



Recurring Donations

(Building long-term, sustainable revenue for your organization)

Presented by:
Classy
Upraise Consulting
Idealist Consulting

Your Presenters



Mike Spear
Classy



Matt Scott
UpRaise Consulting



Kirsten Kippen
Idealist Consulting

Agenda

1. Overview of recurring donations
2. Launching a successful recurring donations campaign
3. Building YOUR program
4. Recap and Questions

Overview



Mike Spear

Director of Business Development, Classy

Why you need a
recurring donations program, and
why you need one now.

60-75%

of one-time donors do not
give again the following year.

Epidemic of Donor Attrition

Top reasons for donor attrition

- Could no longer afford
- Thought other orgs were more deserving
- Received poor service or communication
- Death
- Never got thanked for donating
- No memory of supporting
- No info on how money was used
- Thought organization did not need them.

Epidemic of Donor Attrition

Top reasons for donor attrition

- Could no longer afford
- Thought other orgs were more deserving
- Received poor service or communication
- Death
- Never got thanked for donating
- No memory of supporting
- No info on how money was used
- Thought organization did not need them

89%

Of donor attrition is
COMPLETELY PREVENTABLE

It's also
10x more expensive
to gain a new donor than to
keep an existing one.

70%

Retention year-over-year
on recurring donations

Key Benefits

- Predictable revenue growth – *no more feast-or-famine!*
- Ability to plan programs
- Ability to make hiring decisions
- More time and resources for existing staff
- Strong community of supporters
- Sustainability
- Systematically achieve your mission

All this, just by *changing the ask?*

Yes.

And we can prove it.

Three Scenarios

1. Fundraising campaign asking for one-time gifts
2. Fundraising campaign asking for recurring donations
3. Building on the 1st campaign

Scenario 1

- 5,000 Donors
- \$240 initial donation
- 10% YoY Growth for donors retained
- 45% Donor retention rate
- 0 New Donor Acquisition

Scenario 1: 45% Retention

Year #	# of Donors	Average Gift (Annual)	\$ Value (Annual)
1	5000	\$240	\$1,200,000
2	2,250	\$264	\$594,000
3	1,013	\$290	\$294,030
4	456	\$319	\$145,545
5	205	\$351	\$72,045
6	92	\$387	\$35,662
7	42	\$425	\$17,653
8	19	\$468	\$8,738
9	8	\$514	\$4,325
10	4	\$566	\$2,141
TOTAL:			\$2,374,139

Scenario 2

- 5,000 Donors
- \$20 monthly donation (\$240/12)
- 10% YoY Growth for donors retained
- 70% Donor retention rate
- 0 New Donor Acquisition

Scenario 2: 70% Retention

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	5000	\$20	\$240	\$1,200,000
2	3,500	\$22	\$264	\$924,000
3	2,450	\$24	\$290	\$711,480
4	1,715	\$27	\$319	\$547,840
5	1,201	\$29	\$351	\$421,836
6	840	\$32	\$387	\$324,814
7	588	\$35	\$425	\$250,107
8	412	\$39	\$468	\$192,582
9	288	\$43	\$514	\$148,288
10	202	\$47	\$566	\$114,182
TOTAL:				\$4,835,130

Scenario 2

- 5,000 Donors
- \$20 monthly donation (\$240/12)
- 10% YoY Growth for donors retained
- 70% Donor retention rate
- 20% New Donor Acquisition

Scenario 3: 20% Growth

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	5,000	\$20	\$240	\$1,200,000
2	6,000	\$22	\$264	\$1,584,000
3	7,200	\$24	\$290	\$2,090,880
4	8,640	\$27	\$319	\$2,759,962
5	10,368	\$29	\$351	\$3,643,149
6	12,442	\$32	\$387	\$4,808,957
7	14,930	\$35	\$425	\$6,347,823
8	17,916	\$39	\$468	\$8,379,127
9	21,499	\$43	\$514	\$11,060,447
10	25,799	\$47	\$566	\$14,599,791
TOTAL:				\$56,474,136

Scenario 3: 20% Growth

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	5,000	\$20	\$240	\$1,200,000
2	6,000	\$22	\$264	\$1,584,000
3	7,200	\$24	\$290	\$2,090,880
4	8,640	\$27	\$319	\$2,759,962
5	10,368	\$29	\$351	\$3,643,149
6	12,442	\$32	\$387	\$4,808,957
7	14,930	\$35	\$425	\$6,347,823
8	17,916	\$39	\$468	\$8,379,127
9	21,499	\$43	\$514	\$11,060,447
10	25,799	\$47	\$566	\$14,599,791
TOTAL:				\$56,474,136

Summary

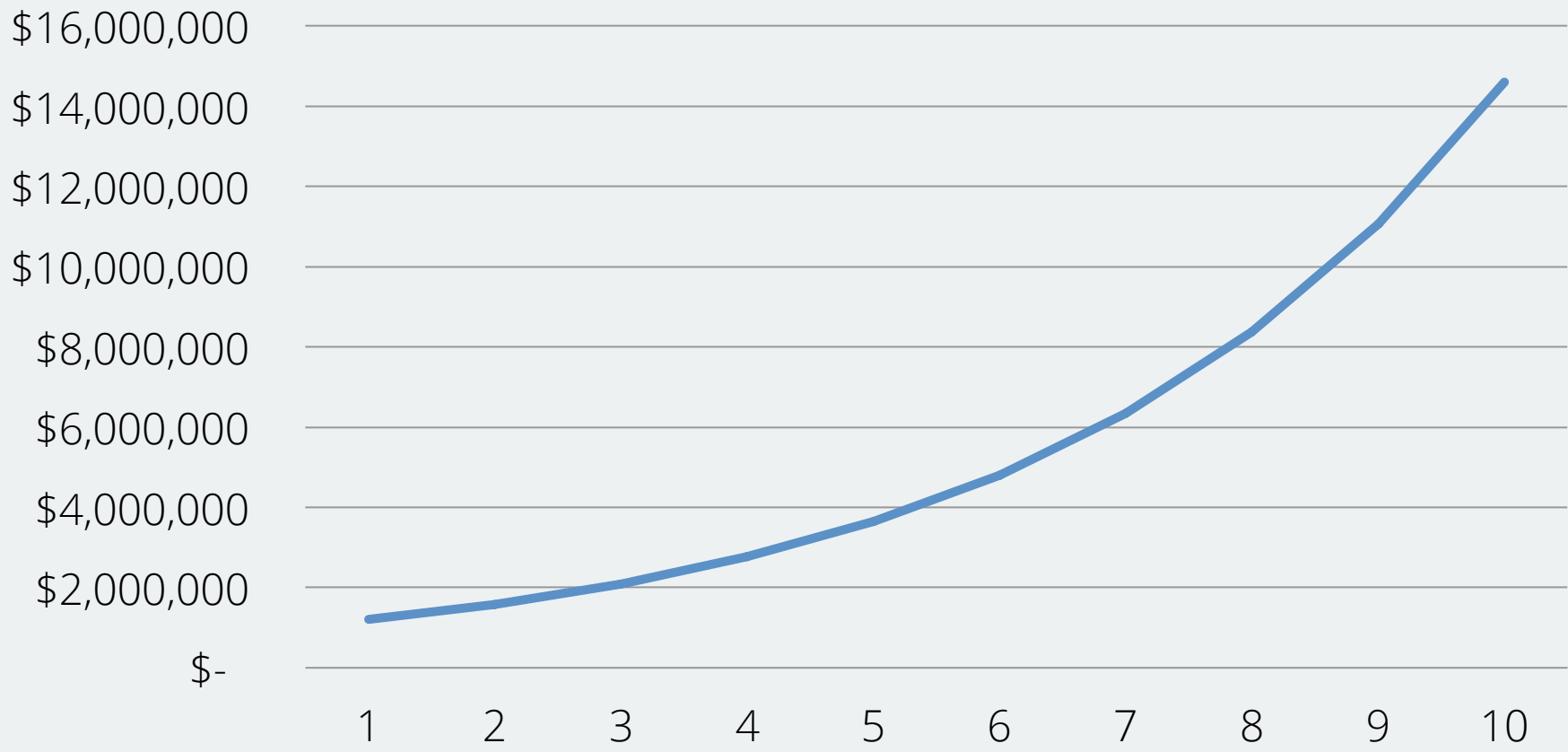
Examples	Example 1: 45% Retention	Example 2: 70% Retention	<i>Example 3: <u>20% Growth</u></i>
# of Recurring Donors after 10 Years	4	202	25,799
Average Annual Revenue	\$237,414	\$483,513	\$5,647,414
Total Revenue Over 10 years	\$2,374,139	\$4,835,130	\$56,474,136

Summary

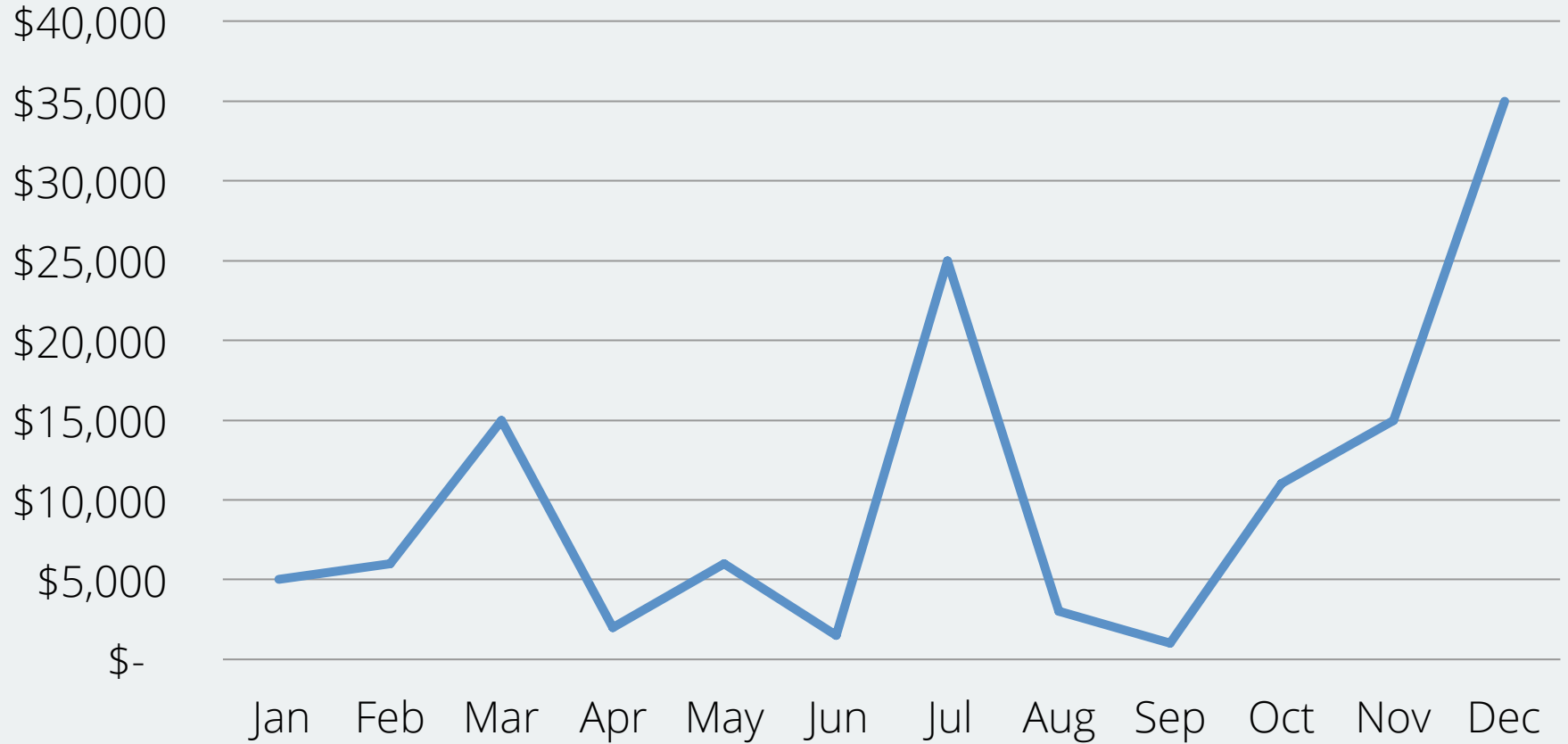
Examples	# of Starting Donors	# of Donors After 10 Years	Revenue After 10 Years
Small NPO	100	516	\$1,129,483
Medium NPO	1,500	7,740	\$16,942,241
Large NPO	5,000	25,799	\$56,474,136

Summary of Benefits

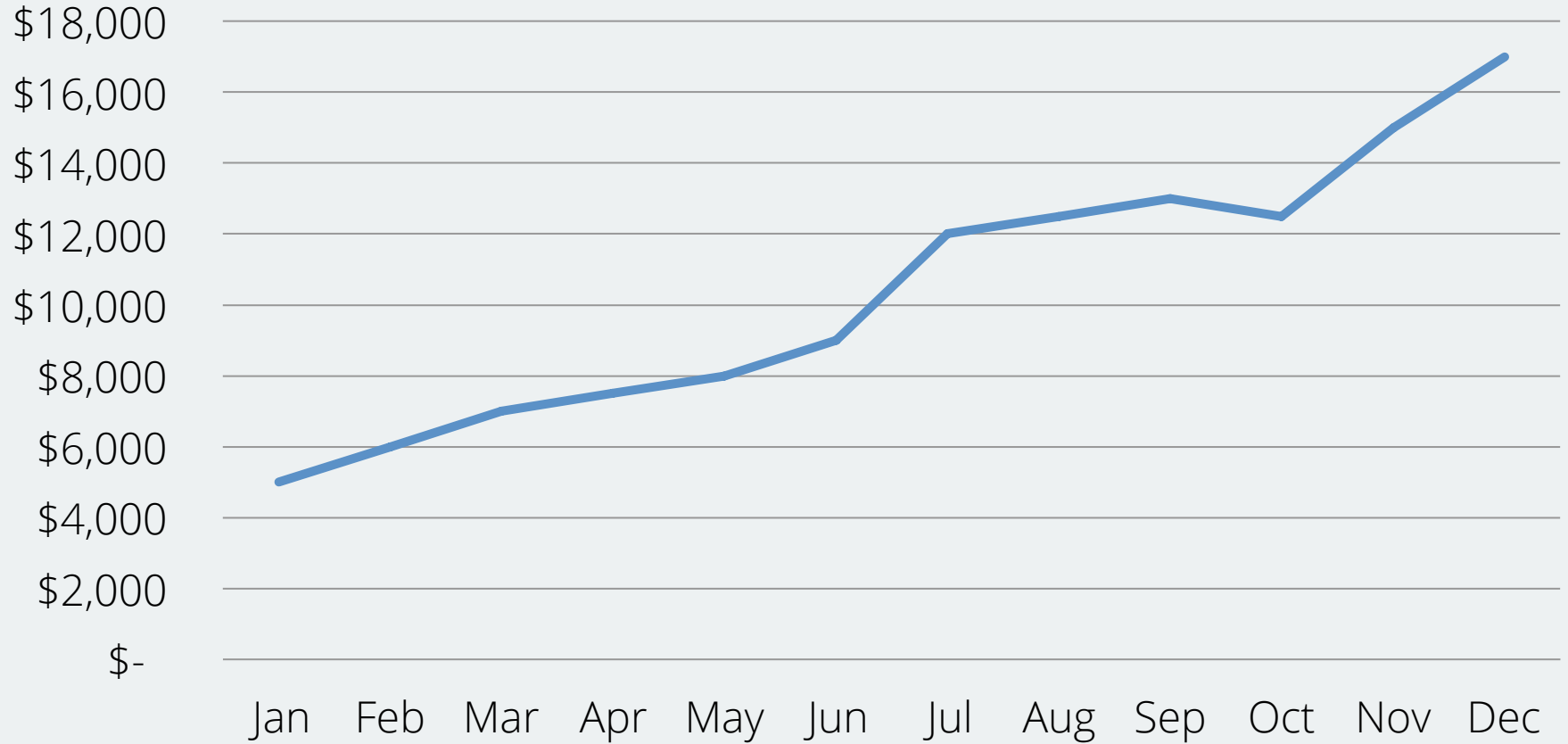
Classy Recurring Donations Over Time



Key Benefits



Key Benefits

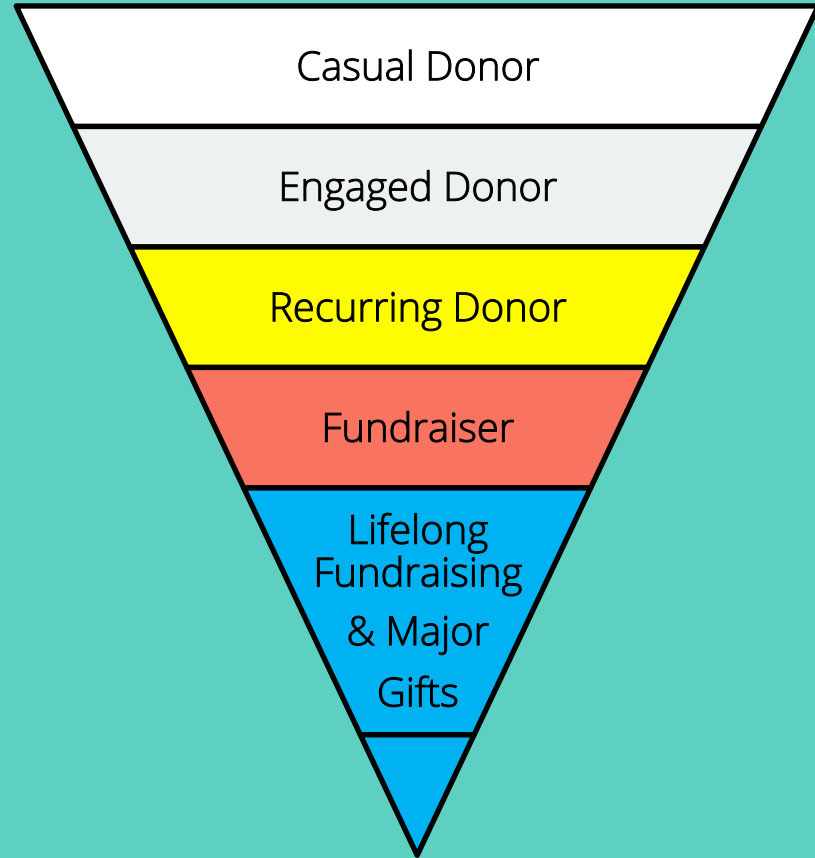


Key Benefits

- Predictable revenue growth – *no more feast-or-famine!*
- Ability to plan programs
- Ability to make hiring decisions
- More time and resources for existing staff
- Strong community of supporters
- Sustainability
- Systematically achieve your mission

Some (unsolicited) advice...

- Focus on a low initial ask
- Treat donors like investors
- Talk about impact
- Be transparent & accountable
- Create relationships
- Build community



Some (more unsolicited) advice...

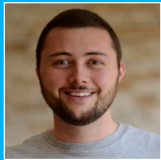
Do not pass go.

Do not collect \$200.

Start a recurring donations
program **today**.



Keys to a successful recurring donations strategy



Matt Scott
CoFounder, Upraise Consulting

Upraise Consulting

We leverage the intersection of technology and human behavior to help nonprofits raise awareness and money online.

Team Rubicon Case Study

- What's Eleven11?
- Components to a successful campaign
 - Planning
 - Execution
 - program management
- Results

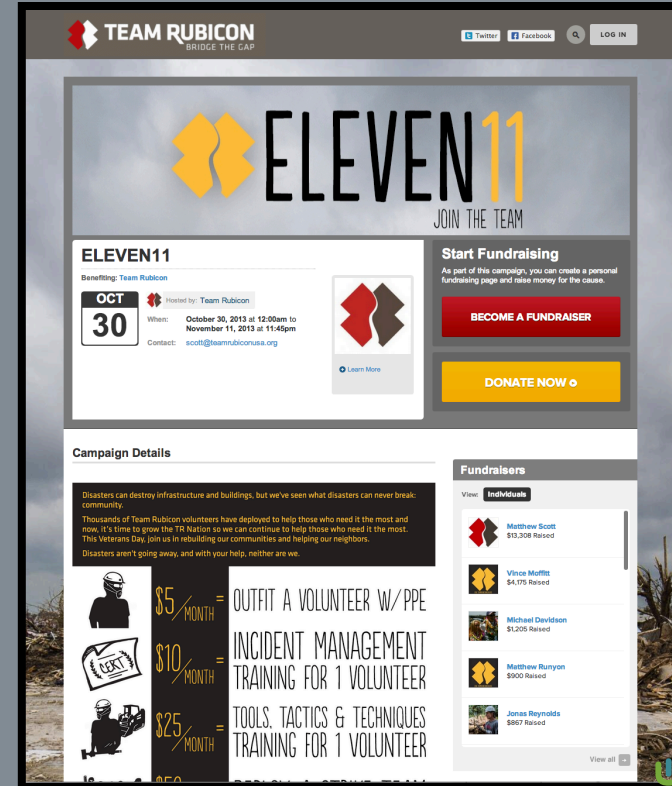
The Support Squad

The Support Squad has become a reliable source of revenue from engaged donors.



Team Rubicon Case Study

- Planning
- CRM/Salesforce
- Custom Graphics
- Content



The 60/10/40 Rule



CRM/Salesforce Configuration

The screenshot displays the Salesforce CRM interface for a Nonprofit CRM. The top navigation bar includes the Salesforce logo, a search bar, and user information (Matt Scott). The main navigation menu shows various tabs: Home, Chatter, Files, Contacts, Households, Organizations, Donations (selected), Reports, Dashboards, Recurring Donations & Pledges, Contact Merge, and About Nonprofit Starter Packages. The left sidebar lists a hierarchy of users, with Matt Scott selected. The main content area shows a list of donations with columns for Donation Name, Amount, Acknowledgment Caller, and Acknowledgment Status. The list is filtered by 'All' and sorted by 'Amount'.

Donation Name	Amount	Acknowledgment Caller	Acknowledgment Status
Clarizza Doloroso - StavClassy 11/09/2...	\$300.00	Matt Scott	Required
Wendy & Mark Jacobs Glassman - Stav...	\$500.00	Matt Scott	Required
Claire Silberman - StavClassy 11/10/2013	\$750.00	Matt Scott	Required
Regina McGraw - StavClassy 11/10/2013	\$250.00	Matt Scott	Required
Eric Alborn - StavClassy 11/11/2013	\$250.00	Matt Scott	Required
Teresa Grogan - StavClassy 11/11/2013	\$250.00	Matt Scott	Required
Frank Luby - StavClassy 11/11/2013	\$1,111.00	Matt Scott	Required
Patrick Reilly - StavClassy 11/11/2013	\$1,000.00	Matt Scott	Required
Lindsay Drewel - StavClassy 11/11/2013	\$250.00	Matt Scott	Required
Debi Bookwalter - StavClassy 11/11/2013	\$300.00	Matt Scott	Required
Phil Cronin - StavClassy 11/14/2013	\$5,000.00	Matt Scott	Required
Robert Moore - StavClassy 11/10/2013	\$250.00	Matt Scott	Called
Lorraine Diego - StavClassy 11/11/2013	\$250.00	Matt Scott	Called
Joan Bowen - StavClassy 11/11/2013	\$500.00	Matt Scott	Called
Christopher Harvey - StavClassy 11/11/...	\$500.00	Matt Scott	Called
Kalaivani Duane - StavClassy 11/11/2013	\$250.00	Matt Scott	Called

Training your Team

The screenshot displays a Salesforce training environment. On the left, a sidebar contains an 'Attendee List' with 4 members: Matt Scott (Host), and three Participants (Matt Runypon, Sarah Nanbu, Tegan). Below this is a 'Chat (Everyone)' window showing a conversation where Matt Scott provides a participant passcode and Tegan asks to be dialed in. At the bottom left is a 'Note' section.

The main window shows a 'Share - Matt Scott' view of a Salesforce record for a donation. The browser address bar shows the URL: <https://na7.salesforce.com/006A000000M8gLT>. The record details include:

- Donation Name: Wendy & Mark Jacobs Glassman - StayClassy 11/09/2013
- Close Date: 11/9/2013
- Amount: \$500.00
- Acknowledgment Information: Acknowledgment Caller: Matt Scott, Acknowledgment Status: Required, Thank You Required: Yes, Acknowledgment Call Completed: 11/11/2013 2:45 PM, Thank You Card Sent: [checkbox]
- Call Notes: Wendy's son served in [redacted]

The interface includes a 'Full Screen' button in the top right and a 'Recycle Bin' icon in the bottom left of the main content area. The bottom status bar shows a timer at 0:05:01 / 0:10:45 and a system clock at 2:45 PM on 11/11/2013.

Create Custom Graphics

Disasters can destroy infrastructure and buildings, but we've seen what disasters can never break: community.

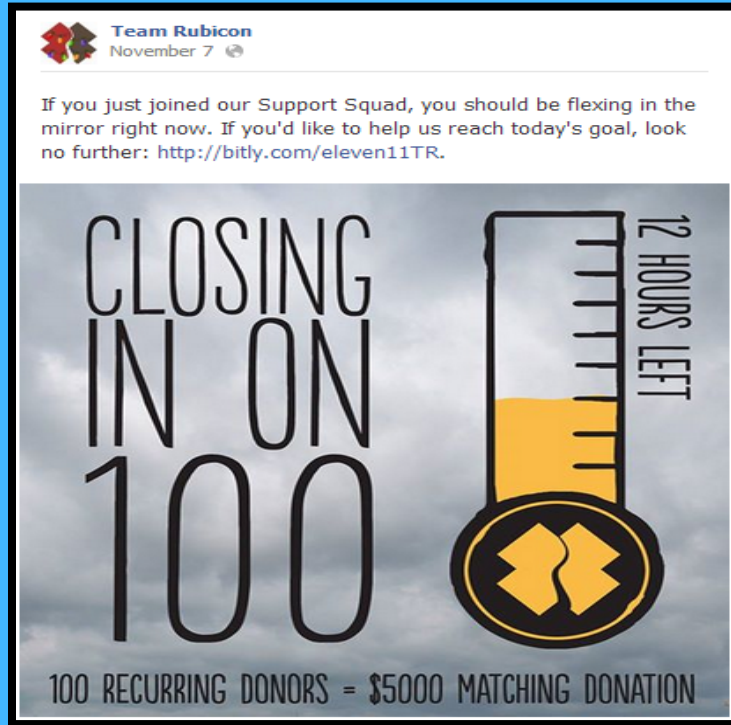
Thousands of Team Rubicon volunteers have deployed to help those who need it the most and now, it's time to grow the TR Nation so we can continue to help those who need it the most. This Veterans Day, join us in rebuilding our communities and helping our neighbors.

Disasters aren't going away, and with your help, neither are we.

	\$5/MONTH =	OUTFIT A VOLUNTEER W/PPE
	\$10/MONTH =	INCIDENT MANAGEMENT TRAINING FOR 1 VOLUNTEER
	\$25/MONTH =	TOOLS, TACTICS & TECHNIQUES TRAINING FOR 1 VOLUNTEER
	\$50/MONTH =	DEPLOY A STRIKE TEAM
	\$100/MONTH =	BUILD A FORWARD OPERATING BASE

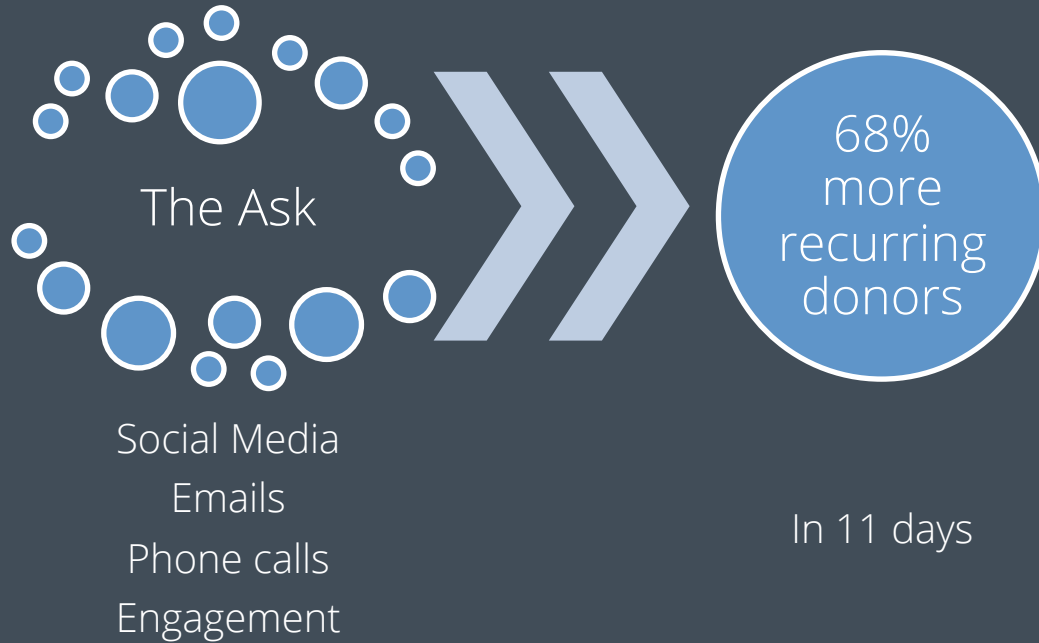
- Talk about impact
- Make it relatable
- Make it sharable

Share your Progress



Supporters love *transparency*, and they love seeing their *progress* towards *success*.

Make the Ask

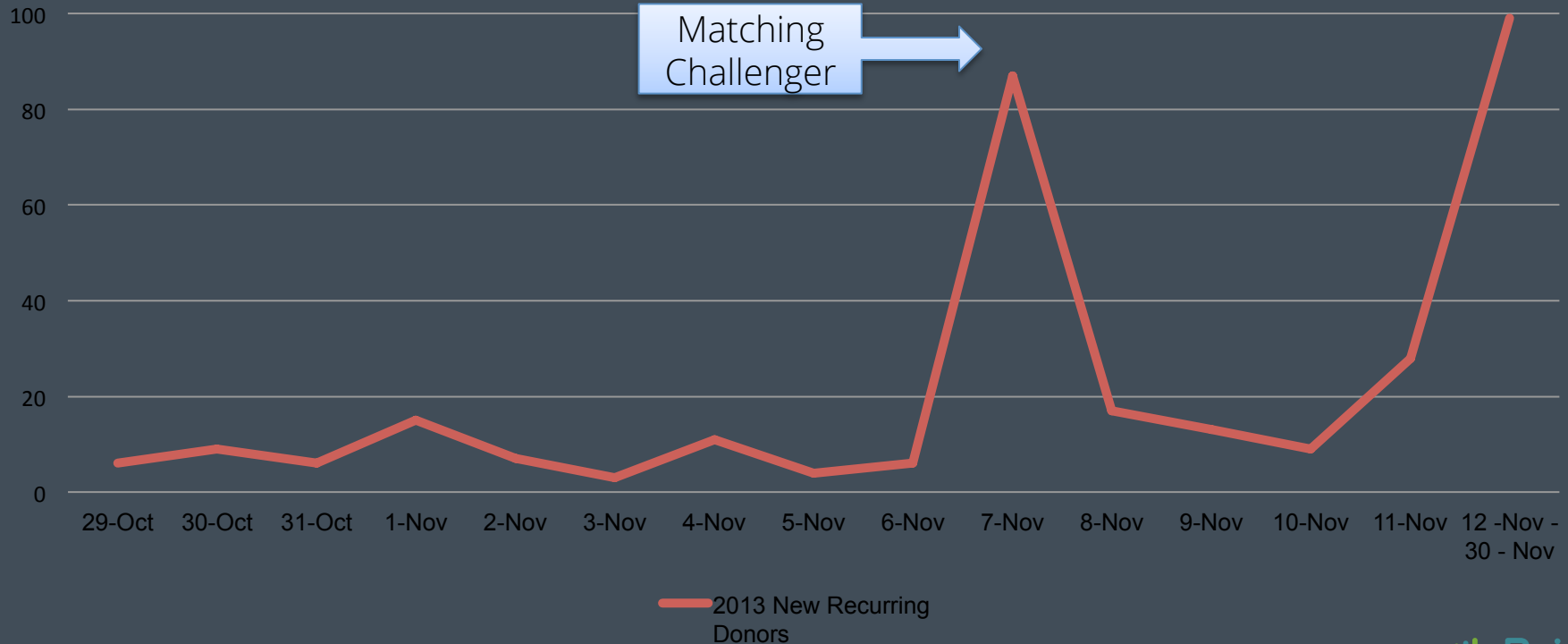


The Results:

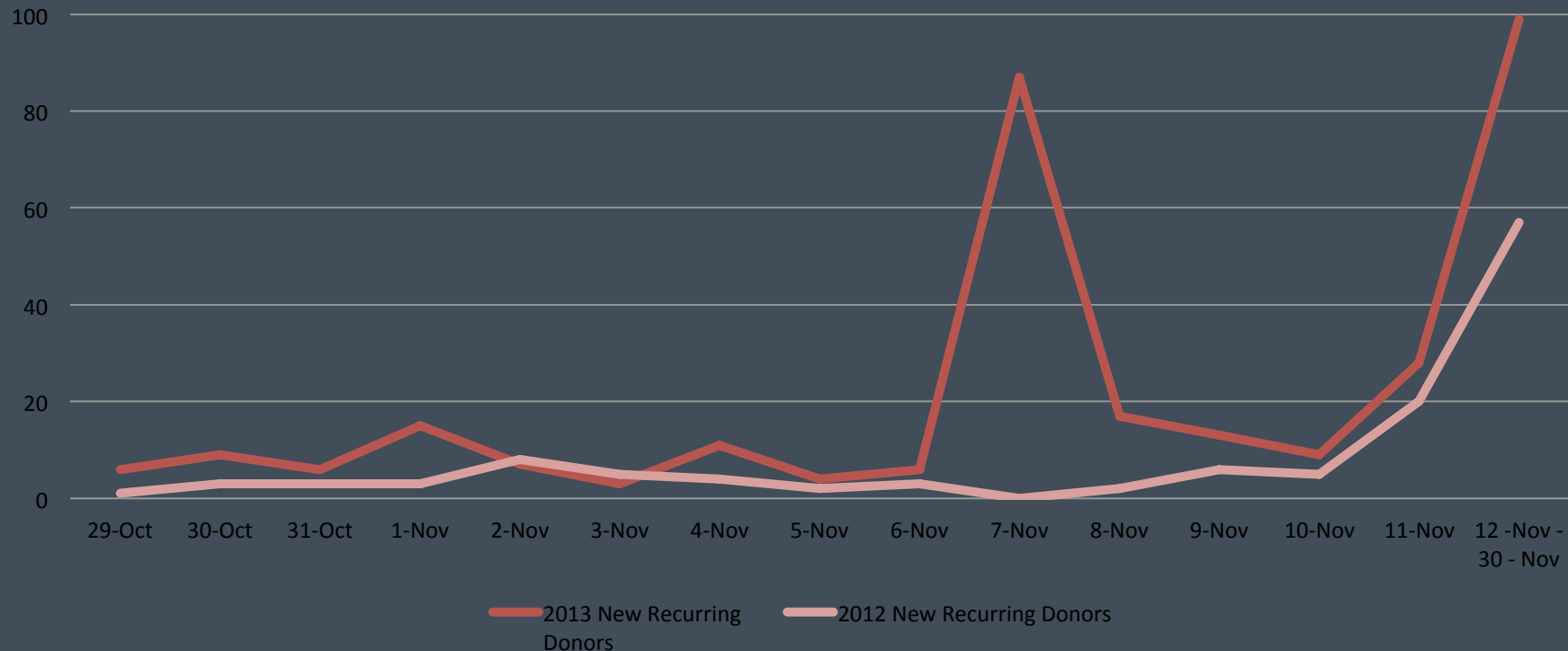
320

new recurring donors

2013 New Recurring Donors



Number of New Recurring Donors by Day 2012 vs. 2013 Eleven11



The Results:

\$6,148

new monthly recurring
revenue

The Results:

From

\$8,600/mo

to

\$14,700/mo

The Results:

\$26K

in one-time donations

The Results:

\$95K

Year 1 ROI

Eleven11: if continued...

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	752	\$21	\$252	\$189,504
2	902	\$23	\$277	\$250,145
3	1,083	\$25	\$305	\$330,192
4	1,299	\$28	\$335	\$435,853
5	1,559	\$31	\$369	\$575,326
6	1,871	\$34	\$406	\$759,431
7	2,245	\$37	\$446	\$1,002,448
8	2,695	\$41	\$491	\$1,323,232
9	3,233	\$45	\$540	\$1,746,666
10	3,880	\$50	\$594	\$2,305,599
TOTAL:				\$8,918,396

So how do you replicate the success of *Eleven11* to develop and grow your recurring revenue program?

Launching your Recurring Revenue Program

- Focus on relationships
- Create access
- Engagement

Focus on Relationships



Relationships are about trust, connection, and pursuit of a common purpose.

Making the Ask...



Make it about the relationship between supporter and your organization's impact.

Making the Ask...

Targeted campaign or Year-Round-Presences...

Either way, *be specific.*

Making the Ask...

Disasters can destroy infrastructure and buildings, but we've seen what disasters can never break: community.

Thousands of Team Rubicon volunteers have deployed to help those who need it the most and now, it's time to grow the TR Nation so we can continue to help those who need it the most. This Veterans Day, join us in rebuilding our communities and helping our neighbors.

Disasters aren't going away, and with your help, neither are we.

	\$5/MONTH =	OUTFIT A VOLUNTEER W/ PPE
	\$10/MONTH =	INCIDENT MANAGEMENT TRAINING FOR 1 VOLUNTEER
	\$25/MONTH =	TOOLS, TACTICS & TECHNIQUES TRAINING FOR 1 VOLUNTEER
	\$50/MONTH =	DEPLOY A STRIKE TEAM
	\$100/MONTH =	BUILD A FORWARD OPERATING BASE

Quantify your supporters' monthly donation by tying it to **your work**.

Access & Transparency

Set up a targeted campaign that you can build on Y/Y.

Year round presence on your website.



OPTION 2:

Invest Monthly

Recurring monthly donation allow TR to better forecast our operations. They're also an attractive addition to your credit card statement. Plus, recurring donors receive special offers from Team Rubicon.

Invest Monthly

Become a Member of the TR Nation

Engagement



OPB has the **sustaining circle**, how are you making your monthly donors feel **special**?

Engagement



Offline: gear, postcard, news letter ext.

Online: email, social media, website ext.

Managing Recurring Revenue

- Ongoing Maintenance
 - Minimize Churn
 - Increase Donor Lifetime Value
- Year/Year Growth

Minimize Churn

$$\text{Donor Churn} = \frac{\text{\# of lost donors}}{\text{\# of total donors}}$$

On average, **70%** of recurring donors continue into year two.

Leading Causes of Donor Churn



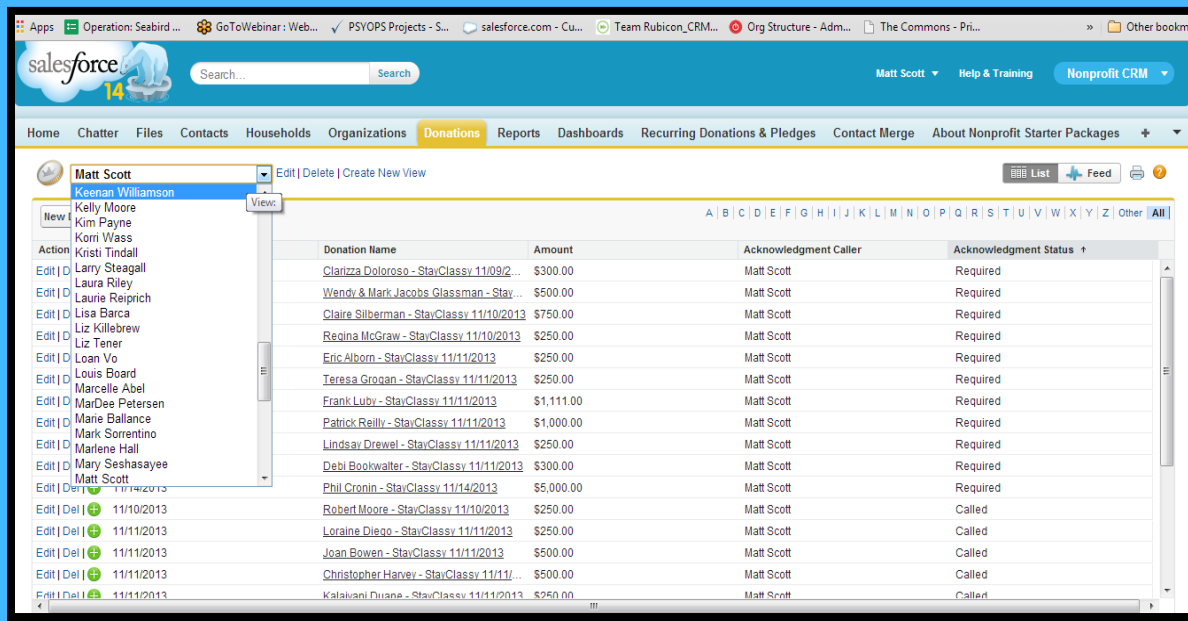
- Lack of engagement
- Outdated payment information
- Donor Fatigue

Personalized Engagement



- Newsletters
- Occasional calls
- Direct mail

Outdated Payment Information

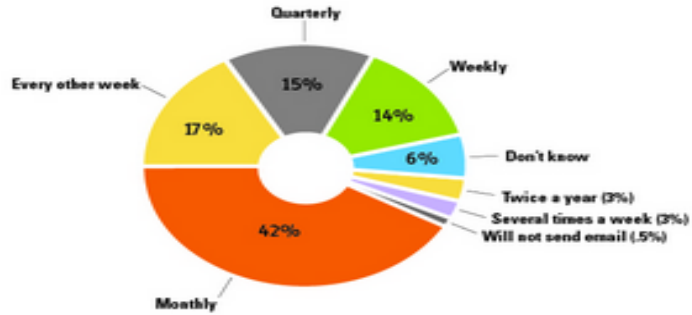


Donation Name	Amount	Acknowledgment Caller	Acknowledgment Status
Clarizza Doloroso - StavClassy 11/09/2...	\$300.00	Matt Scott	Required
Wendy & Mark Jacobs Glassman - Stav...	\$500.00	Matt Scott	Required
Claire Silberman - StavClassy 11/10/2013	\$750.00	Matt Scott	Required
Regina McGraw - StavClassy 11/10/2013	\$250.00	Matt Scott	Required
Eric Alborn - StavClassy 11/11/2013	\$250.00	Matt Scott	Required
Teresa Grogan - StavClassy 11/11/2013	\$250.00	Matt Scott	Required
Frank Luby - StavClassy 11/11/2013	\$1,111.00	Matt Scott	Required
Patrick Reilly - StavClassy 11/11/2013	\$1,000.00	Matt Scott	Required
Lindsay Drewel - StavClassy 11/11/2013	\$250.00	Matt Scott	Required
Debi Bookwalter - StavClassy 11/11/2013	\$300.00	Matt Scott	Required
Phil Cronin - StavClassy 11/14/2013	\$5,000.00	Matt Scott	Required
Robert Moore - StavClassy 11/10/2013	\$250.00	Matt Scott	Called
Loraine Diego - StavClassy 11/11/2013	\$250.00	Matt Scott	Called
Joan Bowen - StavClassy 11/11/2013	\$500.00	Matt Scott	Called
Christopher Harvey - StavClassy 11/11/...	\$500.00	Matt Scott	Called
Katakani Duane - StavClassy 11/11/2013	\$250.00	Matt Scott	Called

Actively manage expiring credit cards and outdated contact information

Donor Fatigue

How often nonprofits expect to email in 2013



NonprofitMarketingGuide.com/2013

How much is too much?

Donor Fatigue

Customize your frequency to meet the recipient's preferences.



Increase Donor Lifetime Value



Increase monthly donation amount of existing recurring donors

Increase Donor Lifetime Value

$$\text{Donor Lifetime Value} = \frac{\text{Avg. Donation per Donor}}{\text{Donor Churn Rate}}$$

Increase Donor Lifetime Value



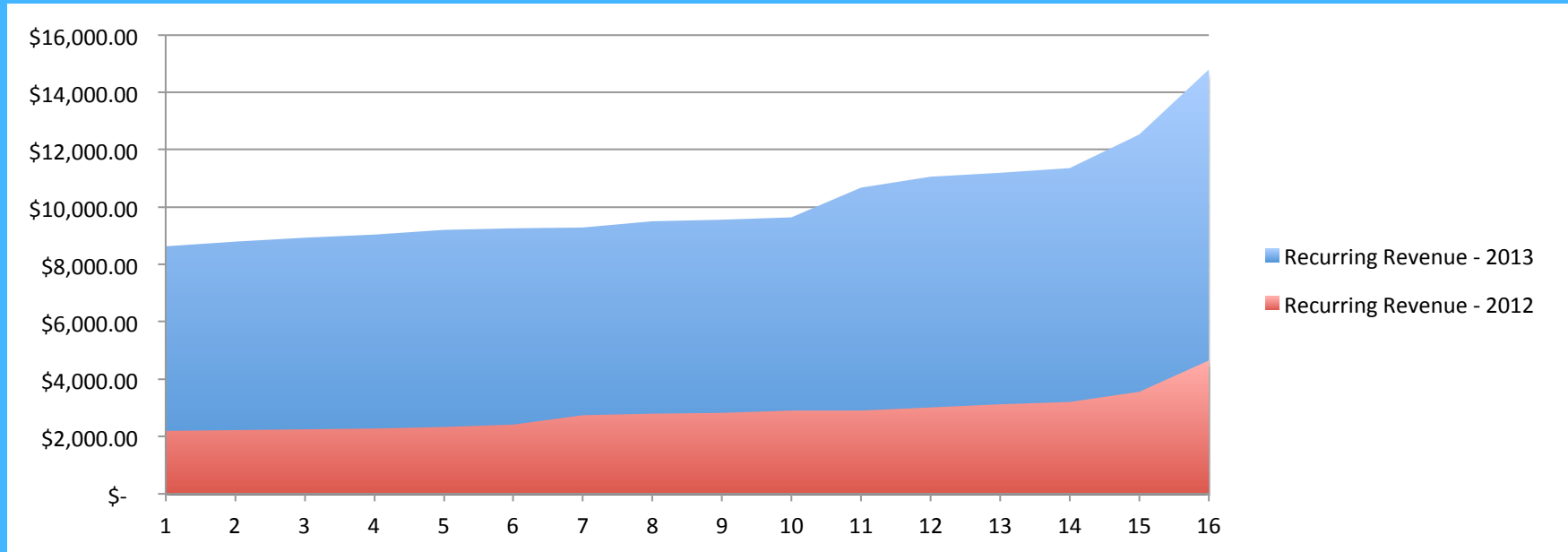
How?

Increase Donor Lifetime Value



- Quantify their gift through engagement
- When updating payment methods
- Just ask

Managing Recurring Revenue



Year / Year Growth

Year/Year Growth



Establish your
program's brand,
then build on it
each year.

Recap – 7 Tips for Launching and Managing a Recurring Revenue Program

1. Define your goals & Key Metrics
 1. # of donors
 2. Average Gift
 3. Retention Rate (Churn)
 4. Upgrade Rate
2. Launch a targeted campaign
3. Engage – Make them feel special
4. Team effort (60/10/30 Rule)
5. Measure, learn, and repeat

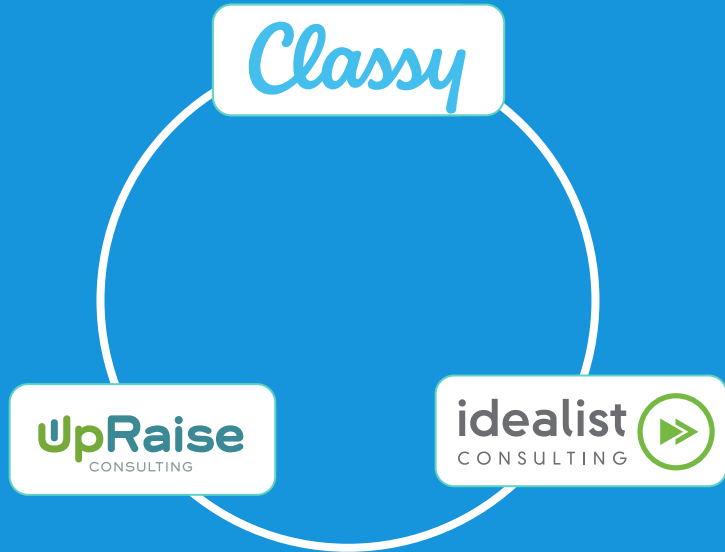
Recap and Questions

Start Now



- End of year/holiday campaigns focused on monthly donations for existing donors
- Recurring donations are a great followup to donors acquired through Giving Tuesday
- Followup campaign starting in January

Recurring Revenue Solution Kit



- Recurring donations forms
- Recurring donations management tools
- White labeled supporter profiles to empower supporters to manage their own recurring gifts
- Rapid 4-week deployment
- Integration with Salesforce1
- Proven 5-step method to help you evaluate, formulate, communicate, advocate, and accelerate campaigns
- Training to ensure team can apply best practices
- Strategic guidance & support

Thank You!



Mike Spear
Classy
@stayclassysd



Matt Scott
UpRaise Consulting
@upraise_consult



Kirsten Kippen
Idealist Consulting
@idealistcons

Contact Us

sales@classy.org

(619) 961-1892

Be sure to mention recurring donations!