

Championing charities through conversion to increase donations by millions of dollars



Classy is a giving platform that enables donors to connect with causes they care about with ease and security. The idea for Classy came from a deeply personal experience. The founder's mother successfully battled breast cancer twice, and as he became involved with fundraising for the cause, he sought to enable more people to make a difference for causes that were close to them. The platform now has thousands of nonprofit partners and has helped them raise more than \$6 billion for social good. Classy is a certified Benefit Corporation and donates 1% of its top-line revenue to nonprofit organizations.¹

The opportunity.

Classy sought to increase donations for its nonprofit customers by offering the right payment options.

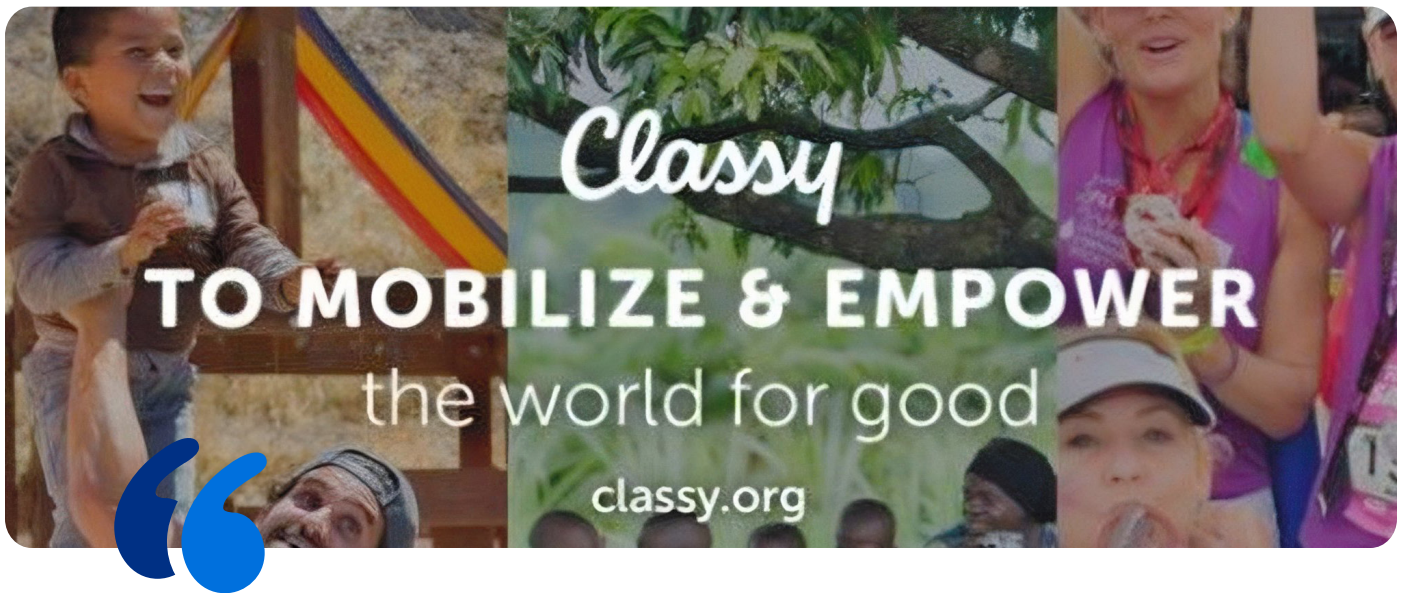
Classy saw an opportunity to ensure that donors had the best possible experience of making donations digitally. The Classy team knew that ease of payment, especially on mobile, was a critical factor in the donation process for its customers.

"At Classy we know that offering the right payment options and methods to donors improves conversion, especially with mobile," says Thom Morris, Director of Production Marketing at Classy. "We want to meet donors where they are and let them choose how to pay."

It was important not only for donors to give with ease, but also for the nonprofits to have a positive experience using the Classy platform. "We wanted to go with the deepest type of integration to make the process as seamless as possible for organization administrators," says Morris.

"Here at Classy, we routinely perform donor and nonprofit surveys," said Morris. "PayPal was the number one payment option requested by nonprofits using our platform, and Venmo was the number one payment option requested by donors in our donor surveys."⁴

Classy wanted to be able to deliver both methods of payment in a white-label checkout experience for their customers and their donors.



The increased conversion that PayPal has allowed us to pass along to our customers is hugely valuable for the nonprofit world overall.

Thom Morris
Director of Production Marketing, Classy

The solution.

PayPal Complete Payments enables a streamlined payment experience.²

Classy integrated PayPal Complete Payments in their Classy Pay solution in October of 2021, ahead of the year-end giving season. This allowed Classy's nonprofit customers to offer the PayPal payment option for their donors, at a critical time of the year for fundraising. They followed up by enabling Venmo for their customers in March 2022. Both payment options were important to Classy because PayPal and Venmo are the top methods of payment for donors of every generation.³ And, 72% of millennials are likely to donate through PayPal or Venmo options.³

PayPal Complete Payments is a payment solution that can be white-labeled and is ideal for organizations who are looking for a single end-to-end integration with the option to set up recurring payments. The solution allows partners to offer multiple payment options at checkout, including PayPal, Venmo, and local alternative payment methods. Additionally, PayPal Complete Payments delivers flexibility and control over how their

nonprofits experience onboarding, support, pricing and monetization, disputes, payouts, and risk.

The facilitation of recurring payments is another reason that Morris said sets PayPal apart from other payment options. Steady revenue and ongoing giving are extremely beneficial for nonprofit organizations. "Notably, the lifetime value of recurring donors is nine times higher than the lifetime value of one-time donors," Morris explained.

"In the nonprofit industry, in which revenue tends to be highly seasonal, securing a more consistent income stream is hugely valuable to fund missions," says Morris. "So, it's extremely important to be doing the things that invite and incentivize people to give on a recurring basis."

"Being able to offer a payment option like PayPal goes a long way in extending that lifetime value even further," says Morris. Giving donors the option to store their PayPal information via billing agreements offers them convenience while providing continuity for the charities.

"I think PayPal is an extremely important part of our story because of billing agreements," Morris stated.

The impact.

PayPal Complete Payments enabled Classy to help its partners secure millions more in donations.

Classy saw a ~3% percent boost in donor conversions for its nonprofit customers after implementing PayPal Complete Payments. This increase amounted to millions of dollars in donations.⁴ They also saw an increase in the average donation size.

“That’s a really big, meaningful improvement for our customers,” says Morris. “Every single point of conversion matters a ton. That’s millions of more dollars raised for good, which is incredibly impactful.” In fact, one of the nonprofits using their platform saw a 14-point conversion rate increase in 2 months using PayPal on Classy Pay.⁵



Classy’s team was extremely pleased with its collaboration with PayPal, which Morris calls “excellent.” They particularly appreciate PayPal’s top-notch Know Your Customer process that helped Classy onboard new customers smoothly and transparently. And PayPal Complete Payments’ reconciliation reporting functionality gave Classy’s nonprofit partners what they were looking for.

“We need to make sure that we’re empowering nonprofits to get better at acquiring new donors and making that donation process as easy as possible for their supporters,” says Morris.

With PayPal and Venmo in place, all donors need to do is click “give now.” And Classy can continue to mobilize and empower the world for good.

~3%

increase in donor conversions for nonprofits using Classy, equating to millions of dollars in donations.⁴

72%

of millennials are likely to donate through PayPal or Venmo options.³

Venmo

#1

payment method requested by Classy donors.⁴

PayPal

#1

payment method requested by nonprofits on Classy’s platform.⁴

¹ Source: <https://www.classy.org/our-story/>

² For more information, please visit: <https://www.paypal.com/us/business/platforms-and-marketplaces>

³ Source: “Why America Gives 2021,” <https://learn.classy.org/why-america-gives-2021.html>

⁴ Data is from Classy interview, July 2023. These results may not be typical and may vary substantially by business. This content is provided for informational purposes only. You should always obtain independent business, tax, financial, and legal advice before making any business decision.

⁵ Source: <https://www.classy.org/blog/venmo-donations/>