2019 ANA CHICAGO NONPROFIT CONFERENCE
AUGUST 26–28  |  CHICAGO, ILL.
#ANACHINP
DIVERSIFY TO WIN: BALANCING ONE TIME & MONTHLY GIVING

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Industry Trends and Influencers
Industry Trends

Source: Target Analytics donorCentrics™ Index of Direct Marketing Fundraising
(Some of the) Influences and Disrupters

- Shifting Composition of Population
- Change in Consumption of Technology
- Social Media (Facebook)
- Presidential Elections
- Saturation and Noise
- Tax Laws
- Natural Disasters
- Natural Disasters
- Informed Delivery

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Industry Trends

**One Time**

Total File Active Donors and Revenue Moved in Opposite Directions in 2018.

- Donor Counts: decreased FY18 over FY17
- Donor Value: increased FY18 over FY17
- Retention: decreased FY18 over FY17

**Monthly Giving**

Recurring Populations and Revenue Increased at the Median.

- Donors: +52% (Change in median recurring donors over 3 years)
- Revenue: +94% (Change in median recurring revenue over 3 years)

11% decrease in the median number of active donors. 9% increase in median revenue.

Source: Target Analytics donorCentrics™ Index of Direct Marketing Fundraising
Industry Trends

More on Monthly Giving

We are also seeing

- YoY increase in direct Acquisition to Monthly Giving
- YoY increased ratio of Monthly revenue of overall Giving
- Short and Long-Term Retention are up
Balancing Focus and Resources between One Time and Monthly Giving

Focus

• Primary Objective of Charity?

• Culture and Vision of Leadership?

• Ratio of One Time Vs. Monthly Giving within Budget & Investment?

Reporting & Analytics

• How are One Time and Monthly Giving programs evaluated across channels?

• What are the Key Performance Indicators used to measure both programs?

• Is One Time revenue accounted for to offset Monthly Acquisition costs?
Measuring Value & Success

MEASUREMENTS

- # of Donors / Sustainer
- Average Gift
- Income / Revenue (Gross, Net):
  - View of monthly giving only and with one time giving included
- Revenue Per Donor:
  - View of monthly giving only and with one time giving included
- Frequency, Gifts Per Donor
- New / Rejoin (Prior Sustainer / Donor)
- Cost Per Donor / Monthly Donor
- Retention Levels:
  - 2MosAct through 36+ months
  - By New / Rejoin (Prior Sustainer / Donor)
- Breakeven and ROI
- Active Cancellations:
  - Cancelation reasons

VIEWS BY

- Total
- Giving Type
- Payment Method
- Channel
- Giving Program

TIME FRAMES

- Year over Year
- Year / Fiscal Year to Date
- Rolling 12 Month
Balancing Focus and Resources between One Time and Monthly Giving

• **What, When and Where?** What are the considerations for what type of giving ask to offer, where and when? Should that fluctuate?

• What are some of the internal challenges to overcome for ‘buy in’ of a channel / offer and prioritizing one ask over the other?

• Optimizing value - how to minimize potential downgrade when asking for one giving type over the other?

• Can we ask for One Time gifts from Monthly donors?
Top 3 Monthly Giving Acquisition Channels in 2018

1. Online
   Organic, SEO, Email, Digital, Social Media

2. Canvassing

3. DRTV
   Telemarketing & Text (mass, 1:1)

Mail

Phone

Radio

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CHANNEL DIVERSIFICATION

N=2057

Source: marketing sherpa
Our Mission

• The *International Fellowship of Christians and Jews* was founded in 1983 to promote understanding and cooperation between Jews and Christians and to build broad support for Israel and other shared concerns. Our vision is that Jews and Christians will reverse their 2,000-year history of discord and replace it with a relationship marked by dialogue, understanding, respect and cooperation.

• Since 1983, *The Fellowship* has raised more than $1.6 billion, primarily from Christian donors, for programs helping Jews in Israel, the former Soviet Union, Latin America, Ethiopia, and throughout 58 other countries.

Our Programs

Guardians of Israel
Practical responses for suffering Israeli families

Isaiah 58
Helping Jewish poor in the former Soviet Union

On Wings of Eagles
Helping Jews immigrate to Israel

Stand for Israel
Mobilizing Christian support for Israel

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The Fellowship – Acquisition Channels

**LEAD GENERATION**

**DRTV**

**DIRECT MAIL**

**RADIO**

**TELEMARKETING**

**ORGANIC WEB/SEO**

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Support Israel FREE FLAG PIN!

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FREE U.S. - ISRAEL FLAG PIN

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The Fellowship

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Wings of Eagles Flight was a matter of life or death!

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His Wings of Eagles Flight was a matter of life or death!

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WELCOME TO ISRAEL!

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DRTV

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ORGANIC WEB/SEO

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DRTV Case Study

**ONE-TIME GIVING VS. MONTHLY**

- Tested $25 1x (2 min “control”) spot vs. $18/month (2 min) spot in October 2018
- $18/Month Ask Test:
  
  Excellent Sustainer conversion rate at 40.3% (compared to 10.2% with the 1x spot)!
  
  Monthly ask drove a much higher Cost-Per-Acquisition ($1,118) & lower Average Gift amounts. This spot produced the lower projected ROI ($0.28 vs. $0.52).

- We did NOT roll out the $18/Month spot, but instead, focused on current and new creatives supporting a monthly ask. We continue to test price points to achieve high Average Gift and will re-visit a Sustainer ask with new creative in 2020.

- Let’s watch the monthly spot we tested!
DRTV Case Study

- YTD Monthly Conversion Rate (convertible calls only): 6.8% vs. 4.6% (47% increase) - as a result of focused Call Center scripting and training.
- Soon testing script upsells, “combo” gifts and targeted ask arrays.
- Be sure to TEST your creatives, scripts, ask amounts!

Help Us Ease Their Suffering
Every day, so many needy elderly Jewish souls battle hunger and dire poverty. These Holocaust survivors should be living in dignity - not struggling simply to survive.

Donate Now

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Outbound Telemarketing Case Study

ONE-TIME GIVING VS. MONTHLY

- **Approx. 50% of the TM expense budget is focused on monthly giving** (the rest of the budget is balanced between TM acquisition and 1x gift campaigns).

- **Budget Ratio**: 10% of our yearly revenue budget comes from 1x gifts; 90% comes from sustainer conversion and carryover sustainer revenue.

- We continue to **feed the pool** of convertible donors that are more likely to convert to a monthly “autopay” donor, including new and reactivated donors to file within 30 days (“strike while the iron is hot”).

- **Test your ask strategy** – be sure not to downgrade donors when they sign up to be a monthly giver.

- **Upgrades** – asking monthly donors for a few extra dollars (avg. upgrade $13); “combo” gifts 2x year (8% response rate).

- Keep TESTING!
Our Mission

• The American Society for the Prevention of Cruelty to Animals (ASPCA) was the first humane society to be established in North America and is today, one of the largest in the world.

• Our mission, as stated by our founder, Henry Bergh, in 1866 is “to provide effective means for the prevention of cruelty to animals throughout the US.”
ASPCA: The view from 10,000 feet

Monthly vs. One-Time

- Monthly Givers ~65% of Direct Response revenue
- One Time ~24% of Direct Response revenue
- Monthly always takes precedence over 1x

“Check here to make this a recurring monthly gift.” (xxxxx)

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Diversify to Win

Mid Level Giving: To Ask or Not to Ask for Monthly Gift

We have 20,000 members in the Founder’s Society.

Founders give between $500 and $10,000 in a calendar year.

22% are cumulative givers and give, on average, 6 gifts annually.

“Foundians” – monthly donors who make additional mid-level sized gift.

KNOW YOUR DONORS.
Know their Annual Value and their Lifetime Value and use those metrics to drive your decision-making.

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Diversify to Win

DRTV – Monthly Ask

- Brought in 43,000 new sustainers last year
- Projected to bring in 41,000 this year.
- We take 1x gifts via DRTV however they don’t renew well.
- CPMD: $500+
Diversify to Win

**Additional 1x Ask in DRTV of Auto Monthly Donors**

- Started in 2014 – it’s raised over $1,000,000 - $288M in 2018 alone!
- 32% of donors asked give an Average Gift of $33
- Bumping $20 ask (tied to a symbolic gift) up to $40 “suggestion” increased Average Gift dramatically
- No negative effects on retention

**PRO TIP:**
Use “we don’t know unless we ask” – this takes the sting out of the ask!

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ASPCA

Internal Challenges

• What do we do when massive growth begins to slow down?
• How do we make the case for increased investment in Stewardship?
• How do we make the case for LTV and Planned Giving?
CDP
More for your mission.
The Sustainer Effect
Sustainers changed the game for public media

Steady growth in % of sustainers on file

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2012Q1</th>
<th>2013Q1</th>
<th>2014Q1</th>
<th>2015Q1</th>
<th>2016Q1</th>
<th>2017Q1</th>
<th>2018Q1</th>
<th>2019Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>9%</td>
<td>10%</td>
<td>17%</td>
<td>21%</td>
<td>26%</td>
<td>31%</td>
<td>36%</td>
<td>40%</td>
</tr>
</tbody>
</table>

TV
Sustainers quickly impact retention

Match channels with ask: Start acquiring the stickier donors

Retention of NEW donors

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2012Q1</th>
<th>2013Q1</th>
<th>2014Q1</th>
<th>2015Q1</th>
<th>2016Q1</th>
<th>2017Q1</th>
<th>2018Q1</th>
<th>2019Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention</td>
<td>17%</td>
<td>27%</td>
<td>36%</td>
<td>42%</td>
<td>46%</td>
<td>46%</td>
<td>57%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Donor Retention
- 2012: 60%
- 2019: 69%

Revenue Retention
- 2012: 61%
- 2019: 79%
# Sustainers change the composition of your file

## Age shifts based on channel and type of ask

<table>
<thead>
<tr>
<th>Age</th>
<th>Door-to-door</th>
<th>Events</th>
<th>Mail</th>
<th>On-air</th>
<th>Telemarketing</th>
<th>Web</th>
<th>Passport (video on demand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>20%</td>
<td>28%</td>
<td>5%</td>
<td>7%</td>
<td>3%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>30%</td>
<td>35%</td>
<td>6%</td>
<td>8%</td>
<td>1%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>24%</td>
<td>17%</td>
<td>12%</td>
<td>13%</td>
<td>25%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>14%</td>
<td>10%</td>
<td>22%</td>
<td>29%</td>
<td>28%</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>70</td>
<td>12%</td>
<td>10%</td>
<td>55%</td>
<td>38%</td>
<td>43%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>34%</td>
<td>41%</td>
<td>5%</td>
<td>6%</td>
<td>2%</td>
<td>20%</td>
<td>29%</td>
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<td>40</td>
<td>25%</td>
<td>24%</td>
<td>6%</td>
<td>6%</td>
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<td>19%</td>
<td>22%</td>
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<td>50</td>
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<td>15%</td>
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<td>17%</td>
<td>15%</td>
<td>22%</td>
<td>21%</td>
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<tr>
<td>60</td>
<td>13%</td>
<td>11%</td>
<td>26%</td>
<td>33%</td>
<td>26%</td>
<td>25%</td>
<td>19%</td>
</tr>
<tr>
<td>70</td>
<td>8%</td>
<td>9%</td>
<td>45%</td>
<td>38%</td>
<td>51%</td>
<td>14%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Sustainer change the composition of your file

Age shifts based on channel and type of ask

**Donor age shift**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50</td>
<td>29%</td>
<td>44%</td>
</tr>
<tr>
<td>&gt;50</td>
<td>71%</td>
<td>56%</td>
</tr>
</tbody>
</table>
Right Message to Right Audience
Matching the right audience with the right message

Not all donors will become sustainer ...and that is OK!

On-air fundraising

Content matters – Audience personas (cappuccinos vs. cup-of-joes)

Choices don’t work too well, be clear in your ask

Canvassing

Pitch can be adjusted at the door, importance of sustainers is easily explained

Bonus for the result that you need (Ex. EFT sustainers)

Digital

Ask adjusted based on time of year and content presented

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Canvass ROI and impact

Heavy investment into long-term growth

Sustainers are key (now 70% of the revenue)

- EFTs rule the day
- Bonus culture to focused on specific KPIs

Data modeling as key support to overall strategy

- Household prediction
- Message customization and targeting
Canvass ROI and impact

Would you bet $500k and lose $120k in year 1?

Impossible question to answer unless you understand Revenue Retention

5 year cash flow of “canvass-born” donors:
Membership video on demand: Passport

Different strategy for different channel

Targeting sustainers at low entry levels

Highly retaining donors

Largest source of new donors (quantity)

Benefit of collected data factored as part of the investment
Passport data: additional ROI consideration

Offering customized experiences enhances value of sustainers

Data visualization

CRM View

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Passport data: additional ROI consideration

Offering customized experiences enhances value of sustainers
Priorities decide the course of action

Actively change message based on goals
Right Metrics Matter
What gets measured gets done…

Metrics that drive long term ROI

<table>
<thead>
<tr>
<th>Size of program:</th>
<th>Quality of file</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of sustainers</td>
<td>Retention</td>
</tr>
<tr>
<td>% by original gift size</td>
<td>Revenue Retention</td>
</tr>
<tr>
<td>% by original channel</td>
<td>% EFT sustainers (by effort/channel)</td>
</tr>
<tr>
<td></td>
<td>% upgrading/add gifting</td>
</tr>
</tbody>
</table>
## Acquisition math informs investment

### Year 1 retained revenue and its proportion

<table>
<thead>
<tr>
<th></th>
<th>Net Cost to Acquire</th>
<th>Average Gift</th>
<th>Year 1 Retention rate</th>
<th>NET Retained Revenue after Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct mail</td>
<td>$60</td>
<td>$30</td>
<td>55%</td>
<td>$24</td>
</tr>
<tr>
<td>Pledge non-sustainer</td>
<td>Unknown</td>
<td>$170*</td>
<td>17%</td>
<td>$29</td>
</tr>
<tr>
<td>Pledge Sustainer</td>
<td>Unknown</td>
<td>$140*</td>
<td>80%</td>
<td>$112</td>
</tr>
<tr>
<td>Canvass Sustainer</td>
<td>$55</td>
<td>$160</td>
<td>85%</td>
<td>$136</td>
</tr>
<tr>
<td>Digital</td>
<td>Unknown</td>
<td>$100</td>
<td>25%</td>
<td>$25</td>
</tr>
</tbody>
</table>

*Cost of premium severely impacts NET
Retention needs investment too

**EFT sustainers at the top of our pyramid**

Retention difference dictates investment

- converting a single donor to EFT results in $35 gain

EFT sustainers give more gifts

- CC vs EFT (10.5 vs 11.3 gifts per year)

Best practices in recapture

First year retention (Sustainers)

- CC: 87%
- EFT: 93%

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Thank You

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QUESTIONS?