



# 2021 Recurring Donor Sentiment Report

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## What's Inside

We conducted a third-party survey of over 1,000 recurring donors to learn what motivates them to give, incentivizes them to stay, causes them to leave, and more. Learn from our findings to optimize your recurring giving strategy and communications.

### Report Highlights:



Donors are actively seeking causes to give to on a recurring basis.



A significant portion of recurring donors want to hear from nonprofits more often.



More than half of recurring donors would like to change their gift frequency.



Recurring donors are giving to multiple organizations at the same time.

**01**

# **The State of Subscription Giving**



## Where the Subscription Model Meets Donations

Today's subscription-based economy reflects the preference of consumers to pay for ongoing access to products and services through a small monthly fee. Consumers are now more comfortable with this model than ever before. This presents a powerful opportunity for nonprofits to create recurring revenue they can count on and retain support.

Recurring donations serve as a way to make supporters' giving more manageable while helping them feel deeply connected to the continual impact of your organization's work. Just like Netflix, Spotify, and so many other services, your nonprofit can communicate the value of subscription-based giving to supporters, who already are familiar with and inclined to participate in the model. Sixty-seven percent of donors who've donated to a charitable organization in the past have donated on a recurring basis (i.e. weekly, monthly, quarterly, or annually). **Of those donors who have donated on a recurring basis, 71% do so currently.**

## The Power of Recurring Giving

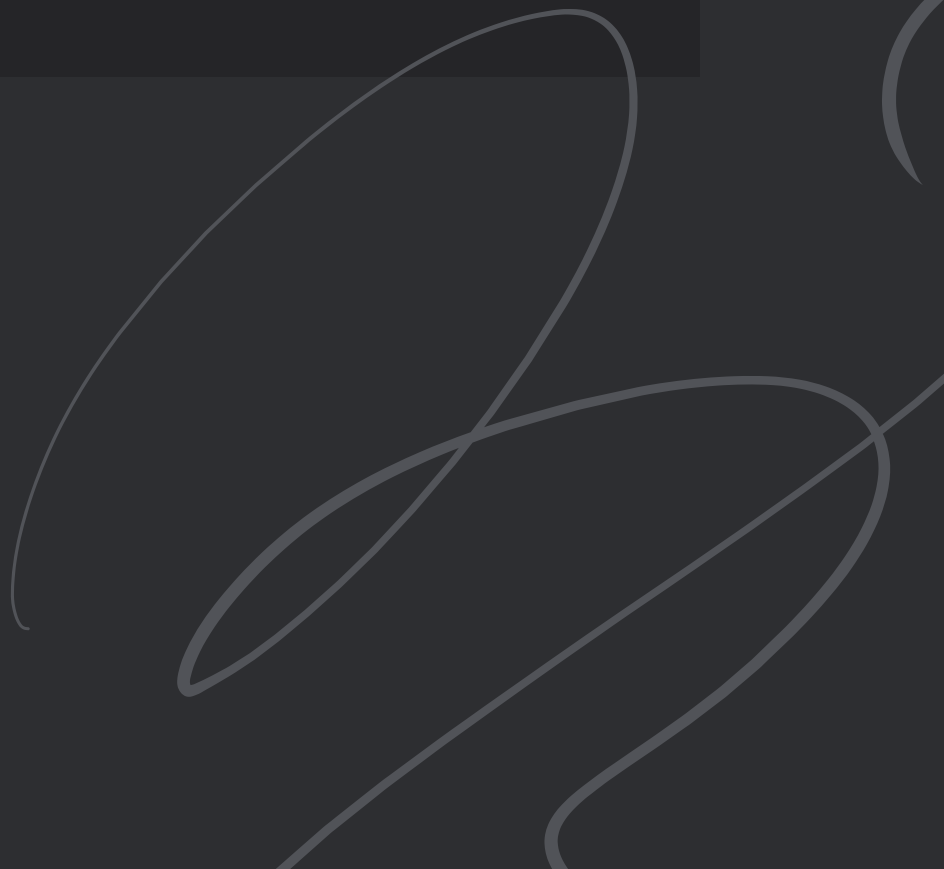
Of one-time donors who start a recurring gift subscription, **23% go on to make an additional one-time gift on top of their subscription\***

For organizations who raise over \$50 million in total revenue, **26% of their online revenue through Classy came from recurring gifts\***

\*Classy, *The State of Modern Philanthropy 2021*. <https://learn.classy.org/the-state-of-modern-philanthropy-2021.html>

**02**

# **Top Recurring Gift Motivators and Incentives**



To effectively attract, engage, and retain donors to give on a recurring basis, you first have to understand who they are. The following insights can help your organization build a donor profile around key motivators and incentives, so you can communicate effectively and create a memorable recurring giving experience.

## A Profile of the Modern Recurring Donor

### Intrinsic Motivators

Below are the top three reasons donors choose to make an ongoing gift as opposed to a one-time gift:

**56%** feel their recurring gift enables them to continuously support the organization

**47%** feel like their ongoing donation is making more of an impact than a one-time gift

**38%** feel more connected to a nonprofit when they give regularly

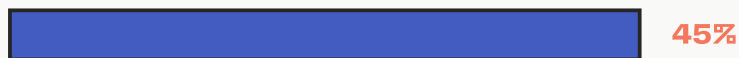
## Thoughtful Incentives

When survey respondents were asked what motivates them to give on a recurring basis, the top incentive turned out to be the affordability of breaking up their donations over time.

The affordability of segmenting gifts out over time



Physical swag



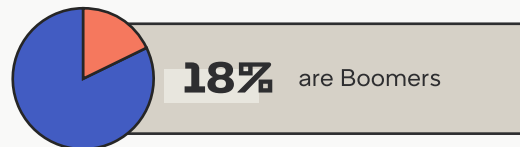
Exclusive access to cause-related events



## Generational Breakdown

It's no surprise that the majority of survey respondents who gave on a recurring basis were millennials (44%), and Gen X was the next largest group opting into subscription-based giving at high rates.

### Of recurring donors...



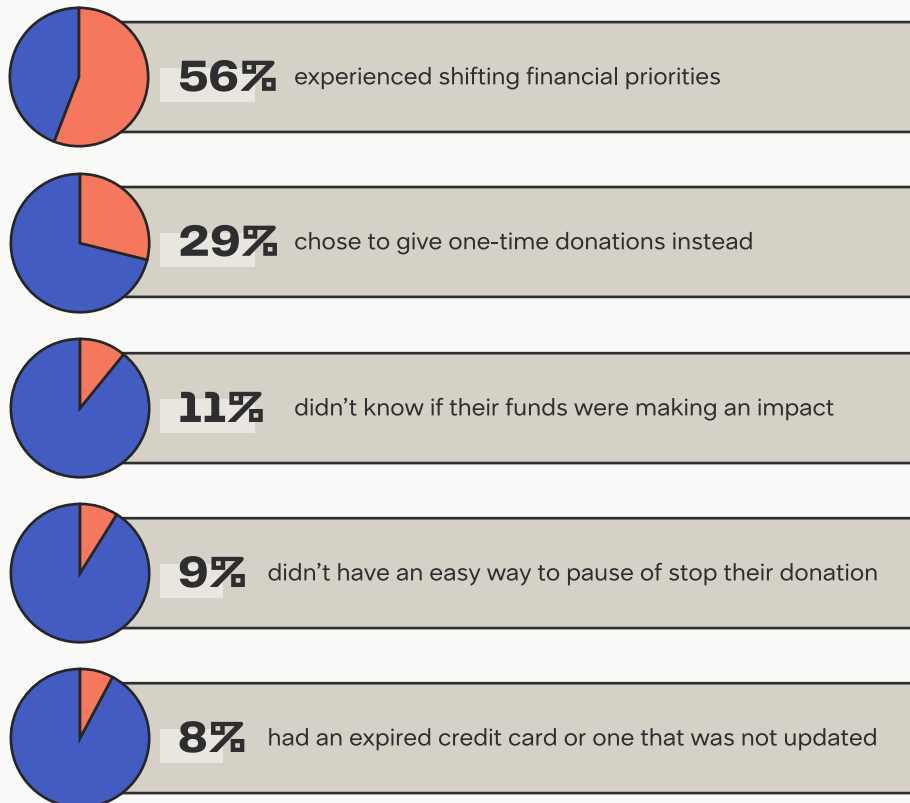


## Considerations to Avoid Donor Churn

Just as you focus on acquiring recurring donors, your organization also needs a strategy to retain them. Studies have found that donor retention rates fall below 50%<sup>1</sup>, so strategize how you can keep recurring givers motivated and avoid donor churn.

### Reasons for Churn

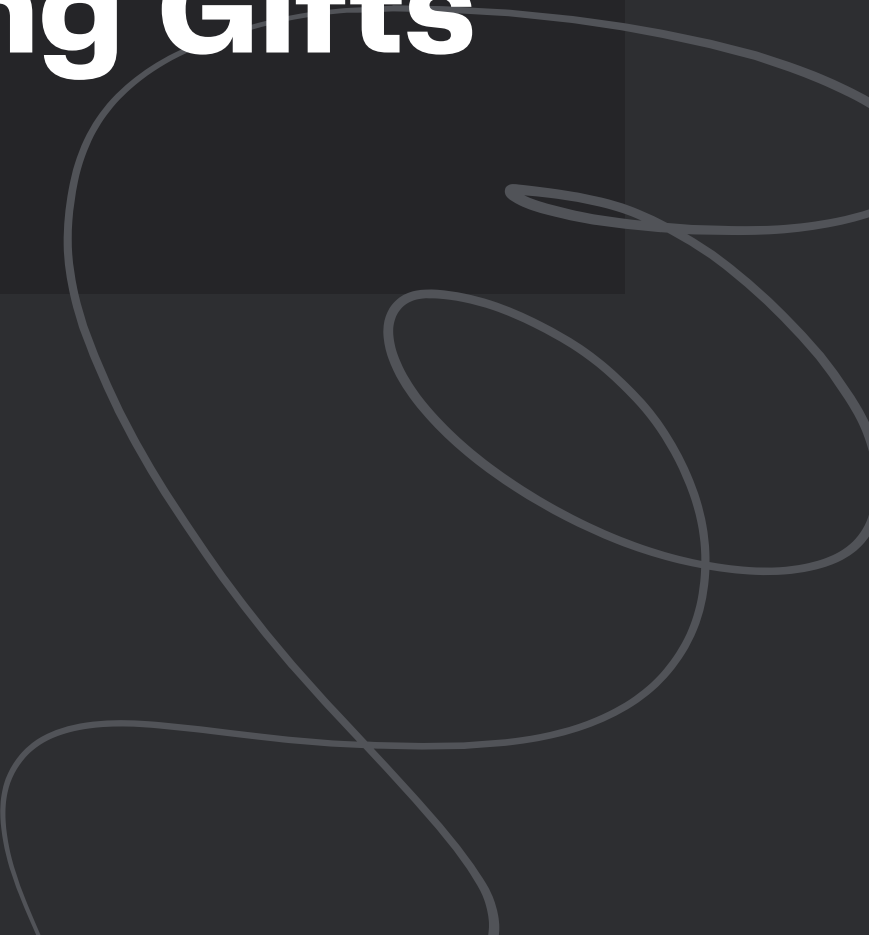
When asked which reason they resonated with most as to why they stopped their recurring donation, the majority of respondents named shifting financial priorities:



<sup>1</sup> Fundraising Effectiveness Project, 2018 Fundraising Effectiveness Survey Report. <https://afpfep.org/wp-content/uploads/2018/04/2018-Fundraising-Effectiveness-Survey-Report.pdf>

**03**

# **Actions to Attract and Retain Recurring Gifts**



Your ability to acquire recurring donors starts with an understanding of where you're most likely to reach them. Once you're able to nail down the best communication channels, you can tailor a message that resonates and grow your program more effectively.

## Communicate With the Right Message

### Proactively Reach Donors Who Want to Give Back Regularly

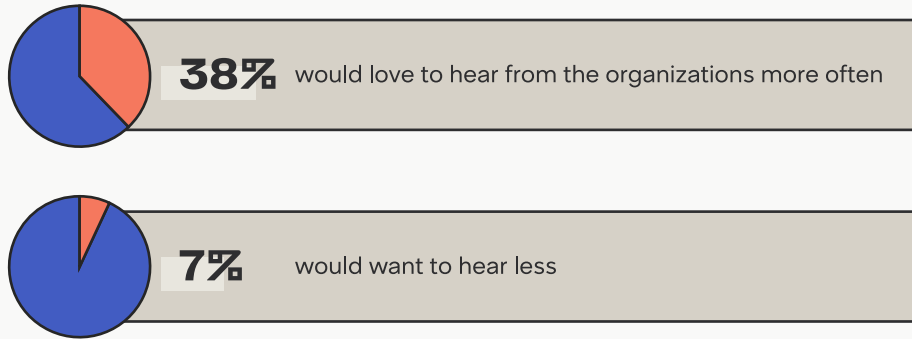
We were surprised to see that the action that prompted the majority of respondents to begin a recurring gift subscription was simply doing their own research to identify a program to contribute to.

There are a few key takeaways for nonprofits to consider:

1. There can already be a strong interest within your donor base to start a recurring gift.
2. You'll want to be mindful of what donors find when they research your organization on your website, donation pages, and social media accounts. Is there a clear option to make a recurring donation?

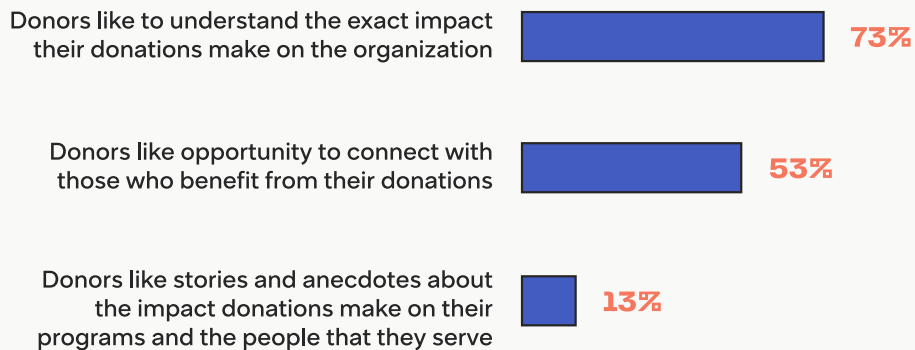
## Don't Be Afraid to Communicate More Often

Almost half of respondents want organizations to switch up their communication frequency.



## Develop Communications Around What Matters Most

Below are the top results when respondents were asked what would keep them feeling connected to the organizations they donate to on a regular basis and motivated to continue giving. Guide your outreach around these sentiments.



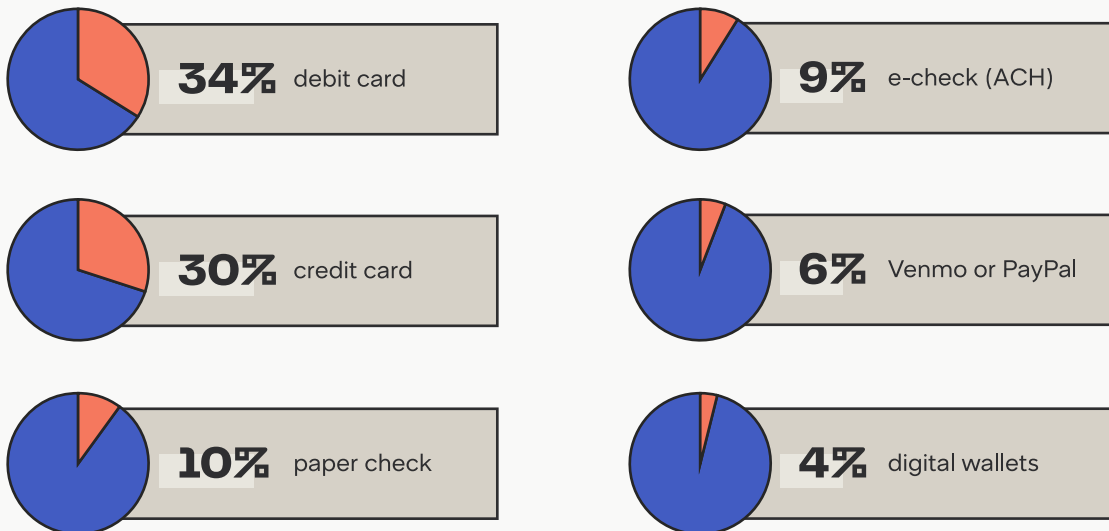
## Create an Optimal Giving Experience for Recurring Donors

### Promote Recurring Giving as an Affordable Alternative

Thirty-seven percent of respondents say the main reason they choose to make a recurring gift over a one-time gift is that it's more budget-friendly to break their donation into smaller increments.

### Consider Offering Flexible Payment Methods

Here's a breakdown of how survey respondents currently make their recurring gifts:



The survey results show that recurring donors currently give most through debit credit cards. However, ACH and digital wallet payment options have also separately shown to improve subscription giving programs and overall fundraising ROI, according to *The State of Modern Philanthropy 2021*.

## Offer multiple payment options to engage all donors.

The average monthly recurring gift made through ACH is **55% larger than with credit cards\*\***

Additional industry research shows that recurring donors using ACH are retained for **20% longer\***

Organizations see an **11-14% increase in mobile conversion rates** when digital wallets are enabled\*\*

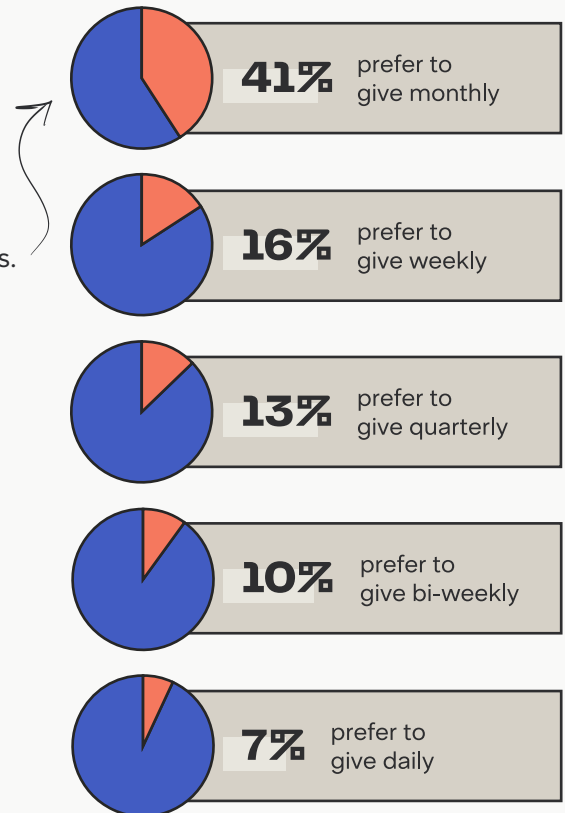
\*Epcor, "NACHA Nonprofit Case Study." <https://www.epcor.org/docs/NACHA-NonProfit-CaseStudy-Final-Updated.pdf>

\*\*Classy, *The State of Modern Philanthropy 2021*. <https://learn.classy.org/the-state-of-modern-philanthropy-2021.html>

## Offer More Recurring Gift Frequencies

If given the choice, over half of recurring donors prefer to give outside of just monthly increments.

Consider offering payment frequencies outside of monthly gifts. Nonprofits that use the Classy fundraising platform have the ability to accept recurring donations on an annual, semi-annual, quarterly, and monthly basis.



**04**

# **The Impact of Sustainable Recurring Revenue**

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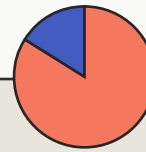
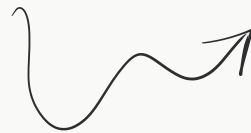
An established recurring giving program pays off in more ways than just a regularly established gift cadence. Recurring donors are some of your most loyal supporters and want to show their dedication through various actions, which only increases the ROI of your efforts.

## Recurring Donors Give to Multiple Organizations

About half of survey respondents give to more than one organization on a recurring basis at the same time, with 32% giving to two and 15% giving to three.

Donors are interested in and willing to give regularly to more than one organization, so your nonprofit shouldn't be hesitant to reach out to donors who currently support other causes.

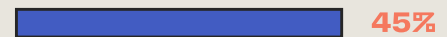
## Recurring Donors Take Action in Addition to Their Regular Gift



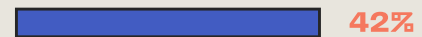
**84%**

of recurring donors take additional action, including:

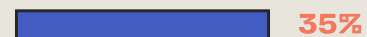
Volunteer



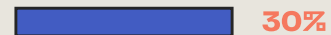
Make an additional donation



Attend an event for the organization(s)



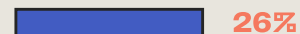
Tell a friend to sign up as a recurring one-time donor



Share organization updates or campaigns on social media



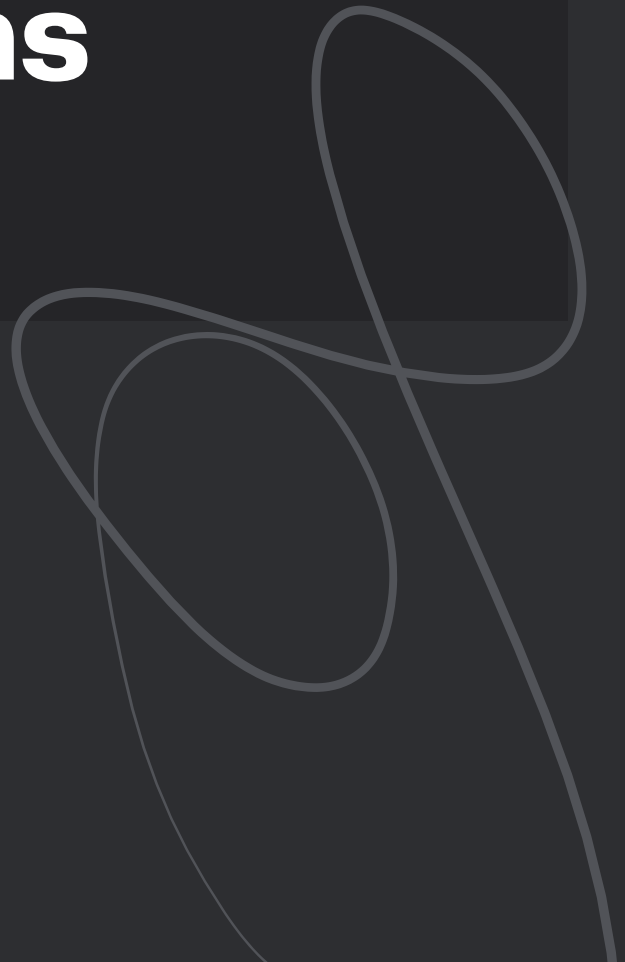
Fundraise on behalf of the organization





**05**

# **Make This the Year of Recurring Donations**



## 2021 Recurring Donor Sentiment Report

It's one thing to have a recurring donation option for donors, and another to have a strong and sustainable recurring giving program. With the findings in this report, you now have the foundation to build that strong program based on the sentiment of today's recurring donor.

Take this opportunity to identify where your organization can offer frictionless and flexible ways to support subscription giving. After all, there's no better experience than one that's created by the voices of recurring donors themselves.

## About Classy

Classy is a B Corp Certified social enterprise that helps nonprofit organizations maximize their impact through a suite of world-class, online fundraising tools to accelerate social impact around the world. Based in San Diego, CA and trusted by organizations of all sizes, from the fastest-growing nonprofits to some of the world's largest social organizations, nonprofits use Classy's platform to raise money, engage their communities, and advance their missions. Since 2011, Classy has powered tens of millions of donations from over 190 countries and raised over \$3 billion for social good. Classy also hosts the Collaborative conference and the Classy Awards to spotlight the innovative work nonprofits are implementing around the globe. For more information, visit [www.classy.org](http://www.classy.org).

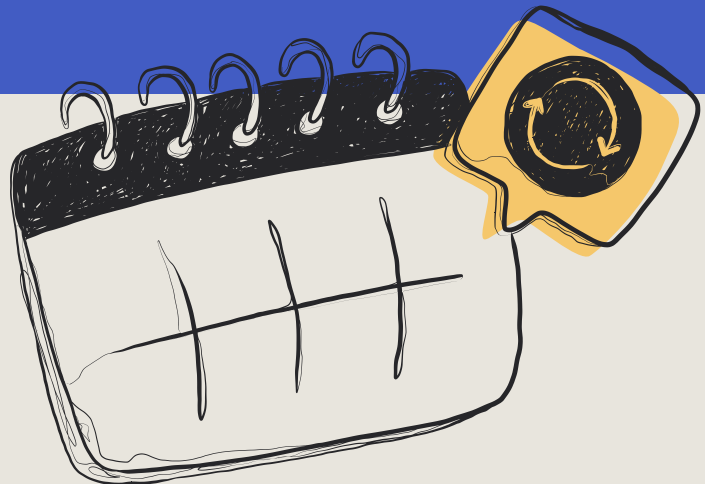
## About the Data

Conducted in May 2021, this survey polled 1,000 individuals who donate to a U.S.-based charitable organization on a recurring basis (i.e. weekly, monthly, quarterly, yearly). The survey was sourced and fielded using the Alchemer Survey Platform.


# Build and Optimize Your Recurring Giving Program

Download *The Ultimate Guide to Recurring Giving* to learn how to set goals, create a launch plan, and build a branded program that donors love to keep giving to.

[Download Now](#)



Classy



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Certain sections may also use insights about recurring gifts made through the Classy platform, delivered in *The State of Modern Philanthropy 2021*, to enrich the context and actionable takeaways we offer.