

Prevention is perhaps the strongest strategy in addressing lapsed-donor issues. The more you know about your donors — their characteristics, interests and relationships to your organization — the better prepared you are to retain or recapture them. Consider the following when developing your donor-retention strategy:

1. Proactive research

Why build your donor list with a 50-75% attrition rate? Identify the characteristics of acquired donors who persist in their giving for two to three years and approach new donors that seem similar. It's a much better strategy because you can identify persistent donors and their common characteristics and focus on acquisition lists that mirror these characteristics.

2. Lifetime potential

Operating under the assumption that all donors are not of equal value to your organization, prospects with planned/major-giving potential as well as projected growth in annual giving levels have greater value. Admittedly, it is difficult to quantify lifetime donor value (ultimate giving), but predictive modeling could identify target gift potential.

3. Stewardship

The best strategies are proactive. Call donors and thank them for their gifts. Do not overwhelm them with repeated efforts to secure additional gifts. Report on the uses of gift money and find out what they like about your organization and their specific interests so you can build a donor-centered relationship.

4. Solicitation frequency

Think before you ask over and over – it might not create the best image for your organization to ask repeatedly and flies in the face of donor-centered fundraising. It is important to fully understand how your organization solicits through all channels – direct mail, telemarketing and e-mail/internet – and investigate opportunities in order to reduce and simplify solicitation activity.

5. Testing

Try new ideas and strategies for renewing donors. Here is one: Collect e-mail addresses from your new direct-mail donors, ideally at the time they send in the response card (self-reported e-mail addresses are best). Use the information to thank and inform, and avoid the temptation to begin mass e-mail solicitations. Good stewardship breeds loyalty. When the time comes to renew these donors via direct mail, send an e-mail in advance alerting them to the upcoming direct-mail piece. Experience demonstrates that this approach lifts renewal rates.

(continued on reverse)

Even if you employ these proactive strategies and reduce your attrition rate, you'll still experience lapsed-giving behavior. Following are some ideas and strategies for reactivating those donors:

6. Better prospects

Lapsed donors are better prospects and are more likely to respond than individuals with no prior relationship with your organization. In other words, renewing lapsed donors should be a high priority and is likely to be more effective than new-donor acquisition.

7. Predictive modeling

Segment the lapsed-donor files and test reactivation strategies. You might find that different messages or packages do better with different audiences. If tests reveal that one segment of the test truly does not want to become a donor, simply remove that segment from further mailings.

8. Not all lapsing is bad

It is not unusual for older donors in their retirement years to reduce or eliminate their cash contributions after years or decades of support. It might be more effective to focus on continuing their support at any level rather than specific gift amounts. Continue to thank and steward these individuals, and offer them planned-giving opportunities.

9. Memorial giving

It's important to know which lapsed donors are memorial or honorary contributors, as these individuals typically demonstrate less affinity to your organization. First, as you seek to renew their giving support, offer the opportunity to repeat the gift designation used in the initial gift. Second, share data on the positive impact of all gifts of this type on your organization to establish a "team giving" concept and to highlight the importance of these gifts to the mission of your nonprofit. Third, unless donor modeling suggests a high likelihood of reactivation, eliminate these lapsed donors from ongoing recapture efforts sooner than donors with clearer affinity ties to your organization.

10. Data hygiene

The deeply lapsed donor pools often suffer a breakdown in data hygiene as they become more distant from active status. Continue to request National Change of Address and address-standardization updates on deeply lapsed donors for several years after a donor has lapsed, only discontinuing this effort once you have removed the lapsed donor from your prospect list (3-5 years).