

# Special Report

## Engaging Board Members in Fundraising

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*A report based on data collected by the  
Nonprofit Fundraising Survey*

Prepared by the



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## Introduction

Raising money is a major challenge for many charities' boards of directors, according to BoardSource (2010). Fundraising ranks #1 among board areas needing improvement, and has done so for many years in BoardSource's regular *Nonprofit Governance Index*.

Vice presidents and directors of development recognize this challenge yet seldom have solid information to use when choosing among possible methods, when making a case for a board minimum gift amount, or when explaining the various possibilities for how board members can help raise funds.

This research is a comprehensive look at the current state of board engagement in fundraising. We offer key benchmarks here, along with analysis of which engagement methods are working in what types of organizations. The Nonprofit Research Collaborative will be continuing this work and invites your feedback and suggestions. You can reach us by email to [Melissa@NonprofitResearchCollaborative.org](mailto:Melissa@NonprofitResearchCollaborative.org).

In an early January 2012 survey, the Nonprofit Research Collaborative collected data from more than 1,600 nonprofit organizations in the United States and approximately 180 in Canada. This report focuses on the U.S. results for board engagement.

The Nonprofit Research Collaborative asked organizations about how board members help raise funds – and has explored which board engagement methods are associated with meeting fundraising goals. The results here are but an initial step. All reported results are statistically significant to .05 or less, using chi-square tests.

We offer these findings, along with some implications for how to use the results. But as with any initial study, there are some cautions. This study was about one year's fundraising results only. The key question was whether or not the organization met its fundraising goal, not about any specific methods or tactics in fundraising or even about whether the goal was an increase over 2010.

There are myriad other questions that we could ask using a longer time horizon and about other aspects of fundraising. As we all gain more knowledge about board engagement in fundraising, the Nonprofit Research Collaborative will extend its research to continue to advise and inform the field.

## Overview of findings

This report has several sections, each of which presents findings from one or more questions on the survey itself. The survey asked about size of the board, whether or not board members were required to give (and if so, was there a minimum, and if there was a minimum, what was it), and specific ways that board members helped with fundraising.

Most nonprofit organizations in this study had between 11 and 20 board members, and the vast majority reported that board members participate directly in fundraising in some way. Among the 83 percent that did engage board members in fundraising:

- 55 percent saw fundraising results increase for 2011 compared with 2010
- 60 percent reached their fundraising goal.

Among the 17 percent that did not engage board members in fundraising:

- 43 percent saw their fundraising results for 2011 rise over 2010 amounts
- 53 percent reached their fundraising goal (not all organizations had goals that were increases over prior year).

Note that in this survey, board members typically contribute less than 10 percent of an organization's total philanthropic gifts received (this was true at least two-thirds of organizations surveyed). This is consistent with other studies' findings, as well.

### **Requiring board member contributions and minimum amounts**

About 56 percent of organizations in this research required a contribution from each board member, and most (91 percent) of those tell prospective board members about that requirement at the time the board member is recruited. A relatively small percentage of organizations set a minimum amount, just 35 percent of the 56 percent that require a board contribution.<sup>1</sup> That minimum amount varies considerably by size of organization and by subsector. Reports from this survey can help other organizations determine what minimum amount suits their work and organizational culture.

### **Methods of board engagement in fundraising**

The survey provided respondents with a list of 11 ways in which board members might assist in fundraising. The board engagement methods ranged from those that are relatively easy, such as providing names or contact information for potential donors, to those that require more commitment and time, such as hosting events in their homes or chairing an event or campaign.

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<sup>1</sup> Note that this comes to 17 percent of all survey respondents, as it is 35 percent of the 56 percent that require a board member contribution.

Small organizations, with expenditures less than \$3 million, that utilized seven or more of the 11 methods were much more likely to reach their fundraising goal (just over 55 percent reached goal, compared with 44 percent that used less than seven methods). However, the number of methods used did not matter for medium-sized or larger organizations.

However, specific board engagement methods associated with meeting the 2011 fundraising goal did vary according to organizational budget size. Organizations with smaller budgets tended to benefit from a wider range of board engagement methods. The largest organizations, those with \$10 million or more in expenditures, met goal more often when using methods that provided very personal contact by board members with donors.

- In smaller organizations, meeting fundraising goals occurred more often when board members helped gain access to prospective donors by sharing names, making introductions, etc. In addition, having a development committee at the board level was associated with meeting fundraising goals.
- Among the largest responding organizations (over \$10 million in expenditures), board member engagement with a personal touch was associated with meeting goal. These organizations more often met goal when they asked board members to host an event at home or a business or to allow the organization to use the board member's name in appeals or publication. Gaining access to prospective donors was not as important in this group as it was for the smaller organizations, but having a board member make a personal connection did matter.

## Why trustee engagement might matter

Fundraising practice has taught for decades that engaging board members is key to success. One common perception is that board members give a large share of the total. However, in the organizations in this study, that is not the case. Nonprofit researchers have advanced many reasons for why trustee or board member engagement matters.

### Access and signaling

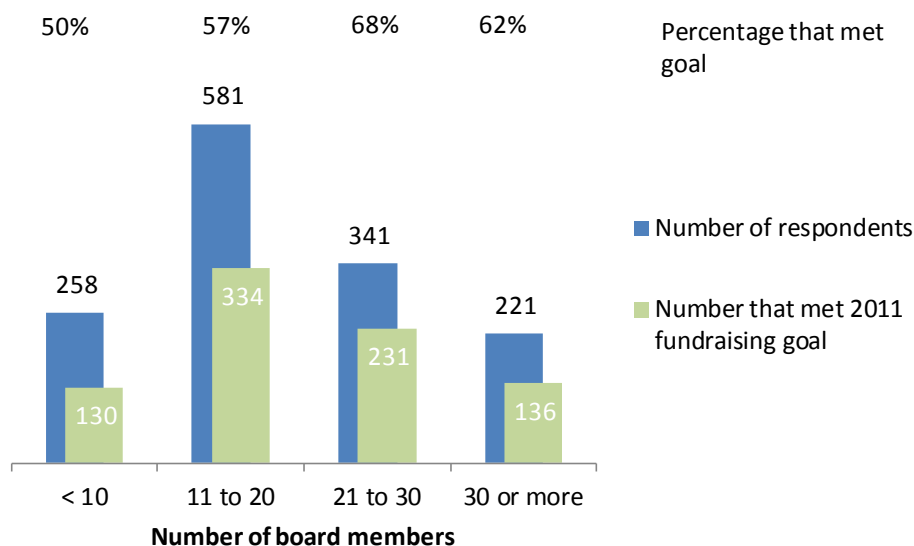
In fundraising, board members serve two primary functions: helping the organization reach new prospective donors (access) and indicating the organization's value to the community by their own association with the group (signaling).

These ideas come from the work of scholars studying board members' roles within organizations. Handy showed that boards help establish an organization's credibility (Handy, 1995). Other work shows that through board members, nonprofits can tap into resources and networks (Ostrower, 2002, p. 64).

### Larger boards are not always better

For signaling and access purposes, it would seem that having a larger board is better. That appears to be true up to a point. This study suggests that boards with 30 or more members do not appear to have an advantage compared with boards of 21 to 30.

Figure 1: Number of respondents to this survey by size of board and by whether the organization met its 2011 fundraising goal, with the percentage that met goal



### Using this information to inform practice

When considering "ideal" board size, keep in mind the several activities your board members will be doing related to monitoring, decision-making, and planning as well as the giving dimensions. Too small of a board can be as bad as too large of a board.

## Board members as donors

One of the principal ways that board members directly support a charitable organization is through their own financial contributions. This study asked if board members were required to contribute and then whether there was a minimum amount for contributions. If there was a minimum amount, the questionnaire asked for that amount.

## Religion organizations least likely to require board member giving

Overall, 57 percent of responding organizations required a gift from all board members. Examined by subsector, between one-half and two-thirds of organizations required board member gifts, which holds true across subsectors except for Religion, where it was just 40 percent. Just 35 percent of those that require a board contribution set a minimum amount. The most frequent answer, among all subsectors, was a minimum gift requirement of \$1,000. See Table 1. The following page has a guide for reading Table 2 that applies also to Table 1.

Table 1: Minimum and required board member giving, by type of organization

Subsector	% requiring contribution, percentage of all respondents	% of those requiring a contribution that also set a minimum	Range for 1 <sup>st</sup> percentile to 25 <sup>th</sup> percentile	Median	Range for 75 <sup>th</sup> percentile to 99 <sup>th</sup> percentile	Average minimum, where required	Largest amount required**
Arts	66%	57%	\$100 to \$1000	\$2,000	\$5,000 to \$25,000	\$4,056	\$100,000
Education	55%	35%	\$35 to \$1000	\$2,500	\$5,000 to \$75,000	\$4,289	\$200,000
Environment*	52%	35%	\$30 to \$365	\$1,000	\$3,500 to \$10,000	\$2,191	\$10,000
Health	53%	35%	\$15 to \$1,000	\$1,000	\$5,000 to \$25,000	\$3,032	\$25,000
Human Services	58%	31%	\$25 to \$500	\$1,000	\$2,500 to \$25,000	\$2,185	\$25,000
International*	50%	36%	\$360 to \$1,000	\$1,000	\$5,000 to \$35,000	\$8,472	\$25,000
Public-society	63%	33%	\$25 to \$500	\$1,000	\$3,000 to \$20,000	\$3,068	\$20,000
Religion*	40%	11%	\$10 to \$505	\$3,500	\$8,000 to \$10,000	\$4,253	\$10,000
All	57%	35%	\$25 to \$700	\$1,000	\$5,000 to \$35,000	\$4,977	\$200,000

\* Less than 30 respondents in this category required board member minimum gifts.

\*\* (Not included in average if \$75,000 or more) Note because of sampling method, results here are not generalizable to the entire population.



## Smaller organizations less likely to require board member gifts

Among the smallest organizations (<\$250,000 in expenditures), just 42 percent require board member gifts. This is lower than the nearly two-thirds requiring board gifts among organizations in other size categories. Table 2 shows the results by size of charity (total expenditures).

Table 2: Minimum and required board member giving, by size of organization

1	2	3	4	5	6	7	8
Size based on expenditure	% requiring contribution, percentage of all respondents	% of those requiring a contribution that also set a minimum	Range for 1 <sup>st</sup> to 25 <sup>th</sup> percentile	Median (50 <sup>th</sup> Percentile)	Range for 75 <sup>th</sup> to 99 <sup>th</sup> percentile	Average minimum, where required*	Largest (not in average if \$75,000 or more)*
< \$250,000	42%	31%	\$10 to \$250	\$1,000	\$1,375 to \$20,000	\$1,854	\$75,000
\$250,000 - \$999,999	62%	34%	\$30 to \$500	\$1,000	\$2,500 to \$15,000	\$2,133	\$15,000
\$1 million - \$3 million	65%	35%	\$15 to \$1,000	\$1,000	\$3,333 to \$25,000	\$2,863	\$25,000
\$3 million - \$9.99 million	61%	33%	\$25 to \$1,000	\$2,250	\$5,000 to \$25,000	\$3,851	\$200,000
\$10 million and up	59%	45%	\$100 to \$1,000	\$4,250	\$5,000 to \$35,000	\$5,650	\$100,000
All	57%	35%	\$10 to \$700	\$1,000	\$5,000 to \$35,000	\$4,977	\$200,000

\* Average excludes outliers of \$75,000 or more

### Reading the Tables

This guide uses Table 2, above, as an example. The principles are the same for Table 1.

Column 2: Percentage that require a board gift. For the smallest organizations, 42 percent.

Column 3: Of groups requiring board gift, percentage that set a minimum, 31 percent of small organizations.

Column 4: The range for the minimum board gift amount among the 25 percent of organizations with the lowest minimum amounts. Among the smallest organizations, a quarter of the minimum board gift amounts were between \$10 and \$250.

Column 5: The midpoint for required minimum amounts (the median). Just \$1,000 for smallest organizations.

Column 6: The range for the minimum board gift amount for the organizations with the highest minimum amounts, but excluding some outliers. Among the smallest organizations, a quarter set a minimum board give amount between \$1,375 and \$20,000. These are the top values for required gifts except where the very highest value was an outlier (\$75,000 or more).

Column 7: The average minimum board gift amount at organizations in this group.

Column 8: The largest required amount. If the largest required board gift amount in this column is more than column 7, there was just one organization in that category, and it is not included in the average or in the top percentile because it is an outlier.

Among groups that require board gifts, somewhere between about one-third to 40 percent set a minimum amount. The range for those minimum gift amounts is very broad, from a low of \$10 to, in a very few instances, \$200,000. About one-quarter of organizations had a required minimum between \$5,000 and \$35,000, and another quarter had much lower minimums, between \$10 and \$700.

### **Using this information to inform practice**

If you do not currently require a minimum amount, your organization might consider setting a new policy to require a minimum board gift amount. However, before deciding to set a minimum, consider your organization's mission and board composition. It is often appropriate to ask board members to make your organization one of their top philanthropic priorities, without actually setting a minimum amount.

If a minimum is appropriate, discuss starting low and working toward the median, to reach it in some number of years. This would give board members now on the board an opportunity to incorporate your organization into their giving plans. And it gives your organization time to recruit new board members who know about and plan for the minimum.

If you now require a minimum that is near the median, and have board members who are meeting that minimum, consider a step-by-step annual increase in that minimum to move the board minimum gift into the top quartile (75<sup>th</sup> to 99<sup>th</sup> percentile) for your charity size within a set period of time, such as five years.

An organization with \$1 million to \$2.99 million in expenditures and a minimum board gift of \$1,000 might vote to set annual increases of \$500 over a period of years to reach a new board gift minimum of \$3,500 by 2017. This will influence who is recruited for the board and possibly what the organization counts toward board giving totals (event tickets purchased might count in the new minimum but not the old, for example).

### **Why board giving matters for other fundraising**

There are a number of important reasons for asking board members to put the organization high in their philanthropic priorities, even if there is no minimum. They include:

- Board member giving is a public commitment to the organization's work;
- Board members might pay increased attention to the nonprofit's mission and financial health when their own money is engaged;
- Many other donors and institutional funders will not give to organizations that don't have 100 percent board participation as current donors.

## Board giving is typically less than 10 percent of total

Among two-thirds (67 percent) of responding organizations in this study, gifts from board members accounted for one to 10 percent of all philanthropic contributions received by the organization in 2011. Board member giving alone was not driving the total amount raised.

## Comparison with other studies

Several other organizations survey member or other qualified institutions about trustee giving. These include an annual survey conducted among institutions of higher education for the Council for Aid to Education, a related survey that CAE conducts among primary and secondary private schools, and surveys by the Association for Healthcare Philanthropy, Theatre Communications Group, and others.

The results in this report are somewhat consistent with several other studies that ask about board giving. On average, trustee giving in other surveys exceeds the minimum amounts reported in NRC study. However, even hospitals and colleges and universities receive less than 10 percent of all contributions from trustees, which is very consistent with NRC results.

Table 3: Summary of findings from other studies about board giving

	2011 average except where noted	Trustee giving as percentage of total contributions
Council for Aid to Education (CAE), higher education	\$47,729	7.9%
CAE, Higher education, counting soft credit*	\$65,505	8.4%
CAE, pre-college	\$40,085	17% (annual giving)
CAE, pre-college including soft credit*	\$1.75 million	23% (capital)
National Assoc. of Independent Schools, annual giving	\$4,237	n/a
National Assoc. of Independent Schools, capital	\$18,171	n/a
Association for Healthcare Philanthropy (2010)	\$10,501	5.1%
Theatre Communications Group (2010)	\$10,760	13% **

\* “Soft credit” refers to gifts that a board member initiates but that do not come from the board member directly. They could be matching funds received based on the board member’s own gift; a gift from the board member’s business; or a distribution from a foundation or donor-advised fund with which the board member is affiliated.

\*\* Researchers derived this percentage by using the reported share of trustee giving as a percentage of all funding, including earned income and government funds.

There is a sharp increase in average board member gift amounts when soft credit is included, as in the CAE survey. Soft credit refers to gifts linked with a donor, but not from the donor directly. This could include matching contributions, grant or donor-advised fund distributions recommended by the donor, or gifts from a business in which the donor has a controlling interest. This measure was not included in the NRC survey. The increase in CAE's data with soft credit adds further evidence that board members provide organizations with access to other prospective funders.

### How board members can help fundraising

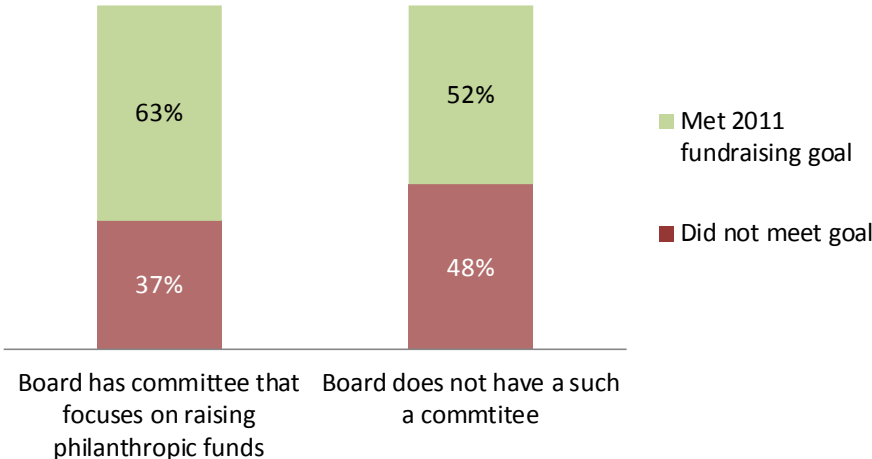
Board members can be engaged in fundraising in a number of ways. One of the key ways, aside from making contributions themselves, is creating a development committee that focuses on raising philanthropic funds. Other methods of engaging board members include easy tasks, such as sharing names, to more personal engagement, such as hosting events or making personal visits.

Following Ostrower and Handy, board engagement methods help an organization gain access to new funders, that signal an organization's worth or status, or that do both. Parts of this analysis use these categories: Access, Access+Signal, or Signal.

### Development committees associated with reaching goal

Just over half of the responding organizations reported that their board has a committee that focuses on raising philanthropic funds. Organizations with such a committee were more likely to meet their fundraising goals for 2011 than were study participants without a development committee.

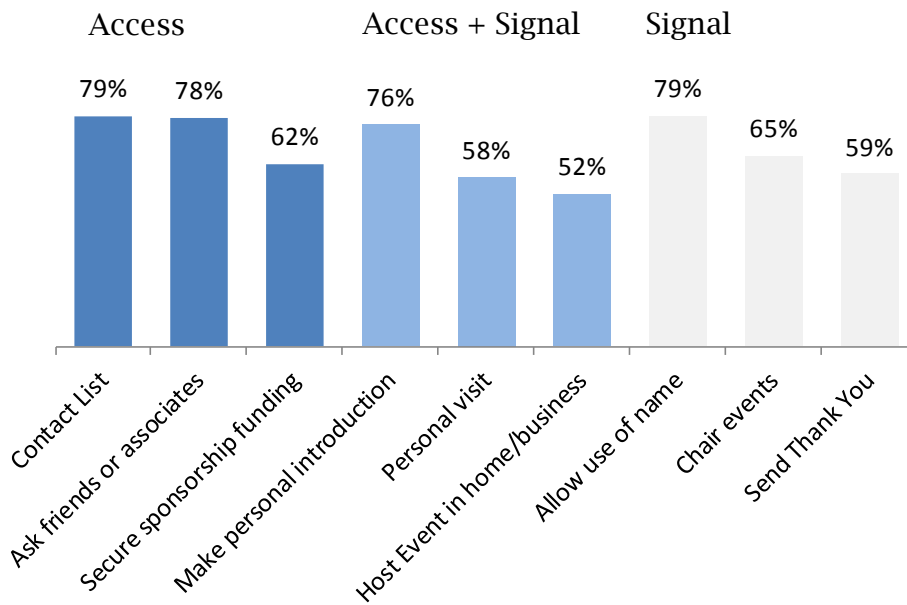
Figure 2: Respondents by whether or not the organization had a board committee that focused on fundraising and whether or not the organization met its fundraising goal



### Organizations favored the “easy” methods

Figure 3 shows the percentage of responding organizations that used nine of the 11 methods included in the survey. Not shown are “rating prospects” (used by 42 percent) and “having board members participate in the development of a fundraising plan” (used by 52 percent).

Figure 3: Percentage of respondents using various board engagement methods, with methods grouped by function (access, access and signal, signal)



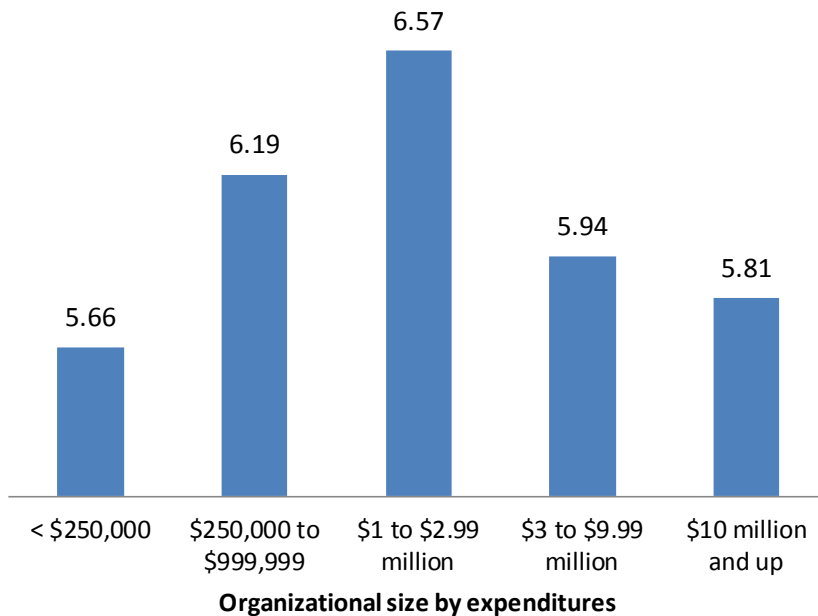
Generally speaking, the methods used by the highest percentage of organizations are those that are easy for board members to do – providing a contact list, making an introduction, allowing use of a name. One easy approach that is less often used, however, is asking board members to thank donors for past or recent gifts.

Note that BoardSource finds board members are more comfortable with “easy” fundraising activities (BoardSource, 2010, p. 13).

### Most organizations used 5 to 6 methods

Most organizations used between five and six of the 11 methods studied to engage board members in fundraising, although results varied by organizational size. The smallest organizations, those with budgets of less than \$250,000, used an average of 5.66 methods. The organizations that had budgets between \$1 million and \$2.99 million averaged using 6.57 methods of 11. The average number of methods used decreased in the larger organizations to 5.81.

Figure 4: Average number of methods used to engage board members in fundraising, by organizational size



**For organizations with < \$3 million expenditures, using more methods associated with meeting goal**

For this analysis, five original size groups were clustered to yield three: those with expenditures below \$3 million; those with expenditures from \$3 million to \$9.99 million; and those with expenditures above \$10 million.

For the survey respondents with less than \$3 million in expenditures, the more ways the organization engaged board members in fundraising, the more likely the organization was to meet its fundraising goal.

This finding did not hold, however, for medium-sized (expenditures of \$3 million to \$10 million) or large (expenditures > \$10 million) organizations. In those two size groups, as shown in Figure 4, the average number of board engagement techniques was overall lower. There was no relationship between the number of methods used and reaching goal.

**By board engagement method and organizational size, varying results**

A key finding in this survey is that organizations that used methods in 2011 that were “suited to” their size are more likely to have reached their fundraising goals for that year. Size refers to expenditures, with size groups ranging from less than \$3 million to

expenditures above \$10 million. We also looked at size defined by number of board members. Findings were similar for both definitions of size.

- Smaller organizations were more likely to achieve fundraising goals when using engagement methods that increased the organization's access to prospective donors. Smaller organizations were also more likely to achieve fundraising goals when using more methods overall.
- Among larger organizations, the board engagement methods associated with reaching goals tended to be those that built personal linkages between board members and prospective donors. Among larger organizations, there was no link between the number of methods used and reaching goal, but specific methods tested did correlate with reaching fundraising goals.

#### **Smaller organizations more likely to achieve goal with methods emphasizing "access"**

Nearly 650 small organizations (expenditures below \$3 million) answered this survey. The board engagement methods associated with meeting fundraising goals for 2011 for the smaller organizations included three methods that ask board members to help expand the organization's list of prospective donors, or gain access.

- Provide names and contact information of potential donors
- Ask friends or business associates to give to the organization
- Provide or secure sponsorship funding for events

Also included were methods that combine access with signaling.

- Host events by inviting friends and associates to the board member's home or business
- Personally make the introduction between the organization and a prospective donor through email, personal contact or other ways

Just two methods that focus more on signaling the organization's merit than on getting access were also associated with reaching goal for the smaller organizations in this study (less than \$3 million in expenditures).

- Chair event or campaign
- Allow use of the board member's name in communications with potential donors

#### **Medium-sized organizations in this study more likely to meet 2011 goal with select methods**

Medium-sized organizations (expenditures between \$3 and \$9.99 million) numbered 548 in this research. When methods were examined one by one (instead of by the number used), Medium-sized organizations were more likely to meet their 2011

fundraising goals when using any one of three methods of engaging board members in fundraising. These were:

- Ask friends or business associates to give to the organization (access)
- Allow use of the board member's name in communications with potential donors (signal)
- Rate (or provide background information about) prospective donors (not coded as access or signal)

#### **Among the largest organizations, personal contacts associated with reaching goal**

Among the 269 organizations in this study with expenditures of \$10 million or more, the methods associated with reaching fundraising goals extended beyond signaling: All contained an element of personal contact between board members and others.

- Ask friends or business associates to give to the organization (access)
- Host events by inviting friends and associates to the board member's home or business (access and signal)
- Make personal visits to prospective donors (access and signal)
- Send thank you letters or make phone calls to donors (signal)

#### **By board size, findings are similar**

Smaller organizations in this study benefited from the use of more board engagement methods than did the larger organizations. When looking at board size to define small, medium, or large, the findings are similar.

#### **Six methods associated with meeting goal among organizations with small board**

Organizations with less than 10 board members were more likely to reach their 2011 fundraising goals when using any one of six methods studied.

#### **Board role in developing fundraising plan very important in organizations with small board**

This is the only size group where the board's direct role in planning for fundraising was linked with reaching fundraising goals. This is a separate question from "board-level development committee" and asked instead whether board members are part of developing a fundraising plan.

#### **Board members on small boards help organization reach prospective donors**

As with size measured by expenditures, two methods for access were associated with meeting fundraising goals in organizations with small board (less than 10 members).

- Provide names and contact information of potential donors
- Ask friends or business associates to give to the organization



Also included were two methods that combine access with signaling.

- Host events by inviting friends and associates to the board member's home or business
- Personally make the introduction between the organization and a prospective donor through email, personal contact or other ways

Among small boards, one method of signaling was associated with meeting fundraising goals in 2011 among organizations in this research.

- Allow use of a board member's name in communications with potential donors

### **Boards at the mean size more likely to meet goal with three methods of board engagement, all focused on access**

The mean board size was between 11 members and 20 in this study. For organizations with a board in this range, methods of engaging board members in fundraising that highlight access to prospective donors were the only ones that were positively associated with meeting fundraising goals for 2011.

- Provide names and contact information of potential donors
- Ask friends or business associates to give to the organization
- Provide or secure sponsorship funding for events

### **Boards of 21 to 30 members benefit from six methods, both access and signaling elements**

This slightly-larger than average board size occurs in many types of organizations and includes groups with widely varied budget amounts. Data in this study show that for organizations with boards in this size range, more methods of engaging board members in fundraising were associated with meeting fundraising goal than was the case for the average sized board (11 to 20).

Among the methods coded to be "access-focused" that were linked with meeting fundraising goals in this group:

- Provide names and contact information of potential donors
- Ask friends or business associates to give to the organization
- Provide or secure sponsorship funding for events

Those that were coded as "signaling" that were associated with meeting fundraising goals:

- Chair event or campaign
- Allow use of a board member's name in communications with potential donors

One method that was not coded as either access or signal was associated in this group (board membership between 21 and 30) with greater probability of meeting goal:

- Rate (or provide background information about) prospective donors

## Engagement method summary

Table 4 summarizes the results method-by-method based on organization size by expenditures. Even though some methods alone were associated with reaching goal, it still remains the case that using seven or more methods is also associated with reaching goal, across all size groups. Results are similar to findings based on board size, with some differences not shown on the table.

Note that Table 4 does not mean that medium-sized groups, for example, should consider ONLY using one of the three noted here. Instead the table shows that medium-sized organizations using at least one of these three were more likely to reach their fundraising goal in 2011. This suggests that medium-sized organizations might want to consider using one of the three methods in 2012 or beyond, if they are not already doing do.

Table 4: Summary of board engagement methods associated with meeting fundraising goal in 2011, by organizational size measured by expenditures

Coding by purpose	Board engagement method	Small	Medium	Large
Access	Contact list	x		
	Ask friends and family	x	X	x
	Secure sponsorships	x		
Access + Signal	Personal introductions	x		
	Personal visits			x
	Host event			x
Signal	Allow use of name	x	X	
	Chair event	x		
	Send thank you			x
Neither Access or Signal	Rate prospects		X	
	Participate in development plan	x		

Small = expenditures < \$3 million; Medium = expenditures of \$3 - \$10 million; Large = expenditures >\$10

### **Using these results to inform practice**

Consider sharing these results with your board development committee and board chair.

Point out that organizations at all size definitions were more likely to meet goal when their board members asked friends and family for financial contributions. This is one of the most important ways a board member can serve, after making his or her own contribution.

After that, consider what you want to achieve through the board engagement in fundraising. This might vary with your organization's mission, history, and more. Options include 1) Have access to prospective donors; 2) A combination of access and a signal that your organization is worthy and/or of a certain standing in the community; 3) Increased community signaling about worth and standing; or 4) none of those.

Use Table 4 to identify some possible board engagement methods that are associated with a greater likelihood of meeting goal to implement at your organization, based on your organization's size and overall goal(s) for working with board members.

Most importantly, do not stop doing something that is working for your organization, even if it does not appear on the table. These results are statistical compilations from many charitable organizations. Any one charity could have a very successful program that does not fit the "average" depicted here.

## **Possible applications of these findings**

When working with board members, stress repeatedly that they need to be engaged in fundraising, ranging from their own gifts, membership on a development committee, and asks to friends and family to make their own contributions. Survey results show organizations that have engaged board members are more likely to meet fundraising goals.

### **Require board member gifts**

Require board member giving. While cumulative giving directly from board members is likely to be less than 10 percent of total funds raised, the signals sent when every board member gives are vital. In addition, foundations and other donors often expect to see 100 percent board member giving.

For most organizations in the United States, setting a minimum gift amount from board members is a difficult decision. In this study, the average required minimum was relatively low (\$4,977) but the range was wide, from \$10 to \$200,000. Many organizations ask board members for a 'significant gift' for that individual. This reflects an understanding that a representative and active board may not include only wealthy or high-income members.

When considering minimum amounts, Tables 1 and 2 provide some national ranges by subsector and by size of charity, based on expenditures.

### **Form and use a board development committee**

Have a board development or fundraising committee. Set goals and monitor progress during the year. Organizations with board development or fundraising committees were more likely to reach their overall 2011 fundraising goals.

### **Give every board member specific fundraising tasks**

Every board member should be asked to send or telephone requests for support to friends and family. Organizations where board members do this are more likely to have met overall fundraising goals for 2011. This goes along with making a contribution themselves: When a board member cares about your mission, it can be a joy to make a gift and a pleasure to invite others to help achieve the positive change your organization works toward.

### **Develop other tactics using research results**

Some of the results here suggest that how an organization engages board members might differ by organization size:

- Smaller organizations might consider recruiting more board members who can promote access to prospective donors and pools of donors, whether individual, corporate, or foundation, and recruit a few board members who “signal” the organization’s credibility.
- Medium-sized organizations might consider emphasizing one element or the other (access or signaling) for a short term. These are organizations with expenditures between \$3 million and \$10 million
- Larger organizations might want to consider ways to seek board members who are comfortable making personal and direct connections with prospective donors. For organizations with \$10 million or more in expenditures, having board members directly contact donors and prospective donors, either to thank them or to make a request, were both associated with meeting 2011 fundraising goals.

### **Conclusion**

Development personnel in nonprofit organizations need data to help inform decisions their organizations face: should we have a minimum gift; if yes, how much; which way of working with board members is likely to help us raise more; what do organizations like ours do? This report shares some findings from a comprehensive look at board engagement in fundraising conducted with data from more than 1,600 charities in the United States.

This is the first study we are aware of that looks at board members, fundraising practice, and whether a charity reached its year-end fundraising goal. Nonprofit managers and leaders will find here useful benchmarking resources—such as a table of board gift minimums and a matrix of specific board engagement practices associated with meeting fundraising goals - by size of organization.

## Methodology

The survey invitation was sent by email and through social media postings beginning on January 16, 2012. The online-only survey response remained open through February 3, 2012. Invitations were sent to several distinct groups:

- Prior participants in NRC surveys (called here panelists)
- Members of the Association of Fundraising Professionals
- More than 4,800 organizations on the mailing list of Campbell Rinker
- People on Blackbaud's email list

Reminders were sent at least once, and sometimes twice or three times, to people in each of these groups.

In addition, members of the NRC sent messages through their own email systems, in newsletters, and via social media outlets to recruit additional survey participants.

By source of list, response numbers are as shown.

List source	Number	Percentage
AFP	417	26%
Blackbaud	234	15%
Campbell Rinker	34	2%
Center on Philanthropy	192	12%
Convio	153	10%
Giving USA	16	1%
Urban/NCCS	361	23%
Panelists	168	10%
Other	27	2%
Total	1,602	100%

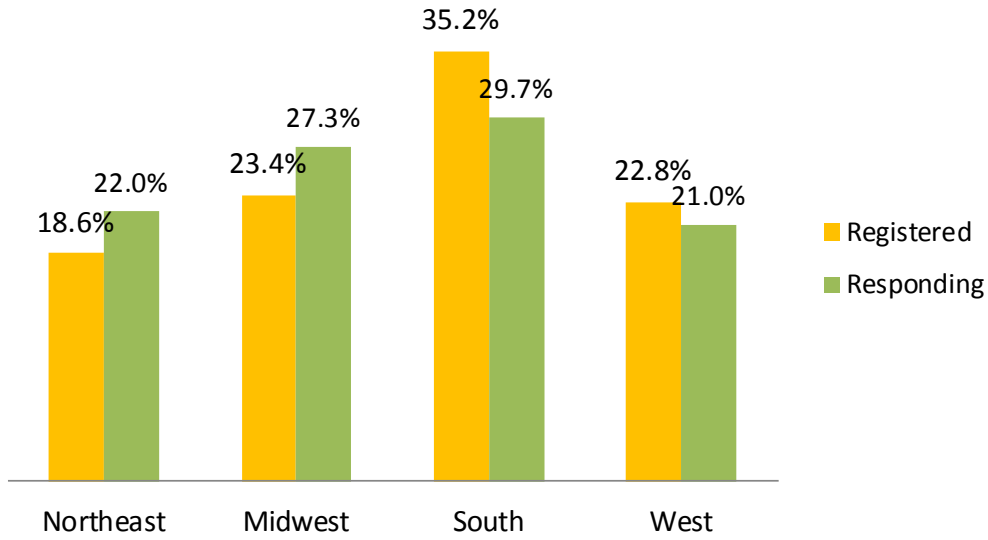
We cannot calculate a total response rate given this convenience sampling approach.

The survey received a total of 1,602 non-duplicated responses representing U.S. nonprofit charitable organizations with more than \$30.5 billion in expenditures in 2009 (based on IRS Forms 990).

In this file of responding charities, regions defined by the Census Bureau are roughly equally represented based on the number of registered charities within each.

Figure 5: Percentage of responding charities by Census region compared with registered charities IRS and Business Master File, July 2011

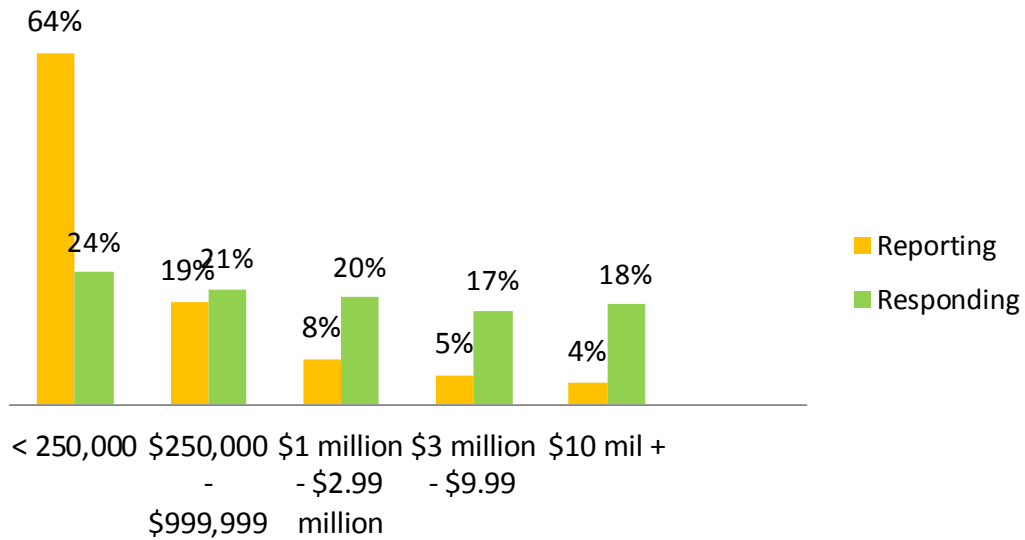
(The sum is 100 by region—that is, add North, South, Midwest, and West for any of the categories of charity to get 100. All yellow bars together = 100, for example.)



Registered = In the IRS Business Master File as of mid-2011. Regions are as defined by the U.S. Bureau of the Census.  
Responding = Response provided in this survey.

This study used reported expenditure amounts on IRS Forms 990 to categorize charities by size, after matching responding charities by Employer Identification Number (EIN) to the record maintained by the National Center for Charitable Statistics, which draws from IRS forms. Thus only reporting charities, which provide expenditure information to the IRS, could be coded for size using official data. Other organizations were coded based on their self-report of total expenditures for 2011.

Figure 6: Responding charities by 2009 expenditure total, compared with reporting charities filing IRS forms



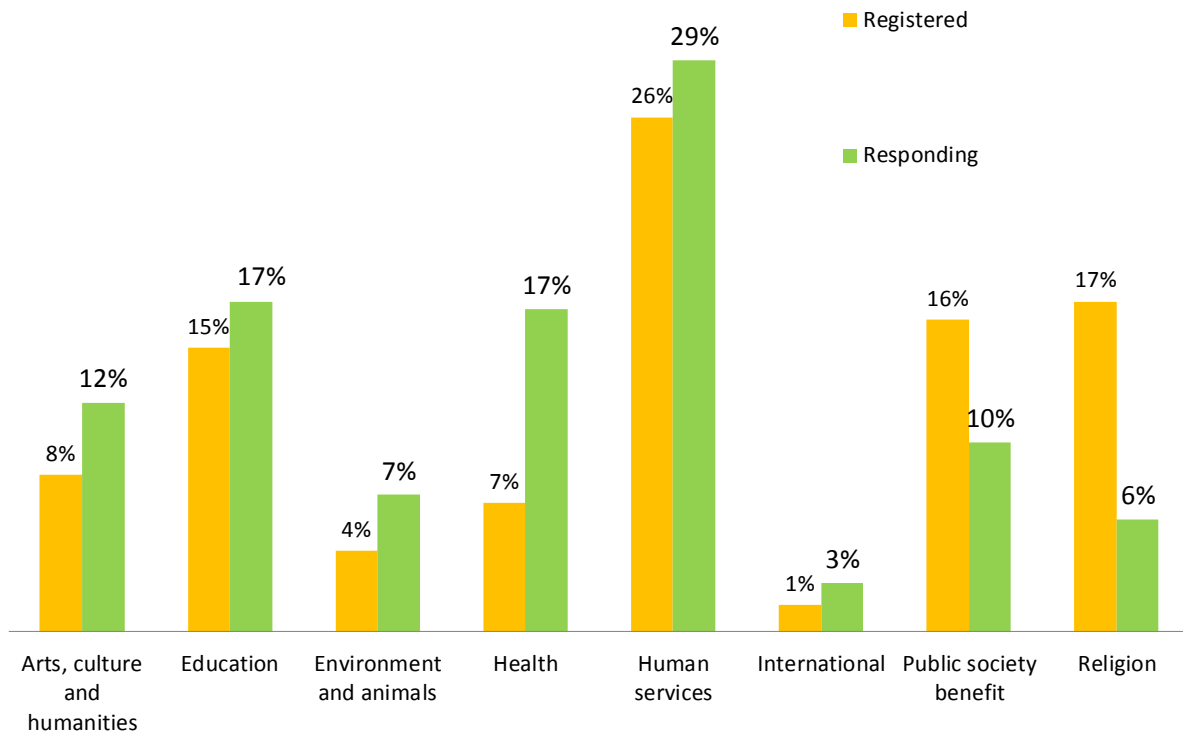
Reporting = filing an IRS Form 990 or Form 990EZ or 990-N ePostcard. Only non-religion registered charities with revenue of \$5,000 or more are required to report. Expenditure information for non-reporting charities is not available at a national level for registered nonprofit 501(c)(3) organizations.

Respondents over-represent the larger charities (\$1 million and up in expenditures) and under-represent the smallest organizations (less than \$250,000 in expenditures).



Responding charities also more or less mirrored the Reporting (filing Form 990) charities by subsector or major category under the National Taxonomy of Exempt Entities (NTEE). However, religious and public-society benefit organizations are under-represented, and arts and health organizations are both disproportionately high in this set of respondents.

Figure 7: Responding charities by subsector compared with charities registered with the IRS



Registered = In the IRS Business Master File as of mid-2011. Charities in the BMF are coded by major category of the National Taxonomy of Exempt Entities (NTEE). Major categories are grouped here into “subsectors” as defined by *Giving USA*.  
 Responding = Response provided in this survey

### Statistical significance

The respondents form a convenience sample. There is no margin of error or measure of statistical significance using this sampling technique, as it is not a random sample of the population studied. Chi-square tests were used throughout the analysis to compare differences between larger responding organizations and smaller responding organizations. Results included here are statistically significant using that approach.

## About the Nonprofit Research Collaborative

Several organizations have formed the NRC. Each of these entities has, at a minimum, a decade of direct experience collecting information from nonprofits concerning charitable receipts, fundraising practices, and/or grantmaking activities. The collaborating partners are:

- Association of Fundraising Professionals, which surveyed members for an annual state of fundraising study from 2002 through 2010;
- Blackbaud, Inc., which publishes The Blackbaud Index and prepares a report about the State of the Nonprofit Industry;
- Campbell Rinker, which publishes the bimonthly Donor Confidence Report and conducts numerous studies among nonprofit donors and nonprofit professionals;
- Giving USA Foundation, which has published the *Giving USA Annual Report on Philanthropy* for more than 50 years; and
- The National Center for Charitable Statistics at the Urban Institute, which tracks the finances and activities of nonprofit organizations and prepares *The Nonprofit Almanac* and other publications and resources.

The collaborative effort reduces the burden on charities, which receive fewer requests for survey participation. Survey respondents will form a panel over time, allowing for trend comparisons among the same organizations. This approach provides more useful benchmarking information than repeated cross-sectional studies.

The NRC conducts surveys twice a year. This report is based on data collected in January and February, 2012 about giving in 2011 or the fiscal year completed in 2011.

## References

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