

NAMIWalks

 **DonorDrive**® Case Study



NAMI raises more than \$50,000 in less than a year through donor-paid processing fees.

A major trend we're seeing in peer-to-peer fundraising is the option for donors to cover their processing fees when they donate. So many organizations have started to offer this during the last year, it's now an expectation that every organization will have the checkbox above their donate button.

Why donors now expect to pay extra

Paying more on top of the price is now an expected part of consumerism. We pay service and handling fees on tickets. We pay tax and shipping on our Amazon purchases. We're even willing to pay higher fees to upgrade or to get deliveries faster. For donors, covering fees goes well well beyond convenience, since this small extra can have a big impact on the organization's mission.

Fees in action: NAMI's success

We talked with Wayne Baldaro, Senior Program Manager of Fund, Development and Events of the NAMI, about implementing processing fees for their donors. Since we've heard rumblings that some organizations feel the idea could be a turn-off to their donors, we were curious how NAMI supporters had received it:

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Donors have generally received it favorably. They like the idea that they have the opportunity to reduce the cost of our event. It helps our local affiliates because it returns a little more money to them. It's a good way to let people know that they can make a decision right there at the point of donation to be even more supportive just by picking up that little fee.



Fundraising through NAMI Walks helps over 900 affiliates across the country.

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We asked Wayne if he thought the type of cause made a difference in whether a donor paid the fee:

“I think success is based on messaging more than anything else. If the message is presented well, it works. You just need to remind supporters that it's one more way they can help.”

But what's the best message to convey?

“I think it's just a matter of pointing to it and saying ‘this is an opportunity to help us further in our mission.’ It's a minimal expense for the donor and it helps a lot.”

Part of messaging success is to really get the message out there:

“We put it in messaging to supporters, donors and sponsors (the people we really depend on) to let them know. We also put it in our email blasts. You just have to make people aware.”

So what kind of success is NAMI seeing? In less than a year NAMIWalks received over \$50,000 in processing fees covered by their donors. Wayne sees that this success will continue to grow.

“Now donors expect the additional ask and expect the opportunity to do more. It's becoming a standard in fundraising: another way for people to do additional good.”

The impact of donor-paid processing fees on revenue

Across all DonorDrive clients who have made the option to cover processing fees available, we've seen great success:

When given the option, 52% of donors covered processing fees.

This included both events and campaigns. Campaign donations generally run higher, since those supporters almost always have a link to the cause and have given before. Event donors may be less familiar with the cause, since they're typically donating because a friend or family member asked.

Asking for a percentage is more successful than asking for a fixed amount.

We discovered that organizations get a better response when asking for a percentage. When they asked for fixed dollar amounts, fewer donors checked the box. This happened even when dollar amounts were low. It makes sense that donors giving smaller donations may be turned off by a set fee of \$5, while organizations would be restricting themselves to only small amounts on large donations.

More donors covered the fees when they were 7%.

While it's reasonable to ask for 10% to cover fees associated with your event and asking 5% seems like it would be even more appealing, but we discovered that asking donors for 7% more to cover processing fees associated with their donation got the biggest response. 7% more seems to be the magic number to ask for. But do donor-covered processing fees actually have an impact on revenue?

On average, organizations that gave donors the option to cover processing fees saw a 3% increase in overall event or campaign revenue.

A 3% lift in revenue is a substantial boost, especially in these times when organizations are striving to find ways to improve the success of their events. As Wayne noted above, donors now expect this extra ask. Organizations not giving donors this option are leaving money on the table.

But what will supporters think?

Despite the evidence of supporter acceptance above, some organizations have been pushing back on making the option to cover processing fees available. A common caution we've heard is that it will open a can of worms and donors will know that 100% of their dollars aren't currently going toward the mission. Donors know full well that it costs money to run an effective nonprofit organization. It's common knowledge that credit card companies charge businesses (or organizations) fees for the convenience of paying with cards.

While there may be a few donors who don't understand the concept, they're far outnumbered by those who want to give a little more.