



# Win Them Back:

The fundraiser's guide to re-engaging lapsed donors



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EBOOK

# Introduction

Let's face it: You're never going to achieve 100% donor retention.

Even with the best, segmented and most-personalized donor communications and stewardship, every nonprofit is going to lose donors. They will have major life changes that you won't hear about, let alone overcome. It's pretty much unavoidable.

Some donors will want to give only once.

Some donors will pass away.

Some will go through financial struggles.

But some donors who have stopped giving can come back.

Maybe they moved away and lost touch, but they're not out of reach.

Maybe they didn't get something from you they wanted or expected, and it's not too late.

Maybe the relationship flame has died out, but there's still passion for your mission.

In this eBook, we're going to cover strategies for dealing with both types of lapsed donors:

- Those you can control
- Those you can't

We'll discuss how to save money on wasted efforts, and increase revenue by bringing more donors back into the fold.

“The easiest kind of relationship is with ten thousand people, the hardest is with one.”

UNKNOWN

# What is a lapsed donor?

There are many ways to define a “lapsed donor.”

From an organization’s perspective, it’s likely going to be based on time; time since their last donation.

Maybe you consider a donor lapsed if they haven’t given within a year. Maybe it’s two years. Maybe it’s five.

Data pulled from our own Bloomerang customer database (thousands of nonprofits in the United States) has shown that if a donor hasn’t given in two years, the likelihood that they will give again is about 2.2%.

We like two years for a couple of reasons:

- It allows for a full calendar year (and then some) since their last donation
- It hasn’t been quite long enough that reaching out would feel weird or desperate (your window of opportunity is still open)

However, what might be more significant is looking at this from a donor’s perspective.

No donor considers themselves “lapsed,” as if they’re somehow at fault for being uninspired to give again.

Donors give on their own timelines and for their own reasons. Hopefully it’s obvious that you should never call a donor lapsed externally (in an email or phone call), but it might be equally problematic to refer to them as lapsed internally.

They didn’t do anything wrong.

Life just got in the way.

Or maybe your organization did.

# Why do donors lapse?

A study by Adrian Sargeant found the following reasons why donors stop supporting nonprofit organizations:

**5%**  
thought charity did not need them

**9%**  
no memory of supporting

**16%**  
death

**36%**  
others more deserving

**8%**  
no info on how monies were used

**13%**  
never got thanked for donating

**18%**  
poor service or communication

**54%**  
could no longer afford

Aside from death, financial difficulty or the intention of giving only one gift from the start, the responsibility for donor attrition lies solely on the nonprofit.

More than 50% of these lapsed donors were the victims of poor donor communications!

# Why do donors stay loyal?

In 2011, DonorVoice collaborated with around 250 nonprofits to find out what they had done well to keep about 1,200 donors loyal for many years.

A survey was sent to those loyal donors asking them to rank, by order of importance, 32 drivers of donor commitment.

## Here are the top seven:

1. Donor perceives your organization to be effective in trying to achieve its mission.
2. Donor knows what to expect from your organization with each interaction.
3. Donor receives a timely thank you.
4. Donor receives opportunities to make his or her views known.
5. Donor is given the feeling that he or she is part of an important cause.
6. Donor feels his or her involvement is appreciated.
7. Donor receives information showing who is being helped.

A study conducted in 2021 by the IU Lilly School of Philanthropy uncovered similar sentiments.

When asked what types of communication and content that subscription donors (a form of monthly recurring donors) would prefer to receive from nonprofit organizations they support, donors responded with the following:

**52%**

**Stories and experiences shared by the people my gifts have helped**

**32%**

**Frequent updates about organization's programs and services**

**32%**

**Emails with my donation's impact and heartfelt thank you(s)**

**25%**

**Educational and interactive webinar series related to the organization's mission and impact areas**

Ultimately, prevention is the best medicine. If you do these seven things, your attrition rates will improve.

Thank your donors. Tell them how gifts will be spent / have been spent. Solicit their feedback. Get to know them.

No matter how good you are at stewardship, you will likely always have a pool of lapsed donors with which you can experiment with.

That's where our 3-step re-engagement approach comes in.



# 3-Step approach to re-engaging lapsed donors

Rather than writing these people off completely, we are going to separate our lapsed donors (defined here by those who haven't given in 2+ years) and do several things with this group:

- Investigate what led up to the lapse
- Verify their contact information
- Steward them

Let's go through each one by one.

1

## Investigate what led up to the lapse.

A good first step is to identify:

- The recency and frequency of their previous giving
- The gift acquisition channel

An easy sub-segment of your 2+ year lapsed donors is to identify how frequently they gave before lapsing. Did they:

- give you one gift and never gave again?
- give to you annually for several years and stopped giving?
- were they a monthly donor who canceled their recurring gift?

Each should trigger a unique stewardship plan, with your one-gift-only donors taking priority.

For first time donors, dig in deeper to discover how that first gift was acquired and how they were thanked (if they were thanked at all).

### Examples of channels include:

- Online (our website)
- Online (online day of giving)
- Online (peer-to-peer)
- Online (Giving Tuesday)
- Event
- Direct Mail
- In-Person Solicitation / "Street Fundraising"
- Memorial / Tribute

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## Verify their contact information.

Your donors may still like you; they just lost touch with you.

Investing in data services that verify the contact information of the constituents in your donor database can pay dividends that more than make up for the upfront cost of the service.

Two no-brainers to run annually are an NCOA and a deceased suppression processing:

**NCOA (National Change of Address)** – Your donor might have simply moved, and is no longer getting information from you. Roughly 40 million Americans change their place of residence or place of business during a given year. Rather than lose the opportunity to connect through direct mail, use an NCOA to keep your database's addresses up to date. Even if you don't do mass mailings, this service can still be important. For example, wealth screening and other services use address information to help verify donor identity.

**Deceased Suppression Processing** – Your donor might have passed away, and that’s why they aren’t responding to you. You can imagine the pain of receiving mail directed to a deceased spouse or relative. This is not how you want to exemplify the relationship your organization has been cultivating with a loyal donor, or any donor for that matter. Use a deceased suppression service to properly mark donor records and avoid this embarrassing mistake, while creating an opportunity for stewardship. This enhancement can be incredibly important if your donor population is above a certain age (it probably is).

A third option would be an **email or phone number append**. If you want to invest a little more, you can verify that you also have the lapsed donor’s correct email address and phone number. Use either one of those channels to confirm the other!

### 3

## Steward them!

Once you’ve segmented and verified their contact info, you’re ready for impactful stewardship.

The worst thing you can do is keep these lapsed donors in your bulk mailing list so that they get the same appeals that all of your other active donors get.

Instead, try:

- Calling them and simply say thank you for their past support (voicemails are okay)
- Sending them a special mailing or email that talks about all the great things their gift has done in the past (success stories, case studies, program impact!) - this piece should obviously say thank you again
- Sending a lapsed donor survey (“did we do something wrong?”)

Just make sure that you don’t ever refer to these recipients as a “lapsed donor” (the term should never appear on a survey, email or piece of mail).

## Don’t Be Afraid of Downgrades

It’s possible that during your stewardship efforts, you may learn that your donor has gone through changes to their financial situation, and thus stopped donating to you.

This is the most commonly-given reason from the donor (whether it’s true or not).

Assuming it is true, don’t be afraid to press for a downgrade; a smaller gift.

How you do this is very important, as you don’t want to come across as brash or unsympathetic.

Start as always from a position of thankfulness: “Steven, so sorry to hear that. We really appreciate all the things your past gifts have done, like (tell a quick story here; communicate the impact). Even if you can’t come back at the \$100 level, you could still do great things by donating \$20 (or \$10 or \$25 or whatever you think is appropriate for the situation). Would that amount fit your budget?”

It’s easy to cut a line item completely out of a household budget when times are tough. It might be up to you to suggest simply reducing the amount.

While we’re on the subject of downgrades, be on the lookout for them occurring naturally. They’re a signal that something might be off either in the relationship or with the donor’s financial situation.

# The 2 hardest-to-retain donor channels

Donor retention rates vary by giving channel and gift amount. Typically, the lower the gift amount, the lower the retention rates. When you combine that with channels that make it almost effortless to give, it's possible you'll see retention percentages in the single digits.

Low friction channels like **Memorial** and **Peer-To-Peer** are two that tend to perform abysmally in terms of renewal rates.

Why?

Typically, a third-party is generating the donation for you – sometimes without your knowledge or involvement. In the case of memorial donors, it is the deceased and their loved ones who are fundraising on your behalf. For P2P, it's an engaged supporter who is participating in an event or activity to raise money for you.

In both cases, the donor is supporting the individual fundraiser(s), **not necessarily your individual organization.**

Think about the last time you saw a friend on Facebook participating in a 5k for charity. You donate to her because you're her friend, not necessarily because you have a close connection to the organization that her raised funds are going to. It's the runner who is engaged with the organization, not you the donor. The same goes for memorial donors. The bereaved chooses a charity, perhaps based on how the departed passed away, and you the donor are happy to contribute on their behalf.

## But then what happens?

Those chosen charities swoop in and start appealing to the donor as if they are truly engaged and passionate about the organization. That donor may be surprised or even confused to receive an onslaught of emails and letters – they may not even make the connection between your organization and that donation they made for a friend weeks prior.







## The Solution

One tactic that I hear recommended time and time again (for good reason) is to **involve the original fundraiser in the acknowledgement and future appeal process**. After all, they were the one soliciting the gift, so why shouldn't they be on the front lines of further stewarding the donor?

In the case of peer-to-peer, rather than sending a thank you letter that references the fundraiser, what if the letter came from the fundraiser herself? She could thank the donor and explain why she chose to support the organization. Then, have her lay out a case for support in the future. This may be the first time that your organization has ever truly been explained or described to the donor! Even though someone has already donated, they may need to be fully introduced to your charity!

By the way, she wouldn't necessarily have to be the author of it or actually lick the envelope herself, but get her permission to be the persona.

This may not always be possible in the case of memorial donors, making segmenting all the more important.

The trade-off with both of these types of donors is that while retention rates are low, the cost of acquisition is also low. So, by not retaining them your chances of having negative ROI are reduced so long as you segment them out. This will allow you to reduce additional spending on direct mail and other appeals that will likely be ignored.



# I tried your ideas - some didn't come back

That's okay! Like I said before, you'll never reach 100% retention.

In the meantime, you've got a decision to make: what should you do with all of those records in your database?

In short, nothing! Keep telling those impact stories. Keep asking for money. Just do it in a way that is unique to that list of lapsed donors, and always in a way that puts the spotlight on the donor as the agent of change.

Don't give up on stewardship!

One question we get asked a lot at Bloomerang is "should we delete them to keep costs down?"

My answer is usually no.

Many of the donor management software providers charge by the amount of constituents in your database (usually in ranges like 0-1000, 1000-5000, etc.), fundraisers are often faced with an ever-growing database that carries with it a rising cost without a comparable revenue increase.

Because of this, it can be tempting to constantly prune your list in order to prevent your organization from jumping to the next pricing bracket.

But this is never a good reason to delete inactive constituents.

Why?

- Your re-engagement efforts could pay off in the future (remember, their timeline, not yours)
- You lose a lot of historical data that could aid you in the future

One way to lower your record count without losing data is to combine related active records into households. Check if your vendor counts household records as one constituent!

## One Exception

There is probably one instance when it would be a good idea to delete constituents from your donor database: **you purchased or acquired a list of names**, and have been unable to convert them into actual supporters of your organization.

The ethics, legality and efficacy of purchasing lists is a topic for another day. Regardless, the fact remains that if...

- a. those names have never shown an interest or have no connection in your org
- b. those names have no prior engagement history recorded in the database

...you're probably safe to ditch those records, especially if it will put you in a cheaper pricing bracket or give you some space towards the next pricing bracket.

While it's important not to treat a large database like a security blanket, your goal should be to focus on your core group of loyal supporters (likely a small group) and grow it organically.

## Don't Give Up On Acquisition

If you've completely exhausted every idea in this eBook, there may be better candidates than lapsed donors to reach out to.

Here are a few constituent types you might consider:

- Current board members who have never given
- Past board members who have never given
- Current committee members who have never given
- Past committee members who have never given
- Current volunteers who have never given (10x more likely to give than non-volunteers!)
- Past volunteers who have never given
- Current employees who have never given
- Past employees who have never given
- Friends and family of the above
- Employees of current, long-time sponsors
- Employees of current, long-time vendors
- Employers of current donors (matching gifts!)

If you haven't ever tapped into these groups, please do so before spending any more time and money on lapsed individual donors. They represent low-hanging fruit primarily because they have already demonstrated a commitment to your cause.

Don't forget: there are many potential funders out there that you've never met who may have a deeper connection to your cause than those who have given in the past.

## Conclusion

Indeed, someone who has funded your mission in the past is a logical constituent to keep in touch with.

Some research shows that a significant percentage of bequests are given by past donors who haven't contacted or donated to the organization in many years.

Just don't count on surprise gifts from long-lost supporters (but do make bequests and other planned giving opportunities known to your existing donors!).

That being said, there's no reason why every nonprofit shouldn't be able to at least incrementally improve their donor reactivation rates through some common-sense stewardship and shrewd investments in data services.

**Click [here](#) to find out how Bloomerang can help you win back our lapsed donors.**