

Development for Conservation

Measuring What Matters! Fundraising Metrics

Prepared for

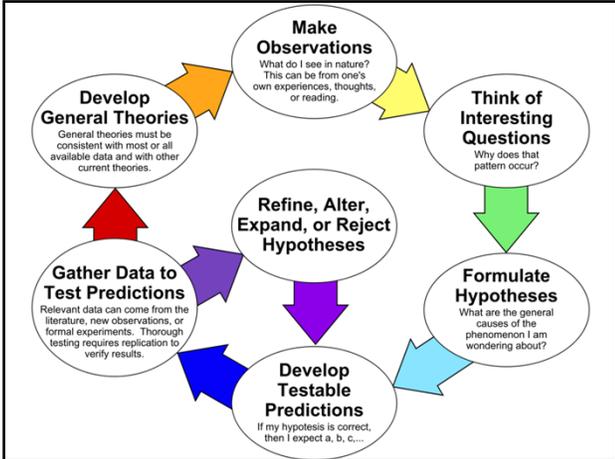
Maine Land Conservation Conference

March 2022

David Allen, Development for Conservation



**DEVELOPMENT
FOR
CONSERVATION**



If you don't know where you're going, you'll end up somewhere else.



-Yogi Berra

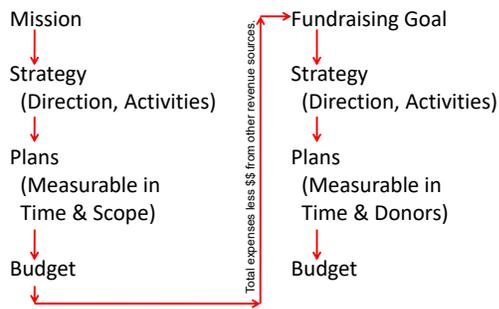
Our Strategic Plan

- Goal #1 – Save the World
- Goal # 2 – Increase Membership
- Goal #3 – Raise as much Money as Possible



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Strategic Planning



Raise it once

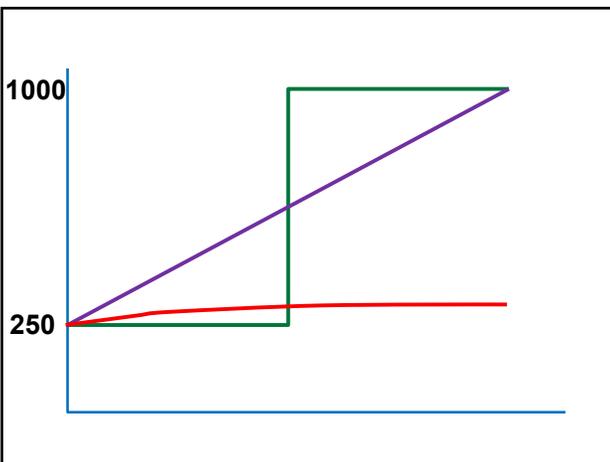
- Capital
 - Land
 - Buildings
 - Equipment
 - Endowment

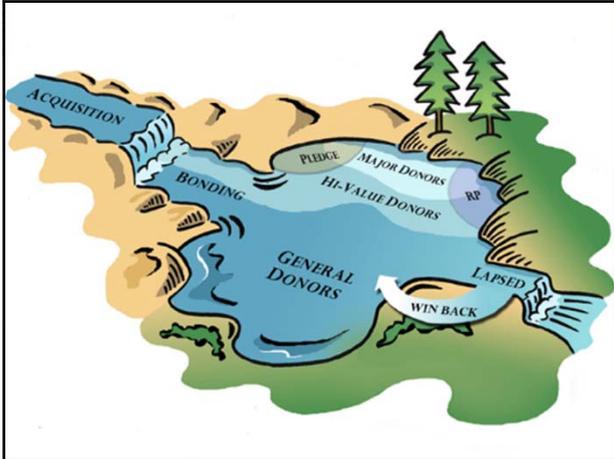


Raise it every year

- Operations
 - People
 - Utilities
 - Supplies
 - Travel







Membership Growth

- Related to **Retention** up to a point
- Mostly related to **Recruitment**
- Land Trust growth ambitions fail mostly because fundraisers fail to adequately plan for and **budget for recruitment** activity.



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Here's What We Hear

- People join because they get involved
- Direct mail doesn't work anymore - you need a better social media strategy
- Telephone calls just irritate people
- You won't read a four-page letter, therefore no one will read a four-page letter

THEORIES



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Here's What We Hear

- Challenge grants really work – you need to find us a challenge grant
- WHAT works? 1:1, 1:2, 1:5, 2:1?
- Is there any risk of donors “shopping” for the best deals?
- Is there any downside to not making it?
- There are studies from public broadcasting that suggest that over time, donors begin to hold off their giving until there is a match.



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Here's What We Hear

- Newsletters are too expensive and they waste paper – ENews works just as well
- How do we know?
- How expensive is “too” expensive?
- ENews works just as well in what way? In fostering loyalty? Raising money?
- ENews may work for some people, but what about those for whom it doesn't?
- Several high profile all-electronic experiments were quickly abandoned because they didn't work “just as well.”



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Here's What We Hear

- I know a great graphic designer who will do our appeal pro bono - she will help us raise more money
- Does graphic design drive fundraising response?
- Maybe she will just help us spend less money!
- Given the choice between spending \$800 to raise \$6,000 and spending \$2,500 to raise \$10,000, which would we choose?



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Here's What We Hear

- People join because they get involved
- How do we know that? Is that correlated data or causal?
- If true, does it affirm our commitment to current strategies, or shed light on missed opportunities?
- The great majority of environmental organization support comes from people who first joined by responding to something they received in the mail.



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Here's What We Hear

- Direct mail doesn't work anymore - you need a social media strategy
- Doesn't work anymore in what sense? For fundraising? For recruitment? For building awareness?
- Again, how do we know?
- Have we tried side-by-side testing?
- Are these two statements even related?
- Many Millennials report giving on-line – after receiving a request in the mail.



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Here's What We Hear

- Telephone calls just irritate people
- Irritating for the caller or the person called?
- Calls to say thank you? Invitations to special events? Updates on projects you know they are interested in? (Calls from your mother?) All irritating?
- Calls from Board members and senior staff convey a higher level of importance to the communication. It can certainly be abused, but it's neither automatically nor universally "irritating."



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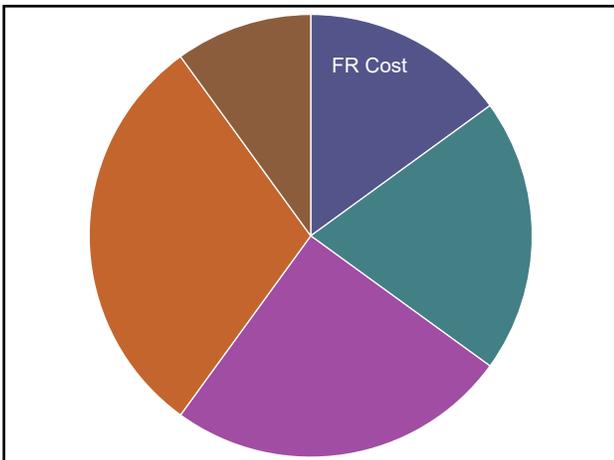
Here's What We Hear

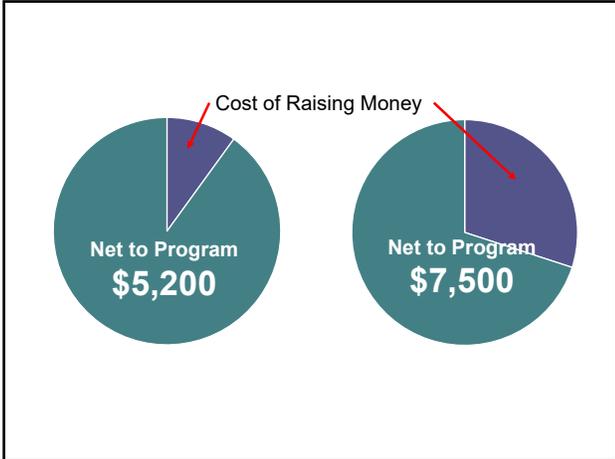
- I wouldn't read a 4-page letter, therefore no one will read a 4-page letter
- Does it matter whether the letter will get read?
- Are we writing letters that people will read or are we writing letters to raise money?
- This issue has perhaps been tested more consistently than any other. 4-pagers generate more responses and raise more money. (No one reads 1-page letters either.)

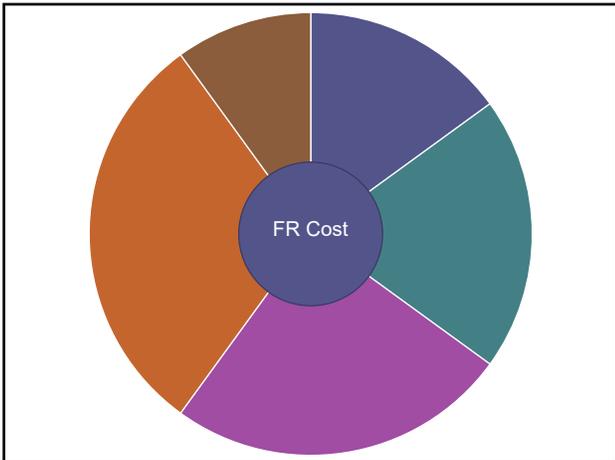


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Definition

A Year is 365 days (and sometimes 366)

The year I use for my metrics is
January 9 – January 8
 (It doesn't need to be yours)



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Definition

A **Source Code** is a code that you assign to every GIFT that tells you what motivated the donor to give

- Implies that every response card (and envelope?) has a source code printed on it
- Implies that you take the time to chase down unattributed gifts
- Implies that you have a key for the codes



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Source Codes

- **FA19A**
- **MA19DB**
- **MOM19VP**



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Definition

A **metric** is simply something that can be counted or measured.

The value in a metric lies in the ability to draw conclusions from how it changes over time and how it relates to other metrics.



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We **care** about metrics because
 the more we **understand** about what
 we're doing,
 the more **control** we have over the
 outcomes.



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I have 50 hours this month

DO I ...

- Double up on my time posting social media
- Organize a largish fundraising event
- Help organize five smaller events
- Make a video for use on Giving Tuesday
- Meet individually over lunch with 30 donors
- Beg, buy, borrow, or steal a mailing list for direct mail
- Table at the Farmer's Market
- Other duties as assigned?



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And here's the RUB

- Some strategies take longer than a year to get started and bear fruit
- Some strategies are not infinitely scalable

AND

- Am I doing the right things to raise money this year?
 may be a different question than
 Am I doing the right things to raise money 5 years from
 now?



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Data We Need – How Much Money

Data Needed from each gift or transaction

- Amount (Value)
- Date it was given (date on the check or date received)
- Who (or what) gave it (Ind/Fdn/Cor)
- Restricted/Unrestricted
- Gift/Transaction

- **Source Code!**

(This is the easy one!)



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Data We Need – Number of Donors

Make some rules and be consistent

- Donors are **check-writers** (*figuratively*)
 - Some Business gifts are individuals
 - Some Foundation gifts are individuals
 - Some Foundation gifts are businesses
- Donors give money philanthropically
- Be consistent with memorials and pledges



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Data We Need – Cost of FR

FOR EACH FUNDRAISING ACTIVITY

- Design and Production
- Postage
- Consulting
- Transportation
- Premiums for joining (and fulfillment!)
- Paid ads
- Event venues
- Etc, Etc, Etc



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Data We Need – Labor cost for FR

FOR EACH FUNDRAISING ACTIVITY

- Staff – Not just how much time, but also *whose* time (opportunity cost)
- Volunteers
- Consulting



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Information We Can Use

Cost of acquiring a new donor

FR Cost of Recruitment Activity
of First Gift Donors



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Information We Can Use

Cost of acquiring a first renewal

FR Cost of LY Recruitment Activity
of First Renewal Donors



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Information We Can Use

Average Gift

$$\frac{\text{Amount Raised}}{\text{\# of Donors}}$$


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Information We Can Use

Renewal Rate

$$\frac{\text{\# of LY donors who give this year}}{\text{\# of LY donors}}$$


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Information We Can Use

Five Year Value of New Members

$$\frac{\text{Total given by those donors since}}{\text{\# of First Donors in 2017}}$$


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2021 Data – 42 organizations

- NEW MEMBERS

\$1,108 – Average Value per donor

\$1,188 – Average Value per Organization

\$ 737 – Median Value per Organization

What are we learning?

- That organizations dependent on electronic communication for recruitment are not achieving high 5-year-values.
- That having a project you can raise money for matters – it attracts new members, helps with retention, and raises the 5-year-value.



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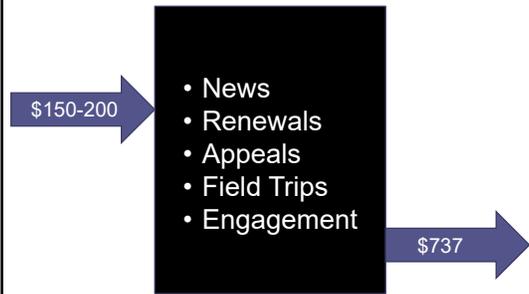
What are we learning?

- That organizations dependent on events for revenue struggled in 2020 and 2021 and their 5-year values declined.
- Many of those same organizations had record new member growth in both 2020 and 2021.



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The Five-Year Black Box



We **care** about metrics because
the more we **understand** about what
we're doing,
the more **control** we have over the
outcomes.



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DAVID ALLEN

I am a non-profit organizational development consultant. I work with nonprofit organization boards to help their members learn how to be better leaders and advocates.

My background includes 30 years working in membership fundraising, major gift development, communications, and marketing. I worked for about half that time for Nature Conservancy (TNC) chapters in Oregon, Texas, and Wisconsin. In addition to my duties for the individual chapters, I served TNC as an internal fundraising consultant and major gift development trainer.

In 2000, I served as the vice-president of operations for the Wisconsin-based, international conservation organization Sand County Foundation, a position I held through mid-2009.



Gathering Waters Conservancy, a land trust service agency based in Wisconsin, called me in 2004 to ask whether I would be interested in teaching a seminar for Wisconsin land trusts on major donor development. From 2004, then, through 2009, I consulted on a nights and weekends basis with just a few clients each year.

In March of 2009, I launched my consulting business full-time using the name **Development for Conservation**.

Also in 2009, I partnered with Nancy Moore to form **Conservation Consulting Group**. Together we help land trusts prepare for accreditation by providing assessment, strategic planning, and leadership coaching services.

I consider myself a strategic thinker, problem solver, facilitator, educator, and program developer who brings a particular passion for conservation and the environment.

Practice Competencies

Fundraising

- Development Audit
- Strategic Fund Development Planning
- Staff/Board Training and Development
- Major Gift Coaching
- Capital Campaigns: Feasibility, Planning, Management

Organizational Development

- Strategy Development
- Practice & Process Assessment
- Problem Solving Facilitation
- Marketing

David Allen

Development for Conservation

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