

# Building a Monthly Giving Program

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# Road Map

- Why monthly giving?
- Leaving Money on the Table
- Strategy
- Implementation
- Results

# Why Monthly Giving?

- Dramatically increase your annual income
- Build a better relationship with your donors
- Donors will keep giving longer
- Monthly giving revenue is predictable
- Lower your fundraising costs
- Income will grow over time
- Monthly giving is convenient

# Money on the Table

- Test after test has concluded that the life time value of donors who participate in preauthorized giving will increase from 100 to over 1000 percent.
- Just do the math.... If you get just 100 people to give you \$50 per month that is an additional \$60,000 a year for your organization; 500 people would be an additional \$300,000; and 1,000 monthly donors at \$50 per month would be \$600,000. You cannot afford to delay implementing a monthly giving program.

# Money on the Table

Are you leaving money on the table?

Active donor file	20,000	20,000	20,000
% giving monthly	2%	5%	5%
Monthly givers	400	1,000	1,000
Avg. gift	\$15.00	\$15.00	\$25.00
Annual value per donor	\$180	\$180	\$300
Total monthly gift income	\$72,000	\$180,000	\$300,000

- Target Analytics found monthly sustainers account for 10% of the donor population, contributing 21% of the total income.

## Increase predictable annual revenue

- Number of gifts annually from a "single gift" donor?

2.03 gifts US / 2.11 gifts Canada

- Average total revenue/donor of \$113 annually
- Monthly gift donors give an average of 10 gifts per year, for a total annual revenue per donor of \$150.

**Monthly donors contribute 33% more annual revenue per donor than their single gift counterparts.**

### Offer

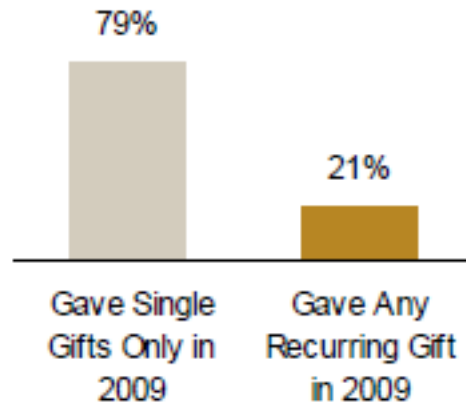
- Fixed amount that relates to their last gifts or total annual support
- Any monthly amount they can give
- Specific, tangible, ongoing need such as meals
- Consider leveraging a matching offer for the first twelve months of support
  - \$10 \* 12 months = \$120 so your gift will actually provide \$240 worth of support to the Mission this year.

# Sustaining Money

**Fig. 1: Median 2009 Donors as Percentage of Total**



**Fig. 2: Median 2009 Revenue as Percentage of Total**



Multi-year sustainers give on average 9 gifts per year compared to a multi-year single gift donor that gives on average 1.6 gifts per year. Note: 9 gifts out of 12 per year equal a 75% fulfillment rate

# Strategy

- Monthly sustainers tend to be younger than single gift donors
- Monthly sustainers give significantly more per year than single gift donors
- Monthly sustainers have higher retention rates than single gift donors.
- The majority of sustainers continue as sustainers when they renew each year.
  - The higher retention rates from sustainers result in much higher loyalty over the long term. Compared to single gift donors, many more are still giving after three, four or five years.



# Donor Focused

- Preauthorized giving is so successful because it focuses on how the donor wishes to give. It is donor centric in its application. The offer therefore combines the convenience of giving with the savings to the charity.

The majority of recurring gifts are given either via credit card or through Electronic Funds Transfer (EFT); for most organizations, only a small minority of recurring gifts are given by cash or check. The majority of single gifts, on the other hand, are given by cash or check.

# Implementation

- Good Record Keeping
- Ask Every New Donor to Make a Monthly Pledge
- Segment and Target before a Special Appeal

# Implementation

## Frequency of Gift

- One Time
- Monthly
- Quarterly
- Semi-Yearly
- Yearly

PLEASE INDICATE THE NUMBER OF PAYMENTS YOU WOULD LIKE TO MAKE:

YOUR FIRST PAYMENT WILL BE MADE ON:



**Multiply Your Impact:**

*optional*



**Make this a Monthly Donation.**

# Results

- Conversion Rates
- Retention Rates
- Average Lifetime Value
- Cost Savings to your Organization

# Stewardship

## Sustaining and stewarding monthly gift donors

- Make them feel like partners
- Give them opportunities to upgrade
  - At their anniversary
  - When their credit card expires
- Include them in “extra gift” appeals
  - 10-15% will make an extra gift annually
  - Year-end or at special one-time gift at tax return time
  - Seasonal, holiday request when need is particularly high

# Questions? Thank You!

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