



An Allegiance Group + Pursuant Resource

Embracing Relationship Fundraising

A Path to Sustainable Philanthropy

Contents

Introduction	3
Why Does Relationship Fundraising Matter Now?	4
What Is Relationship Fundraising?	7
Relationships Are a Journey	14
Strategies for Implementing Relationship Fundraising	21
Conclusion	28
More About Allegiance Group + Pursuant	29

Introduction

In 2015, Pursuant (now Allegiance Group + Pursuant) assembled a dream team to conduct research on relationship fundraising.

Rogare — the fundraising think tank at Plymouth University’s Centre for Sustainable Philanthropy — worked with researcher Dr. Adrian Sargeant and Bloomerang to create a four-volume comprehensive study of the relationship fundraising approach.

That research, *Relationship Fundraising: Where Do We Go From here?* published in 2016, was a thorough look at the theoretical foundations of relationship marketing and fundraising, the social psychology that informs it, and the real-life applications for nonprofit fundraisers in North America and the United Kingdom.

A lot has happened since 2015. In the intervening years, the digital transformation has only accelerated, especially in the wake of the COVID-19 pandemic. With new tools and perspectives, more and more organizations are prioritizing relationship fundraising.

We decided it was time to revisit the research in light of these changes. Dr. Sargeant’s research remains as relevant as ever, and relationship fundraising has only become more important as nonprofit organizations face new and existing fundraising challenges.

Why Does Relationship Fundraising Matter Now?

While the landscape of philanthropy has shifted since 2015, the fundamental need to move away from relying on transactional fundraising and focus on building genuine relationships with donors remains as critical as ever. **This approach fosters long-term trust, understanding, and loyalty.**

Several factors have made relationship fundraising even more important now, including:

The Impact of the Pandemic

The COVID-19 pandemic introduced seismic shifts in donor behavior and organizational priorities. The pandemic affected organizations differently, with some experiencing serious disruptions to their service delivery and fundraising, and others seeing an unexpected rise in donations. Forced online, many organizations adopted digital solutions and tools quickly, as they could not rely on in-person events to raise money. The importance of strong donor relationships became very clear during this time.

For some organizations, the much-appreciated “pandemic bump” in donations has now come at a cost: unrealistic expectations from boards and leadership. As the “new normal” becomes more established, and other causes become more urgent, those fundraising increases have leveled out. When simply viewed year-over-year, without accounting for the context of pandemic giving, this can look like a dramatic fundraising drop.

Political and Economic Uncertainty

Setting aside political views, it's safe to say that neither politics nor economics have become *less* uncertain or divisive since 2015. According to the Independent Sector's 2024 report on Trust in Nonprofits and Philanthropy, 74% of Americans are worried about the future direction of the United States. Concerns about cost of living are front of mind for many people, and this can impact nonprofits — in their own budgets and those of their donors.

“With increasing budget pressures, organizations might be tempted to cut back on engagement communications or anything that doesn't show an immediate return on investment. However, today's donors — especially younger ones — are seeking a deeper connection and want to understand how their support makes a difference,” says Debbie Merlino, Executive Vice President, Client Relations, in Allegiance Group + Pursuant's *Giving Outlook 2024-2025 Annual Report*.

Philanthropic and Demographic Shifts

Individuals continue to be the largest sector of charitable givers in the United States, accounting for 67% of total giving in 2023, according to Giving USA's 2024 Annual Report on Giving.

While charitable giving as a percentage of GDP (gross domestic product) has remained relatively stable over the past 40 years, the American wealth gap continues to shape the philanthropic sector. As reported in Allegiance Group + Pursuant's *Giving Outlook 2024-2025 Annual Report*, mega-donations from high-net-worth individuals in 2023 constituted nearly 40% of total contributions, distorting overall giving. Specifically, donations exceeding \$10 million each contributed a staggering \$200 billion to the total philanthropic pool in 2023. On the other hand, sustaining funding and engagement among lower-dollar donors remains a challenge, with a reported 2% decline in small-scale donations under \$1,000.

Donor demographics are shifting as well. The “silver tsunami” of assets transferring from older to younger generations has started, with millennials and Gen Z projected to inherit over \$30 trillion in wealth. These younger prospective donors have shown a greater affinity for alternative giving models,

such as mutual aid, crowdfunding campaigns, and donor-advised funds (DAFs) than previous generations.

Donor communities are also diversifying. An examination of the demographics of a “traditional donor base” often suggests a homogenous population with limited growth potential. A broader view of “likely donors” is required to support growth to include more people. A rethink of fundraising vehicles designed to attract and recruit these individuals is necessary. Consider the steps you could take to connect with new age groups, people with different cultural backgrounds or political views, or other people who are currently under-represented in your donor pool.

The rise in wealth of high-net-worth donors and the proliferation of family foundations and DAFs will continue to impact, if not change, the landscape of philanthropy. A closer look at “unallocated” revenue from the 2024 Giving USA report reflects this shift in donor behavior. In 2023 alone, \$61.66 billion in philanthropic revenue couldn’t neatly be assigned to a sector or traditional giving channel — this figure is up two times over 2022. Nor could indirect or anonymous gifts, such as through DAFs or crowdfunding platforms, be categorized. This dramatic change underscores the need for measurement and tracking to adapt alongside donor preferences.

The Stakes of Ignoring Relationship Fundraising Are High

“Transactional fundraising is not a bad strategy, but if it’s your standalone strategy, the stakes are extraordinarily high,” says Trent Ricker, CEO of Allegiance Group + Pursuant. “Your churn will be high, which means you have to continue to replace those supporters that you’ve lost. This sets up a cycle where you continually need to renew them through a premium or another component of the transaction. Then your costs go up. If you’re not diving deeper in and trying to build some level of sustainability and loyalty, you’ll be caught in a dangerous cycle.”

Nonprofits perform some of the most important, necessary work in society. A shift to relationship fundraising can help ensure that your organization is strong for the long-term.

What Is Relationship Fundraising?

“Relationship fundraising” is a term that came to prominence in the early 1990s, when Ken Burnett published his now seminal *Relationship Fundraising*, around the time that business-to-consumer marketing was also shifting more toward a relational approach.

Burnett did not have the relationship marketing concept in mind when he wrote his inspirational text. Rather, he arrived at the concept independently and in response to what he regarded as widespread and often poor practices. He called on fundraisers to do a better job of communicating and in so doing, build better quality relationships with their supporters.

Relationship marketing definitions vary, but they contain a number of common strands. Almost all definitions imply:

- » A longer-term focus on customers and indeed, wider stakeholders who may be party to, or involved in, the exchange
- » A two-way flow of information to ensure that appropriately desirable benefits are delivered to both parties
- » A sense of the primacy of the customer and a belief that they should not be exploited for short-term gain or profit

Burnett, and others after him, advocated for taking a similar approach to fundraising and interacting with nonprofit donors.

Understanding Transactional Fundraising

Since publishing our original relationship fundraising research, we’ve noticed an interesting misconception amongst fundraisers — the idea that if relationship fundraising is good, then transactional fundraising must be bad. This is simply not the case.



Transactional fundraising focuses on single donations over donor retention, immediate ROI over lifetime value, and short-term wins over long-term gains. Relationship fundraising prioritizes a long-term, donor service-oriented approach to create lasting donor relationships.

Still, immediate returns are often necessary, and many organizations have a great deal of success with premium-driven incentives, like address labels and calendars. The answer is not “either/or” but “both/and.” A transactional acquisition strategy can be supported by a relationship fundraising stewardship strategy, turning the short-term gains into longer relationships.

Table 1: Comparison of Transactional and Relational Approaches

	Transactional	Relational
Focus	Single sales	Customer retention
Key Measures	Immediate ROI, revenue, response rate	Lifetime value
Timescale	Short-term	Long-term
Orientation	Purchase	Relationship
Customer Service	Little emphasis	Major emphasis

Components of Relationships

What makes a “good” relationship? Researchers have identified three key components that contribute to relationship quality: trust, commitment, and relationship satisfaction.

Trust

“The best way to sell something: don’t sell anything.
Earn the awareness, respect, and trust of those who
might buy.”

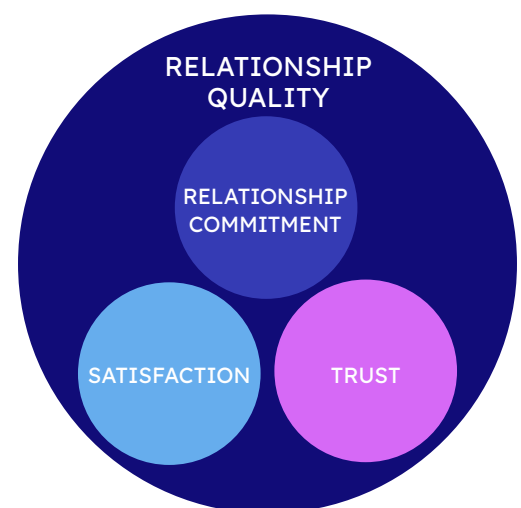
– Rand Fishkin

Trust is the heart of relationships. Some marketing scholars believe that trust is the single biggest tool of a marketing organization. Studies have demonstrated its utility in driving customer retention, either directly or indirectly, through either satisfaction or commitment.

Public trust in nonprofits has recently rebounded by 5 points, up to 57%, according to the Independent Sector’s 2024 report, *Trust in Nonprofits and Philanthropy*. While the rebound in nonprofit trust is encouraging, the fact remains: a great number of people have little trust in nonprofits. Trust in philanthropy (33%) is considerably lower.

How did this happen? Nonprofits have lost trust over the decades due to high-profile scandals, a lack of transparency around how funds are used, and a growing perception that some organizations prioritize self-preservation over impact. Public scrutiny of philanthropy as a tool for maintaining wealth and power, coupled with the sector’s challenges in clearly demonstrating outcomes, has further eroded confidence.

Figure 1: Model of Relationship Quality



How can nonprofits build trust with their donors? The research may give us an idea of how to start. Trust is built by the trusted party:

- » Being seen to exercise good judgement
- » Demonstrating role competence
- » Adhering to a desired set of principles, perhaps a Code of Practice
- » Delivering a good quality service

To rebuild trust, nonprofits must focus on clear and consistent communication. Every communication and interaction is an opportunity to demonstrate the organization's trustworthiness.

Nonprofits can:

- » Be radically transparent about financials, decision-making, and program results, showing exactly how donations drive impact.
- » Tell authentic, human-centered stories that demonstrate the real-world difference their work makes.
- » Engage in two-way communication by actively listening to donor and community feedback, responding openly to concerns, and adapting based on input.

Sargeant and Stephan Lee have demonstrated that levels of trust drive giving behavior. Additional researchers confirm the importance of donors believing the nonprofit is efficiently using their funds and having a positive impact as intended.

Six Ways to Build Trust in Your Organization:

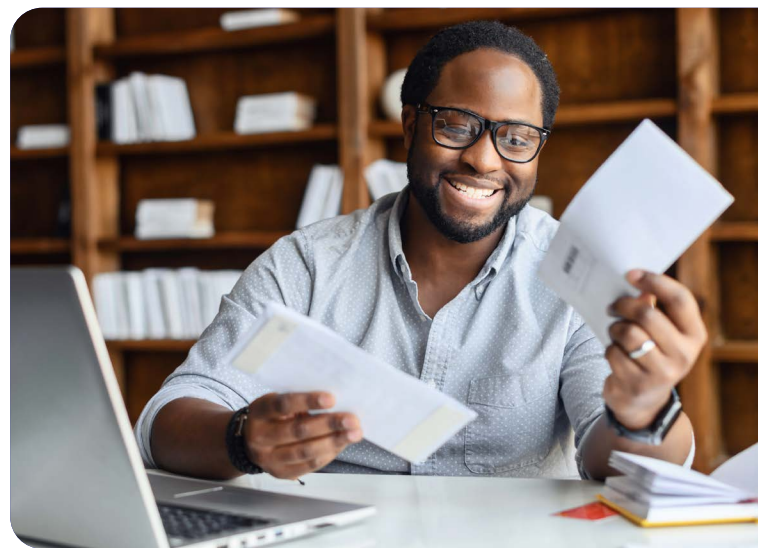
- 1. Communicate the impact achieved by the gifts the donor made.** What was the result for the people or cause benefited by the gift?
- 2. Honor the promises made to donors** about how their money will be used.
- 3. Prioritize transparency about decision-making** and demonstrate how your values inform your practices.
- 4. Ensure that communications match donor expectations**, including the content, frequency, and quality.
- 5. Ensure that the organization uses two-way conversation**, engaging donors in a dialogue, and providing opportunities for feedback.
- 6. Ensure that donor-facing staff members are trained in customer service procedures** and have the necessary knowledge and skills to deal with issues effectively, promptly, and courteously.

Commitment

Commitment is closely linked to the concept of loyalty and, as such, might be considered to be the desired outcome of relationship building. Commitment is different from satisfaction. Satisfaction is based on past experience, while commitment is forward-focused.

It is now generally accepted that relationship commitment comprises two dimensions: an emotional, or “affective,” component and a “calculative” component.

Most fundraisers are aware of the emotional component of commitment — “I love this organization and believe in this cause.” The calculative component is less obvious. It is an intention to maintain a relationship that develops because of a conscious evaluation of the costs and benefits of continuing it. For example, in a for-profit context, you might not be incredibly happy with your internet service provider, but upon evaluation, decide it’s not worth the hassle to switch. This kind of evaluation doesn’t really apply to charitable giving, with the notable exception of estate planning.



There is not a lot of research on donor commitment, but in 2007, Sargeant and Lucy Woodliffe proposed a two-dimensional model of active and passive commitment.

Active commitment is defined as genuine passion for the future of the organization and the work it is trying to achieve. It also includes the concept of risk, the extent to which a donor believes that harm will accrue to the beneficiary group were they to withdraw or cancel their gift and trust, in the sense of trusting the organization to have the impacts that it promised it would have on the beneficiary group or cause. The literature suggests that this “active” commitment may be developed by improving trust, enhancing the number and quality of two-way interactions, and by the fostering of shared values.

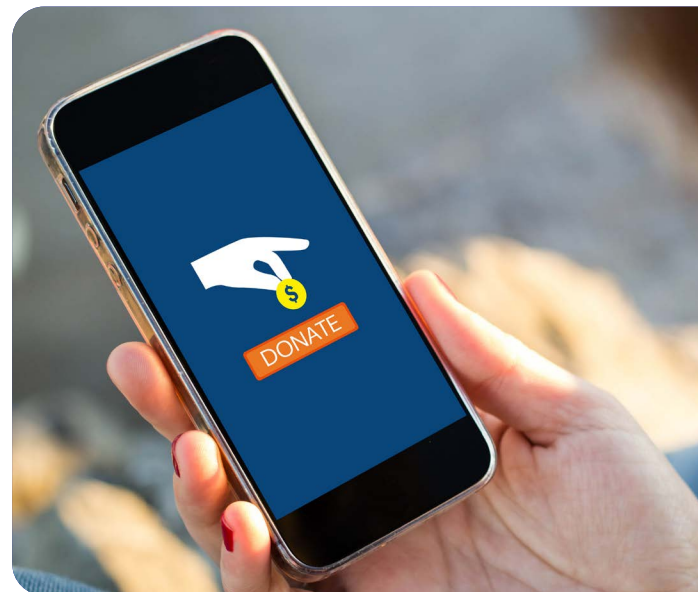
Passive commitment includes continuing to give without passion because the giver “felt it was the right thing to do,” “had not gotten around to canceling,” or had actually forgotten they were still giving.

Cultivating active commitment has become increasingly important since the research was originally published, as subscription or recurring giving has developed significantly in that time. According to Allegiance Group + Pursuant’s *Giving Outlook 2024–2025 Annual Report*, in 2023, revenue from one-time giving fell by 5%, while revenue from monthly giving rose by 6%. Monthly giving accounted for 31% of all online revenue in 2023, up from 27% the previous year.

“The concept of sustaining giving, subscription giving, monthly giving is so much more important than it was in 2016,” Ricker says. “It’s all about loyalty — people won’t sign up for monthly giving unless they actually are philanthropically aligned with that cause. The costs go down significantly for the organization to renew that person. That sustaining giver lasts between 10 and 15+ months and some many, many more months than that.”

A membership or subscription model for recurring giving allows givers to connect with the organization in a way that affirms their own identity — “I’m in the Book Brigade” or “I’m a member of my public radio station.”

At every opportunity, reinforce supporters’ commitment and build the relationship. The extent to which individuals believe that they have deepened their knowledge of the organization through the communications they receive will also impact positively on commitment. This underscores the growing importance of planning “donor journeys” rather than simply a series of one-off campaigns.



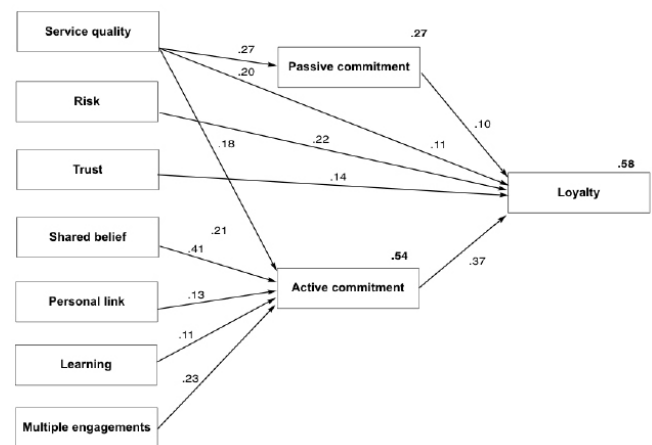
Satisfaction

A “satisfied customer” may be cliché, but satisfaction is a large part of relationship quality. Satisfaction is about meeting expectations; people compare what they expected to get with what was actually delivered. They only experience satisfaction when their expectations are either met or surpassed.

Studies on customer satisfaction suggest that in a fundraising context, the donor experience matters.

In 2001, in the first study to address donor satisfaction, Dr. Sargeant identified a positive correlation between satisfaction and loyalty. Donors who indicated that they were “very satisfied” with the quality of service provided were twice as likely to offer a second or subsequent gift than those who identified themselves as merely satisfied. Additional research has identified a link between satisfaction and commitment to the organization. More research shows a significant and positive relationship between satisfaction with the quality of relationship marketing activity (in this case, relationship fundraising) and the donor’s future intentions and behavior, particularly the likely duration of the relationship and the levels of donation offered.

Figure 2: Sargeant and Woodliffe model



Despite the weight of evidence that it is the single biggest driver of loyalty, few nonprofits actually measure and track levels of donor satisfaction over time. Consider collecting donor feedback on their donor experience, so you can use that information to improve.

Trust + Commitment + Satisfaction = Positive Relationships

The research, along with continued practice, shows us that building strong relationships with nonprofit donors is not that different from building strong interpersonal relationships. Increasing trust, commitment, and satisfaction will help organizations as they undertake relationship fundraising.

Relationships Are a Journey

Sargeant and Woodliffe advocate for “donor journeys,” long-term paths for donor relationships. In the interim since their research was published, this approach has become more widely adopted, particularly as fundraising technology has enabled organizations to do this more easily.

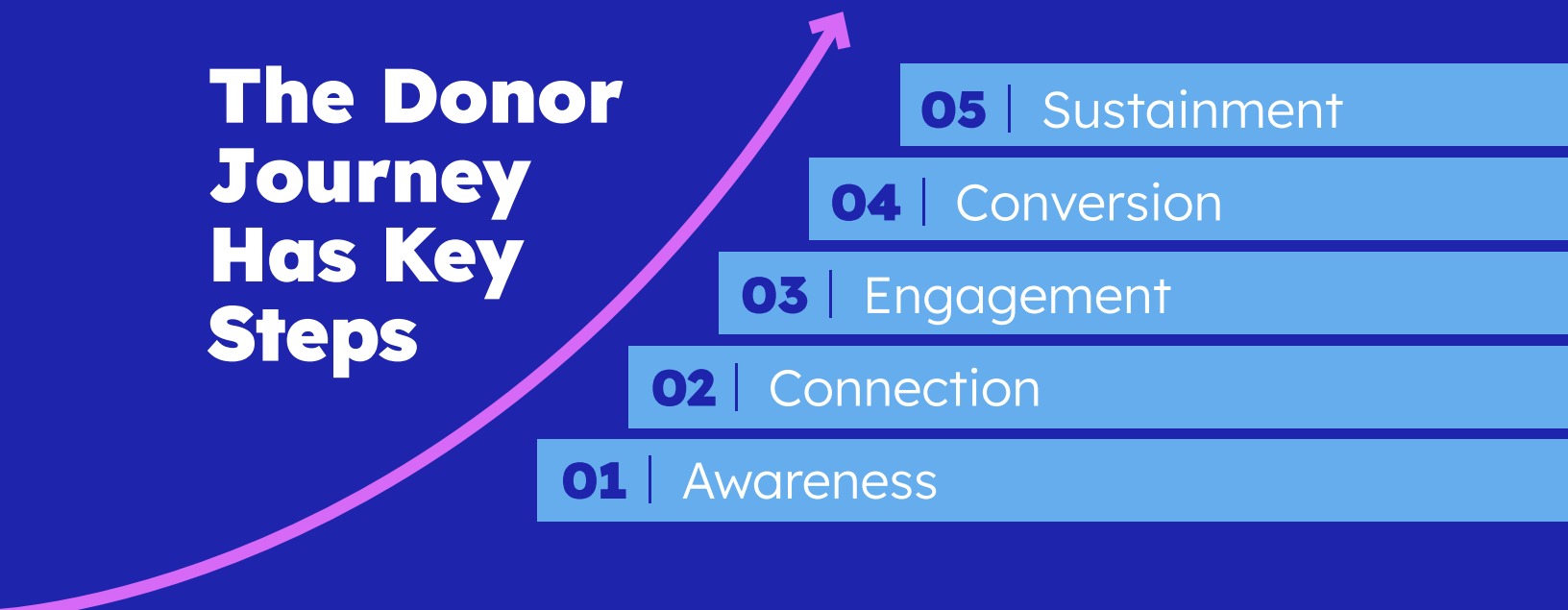
Friendships, courtships, families, marriages, coworkers — each of us has experience in many kinds of relationships. Most of the time, we aren’t thinking about exactly how the relationships develop — but when you stop to consider, you’ll find that most relationships unfold across a series of stages. What those stages are is a matter of some debate for theorists, but you can see that many theories arrive at similar conclusions.

Table 2: Perspectives on Relationship Development

Dwyer et al. 1987	Ford 1980	Wilson 1995	Levitt 1983
Awareness	Pre-relationship stage	Search & selection	Meeting
Exploration	Early stage	Defining purpose	Going out
Expansion	Development stage	Boundary definition	Going steady
Commitment	Long term stage	Creating value	Marriage
Dissolution	Final stage	Hybrid stability	Divorce

Considering the research, we’ve identified similar steps or stages in the donor relationship journey.

The Donor Journey Has Key Steps



05 | Sustainment

04 | Conversion

03 | Engagement

02 | Connection

01 | Awareness

01 – Awareness

The prospective donor becomes aware of the organization, and vice versa.

02 – Connection

The prospective donor connects in some capacity with the organization (subscribes to the mailing list, follows on social media, attends an event, etc.). They learn more about the organization as the organization reaches out to the donor with relevant information.

03 – Engagement

The prospective donor engages with an ask or appeal from the nonprofit. They open an email or direct mail piece, or visit an online donation page.

04 – Conversion

The donor becomes a donor — they make a gift!

05 – Sustainment

The relationship continues to deepen and build.

Donor Lifecycle

You may wonder how a donor journey applies to your donor retention goals, or what exactly Stage 5 of the donor journey looks like. Consider a donor lifecycle — how the donor grows from non-donor to new donor, to dedicated multi-year donor.

Year 1 – New Donor

The first donation is made, the non-donor converts to a donor. This is the period where you'll show the donor what to expect from your organization.

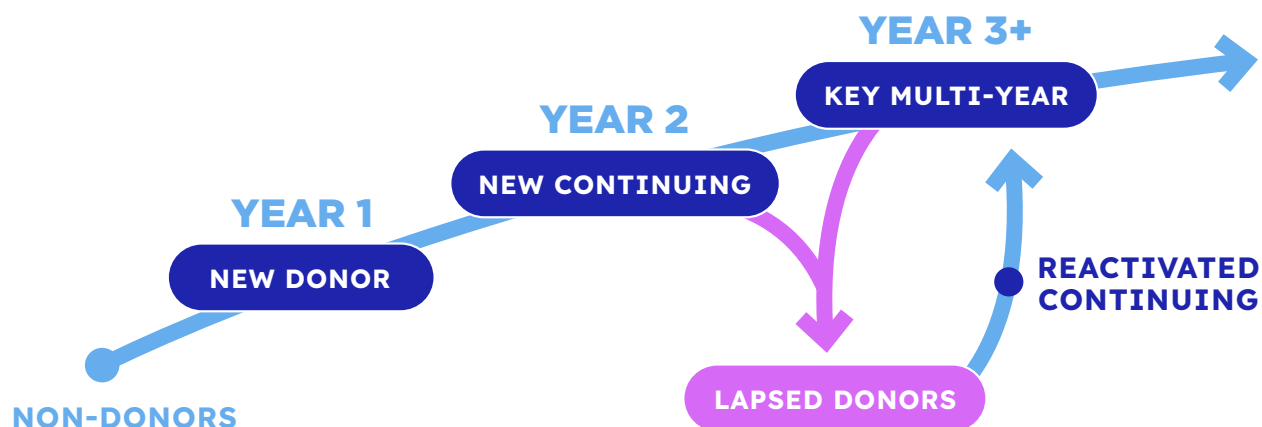
Year 2 – New Continuing

The donor is still getting to know you, continues to give.

Year 3+ – Key Multi-Year

The donor is a committed, loyal supporter.

At any point, a donor may drop off, and many do. This puts them into the “lapsed donor” category, a group that can be reactivated into continued giving. While a lapsed donor might not be giving to you at the moment, the relationship is different than that of a non-donor, and communications and outreach should reflect that.



This model allows for a clearer understanding of donor retention metrics. Where are donors lapsing? Do your retention stats change at different points in the cycle? At what point does the cost of acquisition start to pay off?

What Kind of Relationship Do Donors Want?

In order to take a relationship fundraising approach, fundraisers must consider the people they're trying to build those relationships with — their donors. Any marketing or fundraising campaign must play to its intended audience and their interests. What do donors want from the nonprofits they support?

As the donor lifecycle continues, the emphasis shifts away from what the donor can do for the charity/cause/beneficiary to how the relationship can help fulfil the donor's needs.

According to Dr. Sargeant, donor needs may include:

- » Growth
- » Self-actualization
- » Self-fulfillment
- » Reinforcing their identity and affinity for the cause
- » A sense of belonging

To begin engaging with donor needs:

- » Survey donors and ask why they care. Disclosing their thoughts and feelings will foster greater connection in the relationship, building a sense of identity and “we-ness” with the charity or cause and increasing commitment.

In recent years, the term “donor-centrism” has taken on some unfortunate connotations, including ideas of wealthy donors calling the shots at nonprofits, power imbalances, and presenting donors as saviors.

However, Penelope Burk, who coined the phrase “donor-centered fundraising” in her book of the same title, says the three fundamental tenets of this approach are:

- » Acknowledge gift promptly with personalized message
- » Use gift as intended
- » Convey impact of gift

While terminology may change, these basic tenets remain largely uncontroversial.

- » Make your donors feel like a part of a unique or distinctive group. Fostering a sense of group identity, however artificial that might initially appear to be, could bolster longevity in relationships. Give them an identity beyond “donor.” They are a “Greenpeace Supporter,” an “ActionAider,” or a “child sponsor.”
- » Show how the donor is similar to others — the beneficiary, the organization, other donors. Encourage them to participate in activities that allow them to experience shared beliefs and values in action.
- » Support the donor’s aspirations. Rather than merely reflecting who a donor is in your communications, show who they could be.

In addition, the original research identified the following elements as key themes in relationship fundraising:

Understanding donors

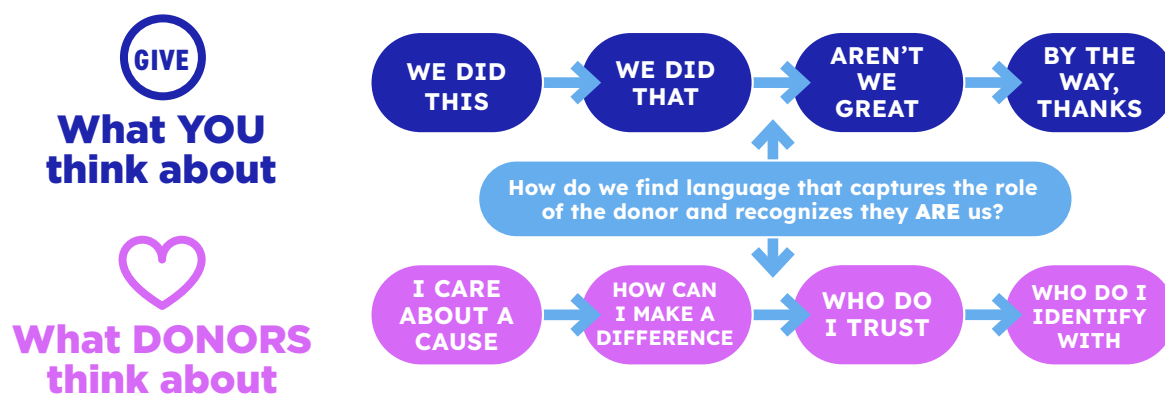
Fundraisers need to genuinely understand their donors and take the time and steps necessary to do so. Survey respondents used phrases such as “standing in your donors’ shoes.”

“I began to think from my donors’ perspective. I considered what experiences might delight them. My boss started to call me the ‘Director of Donor Experiences.’ So, I tell development staff their mission is to understand their donors. To get inside their donors’ heads. And to really enjoy being philanthropy guides and facilitators,” says one North American consultant.

“I continually encourage my fundraising teams to put themselves in the donors’ shoes in order to help them think through how the communications they are creating might be received — and therefore, what information and language might motivate or inspire the recipient of those communications. I encourage staff to think about the charities that they personally support and their motivations for doing so, to help them think from our supporters’ points of view,” says a British charity fundraiser.

Connecting donors to a cause

Nonprofit organizations connect donors to causes they care about. We could even consider the primary relationship to be between the donor and the cause — nonprofits are the conduit to making the change the donor wants to happen. It's rare for a donor's primary concern to be a specific nonprofit, instead of the larger cause such as conservation, homelessness, or the arts.



In that case, it makes sense to keep your focus on the two main players in the relationship: the donor and the cause, rather than the organization. If your communications focus largely on organizational goals and achievements, you're missing out on building an authentic relationship with your donors.

Establish two-way communications

To maintain a deep, mutually rewarding relationship based on shared values, charities need to develop communications that motivate and inspire their donors and “reinforce their decisions to give.” This much is not new and will not come as any surprise to anyone invested in relationship fundraising, or even high-quality marketing. A relationship based on shared values or an “exchange” of values cannot exist without the communications processes that allow such sharing or exchange to take place.

The image displays two screenshots of a fundraising campaign for the Barbara Bush Foundation for Family Literacy.

Left Screenshot: Voting Interface

1 VOTE, 1 BOOK. LOTS OF VOTES, LOTS OF BOOKS.

FOR EACH VOTE CAST, **SCHOLASTIC** WILL DONATE A BOOK TO HELP IN THE FIGHT FOR LITERACY

[Connect with facebook](#)

OR

Enter your name and email address to vote.

First Name: Last Name:

Email:

VOTE NOW

☐ Abuela by Arthur Dorros

☐ Clifford the Big Red Dog by Norman Bridwell

☐ Goodnight Moon by Margaret Wise Brown

☐ Green Eggs and Ham by Dr. Seuss

☐ Madeline by Ludwig Bemelmans

☐ The Giving Tree by Shel Silverstein

☐ The Snowy Day by Ezra Jack Keats

☐ The Velveteen Rabbit by Margery Williams

☒ **The Very Hungry Caterpillar by Eric Carle**

☐ Where the Wild Things Are by Maurice Sendak

☐ other

Right Screenshot: Confirmation Page

AcBbCc.
BARBARA BUSH FOUNDATION
FOR FAMILY LITERACY

"In the light of the moon a little egg lay on a leaf. . . ."

Every time you read those words, you're drawn into the magic of *The Very Hungry Caterpillar* all over again.

But millions of American children can't feel that magic because they've fallen behind their peers in reading . . . and sadly, that can lead to a lifetime of falling behind. Shockingly, nearly nine out of ten students who drop out of high school were struggling readers in third grade. To change that course, we must start early!

By casting your vote for *The Very Hungry Caterpillar*, you've already taken the first step toward the solution because your vote means that our partners at Scholastic will donate a book to Barbara Bush Foundation for Family Literacy programs.

Will you take the next step today by encouraging your friends to vote at www.helpthemread.org, too? Every vote means another book for a child who truly deserves it. Simply click the Facebook and Twitter links below to share the opportunity to help give every child the right to read. Together, we can help them succeed!

For children everywhere,

Liza McFadden
President and CEO

HELP PUT MORE BOOKS IN THE HANDS OF CHILDREN:
SHARE TODAY!

[f](#) [t](#)

“Donors today want to be more than silent partners. They want to have input. They want lots of feedback. They want to stay apprised of their philanthropic investment. If you don’t offer these benefits to donors, they won’t stick around,” said one North American consultant.

In encouraging the donors’ views to be heard, the organization must listen and act accordingly. That is not to say that any donor view must be seen as the right one, but it is important that all staff and trustees go into such an exchange with an open mind, ready to consider the donors’ views.

Strategies for Implementing Relationship Fundraising

Theory and research are important, but **how can you begin to implement relationship fundraising at your organization?** What are the on-the-ground strategies to move you into a more relational approach?

1. Leverage Data Analytics

Since 2015, data and analytics tools have become more accessible to non-profits, and often, considerably more affordable. Data can help organizations identify and understand their most loyal supporters, tailoring strategies to engage them more deeply. Tools like GivingDNA can provide insight into donor behavior, enhancing targeted outreach efforts.

Data can make a significant difference in your fundraising. Lutheran Hour Ministries (LHM) discovered this when they needed to identify mid-level donors with the potential to make major gift pledges and donations. While many donors felt a strong affinity for the LHM ministry, determining those with the financial capacity to contribute significantly posed another major challenge.

LHM integrated data from Windfall with GivingDNA to segment mid-level donors in its portfolio and gain deeper insights into their giving capacities and philanthropic interests. The ministry used smart segmentation and combined data sources like primary donor information, demographics/

relation information from GivingDNA, and detailed wealth insights from Windfall. It could then effectively segment its donor base and identify those with a high net worth and strong affinity for the ministry.

With this data, gift officers could strategically engage with the prospects they identified, cultivating relationships to nurture potential future gifts.

It previously took LHM 18–24 months to secure a major gift after the first meeting with a donor (without a referral). However, after only reaching out to 10 targeted prospects in six months, the ministry achieved remarkable results, seeing a substantial increase in major gift pledges and donations from donors who had yet to make significant contributions to the organization.

Gift officers reported successful cultivation efforts, with donors expressing strong interest in making major gifts such as endowments and estate planning.



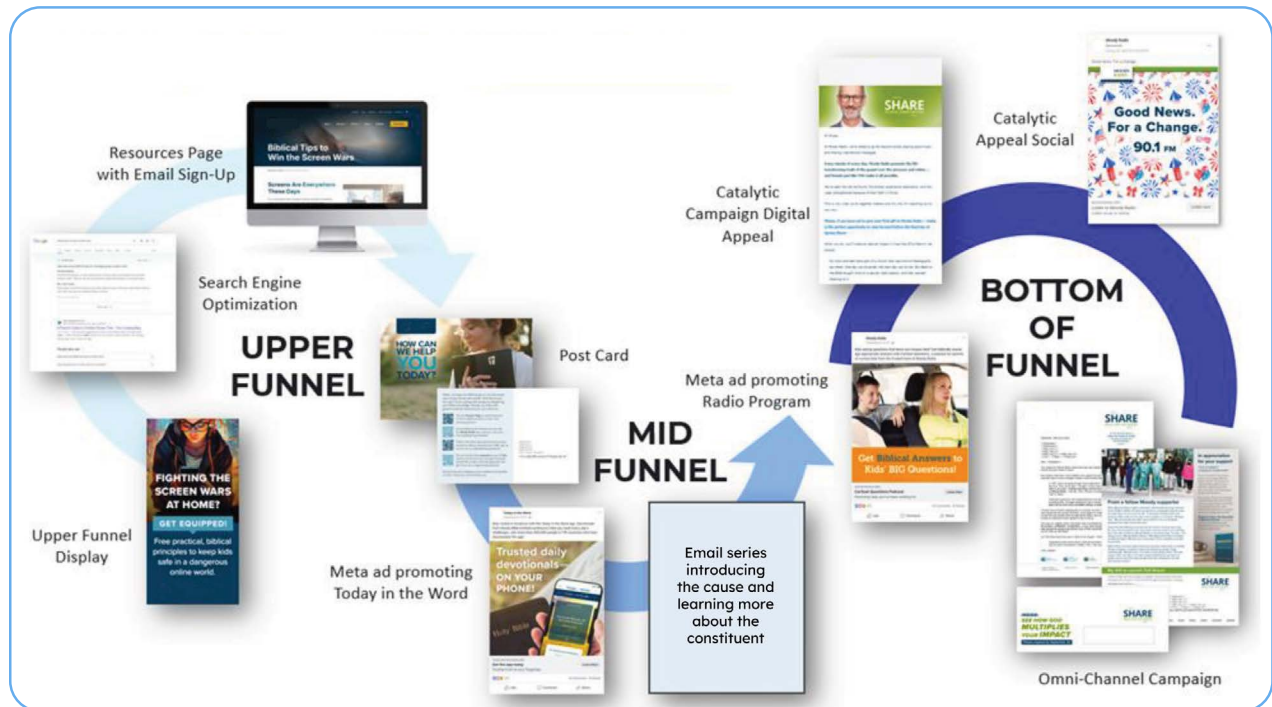
The ability to identify major gift prospects among LHM’s mid-level donors has significantly impacted the organization’s fundraising efforts. For instance, the ministry saw a record number of estate gifts in 2023; yet by the end of the first quarter of 2024, it had already doubled that record. Its development team continues to contact this list of potential major gift donors to grow their affinity and strengthen their connection.

2. Omni-Channel Communication

The world has only gotten noisier since 2015, as new communication platforms emerge and messaging continues to inundate your supporters. A multi-platform approach ensures that organizations reach donors where they are most active. Combining digital acquisition with traditional methods

allows for broader reach and engagement. Targeted social media and digital advertising can help organizations engage with the supporters in their ecosystem, and resources like the Google Ad Grant can make these techniques more cost-effective.

Crafting an intentional experience across channels reinforces trust and satisfaction, key components in relationship fundraising.



3. Focus on Stewardship and Two-Way Communication

A situation where one entity talks and the other only listens isn't a relationship. Retaining donors requires consistent and meaningful communication. Regular updates on the impact of their contributions deepen trust and encourage ongoing support.

Moody Bible Institute put this into practice when the COVID-19 pandemic began. The development team anticipated a drop in giving. Instead, by focusing on targeted stewardship, they grew their mid-level giving program to increase their unrestricted revenue by more than 20%.

“We needed to connect with our mid-level givers personally and relevantly,” Stephen Asare, Director of Mid-Level Development explains. “GivingDNA’s personalization tools helped us communicate in a meaningful way with each donor, bringing our engagement rate to 89% and growing our unrestricted revenue by 20.9%.”

GivingDNA helped the team focus their efforts on their mid-level givers’ preferred communication channel: the phone. Mid-level officers started calling their entire portfolios over the course of two months. They asked how their donors were doing, how they could pray for them, and what they were going through. They followed up each conversation with a note.

At the same time, the Moody team expanded digital experiences for mid-level donors, a group that tends not to prefer in-person events. The mass migration to a virtual space served mid-level donors well. The team created “Mondays with Moody,” a Zoom small group with a professor speaking on dealing with worry, and brought their traditional holiday concert online, offering it to their community for free.

These personalized experiences brought their donors closer to the institution and to each other. “We heard a lot of feedback from our donors that we were taking care of them during this time and adding value,” Asare says.

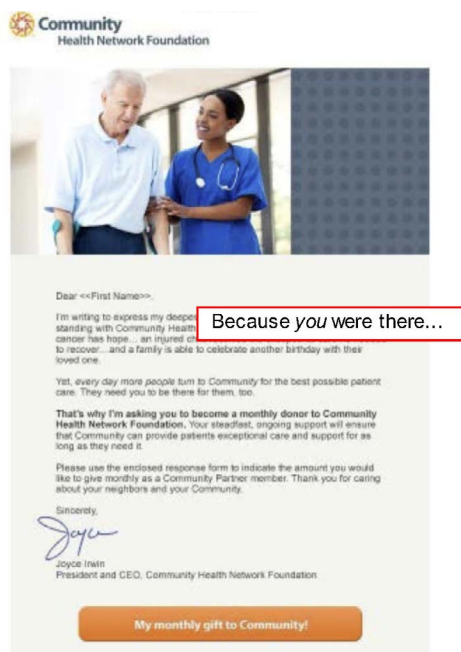
Give your donors opportunities to respond. Ask questions, seek their input, and listen to what they have to say. Regular donor surveys can be part of this strategy, along with informal questionnaires, quizzes, and requests to contribute an opinion.



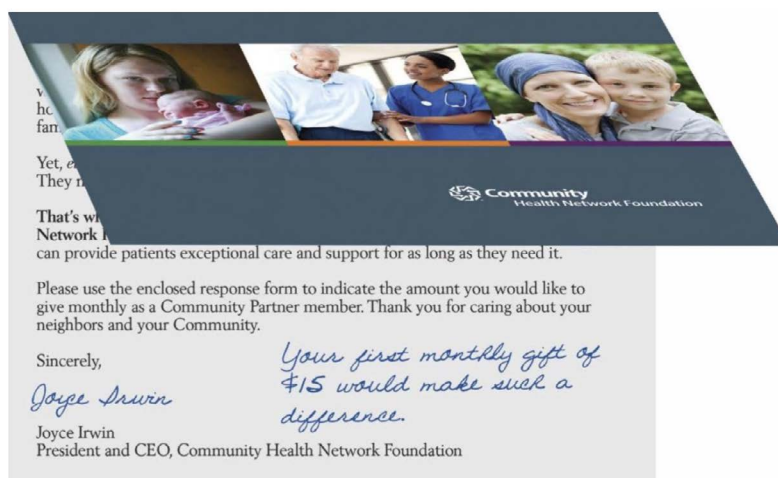
4. Engagement and Community Building

Creating authentic communities around a cause strengthens donor relationships. We've mentioned the role that personal identity can have in donors' loyalty; group identity is also a powerful force. In a time of increasing loneliness, anxiety, and alienation, nonprofits can bring a tremendous benefit to their supporters: a sense of belonging.

EMAIL



DIRECT MAILING



One simple way to start to engage donors in a more relational way is to target your copy to their interests. Using “you” and “your” and focusing on the actions of the donor are classic marketing advice for a reason — they help people connect with you in a personal way.

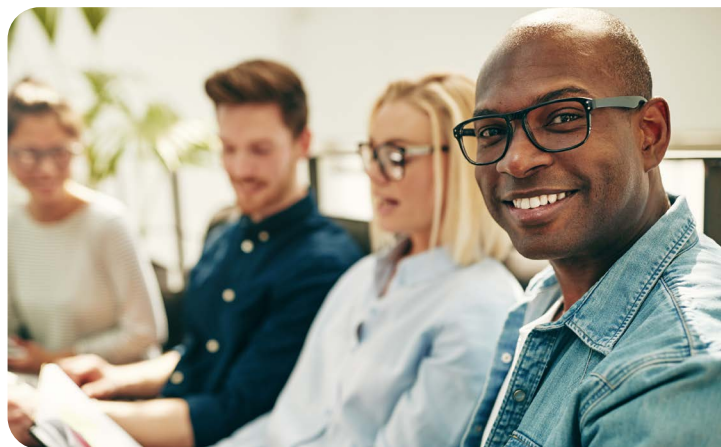
Events and interactive experiences foster connections between donors and the organization, enhancing loyalty. Consider how you can bring donors together, create opportunities for them to learn more about your cause, and connect them with each other, in-person and online. Take inspiration from content creators — just like podcasters and YouTubers offer their subscribers special benefits, you can create special experiences for your supporters. An online fireside chat for monthly givers or a special event for mid-level donors will feel intimate and build lasting connections.

5. Plan for Retention at Least as Much as Acquisition

Establishing a culture of philanthropy and ending the culture of short-term giving will also allow fundraisers to overcome another bone of contention highlighted by the research — the tension between donor acquisition and retention.

The original survey respondents noted that acquisition was often driven by short-term targets. An emphasis on relationship fundraising techniques would, almost by definition, shift the balance toward a focus on retention. Or, to phrase it differently, from “quantity” to “quality,” especially if extra resources are made available under the new culture of philanthropy.

This tension remains an issue. “One of the challenges that we were facing ten years ago, and still face today, is that acquisition remains difficult and expensive, particularly through traditional direct mail efforts,” Ricker says. “Some organizations can still get a really solid return on their investment with good response rates from traditional fundraising premiums. Dr. Sargeant’s research points out that the loyalty and longevity and lifetime value of the individual who is responsive to the transactional element versus the relational element are usually lower.”



Again, this doesn’t mean you should abandon a successful acquisition strategy just because it’s “transactional.” Instead, think about what happens next: What are you doing as an organization to begin to transition a transactional beginning into a longer and richer relationship?

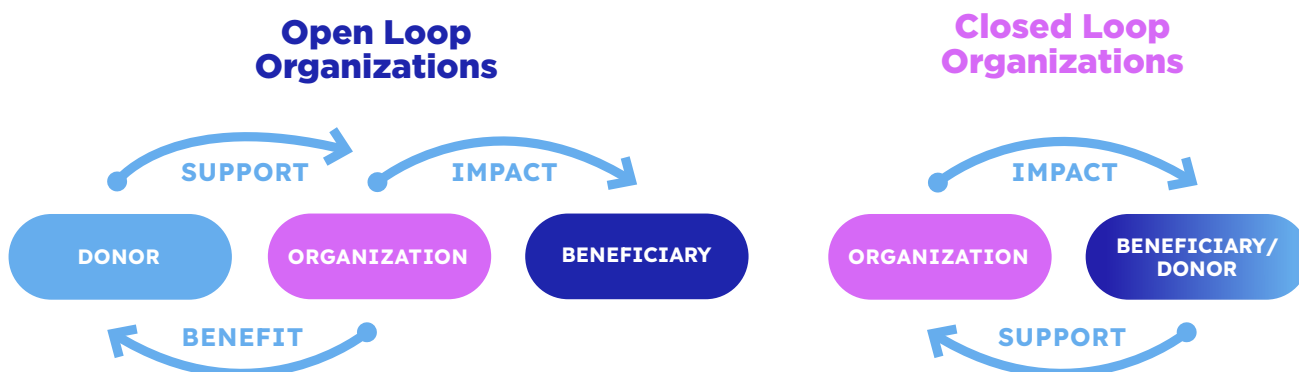
6. Are You an Open Loop or Closed Loop Organization?

Knowing the benefits you're offering to donors will help you communicate more clearly and consistently.

In some cases, an organization is a “closed loop.” The people who support the organization directly benefit from that support. Think of a zoo membership, which may give you free parking or guest passes, or a public media membership, which gives you access to streaming content. The support of the organization is positive, but largely transactional — you want to go to the zoo or get the content.

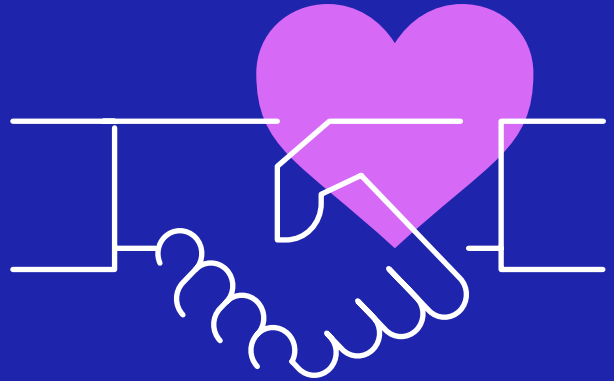
An “open loop” organization is one that does not directly benefit its givers. Someone else is the beneficiary of the donation. An organization providing clean water in the developing world, or addressing poverty, or supporting refugees doesn't offer donors a premium other than the altruistic nature of making a donation.

Both types of organizations will see value from relationship fundraising. For closed loop organizations, the challenge is connecting supporters with the cause beyond the immediate benefit. Open loop organizations may want to experiment with transactional incentives to start the conversation with new supporters, and look for ways to articulate the more intangible benefits they offer.



Conclusion

After 10 years, we're more confident than ever that the move toward relationship fundraising is not just a trend but a necessary evolution in donor engagement. **By focusing on long-term relationships, nonprofits can ensure sustainable growth and impact.**



It's vital to keep the conversation about relationship fundraising at the forefront as donor behaviors evolve and generational shifts accelerate. With trends showing that nonprofits are raising the same amount of money from fewer donors, the focus must be on deepening relationships and retaining supporters already on your file.

As organizations embrace this approach, they not only secure financial support, but also transform donors into passionate advocates for their causes. This benefits everyone — a hallmark of a truly great relationship.

More about **Allegiance Group + Pursuant**

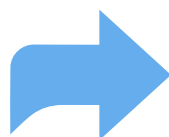


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