



## A PUBLIC RADIO STATION USES DIRECT WITHDRAWAL VIA ACH TO BUILD ONE OF THE NATION'S TOP SUSTAINING DONOR PROGRAMS

### THE FUNDRAISING CHALLENGE FOR PUBLIC RADIO STATIONS

Public radio stations generally focus their fundraising on getting one-time annual contributions from their listeners. Most stations also have sustaining membership programs, but recent analyses reveal that very few of them are effective or successful. For example, a 2014 study by Greater Public found that the average station raises barely \$2 of every \$10 in membership revenue from sustainers, and sustainers make up only about two in every 10 donors to the average station.

Yet 2015 data from donorCentrics show that sustainers' contributions are worth up to four times more than those from traditional donors over the life of their giving. In addition to donating more frequently and at higher amounts than traditional givers, sustainers continue to give for many years.

*"Our results really highlight the value of ACH for sustaining memberships. Seventy-five percent of our sustaining donors pay with ACH; they're responsible for over 40 percent of all individual donation dollars, and we retain them for up to 20 percent longer than sustainers who use credit/debit cards. Those are pretty remarkable numbers!"*



Based in Sacramento, Calif., Capital Public Radio (CapRadio KXPR & KXJZ) airs programming from National Public Radio (NPR) and other public radio producers and distributors, as well as locally produced news and public affairs programs. Over 420,000 listeners tune into classical, jazz, news and public affairs shows each week on one of Capital Public Radio's seven stations serving California's Central Valley and the Sierra Nevada.



This is why the nation's most successful fundraising stations have implemented comprehensive sustaining giving programs. And one key to making them work is to promote direct withdrawal via ACH, as the preferred payment option for ongoing donations.

### **BUILDING THE NATION'S STRONGEST SUSTAINING-DONOR MEMBERSHIP**

Capital Public Radio in Sacramento exemplifies this dynamic: it's a leader among the nation's public radio stations in sustaining donor dollars, and three-quarters of these funds come via ACH. Today, its success in growing support from monthly ACH donors is unparalleled among public broadcasters, as well as that of most other nonprofits, and some of its sustainers have been giving monthly for over 20 years.

The station launched its sustaining donor program in the late 1990s, but the use of direct withdrawal via ACH for donations was not promoted in the early years. In 2010, the station branded the option of monthly giving via ACH as "Evergreen," and started promoting it as the preferred payment option. The growth in donations since then has been consistent and impressive.

In 2010, total donations to the station had amounted to \$3,425,097, with 28 percent given by sustaining members. The most recent numbers, from fiscal year 2016, show that donations totaled \$4,922,390, with 51 percent coming from sustainers.

### **CAPRADIO'S SUCCESS HIGHLIGHTS BENEFITS OF ACH**

Initially, CapRadio's decision to focus on direct withdrawal via ACH donations reflected changes in its database software due to changes in requirements for credit cards. It was simply easier for the station to use bank account information and ACH payments year after year.

But one benefit of direct withdrawal via ACH quickly became clear: people don't change bank account numbers nearly as often as they change credit or debit card numbers.

Jennifer Halm, Director of Membership at CapRadio, says that the benefits have continued to add up. "Our results really highlight the value of using ACH," she explains. "Seventy-five percent of our sustaining donors pay with ACH; they're responsible for over 40 percent of all donation dollars, and we retain them for up to 20 percent longer than sustainers who use credit/debit cards. Those are pretty remarkable numbers!"



### **ESTABLISHING EVERGREEN RELATIONSHIPS WITH SUSTAINING DONORS**

This success is built on several important decisions taken by CapRadio, beginning with making direct withdrawal via ACH its first or default payment option for sustaining members. In fact, CapRadio explains the benefits in all communications, including written, over the phone and on-air. Membership appeals also make it clear that sustainers aren't signing up for an annual gift to be paid in 12 monthly installments, but for a monthly donation that will continue until the member changes the amount or cancels the gift. And the station encourages donations via ACH across all of its communications, including:

- Online donation forms
- Segmented emails during on-air campaigns, asking listeners to either start a sustainer gift or increase their existing sustainer gift
- Direct mail and email renewals to annual donors
- Appeals to former sustainers, asking them to rejoin as a sustainer
- Direct mail, email and telemarketing calls to sustaining donors asking for an increase

As CapRadio discovered, direct withdrawal via ACH donations provide additional benefits: these usually don't come with the processing fees that credit card issuers charge, and memberships can be easily upgraded to increase their contributions via direct mail, email or telemarketing, since no payment information has to be resubmitted.

The station continues to nurture its Evergreen relationships, making sure that sustaining members know how much they are appreciated. "We preface every email and newsletter with our sincere gratitude," says Halm, "and we include our Evergreen donors in all prize giveaways, whether or not they contributed to that specific campaign. We want to use every opportunity possible to thank our sustainers."

### CAPRADIO'S RESULTS

- In fiscal year 2016, CapRadio's total individual donations amounted to **\$4,922,390**. Fifty-one percent, or **\$2,529,065**, came from sustaining members.
- Of the radio station's 17,543 sustaining members, 13,163, or **75 percent**, pay by ACH.
- **Forty-one percent** of all individual donation dollars are received from sustaining members paying by ACH.
- CapRadio retains approximately **95 percent** of all sustainers paying by ACH. For non-ACH sustainers the average retention is 81 percent.

Learn more about how your organization can benefit from direct withdrawal via ACH. Visit [www.electronicpayments.org](http://www.electronicpayments.org)

## WHAT IS DIRECT WITHDRAWAL VIA ACH?



Direct withdrawal - a form of Direct Payment via ACH - is an electronic payment in which funds are withdrawn or debited from a donor's checking or savings account and transferred electronically to your organization. Direct withdrawals via ACH are processed through the Automated Clearing House, an

electronic network at the center of commerce in the U.S. moving money and information from one bank account to another through Direct Deposits and Direct Payments. Direct withdrawal serves as an efficient means for nonprofit organizations to collect donations.

## FOUR TIPS For Launching A Sustaining Donor Program Powered by Direct Withdrawal via ACH

- 1 Make direct withdrawal via ACH the default or first payment option.
- 2 Make sure donors understand that they are signing up for an ongoing monthly donation.
- 3 Include information on how to donate via ACH in all mailings, emails, newsletters, on-air and phone membership campaigns.
- 4 Don't forget to take every opportunity to express your thanks to these members. Some options are to include sustainers in all giveaways, and to offer sustaining donors premiums annually.