

# Give & Gone

Why Donors Depart

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## Introduction

Why does one donor quit giving to a ministry after giving only once, while another quits giving after giving many gifts?

This was a central question pursued in a study conducted by a partnership of BBS & Associates and Campbell Rinker. The goal: to identify traits among lapsed donors which might enable ministries to motivate and retain more of them.

Researchers controlled the study by polling not only (a) one-time donors who had lapsed and (b) multiple-gift donors who had lapsed, but also (c) active donors.

The research focused chiefly on ways a ministry might fix interactions with lapsed donors. Truly, mass fundraising is largely a one-sided conversation until the donor responds with a gift, a request, or a question. What follows are key findings of the study that may apply to any ministry — including yours.

## Finding #1: Lapsed Donors Still Like You

It's intuitive for a ministry to try to isolate issues such as communications content and contact frequency, *because these are the factors it can control*. Might lapsed donors stop giving because a ministry doesn't effectively convey the impact of their gifts? ...because a ministry does not express itself well? ...because it reaches out too frequently?

Somewhat surprisingly, the answer is “no.” Most lapsed donors say the ministries they support do fine in these ways. In fact, all the lapsed donors we studied were much likelier than not to say the ministry had actually *improved* in these ways than to say it had declined.

Furthermore, lapsed donors generally feel emotionally involved with and informed about the work being done by the ministry — with ratings of 8.1 out of 10 for “understanding its mission” and 7.7 out of 10 for “feeling passionate about its work.”

And in terms of being satisfied with a ministry since their last gift, some 20% of lapsed donors actually reported that the ministry had *exceeded* their expectations — while only 7% said the ministry had fallen short. Compared to a similar study, three years prior to this one, the ‘fallen short’ has actually declined!<sup>1</sup>

***Ministries may take heart. This data tells us that lapsed donors frequently are not unhappy with the ministry, its work, or how it interacts with them. The reasons they’ve stopped giving are very often not about what the ministry does or doesn’t do.***

## **Finding #2: Donors Want Integrity**

But not everything was a home run among lapsed donors. They tended to be slightly less satisfied compared to active donors with how the ministry...

- Recognizes their past giving,
- Informs them how their gifts are spent,
- Communicates using an appropriate tone,
- Thanks them effectively, and
- Offers them choices for how the ministry contacts them.

All donors value a ministry that accomplishes what it sets out to do — either by baby steps or grand leaps. If a ministry were to choose one area other than mission effectiveness to emphasize among new donors, it would be integrity. Donors who give once and then stop (lapsed single-gift donors) are more likely than any other category of donor to list a *breach of trust* as a reason to stop giving. *Breach of trust* can be defined as a failure to act responsibly on behalf of someone who has offered a resource to be kept safe or used wisely.

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<sup>1</sup> BBS & Associates and Campbell Rinker. (2013). *Missing Keys Study*.

We have also found that lapsed donors want ministries to interact with them in a business-like fashion — getting receipts to them in a timely fashion, spelling their name correctly, fulfilling promises. Donors in general expect a ministry to communicate in a tone that is professional and moderate, not chummy or sensational. These findings were similar to the results in other lapsed donor studies we've conducted in the past.<sup>2</sup>

However, we found in this study that there is a growing cohort of younger donors who want ministries to do *more* than act in a business-like manner: They want to *relate* to the ministries, and to see the ministries they support reflect their own energy and enthusiasm for the cause.

***Ministries must be vigilant in demonstrating honesty, trust, transparency, and integrity, especially among new donors, to ensure they do not become single-gift lapsed.***

## **Finding #3: Keep Donor Informed & Thanked from Last Gift**

One of the more significant findings from this study was discovering that the lapsed donor believes she gave within the past few months, when in reality it has been more than a year since her last gift, and maybe much longer. (In contrast, active donors were much more accurate in remembering when they last gave.)

Another startling discovery from this study is that the lapsed donor is still giving — she is just giving less and giving elsewhere. The average lapsed donor household in our study gave \$3,917 annually, down 7% from the earlier study three years before.<sup>3</sup> (In contrast, the average amount from active donors increased by 14% over three years). Also, single- and multi-gift lapsed donors give to significantly fewer ministries than active donors (7.0 and 6.3 charities respectively, vs. 9.2).

***Convincing a lapsed donor to give again may not rest so much on impact or passion; it could be about reminding the donor how long it has been since she last gave.***

Other discoveries:

- Active donors out-give lapsed multi-gift donors by 60% and lapsed single-gift donors by 20%.
- Active donors, and those who gave to a ministry once and then quit, both give an average of \$600 annually per charity.

<sup>2</sup> BBS & Associates and Campbell Rinker. (2013). *Missing Keys Study*.

<sup>3</sup> BBS & Associates and Campbell Rinker. (2013). *Missing Keys Study*.

- Lapsed donors are likelier to give as a joint decision — discussed and decided with a spouse. Donors who decide alone are less likely to lapse. In fact, more and more couples seem to be making giving decisions jointly. (In an economic downturn, in particular, donors may cut back on the number of ministries they support. A husband and wife may “trade off,” giving to his choice of ministries one year and her choice of ministries the following year. Or if one spouse is more enthusiastic about a certain cause, but the other spouse is less enthusiastic, they may agree to trade off. For these or other reasons, some donors may become every-other-year givers. Whatever the motivation for the every-other-year giving, it’s crucial that the ministry continue to communicate with them and nurture the relationship so that they’ll return after their one-year hiatus.)
- Lapsed multi-gift donors were twice as likely to have first heard of the ministry via radio, compared to active donors (35% vs. 17%).
- Lapsed donors are more tuned in to social media — and less tuned in to mail or email — than active donors. (And multiple-gift donors who lapse — “lapsed multi-donors” — pay more attention to television than active donors do.)

## **Finding #4: Older Donors need more details more often, Younger Donors need more transparency**

Members of the Silent Generation (age 76+) are significantly more sensitive than any others to a ministry using their gifts *only* for the intended purposes, and to the priority of keeping the ministry’s costs low.

While 40% of ministry donors have consciously decided to stop supporting a specific charity, this is far more often the case for older donors than for younger ones. This is likely because older donors have more giving experience and have had more opportunity to feel duped.

Younger donors, on the other hand, are three times more likely than their elders to prioritize *transparency* in the donor-charity relationship. Millennials (now age 19-36) are wary of being “sold” and value a ministry that is open, direct, and plain-spoken with them. They seek facts, reason, and community.

Interestingly, Millennials are the only age group seemingly unfazed by a rocky economy. All older groups are less likely to give if they feel economic stress.

Other discoveries:

- Millennials are much likelier to *increase* their overall giving when supporting local or community efforts (38% vs. 20% or less for other generations). Older donors more often *decrease* their overall giving if they begin giving locally.
- Gen X donors (now age 37-56) are significantly more likely than donors age 56+ to increase their overall giving when they start supporting a new charity.

## **Finding #5: Media Matters: How Do They Get the Information?**

Whatever media channel *first reached* a donor, she is likely to continue paying attention to *that* media channel and *not others*. The only exception: radio-acquired donors tend to continue following radio communications and digital as well. Radio-acquired donors, however, also tend to lapse at a higher rate than other donors.

Donors who pay more attention to newsletters and direct mail are much more likely to feel positive about *giving again* to a ministry. They also typically give to more than 10 ministries, while those who pay more attention to digital and broadcast communications give to an average of 5.7 and 5.5 ministries respectively.

***Radio-centric ministries must be extra-vigilant to keep donors engaged.***

Digital-oriented donors are more likely to share charitable giving decision-making responsibilities at home, compared to broadcast-oriented donors.

## **Finding #6: Female and Male Donors Are Not the Same**

Across generations and giving activity, women were significantly more sensitive than men to the ministry being *ethical* in its business practices, while men were much more likely than women to see *transparency* as most important in their giving.

Women were significantly more likely than men to pay attention to postal mail and television, while men were significantly more likely to pay attention to email or a personal phone call. Interestingly, men were more likely to first become aware of a ministry via digital communication than by print or broadcast media.

## Methodology

This study, conducted by phone among 2,930 donors of \$25 or more, was conducted from July through October 2017 (a few hundred donors responded by email). The margin of error was +/-1.8% at the 95% confidence level. Donor names were provided by 11 ministry sponsors, though the study was blind (without revealing sponsor names) to reduce bias.

- All donors had given at least one \$25 gift to participate. Lapsed single-gift donors had given only one gift at least 13 months prior to the study, lapsed multi-gift donors had given at least two gifts in the same timeframe, and active donors had given in the most recent month.

Just over half (54%) of respondents were women, and 61% were married. The average respondent age was 68, and 84% had no children living at home. 54% held at least one college degree. Eight in 10 (82%) of respondents were Caucasian. The mean age of Silent generation donors was 82, while Boomer donors were at a mean age of 66. The mean among GenX was 49, compared to Millennials with a mean age of 28.

## Conclusion

Donors want to give. If they've lapsed from giving to your ministry, chances are they're giving elsewhere. But quite often they don't realize they've lapsed from your ministry. They're not tuned in to your ministry's calendar.

Older donors may be nervous about the economy or their income, and they want to be sure you're using their gifts the way you said you would; but otherwise, as long as you're transparent with your donors — providing them the straight facts about and the impact of your work — you can continue offering them opportunities to be involved with your mission.