DID YOU KNOW?

69% of nonprofits surveyed do not know or are not sure if they have a formal strategy in place for managing donor loyalty.
What Is Donor Loyalty?

“Loyalty” is faithfulness or devotion to a person, country, group, or cause. While philosophers may debate what things people can actually be loyal to, we define Donor Loyalty as an emotional connection and relationship between donors and your organization. The relationship itself is defined by the donor’s perception.

Donor loyalty doesn’t mean that your nonprofit is the sole recipient of a donors attention and giving. It means that a donor is listening, engaged and motivated to action repeatedly. Connecting through advocacy, volunteering, and yes, giving to your organization!

A donor loyalty program is the output of your focused attention on creating and building a relationship through multiple touchpoints or experiences you have delivered.
Of the organizations with a donor loyalty program, 74% identify development as the function that is primarily responsible for and owns the donor loyalty strategy. Followed by:

- 41% Executive Management
- 24% the Board of Directors
- 24% Program Director or Management
How Often Is Your Donor Loyalty Program Reviewed?

- Annual: 129 responses
- Bi-Annually: 36 responses
- Quarterly: 4 responses
- Monthly: 34 responses
- 2-3 Years: 13 responses
- 3-5 Years: 6 responses
- Other: 9 responses
- Do Not Know: 6 responses
What are the External Challenges?

- Potential losses in local, state and federal funding as a result of budget cuts: 46%
- Economic down-turn affecting available dollars: 34%
- Increased competition with so many nonprofit organizations: 9%
- Staffing: 7%
- Other: 3%
What are the Internal Challenges?

- Reducing costs without impacting services: 39%
- Doing more with less: 35%
- Developing and motivating teams for results: 10%
- Reporting performance: 6%
- Managing assets and risks: 5%
- Other: 4%
In the past 12 months, how many times did your average donor received communication from your organization via each of the following methods?

<table>
<thead>
<tr>
<th>Method</th>
<th>None</th>
<th>1 to 3</th>
<th>4 to 6</th>
<th>7 to 9</th>
<th>10 to 12</th>
<th>More than 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received an email message</td>
<td>26%</td>
<td>28%</td>
<td>18%</td>
<td>7%</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Received a direct mail piece</td>
<td>17%</td>
<td>47%</td>
<td>25%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Received a survey</td>
<td>67%</td>
<td>27%</td>
<td>3%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Received a phone call</td>
<td>38%</td>
<td>47%</td>
<td>9%</td>
<td>3%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Received a social media message</td>
<td>41%</td>
<td>20%</td>
<td>10%</td>
<td>6%</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Received a thank you letter</td>
<td>13%</td>
<td>60%</td>
<td>14%</td>
<td>4%</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Received a handwritten thank you note</td>
<td>43%</td>
<td>44%</td>
<td>7%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Received a call, thanking a person</td>
<td>47%</td>
<td>41%</td>
<td>6%</td>
<td>3%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Handwritten notes or in-person thank you’s reign as king of loyalty.
What does your organization do today?

- Clearly and consistently communicate to donors your organization’s values.
- Ensure that all promises made to donors are adhered to.
- Measure and communicate your organization’s impact or key performance indicators.
- Ensure communications match donor expectations in respect to content, frequency and quality.
- Provide staff training in customer service.
- Communicate to donors the rationale for major decisions related to strategy or programs.

- Maintain a complaints process or procedure.
- Engage donors in a two-way dialogue about the service they can expect.
- Maintain a donor welcome program.
- Measure the quality of service received by donors and/or constituents.
- Conduct regular exit polling of lapsed supporters.
What Is Your Current Donor Attrition Rate?*

Don't Know
- 51%
Yes, We Measure
- 49%

* the percentage of donors who give one year but not the next

PERCENT WHO MEASURE DONOR ATTRITION

DONOR ATTRITION RATE

- 0-25%
- 26-50%
- 35-75%
- 76-100%
GOOD TO KNOW

Knowing what percent of your organization’s donations are recurring is a first step in benchmarking your organization’s donor loyalty program.

However, a significant number of organization’s surveyed “Don’t know” and are unable to quantify the percent of recurring donations.
When a recurring donation ends, what do you typically do to follow up?

- Phone call: 208 responses
- Nothing: 169 responses
- Direct mail: 150 responses
- Email: 95 responses
- No recurring donors: 65 responses
- Other: 45 responses
- Conduct an exit poll: 11 responses
29% of nonprofits do nothing when a donor lapses.
What Branded Promotional or Motivational Objects Do You Provide To Donors?

- Computer or tech accessories (memory drive, phone charges, mouse pad, iPad): 5%
- Caps or hats: 11%
- Pens, pencils, and markers: 24%
- Clothing (t-shirt, jacket, dress shirt): 19%
- Drinkware: 21%
- 52% give nothing
The pen is tops when it comes to loyalty gifts, probably due to affordability.
Annual Reports are used by 69% of respondents to communicate how donors' monies will be used.
Annual Reports are used by 69% of respondents to communicate how monies will be used.

What are you doing today to publicly acknowledge and recognize your donors?

- Award or recognition ceremony
- Donor name on plaque, signage, tree or wall
- Donor name listed on your website
- Acknowledgement at events such as an annual gala
- Recognize Donor in Social Media
- Press Releases
- Annual Report
- Purchase media to acknowledge and thank
WHO RESPONDED TO OUR SURVEY?

Annual Operating Budget

- **46%**: More than $50 Million
- **18%**: $10 to $50 Million
- **17%**: $5 Million to $10 Million
- **15%**: $1 Million to $4,999,999
- **4%**: Less than $1 Million
- **15%**: $1 Million to $4,999,999
- **18%**: $10 to $50 Million
- **4%**: Less than $1 Million

### Organization Type

- **Human and Social Services**: 49%
- **Other (specify)**: 15%
- **Health and Hospitals**: 12%
- **Education (K - 12)**: 9%
- **Advocacy**: 9%
- **Community Development/Organizer**: 8%
- **Education (Other)**: 7%
- **Education (Higher)**: 6%
- **Foundation**: 5%
- **Faith-Based**: 5%
- **Arts, Culture, and Humanities**: 4%
- **Environmental and Conservation**: 4%
- **Membership**: 3%
- **Museum/ Zoo**: 2%
- **Church**: 2%
- **United Way**: 2%
- **Science**: 1%
- **International**: 1%
- **Library**: 1%
- **Public broadcasting/media**: 0%
- **Animal Welfare**: 0%
About Sage Nonprofit Solutions

Sage Nonprofit Solutions has been serving nonprofit and governmental organizations throughout North America for more than 30 years. The organization helps more than 32,000 unique not-for-profit organizations increase efficiency and more easily manage their operations through the use of technology. From fund accounting, donor and fundraising management, and grant management to online donation processing, human resources (HR), payroll, and fixed asset management, Sage offers a software product or service to meet the organization’s need. Follow Sage Nonprofit Solutions on Twitter® (www.twitter.com/SageNonprofit) and Facebook® www.facebook.com/sagenonprofit), read its blog (www.sagewords.net), and join its community for not-for-profits (http://community.sagenonprofit.com).