

donorCentrics™

Sustainer Summit Learnings

► Deb Ashmore

April 3, 2019

DMFA Direct Marketing
Fundraisers Association

blackbaud®

Hi! I'm Deb

At Blackbaud: 5 years

Hometown: Philadelphia

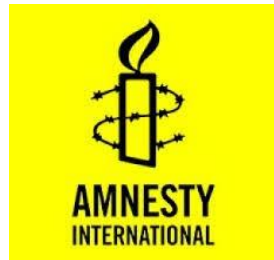
- ▶ Launched and managed a successful sustainer program before joining Blackbaud
- ▶ Provide data analysis across a variety of nonprofit sectors
- ▶ I love my job, but if I had to do something else, I'd be a pirate.



*donor*Centrics Sustainer Summit

- Sharing and learning from **35 organizations** of different sizes and missions
- Data analysis covering a combined
 - 17.7 million donors
 - who gave 61.4 million gifts
 - for a total of \$2.41 billion in 2018.

PARTICIPANTS



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THE HUMANE SOCIETY
OF THE UNITED STATES



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CLUB**
FOUNDED 1892



Save the Children



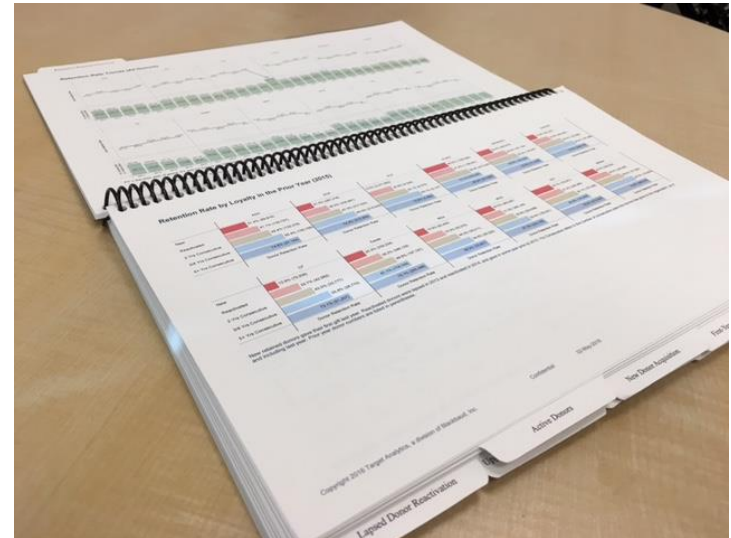
Methodology

All data was calculated directly from transactions from each organization's fundraising database.

Individual payments of \$10,000 or more were excluded.

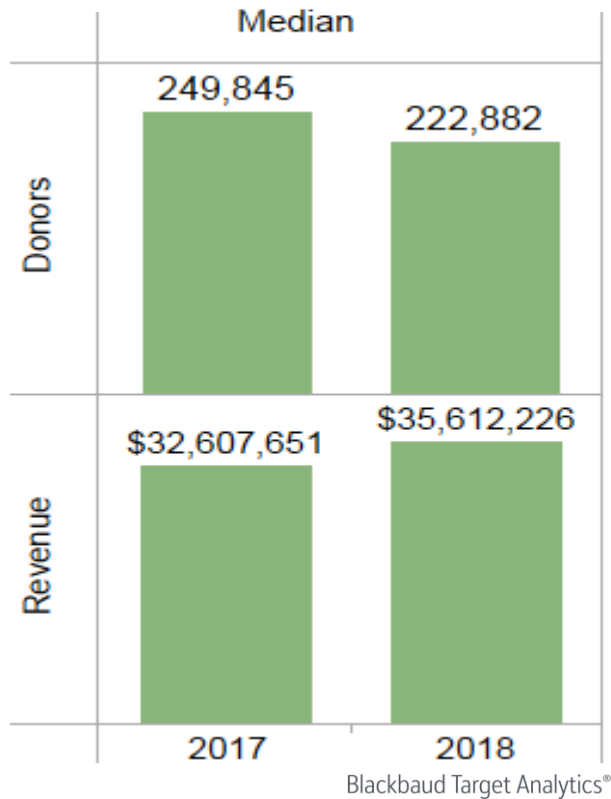
All references to years within this analysis are based on a July to June year.

- For example, a date of “2018” includes giving from July 2017 to June 2018.



Overall Recurring Giving Trends

Total File Active Donors and Revenue Moved in Opposite Directions in 2018.



-11%

11% decrease in the median number of active donors.



9%

9% increase in median revenue.



Recurring Populations and Revenue Increased at the Median.

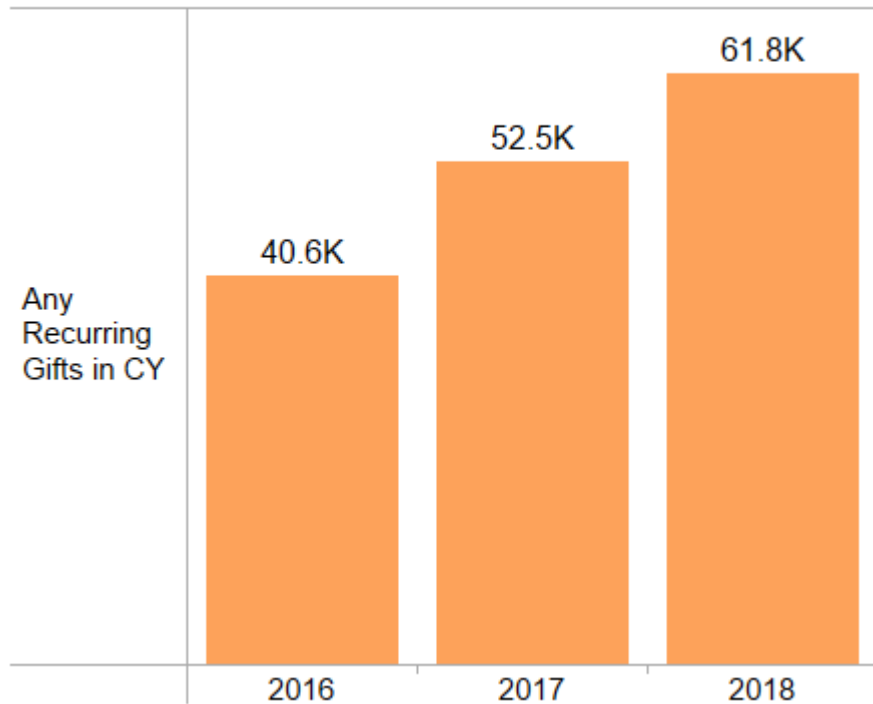
+52%

Change in median recurring **donors** over 3 years

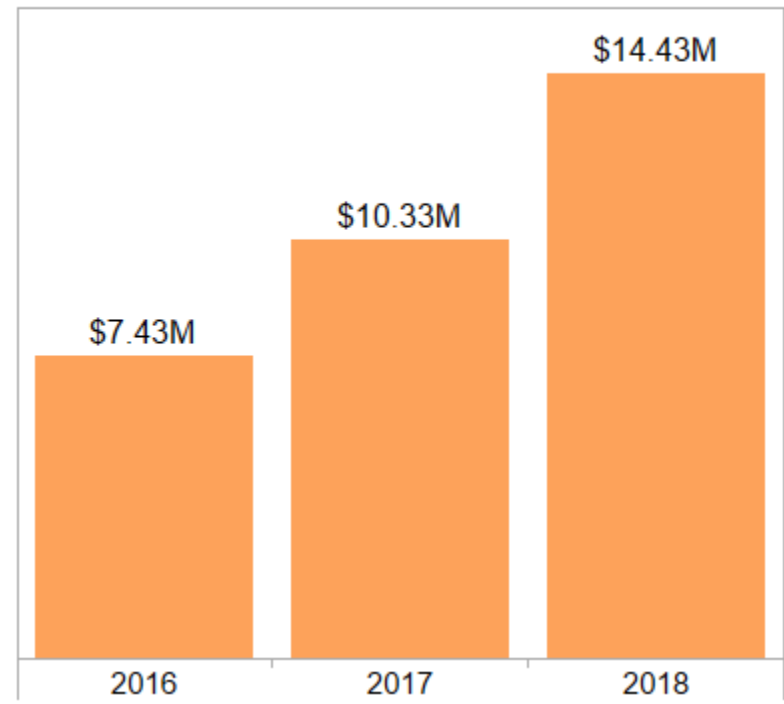
+94%

Change in median recurring **revenue** over 3 years

Median Trend: **Recurring Donors**



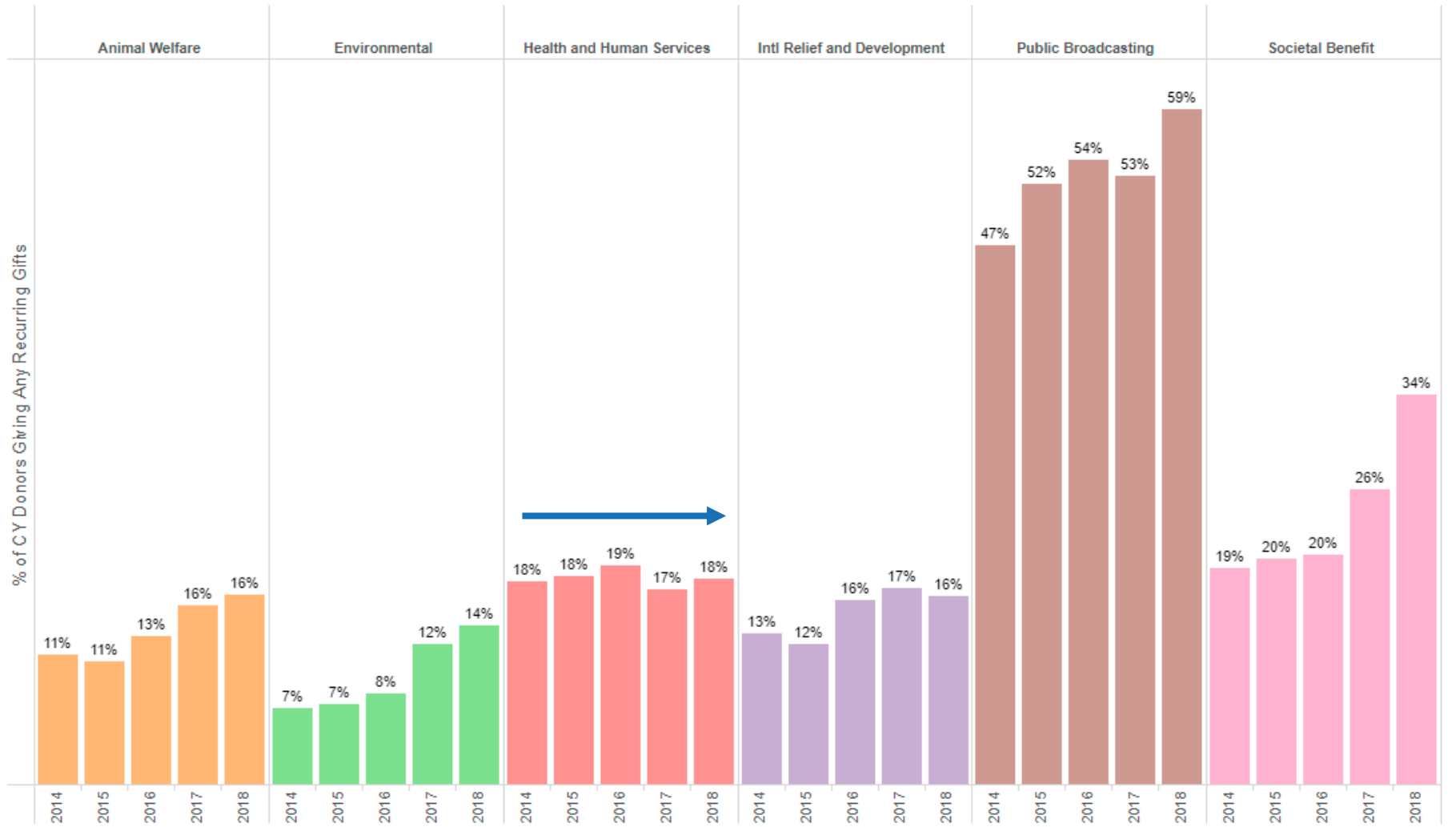
Median Trend: **Recurring Revenue**



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The share of Active Donors that are Sustainers increased over time for most sectors.



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Recurring Donor Value is Increasing Over Time.

\$257

Median Revenue per Donor for Recurring Donors making at least 12 gifts in 2014



\$275

Median Revenue per Donor for Recurring Donors making at least 12 gifts in 2018



The high value of recurring donors is driving a high growth rate for recurring revenue.

Recurring Revenue is Increasing as a Share of Total Revenue.

20%

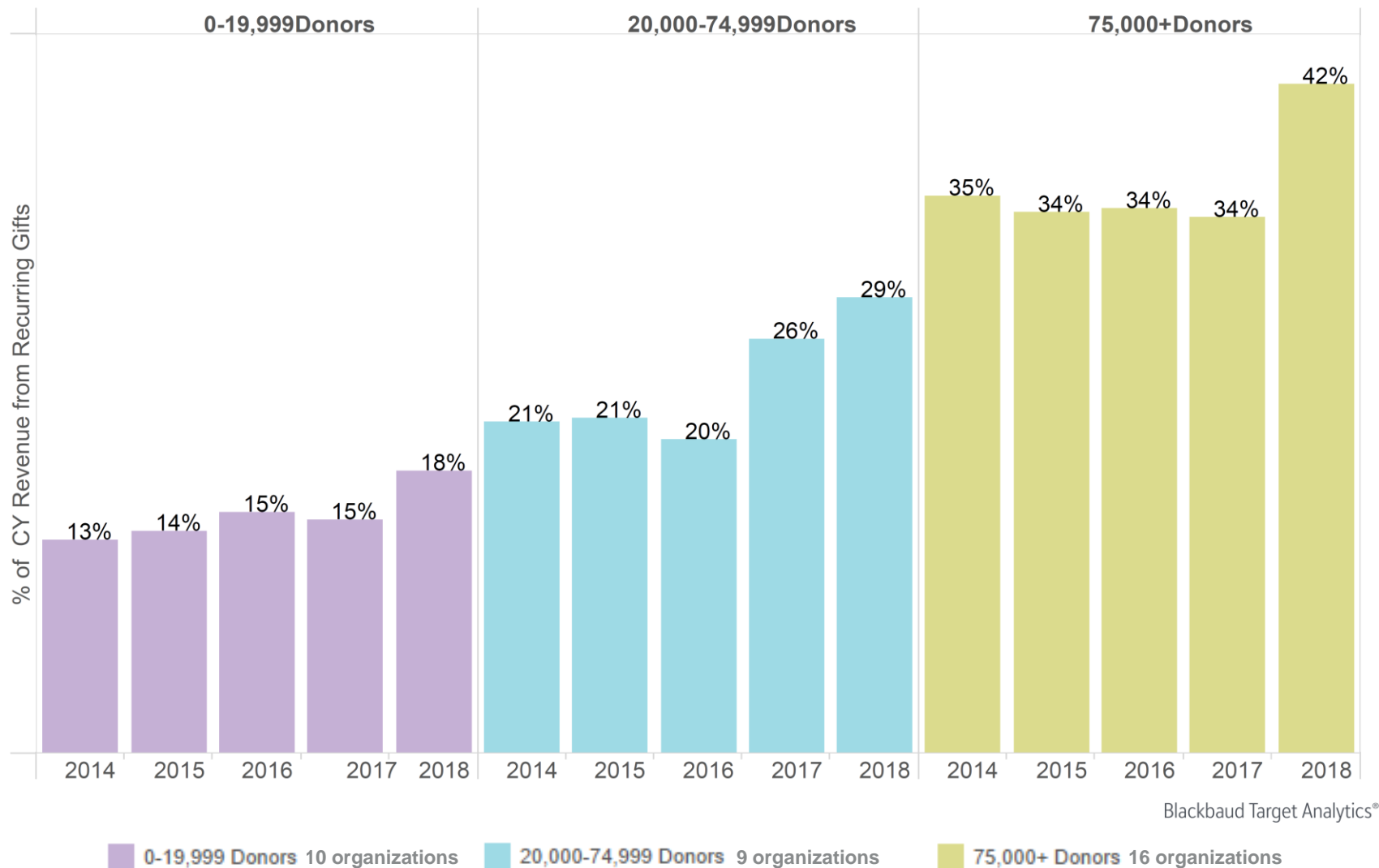
Median % of total
revenue from recurring
gifts in 2016



30%

Median % of total
revenue from recurring
gifts in 2018

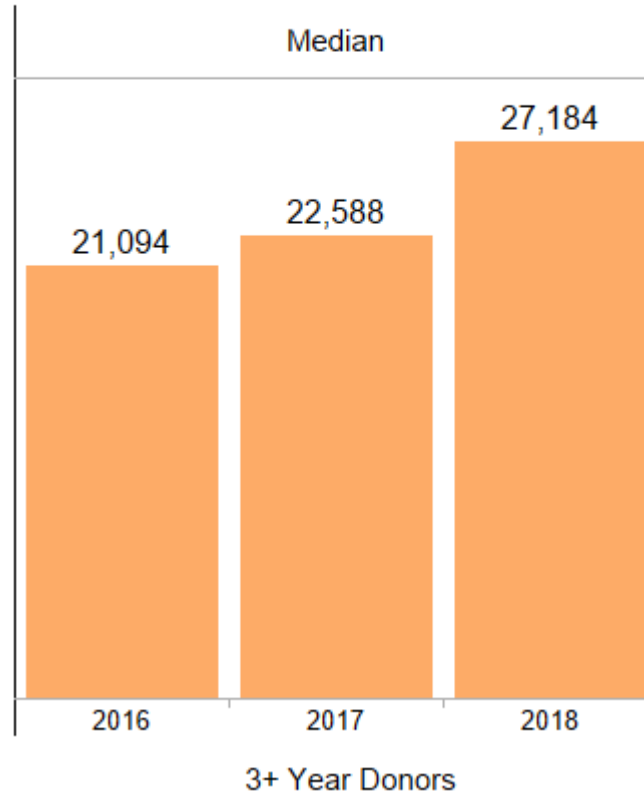
Recurring revenue is a larger share of total revenue regardless of sustainer program size.



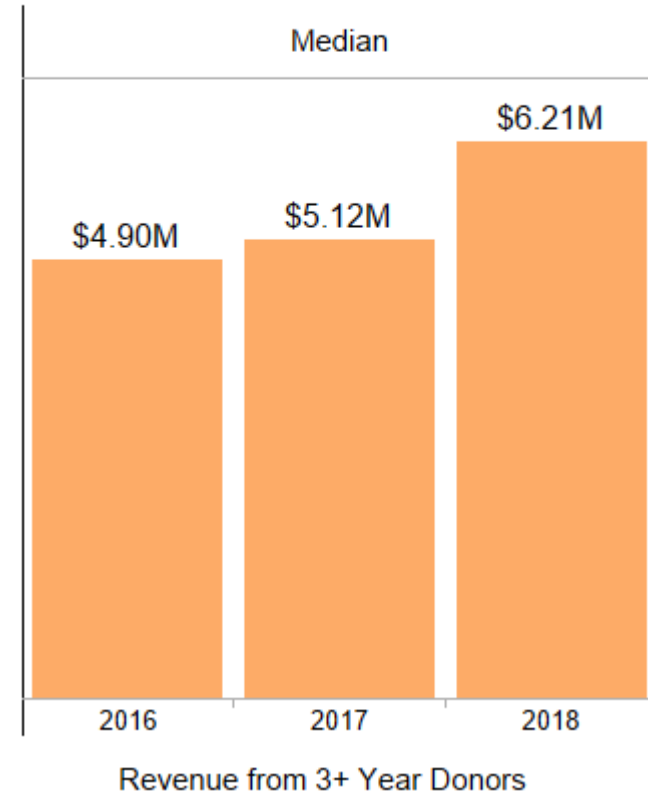
Committed Populations of Recurring Donors Increased.

Active Donors Giving Recurring Gifts for 3+ Years Consecutively

Donors Giving Recurring Gifts for 3+ Years Consecutively



Revenue from Donors Giving Recurring Gifts for 3+ Years Consecutively



2017 acquired donors will populate this pool of donors in 2019 – recurring growth will continue.

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Multi-Year Sustainers were retained in the high 90% range!

What are the top 3 gift sources for recurring revenue in 2018?

25%

Median % of recurring revenue from **web/digital** sources

17%

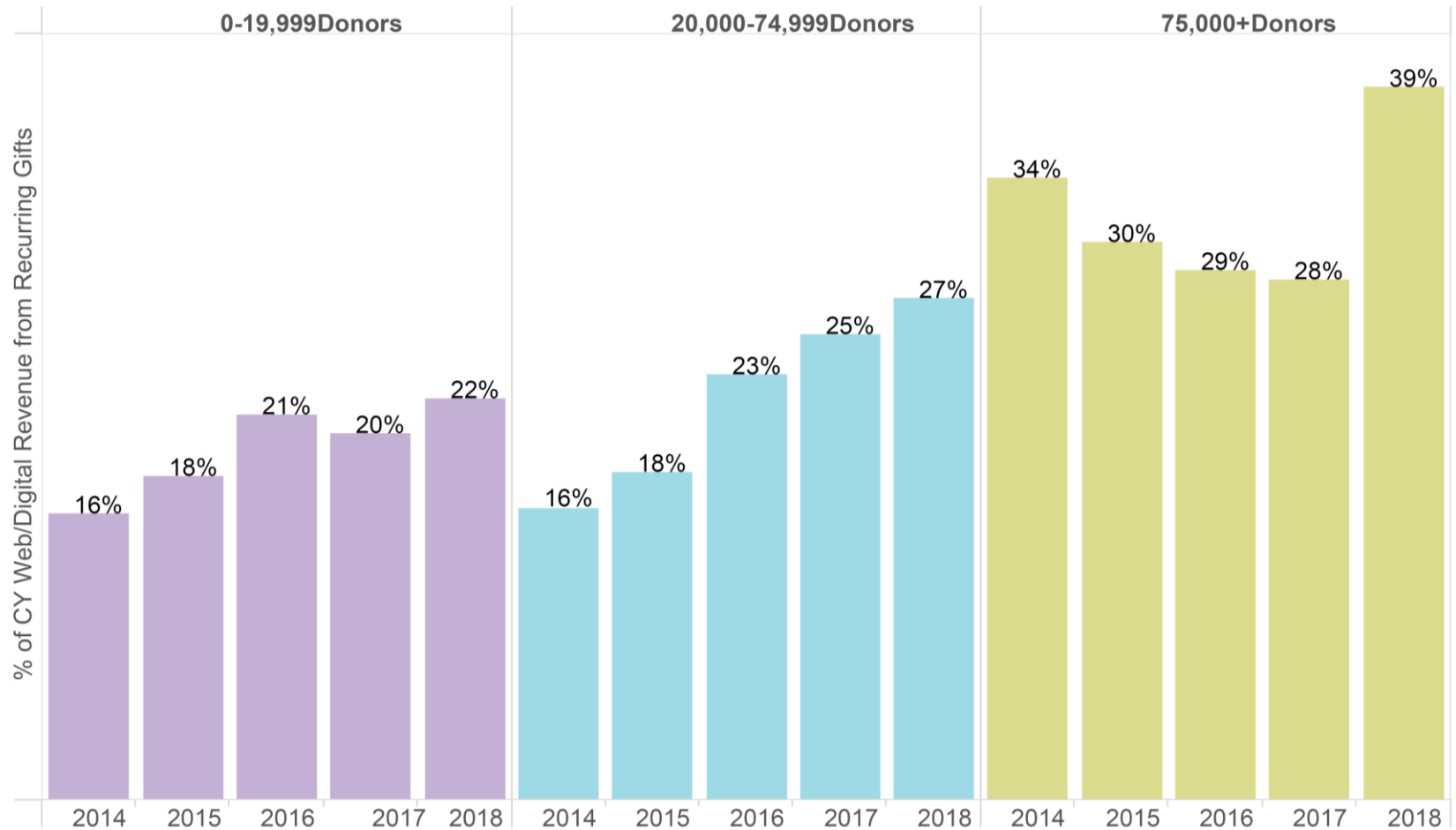
Median % of recurring revenue from **face to face/door to door**

14%

Median % of recurring revenue from **DRTV**

Web/Digital sources include e-mail and digital ads and are the channels shared across all organizations regardless of sustainer program size

Recurring Revenue is a growing share of total web/digital revenue regardless of sustainer program size.



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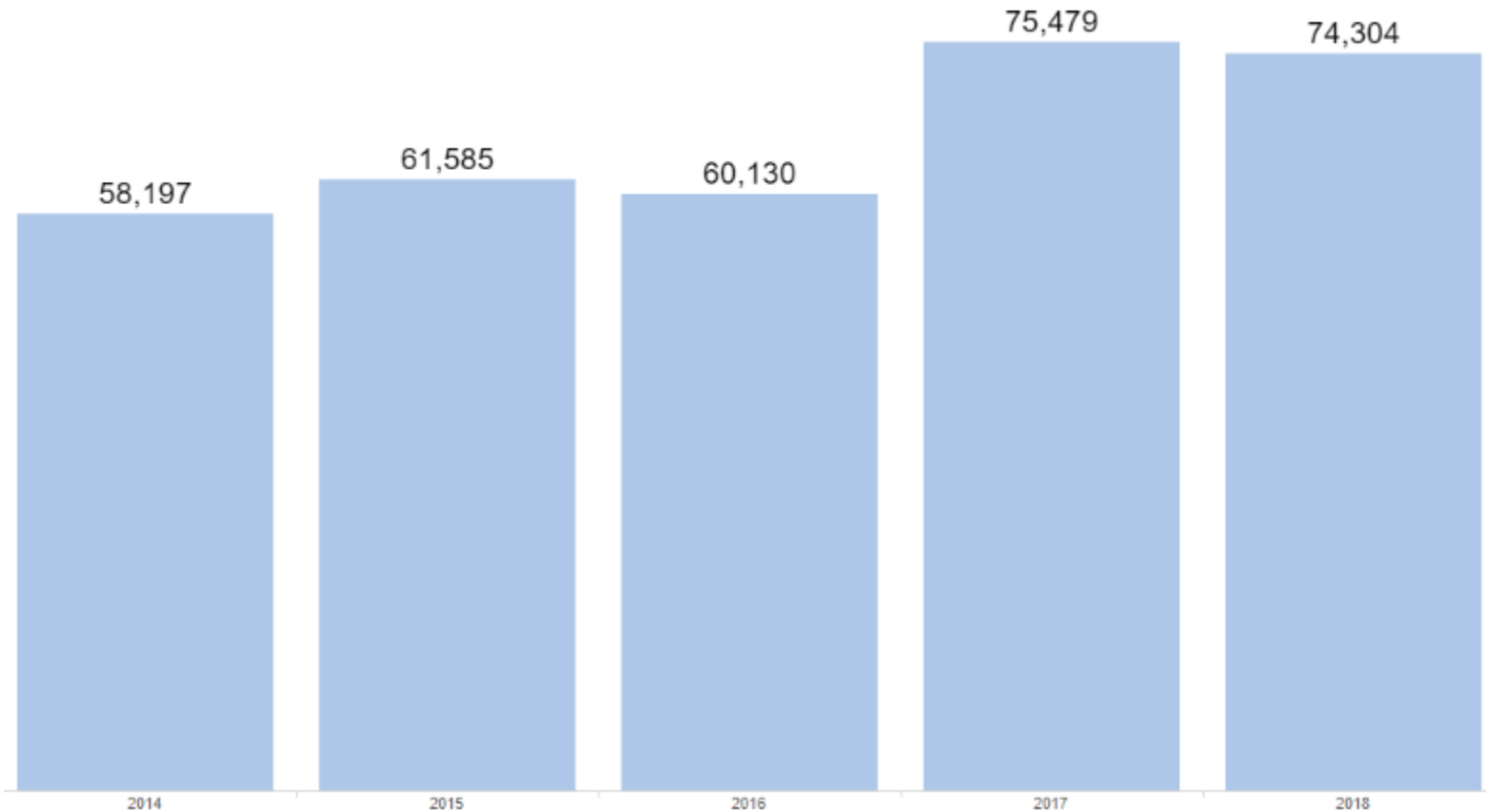
0-19,999 Donors 10 organizations

20,000-74,999 Donors 9 organizations

75,000+ Donors 16 organizations

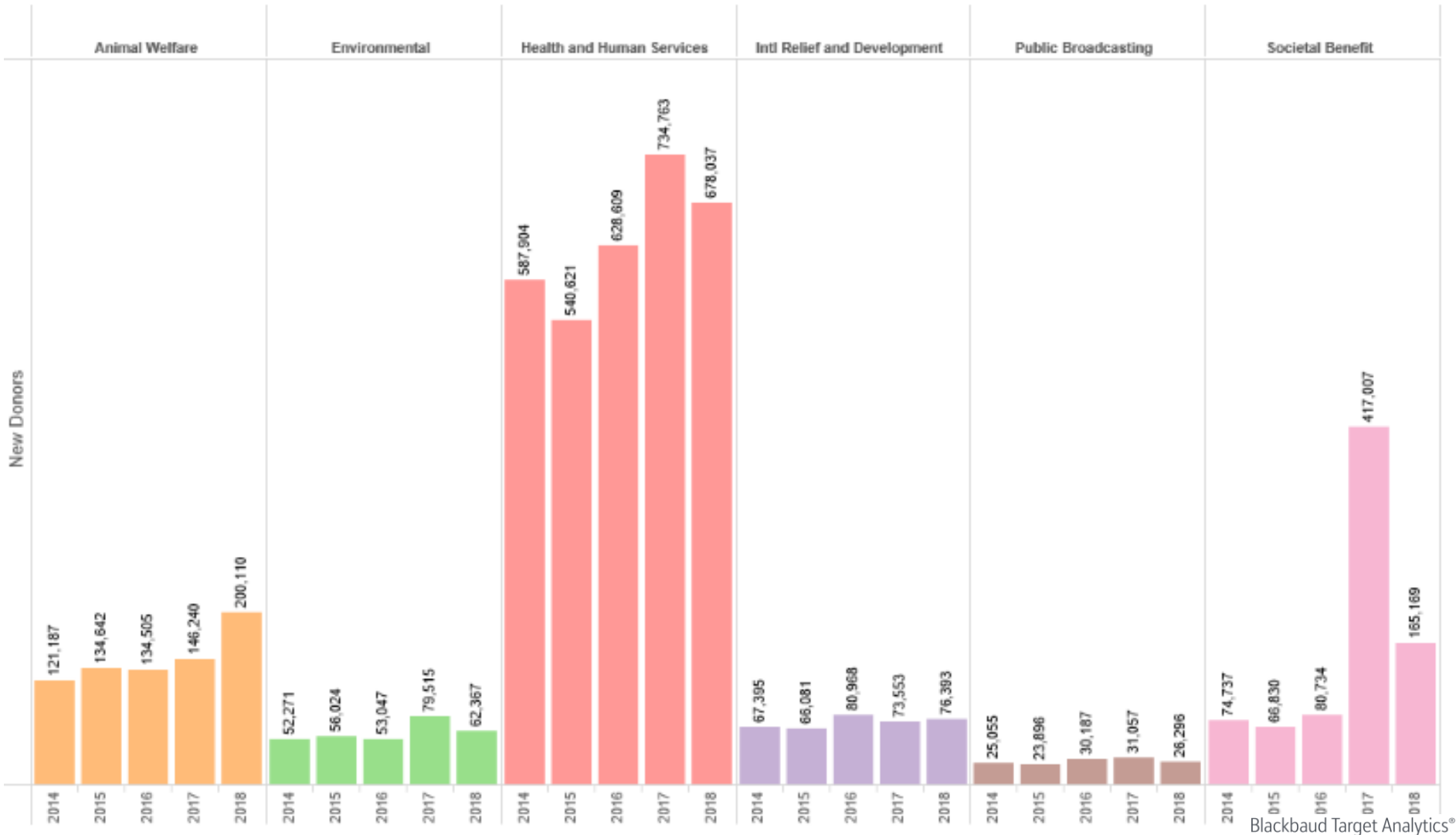
New Recurring Donor Trends

Total File New Donors declined slightly at the median in 2018, but remain well above prior year medians.



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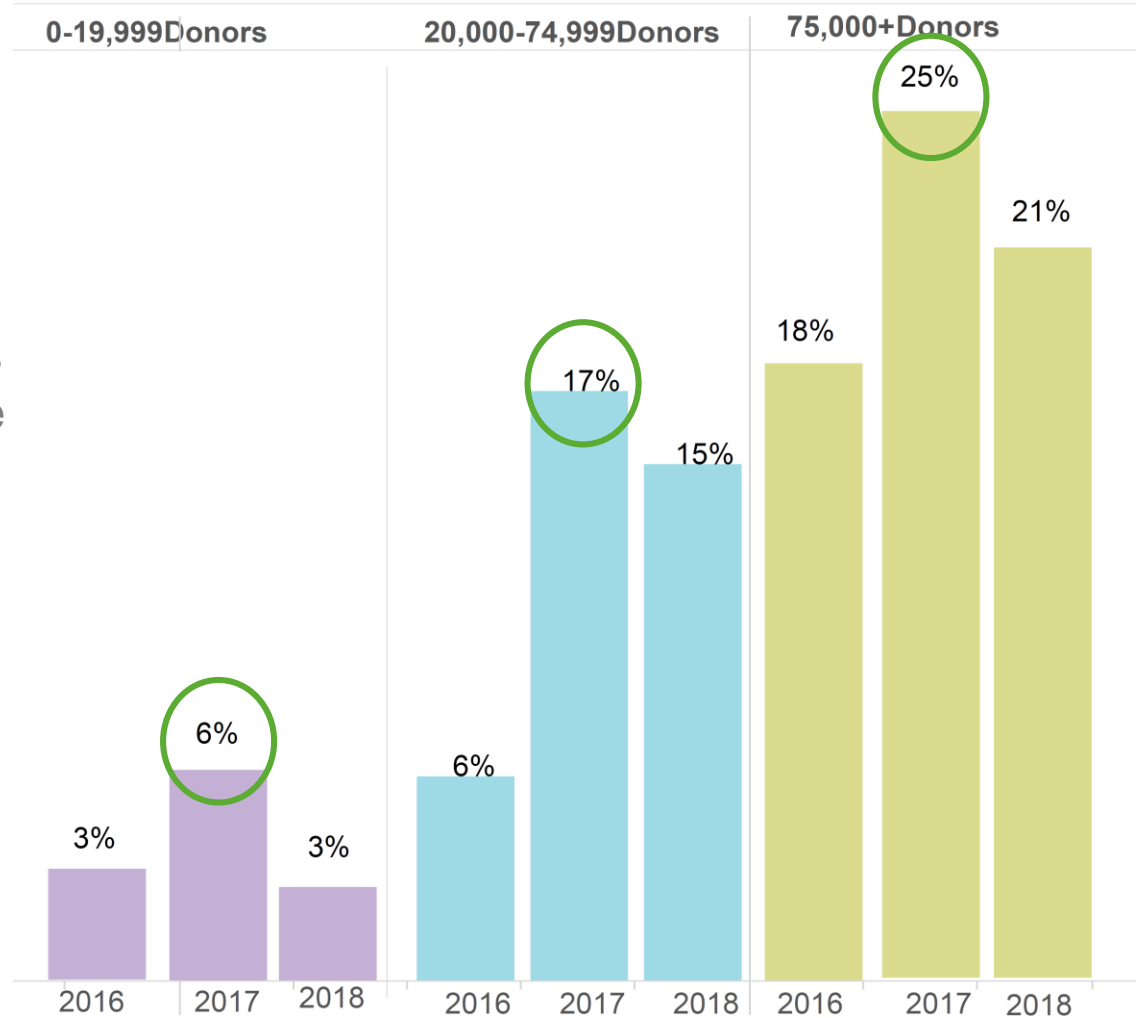
Though median New Donor Counts declined from peaks reached in 2017, new donor counts increased over time for all.



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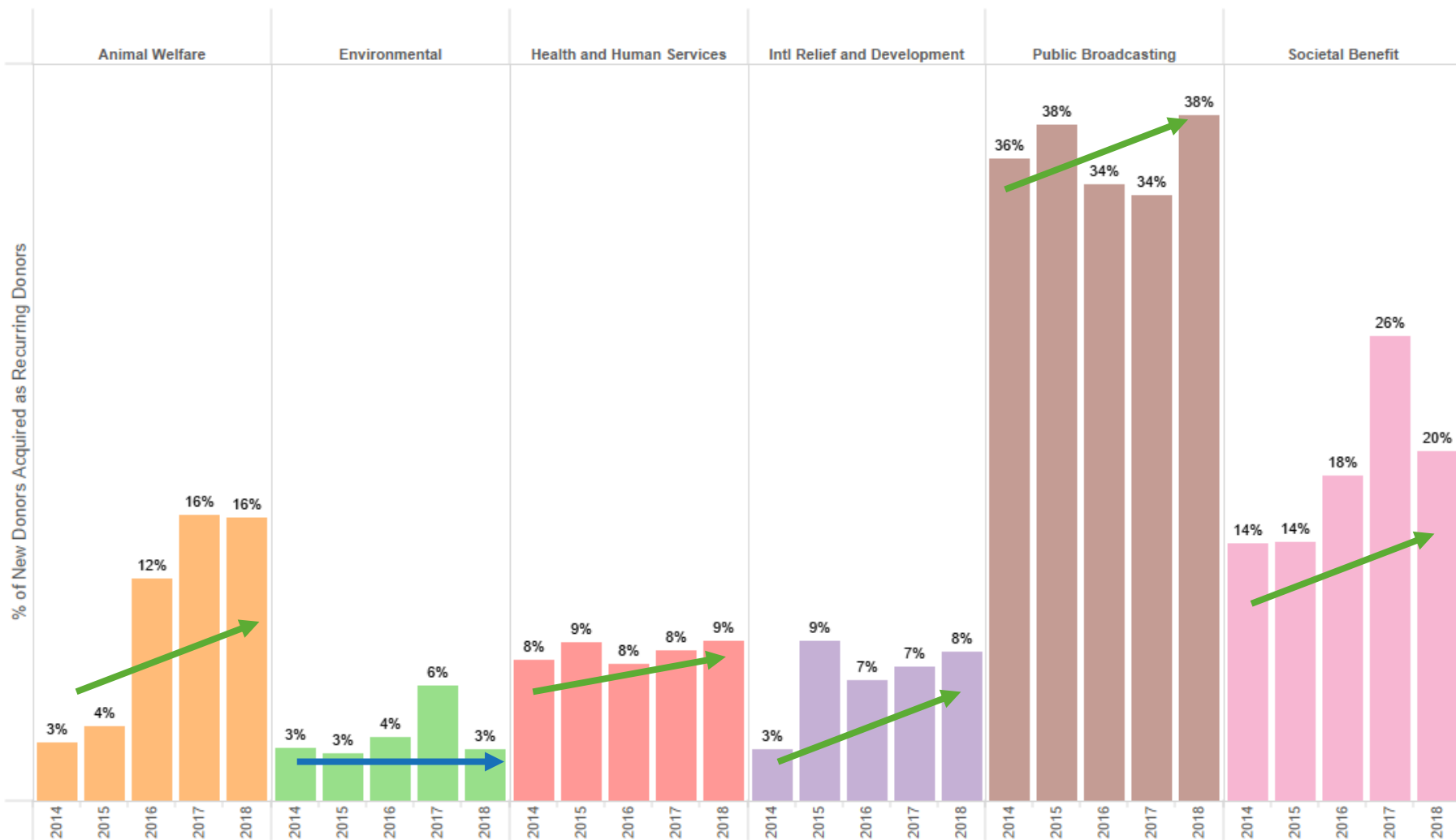
The Median Percentage of New Donors Acquired Direct to Recurring Peaked in 2017 for All Program Sizes.

Channels that acquire greater shares of recurring gift donors are also the channels that see more reactionary giving (digital, for example).



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Trends for Share of New Donors Acquired as Sustainers are mixed but are increasing over time for most sectors.

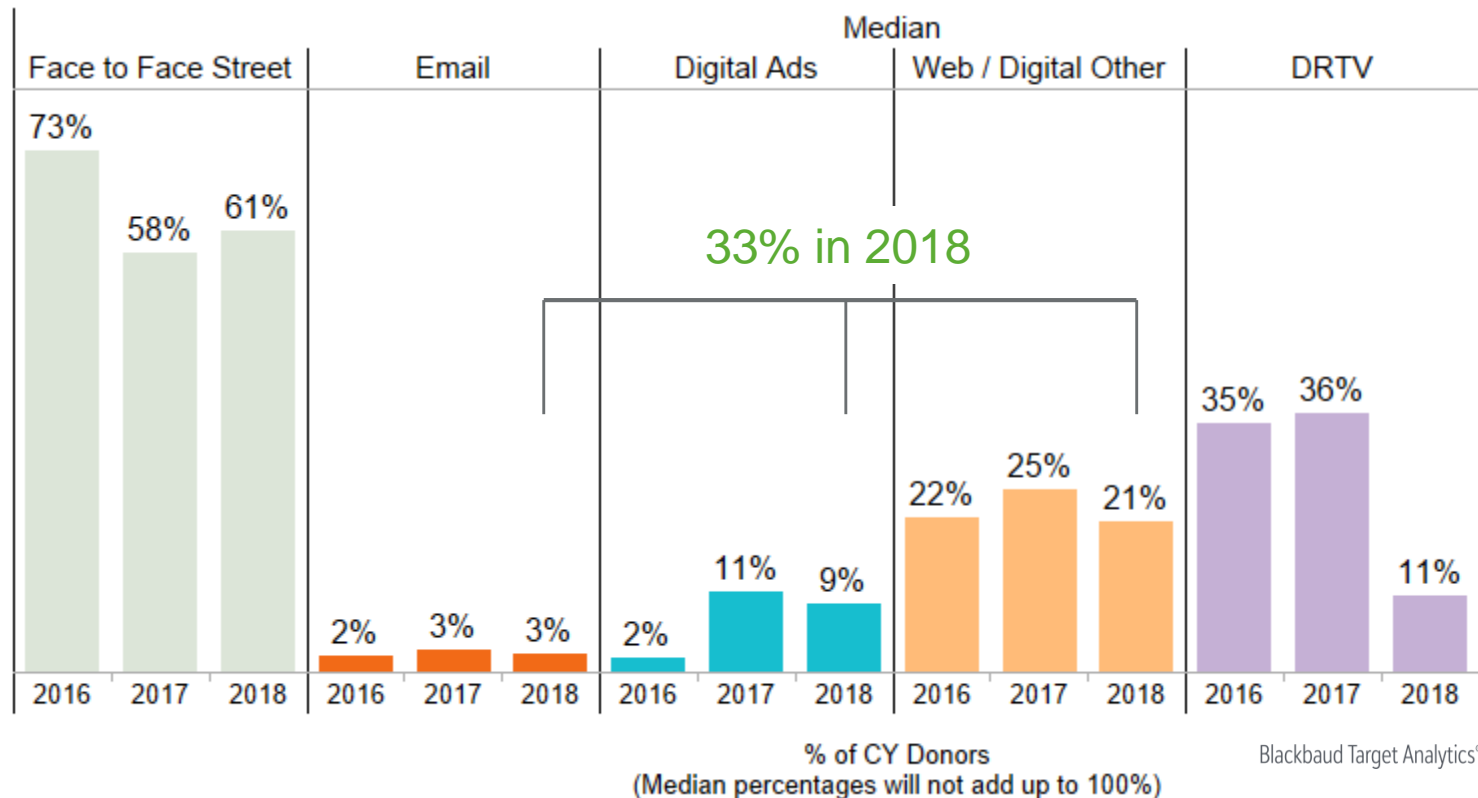


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Three Sources Drive Nearly all the Direct Acquisition of Recurring Donors:

- Face to Face Street Canvassing
- Digital channels, and
- DRTV.

Digital channels increased at a faster pace in 2017 than in prior years.



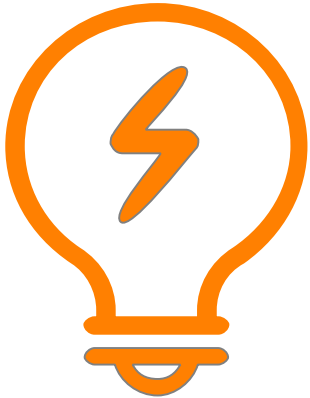
Web / Digital Acquisition was a Big Driver of Higher Volumes of Newly Acquired Recurring Donors.



86%

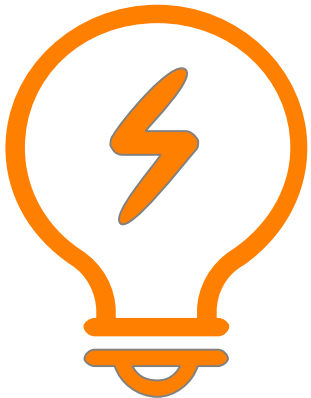
Five year increase in the composite number of new donors who became sustainers with their first gift online.

Key Acquisition Take-Aways



- The organizations with the greatest share of recurring gift donors are hyper-focused: the sustainer message is the primary ask in all sources.
- Continued growth in digital acquisition is expected. Is your website optimized to encourage recurring giving? Is recurring giving the primary ask throughout? Is it the pre-selected option on your donation form? Do your ask amounts change based on the donors selection of recurring vs single (Is your starting ask to donors choosing “give monthly” \$100 or \$10 or \$15?)
- Expansion of canvassing – those who are already canvassing have no plans to stop and many are considering launching a program.

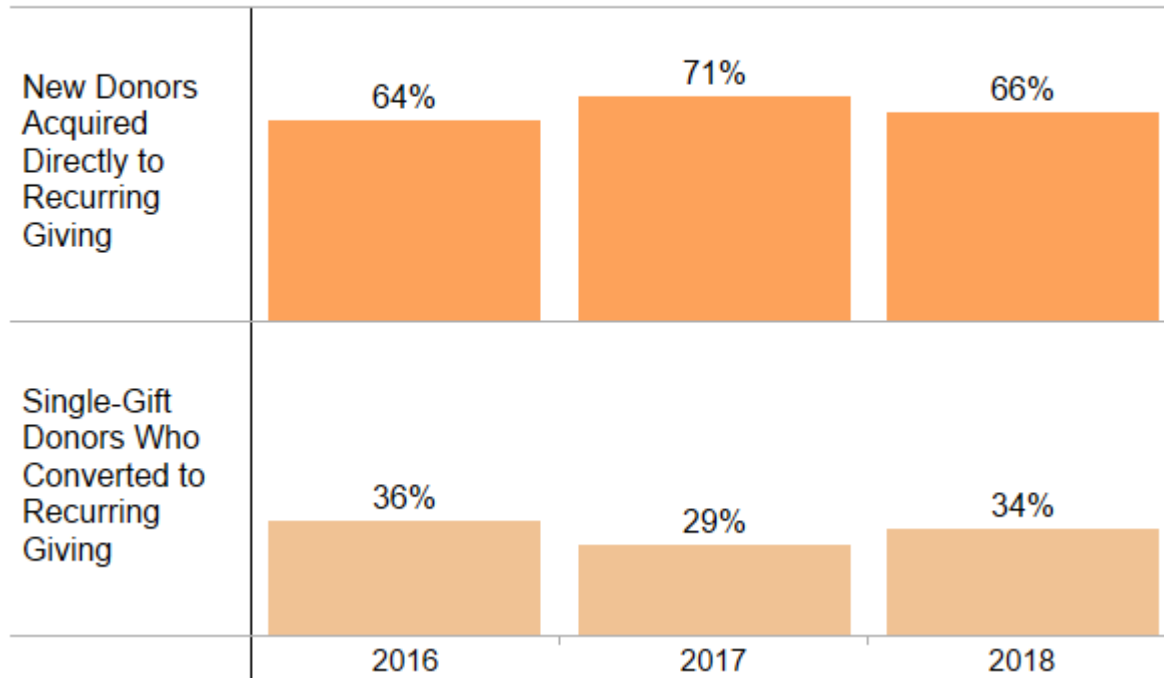
Key Acquisition Take-Aways



- Facebook Fundraisers – the future or a fad?
- Peer to Peer and Third Party will be a growing challenge to manage, but are also a significant funding source for a growing number of organizations. Finding and providing tools for super advocates to use, which give them freedom and you data, will be key.

Direct Acquisition of Recurring Donors is now the Dominant way Summit Organizations are Generating First-Time Recurring Donors

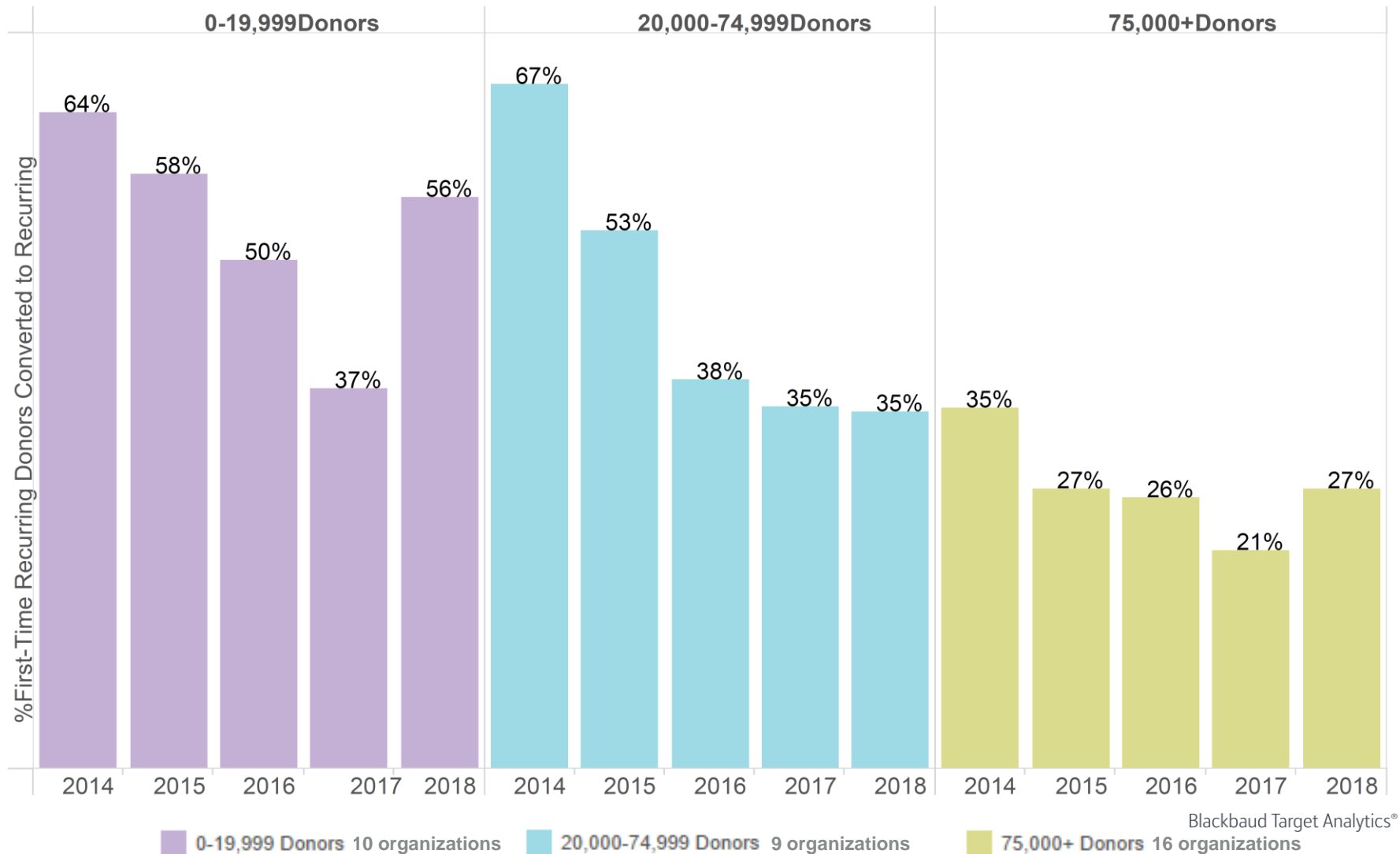
Median Trend



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Since 2016, direct acquisition has been the way most organizations acquired sustainers.

Median Share of First-Time Recurring Donors that Were Converted to Recurring from Single Gift Giving.



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What were the top 3 sources for converting single gift donors to recurring donors in 2018?

46%

Median % of donors who converted from single to recurring via **web/digital** sources

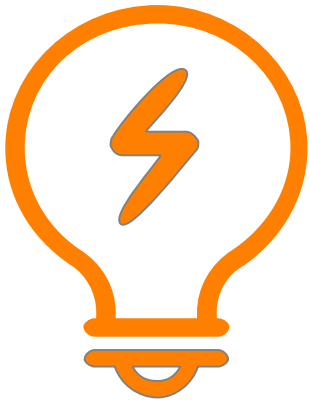
10%

Median % of donors who converted from single to recurring via **mail**

10%

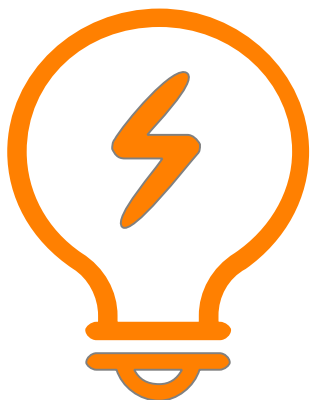
Median % of donors who converted from single to recurring via **telemarketing**

Key Conversion Take-Aways



- Organizations with strong conversion programs, ask new donors to convert as soon as month one. Most organizations asked in the first three months following acquisition.
- Sweeten the pot – many organizations offer a premium to encourage conversion.
- Organizations branching out beyond traditional strategies have been experimenting with texting donors with conversion messages.

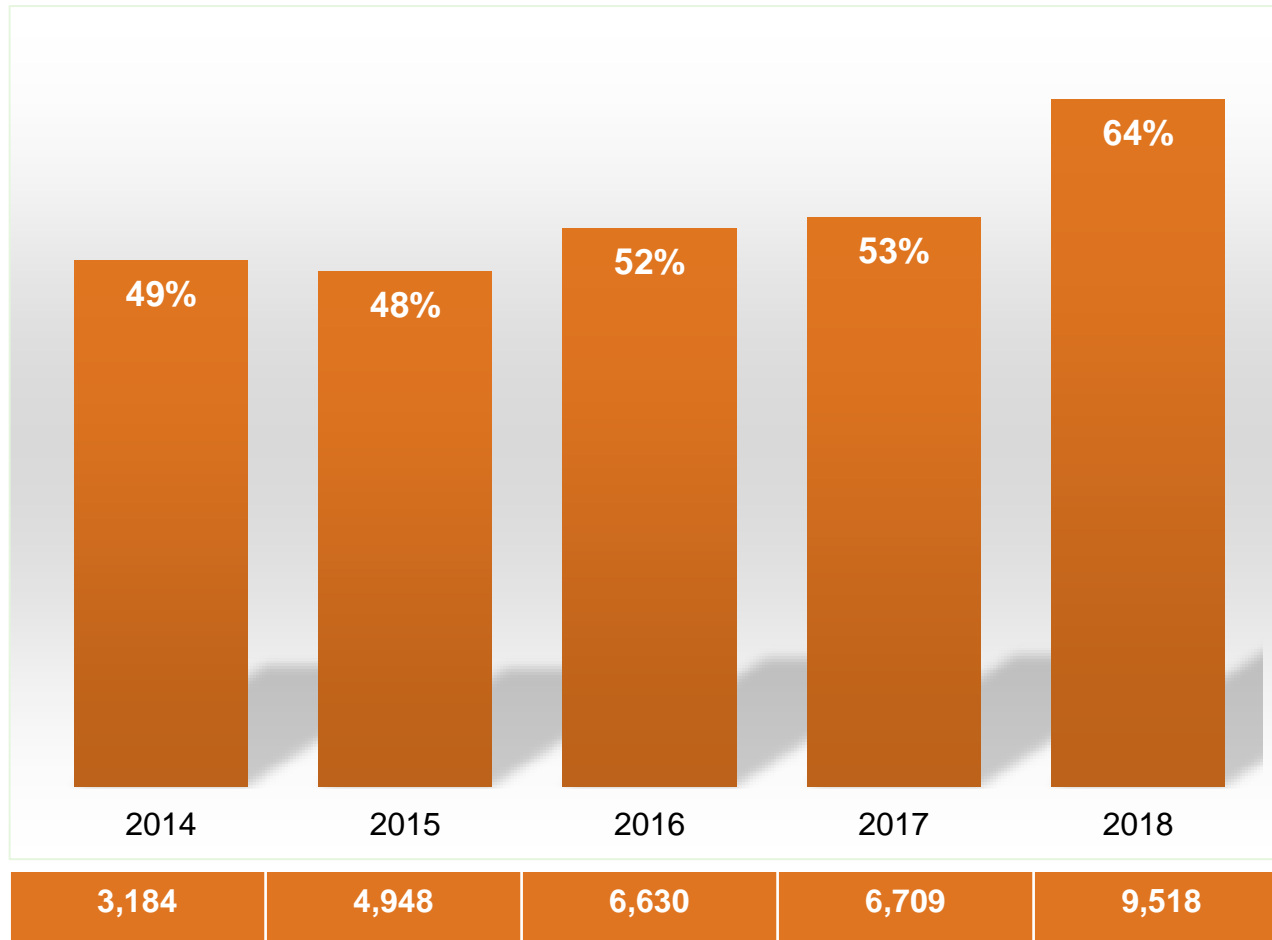
Key Conversion Take-Aways



- Conversion – it's not just for new donors. Treat your reactivated donors to the same conversion strategies as your new donors.
- Or better yet, get lapsed donors off the reactivation merry-go-round by converting at time of recapture.

New Recurring Donor Retention Trends

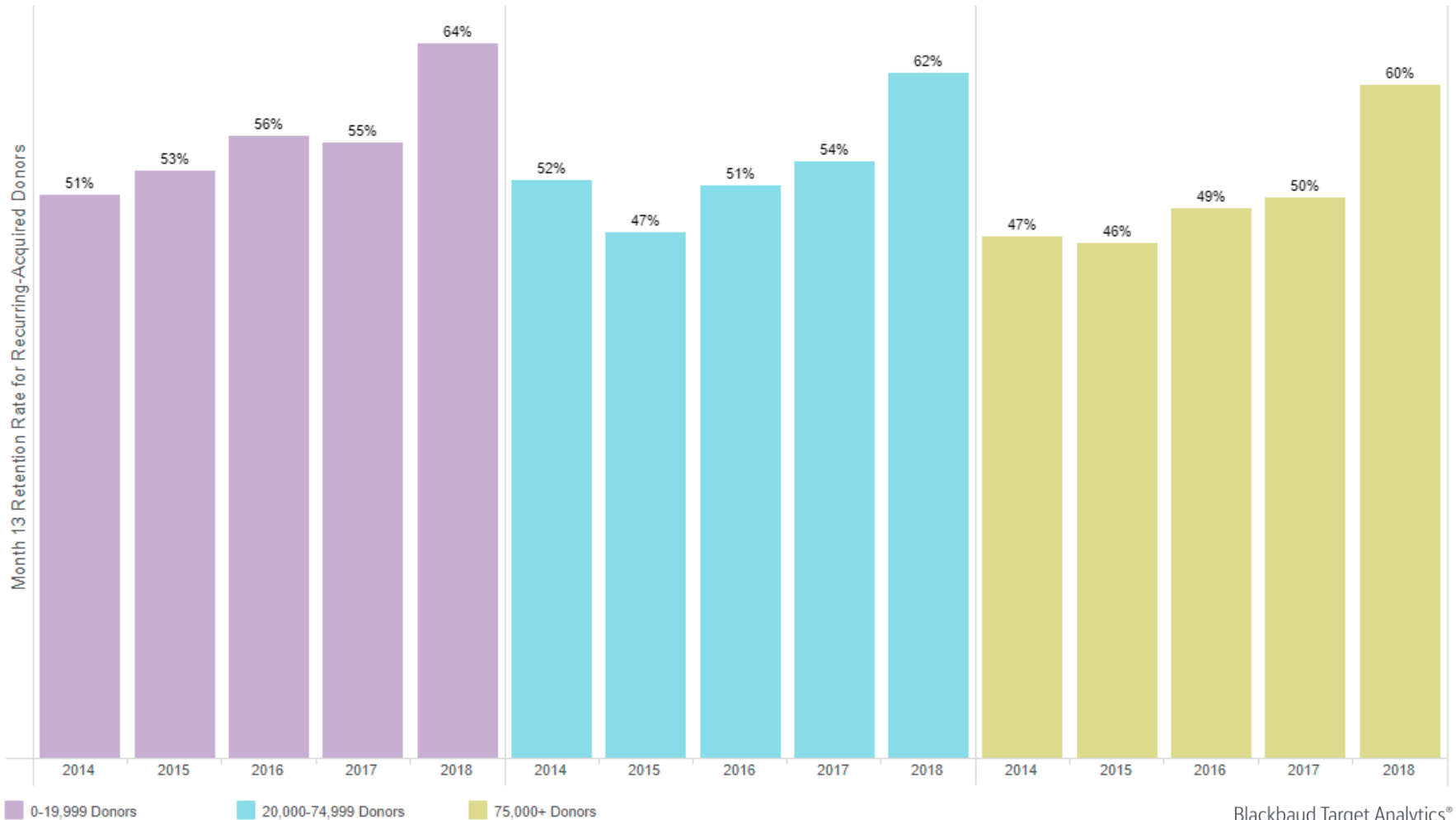
The Median Month 13 Donor Retention Rate for Recurring Acquired Donors Increased in 2018.



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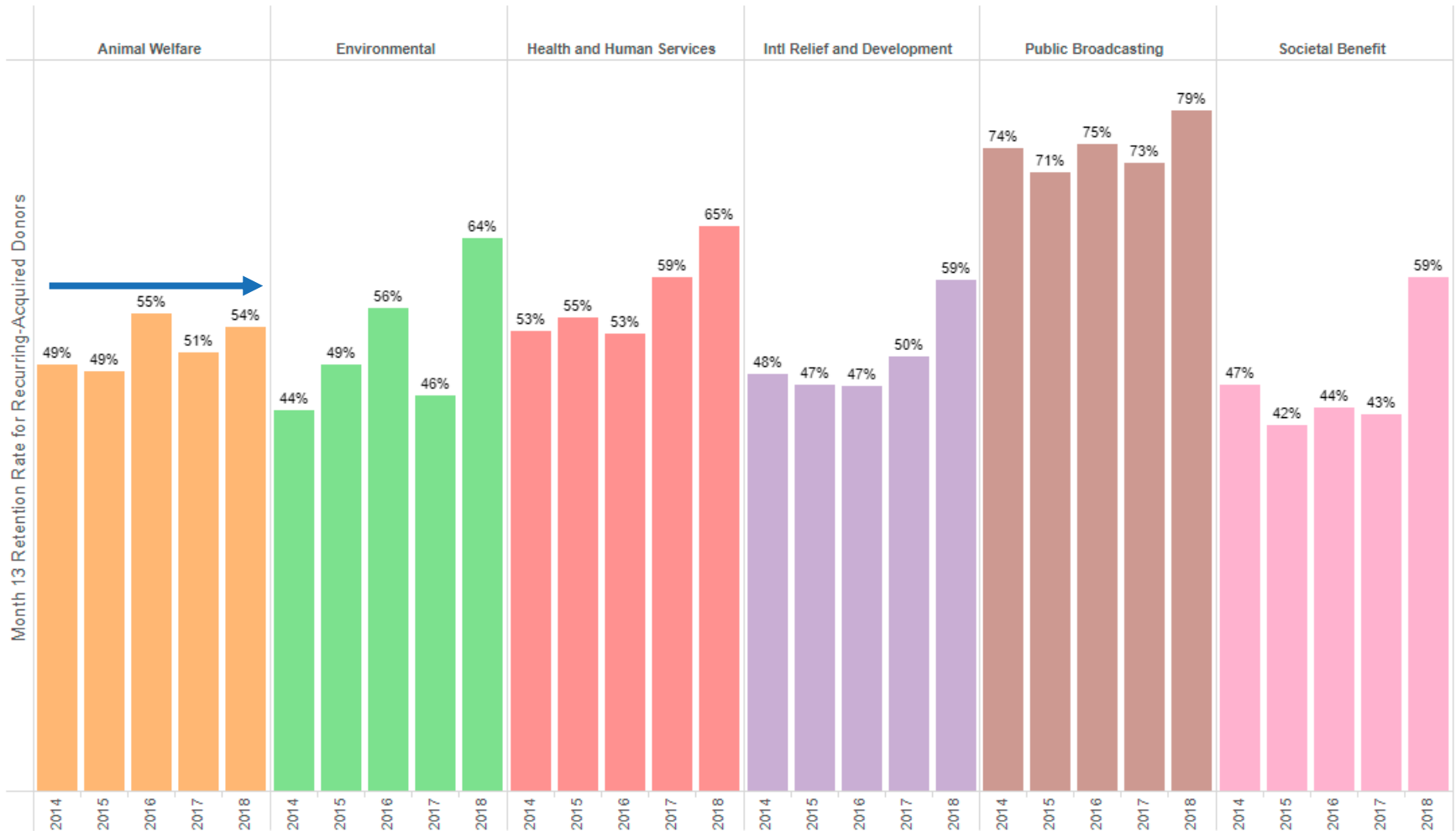
Median Number of New Recurring-Acquired Donors to Retain Each Year

The Median Month 13 Donor Retention Rate for Recurring Acquired Donors Increased in 2018 Across All Program Sizes.



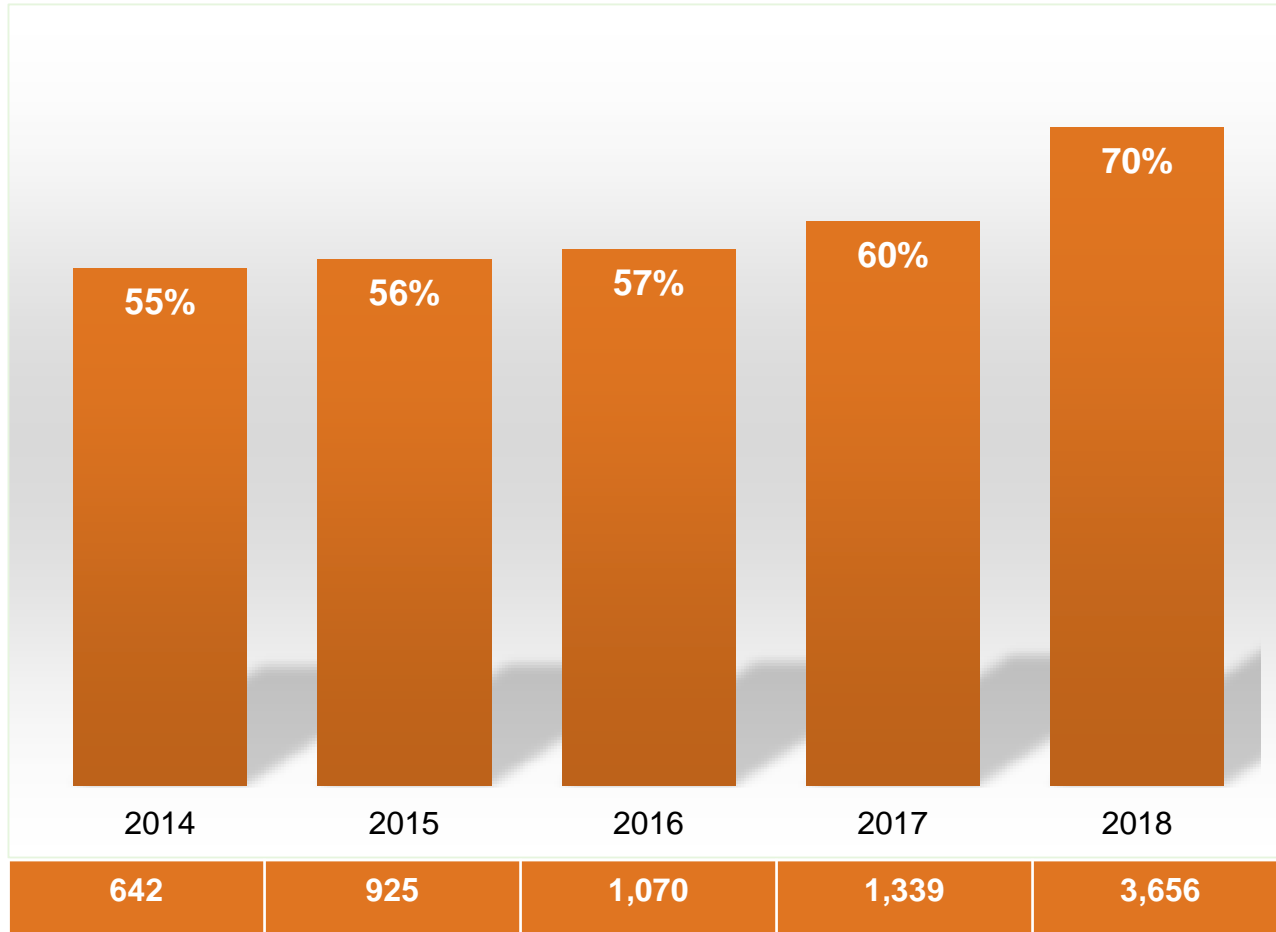
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The Median Month 13 Donor Retention Rate reached new highs for most sectors in 2018.



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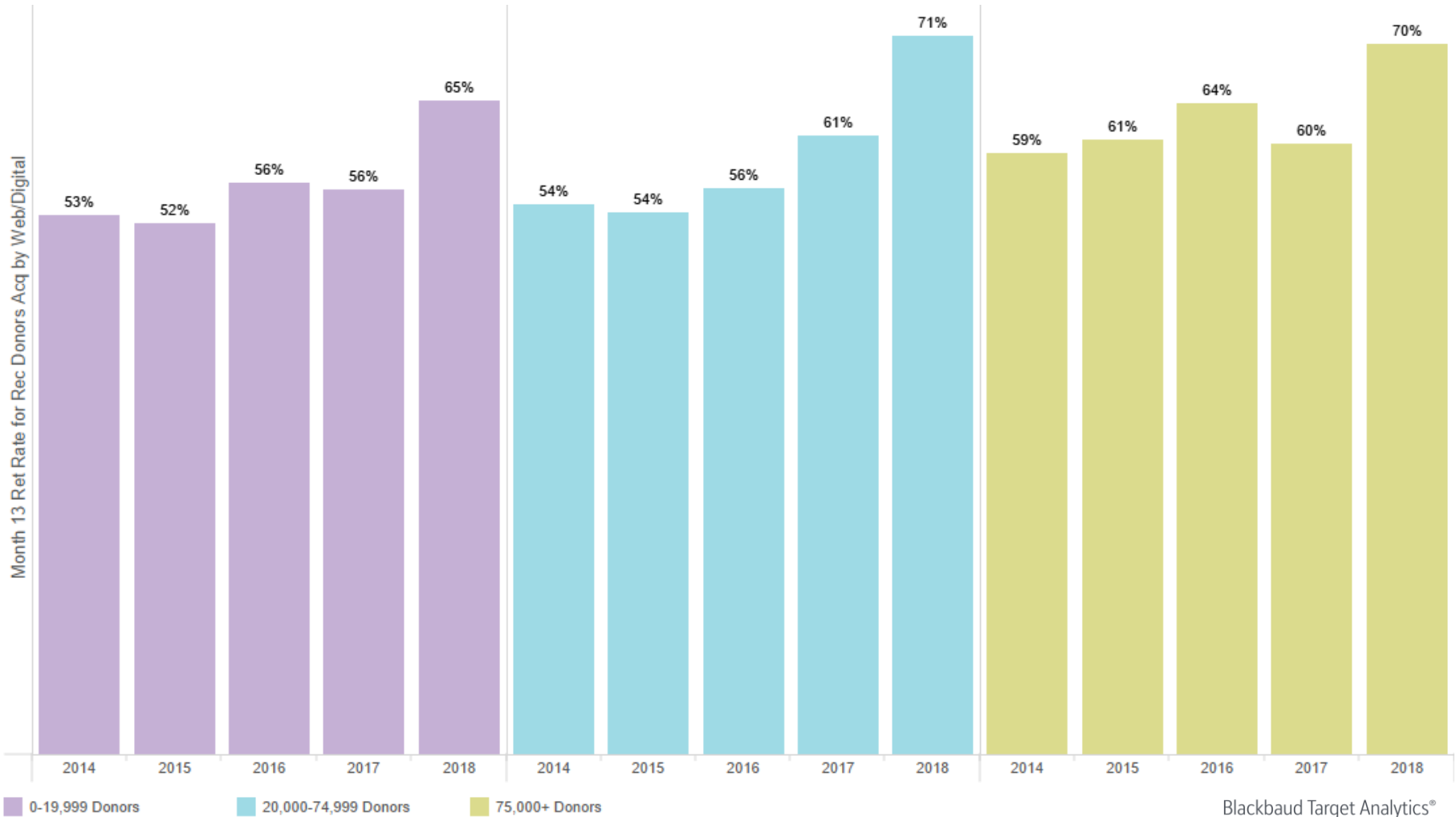
The Median Month 13 Retention of New Recurring Donors, Web/Digital Acquired increased in 2018.



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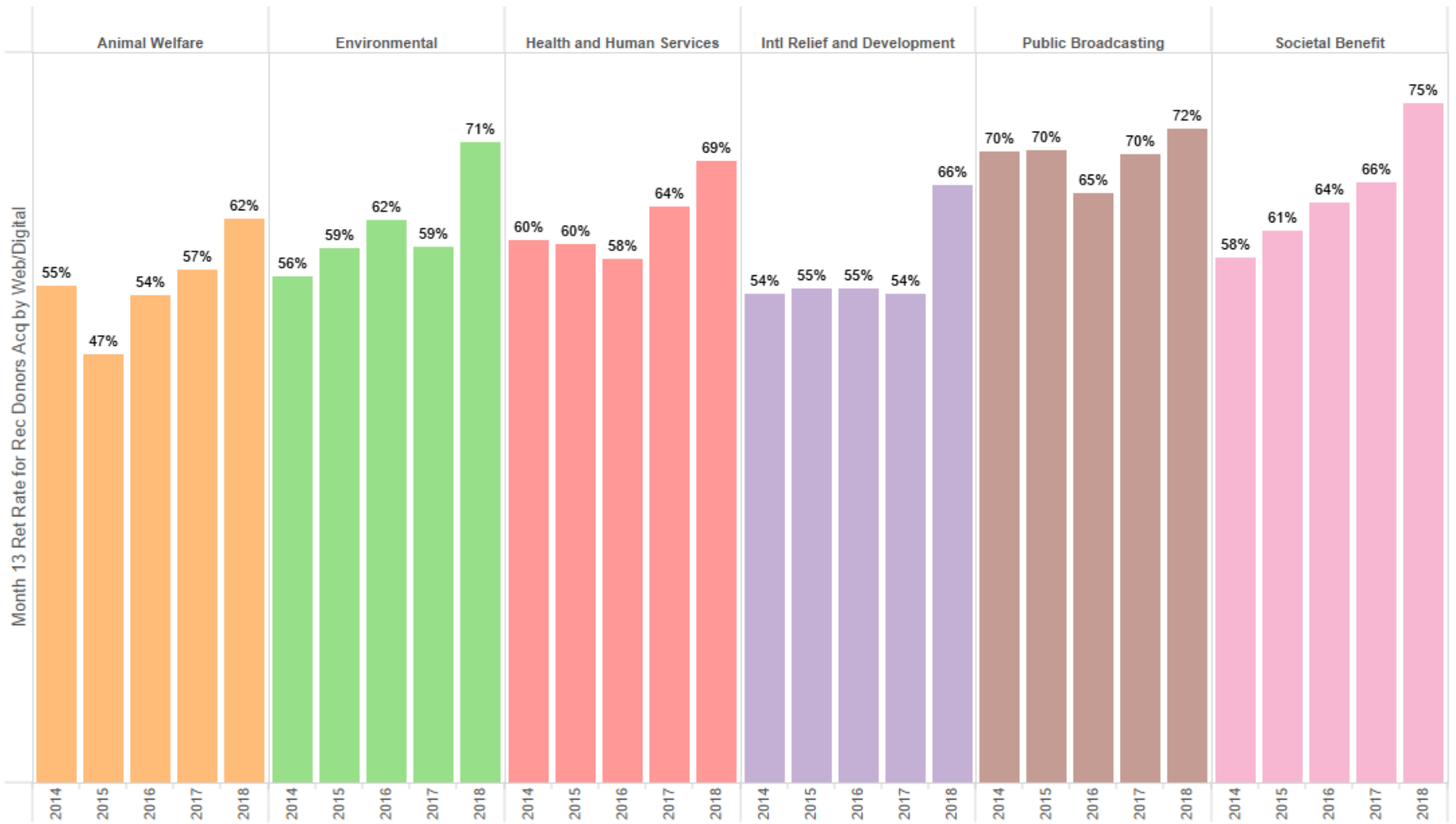
Median Number of New Recurring-Acquired Donors via Web/Digital to Retain Each Year

The Median Month 13 Donor Retention Rate for Recurring Acquired Donors via Web/Digital Increased in 2018 Across All Program Sizes.



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The Median Month 13 Donor Retention Rate for Web Acquired donors increased for all sectors in 2018.



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Payment Method has a direct impact on retention rate.

First-Year 13-Month Retention Rate by Origin Payment Method (Donors Acquired with a Recurring Gift in PY)

	Median		
	2016	2017	2018
Cash/Check	34.0% (443)	33.3% (273)	33.0% (140)
Credit Card	52.8% (11,276)	53.7% (12,926)	62.3% (16,057)
Direct Debit	74.0% (209)	73.8% (285)	77.6% (434)
Online Payment	63.3% (290)	66.7% (8)	71.9% (391)
Everything Else	55.7% (14)	42.4% (5)	45.7% (3)
	Donor Retention Rate in Month 13	Donor Retention Rate in Month 13	Donor Retention Rate in Month 13

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- Direct Debit has the highest median 13-month retention rates for recurring gift donors, consistently surpassing the credit card median.
- Second to Direct Debit, median retention rates for new recurring gift donors is Online Payment, which is most often PayPal.

Recurring Gift Distribution by Payment Method and Program Size

85%

0-19,999 recurring
donors gifts given by
credit card

79%

20,000-74,999 recurring
donors gifts given by
credit card

85%

75,000+ recurring donors
gifts given by **credit card**

5%

0-19,999 recurring
donors gifts given by
direct debit

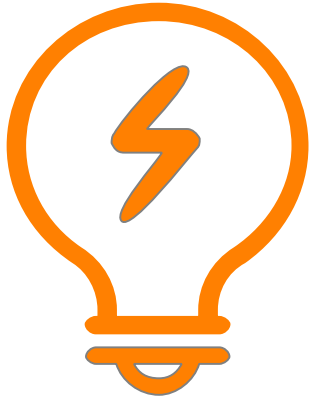
 18%

20,000-74,999
recurring donors gifts
given by **direct debit**

9%

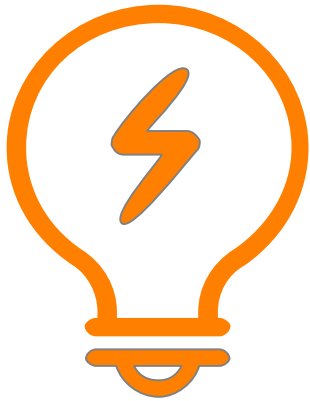
75,000+ recurring donors
gifts given by
direct debit

Key Payment Method Take-Aways



- Organizations with high volumes of direct debit donors focused on direct acquisition.
- Direct Debit is the first choice for payment method on digital forms.
- Door-to-Door is the most effective source for acquiring new donors directly to direct debit.
- Include an ask to convert to direct debit in all credit card recapture strategies.

Key Payment Method Take-Aways



PayPal isn't going anywhere. Make Giving Convenient for Donors, particularly on Mobile Devices

- PayPal
- Venmo
- Apple Pay
- Amazon Payments

And around the house

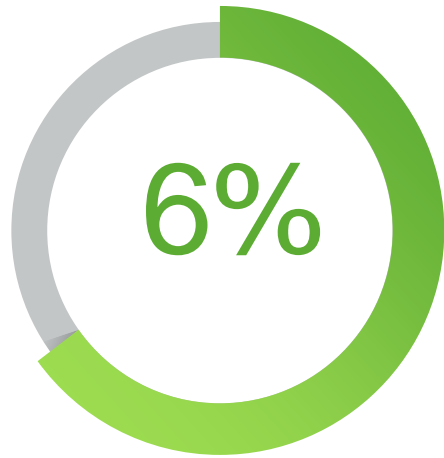
- Alexa

Remain open to new payment methods we haven't even dreamed of yet!

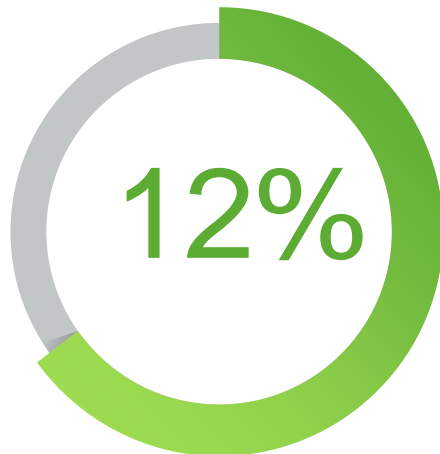


Increasing Recurring Donor Value

To Upgrade or to Add Gift? That is the Question

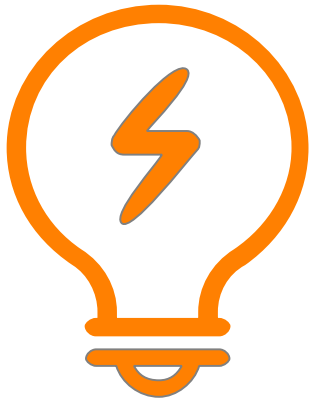


A median 6% percent of recurring gift donors made at least one additional single gift in 2018 – in line with prior years.



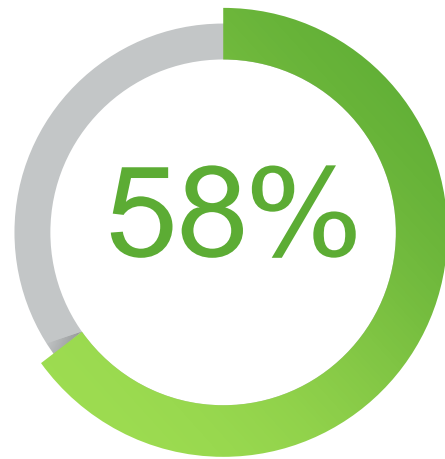
A median 12% percent of recurring gift donors increased the size of their average recurring gift in 2018. This is down from the 13 – 14% range of prior years.

Key Donor Value Take-Aways



- Mid-level recurring giving – \$50/M and \$100/M giving levels
- Auto-upgrading – this has been done in some European markets for years and is considered normal. (Remember when we said that sustainers would never work in the US?)
- Make an additional gift ask at time of sign-up. Or...
- Make an auto-upgrade ask at time of sign-up.
- Increasing the value of recurring gift donors is hard! The best way to ensure high lifetime value is to start donors off at high values.

For Donors Acquired Directly to Recurring in 2016, via Web / Digital:



A median 58% percent of donors acquired via a digital property in 2016 were still giving in 2018.

For Donors Acquired Directly to Recurring in 2016, via Web / Digital:



The median long-term value per donor acquired via digital property in 2016 is \$393.

Questions?

Comments?

Rum?

Reach out:

Deb.Ashmore@blackbaud.com

DMFA Direct Marketing
Fundraisers Association

Thank you

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