

Sustaining Your Mission

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How to Build and Maintain a
Successful Recurring Giving Program

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Sustainers help fund your mission over time. They are the financial lifeblood—the dependable revenue stream—that allows you to meet today's goals and plan for a secure tomorrow. Because of this, nonprofit fundraising in the United States and worldwide is gradually moving toward a sustained giving model. While annual giving will always be part of your fundraising mix, real growth opportunities are the result of sustained giving. However, acquiring, engaging, and retaining these donors takes work. And without a plan, your sustained giving program could fall short of expectations.

This white paper explains what a sustained giving program is and why it's critical for your nonprofit to develop one. It also provides the tips you'll need to get started.

WHAT IS SUSTAINED GIVING?

The sustained giving model is simple: donors commit to an amount they will pay automatically every month via a credit card payment or checking account withdrawal. That commitment to giving is ongoing and open-ended. Recurring giving that is time-bound is called "installment" giving and is usually for a specific program or goal, like a capital campaign.

What sustained giving is not is worth considering as well—it is not a get out of jail free card. It's not an automated program where you "set it and forget it". It won't work on autopilot. Too many clichés? Ok, you get the point. A sustained giving program that will sustain your nonprofit requires focus, creativity, and resource commitment.

DO I NEED A SUSTAINED GIVING PROGRAM?

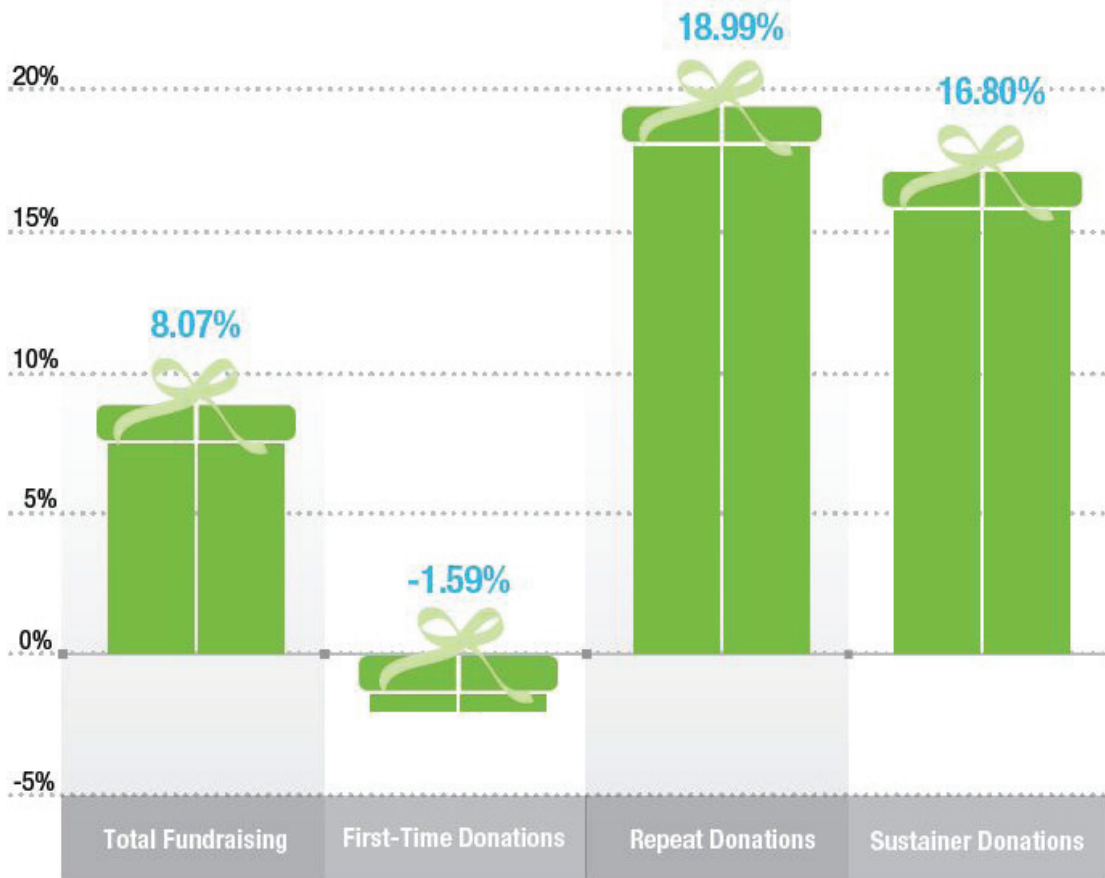
There is a lot of buzz about sustained giving, and clients often ask whether or not they should start a program. My answer is always yes. You should start a sustained giving program if you don't have one, and you should put renewed focus into a flagging program. Why? Because recurring giving helps you in every way that matters. Through it you can:

- Increase revenue
- Decrease fundraising costs
- Boost donor retention
- Create a community of dedicated donors
- Develop a pipeline of major and planned giving donors
- Realize predictable cash flows that are less susceptible to economic fluctuations

All of these are important success factors, but if you only need one reason to start a sustained giving program, this is it: sustainers outperform one-time givers when it comes to lifetime value. They are consistently worth two to four times more than single-gift donors over a period of five years. And according to Harvey McKinnon in *Hidden Gold*, the lifetime value of these supporters is 600 to 800 percent higher than annual giving donors. This is especially important in today's competitive fundraising landscape, as donors are increasingly more costly and difficult to acquire and retain.

Still not convinced? Then consider this: *The NonProfit Times* reports that donors enrolled in a monthly giving program are retained 70 to 80 percent of the time, whereas retention rates for one-time donors are 41 to 50 percent. Monthly donors also stay active two to three times longer than occasional donors. To prepare for the future, your nonprofit needs sustained giving.

Median Online Fundraising Growth in All Verticals Year Over Year

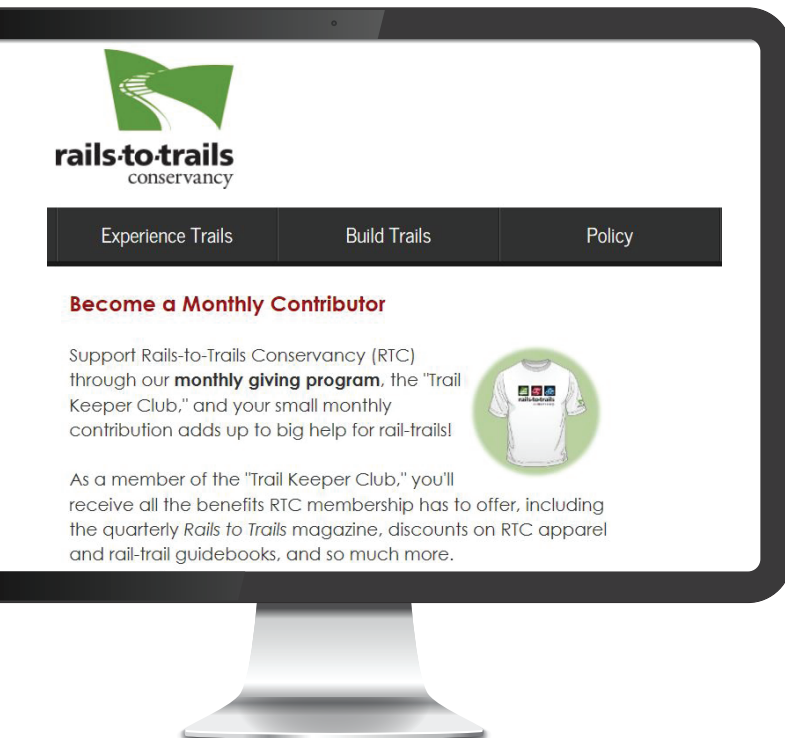


Source: [2014 Luminate Online Benchmark Report](#)

HOW DO I GET STARTED?

If you are the only one in your organization who is excited about starting a sustained giving program, your first task is to get your leadership team on board. A successful program takes time and requires an upfront investment as well as an ongoing commitment to uphold relationships with your monthly donors.

After you've received buy-in from leadership, you should start building your strategic plan by following these seven steps:



unique information about how ongoing support makes a difference, special events, and volunteer opportunities. Benefits can also include the promise that sustainers will not be solicited for fundraising appeals more than a set, small number of times per year. Remember: people like to belong to things, and successful sustained giving programs create communities that people want to belong to. So think of ways to connect these like-minded supporters and continue to recognize them for their contributions.

3. Settle on the messages that will attract sustainers.

Potential donors need to know that if they become sustainers their gifts will have a greater impact by strengthening your organization's finances and capacity to do work. Use plain language. Explain—with words and images—how their gifts allow you to plan for the future. Show what a \$15 gift each month can do over a year—feed five families, educate ten children, or help fifteen veterans. Whatever the numbers are, demonstrating the gift's impact will improve your odds of transforming one-time donors into sustained givers.

Your Impact
\$1=10 meals

For every dollar donated, the Feeding America network of food banks secures and distributes 10 meals to people facing hunger.

Our Impact
The Feeding America network leads the fight against hunger.

	46.5 million people served
	3 billion meals sourced
	800 million pounds of produce delivered

*Fiscal year 2014 annual results

4. Assign staff. Track results.

These two actions are linked.

You may not have the resources you want at kickoff, but someone has to own the program and provide stewardship for the sustainers. Establish a process to track results so you can justify additional resources as you demonstrate success. You'll also need to decide on what metrics to track. For example, the total number of active sustainers, average monthly gift amount, average number of months as a sustainer, attrition per month, cost of acquisition, or engagement in other areas of the organization may all be areas you want to evaluate and report on.

5. Create a communications plan.

Look at each of your communication channels, including direct mail, email, and social media, and identify opportunities to include messaging on sustained giving. Your website is a good place

1. Agree to a brand name or a brand strategy.

Some nonprofits have found great success naming their sustainer programs, while others consider it better to focus on their organization's brand. Regardless of your preference, make sure your sustained giving program is tightly connected to your mission. For example, [Rails-to-Trails Conservancy](#)®, which turns unused rail corridors into public trails, has a branded monthly giving program called the Trail Keeper Club. [World Wildlife Fund](#)®, on the other hand, doesn't promote one branded program. But it does align donor giving with its core mission: to conserve and reduce the most pressing threats to the diversity of life on Earth by offering sustainers the ability to go paperless and avoid direct mail.

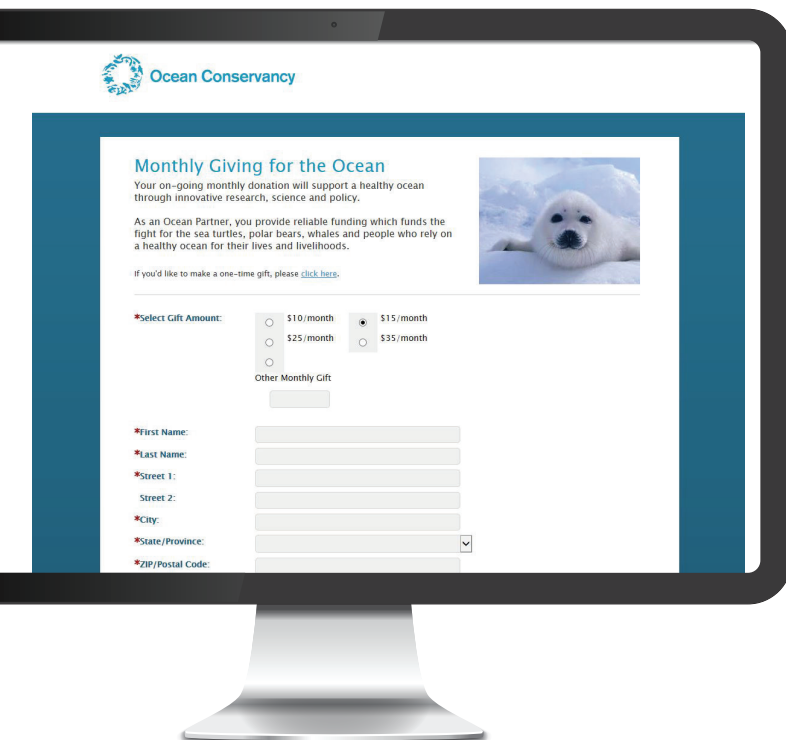
2. Decide what benefits your program will offer.

If you treat them right, sustainers are faithful donors. Benefits can include premiums, opportunities to connect with the community,

to start. Integrate sustainer messaging throughout. Try linking your donate button to a sustained giving form or use pop-ups to attract interest. Many nonprofits leverage upsell lightboxes on their websites. These pop-ups appear when someone makes a one-time gift, providing the donor with an option to opt in to a recurring giving program. Since the best chance to convert one-time donors to sustainers is at the time of their first gift, tools like these are especially important.

6. Leverage your outreach.

Look at each of your programs for obvious links. Your advocates, for example, may be interested in becoming sustainers. Use



existing databases and technology tools to extend your reach. The automated email response features in Blackbaud’s Luminate Online™ are invaluable here. Use the “finish” or “thank you” page to give advocates who have taken legislative outreach the chance to become sustaining members.

7. Build the back-end program.

Be prepared to capture credit card and ACH (direct debit) data as well as accept updates on completed and denied charges. Make sure you have a process to capture the data of those who become sustainers. To build a community, you need a community database. If you don’t already have a constituent relationship management (CRM) system, now is the time to invest in one. Build your program online so donors can self-manage their gifts—this is in line with donor expectations. And especially in today’s world of data breaches, make sure your system includes a credit card updater service. You work too hard to get these donors only to lose their gifts to expired card data, which results when payment cards are re-issued.

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When selecting a payment processor, be sure you understand the fees charged by different providers. What sounds too good to be true often is. For example, many gateways and credit card processors will quote a low per-transaction rate. However, what they may not tell you is that there are other hidden fees, including monthly charges, setup fees, PCI compliance fees, and charges based on card type.

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WHERE DO I FIND SUSTAINERS?

With your program in place, it's time to talk it up. Kick it off internally first so your staff understands the benefits and importance of sustained giving. This understanding will be critical in getting the support you need to start and maintain a successful program. Expect donor interest to begin slowly as you steadily climb to your ideal number of sustainers. Be patient. It takes time to build awareness and repetition is the key to success, so don't expect the program to ramp up immediately.

Once you're ready to launch the program externally, focus on a targeted audience. Start with:

- Online donors
- New donors
- Donors who give via credit cards
- Those who donate more than once a year

For example, you could begin with an appeal to those who have given \$75 in a year, asking them to become members of your sustained giving program at \$10 month. You can also use your CRM solution, if you have one, to create more sophisticated segments for testing purposes. And if you don't have a CRM solution in place, you should get one.

Be careful to exclude potential major donors—such as those who give more than \$1,000 a year—from your sustained giving targets so you don't inadvertently reduce their pledges and confuse your audiences or messages.

Telemarketing is both the most effective and the most expensive way to convert donors to sustainers, but if you use a telemarketing service, make sure that callers enter donor information into your online database. Organizations like Doctors Without Borders® and Mercy Corps® have found success with calling campaigns that are initiated two months or less after a donor's first one-time gift. They have also had success converting one-time givers to sustainers by sending follow-up emails to those who initially decline to support the program over the phone.



WHEN SHOULD I LAUNCH MY SUSTAINED GIVING PROGRAM?

Introducing the program to your constituents can be a gradual, ongoing campaign, or you can focus on key dates. The first of the year can be a good time to ask donors to become sustaining members. People are often following up on New Year's resolutions or have just realized that their taxes can be lessened by charitable giving.

Other launch dates to consider are those that align with your mission. For example, if you're a healthcare organization that strives to end birth defects, Mother's Day may be a good time to reach out to constituents, emphasizing the importance of ongoing research. Disabled veterans

Timing your campaign around relevant news stories or topical appeals can also increase your program's response rates.

organizations could target Pearl Harbor Remembrance Day or Veterans Day. Disaster relief organizations should always be prepared with messaging and online tools that promote and demonstrate the importance of sustained giving in times of need.

DON'T FORGET TO SAY "THANK YOU."

Letting your sustainers know that you appreciate them is critical. Some nonprofits send letters and some emails. Some send a "thank you" package with a gift or decal that brands the program. Whatever you do, make sure the thank you explains how your donors are making a real difference. Be specific. How many families are they feeding, how many children are they educating, or how many veterans are they helping? Whatever your mission is, be sure to show how your donors' continued support is changing lives.

Premiums can cement relationships if they are part of a well-run program. Popular premiums are often useful items, such as branded shopping bags, hats, and umbrellas. Sustainers also like office gifts: calculators, cell phone holders, coffee mugs, and other giveaways. Sustainer-only lapel pins are great for events where donors come together.

GROW YOUR SUSTAINED GIVING PROGRAM.

Loyalty must be cultivated, rewarded, and appreciated. Tailor custom communications to your sustainers. Share testimonials from those you serve, volunteer opportunities, personal interest stories, and chances for a behind-the-scenes look at your nonprofit—such as food bank tours, public radio open houses, or webcasts for a new community program.

Providing sustainers with a secure personal web page so they can manage their online gifts and credit card information is a good retention strategy. Let them choose a preferred method of communication, opt out of direct mailings, or into an annual mailing. Personal pages are great for those who have sustaining gifts with more than one organization.

Ask your sustainers to increase their gifts periodically. A good time to ask is one year after they have joined as a sustainer. Test different time

Get to know your sustainers! One of the best ways to retain them is to show them the impact of their giving. With that in mind, why not host an exclusive party, involve them in a project that supports your mission, or invite them to a video chat with your leadership team? Keeping the lines of communication open will yield positive results. In addition, make sure that you regularly survey your sustainers and use what you learn about their priorities and preferences to make your program better.

According to Blackbaud's *2014 Luminate Online Benchmark Report*, which analyzed the aggregate data of 794 nonprofits, repeat donations are up 19% in revenue and 15% in count. Many nonprofits have successfully grown their sustainer programs by making a continued investment of time and resources. You can too!

periods to see if waiting longer or asking sooner yields better results, but make sure you control for variables like which channel a sustainer joined through. Test asking for different upgrade amounts or percentages to see what the sweet spot is for your nonprofit.

TEST YOUR MESSAGES AND CHANNELS FOR OPTIMUM RESULTS.

Use your CRM solution to help you test your messages. Test your photos. Test your asks. Test your donor forms.

Some nonprofits have house files and constituents who support \$30 as an ideal ask. But what is perfect for one organization can be disastrous for another. Seniors, Baby Boomers, and Generation X have different worldviews, resources, and expectations. You need to know what is attainable for your nonprofit. You don't want to ask too much and dampen donations or too little and leave money on the table. The only way to find out what's best for your potential donors is to test.

Try rotating forms with different ask amounts. Interestingly, one client found that after testing various ask amounts, \$8 a month was the sweet spot for its constituents. Armed with that knowledge, the

To be successful, you must start with a compelling ask. Make sure to include at least one of the following: the most important need your organization will address this year, the most inspirational story about your work, what is happening right now to make this request timely, or what impact your nonprofit hopes to have in the coming year.

organization has tailored its donation forms and sustainers have increased significantly.

DON'T LOSE DONORS TO OUT-OF-DATE CREDIT CARD INFORMATION.

Nearly every day, a new data breach is announced. Target®, Neiman Marcus®, Michaels®, Home Depot®, Staples®, and the list goes on.

Financial institutions are re-issuing credit and debit cards all the time, which means that the payment

information you have on file for your sustainers may already be outdated. In fact, Visa® estimates that 50 to 70 percent of its cards are re-issued annually.



So what can you do to keep up with these changes? Calling constituents is an option, but it's expensive, resource-intensive, and may ultimately prompt the donor to cancel the gift. To mitigate this, major card brands, including [Visa](#), [MasterCard](#)®, and [Discover](#)®, now offer services that automatically provide merchants with updated credit card information—such as account numbers and expiration dates—when a card has been re-issued. These subscription services are typically available through your payment processor.

If your program can make use of these services, then your staff can direct more of its time to finding new sustainers—not chasing lapsed ones.

[Blackbaud Merchant Services](#)™ currently offers a value-added Credit Card Updater service for [Luminate Online](#)™ and [Raiser's Edge](#)™ clients, and it is also coming soon to [Blackbaud CRM](#)™. As part of the service, Visa, MasterCard, and Discover credit cards from participating banks are analyzed monthly to identify expired or out-of-date card data. When available, new card numbers and expiration dates are provided and linked to the constituent's record—without requiring you to contact your donors.

CONCLUSION

Build a program. Market it successfully. Involve and appreciate your donors. Creating a successful sustained giving program will require real

work, but it is worthwhile and can make a considerable difference to your nonprofit.

ABOUT THE AUTHOR

Sally Heaven is a senior client success lead at Blackbaud and most recently co-presented at bbcon 2014 on developing a successful sustained giving program. Prior to Blackbaud, she worked at Convio and GetActive®. Sally spent seven years as the deputy field director of the

Human Rights Campaign, the largest civil rights organization working to achieve equality for lesbian, gay, bisexual, and transgender Americans. She graduated with a BS in biology from Indiana University and a MS in biology from the University of Michigan.

About Blackbaud

Serving the nonprofit, charitable giving and education communities for more than 30 years, Blackbaud (NASDAQ:BLKB) combines technology solutions and expertise to help organizations achieve their missions. Blackbaud works in over 60 countries to support more than 30,000 customers, including nonprofits, K12 private and higher education institutions, healthcare organizations, foundations and other charitable giving entities, and corporations. The company offers a full spectrum of cloud and on-premise solutions, and related services for organizations of all sizes, including nonprofit [fundraising and relationship management](#), [eMarketing](#), [advocacy](#), [accounting](#), [payment](#) and [analytics](#), as well as [grant management](#), [corporate social responsibility](#), [education](#) and other solutions. Using Blackbaud technology, these organizations raise, invest, manage and award more than \$100 billion each year. [Recognized as a top company](#), Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, the Netherlands, Ireland and the United Kingdom. For more information, visit www.blackbaud.com.

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