

# Holiday contributions: What makes people upgrade to a recurring donation?

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Smaller recurring donations are generally more beneficial to a non-profit than larger, one-time donations, yet non-profits struggle to convince donors to move beyond one-time contributions. According to a new study in the *Journal of Marketing Research*, if donors believe that upgrading to a recurring donation will result in a matching donation, many will make the leap.

"Imagine you are given the option to [upgrade](#) to a recurring donation. Now imagine that the charity will match all [donations](#) made that day, if and only if 75% of donors agree to upgrade to a recurring donation. Would this type of matching incentive change your likelihood of upgrading?" asked authors Lalin Anik (Duke University), Michael I. Norton (Harvard University) and Dan Ariely (Duke University).

Test participants were given a list of donation projects and a choice of several one-time donation amounts. After choosing their project and donation amount, participants were given the opportunity to upgrade their gift to a recurring donation. In addition, some donors were shown the following message: "A generous anonymous [donor](#) has agreed to match 100% of new monthly donations today. Upgrade to a monthly recurring donation and get your donation matched!" Other donors were given the condition that their donation would be matched only if at least 75% of donors agreed to upgrade.

The test results showed that donors were overwhelmingly more likely to upgrade when told that their donation would be matched if at least 75%

of donors upgraded. Donors who saw this message but declined to upgrade nonetheless often raised the amount of their one-time donation.

"Contingent match incentives are an effective and underutilized means of inducing people to become recurring donors. We also show that contingent matches are effective in encouraging shorter-term or one-time donations. Particularly given that there is little to no cost to implementing contingent matches, the return on investment is clearly high."

**More information:** Lalin Anik, Michael I. Norton, and Dan Ariely. "Contingent Match Incentives Increase Donations." Forthcoming in the *Journal of Marketing Research*.

Provided by American Marketing Association

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