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The Nonprofit Nerd (November 2016)

The Nonprofit Institute at Portland State University

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THE NONPROFIT NERD

Research you can use.

This month's theme is **Evaluating Fundraising Strategies.**

Many of us are hard at work this month, knee deep in The Giving Season at our nonprofits. Now is a great time to think about how you'll know which of your strategies are working. Program evaluation is a useful tool for measuring your fundraising efforts, not just your nonprofit's programs. Using a data informed approach can be a resource development game changer. Below, we spotlight the work and approach Faith Danforth takes with development data at Mercy Corps, along with some DIY tools and resources to take your use of fundraising data to the next level.



RESEARCH SPOTLIGHT

Part of setting realistic goals for any program or fundraising effort is paying attention to how the sector is excelling or facing challenges overall. If you're looking for national benchmarks, check out The Giving Institute [Giving USA 2016 report](#) as well as their recent [Human Services Spotlight](#). The Association of Fundraising Professionals' [2016 Fundraising Effectiveness Survey Report](#) also offers some great comparison data, while Philanthropy Northwest's recently released [Snapshot of Foundation Giving to the Northwest](#) which provides useful benchmarks on the region's foundation activity. As you plan for next year, you might also find inspiration in [Fundraising Bright Spots](#), a 2016 report commissioned by the Evelyn and Walter Haas, Jr. Fund to learn from social change organizations that are finding innovative solutions to fundraising challenges.

Interested in taking a systematic approach to evaluating your fundraising efforts? The Association of Fundraising Professionals' fall issue of [Advancing Philanthropy](#) focuses on the many ways we can define success, and how to choose metrics that matter. Network for Good's free [Fundraising Data Calculator](#) is

a template that can spur some great conversations, and the folks at Social Velocity also provide some great resources on [Calculating the Cost of Fundraising](#) and identifying the hidden “opportunity costs” in the strategies you’ve chosen.

Finally, don’t forget to engage your funders and donors in organizational learning about how you can experiment with small shifts to drive big results! In their recently released [Benchmarking Foundation Evaluation Practices](#) report, the Center for Effective Philanthropy noted that 69% of respondents felt their foundations were doing too little to improve their grantees’ capacity for data collection and evaluation. Additionally, 82% reported challenges in collecting evaluation results that generate useful lessons for the field. As you are planning for the coming year, take time to reflect and share what you’ve learned in 2016 with your donors, board members and community partners.



NERDS AT WORK



This month we feature an interview with “Nerd at Work,” Faith Danforth, Senior Director of Resource Development Operations and Analytics at Mercy Corps, sharing her thoughts on leveraging data and evaluation for fundraising success.

What role does data play in your organization's fundraising decision-making and strategic direction?

A bigger and bigger role! Data and analytics informs strategy. But strategy comes first. However, strategy is based on what we know of the environment, including many data and analytic inputs. So it becomes somewhat of a chicken-and-egg question. However, no strategy is made based on data alone. Otherwise, you are in a self-limiting environment, right? You need inputs from the outside, human observation, wide reading and industry experience plus

hopefully industry research to help shape the strategy that is informed by the data specific to your non-profit’s performance. We might change strategy based on what data over time tells us, but still, a human must make the recommendation about which next direction to pursue. For example, we are learning from the data about the challenges of upgrading donors from within our file. This inspires yet more approaches to upgrading, but it also inspired our team to shift focus to more direct-entry at higher dollar level giving.

What kind(s) or sources of research and data do you find most valuable?

I’m speaking only of fundraising performance - I have many colleagues at Mercy Corps that use many other kinds of research and data, on program effectiveness, managing organization change, and so forth. For fundraising performance, proprietary research on fundraising practices and effectiveness within our specific industry (international relief & development) is highly prized - knowing how our colleagues are raising their money, what their ROI is, is very helpful benchmarking. We also rely on the Blackbaud Target benchmarking reports and meetings, where peers from across non-profit industries aggregate data and meet to discuss in person. That’s invaluable. I regularly use the Giving USA annual study and the Blackbaud quarterly reports on the state of US philanthropy. There’s also an interesting

report produced by the UK-based [Charities Aid Foundation](#) comparing philanthropy and volunteerism by 24 countries that I'll refer to occasionally. What's most useful is to understand the general state of philanthropy in the United States, so that we're not attributing a good year to our own performance when it's really a rising tide of economic boom that's lifting all charity boats.

And we're just digesting research on our donor's motivations and profiles. That's going to be incredibly helpful. We'll be able to connect with them better, find other folks who want to support this kind of work and just don't know Mercy Corps yet. Research on brand recognition and strength has also been helpful – we're starting to bring that all together with the fundraising data to get a really powerful lens onto where and how we can grow.

What advice do you have for fellow nonprofit professionals to encourage them in using research, data, and evaluation?

Start small, be persistent, get senior buy in or go somewhere that already values it! Keep branching out. Keep asking questions. Fundraising in particular is entirely a numbers game, and should be strongly driven by the data. It's much neater than evaluating if and how you've changed someone's life. Either you raised the dollar or not. So you can keep digging deeper - where are more dollars? How do we keep that relationship with the donor strong and appropriate to the level of engagement that they want?

And how would you suggest they get started?

Any size shop should have a basic dashboard. It can be manually assembled in Excel from reports from your base systems, but you should have something that you look at monthly at the very minimum. Weekly would be better. Schedule time with leadership to define exactly what is most important and is currently measurable (or make a plan for how to measure) and work towards it. Don't change those metrics (much) in the first year or two. Are they telling you what you need to know? Define what health looks like for your organization.

Any final thoughts you'd like to share?

It's better to try to measure something than not. If it matters, measure it.

Know someone you'd like to see featured in the Nonprofit Nerd? [Tell us who and why!](#)



INSTITUTE NEWS

NPI's [Professional Certificate in Nonprofit Program Evaluation](#) kicked off last month, and we've already had two great sessions where we're working on developing our evaluation plans. If you missed the chance to join us in this year's cohort, follow along with the Nonprofit Nerd as we share what we're learning about.

12/1 - PSU is seeking nonprofit partners for a graduate course on program evaluation in Winter quarter 2017 (January to March). Do you have a defined program for which you would like an evaluation designed and a contact person who can be a liaison with a student team? Organizations receive free evaluation consultation, and offer students a meaningful community-based experience. The short time frame does not permit the students to also conduct the evaluation, but there may be opportunities for a student to return for a subsequent field experience to conduct the evaluation. If you are interested,

please contact [Prof. Sherril Gelmon](#). Applications are due no later than December 1st and are reviewed as received.

12/8 - Our friends at Oregon Program Evaluators Network are hosting their annual meeting on Thursday, December 8th from 6-8pm. Guests are welcome! [Details](#).



FELLOW NERDS

If you're interested in learning more about building a culture of evaluation, NPI recommends you get to know the great work of these fellow nerds, some of whom are based right here in Portland!

[Willamette Valley Development Officers](#)
[Association of Fundraising Professionals, Oregon Chapter](#)
[Center for Effective Philanthropy](#)
[CompassPoint](#)
[Oregon Program Evaluators Network \(OPEN\)](#)
[Philanthropy Northwest](#)
[Lilly Family School of Philanthropy](#)

If that's not nerdy enough for you, check out [our local and national friends](#) and the great research, data, and best practice resources they have to offer.



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