

ANNUAL GIVING

BOOT CAMP

Forecasts and the Path to Strategic Goal Setting

Rebecca Leddick, Customer Success Manager



Goal: the result or achievement toward which an effort is directed

Ambition

Aim

Aspiration

Purpose

Intent



ANNUAL GIVING

BOOT CAMP





visitwales.com

Forecast: to predict; calculate in advance

Foretell

Predict

Estimate

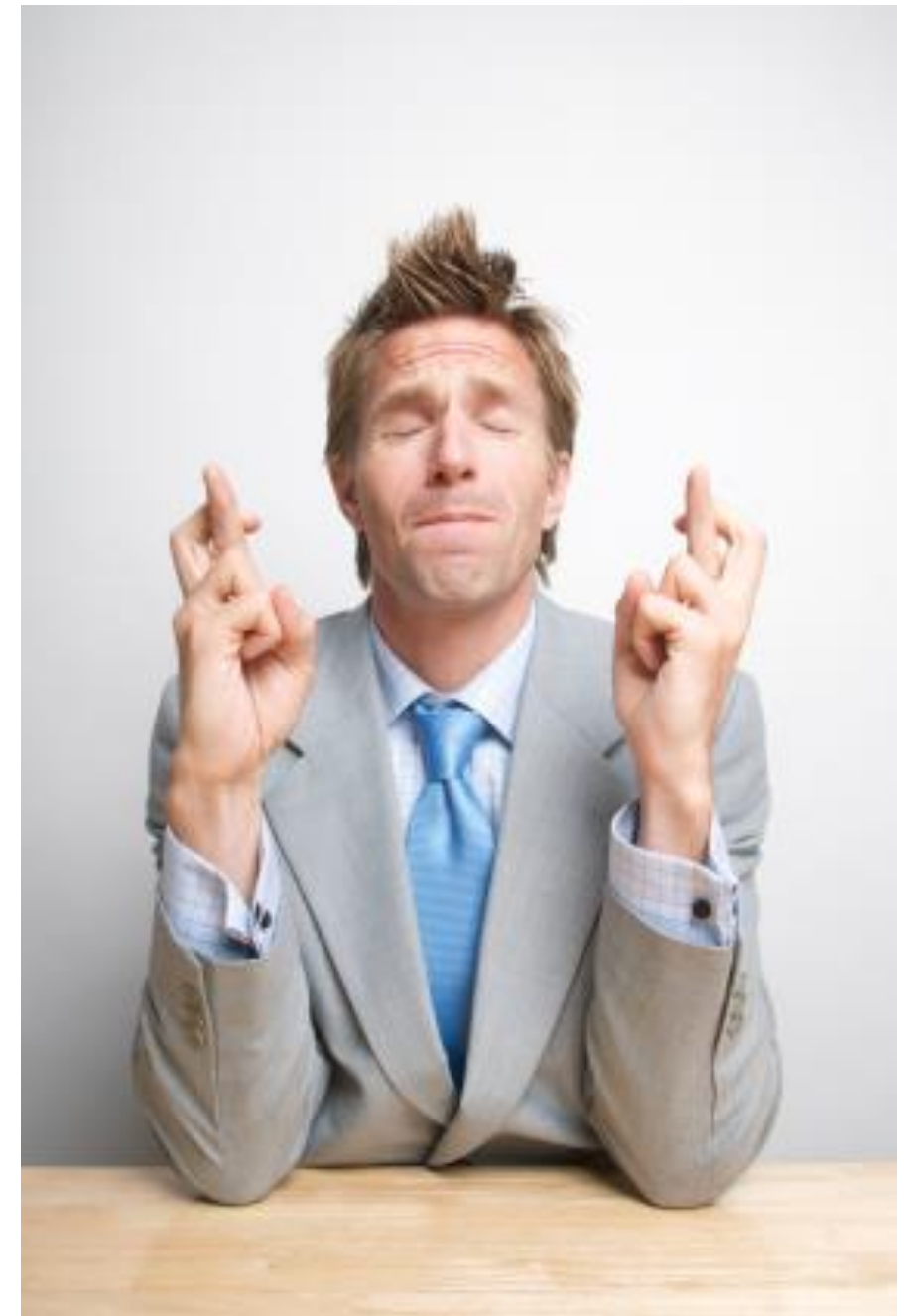
Project

Anticipate



How are goals set at your organization?

- Handed to you ...
- Pulled from thin air ...
- Based on a peer institution's published performance ...
- Without the context of your program, constraints and definitions ...



ANNUAL GIVING

BOOT CAMP



We'll discuss today

Introduce some data-driven, realistic frameworks to back into your goals

- Looking at different segment forecasts

Answer key questions

- Where should I spend more?
- Where can I get more?

ANNUAL GIVING

BOOT CAMP



Important to note ...

Forecasting based on an entire fiscal year

- Not based on a particular appeal or channel

We're assuming that the core tactics remain the same

- No gimmicks
- Multi-channel
- Multi-touch
- Integrated plan

Not used for leadership giving

ANNUAL GIVING

BOOT CAMP



Western University

National Public

More than 221,500 active alumni

Overall FY14

Raised \$24,431,821

25,933 donors

Annual Fund

Raised \$8,888,508 total

\$2,144,265 from corporations and estates

25,589 donors

58.4% retention rate

11.5% participation

Leadership giving is \geq \$10K



Participation: 12%
Dollars: \$10,000,000



Key Terminology – Reeher Predictive Scores

Annual Fund Probability to Donate Index (AF PDI):

Measures the likelihood a prospect has to donate to the annual fund

Annual Fund Expected Value (AF EV):

Probability adjusted value of the expected gift from that prospect

ANNUAL GIVING

BOOT CAMP



Target Audience

All Addressable Relationships

Young Alumni

Parents

Core Target

Acquisition Target

Low Cost Target

Test Group

Assigned to a Gift Officer



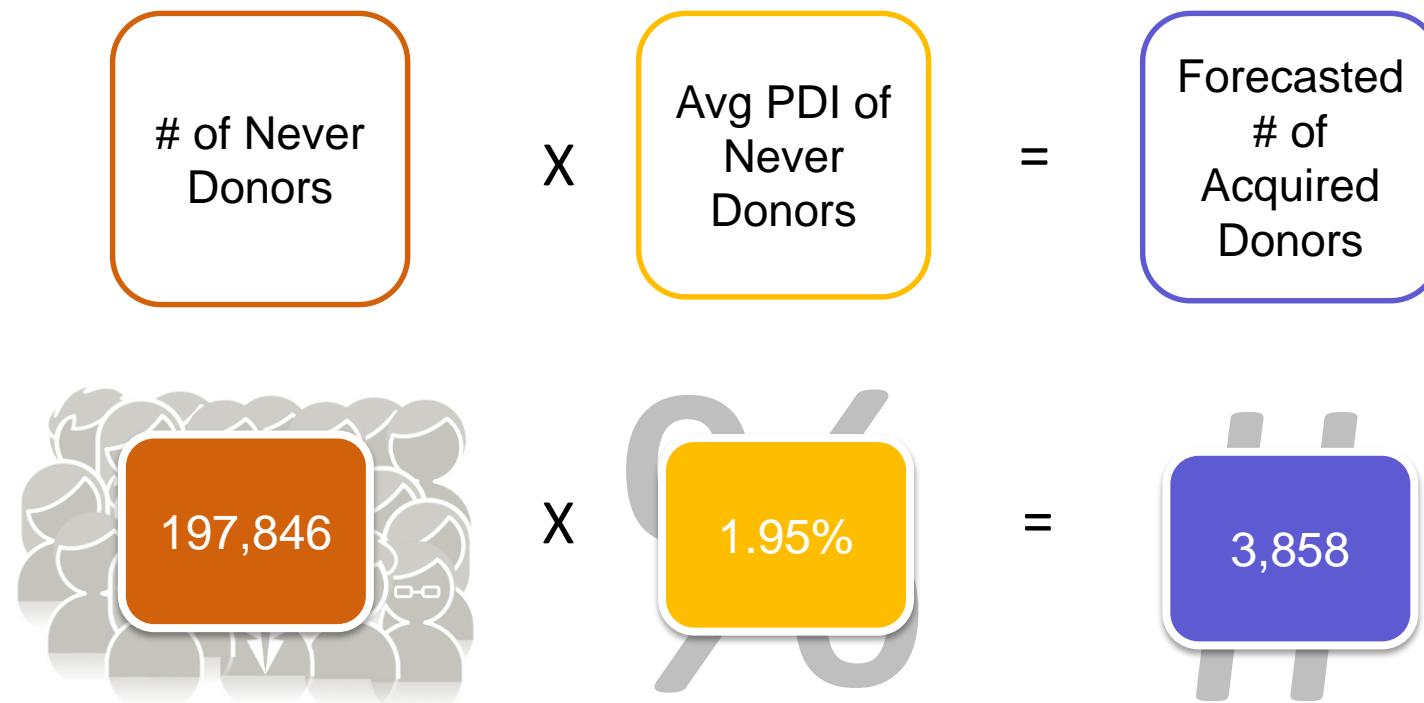
Calculate Forecast Acquisition Donors

ANNUAL GIVING

BOOT CAMP



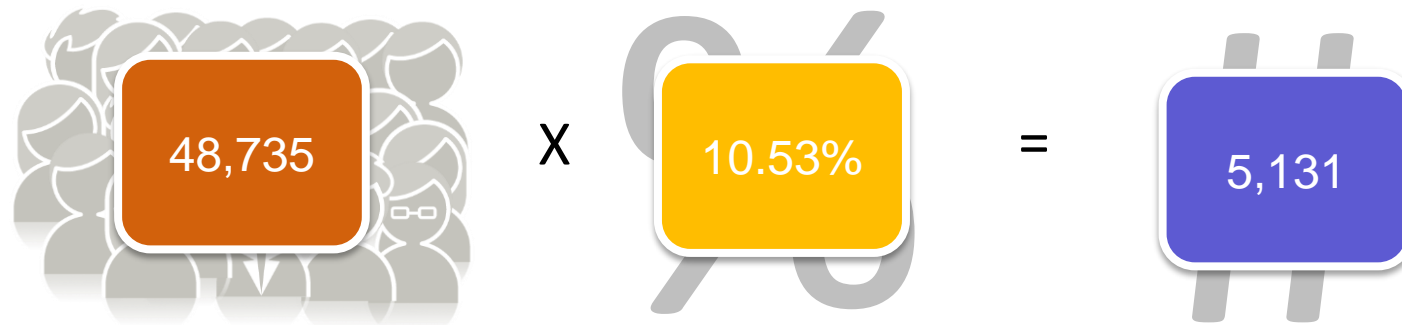
Creating an Acquisition Forecast



Forecasts can be used as a starting point in your goal setting process

Forecasting Donors for a Key Segment – Graduates of the 1980s

Forecast participation rate, number of donors and dollars



ANNUAL GIVING

BOOT CAMP

Forecasting Dollars for a Key Segment – Graduates of the 1980s



Sum of EV
from Segment

=

Forecasted \$
from Segment

\$1,885,753

=

\$1,885,753

EV is a
probability
adjusted dollar
value

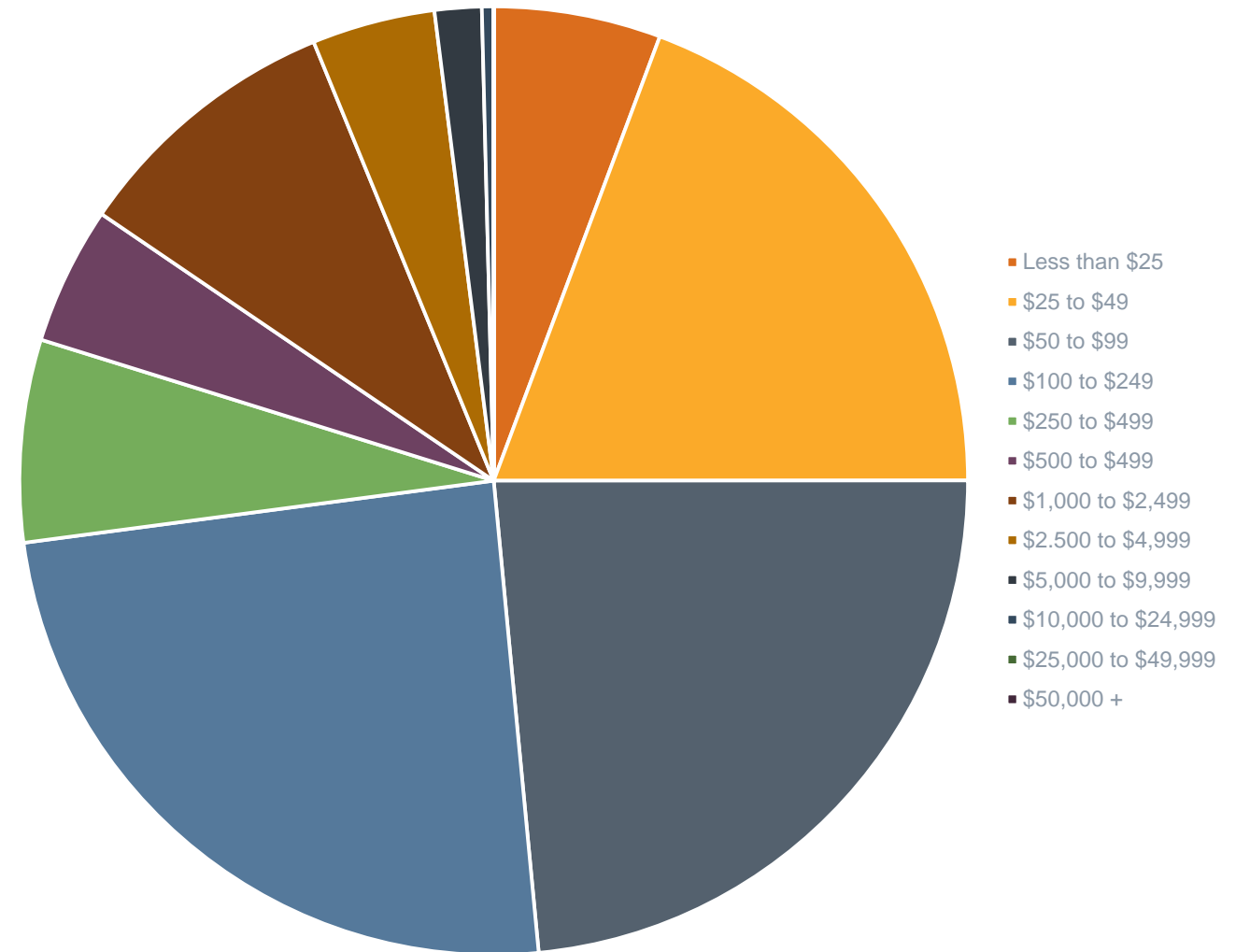
ANNUAL GIVING

BOOT CAMP

Gift Band Forecasting

What's the Path to \$10,000,000?

- Break down to gift band expectations and targets
- Start asking questions of what resources are needed to achieve those metrics



ANNUAL GIVING

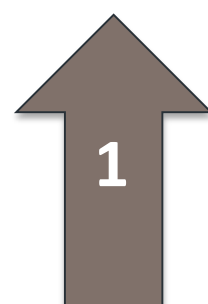
BOOT CAMP



FY Goal = 26,580 donors

Gift Band Forecasting – Working Exercise

Gift Band	Gift Band Percentage	Donor Result	Avg. Dollar per Donor	Dollar Result
Less than \$25				
\$25 to \$49				
\$50 to \$99				
\$100 to \$249				
\$250 to \$499				
\$500 to \$999				
\$1,000 to \$2,499				
\$2,500 to \$4,999				
\$5,000 to \$9,999				



The next several slides will walk us through how to populate this working exercise.

Gift Band Donor Percentage Distribution

Gift Band	2011	2012	2013	2014	2015	Average
Less than \$25	5.28%	7.39%	8.01%	5.79%	6.35%	6.56%
\$25 to \$49	27.13%	24.90%	22.97%	23.85%	20.22%	23.82%
\$50 to \$99	19.29%	20.49%	22.97%	23.85%	20.22%	20.97%
\$100 to \$249	21.79%	20.82%	22.10%	22.72%	22.03%	22.79%
\$250 to \$499	5.91%	6.09%	6.13%	6.49%	7.36%	6.40%
\$500 to \$999	7.08%	5.26%	5.18%	5.11%	5.05%	5.53%
\$1,000 to \$2,499	10.30%	11.55%	11.30%	9.54%	8.94%	10.33%
\$2,500 to \$4,999	1.87%	2.04%	2.40%	2.04%	2.01%	2.07%
\$5,000 to \$9,999	1.11%	1.18%	1.34	1.37%	1.16%	1.23%

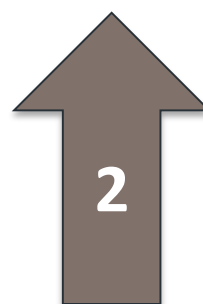
Use the average in the working exercise

Calculate Donor Percentages based on Donor #s on the AF Operating Report

Gift Band Forecasting – Working Exercise

FY Goal = 26,580 donors

Gift Band	Gift Band Percentage	Donor Result	Avg. Dollar per Donor	Dollar Result
Less than \$25	6.56%			
\$25 to \$49	23.82%			
\$50 to \$99	20.97%			
\$100 to \$249	22.79%			
\$250 to \$499	6.40%			
\$500 to \$999	5.53%			
\$1,000 to \$2,499	10.33%			
\$2,500 to \$4,999	2.07%			
\$5,000 to \$9,999	1.23%			



Gift Band Forecasting – Determining Gift Band Donor Results

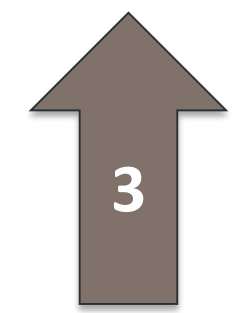
$$\begin{array}{ccccc} \text{Gift Band \% of Donors} & \times & \text{Total Target \# of Donors} & = & \text{Target Donors for Gift Band} \\ 6.40\% & \times & 26,580 & = & 1,701 \end{array}$$



Gift Band Forecasting – Working Exercise

FY Goal = 26,580 donors

Gift Band	%	Donor Result	Avg. Dollar per Donor	Dollar Result
Less than \$25	6.56%	1,743		
\$25 to \$49	23.82%	6,331		
\$50 to \$99	20.97%	5,573		
\$100 to \$249	22.79%	6,057		
\$250 to \$499	6.40%	1,701		
\$500 to \$999	5.53%	1,470		
\$1,000 to \$2,499	10.33%	2,745		
\$2,500 to \$4,999	2.07%	550		
\$5,000 to \$9,999	1.23%	327		



Gift Band Forecasting – Using Operating Reports to Calculate Avg Dollar per Donor

Gift Band Summary							Period	Fiscal Year
Dollar Performance								
Giving Level	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Unit Change	% Change	
Less than \$25	\$19,165	\$27,368	\$27,930	\$19,560	\$17,711	(\$1,849)	-9.5%	
\$25 to \$49	\$154,204	\$147,378	\$136,423	\$121,983	\$102,397	(\$19,586)	-16.1%	
\$50 to \$99	\$249,709	\$281,725	\$251,952	\$286,891	\$217,536	(\$69,354)	-24.2%	
\$100 to \$249	\$647,049	\$654,192	\$634,584	\$685,822	\$591,655	(\$94,167)	-13.7%	
\$250 to \$499	\$414,453	\$425,150	\$405,121	\$429,193	\$362,952	(\$66,240)	-15.4%	
\$500 to \$999	\$521,642	\$533,558	\$508,372	\$538,853	\$456,148	(\$82,706)	-15.3%	
\$1,000 to \$2,499	\$2,403,347	\$2,337,044	\$2,046,453	\$2,032,996	\$1,494,379	(\$538,617)	-26.5%	
\$2,500 to \$4,999	\$1,521,587	\$1,738,794	\$2,218,897	\$1,898,359	\$769,319	(\$1,129,040)	-59.5%	
\$5,000 to \$9,999	\$1,368,257	\$1,464,221	\$1,629,196	\$1,630,174	\$959,662	(\$670,512)	-41.1%	
\$10,000 to \$24,999	\$531,743	\$622,554	\$671,902	\$787,943	\$502,753	(\$285,190)	-36.2%	
\$25,000 to \$49,999	\$96,835	\$89,658	\$27,047	\$108,687	\$100,850	(\$7,837)	-7.2%	
\$50,000+	\$180,089	\$224,614	\$369,226	\$348,047	\$180,171	(\$167,875)	-48.2%	
Total	\$8,108,079	\$8,546,256	\$8,927,102	\$8,888,508	\$5,755,534	(\$3,132,974)	-35.2%	
Donor Performance								
Giving Level	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Unit Change	% Change	
Less than \$25	<u>1,360</u>	<u>2,015</u>	<u>2,182</u>	<u>1,449</u>	<u>1,308</u>	-141	-9.7%	
\$25 to \$49	<u>5,961</u>	<u>5,707</u>	<u>5,420</u>	<u>4,935</u>	<u>4,167</u>	-768	-15.6%	
\$50 to \$99	<u>4,933</u>	<u>5,499</u>	<u>5,260</u>	<u>6,008</u>	<u>4,539</u>	-1,469	-24.5%	
\$100 to \$249	<u>5,662</u>	<u>5,655</u>	<u>5,816</u>	<u>6,256</u>	<u>5,459</u>	-797	-12.7%	
\$250 to \$499	<u>1,610</u>	<u>1,625</u>	<u>1,636</u>	<u>1,778</u>	<u>1,516</u>	-262	-14.7%	
\$500 to \$999	<u>1,226</u>	<u>1,190</u>	<u>1,143</u>	<u>1,198</u>	<u>1,041</u>	-157	-13.1%	
\$1,000 to \$2,499	<u>2,740</u>	<u>2,669</u>	<u>2,403</u>	<u>2,375</u>	<u>1,841</u>	-534	-22.5%	
\$2,500 to \$4,999	<u>806</u>	<u>961</u>	<u>1,170</u>	<u>1,065</u>	<u>415</u>	-650	-61.0%	
\$5,000 to \$9,999	<u>341</u>	<u>392</u>	<u>412</u>	<u>403</u>	<u>238</u>	-165	-40.9%	
\$10,000 to \$24,999	<u>81</u>	<u>92</u>	<u>91</u>	<u>111</u>	<u>74</u>	-37	-33.3%	
\$25,000 to \$49,999	<u>5</u>	<u>4</u>	<u>2</u>	<u>6</u>	<u>5</u>	-1	-16.7%	
\$50,000+	<u>2</u>	<u>2</u>	<u>3</u>	<u>5</u>	<u>1</u>	-4	-80.0%	
Total	<u>24,727</u>	<u>25,811</u>	<u>25,538</u>	<u>25,589</u>	<u>20,604</u>	-4,985	-19.5%	

$$\text{Total Dollars} / \text{Total Donors} = \text{Total \$ per Donor}$$

$$\$414,453 / 1,610 = \$257.42$$

Example uses
the \$250 - \$499
gift band

Gift Band Forecasting – Dollars per Donor

Gift Band	FY2011	FY2012	FY2013	FY2014	FY2015	Average
Less than \$25	\$14.19	\$13.51	\$12.83	\$13.64	\$13.54	\$13.54
\$25 to \$49	\$25.62	\$25.54	\$24.74	\$24.44	\$24.57	\$24.98
\$50 to \$99	\$49.86	\$50.79	\$47.60	\$46.88	\$47.39	\$48.61
\$100 to \$249	\$110.67	\$112.91	\$107.98	\$106.06	\$108.38	\$109.20
\$250 to \$499	\$241.01	\$251.85	\$244.32	\$229.91	\$239.41	\$241.16
\$500 to \$999	\$403.46	\$450.40	\$436.24	\$448.63	\$438.18	\$435.38
\$1000 to \$2,499	\$782.02	\$780.31	\$802.66	\$787.96	\$811.72	\$792.94
\$2,500 to \$4,999	\$1,914.89	\$1,895.30	\$1,854.20	\$1,695.58	\$1,853.78	\$1,842.75
\$5,000 to \$9,999	\$4,014.64	\$3,658.65	\$3,936.69	\$3,969.76	\$4,032.19	\$3,922.39

Use the average in the working exercise

Gift Band Forecasting – Working Exercise

FY Goal = 26,580 donors

Total Dollar Result = \$6,637,052.52

Gift Band	%	Donor Result	Avg. Dollar per Donor	Dollar Result
Less than \$25	6.56%	1,743	\$13.54	\$23,600.22
\$25 to \$49	23.82%	6,331	\$24.98	\$158,148.38
\$50 to \$99	20.97%	5,573	\$48.61	\$270,903.53
\$100 to \$249	22.79%	6,057	\$109.20	\$661,424.40
\$250 to \$499	6.40%	1,701	\$241.16	\$410,213.16
\$500 to \$999	5.53%	1,470	\$435.38	\$640,008.60
\$1,000 to \$2,499	10.33%	2,745	\$792.94	\$2,176,620.30
\$2,500 to \$4,999	2.07%	550	\$1,842.75	\$1,013,512.40
\$5,000 to \$9,999	1.23%	327	\$3,922.39	\$1,282,621.53

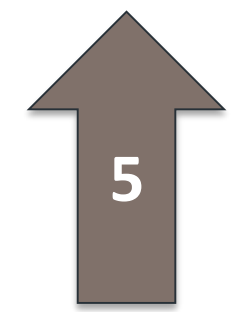
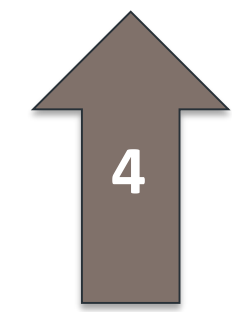
Avg. Dollar per Donor

X

Donor Result

=

Dollar Result



Will we make it?

FY Goal = 26,580

Total Dollar Result from individuals = \$6,637,052.52
+ C&F \$2,144,265.00
\$8,781,317.52

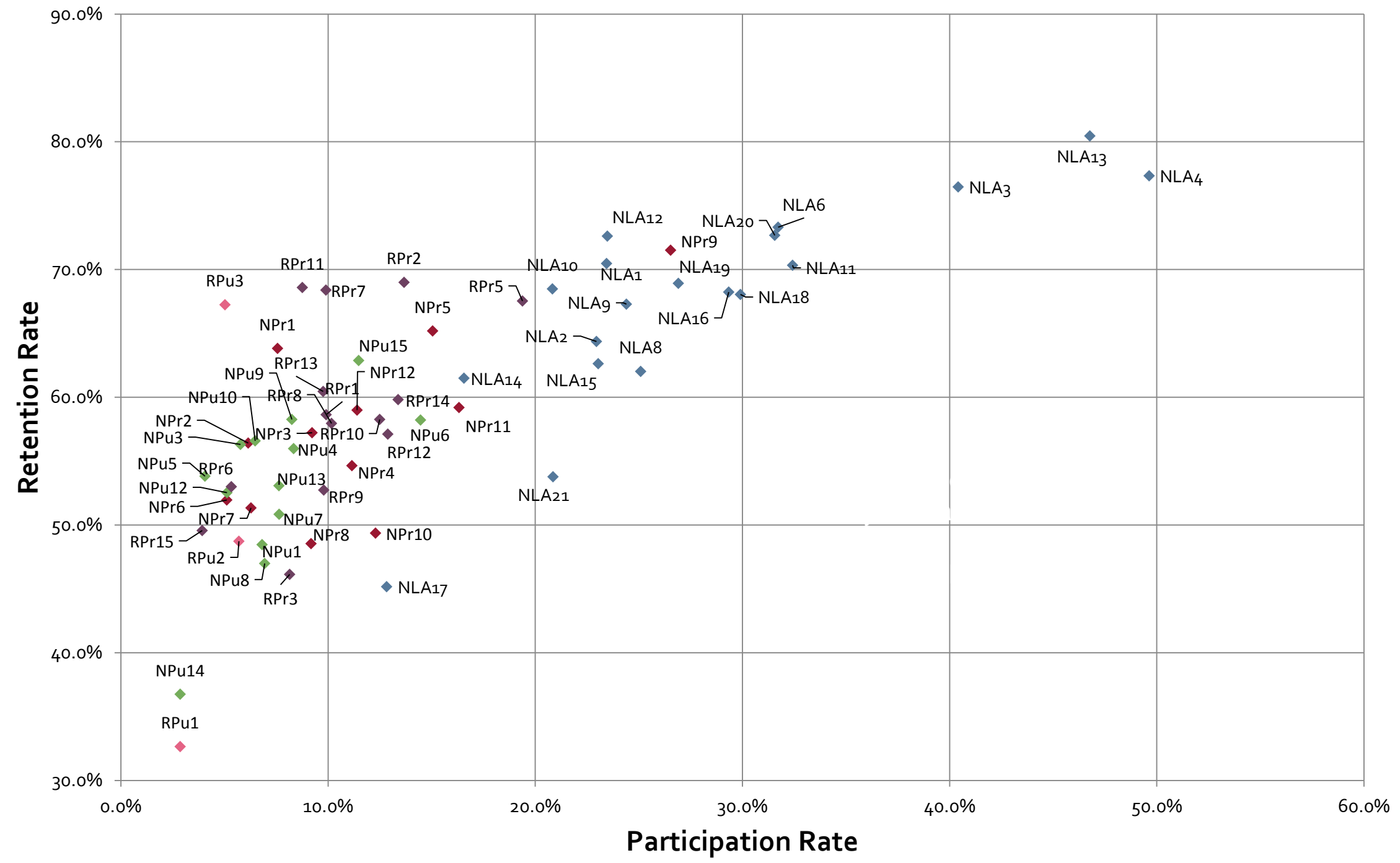


Participation: 12%
Dollars: \$10,000,000

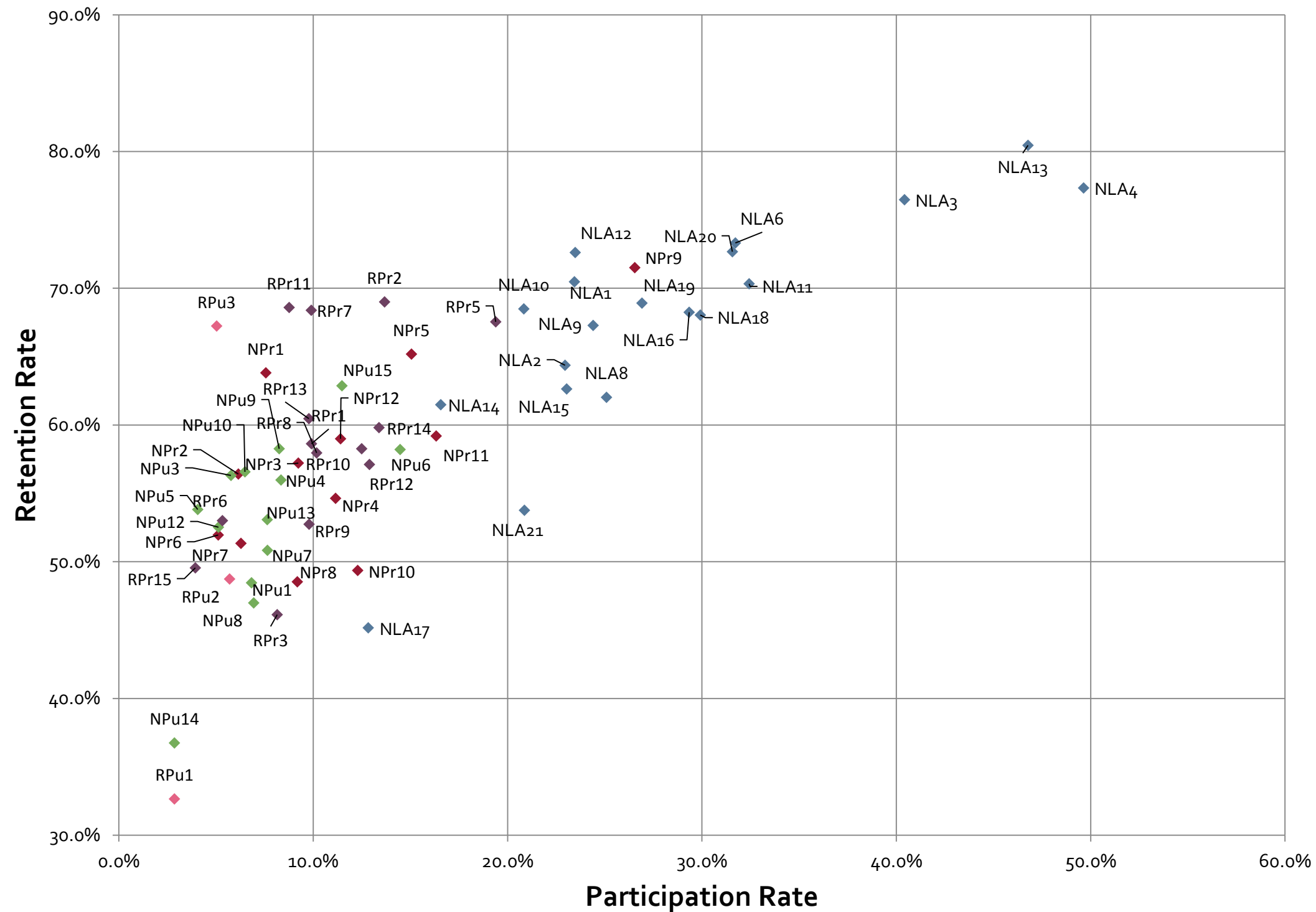
ANNUAL GIVING

BOOT CAMP

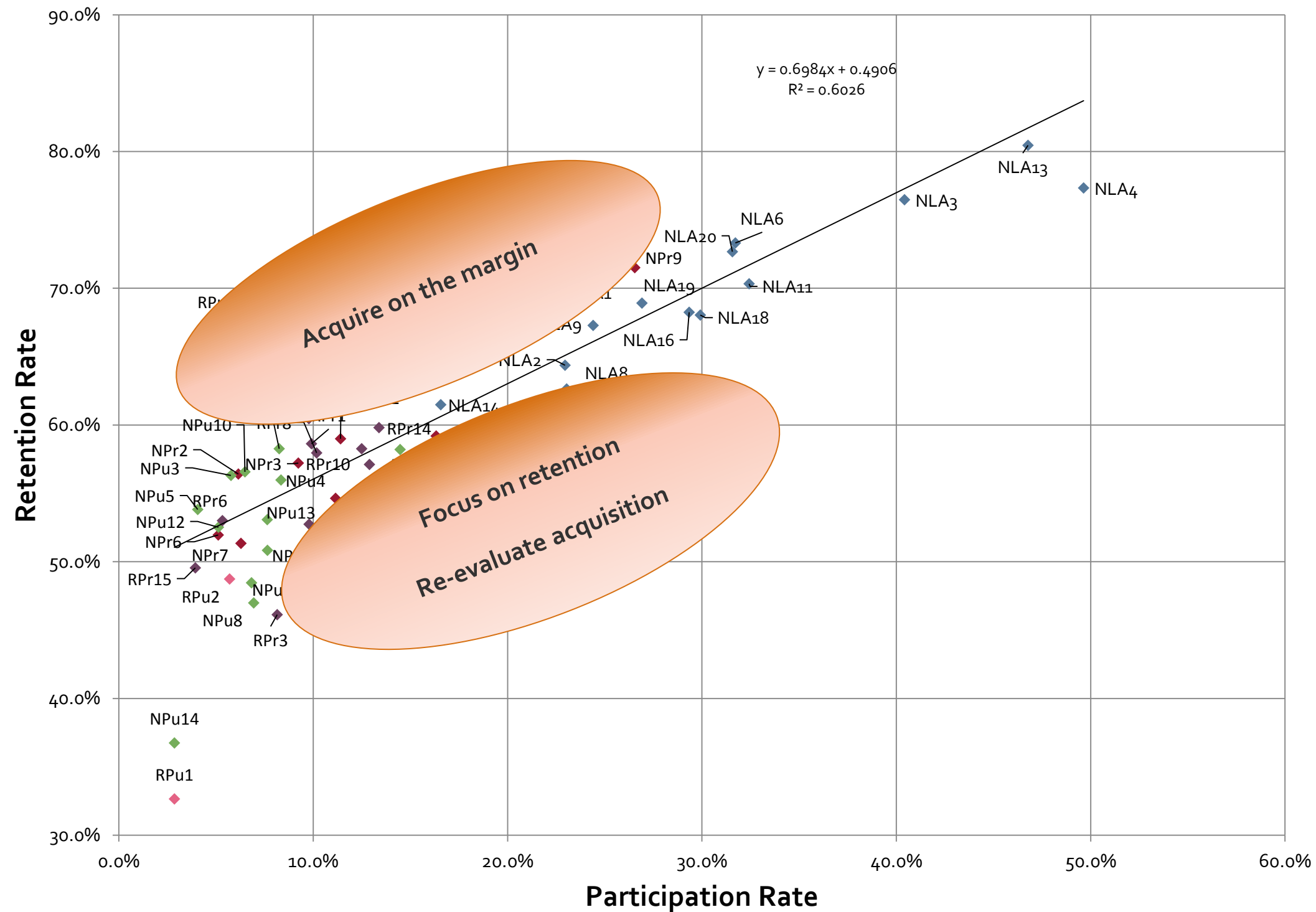
How do we make up the difference?



Selecting the right strategy will improve your return on investment



Selecting the right strategy will improve your return on investment



Summary

Expected Value Index (EVI) and Probability to Donate Index (PDI) are great tools for forecasting, developing a plan, or understanding reasonable potential

Use an integrated multi-channel, multi-touch outreach program for best results

- See Channel Effectiveness and Corresponding Strategies session with Carrie Ellis

Use Gift Band Distribution to develop more granular goals

- See Gift Band Migration Session

Use leadership annual giving programs to really boost dollars

ANNUAL GIVING

BOOT CAMP





Thank You.

Rebecca Leddick

651-789-1704

rebecca.Leddick@reeher.com

ANNUAL GIVING

BOOT CAMP

