



# MULTIPLY 417

Passion: The Bridge between People and Purpose

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## Weekly Tip Oct. 21, 2024 Want to Lower your Lapsed Rate?

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Dear Ministry Leader,

Across almost all non-profit sectors around the country the lapsed rate or retention rate (basically the inverse number) has remained consistent for decades...48%, and that's for retention.

Now from what I can tell having worked in the faith based non-profit sector for many years, we actually beat that number with averages between 55-65%.

### Just the facts!

And while that's better than our secular counterparts, it still leaves a lot to be desired. Not that you need convincing, but just in case you do, look at this math.

If you added 100 new donors last year and they collectively gave you \$50,000. Using the 65% benchmark, the following year that \$50,000 would become \$32,500. In year 3 it turns into \$21,125. Left unchecked, year 4 becomes \$13,731. Over the 3 years since their initial year, that represents an aggregate loss of \$82,644. Wow!

### Why do they Leave?

According to most research 84% leave your organization for one of two reasons.

1. They didn't feel appreciated.
2. They didn't think their gift was having an impact/not sure how it was being used.

Both of these reasons can be so easily remedied with just a minimal amount of planning, and a tremendous commitment to engagement. So save yourself lots of heartache and headache and make sure you up your engagement strategy.

Critical rule of thumb regarding that initial thank you for a gift...48 hours!!! That's right, make sure they hear back from you, nothing fancy, in this communication instance, not even overly personal, except for the obvious merge fields, including their name, and the amount of the gift.

Make certain you have an appropriate tax statement at the bottom of your letter or your receipt, if it is separate, including your EIN. If you need an example of this, just [email me](#) and I'll gladly send you one back.

### A few additional tips

1. Create a new donor welcome "campaign" or system, that goes way beyond just one initial thank you for their first gift.
2. When someone does lapse, be bold and politely find out why.

3. Make sure your all your donors are being steward. Yes, that probably means different protocols per their previous level of giving, but create those systems and stick to them, "religiously."
4. Don't be afraid to offer a downgrade, or reduction in their giving level if you believe financial hard times contributed to their lapse.
5. Create a monthly giving program/campaign. Go all out to create a "special" group for those who want to join a "community", including a specific monthly gift, tied to a specific campaign or ministry area, a special gift, and if possible, even a special communication/update piece, that only members of the "club", or "society" receive.

Passionately,

Rick

P.S. Need some help with any of these ideas? Just let me know at (209) 541-5720 or rjf@multiply417.com.

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### **Our Contact Information**

- \*{{Organization Name}}\*
- \*{{Organization Address}}\*
- \*{{Organization Phone}}\*
- \*{{Organization Website}}\*
  
- \*{{Unsubscribe}}\*