

*Your* 2016

## Donor Love Toolkit



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# Preface

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» » ***Commercial businesses retain 94% of their customers while the nonprofit sector retains only 41% of its donors.***

*Pamela Grow, Fundraising Consultant*

***Gulp!***

## **Do I have your attention yet?**

It seems like the nonprofit sector has been talking about donor retention forever, doesn't it? And with good reason: Despite a lot of talk the statistics don't seem to change much.

Yet the truth is, taking steps to reduce your donor attrition is actually the least expensive strategy for increasing your fundraising income. In fact, if you're looking to SAVE money on your fundraising costs, focusing on retention is the smart thing to do.

In *Your Donor Love Toolkit*, you'll be hearing from internationally renowned copywriter, Lisa Sargent, founder of the best resource for thanking online, the SOFII Thank You Letter Clinic.

And then, because comparing nonprofit organizations is like comparing apples to oranges and what works for one organization may not work for another, you'll also be hearing from *Grow Report* readers and *Basics & More™* course participants. They'll be sharing some of the steps they've been taking the past few years to create a culture of donor love throughout their organization.

## **Getting Started**

After you've read *Your Donor Love Toolkit*...

- Examine your current donor stewardship processes. How are you thanking your donors? How are you 'touching' your supporters throughout the year, showing impact?
- Read how other organizations are 'loving' their donors? Which tactics can you implement?
- Share these materials with your team. How can everyone be on board?



# Introduction

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***“The Devil is in the details, but so is salvation.”***

— Hyman G. Rickover

If you were around in the 80's, chances are you remember the hard rock band Van Halen. Known for their crazy antics, loud music, Eddie Van Halen's masterful guitar tracks and the wild and woolly David Lee Roth, Van Halen achieved worldwide fame. In their heyday, the band had a relentless tour schedule with previously unheard of production values (in his autobiography, Roth tells of pulling up “with nine eighteen-wheeler trucks, full of gear, where the standard was three trucks, max.”).

<< David Lee Roth, circa 1980

As you might imagine, setting up the venue for the performance required enormous attention to detail, much of it done in advance of the band's arrival. According to Chip and Dan Heath, in their book, *Decisive: How to Make Better Choices in Life and Work*, Van Halen and their crew “lived in fear that the venues' stagehands would screw up something and leave the band exposed to injury.” Given their crazy touring schedule, however, there was rarely time to do a thorough quality check at every venue.

What to do?

As the Heath brothers report, Van Halen's backstage shenanigans were legendary. “The most egregious rumor about the band was that its contract rider demanded a bowl of M&Ms backstage -- with all the brown ones removed. There were tales of Roth walking backstage, spotting a single brown M&M, and freaking out, trashing the dressing room.”

And, yes, the rumor was true.

But did Van Halen make outrageous demands... *simply because they could?*

It turns out there was a method behind the madness that accounted for much more than pure rock star egomania.

From *Decisive*: “The band's “M&M clause” was written into its contract to serve a very specific



purpose. It was called Article 126, and it read as follows: “There will be no brown M&M’s in the backstage area, upon pain of forfeiture of the show, with full compensation.” The article was buried in the middle of countless technical specifications.”

In other words, if brown M&M’s appeared backstage, chances were good that the contract itself had neither been fully read, nor fully executed. Any technical error in such a highly technical show could spell serious injury. Brown M&M’s were the band’s tripwire...and David Lee Roth was, in his own way, an operations genius.

Going forward, think of your donor stewardship system as your organization’s tripwire. You must act as if your organization’s future depends upon it.

**It does.**

Donor retention, donor loyalty, **donor love**... *this is what leads to your monthly donors, your major donors, your bequest donors, your capital campaign donors...* in short, your organization’s sustainable funding.



# Interview With Lisa Sargent



<< Lisa Sargent, fundraising copywriter extraordinaire!

Lisa Sargent is an award-winning fundraising copywriter and diehard donor retention communications specialist who each year devotes herself to a handful of top nonprofits and charities in the US and internationally. Known for crafting authentic donor communications that drive both revenues and retention, Lisa's words have raised millions for great causes over the last decade.

Sargent's donor thank-you letter clinic on SOFII.org has been called one of the world's "top 10 gifts for fundraisers," with more than 100,000 visits to date. Her past and present clients include: Best Friends Animal Society, Shriners Hospitals for Children, Merchants Quay Ireland, Northwestern Memorial Hospital Foundation, Group Health Foundation, Alley Cat Allies and many others.

Her e-newsletter on donor communications is the winner of a Constant Contact All-Star Award, and is read by thousands of nonprofit professionals around the globe. To subscribe, visit [www.lisasargent.com](http://www.lisasargent.com).

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**Pamela:** In which group do you see the greatest loss of potential gift dollars due to flawed stewardship – lower level, mid-level or major?  
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**Lisa:** The simple answer is that the loss of potential gift dollars due to flawed (or non-existent) stewardship is across the board: lower, mid, major, and the biggest "potential" gift of them all, a bequest.

But I think it's important to point out that when you're talking about "potential gift dollars" – let's call them PGDs – what you're really talking about is donor retention. (Why? Because donors who migrate to other organizations or causes bring their "PGDs" with them.)

And what we know about donor retention according to the latest research by Blackbaud is that – to be blunt – it's in the toilet. (And it follows suit in other countries like Australia and the UK.) "Ten years ago the average retention rates of a newly acquired donor were roughly 33%. Today it's 27%, and even lower in some industries...If the ten-year trend continues; we'll eventually end up with donor retention rates under 20%. Couple that with the rising cost of donor acquisition and you've got an incredibly difficult environment for fundraisers (and their





nonprofits) to succeed.”<sup>1</sup>

For the record that means that three out every four donors you acquire will leave, if current attrition rates stay like they are. But the fact is, you can improve them. We’ll get to ways to do that in a bit.

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**Pamela:** I know that you and I are on the same page on this topic: Why do you feel it’s important to properly steward lower-level donors?  
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**Lisa:** The reasons are legion! Apart from the fact that it’s the right thing to do, they are:

Bequests: according to Jerold Panas, one of the world’s foremost fundraising experts, “high net worth” men and women are not necessarily your best source of bequests. They may be small donors who have been giving to you over a long period of time (consecutive years or not).<sup>2</sup> And according to a 2010 Guidestar article the average bequest = \$32,000.<sup>3</sup>

Minimize risk: Look at any table of standards for a capital campaign. The higher the dollars, the fewer the donors. At one organization I know of with more than 250K donors, their \$1,000 plus donors number less than 700. The fact is, just like any wise investment, **you don’t want to put all your eggs in one basket.**

Pipeline: Your major donors won’t all stay forever either. Many small donors, properly stewarded, become larger ones: wealth engines won’t pick up every heavy hitter – and remember, others are using those wealth engines too.

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**Pamela:** How do you communicate a donor’s impact back to that donor? How do you track donor impact?  
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**Lisa:** Done properly, the three best methods of accomplishment reporting are:

1. the thank-you call,
2. the thank-you letter and
3. the direct mail donor newsletter.

Some organizations don’t have access to phone numbers. But if you do, call too: a study by UK

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<sup>1</sup> <http://www.npengage.com/online-fundraising/12-donor-retention-tips-from-nonprofit-fundraising-experts/>

<sup>2</sup> <http://www.panaslinzy.com/index.php/resources-jpl/ideas-blog/298-where-do-bequests-come-from%20Avg%20bequest%20in%20U.S>

<sup>3</sup> <https://www.guidestar.org/rxa/news/articles/2010/make-2010-the-year-you-start-planned-giving.aspx>



firm Pell & Bales found a loyalty call can reduce donor attrition by a third.<sup>4</sup>

Thank you letter – done right, it’s one of your best tools. I did a clinic on the website SOFII showing some really basic ways to do this, things like: saying what the gift was used for/telling your donor it’s been put to work, noting when you’ll update them again, make it specific to the appeal that generated the gift. If a new hospital wing, for example, talk about it.<sup>5</sup>



I like to say that when donors start writing you back because they love your thank-you letters so much, you’ll know you’ve got it right: it’s happened to my clients many times, and I never get tired of it!

Donor newsletter: You simply can’t beat newsletters for retention – and you’ll find that if you do them well, they raise money too: I have clients seeing double-digit response rates from theirs... and one that raised a €10K euro bequest! **These are your retention engines.**

Communicating impact depends on the mission or work: Stanford University, for example, has students hand-write thank yous. Way back in 2006, fundraising agency Mal Warwick & Associates wrote about this.<sup>6</sup> It’s one of the best stewardship programs out there.

### ***How do you track donor impact?***

If you’re talking about what to tell donors they’ve accomplished, the options are endless: tell a story about a person whose life was changed as a result of the education/counseling/medical treatment, etc. they funded... talk about the number of meals/books/training hours your supporters made possible... send pictures of the artwork/projects your patients/clients created... *the list goes on and on.*

I should also say: if you run a matching campaign or similar, it’s also great to say supporters know they helped you meet your match, and what you can now accomplish.

<sup>4</sup> <http://pellandbales.wordpress.com/2012/08/15/how-to-reduce-donor-attrition-by-a-third-in-3-minutes/>

<sup>5</sup> <http://www.sofii.org/showcase?hall=274&id=68>

<sup>6</sup> <http://malwarwick.pub30.convio.net/assets/pdfs/Oct-06finalnewsletter.pdf>





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**Pamela:** What role do digital channels – email, social media, website –currently play in your donor communications strategies?  
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**Lisa:** The vast majority of my clients use email, online and social. Some are raising good money from email. But what we know about email and online giving is that, while these numbers are increasing, direct mail still eclipses it. We also know that to increase notoriously low retention rates among online givers, you need to retain them via traditional channels (i.e. direct mail).<sup>7</sup> This said, even older donors are pretty comfortable online now – and many view websites on a smartphone. Responsive websites help that.

The big benefit I see is that social media is a stellar engagement channel: you can show videos and engage with supporters and invite them to events and do things in real time that just aren't possible with direct mail. Online is the best support crew an appeal letter ever had.



And an important point: multi-channel is our term. To donors, it's uni-channel: whether they're viewing your YouTube video, checking out your Instagram photos, browsing around your website, receiving your email or opening your direct mail letters, it's still you.

Bottom line: we treat email/online/social media as an extension of what we're saying by direct mail. Integrate.

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<sup>7</sup> <http://www.npengage.com/online-fundraising/online-donors-offline-donors/>



**Pamela:** Soooo, what if you had unlimited time and resources?

**Lisa:** If I had unlimited time and resources, how would I steward? I'd personalize everything:

- Phone call
- Thank you, hand-signed, hyper-personalized – remembering little details like “when you started giving back in 19XX...” a lot’s changed since then thanks to you...
- Birthday cards, anniversary cards, lots of reasons to thank
- Donor newsletter once a month
- Video tours of the work major donors make possible
- CEO road shows
- Awards
- Invitations to all kinds of events
- Send chocolate chip cookies... artwork... the list goes on!

**Pamela:** Every week I receive emails from frustrated fundraisers, unable to convince the powers that be of the importance of focusing on donor care. Have you found advocating for donor relations resources to be difficult?

**Lisa:** Yes, sometimes. Because so few are doing it – and because so few are going public – nonprofits still don't see the reason why. They still have the ATM mentality vs. the lifetime of love mentality.

**What I have found is that the baby steps method works.** We start small and grow the program and the quality/format over time, always investing back.



Five years ago, Merchants Quay Ireland's team took a chance and invested in a relentlessly donor-centric fundraising and communications program. The results have been phenomenal, and I'll be sharing them in upcoming weeks.

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**Pamela:** What are some of the metrics fundraisers should be tracking?  
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**Lisa:** Metrics to track, Part I: as a copywriter my metrics are all about results and costs. But as a donor communications specialist I want to know things like:

- Change in retention rate (this is the big one – 10% improvement in retention à +200% change in revenues; I have seen.)
- Increases in reactivation of lapsed and long-lapsed donors
- Donor satisfaction/ donor feedback to communications
- Increased number of legacy pledges and actual legacies
- You'll also see: increased AG, RRs.
- Changes in volunteering/event attendance

Metrics to track, Part II: that said I want to refer you to Simone Joyaux's article in Nonprofit Quarterly, "How Your Boss Measures Your Performance as a Fundraiser"<sup>8</sup>

- Quality of the relationship-building program (via outside communications audits)
- Board-member participation in the process
- \*This one I love: How effectively organization identifies those who are predisposed to give and qualifies them as prospects
- She says: "with dollar goals flashing on the radar screen, fundraisers may cut short the relationship-building process." HUGE.
- What incentive structure: This is a huge point you've raised: Because I work virtually – not on-site – with nonprofit organizations, I don't see the day to day... only the fallout of good, bad and the downright ugly incentive structures.

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**Pamela:** It's been my experience that silos are the ruination of donor stewardship and quality donor communications. Why?  
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**Lisa:** Because to donors it's all you: so if you create the "my donor/your donor" mindset among your team, it's no good – you're simply creating little kingdoms that serve only ego. And I've seen staff get really possessive, to the point where it's the donor who suffers – from they

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<sup>8</sup> <https://nonprofitquarterly.org/2011/08/26/how-do-you-measure-your-performance-as-a-fundraiser/>



won't allow others to mail to "their" donor list, or they cause delays in communications to the point where effectiveness and relevance are irretrievably lost, or they "claim" results that may or not be applicable to any work on their part because they live and die by metrics based on old school churn-and-burn mentality. We don't have that luxury anymore... and besides, it's bad customer service.

If your readers are unfamiliar with the work of Simone Joyaux ACFRE, I urge them to follow her: <http://www.simonejoyaux.com/>

She is the Board guru – and I paraphrase her when I say, ALL board, staff and C-levels are responsible for the performance of the organization. **Without that mentality, it's like making Mom responsible for cleaning the house, but everyone leaves their dirty laundry on the floor and then blames her.**

That said, one of my really savvy clients has gone so far – and admirably so– as to **eliminate silos altogether**. They are one fundraising team: yes, they have goals, but overriding it all is donor care.





# What are other nonprofits doing?

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**If you are still wondering how you can acknowledge your donors and their support, consider some of the ways in which your co-workers in not-for-profit are working to do the same!**

*DeAnna Marler, The Joshua School:*

“Specific, hand-written thank you notes. We realized that in the age of electronic communication and social media, a genuine note carries more value and weight with our individual donors. We are a small enough organization (approx. 300 donations a year) that this is still manageable.

Our notes, written on cards with student-designed artwork, are specific to the donor, including information such as what part of our organization their donation directly assists. If appropriate, we follow up six weeks later with a photo that is relevant to that area their specific donation helped. Early reports from donors and people in our community tell us that this personalized outreach helps them stay connected with our school and acts as an incentive for additional donations!”

*Penny Campbell, Donor Relations Associate, Planned Parenthood of Southwestern Oregon:*

“The one thing that we have implemented in the past six months to improve our communication with donors is an *Impact Update*.<sup>9</sup>

It differs from the newsletter created by our communications department, in that it is less a report on what WE have done, and more an update on what the DONOR has made possible through their gift. Donors receive updates twice each year – 4 months after their gift, and 9 months after their gift –and we have both email and postal mail versions depending on their mailing preferences. Since we have just started the updates, I’ve included a brief survey asking donors for their feedback.”

*Keith Snyder, Associate Vice President of Development, Lincoln Christian University:*

“The one thing that we are doing this month is that we are including 1/3-page informational sheets about our distinguished graduates in all of our donor thank you letters. We rotate the different grad sheets and include one in each thank you letter. The letter references the bio/informational sheets with the message focused on “your gift benefits all our students and makes stories possible like...” [the enclosed distinguished grad].”

*Mandy, Intervale Center:*

The 1/3 page sheet gives donors something to hold on to long after they toss the thank you letter.”

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<sup>9</sup> Email me for a sample of Penny’s Impact Updates.



The one thing that we have done is... well, we've done lots of things! We wrote gift acceptance policies and are following them, cleaned up our official thank you response time and procedure, and have made a point to call, email, write and have lunch or tea with a major donor every week. But probably the most important thing we've done is we've gone more personal and bolder in our communications with donors.

*Jamie Mykins, Director of Donor Relations, Orlando Shakespeare Theater in Partnership with UCF:*

"The one thing that we've implemented is to do a newsletter. It seems like a no brainier but had never been done. Issue one goes out tomorrow to our amazing donors!"

*OneJustice, Simple Development Systems member:*

*This group sent out Valentine's Day photo cards to their supporters:*



*Thea Vandervoort, M.S. & C.N.M., Development Associate, Mental Wellness Center*

*Director of Artistic Operations, Santa Barbara Chamber Orchestra:*

"Recently we designed & implemented a prospect/donor communications protocol.

1. After each prospect's point of entry tour or event, he or she is personally called and emailed by the Development Associate (me) who acts as a Donor Services representative. We take this opportunity to thank them for coming and get feedback about our organization & the event itself. No "ask" is made. This is purely a relationship-builder.





2. We are now sending out gift thank you letters on a regular weekly schedule! The letters have been vastly improved and are more personal, human and less generic.
3. We just had a "no ask" donor appreciation event where board members got to know our donors more thoroughly. Notes were provided to the Development Associate (me), logged into Donor Perfect & filed in each donor's file.
4. We are creating more points of communication, increasing our email/web/social media engagements, and sending quarterly newsletters.

All-in-all we actually have a strategy now!!”

*Lynne B Kahn, Baltimore Hunger Project:*

“I am hugging my donors by inviting them to help pack our food to distribute to the children - this way they get to see the impact of their donation.”

*LeNae Williamson of Union Gospel Mission Twin Cities:*

“I try to vary my thank you process between calling donors and writing hand-written cards thanking them and telling them about the impact of their gift. I often get thank yous for my thank yous sent to me along with additional gifts. That’s not the motivation for doing it but it sure is a nice side benefit.”

*Casey Rozanski, MSW, Vice President of Fund Development and Marketing , St. Ann Center for Intergenerational Care:*

“We send birthday cards to our top donors and board members that come from our president and she always writes a personal message inside!”

*Bob Krouse of The Children's Home, Tampa:*

“We do “cookie calls” with cookies from our food service people. Hot and mouthwatering always brings a smile when we share them as part of a thank you to our donors.

The other thing we are doing since we work with abused and abandoned kids is to provide a Thank you from the children. Attached to a picture of the donor from an event or visit in a small inexpensive frame. One donor said to me that of all the awards, certificates and plaques that he has ever received. This one means the most because it comes from those he helps.”

*Sally Zelonis, CFRE, Major Gifts Officer at the Indianapolis Zoo:*

“HUGS! Here at the Zoo it is pretty easy to love donors. Recently, I stopped at a donor’s home to deliver tickets to a special event we were having. Her husband was recovering from a stroke a couple of months ago, and I knew that she would appreciate having someone drop the tickets off. While I was there, I solved the problem of how they were going to get her wheel-chair bound husband into the



event the easiest way. She signed her last email to me with XXOXOX. My efforts didn't cost me anything and now I have a donor couple who are very happy to know me and be a part of our organization."

*Claudia Soto-Neira, Director of Marketing and Development, KidWorks Community Development Corp.:*

"I am originally from Colombia, South America, and I travel there once or twice per year. Since I'm a coffee lover, I always find out who of my organization's supporters are coffee lovers too. I buy a bunch of premium organic Colombian coffee in nice-looking authentic bags, and upon my return I personally deliver them. They love it! It doesn't cost much, and my donors feel truly special."

*Alice-Anne Harwood Sherrill, Vice President/Chief Development Officer, Central Connecticut Coast YMCA (on recognizing loyalty):*

"We are sending anniversary cards to any donors who have given 10, 5 and 3 consecutive years."

*Kaye Lyssy, Senior Development Manager for Animals Asia:*

"I send LOTS and LOTS of thank you notes on our notecards that feature our beautiful rescued bears. I frequently get thank yous for my thank yous! Haha! I really enjoy sending them apparently as much as they enjoy receiving them!"

*(Do you get thank yous for your thank yous?)*

*Susan Goldstein, Development Director of the Boys & Girls Clubs of the Pee Dee Area:*

"We have (FINALLY) implemented thank-you calls from board members to all donors. They have been amazed (in a good way) at the donor reactions, and have had some lengthy and very positive conversations. They also love the fact that they can leave a voice mail if the person isn't there. It's a WIN!"

*Randy Barnes, Associate Director of Development of the Anti-Defamation League - Southwest Region:*

"We feature a "donor in the spotlight" in each of our newsletters, most of our donors love the public recognition.

*Barbara Pleason Mueller, Executive Director of Gizmo-CDA:*

"The life of an Executive Director of a small non-profit is amazing and daunting and life changing and uplifting and, and, and maybe too busy. But and this is a big but, every time I take a few moments and start my day with you is a day that my organization has a better chance of touching a donor. Your understanding of how to develop relationships is empowering. With your help we have celebrated our one year anniversary and have had the funds to target over 3,000 kids, half of them at risk, who would



not have the resources to learn to use tools of tomorrow like 3D Printers or Laser Cutters or tools that are a direct release of creativity like clay and watercolors. They would not have an opportunity to work in teams and realize what they can do rather than hearing from their teachers how they are failing.

Every time I click on your email I am saying yes to my organization. I look forward to your “hugs” that come in the form of ideas and the simple acts of making information accessible. Thank you!”

*Michele M. Rickett, President and Founder, She Is Safe:*

“We routinely ask our donors how we can pray for them. We gather our staff each day to pray for requests. We have been touched by how people open their hearts and lives to us, knowing that we care for their concerns that are not related to our nonprofit. We even hesitate to call these folks “donors”, they are truly ministry friends.”

*Lisa Wells, Downe Syndrome Indiana:*

“The one thing we do is to send at least one handwritten thank you per day—just to say thank you. It has been great, and I have found it means so much to our donors.”

*Ron Skenes, Christ Community Health Services Augusta:*

“The one thing that we implemented in the last six months to build stronger relationships with our donors is a donor 'thank you' call program. Members of our staff call donors just to thank them for their support. No ask - just thanks. The donors love it and the staff get to connect with donors.”



# Resources

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Sample thank-you letters for you to swipe:

<http://sofii.org/article/sample-thank-you-letters-for-you-to-swipe>

How to write a better thank-you letter (and why it matters):

<http://sofii.org/article/how-to-write-a-better-thank-you-letter-and-why-it-matters>

In-memoriam donation thank-you letter samples:

<http://sofii.org/article/in-memoriam-donation-thank-you-letter-samples>

How hopeFound says 'Thank You' (And how they can help you say thank you too):

<http://www.pamelagrow.com/1079/how-hopefound-says-%E2%80%98thank-you%E2%80%99-and-how-they-can-help-you-say-thank-you-too/>

A sampling of creative nonprofit thank yous:

PamelaGrow.com <http://www.pamelagrow.com/tag/Nonprofit-Thank-You-Letter-Example/>

Your Email Thank You Template courtesy of Bloomerang

<http://www.pamelasgrantwritingblog.com/12Days2015/Savetheflamingos.pdf>

Your Thank You Letter Template:

<http://www.pamelasgrantwritingblog.com/PDFDownloads/BasicThankYouLetterTemplate.pdf>

Your Thank You Letter Checklist, courtesy of Lisa Sargent:

<http://www.pamelasgrantwritingblog.com/PDFDownloads/BetterDonationThankYouLetterChecklist-2.pdf>



## What are you doing?

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What steps can you take to create an attitude of gratitude within your organization? How can you bring board and staff on board to show donor appreciation?

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**For more on creating an attitude of gratitude in your organization, look for my popular course, *Power of Thank You* to return in April of 2016!**



**Basics & More™**