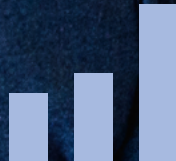


Monthly Donor Metrics

Every
Nonprofit
Should
Know



CONTENTS

- 2** Monthly Donors: Grow Your Most Loyal Base
- 8** Check Yourself: What are Your Donor Retention Metrics?
- 12** Boost Your Retention Rate with a Monthly Giving Program
- 14** Attract and Retain Tomorrow's Big Donors Today
- 18** Thank You Letters Donors Will Love
- 23** Manage Monthly Donors Easily

Small amounts add up 

Monthly Donors: Grow Your Most Loyal Base

Committed and enthusiastic about your cause, monthly donors provide your nonprofit with a reliable source of revenue through small monthly donations that add up to a sizable annual total.

Monthly donors are retained donors, serving as the foundation of your organization's success. Their loyalty provides a predictable and reliable revenue stream that goes beyond the basics - finding new ways to champion your mission.



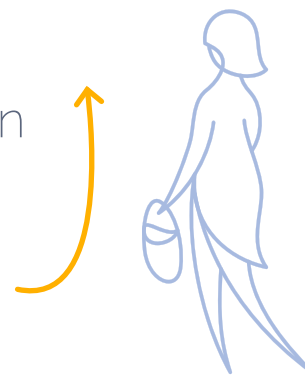
A Little Bit Over Time Amounts to a Lot for a Lifetime

For many donors it's easier to donate a small amount every month rather than give a large, one-time gift. But don't underestimate the impact of these donors. Data from DonorPerfect shows they make a sizable dent in giving overall.

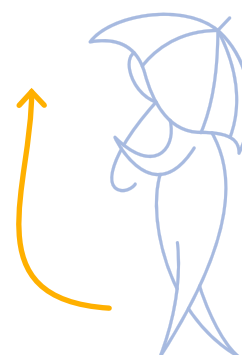


*Every donor
matters.*

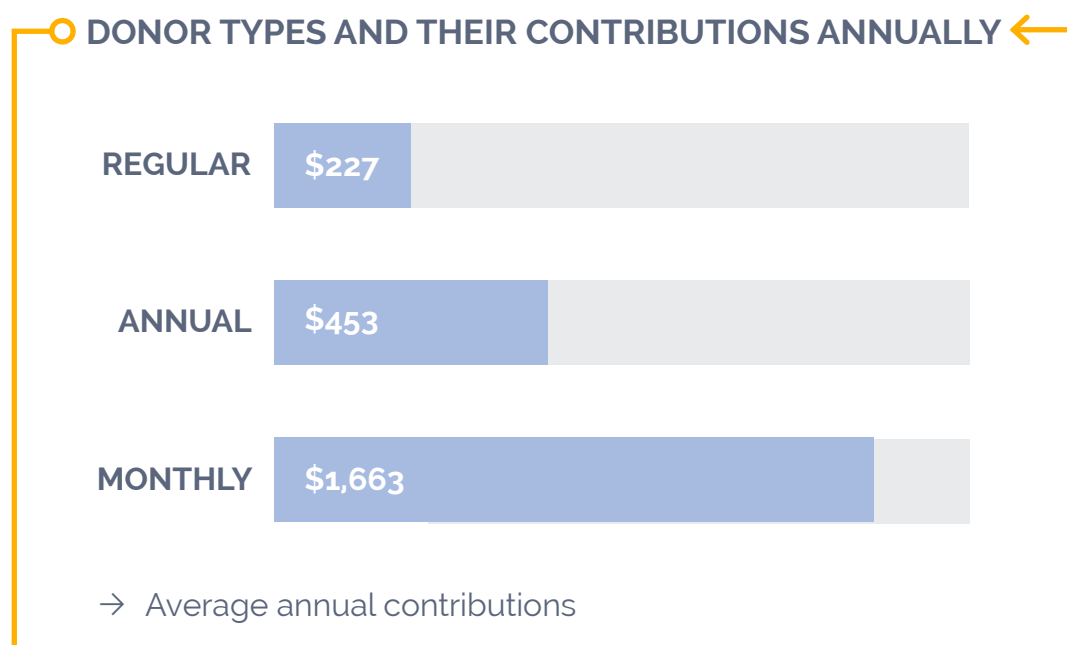
A donor who stays with an organization for 10 Years gives **6x** as much as a donor who stays for 2.5 years.



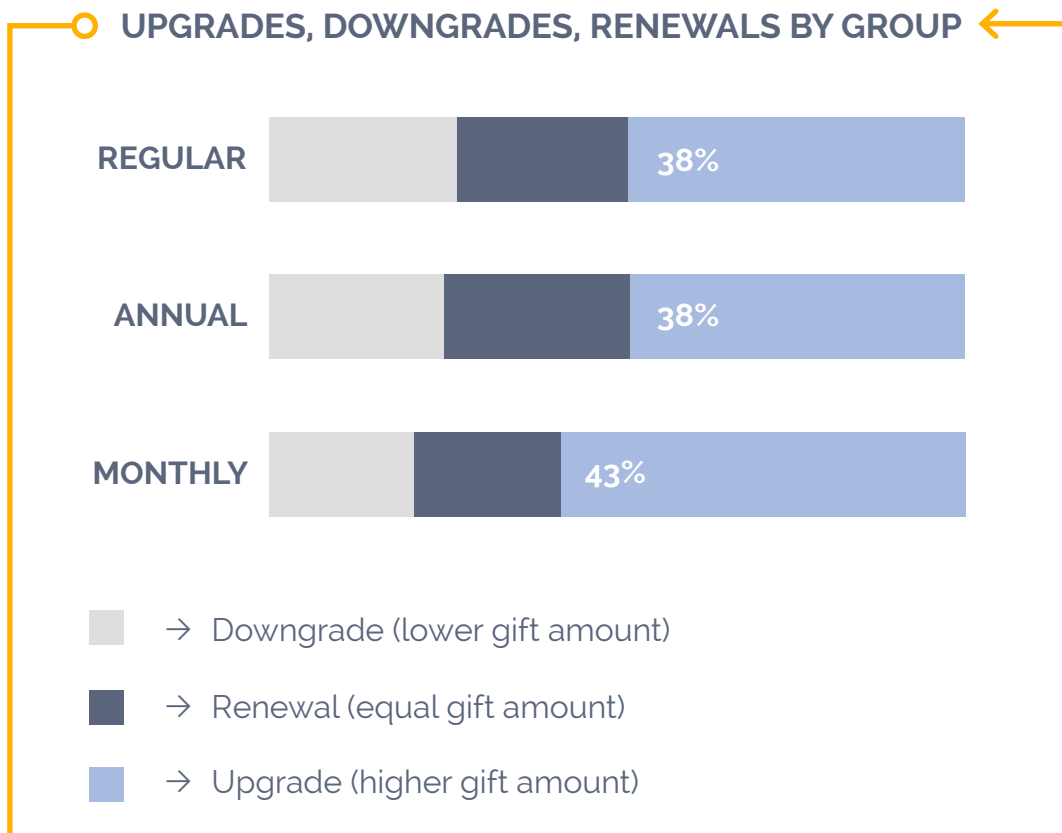
Monthly donors are the biggest annual contributors after major donors, giving **7x** more than one-time donors.



Source: AFP 2017 Fundraising Effectiveness Survey Report



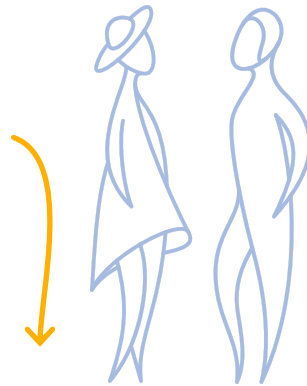
Monthly donors are more likely to upgrade.



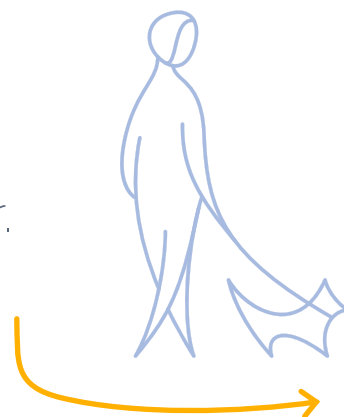
Monthly donors are the gift that keeps on giving.



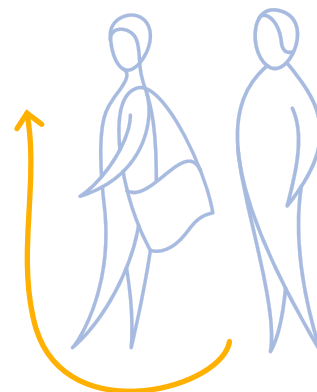
77% of first time donors **won't give** to your organization next year.



60% of regular donors will **stop giving** to your organization next year.



90% of monthly donors will **keep giving** to your organization next year.



Source: DonorPerfect

Acquiring new donors involves spending time and money on engaging and educating people about your cause. Strong donor retention allows you to spend less time and money converting new donors year after year. Instead, you can spend your valuable time sharing the significant impact your growing base of donors are having on your mission.



You can build valuable donor retention systems right into your fundraising strategy today through the expert advice and actionable best practices in **Your Donor Retention Toolkit by Pamela Grow**. Go to donorperfect.com/DonorRetention to get your free toolkit today.

Check Yourself: What are Your Donor Retention Metrics?

Effective donor retention strategies require you to determine your baseline, define success, and measure your progress toward your goals through reporting.

Want to excel at retaining donors? Here are 4 important metrics you should keep tabs on regularly:

- Donor retention rate
- Donor attrition rate
- Gift retention
- Donor lifetime value

Note that online donor data platforms like DonorPerfect calculate, track, and display these metrics for you, but if you'd like to do the math yourself, formulas are provided on the following page.



*Monthly donors
are loyal donors.*

Donor Retention Rate: the ratio of donors you retain to donors who do not give again

Your donor retention rate is easy to calculate. For example, if you have 1,000 donors in year 1 but only 400 of those give again in year 2, your donor retention rate would be 400/1000, or 40 percent.

CALCULATE YOUR DONOR RETENTION RATE

$$\frac{\text{\# of Donors in 1st Year}}{\text{\# of Donors in 2nd Year}} = \text{Your Retention Rate}$$

Donor Attrition Rate: the ratio of donors who do not give again to the ratio of donors you retain

Your donor attrition rate is the inverse of your donor retention rate: attrition rate = 1 minus the retention rate. For example, if your donor retention rate is 40%, your attrition rate is 60%.

CALCULATE YOUR DONOR ATTRITION RATE

$$1 - \text{Your Retention Rate} = \text{Your Attrition Rate}$$

Gift Retention Rate: the amount donated by your retained donors year over year

Your gift retention rate reveals how much money you're keeping through retention by calculating how much donors gave again this year divided by the amount those same donors gave last year. It's best used in determining whether your retained donors are giving the same amount or upgrading year after year.

○ **CALCULATE YOUR GIFT RETENTION RATE** ←

$$\frac{\text{\# of Gifts in 2nd Year}}{\text{\# of Gifts in 1st Year}} = \text{Your Gift Retention Rate}$$

→ Use # of Gifts from Retained Donors

○ *Knowing is the key to growing.* ↗



Donor Lifetime Value (LTV): how much money, calculated over all donors and donations, a donor will give to your organization from the first donation to the last

This must-know metric is crucial to your development budget, as it determines how much money you should invest to acquire a new donor or keep a donor for the long term.

This is how it works using our example figures and increasing retention rate from 40 percent to 60 percent (which reduces the attrition rate from 60% to 40%):

→ Lifetime of donor = $1 \div 0.4 = 2.5$ years

→ Lifetime value = $2.5 \times \$500 = \$1,250.00$

The impact of your donor retention rate is difficult to ignore. For example, if you can increase your retention rate by just 20 percent, your donor LTV increases by 50 percent. Although that seems like quite a feat, a monthly giving program can help you achieve even greater retention quite easily.

CALCULATE YOUR GIFT RETENTION RATE



$1 \div \text{Your Retention Rate} = \text{Lifetime of Donor}$

$\text{Lifetime of Donor} \times \$500 = \text{Lifetime Value}$

→ The higher your retention rate, the greater the donor LTV

Boost Your Retention Rate with a Monthly Giving Program

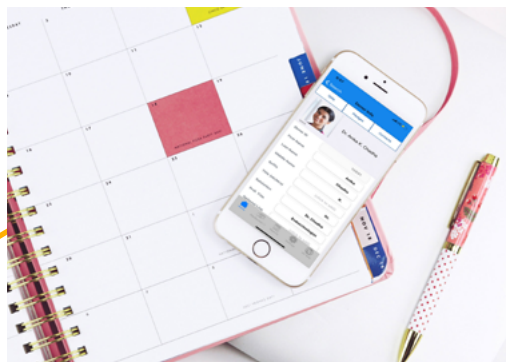
Do your donors know that they can effortlessly support your organization on a regular basis? Shine a spotlight on recurring giving as a celebrated way to champion your cause by starting a monthly giving program. A monthly giving program ensures that your donors know that they can sign up to donate monthly in any amount they choose.

Why is the monthly donor so sought after? Monthly donors stay with an organization longer than episodic donors, between five and seven years on average. **DonorPerfect users who have implemented a monthly giving program report retaining up to 90% of their donors - who stay with the organization an average of 10 years!**

Your monthly giving program can help your organization in many ways, because it enables you to:

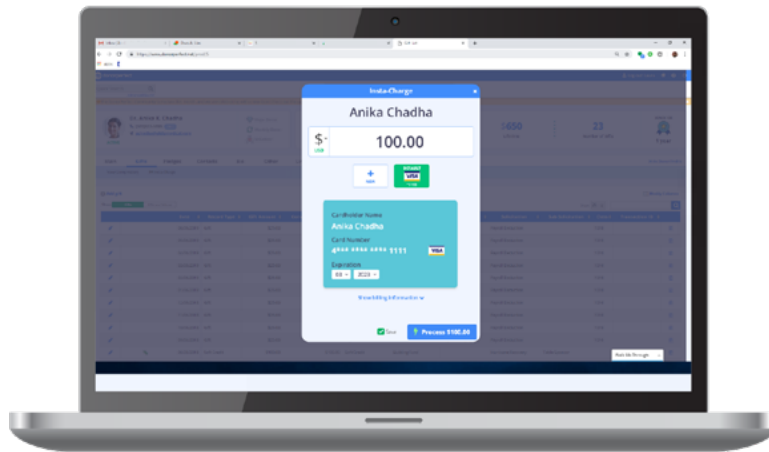
- Retain more donors for longer.
- Raise more money.
- Worry less about cash flow.
- Give donors convenience they want.
- Save time with automatic recurring donation processing.
- Gain time to share the impact donors are making.

Monthly donations can be hassle free.



But will it work? Of course it will!

Living Hope International is just one example of how nonprofits can put the concept of "subscribing" to an organization to work in a way that sustains and propels their mission.



60% of LHI's Donors Joined Their Monthly Giving Program

Living Hope International leans on their consistent flow of monthly gifts to bring daily comfort and support to the children in their care.

With the help of automatic monthly giving, this organization has been able to engage donors effortlessly from all over the world and make a difference. Read their story at donorperfect.com/LHI.

Attract and Retain Tomorrow's Big Donors Today

While monthly giving programs are already a favorite of older donors and individuals on fixed incomes who like the predictability of their giving, millennials are also a perfect candidate for monthly gifts.

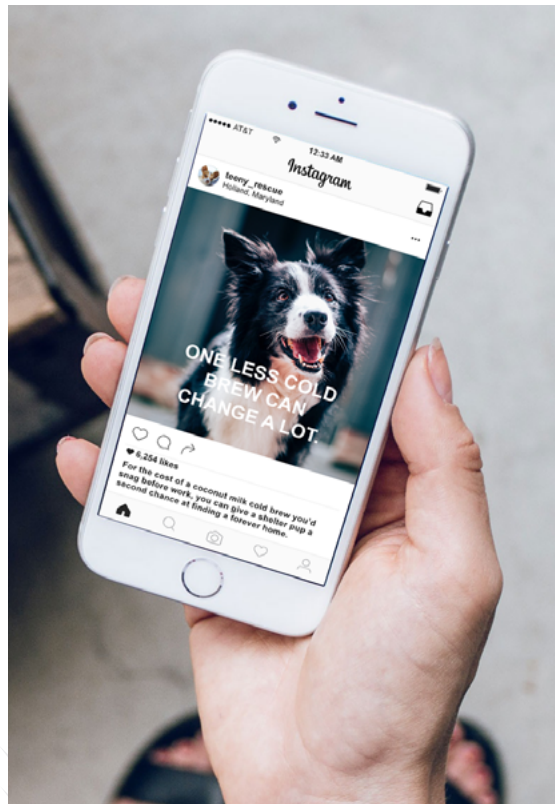
Given their post-college financial constraints, 52% of millennials prefer to show their support for causes they care about by giving small, regular donations that don't squeeze their budget. Your monthly giving program is the perfect place for millennials to start giving and grow their gifts as their debts lessen and their incomes rise.



Promote your monthly giving program in terms millennials relate to.

Because millennials aren't known for having lots of disposable cash, it's important to craft your ask in a way that demonstrates how a very minimal contribution can result in meaningful change. Think about the types of purchases they make without realizing and draw a comparison between that casual spend and a donation that empowers them to make a difference.

CAPTION: For the cost of a coconut milk cold brew you'd snag before work, you can give a shelter pup a second chance at finding a forever home. Celebrate Giving Tuesday with a \$5/month pledge to Teeny Rescue Animal Shelter. Give here: [INSERT LINK FOR DONATION FORM]



Specifically outline the change their monthly gift will create.

Establish monthly giving "levels" by listing suggested amounts paired with the resources each one will afford your organization.

For example, Teeny Rescue's levels might look like this:



TEENY RESCUE

Animal Shelter



Do something *pawsitive*.
As a monthly donor, you can care for rescue dogs
in many ways.

\$5 gives a dog a month's worth of food.

\$10 gives a dog a month's worth of food and a toy.

\$20 gives a dog a leash, a toy, and a month's worth of food.

\$30 gives a dog a leash, a toy, a blanket, and a month's worth of food.

\$50 gives a dog a bed, a leash, a toy, a blanket, and a month's worth of food.

MONTHLY DONATION

Amount

\$50 - Pup Hero

Keep millennials engaged where they exist the most: online.

The ability to accept monthly giving registrations and donations online is essential to the success of your program, especially when it comes to attracting millennials. Don't miss out on valuable relationships with up-and-coming donors. Check out the tools and strategies you need to engage donors in all kinds of ways in **4 Strategies to Build Multichannel Donor Relationships**. Go to donorperfect.com/multichannel_ebook to download your copy today.



Thank You Letters Donors Will Love

The key to retaining monthly donors? Thank them often. And take "thank you" a step further by showing them the real and radical results of their decision to give to your organization each and every month.

In addition to the traditional acknowledgement, monthly donors expect frequent updates as to where their gift is going and how it's making a difference in regard to your mission. If you're working with a lean nonprofit team, consistent communication can be a tough task.

These monthly giving thank you letter and email templates can help you and your team easily and effectively communicate the incredible impact of a donor's continual commitment to the progress of your mission.



*A little thank you
goes a long way.*

Monthly Giving - Thank You Letter & Email Template #1

WHEN TO SEND IT: This anytime update is best sent when you have a specific accomplishment to report at least every 3-6 months - to provide donors with information about your progress. The goal of this thank you letter is to show your monthly donors the good they're creating by pledging to give regularly.



*Let them know they
make a difference.*



YOUR ORG HERE

SUBJECT LINE: [FIRST NAME], see what your monthly gift made happen.

BODY COPY:

Hi [FIRST NAME],

Your monthly gift makes an enormous difference in the lives of [YOUR CONSTITUENTS].

Thanks to your generosity and dedication to championing our mission of [YOUR MISSION], together we were able to [SPECIFIC ACHIEVEMENT - For example: "find loving homes for 40 shelter dogs in June." or "fund a breast cancer research study that brings us closer to a cure."]

Along with our gratitude, we'd like to share this with you to show your gift in action:

[ADD PHOTO/LINK HERE]

From all of us here at [YOUR ORGANIZATION NAME], thank you for being a part of our monthly donor community.

Monthly Giving - Thank You Letter & Email Template #2

WHEN TO SEND IT: Much like your regular newsletter, this thank you letter should provide your monthly donors with a variety of updates. Updates can include a story about a specific person who helped through your monthly giving program, upcoming initiatives you'll fund through monthly gifts, and opportunities to get that donor face time through events and volunteer opportunities.





YOUR ORG HERE

SUBJECT LINE: [FIRSTNAME], here's your monthly donor update!

Hi [FIRST NAME], Thank you for being a part of our monthly donor community. Because you're such a big part of the progress we're making here at [ORGANIZATION NAME], we want to keep you posted on all the good stuff going on in the coming months.

YOUR MONTHLY GIFT FUNDS MAJOR CHANGE

This is [NAME]. Through the [SERVICES] we are able to provide thanks to your monthly contribution, [S/HE/THEY is/are] able to [ACHIEVEMENT]. [NAME] says, "[QUOTE FROM THIS PERSON ABOUT THE IMPACT OF SERVICES]."

COMING SOON: [NEW SERVICE/INITIATIVE/GOAL]

We're excited to announce that we'll be starting [PROJECT/ACTION] to [GOAL enhance/improve/serve] beginning in [MONTH]. Want to help? Look out for upcoming volunteer opportunities, spread the word about [YOUR ORGANIZATION NAME] to family and friends or increase your monthly gift by just \$5.

JOIN US! [YOUR EVENT NAME, DAY, TIME]

[EVENT DESCRIPTION]

WE'RE LOOKING FOR HELPING HANDS

[VOLUNTEER OPPORTUNITY]

Don't Have a Monthly Giving Program?

Download your free **Monthly Giving Starter Kit** for step-by-step instructions on how to get your Monthly Giving program off the ground quickly and effectively. Go to donorperfect.com/MGSK to get your copy today.



Manage Monthly Donors Easily

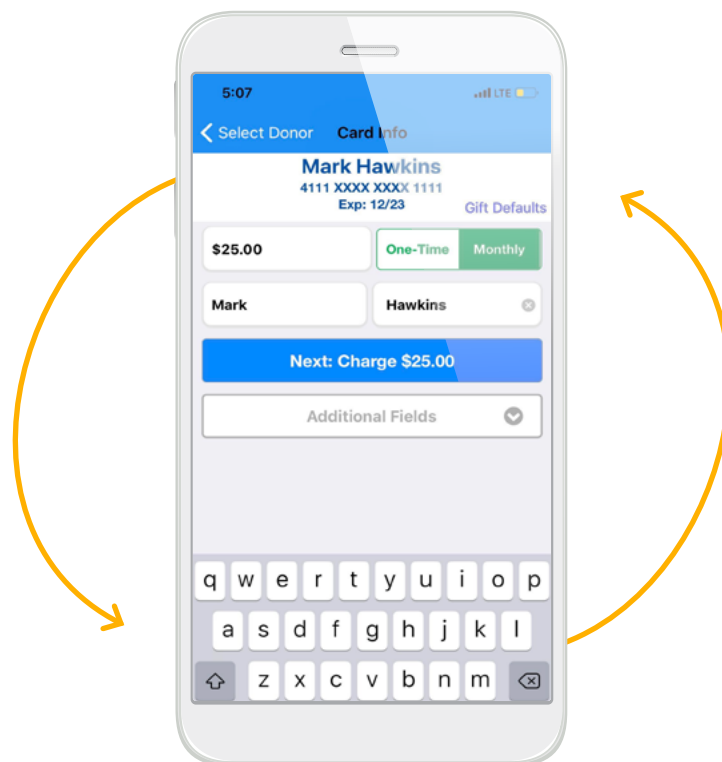
The biggest benefit of being a monthly donor is that they can take a "set it and forget it" approach to supporting an organization they care about.

But donors aren't the only ones who benefit from the ease of monthly gifts. Your nonprofit can kick back and enjoy the perks as well when you're equipped with the software to make it happen.

Accepting recurring gifts through online forms makes giving monthly easy for everyone.

DonorPerfect accommodates many features that can increase the success of your monthly giving program, including:

- Forms you can customize with your logo and branding
- The ability to offer recurring donations and preselect recurring giving
- The ability to display a video and social share buttons on your form
- Automatic acknowledgements that say thanks faster
- Credit and debit acceptance (80% of monthly donors)
- Account Updater service to keep card information current
- Automatic Monthly Giving that processes gifts for you, on a basis you set



Discover how easy managing and growing your monthly giving program can be with DonorPerfect.

Sign up for a demo at a time that's best for you or give us a call at **800.220.8111**.
Go to donorperfect.com/demo to schedule your group or personal demo today.



Visit donorperfect.com to learn more.