



THE STEWARDSHIP REPORT

Beyond the Simple Thank You



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Introduction

In today's world, fundraising is an extremely competitive environment. Having a fundraising and development plan that includes donor stewardship activities is essential.

Thanking donors is an important start, but it is only the beginning of developing a mutually beneficial long-term relationship between a donor and an organization. Donors want communication, recognition, and respect.

Donor stewardship means developing an ongoing relationship with the donor that includes thanking and recognizing her/him for the contribution, ensuring that the gift is well-used in the way that the donor wished, reporting to the donor on what has been accomplished with the gift, heightening the donor's commitment and involvement with the cause, and soliciting additional larger donations in keeping with the donor's interests. Most importantly, it is centred on the interests and needs of the donor, rather than the needs of the organization.



Introduction

Donor stewardship is much more than recognizing a donor for a one-time gift. It is nurturing and cultivating that donor so that she or he will move up the donor pyramid at regular intervals and ultimately become a planned gift donor.

In today's world, fundraising is an extremely competitive environment. Having an Annual Plan that includes donor stewardship activities is essential.

Poor donor stewardship treats donors as chequebooks, not as people who share an interest in the cause. Thanks, and recognition are given poorly or sporadically and only to those giving at a certain level. Donors receive little or no information on what is being done with their donation. Their comments are not sought and questions from donors are not dealt with promptly if they are addressed at all. Donors are contacted only when they are asked for additional donations – by mail or telephone rather than in person.

One of the most important factors that a non-profit organization should consider when it comes to developing its fundraising strategy is the establishment of a strong relationship with its donors. This can help it maintain its long-term success and attract new donors.

There are two primary ways that non-profit organizations receive support from donors:

- Acquiring new donors and asking existing ones;
- Asking existing ones.

While acquiring new donors is important for growth, it can be expensive and time-consuming. On the other hand, existing donors already know who you are, share your values, and have a desire to support you.

Asking existing donors for another donation is easy if you've properly stewarded your relationship with them. Donor stewardship ensures that donors are more likely to donate again, donate frequently, and stay a part of your community for years to come.

So, what exactly is stewardship in fundraising?

It's an opportunity to make fundraising easier and more cost-effective, all while showing your appreciation for the donors who make the realization of your organization's mission possible. Let your donors know how much you value their support and the impact it makes on your mission. With strong donor stewardship, you can build lasting relationships and ensure the continued success of your non-profit organization.

Methodology

In the fall of 2022, BNP Philanthropic Performance undertook a study with current and past clients to better understand how they thank their donors. Our team designed a comprehensive on-line survey that was distributed across and in both official languages and we were able to garner 67 detailed responses.

To better serve our clients, we wanted to know more than the basics. We wanted to know how COVID affected stewardship and if there was any correlation between results and how charities adapted to the changes brought about by the pandemic. The study also follows up on the formative Canadian study undertaken by The Goldie Company, now *BNPGoldie*; a part of the *BNP Performance family*, that became the basis of success of many non-profits' donor stewardship efforts. We compared our results to this 2010 study and asked how these activities integrated into other aspects of fundraising, communications, and leadership.

The results paint a picture of an emerging and particularly important part of fund development; purposeful and intentional stewardship of donors at all levels.

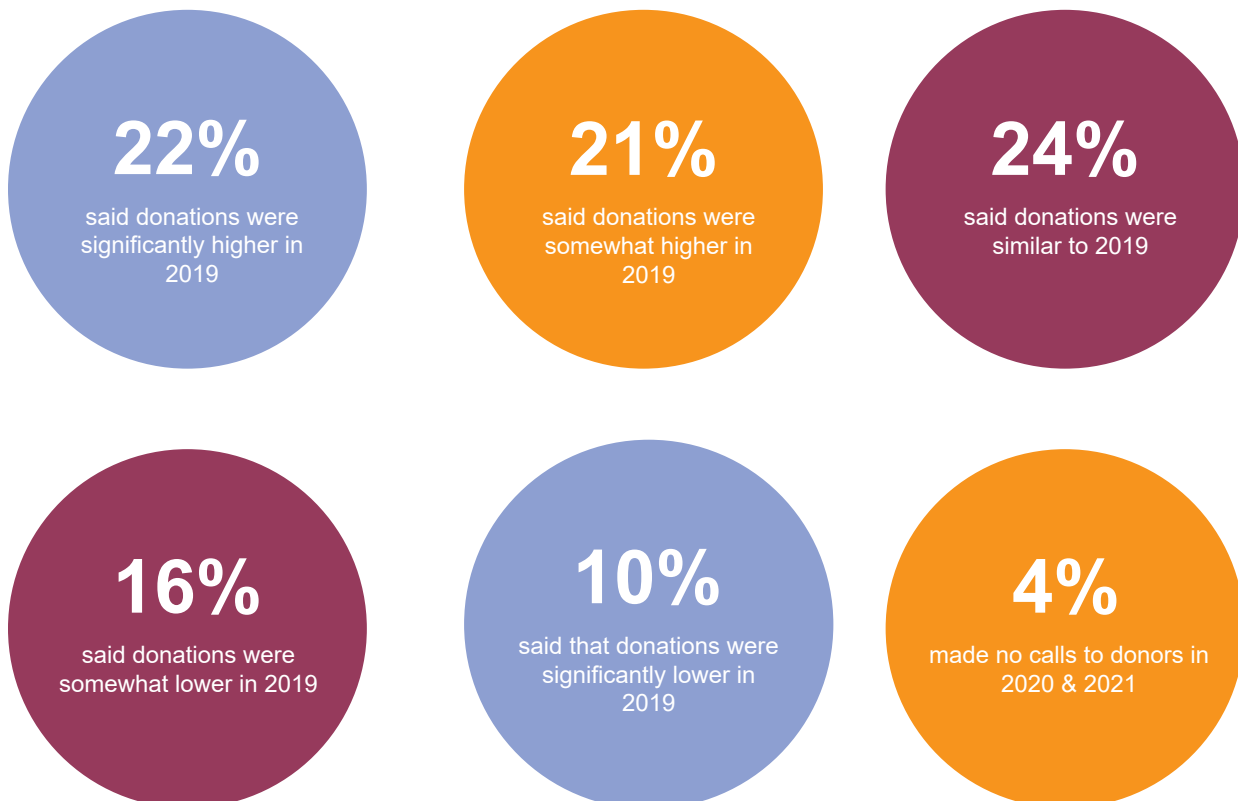


What are we doing to foster stewardship?

There is some consistency throughout our sector on the most fundamental stewardship activities. Our survey showed that the top ten, most effective, actions were:

- Showing impact of donations in writing
- Writing a thank you letter
- Saying thank you by phone
- Saying thank you at an event
- Calling to talk about impact of giving
- Sending a newsletter or report on donations
- Social Media Testimonial
- Visits to donors
- Having your donor visit you
- Having a donor wall

Fast Facts - 2019 vs 2020 & 2021



Number of donors in 2020 & 2021 vs 2019



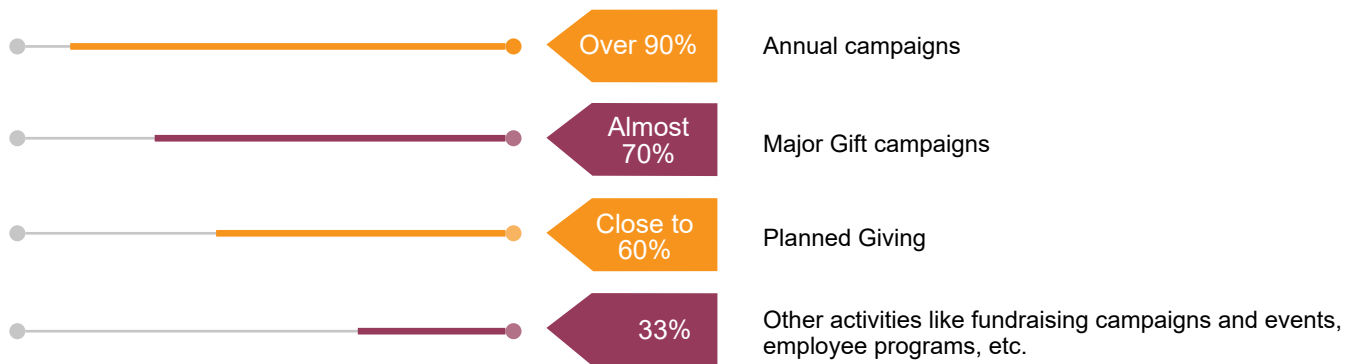
Percentage of 2019 donors who gave at least once in 2020 and 2021

- 17 respondents said 80-100% of their donors gave at least once
- 24 respondents said 50-80% of their donors gave at least once
- 12 respondents said 25-49% of their donors gave at least once
- 7 respondents said under 25% of their donors gave at least once

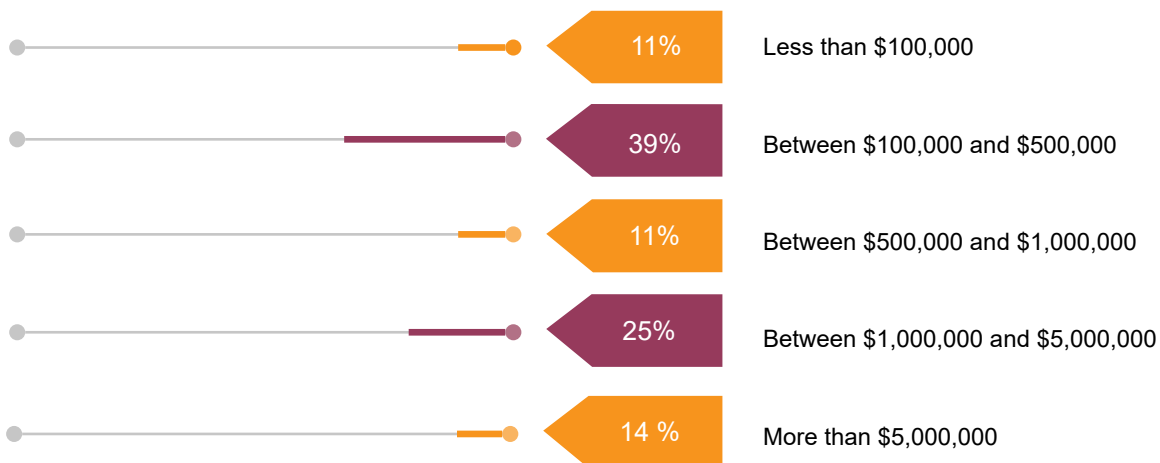
About the Organizations

- 26 respondents provide healthcare services
- 21 respondents work in community services
- 6 have religious affiliations
- 10 are in the education sector
- 11 respondents answered that they provide services in more than one sector

Types of fundraising they employ



Approximate annual fundraising revenue



Overall Findings



Overall Findings

As we do a deeper dive into the response we received, some important information came to light. Our survey results demonstrate that 21% of the organizations surveyed do not have a permanent recognition program.

All the organizations surveyed thank their donors, but many do not contact their donors after this initial outreach. Half of the recognition practices are static and do not engage the donor. Charities must do better to help ensure donor retention.

Saying thank you once when the donation is received and sending along a tax receipt is simple etiquette and compliance, it is not stewardship.

The data demonstrates that the concept of planned, programmed, and formal donor recognition is a relatively new practice. Obviously, recognition has been around for years, but as a sector-wide best practice, it is still not the norm for a majority of organizations.

It was interesting to see that only 40% of those surveyed employed their recognition program for any donation amount received. Meaning that no matter the level of donation, their donors were recognized.

It is worth further noting that while close to 80% of organizations have a permanent recognition program, only a fraction employ it for all donation amounts. This reveals that most permanent or specific recognition programs only get triggered for larger donations. It was promising to observe that 60% of the organizations employ their programs for donations of \$1,000 or more.

The data further shows that, of the organizations with donor recognition programs, approximately **59% have updated their programs in the last four years**. That being said, almost half of all organizations have only had donor recognition programs for longer than 10 years.

The organizations with donor recognition programs, approximately **69% of them intend to develop or modify their programs**. This demonstrates a strong willingness to improve.



Donor Relations



Donor Relations

The responses reveal that at most, 28% of organizations contact their major donors twice a year and that 28% contact their donors once a year. Approximately 31% of organizations contact their major donors three to five times a year and 2% every month.



It appears that a low percentage of organizations practice true stewardship strategy. Once a year is not stewardship. Twice a year is better but three to five times a year is good.

Showing impact of donations was the most effective way that half of the organizations recognized their donors. Celebrating their donors in various ways was the other most successful way organizations recognized their donors.

Over 72% of organizations did modify their practices due to the pandemic with the biggest shift, naturally, to a more virtual program. Close to 30% did not modify their practices. 66% did not suspend stewardship or recognition due to the pandemic while 25% did suspend their programs. We delve deeper into this further on this report.

Only one third of the organizations surveyed are using automated means to communicate with their donors. Depending where one stands on the use of technology, there is room for evaluation and improvement.

Management of Stewardship Programs

One of the most critical elements of any fundraising or charitable endeavour is that there is someone responsible for it. Overall, it appears that stewardship is a shared activity, but one where responsibility is diluted. Our survey showed that **50% have one person responsible for stewardship as part of their job description.**

While there was indication that organizations are interested in learning more about stewardship, 88% said they are not hiring anyone to help or to provide counsel. This may be a significant bottleneck as institutions try to improve their stewardship programs.

Compounding this, more than half of respondents, 52%, say that communication does not flow consistently. More than 70% state that there is a lack of resources and 14% say that their databases are not suited to a stewardship program. To be successful, stewardship activities must be tracked to be improved.

Marketing and Communications

Close to half of respondents, 48%, said they have not changed their marketing and communications strategy in the last two year and 40% said they had. Those that did change demonstrated a more proactive approach. 80% wanted to professionalize, use best practices, and raise awareness of their cause. 60% wanted to review their brand positioning to reach donors.



Covid Recovery Findings

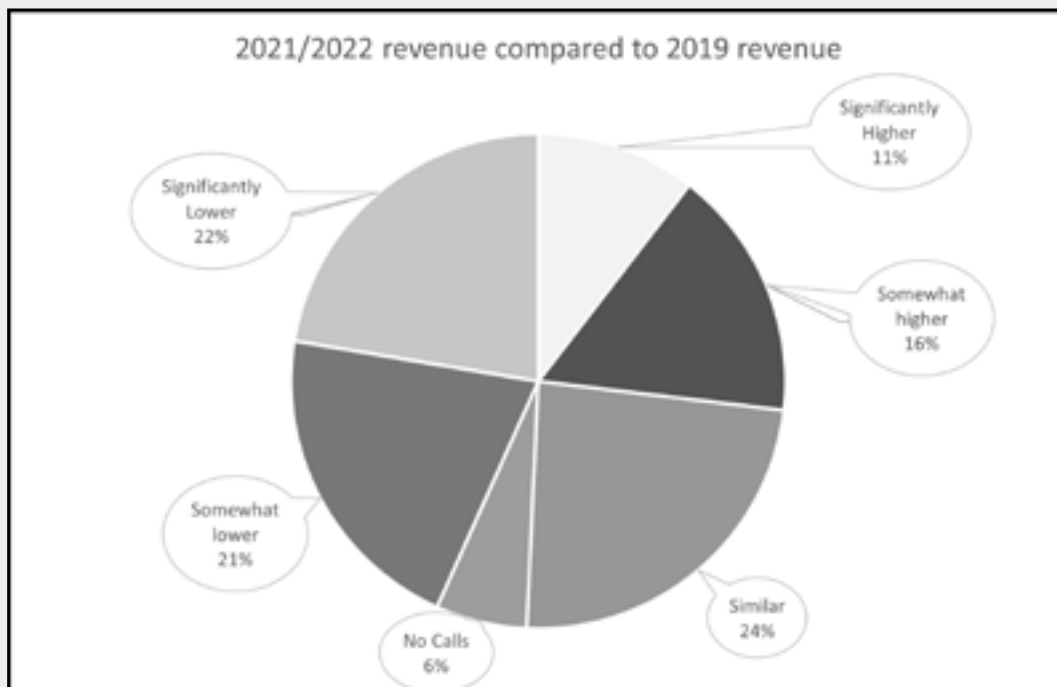


Covid Recovery Findings

Success Since 2019

Our survey showed that fundraising success varied greatly since 2019. The table below shows a wide range of success and efforts.

Were 2020-2021 donations higher or lower than 2019?



The philanthropic response to the COVID-19 pandemic has shown the sector at its best, flexible adaptable and resilient. Those organizations that stuck to best practices and the core stewardship elements and adapted them to the changes imposed by new rules, restrictions, and culture shift towards fewer large gatherings have been successful.

A few things to note. Most of the organizations that saw a significant increase in funding had a larger operating budget and many of the organizations that saw a decrease in funding had a smaller operating budget and a good portion of those were small to mid healthcare related charities. Most organizations with poorer performance were dealing with inconsistent communications and limited resources.

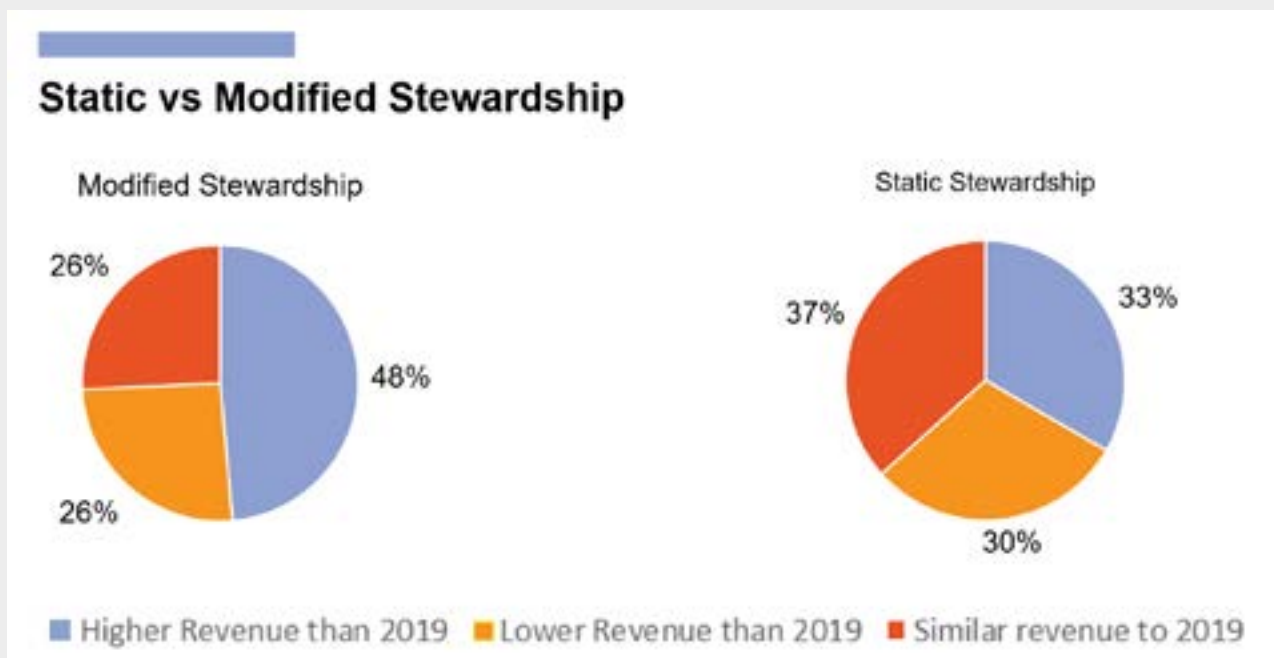
The gravitational pull toward old ways of working can be strong, especially as organizations grapple with the impact of an economic downturn. But many of the practices that have emerged or sustained successful charities during this pandemic, should be expanded and formalized as our sector heads into the long process of recovery.

So, what worked and will continue to provide great stewardship for donors?

Having a formal donor recognition policy works. 100% of the organizations that had significantly higher revenues than in 2019 had a donor recognition policy. More than half of those had an established program they have been running for more than five years.

Almost have updated their stewardship program since 2019 to reflect the new reality and the vast majority have a specific major gift recognition program. In short, they adapted to the change in their circumstance in a positive way.

Have you developed or modified any stewardship programs since the start of the pandemic?



Specifically, the vast majority engaged in personal visits or meetings as part of their stewardship and recognition program when they were able. The focus on providing individualized attention is a major factor in continued fundraising success. It can also be noted that those organizations who relied on group recognition such as donor brunches, lunches, and gatherings specifically for major donors must cease these activities and saw a corresponding drop in donations.

Delving even deeper into this, all the responses that provided more detailed information in comments reinforced the point that individual meetings should be purposeful and show the impact of the donor's generosity. There was consensus that face-to-face stewardship activities work well; specifically visiting the charity itself to see the work being done.

While some respondents expressed that events exclusively to recognize or thank donors were good for those who attended, but the number of people showing up to these events was in decline.

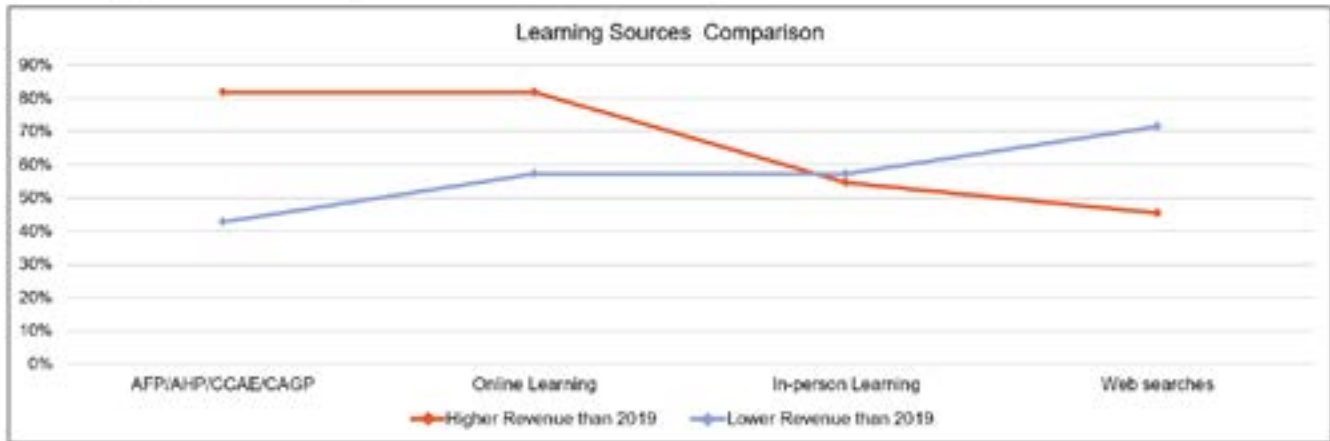
Some respondents also mentioned that telephone calls to thank and speak with donors worked well as stewardship activities. Each of the charities that saw improvement over 2019 fundraising continued to contact their donors on a regular basis in a planned and meaningful way.

Giving is a personal act of generosity, so stewardship should be a personal act of gratitude. What is also noteworthy is that most of this group of successful charities also adjusted their marketing and communications to include and improve social media engagement, including updating their websites.

The ability to adapt established best practices in stewardships over the past four years has been an essential element in success. The most successful organizations sought out information on a regular, (monthly) basis and turned to those entities who have expertise in the field. These charities turned to sector resources such as AHP (Association for Health Philanthropy, and AFP (Association for Fundraising Professionals) for online learning through podcasts, and webinars in addition some in-person learning.

What have been the most beneficial resources for your organization to learn about new approaches to fundraising?

Getting Advice Helps



Things to Consider

The COVID-19 pandemic halted most in-person meetings for several years. For nonprofits that rely on donor interactions, that shift has impacted the way organizations communicate.

While meaningful interactions with donors remain crucial to success, these conversations have moved online for the time being. Many nonprofit donors are seeing a shift to email and social media communications.

Content like newsletters and Instagram posts have played a huge role in keeping donors up to date. Virtual fundraisers have offered ways to connect and encourage continued contributions to the organization's mission.

Due to the reliance on virtual communication, nonprofits have had to find new ways to engage with donors to maintain their relationships.

Nonprofits can expect an opportunity to build public trust in the coming year. There seems to be a continued trend towards social media as a primary communication tool for philanthropic giving.

While digital engagement remains important for donor retention, using this one medium for communication should not replace personal contact for major donors. Organizations should be cautious of relying too much on virtual and electronic communications.

Aging donors vary widely in their acceptance of electronic communications and in-person may not be as welcome as it once was, simpler communication is better and some organizations may wish to consider enhancing print materials set directly to donors, and where appropriate, available in lobbies, waiting areas and public spaces.

Other factors in success

While this study focussed on stewardship activities, a closer look at many of the comments and answers revealed other factors that contributed alongside and coupled with the personalized, planned, and regular stewardship activities.

Staff turnover over the past few years is a significant factor in the stewardship program of some organizations - regardless of size or what sector they were in. Those organizations that had staff turnover had less robust stewardship activities and relied more on automated and electronic means of saying thank you.

An interesting note when looking at the overall activities and complexity of the charities surveyed is that almost all organizations that increased stewardship activities, and those who had success, were driven, at least in part, by higher goals.

Many of the organizations with increased revenue also had brand repositioning as a factor, it seems that coordinated efforts on communication, branding and fundraising goals correlate with increased stewardship.

Stewardship is not a stand-alone factor in an organizations' success but is a major contributor, especially as part of a well thought out and executed fundraising plan.

For charities who are considering a capital campaign or even a communications overhaul, stewardship of donors is critical to ongoing success and sustainable fundraising efforts.



Things to Reconsider

As charities were forced to change how they interact with donors over the past few years, the most successful took stock of their current activities, researched best practices, and listened to what their donors were saying about being thanked. While 27% of respondents said their revenue was higher than in 2019, 43% saw a drop in revenue and 6% stopped making fundraising calls altogether.

Those organizations whose performance was somewhat less than 2019 had a few things in common. The trends we saw included that:

- These organization had less contact with donors;
- Fewer stewardship activities:
- Land were less likely to have a formal stewardship program.

Additionally, they did not seek out new opportunities or ways of fundraising and thanking donors.

The respondents to BNP Philanthropic Performance's survey gave us valuable information and great insight into what was working and provided beneficial feedback on what wasn't as effective. Some traditional stewardship vehicles such as static donor walls and a big annual report mailing were considered less effective than other means, and this makes sense in our up-to-the-minute, fast-paced digital world.

Many organizations have a static, permanent donor recognition wall or monument. This was a good way to thank donors for helping to build a new wing, a park or other capital project. However, as charities funding needs went beyond occasional, large capital campaigns, this type of recognition was no longer seen as suitable. It was not uncommon for donors to be recognized in more than one place as a \$1,000 supporter in small font at the bottom of the donor wall, even though they may have given more than \$10,000 in their lifetime. Meanwhile, a one-time \$5,000 donor was given a prominent place and more public recognition. Donor walls that recognize the overall, cumulative donations of supporters are much more effective. The ability to move a donor "up the wall" helps to move them up the donor pyramid as well.

Some of the respondents mentioned that their Annual Report is no longer an effective stewardship tool. A large, complex, and graphically beautiful annual report that takes a long-time and a great deal of money to produce is quickly becoming anachronistic. In the mid-twenty-first century, a robust website and social media posts can provide more current information in a variety of formats such as videos and up-to-the minutes impact reports. Donors no longer want to, or need to, wait a full year to be recognized as donors in print or understand what their funding is doing to support the cause.

One stewardship tool that was emerging before 2019 as an effective way to thank donors and encourage renewed support, were events specifically designed to thank donors in a public setting in front of their peers. Ending abruptly during COVID, these events have fallen out of favour even as other small gatherings of supporters are starting to come back. Getting donors together just because are donors, is not working, this is especially true of aging donors who may still be limiting their social contacts. Attendance is in sharp decline for donor club dinners and gala-like events.

One respondent succinctly summed up these changes by saying "I can accomplish just as much with a simple face to face coffee as I can with a fancy dinner." Taking the time to personally connect with your major donors may seem daunting at first, but when you consider the resources, it takes to run an all or nothing event, the individual approach is the most cost effective.

**A decade
of change,
a decade
of consistency**



A decade of change, a decade of consistency

While some things have changed, many organizations are continuing to find the tried-and-true methods from more than a dozen years ago helpful in achieving their stewardship goals.

A written thank you letter was the most common way that charities said thank you in the past and that remains true today, all the respondents in our current study noted that they say thank you via a letter; either emailed or mailed or even as part of the receipt. Keeping these letters up to date and providing as customized thank you that let's donors know their impact is the most basic step for every charity.

Several of the ways to provide effective donor stewardship such as saying thank you at public events, meeting face to face with donors and simply picking up the phone are all still effective and the rate of use has climbed. These methods are modest in their planning requirements and are very cost-effective and should remain at the core for every charity.

Since 2009 there has been a decline in the number of organizations using their Annual Reports and newsletters as a stewardship tool, this is most likely due to the changing nature of electronic communications. This same seismic shift in digital technology and its use by charities has also led to many more organizations using email as a primary tool.

In 2009 only 40% of adults used any type of social media, the most common being Facebook. Today, the usage has more than doubled among all age groups and social media is ubiquitous. In last few years there has been a decrease in the number of organizations that offer tours of their facilities, even though these are noted as great stewardship tool, thank to COVID-19. Renewing these efforts in a planned, impactful, and personal manner should be a priority for those organizations who are able to do so. Focusing first on major donors of \$5,000 or more, showing impact in a firsthand manner. It should be noted that more charities are considering only those who give \$10,000 or more as major donors, while there may be some valid reasons for this, stewarding generous mid-level donors have a big impact on annual campaigns, leading to larger gifts.

Giving thank you gifts to major donors was declining in 2009 and continues to be seen as ineffective and not used by most charities.

Concerns raised 14 years ago by respondents about inconsistent communications, poor branding and planning are still concerns today and hamper both fundraising and stewardship success.

One important conversation that many organizations are having is regarding ethical concerns about treating major donors differently than other donors. This corresponds with a rise in the community fundraising movement. It is important that charity leaders have open and honest conversations with all stakeholders, from program staff to fundraisers so that creating a philanthropic culture in an organization is successful and fits with the values of the charity.

Conclusions



Conclusions

Charities must make a make their stewardship program a top priority in building and enhancing a culture of philanthropy. Leaders at all levels must be a part of the plan but the development office must oversee the stewardship plan and ensure that it is implemented and executed. BNP Performance can provide expert guidance to ensure that charities are at the top of their stewardship game.

Regular, personal contact should be made with all existing major donors. If possible, these conversations should be made face-to-face and need not take very long, putting a face to the charity and initiating a relationship with the donor that can be cultivated will result in more financial success.

Showing the impact of their generosity in a way that is personal, respectful, and informative and that is also consistent with the mission and vision of the organization will help to ensure continued giving and participation. Our team of fundraising, communication, and leadership experts can help integrate stewardship components into every aspect of a charity's philanthropic culture.



Stewardship is not a stand-alone process, it must integrate with communications, social media and branding as well the financial and long-term goals of the organization.

Individualization is way of the future. Technology enables charities to better understand and communication with donors they way they want to be acknowledged. As more and more charities do this successfully, the bar for a good stewardship program is raised higher and higher, which means those who are not putting stewardship at the forefront of their development efforts will most likely fall behind.

Most major donors are older and well established, which means so are their habits, your charities focus on them as individuals important. A chat over coffee will do more good than a multitude of tweets, posts, or form letters.

**A hands-on approach to donor stewardship now
will lay the groundwork for the future success.**



BNP Inspire: more than 20 years of support to organizations!

What sets us apart:

- A rigorous methodology tailored to each project
- Proven results thanks to effective fundraising and organizational strategies
- Active listening for a human-centered collaboration
- Development of the skills of the resources we support to gain in autonomy and strategic vision
- Pan-Canadian expertise to professionalize philanthropy on a national scale



Vision

To be the partner of choice for philanthropy and CSR in Canada



Mission

BNP Philanthropic Performance helps organizations that dream of making a positive impact on society.



Values

Ethics - Innovation - Performance - Audacity
Commitment - Proximity



Objectifs

BNP wants to help organizations bring their mission and social impact to life, while meeting their challenges and realizing their projects through effective fundraising and social responsibility strategies that generate real results.

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Corporation

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