



SUSTAINER DAY

The Future of Sustainable Giving in a Subscription Economy

Dave Raley, Founder

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What do you think
about when you
hear the word
subscription?






Green
Eggs
and
Ham



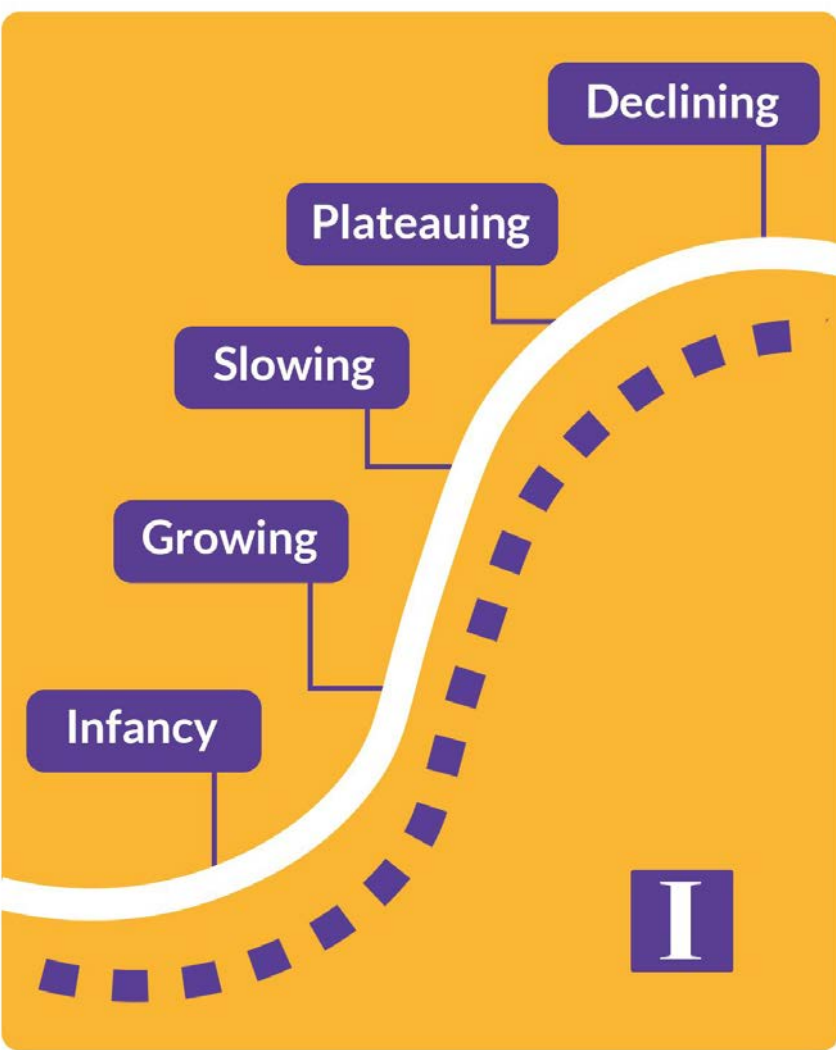


Innovation is essential.

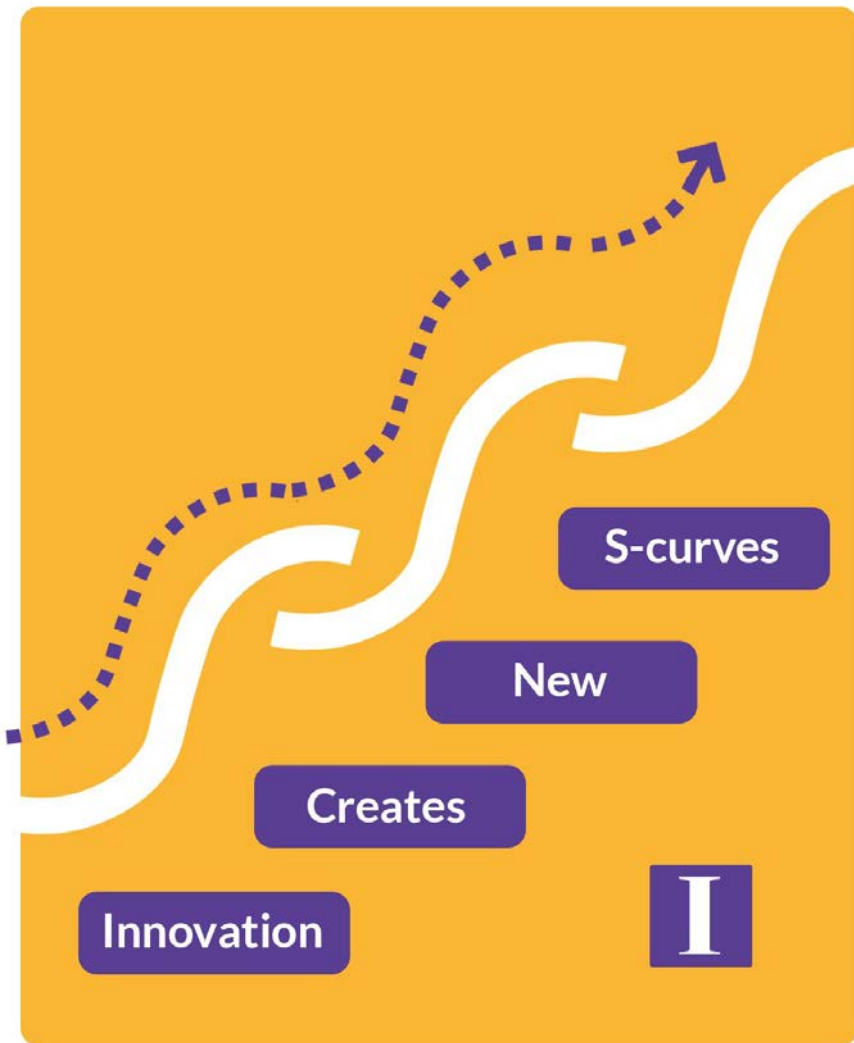
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“The graveyards of history are littered with organizations and institutions that pioneered one way of doing things or another but failed to transition to the next model...”



Every organization, every product is somewhere on this curve.



**Innovation creates
new S-curves,
bringing renewal
and profitable
growth.**



Innovation Comes from Unexpected Places.

(And requires an *Outside Mindset*)

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Dave Raley

Author



Co-host



Founder






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Three types of sustainer programs.





ONE TO ONE

- Often in the form of individual staff support or sponsorship.
- Donor and beneficiary are connected.
- Donor is paired with an individual, typically in a one-to-one or quasi one-to-one relationship.
- High retention rate, high value.
- Gold standard of monthly giving.



MEMBERSHIP

- Donor is beneficiary.
- Donors receive specific benefits.
- Typically offers different levels corresponding to different benefits.
- Based on a clear value exchange.



EVERYONE ELSE

- “Checkbox” monthly giving.
- Might have a name.
- No real value proposition.
- Historically a distant third place to One-to-One and Membership programs.

The background of the slide features a sunset over a field of tall grass. The sky is a mix of orange, yellow, and blue, with a few wispy clouds. The grass in the foreground is dark and silhouetted against the bright sky. A decorative, geometric border in a light blue color frames the entire scene. The text is centered in the middle of the slide.

The vast majority of nonprofits have not historically been able to build large, growing recurring giving programs.



**Two trends are driving a new type
of sustainable giving program.**

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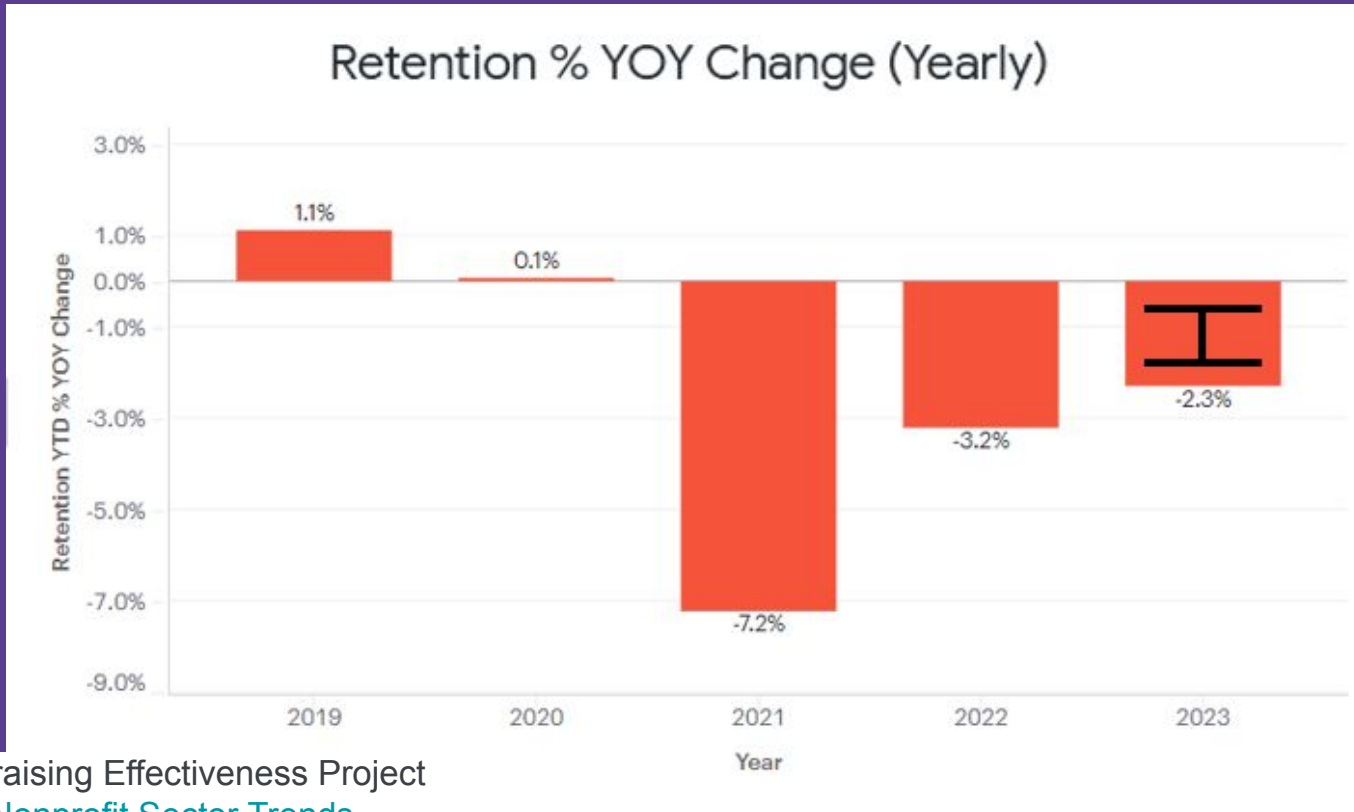
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- 1) Consumer Trends
 - 2) Donor Behavior



Customer loyalty is declining.

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Donor Loyalty is Declining As Well



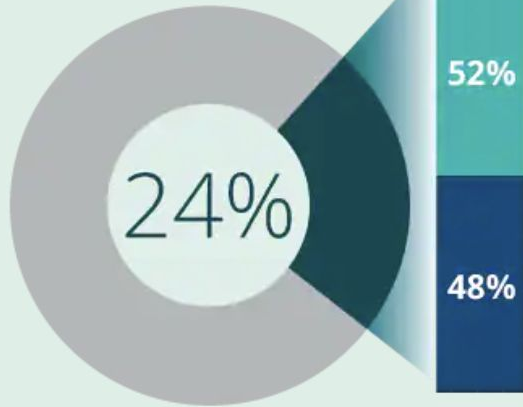
Source: Fundraising Effectiveness Project

[Year-to-Date Nonprofit Sector Trends](#)

Q3 2023 (Jan 1, 2023 - Sept 30, 2023)

As repeat purchases have declined, automated payments have become commonplace.

Automatic payments
(as a percent of
total default payments)



24%

Nondiscretionary payments

Heavy on bank account-linked payments as the default payment option

Examples:

- Financial services payments (such as mortgage or insurance premiums)
- Rent
- Bills/utility payments

Discretionary payments

Comprise a balance of card and account-linked default payment options

Examples:

- Digital media (news subscriptions, music-sharing, song purchases, etc.)
- Person or individual

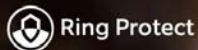
*n=4,407 default payment
transactions*

Source: Deloitte Center for Financial Services analysis.

Graphic: Deloitte University Press | dupress.deloitte.com

SUBSCRIPTIONS IMPACT NEARLY EVERY AREA OF OUR LIVES

- ❑ Video Entertainment
- ❑ Music Streaming
- ❑ Software
- ❑ Subscription Boxes
- ❑ Books
- ❑ Fitness
- ❑ News
- ❑ Groceries/Meal Delivery
- ❑ Vehicle Ownership
- ❑ Your Doorbell?



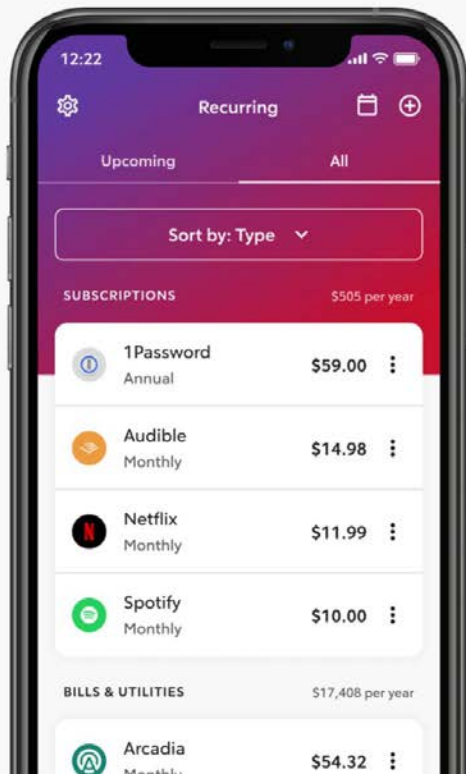
Protect your everyday.

Get even more out of all your devices with Ring Protect, a comprehensive subscription service that lets you review, share, and save every video and photo captured by your Ring device



Review our Protect plans.

	Basic	Plus	Pro
Price ?	\$3.99/mo	\$10/mo	\$20/mo*
Video History for up to 180 Days ¹ ?	✓	✓	✓
Video Saving and Sharing ?	✓	✓	✓
Snapshot Capture ¹ ?	✓	✓	✓
Person Alerts ?	✓	✓	✓
Rich Notifications ?	✓	✓	✓



Take control of your subscriptions

Rocket Money identifies your subscriptions to help you stop paying for things you no longer need. Your concierge is there when you need them to cancel unwanted subscriptions so you don't have to.

Sign up →

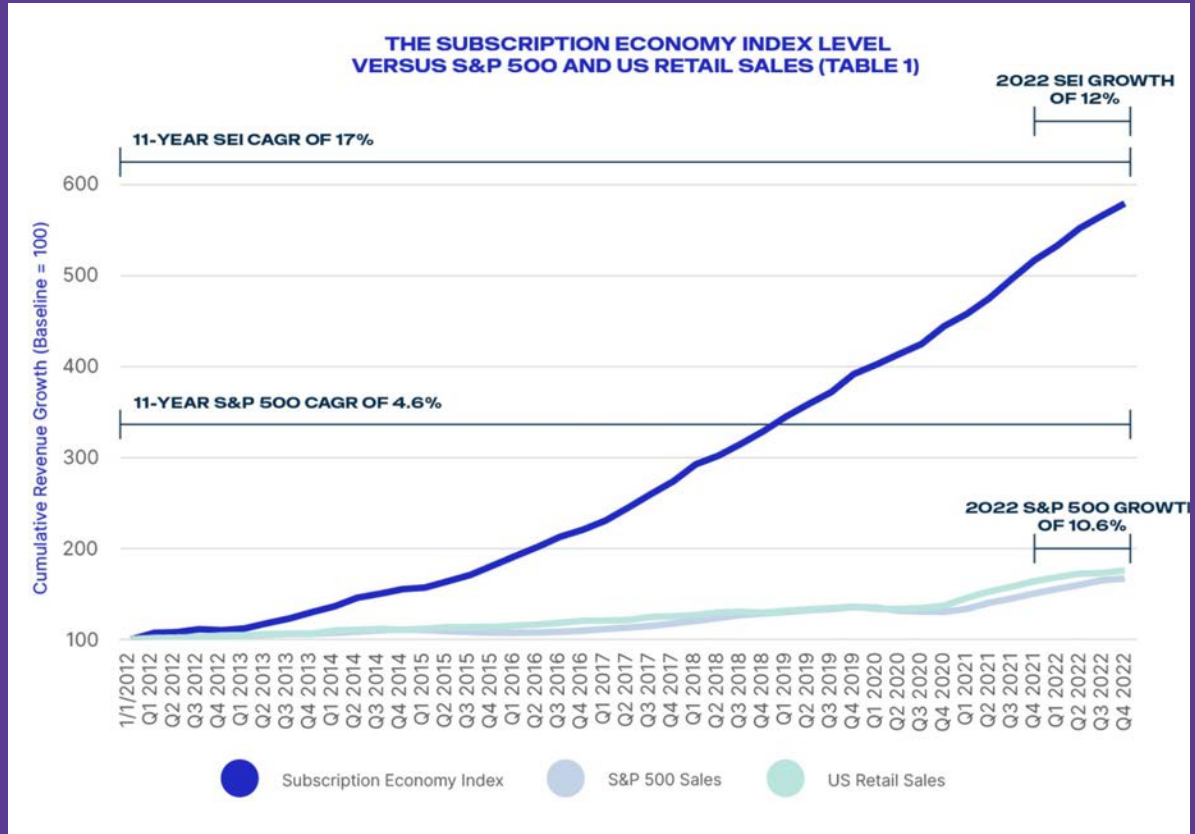
The average American had 6.7 subscriptions
in 2022, up from 4.2 in 2019.
- *Rocket Money*

The logo for IMAGO CONSULTING is centered in the lower half of the image. It features a stylized 'I' icon on the left, followed by the word 'IMAGO' in a large, bold, serif font, and the word 'CONSULTING' in a smaller, bold, serif font below it. The background of the lower half is a dark, textured image of a classical building facade with intricate architectural details.

IMAGO
CONSULTING

Subscription-oriented businesses are growing at nearly 4X the annual growth rate of the S&P 500.

Source: Zuora
The Subscription Economy Index
March 2023



Subscription economy businesses are far outpacing the growth of traditional business (S&P 500).

THE SUBSCRIPTION ECONOMY

The rise of recurring subscriptions in every area of consumer and business life. Customers are buying access always-on and anywhere, memorable experiences, ongoing value, and personalized service.



Donor behavior is changing.

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RECURRING DONORS ARE VALUABLE

- ✓ The **mean gift size** of organizations consistently around **\$63** (\$756/year).
- ✓ Recurring gifts are more likely to be **initiated in January** than in December, where end of year one-time gifts are highest.
- ✓ Recurring givers have a **retention rate of 90%**.
- ✓ Recurring donors are **6X more likely to leave an organization in their will** or make a legacy gift to an organization.
- ✓ The long term value of **sustainer donors is 3-5X** that of single gift donors.
- ✓ Sustainer donors give, on average, **another 25%** on top of recurring giving.

Source: NonProfit PRO

New Industry Research Validates Importance of Recurring Giving

January 2021

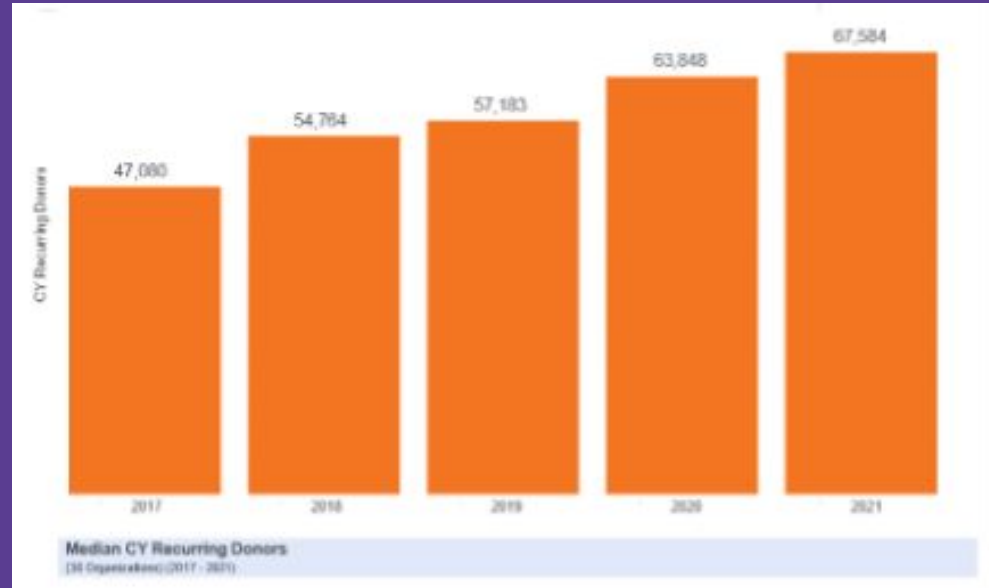
DONORS ARE MORE LIKELY TO GIVE MONTHLY

52% of Millennials are more likely to give monthly over a large one-time donation.


49% of all Baby Boomer and Gen X Donors are already enrolled in a monthly giving program.

Charities who are doing sustainers well saw 44% growth in the median number of monthly donors over the past five years.

Source: Blackbaud donorCentrics
Sustainer Summit
April 2022



The median share of donors making recurring gifts was 18%, while the median number of sustainers increased by 10% from 2020 to 2021.



Donors are more likely to become sustainers, to “subscribe” to services or causes they prefer.



“Subscription Giving”

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EVERYONE ELSE

- “Checkbox” monthly giving.
- Might have a name.
- No real value proposition.
- Historically a distant third place to One-to-One and Membership programs.



**A new breed of sustainer
giving program.**

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“Benevolence” Subscription Giving

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Be·nev·o·lence

“The disposition to do good;
charitableness; love of mankind,
accompanied with a desire to
promote their happiness.”



BENEVOLENCE

- Donor is not beneficiary.
- Benefits are typically intangible, limited.
- One to one relationship is not possible.
- Value proposition becomes paramount.
- Most dependent on donor motivation and insights.



Scale of the Opportunity

FOR SUBSCRIPTION GIVING

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\$119 BILLION
OVER THE NEXT DECADE

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Benevolence Subscription Giving Examples

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Freedom Partners | International Justice Mission



OUR WORK ▾

GET INVOLVED ▾

ABOUT IJM ▾

GIVE NOW

SIGN IN

Send **twice** the rescue every month

Right now, your gifts will be matched for the first year, doubling your impact all year long!

BECOME A FREEDOM PARTNER



THE PROBLEM

Today, there are people who are suffering under the oppression of human trafficking.

The Spring | Charity: Water

charity: water WHY WATER? OUR WORK ABOUT US GET INVOLVED

DONATE

SIGN IN

THE SPRING

Join our community of monthly donors bringing clean water to people around the world.

GIVE ONCE

MONTHLY

Enter an amount to give per month

\$ 60

USD/MONTH

JOIN TODAY

Your \$60.00 monthly donation can give 18 people clean water every year. 100% funds water projects.

Secure Payment - This site is protected by reCAPTCHA and the Google Privacy Policy and Terms of Service apply.

Flight Crew | Mission Aviation Fellowship



FLIGHT CREW

MISSION AVIATION FELLOWSHIP

JOIN NOW

**SEE THE
GOSPEL
TAKE
FLIGHT**

Partners in Hope | St. Jude's Research Hospital

The screenshot shows the St. Jude Children's Research Hospital website. At the top left is the logo with the text "St. Jude Children's Research Hospital". To the right are links for "CONTACT US" and "ESPAÑOL", and two buttons: "Patient Referrals" (blue) and "Donate Now" (red). A navigation bar below contains links for "About Us", "Care & Treatment", "Research", "Training", "Get Involved", "Ways to Give", and a search icon. The main content area features a large heading "Top 5 reasons to become a monthly donor to St. Jude" on a light green background with a sunburst pattern. Below the heading is a paragraph: "Let your impact last all year by becoming a monthly donor to St. Jude Children's Research Hospital. A monthly gift is one of the best ways to support the fight against childhood cancer and other life-threatening diseases. Let's count the reasons why...". A red "Donate Monthly" button is positioned below the text. To the right is a photograph of a young girl, Mikayla, smiling and wearing a floral dress. A caption below the photo reads "St. Jude patient Mikayla". A small blue and white icon is visible in the bottom right corner of the page.

St. Jude Children's Research Hospital

CONTACT US ESPAÑOL Patient Referrals Donate Now

About Us Care & Treatment Research Training Get Involved Ways to Give

Top 5 reasons to become a monthly donor to St. Jude

Let your impact last all year by becoming a monthly donor to St. Jude Children's Research Hospital. A monthly gift is one of the best ways to support the fight against childhood cancer and other life-threatening diseases. Let's count the reasons why...

Donate Monthly

St. Jude patient Mikayla



Three Subscription Giving Insights

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Subscription Giving is a Program, not just an Offer

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Sustainer giving is not
a single gift, 12 times over.

“RECURRING \neq SINGLE GIFT 12X”

Monthly giving is not about taking your best single gift offer, and just convincing donors to do that 12X.



Subscription Giving Requires a Holistic Program Strategy

“IT’S NOT A BOLT-ON”


1. Program Design
2. Structure & Team
3. Systems & Platforms
4. Acquisition
5. Conversion
6. Cultivation
7. Upgrading
8. Retention
9. Reactivation
10. Measurement





Subscription Giving is all About Long-Term Value

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Long-Term Value (LTV) is the *most important, most misunderstood, and most underutilized* metric in all of fundraising.



How do you define LTV?

Our industry lacks a common definition.

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Long-Term Value (LTV)
should be incorporated in
day-to-day decision
making.



Example: Acquisition

A typical response report for acquisition includes metrics such as:

- # Sent / # Impressions
- # Gifts
- Average Gift
- Revenue
- Cost
- Net Income
- ROI

These metrics are short-term – they reflect what happened today, for now.



Example: Acquisition

To incorporate a long-term view, simply add two metrics:


- Projected Long-Term Value (LTV)
- Projected Long-Term ROI (LT-ROI)

Based on history, what is your projected LTV of the donors acquired or converted? And based on that LTV, what is the long-term ROI on the cost of the campaign?



Subscription Giving Requires an Ongoing Value Proposition

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The motivation of the donor is the most important factor in acquiring, cultivating, and growing sustainable giving.

**Describe the
need in terms
of survival
and safety**

Self-actualization
desire to become the most that one can be

Esteem
respect, self-esteem, status, recognition

Love and belonging
friendship, intimacy, family, sense of community

Safety needs
personal security, employment, resources

Physiological needs
air, water, food, shelter, sleep, clothing



Sustainer giving is about cultivating a human connection with need.

Monthly giving is not about giving to provide inanimate things, but meeting people in their moment of need.





Sustainer giving is also about cultivating a human connection with donors.

Monthly giving is about understanding underlying donor beliefs, motivations, and meeting their needs.

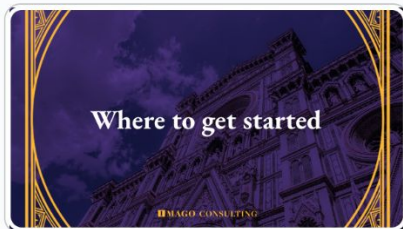




10 QUESTIONS: Sustainer Value Proposition

1. What inspires the donor?
2. What is the need?
3. How are you solving the problem?
4. Why do you need their *ongoing* support?
5. What will their giving do, specifically?
6. Does it make sense?
7. Is it a good deal?
8. Why act now?
9. What are the consequences of not acting?
10. What incentives are there to take action?

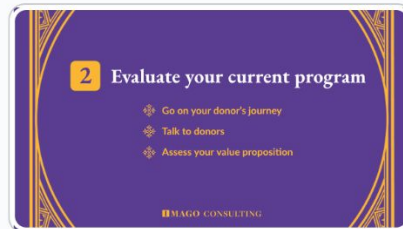
Other practical takeaways (download link incoming)...



85



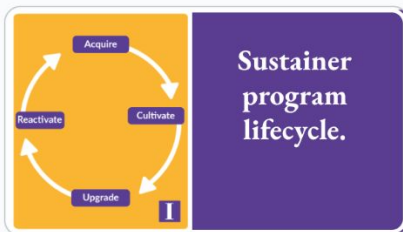
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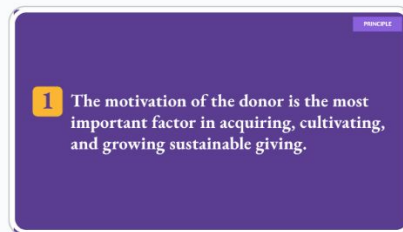
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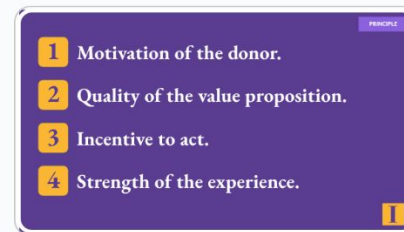
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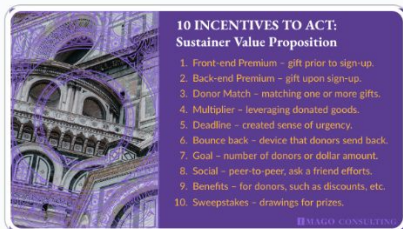
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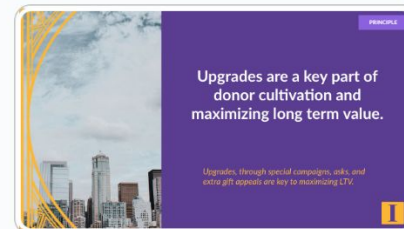
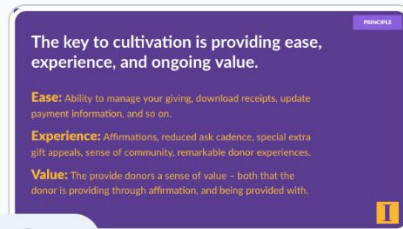
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94



96



Final Thoughts

- ✓ The Subscription Economy is here.
- ✓ It's reshaping recurring giving.
- ✓ Enabling a new kind of *subscription* giving.
- ✓ And transforming existing models.

Can you help me with something?

National Sustainer Study

A national study of U.S.-based nonprofits in nine verticals, looking at recurring giving across philanthropy. The goal is to identify insights and principles across verticals that charities can apply to cultivating thriving sustainer programs.

- ✓ “Good to Great” Style Research
- ✓ Two Elements: Qualitative Interview, Data Benchmarks
- ✓ No Cost to Participate
- ✓ Benefits for Participants Include:
 - Early Summary of Insights
 - Exclusive Seminar of Findings Invitation
 - Helping to Shape the Next Era of Subscription Philanthropy



**Participation
Interest Form**

You can also email
draley@imago.consulting



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draley@imago.consulting

[www.imago.consulting/
sustainerday2024](http://www.imago.consulting/sustainerday2024)



The Future of Sustainable Giving
+ *The Wave Report*
+ *Purpose & Profit Podcast*





Where to get started

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1

Take stock of what you have



Number of sustainers



Income from sustainers



Percentage of total revenue



Long Term Value!

2

Evaluate your current program



Go on your donor's journey



Talk to donors



Assess your value proposition

3

Think: Design, Recruit, Cultivate

- ✦ Design and (re)launch a compelling program
- ✦ Recruit everywhere
- ✦ Onboard, cultivate, upgrade, retain, reactivate

Acquire

Reactivate

Cultivate

Upgrade

I

Sustainer
program
lifecycle.



QUICK START TACTICS: To Drive Sustainer Giving

1. Feature monthly giving on your home page.
2. Highlight monthly giving on your donation page.
3. Incentivize conversion to monthly giving.
4. Get a match for all first time new sustainers.
5. Ask to upgrade to a monthly gift on checkout.
6. Ensure monthly giving is easy to sign up for, manage.
7. Reduce solicitations, send special gift appeals 2-4x/yr.
8. Ask long time monthly givers to upgrade.
9. Audit the credit card decline and cancellation process.
10. Develop a lapsed sustainer reactivation action plan.

1

The motivation of the donor is the most important factor in acquiring, cultivating, and growing sustainable giving.

- 1** Motivation of the donor.
- 2** Quality of the value proposition.
- 3** Incentive to act.
- 4** Strength of the experience.



10 INCENTIVES TO ACT: Sustainer Value Proposition

1. Front-end Premium – gift prior to sign-up.
2. Back-end Premium – gift upon sign-up.
3. Donor Match – matching one or more gifts.
4. Multiplier – leveraging donated goods.
5. Deadline – created sense of urgency.
6. Bounce back – device that donors send back.
7. Goal – number of donors or dollar amount.
8. Social – peer-to-peer, ask a friend efforts.
9. Benefits – for donors, such as discounts, etc.
10. Sweepstakes – drawings for prizes.



SUSTAINER ACQUISITION CHANNELS INCLUDE:

1. Events
2. Artist/Influencer Relations
3. Website
4. Face to Face
5. DRTV/Other Broadcast
6. Phone
7. Email
8. Social Media
9. Digital Media
10. Passive Collateral
11. Direct Mail

The key to cultivation is providing ease, experience, and ongoing value.

Ease: Ability to manage your giving, download receipts, update payment information, and so on.

Experience: Affirmations, reduced ask cadence, special extra gift appeals, sense of community, remarkable donor experiences.

Value: The provide donors a sense of value – both that the donor is providing through affirmation, and being provided with.



Upgrades are a key part of donor cultivation and maximizing long term value.

Upgrades, through special campaigns, asks, and extra gift appeals are key to maximizing LTV.



Reactivation starts with lapse prevention.

- Strong onboarding experience.
- Prioritizing EFT/CC giving types.
- Strong cultivation experience.
- Credit card updater in place.
- Solid lapsed payment processes.



Imago Consulting helps clients create profitable growth.
We do that by helping organizations accelerate sustainable innovation – what they should *strengthen*, what to *stop* doing, and what to *start*. We help leaders identify trends, respond to disruption, develop new initiatives, and create action plans that get implemented.

The image features a dark purple background with a white geometric pattern in the top-left corner. The bottom half of the image shows a photograph of a grand, classical building interior with multiple arches and ornate architectural details. Overlaid on this is the Imago Consulting logo, which consists of a stylized 'I' icon followed by the text 'MAGO CONSULTING' in a serif font.

**I MAGO
CONSULTING**



Profitable growth through Sustainable Innovation.

■ MAGO CONSULTING

Our services include...

Assessment & Action Plan

For leaders looking to launch, relaunch, or sustain a specific program or product. If this is you, the review and action plan will provide a roadmap with measurable outcomes - what to strengthen, stop, and start.

Innovation Review & Growth Plan


A total business review that includes a concrete action plan and roadmap. We'll focus on what to strengthen, stop, and start to drive profitable growth for your organization.

Consulting & Coaching

Personalized guidance, outside wisdom, and a sounding board for senior leaders and their teams. Coaching includes a leadership development review focused on strengths and barriers to profitable growth, innovation, gifting, context, and personal vision.

Workshops

1- to 2-day seminars for your leadership team, group or offsite. Topics include: Building Recurring Revenue in the Subscription Economy, Creating Remarkable Customer Experiences, and Cultivating Profitable Growth through Sustainable Innovation.



If you are interested in a conversation to see if Imago Consulting might be able to help you:

- ❑ Reach out to Dave Raley at: draley@imago.consulting
- ❑ Book a Discovery Call at: www.imago.consulting/contact

