



# Should We Still Have Campaigns?

**BY JOSH BIRKHOLZ**

In the years following the initial disruption of the pandemic, we've seen a very crowded campaign landscape in the United States.

Numerous organizations paused their campaign plans. When they decided to move forward, many other organizations were already on track to launch during the same timeframe. Because of the recent overlap, it might seem like everyone is in campaign. Even before the pandemic, we've had perceptions of a crowded campaign landscape.

The crowding preceding the pandemic was likely the result of philanthropy's recovery from the Great Recession of 2008 and 2009. Although philanthropy recovered quickly, certain sectors, namely higher education and healthcare, recovered at a more rapid pace. Others, like international relief and development, continued to be flat or slightly declined in the years following this recessionary period. BWF's evaluation was that the recovery followed the economic realities of wealth distribution in the United States.

High-net-worth individuals recovered quickly from the recession. Higher education and healthcare, using comprehensive campaign business models, were achieving the majority of their philanthropic attainment from high-net-worth individuals and their related organizations. International relief and development, along with other nonprofit sectors, had higher distributions of middle-class giving.

This observation reinforced the need for nonprofits to adopt models more likely to engage the top of the pyramid. Comprehensive campaign models began to appear across nonprofit sectors. Dollars continued to rise. Mega giving increased. And the shift in focus away from the masses contributed to overall donor participation declines.

## Why Do Campaigns?

BWF conducted a research project across the philanthropic landscape to gain contemporary views of campaigns. Through a combination of qualitative and quantitative analysis, we landed on some overarching themes worthy of consideration.

1. Campaigns are effective for increasing giving for important causes.
2. While campaigns have higher expectations of leadership, leaders continue to be underleveraged.
3. Organizations could raise more if appropriately resourced and staffed.
4. The closest constituents carry the day.
5. There are adverse cultural implications of campaigning.

## Campaigns are Effective

Organizations do raise more money because of campaigns. Among the primary reasons for their success is what might be described as “manufactured urgency.” For long-standing nonprofits, the worthiness of their missions is generally acknowledged by their constituents. However, the “why now” is not always apparent. Why should I give to an organization that I expect to be around for some time?

Campaigns provide the opportunity to articulate urgency around problems to be solved. The rigor of preparing the case, aligning the unique funding opportunities to strategic priorities, motivating fundraising staff, and finding organization cohesion in language causes investment-minded philanthropists to respond favorably.

In preparing for campaigns, organizations build their capacity as a fundraising organization. They

19% of survey respondents indicated that their investment into the capacity of the organization for fundraising was the biggest success factor in their campaign.

will invest in prospect development, relational fundraisers, donor experience management professionals, strategic communications, digital marketing, and technology.

From BWF’s analysis, the majority of campaigns actually achieve a doubling in annual fundraising attainment by the end of the campaign period. Organizations with successive campaigns grow larger over time than organizations not in campaigns. If the goal is to grow philanthropic production, campaigns have been the most effective accelerator.

17% of respondents identified the articulation of the case for support and vision for the organization as the top success factors for their campaigns.

## Industry Insight

“This campaign is really our debut on the philanthropic scene. We’ve raised money before, but what we hope to accomplish with this campaign has allowed us to shock some people, in a good way. The aspirations have helped lift people’s sights of what philanthropy means to us at this stage in our history.”

—UNIVERSITY PRESIDENT

## Better Use of Leaders

Business schools will often teach that companies succeed based on three factors: economic conditions, business model, and leadership effect. For example, an energy company might have a solid business model and leadership, but oil is at a low price. An online retailer might have a challenging leader, but a brilliant business model and responsive marketplace. A perfect company will have all three.

While we might be quick to consider the economy as the key driver for donors, in the over 60 years Giving USA has tracked giving in the United States, it only went down four times during recessionary periods.

Fundraising has the same factors, but the weighting for leadership is a little more prominent. In BWF campaign planning (feasibility) studies and constituent surveys, we've found that leaders and their visions were the top drivers of giving provided by the largest donors. Leaders are also the primary cultural influence on workforce engagement (Kiel, *Return on Character*, 2015). As Emerson famously wrote,

"An Institution is the lengthened shadow of one [person]."

In our survey, five percent of fundraising programs listed leadership engagement as a primary success factor despite it being a top driver in donor interviews. While many organizations provided accolades about their leadership, it appears there is an opportunity to leverage the perception of donors even more.

## Properly Resourced

In nearly every capacity analysis BWF conducts in preparation for campaigns, our findings show the constituency is able to give more than the organization is able to raise. At this point, it is a cliché to say fundraising is understaffed.

Quantitatively, nearly every organization would raise more money if it grew its program.

In our survey, the majority of respondents said they were under-resourced in their last campaign. Only 21 percent described their organization as being appropriately staffed for the campaign. Why don't these numbers surprise anyone?

As a sector, we need to become more adept at making the case for resources. Efficiency rates or "cost to raise a dollar" send the entirely wrong message. A stronger case would be made by using return on investment language. For example, every dollar spent on fundraising returns four dollars back to the organization.

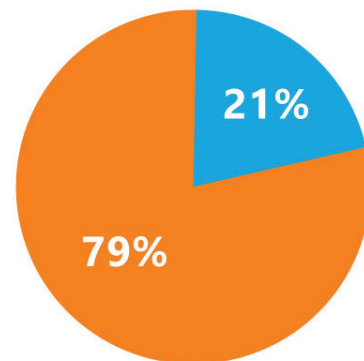
The most expensive labor costs are time spent

## Industry Insight

"One of the non-financial goals of that campaign was to deepen our connection to our campus partners. We wanted them to feel that this campaign was their campaign. We were much more intentional in bringing them into the process earlier, especially while crafting the case for support. I think that we accomplished some of our goals in that respect, but we also learned some valuable lessons which we will incorporate into our next campaign."

—CDO, HIGHER EDUCATION

### WE WERE ADEQUATELY STAFFED FOR OUR CAMPAIGN



AGREE DISAGREE OR NEUTRAL

interacting with donors. Fewer people have the skills or interests to be on the front line. Borrowing from “Top of License” concepts in medicine, quantify the labor costs of tasks that could be done by professionals not on the front line and redistribute accordingly. Communicate more expensive activities such as new donor acquisition in terms of lifetime value and contribution to undesignated operating margin instead of annual cost.

### Industry Insight

“Staffing continues to be our Achilles’ heel. It is hard to sustain momentum when we are constantly reinforcing our gift officer ranks. Couple that with the fact that our colleagues with technical skills in Salesforce and other platforms are getting recruited away for salaries far beyond what we can offer, and you can see why this feels like the least stable element of our enterprise.”

—CDO, HIGHER EDUCATION

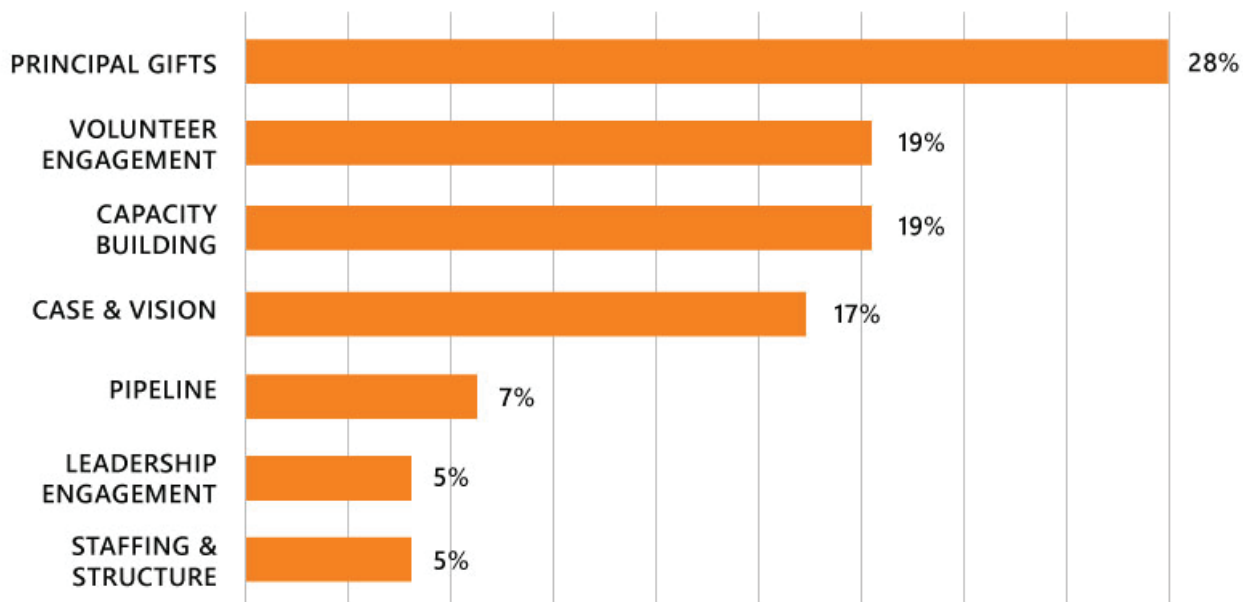
### The Closest Constituent

Across all sectors, the greatest campaign success factors are the ability to raise principal gifts and to engage volunteer leaders. This may be no surprise to the seasoned campaign fundraiser. But many people who are newer to campaigns may not understand this immediately. From campaigns in the millions to campaigns in the billions, BWF has found roughly 30 percent of annual attainment to be given by the top three constituents in a given year. Further, about 50 percent of attainment is from the top 50 constituents. When we plot the giving trends for an organization and split out the top 50 donors, the trendlines will match. The remaining donors will not have a statistical impact on the trends apart from lifting a somewhat flat base to the totals.

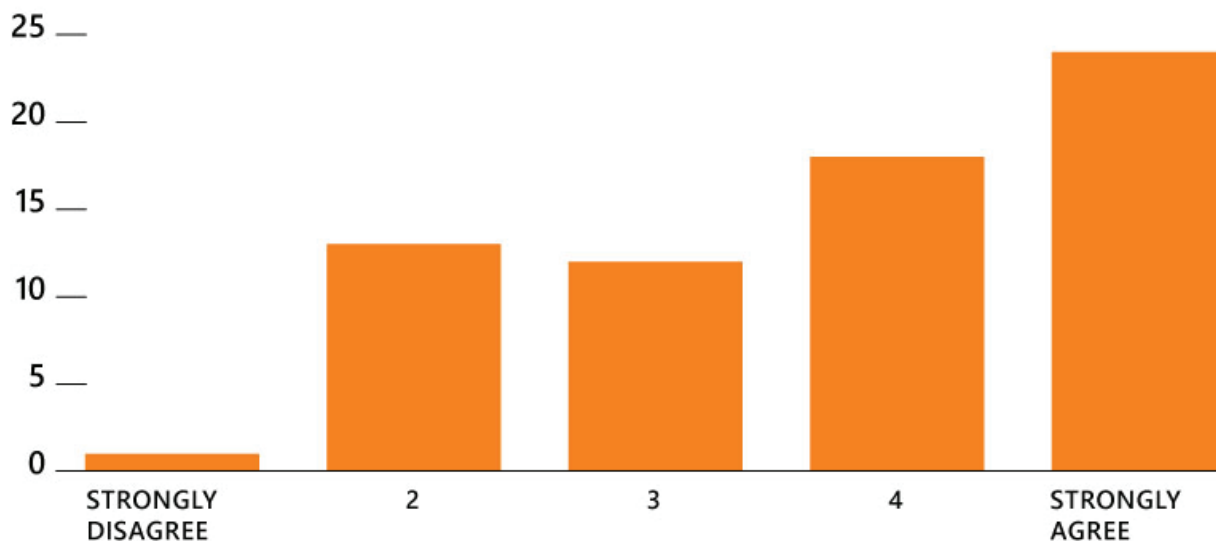
Although the campaign design and market impact is achieved through inclusive language (e.g., every gift makes a difference), in numerical terms, only a few gifts make a difference. The ability of the organization to raise the biggest gifts and engage the top volunteers is the most important driver of the financial attainment.

Campaigns, accordingly, do achieve resonance with the high-net-worth population. In our

GREATEST CAMPAIGN SUCCESS FACTOR



## VOLUNTEERS PLAYED AN IMPORTANT ROLE IN OUR CAMPAIGN



research, principal gift donors are driven by solving big problems, achieving significance of purpose, being connected to leadership, being a source of impact, and bold language about bold aspirations. Campaigns have evolved into the ideal environment for cultivating transformational gifts because they check all of these boxes.

In a 2019 study, BWF found that nearly 90 percent of gifts at the \$50+ Million level, apart from giving to personal foundations, were given to organizations in campaigns at the time of the gift. The donors did not necessarily consider them to be campaign gifts. But the conditions

presented from a campaign environment led to the commitment.

Volunteer leaders have the ability to communicate their passion for the organization in authentic ways. In our past studies of staff fundraisers, we have found the top professionals will have donors say, "I think this fundraiser would give the same gift if they had my resources." When it comes to volunteers and board members, donors don't *think*, they *know*.

Despite the majority of survey respondents describing volunteer leaders as critical to their success, many organizations described challenges in properly supporting them

### Cultural Implications

The trend in giving for decades, correlating to a rise in campaigns, has been a phenomenon known as "dollars up, donors down." While campaigns have risen the production of philanthropic dollars to record levels year after year (\$485 billion in 2021), the number of people giving continues to decline.

Despite the intent to bring donor inclusivity through the public phase of the campaign, the trend continues. Perhaps the focus of investment on relational fundraisers and the dependence on the high ROI principal gifts have perpetuated the problem.

### Industry Insight

**"We've never had a volunteer committee like this before. Since this was our first comprehensive campaign, we had a plan to engage them heavily. What we learned is that supporting their efforts was more labor intensive than we had anticipated, and we were not staffed to support that."**

—CDO, NONPROFIT

Jane Wales, co-chair of the Generosity Commission, a movement seeking to reignite American generosity, described nonprofits' focus on instrumentality over the intrinsic value of giving as being a possible contributing factor. At BWF, we observe this as well. Perhaps our ability as a sector to articulate the impact of giving through campaigns has steered us from talking about the benefits of giving as an everyday donor. Other movements, such as get out the vote (every vote matters) and environmental protection (think globally, act locally) have engaged a base. In giving, it does not seem to be a sector priority.

At BWF, we are working hard so that every person can experience the joy of giving. We've found bright spots in the digital marketplace, giving days, using student influencer campaigns, and purposeful donor experience management to raise donor levels.

Campaigns aren't going anywhere, and we don't think they should. We would like to challenge the sector to be invested in the everyday donor. Aside from the obvious long-term value to your pipeline and future campaigns, it is the right thing to do.

## In Closing

BWF believes in the power of campaigns and how they forever change institutions. Great campaigns don't just see incremental growth, they make significant leaps in the impact of philanthropy. It is our privilege at BWF to be an accelerator for your campaigns.

## Industry Insight

**"Campaigns create success and multiple campaigns create greater success. However, conducting campaigns in the right way is what will enable them to have the greatest pay off to the institution or organization. While each organization has unique challenges and opportunities, the consistency of capacity building through campaigns is obvious."**

**—MARK MARSHALL, PRINCIPAL AND PRESIDENT, PHILANTHROPIC COUNSEL, BWF**

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## ABOUT THE AUTHOR



**Josh Birkholz** is the CEO of BWF, a fundraising consulting and services company known for its innovations in elevating philanthropy around the world. Josh is a leader in big philanthropy and an architect of the business of fundraising. He is the author of the books *Fundraising Analytics* (Wiley, 2008) and *BeneFactors: Why Some Fundraising Professionals Always Succeed* (Wiley, 2022). Josh is the chair of the board of the Giving USA Foundation and an instructor at the Rice University Center for Philanthropy and Nonprofit Leadership.

**WHO WE ARE** BWF serves large- and medium-sized nonprofits in the areas of campaign management, high-net-worth fundraising, organizational consulting, data science, marketing, strategic communications, and technology. Clients include universities, health systems, arts & culture organizations, faith-based organizations, and NGOs throughout North America, Europe, Australia, and the Pacific Rim. As a truly comprehensive fundraising consulting firm, BWF has a team of consultants with extensive background and experience in every facet of philanthropy. **800.921.0111 [bwf.com](https://www.bwf.com)**