



KEY DONOR RETENTION METRICS YOU SHOULD BE MONITORING

If you've read any of our past blog posts, you'll know that we champion a focus on donor retention, as opposed to acquisition. Not only is it more expensive to acquire a new donor, as opposed to retaining one, it typically takes a nonprofit up to two years to recoup the money they spent on attracting and acquiring a new donor, says [CauseVox](#). They also cite this finding from the 2015 Fundraising Effectiveness Project (FEP): "there is a direct correlation between retention and gift size". Unfortunately, donor retention rates are at an all-time low, averaging out at just 43% according to the FEP project. So what's a nonprofit organization to do?

START BY MEASURING THESE CRITICAL DONOR RETENTION METRICS:

DONOR RETENTION RATE

This metric is simple to calculate: the number of donors from last year (or month, quarter, etc.) who donated again this year (or month, quarter, etc.). If you had 100 donors last quarter, but only 70 this quarter, your donor retention rate is an impressive 70%. Determining and tracking your donor retention rate enables you to see how effective your marketing efforts are, how you measure up to the industry average, and importantly, it can be used as a yardstick with which to inform all future fundraising and marketing efforts.

DONOR ATTRITION RATE

The opposite of donor retention, your donor attrition rate indicates how many donors have not gone on to donate again. Using the hypothetical calculation above, your donor attrition rate would be 30% – again, a score far above industry standards, which currently sits at 57%, says [CauseVox](#).

DONATION RETENTION RATE OR GIFT RETENTION RATE

Your donation or gift retention rate refers to: "the amount donated by returning donors from one year to the next. It is calculated by dividing the total donated by retained donors by the total raised during the previous year", according to [FundRaising](#) Report Card. The benchmark from the FEP project cited above had the average gift retention rate at 47% – another statistic that highlights the need for strategic nonprofit marketing and fundraising campaigns. If your gift retention rate is higher than your donor retention rate, congratulations! This means that the donors who've stayed loyal to your cause are donating bigger amounts than they did in the past. This indicates that your donor retention efforts are bearing fruit.



FIRST TIME DONORS VS. REPEAT DONORS

Finally, you need to determine how many of your donors in the past year (or month or quarter) are brand new, versus the number of repeat donors. This metric gives you insight into the efficacy of your donor acquisition rate and your donor retention rate, and is a useful yardstick for gauging the success of your overall marketing efforts.

Measuring the above donor retention metrics is critical to your nonprofit organization's success. Once you know where you stand – proverbially speaking – you can align your fundraising and nonprofit marketing efforts accordingly.



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