

# 5

## **Reasons Why Monthly Giving Programs Fail**



And why it's worth every  
penny to get it right.



**Donors who commit to a recurring  
monthly gift give 42% more than those  
who make one-time gifts.**

**CLASSY.ORG**

# Monthly giving has gotten a bad rep.

As a young nonprofit leader, I used to have an aversion to monthly giving programs as a way of raising money.

Somehow, the approach felt lazy to me - not innovative, not interesting. Looking back, it's part of the reason we waited so long to launch our monthly giving program at charity: water – **we were just so afraid of being mediocre.**

Since then, it seems like the whole world has discovered the recurring revenue model with startups like Spotify, Netflix and Dollar Shave Club (just to name a few) paving the way for a new era of recurring-first businesses.

**Today's consumers are more receptive to subscription-based offers than ever before, and nonprofits are no exception.**

There's only one catch.

Customers have raised their expectations when it comes to what they get in return for their loyalty. In the subscription-box business, for instance, personalization and the element of surprise are a must-have. In the service-based subscription business, customer service is king.

It's no wonder then, that when people hop over to the nonprofit side and sign up for our recurring giving programs, the experience tends to pale in comparison.

Often when charities take your money, there's no customer experience, personalization or wow factor to speak of. Just a monthly tax receipt sent from the accounting department.

So it's fair to say, that because there's been so little in the way of innovation, monthly giving as a business model itself has gotten a bad rep.

But there's nothing inherently lazy, boring or un-innovative in raising money in this way - in fact, it's incredibly wise to create repeatability so you can plan for growth.

**But nonprofits have to raise the bar - just like the business world has done - on creativity, personalization and wow-factor if we're going to take monthly giving to it's full potential.**

In my course, [The Monthly Giving Launch Guide](#), I talk about innovation and creativity and how to apply these

principles to reimagine and reinvigorate this age-old fundraising tool we seem to have forgotten about.

I hope you'll consider taking the full course so that you can begin creating your very own recurring revenue-first fundraising future at your nonprofit.

I speak from experience when I say - it is indeed the most important investment you can make in your mission's financial growth. When you can get monthly giving right -really right - it's worth all the effort.

But for the sake of progress, let's first take a look at some of the most common ways we tend to get it wrong.

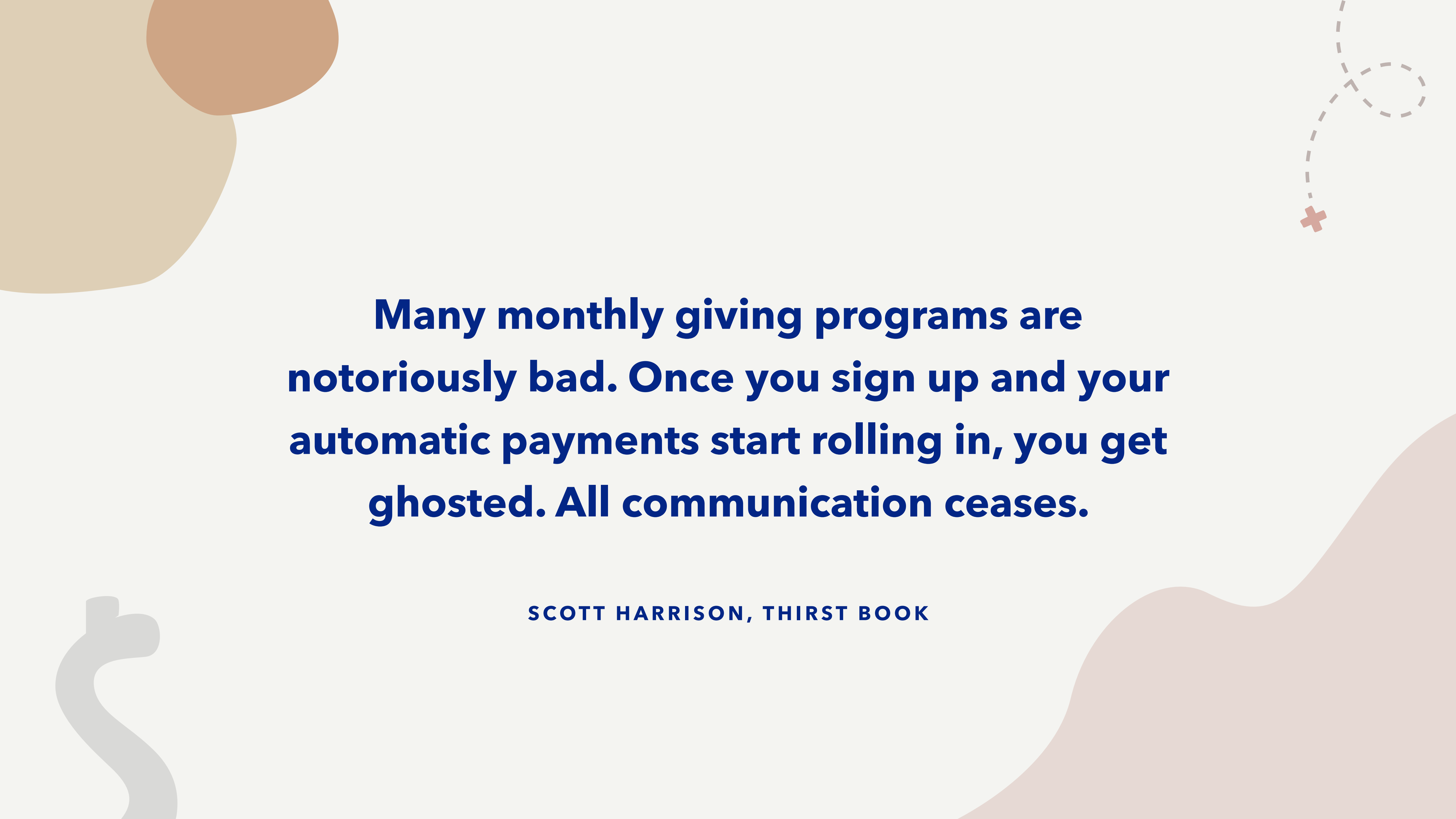
*- Vik Harrison*

MISTAKE #1



**THE PROGRAM IS  
AN AFTERTHOUGHT,  
NOT A FLAGSHIP PRODUCT**





**Many monthly giving programs are notoriously bad. Once you sign up and your automatic payments start rolling in, you get ghosted. All communication ceases.**

**SCOTT HARRISON, THIRST BOOK**

## MISTAKE #1

# THE PROGRAM IS AN AFTERTHOUGHT, NOT A FLAGSHIP PRODUCT.

This is a fundamental issue that underpins all the others. If this one was taken seriously, there would be no need for this list to go on.

**When nonprofits treat their monthly giving program more like an ATM machine than a flagship product, the result is always a transactional relationship that leaves donors disappointed.**

Usually in nonprofits, this almost happens by accident. There's a lack of resources to staff the program properly, (or lack of vision to do so), too many activities pulling attention and focus away from making the program excellent, and so it remains an afterthought.

**Meanwhile, for-profit subscription businesses have long realized that their subscribers are their lifeblood and their subscription program, their most precious asset. And they treat it as such.**

A product, by definition, is something that creates specific value for a specific group of people (your donors) and something you invest in, improve and refine over time. If you set it and forget it, then you don't have a product. You have transactions.

When a nonprofit invests resources, creativity and innovation to build a monthly giving *product* that's truly excellent, their growth will have no limits.

MISTAKE #2



**LITTLE TO NO INSPIRING  
MARKETING CONTENT**





## MISTAKE #2

# LITTLE TO NO INSPIRING MARKETING CONTENT

The second mistake I see many nonprofits make, is a complete absence of video storytelling on their monthly giving landing pages. Without this crucial marketing tool, it's no wonder we find it hard to inspire donors to sign up.

Marketing, especially in the nonprofit world, is all about telling great stories. Great stories are clear, focused, have a distinct hero (and villain) and a really, really good ending.

For more on this, I highly suggest reading Don Miller's book, [Building a StoryBrand](#).

When nonprofits ask me how they can sign up more monthly givers, my first answer is usually - **make a video!**

This is very prescriptive advice, I realize, but here's where I'm coming from. Content comes in three forms: words, pictures and video. Out of those three, video engages the most amount of senses, making it the most engaging.

We cover everything about this topic in the Monthly Giving Launch Guide course, but for now, let's take a look at a simple script outline you could apply to create a video on any budget.

# A simple script for a marketing video for your monthly giving program (based on the Hero's Journey)

The hero's journey is an age-old format for storytelling outlined by Joseph Campbell. Almost every good story we know and love follows this pattern (simplified here), with these essential components, in roughly this order.

## THE START

describe the world as it is today - what needs to change?

## THE HERO

define the hero: who are they and what do they want?

## THE CHALLENGE

present the challenge that the hero must overcome

## THE GUIDE

present your nonprofit as the guide who will help the hero overcome this challenge

## THE END

wrap up by painting a vision of the ideal world - one where your issue is eradicated.



Show the world as it is today, describing the issue you're working to fix and its negative impacts.

Position your donor as the hero. Speak to their potential to create a better world

Clearly present your challenge for the hero - this is where you pitch your monthly giving offer, a.k.a. the \$ you want them to give + why

Describe why you're the expert capable of guiding the hero in creating a better world. (why they should give to your organization). As a guide, you should come off as trustworthy, honest and wise.

End with painting a vision of a better world - one where your mission has been achieved. How will it be better? Why? *End with a strong call-to-action at the end that motivates your hero to accept the challenge: to give to your program.*

**MISTAKE #3**



**NO FOLLOW-UP  
OUTSIDE OF SENDING  
A TAX RECEIPT**



### MISTAKE #3

# NO FOLLOW-UP OUTSIDE OF SENDING A TAX RECEIPT

The third mistake, and possibly the easiest to fix, is that many nonprofits simply don't report back, or don't report back enough to create an intimate connection with their donors.

When the follow-up each month is a bare-bones tax receipt and a dry thank you from the founder, it's hard to get excited about staying in the program.

The good news is this is easy to fix.

You're probably inspired daily by the work you do on the ground... the challenges your team solves, the unexpected human stories from your beneficiaries!

Your monthly subscribers would love to hear these stories - and the more real you can keep them, the better. Share not only the successes, but also the challenges and you'll build a level of intimacy that keeps donors deeply invested in your program.

Here's an example of the types of stories charity: water shares with monthly givers each month:

Good News email - [02/20](#)

Good News email - [03/20](#)

*\*Pro tip: when sending monthly updates, be sure to mix it up and tell different kinds of stories to maintain the element of surprise.*

MISTAKE #4



**DONORS DON'T  
UNDERSTAND HOW THEIR  
MONEY IS USED**





**The #1 reason donors stop giving is  
because they don't know how their  
gift is being used.**

**NETWORK FOR GOOD**

## MISTAKE #4

# DONORS DON'T UNDERSTAND HOW THEIR MONEY IS USED

The fourth mistake often stems from a lack of product definition at the very beginning. When nonprofits offer arbitrary amounts without clearly defining what they represent and what the donation can accomplish, it's hard for donors to get on board and see the value in giving.

In this example, it's clear the organization has tested these amounts and found them to work, but they still appear meaningless to the donor without any context.

**Arbitrary amounts make it hard for donors to imagine their impact - and how they're helping you move the needle.**

1. Gift Amount      2. Billing      3. Payment

\$100    \$50    \$36    \$25    \$19    Other

**CONTINUE**



## Spotlight: Liberty in North Korea offers specific donation amounts and makes it clear what each level helps accomplish.

### BASIC RESCUE NEEDS

# \$25

In one year, you will provide basic needs for refugees making the 3,000 mile rescue journey. This includes clothing, food, and transportation along the journey.

**Give \$25 / Month**

### EMPOWER & SUPPORT A RESCUED REFUGEE

# \$45

In one year, you will provide crucial support and tools necessary for North Koreans to thrive in their resettlement.

**Give \$45 / Month**

The most compelling monthly giving programs make it clear from the very start what specific donation amounts accomplish and why they matter.

Take a look at the following example from Liberty in North Korea - this offer makes the value proposition clear and specific so a donor can visualize the impact their monthly gift will have.



MISTAKE #5



**DONORS FEEL LIKE A  
MEANS TO AN END, NOT A  
VALUED COMMUNITY**



## MISTAKE #5

# DONORS FEEL LIKE A MEANS TO AN END, NOT A VALUED COMMUNITY

Last but not least, another missed opportunity is not showing up to continually engage your community of monthly givers, update them on your progress and give them special attention.

This is the most engaged community a nonprofit can ever have, and the lifetime value of a recurring donor who stays in your program year after year is exponential. But only if they feel there's value in staying.

Often, after the initial excitement of supporting your mission starts to wear off, a donor will begin to wonder: do they really care about my contribution? Is this nonprofit really worth investing in?

This is why adding further value to your donors lives is critical so they continue to feel seen and appreciated. Here are some ideas:

- Reach out to donors personally from time to time simply to say thank you. You can pick a few each week at random and make them a quick video.
- Personally reach out to celebrate their accomplishments and acknowledge important milestones in their giving journey.
- Bring in experts, speakers and educators to speak to your community and add value to their lives
- Host ask-me-anything sessions to give people intimate access to you and your work.

## Spotlight: A New Story employee sent me this personal thank you video when I signed up to join their monthly giving program, The Neighborhood.

Hey Vik,

Thank you for joining the **Neighborhood**! Because of YOU the most vulnerable families are staying safely housed during a time when homes have never mattered more. I wanted to share a few more thoughts to officially welcome you!

Hi Vik! — Watch Video



Our team will keep in touch with the progress of your impact and more ways you can get involved as a member of the **Neighborhood**. But until then, it would be amazing if you would spread the good news of your impact with these social posts. Thank you for being the neighbor our world needs.

Welcome to the home team,  
Christina



**Christina Martinez | People & Culture Ops Associate**  
newstorycharity.org | 813.494.1004

This was such a nice touch - it made me feel special, seen and appreciated, and likely took Christina, the People & Culture associate at New Story, only a few minutes to film.

Small touches like this can go such a long way, and become moments of “surprise and delight” that stick with donors for years to come.

# THAT'S ALL FOR TODAY. NEXT STEPS...

We've covered quite a bit for today, and by now you probably have some action items and takeaways...but you're also probably not quite sure how to put it all together.

Look. The opportunity for nonprofits to raise money online has never been greater, (yes, even in the middle of the pandemic!).

If you're serious about building a sustainable, repeatable and scalable fundraising model the smart way, then I hope you'll join me inside my course, **The Monthly Giving Launch Guide** where I show you how - step by step.

ENROLL IN THE **MONTHLY  
GIVING LAUNCH GUIDE** COURSE