



## FUNDRAISING STAFF SURVEY

### Background

“How many FTE staff members does it take to raise \$XX?” This is a question those in the nonprofit community hear often. The Pierce Family Foundation sent a survey to PFF grantees, other Chicago funders to share with their grantees, and colleagues. A total of 90 organizations responded to the survey. The survey consisted of two questions:

1. In your last completed fiscal year, how much revenue did you raise? Include all donations, board gifts/dues, special events, grants, government contracts, and sponsorships. Do not include earned income, membership dues, or in-kind.
2. What number of FTE (full-time equivalent) development staff did you have during the last fiscal year?

### Results

*Note: All fundraising staffing decisions are based on numerous factors, individual to each organization, and the following numbers should be used as a guide only.*

#### Fundraising revenue less than \$500,000

- Number of organizations: 14
- Median fundraising staff: 1

#### Fundraising revenue \$4M

- Number of organizations: 2
- Median fundraising staff: 3.5

#### Fundraising revenue \$500,000 to \$999,999

- Number of organizations: 12
- Median fundraising staff: 1.75

#### Fundraising revenue \$5M

- Number of organizations: 1
- Median fundraising staff: 4

#### Fundraising revenue \$1.M to \$1.9M

- Number of organizations: 23
- Median fundraising staff: 2

#### Fundraising revenue \$6M

- Number of organizations: 2
- Median fundraising staff: 5

#### Fundraising revenue \$2M to \$2.9M

- Number of organizations: 15
- Median fundraising staff: 3

#### Fundraising revenue \$7M

- Number of organizations: 3
- Median fundraising staff: 6

#### Fundraising revenue \$3M to \$3.9M

- Number of organizations: 18
- Median fundraising staff: 4

#### Fundraising revenue \$8M

- Number of organizations: 2
- Median fundraising staff: 5.5

### Other Available Research

The above figures roughly align with research done in the field, which says that it takes one full-time staff person to raise \$500,000, with additional staff needed for \$1M and incrementally thereafter (see following pages for this research).

## Financing Not Fundraising: Find and Keep a Great Fundraiser By Nell Edgington

<http://www.socialvelocity.net/2013/01/financing-not-fundraising-find-and-keep-a-great-fundraiser/>

The news is not good lately about how effective the head fundraiser is at nonprofit organizations. A new study by CompassPoint reveals some startling realities about the fundraiser role in the nonprofit sector:

- 25% of executive directors fired their last development director
- 33% of executive directors are lukewarm about their current development director
- More than 50% of executive directors say they can't find well-qualified fundraisers
- 50% of development directors plan to leave within the next two years
- And 40% plan to leave fundraising altogether

That sounds like a fundraising crisis to me. And it's just another example of why fundraising in the nonprofit sector is broken. If you're new to this series, Financing Not Fundraising recognizes that fundraising in the nonprofit sector just doesn't work anymore. Nonprofits have to break out of the narrow view that traditional FUNDRAISING (individual donor appeals, events, foundation grants) will completely fund all of their activities and instead work to create a broader approach to securing the overall FINANCING necessary to create social change. You can read the entire series here.

What I find most troubling about CompassPoint's recent study is that it makes nonprofits sound so powerless to do anything about this deep dissatisfaction with fundraising performance. But I think it's not staff, board or donors who are lacking, rather it's the entire fundraising approach. Here is how to go about finding and keeping a great fundraiser.

- **Hire a Money Head.** Don't hire someone who can just write grants or someone who can just work with individual donors. Take a look at the entire financial engine of your organization and hire someone who can develop and execute a strategy for strengthening and growing ALL aspects of that financial engine. If you have significant government grants or earned income, make sure you have someone on board who understands and can work with those aspects as well as the private money that flows to the organization.
- **Develop a Financing Plan.** Don't just expect to hire someone who will magically make money appear. Your head fundraiser has to be in charge of developing and executing an overall financing strategy for your organization. And that means that you need an overall financing strategy for your organization. Without a strategy, your chief fundraiser and your nonprofit are sunk.
- **Pay a Real Salary.** It amazes me how many nonprofits expect to entice a great fundraiser by offering a salary that is comparable to someone with only a few years of experience. If you don't have the current budget to pay a market rate, raise capacity capital to fund the first 1-2 years of the position. Once you have a great fundraiser on board he will raise his own salary while growing your nonprofit's overall revenue.
- **Work WITH Them.** It drives me crazy how many times a nonprofit's lone fundraiser is trying to raise all the money by herself. If you are going to align mission and money, you have to make sure that EVERYONE in the organization (board and staff) understand their role in bringing money in the door. Create a culture of philanthropy among the staff so that even a staff member who doesn't have dollar goals in her job description understands that talking to prospects and donors, giving tours, writing thank you notes are critical to keeping the organization going. And make sure the board is trained in fundraising, has a give/get requirement, and has specific individual and board goals.

- **Hire Enough Fundraisers.** The rule of thumb is that it takes one full time person to raise \$500K, including anyone who touches prospects and donors (database manager, prospect researcher, etc). If you are asking a single fundraiser to raise \$1.5 million there is little wonder why she is (and you are) miserable.
- **Give Them Tools.** Don't hire a great fundraiser and then fail to give him a donor database, an interactive website, marketing materials, prospect research, support. It does no good to hire someone with great ideas but no way to bring those ideas to fruition. If you don't have the budget for additional support and tools, raise capacity capital to find it.
- **Train Them.** No one knows it all. In every other profession we expect to send employees to conferences, provide them classes, coach them along the way. Don't expect that your fundraiser automatically knows all there is to know. Give him opportunities to gain new knowledge, meet others in the field, and continue to grow his skills.

If you want to attract and retain someone who will develop a sustainable financial engine for your nonprofit, don't leave her out in the cold. Fully integrate your head fundraiser into your organization and give her the tools, support and resources necessary to succeed.

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### **Getting Your Money's Worth From Your Fundraising Staff**

By Kelly Dunphy and Emma Kieran  
*ORR Associates Inc. Newsletter, September 2012*

The paradox every nonprofit faces involves the need to spend money on fundraising to obtain revenue and the need to report low fundraising ratios required by stakeholders. Additionally, every officer has a fiduciary duty to ensure that fundraising money is well spent.

The best way to resolve this paradox is to ensure that your fundraising efforts meet or exceed your specific requirements and broad nonprofit benchmarks. If you do not know how your front-line fundraisers perform against your competition, and you do not know your revenue return on fundraising expenses, then the odds are that you are under performing by paying too much -- or by not achieving the revenue you should.

#### **Fundraising Financial Benchmarks**

Financial reports and Form 990s provide basic and publicly available data for broadly judging fundraising performance. While each organization is unique and while different fundraising strategies will have different results, what follows are some fundraising financial rules of thumb and benchmarks against which you should evaluate your fundraising results.

- Fundraising staff salaries and benefits are almost always the largest fundraising costs, and the fully-loaded cost for fundraising staff is usually about 200 percent of their salary
- Broadly speaking, organizations generating revenues of \$500,000 to \$1 million should have at least one *dedicated* fundraiser with active support from the CEO and board
- Depending on staff experience, you should budget an additional one to two fundraisers for each additional \$1 million raised
- After three years on the job, your director of development or major gifts officers should annually raise revenue equivalent to 5 to 10 times their fully-loaded costs.

## Fundraising Operational Goals

Fundraising is not just about financials. As everyone knows, fundraising is mainly about the process of building relationships and strategies that over time, persuade donors to give to your organization. Setting standards and goals will enable you to judge both fundraising potential and performance. The performance standards and goals should combine quantitative data (per above) with qualitative standards found in the best fundraisers. Those qualities include:

- **Accountable:** Produces regular, concise and useful reports for the CEO and board and "owns" the results
- **Strategic:** Develops, executes and adheres to strategic fundraising plans and revenue goals
- **Leader:** Motivates donors to give and inspires the rest of the fundraising team, the CEO and board
- **Relationship Builder:** Initiates and deepens relationships with donors over time, resulting in increased involvement and donations
- **Experienced:** Has broad fundraising experience necessary to lead the specific fundraising programs or, in the case of chief development officers and development directors, the entire fundraising operation.

## Implementing Your Fundraising Benchmarks and Goals

Since fundraising is both an art and science, you should implement both financial and operational fundraising benchmarks to ensure that you have strong, well-qualified fundraising staff and successful fundraising programs. The process by which you can set your organization's performance expectations is straightforward:

- Determine the benchmarks against which you will judge your fundraising efforts
- Implement hiring, review, compensation and promotion policies that are consistent with your fundraising benchmarks
- Explain the benchmarks and the human resources policies to your fundraising staff and hold them accountable
- Perform rigorous fundraising performance reviews at least annually and consider quarterly.

Strong fundraising staff and programs are critical to funding your mission and programs. If your fundraising staff is measuring up against benchmarks and goals, recognize and reward your staff. On the other hand, no nonprofit has the time or money to waste on poor fundraising performance. So, if your fundraising staff is not measuring up, now is the time to make some tough decisions so that you can fund your mission and programs in the near future.

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**Excerpt from:**  
***"The Costs of Raising a Dollar"***  
**By Ellen Ryan**  
CASE Currents 16, no. 8 (September 1990): 58-62.

*On average, each fund raising professional raised an average ranging from \$500,000 to \$1.1-million in gift income per year over the course of three years. When support staff costs were factored in, the revenue decreased to a median of \$430,492. Even with this level of variation, the average fund raising staff solicits and receives in gift money an amount that exceeds a fund raiser's salary by a factor of 10 or more.*