



Pledges vs. Recurring Gifts

Pledges & recurring gifts are both types of **ongoing support** that require commitment.

But, while the terms are often used interchangeably, they require **different** tracking and timelines.



Pledge:

A commitment to a total sum

When a pledge is made, it signifies a desire to donate a certain amount. It can be done with a one-time gift, but typically, the sum will be fulfilled through a **series of installments**.

These payments are made by the donor over a specified time period and are tracked to show progress towards the total pledged amount. Once the total sum of the pledge is reached, **the pledge is considered "fulfilled."**

A donor wants to give \$10,000 to your organization. But, instead of making a single gift, she wants to make a **pledge** for the \$10,000 - with annual installments of \$2,500.

As noted above: to date, she has made two annual payments towards her pledge, and still has two more installments left.

	DATE	AMT.
Gift 1	Apr. 22	\$200
Gift 2	Jul. 22	\$200
Gift 3	Oct. 22	\$200
Gift 4	Jan. 23	\$200
	continues	

A supporter wants to become a sustaining donor by making a **recurring gift** to your organization of \$200 every 3 months.

As noted above: this donor is set on a payment schedule of his choosing, but it has no specified end date. He will continue giving \$200 every 3 months until he chooses to stop.



Recurring Gift:

A payment that occurs repeatedly, as long as the donor is willing

A recurring gift also involves agreeing to a payment schedule, but they differ in two important ways:

- **the duration is also undefined** - it may last for a few months or many years (as long as the donor wants to continue)
- **there is no commitment to a total sum** - the installment amount is defined, but there is no cap on the total amount given

Consider This:

A **pledge** is like a car loan - a promise to pay a set total amount over a set period of time in planned installments. Once you pay off the loan, it's fulfilled and you're done. The car is yours.

A **recurring gift** is like a promise to fuel your car. If you drive regularly, you will always need fuel - it is a never ending, recurring cost. You will continue to pay for gas until you decide to stop driving your car. (The only difference here is while the cost of fuel can change, a recurring gift is usually the same each time.)



Gift Type:

PLEDGE

RECURRING GIFT

Set Payment Amount



Set Payment Schedule



Set **Total** Gift Amount



Defined End Date



Can be tracked as "receivable"



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