

White paper addendum:
New Zealand Edition

**We believe there is
a better way forward for
face-to-face fundraising.**

Now, let's make it so.

The **Irregular Giving** Project

Brought to you by  **Fundraising Partners**
CONSULTANCY

1. Introduction:

The Irregular Giving Project for New Zealand

This report has been produced as an outcome of the “Irregular Giving Project”, which was begun by Fundraising Partners Consultancy during the pause in face to face fundraising which began in March 2020 due to the COVID19 pandemic.

The Irregular Giving Project sprang from a realisation, based on the work of Fundraising Partners and consistent feedback from respected members of the non-profit sector, that face to face fundraising in Australia is in danger of becoming unviable within the foreseeable future.

Membership of the Project grew to include many New Zealand fundraisers who contributed their thoughts and concerns about how regular giving fundraising in New Zealand was developing.

As a result Fundraising Partners decided to expand the scope of the Project to include a specific focus on New Zealand. This report is the product of those discussions. Our thanks to all the talented and inspiring New Zealand fundraisers who have contributed to the Project so far.

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2. Purpose

The purpose of this report is to:

Report back

Present the initial findings of the Irregular Giving Project.

Further research

Identify areas where further research is needed.

Recommend action

Make recommendations for immediate action at all levels of the sector.

Prompt further debate

Suggest ways to continue the discussion.

Launch the manifesto

Propose a short and powerful set of statements on values in face to face fundraising for adoption by the sector.

Support change

Provide a template for change.

3. Key findings

These are our major findings. A more detailed analysis has been included in subject specific sections in the body of the report.

- 1. The example of Australia provides a “cautionary tale” for face to face fundraising in New Zealand.** We should be alert to any increase in costs, increasing donor attrition, and decreasing quality of fundraising.
- 2. Boards and senior management need to be better informed.** A lack of knowledge around regular giving fundraising can lead them to unrealistic expectations and poor strategies.
- 3. Attrition is rising quickly in telephone regular donor fundraising.** There is not enough focus on retention.
- 4. We lack a common process to measure retention and to understand the causes.** A sector wide effort is needed to standardise reporting and understand causes before intervention is possible.
- 5. There is market saturation in telephone lead generation.** This has been accelerated by the closedown of face to face during the COVID crisis.
- 6. There is a lack of skills and knowledge on regular giving within the sector.** Fundraising teams are expected to manage large programs without the proper skills and tools.
- 7. Face to face outsourcing is facing challenges.** The agency / charity relationship is sometimes problematic and there are recruitment challenges ahead for some supplies.

4. Key recommendations

This is a summary of highest priority recommendations drawn from the conversations with contributors.

Recommendation
1. Convening a forum of charity fundraising directors to act as a permanent forum for discussion and education on sector wide issues
2. Adoption by the sector of the manifesto for the values of regular giving fundraising.
3. A review including a gap analysis of the training and professional development resources available to fundraisers working in regular giving and face to face fundraising.
4. A research project to assess best practice in face to face fundraising in global markets and follow up to engage with Australian and New Zealand practitioners and share findings.
5. Establishment of minimum benchmarks for the quality of outsourcing due diligence to be incorporated into charity and agency accreditation. A consistent standard of due diligence will create a more level playing field for suppliers doing the right thing.
6. Sector-wide collaboration to develop a standard attrition reporting process and vocabulary. Noting the complexity of this task, this should be as simple as possible in providing a useful output for use by all members.
7. There should be a benchmarking process for reporting agency and potentially sub-contractor attrition levels to allow charities to make informed decisions about outsourcing face to face fundraising.

Fundraising Partners is prepared to support any sector, collaborative or organisational efforts to support the implementation of these and all other recommendations made in this report.

5. Thank you to the contributors

The Irregular Giving Project and the contents of this report rely on the generous and expert participation of more than 200 people from the fundraising sector in Australia, New Zealand and globally.

Individuals participated on an informal basis and not as representatives of their employers. As a result, where we have included statements or opinions from participants, we have not identified them by name, unless they have given us permission to do so.

We would like to thank everyone who has contributed so far and particularly to acknowledge FINZ and Michelle Berriman, the PFRA and Angela Norton, and the IVE Group and Fiona McPhee for their generous sharing of benchmarking data.

6. The manifesto

The heart of the fundraising profession is its values. This manifesto is a simple statement of the values that we heard expressed throughout the discussion by fundraisers in all roles. Let's adopt and live these values.

Some things need not return to 'normal' – some things were well and truly broken before.

This is our chance to fix that.

Here is where we start...

- **We are passionate fundraisers** who inspire donors to make long-term connections with causes they love.
- **We are proud advocates** of face to face fundraising.
- **Every donor has chosen** to make a personal connection with our cause – we will treat them as passionate individuals, not as numbers on a spreadsheet.
- **Honesty and integrity** are more important to us than expediency and profit.
- **Everyone involved in face-to-face** fundraising is responsible for upholding these values.

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Now, let's make it so.

www.irregulargiving.me

The
Irregular Giving
Project

7. The detail

Our conversations included a webinar attended by more than 30 people, discussions one-to-one with fundraisers and a busy discussion on social media covering a wide range of issues. We have aimed here to provide a summary of the key issues raised which have led to our key recommendations.

7.1 Boards, senior management, and strategy

- Boards need to buy in to regular giving and understand that there is a three to five year minimum commitment.
- Boards could be better educated about the realities of regular giving fundraising.
- A lack of trust and understanding at Board level can lead to unrealistic expectations and poor strategy setting.

7.2 Outsourcing and charity / agency relationships

- The supplier model in face to face is “broken”. There are too many suppliers chasing budgets.
- Charities would benefit from better peer support to understand the outsourcing process and share information with each other rather than relying on information provided by agencies.
- Suppliers too often over promise to obtain the business and then under deliver.
- Some charities have high quality long-term supplier relationships, but others have a higher supplier turnover which reduces the effectiveness of programs.

- Charities lack standardised information about agency quality which undermines their ability to make good decisions about supplier engagement and contract terms.

7.3 Business and billing models

- There is excessive focus from charities on cost per acquisition (CPA) at the expense of measuring long term and net income.
- Some charities expressed a preference for a CPA or claw-back model for telephone fundraising to share accountability for donor quality, however this was identified as a model that has driven lower agency sustainability in other markets such as Australian face to face fundraising.

7.4 Retention measurement, reporting and action

- There is a lack of expertise in data reporting and using data to properly manage outsourced programs.
- A lack of a standard vocabulary and definitions for measuring attrition makes it difficult for the sector to have well informed conversations about improving retention.
- There is potential for a sector wide common definition for key attrition measures to be developed and used in a benchmarking system that could provide regular reports for all sector participants.

7.5 Knowledge and skills

- Fundraising teams lack knowledge and skills in data particularly in analysis and reporting.
- Fundraising teams lack knowledge and skills in management of regular giving programs, especially in optimising relationships with outsourced suppliers.

- There could be value in a sector wide basic education program in key areas where there are the biggest gaps in knowledge. This could be in the form of a “cheat sheet” or “RG 101” training program.
- There is potential for increased emphasis on training and skills in regular giving from sector bodies such as FINZ and the PFRA.

7.6 Telephone regular giving fundraising

- There is too little focus on retention and too much focus on acquisition.
- The responsibility for retention is split between charities, phone agencies, lead agencies and digital agencies. This creates a lack of accountability for monitoring and managing donor retention.
- Charities do not do enough to measure and track lead performance, a benchmarking process might assist this.
- Tests of providing the same lead source to different phone agencies have generated differing results and could indicate value in assessing agency and fundraiser performance as a driver of fundraising performance.
- Data quality is a driver of retention, as with face to face the quality of the fundraiser’s work and donor demographics such as age are key factors.
- There is a need to diversify away from Facebook as a lead source owing to both ethical and price considerations.

7.7 Face to face fundraising

- There are challenges for some agencies in recruitment due to the shutdown of immigration, other agencies are predominantly recruiting New Zealanders.

- Business models that pass attrition to fundraisers provide better outcomes for charities and agencies, however these also potentially lead to ethical questions around the financial exploitation of fundraisers and consequent negative impact for charity brand and reputation.