Is Your Fundraising Adding Up?

Presented by Jean Block
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About Your Presenter - Me

- Nationally recognized trainer and consultant on nonprofit management, FUNdraising, board development and social enterprise since 1996.
- 50+ years experience as board and staff leader in local, regional and national nonprofits.
- Albuquerque, NM

- Author
  - FUNdraising! 180+ Great Ideas to Raise More Money
  - Fast FUNdraising Facts for Fame & Fortune
  - The Nonprofit Guide to Social Enterprise: Show Me the (Unrestricted) Money!
  - The Invisible Yellow Line: Clarifying Board and Staff Roles
  - The ABCs of Building Better Boards
Discussion

Why Does it Matter?
Who Cares?
It’s All About the Mission!

What Are You Measuring?
“Merely measuring the direct cost of fundraising as the primary measure of fundraising effectiveness is dangerous, since so many factors should be considered.”
"The organizations with the most strategic and sophisticated fundraising strategies work to build a robust program that balances risks and rewards of different fundraising tactics through a blended portfolio or strategy."
One Size Does Not Fit All

BoardSource.org:

“[these organizations] acknowledge that different fundraising tactics have different strengths and work to build a cohesive strategy that matures and grows over time.”
How Diversified is Your Portfolio?

- Special events?
- Donor campaigns?
- Sponsorships, program underwriting?
- Planned Giving?
- Earned income?
- Grants from corporations, foundations, federal government?
- Other????
Measurement Tools

Learning the ROI of Your Fundraising Portfolio
Best Practice:

Calculate results and performance using rolling averages over 3-5 years to account for ‘blips.’
Best Practice:
Develop benchmarks and targets for the ROI of your portfolio based on history and goals.
Best Practice:
Remember that it is much less expensive to renew or increase than it is to acquire.
Best Practice:

Calculate the Cost:Benefit Ratio of every method in your fundraising portfolio.
Cost:Benefit Ratio

**Costs**

- Direct costs, including cost of time and talent of staff and volunteers*
- Indirect costs, including leveraging donor/investors
- Indirect cost of donor/investor burn out

* $23.56/hour (Independent Sector)

**Benefits**

- PR, education, information, outreach
- Fun!
- Donor/investor acquisition
- Volunteer recruitment
Important Measurements

Cost to Acquire a New Donor/Investor
- Mail
- Face-to-face
- Online
- Special events
- How else do you acquire new donor/investors?
Typical Fundraising Costs

Direct Mail Acquisition

$1.25 to $1.50 per dollar raised with 1% rate of return or better

Source – Association of Fundraising Professionals
Important Measurements

Renewal Rates of Donor/Investors per Fundraising Method

Note: This will tell you how passionate your supporters are and how successful your stewardship is.
Important Measurements

Donor/Investor Attrition Rate for each Fundraising Method

Note: You might be losing 10% or more annually - what is the real number that you must replace? What will it cost?
Typical Fundraising Costs

Direct Mail Renewal
$0.25 per dollar raised with 50% rate of return or better

Source – Association of Fundraising Professionals
Typical Fundraising Costs

Special Events 50-60%
net return of $0.50 per dollar raised

Source – Association of Fundraising Professionals
Typical Fundraising Costs

Corporate and Foundation Grants

$0.20 per dollar raised

Source – Association of Fundraising Professionals
Typical Fundraising Costs

Planned Gifts
$0.25 per dollar raised

Source – Association of Fundraising Professionals
Some Important Statistics for Your Measurement Analyses

2015 Donor Retention - Fundraising Effectiveness Project:

- Overall donor retention rate was 46%
- Repeat donor retention rate was 64.8%
- New, first time donor retention rate was 25.4%

How do you measure up?
Some Important Statistics for Your Measurement Analyses

2015 Donor Retention – Fundraising Effectiveness Project:

- Retention rates increase as donors give more
- Donors giving less than $100 per year retention rate was 53.5%
- Donors giving $100-$249 per year retention rate was 65%
- Donors giving more than $250 per year retention rate was 75%
Important Question:

What are the factors that effect these average retention rates???
Some Important Statistics for Your Measurement Analyses

2015 Donor Retention – Fundraising Effectiveness Project:

- The segment of donors giving more than $250 per year generated 95% of the total revenue reported…
- If 95% of total revenue is retained by donors giving $250 or more, then 95% of your income could come from just 31% of your donors
Important Question:
How will you address this important statistic?
It’s All About The Mission!

What will you do to measure your fundraising effectiveness?
Thank You!

How Can I Help You?

Visit my website at jblockinc.com/resources to download useful forms and other resources

Email me jean@jblockinc.com
Resources

- Association of Fundraising Professionals (afpnet.org)
  - AFP State of Fundraising 2016

- BoardSource (boardsource.org)
  - Perspectives on Nonprofit Fundraising and Financing

- Alan Sharpe (fundraiserhelp.com)
  - Six Fundraising Numbers You Need to Know Cold
Resource – Door Prize!

Available:
- Jblockinc.com
- Amazon.com