Using Metrics to Boost Your Fundraising

Measure, Improve, Repeat

Jonathan Helder, CFRE, ECRF
About Jon

- Consultant & Data Specialist
- 10+ years of fundraising experience
- **Crazy about data!**
- Experience in 25+ donor databases/CRMs.
- Certified Fund Raising Executive (CFRE)
- Executive Certificate in Religious Fundraising (ECRF)
About The Timothy Group

The Timothy Group comes alongside values-based organizations to implement best practice fundraising and capacity building strategies.

We’re your mentor, coach, advisor, and partner in connecting people to support your God-given dreams.

For over 40 years, the Timothy Group has served, and delivered results for values-based organizations including K-12 schools, Colleges/Universities, Seminaries, Churches, and more...

Together we dream
Learning Objectives & Outline

• Key Data Points
• Top 10 Data Metrics
• Case Study
• Additional Resources
• Q & A

Note: Becoming an expert on every topic in this presentation is not a learning objective.
Presentation Outline

Top 10 Fundraising Metrics
What are they and what do they measure?

Case Study
What metrics tell us about your fundraising program?

Calculate
What tools are available?
So, how well did you do last year?

How would you answer that question?

• Amount raised vs. previous year?
• Amount raised vs. budget?
• Number of new donors?
• Average donation amount?

Do these metrics...

• inform your work for this year?
• convey the true health of your fundraising program?
• pinpoint the areas that need the most improvement?
Key Data Points

- Amount ($) of Gifts Received
- # of Gifts Received
- **2021** Total # of Donors
- **2022** Total # of Donors
- # of New Donors in 2022 *(gave in 2022, but not in 2021)*
- **2022** # of Retained Donors *(gave in both 2021 & 2022)*
- # of Lapsed Donors in 2022 *(gave in 2021, but not in 2022)*
- Actual Fundraising Expense *(include your best guess of the salary costs associated with employees’ time spent fundraising)*
- Total Organizational Expenses
- **2022** Total Amount ($) Received from Top 5 Donors

Average Annual Gift = Amount of Gifts Received / # of Gifts Received

Net Profit = Amount of Gifts Received – Fundraising Expense
Metrics #1 & 2: Retention & Attrition

Donor Retention Rate = \[
\frac{2022 \, \# \, \text{of Retained Donors}}{2021 \, \text{Total \# \, of Donors}}
\]

Donor Attrition Rate = \[
\frac{2022 \, \# \, \text{of Lapsed Donors}}{2021 \, \text{Total \# \, of Donors}}
\]
You’re likely to raise more money from existing donors than by acquiring new donors.

Prove it for yourself!

Calculate the attrition rate of the average first-time donor vs. the other existing donors.

This data can be helpful to share when you would rather prioritize your existing donor group.
Metrics #3 & 4: Churn & Frequency

Churn = New Donors – Lapsed Donors

Donation Frequency = \[\frac{\text{Number of Donations}}{\text{Number of Donors}}\]
Metric #5: Donor Lifetime Value

Donor Lifetime Value = \( \frac{\text{Average Annual Gift}}{\text{Attrition Rate}} \)
Metric #6: Lost Potential

\[
\text{Lost Potential} = \text{Donor Lifetime Value} \times \# \text{ of Lapsed Donors}
\]
Do I hear snoring?

Have I lost you yet?

If this were easy or fun, you would already be doing this!

Only 4 more to go.

You can do this!
Metrics #7 & 8: ROI & CRD

Return on Investment = \frac{\text{Net Profit}}{\text{Fundraising Expenses}}

Cost to Raise a Dollar = \frac{\text{Fundraising Expenses}}{\text{Net Profit}}
Metric #9: Dependency Quotient

\[
\text{Dependency Quotient} = \frac{\text{Total Amount ($)} \text{ Recieved from Top 5 Donors}}{\text{Total Organizational Expense}}
\]
Dependency Quotient vs. Cost to Raise a Dollar

Source: Bloomerang, 3 Metrics to Help Measure Fundraising Effectiveness
https://bloomerang.co/blog/3-metrics-to-help-measure-fundraising-effectiveness
Metric #10: Donation Page Conversion Rate

\[
\text{Conversion Rate} = \left( \frac{\text{Number of People Who Donate via the Donation Page}}{\text{Total Number of Donation Page Visits}} \right) \times 100
\]

- Watch out for recurring donations (remember, it’s the number of people who donate)
- Industry Benchmark: 15-20% Conversion Rate
- Great resources at donationpagefriction.com
- Why do realtors prioritize upgrading the front entry door? First impressions are everything.
- Processing fees aren’t a tax, they’re an investment
Case Study

Before: “We raised more money & had lots of new donors!”
Case Study

Before: “Our average gift went down?!”
Case Study

Now: “Donor Retention is heading in the right direction!”
Case Study

Now: “We added more donors than we lost, but more work could be done.”
Case Study

Now: “Work on new donor retention- create robust new donor intake program.”
Case Study

Now: “Keep up the great work on the monthly giving program!”
### Return on Investment & Cost to Raise a Dollar

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Type</th>
<th>Total # of Individuals Solicited</th>
<th>Total Raised</th>
<th>Total Cost</th>
<th>Net Income</th>
<th>Return on Investment</th>
<th>Cost per Dollar Raised</th>
<th>Amount Raised per Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-Feb</td>
<td>Auction</td>
<td>Event</td>
<td>2500</td>
<td>$50,000</td>
<td>$15,000</td>
<td>$35,000</td>
<td>233%</td>
<td>$0.43</td>
<td>$14.00</td>
</tr>
<tr>
<td>1-Mar</td>
<td>Spring Newsletter</td>
<td>Newsletter</td>
<td>3000</td>
<td>$3,500</td>
<td>$4,000</td>
<td>(500)</td>
<td>-13%</td>
<td>(8.00)</td>
<td>(0.17)</td>
</tr>
<tr>
<td>1-Apr</td>
<td>Spring Solicitation</td>
<td>Mail</td>
<td>2700</td>
<td>$9,000</td>
<td>$1,300</td>
<td>$7,700</td>
<td>592%</td>
<td>0.17</td>
<td>2.85</td>
</tr>
<tr>
<td>1-May</td>
<td>Sponsorship Drive</td>
<td>Online</td>
<td>5000</td>
<td>$3,500</td>
<td>$200</td>
<td>$3,300</td>
<td>1650%</td>
<td>0.06</td>
<td>0.66</td>
</tr>
<tr>
<td>1-Jun</td>
<td>Golf Outing</td>
<td>Event</td>
<td>1000</td>
<td>$30,000</td>
<td>$12,000</td>
<td>$18,000</td>
<td>150%</td>
<td>0.67</td>
<td>18.00</td>
</tr>
<tr>
<td>1-Jul</td>
<td>Summer Newsletter</td>
<td>Newsletter</td>
<td>3050</td>
<td>$7,000</td>
<td>$4,100</td>
<td>$2,900</td>
<td>71%</td>
<td>1.41</td>
<td>0.95</td>
</tr>
<tr>
<td>15-Jul</td>
<td>Summer Solicitation</td>
<td>Mail</td>
<td>2500</td>
<td>$4,000</td>
<td>$1,500</td>
<td>$2,500</td>
<td>167%</td>
<td>0.60</td>
<td>1.00</td>
</tr>
<tr>
<td>20-Sep</td>
<td>Fall Gala</td>
<td>Event</td>
<td>3000</td>
<td>$75,000</td>
<td>$25,000</td>
<td>$50,000</td>
<td>200%</td>
<td>0.50</td>
<td>16.67</td>
</tr>
<tr>
<td>15-Oct</td>
<td>Fall Newsletter</td>
<td>Newsletter</td>
<td>3075</td>
<td>$4,300</td>
<td>$1,000</td>
<td>$3,300</td>
<td>330%</td>
<td>0.30</td>
<td>1.07</td>
</tr>
<tr>
<td>15-Nov</td>
<td>YE Solicitation Letter</td>
<td>Mail</td>
<td>4000</td>
<td>$45,000</td>
<td>$3,000</td>
<td>$42,000</td>
<td>1400%</td>
<td>0.07</td>
<td>10.50</td>
</tr>
<tr>
<td>4-Dec</td>
<td>Giving Tuesday</td>
<td>Online</td>
<td>5000</td>
<td>$5,000</td>
<td>$500</td>
<td>$4,500</td>
<td>900%</td>
<td>0.11</td>
<td>0.90</td>
</tr>
</tbody>
</table>

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**Now:**
1. Identify areas for increased investment in online campaigns
2. Plan early and look for ways to improve the YE solicitation
3. Develop a new strategy for the spring newsletter/solicitation
# Free Spreadsheet Tool

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total Actual Fundraising Expense</td>
<td>$30,000</td>
<td>$37,000</td>
<td>$34,000</td>
<td>$38,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>2. Total Organizational Expenses</td>
<td>$400,000</td>
<td>$410,000</td>
<td>$450,000</td>
<td>$445,000</td>
<td>$470,000</td>
</tr>
<tr>
<td>3. Total Amount of Contributions Received</td>
<td>$125,000</td>
<td>$150,000</td>
<td>$134,000</td>
<td>$170,000</td>
<td>$175,000</td>
</tr>
<tr>
<td>4. Total Amount Given by Top 5 Donors</td>
<td>$36,000</td>
<td>$42,000</td>
<td>$37,000</td>
<td>$50,000</td>
<td>$45,000</td>
</tr>
<tr>
<td>5. Total # of Contributions Received</td>
<td>750</td>
<td>800</td>
<td>900</td>
<td>860</td>
<td>925</td>
</tr>
<tr>
<td>6. Total # of Donors</td>
<td>275</td>
<td>300</td>
<td>325</td>
<td>355</td>
<td>335</td>
</tr>
<tr>
<td>7. Total # of New Donors</td>
<td>60</td>
<td>80</td>
<td>55</td>
<td>50</td>
<td>75</td>
</tr>
<tr>
<td>8. Total # of Retained Donors</td>
<td>150</td>
<td>150</td>
<td>170</td>
<td>180</td>
<td>190</td>
</tr>
<tr>
<td>9. Total # of Lapsed Donors</td>
<td>65</td>
<td>70</td>
<td>100</td>
<td>125</td>
<td>70</td>
</tr>
<tr>
<td>10. Average Gift Amount</td>
<td>$167</td>
<td>$188</td>
<td>$149</td>
<td>$198</td>
<td>$189</td>
</tr>
<tr>
<td>11. Donor Retention Rate</td>
<td>55%</td>
<td>57%</td>
<td>55%</td>
<td>55%</td>
<td>54%</td>
</tr>
<tr>
<td>12. Donor Attrition Rate (aka Lapsed Rate)</td>
<td>45%</td>
<td>43%</td>
<td>45%</td>
<td>46%</td>
<td>46%</td>
</tr>
<tr>
<td>13. Churn</td>
<td>-5</td>
<td>10</td>
<td>-45</td>
<td>-75</td>
<td>5</td>
</tr>
<tr>
<td>14. Donors Lost</td>
<td>-65</td>
<td>-70</td>
<td>-100</td>
<td>-125</td>
<td>-70</td>
</tr>
<tr>
<td>15. Fundraising ROI</td>
<td>317%</td>
<td>305%</td>
<td>294%</td>
<td>347%</td>
<td>338%</td>
</tr>
<tr>
<td>16. Cost to Raise a Dollar</td>
<td>$0.32</td>
<td>$0.33</td>
<td>$0.34</td>
<td>$0.29</td>
<td>$0.30</td>
</tr>
<tr>
<td>17. Donation Frequency</td>
<td>2.73</td>
<td>2.67</td>
<td>2.77</td>
<td>2.42</td>
<td>2.76</td>
</tr>
<tr>
<td>18. Dependency Quotient</td>
<td>9.00%</td>
<td>10.24%</td>
<td>8.22%</td>
<td>11.24%</td>
<td>9.57%</td>
</tr>
<tr>
<td>19. Lifetime Value</td>
<td>$412.50</td>
<td>$343.59</td>
<td>$443.06</td>
<td>$407.04</td>
<td>$455.00</td>
</tr>
<tr>
<td>20. Lost Potential</td>
<td>$28,875</td>
<td>$34,359</td>
<td>$55,383</td>
<td>$28,493</td>
<td></td>
</tr>
</tbody>
</table>

*Benchmark Average Gift Amount | $264 | $256 | $294 | $267 | $261 |
*Benchmark Donor Retention Rate | 40% | 40% | 34% | 40% | 40% |
*Benchmark Donor Attrition Rate | 60% | 60% | 66% | 60% | 66% |

13 auto-generated charts/graphs included!
Other Free tools

- Quickly produces beautiful graphs, trend lines, and segmentations.

- Kindful & Little Green Light CRM fully integrate

- Awesome Benchmark Page: provides sector-specific benchmarks that instantly help you see how you are doing compared to your sector.

- Set of free spreadsheets
- Download spreadsheets vs. Uploading your donor data
We’re here to help!

Email me at jhelder@timothygroup.com to schedule a no obligation 30-minute zoom meeting or call. I’m happy to look over your metrics, help assess your overall fundraising program, digital fundraising tools, talk about year end, or any other topic.
Any Questions?

Let’s Connect:
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For TTG’s PowerPoint slides, fundraising metrics article and tool:
timothygroup.com/fundraising_metrics