

STOP DRIVING IN THE DARK:



Nonprofit Fundraising KPIs 101

It's easy to get overwhelmed when analyzing your organization's data. What should you measure? What is safe to ignore? How much is too much? Are your numbers accurate?

Instead of trying to monitor every scrap of information that comes across your desk, you can use this toolkit to determine the essential fundraising metrics you need to focus on to ensure your organization's long-term success.

INSTRUCTIONS:



Read this guide

Start by learning what it means to be data-driven, how to link your mission to your metrics, and what you should be tracking.



Choose your metrics

Use our [Master List of Fundraising KPIs](#) to figure out what metrics matter most to your organization's specific needs. This comprehensive list explains what each metric is and how to calculate it, and dives into what you can do to improve it over time.



Set up your dashboard

Our [dashboard template](#) comes pre-populated with a sample fundraising dashboard complete with monthly numbers as well as contextual notes to help you get started. You can keep these metrics or copy and paste others from the Fundraising KPI Master List. Make sure you copy each of the columns with new KPIs.



Note: You will need to make your own copy of the dashboard to use it. Instructions for that can be found on the dashboard's first sheet.



Ready? Let's take a dive into data-driven fundraising.

Data-driven fundraising is exactly how it sounds. It's about making decisions based on numbers rather than intuition. And while your intuition may be pretty good, pairing it with stats and metrics can make you even more confident in your decision-making.

Building or managing an organization without Key Performance Indicators (KPIs) is essentially the same as driving a car with the windshield covered and no speedometer to track your pace. While you might be moving forward, your success is only measured by the fact that you didn't crash. Your rearview mirrors, in this case, are your end-of-year reports telling you you didn't crash.

Many organizations drive like this - using gut feelings to guide day-to-day decision-making and the end-of-year report to figure out how well they did. But how does only knowing you didn't crash affect where you're still heading or help you avoid danger zones ahead?

By tracking even a few KPIs, you can see clearly where your organization is headed. You'll be able to plan strategically, pinpoint which successful fundraising campaigns you should run again, and identify opportunities for future growth.





8 Common Fundraising KPIs

There are hundreds of KPIs that can measure every facet of your organization's operations, from finances to impact. However, tracking everything is nearly as bad as not tracking anything at all. With too much information, you can lose sight of the metrics that truly matter and how they influence your work.

It's best to take the time to identify what matters to your organization and track these metrics consistently. Choose at least 5 KPIs, but no more than 20.

Here are some essential fundraising KPIs you can track:

Donation Growth Rate:

The annual overall rate of growth in donations tracks donation revenue year over year. This shows you how effective you are at growing donations annually and is an important consideration for your board of directors.

Average Gift Size:

The average size of a gift (donation) from your donors.



Donor Acquisition Rate:

The percentage of your total donors that were first acquired in the period you choose. The period could be a month, quarter or year.

Donor Retention Rate:

The percentage of donors who give to your organization one year and then give again the following year. Considering the high cost of acquiring new donors, it's important to make sure you aren't losing anyone.

Online Gift Percentage:

The fraction of donations received from online donation forms. Online fundraising is easier and cheaper than many other forms. This is an important KPI to track whether your campaigns are working.

Recurring Gift Percentage:

The percentage of your total donations that come from recurring gifts.

Recurring Donations Growth Rate:

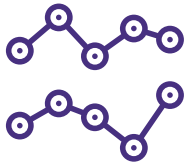
The rate of growth in funds from recurring donation programs.



Donor Conversion Rate:

This measures the number of donors who engage with your organization (maybe that means visiting your donation page or attending your events) and then donate.





Two Types Of KPIs

While all KPIs are measurements of the things you are working hard on every day, there are two distinct types: **leading indicators** and **lagging indicators**.

A leading indicator measures your efforts towards a final goal, while a lagging indicator measures that final goal. In layman's terms, a leading indicator suggests whether you will succeed, while a lagging indicator measures your success so far.

You can use your leading indicators to take immediate action when you notice your metrics are slipping. The majority of your metrics will be leading indicators, and one to three will be lagging.



For example:

Donor engagement could be seen as a way to predict the number of donations you will receive. The more engaged a donor feels, the more likely they will give, right? Using that assumption, you could measure your donor engagement to predict the donation growth in the next tracking period.

Leading indicator = Donor Engagement (This is leading towards your goal)

Lagging indicator = Donation Growth Rate (This is your goal)



Remember: Your lagging indicator is always the impact you can make. To choose your lagging indicators, ask yourself: What is your organization's most important goal? Then all your other metrics become leading indicators that guide you to this end goal.



KPIs Checklist

Follow these tips for success in using your KPI dashboard.

Choose between 5 to 20 metrics

These KPIs should be directly related to your organization's goals. To choose, start by determining what you want to improve. Your KPIs should reflect these priorities.

Determine how to gather the data

Is the metric easy to gather? If gathering data for any of your metrics requires more than 5-10 minutes each time, you won't stick with it. You'll need your data collection to be as easy as possible to ensure you'll commit to tracking them in the long term.

Determine your timeframe

Will you be tracking these metrics weekly, monthly, or quarterly? Some metrics may require weekly analysis, while others are best looked at over more extended periods. The most important thing to remember is to be consistent.

Determine your baseline

The first number you need is the most recent month's result for each of your chosen metrics. This is your baseline as it measures where you are today, aka your starting point. With your baseline, you'll be able to measure each new action you take, noting how it causes your recorded metric to change either positively or negatively from your starting point.



Enter historical data

If you can, record the previous 12 months for each of your metrics. This will give you an overview of any fluctuations or seasonality your organization may typically experience.

Figure out what success means for each metric

Some metrics improve as they go up (e.g., total donations received) while others improve by going down (e.g., donor churn - the percentage of your donors who choose not to donate again). Make sure you understand how these metrics are measured. You can use benchmarks to ensure your organization is performing at and meeting industry standards.

Commit to gathering at least three months of future data

While you should plan to stick with this forever, it will realistically take you at least three months before you see the true value of your KPI Dashboard. When this happens, you will begin to understand your organization's performance, why things are going the way they are, and how to improve your outcomes.

Discuss the results with your team

Watch the numbers and regularly discuss them with your team to get familiar with how those numbers change based on your activities. You can then begin to implement changes and take action with an understanding of how it will affect your organization's KPIs.

Remember, KPIs are performance indicators. They keep you informed about the kind of progress you're making as an organization and can help you uncover your operational weaknesses. Be consistent in measuring and reporting your KPIs. Otherwise, you'll likely remain in the dark about your organization's performance and you may end up making poor management decisions.

Ready to stop driving in the dark?

Use the [Fundraising KPI Master List](#) to determine the metrics that matter most to your nonprofit, [build your metrics dashboard](#), and take control over your organization's growth.



Take your knowledge further.



Watch this On-Demand webinar on
Nonprofit KPIs

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