

Increase Your Fundraising Capacity: Assess First!

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Success!!

*Have we created the change,
achieved the impacts,
that our organization exists to accomplish?*

This is our measure of fundraising success!



What is Fundraising Effectiveness?

- Lots and lots of donors,
- Giving in ever increasing amounts,
- Utilizing least amount of resources possible!

Key Metrics for Annual Review - Individual Donors

In order....

1. Total number of individual donors retained and/or lapsed;
2. Average gift amount;
3. Total number of donors;
4. Total number of new donors; and,
5. Percentage of fundraising expenses to revenue generated by tactic/activity.

Donor Retention is Always #1

The research shows....

- ▶ Seven out of ten first-time donors don't give a second gift - If you acquire 100 new donors this year - 7 out of 10 won't renew. This leaves you 30 for the next year of which 43% of those may become year-on-year donors: Total 13!
- ▶ Today, it costs 10 times more to bring in a new donor than to keep one!

Keep Your Donors: It's the Right Thing to Do--And It Makes You More Money!
Simone Joyaux, Non Profit Quarterly, July 2016

Determining Donor Retention

- ▶ Easy - Run a LYBUNT report. Gives you total number of those who did not give again from one year to the next. Could be names as well as numbers. Your total LYBUNT number divided by your total number of donors = retention rate.
Example: 75 lapsed ÷ 475 total = 15.7 % 100% - 15.7% = 84% Retained
- ▶ Not so easy - Run reports for total donors for two consecutive years with names and cumulative amounts for each year. Count number of those gave in both years. Divide number of those who gave in both years by total number of donors in second year.
Example: 400 (gave both 17 & 18) ÷ 475 (total donors in 18) = 84% Retained

Best Practices for Improving Retention

Communicate, communicate, communicate!

In writing & in person,

At least monthly,

Our gratitude, appreciation for their contribution to our work, &

the impacts being accomplished as a DIRECT result of their contribution!

#2 - Average Gift Amounts

► Always Increasing.....

$$\text{Total Dollar Amounts Generated} \div \text{Total \# of Donors} = \text{Average Gift Amount Per Donor}$$

Example: \$100,000 ÷ 475 donors = \$210 per donor

Best Practices for Improving Average Gifts

► Monthly Giving Programs

► Major Donor Work

#3 - Total Number of Donors

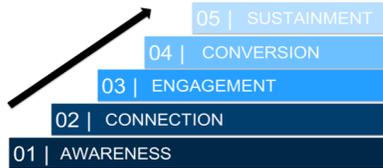
Total number of donors should increase annually.

However, it is much more important that our average gifts increase than our number of donors.

The importance for knowing our total number of donors is in determining retention rates & average gifts amounts!

#4 - Total Number of New Donors

The Donor Journey Has Key Steps:



<https://www.pursuant.com/relationship-fundraising/nuts-bolts-relationship-fundraising>

Different fundraising tactics are designed to do different things.



Measuring Fundraising Effectiveness: Why Cost of Fundraising Isn't Enough - <https://boardsource.org/research-critical-issues/measuring-fundraising-effectiveness/>

#5 - Percentage of fundraising expenses to revenue generated by tactic/activity.

Fundraising Net	Fundraising Cost
Total Amount Raised - Total Fundraising Expenses =	Total Fundraising Expenses ÷ Total Fundraising Net =
Total Fundraising Net	Cost of Fundraising

If an organization raised \$100,000 and spent \$20,000 on staff and other expenses to do it, its total fundraising net is \$80,000 (\$100,000 - \$20,000).

If an organization spends a total of \$50,000 to raise a total amount of \$150,000, then its cost of fundraising is 50% (\$50,000 / (\$150,000 - \$50,000)). Or, stated in dollars, it spent \$0.50 to net \$1.00.

Percentage of fundraising expenses to revenue generated by tactic/activity.

Fundraising Cost Effectiveness Template

Activity	Direct Expenses: Supplies, etc	Direct Expenses: Staffing	Total Costs	Total Revenue Generated	Net Revenue	Cost per Dollar Raised	# of donors sent to	# of responses	% of responses	Avg Gift per Response
Sponsor -A- Valentine	\$ 1,489	\$ 2,125	\$ 3,614	\$ 1,440	\$ (2,174)	\$ (1.66)	702	32	5%	\$ 45.00
Spring Appeal	\$ 881	\$ 388	\$ 1,219	\$ 21,525	\$ 20,356	\$ 0.06	711	75	12%	\$ 287.00
Idaho Gives	\$ 150	\$ 1,000	\$ 1,150	\$ 3,557	\$ 2,407	\$ 0.48	750	55	7%	\$ 64.67
Summer Newsletter (hard copy & email)	\$ 1,457	\$ 859	\$ 2,316	\$ 5,275	\$ 2,959	\$ 0.78	720	28	4%	\$ 188.39
Fall Appeal (email - monthly giving)	\$ -	\$ 1,120	\$ 1,120	\$ 7,518	\$ 6,398	\$ 0.18	739	69	7%	\$ 153.83
Gala	\$ 9,000	\$ 3,080	\$ 12,080	\$ 23,125	\$ 11,045	\$ 1.09	350	189	54%	\$ 122.35
Year End Appeal (hard copy & email)	\$ 388	\$ 420	\$ 813	\$ 14,275	\$ 13,462	\$ 0.06	140	50	7%	\$ 270.55
Major Donors (20)	\$ 460	\$ 17,500	\$ 17,960	\$ 100,000	\$ 82,040	\$ 0.22	20	20	100%	\$ 5,000.00
TOTALS	\$ 13,775	\$ 26,497	\$ 40,272	\$ 176,715	\$ 136,448	\$ 0.30	753			\$ 234.68

Trends vs Annual

	FY16	FY17	FY18
Total Donors	252	287	302
Retained Donor %	77%	76%	72%
New Donors	56	62	66
New Donor Retention %	78%	60%	44%
Monthly Donors		29	35
Average Gift	\$ 404.69	\$ 258.70	\$ 479.87
Total Amount Raised	\$ 101,983	\$ 74,246	\$ 144,919

Assessing Stewardship

- ▶ Do our communications reflect our appreciation, our dependency, our gratitude for our donor partners?
- ▶ Does our culture?

Our Donors/Funders Are Mission Critical

*Fundraising success is when we have created the change,
achieved the impacts,
that our organization exists to accomplish, together, with our donors and
funders as true partners!*

Celebrate, together!



Thank you & Best Wishes for Success!

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