



# **Techniques in Monthly Giving – A Case Study**

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# Techniques - Introduction and Overview

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- 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?
- A Case Study – Dominican Sisters of Amityville, NY

# Techniques – What is monthly giving?

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- An on-going series of electronic funds transfers (EFTs) or credit card transactions..
- 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.
- Donations can occur less frequently

# Techniques – What is monthly giving?

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- Some common variations –
  - 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?

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- Some groups recognize the potential value:
  - Substantial upgrades
  - Better donor retention
  - Lower administrative costs
  - Predictable, long-term income
- Organizational constraints require it.
- Some consultants recommend it.
- Donors ask for it.

# Techniques – Essential Ingredients

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- You must first earn your donors' loyalty.
  - Generally not an acquisition tool.
- You must make a commitment to the program.
  - Growth takes time.
- You must have a responsive processing system.
  - You must deal with changes and deletes.
  - You must pursue declined donations.

# Techniques – Who will participate?

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- Guidelines for selecting participants:
  - 2-3 gifts over the prior 12-18 months.
  - Total giving of at least \$50 and less than \$500.
- Name the program. Build an identity.
  - Donors don't care about the technology. Forget about "Autopledge", "E-Z-charge" and "Electro Check".
- Demographics will determine if donors prefer funds transfers or credit cards.
- Talk about the ways the organization benefits.

# Techniques – Essential Ingredients

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- *“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...”*

# Techniques – How does it work?

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- 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?

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- “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?

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- Donation information is entered on a processing system.
- 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

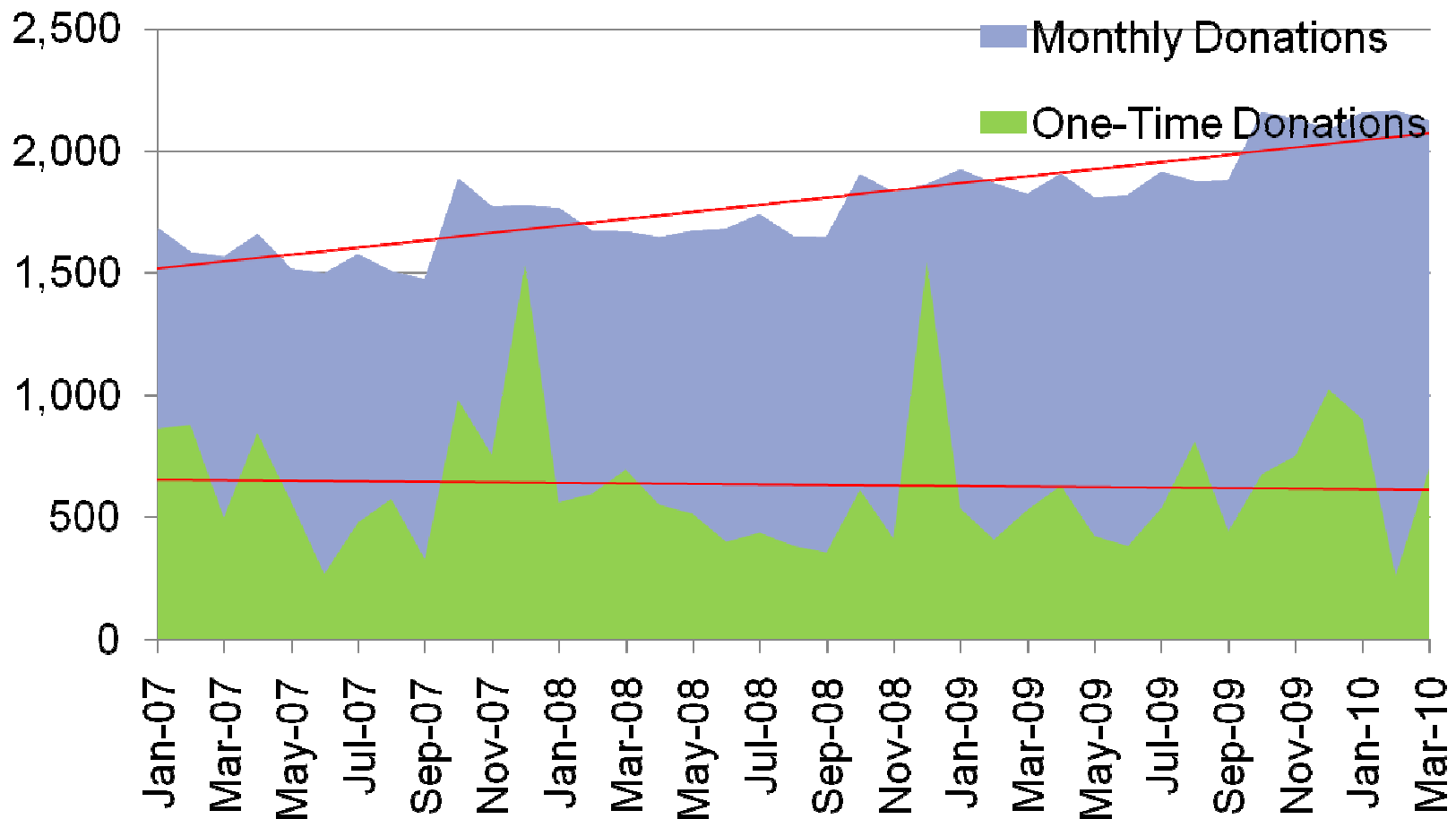
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- Monthly giving offers important advantages over other fundraising tools.
  - Initial upgrades range from 75%-100%
  - Donor retention averages 96% annually.
  - Fulfillment averages 99.6% for funds transfer and 85%-95% for credit cards and 30% for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

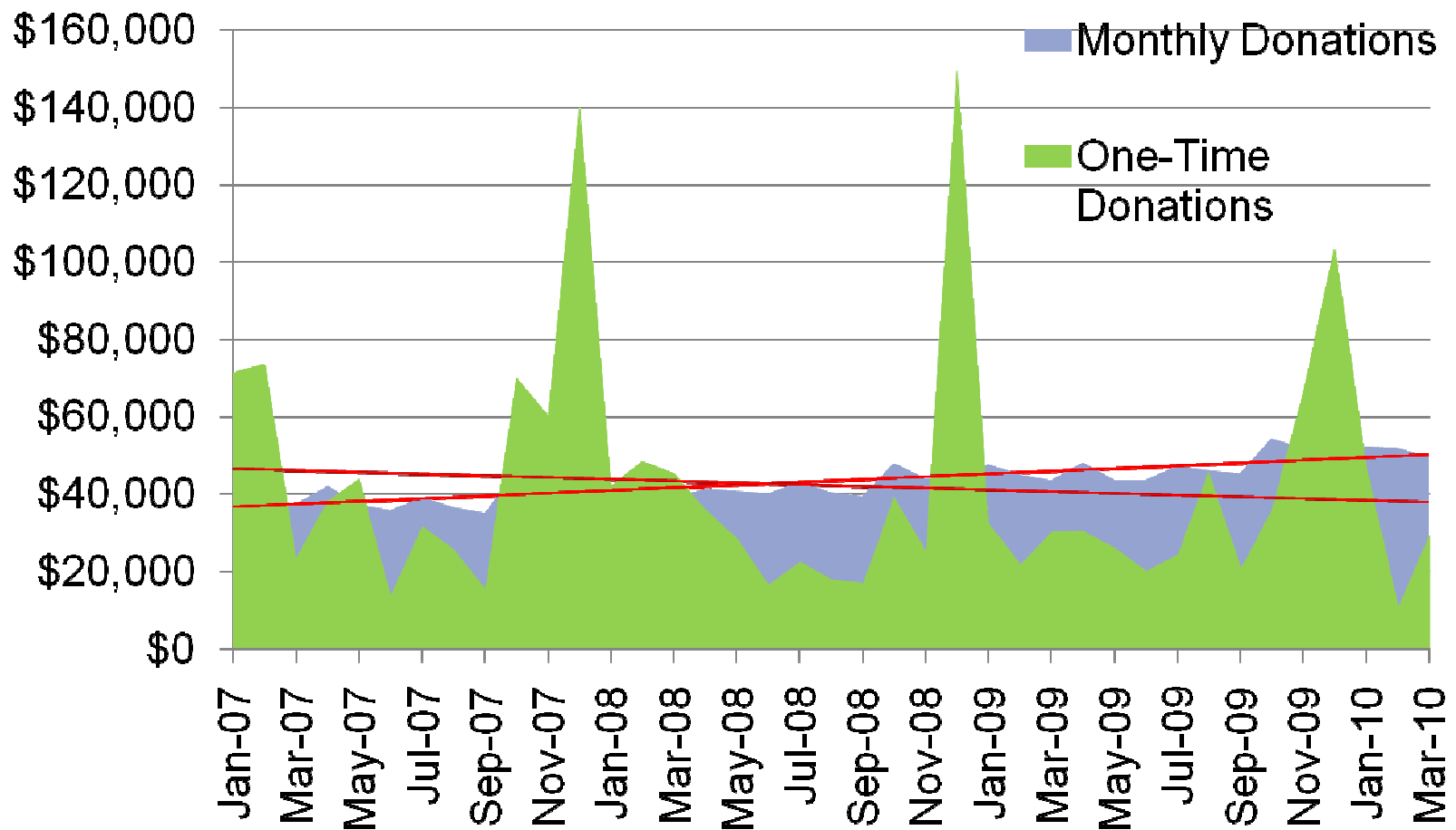
# Techniques – Expected Results

<b>Key Stats</b>	<b>Catholic Int'l Relief Organization</b>	<b>State-wide Food Bank</b>	<b>National Environmental Organization</b>	<b>Christian Activist Group</b>
<b>Avg. Age</b>	<b>60's-80's</b>	<b>40's-60's</b>	<b>40's-70's</b>	<b>30's-50's</b>
<b>Retention</b>	<b>96%</b>	<b>95%</b>	<b>91%</b>	<b>96%</b>
<b>Fulfillment % (EFT/CC)</b>	<b>99.7%/97.5%</b>	<b>99.8%/85.0%</b>	<b>99.5%/94.8%</b>	<b>99.8%/94.2%</b>
<b>Avg. Gift \$\$ (EFT/CC)</b>	<b>\$16.47/\$23.56</b>	<b>\$27.41/\$37.64</b>	<b>\$21.01/\$16.60</b>	<b>\$22.29/\$20.59</b>
<b>Avg. Annual Gift \$\$ (EFT/CC)</b>	<b>\$197/\$283</b>	<b>\$329/\$452</b>	<b>\$252/\$199</b>	<b>\$267/\$247</b>

# Techniques – Monthly Giving in Action



# Techniques – Monthly Giving in Action



# Techniques – Dominican Sisters of Amityville, NY

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- Founded in 1853 (157 years old)
- 500+ Sisters serving Nassau, Suffolk, Brooklyn, Queens, Puerto Rico and the Dominican Republic
- 100+ Dominican Associates
- Serving schools, hospitals, parishes, hospice, human services and social justice.
- Median age is 73 with an option to retire at 70 although many choose to continue working.

# Techniques – Donor Demographics

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- Approximately 9,000 donors of which 2,500 are consistent givers.
- Donors mirror the Sisters' age.
  - Many were taught by the sisters.
  - Newer donors know the Sisters through ministry.

# Techniques – Solicitation Cycle

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- Five general solicitations a year: March, May, July, September and October
- One acquisition every March with responses arriving April through early June.
  - Some become Dominican Companions.
  - July is the first direct mail solicitation.
- Newsletters are sent in February, June (the “Thank You” issue) and October.
- The Dominican Companion invitation is sent every January.

# Techniques – Why Monthly Giving?

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## ■ Phase 1 – External Reasons

- Donors asked for it.
- Many donors made more than 3 gifts per year.

## ■ Phase 2 – Internal Reasons

- All of the DC's made substantial upgrades.
- Donor retention was “tremendous”.
- The DC's produced predictable, long term income.
- Upgrades and donor retention outweighed the added administrative fees.

# Techniques – Creating the Program

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- The program and all of the material is mission based.
- All of the language reflects the mission, not the technology.
- The program wanted to emphasize St. Dominic as an itinerant, teaching companion, hence “Dominican Companions”.

# Techniques – How Does it Work?

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- An invitation is sent to all donors in January.
  - If the donor accepts:
    - The donor is marked “no soliciting”.
    - A hard copy acknowledgement is sent immediately.
    - The donor receives the newsletters and all special appeals.
    - All Dominican Companions are listed in the June newsletter.

# Techniques – How Does it Work?

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- If the donor accepts:
  - The program administrator contacts the donor immediately if a donation is declined.
  - The donor does not receive a monthly statement but does receive an end-of-year statement in January that lists total giving.
  - An upgrade letter is sent in March following the donor's second anniversary to donors who give less than \$25 a month.
    - All donors are asked for a 20% upgrade.

# Techniques – Program Results

- If the donor does NOT accept:
  - The donor is asked for a one-time gift\*

Year	One-Time Gifts	Contributions	Avg. Gift
2003	274	\$7,960	\$29.05
2004	289	\$9,560	\$33.08
2005	345	\$10,108	\$29.30
2006	334	\$11,412	\$34.17
2007	250	\$7,486	\$29.94
2008	114	\$4,625	\$40.57
2009	208	\$7,176	\$34.50
2010*	126	\$4,331	\$34.37

\* Results through March, 2010

# Techniques – Program Results

<u>Year End</u>	<u>Credit Cards</u>		<u>Funds Transfers</u>		<u>Paper Statements</u>		<u>Annual Gift</u>		<u>Total</u>	
	<u>DC's</u>	<u>\$\$'s</u>	<u>DC's</u>	<u>\$\$'s</u>	<u>DC's</u>	<u>\$\$'s</u>	<u>DC's</u>	<u>\$\$'s</u>	<u>DC's</u>	<u>\$\$'s</u>
6/03	19	\$1,620	51	\$4,920					70	\$6,540
6/04	42	\$9,350	85	\$16,895					127	\$26,245
6/05	83	\$20,060	106	\$25,266					189	\$45,326
6/06	85	\$22,364	118	\$29,321					203	\$50,685
6/07	94	\$18,731	133	\$32,276					227	\$51,007
6/08	107	\$19,855	133	\$35,132	25	\$8,064	4	\$775	269	\$63,826
6/09	84	\$23,148	138	\$37,320	30	\$9,697	10	\$1,580	262	\$71,745
3/10	77	\$25,380	139	\$35,136	35	\$10,404	11	\$1,615	262	\$72,535

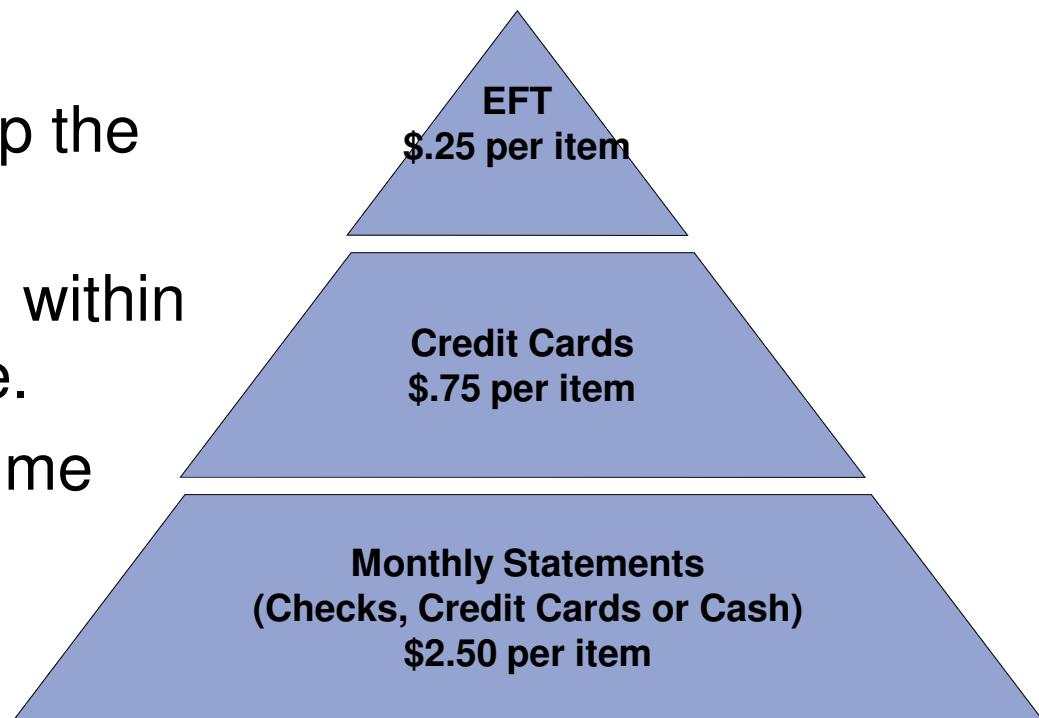
# Techniques – Five ways to keep your program fresh.

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- Assign the program to a person with authority.
- Establish and follow procedures.
  - Donors want prompt changes and deletes.
- Read your reports.
- Pursue declined donations.
  - Every 4 weeks reduces recovery by 25%
- Talk to your donors. Let them know you're alive!

# 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.



# Techniques – What does the upgrade look like?

## Dominican Companion Program Renewal/increase response form

- Yes, I would like to increase my monthly donation by 20% to \$24 per month.
- I cannot increase my donation by 20%; however, I can increase it to \$ \_\_\_\_\_ per month.
- No, I cannot increase my monthly donation but I am delighted to continue my participation in the Dominican Companion program.
  
- Please deduct my monthly donation using the information you currently have on file.
- Please change my account information to the following:
  - Checking Account: Bank Routing # \_\_\_\_\_ Account #: \_\_\_\_\_.
  - Credit Card:  Mastercard     VISA     AMEX
  - Card #: \_\_\_\_\_ . Expiration Date: \_\_\_\_\_ .

Signature: \_\_\_\_\_ .  
Telephone #: \_\_\_\_\_ Email: \_\_\_\_\_ .

# Techniques – The long term effect of upgrades

<u>Year End</u>	<u>Credit Card</u>	<u>Funds Transfer</u>	<u>Paper Statement</u>	<u>Annual Gift</u>	<u>Total</u>
6/03	\$85.26	\$96.47			\$93.43
6/04	\$222.62	\$198.76			\$206.65
6/05	\$241.69	\$238.36			\$239.82
6/06	\$263.11	\$248.48			\$249.68
6/07	\$199.27	\$242.68			\$224.70
6/08	\$185.56	\$264.15	\$322.56	\$193.75	\$237.27
6/09	\$275.57	\$270.43	\$323.23	\$158.00	\$273.84
3/10	\$329.61	\$252.58	\$297.26	\$146.82	\$276.85