Classy

The State of
Modern Philanthropy

Deconstructing the Online Donor Journey

World Central Kitchen

Operation Broken Silence

Creating Meaningful Connections That Last

If there is one thing that has been reinforced at every step since Classy launched in 2011, it's that the key to sustainable impact is connection-building. We can only effect the change that builds a better future by making meaningful, lasting connections with supporters who buy into a greater purpose.

This is especially true today, as the global crises of 2020 move communities to take action and turn to nonprofit organizations that will respond to those urgent needs. Whether your organization is mobilizing coronavirus (COVID-19) relief efforts, fighting against institutional racism and the inequality and injustice towards the Black community, or advancing its worthy mission in the midst of these two pandemics, it is vital for you to gain and retain this timely support—for your work both today and beyond.

That is why we're excited to share our annual report, *The State of Modern Philanthropy 2020: Deconstructing the Online Donor Journey*. We created this report to surface insights that will help the industry more effectively engage their donor base and create meaningful connections with supporters. To do this, we reviewed over 6 million donor interactions facilitated by the Classy platform from 2018 and 2019.

The first two sections dive into donor referral sources, donor demographics, and new findings around online donor activity. The second half reveals the latest figures around return donor behavior and donor retention, which we first explored in last year's report. This year, we get even more granular, looking at factors like cause category and gift size and exploring how they impact recurring giving and retention.

Keep an eye out for the key data snapshots that start each section and the thought starters that close them out. These questions are intended to spark ideas on how you might apply the findings to your own fundraising strategy and unique set of circumstances. While data is an important part of strategy development, we understand that data-informed decision-making is at its best when coupled with thoughtful, and often qualitative, analysis.

We hope the data presented supports your work in creating connections that stand the test of time and accelerate your organization's impact. All of us here at Classy are behind you.

SORAYA ALEXANDER
SVP, Marketing and Customer Growth

Classy

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San Francisco Gay Men's Chorus

How to Use This Report

Classy is a social enterprise on a mission to mobilize and empower the world for good. To that end, we build world-class online fundraising solutions for nonprofits and we work to maximize social impact by helping nonprofits engage and connect with their audiences in ways that not only build meaningful relationships, but encourage action.

Our annual report, *The State of Modern Philanthropy*, examines the online donor journey in order to provide the nonprofit community with fresh insights about modern donor behavior. In the following pages, we examine giving gateways and donor demographics, donor activity and various pathways, and donor retention. It is our hope that with this information, nonprofits can continue to hone their organizational strategies and build communities of avid lifelong supporters.

About the Data

The data in this report reflects performance on the Classy platform from October 1, 2018, to September 30, 2019. This includes over 40,000 active campaigns from nearly 4,500 organizations that raise anywhere from tens of thousands to millions of dollars annually on the platform.

As such, our data set looks at 6.4 million donations, of which 2.8 million were recurring gifts.

Where expressly stated, we also look at data from October 2017 through September 2018 to examine second actions taken within one year, as well as November and December 2019 to observe 2019 holiday behavior.

A Note on Medians

Throughout the report, you'll notice that, where possible, we report both median and mean figures. We do so to provide readers with the most accurate and representative data points possible. When it comes to online fundraising, "average" does not always mean "typical," due to the broad range of donation amounts. For

example, the vast majority of donations are on the smaller side, but a few larger gifts can drastically increase the average. The median result, in this case, represents what is most "typical." It is more common across the industry to report averages. We report both so that readers may understand common donor behavior and also observe the full breadth of the data and compare findings to other industry reports.

Applying the Data

To help readers apply the report's findings, each of the four main sections closes with thought starters. Organizations and nonprofit professionals may use these prompts to consider their own data sets and potential next steps to further develop their fundraising and community-building strategies.

While data analytics is a crucial component to strategy development, we encourage readers to view this data in the context of their unique environment and resources to make effective decisions.

Executive Summary

In creating *The State of Modern Philanthropy 2020: Deconstructing the Online Donor Journey*, we continue the conversation started in our 2019 report on *Trends in Return Donor Behavior*, while also providing updated industry trends. We review concepts like referral sources, donor demographics, and donor behavior, as well as the subjects of return donor behavior, recurring donors, and donor retention.

Since our 2018 report first surfaced the statistic that recurring donors are over five times more valuable than one-time donors, we've dialed in our focus as a company to better understand what it takes to find, secure, and maintain lasting relationships with community members. This report is an extension of that effort.

Here are some of the key findings we hope you take away from our 2020 report.

It's all in the timing.

Classy has optimized its donation pages to streamline and simplify the checkout process. In fact, 60% of people who check out on a donation page do so in less than a minute. However, when we look at how long people do spend on campaign pages across all campaign types, we see that conversion rates peak in the 4 to 5 minute window, which suggests that people who are engaging with the campaign content have a higher likelihood of converting. For your crowdfunding, peer-to-peer, and event campaigns, provide the right balance of meaningful content and storytelling to capture visitors' attention and prompt them to immediately convert, or continue learning to eventually convert.

This ability to tell your story effectively and efficiently is critical in today's landscape. For organizations that are on the front lines fundraising for global crises, as well as those that are trying to advance your missions amidst them, it's imperative to build campaigns that immediately hook donors in, tell your story in an engaging way, and increase donors' likelihood of completing their gift.

We also found that conversion rates, number of visitors, and number of donors generally peak in the morning and early afternoon (exact hours based on the timezone are provided in section 2). Deploying marketing messages and fundraising appeals at these key times can increase the chances of gifts coming through.

Executive Summary

There's room to get creative and engage Giving Tuesday donors earlier.

A majority of Giving Tuesday donors do not return until the next holiday season, but 31% of those who do return to make a second donation do so within six months. Organizations have an opportunity to amplify their retention tactics and re-activate Giving Tuesday donors earlier in the year—not only through follow-up best practices such as getting them to subscribe to your newsletter or become peer-to-peer fundraisers or recurring donors, but also through creative means that consider the unique preferences and characteristics of this cohort of donors. For example, knowing that these supporters respond to time-based, exciting giving days, organizations might participate in state giving days or use national cause awareness days to create an inflection point during earlier months.

A loyal community is the bedrock of scalable work.

In *The State of Modern Philanthropy 2019*, we found that of all one-time donors who returned to start a recurring gift subscription, 25% proceeded to make another one-time gift (on top of their recurring gift) as a future interaction. In our 2020 report, our analysis reveals that recurring donors continue to prove their willingness to engage with an organization on top of their gift subscription. Of recurring donors who signed up through a donation page and took an additional action, 11% made a contribution to a crowdfunding campaign, 16% purchased an event ticket, 14% signed up to fundraise or donated to a registration with fundraising campaign, and 10% participated in a peer-to-peer campaign.

We also found that recurring giving increases in importance as a revenue stream as organizations scale. Of organizations who raise over $50 million in total revenue, we found that 26% of online revenue through Classy comes from recurring gifts. This suggests that organizations focused on growing their recurring giving programs will be able to truly scale because it's such an efficient revenue stream.

Before jumping into the findings, we next provide a fundraising benchmarks worksheet that allows you to assess your performance against key platform results.

Classy Fundraising Benchmarks Worksheet

Top Results

We also looked at the top 10% within the following categories to shed light on high performers and showcase what's possible.

GIFT SIZE*

Of all **one-time (non-recurring) gifts** in the top 10%, the **median gift size was $488** and the **average was $875**.

Of all **monthly recurring gifts** in the top 10%, the **median gift size was $98** and the **average was $120.**

CAMPAIGN AND FUNDRAISING PAGES**

Of all **campaigns** in the top 10%, the **median amount raised was $47,203** and the **average was $142,288**.

Of all **fundraising pages** in the top 10%, the **median amount raised was $1,676** and the **average was $5,155**.

*Top results are stack-ranked by gift size.
**Top results are stack-ranked by amount raised.

Each year, we provide a worksheet where readers can compare their own organization's results to larger trends across the Classy platform. Use the figures below to see how your results stacked up in 2019.

Gift Size	Classy Benchmark	My Results
Median / average one-time (non-recurring) gift	$48 / $125	
Median / average monthly recurring gift	$20 / $31	

Campaigns and Peer-to-Peer Fundraising Pages	Classy Benchmark	My Results
Median / average amount raised by a campaign	$1,048 / $16,600	
Median / average amount raised by a fundraiser	$99 / $667	

Campaign Traffic	Classy Benchmark	My Results
% traffic from mobile devices, all campaign types	60%	
% mobile traffic from social media, all campaign types	51%	
Conversion rate, all campaign types*	26%	

Giving Tuesday	Classy Benchmark	My Results
% of annual donation volume that occurs from Giving Tuesday through December 31	26%	
Median / average number of new donors acquired on Giving Tuesday versus typical day	4x / 6x	

*Conversion rate is the percentage of visitors who land anywhere in a campaign (e.g., main campaign landing page, an individual's fundraising page) and then complete the act of donating.

Helpful Definitions

The State of Modern Philanthropy is an analysis of Classy platform data. As such, it covers actions specific to Classy's suite of fundraising products. The following terms outline the specific actions supporters may take on the Classy platform, and the various campaign types through which they may do so.

Classy Campaign Actions

Donate
To contribute to an organization with a one-time or recurring donation.

Fundraise
To have a supporter raise money on behalf of an organization, knowing that fundraising efforts can yield more awareness, engagement, and funds than the supporter could provide on their own.

Purchase Tickets
To register for live events, contributing to a cause through active participation.

Classy Campaign Types

Donation Page
A checkout form to process a supporter's donation. While a number of organizations choose to use some amount of space on this page for storytelling, we also know that shorter checkout forms generally lead to higher conversion rates. Primary call to action is to complete a one-time or recurring donation.

Crowdfunding Campaign
A campaign containing a landing page with opportunities for storytelling and impact transparency, followed by a checkout form. Primary call to action is to complete a one-time or recurring donation.

Peer-to-Peer Fundraising Campaign
A campaign featuring a landing page driving supporters to create personal fundraising pages or make a donation. Primary call to action is to fundraise on behalf of the organization.

Classy Events
A suite of event campaigns where the primary call to action is to register for an event or purchase a ticket, or to register for an event and create a personal fundraising page to fundraise on behalf of the organization. Each campaign contains a landing page with opportunities for storytelling and impact transparency, followed by a checkout flow allowing ticket purchases and/or donations. Primary call to action can be to purchase tickets or to fundraise.

Registration with Fundraising Event
A Classy Event where registrants may fundraise on the organization's behalf.

Ticketed Event
A Classy Event where attendees can purchase a ticket or registration but do not fundraise for the organization.

Additional Key Terms

Interaction
Any action a return donor could take with an organization through the Classy platform, such as making a one-time donation, becoming a recurring donor, becoming a fundraiser, purchasing a ticket, or paying for an event registration.

Mobile Device
Includes both cell phones and tablets.

Social Media Referral Source
When a donor came to the campaign from Facebook, Instagram, Twitter, or other social media channels.

Third-Party Donor
A donor who contributes to an organization through an intermediary party, such as a donor to an individual's personal fundraising page.

Giving Gateways
and Donor Age

SECTION 1

Giving Gateways and Donor Age

It's essential to understand donor expectations, preferences, and phase of life in order to rally the support your cause deserves. When you understand where donors spend their time online and how they choose to interact with your organization, you can build effective engagement strategies that attract and convert interest into dollars.

Mobile Traffic and Social Media

Keeping a close eye on traffic referral sources is one way to better understand where your supporters spend their time online. Are the majority of your visitors using a mobile device? Are donors finding your campaigns through social media?

These insights will highlight the importance of mobile-responsive campaign pages for your organization and allow you to focus your resources in the right places.

DEVICE TRAFFIC ON CLASSY

43% of donations made on the Classy platform are from mobile devices

60% mobile traffic

40% desktop traffic

20% mobile conversion rate

35% desktop conversion rate

TRAFFIC FROM SOCIAL MEDIA ON CLASSY

50% of mobile traffic comes from social media

19% of desktop traffic comes from social media

% Traffic Coming From Social Media by Campaign Type

- Donation Page
- Crowdfunding
- Peer-to-Peer
- Registration with Fundraising
- Ticketed Event

75

50

0

11%

33%

57%

52%

35%
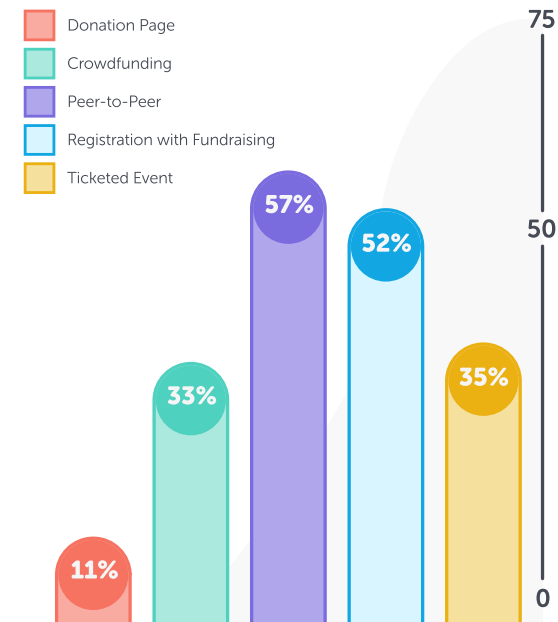
Giving Gateways and Donor Age

Campaign Type and Conversion Rates

Classy's suite of fundraising tools allows our nonprofit customers to create highly unique and branded online experiences for their supporters. At your organization, you may find that certain campaign types are more appropriate at different times depending on the makeup of your supporter base or seasonality.

One observation below is that donation pages and crowdfunding pages bring in a considerable percentage of revenue from recurring donations, with 21% and 34% of revenue coming from recurring gifts respectively. The fundraising power of peer-to-peer and registration with fundraising campaigns is also worth noting. Of all Classy

campaign types, their median raised per campaign is highest at $1,996 and $2,197 respectively. This speaks to the power of being able to leverage supporter networks to extend the reach of particular campaigns beyond an organization's own base.

The median contribution to a peer-to-peer campaign is also impressive. While you may expect a third-party donor to contribute less to an organization than the typical donor to a donation or crowdfunding page, we see that the median gift size is similar across all three campaign types. The higher averages for donation pages and crowdfunding campaigns are attributed to larger gifts, which are more common to the latter campaign types.

Campaign Type	Conversion Rate	Median/Average Raised by a Campaign	Median/Average One-time Gift	% Revenue From Recurring Donors
Donation Page	31%	$983 / $18,014	$51 / $197	21%
Crowdfunding	26%	$1,208 / $13,539	$50 / $175	34%
Peer-to-Peer	23%	$1,996 / $13,069	$48 / $98	4%
Registration with Fundraising	26%	$2,197 / $16,665	$29 / $60	0.4%
Ticketed Event	18%	$283 / $4,676	$5 / $115	0.5%

Giving Gateways and Donor Age

Donor Age

Demographic data, such as a donor's age, can help organizations get a better picture of their community members. The more you know about your supporters, the more you can tailor every interaction to them. Our analysis found the majority of causes, as assessed by NTEE code, see median donor age hovering right around 42. However, we observed that Arts, Culture, and Humanities, as well as Religion, skewed a bit older at 47 for the median age. Human Services skewed slightly younger at 41.

42	**Median donor age** for the majority of causes
44	**Average donor age** for the majority of causes

Thought Starters

HOW DO YOU ENCOURAGE RECURRING CONTRIBUTIONS ON YOUR DONATION PAGES AND CROWDFUNDING CAMPAIGNS?

Of all campaign types, donation pages and crowdfunding campaigns had the largest percentage of revenue from recurring contributions. If you don't already, we strongly recommend offering the option to make a recurring contribution on your standard donation forms or crowdfunding campaign checkout pages. Another powerful strategy is to run an entire crowdfunding campaign or custom donation page to promote a branded recurring giving program and build your cohort of monthly donors.

DO YOU PROVIDE ENOUGH INFORMATION ON YOUR TICKETED EVENT PAGES?

Our platform analysis revealed that ticketed event pages have the lowest conversion rates across all campaign types at 18%. As you create ticketed event pages, ask for feedback on your page to ensure visitors have all the information they might need in order to make a purchase decision.

HOW DO YOU FACTOR DEMOGRAPHIC DATA LIKE AGE INTO YOUR FUNDRAISING STRATEGY?

Collecting demographic data such as donor age can better acquaint you with your community and inform strategy decisions, including where to spend advertising dollars. If a majority of your supporters are between the ages of 40 and 50, for example, research which channels they frequent or the activities they tend to be interested in to better engage them. This information can also identify any gaps or untapped pools of supporters for your organization, prompting you to refine your outreach strategies.

Donor Activity

SECTION 2

Key Data Snapshot

Campaign visitors who spend 4 to 5 minutes going through an organization's campaign page flow **convert at the highest rate** (**63%**)

Conversion rates typically **peak in the morning to early afternoon** across the country

26% of annual transaction volume **occurs from Giving Tuesday to December 31**

Donor Activity

The specific actions donors take with your organization, and when and how they do so, should inform how you create and evolve your engagement tactics. Understanding how external factors such as time of day and seasonality come into play can allow for more precise decision-making and calendar-planning.

Timing

Understand how time impacts your community of supporters in order to reach them at the most opportune moment. When are they most engaged? What time of day? What time of year? What's the right amount of time spent on the full campaign page flow to secure their support without losing them? Answering these questions lets us offer tangible recommendations to impact conversions.

TIME SPENT

We examined how the amount of time visitors spend on Classy campaign pages impact conversion rates. This includes time spent on landing pages, interacting with any media, or going through the checkout process.
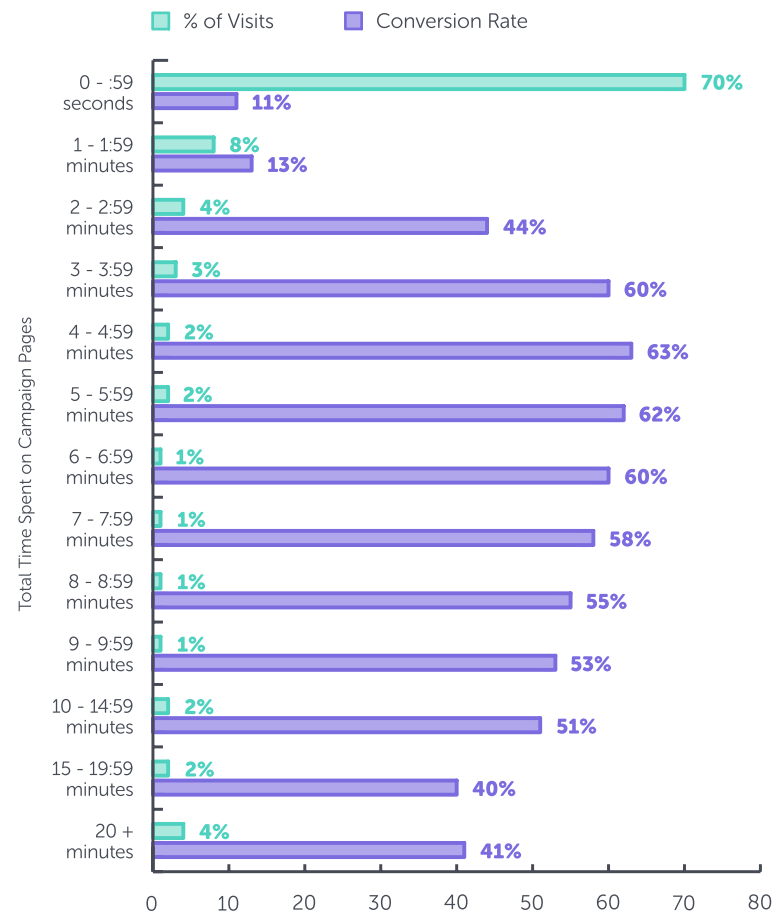

The ALS Association

Donor Activity

CONVERSION BY TIME SPENT ON CAMPAIGN PAGES

In the chart on the right, we see that 70% of visitors take action—either bouncing or converting—within the first minute and convert at 11%. However, conversion rates climb significantly when time spent increases, peaking at the 4 to 5 minute window. Organizations must capture visitors' attention as soon as they land, either to immediately convert or to keep learning more to eventually convert. Provide compelling and inspiring content on campaign pages that engages potential supporters and prompts them to take action.

Look at the average and median time spent on your campaign pages. Examine the amount of information you provide potential donors, and ensure you're not overloading them while still giving them enough to buy into your cause. Also consider the type of content you're providing; a video might be more engaging and digestible than a ton of text on your campaign page.

DONATION PAGE CONVERSIONS BY TIME SPENT

It's important to call out that donation pages specifically are an exception to this general insight. Classy has optimized donation pages to ensure a speedy checkout process. When we look at just donation pages as a campaign type, we find that of **60% of people who make a donation, do so in less than one minute**. These findings point to the highly optimized nature of these forms and that people landing on these pages have already made the decision to donate.

% of Visits   Conversion Rate

Total Time Spent on Campaign Pages

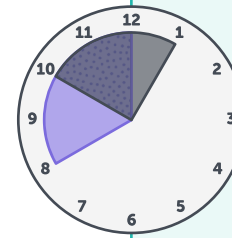| Time	% of Visits	Conversion Rate
0 - :59 seconds	70%	11%
1 - 1:59 minutes	8%	13%
2 - 2:59 minutes	4%	44%
3 - 3:59 minutes	3%	60%
4 - 4:59 minutes	2%	63%
5 - 5:59 minutes	2%	62%
6 - 6:59 minutes	1%	60%
7 - 7:59 minutes	1%	58%
8 - 8:59 minutes	1%	55%
9 - 9:59 minutes	1%	53%
10 - 14:59 minutes	2%	51%
15 - 19:59 minutes	2%	40%
20 + minutes	4%	41%

28% of people who convert across any campaign type check out in less than 1 minute
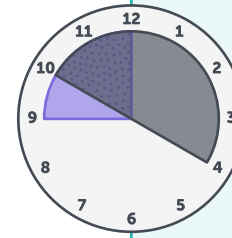
Donor Activity

Time of Day

We looked at conversion rates, number of visitors, and number of donors per hour within the different time zones across the United States.

Green Beret Foundation

Pacific Standard Time

■ **Number of visitors peaks** from **10 a.m. to 1 p.m**

■ **Conversion rates peak** from **8 a.m. to 12 p.m.**

▪ **Number of donors peaks** from **10 a.m. to 12 p.m.**

Mountain Standard Time

■ **Number of visitors peaks** from **10 a.m. to 4 p.m.**

■ **Conversion rates peak** from **9 a.m. to 12 p.m.**

▪ **Number of donors peaks** from **10 a.m. to 12 p.m.**
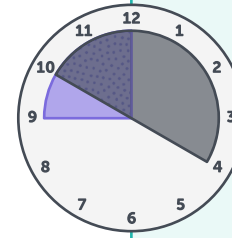
Central Standard Time

■ **Number of visitors peaks** from **10 a.m. to 4 p.m.**

■ **Conversion rates peak** from **9 a.m. to 12 p.m.**

▪ **Number of donors peaks** from **10 a.m. to 12 p.m.**
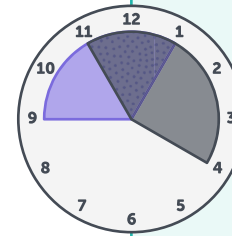
Eastern Standard Time

■ **Number of visitors peaks** from **11 a.m. to 4 p.m.**

■ **Conversion rates peak** from **9 a.m. to 1 p.m.**

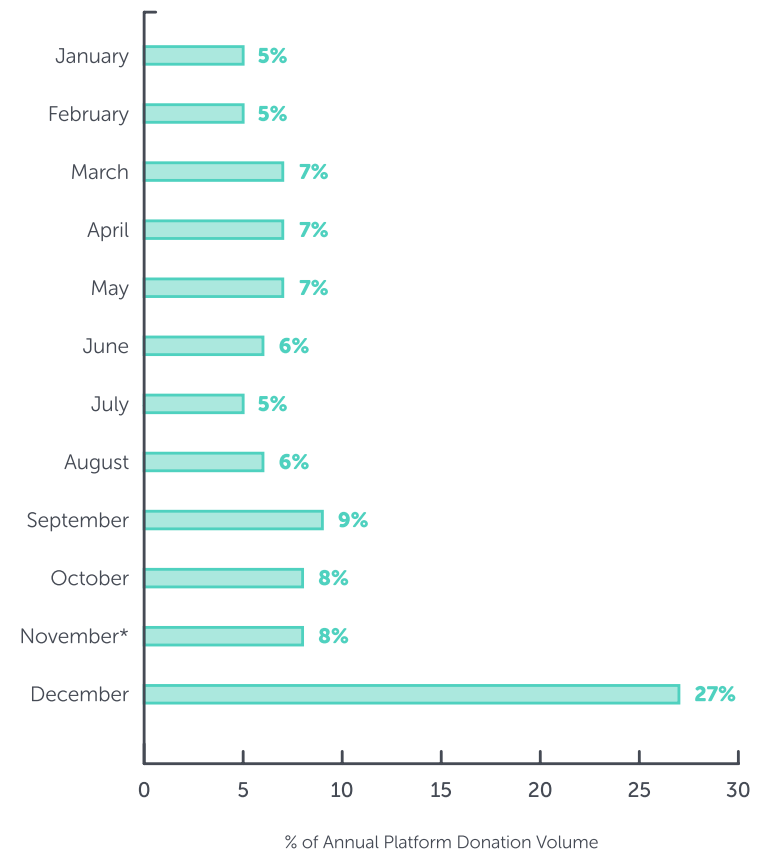▪ **Number of donors peaks** from **11 a.m to 1 p.m.**

Donor Activity

Seasonality

We also looked at donation volume, conversion rates, and number of visitors and donors by month in an effort to observe how time of year impacts supporter engagement. In this section, we look at the full calendar year of 2019 to draw conclusions.

We observed that the highest month of transaction volume outside of December was September. In the spring months, we see volume rise between March and May, fall slightly through the summer months, then pick up again in September.

It's important to note that these findings are influenced by both seasonality (holidays, summer slump) as well as marketing and fundraising activities designed by nonprofits.

DONATION VOLUME BY MONTH

Month	%
January	5%
February	5%
March	7%
April	7%
May	7%
June	6%
July	5%
August	6%
September	9%
October	8%
November*	8%
December	27%

% of Annual Platform Donation Volume

*In 2019, Giving Tuesday took place on December 3. Its December date in 2019 contributed to the smaller percentage of total volume observed in November versus 2018. In 2018, Giving Tuesday fell in November, and November accounted for 11% of transaction volume.

Donor Activity

Traffic, Conversion Rates, and Donors by Month

We looked at traffic, conversion rates, and number of donors to campaigns throughout the year. Aside from seasonality's impact on traffic, nonprofits can drive visitors to their pages through marketing and fundraising pushes, while conversion rates and number of donors will ultimately depend on the giving experience you provide and the donor's decision to give.

There is early traction for both visitors and donors in February and March, a dip in the summer months before peaking again in September, and then steadily rising through the holiday season.

While there is some seasonality impact on conversion rates, they remain comparatively constant, differing only by a few percentage points throughout the year. This is likely in part due to the nature of an organization's donation experience, which generally remains consistent throughout the year.

CONVERSION AND COUNT BY MONTH

Visitors per Campaign — Conversion Rate — Donors per Campaign
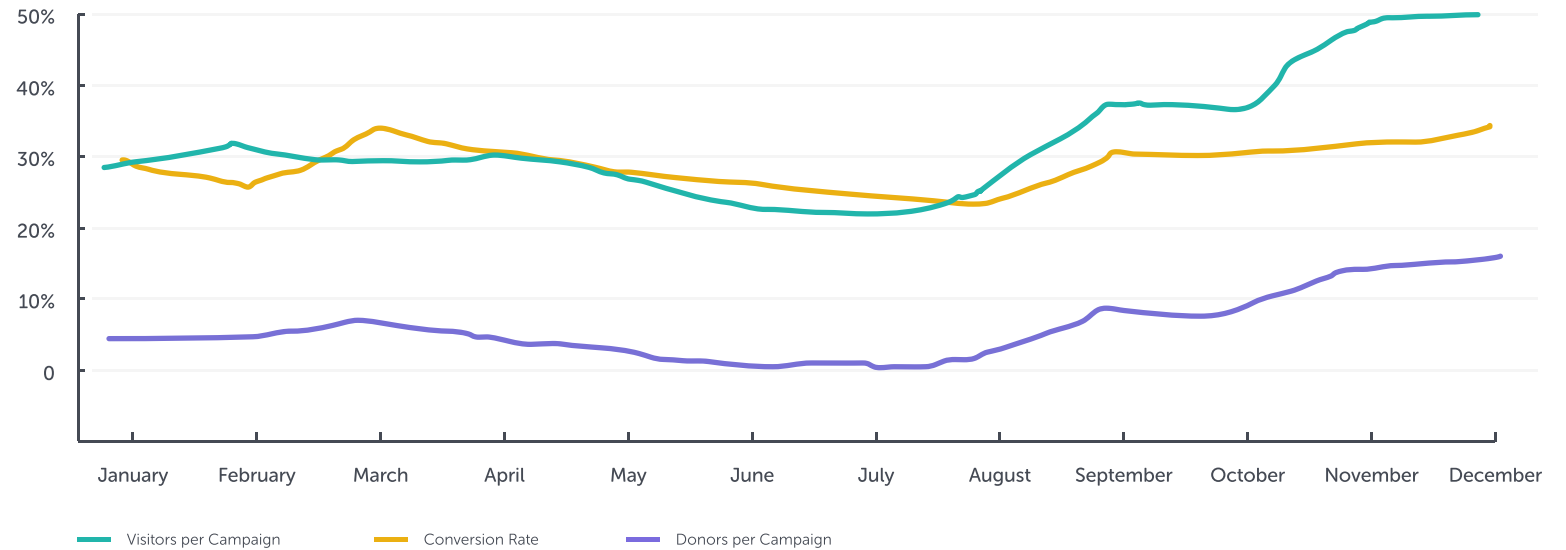
Donor Activity

Holidays

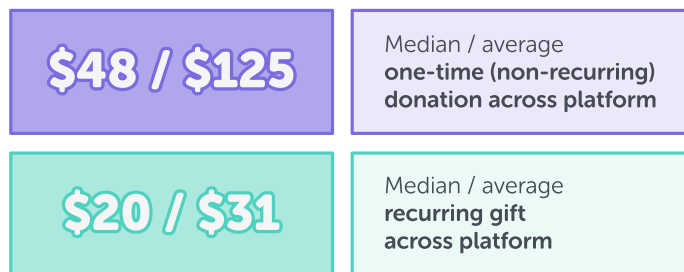The 2019 holiday season gives a good snapshot of the importance of end-of-year fundraising.
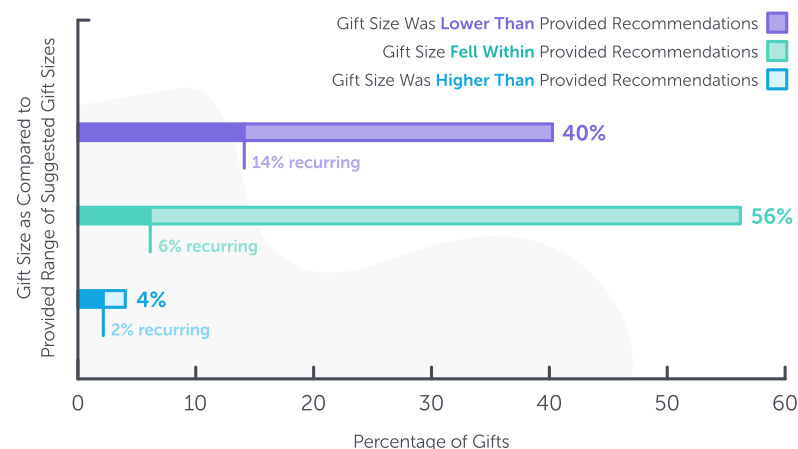
- 26% of Classy's annual donation volume occurred from Giving Tuesday to December 31

- 10% of Classy's annual donation volume occurred during the last five days of the year

Donation Sizes and Suggested Gift Amounts

To help nonprofits write effective appeals and provide optimal gift size recommendations, we next looked at how suggested gift ranges impact donation amounts.

$48 / $125	Median / average **one-time (non-recurring) donation across platform**
$20 / $31	Median / average **recurring gift across platform**

On Classy's donation pages, organizations can provide four potential gift size recommendations (and an "other" option) to visitors.

Gift Size as Compared to Provided Range of Suggested Gift Sizes

Gift Size Was **Lower Than** Provided Recommendations
Gift Size **Fell Within** Provided Recommendations
Gift Size Was **Higher Than** Provided Recommendations

- 40% — 14% recurring
- 56% — 6% recurring
- 4% — 2% recurring

Percentage of Gifts (0, 10, 20, 30, 40, 50, 60)

Though 40% of gifts were smaller than the suggested donation amounts, 14% of those transactions were recurring donations. These monthly gifts can understandably be smaller in size, but they have a higher lifetime value in the long term.

In any case, organizations can still influence average gift size through their recommended default amounts. One experiment to try is to set your lowest default amount as your median gift size to see how it impacts your results. Even people who choose to give less than your lowest default amount may use it as a reference point for their gift, and give something closer to that amount than they otherwise might have.

Donor Activity

Thought Starters

DO YOUR CAMPAIGN PAGES STRIKE THE RIGHT BALANCE OF INFORMATION TO DRIVE CONVERSIONS?

Our analysis revealed that visitors who spend 4 to 5 minutes on the campaign flow convert at the highest rate. Evaluate whether you're providing pertinent information on your campaign pages, but also not overloading prospects with too much text. Always test your pages with colleagues and potential donors and implement their feedback. Ideally you can leverage testing software to allow for continuous live testing with donors.

ARE YOUR APPEALS AND MARKETING MESSAGES OPTIMIZED FOR TIME OF DAY?

We found that conversion rates were generally highest from 9 a.m. to 12 p.m. across the country. Monitor your own community's engagement rates by time of day to optimize marketing sends accordingly.

DO YOU GIVE YOUR ORGANIZATION ENOUGH RUNWAY TO PLAN AHEAD FOR THE HOLIDAY FLOOD OF DONATION VOLUME?

All fundraising professionals know the importance of end-of-year giving. But when we observe that 26% of annual fundraising occurs between Giving Tuesday and December 31, it's important to plan for this season accordingly.

Consider what small steps you can take earlier in the year to ensure your organization is well-positioned to capitalize on Giving Tuesday and into the end of the year.

Water4

Donor
Pathways

SECTION 3

Key Data Snapshot

Of donors who return to give again, **23%** who originally gave through a crowdfunding campaign **go on to give** through the organization's donation page

Of Giving Tuesday donors who return to make a second donation, **31% return** within six months of Giving Tuesday

Of recurring donors who signed up through a donation page and came back to make an additional one-time gift, **51% returned to give** through a different campaign type

Donor Pathways

The State of Modern Philanthropy 2019 closely examined any follow-on action taken by donors who initially gave a one-time gift in order to shed light on common follow-up behaviors. In this section on donor pathways, we seek to provide an update on that research.

For the purpose of this analysis, we started with donors from October 2017 through September 2018 and then looked at second actions that were taken within one year.
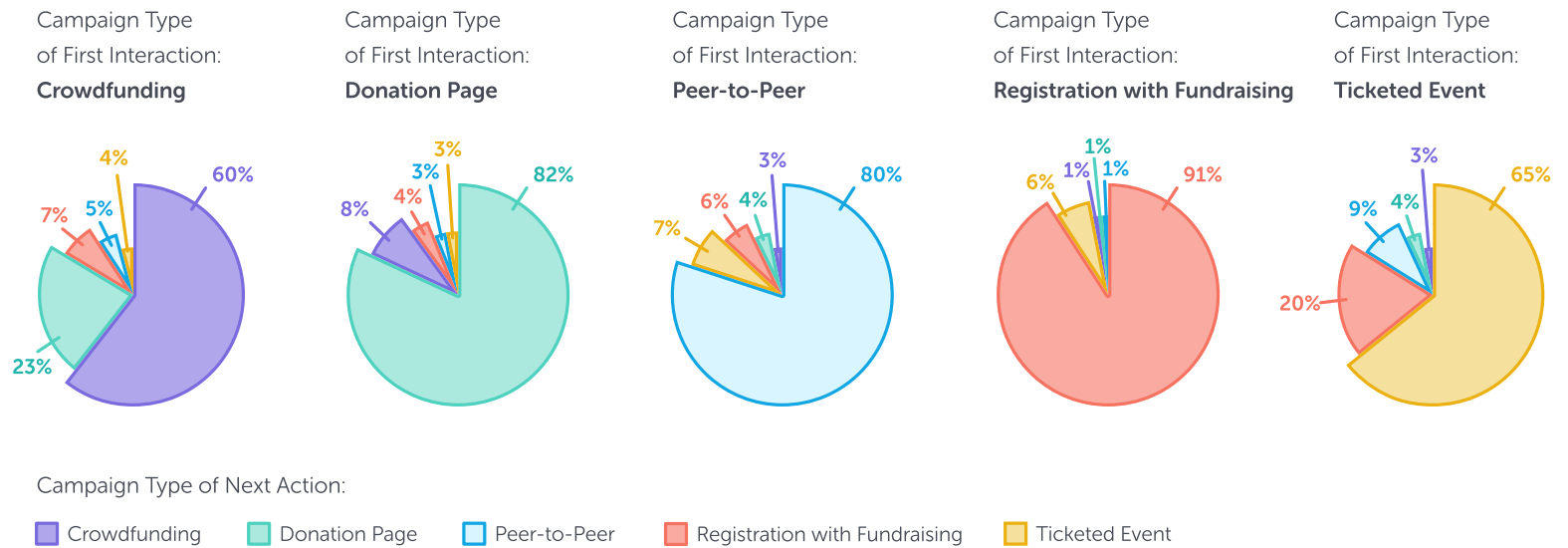
Donor Pathways

To observe how donors re-engage with nonprofits, we looked at donors with at least two interactions to understand trends in follow-up behavior.

We observe that when donors return to take a second action, they tend to return to their first campaign type. This behavior was strongest in donors to registration with fundraising campaigns—91% of donors who first gave to a registration with fundraising campaign and returned to take a second action, did so again with another (or the same) registration with fundraising campaign. We also see that a large percentage of donors who first give to crowdfunding campaigns go on to donate to a donation page.

SECOND ACTIONS BY CAMPAIGN TYPE

Campaign Type of First Interaction: **Crowdfunding**

Campaign Type of First Interaction: **Donation Page**

Campaign Type of First Interaction: **Peer-to-Peer**

Campaign Type of First Interaction: **Registration with Fundraising**

Campaign Type of First Interaction: **Ticketed Event**

Campaign Type of Next Action:

- Crowdfunding
- Donation Page
- Peer-to-Peer
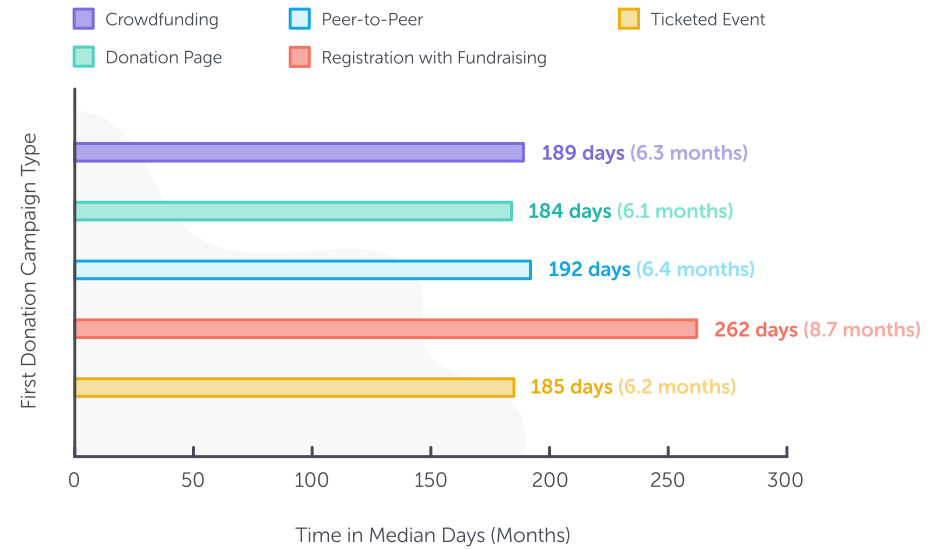- Registration with Fundraising
- Ticketed Event

Donor Pathways

We observe that registration with fundraising campaigns have the longest time between donations. Further examination showed that there are two main points when donors return: the first is within one month of their first interaction, and the second is at the year mark. For those returning within one month, we see them making a second donation, likely to their own personal fundraising page.

Those returning at the one-year mark are registering and creating another personal fundraising page, perhaps for the same annual campaign.

TIME BETWEEN FIRST AND SECOND INTERACTIONS

- Crowdfunding
- Peer-to-Peer
- Ticketed Event
- Donation Page
- Registration with Fundraising

First Donation Campaign Type

- **189 days** (6.3 months)
- **184 days** (6.1 months)
- **192 days** (6.4 months)
- **262 days** (8.7 months)
- **185 days** (6.2 months)

0   50   100   150   200   250   300
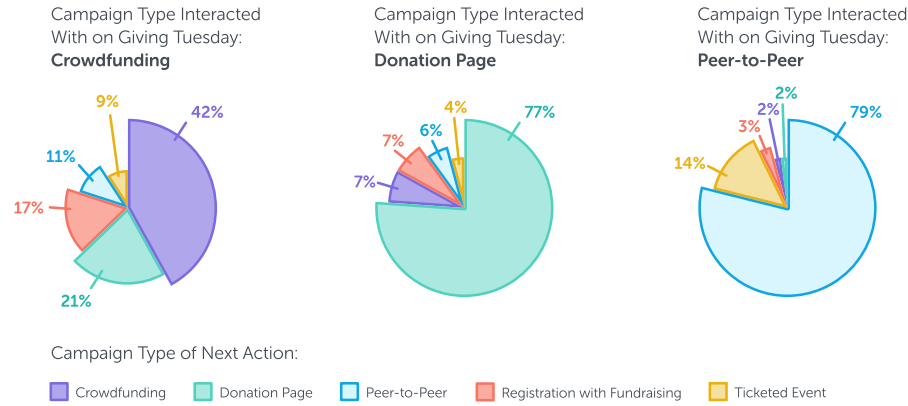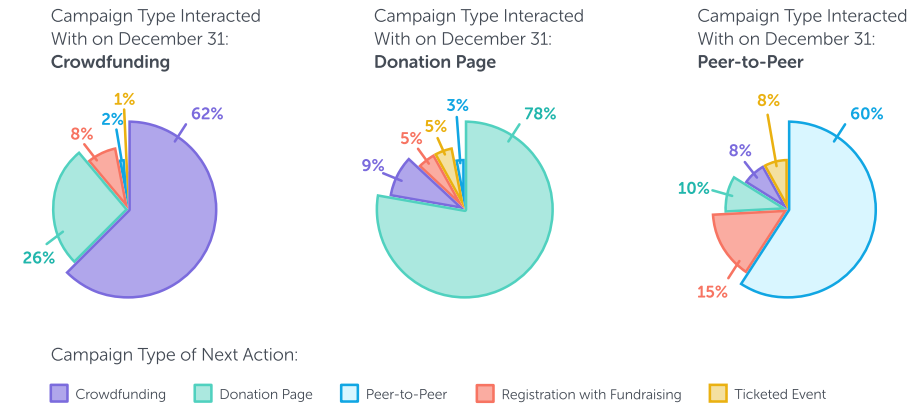
Time in Median Days (Months)

Donor Pathways

Second Actions of End-of-Year Donors

For the following two charts, we looked at only the most common campaign types run on Giving Tuesday and December 31, as the number of registration with fundraising and ticketed event campaigns were negligible.

SECOND ACTIONS OF GIVING TUESDAY DONORS

Campaign Type Interacted With on Giving Tuesday: **Crowdfunding**

Campaign Type Interacted With on Giving Tuesday: **Donation Page**

Campaign Type Interacted With on Giving Tuesday: **Peer-to-Peer**

Campaign Type of Next Action:

- Crowdfunding
- Donation Page
- Peer-to-Peer
- Registration with Fundraising
- Ticketed Event

SECOND ACTIONS OF DECEMBER 31 DONORS

Campaign Type Interacted With on December 31: **Crowdfunding**

Campaign Type Interacted With on December 31: **Donation Page**

Campaign Type Interacted With on December 31: **Peer-to-Peer**

Campaign Type of Next Action:

- Crowdfunding
- Donation Page
- Peer-to-Peer
- Registration with Fundraising
- Ticketed Event

When isolating Giving Tuesday and December 31 donors, we found they followed a similar pattern to what we observed across all campaign types throughout the year—a majority of returning donors engage with the same campaign type as the one they first engaged with on that holiday.

However, it is worth noting that the return rates to each campaign type are similar or lower than the rates we observe for typical donors who give throughout the year. This may be because donors who give during these giving days may be more motivated by the time-based event rather than a specific campaign or campaign type.

Donor Pathways

When Do Giving Tuesday and December 31 Donors Return?

Giving Tuesday
Time in Median Days: **315**

December 31
Time in Median Days: **331**
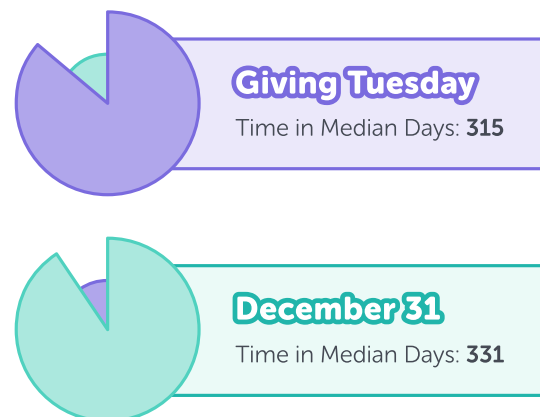
It's important to note that for both Giving Tuesday and December 31 donors, the most common time that they return is at the one-year mark. Giving Tuesday has a slightly lower median because a higher number of return donors engage throughout the year relative to December 31.

We found that of the donors who return after Giving Tuesday to make a second donation, a full 31% return within six months of Giving Tuesday. This suggests that while these donors might be highly motivated by time-based and

seasonal events, they also demonstrate interest in taking action again, and organizations have an opportunity to re-engage these donors earlier in the year.th

> Evaluate your retention strategy for Giving Tuesday donors. In addition to follow-up best practices, you might even consider activating them again through similar means.

How might your organization create a time-based event that instills a sense of urgency and excitement, say, in April? Is there a cause day that aligns with your mission around which you could build a campaign? Does your state have an annual giving day? Host a creative brainstorm to build a strategy to engage these donors earlier in the year in a way that resonates.

Donor Pathways

Second Actions of Recurring Donors

We looked at the second actions of people who originally signed up for a recurring gift. In the following chart, we compare the most common campaign types that initially secured the recurring gifts, and then the campaign type to which the recurring donor gave next. Note that the numbers of recurring signups accrued through registration with fundraising and ticketed event campaigns were negligible and so are not displayed.
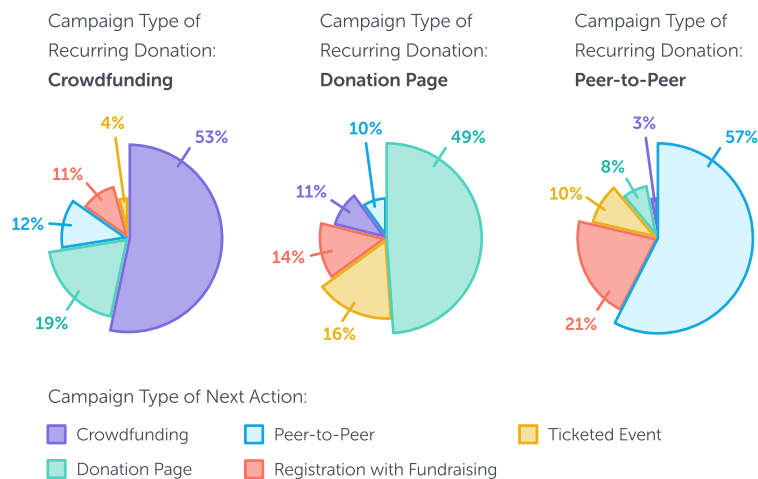
When we isolate recurring donors, we continue to see that the campaign type by which they signed up for their recurring gift tends to be the same campaign type that they return to for an additional interaction.

Yet, one difference among recurring donors is that they engage with other campaign types at higher rates than non-recurring donors. For example, if 49% of recurring donors who first gave through a donation page give again to another donation page, that means the other 51% returned to give through a different campaign type. This is compared to only 18% of non-recurring donors who gave to a donation page and returned to give through a different campaign type.

This willingness to engage through different avenues, regardless of initial campaign type, only points to recurring donors' demonstrated commitment to your organization, and the opportunity to continue to make additional asks.

SECOND ACTIONS OF RECURRING DONORS

Campaign Type of Recurring Donation: **Crowdfunding**

Campaign Type of Recurring Donation: **Donation Page**

Campaign Type of Recurring Donation: **Peer-to-Peer**

Crowdfunding: 53%, 4%, 11%, 12%, 19%

Donation Page: 10%, 49%, 11%, 14%, 16%

Peer-to-Peer: 3%, 57%, 8%, 10%, 21%

Campaign Type of Next Action:
- Crowdfunding
- Peer-to-Peer
- Ticketed Event
- Donation Page
- Registration with Fundraising

Donor Pathways

WHAT DOES YOUR DONATION FOLLOW-UP FLOW LOOK LIKE?

Do you consider the ways in which your donors are most likely to re-engage with your organization? As you build follow-up communications for your various fundraising campaigns, identify which actions are not only most likely for them to take, but which actions you'd like to encourage next. The more targeted your messaging, the more likely a donor is to consider a second action.

WHEN DO YOU RE-ENGAGE GIVING TUESDAY DONORS?

Our analysis revealed a general willingness for Giving Tuesday donors to return one year later to give again, suggesting an interest in this annual time-based event. However, we also found that there is a clear opportunity to re-engage this group earlier, as 31% of Giving Tuesday donors who return, do so to give a second donation within six months.

> Evaluate how your organization follows up with Giving Tuesday donors and **consider offering engagement opportunities** that have a similar appeal, such as cause awareness days or state-giving days.

DO YOU APPEAL TO YOUR RECURRING DONORS FOR ADDITIONAL ONE-OFF INITIATIVES?

Recurring donors are some of your most avid supporters. In our data analysis over the years, they have proven time and time again their willingness to further engage with organizations in addition to their established recurring contribution. Instead of "setting and forgetting" your recurring donors, continue to express gratitude, recognize them as your inner circle of supporters integral to achieving your mission, and invite them deeper into your work with additional one-time asks, first access to event tickets, special discounts, or involvement in the soft launches of your new fundraising campaigns.

Donor
Retention

SECTION 4

Donor Retention

Regardless of where you currently stand when it comes to retaining supporters, the universal starting point is making retention a primary focus for your development team. The sooner you can make this commitment, the sooner you will reap the rewards of building a more sustainable community of support.

In order to help organizations build retention strategies that encourage repeat engagement, Classy's data team is dedicated to prioritizing retention analysis. The following insights can be used to optimize retention from the get-go.

$20 / $31

Median / average **recurring donation size**

18 months

Average length of a **recurring gift**

New York Philharmonic

Donor Retention

Recurring Donations by NTEE Code

In the following chart we organize recurring donation statistics by NTEE code. First-year churn rate is defined as the number of people who, at any point in their first year of making a recurring gift, stopped giving after their second monthly gift.

Arts, Culture, and Humanities, as well as Religion-Related organizations, both outperform the averages in the categories of first-year completion rate and average length of recurring gifts. This could be in part due to a) institutions like museums offering perks or access to members, and b) the community-centric nature of these two cause categories. This leads us to suggest that organizations should articulate clear incentives for their recurring donors (e.g. exclusive newsletters or content, swag, etc.) and help them feel like they belong to a unique community to encourage them to continue their support.
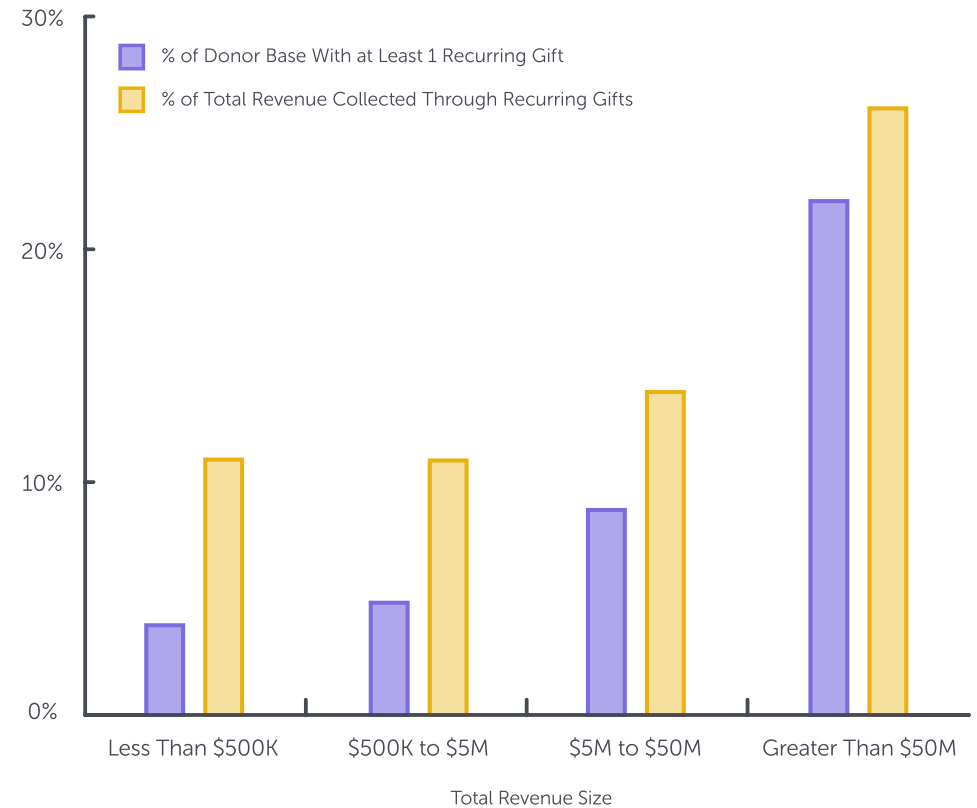
NTEE Code	Median Recurring Gift Size	First-Year Churn Rate	First-Year Completion Rate	Avg. Length of Recurring Gift (Months)
Arts, Culture, and Humanities	$10	38%	62%	22
Education	$20	49%	51%	18
Environment and Animals	$15	42%	58%	20
Health	$19	43%	57%	20
Human Services	$26	45%	55%	18
International, Foreign Affairs	$24	66%	34%	15
Public, Societal Benefit	$25	45%	55%	19
Religion-Related	$30	42%	58%	20
Unknown, Unclassified	$25	42%	58%	19

Donor Retention

Recurring Donations by Organizational Revenue

Our analysis revealed that larger organizations have considerably higher amounts of recurring donors, donations, and total revenue from recurring contributions. For smaller organizations, this presents a strong case for prioritizing this revenue stream as your organization grows. Perhaps donors also feel more confident contributing on a recurring basis when organizations are more established and instill a sense of trust. While we can't say for sure, incorporating trust-building statements and social proof in your marketing messages may help supporters sign up to take the leap and "go steady."


Legend:
- % of Donor Base With at Least 1 Recurring Gift
- % of Total Revenue Collected Through Recurring Gifts

Y-axis: 0%, 10%, 20%, 30%

X-axis (Total Revenue Size): Less Than $500K, $500K to $5M, $5M to $50M, Greater Than $50M

Donor Retention

Donor Retention

To examine retention rates, we started with donors from October 2017 through September 2018 and then looked to see which of those donors were retained in the period of October 2018 to September 2019.

RETENTION BY DONATION AMOUNT
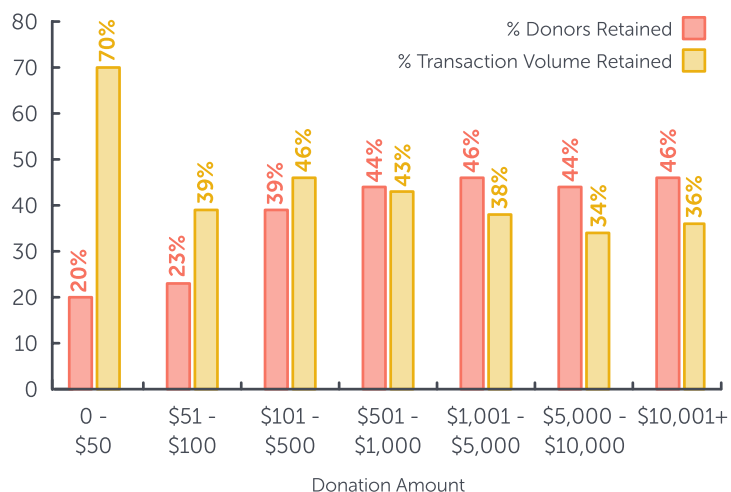
Interestingly, of donations between $0 and $50, only 20% of those individual donors were retained the next year, but 70% of the revenue generated by those original donors was retained. Upon further analysis, we found that 48% of the retained donors in the $0 to $50 range had upgraded to a higher bucket, suggesting that the greater donation volume

retention is a result of upgrades and re-engagement. Clearly, organizations have an opportunity to "upsell" their donors and ask for larger contributions as individual relationships develop over time.

Thought Starters

DO YOU FOSTER A SENSE OF COMMUNITY WITH YOUR SUPPORTERS?

Organizations focused on the arts, culture, humanities, and religion tend to have the longest relationships with their recurring donors. While these types of organizations may naturally lend themselves to a clear sense of community, consider how your organization can emulate these strong ties. How can you gather your supporters physically or digitally? How can you provide exclusive perks that incentivize continued support? How can you facilitate dialogue, connection, and a sense of excitement as you collectively work toward a goal?

DO YOU ASK YOUR DONORS TO INCREASE THEIR CONTRIBUTIONS?

Our analysis found that 48% of retained donors in the $0 to $50 range had upgraded their gift size to above $50 in the following year. Do you have a strategy to upgrade your donors? When crafting appeals to your community members, acknowledge prior contribution sizes and ask donors to consider increasing their gift size to make an even larger impact.

Apply Key Findings

Thanks for diving in with us. We hope *The State of Modern Philanthropy* provides you with the insights you need to take stock of your current results, brainstorm new ideas, and adjust your existing strategies. We're dedicated to helping you build a community of supporters you can count on and will continue to share our own platform data to that end.

Don't forget to print out the benchmarks worksheet and see how your own organization's results compare to our findings. With your own data in hand, you can use the thought starters at the end of each chapter to consider how you might apply the findings to your own organization's fundraising and retention strategy.

Be sure to subscribe to the Classy blog for the latest trends, fundraising best practices, and additional reports that we release throughout the year.

The Salvation Army

About Classy

Classy is a social enterprise that creates world-class online fundraising software for nonprofits, modernizing the giving experience to accelerate social impact around the world. Based in San Diego, CA, Classy is trusted by organizations of all sizes, from the fastest-growing nonprofits like Team Rubicon and The Trevor Project, to some of the world's largest social organizations, such as The Salvation Army, Robin Hood Foundation, and Shriners Hospitals for Children. Classy also hosts the Collaborative conference, a three-day immersive experience designed exclusively for nonprofit professionals and social impact leaders to learn, share, and get inspired. For more information, visit www.classy.org or follow Classy on Twitter @Classy.

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