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NATIONAL ENERGY & UTILITY AFFORDABILITY COALITION

Is Your Fundraising Adding Up?

Presented by Jean Block
Jean Block Consulting Inc.

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?

One Size Does Not Fit All

BoardSource.org says:

“Merely measuring the direct cost of fundraising as the primary measure of fundraising effectiveness is dangerous, since so many factors should be considered.”

One Size Does Not Fit All

BoardSource.org:

“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?

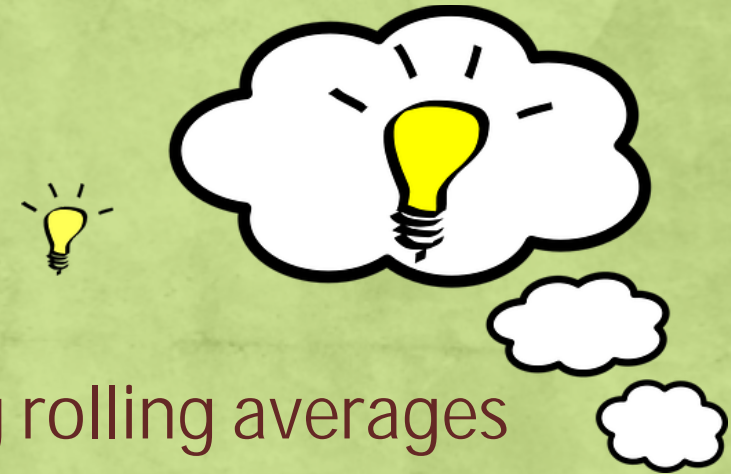
- Special events?
- Donor campaigns?
- Sponsorships, program underwriting?
- Planned Giving?
- Earned income?
- Grants from corporations, foundations, federal government?
- Other????

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