

Calculating Recurring Giving Long-Term Value

Long-term value (LTV) here is an estimate of what a recurring giver is worth over five years, not just this month. Knowing it lets you justify what you spend to bring givers in and keep them, value each conversion, and set realistic goals.

Gather your numbers

Pull these from your CRM or giving records.

- A. Total active recurring donors: _____
- B. Total monthly recurring revenue: \$ _____
- C. Average monthly gift ($B \div A$): \$ _____
- D. Your organization's total annual revenue: \$ _____

Calculate long-term value

The factor of 35 is an industry standard for estimating the value of a recurring monthly gift over five years. It already accounts for typical attrition across those years.

- E. Estimated five-year value per recurring donor ($C \times 35$): \$ _____

These LTV figures are planning estimates, not guaranteed income. Individual givers vary; use them to compare options and set goals.

Long-term value of a new giver

Bring the numbers together. These four are your recurring giving scoreboard.

- 1. Total active recurring donors (A): _____
- 2. Total monthly recurring revenue (B): \$ _____
- 3. Percentage of total revenue from recurring donors:
 - Annualized recurring revenue ($B \times 12$): \$ _____
 - Percentage (that $\div D \times 100$): _____%
- 4. Estimated five-year value per recurring donor (E): \$ _____

Putting it to work

Use these five-year values to justify acquisition and retention effort, to value each conversion and new giver, and to set goals. Record your four statistics as your baseline in the Recurring Giving Program Checklist, and revisit them as the program grows.

Worked example: Suppose you have 200 active recurring donors and \$5,000 in total monthly recurring revenue, and your organization's total annual revenue is \$600,000.

- Average monthly gift (C): $\$5,000 \div 200 = \25
- Estimated five-year value per donor (E): $\$25 \times 35 = \875
- A new giver at \$30 a month: $\$30 \times 35 = \$1,050$ estimated five-year value
- Percentage of revenue: $\$5,000 \times 12 = \$60,000$ a year, which is 10% of \$600,000