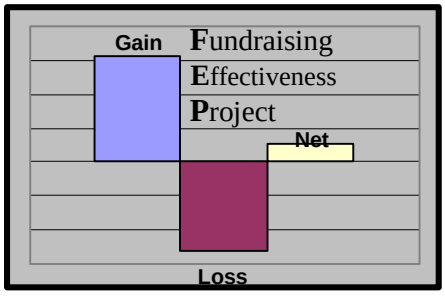
# FEP Pilot 2004-05 Survey Report

**Measure Your Growth in Giving By *Gain/Loss* Category and Increase Your Net By Maximizing Your Gains & Minimizing Your Losses**

# FEP




Annual FEP surveys are provided by the AFP Donor Software Workgroup

## Participating Donor Software Firms:

Compass Technology
Donor2/Campus Management Corporation*
DonorPerfect Fundraising Software*
eTapestry*
GiftWorks (Mission Research)*
MatchMaker FundRaising Software*
Metafile
PhilanthrAppeal (FundTrack Software)*
PledgeMaker (SofTrek)
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Sage Software*
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## Fundraising Effectiveness Project Sponsors

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*Founding partners, providing resources for the project.

# How Does Your Fundraising Performance Measure Up?

## Knowing Your *Gain/Loss Ratios* Will Help You Raise More Money

You can…

Pinpoint strengths and weaknesses in your fundraising performance

Gauge how much donor attrition may be stunting your growth in giving

Target untapped opportunities to boost donor revenue

Learn where to commit more resources to make the biggest difference

…by participating in the

## Fundraising Effectiveness Project (FEP)

### Background

**The Association of Fundraising Professionals (AFP)** has partnered with the Urban Institute's Center for Nonprofits and Philanthropy and other industry organizations in sponsoring the **Fundraising Effectiveness Project (FEP)**, a long-range plan for helping nonprofit groups measure, compare and maximize their annual growth in giving.

> The **Fundraising Effectiveness Project (FEP)**
> is a long-range plan for helping nonprofit groups
> measure, compare and maximize their
> annual growth in giving.

A key initial component of the FEP is the groundbreaking **Fundraising Effectiveness Survey**, a web-based survey piloted in November 2006 which is collecting fundraising data from nonprofit organizations beginning with 2004-2005 comparisons. The Fundraising Effectiveness Survey enables participating groups to measure and compare their fundraising gain and loss ratios to those of similar organizations. Participants can then use this industry data, which AFP offers free to survey respondents, to make better informed, growth-oriented budget decisions that will boost donor revenue.

The FEP Survey is the first to compile fundraising performance data from nonprofits that not only shows the overall percentage of growth in gift dollars and donors from one year to the next but also breaks down the data in terms of the percentage gained from new, recaptured and upgraded donors that year as well as the percent of revenue lost from downgraded, lapsed new donors and lapsed repeat donors.

The Fundraising Effectiveness Survey is ongoing and open to all nonprofits. There is no charge to participate and as a participant, you receive access to the survey performance data. All information supplied by survey respondents is kept strictly anonymous and confidential, and results are reported in aggregate form only.

## Donor Software Firms Facilitate Nonprofits' Participation

A critical element in the success of the Fundraising Effectiveness Survey has been the cooperation and support of numerous donor software firms. At AFP's invitation, these firms have agreed to assist their clients in extracting the necessary data from their donor databases to complete the survey. By using a web-based survey and working with the donor software community, AFP is able to increase survey response rate, ensure greater accuracy in the data gathered, significantly save on data-entry costs and speed up the data analysis process.

The members of the **AFP Donor Software Workgroup** listed on the cover page collectively serve more than 50,000 nonprofit clients. If your donor software provider is not on this list, please ask them for their support. AFP and the other sponsors of the Fundraising Effectiveness Project encourage all firms to help their clients pull the data required to complete the survey.

## How is the FEP Survey Different?

The Fundraising Effectiveness Survey measures fundraising performance not only in terms of overall percent increase or decrease in gift dollars and donors, but drills down to assess the impact of new donor recruitment, recaptures and upgrades as well as the individual effect of downgraded and lapsed donors. For example, the 2004-2005 pilot survey compiles data in the following categories:

**Total gift dollars**

gained from new donors in 2005
gained from recaptured donors in 2005 (donors who did not give in 2004)
gained from upgraded donors (donors who increased their gift in 2005 vs 2004)
from donors who gave the same amount in 2004 and 2005
lost from downgraded donors (donors who gave less in 2005 vs 2004)
lost from lapsed new donors (new donors in 2004 who did not give in 2005)
lost from lapsed repeat donors in 2005 (repeat donors who did not give in 2005)

**Total # of donors**

new donors gained in 2005
recaptured donors gained in 2005 (donors who did not give in 2004)
upgraded donors (donors who increased their gift in 2005 vs 2004)
donors who gave the same amount in 2004 and 2005
downgraded donors (donors who gave less in 2005 vs 2004)
lapsed new donors (new donors from 2004 who did not give in 2005)
lapsed repeat donors (repeat donors who did not give in 2005)

## Gain/Loss Ratios

The FEP survey then calculates *gain and loss ratios* for these categories, or the percentage of gift dollars and donors gained and lost from one year to the next – e.g., 2005 as compared to 2004 for the FEP pilot survey.

The *gain or loss ratio* for each category is calculated as:

$$\text{Gain/Loss Ratio (\%)} = \frac{\text{survey-year gains or losses in each category}}{\text{prior year total results}}$$

## Illustrative Gain/Loss Ratios based on FEP 2004-05 Pilot Survey

**(For more detail, see Figure 1, page 7)**

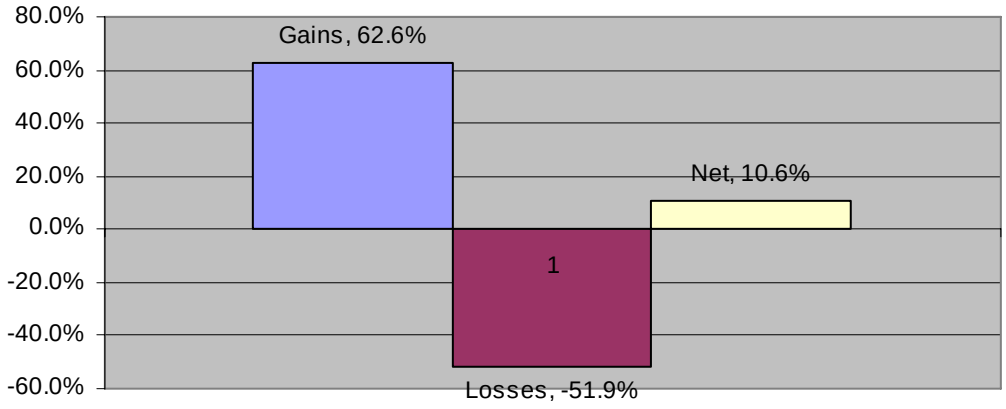
$$\text{Gain ratio (\%)} = \frac{\$203{,}919{,}888 \text{ in total gains in giving in 2005}}{\$325{,}929{,}686 \text{ total gifts in 2004}} = 62.6\ \%$$

$$\text{Loss ratio (\%)} = \frac{\$169{,}303{,}467 \text{ in total losses in giving in 2005}}{\$325{,}929{,}686 \text{ total gifts in 2004}} = -51.9\ \%$$

## Overview of FEP Pilot 2004-05 Survey Results And Their Use in Your Planning and Budgeting

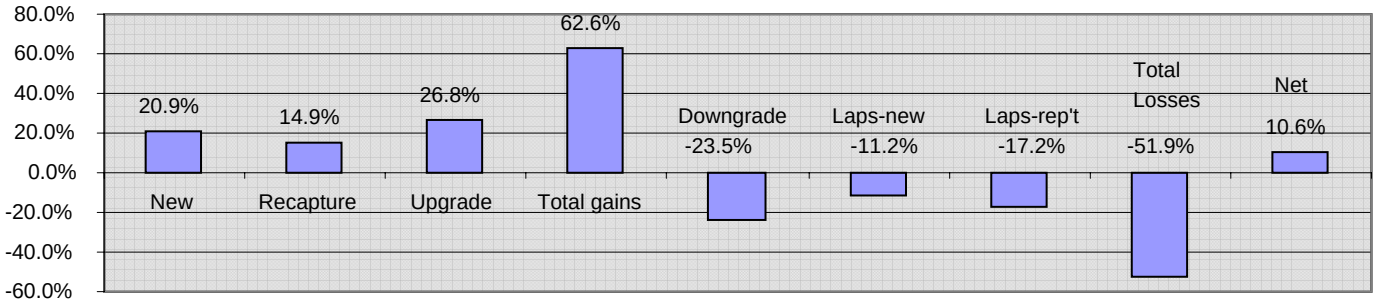
The overall, bottom line growth-in-giving for 275 of the FEP pilot survey respondents was 10.6 percent from 2004 to 2005. That is, as a group, they raised $325.9 million in 2004 and $360.5 million in 2005 for an overall increase of $34.6 million. This equates to an overall growth-in-giving ratio of 10.6 percent. However, this *overall ratio* of 10.6 percent is actually a *net ratio* consisting of *gain ratios* minus *loss ratios*.

This is the basic FEP concept, that growth in giving from one year to the next is the *net* of *gains* minus *losses.*




Growth in giving is increased both by maximizing gains and by minimizing losses.

*Gains* consist of gifts by new donors and recaptured lapsed donors and increases in gift amounts by upgraded donors. *Losses* consist of decreases in gift amounts by downgraded donors and lost gifts from lapsed new and lapsed repeat donors (See Figure 1, page 7).




Again, growth in giving is increased by maximizing the gain categories and by minimizing loss categories.

The FEP surveys are also collecting data on gains and losses in the number of donors, with the results for the 275 initial respondents showing a 13.1 percent overall net increase in donors in 2005 over the previous year. This 13.1 percent net gain/loss ratio represents the difference between a 60.4 percent increase in new donors and a loss of 47.4 percent of the 2004 donor population (See Figure 1, page 7).

## Knowing Your Gain/Loss Ratios Will Help You Raise More Money

The overall *net ratio* is the bottom-line measure of overall fundraising performance, but it is not decision-useful information for planning and budgeting. On the other hand, each of the FEP *gain and loss ratios* are very decision-useful for planning and budgeting purposes.

> While your board and CEO may focus on improving your organization's overall *net ratio*, focusing them on your *gain and loss ratios,* instead, will help you and them raise more money for your organization.

Rather than compare your bottom-line overall net ratio with the FEP survey overall ratio data, it is essential that you compare your performance with each category of gain and loss ratios and plan and budget additional resources to improve performance in each gain/loss category (see "Investing More Money in Fundraising – Effectively" in Attachment A for the FEP perspective on budgeting additional resources).

## How Do Your Gain/Loss Ratios Compare?

First, before you can find out how your gain/loss ratios compare to FEP survey statistics or from one year to the next, you need to have your own organization's gain/loss ratios to compare. In other words, you need to know what your gain/loss ratios are before you can use them to help your organization increase giving at a faster pace. This requires implementing and making routine use of the FEP standard **Gain/Loss Growth-in-Giving Performance Report** for your fundraising programs. Figure 1 is an example of this gain/loss report, using data for selected respondents to the FEP Pilot 2004-05 Survey. FEP recommends this Gain/Loss Report to all nonprofits for tracking performance and ensuring that growth-in-giving goals are achieved. Templates in Excel for your use in preparing gain/loss reports and analyses are available for downloading from www.afpnet.org. To obtain the URL, contact Bill Levis, FEP Project Manager, qrlevis@aol.com.

## FEP Preliminary Fundraising Gain/Loss Performance Ratios

Once you have measured your own Gain/Loss ratios, you can compare them to the FEP preliminary Gain/Loss Performance Ratios which are based on the FEP Pilot 2004-05 Survey data. Attachment B contains a *Growth-in-Giving Performance Worksheet* with instructions for determining how your Gain/Loss Ratios compare to the FEP survey ratios as well as your prior year ratios and your performance goals.

The initial FEP Gain/Loss ratio ranges are provided in Attachment B, figures 3 to 7, by the following groupings:

Percentile ranking, from bottom 20 percent to top 20 percent (Figure 3)
Size by ranges of total amount raised (Figure 4)
Subsector or type of organization (Figure 5)
Geographic region (Figure 6), and
Age of development program (Figure 7).

## Interpreting Figure 1 – Gain/Loss Growth-in-Giving Report (See page 7)

This is the core FEP Gain/Loss report.

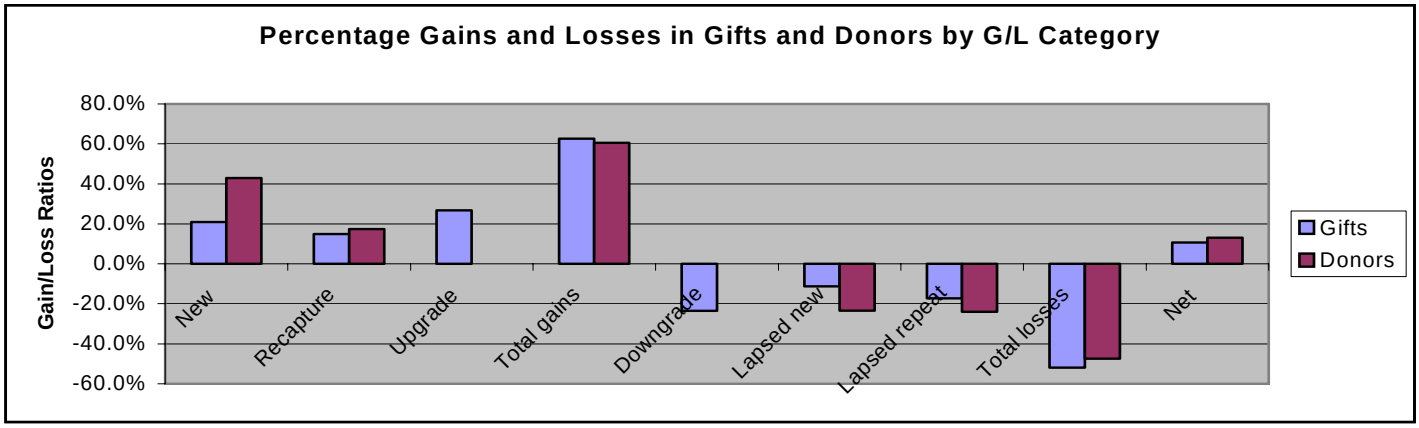
First, it presents the results for the period or year being analyzed (column B) from donors grouped by Gain/Loss category.
Second, results from these same donors during the *prior* period or year are also presented (column A).
Third, the Gains and Losses (column C) are calculated by subtracting prior year, period 1 results (column A) from period 2 results (column B).
Fourth, Gain/Loss Ratios (column D) are calculated by dividing Gains and Losses (column C) by the *total prior* period or year results (*total*, column A).

The Gain/Loss Report in Figure 1 is in two parts with identical formats: Amount of Gifts and Number of Donors: The overall *amount of gifts* net gain/loss of $34.6 million (10.6%) is the net of total gains of $203.9 million (62.6%) offset by total losses of -$178.6 million (-51.9%). The overall *number of donors* net gain/loss of 49,250 donors (13.1%) is the net of total gains of 227,875 donors (60.4%) offset by total losses of -178,625 donors (-47.4%).

Note: These gain/loss percentages are preliminary and are subject to updating as more responses are added to the analyses and statistical profiling of the data continues. Further, while these findings provide strong indications that net growth in giving involves gains in giving that are offset by major losses, these 275 responses to the FEP pilot survey are not representative of the nonprofit sector as a whole.

**Figure 1 – Gain/Loss Report -- for respondents to Pilot 2004-05 Survey**

| Gain/Loss Category | 2004 (A$) | 2005 (B$) | Gains (Losses) (C$=B-A) | Gain/Loss Ratio (D%=C/totA) |
|---|---|---|---|---|
| | | **Amount of Gifts** | | |
| **Gains** | | | | |
| New | $ 0 | $ 68,069,385 | $ 68,069,385 | **20.9%** |
| Recapture | 0 | 48,501,167 | 48,501,167 | **14.9%** |
| Upgrade | 66,651,361 | 154,000,698 | 87,349,337 | **26.8%** |
| Subtotal gains | 66,651,361 | 270,571,249 | 203,919,888 | **62.6%** |
| **Same** | 29,845,733 | 29,845,733 | - | **0.0%** |
| **Losses** | | | | |
| Downgrade | 136,754,761 | 60,129,125 | (76,625,636) | **-23.5%** |
| Lapsed new | 36,627,778 | 0 | (36,627,778) | **-11.2%** |
| Lapsed repeat | 56,050,052 | 0 | (56,050,052) | **-17.2%** |
| Subtotal losses | 229,432,592 | 60,129,125 | (169,303,467) | **-51.9%** |
| **Total - gifts** | $ 325,929,686 | $ 360,546,108 | $ 34,616,422 | **10.6%** |
| | | | | Overall rate of growth |
| | | **Number of Donors** | | |
| **Gains** | | | | |
| New | 0 | 161,982 | 161,982 | **43.0%** |
| Recapture | 0 | 65,893 | 65,893 | **17.5%** |
| Upgrade | 77,509 | 77,509 | - | **0.0%** |
| Subtotal gains | 77,509 | 305,384 | 227,875 | **60.4%** |
| **Same** | 53,904 | 53,904 | - | **0.0%** |
| **Losses** | | | | |
| Downgrade | 67,092 | 67,092 | - | **0.0%** |
| Lapsed new | 88,432 | 0 | (88,432) | **-23.4%** |
| Lapsed repeat | 90,193 | 0 | (90,193) | **-23.9%** |
| Subtotal losses | 245,717 | 67,092 | (178,625) | **-47.4%** |
| **Total - donors** | 377,130 | 426,380 | 49,250 | **13.1%** |
| | | | | Overall rate of growth |



## Nonprofits' Efforts in Donor Recruitment Pay Off

The FEP 2004-05 survey results break down the nonprofit industry's 62.6 percent gain in gift dollars, or *gain ratio,* into three categories: gains from new, recaptured and upgraded gifts. The *gain ratio* for each category is calculated as:

$$\text{Gain Ratio (\%)} = \frac{\text{survey-year gains in each category}}{\text{prior year total results}}$$

Example: $\frac{\$68{,}069{,}385 \text{ in gifts from } \textit{new} \text{ donors in 2005}}{\$325{,}929{,}686 \text{ total gifts in 2004}}$ = 20.9 % gain ratio

As shown in this example, the gain ratio for 2005 from new donor gifts was 20.9 percent, meaning new donor dollars made up 20.9 percent of the overall 62.6 percent gain. Looking at Figure 1, we see the largest chunk of the 62.6 percent gain ratio was from a 26.8 percent gain from upgraded donor gifts, while gifts from recaptured donors accounted for 14.9 percent of the overall gain in 2005.

These findings demonstrate that many of the nonprofits responding to the survey are successful in persuading donors to upgrade their gifts. The organizations also are doing a fairly good job at recruiting new donors and recapturing lapsed donors, achieving a 60.4 percent gain in new donors in 2005.

## Downgraded Gifts Make Significant Impact

Donor recruitment, however successful, is only part of the story. Perhaps the more constructive finding produced by the FEP survey is that of *loss ratios.* Loss ratio refers to the percentage of gift dollars lost from one year to the next due to downgraded and lapsed donors.

$$\text{Loss Ratio (\%)} = \frac{\text{survey-year losses in each category}}{\text{prior year total results}}$$

Example: $\frac{-\$76{,}625{,}636 \text{ loss from } \textit{downgraded} \text{ donors in 2005}}{\$325{,}929{,}686 \text{ in total gifts in 2004}}$ = -23.5% loss ratio

The 23.5 percent loss ratio from downgraded donor gifts made up for almost half of the 51.9 percent overall loss in donor revenue for the survey respondents in 2005. Gift dollars lost from lapsed new donors made up 11.2 percent of the overall loss, while lapsed repeat donors accounted for 17.2 percent.

While a 10.6 percent overall increase is certainly a positive showing, the FEP survey results illustrate how donor attrition can affect nonprofits' bottom-line net gain nearly as much or more than successful recruitment of new donors. In fact, we see that in 2005 for every $6 gained in gifts, the average survey respondent lost $5, for a net gain of $1.

A similar argument can be said for the number of donors: For every six donors brought in the door, nonprofits are letting (nearly) five slip out the back door for a net gain of one donor. As shown in Figure 1, the overall net gain in donor ranks in 2005 of 13.1 percent was comprised of a 60.4 percent increase in new and recaptured donors offset by a loss of 47.4 percent of the 2004 donor population. Lapsed new and lapsed repeat donors were equally represented in this loss, indicating a need for more effective donor retention strategies for first-time as well as repeat donors.

Previous research has identified enormous potential for cultivating new money, but the FEP survey results point to the significant potential for increasing net donor revenue by minimizing the number of lost and downgraded donors. One fundraising professional stated after looking at the survey findings, "An important and under-examined aspect of the fundraising stats we look at is the loss...reducing loss, not just raising more."

## Small Changes in Retention Can Make Big Difference

In a recent *Chronicle of Philanthropy* interview, Adrian Sargeant of the Indiana University Center on Philanthropy commented on the potential for increased growth in giving simply by improving donor retention. "We need to look into the things that drive donor retention. People haven't grasped the difference that even small changes in donor retention can make on the bottom line. You ought to know as a nonprofit what the effect on net contributions would be if you could hold onto 1 to 5 percent of the donors you're losing every year."

Sargeant adds that the Center's research suggests "a 10 percent improvement in donor retention can increase returns by up to 200 percent." (*Chronicle*, February 22, 2007) Based on the FEP survey findings, a 10 percent reduction in the 51.9 percent loss ratio would put the loss ratio at 46.7 percent. This would increase the overall net increase from 10.6 percent to 15.9 percent (62.6% gain ratio minus 46.7% loss ratio). An overall net gain of 15.9 percent a year means the level of giving will double every five years. This would be a much different scenario than the current 7.5 percent average national growth rate, at which the level of giving doubles only every 10 years.

## FEP Survey Is Launch Pad to take Fundraising Performance to New Heights

When AFP asked its members in January 2006 if a survey of this scope would be of interest, more than 1,500 fundraising professionals indicated overwhelming support for the project. Nonprofit organizations are aware of the untapped potential for growth in giving. However, until now, fundraisers and top decision makers have lacked the detailed performance data and benchmarks needed to maximize their resources for increased donor revenue.

Penelope Burk, a member of the FEP Technical Advisory Group and president of Cygnus Applied Research Inc., states in her book, *Donor Centered Fundraising*, that donor attrition is "the most serious problem in fundraising today." Her book provided some of the basis for the design of the FEP survey. Based on some of the survey findings, the AFP plans to provide nonprofits with effective strategies for improving retention by tapping into the expertise of Burk and other fundraising professionals.

After reviewing the FEP pilot survey data, one fundraising professional remarked: "Most of us fundraisers focus on how we can get more, and most will have no idea of how much they're losing or how much they must get in new gifts to make up for that loss in order to have a net increase."

AFP will continue to add new participants' data to the initial FEP 2004-2005 Survey in order to build baseline data that is as comprehensive as possible. Repeat participants (those who already have submitted 2004-2005 figures) should submit their 2005-2006 data this year.

In subsequent years, FEP plans to collect additional information about fundraising method costs, gift type (annual, capital and planned gifts) and other variables.

**For More Information**

For more information about the FEP, please contact Bill Levis, Project Manager at The Urban Institute (grlevis@aol.com) or Cathlene Williams, Ph.D., CAE, Vice President, Research at AFP (cwilliams@afpnet.org).

## The following URLs are related to the Pilot FEP 2004-05 Survey

**FEP 2004-2005 Survey on Websurveyor [will remain open indefinitely]**
http://websurveyor.net/wsb.dll/33613/fepsurvey.htm

**FEP 2004-05 Survey instructions for nonprofits that are unable to get assistance from their donor software provider**
http://www.afpnet.org/ka/ka-3.cfm?content_item_id=23821&folder_id=887

**AFP's Oct. 2, 2006, eWire Newsletter announcement of the FEP Survey**
http://www.afpnet.org/ka/ka-3.cfm?content_item_id=23783&folder_id=887

**AFP's Nov. 6, 2006, eWire Newsletter update on the FEP Survey** http://www.afpnet.org/ka/ka-3.cfm?content_item_id=23835&folder_id=2326

**AFP News and Press Release, November 1, 2006**
http://www.afpnet.org/ka/print_content.cfm?folder_id=887&content_item_id=23783

***Focus on Donor Retention, Not Acquisition*, AFP Journal, March-May, 2007**
http://www.afpnet.org/ka/ka-3.cfm?content_item_id=24047&folder_id=2326

Templates in Excel for your use in preparing gain/loss reports and analyses are available for downloading from www.afpnet.org. To obtain URL, contact Bill Levis, FEP Project Manager, qrlevis@aol.com.

**Attachment A**

# Investing More Money[1] In Fundraising -- *Effectively*[2]

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From a budgeting perspective, your overall net growth in giving is improved, not by lump-sum increases in the overall fundraising budget intended to improve the net, but by incremental increased investments that are broken down by specific fundraising activities aimed at increases in each of the gain categories and reductions in each of the loss categories.

Further, just as results cannot be doubled in one year, fundraising budgets cannot be doubled in one year. Cost effective, goal and growth-oriented budgeting for fundraising requires that, year-after-year, organizations make significant, incremental increases in their budgets, by categories of fundraising effort, then measure the corresponding incremental return on those investments (ROI), by gain/loss categories, and make additional incremental increased investments in fundraising effort, category by category, based on the performance (ROI) of previous fundraising activities.

**Investing more money in fundraising consists primarily of investing in the increased professional fundraising capacity needed to increase giving at a faster pace.** Fundraising capacity can be measured in large part in terms of numbers of people (i.e., full-time equivalents or FTEs) involved in fundraising related activities and their level of training, experience and ability to implement best-practice fundraising. Therefore, investing more money in fundraising consists primarily of increasing professional fundraising FTEs with well trained, highly motivated and truly appreciated personnel.

When investing more money in fundraising to improve performance in each of the Gain/Loss categories, it is imperative that those investments be in the very best fundraising practices. This may require that experienced and successful fundraising professionals be employed as consultants to assist less experienced, emerging staff professionals with designing, planning, budgeting, implementing and evaluating strategies for improving performance. This is the way that organizations can increase the number and qualifications of on-staff personnel with fundraising responsibilities – i.e., growing on-staff fundraising capacity to increase giving at a faster pace.

The FEP strategies are especially helpful to those fundraising professionals who could raise more money if they had the budget to employ more staff. The question every development officer needs to ask him or herself: Could I raise more money if I could hire one more fundraising professional?

[1] **It not only takes money to raise money, it takes *more* money to raise *more* money.**
[2] **"Effectiveness" for the Fundraising *Effectiveness* Project means *maximizing growth in giving*.**

**Attachment B**

# Using the FEP Comparative Gain/Loss Growth-in-Giving Worksheet to Find Out How Your Fundraising Performance Measures Up

***When performance is measured, performance improves.***

The first step is to measure your fundraising performance by gain/loss category following the step by step procedure for the FEP Gain/Loss Comparative Gain/Loss Growth-in-Giving Worksheet (Figure 2). Once you have measured your own performance you will be able to participate in the annual Fundraising Effectiveness Surveys.

**Strategy for improving performance using the worksheet in Figure 2:**
Step 1 – Prepare your Excel *Growth-in-Giving Performance Worksheet* using Figure 2 as a model. Include formulas for tabulating the subtotal and total rows. Follow the formulas and formats indicated under the column headings for columns "C," "D%" and "E-D."

**Figure 2 – Comparative Gain/Loss Growth-in-Giving Performance Worksheet -- Year 1 to Year 2**

| | | | | -- Growth-in-Giving Performance Indicators -- | | | |
|---|---|---|---|---|---|---|---|
| **Gain/Loss Category** | **Year 1** (A) | **Year 2** (B) | **Gains (Losses)** (C=B-A) | **Gain/Loss As % of Year 1 total** (D%=C/totA) | **Goal, Prior Year or FEP (*) Ratio** (E%) | **Difference** (E-D) | **Objective** |
| **Gains** | | | | | | | |
| New | 0 | 0 | - | 0.0% | | | Improve |
| Recapture | 0 | 0 | - | 0.0% | | | Improve |
| Upgrade | 0 | 0 | - | 0.0% | | | Improve |
| **Subtotal** | **0** | **0** | **-** | **0.0%** | | | **Maximize** |
| **Same** | **0** | **0** | **-** | 0.0% | | | Upgrade |
| **Losses** | | | | | | | |
| Downgrade | 0 | 0 | - | 0.0% | | | Reduce |
| Lapsed new | 0 | 0 | - | 0.0% | | | Reduce |
| Lapsed repeat | 0 | 0 | - | 0.0% | | | Reduce |
| **Subtotal** | **0** | **0** | **-** | **0.0%** | | | **Minimize** |
| **Total** | **0** | **0** | **-** | **0.0%** | | | **[Net gain/loss]** |
| | | | | Overall rate of growth | | | |

* Initial FEP ranges, which are based on the pilot FEP 2004-05 survey, are provided in figures 3 to 7 by various groupings: percentile ranking (Figure 3), size by total amount raised (Figure 4), sub-sector of organization (Figure 5), geographic region (Figure 6) and age of development program (Figure 7).

[3] You will find the FEP pilot 2004-05 survey online at http://websurveyor.net/wsb.dll/33613/fepsurvey.htm. Ask your donor software provider to assist you in pulling the information from your database for your gain/loss performance measurement and participating in the FEP surveys. (See page 2 for information about donor software firms' involvement in the FEP survey.)

**Step 2** - Determine your G/L ratio for each gain/loss category. Enter your Year-1 data in column "A" and Year-2 data in column "B" for each Gain/Loss category. Your "Gains (Losses)" in column C and "Gain/Loss as a % of Year 1 total" in column D% will be computed automatically for you. You now know your own Gain/Loss Ratios, also referred to as "Growth-in-Giving Performance Indicators."

**Step 3** – For each of the Gain/Loss categories, benchmark your organization's Gain/Loss Ratios against those of other like organizations using the tables in figures 3-7. For example, if your organization:

Raises $100,000 to $249,999 per year, use the ratios in column 2, Figure 4.
Is in the human services sub-sector, use the ratios in column V, Figure 5.
Is in the NY-Penna region (USPS region 1), use the ratios in column 2, Figure 6.
Is less than 5 years old, use the ratios in column 1, Figure 7.

You can also compare your Gain/Loss Ratios against performance *goals* you have established and/or your *prior year* Gain/Loss Ratios

**Step 4** – Set your priorities for improvement. For example, establish as your objective moving up to the next performance level in the Percentage Ranking table (Figure 3) in each gain/loss category.

**Step 5** – To achieve your objectives, plan and budget for increased fundraising efforts for priority gain/loss categories.

**Step 6** - Evaluate progress toward objectives for each gain/loss category and repeat steps 2 to 6 every year.

**Figure 3 - Average Gains and Losses in 2005 as a percent of 2004 Total Results**

Gain/Loss Growth-in-Giving Performance Report -- 2004 to 2005

By Gain/Loss Category Within Percentage Ranking

**----------> Objective: move up to next level in each category ---------->**

| **Performance level -->** | **V** | **IV** | **III** | **II** | **I** |
|---|---|---|---|---|---|
| | **Bottom** | **20% to** | **40% to** | **60% to** | **Top** |
| **Gain/Loss Category** | **20 Percent** | **40 Percent** | **60 Percent** | **80 Percent** | **20 Percent** |
| No. respondents -----> | 55 | 55 | 55 | 55 | 55 |
| **Gains in amount of gifts:** | | **Amount of Gifts** | | | |
| New | 4.6% | 11.6% | 22.3% | 41.5% | 117.7% |
| Recapture | 1.2% | 5.3% | 10.1% | 16.8% | 38.2% |
| Upgrade | 4.1% | 10.1% | 16.6% | 26.3% | 55.3% |
| **Losses in amount of gifts:** | | | | | |
| Downgrade | -44.9% | -26.0% | -17.5% | -11.8% | -5.1% |
| Lapsed new | -42.9% | -19.2% | -11.6% | -6.3% | -2.2% |
| Lapsed repeat | -36.3% | -18.9% | -11.9% | -6.9% | -1.3% |
| **Gains in number of donors:** | | **Number of Donors** | | | |
| New | 13.3% | 26.9% | 41.8% | 61.0% | 211.2% |
| Recapture | 3.6% | 10.7% | 15.4% | 20.7% | 38.5% |
| **Losses in number of donors:** | | | | | |
| Lapsed new | -57.5% | -37.4% | -27.8% | -18.2% | -8.5% |
| Lapsed repeat | -37.9% | -25.5% | -20.4% | -14.0% | -3.9% |

## Figure 4 -- Size (total amount raised)

Gain/Loss Growth-in-Giving Performance Report -- Year 1 to Year 2

By Gain/Loss Category Within *Size* Based on Overall Rate of Growth (Net Gain/Loss)

| Gain/Loss Category | Under $100,000 | $100,000 to $249,999 | $250,000 to $499,999 | $500,000 to $999,999 | $1 Million to $2.5 Million | Over $2.5 Million | Total all Entities |
|---|---|---|---|---|---|---|---|
| **Gains** | | | | | | | |
| New | 41.0% | 37.2% | 21.2% | 24.1% | 25.1% | 17.6% | **20.9%** |
| Recapture | 8.7% | 9.5% | 12.6% | 10.0% | 12.8% | 17.2% | **14.9%** |
| Upgrade | 14.2% | 15.8% | 13.8% | 16.8% | 21.9% | 32.8% | **26.8%** |
| **Total gains** | **63.9%** | **62.5%** | **47.6%** | **50.9%** | **59.7%** | **67.6%** | **62.6%** |
| **Losses** | | | | | | | |
| Downgrade | -17.7% | -20.4% | -27.6% | -32.8% | -23.3% | -21.6% | **-23.5%** |
| Lapsed new | -24.4% | -19.7% | -20.6% | -11.5% | -11.3% | -9.6% | **-11.2%** |
| Lapsed repeat | -19.2% | -16.8% | -13.5% | -14.9% | -17.8% | -17.8% | **-17.2%** |
| **Total losses** | **-61.2%** | **-56.9%** | **-61.7%** | **-59.2%** | **-52.3%** | **-49.0%** | **-51.9%** |
| | | | | | | | |
| **Net gain(loss)** | **2.6%** | **5.6%** | **-14.1%** | **-8.3%** | **7.4%** | **18.6%** | **10.6%** |

***Statistics***

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| No. of entities | 46 | 47 | 50 | 46 | 47 | 39 | **275** |
| Amount of gifts - period 1 | $ 2,653,947 | $ 7,590,841 | $ 21,125,910 | $ 35,804,585 | $ 72,715,312 | $ 186,039,090 | **$ 325,929,686** |
| Amount of gifts - period 2 | $ 2,724,079 | $ 8,018,231 | $ 18,145,144 | $ 32,836,849 | $ 78,098,791 | $ 220,723,013 | **$ 360,546,108** |
| Amount of gains(losses) | $ 70,132 | $ 427,390 | $ (2,980,767) | $ (2,967,735) | $ 5,383,479 | $ 34,683,922 | **$ 34,616,422** |
| Gain(loss) as % of period 1 | 2.6% | 5.6% | -14.1% | -8.3% | 7.4% | 18.6% | **10.6%** |

## Figure 5 -- Subsector

Gain/Loss Growth-in-Giving Performance Report -- 2004 to 2005

By Gain/Loss Category Within *Subsector* Based on Overall Rate of Growth (Net Gain/Loss)

| Gain/Loss Category | Arts & Culture I | Education II | Environment Animals III | Health IV | Human Services V | Public/ Societal Benefit VII | Religion Related VIII | Other X | Total all Entities |
|---|---|---|---|---|---|---|---|---|---|
| **Gains** | | | | | | | | | |
| New | 20.8% | 13.1% | 47.4% | 18.7% | 28.6% | 20.3% | 19.7% | 22.6% | **20.9%** |
| Recapture | 18.3% | 15.4% | 12.5% | 17.3% | 13.5% | 12.4% | 11.3% | 14.2% | **14.9%** |
| Upgrade | 13.0% | 21.1% | 13.9% | 39.1% | 32.5% | 22.5% | 25.2% | 24.5% | **26.8%** |
| **Total gains** | **52.0%** | **49.6%** | **73.8%** | **75.2%** | **74.6%** | **55.3%** | **56.2%** | **61.4%** | **62.6%** |
| **Losses** | | | | | | | | | |
| Downgrade | -23.0% | -29.4% | -18.0% | -23.8% | -18.4% | -18.0% | -22.8% | -28.4% | **-23.5%** |
| Lapsed new | -5.9% | -6.6% | -17.2% | -14.6% | -14.0% | -19.1% | -8.2% | -8.7% | **-11.2%** |
| Lapsed other | -27.9% | -16.8% | -9.5% | -15.1% | -18.7% | -12.0% | -15.5% | -16.3% | **-17.2%** |
| **Total losses** | **-56.8%** | **-52.8%** | **-44.7%** | **-53.5%** | **-51.1%** | **-49.1%** | **-46.5%** | **-53.4%** | **-51.9%** |
| | | | | | | | | | |
| **Net gain(loss)** | **-4.8%** | **-3.2%** | **29.1%** | **21.7%** | **23.5%** | **6.2%** | **9.6%** | **8.0%** | **10.6%** |

***Statistics***

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| No. of entities | 27 | 55 | 19 | 44 | 73 | 27 | 17 | 13 | **275** |
| Amount of gifts - period 1 | 23,622,218 | 102,357,005 | 9,366,250 | 54,206,160 | 89,100,585 | 23,530,950 | 15,970,960 | 7,775,558 | **$ 325,929,686** |
| Amount of gifts - period 2 | 22,491,090 | 99,058,104 | 12,093,039 | 65,954,053 | 110,058,798 | 24,983,298 | 17,509,081 | 8,398,643 | **$ 360,546,108** |
| Amount of gains(losses) | $ (3,337,031) | $ 7,868,561 | $ (324,346) | $ 24,016,297 | $ 8,215,238 | $ (167,607) | $ (167,607) | $ 6,032,750 | **$ 34,616,422** |
| Gain(loss) as % of period 1 | -14.1% | 7.7% | -3.5% | 44.3% | 9.2% | -0.7% | -1.0% | 77.6% | **10.6%** |

## Figure 6 -- Region

Gain/Loss Growth-in-Giving Performance Report -- 2004 to 2005

By Gain/Loss Category Within Region Based on Overall Rate of Growth (Net Gain/Loss)

| Gain/Loss Category | New England | NY-Penna | Mid Atlantic | South East | Central | North West | Midwest | South | Mountain | Pacific | Total all Entities |
|---|---|---|---|---|---|---|---|---|---|---|---|
| USPS region--> | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| **Gains** | | | | | | | | | | | |
| New | 18.0% | 23.5% | 25.6% | 12.0% | 30.8% | 14.0% | 15.5% | 21.1% | 13.5% | 22.7% | **20.9%** |
| Recapture | 8.9% | 12.2% | 21.1% | 12.5% | 11.0% | 11.7% | 18.2% | 22.5% | 13.6% | 19.3% | **14.9%** |
| Upgrade | 19.2% | 19.2% | 37.0% | 13.1% | 40.2% | 44.7% | 20.3% | 20.6% | 38.5% | 24.7% | **26.8%** |
| **Total gains** | **46.0%** | **54.9%** | **83.8%** | **37.5%** | **81.9%** | **70.3%** | **54.0%** | **64.2%** | **65.6%** | **66.7%** | **62.6%** |
| **Losses** | | | | | | | | | | | |
| Downgrade | -18.4% | -26.8% | -25.0% | -31.9% | -25.2% | -17.8% | -23.5% | -20.0% | -13.4% | -22.6% | **-23.5%** |
| Lapsed new | -10.0% | -13.2% | -10.6% | -5.7% | -9.9% | -11.7% | -8.2% | -11.0% | -9.1% | -22.5% | **-11.2%** |
| Lapsed other | -16.9% | -16.5% | -19.4% | -16.6% | -11.8% | -14.5% | -32.5% | -24.5% | -8.3% | -12.8% | **-17.2%** |
| **Total losses** | **-45.3%** | **-56.5%** | **-55.1%** | **-54.3%** | **-46.9%** | **-43.9%** | **-64.1%** | **-55.4%** | **-30.8%** | **-57.9%** | **-51.9%** |
| | | | | | | | | | | | |
| **Net gain(loss)** | **0.7%** | **-1.6%** | **28.7%** | **-16.8%** | **35.0%** | **26.4%** | **-10.1%** | **8.7%** | **34.9%** | **8.8%** | **10.6%** |

***Statistics***

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. of entities | 24 | 23 | 37 | 24 | 42 | 20 | 26 | 17 | 14 | 40 | **267** | * |
| Amount of gifts - period 1 | 28,900,676 | 51,190,954 | 44,563,542 | 33,461,653 | 43,267,631 | 21,414,833 | 23,376,925 | 24,411,180 | 13,461,484 | 32,702,020 | **316,750,897** | * |
| Amount of gifts - period 2 | 29,107,464 | 50,360,623 | 57,355,749 | 27,854,524 | 58,397,297 | 27,068,566 | 21,016,405 | 26,542,337 | 18,154,078 | 35,570,552 | **351,427,596** | * |
| Amount of gains(losses) | 206,788 | (830,331) | 12,792,207 | (5,607,129) | 15,129,667 | 5,653,733 | (2,360,520) | 2,131,157 | 4,692,594 | 2,868,532 | **34,676,699** | * |
| Gain(loss) as % of period 1 | 0.7% | -1.6% | 28.7% | -16.8% | 35.0% | 26.4% | -10.1% | 8.7% | 34.9% | 8.8% | **10.9%** | * |

* 267 of the 275 entities had valid USA zipcodes for use in this preliminary pilot FEP survey *Regional* analysis

## Figure 7 -- Age (year fundraising initiated)

Gain/Loss Growth-in-Giving Performance Report -- 2004 to 2005

By Gain/Loss Category Within Age Based on Overall Rate of Growth (Net Gain/Loss)

| Gain/Loss Category | Less than 5 Years | 5 Years Or more | Total all Entities |
|---|---|---|---|
| **Gains** | | | |
| New | 26.8% | 20.4% | **20.9%** |
| Recapture | 11.2% | 15.2% | **14.9%** |
| Upgrade | 22.3% | 27.2% | **26.8%** |
| **Total gains** | **60.3%** | **62.8%** | **62.6%** |
| **Losses** | | | |
| Downgrade | -29.1% | -23.0% | **-23.5%** |
| Lapsed new | -12.2% | -11.2% | **-11.2%** |
| Lapsed other | -7.8% | -18.0% | **-17.2%** |
| **Total losses** | **-49.0%** | **-52.2%** | **-51.9%** |
| | | | |
| **Net gain(loss)** | **11.2%** | **10.6%** | **10.6%** |

***Statistics***

| | | | |
|---|---|---|---|
| No. of entities | 47 | 228 | **275** |
| Amount of gifts - period 1 | $ 26,673,749 | $ 299,255,936 | **$ 325,929,686** |
| Amount of gifts - period 2 | $ 29,672,993 | $ 330,873,114 | **$ 360,546,108** |
| Amount of gains(losses) | $ 2,999,244 | $ 31,617,178 | **$ 34,616,422** |
| Gain(loss) as % of period 1 | 11.2% | 10.6% | **10.6%** |