

Maximizing Online Donor Relationships

PLUS power2give Wrap Party

October 12, 2016
ACT Theatre

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Matching Donors



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Key impacts:



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ARTSFUND



Total dollars raised: \$1,224,849

Matching funds raised: \$545,824

Participating organizations: 100

Projects: 228

Donations: 4,700

Donors: 3,665





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Power2give Convening: Maximizing Online Donor Relationships

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You wanted to know:

1. “What do I do next with these online donors?”
2. “How can I get my project-specific donors to make unrestricted gifts?”
3. “How do I generate new matches without p2g’s match?”

Terminology

Donor Engagement:

Involvement

Two-way street

Pull in, not push out

Respond to their desires and feedback

Give them tools to help you

Terminology

Stewardship: Ensuring donor loyalty and show what they have accomplished. 2 types: impact & love

Cultivation: Bringing a donor closer to the mission and building their trust

Acquisition: Getting new donors

Retention: Keeping the donors you have

Retention Facts

Nationally: **39-46%** average donor retention

But: only **23-29%** of new donors are retained.

1st gift is the hardest; 2nd gift is most important.

63% of second-time donors continue after that gift.

Retention Matters

Start with 2,500 donors / \$100 average gift = \$250,000

After 3 years, without ANY new donors...

32% retention = 82 donors remain, giving \$8,200

42% retention = 185 donors remain, giving \$18,500

52% retention = 351 donors remain, giving \$35,100

Retention Matters

Start with 5,000 donors/\$200 average gift = \$1M

Over 10 years without ANY new donors...

41% retention = \$820,859

51% retention = \$1,277,208

Retention Rules

Improving your retention rate is the fastest and cheapest way to raise more money.

So, maximizing online donors happens with cultivation, stewardship and retention!

Online Retention

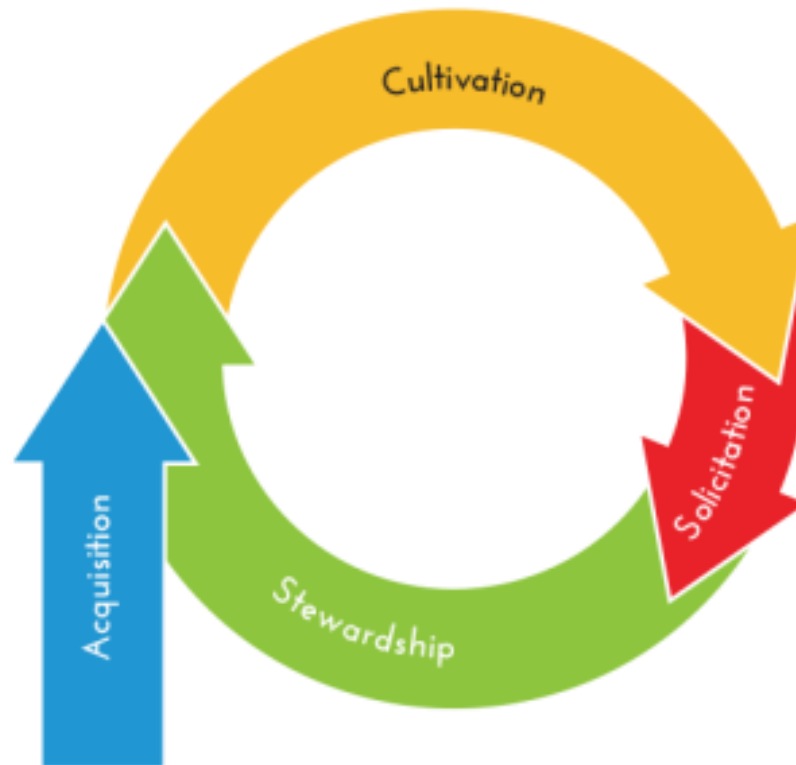
Good news!

Online donors are retained at higher rates and have higher cumulative lifetime giving value than direct mail- or event –acquired donors...

If you engage them offline too.

The fundraising cycle

90% cultivation & stewardship
10% asking



Demographics matter!

5 generations... 5 sets of giving behaviors

- * Generation Z (1996-2016)
- * Generation Y/Millennials (1981-1995)
 - * Generation X (1965-1980)
 - * Baby Boomers (1946-1964)
- * Silent Generation/Matures (1945 or earlier)

Matures

- * Born 1945 and earlier (age 71+ as of 2016)
- * 26% of total giving by 27.1 million donors
 - * 88% give
 - * \$1,367 average gift, 6.2 orgs supported
- * Loyal, traditional, conservative, collective

Boomers

- * Born 1946 – 1964 (age 52-70 as of 2016)
- * 43% of total giving by 51.0 million donors
 - * 72% give
 - * \$1,212 average gift, 4.5 orgs supported
- * Work-centered, independent, goal-oriented
 - “buy now, pay later,” directive gifts

Gen X

- * Born 1965 – 1980 (age 36-51 as of 2016)
- * 20% of total giving by 39.5 million donors
 - * 59% give
 - * \$732 average gift, 3.9 orgs supported
- * Work-life balance, individualistic, conservative spenders, community/family focus

Gen Y / Millennials

- * Born 1981 – 1995 (age 21-35 as of 2016)
- * 11% of total giving by 32.8 million donors
 - * 60% give
 - * \$481 average gift, 3.3 orgs supported
- * Technology integral, experiential, immediacy, “earn to spend,” make the world better

Generational Strategies

Matures:

Personal, 1:1, face to face, seek advice

Boomers:

Events, recognition, monthly giving, idealism

Generational Strategies

Gen X:

Humor, entrepreneurship, independence, short, family engagement

Gen Y/Millennial:

Primarily online, get them to feel ownership, act fast, highlight sustainability & transparency. Most likely to give after volunteering.

Finding the Balance

Maximize income from high-value Boomers
and Matures for now

Begin to build an expandable welcome mat
for Generations X and Y.

Who are your donors?

Giving and engagement preferences vary by demographic.

Despite trends and tendencies, don't assume that online donors are young.

Do you know your donors well enough to be able to tailor your strategies?

Max #1: Survey Your Donors

Glad you're asking "what's next?"

But don't ask me... Ask your donors!

To maximize online donors, get to know them.

Execute a donor survey!

Why Survey?

Donors expect to be asked for their opinions

Donors value organizations more that appear to be listening and proactively seeking input

Who has done a donor survey before?

Pathetic Fallacy

The longer you are inside any organizational context, the harder it is to understand external perspectives.

Classic misperception that staff/board perspectives must also be the donor or public perspective! Things we like must = what they like. Wrong!

You are not your donors. You need to hear directly from them.

Short & Sweet Surveys

Optimal: 15-20 questions, 5-7 minutes max

What to ask?

- * Demographics: gender, age, employment, income
- * Program interaction preferences, incl. volunteering
- * Contact & Giving Preferences (methods, restrictions)
 - * Donor benefits, other giving behavior

What You Can Learn

First, segment by gift amount and connect the dots...

Industry, income, artistic preference, giving method
→ powerful insights for maximizing these donors.

Income plus donor benefit preferences → evidence-based schema for giving levels & stewardship activities

Connect the Dots to p2g

You could survey **just** your p2g donors – but it might be more useful at first to survey all your online donors, and make p2g donors a specific segment.

What other questions might you specifically ask a donor who gave to your p2g campaign?

Max #2: Continue Social Fundraising

It's here to stay, revenues increase exponentially year-over-year, and it's a great acquisition source (crowdfunding) or retention strategy (peer to peer).

Especially if:

- * You have many many Gen Y/ Millennial donors
- * Your donors like crowdfunding or P2P (ask them!)
- * Your programs provide good project fodder and include volunteer opportunities

Traditional Crowdfunding or Peer-to-Peer?

* Traditional

- * Org & its staff drive fundraising
- * One-time projects
- * Gen X & Gen Y donors
- * Giving Days
- * Awareness days
- * Want to acquire new donors (65-72% new)

* Peer-to-Peer

- * Donors drive fundraising with support from staff
- * One-time or repeat projects
Donors of all ages (63-87%)
- * 1/3 of all online gifts
- * Have key influencers or high-profile supporters
- * Volunteer presence
- * Want to steward & engage current donors

Choosing a platform

Thousands of online fundraising, crowdfunding, and peer-to-peer fundraising sites.

Factors to consider: Model, fee structures, sector or focus areas, success rates, tax deductibility

Curious about new Facebook tools... that's where the people are. Too soon to tell!

Max #3: Engage Donors Online

Remember 90/10 cycle – maximizing is not just *the ask*.

Transitioning a donor from project to unrestricted is hard!

You are getting them to emotionally attach.

That's where cultivation and stewardship comes in!

Better retention *and* broader mission interest.

Classic Donor Engagement

- * Continued creative thanks
- * Board thanks (phone calls!)
 - * Donor profiles
 - * Impact stories
- * Mission moments
- * Volunteering (2x!)
 - * Events
- * Personal attention
 - * Advocacy

Online Donor Engagement

People are the same offline and online; the same concepts apply to engaging donors online!

Detachment & anonymity → belonging & investment
Be in their lives!

But tools differ.

Best practices

Storytelling

You have *a few seconds* to capture someone's interest.

Multichannel

Website, email (highest ROI!), social media, MOBILE!

Instant gratification

Engagement has a 24-hour half-life. Act fast!

Best practices, cont'd

75% intentional, 25% reactive

90% content, 10% asks

Content quality, type, nuance > specific platform

De-silo, de-centralize, empower, and invest.

This is not a job for one person.

Effective Engagement Examples

- * Branded annual fund to increase “specificity”
- * Video or Facebook Live tour of facility or backstage
 - * 360 VR/immersive video (empathy!)
 - * Social media shout-outs (FB/Twitter/Insta)
- * Private donor or volunteer Facebook groups for limited-access content and opportunities
 - * Instant electronic stewardship
 - * All-staff online thank-a-thon

10 Minute Breakout: Online Engagement Brainstorm

Sort by development & marketing team size:

Small shops (1-3 people)

Medium shops (4-7 people)

Large shops (8-15 people)

We will facilitate and you will report out.

Max #4: One Strategy to Rule Them All

- * Project donor conversion into unrestricted donors
 - * Outstanding retention rates
 - * Maximize lifetime giving value

Monthly Giving!

Only 24% of nonprofits have monthly giving programs

Who here has one?

One ask – then all engagement (now you have ideas!)

Highest ROI / lowest cost; more inclusive of all ages;
great for volunteers; reliable budgeting

Monthly is AWESOME

21% of gifts from 10% of donors

Monthly donors give 42% more on average
\$754 monthly vs. \$533 one-time

86% first-time monthly retention vs. 23% one-time
gifts

Increased annual and lifetime value

Monthly is Growth

Convert \$50 one-time donor to \$5/mo or \$60/yr = +\$10
Or, to \$10/month or \$120/yr = +\$70

Then upgrade to \$15/mo in a year & \$20/mo...
Net +\$190 annually per \$50 one-time by year 3

32% growth in monthly \$ last year vs. 9% in one-time

Monthly is Smart

Boomers (top % and \$ givers) LOVE monthly giving –
but so do Gen Y/ Millennial!

Great tactic for recently lapsed donors!

Ask the \$100 donors you lost last year for \$5/mo now

Relationship focus beyond the bounds of a fiscal year

Tips for Monthly

Create a mobile-friendly hub

Create a mission-focused brand

“Pipeline” for charity:water; “Builders” for H2H

Solicit loyal donors first to build momentum before public launch (similar to crowdfunding) – publicize!

Tips for Monthly, cont'd

Solicit low-value one-time donors & first-time donors

Ask for a monthly gift ASAP after a one-time gift

Highest conversion zone = within 3 days

Ask December donors for monthly in January

Smartly segmented mini-campaigns to push monthly giving on annual or event givers

Tips for Monthly, cont'd

Use integrated CRM & communications platforms

Maximize value with non-annual upgrade asks

Maximize value with additional one-time project-specific or restricted campaign asks annually

Max #5: More Matching Gifts!

The match was one the most effective aspects of p2g!

Matches also work giving days, events, campaigns

Increases in # of gifts, average gift size, acquisition

Recover lapsed donors, cultivate match provider

Ideas for More Matches

- * Pooled board matching challenge
 - * Endowment donor special ask
- * Granting organizations that build capacity

What other ideas do you have?

Matches & Planning

Fully leveraging matches requires PLANNING

Identify the key matching gifts you need each year in your annual development plan

Establish shared board and staff responsibility for seeking and securing these matches

Save the date!

ArtsFund's next convening:

“What’s Behind the Curtain” – Arts Audience
Research Symposium with GMA Research

Thursday, November 17th from 8:30 to 11:30

Wing Luke Museum of the Asian Pacific
American Experience

