

Data-Driven Philanthropy Drives Donor Relationships

By Sharon Danosky

Most people think of fundraising as an “art”, — the skill of communication, crafting the right story, convincing donors to give to you. While that may be true – there is a lot more to the story.



Good fundraising begins with data – good data. To build a solid fundraising plan you need to be firing on all gears – and that cannot be left to the luck of the draw – or some heart-wrenching story. You need to know who to ask; how much to ask for; what their interests are; what they have given in the past; what they are likely to give in the future and how they respond to different requests. In short – you need DATA.

In a recent course we were teaching for the Northwest Connecticut Community Foundation, one of our participants remarked, “Our organization has been well-positioned with stories that illustrate our mission, and we were effective in communicating these in our fundraising efforts. But knowing how to look at our data and how to use that to engage our donors will help us get to a new level of fundraising.”

Effective fundraising is strategic and analytical. When assessing an organization’s fundraising potential, I look at the following:

- Giving trends over 3-5 years
- Who the largest donors are
- What percentage of the organization’s overall is raised from your largest donors?
- What is a major gift for your organization? And how many major donors do you have?
- What are your donor retention rates?
- How many donors have lapsed and is there a pattern?
- Why have donors lapsed and what strategies will bring them back?
- How can you prevent donor attrition before it starts?
- What are the trends among new donors?
- How are you most effectively acquiring them and what hasn’t been working – and why!
- Do you have loyal donors who having been giving to you for years?
- What stewardship practices are put into place and how are they working?

Gathering this data – and more – will allow you to develop a strategic fundraising plan that grows sustainably.

We are only at the cusp of what data will be able to do for donor engagement in the future. “Demand generation,” “data-driven decision making” even “artificial intelligence” are words beginning to permeate the nonprofit space. How can you create donor engagement with a comprehensive demand generation strategy, using automation to enhance the donor experience?

I’m excited by these questions – because if we can embrace and use data more effectively, then we will build better relationships with our donors and create greater philanthropic support for our organizations.