LeadingAge Virginia

# 2017 Philanthropy Benchmarking Survey

*Researched and written by —*

RICHNER + RICHNER + AGING SERVICES

# Acknowledgements


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*Cheryl Booms* — **Cheryl Booms, CFRE**
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Co-editors, 2017 Philanthropy Benchmarking Study


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## 2017 Philanthropy Benchmarking Survey



*"One of the privileges and responsibilities of raising funds to support aging services is that of celebrating and honoring elderhood. Today, more than ever, it is important not only to be ready to offer the best life possible for those older adults who join our organizations but also to be leaders in a positive movement of preparedness that supports healthy aging for all people. Those of us who share the responsibility of advocating and inspiring generosity for senior living must embrace this cause with enthusiasm and a real sense of purpose. We are at the center of a major shift in demographics and we must own this exciting space in time and economy for the good of all. It is an exciting time to be in this field and in this growing segment of fundraising. But, we have a long way to go in terms of catching up with other popular philanthropic causes. So, if not us, then who? And if not now, then when? Let's go!"*

**— Gayle Hunter Haglund, CFRE**
Westminster Canterbury Richmond, Director Resource Development

# Introduction

The 2017 Giving USA Special Report, *Giving and the Golden Years*[1] notes several national trends among Aging Service Organizations (ASOs):


- ASOs face significant challenges, primarily the rapid growth of America's aging population and the resulting growth in demand for services
- Revenue and profit margins for ASOs remain below pre-recession (2008) levels, and traditional revenue streams (government and insurance) are uncertain
- Philanthropy plays a minor role as a source of support for ASOs
- Only 10% of ASOs report endowment holdings of any amount

As noted in the 2016 LeadingAge Philanthropy Cabinet report,[2] our organization's core missions are at risk when there is not enough revenue to create the quality of life our residents and clients deserve. What specifically is at risk?

- Expanding the mission
- Innovation
- Benevolent care
- Spiritual support
- Activities and off-site experiences
- Physical plant improvements
- Improving quality
- Employee professional development and emergency assistance
- Additional staffing
- Response time for home care and home health care
- Cost of living raises for staff

With some notable exceptions, philanthropy for ASOs, and particularly Life Plan/Continuing Care Retirement Communities ("LPC/CCRC"), is in its infancy. Like universities and colleges in the late 1960s, LPC/CCRC leadership is beginning to realize the benefit and power of fundraising. When pursued professionally, philanthropy is a reliable, sustainable source of increased revenue that does not risk market share or create debt and interest payments. As a supplement to other sources of revenue, philanthropy can create real and lasting impact for residents, families, and communities.

In fall 2017, LeadingAge Virginia invited its LPC/CCRC and Philanthropy Network members to participate in a philanthropy survey. The goals were simple: to create a set of state-wide, sector-specific philanthropy benchmarks and to learn more about best practices. Thirty-five organizations, representing over 50 campuses, were invited to take the survey; 24 organizations participated. The 68% survey response rate is excellent in the research industry. This report details the survey findings and offers recommendations based on industry best practices. The recommendations highlight key areas of focus for those LPC/CCRCs already invested in fundraising, as well as for those contemplating such an investment.

*"Why should you read this report?*

- *Philanthropy in the CCRC arena is in its infancy, therefore we have a huge opportunity to understand where we can deploy our resources to maximize growth.*
- *Leaders can use the report to educate their boards and key staff leaders about how philanthropy can help the operational bottom line.*
- *Maximizing fundraising ROI helps the entire not-for-profit LPC/CCRC arena protect our not-for-profit status.*
- *If experienced fundraising staff already demonstrate a higher commitment to the organization (i.e. less turnover), doesn't it make sense for us to create a culture that makes our arena THE fundraising employers of choice? The CCRC world is an ideal place for fundraisers to age productively in their profession. This study can help organizations create that space of 'positive aging for all fundraisers!'"*

**— Patricia S. Morris, MPA, CFRE**
VBH Foundation, Vice President

# Characteristics of Survey Respondents

LeadingAge Virginia is an association of not-for-profit aging services organizations serving residents and clients through Life Plan/Continuing Care Retirement Communities (LPC/CCRC), senior housing, assisted living, nursing homes, adult day centers, and home and community based services. These not-for-profit organizations work together to expand the world of possibilities for aging. In 2017, LeadingAge Virginia invited its LPC/CCRC and Philanthropy Network members to participate in a survey of their fundraising activities and results (Appendix: Philanthropy Survey questions).

The characteristics of the survey participants are varied. The majority (79%) are single-site LPC/CCRCs, the remainder (21%) are multi-site. Single-campus communities serve 135-1,264 individuals per year, while the multi-site communities serve 550-1,420 individuals per year. Annual organization budgets range from just over $2 million to more than $85 million. Almost 80% of survey participants report holding an endowed fund balance; nationally about 10% of all aging service organizations have endowed funds[3]. As expected with LPC/CCRCs, most of the respondents' organizations provide more than one service, with independent living representing the largest number of units.

**A Note on Reading the Charts**

Charts and graphs throughout the report contain the minimum, median, and maximum points for each data set.

This is intended to give the reader an understanding of the range of responses represented among survey participants.

Numbers in each column do not represent results from a single organization.

| Organization Size | Minimum | Median | Maximum |
|---|---|---|---|
| Campuses | 1 | 1 | 7 |
| Individuals Served | 135 | 550 | 1,419 |
| Units - All | 8 | 398 | 1,177 |
| Organization Budget | $2,148,000 | $29,826,000 | $85,359,000 |
| Endowed Funds Balance | $0 | $2,977,000 | $46,520,000 |

| Services/Units | # Orgs | Minimum | Median | Maximum |
|---|---|---|---|---|
| Independent Living | 23 | 2 | 266 | 734 |
| Assisted Living | 24 | 1 | 48 | 392 |
| Skilled Nursing | 23 | 1 | 60 | 217 |
| Memory Care | 21 | 1 | 19 | 72 |
| Affordable Housing | 4 | 1 | 160 | 162 |
| Hospice | 7 | 20 | 50 | 52 |
| Rehabilitation | 19 | 1 | 14 | 51 |
| Home Health Care* | 10 | | | |
| Adult Day Services* | 2 | | | |
| PACE* ** | 1 | | | |

* *Units were not requested for non-residential services.*

** *Program of All-Inclusive Care for the Elderly*

The median statistic for investment in fundraising among survey participants is a staff of 1.75 full-time equivalent (FTE) employees raising $854,304 with expenses of $180,356 for a 470% return on investment. Across participants, the median net fundraising revenue per unit is $1,203, while the median net fundraising revenue for independent living units is $1,799.

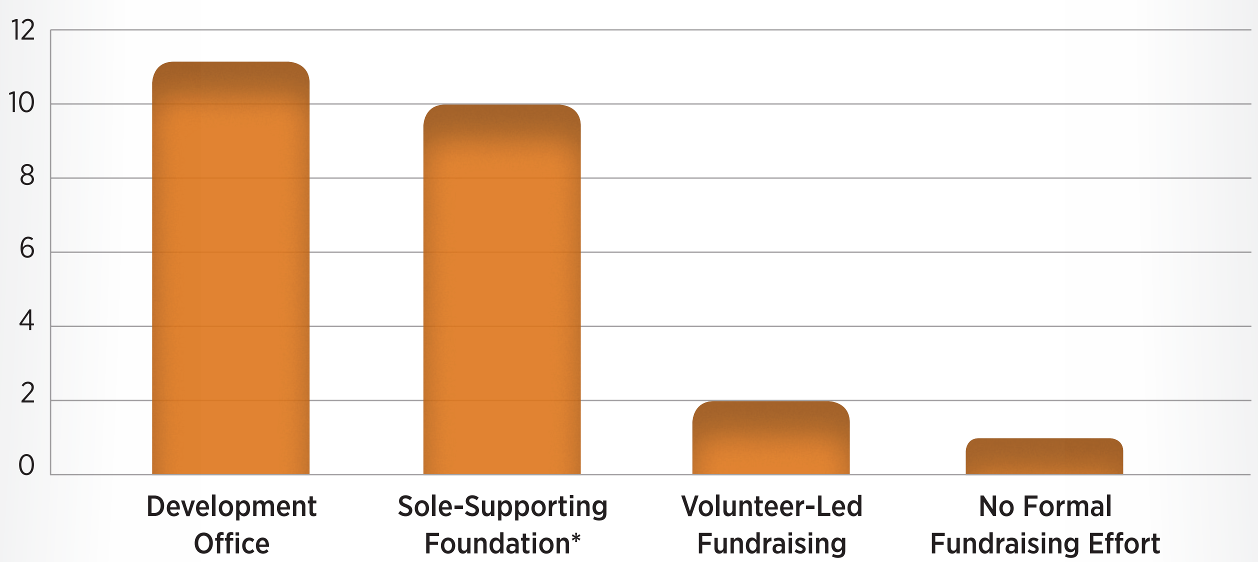
A key indicator of the potential for fundraising in the long-term services context is the size of an organization's resident population in independent living.

# Characteristics of Survey Respondents, *continued*

| Investment in Fundraising | Minimum | Median | Maximum |
|---|---|---|---|
| Fundraising Staff FTE | 0 | 1.75 | 5 |
| Fundraising Revenue | $70,136 | $854,304 | $3,188,241 |
| Fundraising Expenses | $0 | $180,356 | $1,238,055 |
| Net Fundraising Revenue | -$1,653 | $478,640 | $2,539,457 |

| Fundraising Results | Minimum | Median | Maximum |
|---|---|---|---|
| Cost per dollar raised | $0.00 | $0.21 | $1.02 |
| Return on Investment | 98% | 470% | 12,685% |
| Net fundraising revenue per unit | -$207 | $1,203 | $2,158 |
| Net fundraising revenue per IL unit | -$827 | $1,799 | $3,460 |

While resources used to raise funds are predominantly focused in either a development office (46%) or a sole supporting foundation (42%), three organizations (12%) indicated they have volunteer-led or no formal fundraising efforts.




* *Sole-supporting foundations operate as the fundraising department of the organization, but are separately incorporated to protect their assets from any legal or other action against the operating entity.*

# Return on Investment

**The median reported ROI for respondents: 4.7x**

This ROI reflects that, for every dollar invested in fundraising, the return is $4.70. Expressed another way, it costs $0.21 to raise a dollar.

| Fundraising Results | Largest Return* | Median Return | Smallest Return |
|---|---|---|---|
| Cost to Raise a Dollar | $0.00 | $0.21 | $1.02 |
| Return on Investment | 12,685% | 470% | 98% |

* *The organization with the largest ROI has no paid fundraising staff, but raises money through the effort of volunteers. They received pledges on past campaigns, as well as a large unexpected planned gift, resulting in the large ROI. Controlling for this outlier did not significantly alter the results for the entire sample.*

In concept, the purpose of the return on investment calculation is to measure the effectiveness of the resources invested to generate contributions. The methodology for calculating the ROI for fundraising is sometimes debated. Generally, the numerator in the ROI calculation is the organization's annual contributions: cash, new pledges, realized planned gifts, irrevocable planned gift commitments, and gross event revenue. Excluded from this calculation are gifts in kind, government grants, and revocable planned gifts. The denominator in the calculation is all fundraising expenses, including salaries and non-development staff time spent on fundraising activities.

Understanding ROI is critical to a not-for-profit organization's long-term strategic planning, regardless of its size, age, mission, or constituency. In today's economy, not-for-profits face increased pressure to improve every facet of their fundraising operation to maximize productivity, efficiency, and value. Organizations must be cognizant of the relationship between their investment in fundraising and the return on that investment.

The national debate on overhead has surfaced varying schools of thought on the optimal level of investment in fundraising. Many not-for-profit boards possess a "lower is better" mindset that is not always conducive to maximizing fundraising results. Fundraising, done well, is the most efficient source of revenue creation for a not-for-profit organization.

A command of ROI-related metrics informs decision-making and fosters a strategic approach to development plans, budgets, staffing, and operations. For example, tracking, measuring, and reporting the results of fundraising programs and activities is critical for organizational leadership and staff as well as for donors and community members. This includes cost-related metrics such as ROI and Cost to Raise a Dollar (CRD), as well as key performance metrics for prospective, new, and repeat donors.

# Return on Investment, *continued*

## RECOMMENDATION

Determine ROI for fundraising by dividing total fundraising revenue in a given year by total fundraising expenses (including salaries) in the same year. Nationally, all organizations involved in fundraising should aspire to spend about twenty-five cents to raise one dollar.

Startup fundraising programs should allow three years for their programs to mature before expecting results at this level. Survey results reported later will further reinforce the positive benefit of appropriately investing in staffing resources on an organization's ROI.



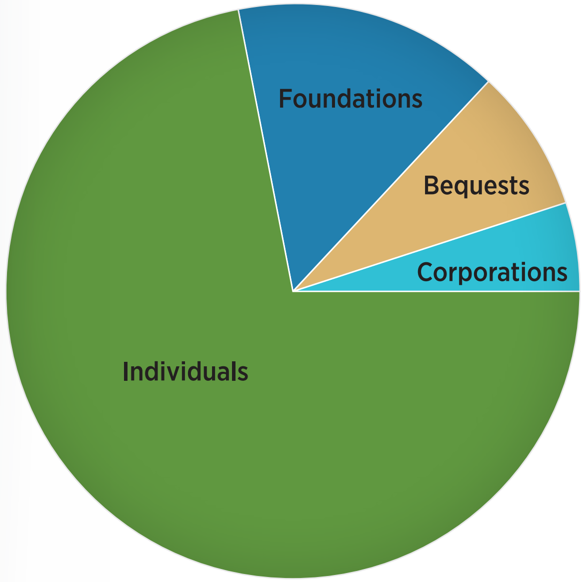
# Donor Base


In 2016, more than $390 billion was given to not-for-profit organizations across the country. According to *Giving USA 2017*, 72% of all contributed dollars came from individual donors. *Giving in the Golden Years* reports that 69% of charitable gifts were made by individuals born before 1964.[4] This means that those served by LPCs/CCRCs are among the most charitable donor demographic and represent a significant prospective donor base.

When bequests from deceased individuals are considered, as well as approximately half of foundation dollars that come from family foundations, giving by individuals constitutes close to 87% of all charitable gifts.[5]

LPC/CCRCs participating in this survey have invested significantly in attracting support from individual donors. Among respondents, 76% of all gifts come from individuals. Residents and board members, as those most invested in and most likely to benefit from the organization's mission, made up the primary share of this group.

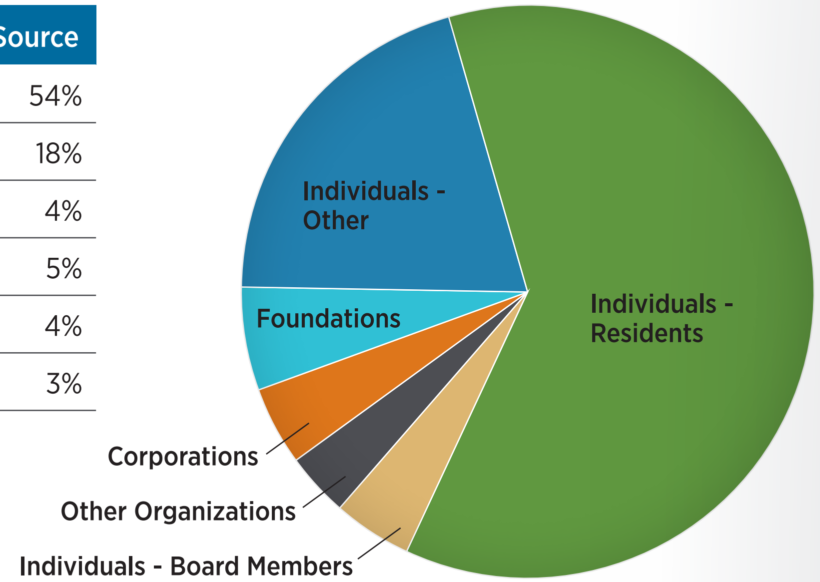
Results show that foundation grants are underrepresented among LPC/CCRC donors in this sample. This is to be expected,[6] as many retirement communities fall outside of typical priorities for foundation giving. Annually, aging services organizations represent less than 2% of national grantmaking.




| Giving USA Donations by Source | |
|---|---|
| Individuals | 72% |
| Foundations | 15% |
| Bequests | 8% |
| Corporations | 5% |

# Donor Base, *continued*

| Respondent Median Donations by Source | |
|---|---|
| Individuals - Residents | 54% |
| Individuals - Other | 18% |
| Individuals - Board Members | 4% |
| Foundations | 5% |
| Corporations | 4% |
| Other Organizations | 3% |




## RECOMMENDATION

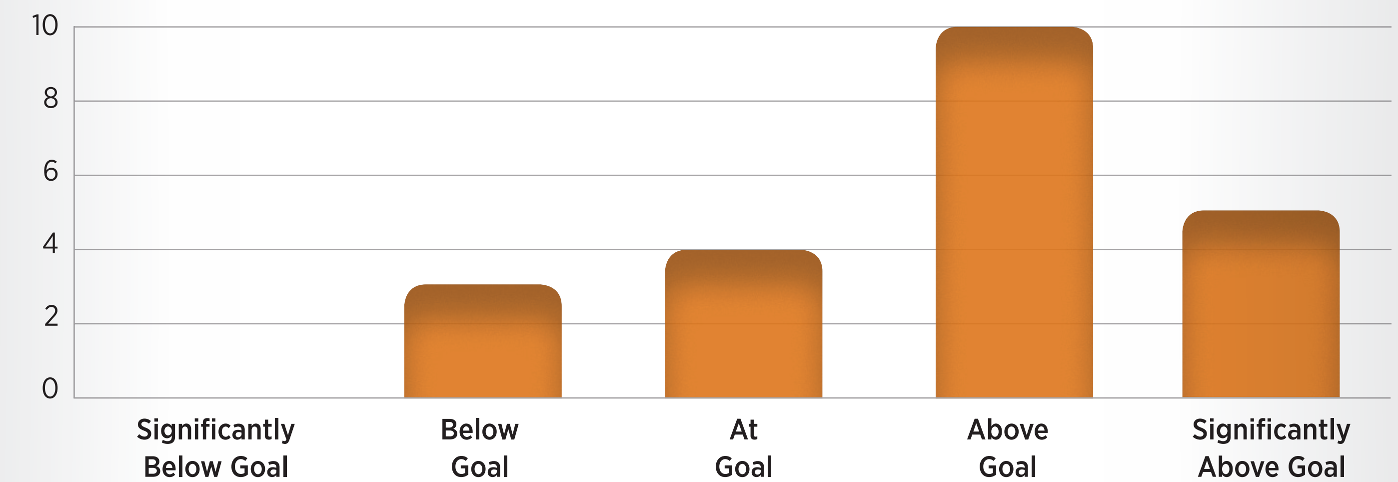
Continue to invest in relationship-based fundraising activities — face-to-face meetings, regular updates, personalized gift requests, sincere appreciation — primarily with individual donors.

Those closest to the mission (board members, residents, volunteers) represent the best sources of prospective donors. Many LPC/CCRCs invested in fundraising report that focusing on independent living residents as prospective donors produces the best results.

# Performance to Goal

Most respondents reported success in their most recent fiscal year, with many exceeding their set fundraising goals. The most commonly cited reason was the unexpected realization of a planned gift. Campaign fundraising and collection of campaign pledges were also commonly cited factors.

Few respondents indicated that they were unable to meet their fundraising goals. Of those that were not successful, explanations included changes in the leadership, staff, or overall planning of the fundraising program.




| Why were your results above or below goal? | |
|---|---|
| We are in a campaign | 7 |
| We collected campaign pledges | 5 |
| We received an unexpected planned gift | 11 |
| We received an unexpected major gift | 3 |
| We had a change in leadership/staff | 4 |
| Other* | 4 |

* *50th Anniversary Gala, last minute cancellation of a major event, reconfigured approach to fundraising, no set fundraising goals.*

# Donor Base, *continued*

## Future Goals

In nearly all cases, participating organizations indicated plans to increase investment in philanthropy over the next several years.

Of those who expect an increase in the next twelve months, most are contemplating and/or launching a capital or endowment campaign.

Of those looking to expand fundraising over 3 years, the focus will be on campaigns as well as expanded focus on major and planned gifts, and annual giving. A few organizations commented that they were new to formal fundraising and would expect to establish a standard set of practices.

Those who do not anticipate an increased fundraising goal in the immediate future still reported plans to invest in philanthropy, with emphasis on relationship-building and planned giving. This will likely yield long-term benefits and increase fundraising revenue over time.

***Does your organization plan to increase its fundraising efforts substantially over the next one to three years?***

| Response | Organizations | Reasons |
|---|---|---|
| Yes, within the next year | 8 | Capital and endowment campaigns (4) |
| | | New campus master plan and new philanthropic opportunities |
| | | Fundraising for capital projects, new donor engagement program |
| | | New staff leadership |
| Yes, within the next 3 years | 8 | Plan to establish formal development effort |
| | | Increase focus on major and planned gifts (4) |
| | | Capital campaign (3) |
| | | Ongoing capital and programmatic fundraising; increased annual giving |
| | | New leadership |
| No plans for a substantial increase | 5 | Staff resources don't support a substantial increase in fundraising |
| | | Placing greater emphasis on relationships |
| | | Increase focus on legacy giving |
| Unsure | 1 | Possible capital campaign |

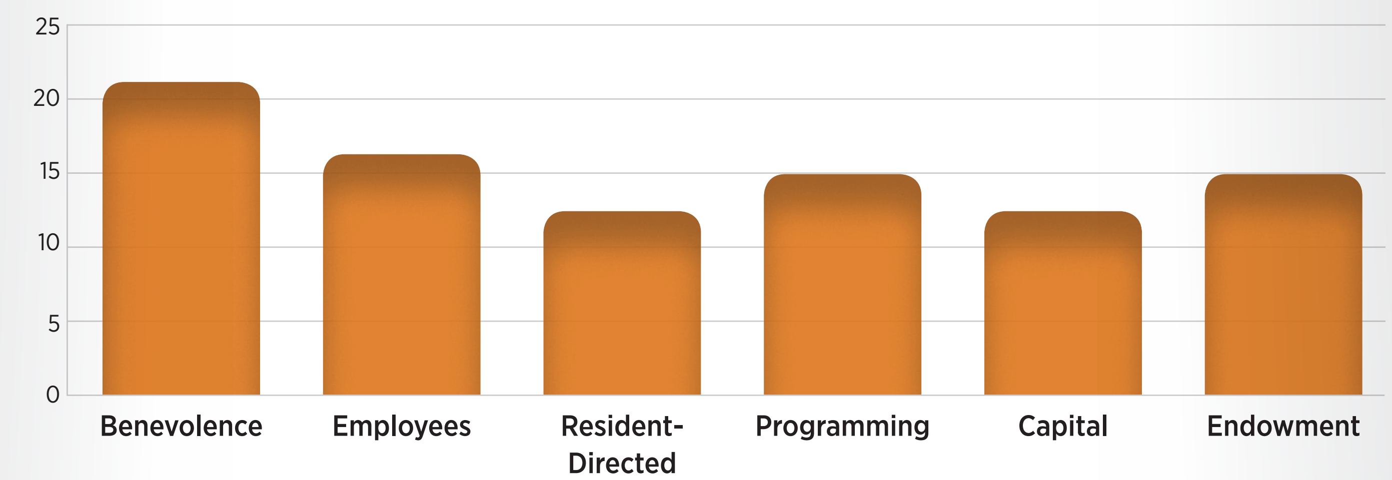
## Fundraising Purposes

Benevolent care, financial support for those residents who have exhausted their resources through no fault of their own, and admission support for qualifying older adults in need, continue to be the bedrock of fundraising at LPC/CCRCs carrying on the charitable mission under which most organizations of this kind were founded. Many respondents understand that offering opportunities for support beyond benevolent care attracts a greater number of donors and elevates the overall results of the fundraising program.

Employee scholarships and support formed the second largest fundraising priority. This category includes educational and training opportunities for employees and/or their children, and emergency assistance for employee families in need.

Respondents also listed a variety of programs, resident-directed priorities, and capital projects funded by philanthropy.

An important consideration for LPC/CCRC fundraising is establishing and building up long-term resources through endowment. A few organizations noted that their current or future campaign plans include endowment priorities. While some participating organizations have built substantial endowed funds, the median total endowment was just short of $3 million, which would likely yield approximately $150,000 each year, to be spent for the endowment's designated purpose.



# Donor Base, *continued*

| | Minimum | Median | Maximum |
|---|---|---|---|
| Endowed Funds Balance | $0 | $2,977,000 | $46,520,000 |

*"The staggering statistic that less than 10% of aging services organizations nationally have endowment holdings of any amount represents an incredible opportunity. We should consider adding endowment for program support and other special services to our fundraising purposes."*

**— Les Helmuth, CFRE**
VMRC Foundation Executive Director

## RECOMMENDATION

Expand the opportunities for philanthropic support beyond benevolence. Periodically survey your donor base and prospective donors to determine which priorities are most attractive to them and what they might support if given the opportunity. Some communities experience success gaining support for causes such as memory care, healthcare excellence, spiritual care and programs that enhance overall wellness.

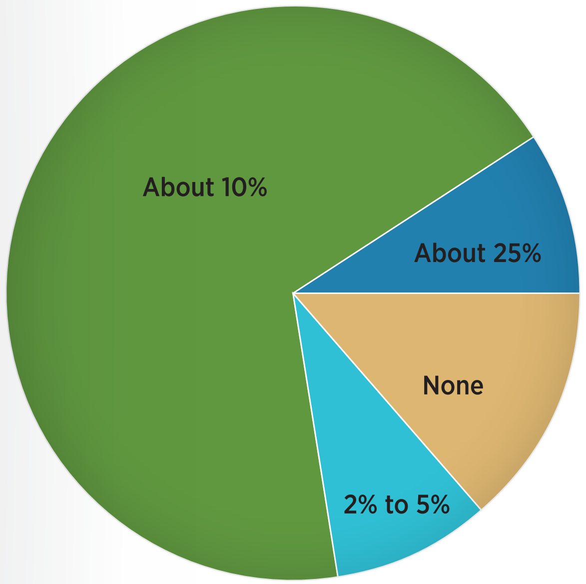
Consider the impact that endowment revenue will have on your organization's budget. Initiate conversations with organization leadership, as well as with donors, about how endowment fundraising will be beneficial. Recognize that planned gifts are likely to be the primary source of endowment growth and that realized results will lag behind efforts.



# Leadership

## CEOs

Most respondents (68%) report that their CEOs spend about 10% of their time on fundraising related activities. The next largest group of respondents (14%) report their CEOs spend no time on fundraising. Nationally, it is typical for CEOs to spend 10% of their time devoted to fundraising activities at LPC/CCRCs with mature programs. For organizations with new or growing development programs — or during a major campaign — CEOs should plan to spend 20-33% of their time on fundraising in the first few years. In many other not-for-profit sectors, CEOs tend to spend a higher percentage of time in active fundraising with a direct correlation to increased results.




| How much time does the CEO spend on fundraising? | |
|---|---|
| About 25% | 9% |
| About 10% | 68% |
| 2% to 5% | 9% |
| None | 14% |

# Leadership, *continued*

## RECOMMENDATION

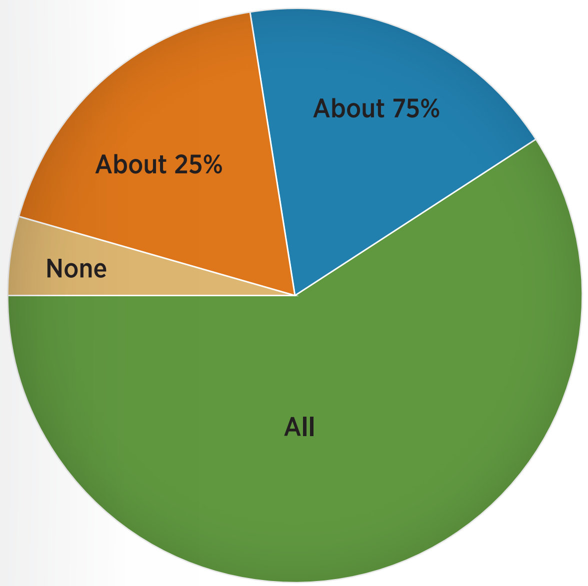
CEOs should focus their time visibly involved in fund development, building and helping to maintain the fifty most important donor relationships for their organization. As the leader and face of the organization, the CEO is ultimately responsible for creating a culture where fundraising and philanthropy occupy an important status. To accomplish this, the CEO should:

- Make an annual gift to the organization commensurate with their capacity and participate in asking all board members to join them in giving
- Intentionally and readily credit donor generosity for key programs, spaces, and amenities made possible by philanthropy
- Encourage the board to conduct an annual self-evaluation to create shared expectations regarding fundraising and ensure board participation
- Ask the board to include fundraising expectations in the CEO role description and formal fundraising metrics in the CEO annual evaluation
- Budget appropriate resources to build a fundraising program consistent with the organization's strategic aspirations

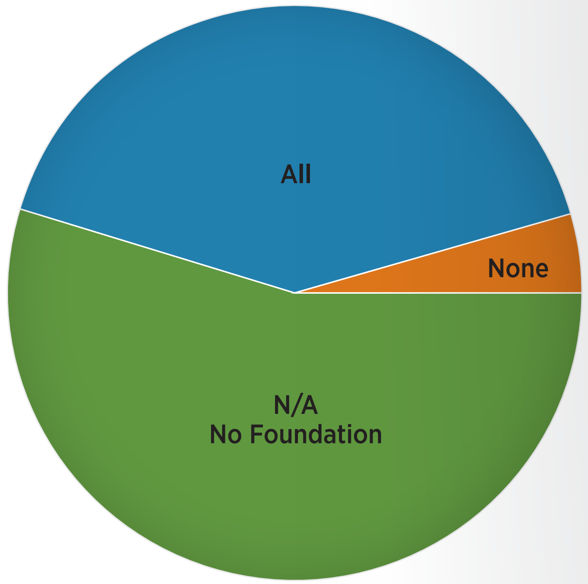
# Boards of Directors

Nearly 60% of survey respondents received a gift from all corporate board members during the last fiscal year, which is the gold standard practice for not-for-profit boards. While 18% received gifts from 3/4 of board members and an equal percentage had 1/4 of the board participate, 5% of respondents reported no board giving.

Foundation boards participated at a higher rate. Of those organizations with a foundation, a clear majority reported receiving gifts from all board members.




| Corporate Board Giving | |
|---|---|
| All | 59% |
| About 25% | 18% |
| About 75% | 18% |
| None | 5% |




| Foundation Board Giving | |
|---|---|
| N/A No Foundation | 55% |
| None | 4% |
| All | 41% |

# Leadership, *continued*

As the governing body for a LPC/CCRC, the board plays an important role in fundraising. Their leadership and participation in philanthropy sets an example and overall tone for the program. A board that is disengaged from the philanthropic agenda of the organization will lessen the overall chances of fundraising success.

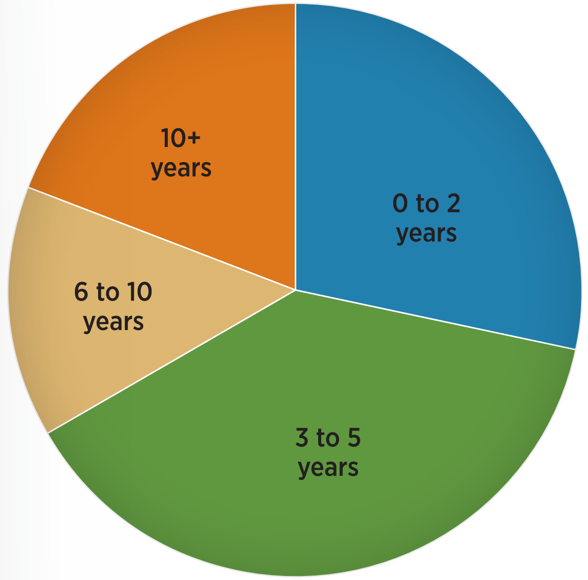
## RECOMMENDATION

The board should adopt formal expectations for its role in fund development. Best fundraising practices for board members include:

- Make a personally meaningful financial commitment to the organization each year
- Work with staff to approve fundraising goals
- Assist in creating and/or approving the annual fundraising plan
- Support and evaluate the President/CEO in his or her role of leading the fundraising efforts
- Establish a development committee or similar group that meets regularly to assist with the annual fundraising plan
- Introduce prospective donors to the organization
- Work with staff to cultivate, solicit, and steward donors, as appropriate

# Fundraising Staff

According to the 2016 Compensation and Benefits Survey conducted by the Association of Fundraising Professionals, the average tenure for a fundraiser was 3.9 years.[7] Among participating LeadingAge Virginia organizations, the average tenure for a chief fundraiser is 5.25 years.




| Average Fundraiser Tenure | |
|---|---|
| 10+ years | 19% |
| 6 to 10 years | 14% |
| 3 to 5 years | 38% |
| 0 to 2 years | 29% |

*"Collaboration within our sector is needed due to the relative infancy of fundraising in the CCRC environment, the growing level of professionalism in the sector, and the relatively low level of competition for dollars."*

**— Gayle Hunter Haglund, CFRE**
Westminster Canterbury Richmond, Director Resource Development

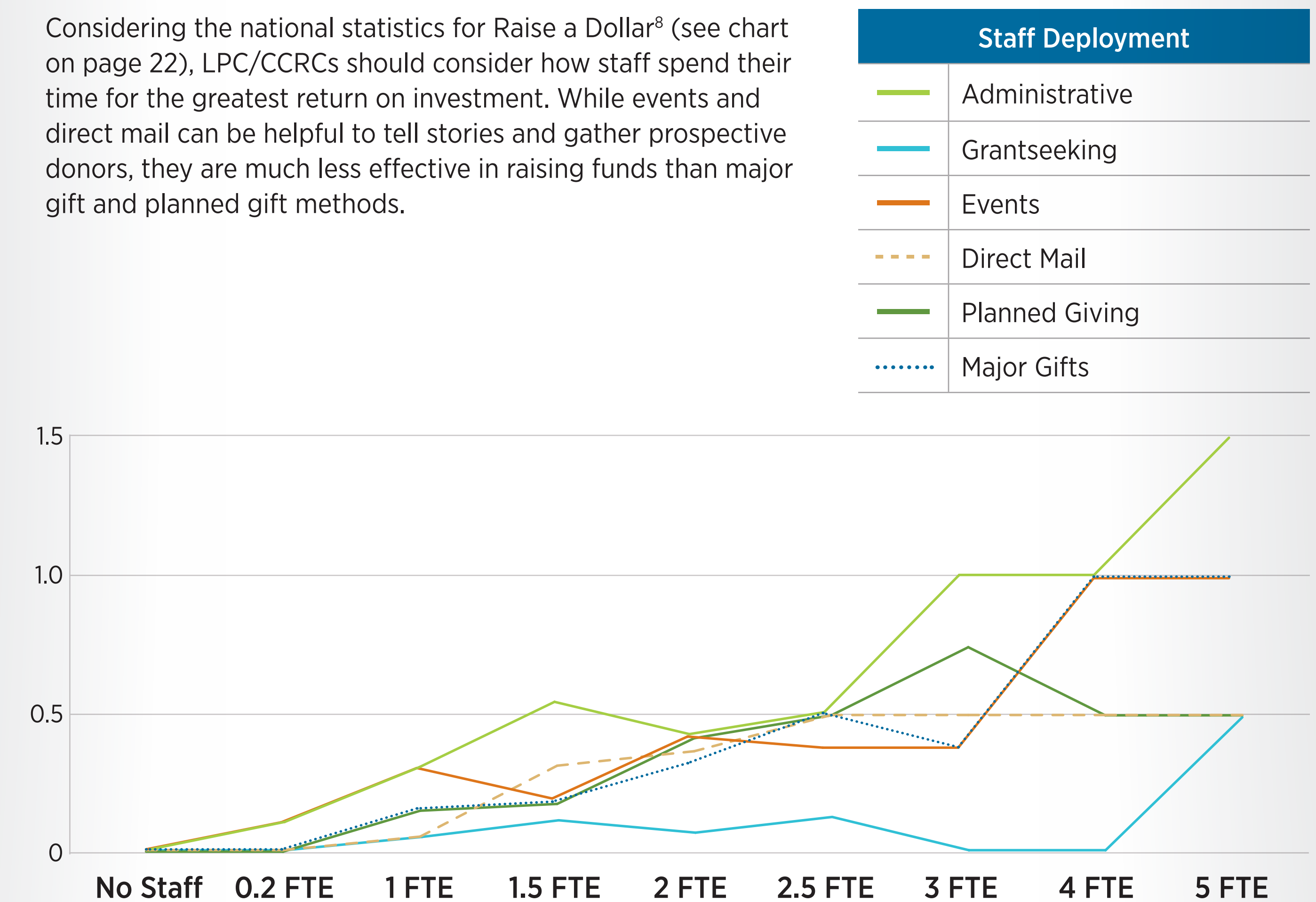
# Staff Deployment

Paid fundraising staff positions range from 0-5 at participating organizations, with a majority (62%) employing between 1-2 fundraising staff. The chart below shows the distribution of fundraising FTEs (full-time equivalent) across all respondents (bar graph) against how those staff are deployed (line graphs).


Looking more closely at staff deployment, several points become clear:

- Event fundraising claims a large proportion of time across almost all staff sizes.
- Direct mail is the second largest proportion of time within the 1-2 FTE staff, which is the largest segment of respondents.
- Major gift fundraising doesn't reach a full FTE of responsibility until the overall staff size is 2.5. Given the importance of relationship-building, this should help to make an argument for adding fundraising staff if the current level is less than 2.5 FTEs.
- Grant seeking remains a low priority except on the largest staff teams.

Considering the national statistics for Raise a Dollar[8] (see chart on page 22), LPC/CCRCs should consider how staff spend their time for the greatest return on investment. While events and direct mail can be helpful to tell stories and gather prospective donors, they are much less effective in raising funds than major gift and planned gift methods.



# Leadership, *continued*

| Fundraising Method | Median Amount Raised Per $1.00 Spent |
|---|---|
| Direct Mail (Acquisition) | $1.00 |
| Direct Mail (Renewal) | $5.00 |
| Special Events | $2.00 (gross revenue) |
| Major Gifts | $5.00-$20.00 |
| Campaigns | $5.00-$20.00 |
| Planned Giving | $4.00-$10.00 |

Each additional hire in philanthropy can have a marked impact on the bottom line. According to a 2016 report by the LeadingAge Philanthropy Cabinet, each additional FTE increases fundraising revenue by an average of $316,850 over three years.[9]

With a significant number of prospective donors living on the campuses, LPC/CCRCs are wise to contemplate the size of their resident populations and make staffing decisions accordingly. Typically, for every 100 wealth-qualified independent living residents, the organization should have a discussion around hiring a major gift officer. The portfolio for gift officers in this sector typically ranges between 75 and 125.

## RECOMMENDATION

The design and deployment of fundraising staff should be carefully crafted according to best practices and proven measures of effectiveness and efficiency. Each activity should be measured according to dollars raised per dollars spent, to determine the best ROI for each staff position. Key considerations include:

- Residents are a primary prospective donor base for LPC/CCRCs. A significant proportion of staff time should be allotted to cultivating relationships with and soliciting gifts from residents
- Stewardship – recognition and appreciation – are particularly necessary at LPC/CCRCs because fundraising is conducted in the residents' homes
- Development systems are of prime importance to ensure accuracy and timeliness; tracking donor activity will help craft and refine fundraising plans



# Conclusion

The survey results point to great potential for success in fundraising among LeadingAge Virginia LPC/CCRCs. Many best practices are already in place—especially the focus on individuals as prospective donors—and the results are borne out in the above average return on investment.

Continued focus on solid fundraising principles, as described in the recommendations below, will strengthen philanthropic programs across the LeadingAge Virginia membership and will accrue tremendous value over time, both in organizational impact and satisfaction for those donors who invest in these important missions.

## REPORT RECOMMENDATIONS

### Return on Investment

Determine ROI for fundraising by dividing total fundraising revenue in a given year by total fundraising expenses (including salaries) in the same year. Nationally, all organizations involved in fundraising should aspire to spend about twenty-five cents to raise one dollar. Startup fundraising programs should allow three years for their programs to mature before expecting results at this level.

### Donor Base

Continue to invest in relationship-based fundraising activities, primarily with individual donors. Those closest to the mission (board members, residents, volunteers) represent the best sources of prospective donors. Many LPC/CCRCs invested in fundraising report that focusing on independent living residents as prospective donors produces the best results.

### Fundraising Purposes

Expand the opportunities for philanthropic support beyond benevolence. Periodically survey your donor base and prospective donors to determine which priorities are most attractive to them and what they might support if given the opportunity. Some communities experience success gaining support for causes such as memory care, healthcare excellence, spiritual care, and programs that enhance overall wellness.

# Conclusion, *continued*

## Endowment

Consider the impact that endowment revenue will have on your organization's budget. Initiate conversations with organization leadership as well as with donors about how endowment fundraising will be beneficial. Recognize that planned gifts are likely to be the primary source of endowment growth and that realized results will lag behind efforts.

## CEO Role

CEOs should focus their time visibly involved in fund development, building and helping to maintain the fifty most important donor relationships for their organization. As the leader and face of the organization, the CEO is ultimately responsible for creating a culture where fundraising and philanthropy occupy an important status. To accomplish this, the CEO should:

- Make an annual gift to the organization commensurate with their capacity and participate in asking all board members to join them in giving
- Intentionally and readily credit donor generosity for key programs, spaces, and amenities made possible by philanthropy
- Encourage the board to conduct an annual self-evaluation to create shared expectations regarding fundraising and ensure board participation
- Ask the board to include fundraising expectations in their role description and formal fundraising metrics in their annual evaluation
- Budget appropriate resources to build a fundraising program consistent with the organization's strategic aspirations

## Boards of Directors

The board should adopt formal expectations for its role in fund development.

Best fundraising practices for board members include:

- Make a personally meaningful financial commitment to the organization each year
- Work with staff to approve fundraising goals
- Assist in creating and/or approving the annual fundraising plan
- Support and evaluate the President/CEO in his or her role of leading the fundraising efforts
- Establish a development committee or similar group that meets rregularly to assist with the annual fundraising plan
- Introduce prospective donors to the organization
- Work with staff to cultivate, solicit, and steward donors, as appropriate

## Fundraising Staff

The design and deployment of fundraising staff should be carefully crafted according to best practices and proven measures of effectiveness and efficiency. Each activity should be measured according to dollars raised per dollars spent, to determine the best ROI for each staff position. Key considerations include:

- Residents are a primary prospective donor base for LPC/CCRCs. A significant proportion of staff time should be allotted to cultivating relationships with and soliciting gifts from residents
- Stewardship – recognition and appreciation – are particularly necessary at LPC/CCRCs because fundraising is conducted in the residents' homes
- Development systems are of prime importance to ensure accuracy and timeliness; tracking donor activity will help craft and refine fundraising

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# Appendix: Philanthropy Survey Questions

1. Organization Name, Address, and 9-digit Employer Identification Number (EIN) or Taxpayer Identification Number (TIN)

2. How does your organization primarily raise funds?
   a. Through a sole-supporting foundation
   b. Through a development office
   c. Through volunteer-led fundraising efforts
   d. We do not have a formal fundraising effort.

3. Name and EIN of sole-supporting foundation

4. Number of campuses and individuals served in the last year:
   a. Number of campuses
   b. Total individuals served in the last year
   c. Total organization operating budget

5. Type of service(s) you provide (check all that apply):
   a. Independent living
   b. Assisted living
   c. Skilled nursing
   d. Residential memory care
   e. Affordable housing
   f. Hospice
   g. Rehabilitation
   h. Home health care
   i. Adult day services
   j. PACE
   k. Other

6. How many units do you have in (all campuses, as applicable):
   a. Independent living
   b. Assisted living
   c. Skilled nursing
   d. Residential memory care
   e. Affordable housing
   f. Hospice
   g. Rehabilitation

7. For the most recent fiscal year available:
   a. Start date of fiscal year (MM/DD/YYYY)
   b. Total number of donors
   c. Total fundraising contributions (Include cash contributions, new pledges, realized planned gifts, irrevocable planned gift commitments, and gross event revenue. Exclude gifts in-kind, government grants, and revocable planned gift commitments.)
   d. Total fundraising expenses

8. What percent of your total donors in the most recent fiscal year were:
   a. Individuals – board members
   b. Individuals – residents
   c. Individuals – other
   d. Foundations
   e. Corporations
   f. Other organizations

9. What percent of your total dollars in the most recent fiscal year were:
   a. Individuals – board members
   b. Individuals – residents
   c. Individuals – other
   d. Foundations
   e. Corporations
   f. Other organizations

10. What is the current total of your organization's endowed funds?

11. Our fundraising results for the most recent fiscal year available were:
    a. Significantly below goal
    b. Below goal
    c. At goal
    d. Above goal
    e. Significantly above goal

12. What were the primary reasons why your fundraising results were either below or above goal? (check all that apply)
    a. We are/were in a campaign
    b. We collected campaign pledges
    c. We received a large bequest/planned gift
    d. We received an unexpected major gift
    e. We had a change in leadership/staff
    f. Other

13. Please provide additional details of why your fundraising results were below or above goal.

14. What is your total fundraising goal for the current fiscal year? How much of this is campaign fundraising?

15. Does your organization plan to increase its fundraising efforts substantially over the next 1-3 years?
    a. Yes, within the next year
    b. Yes, within the next 3 years
    c. No plans for a substantial increase
    d. Unsure

16. Please explain why and how you plan to increase fundraising efforts over the next 1-3 years.

17. How many Corporate board members made a gift in the past 12 months?
    a. None
    b. About 1/4
    c. About 1/2
    d. About 3/4
    e. All

18. How many Foundation board members made a gift in the past 12 months?
    a. None
    b. About 1/4
    c. About 1/2
    d. About 3/4
    e. All

19. What percentage of the CEO's time is spent on fundraising?
    a. None
    b. About 10%
    c. About 25%
    d. About 50%
    e. More than 50%
    f. Other

20. How many paid staff positions do you employ for fundraising? (Express in terms of Full-Time Equivalent positions.)

21. How long has your chief fundraiser been in that role with your organization?
    a. 0-2 years
    b. 3-5 years
    c. 6-10 years
    d. 10+ years

22. How much time do staff spend on the following activities? (Please add up time spent by all staff and round to the nearest 0.5 FTE)

23. For what purposes does your organization raise funds?
    a. Benevolent Care
    b. Employee Scholarships/Support
    c. Resident-Directed Priorities
    d. Programming
    e. Capital Needs
    f. Endowment
    g. Other

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# 2017 Philanthropy Benchmarking Survey

*Researched and written by —*

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