

Techniques in Monthly Giving

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Techniques - Introduction and Overview

- Introduction
- What is monthly giving?
- Why start a monthly giving program?
- What are the essential ingredients?
- Who is most likely to participate?
- How does it work?
- What results can be expected?

Techniques – What is monthly giving?

- An on-going series of electronic funds transfers (EFTs) or credit card transactions.
 - Most growth over the past 5-10 years has been in credit cards.
- Donations occur on the same date.
- Donations are open-ended.
- Can be managed in-house or by a third party.
- Donors can be enrolled using direct mail, telemarketing or on-line.

Techniques – What is monthly giving?

- Things to keep in mind –
 - Donations can occur less frequently, e.g. quarterly or semi-annually, but donors will round down. (\$10 per month vs \$25 per quarter).
 - Forget about annual donations. Less than half of subsequent donations are completed.
 - Membership groups often have annual plans. Some PBS stations have members, sustaining members and sustainers.

Techniques – What is monthly giving?

- Some important considerations –
 - Banks have effectively convinced donors and fundraisers to embrace credit cards even though the cost can be 15 times higher for a \$100 donation!
 - EFT has greater donor retention.
 - EFT has lower processing costs.
 - EFT requires less administrative follow-up.
 - BUT, credit card donors can give more.

Techniques – Why start a program?

- Some groups recognize the potential value:
 - Substantial upgrades, better donor retention, lower administrative costs and predictable, long-term income.
- Someone recommended that monthly giving be added to an online form.
- Organizational constraints require it.
- Some consultants recommend it.
- Donors ask for it.

Techniques – Essential Ingredients

- You must first earn your donors' loyalty.
 - It's not an acquisition tool.
- You must make a commitment.
 - Growth takes time.
- You must have a responsive processing system. (changes, deletions and additions)
- Name the program. Build an identity.
- Institutionalize the upgrade process.

Techniques – Who will participate?

- Guidelines for selecting participants:
 - 2-3 gifts over the prior 12-18 months.
 - Total giving of at least \$50 and less than \$500.
- Demographics will determine if donors prefer funds transfers or credit cards.
- Describe the ways your group benefits.

Techniques – Essential Ingredients

- *“Your sustaining gift will help us with income we can count on each month.”*
- *“Your gift will show your dedication to the issues that are important to you.”*
- *“This means that more funds will go directly toward efforts to provide housing, education, medicine, and more to our missions...”*
- *“Your donation goes further by helping reduce our administrative, postage and paper costs.”*

Techniques – How does it work?

- The donor completes a simple authorization form and returns it to your office.
 - Four conditions must be satisfied.
 - The terms must be clear.
 - The donor must be free to stop at any time.
 - The donor must sign the authorization.
 - The donor must receive a copy of the authorization.
 - A signed authorization is still required for EFTs but not for credit cards.

Techniques – How does it work?

- “I would like to make a monthly transfer from my bank account to _____ in the amount indicated below. I understand that I can stop my contributions at any time by calling _____. My contributions will be recorded on my bank statement and will serve as my receipt.”
- “I want to strengthen _____ by making a predictable, automatic transfer every month – to ensure continuity in your ongoing efforts to foster a healthier environment and safer world. Please charge the amount I’ve indicated below. I know I can stop or change my gift at any time by notifying _____.”

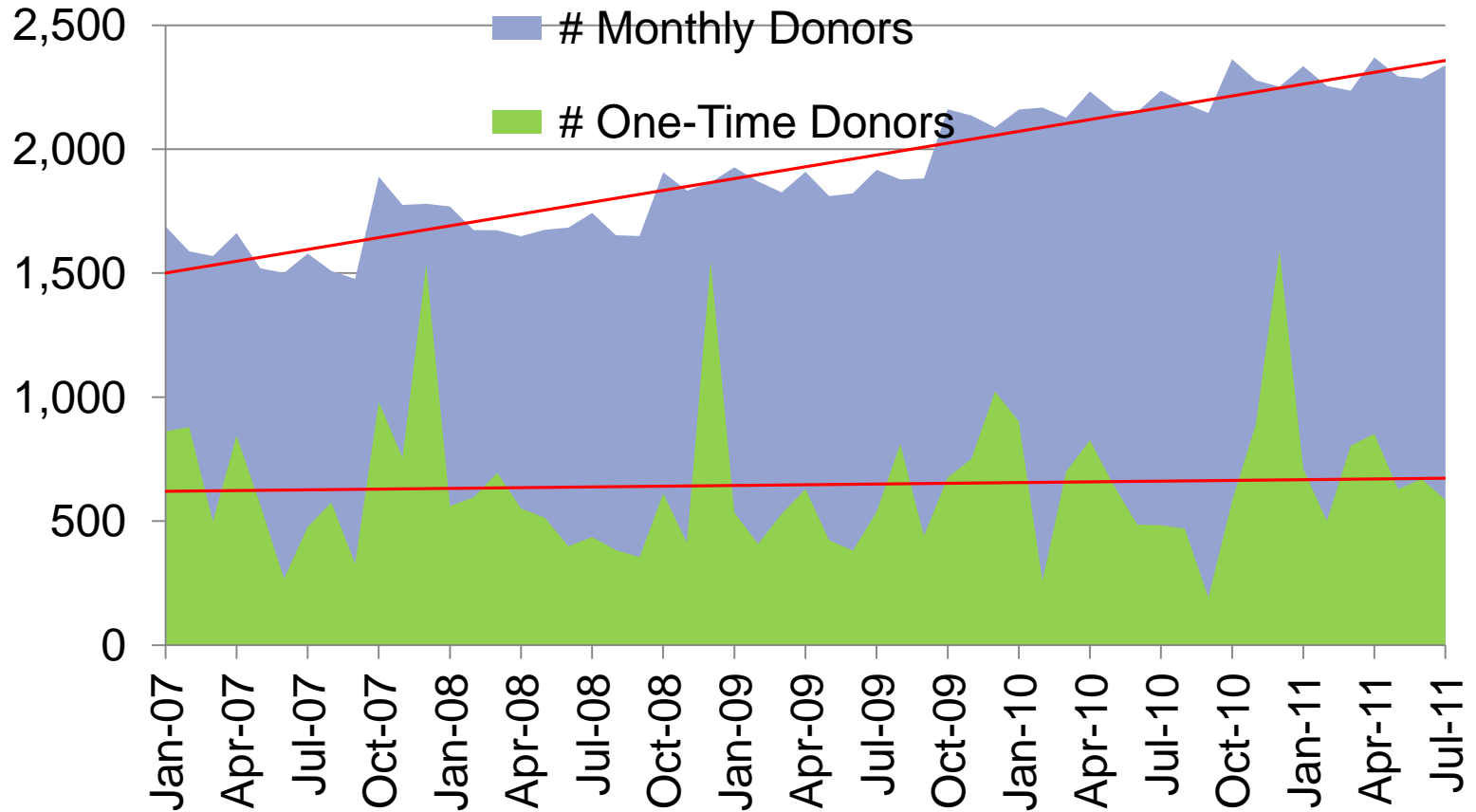
Techniques – How does it work?

- Donation information is entered on a processing system.
- Changes are made throughout the month.
- Contributions begin on the specified date.
- All donations should be clearly listed on donors' bank or credit card statements.
- You contact the donor if the gift is declined.
- ***Retaining credit card information introduces important Payment Card Industry (PCI) Data Security Standards (DSS) compliance issues.***

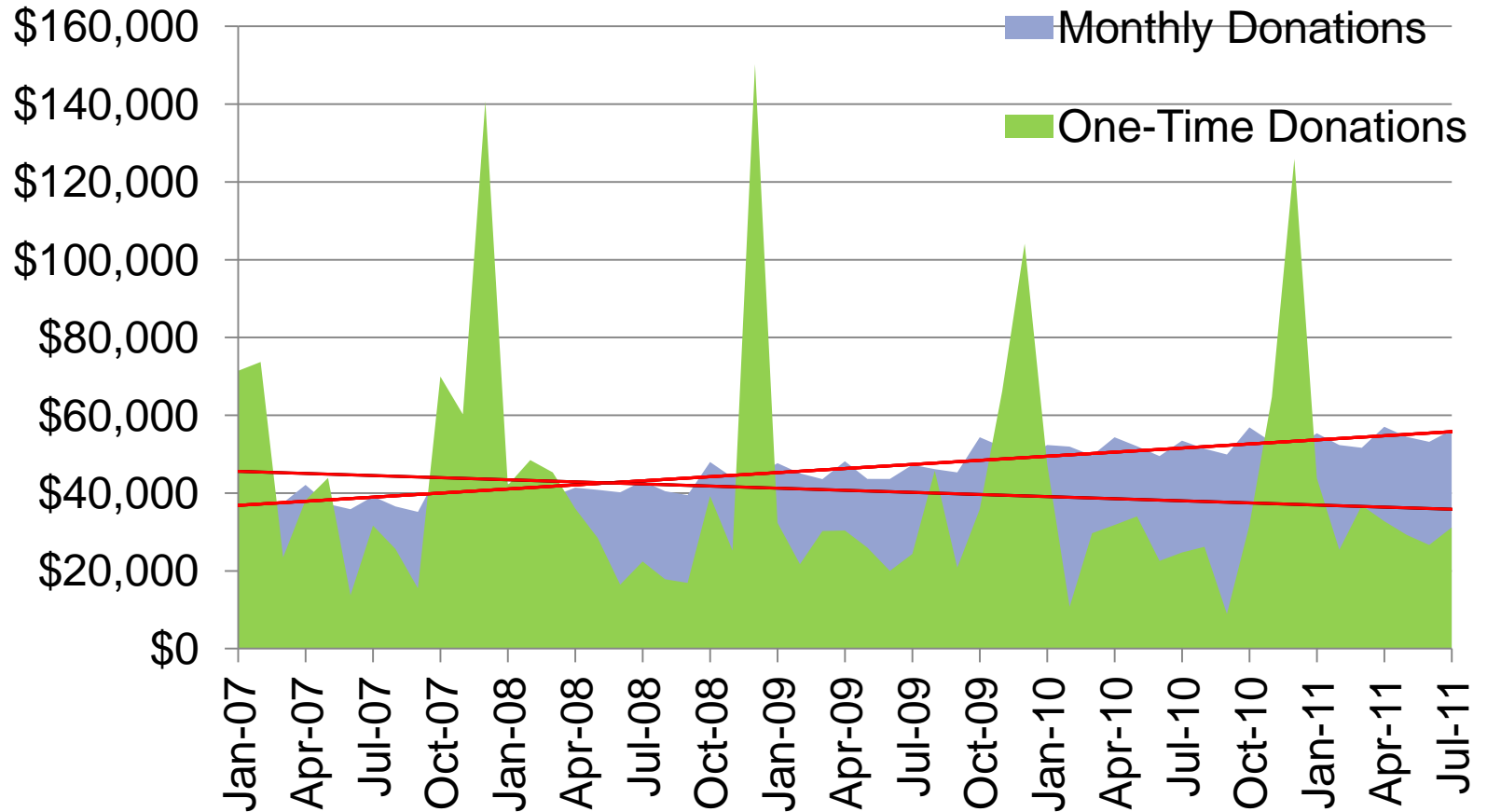
Techniques – Expected Results

- Monthly giving offers important advantages over other fundraising tools.
 - Initial upgrades range from 75%-100%
 - Donor retention averages 96% annually.
 - Fulfillment averages 99.6% for funds transfer and 85%-95% for credit cards and 30% for paper statements.
 - Consider the trade-offs!
 - Donors will also participate in 2-3 special appeals.

Techniques – Monthly Giving in Action for One Client



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Techniques – Promotion & Solicitation

- Newsletter Articles
- E-Newsletter Articles
- Monthly Giving Option on Reply Envelope
- Monthly Giving Option on Online Donation Form
- Letter to those already giving monthly but not automatically

Techniques – Promotion & Solicitation

- Give it a name – “St. Joseph Society”
- Letter in January with annual donation amount – ask them to upgrade
- Ask for monthly gift in appeal letters
- Acquisition mailing to regular givers
- When donor signs up thank you letter saying they will only receive a letter in January listing their annual donation amount

Techniques – Promotion & Solicitation

- Materials should be mission based.
- Language should reflect the mission, not the technology
- Donors want prompt changes and deletes.
- Read your reports.
- Pursue declined donations.
 - Every 4 weeks reduces recovery by 25%

Techniques – Several ways to upgrade

- Upgrade, upgrade, upgrade
 - Move donors up the pyramid.
 - Increase giving within a payment type.
 - Ask for a one-time gift.

