

Recurring (Gifts) Dream

Use online
and direct mail
to push monthly
giving to new
and existing
donors.

BY ERICA WAASDORP

Some of you may know that I'm passionate about monthly giving. While I got the "bug" for direct mail working at *Reader's Digest, Amsterdam*, I later got the bug for monthly giving at the International Fund for Animal Welfare in Yarmouth Port, Mass.

There I saw firsthand how successful monthly giving is in Europe, Australia and Canada. However, here in the U.S., although major gifts, events and direct mail have become very common, monthly giving programs still lag behind.

The good news is we are starting to catch up with other parts of the world, with more and more organizations beginning to explore monthly giving. In my current work as a consultant, I am fortunate to work with several U.S. organizations that have successfully implemented monthly giving programs. I'm proud to say that one of my clients currently has 20 percent of its zero- to 12-month donor file on monthly giving, representing half of the organization's overall annual revenue. This organization offers all three giving options, with 40 percent through monthly envelope >

Monthly Giving

reminders and 60 percent automatically through electronic funds transfer (EFT) or credit cards.

At the recent DMA Nonprofit Federation Conference in Washington, D.C., I was pleased to moderate a panel on the keys to monthly giving success. Many readers may have read a short synopsis of this session in earlier editions of *Fund-Raising Success*' online newsletter *Today in Fundraising*.

To recap, when it comes to monthly giving, each organization is different. Some organizations may already have a program in place but want to grow it. Others may just be in the beginning stages. What works for one may not necessarily work for all. But, whichever stage you're in, a well-defined and implemented monthly giving program can work for all.

While direct-response TV and face-to-face (street fundraising) have made huge impacts for some

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larger organizations (for example, child-sponsorship organizations, ASPCA and Greenpeace), most organizations lack the funds to invest in those media. Therefore, this piece focuses on ways to use online and direct mail to start and grow a monthly giving program. Add tele-marketing to the mix (if you can), and you have a truly winning combination! So, let's get started.

Just do it!

As with anything, if you ask donors, they will come. Let's look at a simple calculation: Say an organization can have 100 donors join for \$10 a

month (that's \$120 in 12 months). Through a credit card recurring option online, that's \$12,000 a year. If they continue, which is very likely, that's \$24,000 after two years and so on.

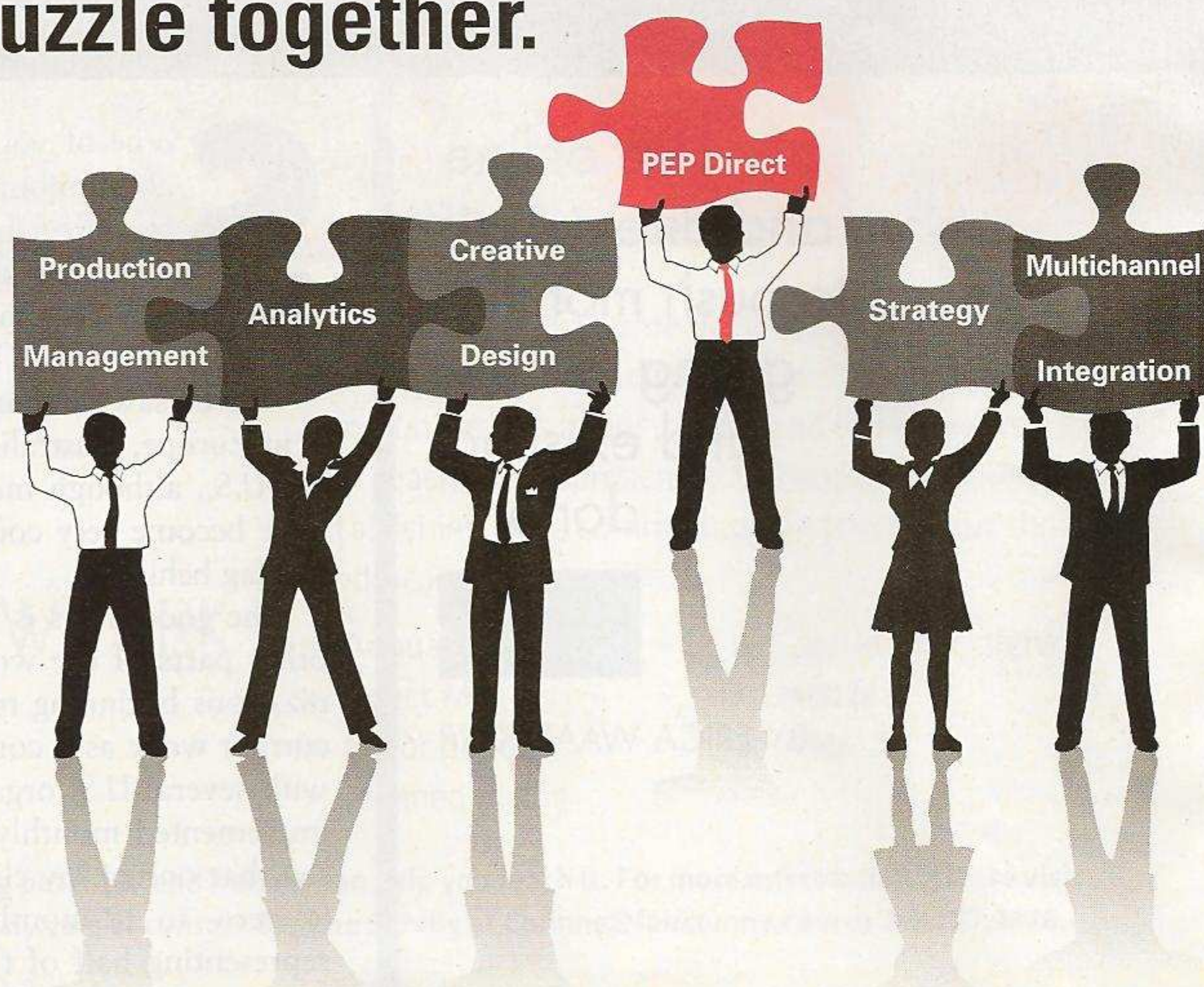
If your organization does not have a program in place yet, offering monthly giving online is very simple. Just offering the option on your homepage and the donation page is half the battle. The recurring-giving option is typically one of many payment options, such as PayPal, for many credit card merchants, so it is very easy to go

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Your organization's mission and processes and your major prospects' timelines and desires — not your software — should drive your major-donor cultivation efforts.

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Process: Plan ahead

Cultivating major donors cannot be done haphazardly. Stick to the processes your organization recommends, but be flexible. And remember that in an ongoing major-gifts program, cultivation happens on your prospect's timeline, not yours, and certainly not your software's.

However, recognizing that the relationship will develop on your prospect's timeline doesn't mean you shouldn't define a cultivation strategy for that prospect and tentatively schedule e-mails, calls and visits. Every major-gift fundraising model indicates it is imperative to plan ahead. Just be aware that

these plans are only tentative, and accept that adjustments will occur.

Complement: Areas for documenting and updating your strategy for a prospect are readily available in donor-management systems that support major-gifts fundraising efforts. These systems also offer full-featured contact and appointment tracking including automatic, editable, pop-up reminders. Tickler systems remind you and your account managers of upcoming appointments. When a tickler displays, you can complete it and enter notes and other impressions from that individual contact with your prospect, reschedule, or make any other adjustments to the appointment you deem necessary. **FS**

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ahead and use it. One thing to remember: Be sure to craft a thank-you e-mail, code the donor as an online monthly giver in your organization's database and update the monthly gifts in your records.

As many of us know, management sometimes needs to be convinced that monthly giving is a good investment. By developing an online monthly giving program, fundraising professionals can show some initial success at virtually no cost — and then build upon it. Those organizations that understand the tremendous impact of monthly giving on the bottom line, as well as realize that it is just as much a long-term investment as acquisition, are becoming extremely successful.

So, how about direct mail? Well, it is still a great way to raise funds and generate monthly donors. You've heard it before: The sooner you can get the second gift, the better. And life gets even better if that second gift becomes a monthly gift! So, take a good look at your organization's welcome letter and see how you can integrate a monthly giving option. Be up-front about it, and put it right out there. Do not be afraid. Don't just hide it on the back of the reply form somewhere.

If your organization already has a welcome letter with an ask, it makes sense to solicit a monthly gift. Make sure the donor commits and signs the form, especially if it is through EFT or credit card — your organization needs that record of the initial commitment. As a side note, for upgrades afterward, there is typically no new commitment form needed.

As every organization is different, there is no golden rule for the best ask strategy, but the more specific you are about how the monthly gift contributes to supporting the mission and making a difference (for example, to a child, animal, disease, etc.), the better.

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Donors want to help, and if they can understand how the monthly giving program is beneficial to the organization, it's easier and makes even more sense to join!

However, do not be too greedy and ask for too much too soon. If a new donor gives your organization \$12 initially, he or she may be willing to give \$5 a month. That may sound like a little, but it is still \$60 a year, which is probably twice the value of a typical donor annually. It is key to bring in as many new monthly donors as possible — they can always be upgraded later.

Make it as easy as possible for people to respond. Depending on the purpose and resources within your organization, you should consider sending a small thank-you gift and letter to donors after they join the monthly giving program.

While many prospective donors can relate to a special name for the monthly giving program, it is absolutely not necessary to be successful. If you can come up with a catchy name for your program, that is great, but again, don't fret about it. Brainstorm with a few people, come up with a name, and go for it (and don't look back). As long as the program name fits with the organization's mission, prospective donors will be receptive.

But what of existing donors?

The above explores the conversion of new donors to monthly givers, but many readers may ask, "What can we do with our existing donors?"

If you are still trying to "prove" to management that a monthly giving program is right for your organization, start with the best-responding group: zero to six-month donors who gave at least twice or more and preferably have given by credit card. Test an ask for monthly giving via credit card and see what happens.

If your organization's mail program is heavy (i.e., once-a-month appeals), test a monthly giving ask on a small and targeted portion of your housefile appeal and see what happens. Consider that a monthly giving ask may have a slight negative impact on the single donations coming from that appeal, so be sure to budget accordingly. This applies even more if you consider a special invitation appeal to join the monthly giving program in addition to other appeals.

A final suggestion is to always use annualized amounts to present revenue for your monthly giving program. This gives a more accurate image of the results of your efforts. The reality is that these monthly donors will give for many more years than that, but this method helps make it understandable for the boss!

There is so much more to share about monthly giving, but just remember, the standard fundraising rule applies: If you ask, you'll get. So let's start asking! **FS**

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