15 Key Digital Fundraising Metrics

Digital fundraising metrics are the key to measuring the success of a fundraising campaign.

If you're managing a nonprofit fundraising campaign, your hard work needs to be accurately evaluated so that future campaigns can be improved. That's where fundraising metrics, or nonprofit Key Performance Indicators (KPIs), come in.

Fundraising KPIs guide the strategy for your fundraising drive and measure the performance as it progresses and finishes. You'll be able to use the those metrics to gauge what went well and where you can improve for the next campaign.

Understanding and choosing fundraising KPIs can be overwhelming, so we're here to help. Let's look at 14 key digital fundraising metrics you can track to improve your campaign and raise more money.

What are Key Performance Indicators?

We'll start by understanding KPIs, which are a performance measurement that evaluates the success of a particular activity.

A KPI might be a goal that is achieved, or it might be defined as progress toward a goal. They are sometimes associated with performance improvement initiatives.

KPIs support good decision making by providing data to analyze success, and define ways to improve. In this way, tracking and using KPIs is one of the most important digital fundraising best practices to follow.

Why are KPIs important to fundraising campaigns?

Businesses use KPIs, often in the framework of a Balanced Scorecard, but that doesn't mean they are only intended as tools for profit industries. Non-profit organizations also need the right information to determine what strategies are working and what initiatives are not successful.

Valuable resources go into fundraising campaigns, with a goal of raising money for a good cause. So knowing whether the campaigns are performing well is vital - to success, decision-making, and designing future campaigns.

Here are the 14 key digital fundraising metrics to measure.

1. Website Traffic

Your website is your anchor, the place where interested donors can find out more about your cause, donate to a campaign, or contact your organization for more information.

But is your website doing what it needs to do? Is it attracting donors? How is traffic getting to your website, are those visitors staying on the site, are they converting and how can you improve the site's performance?

A tool like Google Analytics will help you analyze the performance of your website. It's relatively user friendly, and once you link your nonprofit's website to an account, you can track information and analyse performance such as:

- Number of visitors, wheather traffic has increased or decreased and what may have caused that
- New users, is your website attracting new visitors?
- Sources of traffic, which channels bring you the most traffic at the highest conversion rate
- Bounce rate, whether visitors are leaving the website as soon as they land
- Top pages that bring more visitors, what are the most popular types of content to your audience
- Page speed, slow loading pages will drive away visitors to the site

Ultimately, when you understand how visitors find and engage with your site, you can dedicate resources in the right places. If you're unfamiliar with Google Analytics, you can find experts to help on platforms like Fiverr and Upwork.

2. Donation Conversion Rate

Your donor conversion rate is just like it sounds - how many people did you "convert" into donors during a campaign.

Start with your goal: let's say you want people to attend an event, or to donate funds during a specific timeframe. Your conversion rate is how many people completed the action you requested.

Here's an example.

You mail out a request for funds with a self-addressed envelope included. To gauge the conversion rate, divide the number of envelopes you received back by how many you sent out.

Let's say you mailed out 200 envelopes and received funds back from 50. That's a conversion rate of 0.25, which is 25 percent.

50	÷	200	=	0.25
0.25	X	100	=	25%

Conversion rate is a simple and meaningful calculation that tells you which method of outreach is most successful. To really be useful, you should be analyzing and comparing the conversion rates of each of your channels.

If some channels are less effective than others, you know where to spend your resources during the next program. It's worth focusing resources on those with the highest conversion rate.

We'll get into email and social media conversion later.

3. Average Donation Rate

In the world of fundraising, not every donor is created equal. You'll receive some windfall donations and some smaller but still valuable gifts. By determining an average donation rate, you know what each donor is worth to the organization. It's a number that tells you what it means to gain even one more donor.

This average can also help when it comes to planning a campaign and forecasting the number of donors necessary to reach a program goal. It's a number your board may want to know, for instance, or you may need it to apply for a grant.

While it's still true that donations will vary over the course of a campaign, the average helps you understand if you're meeting fundraising goals.

To calculate the average donation rate, you divide the total amount of money raised by the number of donations received.

Here's an example.

Let's say your nonprofit received 1700 donations in a specific timeframe (over the course of a year or a campaign, for instance). Those donations raised $250,000.

$250,000	÷	1700	=	$147.06

Your average donation rate is $147.06. The next time you need to raise money, you'll know approximately how many people you will need to contribute to reach your goal.

4. Donor and Donation Growth

This is a simple metric to calculate but will give you a good snapshot of how your fundraising is improving (or not). Basically, you compare the number of donors or the donations received over two periods of time. You could be comparing month to month, or campaign to campaign.

The math is easy - you subtract the donations received in the earlier time period from the more recent time period.

Here's one example:

100 donations in May	-	75 donations in April	=	+25 donations

In this instance, you enjoyed a donation growth of 25.

But what happened next?

80 donations in June	-	100 donations in May	=	-20 donations

The drop of 20 donations is a red flag, causing you to ask why June was not as successful. Did you do something different in June? Or was there a reason May was so successful?

Donation growth is a short-term fundraising metric but allows you to check on different time periods to see if something specific is causing changes in donations, such as month-to-month, or year-to-year.

Learn more tips for attracting new donors here.

5. Donor Retention Rate

Since it costs money to find donors, another fundraising metric to measure is how many donors you retain from campaign to campaign.

This KPI is relatively easy to calculate, as you look at who donated to the last campaign and then check how many of those donated again to the current campaign.

If you had 100 donors last year and 25 of those donated again this year, your donor retention rate would be 25 per cent.

25	÷	100	=	0.25
0.25	X	100	=	25%

Keeping a high retention rate will help lower your costs. Meanwhile, if your retention rate is low, or is dropping from year to year, you need to analyze the campaign to find out why, and how you can improve retention:

- How can you keep donors more engaged and connected to your cause?
- Do you need to look at other communication channels? If you use email, should you also use social media, for instance?
- Can you better recognize donors to improve retention?
- Do you need to make it easier for return donors to give money to new campaigns?

6. Donor Churn

Related to retention of donors is analysis of lost donors, or donor churn. These would be the “un-retained” donors and it’s worth finding out how many of those you’re losing.

This calculation is done by looking at the donors from last year (or the last campaign) and finding out which ones did *not* contribute to the current campaign or in the current year.

If you look at that same campaign that enjoyed 100 donors last year, you found 75 did not donate again this year. That means your donor churn is at 75 per cent.

75	÷	100	=	0.75
0.75	X	100	=	75%

This number works somewhat hand in hand with retention rate. If you aren’t retaining those who have contributed in the past, why do you think this is happening? What do you think you can do to improve?

Perhaps a better donor recognition program would help, or more communication through the year. Engaging your donors after a campaign or between programs may help keep their attention and ensure they want to give next time.

7. Fundraising Return on Investment (ROI)

Return on investment is a popular KPI in many different settings, including business. A positive ROI is also vital in fundraising, and the goal should be to increase this number over time, or from one campaign to another.

ROI is a calculation that tells you how much you earned or raised for each dollar spent. To achieve the number, you divide revenue by expenses. A number greater than one means you made a profit on the program. Less than one signals an overall loss.

Here's an example.

You spent $5000 on a campaign and raised $10,000. Your ROI would be 2.

$10,000	÷	$5000	=	2

That means that for every dollar you spent, you made $2, so the ROI is 2X. That's a good number, but you can strive for a higher ROI on the next campaign. ROI gives you a target as you plan for future fundraising efforts, looking to cut costs and hopefully generate more revenue.

8. Audience Size

This metric helps define how many people you need to reach to achieve a fundraising goal. It requires other fundraising metrics to help you do the math. Typically, you use your conversion rate (No. 2) and your average donation (No. 3) to determine the audience size for a campaign.

However, to make it easier, we use a “divide-by-five” rule. You simply divide the campaign goal by five.

So if you need to raise $50,000, then your audience reach will need to be 10,000 people. But don't let this scare you, as there are ways to lower this number. At FundRazr, we are here to help you not only grow your audience but increase your conversion rate as well.

9. Email Open Rate

If you rely on emails for your fundraising campaigns, then it's important to measure their effectiveness. One way to do this is to track your email open rate.

Just like it sounds, this is a percentage of those who actually open the emails you send.

Once you know this information, you can make changes and gauge the success. For example, you can experiment with sending emails at different times and/or different days, or with changing the subject line. Then measure whether your open rate improves, and keep tinkering until you find success.

10. Click Through Rate

Besides whether someone simply opens your emails, you can also measure if those who read them are taking action. Are they clicking on the call-to-action (CTA) links in your emails that lead to the website or the donate button?

To calculate this metric, you divide the number of subscribers who click on a clink by the total number of emails you sent. You can then make changes to the emails to try and improve the click-through rate, like changing where the link is located in the email, make it bolder or larger, or try other adjustments.

11. Email Conversion Rate

You calculate your email conversation rate the same as you do your donor conversion rate, by dividing the number of times an email was acted upon by the number of emails sent.

Emails are typically an easy and convenient way to get information to donors, so you should make it as simple as possible for those who open the email to donate. An effective call-to-action should help your email conversion rate.

12. Opt-Out Rate

Conversely, you need to monitor the number of email recipients hitting the "unsubscribe" button. If this number is on the rise, you should evaluate your content. Consider the quantity and quality of your emails, as maybe you're sending too many emails, or the content is not engaging enough.

13. Amplification Rate

Social media is another channel that should be measured to gauge its effectiveness.It's great to know that people are looking at your social media site, but engagement is what matters. Ultimately, if you have great content on your social media page, followers will "like" and share your posts.

First, your social media amplification rate measures shares, showing you that your followers are associating with your cause by sharing information with *their* friends and followers.

Here's the math: you divide the shares a post receives by the number of followers of your page. Then convert that to a percentage.

Let's say you have 10,000 followers and a post gets 1200 shares. That's an amplification rate of 12 per cent.

1200	÷	10,000	=	0.12
0.12	X	100	=	12%

14. Applause Rate

This KPI takes into account the number of "applauses" or approvals, such as likes, received by a post. It can help determine what kind of content resonates with your audience.

The math is the same as the amplification rate: divide the shares a post receives by the number of followers of your page. Then convert that to a percentage.

15. Social Media Conversion Rate

Once again, the calculation for this metric is the same as No. 2 and No. 11. If you make an ask on social media, you divide the number of times it's followed by the number of people it reached.

Social media may not be the only channel to use, but having a presence such as a Facebook page can certainly increase your fundraising success.

The Bottom Line For Tracking Non-Profit Campaign Success

Fundraising is the lifeblood of nonprofits, so measuring success is as vital as it is to a business owner. By using our guide to the key digital fundraising metrics, you can make decisions and plan effective campaigns.

Of course, KPIs can get confusing, which is why working with digital fundraising strategists can be one of the best ways to raise money online. If you still need help to optimize your fundraising campaign for your next project, **reach out** to get connected with a strategist who can help you maximize your fundraising metrics now.