Executive Summary

Independent fundraisers and third-party event organizers are extremely valuable to the nonprofit organizations they support in terms of time, treasure, and talent. Traditional event organizers need to view independent fundraising as supplementary, not competitive, to their existing development portfolio. Providing online tools to these independent supporters is critical to ensuring fundraising success and maintaining an overall low cost per dollar raised. Nonprofit organizations need to engage with these fundraisers in many of the same ways they would major donors or high-level volunteers. These types of supporters have a deep connection with your cause and can be very effective at raising money and awareness for your organization.

Introduction to Independent/Third-party Fundraising Events

Fundraising events can be the most tangible expression of an organization’s mission. Events offer an opportunity for supporters to donate their time, treasure, and talent to support a cause. Traditional fundraising events (e.g., run-, walk-, or bike-a-thons) managed and hosted by the organization itself are great programs to drive revenue, create greater awareness, and acquire new supporters. However, there are limitations to these types of programs in that they can sometimes be resource intensive and can be restricted in their reach if suitable locations are either unavailable or cost prohibitive.

Independent fundraising events (IFE) are activities designed and run by non-staff to raise money on behalf of a specific nonprofit organization. They are conducted locally by individuals with minimal support from the beneficiary organization. The types of activities that these local supporters conduct are quite literally endless, but some of the more commonly held events are bake sales, barbeques, and dinner parties. Other activities also involve athletes who want to tie their training and athletic accomplishments to a fundraising goal.

An IFE program can very effectively complement any organization’s development portfolio. While supporters who attend traditional events are clear advocates of the mission, independent fundraisers are
more likely to have a much stronger and direct emotional connection to the organization. An IFE program is a great way to give these highly dedicated individuals the opportunity to match their passion without the limitations of traditional fundraising events.

These types of programs have many titles – e.g., independent, third-party, or grassroots fundraising events – and the fundraisers can be called many things – e.g., members, event organizers, participants, or volunteers. However they are termed, IFEs represent a growing revenue source, especially online, for many organizations. Based on a Blackbaud assessment, there was an estimated $300 million raised in 2008 in the U.S. from these types of events, indicating that organizations should find better ways to cultivate these fundraisers and provide the solutions they need to succeed.

Our Research Methodology

Blackbaud partnered with Event 360 on a research project to better understand the common denominators of a successful programmatic approach to third-party fundraising. While there is substantial best practices information supporting traditional event fundraising, there is little available comparable information for IFE programs. These programs have looser structures, allowing individuals to run events and sometimes send a single check with the funds raised from their activity. Many IFE fundraisers provide little to no data about who participated in or donated to their event, giving the organization little to no ability to influence messaging.

The research reviewed IFE program data from the six participating organizations using Blackbaud Sphere® Events™ featuring the Friends Asking Friends® solution. Information from these organizations helped the team better understand how well organizations have executed their IFE programs and what benefits these events have provided the organization in return. Some of the questions the research sought to address were:

1. Are there best practices in technology and businesses processes to make IFE programs more efficient and effective?

2. Are there organizational dynamics or environmental factors that predispose one organization to using IFE programs more successfully?

3. Are organizations tracking and cultivating the IFE donors integrating them into the advocate and donor cultivation communication strategies?

The research approach to this analysis included:

- Reviewing websites and materials from the organizations
- Analyzing data trends for organizations doing third-party events
- Analyzing the number of events, geographic spread, dollars raised, number of participants, and number of donors in aggregate

About the Author

Meghan Dankovich, director of consulting for Event 360, joined the company in the spring of 2008 with more than 11 years of sales experience, including director of sales at The Crossings, a leadership wellness retreat and conference center, and four years as manager of sales for Keane, Inc., a billion-dollar worldwide IT corporation. She managed healthcare IT infrastructure sales for more than 50 hospitals around the world, winning in excess of $3 million in sales each year. Her expertise includes strategic planning and implementation, forging and maintaining long-term internal and external executive-level relationships, coordinating marketing strategies for new product development, and nurturing client partnerships for long-term client retention. Prior to Keane, Meghan created websites and contributed to online and print marketing efforts for two companies that were rebranding their corporate images and creating spin-off endeavors. Meghan earned a BSBA in international business from Old Dominion University in Norfolk, Virginia.

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• Looking for break points in individual events by type of event, type of organizer, location, type of support being given, etc.

• Interviewing and surveying organizations conducting IFEs for qualitative trending

Both Blackbaud and Event 360 would like to send a special thanks to the event organizers and staff from the following participating organizations, who were instrumental in supporting the research:

1. Alzheimer’s Association
2. Autism Speaks
3. Canadian Cancer Society’s BC and Yukon Division
4. Christopher and Dana Reeve Foundation
5. Lance Armstrong Foundation
6. The Michael J. Fox Foundation for Parkinson’s Research

Data Research and Marketplace Trends

Four of the six participating organizations allowed the research team to analyze four years of participant and donor data from their IFE programs. The research team mined this data in order to better understand any significant quantitative trends for these types of programs. The team also hoped to develop a set of benchmarks so that other interested organizations could help direct their decision-making process around adopting these types of programs.

The organizations provided data for the programs primarily between 2007 and midway through 2009. One organization had data dating back to 2006, but those data were excluded in the analysis. Collectively, the research team analyzed data from nearly 30,000 donors and 4,000 individual fundraisers. Considering the limited amount of available data, the trending analysis was not particularly conclusive. However, the data did confirm that total participation, number of donors, and overall revenue were all increasing significantly as these programs show continued expansion (see Figure 1).

About the Author

Mark Davis is director of technical solutions for Blackbaud based in Charleston, SC. After the acquisition of Kintera by Blackbaud, he jumped at the chance to move from San Diego to Charleston to experience the humidity of the Carolinas, where was born and raised. Over the past nine years he has worked directly with many of the largest nonprofits in the industry, such as American Heart Association, Big Brothers Big Sisters of America, Alzheimer’s Association, Dana Farber Cancer Institute, and Arthritis Foundation. While he has worn many hats over the past nine years with Blackbaud, he works best when he’s engaged with customers helping to deploy successful online fundraising solutions. As one of the original architects of the Friends Asking Friends® solution, he has actively participated in the development of the Blackbaud Sphere® product. He received a bachelor’s degree in engineering from Duke University and a master’s degree in engineering from Stanford University.
Unfortunately, the team could not discern the number of actual third-party events versus the number of individual fundraisers, given that not all organizations collect the data in a standard way. Thus, the term participant in this analysis is a combination of organizers, event registrants and individual fundraisers. As described later in this research paper, the team concluded that the need for standardized tracking and reporting is critical for measuring success and return on investment (ROI) for these types of programs. Figure 2 provides a summary of data highlighting some of the key metrics such as split between online versus offline, average amount raised per participant, and average online gift size.

The analysis showed that online registrations, donations and fundraising per participant are increasing; these trends support the need for a strong online user experience and justify the investment in sophisticated online tools, communications, and reporting. Additionally, the research team developed the following benchmarks summarizing key metrics for these IFE programs (see Figure 3). Due to the limited nature of the available data, these benchmarks should be considered only high-level guidelines for organizations looking to plan new programs or compare against existing programs.

*One organization appeared to have an unusual anomaly in their 2008 data that skews overall results.
**Data was collected in July 2009; therefore, only 6 full months of 2009 data are included.

“The cost of fundraising for IFE programs was recorded between $0.10 and $0.15 per dollar raised – significantly less than the organizations’ other fundraising efforts.”
Staff Interviews and Observations

In addition to analyzing program data, the team conducted six consultative interviews with the staff of the participating organizations that oversee their IFE programs. There were several common characteristics that came to light. Most IFE programs attract a different audience – and a “lower touch” one at that – than the organizations’ other fundraising programs, indicating that they are supplemental and not competitive to existing fundraising efforts. These participants are directly affected by the cause the organization represents and have a strong interest in matching their passion with the organization’s mission by volunteering their time, talent, and treasure in a unique, personal, and self-determined way. These “super volunteers” ask for only guidance in return. It was these requests that motivated most of the participating organizations to implement their online tools and formalize an IFE program. It was also noted that the cost of fundraising for these programs was recorded between $0.10 and $0.15 per dollar raised – significantly less than the organizations’ other fundraising efforts (see Figure 4).

There were also common challenges expressed during the interviews. Given the newness of these programs and the high rate of newcomers, the organizations find it challenging to budget associated revenue and costs. As events and volunteers return year to year, and tracking of the rate of new...
and repeat participants and events improves, the budgeting process will get easier. Where program management differed between the organizations was in the offering of supplies. Some provide portfolio planners and t-shirts or singlets at no cost, while others provide kits that include branded napkins, posters, stickers, and other give-aways related to the cause or event in exchange for a registration fee. Most chose against charging a registration fee to allow those who are financially unable to support their organization to donate their time and talent in fundraising efforts instead. Again, the justification of these costs will depend on the organization’s financial tolerance, the procurement of such supplies (i.e., in-kind donations), and their target cost of fundraising for the program overall.

Another area where the programs differed was in the online location and advertising of programs. Some organizations prominently display links to their IFE program on their home pages or list it under the “Events” tab, while others keep a micro-site virtually separate from the organization’s main website. Regardless of its location, all organizations agreed that the more positive the online user experience is, the more volunteers and donors feel encouraged to use the online tools, thus improving data capture. A positive online experience was measured by the usability of the registration process, access to tools, intuitive participant page designs, ease of finding a participant, and the online donation process.

One last challenge experienced (but rather easily managed by most of the organizations) was the protection of the organization’s reputation and brand. In some cases the use of the organization’s logo or service offering of a sponsor was not in line with the organization’s mission and values.

Through the interviews it appeared that the organizations that experience the most successful IFEs were those that share a few common traits. They benefit from internal support of the program from the top down and across the organization. The organizational culture embraces the value of these “super volunteers” as:

1. Forming a unique segment of fundraising, raising money independent from staff at a very low cost
2. Being an integral part of a fundraising strategy that performs regardless of the economic state
3. Individuals who have the potential for being active, long-term, and passionate supporters of the organization

Based on these attributes, the organization justifies the investment in the online tools, resources, and time needed to support and manage these special programs. Each organization had created a pre-set culture around its IFE program with strong messaging around either athletic events or parties or the invitation for any type of event. While endurance athletes typically raise more funds, there were many other contributing factors that lead to the improved performance of one type of an event over another. Most importantly, the culture of these programs should resonate with the organization’s mission-driven audience.

Methods to cultivate and steward IFE donors varied amongst the organizations. While their online solutions were capable of capturing and tracking online donor data, some organizations upload the donor data into a product like Blackbaud’s The Raiser’s Edge® to cultivate these supporters. Degrees of

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Case Study 1
The Lance Armstrong Foundation

Challenge

• Lance Armstrong Foundation’s LIVESTRONG Day began as a lobbying effort in Washington, DC that has grown considerably over the years.

• The advocacy event grew to include largely local communities.

• The Foundation found that many also wanted to fundraise on LIVESTRONG Day, opening up an opportunity for Grassroots Fundraising and LIVESTRONG Day to work hand in hand.

Solution

• Lance Armstrong Foundation had been successfully using its existing Sphere solution, Friends Asking Friends®, to enable supporters across the country to host and promote their own fundraising events on behalf of the Foundation.

• Blackbaud’s Friends Asking Friends event fundraising solution, Blackbaud Sphere® Events™, eliminates the burden of managing donations, thank-you communications, and tax forms.

• Additionally, they can gather information from all its supporters and ensure that donors are being thanked and recognized for their contributions.
cultivation differed from offering opt-in options only upon donation to automatically rolling them into the standard communication calendar to receive mailings and solicitations from the organization’s national office. Those that did not automatically enroll donors into a communication plan refrained from doing so when requested to do so by individual fundraisers. In these instances, the event organizer felt that those communications may compete for funds for their events. A fairly common practice as well among those organization with regional affiliates or chapters is to inform those local offices of an IFE registrant in their area and provide the local staff the opportunity to reach out to that volunteer to offer support and build a closer relationship.

When discussing future strategies for their IFE programs, the following plans were shared:

- Offer customized information based on supporter type (third-party event coordinator, independent fundraiser, event participant, or donor);
- Implement an e-communication plan to encourage fundraiser performance;
- Increase reporting to better understand the audience and more frequently track program performance; and
- Segment messaging based on participant types and performance levels.

**Participant Survey Responses and Insight**

Surveys were also sent by five of the participating organizations to the participants of their IFE programs. Out of 453 visits to the survey link, 300 IFE registrants responded. Given that not all programs are structured the same, the surveys varied in some aspects in order to accommodate the language used by each organization, certain tools provided by the organization versus others, and to address each type of potential responding audience – third-party event organizers, participants of the third-party events, or those who raised funds on their own for the organization.

The following statements summarize the collective findings from the surveys:

- 64% of all respondents were first-time fundraisers for the organization through the IFE program.
- Not all respondents use the email tools provided by the online tools to ask for donations. Those that do not indicated that they use their personal email instead, followed by asking face-to-face.
- Roughly 80% of respondents set up a personal fundraising webpage through the organization’s website for the IFE program.
- Of those that did set a personal fundraising webpage, an estimated 72% recall receiving online donations.
- The top three responses for how the online tools impacted their fundraising were “Made it easier to communicate my efforts,” “Made it easier to coordinate my efforts,” and “More funds raised.”
- The top three biggest challenges respondents said they have with their IFE participation are “Getting the Word Out,” “Fundraising,” and “Recruiting.”

**Case Study 1 cont.**

**The Lance Armstrong Foundation**

**Results**

- In 2008, 1,078 grassroots fundraisers raised $3.8 million for Lance Armstrong Foundation with almost no cost to the organization.
- The average independent fundraiser raised more than $3,200 compared to the average $500 raised by participants in the organization’s signature fundraiser, the LIVESTRONG Challenge.
- In the first six months of 2009, the organization has increased its email list of supporters approximately 25 percent.
- Approximately 50 percent of grassroots fundraisers conduct the same event each year.
When asked what most likely motivated their supporters to donate, 59% of event participants claimed it was to support their individual efforts, while only 28% claimed it was to support the organization’s cause.

Out of 297 participant responses, 63% said their donors are “Somewhat Familiar” while 14% are “Very Familiar” with the organization they support.

For most respondents, over 76% of their donors had Internet access.

56% of participants were connected to the cause through a family member/close friend while 16% were directly affected.

Respondents who coordinate events stated the majority of their supporters are first “Friends and Family” and then second “Coworkers/Social Network.”

The fact that a majority of the respondents were first-year participants further validated the growth trends in participation and revenue identified through the quantitative data analysis. Other key observations from the responses were that most participants were using the online tools with satisfaction and that they were receiving significant amount of donations through the online tools (2009 data collected to date showed over 73% of donations came online). These observations further justified the feasibility of managing such a program primarily through a cost-effective online presence. By providing these IFE fundraisers helpful online tools that allow them to communicate and coordinate their efforts, an organization can ensure success not only in fundraising, but also in spreading awareness of the cause.

Five Best Practices For A Successful Program

Based on our interviews, quantitative research, and qualitative findings, five best practices came to light to optimize an Independent Fundraising Event (IFE) program.

1. Ensure Organization-Wide Support

Organizations with strong executive support for the IFE program have more success. These organizations see the value in investing in these types of programs and building partnerships with their “super volunteers.” They recognize that once engaged, IFE fundraisers can become avid champions and long-term supporters of the organization.

- Learn who these fundraisers are, remembering that most of them are directly affected by the cause you represent and likely represent the very audience your mission serves.
- Treat IFE fundraisers like major gift donors and honor the time, talent, and treasure they give so freely and passionately to your organization.
- Involve local affiliates if applicable. Your IFE supporters will prefer to know that funds are staying local when possible.

Case Study 2
The Michael J. Fox Foundation

About the program
Launched in January 2006, The Michael J. Fox Foundation Team Fox program has raised over $5 million. Team Fox provides guidance, tools, and resources for the thousands of individual fundraisers who are walking, running, blogging, jogging, paddling, pedaling, eating, drinking, shopping and dancing to raise funds and awareness for Parkinson’s research.

Individual Accomplishment
One particular individual is Mary Anne O. of Illinois. First diagnosed in 2001 with early onset of Parkinson’s, she heard Michael J. Fox speak at a conference in 2006. His speech energized her to become a supporter for the cause. She combined her passion of gardening with an idea for a Garden Walk. Her success has grown from raising $25,000 in 2007 to over $52,000 in 2009 with help from a team of 25 volunteers. The event incorporates a 30-minute educational program led by two expert neurologists. Mary Anne is not only a major supporter of the program – she volunteers as a Team Fox Mentor to help other independent fundraisers be successful for the cause!
• Understand that your IFE participants may not want the organization to solicit their donor base. If this is requested, respect their wishes. They are bringing these donors to your organization that you would otherwise not likely have reached.

• Communicate the performance and benefits of this program throughout your organization.

2. Encourage Online Use and E-Communications

Consistent data collection is imperative to having valid information from which to make important business decisions on the management of the IFE program. Encouraging participants to register, communicate, and fundraise online through the online tools allows your program to operate more efficiently. Participants can avoid writing receipts and tax exemption letters, your staff can spend less time processing manual offline donations, and the chance for human error can be significantly reduced.

• Set the expectation by requiring all participants to register online.

• Perform ample testing on your website to ensure that your registration and donation process and use of the “Participant Headquarters” tools are user friendly and intuitive. Offering a positive online end user experience is an easy way to encourage repeat usage.

• As part of the registration process require the user to read and e-sign your end-user guidelines. Communicate the benefits of using the online tools to the participants and ask them to strongly encourage their supporters to donate online. Benefits include fewer costs to the organization and more time for the participant to fundraise.

• Inform participants that the organization will ask donors for information only and will not further solicit them unless agreed to by the donor.

• Explain that the reason for more information is to understand who is supporting the organization and what their connection is to the participant to better support the program, as well as how familiar donors are with the organization to gauge reach.

• Remind them that all further communications with donors will be offered with opt-in/-out options.

3. Provide the “Hand Up”

Your audience is caring, motivated, volunteering, and asking for guidance. Respond with a program that educates, empowers, and encourages them. They are not looking for the hand out — i.e., for you to run their event for them. They are looking for a “hand up” — i.e., assistance and guidance on how to make an impact by marrying their passion with your mission.

• Staff a half- to full-time employee who will provide personal customer service offering their name, number, and email. Customer support is critical in providing timely assistance to these fundraisers. Support is particularly important for event organizers who may benefit from some guidance in marketing and managing their event.
• Provide the following on the website for downloading by the registered participant:
  • Fact Sheet
  • Basics of Fundraising
  • Basics of Hosting an Event
  • Instructions on How to Use the Online Tools
  • Approved Logos (“Proud Supporter Of”) and Letters of Support
  • “Ask” and Press Release Templates

• Understand that an IFE may experience fundraising fatigue. Stay in touch with them to recognize this and suggest other ways they can have an impact, perhaps through other volunteer or advocacy work that does not require asking for funds until they are motivated again to do so.

4. Standardize Tracking & Reporting

One key observation from the study showed that organizations need to provide for standardized reporting to help monitor the success of these campaigns. Due to the nature of these types of programs, many organizations do not follow through on these key aspects well enough.

• Make a list of the minimum standard metrics your organization intends on regularly monitoring to measure the program’s progress and performance. A few to consider include:
  • Number and date of registered events
  • Location of events, organizers, participants, donors
  • Number of participants
  • Number of repeat vs. new (events and participants)
  • Designation for event organizers versus individual fundraisers
  • Overall fundraising by event and fiscal year
  • Fundraising per participant
  • Number of gifts per participant
  • Plan on reviewing these reports at least monthly to monitor data integrity and to be able to respond to the needs of your participants. Such analysis will aid in future forecasting as well.
  • Track the engagement level of the participants (i.e., donations received, goal achievement, and number of emails sent). With this information, proactively communicate with them regarding their performance levels to encourage when and where needed.

“Independent fundraisers are able to reach donors otherwise unattainable by the organization through their personal social networks.”
5. Create a Recognition Program

Finally, there are three primary reasons a volunteer, participant, or donor gives his time, talent, and/or treasure – to belong, to feel good, and to be acknowledged. A comprehensive recognition program is critical to help motivate supporters.

- Design a recognition program around the objectives of your IFE program.
- Share the successes of top fundraisers and top teams with stories in e-newsletters and on the home page of the micro-site and main website of your organization.
- Consider offering a “Legacy” and/or “Super Star” program for long-term and high-achieving IFE participants with experiential rewards, such as a recognition lunch at the local affiliate in their area.
- Include an “honor roll” on the website main page and on participant pages.
- Use social media to celebrate their efforts, including blogging, YouTube®, Facebook®, and Twitter®.
- Include a message board on your website for others to comment and support their favorite IFE participant.
- Offer the ability to post tributes allowing IFE participants to share who they are acting in memory of.

Conclusions

Typically, nonprofit organizations do not have the resources to hold events in every community or to invest in mass advertising and marketing efforts. Through these IFEs, the organizational mission and message can be brought to communities across the nation. By offering an IFE program, an organization can build stronger, more loyal supporters, acknowledge their personal struggle, and honor supporters’ desire to act in impactful ways that match their passion with your mission.

These programs are supplementary, not competitive, to the organization’s development portfolio. An IFE program also offers an organization the opportunity to raise money at a relatively low cost of fundraising, while providing a deeper level of engagement with the organization’s strongest supporters. Independent fundraisers are able to reach donors otherwise unattainable by the organization through their personal social networks. These “super volunteers” also spread awareness beyond the reach of the organization through these activities. With online activity increasing as a whole, managing an IFE program primarily via a website with online tools is absolutely feasible, effective, and significantly reduces the cost of operation. Again, because “the ask” is very personal from this type of supporter, it is also a more dependable source of income in tough economic times. Lastly, an IFE program offers your target audience a very personal form of involvement at an emotional level, where the passion of their fundraising typically raises more than the traditional fundraising event participant. Should your organization lack the resources or confidence to put any or all of these best practices into effect, there are outside agencies available to help.
Where To Go From Here

This paper provided a starting point for developing a sound approach for using online tools to help build a successful IFE program for your organization. If you are looking for experienced partners that understand the domain and can help you with related products and services, Blackbaud and Event 360 offer the following:

**Event 360 Consulting Services:** Event 360 is the nation’s leading designer and director of events for nonprofits. We engage hearts and minds through entertaining, moving, and flawless experiences that help nonprofits inspire record levels of interest, giving, and loyalty. We offer fully scalable services in event development and production, strategic consulting, and information technology that can be customized to your organization and need. Whether you need to improve an existing event program, upgrade your infrastructure, or create an entirely new concept, our set of consulting, planning, and management services will help you take your mission and put it into action. Visit [www.event360.com](http://www.event360.com) to learn how Event 360 can help your organization. Your mission is our passion.

**Blackbaud Sphere®:** With the industry’s leading event fundraising solution, *Sphere Events®* and *Sphere eMarketing®* are well suited for organizations that want to provide online tools for independent fundraisers and third-party event organizers. Having raised over $1 billion online, *Friends Asking Friends®* is a proven fundraising solution for these highly engaged supporters.

**The Raiser’s Edge®:** The Raiser’s Edge has been the nonprofit industry’s standard-bearing fundraising system for more than 20 years. It comes with a powerful set of APIs and powerful native integrations to both Blackbaud® NetCommunity™ and Blackbaud Sphere™, making it a great choice for nonprofits looking for a total solution. Visit [www.blackbaud.com/products/fundraising/raisersedge.aspx](http://www.blackbaud.com/products/fundraising/raisersedge.aspx) to learn more.

About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations — including The American Red Cross, Cancer Research UK, Earthjustice, International Fund for Animal Welfare, Lincoln Center, The Salvation Army, The Taft School, Tulsa Community Foundation, Ursinus College, the WGBH Educational Foundation, and Yale University — use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud’s sole focus and expertise have been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom. For more information, visit [www.blackbaud.com](http://www.blackbaud.com).