

## **Suggestions On How To Use This Report**

Below you will find information about how the Gryphon Report can be used to help you target key donors and improve your fundraising success. Once you understand the giving patterns of your donors, the information about segmentation on page 23 will then help you to directly target donors according to those giving patterns.

### **Page 1 – Executive Summary Of Giving History**

The summary of your giving history shown on this page allows you to map the areas where you have grown over the last ten years and see at a glance whether your fundraising progress is where you wanted it to be. It also allows you to begin to chart long term strategies with a view to creating realistic goals based upon previous year over year growth patterns.

For example, using the information on this page, you can at a glance make approximate predictions, based Introduction on ten years of data, about growth trends in the revenue, number of gifts, active donors, average gift and average number of gifts, assuming that things remain the same in your fundraising program. It can also, at a glance, tell you how many of the donors you have in your database are active in any given year. This can help you remain vigilant concerning the overall growth of your donor database. If for example, you notice that over a ten year period there is a downward trend in the number of active donors on your file then it may be important to engage in donor acquisition programs so as to maintain the level of revenue needed.

This global picture of donor information can allow you to know whether your fundraising program is performing in the way you intended or whether it may need some strategic review.

### **Page 2 – Active Donors Pyramid**

Fundraisers know that in many instances, a small number of donors give the largest amount to your cause. The top two percent of your donors can often give more than any other segment in your donor database. The three pyramids on page one illustrate how your active donors fit into different percentage segments. These segments are broken out into active donors within 0 to 12 months, 13 to 24 months and 25 to 36 months.

The importance of this is twofold. Using this report, you can target the top two percent of your donor database for enhanced cultivation efforts. Also you can easily identify the top percentage donors who are at risk of lapsing. The third pyramid on this page shows those donors who fall into the 25 to 36 month category. This means that the top two percent shown in this pyramid have not given in the last 25 to 36 months and your organization could be at risk of losing their support. Since the top two percent in each pyramid consist of those who are your most generous donors it is important to identify who these donors are and if necessary, reconnect with them.

The top 2% and 8% segments in each of the three pyramids are also key prospects for major gift, legacy giving and monthly giving programs. The id numbers of the donors in each segment of the three pyramids are listed in the tables provided on a disk at the back of this report.

### **Page 3 – Recency, Frequency and Monetary Overview**

This page can convey a sense of how committed your active donors are to your cause. (Active donors are defined as those who have given in the last 36 months). This page can provide a sense of donor commitment in the three bar graphs shown.

The first graph, Recency by Percent , shows in percentage terms how recently your active donors have given a gift. A large percentage in the 0 to 12 month category indicates a willingness on the part of your donors to be actively engaged in supporting your cause. Larger percentages in the other two categories may indicate that your donors are not as committed as they once were and donor reactivation strategies might be required to re-engage them.

The second graph, Frequency by Percent, can be an indicator of the level of commitment your active donors have towards your cause. The higher the percentage of active donors falling into the “Three +” gift category the greater the chances that your donors are committed to the point of sending you multiple gifts towards your cause. These would be donors who have been most willing to respond to your appeals for support and this can be an indicator that they are good prospects for monthly giving programs. Donors who fall in the other categories are prospects for further upgrading cultivation so as to move them into the “Three +” gift category.

The third graph, Monetary by Percent” can be an indicator of your donor’s willingness or ability to support your cause. Those in the highest category would be good prospects for major giving programs. Those in the lower categories of monetary giving could be potential candidates for upgrading.

### **Page 4 – Gift Frequency History**

This page shows the historical giving frequency of your donors over the last ten years. The categories highlighted in yellow help you target those donors who have over a ten year period shown the ability and commitment to give multiple gifts to your cause. A continual increase in the percentage of donors giving in the category highlighted in yellow can indicate that your fundraising program is meeting with success in cultivating donors who have, over time, revealed their commitment through their frequency of giving. Recognizing these donors can help maintain their commitment and provide opportunities for further upgrading. These donors could also be targeted for monthly giving, legacy giving or major gift programs as they have a demonstrated commitment to your cause.

### **Page 5 – 8 Active Donor Giving Frequency by Recency and Monetary Value**

This page shows the lifetime giving frequency of your active donors. Those in the 0 to 12 month category, who have given only one gift, are likely to be your newest donors and could be targeted for cultivation efforts to strengthen their interest in giving to your cause.

The area highlighted in yellow shows donors that could be on the verge of lapsing. They are active donors who have shown commitment to your cause by giving multiple gifts but for some reason they have not given in the last 25 to 36 months. Reclaiming these potentially lapsing donors through donor reactivation strategies could provide great benefit to your organization as they have already shown themselves to be very willing to support your cause in previous years. They are identified on the disk at the back of the report for targeting purposes.

Of particular interest are the donors who are highlighted in yellow on page 8. These donors not only have shown commitment through multiple gifts but also have given the largest amounts to your cause. These are the high level donors who could be on the verge of lapsing. They would be a high priority to cultivate so as to ensure their continued support. Again they are identified by I.D. number on the disk at the back of the report.

Page 5 can also provide you with important possibilities for major gift, legacy giving or monthly giving prospects. Those donors who fall in the 0 to 12 month category and who also are in the 3 to 9 gift segment or the 10+ gift segment have shown themselves to be highly committed donors who give multiple gifts annually to your cause. These would make excellent prospects for monthly giving, major giving or legacy giving programs. Of particular interest to your major giving programs would be those donors in the above named categories as shown on page 8. These are donors who have lifetime gifts of more than \$500.00.

#### **Page 9 – Donors Who Gave More, Same or Less**

This page can give an indication of how successful your program has been in upgrading donors over a ten year period. Higher percentages in the category of donors who gave more can indicate that your upgrading strategies are having the desired effect. A lack of progress in this same area can indicate that upgrading strategies might need to be reviewed. Those donors who have shown a willingness to give more over time could be ideal candidates for monthly giving programs.

#### **Page 10 – Gift Size History**

This page gives a ten year snapshot of gift size and how that has changed over the years. As in the previous page this can give an indication of how effective your program has been in your upgrading efforts. Ideally, over a ten year period, there would be an upward trend in the number of donors who give at the higher levels. A flat or downward trend could indicate that upgrading strategies are in need of review. Those donors listed in the \$1000.00 or higher gift size would also be key prospects for major gift programs.

#### **Page 11 – Donor Renewal Rates**

This page shows how many donors renew their support from year to year. Each year is shown giving the number and percentage of donors who gave from one year to the next. A high percentage of donors who renew their support from year to year can be an indicator that your organization has effectively won the long term loyalty of the donors who support you. In the case of lower percentages, you may wish to review donor cultivation and stewardship strategies with a view to increasing donor loyalty to your cause.

### **Page 12 – Consecutive Year Giving History**

This report shows the number of donors who have given over consecutive years. This report can be used to identify donors who have given to you over many consecutive years but have stopped for some reason in the last 12 to 36 months. This report can also be used to identify donors who have given to you over many consecutive years with a view to converting these donors to monthly giving, legacy giving and major gift programs.

### **Page 13 – Time Of Year Donors Give**

This report shows the number of donors who have given over consecutive years and indicates when exactly during the year that they give. The report can be used to select donors for mailing during the exact time of year they will respond. Donors can also be excluded from mailings during the time of year that historically they have never responded. This allows for specific “time targeting” of donors during the exact time of year that they have always responded and to exclude them from extra solicitations when they have shown that they do not respond during other time periods.

### **Page 14 – New Donor Acquisition and Retention**

This page groups new donors by year of acquisition over a ten year span. The table on this page shows the number of new donors acquired each year as well as the number in that group who continued to give in each subsequent year, over the ten years covered by this report. This gives an accurate reading of donor retention over time for each group acquired in each year. It is important to note however, that the information in this table is not necessarily an accurate reflection of donor attrition. Donors will sometimes skip one or more years when giving gifts and as such the numbers in the table on this page reflect donor attrition only in the broadest sense over the long term. Year over year donor attrition tables are presented later in this report.

This table is important in that donor acquisition is expensive and donor retention can be essential as you work to grow your donor file. This table can serve as an important indicator of the success of your retention efforts. It is not unusual to see a large drop from the number of donors who give an initial gift (sometimes 50% or greater) but ideally, the success of retention efforts can be monitored by the number of donors who continue to give in the years that follow an initial gift.

### **Page 15 – Second Gift Conversion History**

Cultivating donors with a view to obtaining a second gift can help to convert tentative donors into longer term donors and increase the chances that these donors will continue to give to your cause over time. This page can be an indicator of the effectiveness of your second gift conversion cultivation strategies. Ideally, over time, the percentage of donors who give a second gift should rise steadily. Revision of second gift conversion strategies may be required if percentages remain flat or decline over a ten year period.

### **Page 16 – Second Gift Conversion Chart**

This page shows you when your donors gave their second gift. Obtaining a second gift from newly acquired donors usually increases the chances that these donors will continue to give to your cause

over time. Depending on the number and type of donor appeals you make in any given year, it is not unusual to find that obtaining a second gift may take many months.

Inviting donors to make a second gift, as soon as is possible and appropriate after their initial gift, can increase your chances of securing their longer term involvement in your cause.

Donor acquisition can be very costly and as a result, timely contact with new donors who have made an expression of interest in your cause is very important. Effective and timely new donor cultivation strategies can increase the possibility of securing longer term relationships with these newly acquired donors.

### **Page 17 – Donor Attrition**

This page shows the rate of donor acquisition verses donor attrition along with the net number of new donors added to your file for each year. Donor attrition is a normal occurrence but rates that exceed the number of donors acquired each year reveals that file growth is in jeopardy. Ideally, the number of donors lost to attrition should be less than those acquired so that your file can continue to grow and revenues continue to increase. An increase in donor attrition can indicate that donor cultivation and retention strategies may need to be enhanced.

### **Page 18 – Donor Reactivation**

The table on this page can be used as an indicator of the success of donor cultivation efforts. While it is true that some donors give infrequently, the table on this page can indicate how successful your organization has been at re-engaging donors after they have stopped giving for a year or more. Ideally, the percentage of reactivated donors grows over the ten years shown in the table in this report. A lack of growth in these percentages can indicate that donor cultivation and donor reactivation strategies are in need of review.

### **Page 19 to 21 – Long Term Donor Values**

The purpose of the tables on these pages is to show that an investment in donor acquisition, although expensive, can be a worthwhile strategy in the long term. The calculations on these tables takes the average value that each donor would have been worth to your organization had every donor in that acquired group contributed to the actual revenue received. This provides an average donor value for each group of acquired donors for each year and can help when creating a budget for potential donor acquisition strategies.

For example, if a group of donors acquired in a specific year averaged out (over five years) to a long term donor value of \$300.00 per donor, then a percentage of that amount could be allocated to prepare a budget for the overall cost of acquiring those donors. By way of this example, a reasonable cost for acquiring a donor might be set at 20% of the average long term value each donor brings in that year. That 20%, which in our example would be \$60.00 (20% of \$300.00) could then be allocated towards a future acquisition budget with a reasonable expectation that, based on past experience, this would eventually yield a satisfactory long term return on investment. Our example would then look like this –

Average long term donor value of \$300.00.

Twenty percent of \$300.00 = \$60.00 which is allocated towards a future acquisition budget.

Goal to acquire 200 new donors would cost (\$60 x 200) or \$12,000.00

Long term return on investment would be  $(200 \times \$300)$  or \$60,000.00 minus \$12,000.00 acquisition cost leaves \$48,000.00.

While the percentage your organization might allocate towards an acquisition budget may vary the tables on these pages offer a long term donor value for each group of donors that were acquired every year over a ten year span. This can serve as a guide when preparing budgets and estimating return on investment strategies.

Boards and key decision makers feel a greater level of confidence in allocating budgets when historical evidence can serve to show a reasonable level of expectation for an acceptable return on investment. These pages can help to show what that return on investment has been historically for your organization.

### **Page 22 to 24 – Results Tables**

These pages show a breakdown of results by third of year, quarterly or monthly. This can be helpful when trying to assess which times of the year show strength in your fundraising efforts and which times may need additional attention. For example, you may note that the first and last quarters of the year show strong returns but the second and third quarters show weak returns. Using these results in combination with the appeal results found on pages 24 and 25 you can assess whether your appeals in those quarters are effective or sufficient in number so as to produce the hoped for results.

You may also note stronger average gift amounts or a higher number of average gifts during specific times of the year and these may be an indicator that focusing cultivation and appeal efforts during these times could yield better overall results. It may make sense to reallocate resources and appeals to times that show the greatest promise for returns.

### **Page 25 – Segmentation Report**

The information on this page can be central to your targeting efforts. It allows you to identify donor giving levels that are broken down into six month giving intervals. An example of how this is useful is provided by one of our previous clients. By using this report, they were able to target donors in the 19 to 24 month period with a special reactivation appeal and in a single mailing saw a 5.5% response rate. Another example might be to target donors in the 25 to 36 month segment who have given multiple gifts of \$500.00 or more. These are donors who have in the past demonstrated a high level of commitment to your cause but appear to be lapsing. Reconnecting with these major gift donors can make a significant difference to your fundraising efforts.

Another example would be donors who are in the 0 to 12 month categories and fall within the 2+ gifts of \$500 or more. These donors would be ideal candidates for monthly giving, major gift and legacy giving programs.

Using the information on this page you can target specific groups of donors based upon their giving patterns. Tailoring appeals with messaging that targets specific segments can be very effective. A segmentation table of donors is provided on the disk at the back of this report.

### **Page 26 to 27 – Appeal Results**

These pages list each appeal and the amount received from that appeal. The table on page 24 gives a snapshot of the number of appeals for every month over a ten year period. This can be helpful when trying to determine whether appeals in any given time period are effective or whether appeal efforts should be shifted to alternate times of the year when results show that response rates are better. One example might be that you notice an annual appeal in the month of May has not yielded good results. It may be useful to test that appeal in another time frame, perhaps in the same quarter that shows good results from other appeals. Using this page in conjunction with the results summaries found on pages 18 to 20 can help you to target when appeals might yield their greatest response.

### **Appeal Summary Appendix**

The Appeal Summary Appendix that follows page 26 lists each appeal and their results broken down by month and year, over a ten year period. These pages can be very useful when trying to assess appeals that happen in the same time period every year. For example, your organization might send out an appeal in June every year. Over the years you may have made changes to that appeal. While many factors play a role in response rates, these pages allow a comparison of results for a particular appeal over a ten year span. This can be of assistance if you have made changes to your appeals from one year to the next and there is a potential that some of those changes might have impacted negatively on results. These pages allow you to make comparisons with a view to adjusting appeals in order to reach their maximum impact on donors.