Contextualizing LGBT Movement Donor Turnover
and What to Do About It

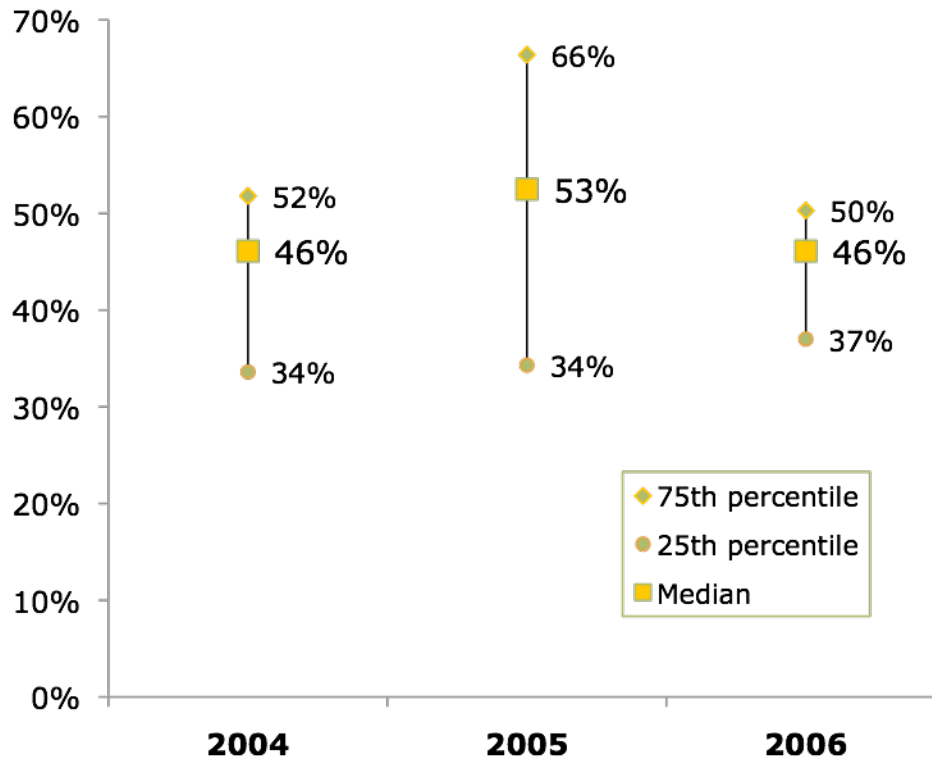*Prepared for the* National Policy Roundtable Meeting

May 28, 2008

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NPR Members Troubled by High Donor Turnover Reported in SAR

LGBT Movement Donor Turnover

Previous year's $35+ donors who didn't in subject year

NPR asked MAP to:

- Provide context for seemingly high donor turnover statistics found in SAR — median 46% to 53% annually

- Scan fundraising literature for "best practice" or other suggestions to improve donor retention

Source: 2006 and 2007 *Standard Annual Reporting* (SAR). Data set: 16 organizations in 2004, 32 in 2005 and 37 in 2006.

MAP has Found Comparables in Fundraising Effectiveness Project

- FEP is a joint initiative of the Urban Institute and the Association of Fundraising Professionals (AFP), launched in 2006

- Supported by major fundraising software vendors (see right)

- Almost instantly provides organizations with summary data on their donor turnover, retention, and acquisition rates – numbers of donor and dollars

- Uses same definition of donor turnover as MAP's (i.e., donor gave during previous 12-month fiscal year and not during subject fiscal year)

- Growing participation. Currently 900 nonprofits, including 41 civil rights/social action/ advocacy organizations and 83 environmental groups*

Participating Vendors
- Compass Technology
- Donor2/Campus Management
- DonorPerfect
- eTapestry
- GiftWorks
- MatchMaker FundRaising
- Metafile (Resultsplus)
- PhilanthrAppeal (FundTrack Software)
- PledgeMaker (SofTrek)
- The Raiser's Edge (Blackbaud)
- ROI Solutions
- Sage Software
- Telosa Software (Exceed!)

* MAP hypothesizes that environmental groups' fundraising challenges are similar to those of advocacy/social justice groups.

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FEP Indicates SAR Organizations are Doing Better than Average Nonprofit

Donor Turnover

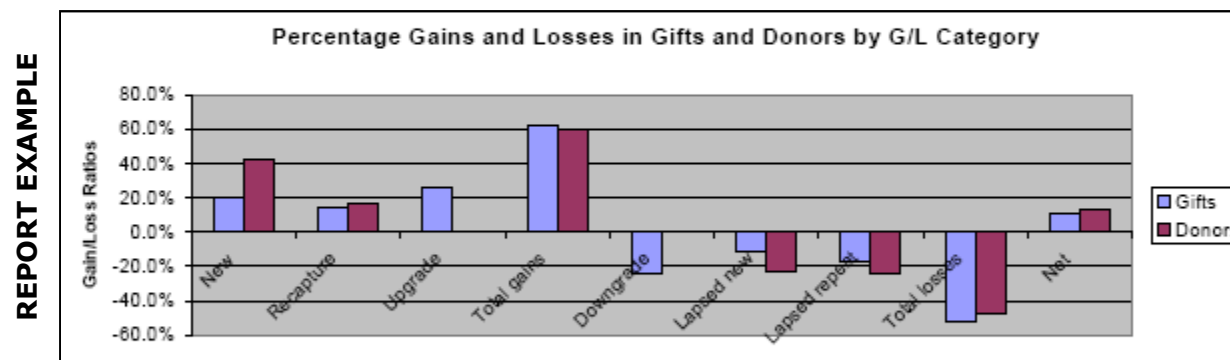Previous year's $35+ donors who didn't give in subject year

54%	53%	46%	42%
All FEP 2007	Advocacy FEP 2007	LGBT SAR 2006	Enviro FEP 2007
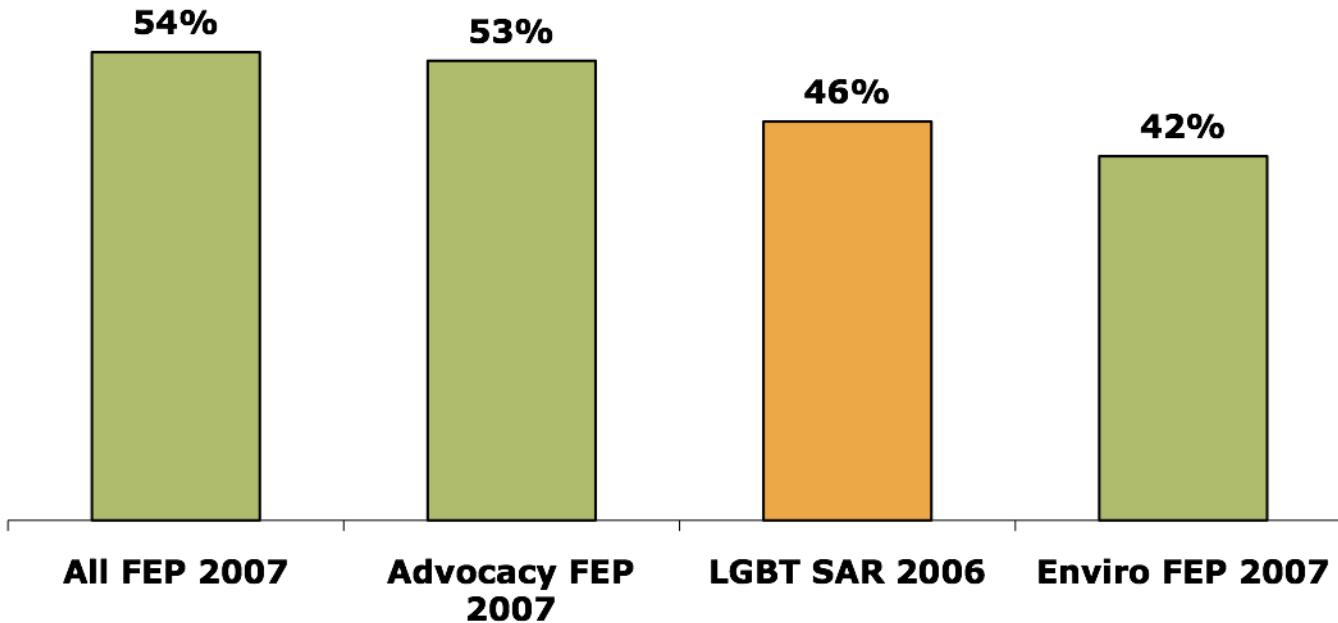
Note: SAR 2007 not yet available. FEP turnover rates are averages; SAR rate is median.
Source: *March 2008 Supplement to FEP Pilot 2004-05 Survey Report, 2007 SAR,* MAP analysis.

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MAP Recommends that LGBT Organizations Join FEP

- Participation is free, easy, and secure
  - Organizations that use a participating vendor's software simply install a free plug-in that extracts and analyzes fundraising data
  - Other organizations can enter data manually online
  - Donor names and contact information are NOT extracted from your database
- Free report includes:
  - Each year's net $ increase (decrease) broken out by donors who: lapsed, reactivated (lapsed previously and came back), gave less, gave more, and gave for first time. (More variables coming.)
  - Comparisons to organizations of similar type, size, age and geographic region
- By participating, you'll gain access to companion curriculum on donor retention and other fundraising performance issues, under development by APF

REPORT EXAMPLE

Percentage Gains and Losses in Gifts and Donors by G/L Category

Gain/Loss Ratios

Categories: New, Recapture, Upgrade, Total gains, Downgrade, Lapsed new, Lapsed repeat, Total losses, Net

Legend: Gifts, Donors

Note: FEP's data analysis staff can be a bit obscure. Jeff Krehely can help with interface and communication (jeff@lgbtmap.org, 202.834.5324)

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Other Suggestions

- Best written resources on donor retention (from MAP's lit search):
  - *Building Donor Loyalty*, by Adrian Sargeant and Elaine Jay. Jossey-Bass, 2004
  - *Keep Your Donors*, by Tom Ahern and Simone Joyaux. John Wiley & Sons, 2008 (part of *AFP Fundraising Development Series*)
- Promising consultant: Adrian Sargeant, Sargeant Associates Ltd.
  - Professor of Fundraising at the Center on Philanthropy, Indiana University, and Professor of Nonprofit Marketing at University of the West of England
  - Leading expert on donor retention (200+ published works on nonprofit marketing and management); on FEP advisory committee
  - US clients include The Nature Conservancy, American Cancer Society, Habitat for Humanity, Greenpeace and National Public Radio
  - In brief phone conversation with MAP, seemed to quickly grasp identity aspects of LGBT movement fundraising
  - Probably expensive but does workshops and conferences pro bono. Perhaps some LGBT orgs could do a joint engagement

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