

Measuring the impact of promotion in the CFC

One of the hardest things to find is hard data on the impact of various ways of promoting charities in the Combined Federal Campaign. Unfortunately the CFC does not publicly release the amounts that each charity receives through the CFC.

In the past we've relied on testimonials by individual charities and on surveys that charities have done of their CFC donors. These surveys asked donors how they found out about the charity's participation in the CFC. The results of these surveys were very positive for Charitable Choices: the DC-area Alzheimer's Association, for example, found that **more than a third of its CFC donors (34.7%) learned that it was part of the CFC through the Charitable Choices guides.** No other way that the Association used to promote its work came close.

Surveys like these remain the best way for individual charities to judge their promotional efforts. However, charities receive far fewer names of CFC donors than they used to because of a change made a few years ago in the CFC pledge card: for a donor's name to be sent to the charities, that donor must indicate that this is okay. It used to be that a charity would get the names unless donors asked to be anonymous.

CFC federations do get information about how much their member charities receive through the CFC. Most of these federations now include this information in their 990 reports to the IRS. As a result, in 2008, we were able to find data for 59 charities that were new to our DC CFC or National CFC guides and 22 that had stopped using these guides over a 4-year period. We looked at what they raised the year they came into our guides (or left our guides) and the following year.

Of the charities new to our guides that showed a change, 63.5% had an increase. Some of these increases were very large: 204%, 175%. We excluded the five largest percentage increases. We then averaged the increases for these charities. **The result: an average increase of 23%.**

We don't want to oversell this data. It doesn't control for other promotional activities each charity may have done or stopped doing. It doesn't control for changes in a charity's overhead percentage or in a charity's placement in the official CFC Catalogs.

The data also underscores the reality that the amounts charities raise through the CFC often vary tremendously year to year, up and down. If your charity has seen big changes in the amount you receive through the CFC, you are not alone: ***about a quarter of the charities for which we had data had changes that exceeded 40%.*** Clearly changes like these are caused by factors other than being part of Charitable Choices. We think this volatility is caused mostly by two factors:

- One is what is happening at the time the CFC takes place (such as Hurricane Katrina and the Michael Vick dog abuse story, which seemed to help animal protection charities).
- The second factor is a charity's placement in the official guides: each year the order in which CFC federations are listed changes, so a charity can be on page 10 in one year and page 110 the next year.

When you include all the big increases and the big dips, the overall impact was a 4% average increase in CFC donations for those new to Charitable Choices and a 4% decrease for those that left Charitable Choices. Given the big increases in the number of eligible national/international charities each year (11% in 2007), a 4% increase is impressive in itself.

It's even more impressive when you consider what data we didn't include: the amounts raised by charities that have been part of Charitable Choices for years. As with most other forms of promotion, we believe the impact of promoting your work in the CFC (or on the Internet) comes over time, with outreach and repetition. We believe the greatest impact of using Charitable Choices would be among charities that have been part of our guides for years.

Based on what we hear from our long-term clients, we're convinced these charities see more consistent growth and fewer and shallower dips in the bad placement/bad environment years. But this would be very challenging to track, involving the use of control groups, especially since the CFC does not release data on amounts given to individual charities.

New Data:

In 2011, we looked at what happened when charities that are members of CFC federations left Charitable Choices' guides. We focused on charities that are part of federations because most federations now report the amount of money they pass on to each of their charities in their IRS 990 reports. We were able to get data for three years – 2007 through 2009. These are the three years that are available on Guidestar.org. We focused on charities that had left Charitable Choices because we hoped to find data that would convince our former clients to return to our guides.

We found data on 32 national/international charities that left our guides during one of these three years. Sixteen of these charities raised less money through the CFC in the year following their decision to leave our guides. Thirteen raised more money. Three essentially raised the same amount (a change of less than \$500).

But what was very interesting was the amount of the change. For those that left our guides and raised less money the following year, their average loss was \$35,126. For those that raised more, their average gain was \$7,666. Overall, the average decline was \$15,254, or 16.4%. The link to the list of these 32 charities along with the percentage that their donations changed after they left our guides is at CharityChoices.com/clients.

To say it again, there are many factors that influence how a particular charity does in a particular year. This new data underscores again how much many charities' CFC donations change from year to year – 10 of these 32 charities had changes that exceeded 24%. Being part of Charitable Choices is just one of many factors that affect how much an individual charity raises in a particular year. But overall, the impact of being part of our guides is very positive.