
THE 4 PILLARS OF DONOR RELATIONS

By

Lynne M. Wester

Donor Relations Guru®



APPENDIX C: DATA-DRIVEN DONOR RELATIONS

For me, the beginning always lies in the data—something that, for many people, is an afterthought, a measure of ROI instead of the driving factor for their strategy. Data should be at the beginning and at the core of everything we do. Far too often, donor relations folks shy away from data and metrics.

One of the first questions I ask my clients is, “What do your LYBUNT and SYBUNT reports tell us about your constituencies?” I often get blank stares; then, inevitably, someone attempts to tell me and define what a LYBUNT or SYBUNT is. I know what they are, and I know why these reports were once deemed important and useful, but what these reports fail to allow us to see is any connection or depth about the constituent except for their ability to write a check or enter credit card numbers.

When I ask people to tell me how many reports they send, how many letters they write, and how many scholarship funds they steward, I find that these answers, for most professionals, are burned into their memories. But if I dig below the surface, the ground becomes much less stable.

How many donors of ten or more consecutive years do you have? How many donors are in your giving societies? What is your current retention rate from year one to two, from year two to three?

I am often met with blank stares and replies of, “should I know that?” If you don’t know some basic numbers and analyze what they mean for you and your program, how can you build an effective strategy?

Here is a short list of reports you can pull so you can analyze the data and determine how it affects your strategy, or have you even considered some of these items? I recommend all of these reports be pulled and that you look at the last 5 fiscal and calendar years.

- **Giving pyramid report** - How many donors do you have at each level? Does your report look like a pyramid, a sombrero, an hourglass, a witch's hat or a space needle? There are strategies for each shape in order to build back to that pyramid shape we all desire.
- **Consecutive donor report** - How many donors do you have giving consecutively for five, ten, fifteen, twenty or more years? These are great people who are under cared for and who make wonderful planned giving prospects. A note here for your data team: pull by calendar year, not fiscal; most of these donors don't know or care about our calendars or fiscal years.
- **First-time donor report** - How many first-time donors did you have last year? What did you do for them?
- **Donor retention report** - What is your retention rate from year one to two? Two to three? Where is your drop off? How do you help?
- **Giving medium report** - Break out your donors by the method in which they give: How many give online, via direct mail, or through phonathon? Target your stewardship in their preferred medium of communication.
- **Email address report** - Find out how many people with email addresses you have. If the raw percentage is under 50%, you have work to do. If it's over 75%, you're my hero.
- **Event attendance report** - People who attend events are engaged and 80% more likely to give! Who are these folks? Are our events strategic? Or are we just getting the same folks over and over? There are some people who will attend the opening if there's free food.

- For those of you in higher education, there are three essential reports:
 - **Married alumni report** - Pull a list of your married alumni. Sounds simple, but have you done it?
 - **Multiple degree report** - Pull a list of folks who have earned more than one degree from your institution.
 - **Undergrad vs. grad giving-history report** - Pull a list of those who have undergraduate degrees vs graduate degrees with their giving histories. This one will astonish you!

APPENDIX D: FIRST-TIME DONORS

We talk a great deal about impressions on my blog. I often discuss how we are judged, whether we like it or not. I believe it is imperative that you build and implement a first-time donor program for your organization. Most organizations have a 30% retention rate for their first-time donors. This is simply unacceptable. Two critical questions I encourage you to ask your colleagues:

1. What is your donor retention rate?
2. What are you doing to improve it?

If you moved the needle on first-time donor retention 5% or 10%, it would mean a great deal monetarily to your organization. In addition, it is a measurable way to tell if your donor relations program is performing well. If your retention rate is less than 60%, you've got work to do. Imagine if you were a restaurant and only 3 out of 10 of your customers returned after their first meal. You'd be out of business within months.

The first step is to do something. So what can we do? Here are examples of a first-time donor program that in three years has increased retention from 48% to 72%. This has impacted many dollars and hundreds of donors each year.

In addition to their regular receipt and acknowledgment based on gift level and giving medium, donors also receive the following:

1. **Donor postcard** - sent within thirty days of their first gift.
2. **Personal phone call** - Within the next quarter or so, they receive a phone call from a student, volunteer, administrator, or staff member thanking them for their gift and specifically recognizing them as a first-time donor.

3. **Handwritten note** - Then, the next quarter, they receive a handwritten note from a student through a weeklong thank-a-donor program.
4. **Impact piece** - Finally, a month before the anniversary of their first gift, they receive a final impact piece telling how their money was used, and they get a soft ask for this year's gift. It is all coordinated, and it all mentions their first gift being meaningful to the institution. This should be done regardless of the amount of the gift.

You could replace any of these pieces with a creative video or touch, maybe a link to resources on your webpage. We also feature one or two first-time donors each year in publications and online. The great thing about first-time donor programs is that you only have to print or design these things once. After all, there is only one first gift!

It is crucial we show that their first gift was meaningful and had an impact on our organization. Here's what we don't do:

- Send tchotchkes or window decals
- Add them to a giving society
- Ask them again for a gift the month after they give

Many first-time donors view their gift as a test to see how you will treat them. I once heard a donor tell a story about when he first started giving. He sent out ten, \$1,000 checks and didn't give again to the organizations that didn't write to him or treat him well. He is now giving millions to the organizations that did.

It's true that we want every donor to feel special and wonderful about giving. That's one of the aims of donor relations. But this first-time group needs special attention when they give their money and trust to us for the first time.

APPENDIX E: WHEN YOU HAVE A DONOR RELATIONS “TEAM” OF ONE

Many of you have completed this book and are thinking, ‘I’m a donor relations shop of one person; how will I ever do it all?’ For you, I have these thoughts:

Be Nimble - Being a small or one-person shop makes you nimble and agile. You have more freedom to implement new ideas and react quickly, meeting changing donor needs without reinventing the wheel and causing a systematic and bureaucratic shift.

Be creative - When I had zero budget, no advocates, and no seat at the table, necessity was the mother of all invention. This began my love affair with technology, I was always looking for better, faster, cheaper, simply out of necessity and the drive to change my workload

Become an expert time manager - When I was a one-person shop, I was much more effective with my time. It was calendared, organized, and transparent. Meetings with my department (myself) were quick and effective. I often lost arguments with myself, but that’s another story for another day. Now, I am often torn between attending a meeting (and believe me I’m happy to be invited) that becomes a time suck and implementing my strategies.

Remember bigger isn’t always better - Take giving societies for example. Just because you have twenty of them, doesn’t mean they have meaning or benefit to your donors. Usually, on a compact team, your peers and leadership are more accessible; take advantage of this by seeking out their opinions and time.

Instead of implementing all of your takeaways now, improve one thing, do it well, turn it into great, and then move on to the next. Easy victories are still victories. I'll take a quick win over the status quo every day of the year. Find what you can improve and get to work, saving the large battles and epic epic wars for later; otherwise, you get bogged down.

And finally, for those of you who are, like me, blessed to have staff, take time to appreciate it (even when everyone calls in sick). And reach out to share and lend a hand to those who don't have writers, editors, events people, coordinators and assistant directors. Share your resources and help teach the way. Someone did that for me when I first started, and I'm still grateful for the development community that is so willing to help.

Fundraising has a major problem facing its sustainability, and it has nothing to do with the charitable tax deduction, with the transfer of wealth, or with the new generation of donors—the millennials. It has everything to do with donor retention.

Average donor retention rates for first time donors hover at a dismal less than 30% rate. Yet a focus on acquisition cannot be the whole solution—not when studies reveal that donor acquisition costs seven times as much as retention. It's more cost effective to keep the donors an organization has than to chase new ones.

A well-executed, strategic donor relations program is key to successful fundraising. In this book, Lynne Wester of Donor Relations Guru® helps you rethink donor relations practices and offers specific tips for more powerful acknowledgements, stewardship and impact reporting, recognition, and donor engagement. Included are a dozen examples of creative communications with donors from real institutions – and 30 pages of appendices offering specific advice on everything from what to include in a gift acceptance policy to donor event management.

Get this comprehensive guide to donor relations for your shop today, and transform the way you steward, recognize, and engage your donors.

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