

Transcript – Episode 95 – [Monthly Giving: the Sleeping Giant with Erica Waasdorp](#)

Dolph Goldenburg: Welcome to The Successful Nonprofits™ Podcast. I'm your host Dolph Goldenburg. Today, we are talking with Erica Waasdorp, President of A Direct Solution and author of the new book, *Monthly Giving: The Sleeping Giant How Small Gifts Can Be Powerful Tools to Support Any Organization*. Donors who make regularly monthly gifts are the kind of holy grail of fundraising. There's a beautiful symmetry there. Bills need to be paid on a monthly basis, and voila! monthly donations appear in your nonprofit's checking account. Now, how to get more of that monthly magic is one of Erica's areas of expertise. Erica is a native of the Netherlands now living on gorgeous Cape Cod, which means I'm jealous because I'm sweating it out in New York City and Atlanta, Georgia. From her home base in Cape Cod, she helps nonprofits increase revenues through her business, A Direct Solution. Previously, Erica worked as a campaign manager with the American Red Cross, was a director of (inaudible) (a Dutch organization supporting humanitarian efforts for children), and also a senior consultant with DMW Fundraising. Erica recently completed the Association of Fundraising Professionals Master Speaker Training Course and currently serves as an ambassador with the International Fundraising Congress. Let's go ahead and find out more about how to increase those monthly gifts.

Dolph Goldenburg: Erica, welcome to the podcast.

Erica Waasdorp: Nice to meet you.

Dolph Goldenburg: Same here. So, when did you decide to focus your fundraising efforts specifically on monthly giving?

Erica Waasdorp: That's a great question. I have been managing monthly giving programs for 25 years. When I came to this country, I started working for a real powerhouse of monthly giving, actually one of the pioneers I would say. They are the International Fund for Animal Welfare. They're located on the Cape, and I was put in charge of their monthly giving program to really help grow that. I mean I was somewhat familiar with like monthly giving in a way because I see I grew up with it being born in the Netherlands, right? That made a big difference. I mean people literally give each other... I mean I could walk up to you and give you my bank account information and say, "OK, here's my bill. Here's my bank account. You go ahead and pay me." So, it's much more open, if you will. People are very comfortable making donations through their bank account, giving each other their bank account information. The whole fraud thing is not it's not a big deal over there. I grew up with that. When I came to this country when and they put me in charge of that program, I really expanded it into multiple different countries, and I really grew which up to like 13 million dollars a year.

It was a big program.

Dolph Goldenburg: Wow. So first of all, I've got to stop take a step back. Let's go back to the Netherlands for a second. So, monthly giving to charities is really common in the Netherlands?

Erica Waasdorp: Yes, very much so.

And a lot of other European countries, too like the U.K. and Germany. It has gotten more popular in France, and it's starting to be very popular even in Poland. So, it really has grown because the banking system is just very different. Credit cards were actually not really existing that much. I

mean people would get a credit card, but they would have to pay it off in full every month so that would limit what they could do as opposed to with their bank account they could just do a lot more. Charitable giving through monthly donations was very popular. I grew up with that. I also got my training at Reader's Digest in Amsterdam and really learned about loyalty programs, and (in a way) Monthly Giving is kind of like a loyalty program. So, that was a really good next step for me. I've always worked in these publishing companies before I got into fundraising.

Dolph Goldenburg: Your first job in America was your first job in fundraising?

Erica Waasdorp: Yes, correct. I worked in fundraising before, but again, at the international organization, I had the languages (I speak five languages), so it was just like a very natural organization for me to start working out, and the whole monthly giving was it was not a foreign concept for me. I got the whole working with banks, the processes, the loyalty programs and everything that's involved, so I loved it.

Dolph Goldenburg: What were some of the things that you did at your first fundraising job to really grow the Monthly Giving program?

Erica Waasdorp: It was a relatively small organization in terms of staffing, but we did have support departments. We had like IT people who worked with banks, and that was even in the days before e-mail was very popular.

Monthly giving was only really promoted in those days, and I'm talking 25 years ago through direct mail and the phone. Email didn't really exist. People might use email but not for promotion. So, it was really direct mail and the phone. I would work with the number of donors we had added in.

[Also] we had direct mail, so we had special appeals for monthly donors, but we would also include an ask in a thank you letter. If you are sending out something, why not say, "Well, do you know there is an easier way that you can help the animals by making a monthly donation as a champion for animals?" That worked really well, and then we do phone follow-ups. We worked with telemarketing agencies in, and it was like six different countries, so I was managing telemarketing campaigns in six countries at the same time and with different scripts and different languages. It was very busy, but very rewarding because again we would bring in a lot of new monthly donors.

Dolph Goldenburg: Let's talk about that conversion. Obviously, the thank you note is one way to convert people from regular donors to monthly donors or sustained donors. What are some other ways to convert your donor base?

Erica Waasdorp: I mentioned the phone is a really important one and a very responsive way of doing it. When you talk to somebody on the phone, you can negotiate. You might say, "Well, you've made a gift of 15 dollars before. Could you consider making a gift of 15 dollars a month?" Then, a donor might respond, "Well, I just can't do 15 dollars a month, but I can do ten dollars a month." Maybe that's how you can have that conversation, and it's a great way to express your gratitude for the support that the donor has already given. It's as close to personal contact as you possibly can go ahead. If you do it well, if you train the fundraising agencies that you work with then they literally become your voice. They literally become an extension of your organization.

Dolph Goldenburg: Are you finding that fewer people are picking up the phone these days and that's impacting the effectiveness of the phone?

Erica Waasdorp: There're two things that impact the effectiveness of the phone. Although I would definitely not discard it. Yes, people pick up the phone less. Also, a lot of people don't have home phones anymore. They have cell phones. The rules for how you cannot approach cell phone users are different from how you can approach home phone users. The agencies need to be able to handle that. You can't do predictive dialers and things like that. You can leave voice messages, but you can't really ask for money in a voice message. You [can't] just direct people to go somewhere.

Rules have changed, but the phone still works because it's the closest to personal contact as you can think.

Dolph Goldenburg: As you're segmenting your donor base and trying to identify the segments that are most likely to convert from being a regular donor – who gives once or twice a year – to a sustaining monthly donor, what segments are you looking at the most?

Erica Waasdorp: I would typically look at the people who have made gifts most recently. This is anybody who's given the last six months. It obviously depends on how often as an organization you reach out to your donors and ask them for money. If somebody has given two times in the last six months, that's a better prospect for sustaining giving than somebody who has made just one gift in the last six months, especially if you are sending out monthly appeals. Organizations are different. If you as an organization are only reaching out four times a year, you might want to expand and go to anybody who's given in the last year and who's given one, two or more gifts. You are looking at people who have given a hundred dollars or less. You're not looking at your \$250-\$500 check writers. There are different types of people. Sustaining donors are donors that are a lot of times on fixed income. They may still have kids who are kids in college. So, they just really have to budget their charitable giving as opposed to the bigger check writers that are often doing it also for other reasons. If somebody can write a 500-dollar check, you can probably get them to write a thousand-dollar check. For somebody who's giving you 50 dollars, well they may be able to give you 10 or 15 dollars a month, but they're just not able to write a 250-dollar check.

Dolph Goldenburg: As you're looking at those different segments, do you find that there's an age group that is more likely to become sustaining monthly donors?

Erica Waasdorp: Unfortunately, there're not that many statistics out there yet about the whole monthly giving.

Dolph Goldenburg: Really?

Erica Waasdorp: It's getting there, but it's not as common as other research out there. So, in terms of demographics, we see that (especially from some of the organizations that have been doing sustained giving for a while) a lot of the child sponsorship organizations... have donors that are 45 years and older. Sometimes, they still have kids in the house again they want a budget their giving. Then if you look at one type of organization that has really grown in monthly giving, like with the public television and public radio stations, their donors are a lot of times older. They're 65 and up, but they're usually retired. They're on a fixed income, but they care enough to say, "Oh yeah I can do five dollars a month or ten dollars a month. I can't write the big checks." [Also,] you can see about 60 percent of millennials are interested in giving monthly. There is this trend right now of universities to say, "OK. Well, we need to reach out to our alumni. They may not be able to give a lot, but if we can get them to give five dollars a month, then we can cultivate them and get them up

the ladder to give more monthly.”

Dolph Goldenburg: Once you convert your donor to becoming a sustaining donor, how do you continue to cultivate them so that they want to keep giving every month?

Erica Waasdorp: Some organizations make the mistake where they say, “Oh, okay. Well if we've got these monthly donors. We can't do anything with them anymore. Let's not send them anything because they don't want that.” They assume that the monthly donor doesn't want to hear from the organization anymore, and that's a mistake because they are very loyal donors. They care so much making this huge commitment, so you want to continue to cultivate them. It all depends on how often you reach out to your donors. If you as an organization are reaching out twice a year with an appeal and you might have done two newsletters, send them all of that but include a personal note or lasered note in the appeal saying “thank you” so much for being a member of our sustaining group, a champion for animals, whatever the name is of the monthly donor program if you have one. You want to make sure that the donor knows that you know that they have made that commitment and that you recognize them as such. If you do that right, they will actually make an additional gift. Some donors are giving monthly, and they might actually give you four more gifts if you ask them four times a year. They usually are your best responding group, but that recognition piece is important. I'm all for trying to keep things simple for organizations because I know sometimes people are like, “Oh, I want to do this, but I don't have time as it is.” People are very busy at nonprofits. One solution: look at what you're already doing and just add a little bit more personalization to it. If you have volunteers who are willing to make thank you calls, by all means, once a new monthly donor comes in the door, give that to somebody to make a call. It's something that will blow their donors donor away saying, “Oh wow. I just made a commitment of five dollars a month. I couldn't do more, but somebody sits there and picks up the phone and leaves a message or calls me and says thank you.” That's really powerful, right?

Dolph Goldenburg: I have long believed in the power of the Thank-a-thon, where you get 15 or 20 volunteers including your board members together and you phone bank. All you do is call to say thank you. You start the call by saying, “I'm not going to ask you for a penny. I'm just going to say thank you.” I don't know what your experience has been, but when I've actually done some of those calls, I can tell the person is hesitant. They're waiting for the ask. Then at the last 30 seconds of the call, when they realize I'm really not going to ask them for a penny, they are just elated and also blown away that anyone would pick up the phone and thank them for their five to 25-dollar gift.

Erica Waasdorp: That's definitely a no-brainer. Pick up the phone to say thank you, and it doesn't have to be right away. Make it as soon as possible.

Erica Waasdorp: Another thing, there're people saying, “Oh, well we can send everything via e-mail. If monthly donors [came in] online, that's how they want to be communicated with them.” The reality is that's not true. Take the time, write a very nice thank you letter, and put it in the mail. You don't have to do it every month. Just do it when the donor joins as a sustainer. You send a thank you letter in the mail with all of the relevant information that they need. You basically tell them what they can expect. You tell them that they're not going to get monthly thank you letters but that you're going to send them a tax receipt in January. Give them your contact information if they have any questions or if they want to make changes. Make it as personal as possible so that again the donor says, “Oh yes. I'm going to put this away, so I know whom to contact if I have any questions.” They're loyal donors. They really care about you. Make it easy. Don't hide your phone number.

Don't hide your e-mail address. Just say, "Yes, it is a stamp..."

Send the hard copy thank you letter in the mail. Then just look at what you're doing. If you're an animal organization, you have a lot of animal stories. If you're a human service or you work with children, there're lots of different things that you can do that fit in without making it very complicated. You can send an e-mail that is unexpected. It'll say something like, "Wow. I have worked with an animal charity, and they send an email saying, 'Fred is walking because of you.'" It would have a cute little picture, just a short message: Thank you for being a BFF, if that's what they call it. You want to make sure that whatever you tell the monthly donor they are going to get that it's actually something you can commit to. I would rather have you commit to very little and then do something unexpected like a birthday card, Valentine's card, Christmas card. If you're an environmental organization, do an Earth Day card. There're lots of different things that you can do to make the monthly donor feel special. I think that's the key. You want them to make them feel special and engage in your organization.

Dolph Goldenburg: I'm a huge fan of old-fashioned postal service mail.

In my own life I mean I probably send 500 to 600 cards of different types – birthday cards, even 'thinking of you' cards. One of the things I'm always amazed that I'm surprised that nonprofits don't do this more. You can go to www.USPS.com, and you can look at all of the stamps currently in circulation. For almost every type of organization there is some stamp that will be thematic for them. If you're a veteran's organization, there're veteran stamps or if you are a botanical garden or an environmental organization, there are lots of great environmental stance. Regardless of what type of organization you are, make that mail thematic so that when people get it, they say, "Oh, they really care" and even if it's laser-printed.

Erica Waasdorp: Sometimes, it can be simple. I got an email the other day from one of the organizations I work with. It was an unexpected, thank-you e-mail with the story just out of the blue. It said, "Oh, thanks so much. Thank you for being a champion for youth. Let me share a story with you of the impact that you're making." It's short and sweet, but it just drips with gratitude.

Dolph Goldenburg: Erica, we're just about to take a short break. When we come back, we are going to talk about something a little bit different. Up to this point, we've talked about how to convert existing donors into sustaining donors. And now we're going to talk about how to solicit people who've never donated to become sustaining donors.

It is hard to believe that we are quickly approaching our 100th episode, and I am having a ball on this podcasting journey. We have covered some incredible topics, and I would love your feedback on additional topics that would be helpful for your organization to thrive in a competitive environment. So, connect with me on LinkedIn, Facebook or Twitter or visit me at www.successfulnonprofits.com or www.gopldenburggroup.com. Through any of those five mediums, you can connect with me and share topics that would be of interest to you.

Welcome back to our conversation with Erica Waasdorp about monthly giving. Erica, how do you get someone who has never given to the organization before to make that even larger commitment of being a sustaining donor from their very first gift?

Erica Waasdorp: I see a lot of the bigger organizations that have existing programs that are already a little bit more substantial and that have a little bit bigger budget that they can do things through

face-to-face fundraising where you might go to a mall or to a street corner in a big city where you see a group of young people typically dressed you know with special T-shirt asking to talk a little bit about the animals or about the children, and then they try to converge people on the street to give monthly. Rather than asking for one-time donation, they found out it's better to convert by asking them to give monthly because then they're going to stay with you longer. It's worth the investment. That's one way of doing it. Face-to-face fundraising is a very popular way of generating new monthly donors, and you will see a lot of the big guys like Greenpeace. They are one of the starters of that, and a lot of other organizations have followed them.

Another great way to ask people who have somewhat of an interest in your organization, they may have signed up for your email newsletter on the website, but they've not yet made a donation. It's very simple now to come up with an automated e-mail series, like an email welcome series. In that email welcome series, the third or fourth message may talk about a great, simple and easy way to support the organization by making a monthly gift. That's become very popular. Another trend that I'm seeing right now is that is an e-mail message that goes to anybody on your e-mail list that asks a question, and you answer "yes" or "no". When the donor or when the person then clicks "yes," they go to a special page. Like for a food bank type of organization, they ask donors to pick one of the four of your favorite activities during the summer. Then you click on one of the four, and it goes to a page where it then says, "Well, here is how you can make a difference to the children and make your monthly gift." So, every click has a different landing page that then tries to convert the person to give monthly, and then you can still make a one-time donation as a second option, but monthly is the first ask. That's one way. Then for the third one, you can show a video like Best Friends Animal Society did. For example, they told donors to watch animals paint in a video of these animals walking through the paint, and it's hilarious. The page says, "You make a difference to the animals, but can you help us by making them up the gift?"

That is all integrated on that particular page. Those're a couple of techniques to engage the person, and then they say, "Oh, I'm engaged. I really care about these animals and really care about these kids. Yes, I can make a monthly gift because it's not really a big ask." You're asking them to give five or ten dollars a month. It's not a huge commitment in a way because it doesn't feel like it is that much.

Dolph Goldenburg: It's interesting you say that because I've never actually thought about it this way. We live in a society now where we pay a small amount every month for things that we want. If you want Spotify, you pay 10 bucks a month. If you have Dropbox, you pay 10 bucks a month. It all adds up. We don't really think that's a lot of money. That's 120 dollars a year. It's 10 bucks a month.

Erica, thank you so much for joining us today on the podcast. I always want to ask our Off-the-Map question. The muse was kind of saying I should ask about the five languages that you speak, but I actually think I'm going to ask you about something else that I think makes you very unique and very special. I noted in your bio that you're a ballroom and a swing dancer.

Erica Waasdorp: Yeah.

Dolph Goldenburg: Tell me the story about how you became a dancer.

Erica Waasdorp: Oh, you have great questions! I started ballroom dancing when I was 15 because my parents met in dance class. Just think about it, they grew up in the 40s and 50s. They met a dance class that was one of the activities that people would do... They thought, "Look, we want our

kids to know how to dance.” So, I started at 15 and really loved it. I'm not really very active ballroom dancing. My husband and I just like to go dancing, especially if there's a live band, and just have a good time. It's a way to get rid of some stress and get some exercise. It's a lot of fun.

Dolph Goldenburg: Nice. Have you taken any dancing trips?

Erica Waasdorp: We've talked to people who do that. They take the Queen Mary from England to America, for example. So, it sounds like you know a little bit about dancing, so-

Dolph Goldenburg: I actually don't. My husband and I tried to take a ballroom dancing class, and between the two of us, we are four left feet. We were the bickering couple in the class, and that was the end of it.

Erica Waasdorp: We've not done any of those dancing trips; we were just always on the lookout. There's something good happening, and there's a great group on the cape that does a lot of dances. You get an e-mail and go, “Oh yeah, let's sign up for that.” It's just good fun, especially now on the cape they have some outside music for dancing.

Dolph Goldenburg: Yeah, this is definitely a good time of year to be on the cape.

Erica, *hartelijk dank*. I really appreciate you speaking with me today.

Let's let listeners know how they can find you. Erica's company, A Direct Solution, can be found at www.adirectsolution.com. When you're there, make sure you use the books tab on the website to find a link for buying Erica's book, *Monthly Giving: The Sleeping Giant*. Also, make sure that you download some of the fantastic freemiums that she offers such as the Monthly Donor Roadmap, Monthly Starter Marketing Kit, and donor templates. That way, when a credit card gets rejected, you don't have to figure out how to write the letter. Just go online and download her template.

It's gonna be super useful. Erica, thank you so much for joining us today.

Erica Waasdorp: You're welcome.

Dolph Goldenburg: Listeners, if you are still wondering what on earth I said to Erica in my farewell. It was *hartelijk dank*, which is ‘heartfelt thanks’ in Dutch.

If you're pondering has caused you to miss the contact information I just shared, fear not you will find all the information from today's podcast on our website www.successfulnonprofits.com. *Hartelijk dank* to you our listeners, whose dedication to changing the world inspires our weekly podcast. I also want to take a moment to welcome a new team member. You see, The Successful Nonprofits Podcast team continues to grow in the past month. We welcome Katelyn Murphy-McCarthy, and she has joined me as host and Brianna as producer and audio editor. What's more, the podcast just celebrated its second anniversary, and I couldn't manage to continue this show without them. That's our show for this week. I hope you have gained some insight to help your nonprofit thrive in a competitive environment.

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