

July 1, 2021 Advancing Philanthropy

Nonprofit and Fundraising Strategies: Informing Decisions Through Data

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W. Edwards Deming, a statistician by training, famously remarked, “In God we trust, all others must bring data.”

Fundraisers are accustomed to unleashing the “power of story” to animate donors’ hearts, checkbooks, and donor-advised funds. Today, for many reasons, savvy fundraisers are bolstering their cases for support with qualitative and quantitative research data. In return, many are inspiring larger, more frequent gifts and grant awards for their nonprofits. In this article, I speak with several executives and philanthropists who give insight into the importance of data—and how to use it effectively—in your fundraising strategies. Of course, we all know that data is

essential, but as many of us start to reimagine the future of fundraising, these conversations might provide perspectives that help you define (or redefine) your organization's research and data output.

Storytelling Isn't Enough

The heart of the matter in fundraising is going beyond “heart-warming” storytelling to get results. Jenna LeComte-Hinely, Ph.D., executive director of HARC Inc., a nonprofit research organization, says: “Clients hire us to measure how their programs change lives. Having qualitative and quantitative data to demonstrate their impact helps them to attract more and larger contributions and grant funding.”

Individuals giving major gifts are rewarding nonprofits who are sophisticated in their use and application of research and data. Victoria Collins, Ph.D., a coach to nonprofit leaders who was named by the AFP Orange County chapter as an Outstanding Philanthropist in 2013, has a unique viewpoint of the subject. “From what I see, most donors today are no longer satisfied with only a ‘heart’ connection—they also want evidence of measurable and sustainable outcomes from the nonprofits they support.” Donors who have been successful in business bring that frame of mind with them when they support nonprofits. And with access to digital tools and data, they are asking tougher questions. Collins also notes that these donors “have similar expectations for outcomes as they do for any other product or service in their life.”

That sentiment is echoed by Nella Webster O’Grady, “2020 Outstanding Philanthropist” for AFP’s Orange County chapter and managing director of Miracle Mile Advisers. She urges fundraisers to have conversations with donors to learn their passions and match them with a program to invest in. She admits that storytelling with data has influenced her philanthropy.

Use Relevant Information

While data is important, it must be presented in a way the donor can understand and that ties back to the mission of your organization. Jim Dowd, a foundation president and philanthropist, observes that nonprofits often leave him thirsting for information while drowning in a sea of irrelevant data. He is often overwhelmed by meaningless information with little relevant evidence about how many lives were improved and the

associated costs. “It’s important that we know the effect of our donations,” Dowd says. I want an ‘autopsy’ from the organization explaining how we can improve impact. Only then am I willing to give more.”

Fundraisers know each donor is on their own individual journey and that they evolve at their own pace. Jeffrey M. Glebocki, founder and lead adviser of Strategy+ Action/Philanthropy, asserts that “Folks inevitably ask questions about impact, which is about data. They absolutely want to know about the need, which is supported by personal stories and the research data.”

It’s also about transparency and giving the donor exactly what they need so they can give in a way that aligns with their personal beliefs and passions. Ernie Schroeder, CEO and president of Schroeder Management Company, believes donors must have research and data to make informed decisions and ensure contributions are used effectively and as intended. “You’ve got to have data, and data to me is proof the money is getting to the people that need it and making a difference.”

Many donors maintain that a charity’s choice to fund research reveals its leaders’ critical decision-making ability and business acumen. Mercedes Godfrey, founder and executive director of Adult Health and Fitness Today, a nonprofit that promotes improved health and wellness for adults aged 45 and older, is a leader donors would commend. Godfrey invested \$7,000 of her own money on research to show an unmet need for her agency’s services. She then self-funded a second study to establish an estimated economic benefit to clients and the community. She completed both studies a year before her agency opened its doors. Ms. Godfrey plans to conduct additional research to independently verify stakeholder impact. This is the type of comprehensive and intentional research data that donors want—and ultimately need—to make informed giving decisions.

Grants and the Case for Support

Jack Newby, executive director of the Joslyn Senior Center, utilizes research and data to support grant requests, frame fundraising messages, develop programs, identify trends, and meet client and funding needs. “Donors want to know their gifts made a difference, and that can’t be done by just pulling on heartstrings. Research data makes the case,” says Newby. He estimates that any one of his appeal letters raises more money than a moderate-sized gala by a 10- to-1 ratio.

A progressive organization such as Kaiser Permanente is keenly committed to research and data. Due to its tax status, Kaiser is required to invest approximately 3% of its membership premiums into community health initiatives. They are also required to do a triennial community health needs assessment (CHNA). Cecilia Arias, a Kaiser Permanente community health manager, says the CHNA guides Kaiser's grantmaking and leverages its expertise. Kaiser also uses primary and secondary data to create a set of 10-15 health priorities. It then applies an equity lens—more research—to serve populations less likely to find resources. "We don't look at just secondary data. We interview residents and talk to people providing services to an underserved community," Arias notes. "Our secondary data is as important as our primary data collection." This allows them to make informed decisions, like asking its grantees to collaborate so the underserved can more easily access services.

In addition, many foundations are regularly funding research and data projects while encouraging applicants and grantees to support their cases with qualitative and quantitative data. For example, Michelle Decker, president and CEO of the Inland Empire Community Foundation, said her foundation recently embraced equity as a critical value in its grantmaking, making research and data essential to understanding who has the greatest needs and why those needs exist. "Data doubles people's sense of why they donate, and donors don't want to waste their money."

At the Desert Healthcare District & Foundation, it is also applying an equity lens to their grantmaking. "From a healthcare perspective, we've been building systems based on equality and not equity," says Conrado Bárzaga, M.D., Desert Healthcare District & Foundation's chief executive officer. "We are often expected to provide services to everyone even though not everyone has the same need. Equity means everyone has a fair and just opportunity to be healthy." Dr. Bárzaga argues, "To be a successful grantmaker an organization must understand the community's needs, desires, and realities. This requires engaging the community in meaningful dialogues."

In 2020, Desert Healthcare District & Foundation hired HARC Inc. to conduct a community health needs assessment to gather data—both qualitative and quantitative—to guide their grantmaking efforts in the years to come. This will allow them to focus their resources in areas of greatest need and truly make a difference.

Diane Schlesinger, M.D., trustee of the Irene W. & Guy C. Anderson Children's Foundation, agrees that HARC's research is invaluable in their decision-making processes. "The HARC studies are helpful since they report on the needs in our grantmaking area. And it informs our grant-giving."

Finally, regardless of how you extrapolate your data, there's power and value in its collection to yield positive results in the grantmaking and donor-giving processes. Instinct, passion and heart alone are not enough to overcome our challenges. Research and data help us make sense of the world. And funders deserve that we apply their resources effectively, efficiently and equitably to achieve impact. Victoria Collins reminds us, "It's an 'old story' that you only need to connect with a donor's heart."

Sidebar: An overview of how research and data benefit fundraisers and nonprofits:

- Quantifies an organization's short-term and long-term impact, specific donation(s) and volunteers.
- Amplifies and clarifies personal (i.e., client) storytelling.
- Establishes a "sense of place" of who the organization serves, how it is unique, and where it is located.
- Positions the nonprofit as a positive contributor to the future of those the organization serves and to the region.
- Leads to improved processes and program quality by assessing client and donor attitudes toward the nonprofit and its services/programs and comparing internal and external outcomes to your organization.



Bill Ballas, M.S., CFRE, is a consultant and educator. He is a former CEO of privately held and 501(c)(3) organizations. Bill teaches courses in leadership, marketing and management at the University of California Riverside Extension, and to corporate clients. Bill earned a Master of Science in Management and Leadership and post-graduate certificates in Strategic Marketing and Nonprofit Management. He is the past volunteer Board President of HARC, Inc., (<https://harcddata.org/> (<https://harcddata.org/>)) a 501(c)(3) research organization in Palm Desert, CA.

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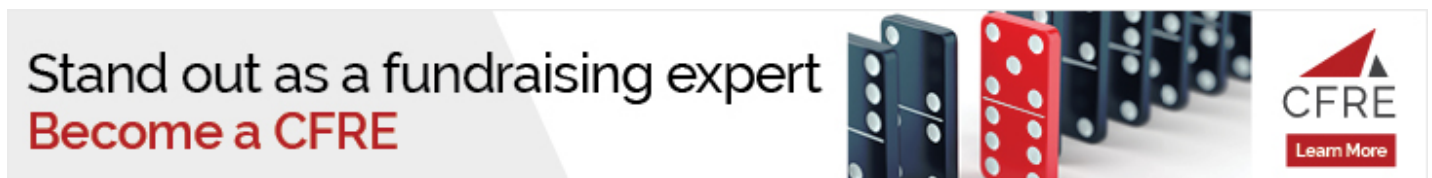
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