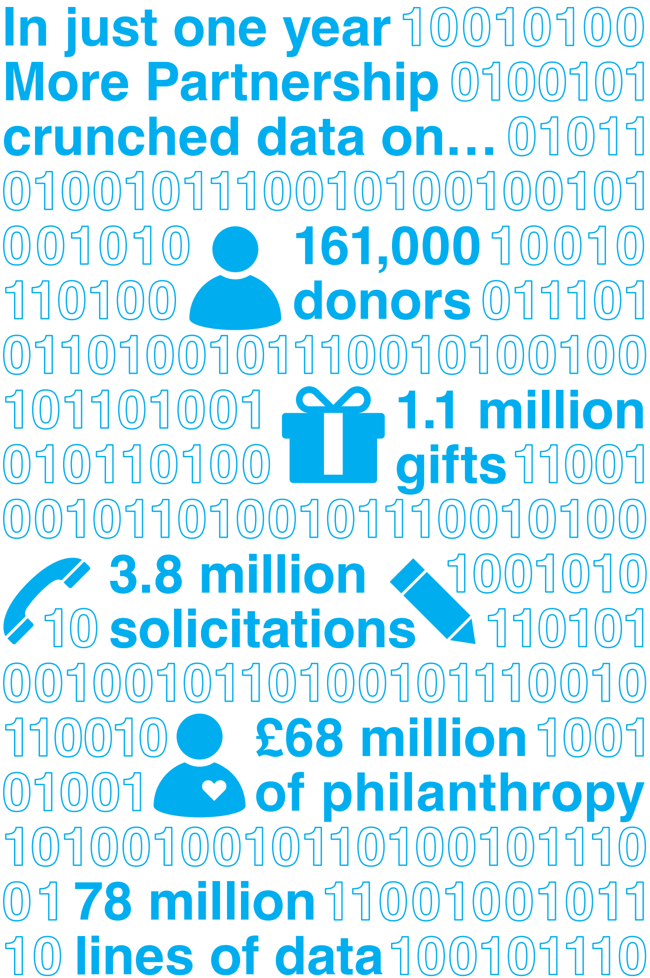
The truth about regular giving

10 fundraising proverbs compiled from 250 million lines of data

More

"We wholeheartedly applaud the innovation and foresight involved in taking a collaborative approach to provide something that is of benefit to the whole education sector and that demonstrates a building up of a bank of knowledge."

Judges, Institute of Fundraising Insight Awards 2015 – on awarding the prize for *Most Powerful Insight from a Long-Term Strategic Project* to More Partnership's Regular Giving Benchmarking



About the data

Back in 2010, More Partnership and 15 partner universities embarked on a Regular Giving Benchmarking adventure. They wanted to learn from each other, see the big picture and discover what good practice looked like. Above all, they wanted to get better at fundraising.

Since then, the adventure has turned into an annual project. Over the years, a total of 33 universities have joined in. The resulting data and reports are theirs. But in true More spirit, we have arranged to share some of the learning. Hence this little book of data-driven proverbs…

First, some definitions

You may call it your “Annual Fund”, “Alumni Fund”, “Friends Programme” or something else. But we’ll go with “Regular Giving”. Whatever the name, it’s the engine room of fundraising. It’s where we find the little acorns that sometimes grow to mighty oak-sized gifts. And even if they don’t shoot up, many a mickle makes a muckle and all that.

We define a “regular gift “as anything up to £10,000 per year during the period covered by our research. Some large regular donations may add up to a “major gift” over the years, but we still count them anyway.

Reflecting real-life practice, we also count gifts that aren’t regular at all! That is, we include all lower-level giving, even if the donations were one-offs.

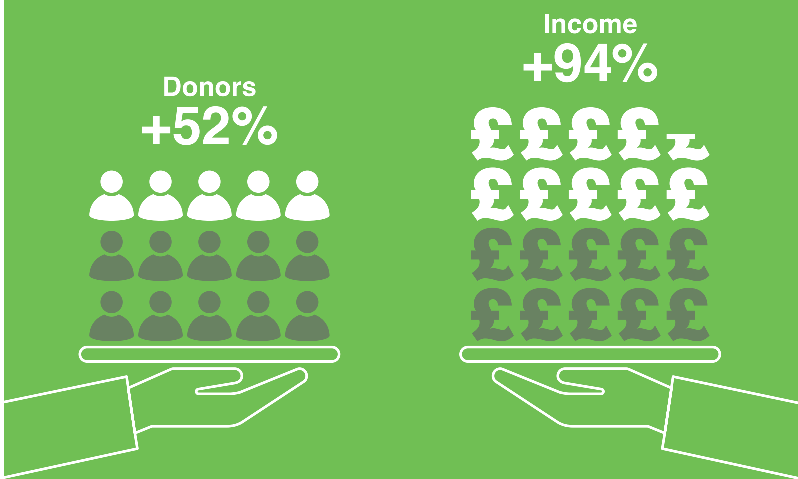
Be grateful for geeks bearing gifts.

Regular giving is a numbers game. So it's hardly surprising that good-quality data is essential for improving your fundraising performance. Over the last five years, our data has helped our partner institutions to increase their donor numbers by 52% and their income by 94%.*

We're not saying you have to benchmark with us (though we'd love it if you did!). Just that, by getting a better database, recording your data more consistently and/or using it more savvily, you can raise your game.

* Figures based on the results of the institutions that participated in both the first year and the fifth year of benchmarking (but not necessarily every year in between)

Five year growth

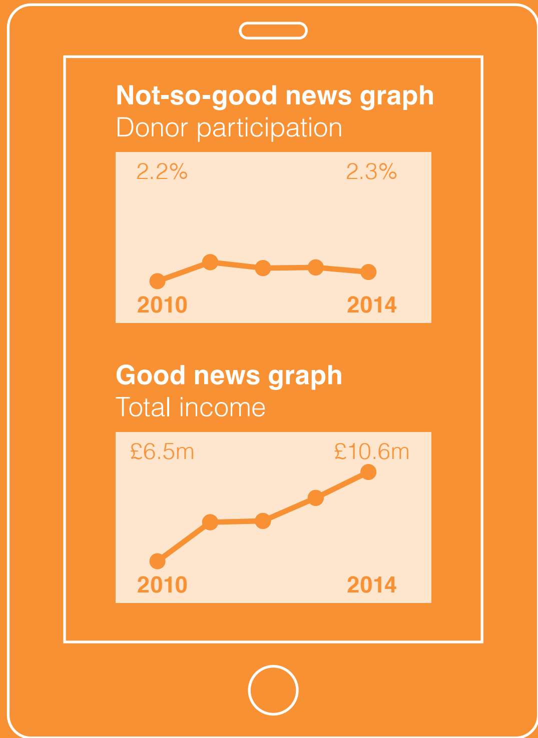


Count your blessings selectively.

Historically, participation has been a useful metric. But is it time to recalibrate your targets? On average, 2.3% of alumni give to our partner universities annually. The figure has been stuck stubbornly at that level for several years – even though donor counts have soared.

Participation rates tell you nothing about money in the bank, let alone donor profile, loyalty or retention – all of which (as we'll see) are secrets of regular-giving success.

We love data – but only if used wisely.



A bird in the hand is worth 24 in the bush.

Based on our data, if you contact 100 alumni who have never given and ask them nicely, you may get one gift… or two on a very good day. But if you ask 100 *who donated last year for the very first time* (and didn't set up a direct debit or standing order*), you'll get 24 gifts.

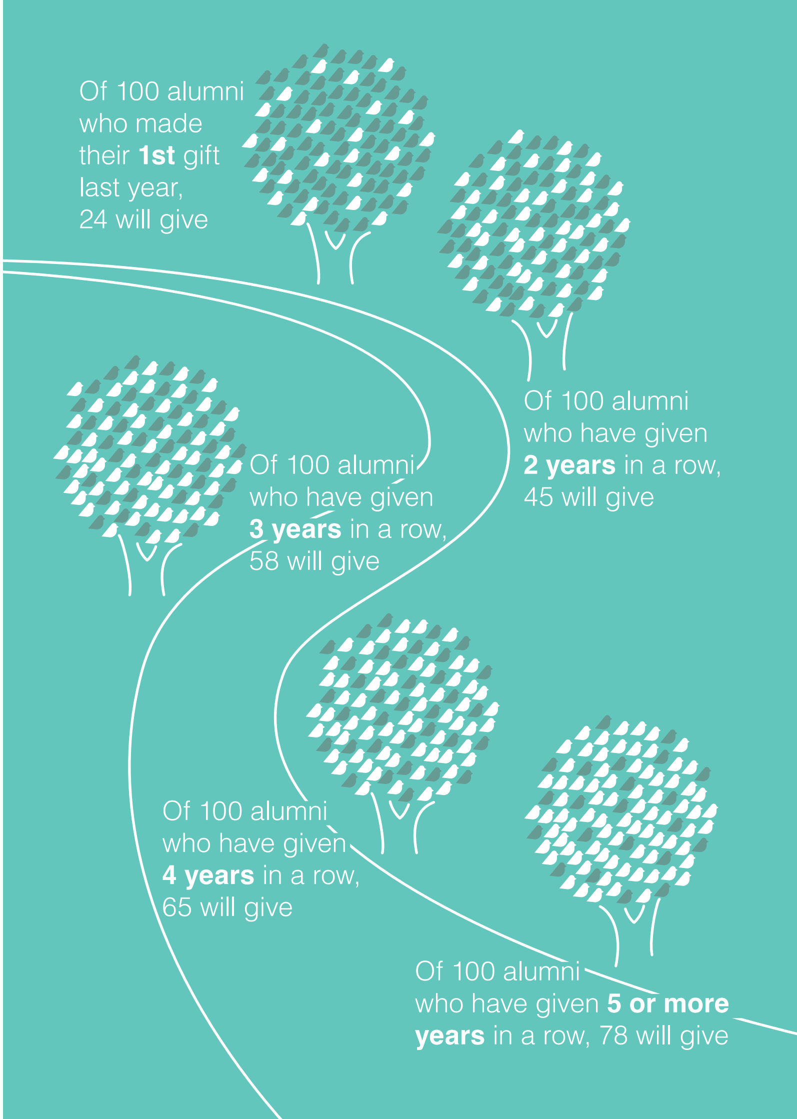
The moral? Focus on donor retention as well as acquisition.

* Known in the trade as "cash" giving

A bird in *both* hands is worth 45 in the bush.

As we saw on the last page, first-time "cash-donor" retention is 24 in 100. But for those who've given two years in a row, it's 45 in 100, for those who've given three times it's 58, four times it's 65% and five times or more it's 78%.

We're not suggesting you should put all your eggs in one basket… just that you might put quite a lot of your efforts in the basket marked "loyal donors".

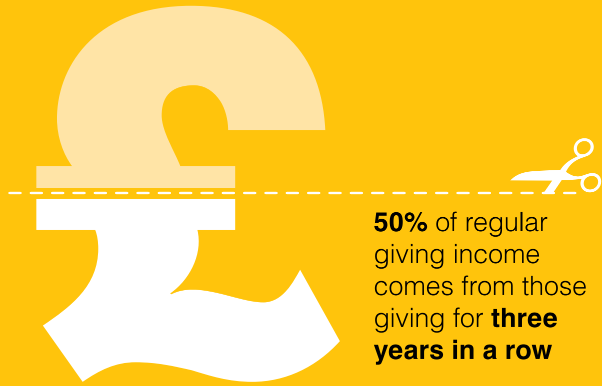


Look at how the other half gives.

Loyal donors aren't just more likely to give again. They also tend to give *more*. We find that around half of all income to regular giving programmes comes from alumni who've given for three years in a row.

It also turns out that around half (40 to 60%, depending on the institution) of regular giving income comes from people donating £250 or more a year.

Do you know which side *your* bread is buttered on? Slice up your data in different ways. And target your jam accordingly.



50% of regular giving income comes from those giving for **three years in a row**

50% of regular giving income comes from those donating **£250 or more a year**

Fortune favours the bold. So ask for *more.*

During the ten years covered by our data, the median amount given after a nice, polite phone call has barely risen. It's still around £6.50 a month or a one-off fifty quid.

Over the same decade, the proportion of donors upgraded from occasional gifts to direct debits has remained below 8% each year. And the proportion of direct debits upgraded to higher amounts has also remained static.

How hard is it really to say, "Please sir/madam, we want some more"? Or to explain the added impact of an extra £10?

"If you were able to give a bit more..."

"Of course!"

"If only you'd asked sooner!"

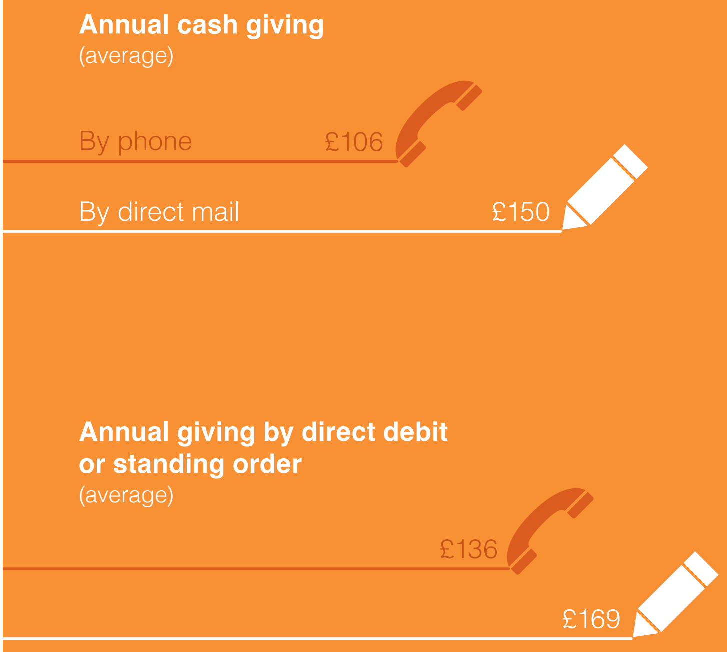
"My pleasure."

The pen is mightier than the phone.

Everyone loves a good phone campaign. And generally more people give if asked this way. But direct mail gets bigger gifts. Our data proves it. In fact annual "cash" giving from donors acquired by direct mail averages £150, while the average from a donor acquired by phone is just £106.

The same goes for direct debits and standing orders. The average annual amount raised from a donor by direct mail is £169, while the average amount gleaned over the phone is about £136.

If you can't manage to ask for more, why not ask differently instead?

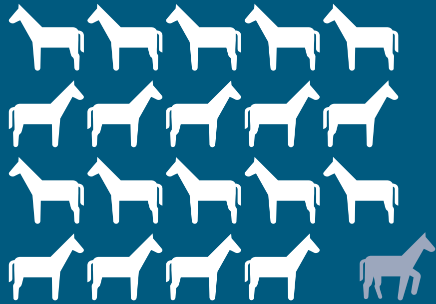


Always look a gift horse in the mouth.

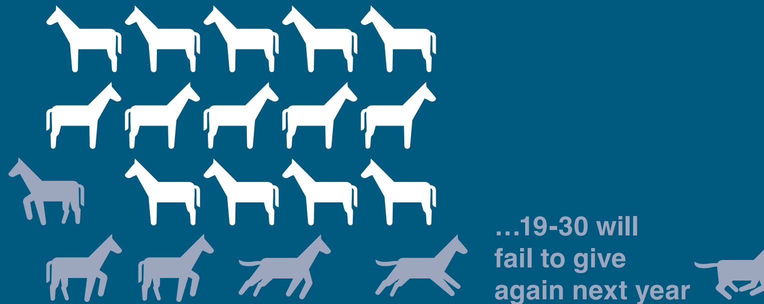
For *every* 100 alumni who've been giving for five years by direct debit or standing order, only six will fail to give again next year… provided they haven't specified an end date. But if they *have* fixed an end date, between 19 and 30 will lapse. At least, that's what our data tells us.

There are two lessons. First, don't ask for end dates. And second, if some alumni absolutely must have them, don't let them get too long in the tooth. Make a note to approach everyone in good time to renew.

Of 100 alumni who've been **giving for 5 years by direct debit or standing order** (provided they haven't specified an end date)…



But if they do have a **fixed end date**…



Absence really does make the heart grow fonder.

The longer your alumni have been away from you, the greater their disposable income… and the more likely they are to give. In fact, the peak age for both number of donors and size of gift is 66 to 67 years young. So maybe this is where to focus limited resources… so as to grow the giving (and thus gain further resources).

That's not to say you should neglect more recent graduates, especially today's "generation debt". You just might want to cultivate them differently.

“Vive le ROI!”*

Last year, we plotted a graph of money spent on fundraising versus income gained (both per addressable alum). We can’t show you the raw data, but we can tell you the lines go up together! Or, for people who prefer words, those who spend more raise more.

Of course, some universities are more efficient than others. The point is, by coming together and sharing best practice, everyone should become more efficient. Cash may be king. But ROI increasingly rules the world.

* (old French saying) “Long live Return on Investment!”

The beauty of regular giving

Regular giving isn't just for geeks. It's highly creative, as well as highly analytical. Those who do it best are the fundraisers who pick great stories and tell them well… then use the numbers to reach the right people in the right way – with *even* better stories.

The evidence is out there. It's up to you whether you choose to use it. Remember, beggars can't be choosers. But askers can be.

"The data really helped us see our situation clearly – and to get buy-in from senior management. First we realised we'd taken our eye off renewals. So in 2013, we chose to segment and target 4,000 lapsed donors. Then we developed a comprehensive stewardship strategy to keep alumni on board. We also discovered that we needed to work on acquiring young donors. Finally, the data helped us to see that the US was a huge potential market. The following financial year, we increased our income from America by 45%!"

Heather Campbell, Imperial College London
(and previously London School of Economics)

With thanks to all our partner universities over the last five years. You and your data are wonderful to work with.

Cardiff University
Dundee University
Imperial College London
King's College London
Loughborough University
London School of Economics
Newcastle University
Open University
Queen's University Belfast
Royal Holloway, University of London
Strathclyde University
Trinity College Dublin
University College London
University College Dublin
University of Aberdeen
University of Bath
University of Birmingham
University of Bradford
University of Bristol
University of Edinburgh
University of Glasgow
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University of Manchester
University of Nottingham
University of Reading
University of Sheffield
University of Southampton
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University of Stirling
University of Sussex
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To participate in future Regular Giving Benchmarking projects, or to find out more about More's benchmarking services please contact **Adrian Beney** or **Rosie Dale**.

abeney@morepartnership.com
rdale@morepartnership.com

Fundraising Consultants.
And More.

More Partnership Ltd, 31 Exchange Street, Dundee DD1 3DJ
+44 (0)1382 224 730 | info@morepartnership.com
morepartnership.com | Registered in Scotland SC 216234