CASE STUDY / CONSTITUENT INTELLIGENCE

The Third-Gift Magic Number

How one higher education institution uncovered the giving milestone that changes donor lifetime value.

From first gift to committed supporter



13,609
donors analyzed

3
the turning-point gift

7.1x
giving after gift two

The finding: donors who reached gift three gave an average of $16,897 from that point onward—more than seven times their first two gifts combined.

At a glance

A small higher education institution found its "magic number" was three. Donors who reached a third gift started out no bigger than donors who stopped at two. But from the third gift onward, they gave an average of $16,897 each, seven times what their first two gifts totaled. Raising the third-gift rate by 5 to 15 points could add $224,000 to $672,000 in giving from each new-donor class, or $5,800 to $17,500 on a conservative median basis.

Organization	Small higher education institution (unnamed)
Data analyzed	13,609 donors across the institution's full giving history
The question	At which gift does a donor become a committed supporter, and what is that worth?
Magic number	3
Headline result	Same start, different finish: third-gift donors' first two gifts matched those of donors who stopped at two; from gift three on, they gave 4× to 32× their first two gifts on average, depending on segment
Velocity and gift size	Slower third gifts were followed by more giving; growing or up-and-down gift amounts beat shrinking ones
Opportunity	About 265 new donors a year; 17% reach a third gift today

The magic number: when a donor becomes a supporter

Every nonprofit has a "magic number": the gift at which a donor stops thinking of themselves as someone who gave and starts thinking of themselves as someone who supports you. Supporters feel an obligation, to the organization and to themselves, to keep that support going.

The number is rarely two. Industry research, including the Fundraising Effectiveness Project, shows repeat donors are retained at much higher rates than first-time donors. But better retention after gift two doesn't make gift two the turning point. For most organizations, the second gift matters mainly because it leads to the next one.

Each organization's number differs because its donor relationships differ. Mission, location, donor demographics, local competition, typical early gift sizes and how long the connection naturally lasts all shape it:

• Faith-based organizations, where relationships deepen over years, may not see the turn until well beyond a handful of gifts.

• Animal rescues, with frequent, smaller, urgent appeals, may find several gifts in one year don't signal real commitment.

• A nature-preserve foundation found its turning point at five years, which for its donors usually meant five gifts.

• Colleges and universities may see the lift as early as gift three, though three isn't the number for every institution.

Find the gift where donors cross that line, and you can estimate what they are worth once they do.

Finding this institution's number: three



When we calculated the magic number for this institution, it came out to three. In every segment, the third gift produced by far the biggest jump in lifetime value.

How we found it. We first segmented the institution's existing donors with clustering models, so the giving-level thresholds came from its own data rather than round numbers. Each donor was then placed in a segment by how much they gave in their first fiscal year:

• Top: about $6,700 or more in the first fiscal year (1.5% of donors)

• Middle: between the two (13.7%)

• Bottom: under about $245 (84.9%)

Within each segment, we compared lifetime giving by number of gifts and looked for the gift where value jumped the most.

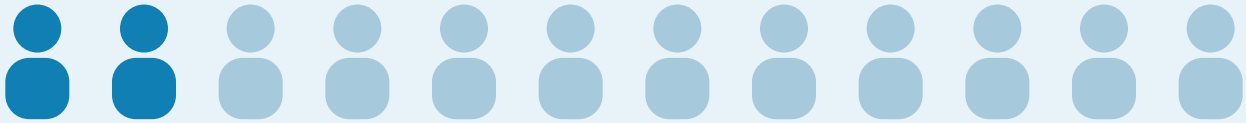
First-year segment	Donors	Average lifetime giving, 1 gift	Average, 2 gifts	Average, 3+ gifts
Top	202	$49,966	$103,312	$413,419

First-year segment	Donors	Average lifetime giving, 1 gift	Average, 2 gifts	Average, 3+ gifts
Middle	1,859	$841	$2,692	$28,469
Bottom	11,548	$51	$150	$5,027

In the Bottom segment, the second gift took average lifetime giving from $51 to $150. The third took it to $5,027. Medians show the same step on a smaller scale: $33, then $91, then $415. That jump, repeated across all three segments, is what made three this institution's magic number.

Same start, different finish

About 17% of new donors reach a third gift today



Donors who reached a third gift did not start out as bigger donors. Their first two gifts looked just like those of donors who stopped at two. The difference came afterward: from the third gift on, they gave an average of $16,897 each, seven times what their first two gifts totaled.

First-year segment	First two gifts, donors who stopped at two (average)	First two gifts, donors who reached three (average)	Gift three onward, donors who reached three (average)	Gift three onward vs. first two gifts (average)	Gift three onward (median, conservative)
Top	$103,312	$81,798	$331,620	4.1×	$39,203
Middle	$2,692	$1,785	$26,684	14.9×	$2,215
Bottom	$150	$154	$4,873	31.7×	$287
All donors	$2,068	$2,381	$16,897	7.1×	$440

At the median, the Bottom segment's two groups started in exactly the same place: $91 for their first two gifts. In the Top and Middle segments, the donors who went on to a third gift actually started smaller on average.

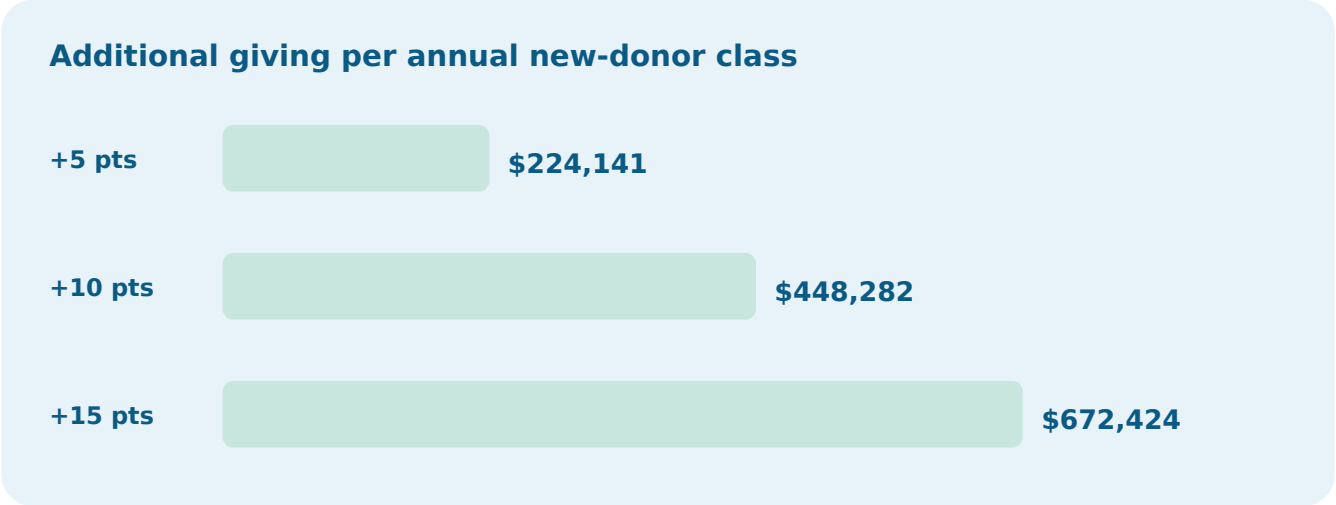
Almost all of the value came after gift two. Across all third-gift donors, 88% of lifetime giving arrived from the third gift onward, and 97% in the Bottom segment. The typical third-gift donor went on to make seven gifts in all.

The smallest first gifts held the biggest lift. Bottom-segment donors, 85% of the donor base, gave an average of $154 across their first two gifts and $4,873 from the third gift on: 32× as much. Small first-time

donors were this institution's largest untapped pool.

Why the average is the right lens here. For most fundraising metrics we prefer the median, because a few large gifts can skew an average. Projecting the value of a stream of new donors is different. Every nonprofit gets new donors every year, and mixed into that stream, intermittently, are donors who arrive with major-gift capacity or gain it over time, through career advancement or, increasingly, the transfer of wealth between generations. Unless an organization expects never to attract another such donor, the average reflects real, recurring money. The median remains a useful conservative floor, so we show both.

What moving the needle is worth



The institution brings in about 265 new donors a year, and about 17% eventually reach a third gift (based on cohorts with five or more years of history). Based on its history, each additional donor who reaches a third gift can be expected to give $16,897 from that point on, on average, or $440 at the median.

If the third-gift rate rose by	New rate	Additional donors reaching gift three, per class	Added giving per class (average)	Added giving per class (median, conservative)
+5 points	22.4%	~13	$224,141	$5,837
+10 points	27.4%	~27	$448,282	$11,673
+15 points	32.4%	~40	$672,424	$17,510

These are the same incoming donors carried further, not new donors acquired. And the gain repeats: every year brings a new class to steward through gift three, so sustaining a higher rate adds this value again with each class.

Velocity and gift size on the way to gift three

How fast donors reached their third gift mattered far less than expected. How their first three gift amounts moved mattered a lot. Both are measured below by what donors gave from the third gift onward.

Velocity: slower third gifts were followed by more giving

Most third-gift donors took their time: 75% in the Middle segment and 88% in the Bottom made only one gift in their first fiscal year. On average, those slower donors gave far more afterward than donors who made all three gifts in their first year. In the Middle segment, donors who gave once in year one and came back later went on to give an average of $27,146 from their third gift onward, nearly 3× the $9,885 of donors who made all three gifts in their first year.

Speed to third gift	Share of third-gift donors (Middle / Bottom)	Middle, average	Middle, median	Bottom, average	Bottom, median
All three gifts in the first fiscal year	9% / 3%	$9,885	$1,350	$1,326	$355
Two in the first year, third later	16% / 9%	$34,200	$1,892	$2,974	$297
One in the first year, second and third later	75% / 88%	$27,146	$2,550	$5,202	$281

For this institution, a slow third gift was not a problem, and there was no reason to press for three gifts in year one. At the median, the Bottom segment shows little difference by speed ($281 to $355). The Top segment's speed groups are small (18 to 76 donors), so a few very large gifts swing their averages and we draw no conclusion there.

Gift size: growth and volatility beat shrinking

We grouped third-gift donors by how their first three gift amounts moved: increasing (each gift at least as large as the last), decreasing (each no larger than the last), flat (all within 15% of each other) or mixed (up and down).

Gifts 1–2–3 pattern	Middle, average	Middle, median	Bottom, average	Bottom, median
Increasing	$22,264	$5,000	$8,724	$382
Mixed (up and down)	$47,966	$3,078	$5,564	$275
Decreasing	$11,819	$1,305	$2,943	$241
Flat	$12,127	$1,515	$1,420	$225

• Up-and-down and growing gifts carried the most dollars. On average, mixed-pattern donors led the Middle segment at $47,966 from gift three onward, and growing donors led the Bottom at $8,724. Choppy giving, such as $100, then $50, then $100, was not a warning sign.

• Growth was the most reliable signal. At the median, donors whose gifts grew gave the most afterward in every segment, including the Top.

• Shrinking gifts were an early flag. In the Middle segment, donors whose gifts decreased averaged $11,819 from gift three onward, about a quarter of the mixed-pattern figure. A shrinking second or third gift is a cue for a personal touch.

How to read these numbers

These figures describe what groups of donors have done, not what any one donor will do.

• Not an individual prediction. No one can say what a particular donor will give. What we can say is what the donors who reached a third gift over the institution's history have actually given afterward. Because every year brings a similar stream of new donors, that history is a reasonable basis for projecting what future third-gift donors will be worth in aggregate.

• Measured to date, never final. "Gift three onward" counts what these donors have given so far. Many are still giving, and in higher education a donor can lapse for decades and come back, so no donor's story is ever finished. The same holds for donors who have stopped at one or two gifts for now.

• Not inflation-adjusted. All dollar figures are the nominal amounts given, across many years of giving history. Older gifts are counted at their original value, so in today's dollars, and in future dollars, the expected value of a third-gift donor could be higher than shown.

• Planned gifts are included. Third-gift donors made $6.2 million in planned gifts from their third gift onward, counted here at recorded value. Without them, average giving from gift three onward would be $15,656 instead of $16,897, still more than 6× the first two gifts.

• An association, not proof of cause. Reaching a third gift is the clearest marker of higher value in this data. The analysis doesn't show that the third gift itself causes the later giving.

• Specific to this institution. These patterns come from one donor base. Another organization's magic number, and the value behind it, may be quite different.

What it means for the institution, and for you

For this institution, the magic number was three. With that number known, its team can treat early gifts as donor onboarding, track progress against its 17% third-gift baseline, and prioritize personal outreach when gift amounts shrink.

Increasing the share of new donors who reach gift three by just 5 percentage points could represent approximately $224,000 in additional lifetime giving per incoming donor class, based on this institution's historical averages. This is a modeled opportunity, not a guaranteed result.

Your magic number is already in your data.

RaiseTell helps you find it, without doing the calculations yourself. Its prebuilt Constituent Intelligence analysis identifies the gift milestone associated with a meaningful increase in donor value and helps reveal the opportunity behind it.

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One discovery like this could reveal potential giving far greater than the cost of a RaiseTell subscription. Your magic number is only one of many fundraising opportunities RaiseTell can help uncover.

Find your magic number.

Unlock more giving.

RaiseTell reveals the donor patterns and revenue opportunities hiding in your data—without the manual analysis.

See Your Magic Number with RaiseTell

