The NONPROFIT RECURRING GIVING BENCHMARK STUDY

Produced by NextAfter
Sponsored by Salesforce.org

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Executive Summary

Recurring donations are vital to organizational growth and long-term sustainability. Not only do they bring consistency to your monthly fundraising revenue, they also create longer lasting and more valuable donors. For instance, a 2017 study found that **monthly recurring donors have an 85-95% retention rate**, compared to the **average donor retention rate of 45%**.

With the value of recurring donors being so high for organizations today, we wanted to find out exactly how organizations are acquiring and communicating with recurring donors. But we knew we needed to develop a new perspective—**the donor's perspective.** Our hypothesis was that **if we could experience recurring giving from the donor's point-of-view we may identify new opportunities to optimize that experience and improve results**.

So, to test our hypothesis, we identified **115 nonprofit organizations representing 9 different verticals**. We then made recurring donations to as many as possible (9 organizations gave us errors and would not accept our donation), documented the entire process, and analyzed the follow-up communication for 3 months.

By the end of the analysis, we noted several areas of opportunity for growth in acquiring and developing recurring donors. For example:

- Only **14% of organizations prompted one-time donors to upgrade** to a recurring donation.
- Only 13% of organizations **called to say 'Thank You.'**
- Only 1 in 5 organizations sent email communication from **a real person.**
- 47% of organizations made **no attempt to retain our recurring donation** after a credit card was canceled.

One interesting finding was that, by month three, only **1 out of 10 organizations continued to acknowledge our recurring donation** on a monthly basis. If the intent here is to hide the transaction from the donor out of fear they will cancel, it's not only unethical, it's poor stewardship.

Even if the organization has the best intentions and is providing a statement or receipt quarterly or annually, they may be **missing organic opportunities to reinforce the value of ongoing support**.

On the other hand, we also observed many organizations that **consistently sent cultivating content** to their recurring donors. Many organizations also had **differing communication plans** for recurring donors versus their one-time gift donors – even if those differences were minimal.

All in all, we concluded the following: *There exists a significant opportunity to communicate more personally, continually grow donor cultivation practices, and reinforce the value of a recurring donation often.*

"Recurring donations are vital to organizational growth and long-term sustainability."

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Conclusions

1. It's really, really hard to make a recurring donation.

We hit so many roadblocks in our efforts to give a recurring gift. In some cases, we were prevented from giving a gift completely. And in most cases, there were a lot of additional, unnecessary questions asked of us. We even had to prove that we were human.

2. Most organizations want to cultivate their recurring donors.

Organizations spent twice as much time cultivating us as they did soliciting. Now, could that ratio be higher? Absolutely. And we think that improving that ratio could make a big impact. But it's certainly better than what we expected.

3. Despite being more valuable, recurring donors aren't treated all that differently.

38% of organizations made no change to their email strategy for recurring donors, and 58% made no change for direct mail. The changes we did see appeared to be minimal.

4. Relational channels (like text and phone) are underutilized by the majority of the industry.

Only 2 organizations used text, despite all the industry hype of engaging customers and donors with SMS. Additionally, only 13% used voicemail even though there are many tools available for automating voicemail messaging.

5. Over time, recurring donors are solicited more and acknowledged less.

As we've seen from the outside studies done on these topics, the more we express gratitude for our donors, and the more we communicate the impact of their gift, the more likely the donor is to make a second gift.

Why Did We Conduct This Study?

More Recurring Donors Means More Revenue

It's universally understood that recurring donors have **significantly more value** than any other type of donor. And there is a lot of data to support this understanding. In 2015, donorCentrics[1] conducted a benchmark study about recurring giving, and found that "sustainers' contributions are worth up to 4x more than those from traditional donors over the life of their giving."

A 2017 benchmark study from Association of Fundraising Professionals[2] found that "monthly donors are retained at an exceptionally high 85%-95%. The average retention rate for all donors is roughly 45%." **This means that recurring donors are retained at roughly twice the rate of every other donor.**

Recurring Donations Give Donors More Impact

Giving $300 all at once seems out of reach for many donors, or it at least feels like a big decision. On the other hand, giving $25 per month is much easier on a donor's budget, and is an easier amount to give up front. Spreading a donation out over time **allows the donor to give more** than what they may have been able to give in a one-time transaction. This allows donors to have a greater impact on causes they care about.

Recurring Donations Are Rapidly Growing

Recurring transactions as a whole are on an uptick. According to a study from McKinsey, 15% of online shoppers have one or more subscriptions, and the ecommerce subscription market has grown by 100% in the past 5 years. These for-profit growth rates are reflected in giving as well. According to Target Analytics, **recurring donations grew 70% from 2013 to 2017.**

With this segment of donors being so valuable to the nonprofit sector and growing at such a rapid pace, we began asking the question that drives all of our research:

'How can we optimize it?'

To answer this question, we teamed up with Salesforce.org to identify **115 different nonprofit organizations** to include in a mystery donor study. Our goal was to document the recurring giving experience from the initial signup process through monthly transaction cycles with a few wrinkles thrown in like a lost or stolen credit card. Our hypothesis was that if we can experience recurring giving from the donor's point of view, we may observe potential opportunities to improve the experience and increase performance.

[1]donorCentrics 2015 Benchmark

[2]2017 Fundraising Effectiveness Survey Report by the Assoc. of Fundraising Professional

The Methodology

How Did We Conduct This Study?

First, we identified 115 different nonprofit organizations from 9 different verticals.

In order to get a sample that would be representative of nonprofits as a whole, we selected organizations from a wide range of revenues. Revenues ranged from $520K to $3 Billion, with the average revenue being $18 Million. Out of these 115 organizations, 106 accepted recurring gifts.

The organizations belonged to the following verticals:

Disaster & International Relief: 23

Disease & Health Services: 14

Education: 8

Environment & Wildlife: 12

Faith-Based: 15

Human & Social Services: 10

Public & Social Benefit: 10

Public Broadcasting: 11

Public Policy/Advocacy: 12

115
Organizations

106
Accept Recurring Gifts

9
Verticals

We gave 3 different gifts to each organization from 3 different donors.

Starting in February 2018, each donor gave a gift of various amounts and frequencies over the course of 3 months.

One-Time Donor
- Single gift of $15

Upgraded Donor
- Single gift of $15
- Upgraded to recurring after one month
- Average gift of $17
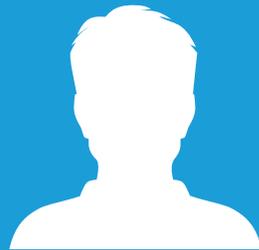
Recurring Donor
- Recurring donation
- Average gift of $20

We monitored every communication from these organizations across four distinct channels.

We wanted to see how they'd treat us. Over the course of three months (February 2018-April 2018), we received 534 direct mail letters, 4,117 emails, 83 phone calls with 33 voicemails, and 6 text messages.

- **One-Time Donor** – Our one-time donor gave a single gift of $15 to each organization.

- **Upgraded Donor** – Our second donor gave a single gift of $15 to each organization during the first month. After a month, he went back and upgraded to a recurring donation

- **Recurring Donor** – Our third donor gave a recurring gift averaging $20 per month. The amount varied organization to organization since there are varying minimum gift requirements.

534
Direct Mail Letters

4,117
Emails

83
Phone Calls (33 Voicemails)

6
Text Messages

In the third month, we reported one card as lost and another card as canceled.

We wanted to see how organizations dealt with these common situations. How many reach out and ask these donors to renew their gift? How many were able to get a new card to replace the lost or stolen ones?

Finally, we analyzed the results.

We spent two months poring over this data. We cataloged the entire donation process, observing and recording every step it took to give a gift. We scanned every letter, exported every email, and transcribed every voicemail. We recorded all communication details like dates received, sender name, etc. We also categorized every communication into one of three categories: solicitation, cultivation, or gift-acknowledgment. By the end of the analysis, we read through over 4,500 different correspondences from these organizations.

"We read through over 4,500 different correspondences from these organizations."

The Highlights

Top Takeaways and Insights
From The Study

All in all, we were only able to make recurring donations to 106 of 115 organizations.

Making a Recurring Donation

Many organizations asked for unnecessary personal information.

- Spouse's name
- Cell phone numbers (in addition to home phone)
- Account numbers

Many donation forms made it very confusing to give.

- Unclear language
- Required fields that we didn't have answers for

Unclear fields forced us to make commitments we didn't understand.

- Gift designations without context
- Insider language

We had to prove we were humans (not bots) over and over again.

- "I'm not a robot" checkboxes
- Image Captcha forms

Roughly 1 in 10 organizations did not have an online recurring donation option.

- Some required a call to set up a recurring donation
- Others had no options at all

Success In Making A Recurring Gift

Made a Recurring Gift

91%

Could not Make a Recurring Gift

27%
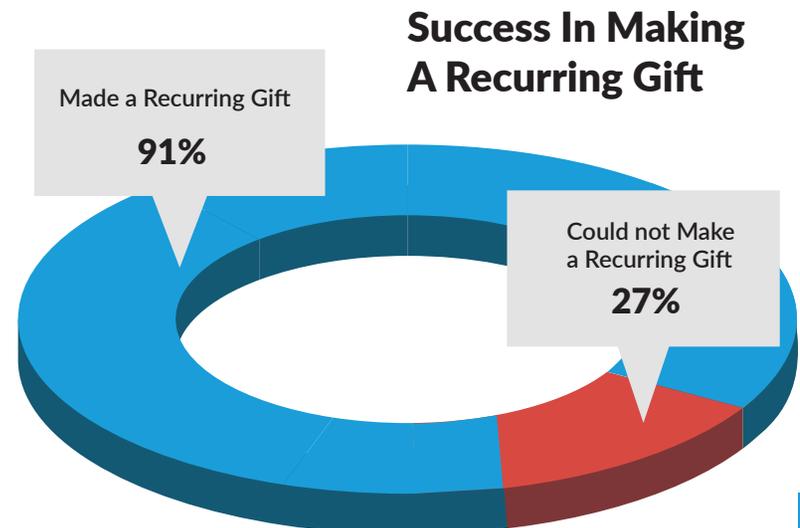
Ideas to Make Recurring Giving Easier

Decrease the friction on your forms by eliminating extra and unnecessary form fields.

Friction is one of the biggest factors that effects the likelihood of someone completing their donation. Introducing too many fields and questions that are unexpected creates anxiety and makes the donation process more difficult. By eliminating friction, you can often increase the conversion rates on your donation page.

Make it very apparent what information you're asking for by making your form field labels clear.

Insider terms, jargon, and unclear language can make the donation process confusing for a donor. Have someone less-familiar with your donation process donate to your organization and keep track of confusing language. Add clarity in these areas to make the process clear and simple for your donors.

Reduce the burden on the donor to prove their humanity by utilizing fraud protection tools like a honeypot.

Additional hurdles in the donation process can cause a donor to quit before giving. And asking a donor to prove their humanity can create extreme frustration and erode trust. If you deal with spam issues on your donation page, ask your IT staff to help you create a honeypot in order to protect against fraud without burdening your donors.

Allow donors to make multiple donations by using less extreme fraud detection rules.

Many donation platforms and gift processors will allow you to change the severity of their fraud detection. Use less extreme fraud detection rules to allow donors who may be giving to multiple organizations in a short time span to do so without interference.

Make it easy to find your donation form by using clear language –

and test using a separate call-to-action for recurring donors.

Getting to the Donation Form

Most donate buttons say the same thing.

- 71% said "Donate"
- 12% said "Donate Now"
- 4% said "Donate to [Organization Name]"

**75% of organizations don't have a separate call-to-action for recurring donations on their homepage.**

Separate calls-to-action for targeted audiences have the potential to significantly increase conversions.

92% of organizations gave the option to give a recurring gift on their one-time donation page.

- 75% used simple language like "Monthly Gift"
- 14% used a first-person message
- 8% added value language to the recurring gift option.

77% of organizations didn't offer a tangible benefit for recurring donors.

Tangible benefits can reduce feelings of altruism if presented in the wrong context. But offering them in a less transactional way could enhance the donor experience – like sending a surprise gift or offering an invitation to an event.

Donation Button Call-to-Action

Donate
71%

Donate Now
12%

Donate to
[Org Name]
4%

Give
9%

Support
4%
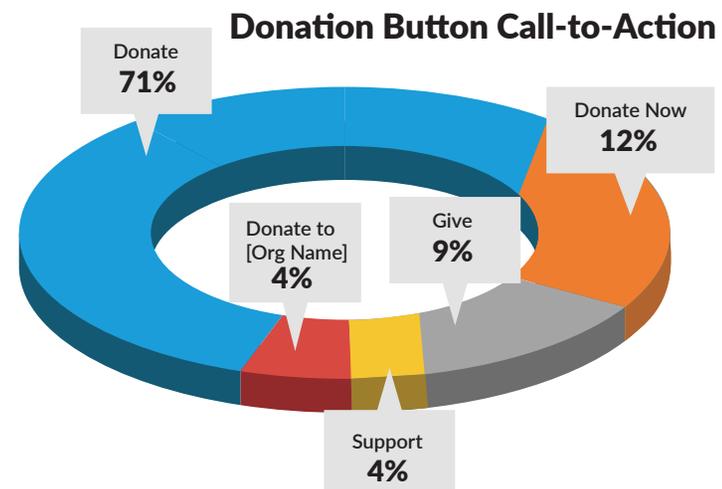
Ideas to Help Donors Find Where To Give

If you don't already, make sure you have a "Donate" button in your main website navigation.

A surprising amount of organizations don't make it abundantly clear how to donate on their website. If you don't provide a clear opportunity for someone to give, you will lose significant revenue from highly-motivated web traffic looking to donate. The standard location for a donate button is in your website navigation in the top-right corner.

Make your "donate" button stand out in your website navigation, emphasizing it with a different color and styling.

Having a link in your website navigation isn't always enough to help even the most motivated of donors find where to go to give their gift. Turn your donate link into a donate button, making it stand out from the surrounding text by using an accent color. This can increase visibility, traffic to your donation page, and overall donations.

Create clear and distinct pathways for one-time donors and recurring donors.

Adding a separate call-to-action on your home page for recurring donations can help your most motivated donors find your recurring donation form fast, and it can help instill a greater sense of value and urgency around the recurring donation. Test adding this additional call-to-action to see if it can increase traffic to and conversions on your recurring donation page.

Use copy to communicate why someone should make a recurring donation.

The most effective tool that we have to show donors the value of a gift is our copy. Use messaging around your recurring donation option that clearly communicates why a recurring gift is valuable and has a much greater impact on your organization and cause.

Only 14% of organizations prompted one-time donors to upgrade to a recurring donation.

The Donation Form

62% of gift arrays were ordered from smallest to largest.

- 22% were ordered from largest to smallest.
- 13% used only a blank field.
- 3% had a single suggested gift amount.

**75% of organizations did not collect a phone number.**

- Thank you calls can make a major impact on donor retention.
- Optional phone number fields don't affect donation conversion.
- Required phone numbers can decrease conversions by 43%.

Only 33% of organizations accepted EFT, Bank Draft, or ACH payments.

EFT is one of the most reliable payment methods. They rely on bank accounts which are open for an average of 16 years. Credit card accounts are only open for an average of 9 months.

1/3 of organizations did not have a post-donation call-to-action.

Post-donation calls-to-action allow donors to take another action when they are most engaged with your organization and feeling the "warm-glow" of giving.

Prompted Donors to Upgrade to a Monthly Gift

Yes
14%

No
86%
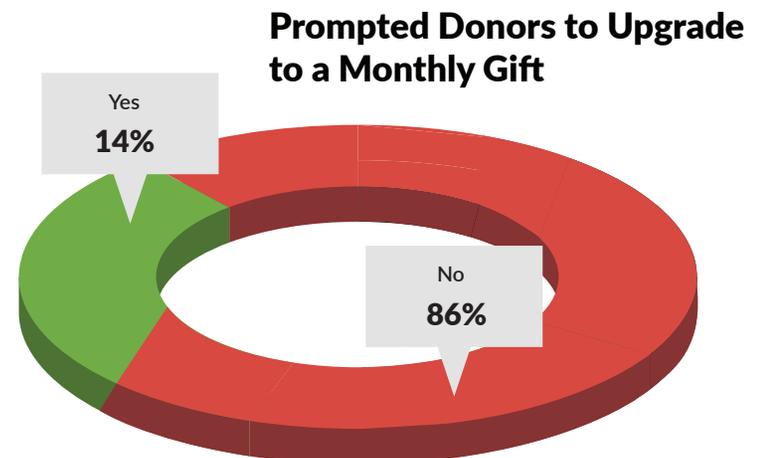
Ideas to Improve Your Donation Forms

Start your gift array with the lowest amount first.

A gift array communicates your organization's expectation of what donation amounts are valuable. Starting with too high of an amount can tell your lower-level donors that the donation they were intending to give is not valuable. Starting your array with a lower amount helps to show that smaller gifts are not just acceptable – they are valued.

Use an optional phone number field on your donation form.

Required phone number fields tend to decrease conversions. But if you don't have a phone number, you can't make follow-up thank you calls to cultivate a more valuable donor. Test using an optional phone number field to maintain conversion rates while acquiring a significant amount of phone numbers to use for cultivation.

Allow donors to set up a recurring donation using EFT.

Giving donors the option to set up an EFT recurring donation can help increase their lifetime value, and make managing the donation easier for your organization. Since bank accounts are open much longer than credit cards, there is less risk of the donation lapsing due to an account being closed or an account number being changed.

Prompt one-time donors to upgrade their gift to a recurring donation.

If you don't directly ask for a recurring donation, your donors may not know that it is even an option. Even if they do, they may not fully understand its value. Use prompts to directly ask donors on the donation page to upgrade their one-time gift to a recurring donation. Even if their immediate donation is smaller, their value over time will be greater.

Use your donation confirmation page as an opportunity to invite donors to take another action.

Someone who has just completed a donation has just taken a major step forward in engaging with your organization. You can capitalize on this momentum by using your confirmation page to invite your donor to take another important action. You could ask them to give a second gift, upgrade their gift, or volunteer at an event.

Communication Channels

The upgraded donor was the only donor that was contacted by every single organization.

- The one-time donor received communication from 82% of organizations.
- The recurring donor received communication from 86% of organizations.

8 out of 10 messages we received were emails.

- 1 out of 3 organizations didn't send direct mail.
- 1 out of 9 organizations called to say "Thank You."

Recurring donors were just as likely to be contacted as one-time donors.

- There was minimal difference in emails and direct mail between the one-time donor and recurring donor.
- There was a significant increase in communication to the upgraded donor.

Organizations sent an average of 13.3 emails over three months.

- Direct mail was sent about once per month.
- Voice mails were left about every other month.

Most organizations used all the same channels, regardless of the gift type.

- 38% of organizations did not change email frequency for recurring donors.
- 58% did not change direct mail frequency for recurring donors.

Email is the only universally adopted communication channel.

Organizations' Usage of Communication Channels

100%

65%

13%

1.7%

140
120
100
80
60
40
20
0

■ E-Mail ■ Direct Mail ■ Voice Mail ■ Text Message
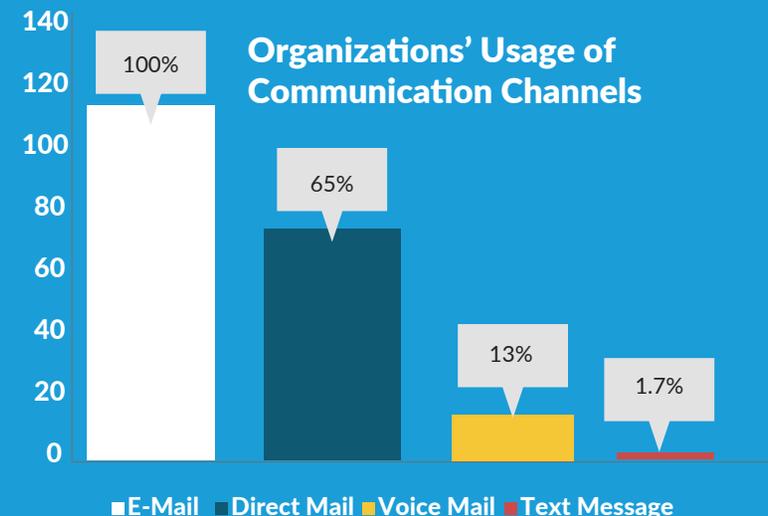
Ideas to Improve Channel Communications

Thank and acknowledge all of your donors.

The only donor that was communicated to by 100% of organizations was the upgraded donor – meaning that some organizations don't contact one-time donors, while others don't contact recurring donors. Try sending gift acknowledgments to every donor, regardless of type, in order to emphasize their impact and cultivate a more valuable donor over time.

Send direct mail letters to acknowledge a donor's gift.

Even an online donor can be cultivated through direct mail. In fact, there is much research to show that multi-channel cultivation can lead to major increases in overall giving. If you've collected the mailing address of your donor, try sending them a thank you note along with an acknowledgment of their recent donation.

Make thank-you calls to your donors to create a personal connection.

Donor thank you calls can be taxing and time consuming for an organization, but they're incredibly effective at building relationships with donors and showing the value of a gift. If you have the capacity, have someone at your organization give your donors a call to say thanks. If you're short on resources to make calls, utilize tools like SlyBroadcast to automate personal voice mail messages to your donors shortly after they give.

Create a separate communication plan for recurring donors.

If we really value recurring donors so highly, we should let them know! Create a separate communication plan for your recurring donors that emphasizes the lasting value of a recurring donation. Utilize as many channels to thank them thoroughly and reinforce how important their donation is to your organization's cause.

Organizations are sending significant cultivating communication to their recurring donors.

Further testing is needed to know exactly how much cultivation is most effective.

Types of Communication

59% of messages we received were cultivation.
- 27% were appeals or solicitations.
- 14% were gift acknowledgments.

13% of organizations didn't send any cultivation.
Although this percentage is relatively small, it represents more than 1 in 10 organizations that aren't using content to develop stronger donors.

1 in 4 organizations didn't ask for a second gift within the first 3 months.
It's hard to expect a second gift from your donors if you never ask for it. This 3-month window could be an opportune time to ask while the original donation is still fresh in their mind.

Recurring donors received more cultivation and fewer appeals than other donors.
- The upgraded donor received the most communication overall.
- The one-time donor received the most donation appeals or solicitations.

Organizations sending more communication sent a larger percentage of cultivation.

Verticals sending the most cultivation include:
- Environment/Wildlife
- Faith-Based
- Public Broadcasting
- Public Policy/Advocacy

Communications By Type

Gift Acknowledgement **14%**

Solicitaion **27%**
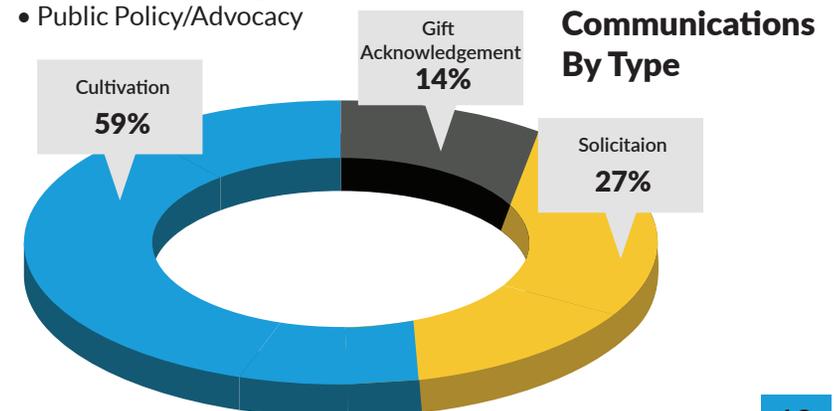
Cultivation **59%**

Ideas to Improve Donor Cultivation

Start sending cultivating content to your donors.

If you are part of the 1 in 10 organizations that aren't sending cultivating content to your donors, now is the time to start. Send articles and updates about the impact of their gift that aren't directly tied to a donation appeal. That way your donors have a better understanding of the value of their gift next time you send an appeal.

Send *more* cultivating content to your donors.

We know that donors need to be cultivated in order to increase their value over time. But we don't know exactly how much cultivation is most effective. Is once a month enough? Should you send something every week? What about every day? Test sending more cultivating content to evaluate how much is the right amount to cultivate the most valuable donor.

Ask for an additional donation within the first 3 months.

The first 3 months of a donor relationship are crucial to retention. Asking for an additional donation during this time frame can emphasize that ongoing support is essential to growing the impact of your organization. Test adding an additional donation appeal into your first 3 months of communication to see what impact it has on your revenue, as well as your donors' value.

Only 9 organizations were sending monthly gift acknowledgments after 3 months.

Communication Strategies Over Time

One-time donors received steady communication across all channels over 3 months.

- Most gift acknowledgments came in month 1 for the initial donation.
- Appeals increased slightly during month 3.
- Upgraded donors received a major increase in email communication during month 2.
- Major increase in emails was a result of additional gift acknowledgments from upgrading the one-time gift.
- Cultivation communication increased month over month.

Recurring donors saw a steady decrease in emails and a steady increase in direct mail over 3 months.

- Emails decreased by 16% over 3 months.
- Direct mail increased by 51% over 3 months.
- Cultivation communication remained steady.

Organizations by Communication Type (Recurring Donor)

Solicitation — Cultivation — Gift Acknowledgement
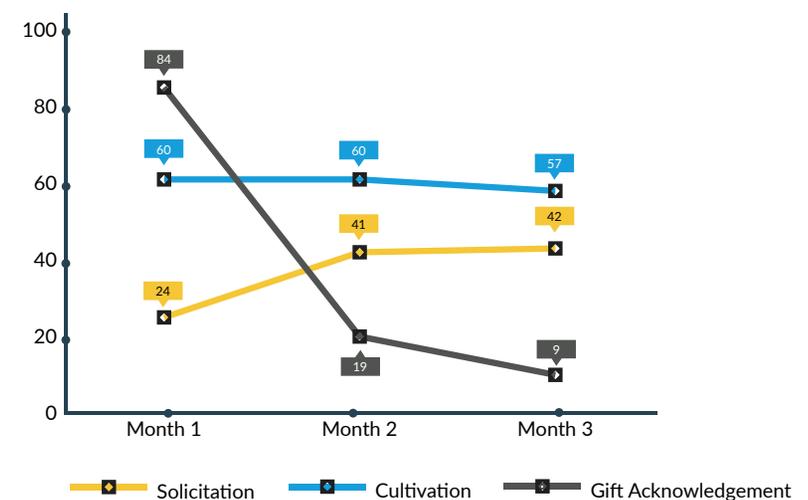
Ideas to Improve Donor Communication Strategies

Communicate with each type of donor consistently.

Many organizations are not consistently communicating with their donors, regardless of whether they made a one-time donation or a recurring donation. In either case, you can't expect them to keep on giving if they don't ever hear from you, or if they only hear from you sporadically. Test creating communication plans that engage donors on a consistent timeline. If you need somewhere to start, try sending once per month.

Thank your one-time donors, not just your recurring donors.

Organizations were more likely to say 'Thank You' to their recurring donors than their one-time donors. Be sure to thank your one-time donors for their gift as well. You might even test adding a call-to-action to upgrade to a recurring gift.

Acknowledge the contributions of your recurring donors every month.

When organizations don't acknowledge the continual donations of a recurring donor, they're essentially saying "Your gift is insignificant." Start communicating with your recurring donors every month after their donation is charged. This is a natural opportunity for you to say 'Thank You' and share new stories of how your donor's support is making a difference for the cause they care about.

Deliverability

Gmail is the most popular email application, and they divide the inbox into tabs to filter different types of emails. We received emails in these 3 categories:

- The main inbox
- The promotions tab
- The spam folder

83% of organizations had at least one email make it to Gmail's main inbox tab.

- 65% of organizations had at least one email in the promotions tab.
- 22% of organizations had at least one email in the spam folder.

Email Message Deliverability By Folder

Promotions
65.8%
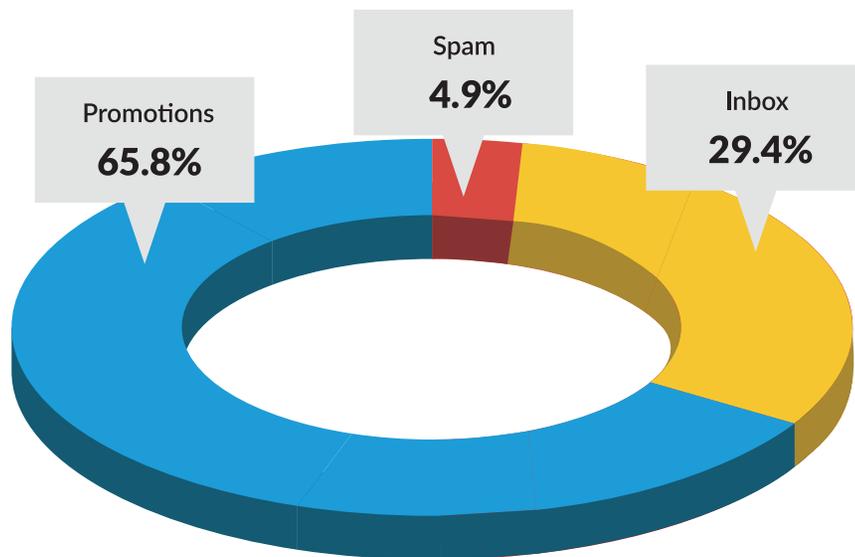
Spam
4.9%

Inbox
29.4%

2/3 of all emails went to the promotions tab.

- 5% of all email went to the spam folder.
- Only 29% of emails made it to the main inbox.

Only 1 in 5 organizations sent emails from a real person. Most emails came from generic addresses or "no reply" addresses such as:

- info@organization.org
- noreply@organization.org
- noreply@donationplatform.com

A more personal sender and email could improve deliverability and inbox placement.

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Ideas to Get Better Inbox Placement

Send "stripped-down" emails that use less design, graphics, and images.

Hundreds of email experiments have shown that less design, fewer graphics, and fewer images can help to increase opens, clicks, and conversions. Test sending a "stripped-down" or plain-text-style email. It may lead to an increase in conversions simply because it makes it to a more prominent location in your donor's inbox.

Send your emails from a real person.

Sending from a real person's email address tends to get your emails placed in the main inbox in Gmail. And if your emails are more visible, they're more likely to get opened and read. Plus, people are often more inclined to open emails from other people rather than brands, companies, and organizations.

Write your emails so that they sound like a real person.

People give to people, not email machines. If it looks or sounds like marketing, the likelihood of someone clicking through and taking your desired action is low. But if your email is from a real person and sounds like a person actually took time out of their day to write a personal email, you should see greater click-through rates and conversions.

Communication Breakdowns

Throughout our analysis, we noted many instances where communication broke down. Most of these breakdowns don't have anything to do with technology or having the right resources; most of the problems were just issues with messaging.
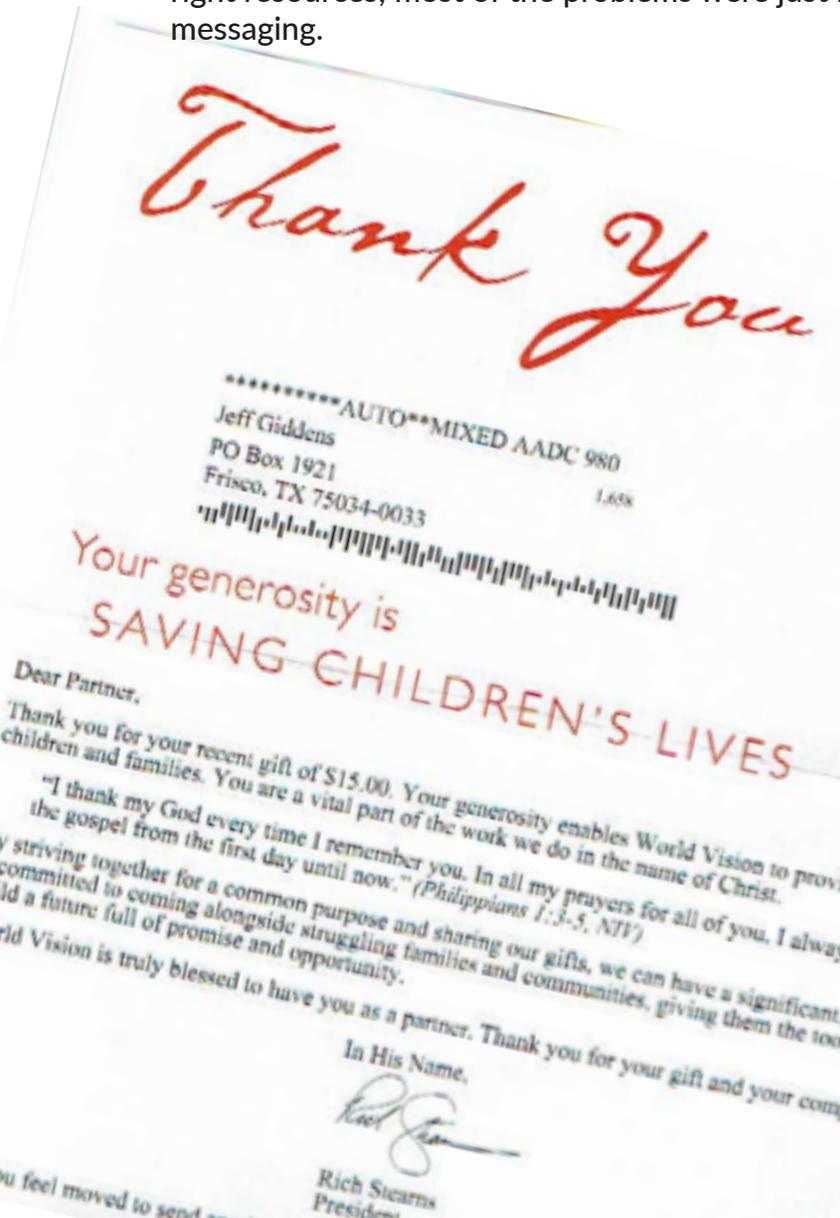
Here are a few quick examples:

Matching gift language is often unclear and sensationalized.
Here is an example of a subject line we saw that was both unclear and sounded like some sort of loud TV commercial:
"Kevin Kevin Kevin (TRIPLE MATCH)"

This subject line from a different organization was less obnoxious, but sounded like some sort of money-making scam:
"$100,000 More Inside: A Challenge for You"

It's possible to make a phone call impersonal.
We often consider phone calls to be a very personal way of connecting with donors, but the personal effect is ruined when the call starts like this:

Hello, my name is [Name]: a paid caller from MDS calling on behalf of [Organization]...

Some organizations still aren't personalizing their communication.
One of the simplest ways to build a stronger connection with your donor is to call them by their name. Yet, many organizations resort to generic terms like "Friend" or "Partner" even when their name is printed on the attached gift receipt:
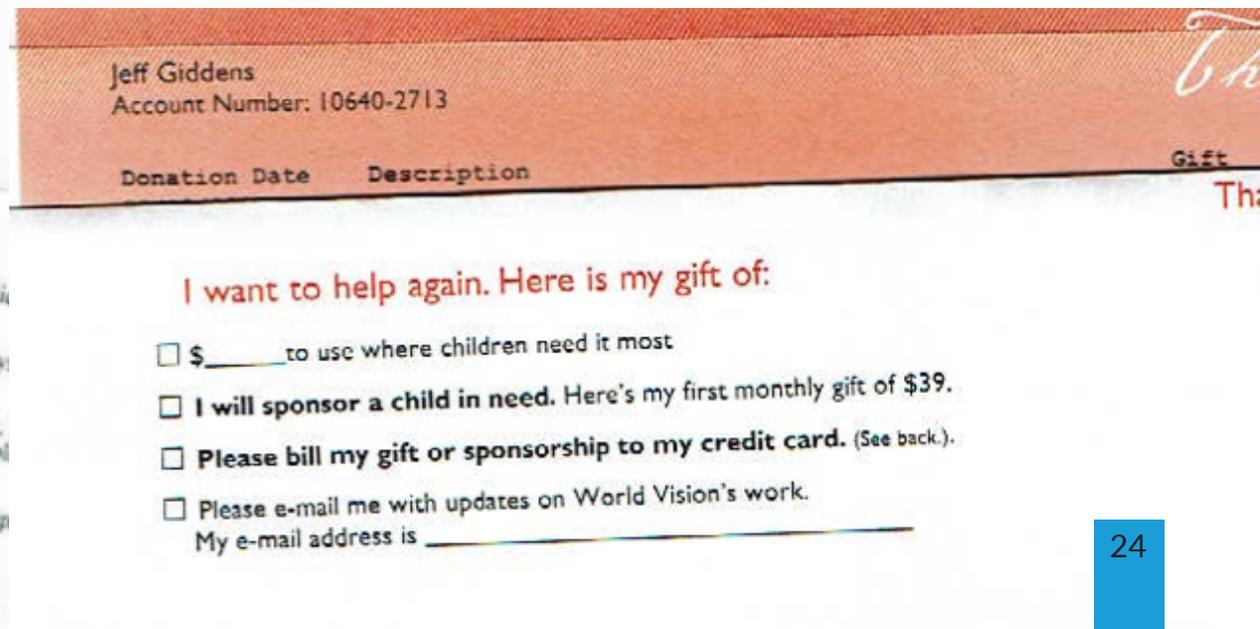
Ideas to Improve Your Appeals and Thank-You Communication

Use copy and messaging that is clear; don't focus on catchy phrases or overly persuasive language.

When we try to be catchy and clever, we often sacrifice clarity. And if your donor doesn't fully understand what you're asking, they'll be less likely to convert. Test sending emails that use straight forward, easy to understand language. Increasing clarity both in your emails and on your landing pages should lead to greater conversions.

Personalize your communication to show that you know and value your donor.

The simplest way to start building stronger connections with your donors is to call them by name. Research has shown that simply adding a first name to the start of your email can lead to a significant increase in performance. Test using your donor's first name in your follow-up emails and appeals to make it clear that you know them and value them.

Let donors build relationships with people at your organization, not just your brand name.

Fundraising is all about relationships. If your donors only ever hear from info@organization.org or from paid representatives at a third-party call center, they won't be building relationships with the people at your organization that are helping make a difference. Test sending more communication from real people, even if it's as transactional as a gift receipt. Giving the option to respond to a person can strengthen your relationship with your donors.

Every single lapsed credit card email sent from a real person made it to the main inbox.

If you can't update a card number automatically, your best chance of reaching your donor's main inbox is by sending an email from a real person, not an automated message from a payment processor.

Lapsed Credit Cards

The Lost Credit Card

- 2 out of 3 organizations auto-updated their records to our new card number after it was reported as lost.
- 1 in 4 organizations made no attempt whatsoever to get our new card number.
- 38% of lost card communication came from a real person.

The Canceled Credit Card

- 47% of organizations made no attempt to update our payment information.
- Less than 1 in 5 canceled credit card communication came from a real person.
- 37% of transactional canceled credit card communication didn't make it to the main inbox.

Get-back Status (Cancelled Card)

No Contact
47%

Reached Out for Update
53%

Get-back Contact Type (Cancelled Card)

Personal
18%

Transactional
82%
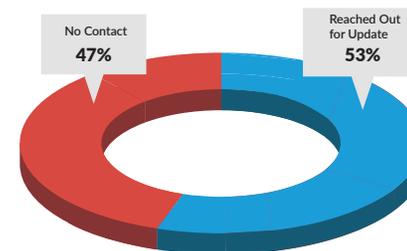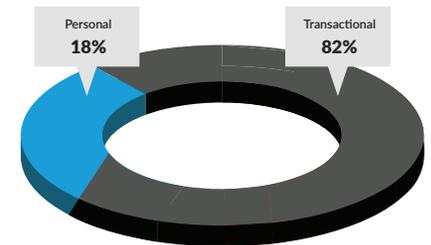
Ideas to Win Back More Lapsed Credit Cards

Invest in automation tools to capture new cards numbers of lost or stolen credit cards.

The most effective way to win back lapsed credit cards is to have tools in place to do it for you. Consider using a payment processor that has the ability to update credit card numbers when they get lost or stolen. This will save your organization valuable time, and ensure there are no gaps in your donor's recurring gift.

Create a communication plan for when a credit card is canceled.

There's no easy and automatic way to get your donor's new credit card number if their existing card has been canceled. So if you don't already, make sure you have a plan in place to communicate to recurring donors when their card is declined. Otherwise, your donor may not notice that their donation is no longer being made.

Send your lapsed credit card communication from real people.

A recurring donation is too valuable to risk having your emails being caught in the Promotions tab or in a spam folder. So when you have to email a donor to update their card information, contact them from a personal email to have the greatest chance of getting your message to their main inbox.

Making A Recurring Donation

It Can Be Really, Really Hard To Make A Recurring Donation.

"In some cases, it felt like organizations really didn't want us to donate at all."

There were many, many roadblocks that we ran into while trying to make recurring donations to all 115 organizations. In some cases, it felt like organizations really didn't want us to donate at all.

And if we weren't so strongly motivated to complete the donation for the sake of this study, we would have given up. Here are some of the roadblocks that made giving a recurring donation so difficult:

We were asked for highly personal information.

Some organizations specifically asked for a cell phone number. Others got way more personal (and presumptuous) by asking for information like a spouse's name. Worse yet, one particular form asked us for an account number. Not only were they referring to us (the donor) as an account instead of a person, we didn't even have a number since we were first time donors.

Many donation forms made it very confusing to give.

We ran into many confusing, required fields. On one giving form, we were required to pick an agency location. First off, it's not clear what is meant by the term 'agency.' Second, we certainly didn't have a preference to select in this field. And third, it was a required field!
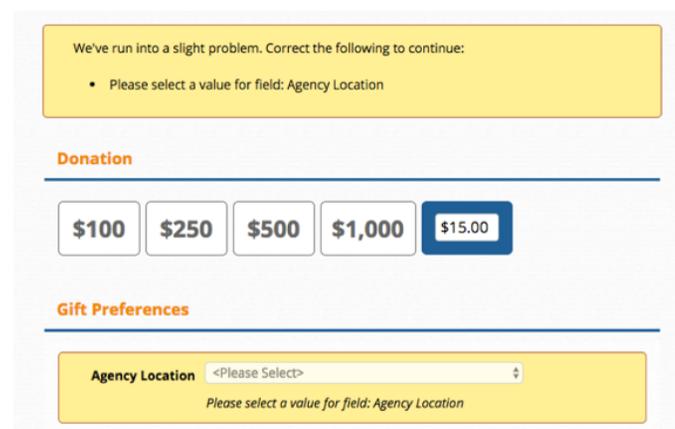
Unclear fields forced us to make commitments we didn't fully understand.

Some of these were simple like: "Do you want to receive our emails?" I probably don't want their emails when it's phrased like that. Plus, it's not clear what they're going to email about. Other fields were much more jarring. For example, one form had a field saying: "I decline benefits, yes or no?" What benefits are they referring to? How do I know if I want them or not if they don't describe them to us?

We were only able to donate to 106 of 115 organizations due to donation platform restrictions.

Multiple donation platforms blocked us from donating due to the volume of donations being made from a single IP address. This blocking was so extreme that we were only able to successfully set up recurring donations to 106 of 115 organizations.

Now, you might be saying, "This will never happen to a regular donor." But on major giving days like Giving Tuesday, or December 31st, you have donors that give to many different organizations all in a very short time span.

Many donation platforms all share information to identify fraudulent charges. If one of these platforms flags a donor's IP address because they've made multiple donations, it may prevent the donor from giving to you. This practice is helpful for fraud protection, but we weren't making fraudulent charges. We were giving legitimate donations and were denied.

ADDITIONAL INFORMATION

Type of gift	Recurring gift
Anonymous	☐ I prefer to make this donation anonymously
I decline benefits	Yes ⬍ **???**

BILLING INFORMATION

| Title | -please select- ⬍ |
| First Name * | |

The client IP 67.198.59.227 has been blacklisted due to repeated authorization failures.

Donation

$100 $250 $500 $1,000   **$25.00**

Gift Preferences

Agency Location Where needed most ⬍

Tribute Gift

"Unclear fields forced us to make commitments we didn't fully understand."

We had to prove we were human over and over again.

You probably have seen the various "I'm not a robot" checkboxes like this one:
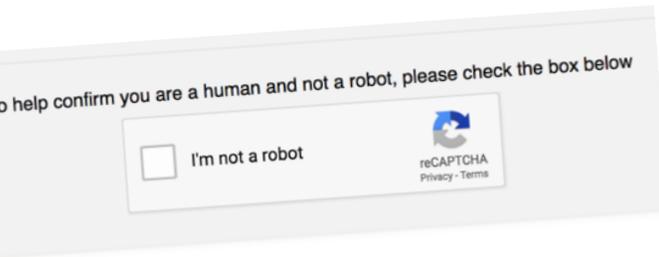

The goal of these traps is to prevent spam from submitting on our donation forms. Generally, they work to prevent spam, but they're not always foolproof at detecting who is human with just a simple checkbox. More often than not, real humans get moved on to a game like identifying all the street signs, storefronts, or roads. Even the most observant and patient of us have trouble getting these right. For example, do you include the box with the little sliver of the sign? What about the boxes with the pole?

We understand the need to prevent spam, and we're all for that. But there are easier options that don't put the work onto the donor to prove that they're human, and don't frustrate the donor to the point of abandoning the donation process. Consider using something like a honeypot (Your IT people should know what this is.)

Roughly 1 out of 10 organizations didn't have a recurring gift option online.

A few of those organizations included a phone number at the very bottom of the donation form to call to set up a recurring gift, but it's so hidden that they probably are losing the majority of potential recurring donors.

Success In Making A Recurring Gift

Made a Recurring Gift
91%

Could not Make a Recurring Gift
27%
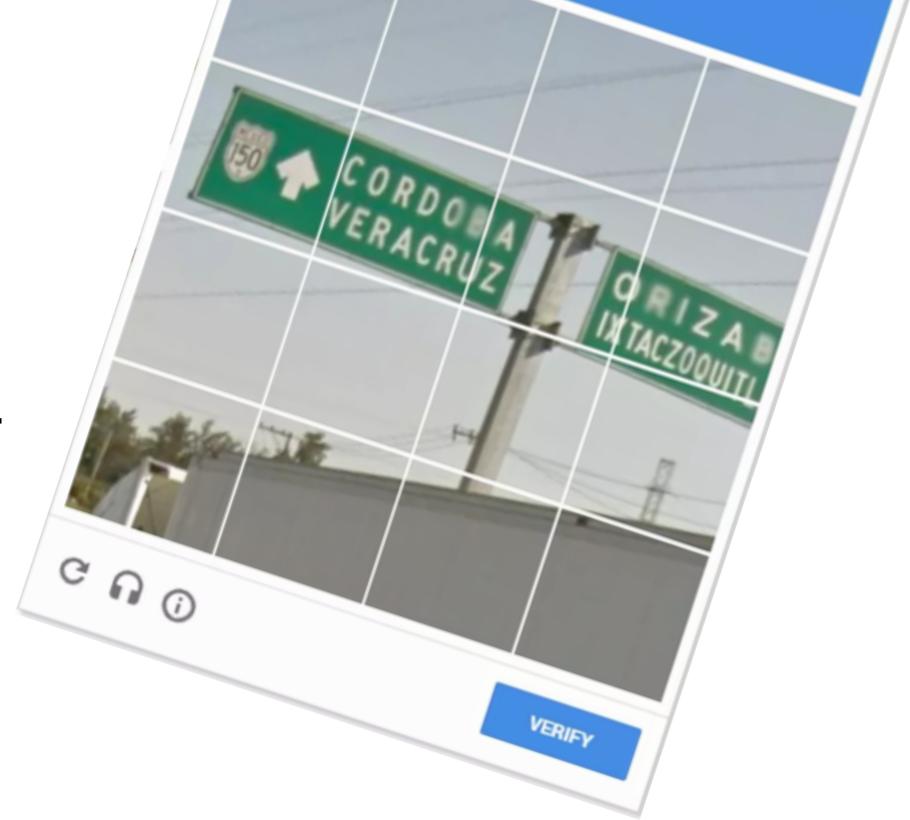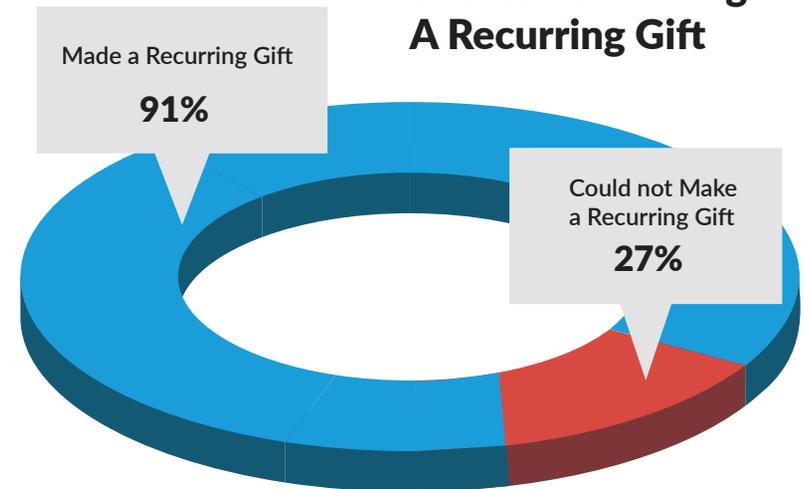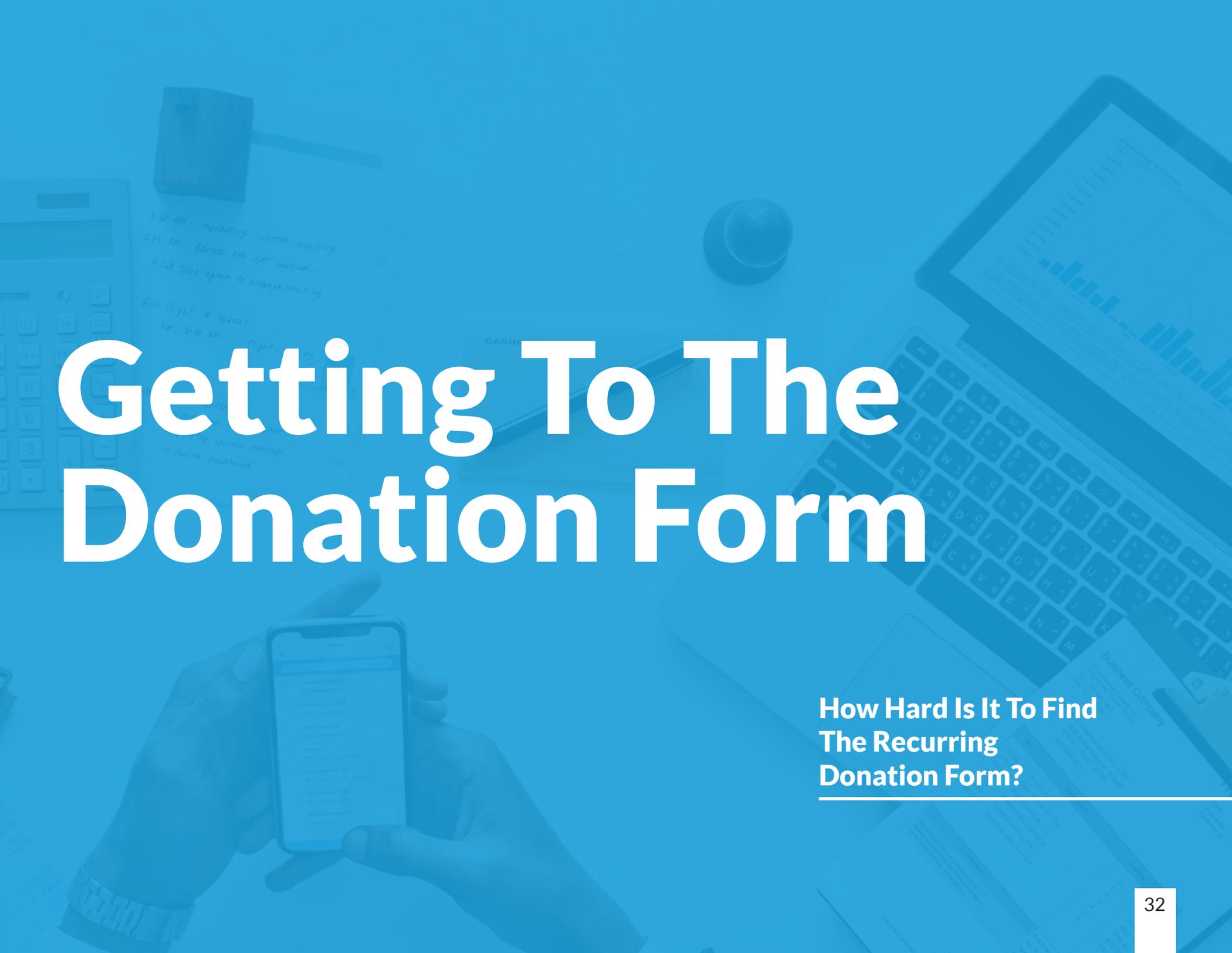
Getting To The Donation Form

How Hard Is It To Find The Recurring Donation Form?

Each of our 3 donors started the donation process on the homepage of each organization.

From there, they tried to find a way to donate. The first thing donors normally look for is the "Donate" button.

Most donate buttons say the same thing. And this is good!

We've been asked many times: "What is the best language to use on a donation button?" Our best answer, which is backed by multiple experiments we've conducted, is that clarity trumps persuasion. Your donate button doesn't need to be cute or clever; it just needs to be clear.

71% of these organizations used the simple word "donate." This made it very clear what was going to happen when we clicked the button. We also found that 12% used "donate now," which adds a little urgency. And another 4% used "donate to [organization name]." Overall, there's relative consistency with these buttons.

Make sure your donate button is visible.

Clear language on your donate button is important, but donors also need to be able to find it. We've tested the visibility of the donate button many times and found that it makes a major impact on revenue.

In this experiment we conducted with a major higher education organization, we wondered if a more visible donate button would generate more donations and more revenue. In the control, the donate button looked like every other link in the site navigation.

In the first treatment, we turned the link into a purple button and changed the text to say "Support [Organization]." For the second treatment, we kept the text exactly the same as the control, and simply made it into a purple button.

Donation Button Call-to-Action

Donate
71%

Donate Now
12%

Donate to [Org Name]
4%

Give
9%

Support
4%
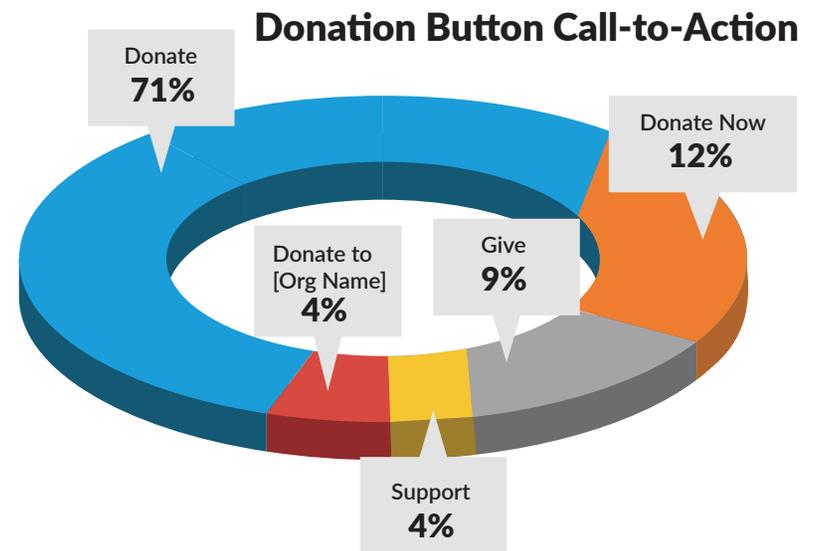
CONTROL
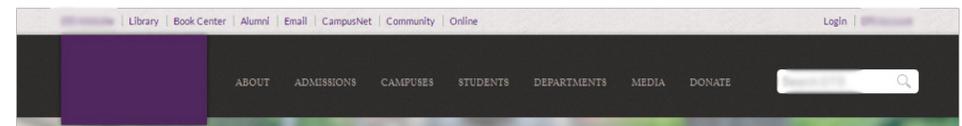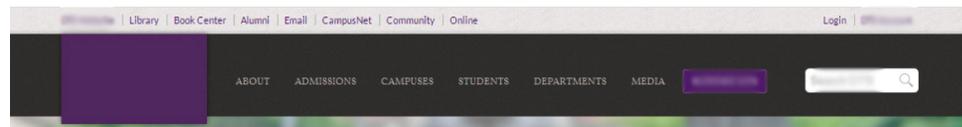
TREATMENT #1

TREATMENT #2
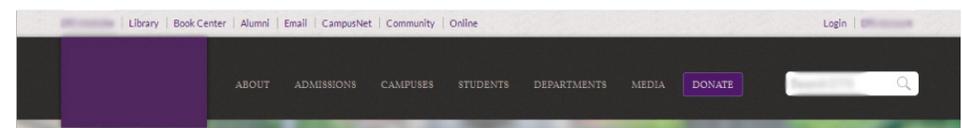
75% of organizations do not have a separate call-to-action for recurring donations.

Why does that matter? Over the years, we've conducted a series of experiments related to addressing visitor segments, and we've found that creating separate calls-to-action for varying visitor motivations can improve your results.

Do they have different CTAs for onetime and recurring gifts?

Yes
25%

No
75%
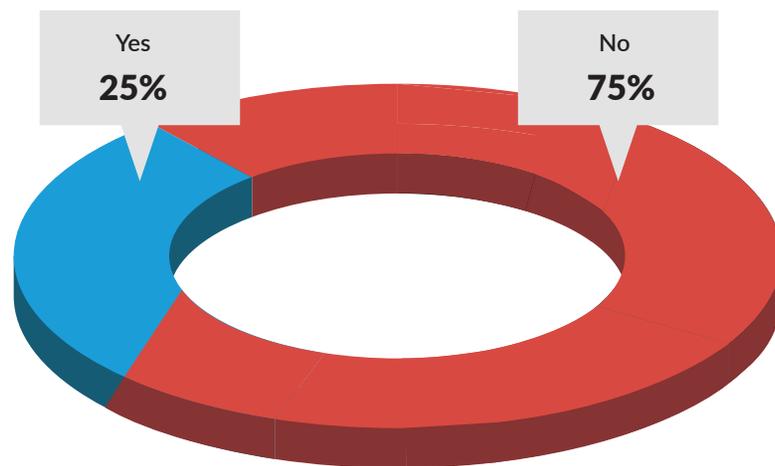
Donations increased by 190% because we used clear language, and made the donate button very visible.

We found that the first treatment increased donations by 160%. But treatment 2 increased donations by 190%. This indicates that the text isn't nearly as important as the visibility of your donate button. Make your donate buttons clear, and make sure you call attention to it. This can be one of the easiest ways to increase traffic to your donation page.

Conversions on the homepage increased by 46%, all because we clearly addressed the motivation of a unique segment of traffic on the page.

This experiment with a public policy group is a great example. They originally had two donation options on their homepage: Donate or Renew. The donate link was to make a single donation. The renew link was for members to renew their membership.

But we realized there may be a third segment we weren't addressing: those who wanted to become a new member. So we created a call-out box that briefly explained why someone should become a member, and then gave a clear call-to-action.

CONTROL

TREATMENT

"A monthly gift does even more to protect civil liberties."

"Make your gift go further. Give monthly"

"Yes, automatically repeat this gift every month"

"Yes, please make this a monthly gift to CARE"

"I would like to make this be a monthly gift."

**"Become a monthly donor"**

Monthly Gift"

"Donate monthly"

"Make a Monthly Donation"

92% of organizations gave the option to make a recurring donation on their one-time donation pages.

Our very first step in this study was to give a one-time gift. As we made these donations, we wondered: Does the one-time donation page have the option to make a recurring donation?

The messaging used on these pages to ask for a recurring donation varies significantly and is worthy of note. Here are some examples:

On the one-time donate page, do they have an option to give a recurring gift?

Yes
92%

No
8%
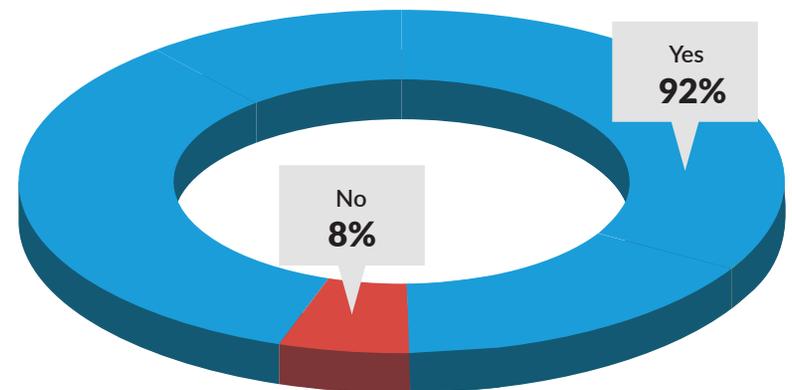
While the messages varied, we did notice a trend with how the recurring gift option was offered.

We were fascinated as we went through this collection process, noting new ideas and creative ways of making the recurring donation asks that we could put to the test.

Simple

75% used a simple ask by saying something like "Give Monthly" or "Monthly Gift."

First Person

14% used a first-person message saying something like "I want to make a monthly gift."

Value Proposition

8% added value to the offer: "A monthly gift shows your commitment to X, Y, and Z."

Creative

2% used something a little more creative like an interactive mad-lib where you select your gift amount, gift type, and gift designation.

Styles of Recurring Gift Options

- Simple: 78
- First Person: 15
- Value prop: 9
- Creative: 2

EXAMPLE

I want to give a $20 ᵥ one-time ᵥ gift to [Gift Designation] ᵥ.

GIVE TODAY
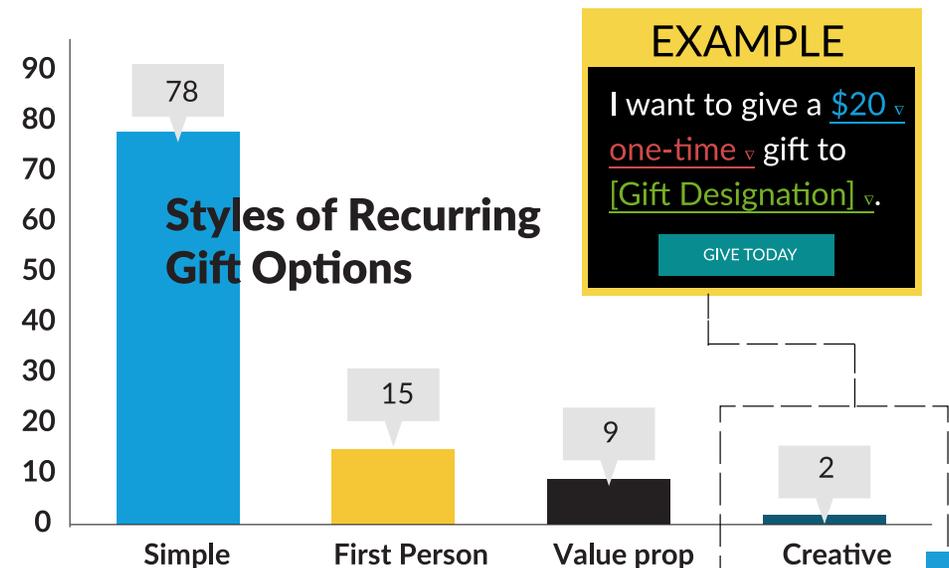
Does adding value increase recurring donations?

The first idea we noted that we wanted to test was adding value proposition to the messaging. We wanted to know if including a value proposition in the recurring donation option would increase the likelihood of someone giving a recurring gift.

In this experiment, the control had a simple message saying, "Make this a recurring donation of $50 per month." For the treatment, we kept the same language, but added value proposition messaging below outlining why someone should give a recurring donation.

After testing the value messaging, we found no significant difference in donations between the two versions. The additional value proposition around the button didn't help in this case.

There was no significant difference in donations when adding basic value proposition to the recurring donation checkbox.

CONTROL

Your Donation

$25	$50	$100

$ | Other Gift Amount

☑ Make this a recurring donation of $50 per month.

Your Information

First Name   Last Name

TREATMENT

Your Donation

$25	$50	$100

$ | Other Gift Amount

☑ Make this a recurring donation of $50 per month.

A recurring donation has the biggest impact.
Monthly donations allow ▓▓▓▓▓ to commit additional resources to the long term efforts necessary to affect key issues--such as ▓▓▓▓▓ ▓▓▓▓▓, ▓▓▓▓▓ ▓▓▓ ▓▓▓▓▓, ▓▓▓ ▓▓▓▓▓▓ ▓▓▓▓▓▓'▓ ▓▓▓ ▓▓▓▓▓.

Your Information

First Name   Last Name

Now, just because it didn't work in this scenario doesn't mean that's true for every scenario and every organization. Depending on the motivation of the traffic to your donation page, you may see a differing result. Before you make a sweeping change to your page, test it and see what impact it has for your audience.

There are ways to give tangible benefits without reducing the feelings of altruism.

Are there tangible benifits for recurring donors?

Yes
23%

No
77%
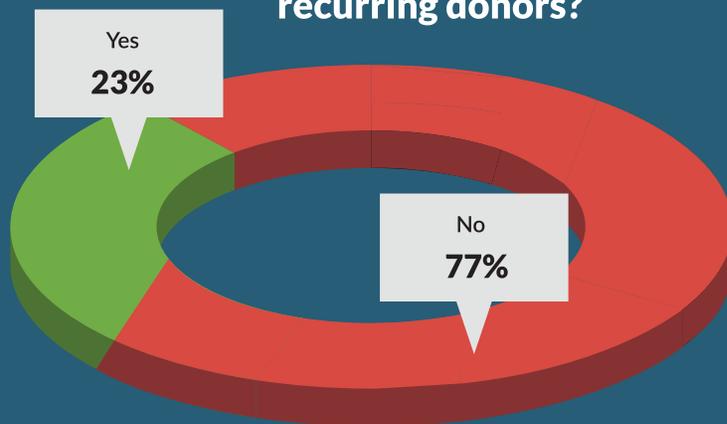
77% of organizations did not offer a tangible benefit to recurring donors.

Many organizations we talk to feel that they don't have any tangible benefits to offer their donors. But, is that bad?

Best practice says you should offer a tangible benefit, but there is academic research to suggest that this "best practice" may not be helping.

The Journal of Economic Psychology published a study from George Newman titled *The Counterintuitive Effect of Thank You Gifts on Charitable Giving.*[3]

Over a series of six experiments examining the effect of thank you gifts on charitable giving, the study found that thank you gifts in the donation process reduce the feelings of altruism, and decrease donations. Here's the good news though:

We can reframe the context. Framing your tangible gift as a means of advancing your cause can be more effective than simply giving a "thank you" gift. For instance, you could offer a tote bag with your logo on the side, and explain that it will help create more awareness about your organization.

Send a social signal. Gifts that send a social signal about the donor may have a positive effect. For example, you can offer an invitation to an exclusive dinner, lecture, or membership group.

Surprise the donor. Rather than asking a donor during the donation process if they'd like your thank-you gift, you can send it and surprise them with it as a means of further donor cultivation.

Advance Gifts. Another option is to send a gift in the mail first, and include a donation ask along with it. This can help prime your donors for a donation ask, and help show the value of your organization.

[3] https://www.sciencedirect.com/science/article/abs/pii/S0167487012000530

The Donation Form

What Do Recurring Donation Forms Look Like?

# 62% of gift arrays were ordered from smallest to largest.

We also saw that 22% were in reverse order, from the highest to lowest. 13% of organizations had a blank number, and a handful of organizations just had one single option.

The recommended giving amounts for recurring donations varied wildly. In fact, **the most common gift array was $25, $50, and $100**; although, it was only used by 4 organizations. Recommended amounts ranged from $5 to $50k. The most common shared option was $100 with 63% of organizations using this recommended amount.

In an academic study released by the Public Library of Science[1], they found that the order in which people experience things affects their opinion. They like the first option the best. Based on this idea, we launched an experiment.

1 Source: https://www.economist.com/schumpeter/2012/08/24/first-is-best

The Order of the Gift Array

Small to Large **62%**

Reverse **22%**

Blank **13%**

Single Number **3%**
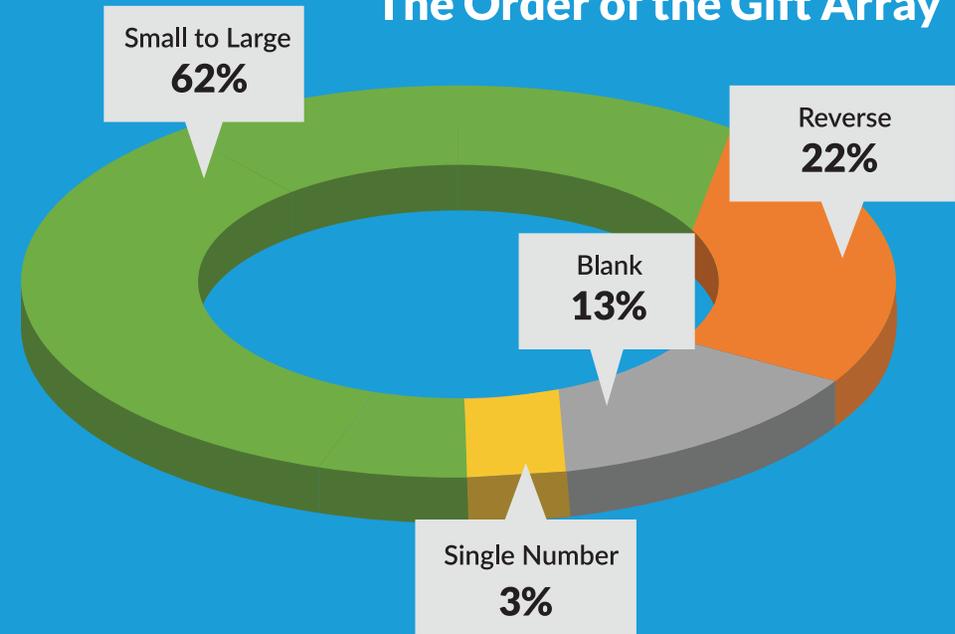
Percentage of Gift Arrays That Included This Amount

14%	43%	74%	26%	67%	18%	7%	43%
$__	$25	$50	$75	$100	$150	$200	$300
Blank Field	$1 to $25	$26 to $50	$51 to $75	$76 to $100	$101 to $150	$151 to $200	$201 to $300

6%	44%	1%	34%	6%	3%	10%	10%	7%	3%
$400	$500	$750	$1000	$1,500	$2,000	$3000	$5000	$10,000	$10,000+
$301 to $400	$401 to $500	$501 to $750	$751 to $1k	$1,001 to $1.5k	$1,501 to $2k	$2,001 to $3k	$3,001 to $5k	$5,001 to $10k	Above $10k
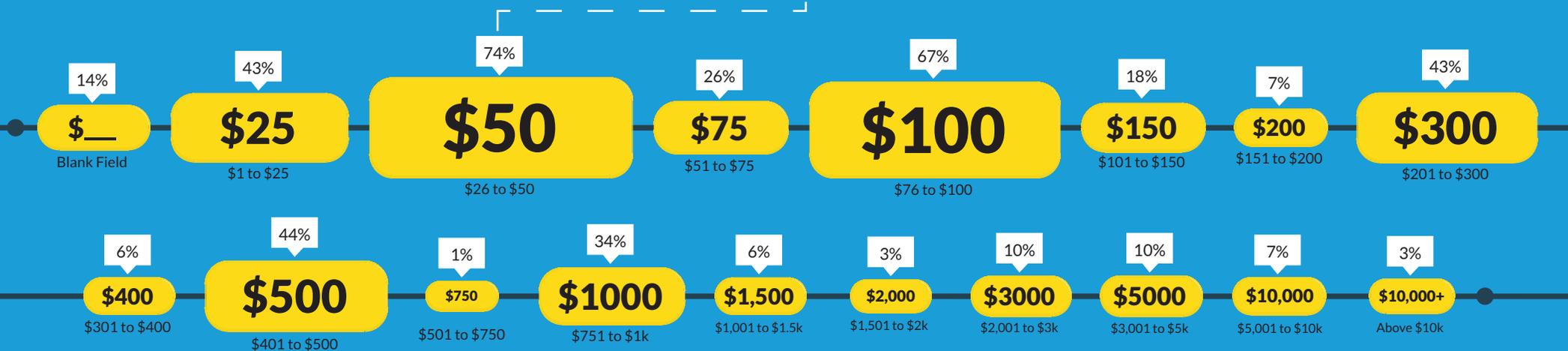
CONTROL

This Website Helps Laura Stay Connected to Family and Friends

Kelly, you make this website possible

When you give to ▓▓▓▓▓▓▓ you ensure that Laura's private, protected place to share health updates and connect with a community of support will always be here.

Make a secure donation, using the form below.

1. Choose Your Donation Amount

$50 $100 $250

$100.00   (minimum $10.00)

TREATMENT

This Website Helps Laura Stay Connected to Family and Friends

Kelly, you make this website possible

When you give to ▓▓▓▓▓▓▓ you ensure that Laura's private, protected place to share health updates and connect with a community of support will always be here.

Make a secure donation, using the form below.

1. Choose Your Donation Amount

$250 $100 $50

$100.00   (minimum $10.00)

Putting the higher dollar amount first decreased donations by 16%.

It also decreased the average gift size.

In this experiment, the original donation form had a standard gift array of $50, $100, and $250. We wondered if we could increase donations by making the first option the largest gift size.

Our hypothesis is that these donors chose super-secret Option D: no gift at all. If the "first is best" theory is true, donors may have seen the recommended amount, realized they couldn't afford what the organizations wanted them to give, and chose not to give at all.

75% of organizations did not collect a phone number on their donation forms.

Organizations that Collect Phone Numbers

No **25%**

Yes **75%**
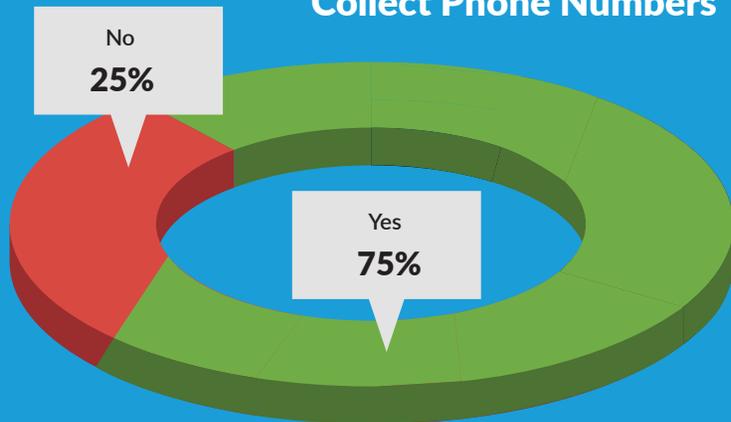
Phone numbers can be incredibly helpful in cultivating your donors. In fact, a study from Penelope Burke shows that a donor's second gift could be 40% higher if you follow up with a thank you phone call.

On the other hand, asking for a phone number adds an additional form field that could create additional friction on your donation page. But there's good news:

An optional phone number field won't hurt your donations.

Optional

In this experiment, we added an optional phone field to a donation form. After testing it, we found that there was no difference in conversion.

CONTROL

My Gift Amount

TREATMENT

My Gift Amount

An optional phone number made no difference in conversion.

Required

But if the phone number is so important, shouldn't we require it? We wondered the same thing, and so we ran a test to see what effect a required phone field would have.

CONTROL

Your Name

TREATMENT

Your Name

Requiring a phone number decreased donations by 43%.

43

Credit Card

**100%** of organizations accepted credit cards.

EFT

33% of organizations accepted EFT, Bank Draft, ACH, and/or check.

PayPal

22% of organizations accepted donations using PayPal.

Of these 3 main payment types, it's a little bit shocking that more organizations aren't accepting EFT. Most credit card numbers are only active for 9 months to a year. This is because credit cards get lost, stolen, broken, or canceled. An EFT relies on a bank account which is open for an average of 16 years.[4] **This makes the recurring payment much more reliable**, and you won't have to worry about tracking down new card numbers.

Payment Types Accepted

104	35	23	2	1

■ Credit Card ■ EFT/Bank Draft/ACH/Check ■ Paypal ■ Bitcoin ■ Amazon Pay
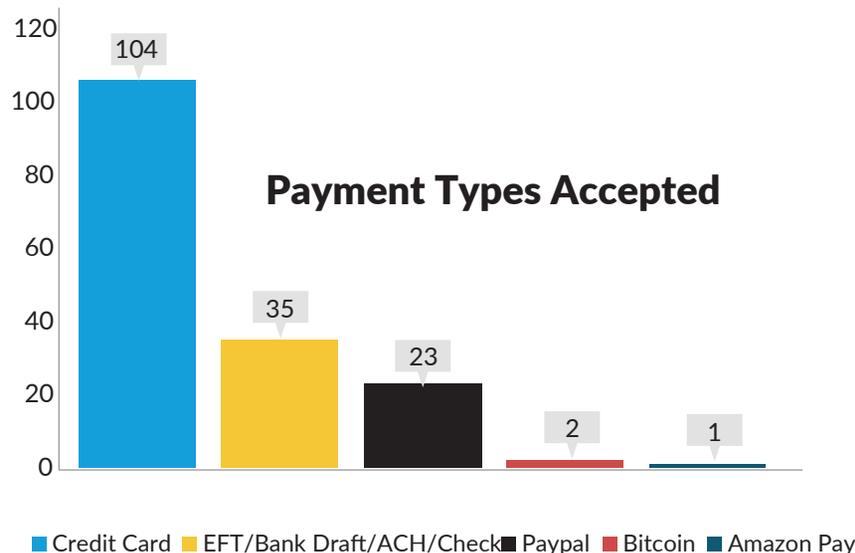
Only 33% of organizations accepted EFT, *despite it being the most reliable payment method.*

While all of our donations were made using a credit card, we took note of what other payment options were available.

[4]https://www.bankrate.com/banking/best-banks-consumer-survey/

Only 14% of organizations prompted one-time donors to upgrade to a recurring donation.

One simple way was to include a single sentence around the donation form that talked about the benefits for a recurring donor, like "A monthly gift shows your commitment to care, support, and research."

We also saw more complex ways, like pop-ups after clicking to submit the donation form saying, "Would you like to make this monthly?" A couple of them actually offered a premium to change to a recurring gift.

Simple Recurring Gift Callouts

Complex popups shown on submission

Prompted Donors to Upgrade to a Monthly Gift

Yes **14%**

No **86%**

CONTROL   **TREATMENT**

Donate to
[ORGANIZATION]

Donate to
[ORGANIZATION]

We also tested the more intrusive popup offer. The control donation page had no additional prompt to become a recurring donor. The treatment had a pop-up that appeared after the donor clicked to submit the donation form. The pop-up talked about the benefits of recurring giving, and then asked for a smaller gift now in order to have a greater impact long-term by making it recurring.

CONTROL   **TREATMENT**
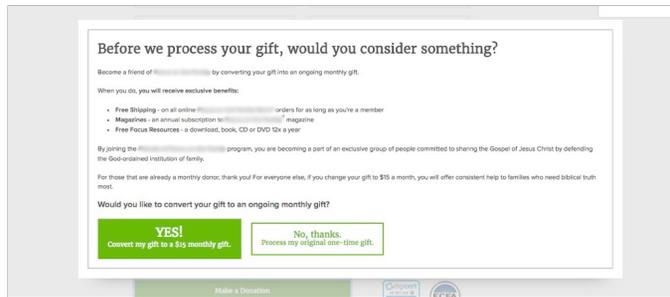
The pop-up method increased donations by 64%.

It had no effect on the overall conversion of page, meaning that we were getting the same number of donors overall, but with a higher percentage of recurring donors. This increase will lead to significant long-term revenue growth.

The simple prompt didn't make a difference in the amount of recurring donations.

We conducted an experiment with an organization using simple recurring gift language. We took the simple prompt idea and tested it to see the effect. In the control, there was simply a checkbox to make the gift a recurring donation. For the treatment, the copy included a specific ask to become a recurring donor.

1/3 of organizations did not have a post-donation call-to-action.

For one-third of organizations, after they had finished donation, the donor saw a thank you page and nothing else. Now, why is that a big deal?

In a study conducted by James Andreoni called *Impure Altruism and Donations to Public Goods: A Theory of Warm-Glow Giving* , he concludes that people get a "warm-glow" from giving. If the donor already had taken this big step forward and now has this warm glow, we can use follow-up calls-to-action to maximize that "warm-glow" and have our donors take a further action.

We tested a couple post-donation calls-to-action to see what is most effective. The control page simply asked for a recurring donation, reiterating our thanks for the donation and giving them reasons why a recurring gift is valuable. The treatment asked for a second gift to a specific branch of their organization.

A few options to test on your donation confirmation pages could include:

• Asking donors to utilize an employer match to increase their impact.

• Asking for a second gift, possibly focused on a particular fund or need.

• Asking for an upgraded gift, like a recurring donation.

Roughly 1 out of 3 nonprofits did not use a post-donation call-to-action.

Post-Donation Calls-to-Action

Legend: None, Social Share, Resource, Employer Match, Create Account, Second Gift, Upgrade Gift, Survey/ Petition

Values: 38, 38, 7, 6, 5, 4, 4, 2

CONTROL

TREATMENT

Communication Channels

How Are Organizations Communicating With Recurring Donors?

The upgraded donor was the only donor that was contacted by every single organization.

The recurring donor received 99 different correspondences (out of the 106 organizations that were given a recurring gift). The one-time donor received only 94 communications of the 115 that were given a gift.

Each of our donors made their first gift at the beginning of February 2018. All communication from each organization then was analyzed for the following three months.

Organizations That Contacted Each Donor Type

| | 140 | 120 | 100 | 80 | 60 | 40 | 20 | 0 |

94 — One-Time Donor
115 — Upgraded Donor
99 — Recurring Donor

FEB 2018   MAR 2018   APR 2018
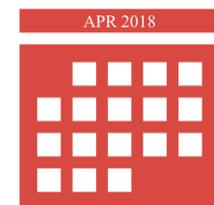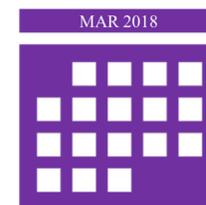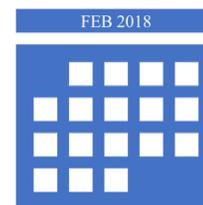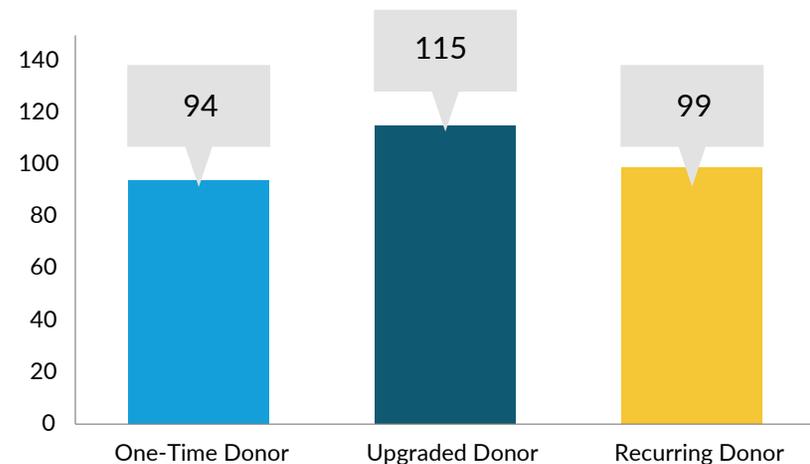
Email is the only universally adopted communication channel.

This indicated that the vast majority of organizations are relying primarily on digital communication with recurring donors.

1 out of 3 organizations didn't send any direct mail, and only 1 out of 9 called to say, "Thank-you." To be fair, not every organization asked for our phone number, but this still indicates that these organizations don't value phone communication with their donors. 2 organizations sent a text message, which we'll dig into more later on.

8 out of 10 messages we received were emails.

Total Messages By Channel

Direct Mail
534

Voicemail
33

Text Messages
6

Email
4,117

Organizations' Usage of Communication Channels

- 100%
- 65%
- 13%
- 1.7%

■ E-Mail ■ Direct Mail ■ Voice Mail ■ Text Message
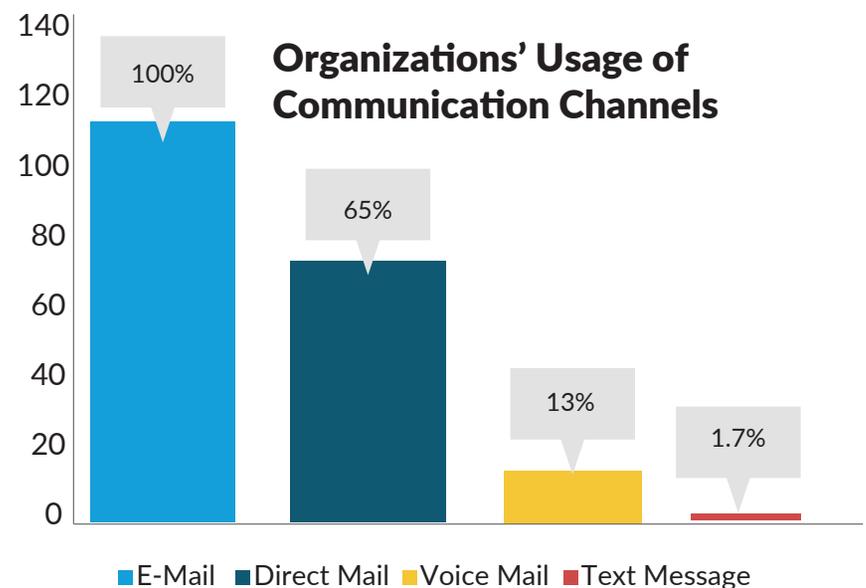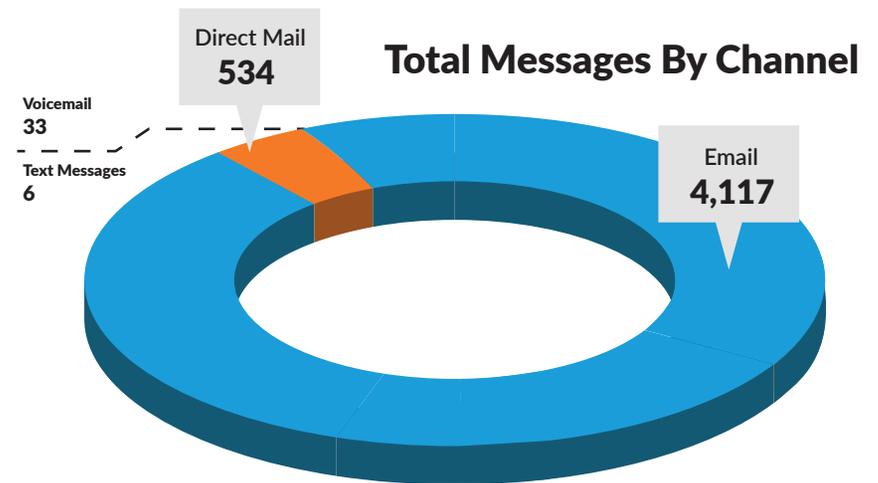
Recurring donors were just as likely to be contacted as one-time donors.

This means that 93 organizations sent our one-time donor an email communication, while 98 organizations sent our recurring donor an email communication. When it comes to mail, our one-time donor received 50 direct mail letters, and the recurring donor received 54. The upgraded donor received the most communications in almost every channel.

Seeing the variance in channel communication between each type of donor, we can conclude that organizations are treating each type of donor differently.

Organizations' Usage of Communication Channels

Frequency By Channel (chart)

- 100% — E-Mail
- 65% — Direct Mail
- 13% — Voice Mail
- 1.7% — Text Message
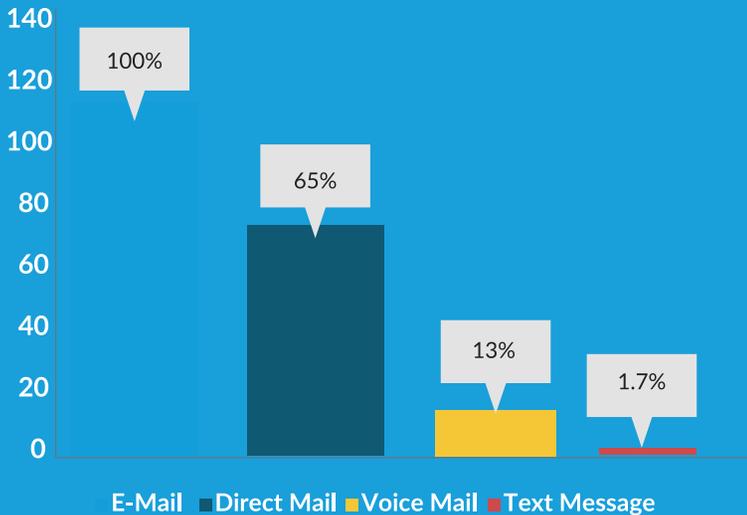
Organizations sent an average of 13.3 emails over three months.

They sent a direct mail letter about once per month, and left voicemails about once every other month. The proportion of organizations using text messaging was very small.

Frequency By Channel (chart)

- Text Message — 1.5
- Voice Mail — 1.7
- Direct Mail — 3.1
- E-Mail — 13.3
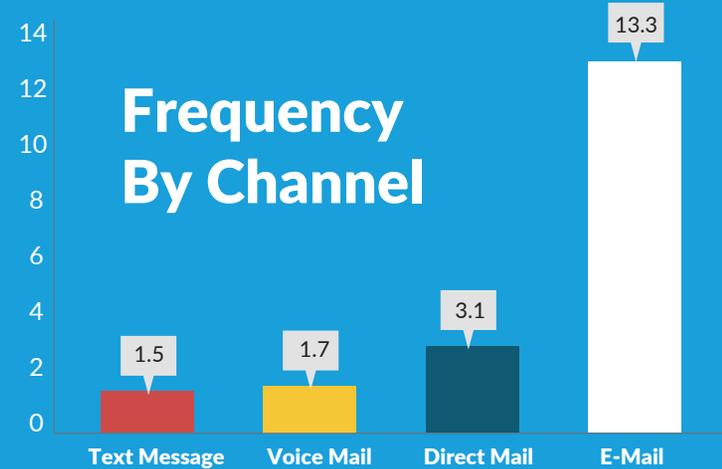
For those organizations using each channel, how much did they send to each type of donor?

Recurring donors received less email, and more direct mail.

The recurring donor received an average of 12.2 emails, compared to the upgraded donor who received an average of 14 emails. The recurring donor received 3.6 direct mail letters, while the upgraded donor received 3.1.

Channel Frequency By Donor

For those <u>using</u> each channel, how much did they send on average?

- Email: 13.5 / 14.0 / 12.2
- Voicemail: 1.0 / 1.8 / 1.6
- Direct Mail: 2.5 / 3.1 / 3.6
- Text Messages: 2.0 / 1.0 / 1.0

- ☐ One-Time Donor
- ☐ Upgraded Donor
- ☐ Recurring Donor

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Channel Overlap By Donor Type

Email
- 92
- 2
- 3

Direct Mail
- 42
- 8
- 12

■ Both Donors ■ One-Time Only ■ Recurring Only
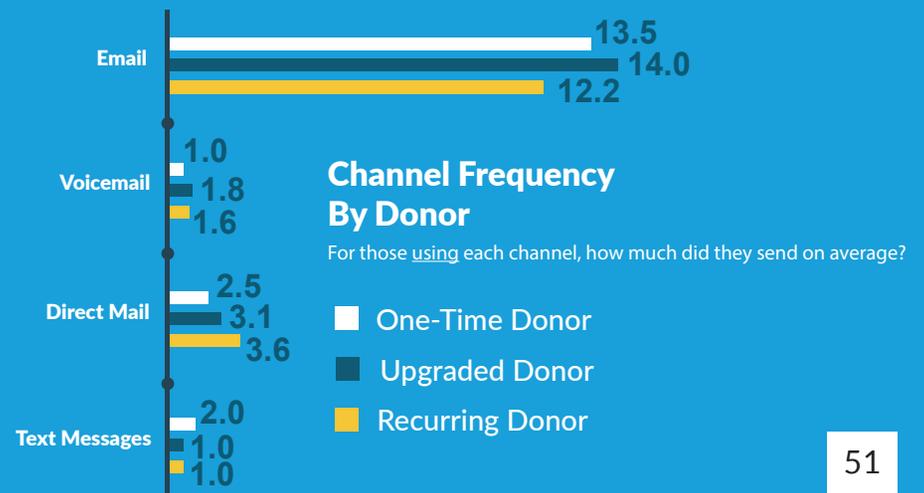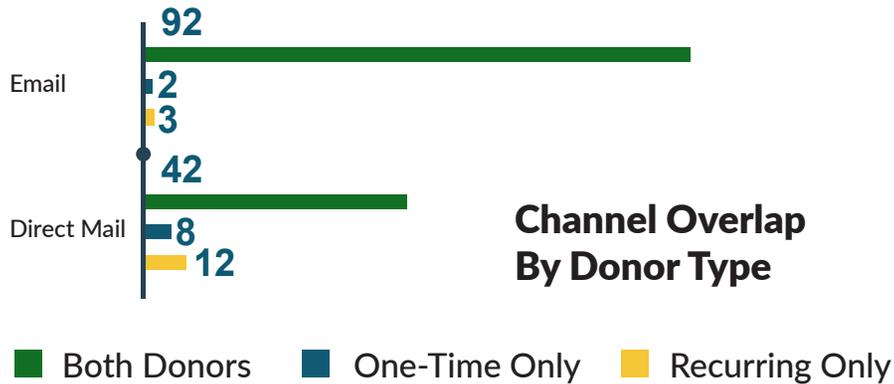
This finding confirms our initial hypothesis: recurring donors aren't treated any differently than one-time donors.

Email vs. Direct Mail Usage By Vertical

Vertical	%
Faith-Based	93%
Disaster & International Relief	83%
Disease & Health Services	50%
Education	38%
Enviromental & Wildlife	50%
Human & Social Services	50%
Public & Social Benefit	50%
Public Broadcasting	82%
Public Policy/Advocacy	58%

■ Used Direct Mail ■ Used Email
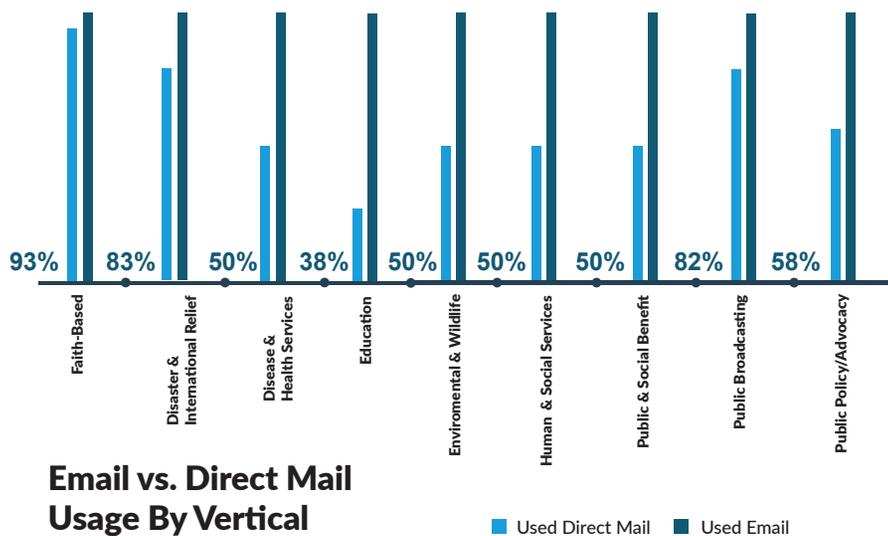
Faith-based nonprofits were the most likely to utilize direct mail.

Comparatively, educational nonprofits were 59% less likely to send direct mail than faith-based ones.

Most organizations used all the same channels, regardless of the gift type.

Strangely enough, some organizations that communicated with one-time donors did not communicate with recurring donors.

38% of organizations did not change their email strategy for recurring donors.

58% did not change their direct mail strategy for recurring donors.

Disaster & International Relief organizations were the most likely to use voicemail or text.

35% called, and 9% sent a text. Comparing to the other vertical, only about 15% of other organizations utilized voicemail, and no others sent text messages. Despite the industry hype around texting, this study saw little real-word usage occurring today.

Voicemail vs. Text Usage By Vertical

Disaster & International Relief
- 35%
- 9%

Education
- 13%
- 0%

Enivornment and Wildlife
- 17%
- 0%

Faith-Based
- 13%
- 0%

Public Broadcasting
- 18%
- 0%

🟨 Used Voicemail   🟥 Used Text Messaging
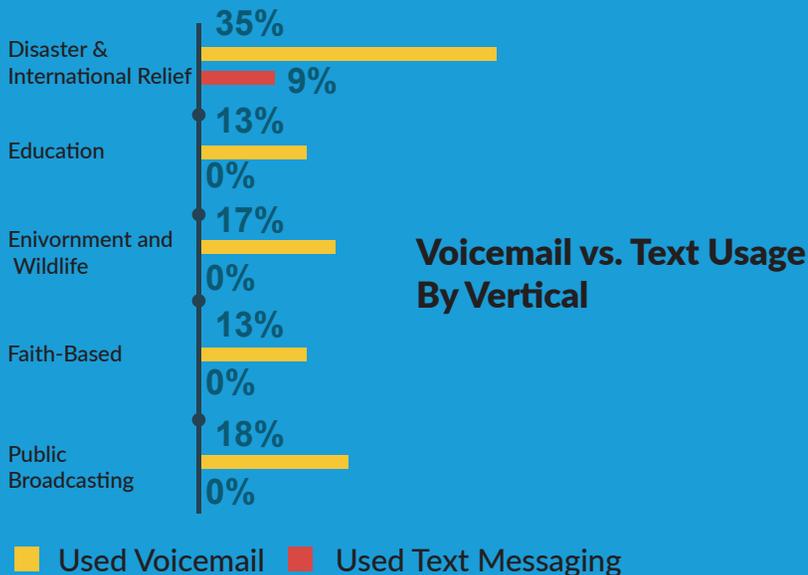
Email vs. Direct Mail Volume by Vertical

Disaster & International Relief
- 11.9
- 3.2

Disease & Health Services
- 8.7
- 1.5

Education
- 4.8
- 1.8

Enviromental & Wildlife
- 21.1
- 1.6

Faith-Based
- 17.9
- 5.0

Human & Social Services
- 8.7
- 1.3

Public & Social Benefit
- 6.2
- 1.6

Public Broadcasting
- 16.3
- 3.4

Public Policy/Advocacy
- 18.0
- 2.7

■ Avg. Email. Messages   ■ Avg. Direct Mail Pieces
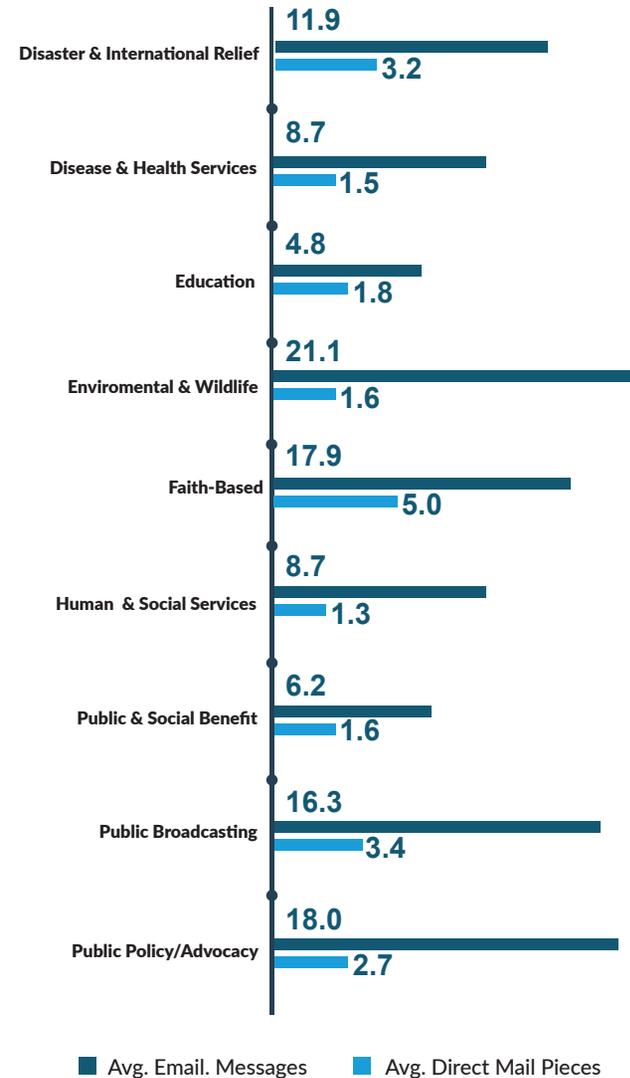
Environment and Wildlife sent the most email, but were one of the lowest direct mail senders.

They were followed closely by Public Policy and Faith-Based organizations in terms of the amount of email sent.

Types of Communication

What Are Organizations Saying To Their Recurring Donors?

Why do these communication types matter?

In a study from Adam Grant and Francesca Gina published in the Journal of Personality and Social Psychology[5], the authors explain 4 experiments they conducted to understand the measurable effect of gratitude.

Their research concluded that when people feel socially valued, they're more inspired to perform prosocial behaviors in the future.

But a separate study, *Positive Psychology Progress*[6], shows that a single expression of thanks is not enough. We have to keep thanking our donors and reinforce their impact if we want them to make a second gift.

With the importance of thanking and cultivating our donors in mind, let's look at the types of communication these organizations sent.

To help identify the different types of messages being sent, we categorized each message into three different buckets:

Gift Acknowledgment
This is a transactional communication, specifically acknowledging a recent gift and listing its details.

Cultivation
This is content-focused communication including news, articles, and blogs – without a primary focus on fundraising (some may still contain soft asks). Some of these communications might have had a donation button in there, but the primary goal of these communications is to communicate value to the donor.

Solicitation
This is any mailing, email, voicemail, etc. that primarily exists to get a donation.

[5]Source: "A Little Thanks Goes a Long Way: Explaining Why Gratitude Expressions Motivate Prosocial Behavior"

[6]Source: https://npengage.com/nonprofit-fundraising/the-7-keys-donor-retention-strategy-full-thanks/. "Positive Psychology Progress" by Seligman, M. P., Steen, T. A., Park, N., & Peterson, C.

59% of messages we received were cultivation.

Even so, we found that for every two cultivation communications sent, these same organizations also sent a solicitation asking for money at least once.

13% of organizations didn't send any cultivation to any of their donors.

While this is a relatively small percentage, it's still a sizable volume of organizations that aren't doing the work necessary to develop stronger and more loyal donors.

1 in 4 organizations didn't ask for another gift from any donor over three months.

Studies show that if you acquire a second gift from a donor in that initial 3-month period, the likelihood for that donor to be retained goes up significantly. This is a huge missed opportunity for these organizations.

Communications By Type

Gift Acknowledgement **14%**

Cultivation **59%**

Solicitaion **27%**
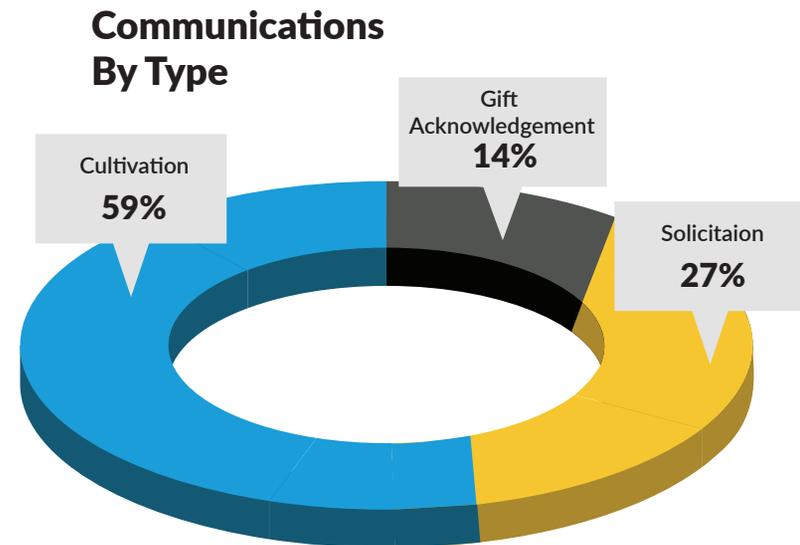
Organizations Using Each Message Type
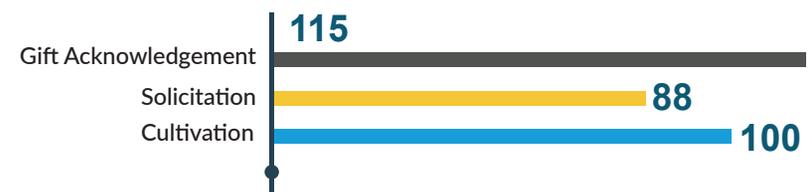
Gift Acknowledgement **115**

Solicitation **88**

Cultivation **100**

Recurring donors received more cultivation and fewer appeals then other donors.

The upgraded donor received the most overall communications, but this is mostly due to the additional gift acknowledgments being sent as a result of an additional transaction.
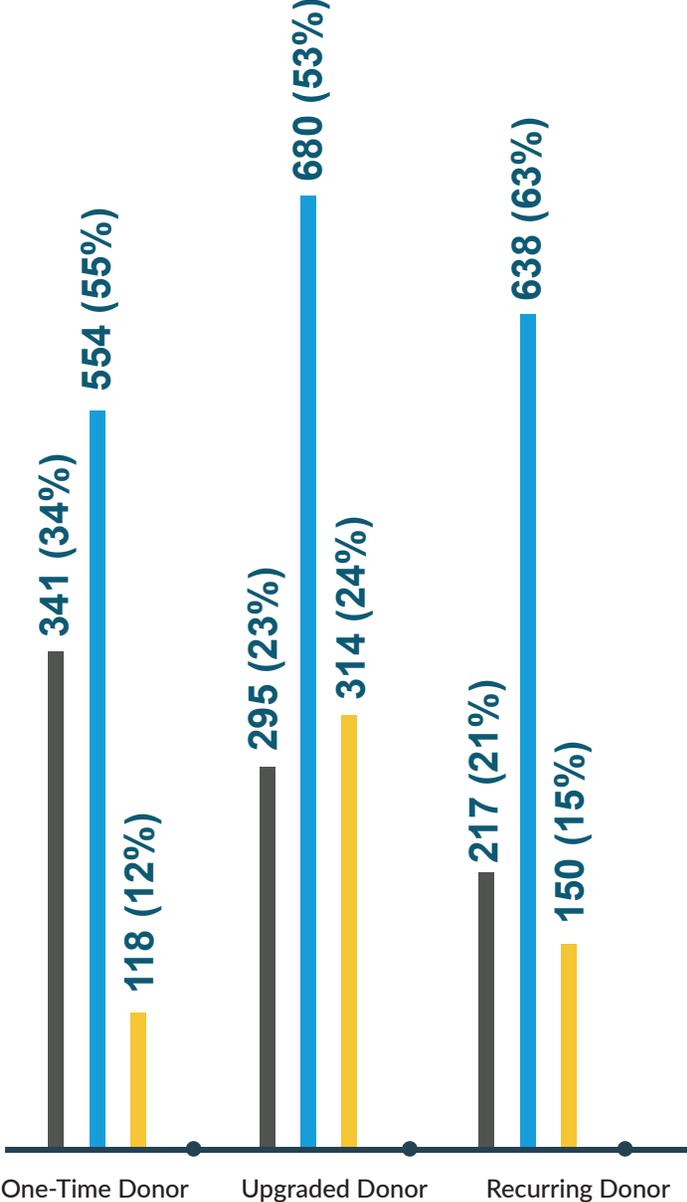
Number of Communications By Type and Donor

- One-Time Donor: 341 (34%), 554 (55%), 118 (12%)
- Upgraded Donor: 295 (23%), 680 (53%), 314 (24%)
- Recurring Donor: 217 (21%), 638 (63%), 150 (15%)

■ Gift Acknowledgement   ■ Cultivation   ■ Solicitation

Communication Distribution By Vertical

Disaster & International Relief
- Gift Acknowledgement: 20%
- Cultivation: 45%
- Solicitation: 36%

Disease & Health Services
- Gift Acknowledgement: 31%
- Cultivation: 46%
- Solicitation: 23%

Education
- Gift Acknowledgement: 50%
- Cultivation: 41%
- Solicitation: 9%

Enviromental & Wildlife
- Gift Acknowledgement: 10%
- Cultivation: 65%
- Solicitation: 25%

Faith-Based
- Gift Acknowledgement: 14%
- Cultivation: 54%
- Solicitation: 32%

Human & Social Services
- Gift Acknowledgement: 18%
- Cultivation: 50%
- Solicitation: 32%

Public & Social Benefit
- Gift Acknowledgement: 39%
- Cultivation: 37%
- Solicitation: 24%

Public Broadcasting
- Gift Acknowledgement: 13%
- Cultivation: 70%
- Solicitation: 17%

Public Policy/Advocacy
- Gift Acknowledgement: 14%
- Cultivation: 75%
- Solicitation: 10%

■ Gift Acknowledgement ■ Cultivation ■ Solicitation

Organizations sending more communication sent a larger percentage of cultivation.

The faith-based, environment & wildlife, public broadcasting, and public policy/advocacy verticals each had about 7 more messages per month on average than the other verticals combined.

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Communication Strategies Over Time

One-Time Donor

When we take a look at each type of donor's communication, we start to see the overall data in a slightly different light. Each individual donor tells a different story. Let's take a look at each different type of donor, and look at how the communication sent to them changed month over month.

The one-time donor saw a **steady number of both emails and direct mail letters** over the three-month period. There was a slight rise in communication volume in the third month purely due to increased solicitation.

Messages By Month (One-Time Donor)

- Month 3 (yellow)
- Month 2 (gray)
- Month 1 (teal)

Email: 283, 284, 314

Direct Mail: 43, 34, 50
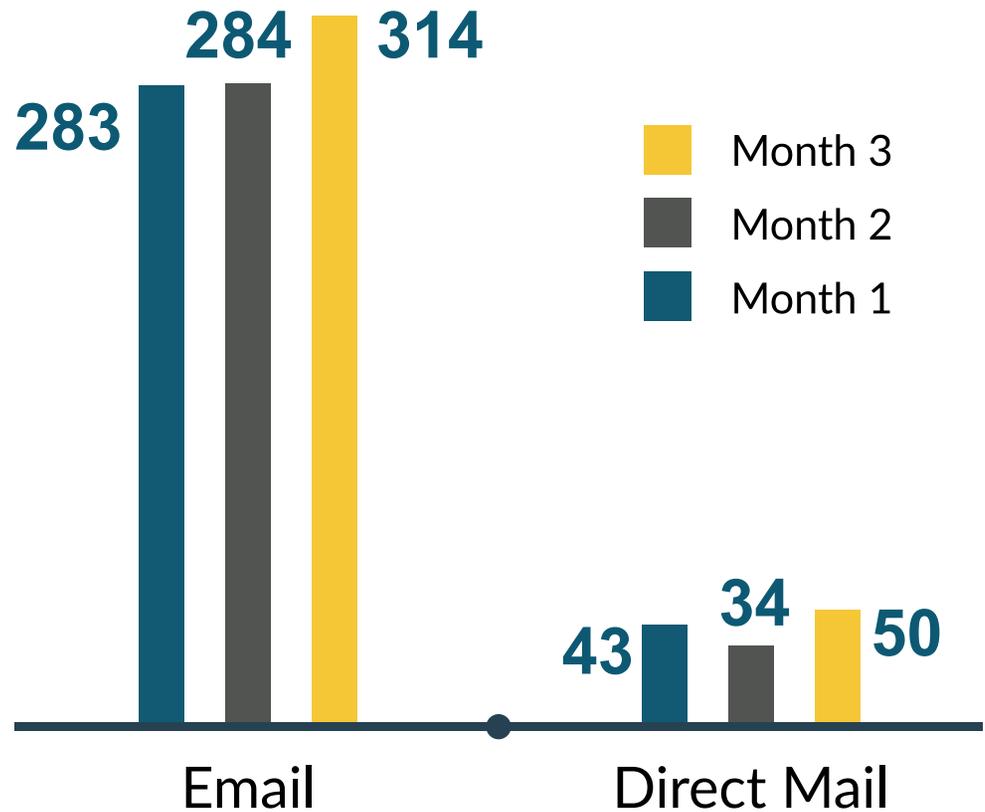
Organizations by Communication Type (One-Time Donor)
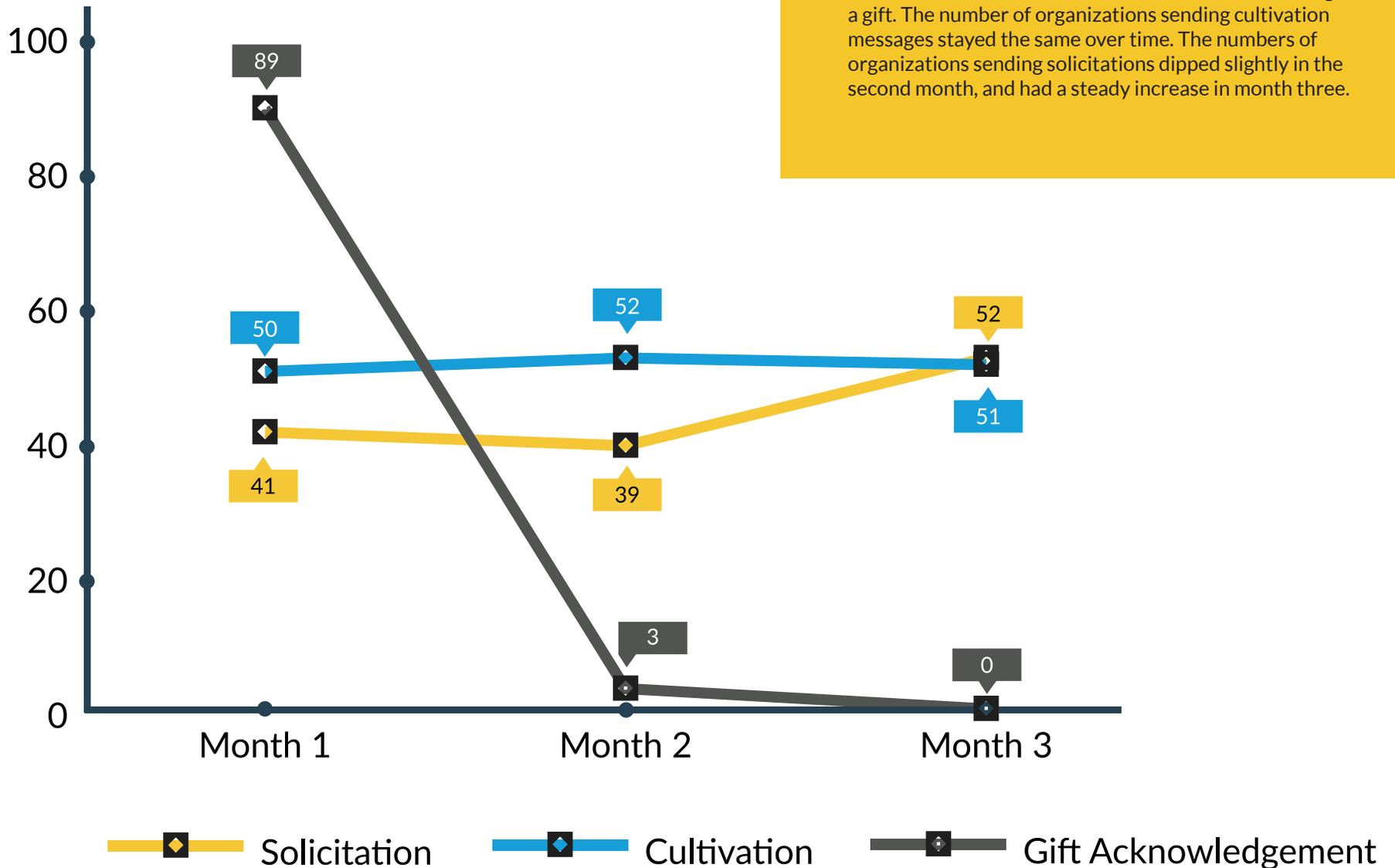
When we look at the one-time donor split by the different communication types, we see that in the first month, there was a significantly high number of gift acknowledgments.

This makes sense because that's the month the donor gave a gift. The number of organizations sending cultivation messages stayed the same over time. The numbers of organizations sending solicitations dipped slightly in the second month, and had a steady increase in month three.

	Month 1	Month 2	Month 3
Gift Acknowledgement	89	3	0
Cultivation	50	52	51
Solicitation	41	39	52

◆ Solicitation   ◆ Cultivation   ◆ Gift Acknowledgement

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Upgraded Donor

The upgraded donor had a slightly different experience than the one-time donor. This donor got a handful of emails in the first month, had a big spike in emails the second month, and in the third month it decreased slightly.

Direct mail was a little different. It increased steadily and significantly month over month for the three-month period. The increase in emails for this donor was caused by additional gift acknowledgments and cultivation, which began to trickle down into direct mail in month three.

Messages By Month (Upgraded Donor)

Legend:
- Month 3
- Month 2
- Month 1

Email: 318, 424, 332
Direct Mail: 54, 68, 85
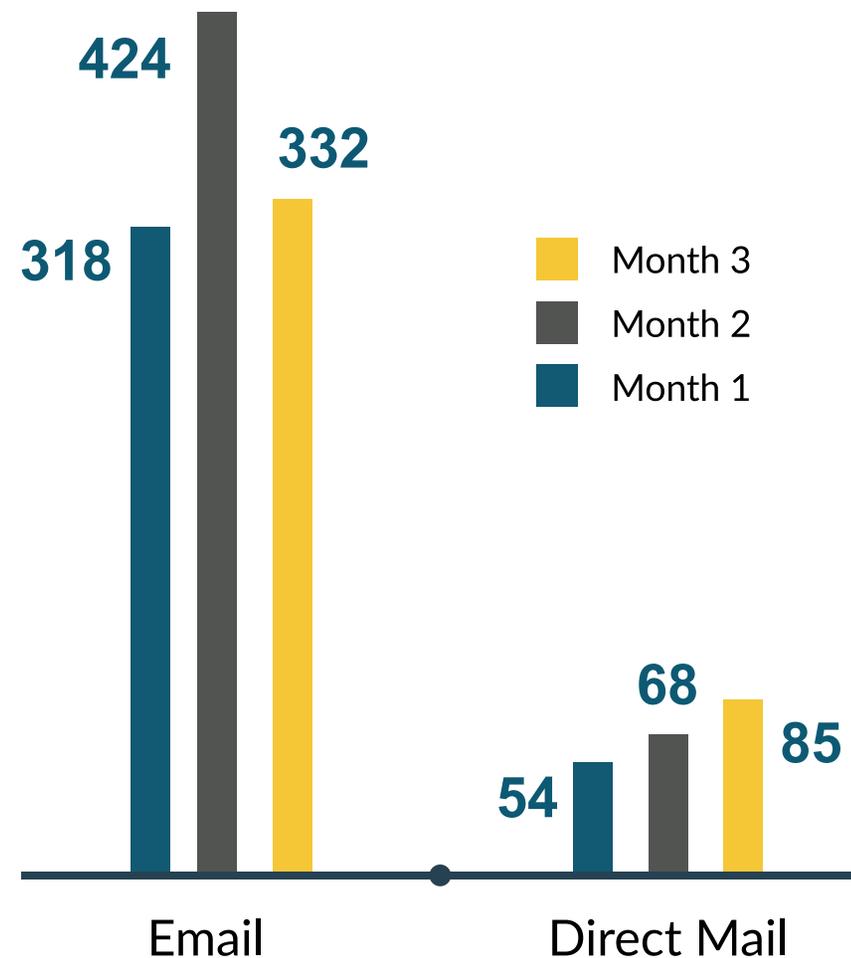
Once a single donor becomes a recurring donor, organizations are willing to invest more time into saying thank you.

When we looked at the various types of communication by organizations for the upgraded donor, after the donor was upgraded (in month three), the number of organizations that gave a gift receipt dropped significantly (by half).

The increase in cultivation is good to see. In month one, there were 60 different organizations that sent some level of cultivation. By the third month, there were 69 organizations that sent cultivation messages to this upgraded donors.

Organizations by Communication Type (Upgraded Donor)

Legend:
- Solicitation: 37 (Month 1), 46 (Month 2), 48 (Month 3)
- Cultivation: 60 (Month 1), 65 (Month 2), 69 (Month 3)
- Gift Acknowledgement: 99 (Month 1), 96 (Month 2), 42 (Month 3)
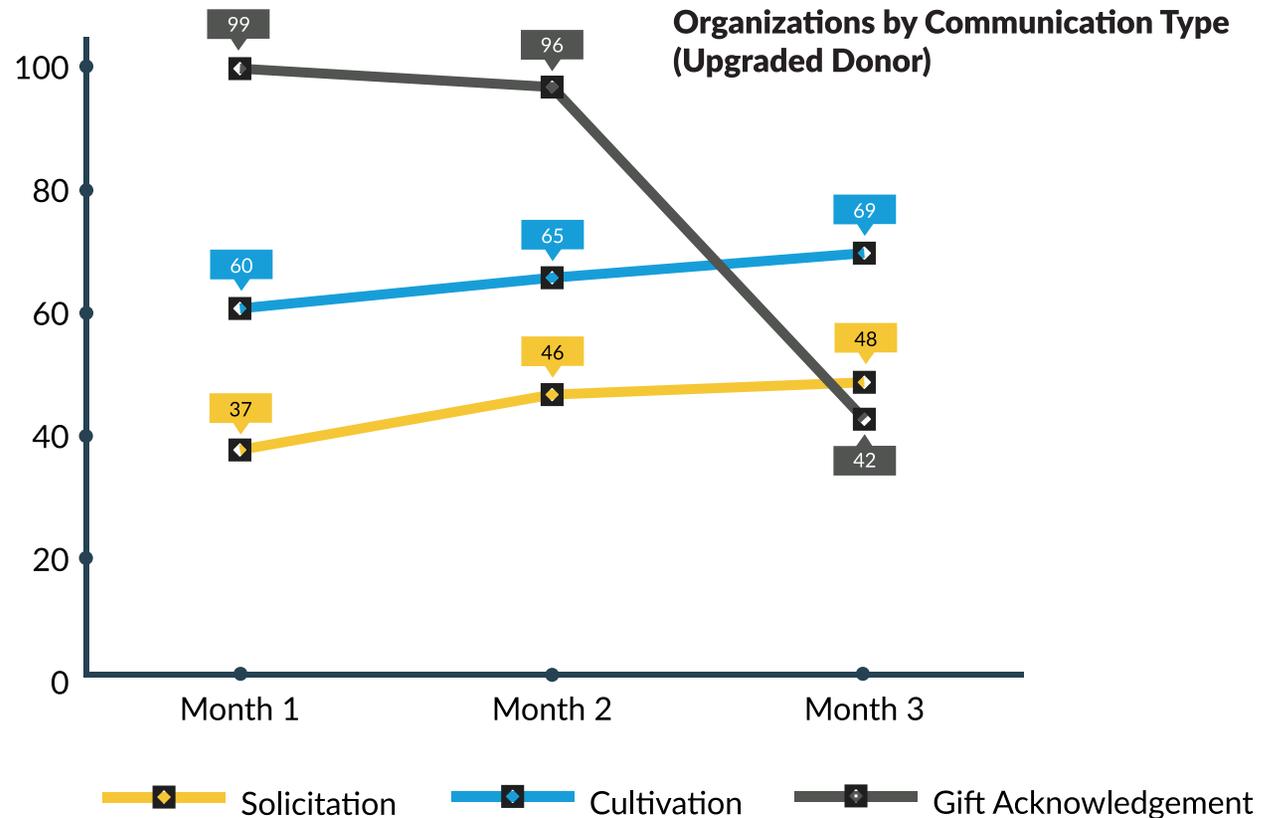
Recurring Donor

Our recurring donor actually saw a decrease of 16% in the number of emails from month one to month three, while direct mail letters increased by 51% from month one to month three.

The types of communication look similar to what we saw with the upgraded donor. In the first month most organizations sent a receipt. In month two, the number of organizations sending a gift acknowledgment dropped significantly, despite the card being charged for the recurring gift. By month three, there were only nine organizations sending an email or printed gift acknowledgment. The number of cultivations stayed pretty relative, and the number of solicitations increased in month two and three.

Messages By Month (Recurring Donor)

16%

294
275
247

51%

69
49
74

Month 3
Month 2
Month 1

Email   Direct Mail

Organizations by Communication Type (Recurring Donor)

	Month 1	Month 2	Month 3
Solicitation	24	41	42
Cultivation	60	60	57
Gift Acknowledgement	84	19	9

Legend: Solicitation · Cultivation · Gift Acknowledgement
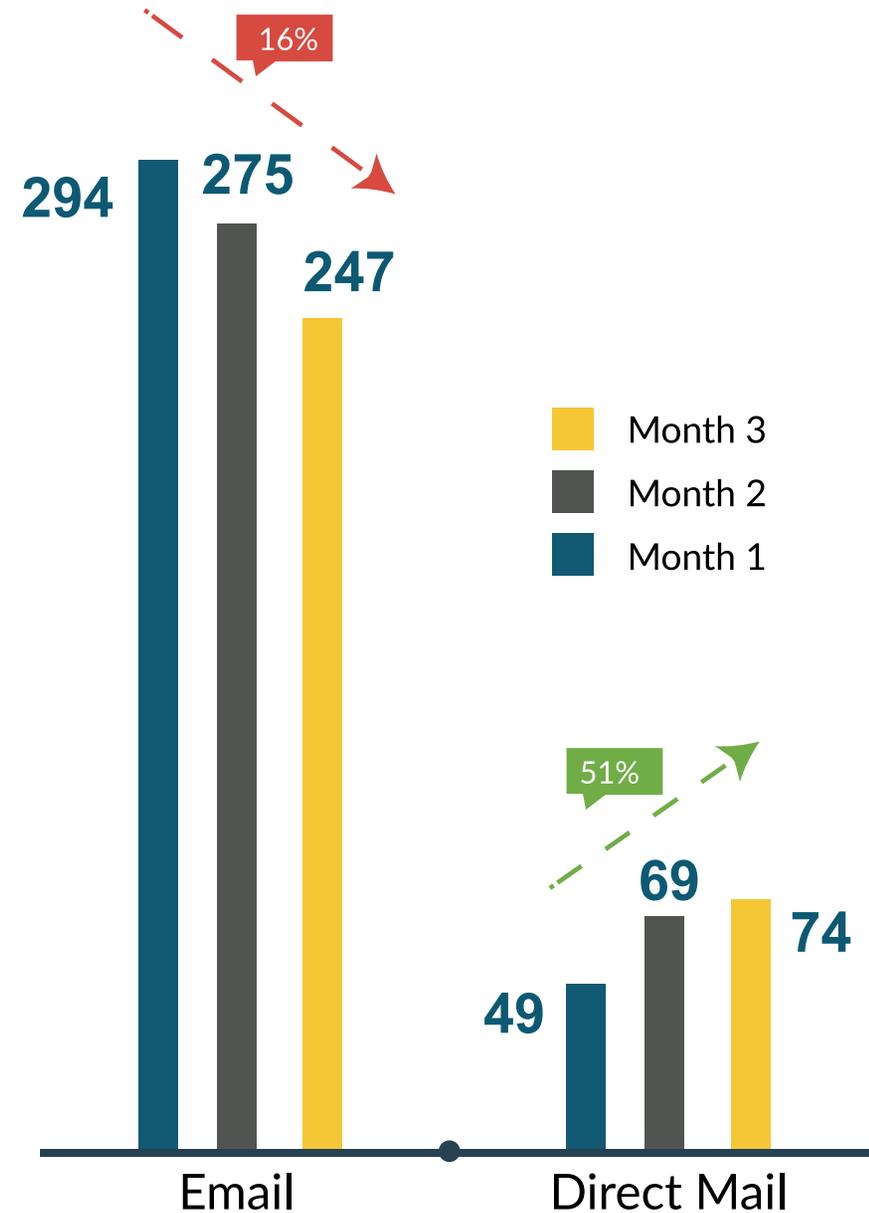
Are organizations hoping their recurring donors forget about their donation out of fear that they might cancel?

Gift acknowledgment should be a form of cultivation and stewardship. An acknowledgment is a way to show gratitude, and the impact of a gift. By not acknowledging the gift with even basic details of what was given, the organization is basically saying "Your gift does not matter."

There's also an ethical argument to be made here. Are we doing right by our donors by withholding acknowledgments of their recurring donations? If we are truly about helping others and making a difference for a cause, it should be our duty to keep donors aware of their gift, its impact, and their ability to get more involved.
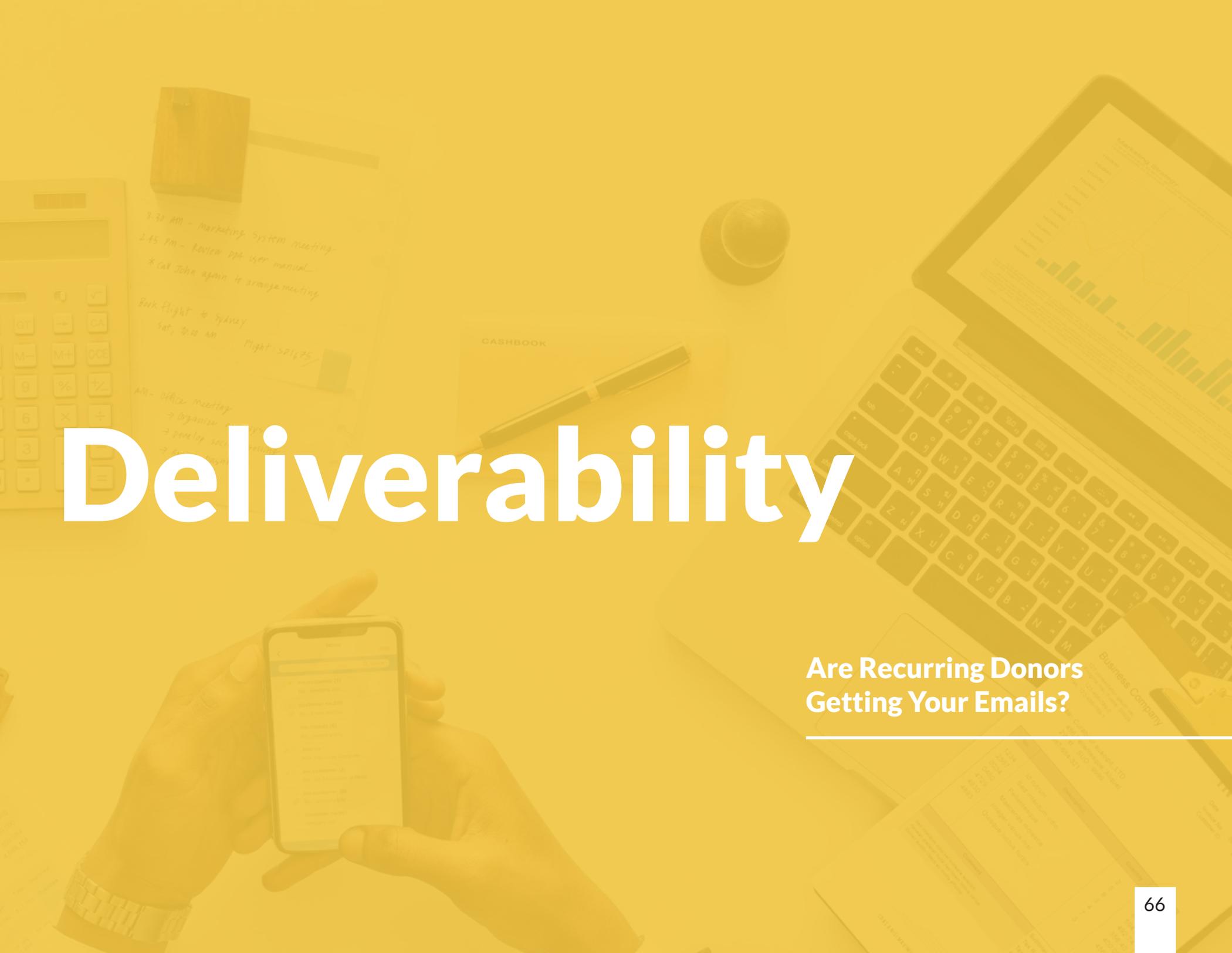
Deliverability

**Are Recurring Donors
Getting Your Emails?**

COMPOSE

Primary   Social   Promotions   +

Inbox (5)
Starred
Important

☆ HP Enterprise **Ad** ⓘ IT in the Idea Economy - In today's business world, IT strategy is business strategy. Is your company set up for success? ✕

☆ Swyde **Ad** ⓘ PPC reporting - Swyde is the leading PPC reporting solution.
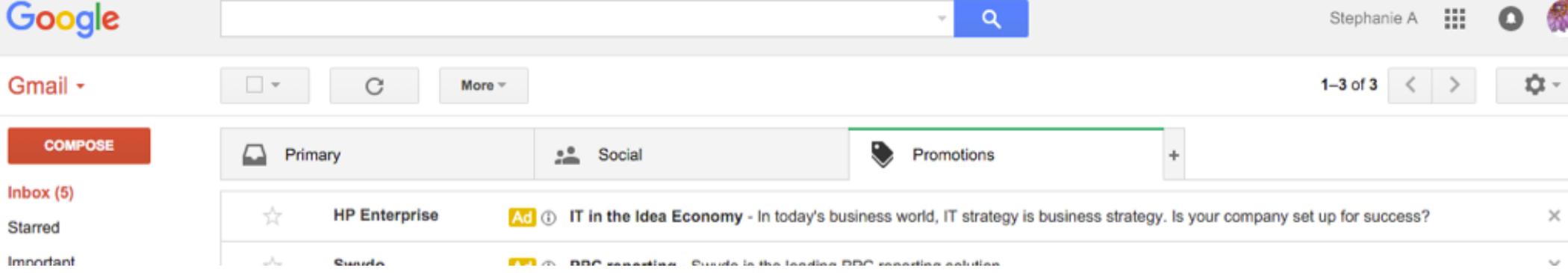
Each of our 3 types of donors had dedicated Gmail accounts.

Gmail is the most popular email provider (over 1.4 billion users and 53% of the US email market). If you're familiar with Gmail, you'll know that messages get categorized into various tabs. Our donors received emails in these three tabs:

• **Inbox:** The primary, unfiltered inbox—most likely to be checked and opened by the user.

• **Spam:** Machine learning algorithms identify suspected malicious or unrequested mail and move them to this folder—which is highly unlikely to be seen by the user.

• **Promotions:** Part of Gmail's "Multiple Inbox" feature, mail likely to be promotional in nature is automatically sorted to this "tab" in the webmail interface (or official mobile apps).

83% of organizations had at least one message delivered to the main inbox.

This is good news that at least some messages are getting through to the most visible place in our donor's inbox. But it's not all good news...

65% of organizations had mail go into the promotions tab. The promotions tab isn't quite the spam folder, but email here is less likely to be seen then the main inbox.

22% of organizations had some messages go into the spam folder.

This is the least likely place in the inbox to be seen.

Organizations By Email Placement

Inbox 95
Promotions 75
Spam 26

Destination Folder By Message Type

Cultivation	577	
	109	
Solicitation	164	703
	91	
Receipt	106	
	46	
	1	

Cultivation and solicitation emails are equally likely to end up in promotions (73%)

■ Inbox ■ Promotions ■ Spam

Email Message Deliverability By Folder
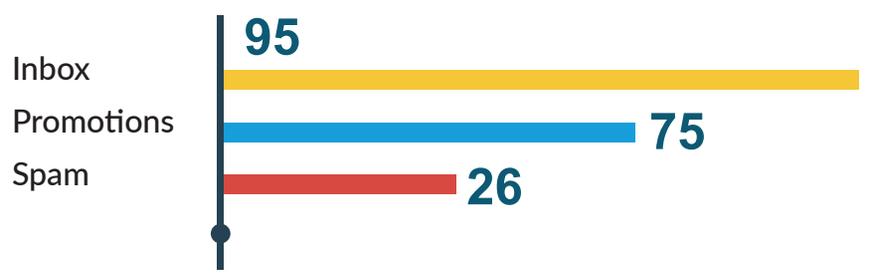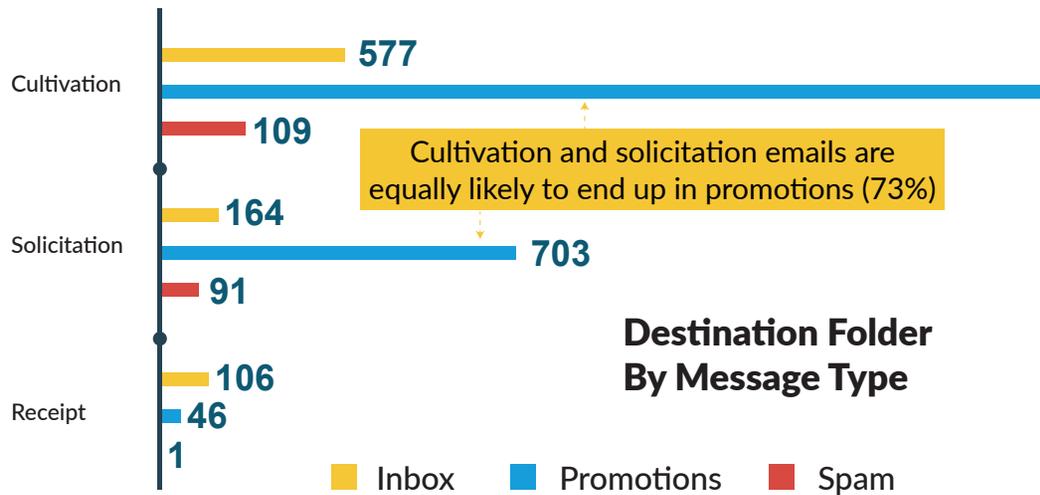
Spam
4.9%

Promotions
65.8%
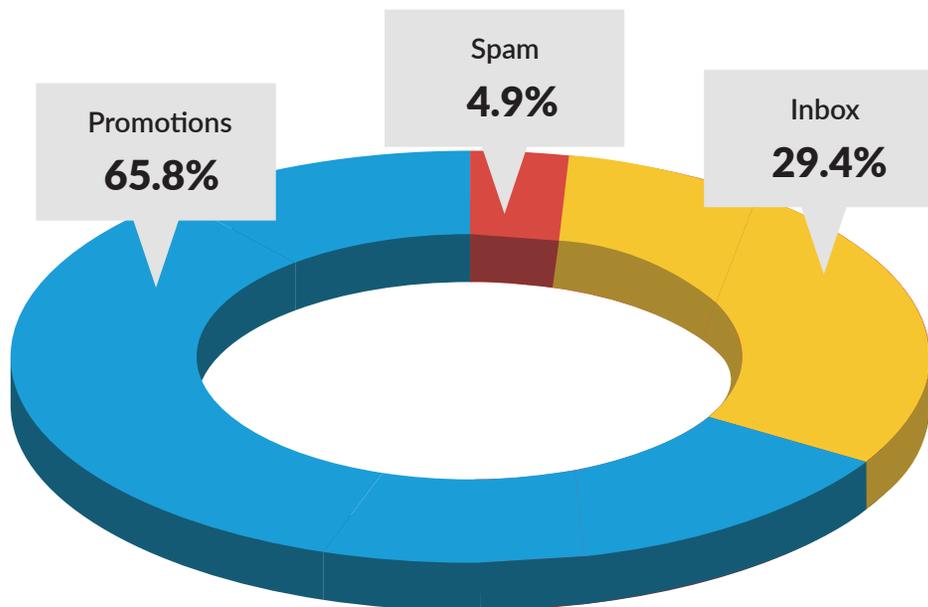
Inbox
29.4%

Only 23% of cultivation and 17% of appeals reach the primary inbox in Gmail – significantly impacting open and click rates.

2/3 of all emails sent went to the Promotions tab.

And 5% went to the Spam folder. This leaves a disappointing 29% of emails that actually made it into the main inbox.

73% of cultivation and solicitation ended up in the Promotions tab.

This means that the most important emails in terms of developing our donors and acquiring additional donations are going to a part of the inbox that is less likely to be seen. We also saw that 1 out of 11 appeals were sent to the Spam folder. This is a huge problem.

On the other hand, 3 out of 4 gift acknowledgments made it to the main inbox.

Only 1 in 5 organizations sent emails from a real person.

And the majority of individual messages came from generic addresses like info@organization.org or about@organization.org. Even worse, many came from addresses like noreply@organization.org or noreply@donationplatform.com.

Why is this relevant here?

The most likely message to be sent from a "no-reply" style email were the gift acknowledgments or transactional emails. Yet, this email is the most likely to warrant a response. We're sending someone an acknowledgment of their gift, but not giving them any way to talk about it.

What if there's a mistake in their gift? What if they donated too much or were charged too little? These things aren't often recognized until they get the gift acknowledgment email. It's then that the donor would try to contact the organization. But how can they if the acknowledgment says "No-Reply?"

This is a **huge cultivation issue** if we're not even willing to talk to a donor after they've just given us a gift. We've said, "You can't talk to me, but thank you for your gift." **It's a complete breakdown of communication.**

Organizations By Sender Types

Sender Type	Count
Info, About or Generic Mailbox	89
No-reply or similar	7
Person's Name	23
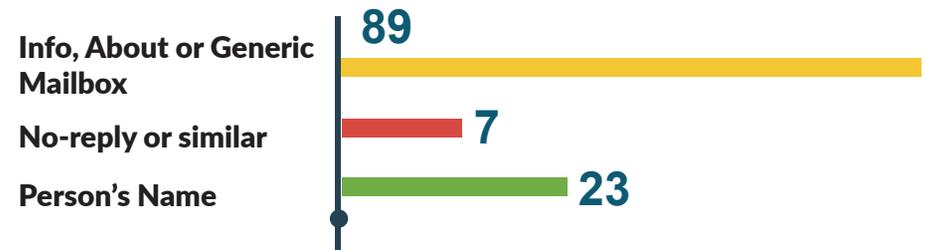
Email by Sender Email Type

- No-reply or Similar **9%**
- Person's Name **4%**
- Info, About, or Generic Mailbox **87%**
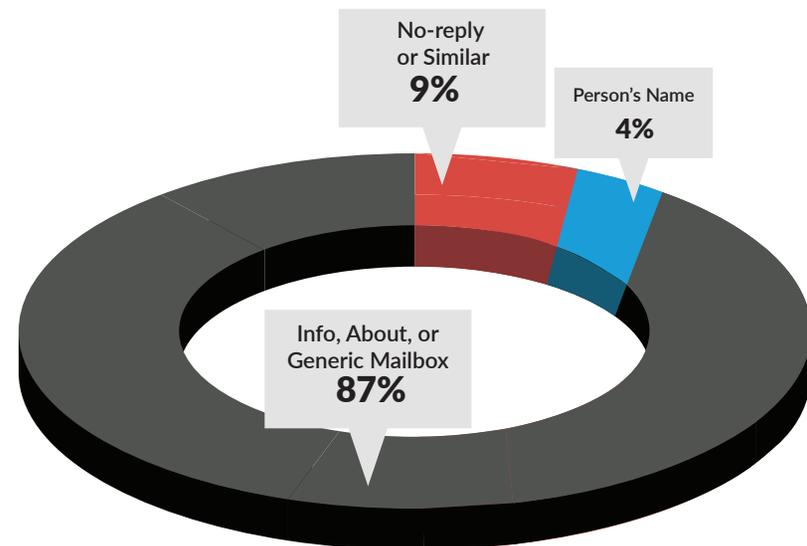
Communication Breakdowns

When Thank-You Notes And Appeals Go Wrong…

Matching gift appeals, or some sort of scam?

As we work with nonprofits of all sizes, we try to have the greatest empathy for fundraisers and marketers trying to deliver results while being strapped for resources. But there's one area in which resourcing doesn't play a factor: your message.

The number of people on your team and the size of your budget does not dictate the quality of your message. Yet, as we analyzed the solicitations or appeals that our donors received, we noticed a severe lack of empathy for donors when it came to writing meaningful appeals.

Matching gift challenges are very common, especially around fiscal-year-end and calendar-year-end campaigns. If you're not familiar with the concept, the idea is that a major donor has offered up a sum of money that will be used to match smaller gifts dollar-for-dollar.

The subject lines that many organizations used when sending us matching gift appeals often sounded like a bad commercial, or some type of money-making scam. Below are a few examples. Try to imagine how you might feel if these showed up in your inbox:

Subject Line 1

Back   Inbox   Edit

Search

● John Smith   10:00 AM ›
Kevin Kevin Kevin (TRIPLE MATCH)
EARTH DAY TRIPLE MATCH ALERT! Because the
threats to our planet are myriad and many, a...

Subject Line 2

Back   Inbox   Edit

Search

● John Smith   10:00 AM ›
TRIPLE. MATCH.
Jeff: Tomorrow is Earth Day. We're witnessing
widespread attacks on our planet. But a generous...

Subject Line 3

Back   Inbox   Edit

Search

● Jane Smith, Organization   10:00 AM ›
$100,000 More Inside: A Challenge for You
Another chance — your gift can be matched. Having
trouble reading this email? View it in your browser

How to make a phone call impersonal

A phone call to your donor is one of the best ways to say, "Thank-you" in a personal and meaningful way. But it's amazing how quickly such a personal form of communication can become just another annoying marketing channel.

One major organization we studied called and left a voicemail to thank us for our donation. But the call didn't actually come from anyone at this organization. Here's an excerpt from the transcript:

> *Hello, my name is [Name]: a paid caller from MDS calling on behalf of [Organization]. I'm calling today to thank you for your generous partner for children contribution. Your kindness means so much to us and children like...*

What the donor hears from this call is: "Hi, I'm not really with the organization you donated to. They paid me to call you and say thanks." Suddenly, this highly personal channel has just become another avenue for impersonal marketing.

Shouldn't you know my name by now?

Learning someone's name is step number one in forming any friendship or relationship. So if I've opened my wallet and decided to give you money every month, you should certainly remember my name.

Yet major organizations like this one continually called our donors "friend" or "partner" even though we had just donated and given them all of our personal contact information. Here are 3 different communications we received from the same organization:
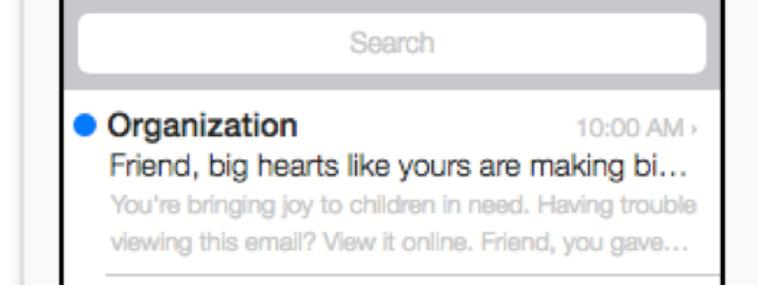
Email Subject Line: *"Friend, big hearts like yours are making big dreams possible"*

If there's one place where it's easiest to personalize with a first name, it's in an email. Some system had to trigger this automatic email, and that same system should have our donor's name in it. If not, this is a quick fix for an IT team.

Direct Mail: *"Dear Friend, welcome to [Organization's] sponsorship family....your new sponsored child's name is Oerun Oeurb from Cambodia.*

This one is particularly striking. We initially assumed the best – maybe this is an auto-generated letter that goes out to everyone who becomes a donor. It's still not great, but it's understandable.

But on a closer look, this organization is already printing dynamic information directly tied to our donation; they printed the name and photo of the child we just sponsored.

Account Number:
106402712

Child Name:
Oeurn Oeurb

Child ID:
199769-2983
Cambodia

February 7, 2018

Dear Friend,

Welcome to World Vision's sponsorship family. Jesus said, "whatever you did for one of the least of these … you did for me" (Matthew 25:40, NIV). Thank you for answering His call to help a child and community in need. Your generous commitment is truly a blessing.

Your new sponsored child is **Oeurn Oeurb** from Cambodia.

The relationship you've begun with Oeurn has the power to change both of your lives. This w...

"Dear Partner, thank you for your recent gift..."

The last example is just too ironic.

The letter opens by calling our donor "Partner" rather than by his first name. Yet, our donor's name is printed 3 other times on the same sheet of paper: once in the address, and twice on the attached donation receipt.

Thank You

**********AUTO**MIXED AADC 980   1,658

Jeff Giddens
PO Box 1921
Frisco, TX 75034-0033

February 14

Your generosity is
SAVING CHILDREN'S LIVES

Dear Partner,

Thank you for your recent gift of $15.00. Your generosity enables World Vision to provide essential care, enco children and families. You are a vital part of the work we do in the name of Christ.

"I thank my God every time I remember you. In all my prayers for all of you, I always pray with joy beca the gospel from the first day until now." (Philippians 1:3-5, NIV)

By striving together for a common purpose and sharing our gifts, we can have a significant, long-term impac is committed to coming alongside struggling families and communities, giving them the tools, guidance, nu build a future full of promise and opportunity.

World Vision is truly blessed to have you as a partner. Thank you for your gift and your compassion for o

In His Name,

Jeff Giddens
Account Number: 10640-2713

Donation Date   Description   Gift

I want to help again. Here is my gift of:

☐ $_____ to use where children need it most

☐ **I will sponsor a child in need.** Here's my first monthly gift of $39.

☐ **Please bill my gift or sponsorship to my credit card.** (See back.).

☐ Please e-mail me with updates on World Vision's work.
My e-mail address is _____

Lapsed Credit Cards

How Do Organizations Handle Lost, Stolen, And Cancelled Credit Cards?

Lapsed Credit Cards

This last part of our study is a crucial area for managing a recurring gift program. We canceled the credit cards of the upgraded donor and the recurring donor, and we reported them as either lost or stolen. The canceled card could no longer be charged, and the lost card was replaced with a new card with a different number.

We analyzed the next 30 days of communication in order to understand how many organizations:

- Use technology to auto-recover these types of lapses.

- Communicate when there's a lapsed card.

- Communicate these messages from personal representatives.

- Are affected by their emails getting moved to promotions or spam in the inbox.

The Lost Card

2 out of 3 organizations automatically updated their records with the new card number.

They didn't have to reach out to the donor to get a new number; it was done automatically. There are a lot of technologies in place today that make this possible, and it's becoming more commonplace in today's market.

1 in 4 organizations made no effort to try and update the credit card number.

8% of organizations did not have the auto-recover set up, but reached out for an updated number. That leaves 24% of organizations that made no contact whatsoever. In effect, they didn't care about the recurring gift.

38% of lost card communication came from a real person.

Of the organizations that did reach out to get the new credit card number, 62% of the messages were transactional in nature, coming from the gift processor itself. The rest appeared to come from a real human being at the organization.

Get-back Status (Lost Card)

No Contact
24%

Reached Out for Update
8%

Auto-Recovered
68%
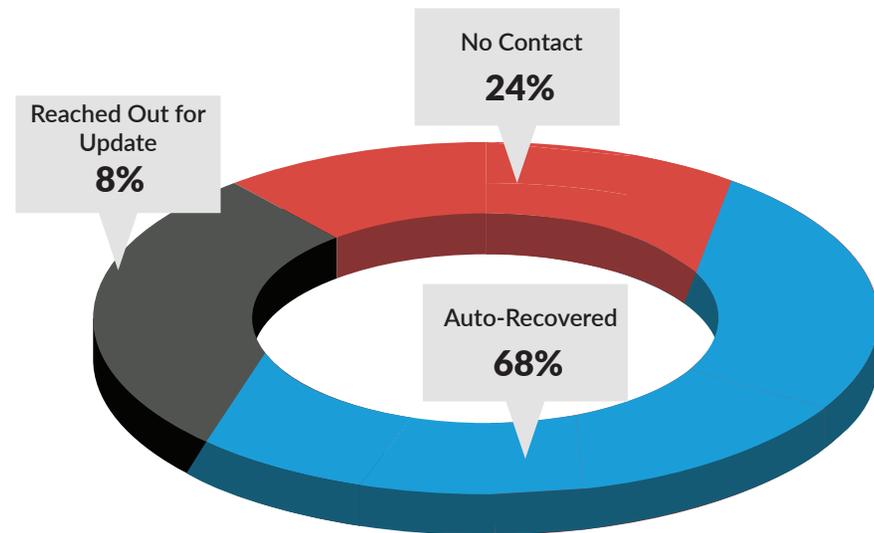
Get-back Contact Type (Lost Card)

Personal
38%

Transactional
62%
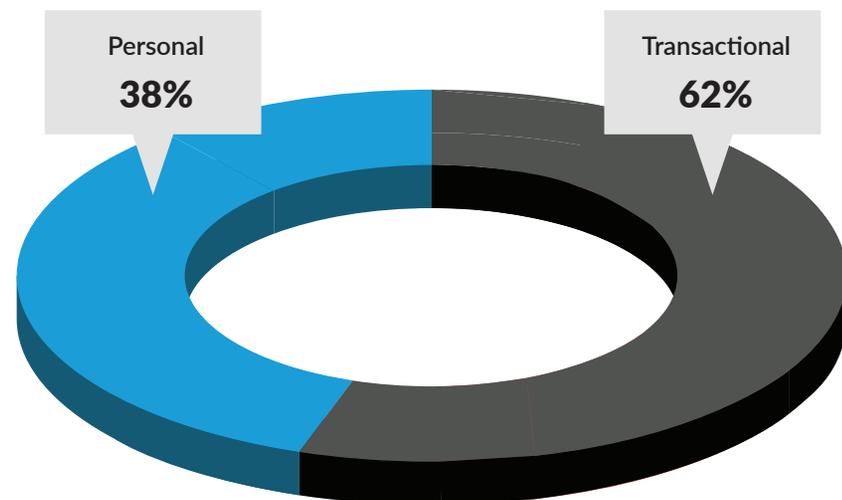
The Canceled Card

47% of organizations made no attempt to get the new credit card number.

There was no other way to get that credit card charged without directly communicating with the donor. This means that roughly half of organizations are letting recurring donors with cancelled cards lapse with no intention to get them back.

Less than 1 in 5 of canceled card communication was sent from a real person.

This leaves 85% of messages that were transactional in nature; they came from an email platform, giving platform, or the payment processor.

Here's the clincher...

37% of transactional canceled card emails didn't make it into the main inbox.

Transactional emails generally are more likely to get into the inbox given their stripped-down nature. But since they weren't sent by a real person, they were not placed in the main inbox.

Every single email that was sent from a real person was delivered to the main inbox.

Gmail is far more likely to deliver one-to-one communications to the main inbox. When handling lapsed credit cards, it's more efficient to let the automated systems handle everything. But if you really want to win back these lapsed recurring donations, you'll have a much better shot if you send a real email from a real person.

Get-back Status (Cancelled Card)

No Contact **47%**

Reached Out for Update **53%**

Get-back Contact Type (Cancelled Card)

Personal **18%**

Transactional **82%**
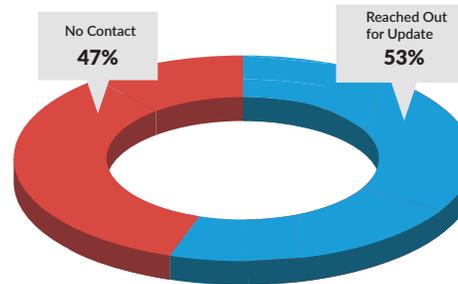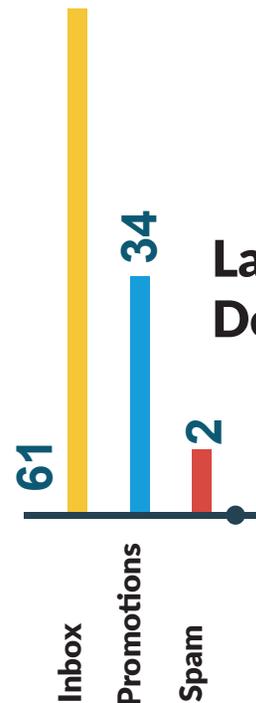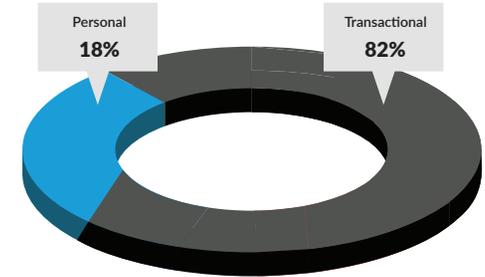
Lapsed Credit Card Emails Delivered By Folder

Inbox **61**

Promotions **34**

Spam **2**

How Does This Help Us Answer Our Most Important Question?

The initial question that prompted this study was this: If recurring giving is a highly valuable donor segment, how can we optimize it?

After studying the data, we have observed notable differences in how organizations communicate with their recurring givers, but the **differences in overall communication are minimal**. Which may present a potential opportunity for optimization. By testing varying channels, messages, and cadences, we may discover ways to grow both the number and value of recurring donors.

The most unique aspect of managing recurring donors versus a one-time donor is in the handling of the ongoing transactions. Yet, most organizations are **failing to continually acknowledge that their recurring donors are even giving**. If this is an intentional strategy, it may indicate a larger underlying problem: organizations are afraid that their donors don't value the impact of their gift enough to continue their support. This is something that can and should be tested going forward. There may be ways to increase both monthly giving amounts and retention with the right combination of acknowledgment and cultivation messaging.

When it comes to retaining recurring donations, **few organizations are putting in adequate work to make sure that new credit cards get updated** in an effective way. The revenue implications of this will vary from organization to organization. But when a donor eventually realizes that their card is no longer being charged, what incentive do they have to restart their recurring gift? Of the organizations that did attempt to win back lapsed credit cards, there were varying approaches uncovered in this study, and it will be an ongoing area of focus for testing and experimentation in the NextAfter Research Lab.

If we were to summarize everything we took away from this study in one single statement, it would be this:

There is a significant opportunity to communicate more *personally*, continually grow donor *cultivation practices*, and *reinforce the value* of a recurring donation often.

About NextAfter

NextAfter is an online fundraising research lab and consultancy that works with cause-driven businesses and nonprofit organizations to help them better understand their customers and inspire their donors to give generously.

They have conducted **over 1000 online fundraising experiments**, spanning more than 200 million donor touchpoints, and resulting in a cumulative net increase in conversions of over 56,000%. This reserach is conducted with **major nonprofit organizations** such as Stanford University, Compassion International, CaringBridge, Hillsdale College, Focus on the Family, Buckner International, and others.

The focus of this research is to **discover why people give** and help unleash the most generous generation in the history of the world. That's why NextAfter publishes every experiment in their public research library, and freely shares everything they've learned through courses, webinars, ebooks, blogs, and more.

Find out more about NextAfter and the **latest online fundraising research** and strategies at **www.nextafter.com**.

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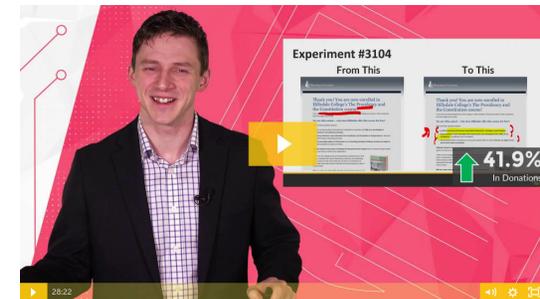
Fundraising Research Studies

Research studies cover topics including:

- Mid-level giving
- Nonprofit value proposition
- Year-end fundraising
- and more...

Learn practical and proven online fundraising strategies with these free resources at **www.nextafter.com/resources**

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Nonprofit Cloud

Salesforce.org Nonprofit Cloud is the only complete platform for nonprofits. It's the only platform that gives you a 360-degree view of your mission. It's the only platform built with a community of over 30,000 trailblazers. It's the only platform that brings you the power and flexibility of Salesforce, the world's #1 CRM.

Nonprofit Cloud can power your entire mission: track and measure impact in real time, raise more with AI-driven insights on donors, and take every constituent on their own personal journey. Because you deserve the best technology to change our world. Learn more at **salesforce.org/nonprofit** or watch a fundraising or marketing demo at **salesforce.org/nonprofit/fundraise**

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