearch](#), and consider increased levels of engagement and cultivation before and after the request.

Asking Strategies to Keep in Mind

Engaging donors through fundraising may seem counterintuitive, but it most definitely isn't. Asking for the donation takes research and commitment on the part of both the donor and the fundraiser. The ultimate goal of securing the donation is to keep engaging with that donor over a long period of time.

A detailed discussion about retention will be discussed below, but it is an important component of this step of the donor engagement lifecycle. There is an unmistakable connection between retention and engagement, as retention can lead to increased engagement by the donor, and engagement can lead to increased donations.

Thank

Engage with your donor through the thank you process.

Gift recognition cannot be stressed enough. Donors should receive an immediate receipt from a nonprofit recognizing the donation within 48-72 hours. E-mail receipts are fine.

Follow this up one to two weeks later with a personalized letter, email, video, etc. that addresses the donor by name, the gift amount, and conveys a sincere appreciation.

Thank You Strategies

- Letters: Letters should be either handwritten or, at the very least, hand-signed. Information should be personal and free of jargon.
- Emails: If email is the preferred mode of contact, then be sure to personalize the content as much as possible.
- Videos: If time and resources allow, consider recording [personalized videos](#) thanking the donors. This is a great way to thank those giving major gifts.
- Other: There are many other ways to show donors appreciation. United Way of Asheville and Buncombe County in Asheville, North Carolina visited a local company, Publix, and [sang a song of appreciation](#) to donors. A quick visit or phone call to show gratitude, or even a public shout out via social media or in a newsletter are other great ways to say “thanks.”

Change up the method of thanking donors regularly. Repeat donors should be thanked in different ways after each gift.

Show Impact

Those involved with a nonprofit, whether they are donors or volunteers, need to be continuously updated on the health of the organization. This information can help people remain engaged when events, campaigns or other engagement opportunities are not available. Plus, donors that notice a lack of communication may not want to continue to give. For example, the [Millennial Impact Report](#) found that 78% of millennials are likely or somewhat likely to stop donating if they are not informed about how their donation was making an impact.

There are many ways to share pertinent information with the public.

Reporting

Annual reports are a standard way to explain impact, discuss services, highlight success stories, and briefly outline budgeting matters. Here's a great example of an annual report from [World Help](#).

- Transparency: Keep financials readily available for public viewing.
 - Publish [Form 990](#)
 - Keep information on Guidestar and Charity Navigator updated

Our Financial Commitment



Every financial move we make is founded on this core principle: “Always doing the right thing, total transparency, and sharing the results of the impact we make.”

World Help is passionate about serving the physical and spiritual needs of impoverished people around the world but remains dedicated to maintaining our integrity as we pursue these objectives. Financial responsibility is a key facet of World Help. We do what we say we’re going to do. We maximize the use of donor funds ensuring the greatest impact on lives. We build personal relationships with integrity. And we are totally transparent and accountable for every action we take.

Because of this commitment, we submit ourselves to annual review by an independent auditor, as well as several independent, nonprofit financial watch

2014 Financial Information:

- [Auditor’s Report 2014 \(PDF\)](#)
- [2014 Form 990 \(PDF\)](#)
- [2014 Annual Report \(PDF\)](#)



Meetings

Annual meetings are often required for nonprofits, and, therefore, these are a great platform to share information about the organization and educate the public on the problems and solutions that the nonprofit is addressing.

Return on Investment (ROI)

Donors and other stakeholders need facts, statics, and hard numbers, and there is no better way to calculate this information than by figuring out the ROI. In general, the ROI is expressed as a percentage based on the number of lives changed/impacts of the nonprofit vs. the amount of money used to do this work. For those working with

intangible community benefits/impacts, the [Social Return on Investment](#) calculation may prove to be a better indicator.

Quantify Gifts

Try using donation tiers to show donors the cost of each service the organization provides. It can be simple, as seen from the example below from World Help, or an elaborate gift catalog like [this one](#) from World Vision. This technique not only aids in informing donors about impact, it can also help to move donors up a donor spectrum or plan for increased gifts later on.

[Roy C. Jones](#), a Certified Fund Raising Executive, speaks about the relationship between donor retention and disclosing the impact of donations:

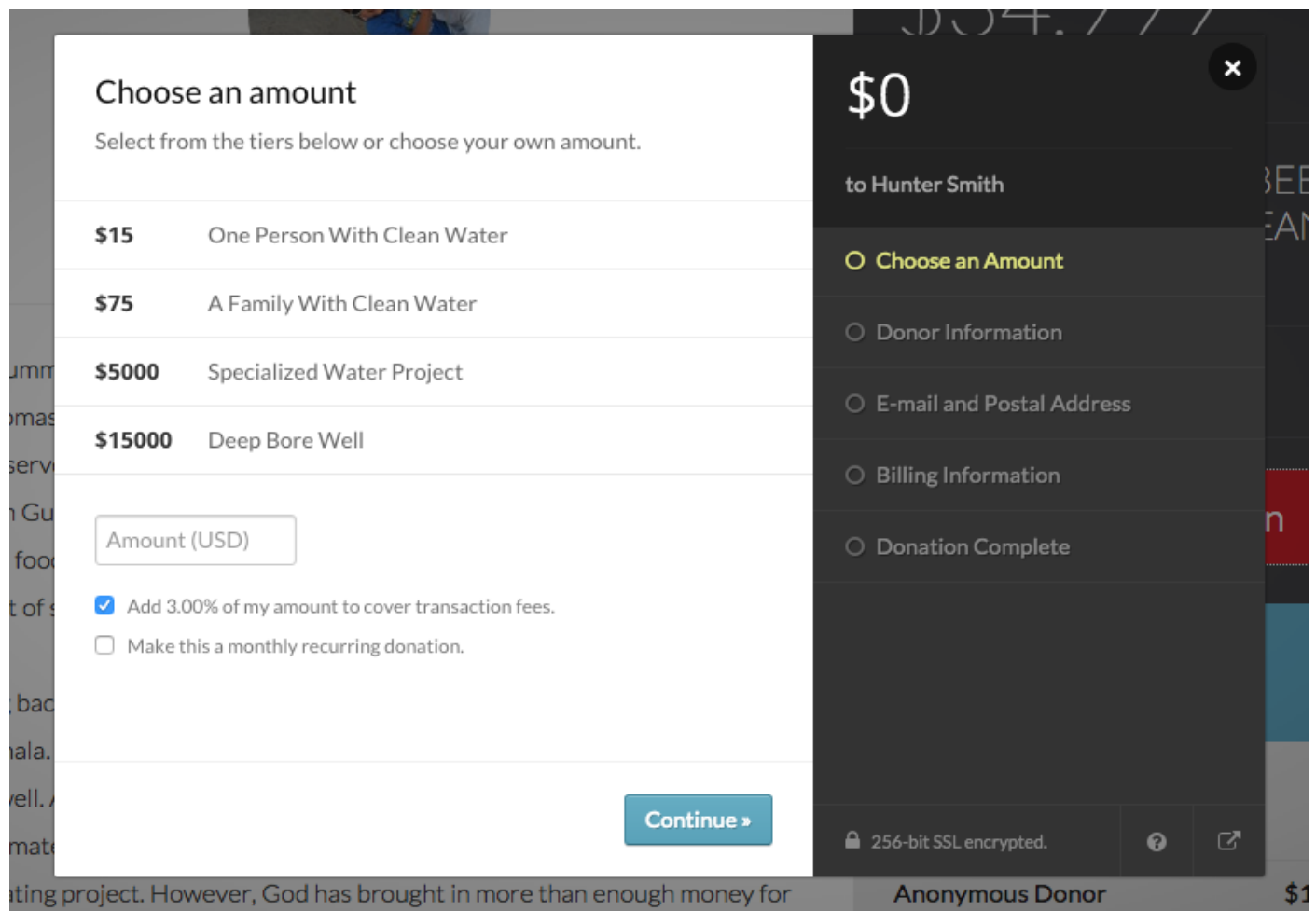


“The key to donor retention is convincing your donor that their relationship is about more than just money. Donors who repeat giving year after year do so because you demonstrate impact and provide real ROI. Philanthropy today is based upon demonstrating results, not begging for a donation.

Thank them immediately and then provide ongoing impact reports to get the next gift. Donors are in 2016 are investors... They

do not give money away. You must treat them as partners and every letter, email and visit must communicate that position.”

This means that conveying the impact of donations to your donors doesn't just help them feel all warm and fuzzy. Instead, it elevates your donor to a position of partnership with you, building trust and communicating that you view them as essential factor to the work being accomplished by your nonprofit.



Begin Again: Donor Retention Best Practices

And the cycle continues...

The process of engaging a donor takes time and resources. It began with an individual connecting and engaging in enrichment opportunities, the staff doing research and building a relationship with that person, the request for a donation, followed by gestures of sincere appreciation, and the reporting of updates and success stories.

It may seem like all the work has been done to keep your donor, but that's not the case.

Now is time to re-engage that person so that both parties can continue to inspire, learn, and grow together.

Why? The answer is retention!

Brady Josephson, Principal at [Shift Charity](#), weighs in on the importance of donor retention:



“Donor retention has three big wins for nonprofits. Donors who stay around year after year give more per year and over their lifetime - win #1. It costs less for nonprofits to keep their donors than to try and replace them with new ones - win #2.”

Some of the most cost-effective strategies to reach new supporters revolve around word of mouth or social influence strategies (peer to peer fundraising, social sharing, advocacy campaigns) and loyal donors are the basis and starting point for these campaigns - win #3.

I believe Lifetime Value (LTV) is the best indicator of a healthy nonprofit fundraising program and donor retention is the biggest lever in increasing LTV thus the most important metric nonprofits should focus on.”

Brady drives home the point that the donors you retain will become your strongest allies in growing the funds your nonprofit raises year after year, and high donor retention is the most effective sign that your fundraising strategy is successful.

“The donors you retain will become your strongest allies in growing the funds your nonprofit raises year after year.”

 [Tweet this](#)

Engagement Leads to Retention

As mentioned in the introduction, donor retention refers to the number or percentage of individuals that decide to make an additional gift.

Retention can, and should, be viewed as the ultimate goal of donor engagement. By following the donor engagement lifecycle, donors are being encouraged to dive

deeper and deeper into the organization- starting with an introduction and ending with receiving information on how their gift was used.

Securing Second Gifts

Securing a second gift is quite the task. Generally speaking, the receipt of a second gift is a signal to the fundraiser that this donor will give over the course of his/her life.

According to the [Fundraising Effectiveness Project of 2015](#), 19% of first-time donors will give again, but that percentage skyrockets to 63% when discussing second-time or subsequent donors. This proves that once a donor gives a second gift, their chances of giving again are high.

How does a fundraiser ensure a second gift? The key is to follow the donor engagement lifecycle--without fail. Remember:

- [Thank donors](#) promptly, no matter what the circumstances may be.
- Provide detailed educational information regarding the health of the organization on an annual basis.
- Keep active on social media and send regular newsletters and mailings.
- Get donors involved, whether through event participation or volunteer opportunities.
- Remember to ask for another gift. Never assume that the donor remembers that it is the 'time of the year to give.'

Once that second gift has been secured, don't assume that you have a lifetime donor (though, the odds are in favor of this). Instead, treat retained donors like new donors.

Tried And True Retention Strategies

Following the entire donor engagement lifecycle over and over again may seem monotonous, but it does produce results. The great thing about working with retained donors is that they not only understand the organization, but they have grown with it.

Here are some examples of how a fundraiser can spice up the donor engagement lifecycle to suit the needs of retained donors:

Keep Donors Involved

Encourage diversified engagement opportunities, including:

- Board and committee involvement
- Advanced volunteer opportunities
- Implementing donor interest groups
- Participation in impact-driven work (hosting community forums, providing community-wide trainings)

Donors As Fundraisers

Depending on their level of comfort, some donors may be interested in fundraising.

Some options include:

- Creating and promoting [personal fundraising websites](#)

- Encouraging donors to share information about the organization's fundraising drives with their networks through outlets such as social media, email, and in-person.
- Asking donors to bring a friend, family member, or colleague to an event.

Consider Monthly Giving

Vested donors may appreciate contributing monthly because it gives them a chance to break up their annual gift over 12 months. Plus, it gives the nonprofit reliable and consistent cash flow.

Consider A Step-Up Program

Step-up gifts are a great way to bring a donor to a specific giving level. For example, the [United Way of Greater Philadelphia and Southern New Jersey](#) uses a detailed step-up plan for donors to become involved in their giving societies. Donors wishing to be recognized as a Leadership Giver (\$1,000 annually) give \$750, \$850 during years one and two, respectively. Donors pledge to give \$1,000 by year three and are recognized as Leadership Givers from year one.

Acknowledge The Donor

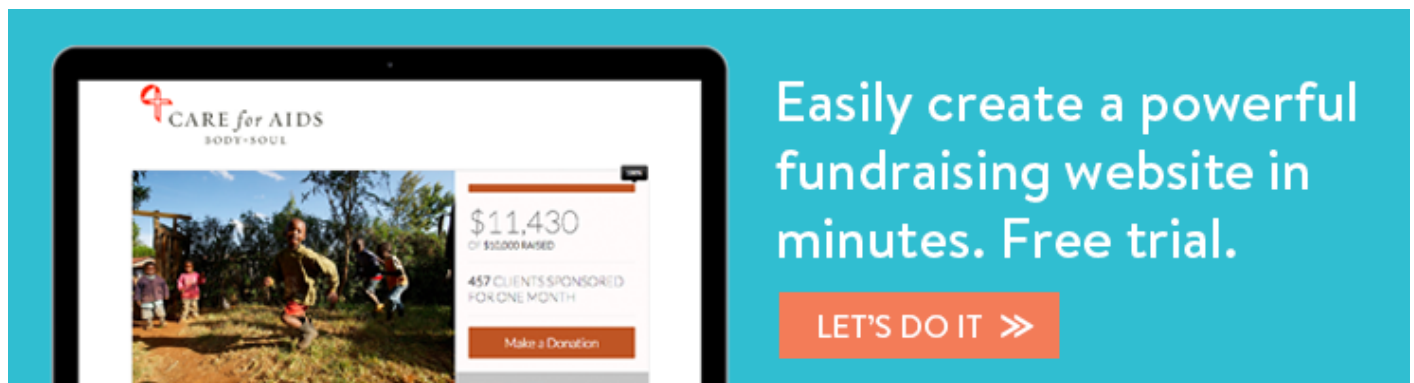
Yes, the donor has been thanked, but this takes that relationship one step further. It is important to acknowledge and appropriately respond to a donor's significant life events.

- Read the newspaper/social media or listen to any news spread by word-of-mouth that pertains to a donor.
- Send notes, or even a quick email acknowledging any changes in job, births, marriages, family deaths, etc.

Note Gift Amount Changes

Don't simply send another thank you note after noticing a gift increase. This is the time to pick up the phone and make a call to personally thank the donor. Also, remember that gift decreases may indicate a problem and it is up to the fundraiser to reach out to discuss any issues.

Remember, it is about developing the relationship first and securing the donation second.



The advertisement features a tablet displaying a fundraising page for 'CARE for AIDS BODY+SOUL'. The page shows a progress bar at \$11,430 of a \$20,000 goal, with 457 clients sponsored for one month. A 'Make a Donation' button is visible. To the right of the tablet, the text reads: 'Easily create a powerful fundraising website in minutes. Free trial.' Below this is an orange button with the text 'LET'S DO IT >>'.

Conclusion: Engagement Equals Dollars

From day one, donor engagement needs to remain the priority for a fundraiser in order to develop the relationship to its full potential.

In this document, the donor engagement lifecycle has been detailed, in-length. Use this information to create a custom plan that suits the needs of your nonprofit or cause-driven organization. Involve staff and volunteers in the process as well, to help ensure that all bases are covered and all needs from both the donor perspective, as well as the staffing side, are met.

Schedule a free 1-1 fundraising consultation today

It only takes 30 minutes to change the course of your fundraising

[SCHEDULE A MEETING](#)

Once a donor is engaged and retained, the work is not done. Continuing to provide new and exciting opportunities for the donor to learn, grow, and participate ensures a happy donor and a well-rounded organization.

