

Giving thanks: How an exceptional thank you is critical for retaining your donors



Written by: Susan Fish
January 5, 2015

Etiquette guru [Emily Post](#) might advise that it's never wrong to send a written thank you, but a surprising number of nonprofits and charities forget this simple courtesy — or do it badly — without recognizing the consequence to the relationship with donors.

“Shockingly, not all organizations follow up with a thank you and a report on the success of the initiative. Thanking donors is just part of common courtesy,” says **Shari Austin**, VP of Corporate Citizenship for RBC and executive director of the [RBC Foundation](#), which in 2014 committed more than \$104 million in donations and sponsorships to a wide variety of organizations.

Nonprofit organizations risk losing donors and funds by not thanking promptly and well — but there are clear strategies for developing great donor partnerships through the thank you letter.

Timeliness and quality matter

Canadian nonprofits are improving in the timeliness of thank you letters. Fundraising expert [Penelope Burk](#), who has studied the impact of thank you letters for more than fifteen years, says that, while in 2000 the majority of thank you letters took one to two months to be received, now 63% of thank you letters arrive within two weeks of a donation. Unfortunately the quality of thank you letters continues to “deflate” donors.

That quality turns out to be vital - Burk's research shows that not just any thank you letter improves future fundraising response. An exceptional thank you letter has tremendous impact: 41% of donors who reported receiving exceptional thank you letters from a Canadian nonprofit attributed their decision to give again specifically to the letter, while 24% of those who said they were influenced to give again by a thank you letter said they had decided to make a larger donation because of the letter.

Tara Purvis is one such donor. She says, “The [Food Bank of Waterloo Region](#) gave an amazing thank you when we donated. They called me up, thanked me for the donation and then explained exactly how the donation mattered. Essentially, for every dollar we donated, three meals were being provided. I was just astonished at how far the donation went. We're now planning on being regular contributors, and I think what tipped us over [was]...knowing how significant even a small amount of money could be.”

Many organizations see thank you letters only as a necessary obligation that finishes a campaign, but Burk disagrees, saying thank you letters (or calls) are “critical in reconfirming to a donor that they have made the right decision. If the letter is poor or arrives a long time after their gift, it makes donors wonder whether they have supported the right cause, and actually makes them less likely to give again.”

Retention as the holy grail

Encouraging donors to give again is both critical and challenging — fundraising guru [Roger Craver](#) calls loyalty “the Holy Grail of fundraising” — as donor acquisition is expensive, risky and often unprofitable. The [2013 AFP Fundraising Effectiveness Survey](#) noted that “for every 100 new donors gained, 105 donors were lost through attrition.”

At one time, this was less true. **Fraser Green**, principal and chief strategist of Ottawa-based fundraising consultancy firm [Good Works Co.](#), says the “civic generation” (born before 1945) tends to respond loyally to an appeal letter as a reminder to give again. Boomers, Gen Xers and Millennials, by contrast, give when they are engaged in a nonprofit and are aware of the value of their investment to the organization.

Because thank you letters play a critical role in encouraging this donor loyalty, Burk suggests that nonprofits should put the same level of time and care into crafting and testing thank you letters as they do into solicitation copy. “When we test how thank you letters and appeal letters shape decisions,” she says, “the thank you letter is more powerful in getting a yes.”

Be donor centered

Caught up in the work of an organization, it’s surprisingly easy to lose sight of the donors. **Holly Wagg**, co-founder and now chair of the fundraising committee for [The Ten Oaks Project](#), an organization that runs camps for children of LGBTQ+ families and communities, says, “In 2009, we had about 150 individual donors. But for a while we did a horrible job thanking people for contributions — or asking them for money — because it became easier to get grants as we grew new programs than it was to work with individual donors. By late 2013, we had only 65 donors who gave outside of events.” The organization, like many others, had to refocus on relationships with their donors.

Green says organizations need to move away from a transactional relationship with their donors to a more relational one in which the donors are the true heroes and the charity simply helps the donor be able to do what she wants to do.

Being donor-centred means knowing your donor community, communicating with them in the ways they most prefer and according to a schedule that reflects their wishes. It also means thinking about what your donor wants. “Once you get a donor,” says Green, “love her to death, find out what she wants and give it to her.”

What matters to donors

“You can have all the relationships you like,” says Burk, “but if they don’t drive donations forward, you aren’t doing your job.” Her annual survey shows that while nonprofits attempt many different approaches to donor recognition—from events to swag — three key actions are by far the most effective:

- Acknowledging a donor’s gift with a prompt and meaningful thank you letter;
- Assigning or designating the gift to a specific program, project or area (and explaining how the funds will be used in the thank you letter);
- Providing a report on what has been accomplished with the help of their donation.

When young donors in the [2014 Burk Donor Survey](#) were presented with a giving scenario based on this donor-centred model, 76% said they would give again the next time they were asked; 58% said they would make a larger gift, and 72% would continue to give indefinitely as long as they got those three things every time they gave.

What makes a thank you letter exceptional

Burk tells a story about a philanthropic couple who, after reading a stack of thank you letters from a variety of organizations, came to the conclusion that there might as well be one basic thank you letter template being used by every single organization.

A great thank you letter breaks that mould:

1. Don’t start with thank you. According to Burk: “This forces you into original thinking. If you can’t use thank you, it’s hard to figure out how to start. That forces originality. Being different is the first step to being better.”

2. Keep it short. Wagg says, “Take only the space you need to get your message across.” Burk believes thank you notes don’t need to be longer than a paragraph—“by the second paragraph, you revert to the language of appeal and water down your powerful expression of gratitude.”

3. Practice, practice, practice. Choose every word with care until you know you have a magnificent letter. (Be careful not to send the same great thank you to a donor more than once. Craft several such notes and track who receives them.)

4. Pick an overarching theme. Before Wagg writes a thank you letter, she thinks about what emotions she wants to elicit from the donors.

5. Write the note by hand. **Kelley Teahen** regularly donates to the University of Waterloo’s scholarship fund and was surprised a few years ago to receive a handwritten note from the then-manager of annual giving, Kathy Prpic. Prpic estimated she handwrote about 100 letters monthly to donors who had asked for no solicitation calls and who would not otherwise receive any personal contact from the university. “I get a positive response. People call me to say they appreciate that I’ve taken the time to hand-write a letter: it doesn’t happen very often. It’s a bit of extra work, but it’s worth it.”

6. Be real and human. Wagg says too many thank you notes feel like boring form letters that no one wants to read. By contrast, Ten Oaks' thank you letters "sound like conversation." They include names, enthusiastically express their appreciation, and where possible, have someone in their organization who knows the donor hand-write the note to that donor. This approach clearly works: 64% of donors surveyed by Burk say a superior thank you letter "feels like it was written just to me."

7. Recognize donors for their loyalty, not just their gifts, says Wagg, who sometimes sends an update to donors about the projects or people they are supporting.

8. Show the impact and results. Green says donors want to see that their money is doing something. A thank you note can continue the story from the solicitation campaign. The note might only offer a status report but it assures donors of the measurable impact of their gift.

9. Don't be afraid of the phone. While a written thank you follows a donation, a telephone call can be an effective tool of appreciation. Ten Oaks has an annual phone-a-thon to its donors, during which they simply provide updates and appreciation. "Donors are so surprised that you are calling to thank them and aren't asking for a gift. It helps them feel special and valued."

10. P.S. The jury is out on the postscript but don't ask for funds. Some fundraising experts suggest donors scan the first and last sentences of a thank you letter before deciding whether to read the whole letter, while others believe adding a postscript implies you've forgotten something. All the experts we spoke to, however, agreed that a thank you note should not be used to ask for another donation. Burk says "To ask again in a thank you letter before the donor's gift has gone to work is particularly insulting."

A few more secrets to great thanking

1. Be thankful: It almost goes without saying but a key to writing great thank you letters is to feel grateful. Burk notes that there is a lot of pressure on fundraisers and executive directors to bring in more money: "Often it can feel like there's no time to feel good but it's so important that they do. If you don't know what it feels like to be grateful, how can you produce beautiful, grateful correspondence?" Wagg feels it's vital to get out from behind your desk to experience the programs at work, in order to remember why you do what you do. She also relies on colleagues to help her understand what they need money for, to find great stories and to be connected with clients. Burk says the best way to cultivate a feeling of gratitude is to regularly call donors simply to acknowledge their loyal contribution to your organization.

2. Be strategic: After realizing they had neglected their donor base, The Ten Oaks Project established an annual thanking and reporting strategy and purchased a database program to enable them to track their correspondence well. They set up a plan for what types of donations would trigger an email, a thank you note or a phone call. They developed collateral (badges!) to use to thank people for becoming monthly donors. At the beginning of each year, they establish an annual donor communication plan, and think of approaches and stories they will use in each note.

3. Be passionate. Burk says too often nonprofits write thank you letters in an arm's-length, unemotional way but donors look for passion and humanity from a nonprofit. "Gratitude is an expression from one person to another —when you make it collective, it loses its meaning."

Since Ten Oaks has put these tools into practice, they have more than tripled their monthly donors and have quadrupled their donor base in the last year alone. Wagg says, "We're a rag-tag group of four or five people who have other full-time jobs. If we can do it, it's feasible for other organizations to do the same."

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