

John Haydon Blog
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Is Your Recurring Donation Program Working for Your Donors?

Donors are the lifeblood of every nonprofit, but retaining them long term is an ongoing challenge. Recently, nonprofits have had success improving donor retention through a recurring donation program.

The benefits of recurring donation programs

Recurring donation programs are a win-win for both nonprofits and donors. For nonprofits, they are an easy and effective way to retain donors and increase revenue. These programs also offer convenient ways for donors to provide ongoing support, while reducing the number of mail solicitations they receive.

While one of the greatest benefits of a recurring donation program is convenience, in many cases programs lack flexibility when it comes to the donation channel, frequency or amount, and they are unable to seamlessly address necessary billing changes. Nonprofits need sustainer management programs designed to address and manage these programs' unique needs.

Why donors love recurring donation programs

Let me tell you a story about Mike. For the past two years, Mike has loyally given to your nonprofit. According to the Association of Fundraising Professionals (AFP), he belongs to a group of only 46 percent of new donors who gave for a second time in 2014.

Recognizing the value of retaining donors, your nonprofit launched a recurring donor program and invested in a sustainer donor solution designed to make the program easy for both your nonprofit and donors like Mike.

Over the time in which Mike has been contributing to your cause, your organization formed a relationship with him and as a result, he signed up for your recurring donor program. Flexibility in the gift channel, amount and frequency was one of the details that sold him on the program with your nonprofit, rather than one of the other organizations he was considering supporting.

Previously, Mike had considered signing up for a sustainer program, but was deterred by a colleague who had participated in such a program and ended up cancelling after having to make numerous calls to update credit card information between scheduled gifts. However, after looking into the program at your nonprofit, which uses an automated system to ensure

payment information is up-to-date, Mike's fears were alleviated. Mike appreciates the lack of interruption, while your nonprofit never has to worry about a lapse in planned donations.

Why nonprofits love recurring donation programs

In addition to keeping donors happy through an easy giving process, there are many perks for the nonprofit as well.

Information about donors is captured to provide personalized service, helping retain donors for years to come.

Visibility into program metrics allows nonprofits to monitor the program success in sustaining and effectively growing each donor.

Acknowledging donors with your recurring donation program

No matter how Mike chooses to give, consistent, effective and personalized communication and acknowledgement is still an important facet of retaining him as a donor. Whether by email, with a letter in the mail, or a phone call, quickly letting Mike know his donation was received and showing appreciation makes giving a rewarding experience that he will want to repeat.

Sustainer donor programs make managing acknowledgement easy for your nonprofit and personal for valued donors like Mike.

According to the AFP, donor attrition rates improved in 2014, from 39 to 43 percent, and with the adoption of new programs like donor sustainment and management tools there will be fewer breakups and more donor commitments ahead for nonprofits. Is your nonprofit ready to take the leap? Merkle RMG's sustainer management solution provides the technology necessary to effectively support the maintenance and growth of recurring gift programs, including a hosted web page for online sign-ups and updates.