

Not-for-Profit Industry

You Absolutely Need a Monthly Giving Program, and Here's Why

Chances are, if you don't have a monthly giving program, you will have to persuade others in your organization to embrace this proven revenue raiser. The first reason alone—more money—should convince them. But, as you know, rational thinking does not always prevail. Some in your organization will object because they want to focus on major gifts, not invest in a new program. Or they think using monthly giving will only raise a small amount of money.

To help you address these objections, Harvey McKinnon, president of Harvey McKinnon Associates, details seven compelling reasons why a strong monthly giving program will provide you with more security, and improve your impact. In his new book, [How to Create Lifelong Donors Through Direct Mail](#), you will find an easy-to-read, step-by-step guide on establishing this profitable vehicle at your organization.

REASON #1: YOU RAISE MORE MONEY

Sustainers will give you two to four times more money annually than they would by making single gifts. For example, if you convert a one-time \$50 donor into a \$15-a-month donor, your organization realizes nearly four times more money (\$180 versus \$50).

REASON #2: YOU DEVELOP A MORE POSITIVE RELATIONSHIP

One reason you may face attrition is that your relationship with supporters is based on repeated asks: "Can you give us another gift?" Some organizations are great at stewardship, but the majority of donor interactions involve asking for more money, rather than offering authentic gratitude and sharing the impact of the donor's gift.



If a friend calls every few weeks to ask you to buy lunch, it can negatively impact your feelings toward the individual. Soliciting donors 10 to 20 times a year can produce the same effect. When giving is automatic, however, you can focus on strengthening the bond because you don't repeatedly ask.

REASON #3: MONTHLY DONORS GIVE FOR MORE YEARS

Sustainers stay active for more years than single-gift donors, as dozens of monthly giving audits prove. Sustainers can easily be worth 10 times as much over a lifetime of giving.

REASON #4: YOU CAN RELY ON SUSTAINERS

Monthly giving helps you plan better because it provides stable, predictable income. It is close to recession-proof; there have been very few cancellations, even during hard economic times.

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REASON #5: YOU LOWER YOUR COSTS

The public's perception is that the lower fundraising costs are, the better. Recurring giving lowers your expenses. You don't have to send monthly donors every appeal—therefore you save in design, printing, and postage costs. That adds up to a lot of money when you have thousands of regular donors.

REASON #6: YOUR INCOME WILL GROW OVER TIME

A \$15-a-month donor gives \$180 a year. Each year you should ask them to increase their monthly pledge a bit (upgrading). A \$5 upgrade is 33 percent more money each year. So even if your program is not adding net sustainers, income will increase.

Reason #7: CONVENIENCE

When Harvey McKinnon wrote *Hidden Gold* 20 years ago, he claimed that donors find monthly giving more convenient. A few years later, Rosemary Oliver at Amnesty International surveyed sustainers to discover why people join. She discovered that “9% joined Amnesty's monthly giving program to stop torture, while 51% said they became a sustainer because it was convenient for them.” McKinnon knew that convenience played a big factor, but didn't understand how much.

Your donors appreciate the convenience of automatically paying their Netflix or utility bills. Businesses have embraced the “subscription economy” because it is profitable. In some countries, people don't use checks. All payments are automatic, online or via cell phones.

The preceding is an article from Harvey McKinnon, author of [How to Create Lifelong Donors Through Monthly Giving](#) and [The 11 Questions Every Donor Asks](#).

Contact Us

If you would like to discuss how Cole, Newton & Duran's not-for-profit team can help your organization with its tax, accounting, or consulting needs, please feel free to give me a call.

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