



How to write a better thank-you letter (and why it matters)

Lisa Sargent,

'Next to your fundraising appeals, your thank-you letter is the most important communication that a donor receives. So shouldn't it sparkle with sincerity?'

'...from fixing typos to tweaking tax language, you can make many changes yourself. And in the end, you'll have a solid thank-you letter that does what it's supposed to do: makes your donors feel appreciated for every heartfelt gift'

'Dear Friend,' the thank-you letter began... and it broke my heart. Don't they know my name? I wondered. (It was on the cheque I sent them, after all.)

Oh, there were a few hints that this \$76 million-a-year charity thought anything at all of my little \$25 gift: they referenced the amount, for one. And noted when it was received. But...

...There was that vaguely unsettling 'Member number' in the upper right corner. I was one of more than eight million! And yikes – don't we have enough numbers to remember already? I felt like part of an institution, not a fledgling member of a hardworking charity.

Then came the kiss of death: the PS upgrade to make me a monthly donor.

Mind you, this was an acquisition thank you. The first sentence after 'Dear Friend' was 'Welcome!' Why pitch an upgrade at this point in our budding relationship? I barely knew them!

The question I've always wanted to ask the author of a thank-you letter like this one is: do you hit up all your first dates for a monthly commitment? And based on this nifty little trick, how long do your relationships last?

*they send... and
keeps them giving
for years to come.'*

- Lisa Sargent

And they wonder why donor retention rates are falling.

Now for the scariest part. This is one of the better letters I've received. Why?

Because they sent one. Many nonprofits don't. Or they wait so long to respond that the poor donor has forgotten who they are – and the moment is lost.

But the thing is, next to your fundraising appeals, your thank-you letter is the most important communication that a donor receives. So shouldn't it sparkle with sincerity?

I think so. And once you look at the numbers, I hope you will, too...

Just the facts: Why you should audit (and edit) every thank-you letter you send.

According to Penelope Burk's book *Donor-Centered Fundraising*, only four out of ten donors say they always receive a thank-you letter after they make a donation... which means that the other six donors either receive one sometimes or – gasp – not at all.

And a white paper from Burk's Cygnus Applied Research notes that the 1997 *National Survey of Giving, Volunteering and Participating* study found that up to five out of every ten donors stop giving – or give less – because they feel, in part, that their giving isn't appreciated.

Want something more recent? In a 2008 Bank of America survey on why wealthy donors stop giving, the number one reason cited was because donors 'no longer feel connected to an organisation'. That very same answer was given by six out of ten wealthy donors.

But a survey's just a survey. Are disconnected donors

really closing their cheque books? If current statistics are any indication, the answer is yes. I quote:

'A lack of new donor growth is not the only cause for the donor declines, however; falling retention and reactivation rates are also at least partly responsible.

'Retention rates dropped by -3.0% from Q2 YTD 2007 to Q2 YTD 2008. Fewer than a third (32%) of the organizations in the index had positive retention rate growth in the first half of 2008. The greatest decreases in retention came in first-year donor retention, which declined -5.7% in Q2 YTD 2008 over the same period one year before. Reactivation rates of lapsed donors declined -6.9% from Q2 YTD 2007 to Q2 YTD 2008.'

(Source: Target Analytics' Index of National Fundraising Performance, 2008 Second Quarter.)

So what can you learn from this, for your organisation?

If you want to keep more of your donors (and set your nonprofit apart from the pack), the thank-you letter is a perfect place to start.

That's because a well-written thank-you letter forges an instant connection. It tells your donors, loud and clear: 'You matter to us...and your gift makes a difference.'

By the way, if you'd like access to world-class advice on the thank-you letter, buy Ms. Burk's book, *Donor-Centered Fundraising* and read chapters five and six.

Then when you're ready to review your donor acknowledgement function, I suggest that you first get a bird's eye view, by asking questions of your organisation, such as:

How soon after a gift is received do we send a

thank-you letter?

- Do we note the amount of the donation?
- Do we send notices to both the giver and the receiver, for gift memberships?
- Do we recognise long-term and repeat donors? If not, is our system capable of this?
- What kind of information do we have on our donors?
- If any, what kind of donor feedback have we received on thank-yous?

The Big Daddy of those questions, by far, is how promptly you acknowledge a gift. So give promptness top priority: aim to send thank-yous no more than 48 hours after receipt.

Then, gather a sample of every thank you that your organisation sends, and do a simple communications audit using the checklist opposite.

I have no doubt that what you find will amaze you.

For example, I was once asked to audit and rewrite more than 40 standard acknowledgment letters – from memorial to major gifts – for an organisation with more than 300,000 members. I found typos, gift receivers who were being thanked for donations they didn't send, missing contact information and a whole lot more.

By no means am I condemning these folks. I applaud them: they cared how their donors were being thanked and fixed it. (And soon received glowing donor feedback in return.)

More to the point, I include the story so you'll understand that practically every nonprofit can do a better job of thanking their donors and that you don't

need a billion-dollar budget to do it.

In fact, from fixing typos to tweaking tax language, you can make many changes yourself. And in the end, you'll have a solid thank-you letter that does what it's supposed to do: makes your donors feel appreciated for every heartfelt gift they send and keeps them giving for years to come.

Now what are you waiting for? Grab those thank-you letters and using the checklist opposite, let's dig in...

Why do people send bad thank you's

One explanation is that they're treating saying 'thank you' as part of a process, a box that has to be ticked. Another is that they're putting a lot more effort into their acquisition marketing than their retention strategy – a key part of establishing or continuation along the donor journey.

Either is a big mistake.

Retention begins with saying thank you. It's not simply part of a process that *has to be done*. If you're serious about making your donors feel good about their decision to support you - and most of all, if you want them to give again - it's something you have to do well.

Treating it like a process is dangerous. Because it means you're not just paying lip service to the principle of gratitude, it means you're paying lip service to stewardship and retention too . . . and that, as many non-profits will testify, is a very costly game to play.

Getting it right . . .

When it comes to saying thank you, whether by post, e-mail, video or phone, bear these three tips in mind . . . you have to:

1. Make it **different** - not stock
2. Make the **donor** the hero - not your organisation
3. Make it from the **heart** - not a tick-box sheet

And it doesn't have to be innovative, or expensive, or grand.

To illustrate the point, here are two examples of how a simple, ordinary thank you letter can be done well:

The first is one Starship Children's Hospital in New Zealand:

Dear Mr. Brown,

When people ask me what difference a donation can make, I reply that donations to Starship transform lives. Parents have told me with tears in their eyes what it means to know their child is receiving the best possible care at Starship.

And behind every one of these children there are compassionate people like you dedicated to helping. Thank you.

Your donation will help Starship support children and their families at their moment of greatest need. It is at these moments, when a child's life can hang in the balance, that your donation becomes truly transformational.

I have seen how a seriously ill child can face incredible situations with a maturity well beyond their years. These children can exhibit an inspirational ability to carry on with a smile and an amazingly positive 'live life' attitude.

But a positive attitude alone isn't enough to get through a life threatening medical challenge - your donation means New Zealand children have a world class facility to give them the best possible hope for a full and happy life. This is the kind of care I believe every child deserves.

Best wishes...

They should be docked a point or two for not mentioning the amount the donor gave, but other than that, it's a pretty good thank you letter. It stands out and it certainly made an emotional connection to the people the donor's money was going to help.

Dear Sally,

Walking . . . the simple act of placing one foot in front of the other.

To you and I it seems so simple. But for a little child living with the agony of clubfoot, to walk without pain is beyond a dream.

Yet you've helped such a dream come true with your generous gift of €50 in response to my recent letter to you about little Sylvia. Thank you so much!

For Sylvia, every step of her life with clubfeet was agony, until a CBM supporter like you came to her aid. And now Joan, you have brought the same blessing to another child just like her. Your gift means a child like Sylvia will one day soon walk without feeling pain - go wherever the urge takes her - and run whenever she feels like running.

What a wonderful thing you have done.

On behalf of all of us here at CBM, I want to thank you deeply for your ceaseless kindness and generosity. Wonderful CBM supporters like you give me genuine hope for all our futures.

Yours, with my heartfelt thanks...

Any charity can and should do gratitude well.

All you really need is a little know how and most of all . . . the right attitude towards your donors.