2012 donorCentrics Peer-to-Peer Fundraising Benchmarking Insights

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Overview

Peer-to-peer fundraising events are often categorized based on the type of event: walk, 5k run, bike, or endurance. It's long been accepted that the type of event factors in to strategies to increase revenue. After reviewing event fundraising data from six organizations, however, it appears that fundraising is not generally event-specific and the event type has little to do with what makes a participant an effective fundraiser.

There are several items to clarify. Strategies for recruiting individuals to participate in an event differ based on the type of event. Once an individual has signed up and made the decision to fundraise, the type of event does not define their ability to fundraise. By removing all the clutter associated with events and focusing on the participant's fundraising performance, it's clear that an individual participating in an event without a fundraising minimum is equally as effective as one participating in an event with a fundraising minimum. Are organization's limiting a participant's fundraising ability by focusing on the event type?

Target Analytics, a Blackbaud company, brought together six national nonprofit organizations to participate in the donorCentrics peer-to-peer events benchmarking meeting. To provide a factual basis for discussion, participants were provided analytic reports comparing their events. The group discussed event fundraising and compared fundraising performance of team leaders, team members, individuals (non-team participants), and donors. Participating organizations were a self-selected group with an interest in creating a collaborative environment to learn from each other's experiences and grow their peer-to-peer fundraising events.

The six organizations include:

Alzheimer's Association	Easter Seals
American Diabetes Association	March of Dimes
Arthritis Foundation	National Multiple Sclerosis Society

Data gathered from the donorCentrics report provided an in-depth analysis on participant fundraising performance. The report combines three years of event data from 10 national event programs: six walks, two bikes, a 5k run, and a two-day challenge walk.

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Peer-to-peer events have two calls to action: sign up to participate and raise money. Removing the 28 percent of zero dollar participants helped us identify trends in participant fundraising. It's not surprising that the six national walk programs had the greatest percentage of zero dollar participants: 44 percent.

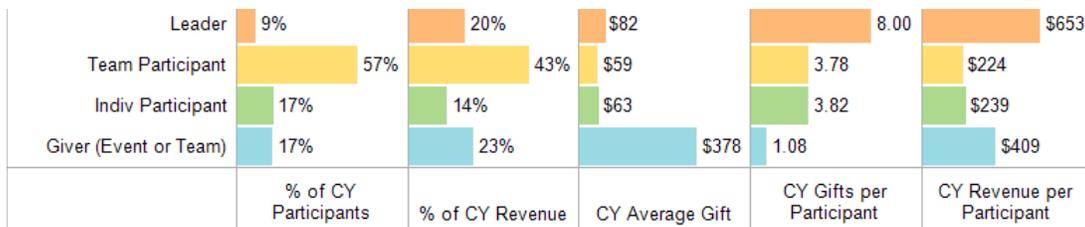**Summary of Report Findings:**

- Team leaders are the most effective fundraisers, raising nearly three times that of an individual participant or team member.

- Team members account for the majority of the event population, outnumbering individual participants three to one – yet both groups are equally effective fundraisers.

- Multi-year fundraising participants are twice as effective at raising money than first-time fundraising participants. Correspondingly, multi-year team captains are three times more effective at raising money than first-time team captains.

- Participants fall into three categories: fundraiser, donor, and zero dollar.

- Retaining participants year over year is a challenge. On average, organizations retain only 25 percent of their participants year over year.

Participant Performance

Peer-to-peer fundraising is a team activity; team captains and team members represent 66 percent of the event population. Team leaders play an important role in fundraising activities. These highly motivated and engaged participants not only recruit others to participate, but they're also the most successful fundraisers. On average, team leaders receive twice as many gifts as team members and individual event participants (see Figure 1). Team leaders also receive larger gifts. It's unknown whether larger gifts are a result of the team leader's connection to the cause or the difficulty of the task, team leaders are special.

Individual participants are usually overlooked with the focus on teams, but they are an active fundraising group, raising $239 and receiving three gifts, on average. Their fundraising performance mirrors a team member's performance. Participants perform differently and have different tasks associated with their roles. Creating fundraising strategies and messaging based on an individual's role is one tactic to increase fundraising performance.

Figure 1: Fundraising Participant Performance by Role

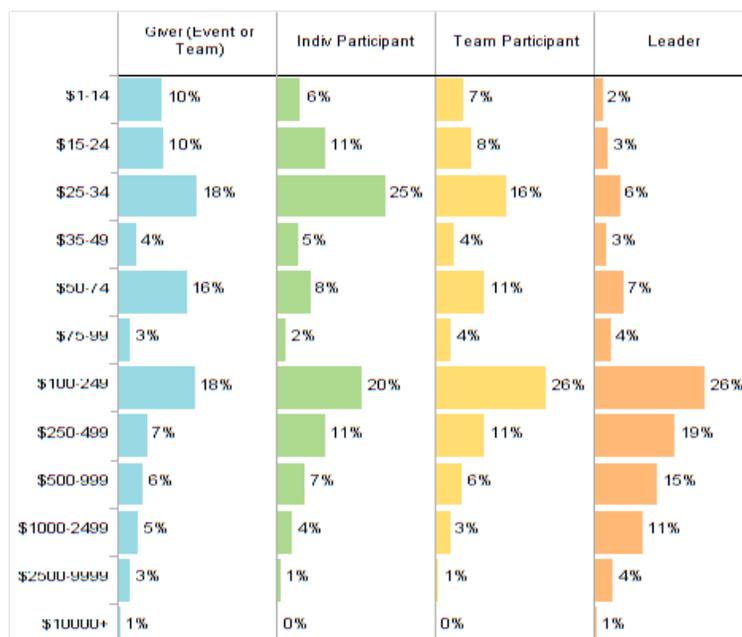|	% of CY Participants	% of CY Revenue	CY Average Gift	CY Gifts per Participant	CY Revenue per Participant
Leader	9%	20%	$82	8.00	$653
Team Participant	57%	43%	$59	3.78	$224
Indiv Participant	17%	14%	$63	3.82	$239
Giver (Event or Team)	17%	23%	$378	1.08	$409

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It's often assumed that the high percentage of zero dollar participants is due to the participants donating to other participants to help their friends achieve their fundraising goals. The report helped shed light on this assumption, as only nine percent of participants donated to another participant.

The most common amount raised by a participant ranges from $100 to $249. Six of the programs in the report are walk programs with strong messaging focused on raising $100 to receive an event day t-shirt. It's a fair conclusion that the $100 t-shirt messaging has made an impact on participant fundraising performance (see Figure 2).

Figure 2: Participant Distribution by Fundraising Level

	Giver (Event or Team)	Indiv Participant	Team Participant	Leader
$1-14	10%	6%	7%	2%
$15-24	10%	11%	8%	3%
$25-34	18%	25%	16%	6%
$35-49	4%	5%	4%	3%
$50-74	16%	8%	11%	7%
$75-99	3%	2%	4%	4%
$100-249	18%	20%	26%	26%
$250-499	7%	11%	11%	19%
$500-999	6%	7%	6%	15%
$1000-2499	5%	4%	3%	11%
$2500-9999	3%	1%	1%	4%
$10000+	1%	0%	0%	1%

Participant Loyalty

Participants are not professional fundraisers, but experience breeds success. On average, multi-year participants raise twice that of a new participant (see Figure 3). Figure 4 provides more detail into the number of gifts a participant received. Total amount raised is usually the primary measure of success, but the number of gifts a participant receives is a better indicator of their activity. Are participants simply making a personal gift or are they actively fundraising?

In the case of multi-year team members, it could be inferred that they have learned their friends and family are willing supporters of their fundraising efforts and therefore ask for higher donation amounts. The average gift for a multi-year participant is $69 versus $49 for a new participant.

Figure 3: Revenue per Participant

Loyalty CY	Leader	Team Participant	Indiv Participant	Giver (Event or Team)	Total
New	$408	$148	$153	$433	$229
MultiYear	$834	$344	$377	$271	$416

Figure 4: Gifts per Participant

Loyalty CY	Leader	Team Participant	Indiv Participant	Giver	Total
New	5.83	3.01	2.87	1.04	2.72
MultiYear	9.61	4.99	5.33	1.33	5.47

Fundraiser versus Donor

Participants who donate and fundraise are the most effective fundraisers. Therefore it's often believed that to get an individual to fundraise he needs to make a personal donation. The act of donating doesn't always mean he intends to fundraise.

On the surface it appears a participant is an active fundraiser raising $200, but the amount could simply be a personal gift. Another example: An individual signs up for an event with a fundraising minimum and makes a personal donation to reach that minimum; does this make him a fundraiser? The answer is no, the is a donor. The same is true for events without a fundraising minimum. Moving forward, organizations should begin classifying participants based on their type of activity: fundraiser, donor, or zero dollar participant.

Figure 5 provides detail on team leaders', team members', and individuals' fundraising activity. Team leaders are the most active fundraisers; only 27 percent of the leaders are participating donors. There is a shift beginning to take shape, which provides opportunity for revenue growth as more team members are becoming active fundraisers.

Lastly, encouraging participants to make a donation will help eliminate the number of zero dollar participants, but may not increase the number of active fundraisers. When creating messaging around making a personal donation, organizations need to be mindful not to create mixed messages. The primary message communicated to participants should focus on the act of fundraising as this is the main revenue source for events (see Figure 6).

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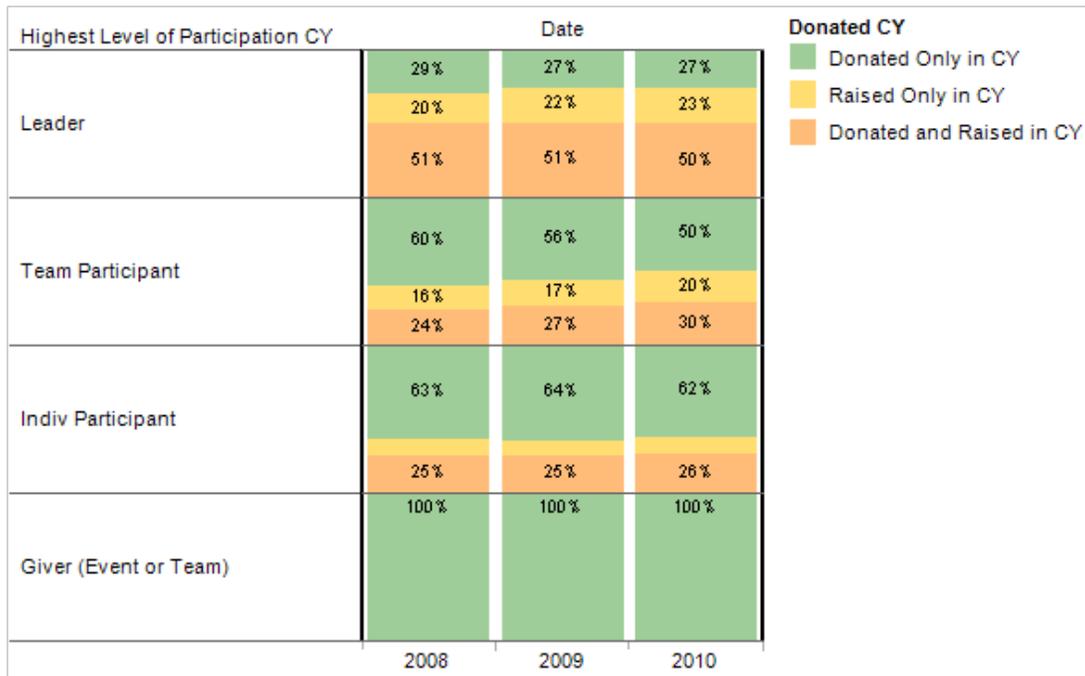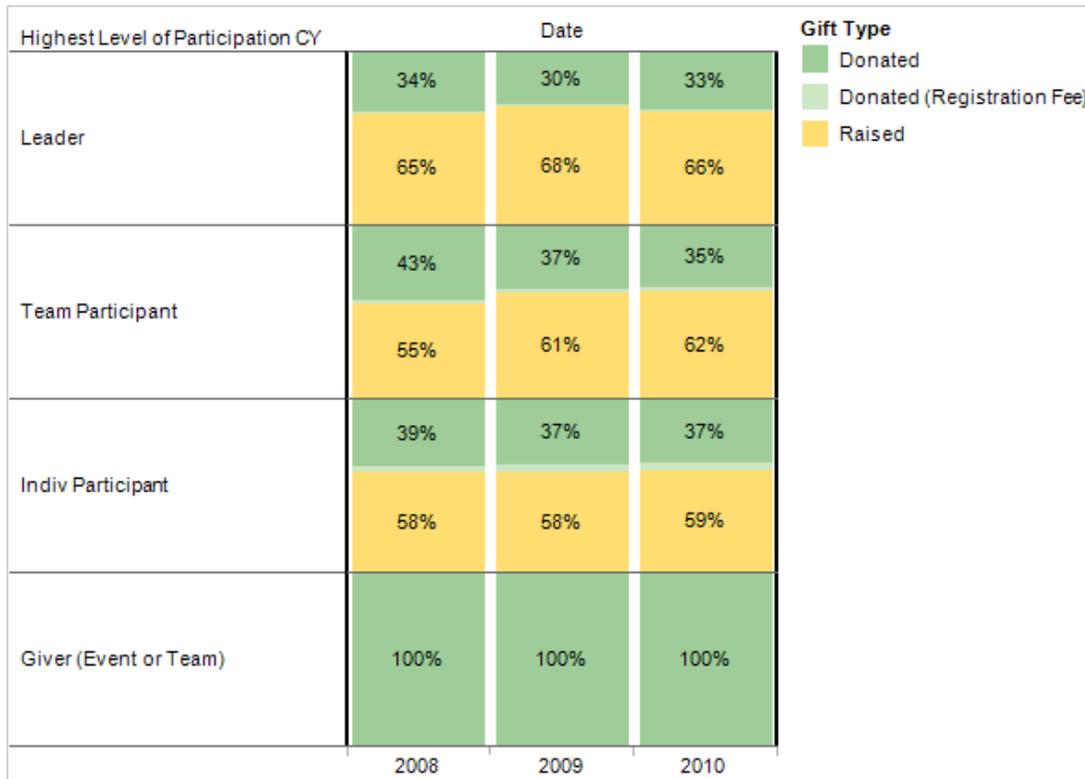**Figure 5: Trends in Participants Type (2008-2010)**

Highest Level of Participation CY	Date			Donated CY
	2008	2009	2010	■ Donated Only in CY
Leader	29%	27%	27%	■ Raised Only in CY
	20%	22%	23%	■ Donated and Raised in CY
	51%	51%	50%	
Team Participant	60%	56%	50%	
	16%	17%	20%	
	24%	27%	30%	
Indiv Participant	63%	64%	62%	
	25%	25%	26%	
Giver (Event or Team)	100%	100%	100%	

Figure 6: Trends in Revenue by Participants Type (2008-2010)

| Highest Level of Participation CY	Date			Gift Type
	2008	2009	2010	■ Donated
Leader	34%	30%	33%	■ Donated (Registration Fee)
	65%	68%	66%	■ Raised
Team Participant	43%	37%	35%	
	55%	61%	62%	
Indiv Participant	39%	37%	37%	
	58%	58%	59%	
Giver (Event or Team)	100%	100%	100%	

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Participant Retention

Peer-to-peer events are transactional and cyclical by nature. Each new year brings a new event, a new crop of participants, and new donors. On average, organizations are only retaining 25 percent of fundraising participants each year. Organizations do a better job retaining team leaders who tend to be their most engaged and loyal participants (see Figure 7). The greatest opportunity to increase revenue lies in retaining more participants from one year to the next, as multi-year participants are more effective fundraisers than new participants.

Figure 7: 2010 Retention Rates for 2009 Participants
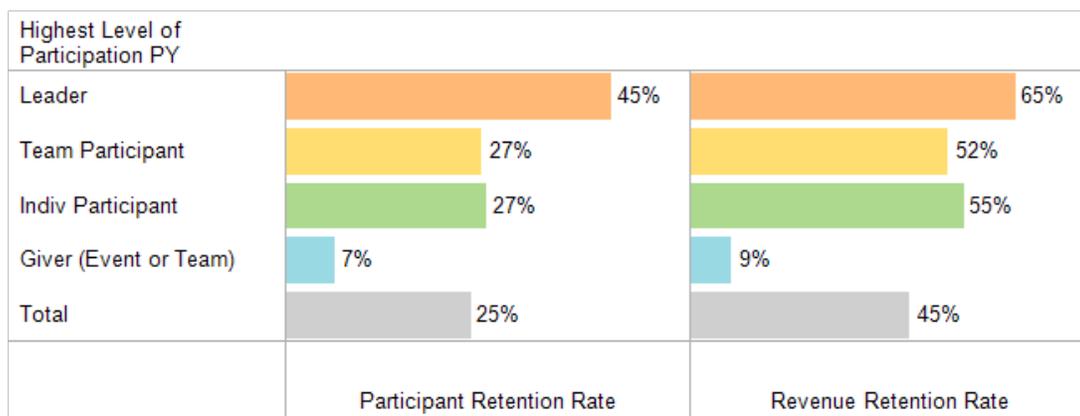
When participants do return to participate the following year, they usually come back to their same role (see Figure 8). Two data points stand out:

1. There is a small shift in team leaders returning but changing their role to team member. Helping team leaders identify the following year's team leader is one tactic organizations can use to eliminate team leader burn-out.

2. Idividual participants are shifting roles, moving to team leader and team members. Individual participants are an active fundraising group that should factor into peer-to-peer fundraising strategies.

While multi-year participants are more effective fundraisers, this group has its challenges. Upon further analysis these participants have a difficult time sustaining their level of fundraising. Every organization experienced a decrease in retained participant fundraising production. With the understanding that fundraising becomes more challenging, providing extra fundraising support focused on returning participants will benefit both the participant and organization.

Finally, organizations are retaining about five percent of their zero dollar participants from year to year. When zero dollar participants return the following year, they become fundraisers. While this is not a large group, it is encouraging that zero dollar participants are taking a more active role in the event when they return.

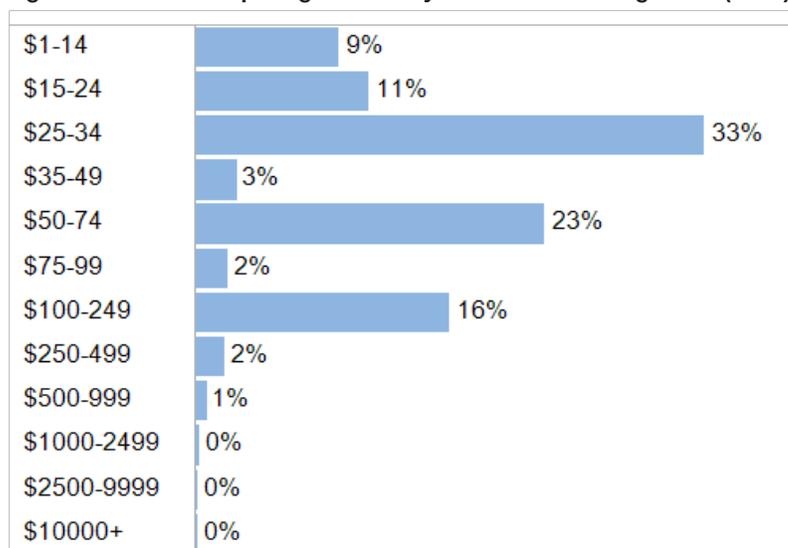Continued

Figure 8: Migration of Retained Participants

Highest Level of Participation PY	Highest Level of Participation CY				
	Leader	Team Participant	Indiv Participant	Giver (Event or Team)	Total
Leader	79%	11%	8%	1%	100%
Team Participant	5%	88%	6%	1%	100%
Indiv Participant	8%	20%	69%	2%	100%
Giver (Event or Team)	10%	13%	2%	75%	100%
Total	17%	60%	18%	5%	100%

Non-Participating Donors

With the focus on participants, donors are often an afterthought when creating strategies for peer-to-peer fundraising events. Spending time developing a donor strategy can impact event success. For example, fundraising participants are only retaining 17 percent of their donors. Increasing donor retention is two-fold. The first step is to educate participants that thanking donors is an important part of the fundraising process. The next step is to encourage participants to ask their previous year's donors to support the next year's event.

Donors tend to give based on contribution levels set by the organization. Organizations can do more to influence donor behavior and increase donation amounts. Content on participant web pages can be used to educate donors about the impact of their donation and provide additional guidance on what to give (see Figure 9).

Figure 9: Non-Participating Donors by Cumulative Giving Level (2010)

$1-14	9%
$15-24	11%
$25-34	33%
$35-49	3%
$50-74	23%
$75-99	2%
$100-249	16%
$250-499	2%
$500-999	1%
$1000-2499	0%
$2500-9999	0%
$10000+	0%

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How to Use the donorCentrics Report

There's a familiar saying that's relevant when analyzing data: Numbers never lie. Numbers provide clarity, but it's up to the reader to understand and interpret the information. Based on data in the donorCentrics report, it was presented that the type of event has little to do with a participant's ability to fundraise.

Within an event, participants self-select different roles: team leader, team member, or individual. Along with different roles, there are varying levels of participant fundraising activity. The key takeaway from the data can be summed up in one word: engagement. Engagement is two-fold. How engaged is the participant in the event? How do organizations engage and support participants? The five findings from the report provide organizations a starting point to measure participant activity and to re-evaluate their current fundraising strategies.

1. Team leaders are the most effective fundraisers. Here's the one question every organization with a peer-to-peer program needs to ask: How are we treating team leaders? Once answered, here are a few more questions to consider.

   a. Are team leaders receiving information pertinent to their role or are all participants receiving the same message?

   b. If messaging is geared to the leader role are all team leaders treated equally? Are top performing team leaders receiving the same message as underperformers? If they're receiving the same message, it is probably time to rethink this approach. A team leader with a 10-member team that raises $5,000 needs different information than a team leader of a five-member team that raises $500. The support of team leaders ties into the second finding relating to team members.

2. Team members account for the majority of the event population. Over a three-year period, the organizations in the report experienced a shift in team member activity; more team members became active fundraisers. Opportunity for increasing revenue can be tied to team members. Creating messaging geared to team members may help get this group to take action.

   a. Are team leaders communicating the fundraising message to team members? Or, is the message coming from the organization?

   b. Is messaging based on a team member's level of engagement; for example, fundraiser versus zero dollar team member? Are these two segments of the event population receiving the same message?

3. Multi-year participants are more effective fundraisers, but these participants have a difficult time sustaining their fundraising levels. Armed with this knowledge, organizations can better support multi-year participants.

a. The first step is to create a plan for multi-year participants. Identify these valuable participants early in the fundraising process and connect with them beyond sending an email. Give them a call or set up a time to meet and discuss this year's event. These days it seems that most participant engagement plans revolve around email. Email is way to disseminate information, but it should not be the only means of participant engagement or communication.

4. Participants fall into three categories: fundraiser, donor, and zero dollar participant. The best way to differentiate fundraising participants versus participating donors is to look at the number of gifts a participant has received. The number of gifts will also help identify the most active event participants.

a. Creating engagement strategies based on the number of gifts will help prioritize which participants to reach out to and how to reach out them. A concept to consider is "fair but not equal". All participants should receive support, but the support they receive needs to match their level of engagement. While it would be nice to connect with every participant on a personal level, that is probably easier said than done. Creating a "fair but not equal" plan takes into account the need to cultivate and provide extra support to top performers.

5. Retaining participants year over year is a challenge. Why is retention a challenge for so many peer-to-peer programs? Here's the event lifecycle: recruitment begins, participants fundraise, the event occurs, and participants receive a thank you email. Three months later they are asked to save the date or sign up again for the next event. Peer-to-peer fundraising is all about friends asking their friends for help to support, yet organizations are providing a sterile and impersonal experience. It's no wonder why most fundraising participants do not return.

a. To change this trend it's necessary to move away from the current transactional event process and focus on long-term engagement and cultivation. Event communication plans should be ongoing, never ending. When the event has ended, continue to communicate and engage with participants. Send them a holiday card, information about an upcoming educational event, or an update on how the funds they raised are being used. Every communication doesn't need to be about the event; instead, create a holistic organization experience for participants.

Incorporating five new strategies is a difficult undertaking; instead, use this report as a guide for this year and next year. Compare participants' fundraising activity with this benchmarking group and uncover your event game changers. Maybe this year's goal is to increase increase team leader activity. Focus on team leaders by providing them messaging about team building, team member fundraising, and personal fundraising. Connect with team leaders on a more personal level; call them and meet them in person. Fundraising is personal and while online tools it easy to communicate and fundraise, online tools shouldn't be the only method of engagement. Finally, the work done this year to increase revenue and participation should be a building block for next year's event and goals.

Author's Notes

Throughout the process of analyzing the data and writing this paper, there was much debate over what to call fundraising participants: "fundraiser" or "participant". Ultimately, throughout this paper we use the term "participant", as it is commonly used by organizations – though we believe "fundraiser" is a more accurate description, because peer-to-peer events usually have two goals: awareness and revenue.

Non-fundraising participants are important to help organizations create awareness with a sea of people on event day. It's important to acknowledge that some constituents feel they've done what has been asked of them simply by being present on the day of the event. This collaborative report reaffirmed the belief that in order to meet ever-increasing revenue goals, organizations must focus on helping fundraising participants become more effective rather than trying to convert every participant into a fundraiser.

About the donorCentrics Events Benchmarking Group

The six organizations named in this paper participated in the donorCentrics Events Benchmarking Group. To provide a factual basis for discussion, Target Analytics, a Blackbaud company, obtained data from all six organizations and produced reports comparing their event fundraising performance. Target Analytics delivers data-driven, collaborative solutions designed to help nonprofit organizations maximize their fundraising potential. Target Analytics was the first company to bring forward-thinking nonprofit organizations together to establish industry-standard benchmarking and openly discuss successful strategies and practices.

About Blackbaud

Serving the nonprofit and education sectors for 30 years, Blackbaud (NASDAQ: BLKB) combines technology and expertise to help organizations achieve their missions. Blackbaud works with more than 25,000 customers in over 60 countries that support higher education, healthcare, human services, arts and culture, faith, the environment, independent K-12 education, animal welfare, and other charitable causes. The company offers a full spectrum of cloud-based and on-premise software solutions and related services for organizations of all sizes including: fundraising, eMarketing, social media, advocacy, constituent relationship management (CRM), analytics, financial management, and vertical-specific solutions. Using Blackbaud technology, these organizations raise more than $100 billion each year. Recognized as a top company by *Forbes*, *InformationWeek*, and *Software Magazine* and honored by *Best Places to Work*, Blackbaud is headquartered in Charleston, South Carolina and has employees throughout the US, and in Australia, Canada, Hong Kong, Mexico, the Netherlands, and the United Kingdom. For more information, visit www.blackbaud.com.

About the Author

Amy Braiterman, principal strategy consultant at Blackbaud, is a facilitator for the donorCentrics Events Benchmarking Group. She also supports customers with their peer-to-peer fundraising events with a process she refers to as "data-driven strategy." Amy's data-driven strategy analyzes how effective event participants are using online fundraising tools and uses those results to develop an event fundraising plan. Prior to joining Blackbaud, Amy earned her fundraising stripes managing events for The Leukemia & Lymphoma Society, Alzheimer's Association, and Share Our Strength. She shares her fundraising know-how through her popular blog, FriendsAskingAmy.com, by hosting educational webinars, and speaking at customer conferences.

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