
Donor Retention Math Made Simple



One of the key tenets of the revolutionary research in donor retention and donor loyalty conducted by Dr. Adrian Sargeant is the astounding difference that improved donor retention can make for any non-profit organization.

Adrian's most often-quoted phrase is:

“ Improving Donor Retention by Just 10% Can Double the Lifetime Value of your Donor Database! ”

This statement is where donor retention math comes into play. According to the latest [FEP data](#), the average donor retention rate is 41%. Using a sample set of 5,000 donors with an average donation of \$200, what happens to donation totals if we increase that rate by just 10%?

Original Retention Rate: 41% Improved Retention Rate: 51%

Year	Donors	Avg. Gift*	Total	Year	Donors	Avg. Gift*	Total
Start	5,000	\$ 200.00		Start	5,000	\$ 200.00	
2	2,050	\$ 220.00	\$ 451,000	2	2,550	\$ 220.00	\$ 561,000
3	841	\$ 242.00	\$ 203,401	3	1,301	\$ 242.00	\$ 314,721
4	345	\$ 266.20	\$ 91,734	4	663	\$ 266.20	\$ 176,558
5	141	\$ 292.82	\$ 41,372	5	338	\$ 292.82	\$ 99,049
6	58	\$ 322.10	\$ 18,659	6	173	\$ 322.10	\$ 55,567
7	24	\$ 354.31	\$ 8,415	7	88	\$ 354.31	\$ 31,173
8	10	\$ 389.74	\$ 3,795	8	45	\$ 389.74	\$ 17,488
9	4	\$ 428.72	\$ 1,712	9	23	\$ 428.72	\$ 9,811
10	2	\$ 471.59	\$ 772	10	12	\$ 471.59	\$ 5,504
11	—	—	—	11	6	\$ 518.75	\$ 3,088
12	—	—	—	12	3	\$ 570.62	\$ 1,732
13	—	—	—	13	2	\$ 627.69	\$ 972
14	—	—	—	14	1	\$ 690.45	\$ 545

Grand Total from Original Donors: **\$ 820,859**

Grand Total from Original Donors: **\$ 1,277,208**

Total Savings: \$ 456,349

You can see that an increase of just 10% in donor retention makes a significant difference in total dollars raised from donors.



The nonprofit with a retention rate of 51% will raise literally hundreds of thousands of revenue dollars more than the nonprofit with a retention rate of 41%. In addition, the 10% improvement yields an increase in the years original donors stick around: four full years longer!

When donor retention rates are higher, less effort and fewer marketing dollars are spent in donor acquisition, and greater focus can be placed on upgrading existing donors, securing legacy gifts and recruiting new volunteers.

Donors who are contained longer tend to participate in capital campaigns and contribute above-average gifts. Your long-term donors tend to recruit new donors at a faster pace, especially those who move up the giving ladder over time.

Donor Management + Donor Retention = Bloomerang

So does your donor management CRM reinforce best practices in donor retention? If not, you might not see these kinds of increases. Lucky for you, we have pooled together the latest in best practices for fundraising, loyalty, engagement, and retention to create a ruthlessly simple solution that generates real-time action plans to decrease attrition and increase revenue.

Learn more at <https://bloomerang.co>.

Dr. Adrian Sargeant

Adrian Sargeant is the Robert F Hartsook Professor of Fundraising at Indiana University. He is also a Professor of Nonprofit Marketing and Fundraising at Bristol Business School (UK) and an Adjunct Professor of Fundraising at the Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology, Brisbane, Australia.

He is one of the world's foremost authorities in the domain of nonprofit marketing and fundraising. He was the founding Managing Editor of the International Journal of Nonprofit and Voluntary Sector Marketing and is the author of numerous books including Fundraising Principles and Practice and Marketing Management for Nonprofit Organizations published by Jossey Bass and the Oxford University Press, respectively.

