

# LONG-TERM DONOR VALUE TOOLS

## HELPING YOU INVEST MORE COST-EFFECTIVELY

Amergent has created a business-decision support tool that can help you invest the largest part of your annual budget more cost-effectively in every year going forward... and the part of the budget we're talking about is **what you invest to acquire new donors**.

Any uncertainty on how to invest your budget in acquisition mailings can be financially harmful and can negatively impact your overall fundraising program for multiple years; to make the best choices, you need to have a complete picture of the outcomes that can be achieved over time (12 months, 24 months, 36 months, lifetime) so you know what to expect to generate in the future.

To maximize the return on that initial investment it's important to have a combination of positive outcomes and metrics in your favor, such as:

- Initial gift size
- Initial rate of response
- Net cost per New Donor
- Time until 2<sup>nd</sup> gift
- 1<sup>st</sup> year rate of retention
- Cumulative Net Income after year 1, year 2 and beyond
- Subsequent gift size

Amergent builds you a reporting universe that takes into account every dollar raised, every dollar invested and every response from every donor – whether it's only one lifetime gift or dozens from the same donor. We include costs for the acquisition program and costs for every outbound communication once the donor becomes part of your regular schedule on contacts.

We're able to provide you a series of customized Report Cards for every different choice you made and every choice you need to make going forward. You will receive reports related to which lists and list segments to use, what packages you mail and when, what offers to make to your prospective new donors (i.e. upfront versus back-end premiums) and especially what gift amounts you suggest they consider.

The primary metrics for grading we use are Net Income per New Donor and variations of it, such as Net Income per M names Mailed in ACQ and Net Income per \$1 Invested.

We look back and determine what was most successful and what achieved the best financial outcomes so you can create your own Vital Signs Income Growth Model to project how your future investments in new donors will yield **increasingly more cost-effective outcomes**.

The Vital Signs Income Growth Model considers how well your program renews different last-year active donors for **another consecutive year of giving** and indicates what will be achieved by using the best combination of lists, suggested gift amounts, packages, timing and levels of investment to maximize your fundraising. The LDV Tools help identify:

- The blended average rate of response to Acquisition
- The expected average gift among 1<sup>st</sup> gifts
- Various Net Cost/Investment metrics to acquire the new donors
- Expected Net Income outcomes going forward
  - o For key intervals (@100 days, @1<sup>st</sup> year, @2<sup>nd</sup> year)

We use a combination of 24 different reports to discover subtle differences within your yield of subsequent net income from new donors. This allows us to offer you a variety of metrics. Flexibility in what you wish to consider has been built into the tools. Plus the tools are online – available to you and your business partners.

**To find out more about our Long-Term Donor Value Tools Analysis or Amergent's other services, please call 1-800-370-7500 and ask for [Jack Doyle](#).**