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# WHY RECURRING GIVING LEADS TO BETTER DONOR RETENTION

LOW-COST STRATEGIES TO GROW YOUR RECURRING GIVING PROGRAM

BY **Erica Waasdorp**

**I**f you look at the most recent statistics on donor retention, the year 2020 was not great. One reason was that many organizations put a hold on asking for contributions in the first half of the year because they worried about donors not giving. Many continued to be reluctant well into the second half. Hence, many donors who gave in 2019, never gave in 2020.

If you are a nonprofit that lost donors due to a decrease in outreach, you now need to push hard to:

- Generate new donors to replace those who left to support other organizations.
- Try to reactivate those who didn't give last year.
- Try to make up for lost revenue and lost donors.

If, however, you look at those organizations that focused on asking donors by mail, phone and email and asked donors to start giving monthly, they did well, and retention rates went up. One of my favorite quotes is: "The best time to plant a tree was 20 years ago. The second-best



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time is now." This was especially true when it came to recurring gifts.

2020 was the year to start asking for recurring gifts because it allowed donors to make a difference in a way that's most convenient for them with an amount that best fits their budget. And it really helps you with your donor retention. If you can go from 40% to 45% to 90%, that's tremendous, right?

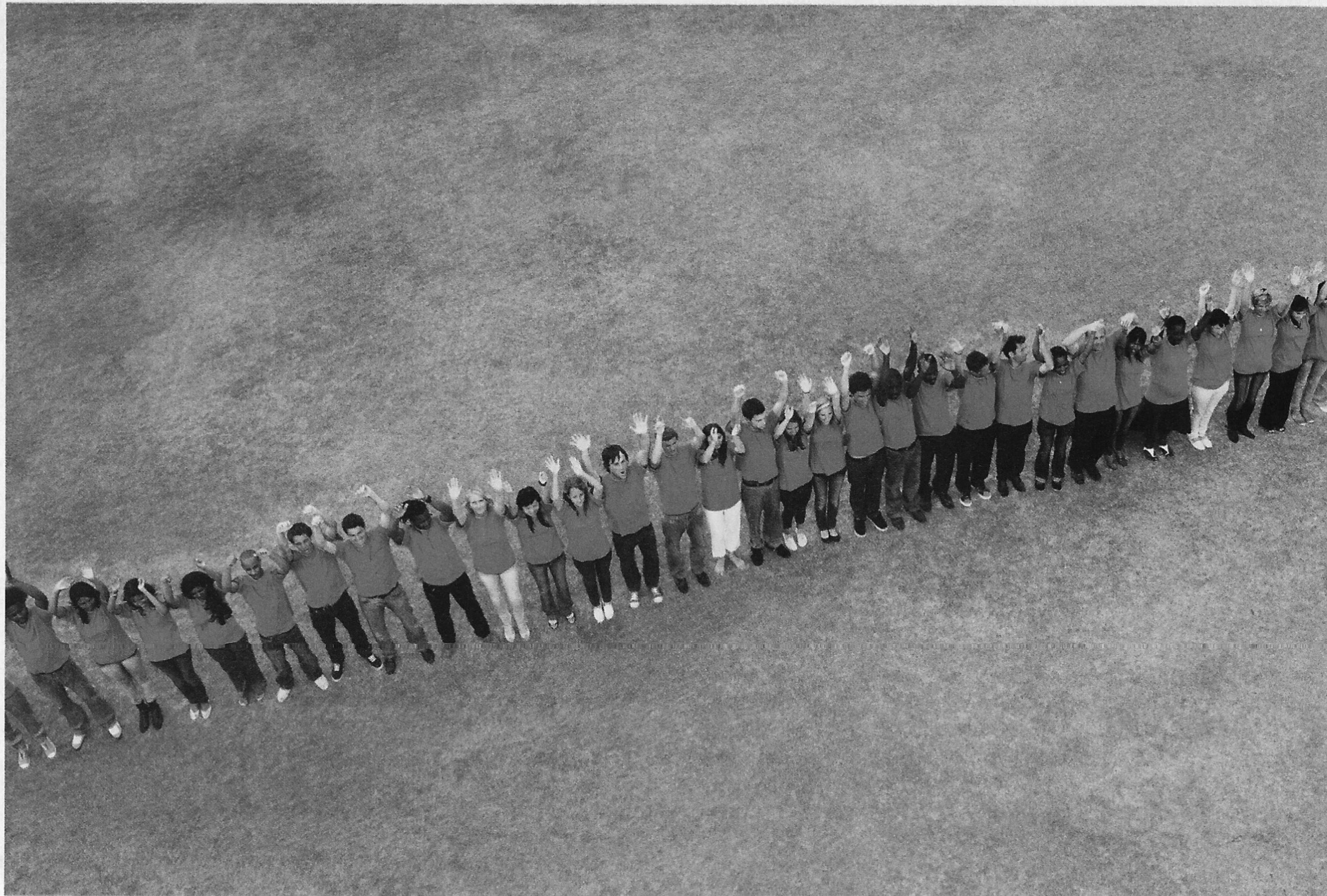
That's the power of recurring gifts. One of the organizations I have the pleasure of working with broke through the 1,000 monthly donors milestone. Another went from 1,600 to 2,100 monthly donors; one went from 50 to 350 in a few months; another from 15 to almost 45; and yet another generated 350 new recurring donors with a focused month-long sustainer drive.

Recurring donor growth is possible with a little bit of commitment.

That's really the key. You must decide. Do you want to generate recurring gifts? Or do you want to continue to tread water, go back to event after event, which can be so time consuming that you have no time to do anything else?

The organizations that generated a lot of growth (food-focused and

Photo: Getty Images by Martin Barraud





social justice organizations) during the pandemic can now convert those one-time donors to monthly donors. All organizations that generated new donors in 2020 can generate monthly donors, but the clock is ticking. The year is almost halfway over. Stop overthinking it and use the tools you have at your disposal.

If you're ready to grow your recurring donors in 2021, let's get started with a few simple and low-cost strategies you can implement, no matter your nonprofit's size or mission:

**1. Write down your recurring donor goal and put it somewhere you can see it every day.** If you have 10 monthly donors now, how about doubling it? If you have 100 monthly donors now, can you make it 200?

**2. Create a recurring-only page so you can direct donors to go there.** You can link to it from your social media. You can link to it from your emails, e-newsletters and homepage. If your system does not allow for a recurring only page, create a page that has the recurring option preset and include a nudge. Something like: "A monthly gift would really help serve more ..." (Note: this page should be used only for recurring giving approaches. I do not recommend presetting the monthly giving option on your general one-time gift page. The donor must want to make a recurring gift, and it must be very clear. You want a good and committed donor experience).

**3. Add a second button in your emails and e-newsletters.** One to direct donors to make a one-time gift, another to direct donors to give monthly. Many organizations that did

that, even during COVID-19, were blown away by the number of recurring donors who made that choice!

**4. Have a tick box on your appeal reply forms at a minimum.** Better yet, add a little nudge and include more information on recurring gifts.

**5. Send out dedicated recurring donor invite emails.** How about one a month? They're not very different from your other email campaigns.

**6. Get testimonials from existing recurring donors and start using them wherever you can.** On social media, in emails, e-newsletters, on your website and in your letters.

**7. Share your recurring donor wins, but make sure to annualize their value.** If you generate 10 new recurring donors from an email and they give \$21 on average, that's \$2,520 per year. Congratulations. Let's do that again.

I could go on, but let me leave you with just a few final thoughts.

**Commit!** You want to improve your donor retention rate, right? You have the tools, you have your payment processors in place, you have your donor base and email programs in place and you must start using them to focus on recurring gifts.

If you're still in doubt, check out recent statistics from "M+R Benchmarks 2021" and Blackbaud's donorCentrics Sustainer Summit 2021.

**Don't overthink it.** What do you have to lose by generating new recurring donors who are going to give more money, stay with you longer and thus have a higher retention rate and may even leave you in their will? What's one more email or an extra

button? Now's the time to try some new things!

**Repurpose!** Use some of the great video footage you've used, as well as images and stories you have. Especially if you only used them on social media, you can put them in an email. Donors will not remember, so repurpose and reuse. I've seen great results from organizations that reused stories from two years ago, pictures from their calendar, videos that were created as a thank you. What do you have in your fundraising coffers you could repurpose to your recurring donor fundraising advantage?

I can't guarantee how much you will grow. I can guarantee, however, that you will generate more recurring donors by implementing the above strategies. Let 2021 be the year you soar to new heights and higher donor retention rates! *NPPRO*

*Erica Waasdorp is president of A Direct Solution, located on Cape Cod, Massachusetts. She works with nonprofit clients nationally and internationally on growing monthly donor programs. She published "Monthly Giving. The Sleeping Giant." She created the "Monthly Donor Road Map" and several e-books, including the "Top 7 Questions about Monthly Giving," "Monthly Donor Retention Play-Book" and more. For more information, contact Erica at [erica@adirectsolution.com](mailto:erica@adirectsolution.com) or visit [adirectsolution.com](http://adirectsolution.com).*

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