



## Our *How to Guide* for Keeping First-Time Donors

First-time donor renewal is critical for improving your long-term fundraising success.

Here are some facts to consider:

- Getting new donors is more expensive and more difficult than ever.
- First year donor renewal rates are low—averaging 29%.<sup>1</sup>
- Even a 10% increase in donor retention can increase the lifetime value of the donor database by 200%.<sup>2</sup>

In other words, how you respond to a donor's first gift is vitally important.

How do you do it? How do you increase first-time donor renewal rates? Whether a donor's first gift came online, via direct mail, through peer solicitation, or at an event, these tried-and-true recommendations can make a powerful impact in your organization's donor retention.

Follow these steps:

1. Mail a thank you letter ASAP.
2. Make a thank you phone call.
3. Send a thank you email.
4. Send first-time donors your most recent Donor Impact Report.
5. Wealth-screen all new donors.
6. Ask for a second gift.
7. Include a personal thank you note for first-time donors in the next appeal.

Lets start with the thank you letter.



**Sample A:** Be ready with thank you letters for all your appeal segments.

## Step #1: Put a thank you letter in the mail *ASAP!*

Don't allow time to lag. Your donor needs acknowledgment—fast! Let them know their gift was received. It was put to the use for which it was given. And, *the gift AND the giver* are very much appreciated.

Many organizations mail thank you letters within 24 hours of receipt of gifts. Within 48 hours is probably a good practice. Make it happen within a week, at the very least.

The elements of an effective thank you letter are illustrated by this example:

- Thank the donor sincerely and profusely.

Thank you so much for your recent gift of \$100.00. Our school—a laboratory for creative thinking and hands-on learning—is sustained and strengthened because of you and your generous support.

- Reaffirm the organization's mission.

You make possible:

- programs for people to learn to make what they want to see in the world;
- start-ups of sustainability-focused businesses; and
- inspired creativity, whether it's in a handcrafted chair, a welcoming home, a resilient community, a new career, or a transformed life.

- Let the donor know about the impact made possible by their donation.

We thank you, and most of all, **our students thank you**, for how their work and their lives have changed.

- If possible, include a testimonial.

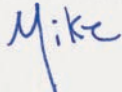
*"I feel incredibly lucky to do this work, kick-started by my time at Yestermorrow."*  
- Matt Wolpe, co-owner of Just Fine Design/Build, Oakland, CA.

*"...it is at Yestermorrow that I first began to articulate the curiosities that are still motivating me today."*  
- Max Piana, Rutgers University doctoral student in urban restoration ecology.

- Have the President, Executive Director, head of fundraising, or other appropriate leader within the organization sign the thank you letter.

Thank you for sharing your resources to help Yestermorrow have such an impact. We are grateful to count you as a donor and a friend.

With warm regards,



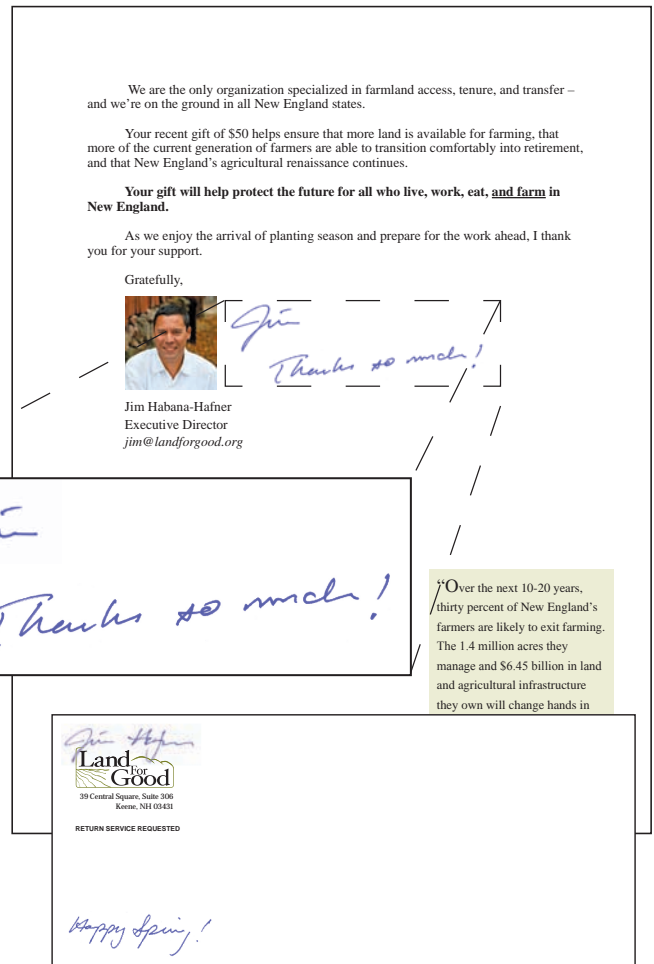
Michael Crowley  
President

A personal touch makes an emotional connection. These extra steps can make a big difference:

- Sign the letter by hand.
- Include a handwritten postscript.
- Address the letter by hand.
- Handwrite the signer's name above the return address on the envelope.

Options you might also consider in your thank you letter or package:

- The thank you letter can contain a formal gift receipt, but be certain the letter itself does not read like a receipt—this is a letter sincerely saying “Thank you!” We suggest putting the formal gift information at the bottom of the page.
- You might ask new donors a few questions via a brief checkbox list to better understand their personal interests and connection to your cause. In this case, you’ll include a reply envelope.
- You could give them an opportunity to sign up for your organization’s e-newsletter or to receive event announcements.
- If you plan to call them to introduce yourself and thank them, let them know in a P.S.



**Sample B:** An envelope with a hand written teaser and letter with hand written thank you.

## Step #2: Make thank you calls.

Thank you calls on the telephone are proven to increase donor retention rates. By **a lot!**<sup>3</sup> So why not include calls in your program?

You will have to determine your organization's ability to make thank you calls and formulate a plan. Perhaps board members, staff, or volunteers could make the calls. Perhaps you can only make calls to donors who give above a certain level.

Planning for the most effective thank you calls:

- Have a script written in advance.
- Begin by introducing yourself and your role within the organization.

- Assure them at the outset that this is not a solicitation, but rather you're calling to say "Thank you!"
- Reassure the donor that they made the right decision.
- Remind them of how much their gift will accomplish.
- Thank them sincerely.
- Leave a number so they can call back if they so desire.

## Phone script for thank you calls

*"Hello, [donor's name]? This is [your name] with [your organization]. I'm NOT calling to ask for anything. We received your gift—I'm just calling to personally say thank you. I hope now is an okay time to talk. Do you have a few minutes? [Pause]*

*It's important to me and all of us here to let you know that your gift makes a difference in helping further our work. We ... [Mention a few examples of impact: 2-3 value propositions related to what donations make possible]. [Pause]*

*We are deeply appreciative of your decision to support [your organization]. [Pause]*

*I don't want to take up too much of your time. Thank you for taking my call ... and for supporting our work! Have a wonderful [day/evening/weekend]."*

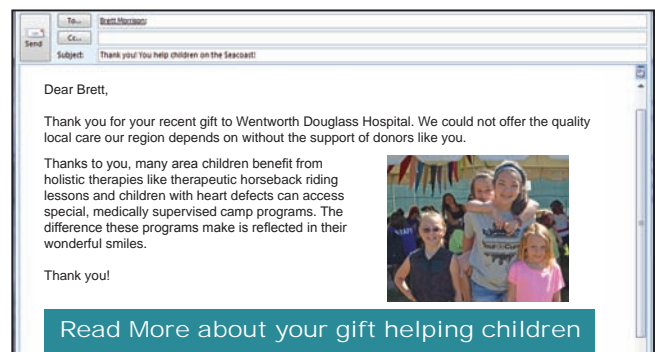
Remember that many calls go to voicemail. Be prepared to leave a message. But those who do answer will usually be gratefully surprised they are being thanked. The call doesn't need to be long.

### Step #3: Send a "Thank you" email.

Remember that the aim of these suggestions is improving first-time donor renewals. Every touch matters. If you have a donor's email address, it offers you an immediate and personal contact. It is worthwhile to set up a system to thank donors via email in addition to the other avenues.

Email communication also affords an easy one-click opportunity for donors to connect to your organization through your website and social media, access click-to-receive resources such as e-newsletters or premiums, or opt-in for alerts and notices.

The elements of an effective thank you email resemble those of the thank you letter outlined in Step #1 above. Brevity is key. Be



**Sample C:** Thank you emails can be a simple touch to generate a positive feeling.

quick and to the point.

Online gifts will have received an auto-thank you built into the gift processing system. A second, more personal email will reinforce your personal gratitude and let the donor know their support was noticed.

#### Step #4: Send first-time donors your most recent Donor Impact Report.

Follow up with results. Donors want to know: *Why did my donation matter? What did it accomplish? Whose life was changed? Why should I contribute again?* A Donor Impact Report is a tremendous way to alert donors to the impact of their generosity.

Inclusions for a successful first-time Donor Impact Report package:

- The most recent Donor Impact Report.
- A personal note (or even a post-it note) thanking the donor, and saying, “I thought you would enjoy reading this Donor Impact Report.”
- A soft ask in the form of a reply envelope. Tom Ahern has shown that donor impact reports can raise serious money.<sup>4</sup>

The Donor Impact Report adapts success and impact stories from newsletters, profiles, and interviews, directly linking contributors to the mission they support. Instead of explaining all the organization has achieved, the Donor Impact Report celebrates an organization’s work while positioning donors as the heroes who are making it happen.

To donors for whom you have an email address we recommend breaking the Donor Impact Report into several emails sent out over a couple of weeks.

All of your donors should receive a Donor Impact Report at least twice a year.

**YESTERMORROW**  
DESIGN/BUILD SCHOOL

## Donor Impact Report

**New E.D. Mike Crowley: "Thank you! We couldn't do it without you."**

I'm very excited to join the team at Yestermorrow and further its design/build and sustainability mission. I'm especially pleased and grateful that Yestermorrow is supported by donors like you that share our passion. Thank you for your generous participation and for being a part of our Yestermorrow community. Let me know if you are coming to campus...I'd love to chat with you about the school and our plans for the future.

**Your gifts of support in 2015.**

Annual Fund	
Individuals:	\$145,302
Foundations:	\$19,000
Scholarships:	\$8,136
Restricted:	\$82,092
In-kind:	\$5,257

**Donors to Yestermorrow inspire people to create a better, more sustainable world by making possible hands-on education that integrates design and craft as an interactive process.**

**Energy Consultant Heidi McCullough credits Yestermorrow for her getting her career started:**

"When I decided to change careers I had an idea of the general field that interested me but no idea how I could fit into it. My first step was to take a basic carpentry class and do some work-trade at Yestermorrow.

"I absolutely credit that class for starting my career working with builders as Residential Energy Consultant and Home Energy Rater for Vermont Energy Investment Corporation.

"I came back to Yestermorrow a few years later to continue my professional development. Yestermorrow has helped me integrate my interests in building, architecture and energy efficiency. **Thank you to all the generous people who give to Yestermorrow!**"

**Board, instructors, and businesses provide support**

In 2015, current Yestermorrow board members gave a combined \$35,795 to our annual fund, instructors and staff donated \$8,480, and businesses near and far showed their appreciation for what Yestermorrow does by contributing \$7,595.

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Laura Bailey  
Emelda Lawson Bekkal

Roman Woronowicz

Basic Adult Education, and the Veterans Administration.) Our students say a big "Thank You!"

Report

Sustainable class its profit

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hip Fund provided 27 students in 543 in tuition was row students Assistance Central Vermont

printed on recycled paper

Sample D: Donor Impact Reports feature and celebrate your donors' impact.

## Step #5: Wealth-screen all new donors.

Wealth screening analyzes your pool of prospects and donors to determine their respective capacities to give. It can help you determine who to approach for major gifts or for sustaining/monthly gift appeals, planned or legacy giving, or giving to particular projects. Wealth screening helps you help your donors give most beneficially.

If the screening indicates a donor has capacity and propensity to give, you will want to:

- Verify the screening results.
- Code the donor accordingly in your database.
- Visit them to say “Thank you” in person.
- Invite them to visit your organization.

**Sample E:** When we complete wealth screening we provide this summary page as well as five other reports.

First Name	Last Name	City	State	Zip	Age	Net Worth	Total Assets	Cash On Hand	P2G Score	Estimated Annual Donations	Gift Capacity Range	Gift Capacity Rating	Bequest	Annuity
		Kirkland	WA	98034	78	\$500K-\$1MM	\$500K-\$1MM	\$10K-\$100K	2 5	\$1K-\$5K	\$50K - \$75K	13	N	0
		Pittsfield	MA	01201	36	\$100K-\$500K	\$100K-\$500K	<\$10K	3 4	\$1K-\$5K	\$25K - \$30K	10	N	0
		Pittsfield	MA	01201	33	\$100K-\$500K	\$100K-\$500K	<\$10K	3 5	\$1K-\$5K	\$30K - \$40K	11	N	0
		Boca Raton	FL	33433	82	\$1MM-\$5MM	\$1MM-\$5MM	\$10K-\$100K	2 4	\$5K-\$10K	\$100K - \$200K	15	Y	1
		Brooklyn	NY	11205	44	<\$25K	<\$25K	<\$10K	3 3	\$1K-\$5K	\$20K - \$25k	9	N	0
		Front Royal	VA	22630	72	\$1MM-\$5MM	\$1MM-\$5MM	\$10K-\$100K	2 5	\$1K-\$5K	\$75K - \$100K	14	N	0
		Blumont	VA	20135	80	\$1MM-\$5MM	\$1MM-\$5MM	\$10K-\$100K	2 5	\$1K-\$5K	\$50K - \$75K	13	N	0
		Bedford	MA	01730	43	\$500K-\$1MM	\$1MM-\$5MM	\$10K-\$100K	2 5	\$1K-\$5K	\$50K - \$75K	13	N	0
		Skowhegan	ME	04976	72	\$100K-\$500K	\$100K-\$500K	\$10K-\$100K	3 5	\$1K-\$5K	\$40K - \$50K	12	N	0
		Fairfield	IA	52556	70	\$100K-\$500K	\$100K-\$500K	\$10K-\$100K	3 3	\$1K-\$5K	\$30K - \$40K	11	N	0
		Newton	MA	02458	58	\$500K-\$1MM	\$500K-\$1MM	\$10K-\$100K	2 5	\$1K-\$5K	\$75K - \$100K	14	N	0
		Dedham	MA	02026	54	\$500K-\$1MM	\$1MM-\$5MM	\$10K-\$100K	2 5	\$1K-\$5K	\$50K - \$75K	13	N	0
		Barrington	RI	02806	52	\$500K-\$1MM	\$500K-\$1MM	\$10K-\$100K	2 5	\$1K-\$5K	\$50K - \$75K	13	N	0

Whatever their wealth rating or propensity to give, you’ll want to assess their affinity before rushing to higher asks. Use your communications and resources for personal relationships to strengthen their affinity to your organization and its mission.

Get to know your new donors, learn what motivates them and find an appropriate way to engage them. Don’t rush to get answers to all your questions. Let them get to know you as you communicate with them about the aspects of your mission that are most relevant and meaningful to them.

## Step #6: Ask for a second gift.

Asking for a second gift within one to three months of a donors’ first gift has increased donor lifetime value for some organizations.

We admit, this is controversial. Donors have replied to surveys that they don’t want to be asked again soon. But it is well known that donors act differently than their survey preferences. Fundraising authority Jeff Brooks has found that donors who give again soon have higher life time value.<sup>5</sup> Fund raising guru Alan Sharpe (to his shock) found that asking

for the next gift with a reply card and envelope in the thank you letter raised a lot of money.<sup>6</sup> The same result is reported by the legendary Roger Craver.<sup>7</sup>

Five Maples' client Natural Resources Council of Maine achieves a 62% renewal rate for first-time donors, the highest we know about. Part of their process is asking for a second gift within 60 days of the first gift.

*Will that work for you?* The only way to know is to test it. You'll receive a few complaints, and most likely you'll have one or two uncomfortable board members. A process we recommend is to send a donor update letter or Donor Impact Report (Step #4 above) 30 days after the first gift, then 30 days later send another ask letter.

At a minimum our recommendation is to ask new donors again in your next regular appeal mailing. If they gave for the first-time in the fall mailing, be sure to ask them in the end-of-year mailing even though that's only two or three months away.

### **Step #7: In your next appeal, include a personalized note on the letters to your first-time donors.**

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A personal note tells donors they mean more to your organization than a name in a mailing list. It says they are more important to you than the gift they give. *Don't have time to write so many notes?* We can print the handwritten note during letter production—it will look just like handwriting.

First-time donors are special! Reinforce your gratitude for the donor's choice to support your mission and your organization. Let them know they are now part of your special tribe. They're the heroes!



## First-Time Donor Stewardship and Renewal Schedule

	First Gift Received
By day 1	Send a thank you letter.
By day 2 or 3	Make a thank you phone call and send a thank you email afterward.
By day 30	Wealth Screening: screen donors daily or monthly depending on your gift volume and screening service.
By day 30	Review high propensity-to-give scores with board members in case they have personal relationships or access to highly rated new donors.
By day 30	Send the most recent Donor Impact Report.
By day 45	Invite major gift prospects to an event or to meet separately.
By day 60	Send a second gift solicitation letter. Invite them to join the monthly sustainer's club.
Spring or Fall	In the next annual fund appeal, include a handwritten note.

<sup>1</sup> “2016 Fundraising Effectiveness Survey”, Association of Fundraising Professionals and the Urban Institute, [afpfep.org/reports](http://afpfep.org/reports)

<sup>2</sup> Jay, Elaine, & Sargeant, Adrian. *Building Donor Loyalty: The Fundraiser's Guide to Increasing Lifetime Value*, Jossey-Bass, 2014

<sup>3</sup> Burk, Penelope. *Donor Centered Fundraising: How to hold on to your donors and raise much more money*, Cygnus Applied Research, 2003

<sup>4</sup> Ahern, Tom. *Raising More Money with Newsletters Than You Ever Thought Possible*, Emerson & Church, 2009

<sup>5</sup> Brooks, Jeff. *How to get that critical second gift*, Blog Post August 31, 2011, [FutureFundraisingNow.com](http://FutureFundraisingNow.com)

<sup>6</sup> Sharpe, Alan. *Donation Thank You Letter Second Ask*, Blog Post, November 6, 2014, [FundraiserHelp.com](http://FundraiserHelp.com)

<sup>7</sup> Craver, Roger M. *Retention Fundraising: The New Art and Science of Keeping Your Donors For Life*, Emerson & Church, 2014