

Cheat Sheet: How to Calculate Donor Relationship KPIs

Donor Retention Rate

$$\frac{\text{\# of retained donors}}{\text{\# of all donors for the year}}$$

EXAMPLE: You had 65 donors last year, and 20 of them also gave this year (you retained 20 donors).
Your donor retention rate is: $20/65 = 0.308$ or 30.8%

Lapsed Donors

$$\frac{\text{\# of lapsed donors}}{\text{\# of all donors for the year}}$$

EXAMPLE (using the numbers above): 20 of your 65 donors from last year, gave again, 45 didn't.
Your lapsed donor rate is: $45/65 = 0.692$ or 69.2%

Donor Base Growth Rate

$$\frac{(\text{\# of donors this year} - \text{\# of donors last year})}{\text{\# of donors last year}}$$

EXAMPLE: If you had 100 donors this year and 75 donors last year
Your donor base growth rate is: $(100-75)/75 = 0.333$ or +33.3%

Donor Lifetime Value

The results of this calculation tell you the total giving potential or average donor LTV. FIRST, calculate these averages for your donor base/segment:

- Average length of time as an active donor
- Average donation amount
- Average frequency of donation

$$\text{Avg. Donor Lifespan} \times \text{Avg. Donation} \times \text{Donor Frequency} = \text{Donor LTV}$$

Donor Acquisition Cost

$$\frac{\text{Amount spent on donor acquisition (e.g., channels \& campaigns)}}{\text{\# of new donors acquired}}$$

EXAMPLE: You spent \$2000 on donor acquisition in a given time period and acquired 56 new donors.
Your donor acquisition cost is: $\$2000 / 56 = \sim \36 per new donor

