Tithing in the 21st Century and the New Normal

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Nachah
DARE to explore new options

- doodle
- action
- research
- educate
Nacha and the ACH Network

Nacha is the private sector rule-making organization that administers the ACH Network.

Develops, maintains, and enforces, the NACHA Operating Rules that all participants follow.

Provides payments education to the industry on the use of the ACH Network.

The ACH Network processed nearly 25 billion payments with a value of over $55 trillion in 2019 – that roughly 100 million transactions every day.
In 2020, Nacha’s industry vertical efforts will be concentrated in 4 industries

**NONPROFITS**
- Charities
- Houses of worship
- Higher education

**HEALTHCARE**
- Medical
- Dental
- Patient bill payments
- Refunds of overpayments

**SUBSCRIPTION SERVICES**
- Music streaming, personal styling, and other lifestyle services

**TOLLING**
- Paying highway tolls
- Payment interoperability among agencies
WHY CHOOSE ACH

• ACH donors make an average of 8.2 donations compared to 3.5 donations by those who use other payment types in a 12-month period.

• ACH donors give more than double ($1,700 versus $650) in a 12-month period than those using paper check, credit card, or other means.

• 71 percent of ACH donors authorize automatic donations on a set schedule versus 9 percent using other payment types.

• Members who donate electronically give more per person than those who give via the offering plate. During a recent Sunday service, the average check was $235. Of those who gave electronically the average donation was $347 per person.

• Donations made via [ACH/EFT/echeck] are more cost effective for your organization than credit cards, as credit card donations can cost 3-5% of the donation amount to process.
How tithing by ACH works

Sue wanted to donate a fixed amount to her favorite nonprofit on the first of every month but didn’t want to have to remember to do it. So, she went on the charity’s website to schedule her recurring donation using Direct Payment. Just set it and forget it.

The nonprofit received Sue’s authorization to take the payment from her checking or savings account on the first of every month.

Each month, the nonprofit electronically sends a file with the payment details to its bank or payment processor, which makes an electronic ACH entry for Sue’s payment. Sue’s payment is batched together with other ACH payments and delivered electronically to an ACH Operator.

The ACH Operator sorts the transactions. In Sue’s case it sends a request for the payment amount to her bank. Sue’s bank makes sure she has enough money in the account, and if there is, it debits her account for the amount of the donation. Sue will see this payment listed as part of her account activity.
Mission Hills Church

A Direct Payment success story
Sustaining Donors are the biggest donors

• Focus on Sustaining Donors and using ACH as the preferred payment method for recurring donations

• Capital Public Radio - Sacramento
  • Based on interviews during the Consumer Donation Tracking Study we connected
  • Developed a case study based on the success of their program
Make Giving a Habit:

Messages that Resonate to Encourage Donors to Switch to Recurring Payments via ACH

Most nonprofit organizations have strategies that focus not just on acquiring new donors, but retaining them for years to come. While the occasional donor is always appreciated, the key to fundraising success is the sustaining donor who regularly contributes a set amount to a nonprofit — typically monthly.

Direct Payment via ACH, which is also known as Electronic Funds Transfer or EFT, is the gold standard for sustaining donations. More cost effective for nonprofits than donations made via credit/debit cards, nearly three-quarters (71 percent) of ACH donors authorize automatically executed donations according to a set schedule.
Top Messages to Help Convert Donors to Direct Payment via ACH

- Using Direct Payment via ACH means more of your money goes directly to our cause.

- Your account information remains confidential with Direct Withdrawal via ACH.

- Direct Payment via ACH is one of the safest payment types.
Top Messages to Help Donors Choose Direct Payment via ACH

For paper check donors, security and ease are extra important.

For card donors, reducing both Environmental footprint and fees are essential.

For frequent donors, speed and ease resonate well.
Top Messages to Help among Demographic Groups

Younger donors – age 21-39 – tend to hone in on messages about simplifying and streamlining the donation process.

Among women, being in control and Organized is essential. Men want to know that their donation is received and put to use quickly.
Growing Your Sustaining Donor Program with ACH
Free Industry Toolkit

- Best practices, tools, and educational material
  - What messages work best with donors
  - How to ask for, and how to authorize, sustaining donations via ACH
  - NACHA-produced case studies and educational resources
  - Both logoed and white labeled resources are available

- Donor toolkit website
  - https://achgiving.org

- Direct Payment video for consumers:
  - https://www.youtube.com/watch?v=BVX-I14cihU
How to get started

**Contact**
- Contact your payment processor

**Ask**
- Ask relationship manager how to add ACH as one of your payment options

**Create**
- Create plan for rolling out your message about a new payment option
  - Leverage our toolkit

**Promote**
- Promote ACH as a preferred method for tithing
  - Explain, why, when they can start, and what the members need to do

**Continue**
- Continue with that message especially for new members
DARE to explore new options

- did you have any lightbulb moments?
- what did you document?
- what will you start doing?
- what will you stop doing?
- what will you share with your colleagues?