## Fundraising Effectiveness Project (FEP)

# 2012 Fundraising Effectiveness Factsheet

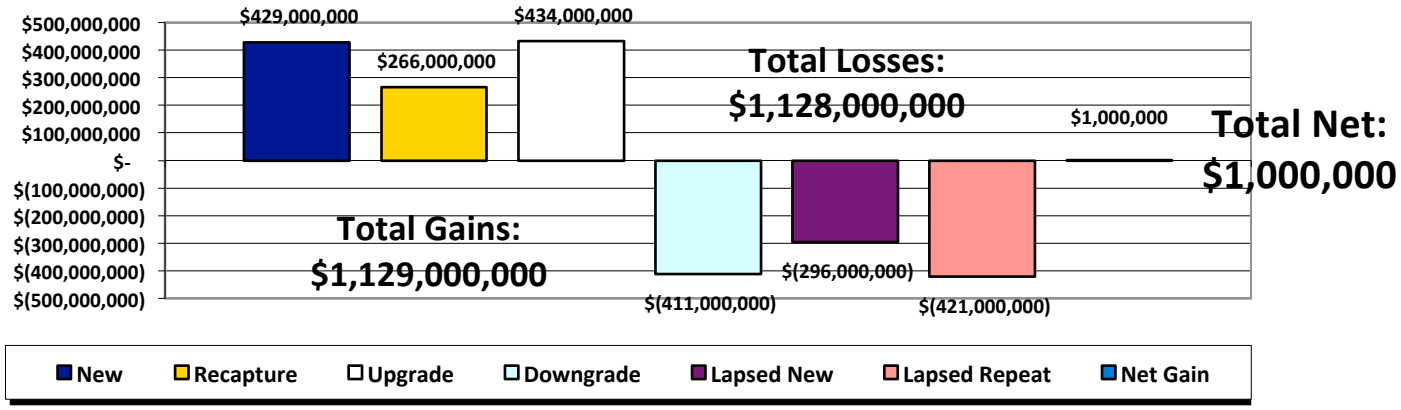
The 2012 Fundraising Effectiveness Survey received data from 3,184 respondents covering year-to-year fundraising results for 2010-2011. Respondents raised in 2011 over $2 billion from 2,327,000 donors. On average, each respondent received nearly $700,000 in contributions, while donors gave an average of $881.

## Gains and Losses in Giving

- Gains of $1.129 billion (56.1%) in gifts from new, upgraded current, and previously lapsed donors were offset by losses of $1.128 billion (55.0%) through reduced gifts and lapsed donors (Figure 1). This means that, while there was a very small, positive $1 million net growth-in-giving (0.1 percent), **every $100 gained in 2011 was offset by $100 in losses through gift attrition for a "net gain in giving" of $0**. That is, 100 percent of gains in giving were offset by losses in giving.

- From a detailed gain/loss category perspective, the survey organizations had sizeable growth in gifts from new, upgraded, and recaptured donors that, in turn, were offset by losses in gifts from downgraded, lapsed new, and lapsed repeat donors

**Figure 1. Amount of Gifts by Gain and Loss Category, 2010-2011**

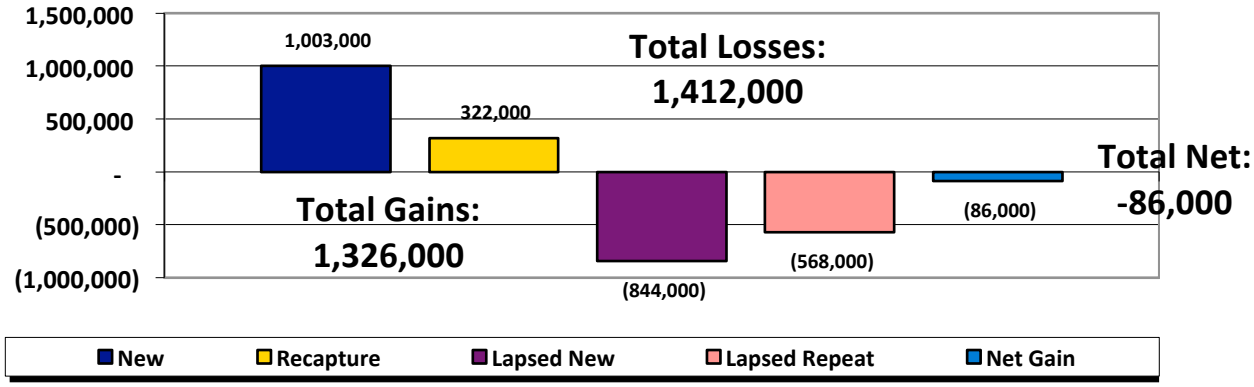


## Gains and Losses in Donors

- Gains of 1,326,000 in new and previously lapsed donors were offset by losses of 1,412,000 in lapsed donors (Figure 2). This means that there was a negative -86,000 growth-in-donors (-7 percent) and **every 100 donors gained in 2011 was offset by 107 in lost donors through attrition for a net gain in donors of -7**. That is, 107 percent of the donors gained were offset by lapsed donors.

- Results in the number of donors by gain/loss category showed significant gains in the number of new and recaptured donors that were offset by significant losses in the number of lapsed new and lapsed repeat donors, producing a net loss of 86,000 donors.

**Figure 2. Number of Donors by Gain and Loss Category, 2010-2011**




## Growth by Size of Organization

- Growth-in-giving performance varies significantly according to organization size (based on total amount raised), with larger organizations performing much better than smaller ones.
    - Organizations raising $500,000 or more had an average loss per $100 gained of $90 for a "net gain in giving" of $10..
    - Organizations raising $100,000 to $500,000 had an average loss per $100 gained of $99.20 for a "net gain in giving" of $0.80.
    - Organizations in the under $100,000 group had an average loss per $100 gained of $109.60 for a "net gain in giving" of $-9.60.

## Historical Trends (Net Gain in Giving and Net Gain in Donors)

In the FEP data, clearly the most salient trend from 2005 to 2011 is the extent that gains are offset by losses.

Every $100 the nonprofit organizations gained in upgraded, new, and recovered gifts were offset by losses from downgraded and lapsed gifts. "Net gain in giving" ranged from $+19 (an $81 loss per $100 gained) in 2005 to $-19 ($119 loss per $100 gained) in 2009 (see Figure 3).

In terms of donors, the "net gain in donors" (how many donors are lost for every 100 gained) ranged from +18 in 2005 to – 7 in 2011.

### Figure 3. FEP Net Gain in Giving and Net Gain in Donors: 2005 to 2011

| | ------- Amount of Gifts --------- | | ------- Number of donors ------- | |
|---|---|---|---|---|
| FEP Survey Year | $ lost For every $100 gained | Net Gain in Giving | Donors lost For every 100 donors gained | Net Gain in Donors |
| 2010-11 | $ (100) | $ 0 | (107) | (7) |
| 2009-10 | $ (105) | $ (5) | (97) | 3 |
| 2008-09 | $ (119) | $ (19) | (104) | (4) |
| 2007-08 | $ (105) | $ (5) | (99) | 1 |
| 2006-07 | $ (86) | $ 14 | (87) | 13 |
| 2005-06 | $ (93) | $ 17 | (92) | 8 |
| 2004-05 | $ (81) | $ 19 | (82) | 18 |
| Average | $ (97) | $ (3) | (95) | 4 |

These findings suggest that nonprofit decision makers should examine their organizations' net return on investment in each gift and donor category and compare the results among categories. If their donor tracking and accounting systems do not currently report the returns on fundraising investment by category, decision makers would be well advised to take steps to ensure that these systems do so in the future.