Does CFC Promotion Still Pay?

Even as the Combined Federal Campaign raises less, data suggests that CFC-focused promotion still helps many charities

With CFC donations down nearly 60% since 2017, many charities are wondering if it still makes sense to invest in reaching out to CFC donors.

Fortunately, starting in 2009, data about how much individual charities raise in the CFC has been public, through the <u>annual reports</u> of the Workplace Giving Alliance, a group of CFC federations. Anyone can go to these reports to see how their charity has done over the years compared to other national/international charities. WGA stopped publishing its reports in 2020, but it has made the data available.

We've been collecting this data for our clients, former clients and many other CFC charities since 2009. This has allowed us to analyze how CFC charities have done over time.

These analyses show charities the impact that our guides and other CFC promotion options have had, despite the overall decline in the CFC.

You can see and measure this impact by focusing on a charity's rank in relation to other CFC charities. The higher your rank, the more you raised.

Sometimes the amount a charity raises in the CFC has gone down but its rank has gone up, which means it did better than other CFC charities. In 2017, for example, nearly every charity raised less because the overall CFC was down nearly 40%. This decline was caused by big changes in how the CFC was run.

The Alpha Kappa Alpha Educational Advancement Fund, which has been in our guides for years, went down like most CFC charities. But its rank improved, from #139 in 2016 to #111 in 2017. *If it gone down as much as the average charity, it would have raised about \$18,000 less.*

When you look at the data for all our 2017 charities, AKA's experience was typical. Overall, while most of our charities went down in 2017, on average they raised \$9,000 more.

But we don't want to oversell this one piece of data. After many years of analyzing CFC data, we've learned that we don't have data on a large enough sample of CFC charities to be definitive. Given the huge differences in what individual charities raise, adding or subtracting just one charity can make a significant difference.

As a result, we've focused on the data we have for individual charities. That's what this report does: it looks at data for dozens of charities. Many have been in our guides for years. Others left our guides, often returning the following year. Several were new to our guides.

What this report shows is that, for many charities, CFC-focused promotion does still make sense. For these charities, there is a measurable and significant return on investment. This report looks at data for charities that:

- Have been part of our guides for many years.
- Dropped out of our guides.
- Were new to our guides and other options.

This report also compares two charities that do similar work, one that stayed in our guides and one that dropped out. An example is two faith-based, international charities: Food For The Poor and World Vision.

This report includes our analysis of which types of charities benefit most from investing in CFC promotion, based on the data we've collected over the years.

Impact over time

Many factors can impact how a charity does in a particular year. One factor that impacts many charities is the broad order of CFC charities (Local, National, International). This order changes each year.

When locals are first, most do better. Sometimes during these years, national charities go down significantly. Why? The main factor is that the order of charities impacts how charities appear when a donor does a search on the CFC giving website, through which nearly all CFC donations are now made. A search on, say, "Diabetes" will display all the local charities doing diabetes work before the national charities.

You can see the impact that the order of charities can have in <u>this analysis of the Make-A-Wish Foundation</u>. The analysis looks at how the Foundation did over six years (2017-2023), which encompasses two cycles (Locals were first in 2017 and again in 2020). When locals were first, the national Foundation did much worse.

But this analysis also shows a steady decline in the national Foundation's CFC results. It went from #32 in 2017 (when locals were first) to #74 in 2023 (when locals were also first).

Why? We think it was that Make-A-Wish decided to stop all CFC-focused promotion in 2017, including being part of our CFC Charity Guides and Military Insert.

This decision appears to have had a big impact: if the Foundation had stayed at #32 in 2023, it would have raised an additional \$85,000. During the years it did CFC promotion, the Foundation's rank stayed steady: ranging from #17 to #21.

For most charities that have been part of our CFC promotion over time, their rank has either stayed steady or gotten better. For example:

- National Parks and Conservation Association, which has been in all our guides plus our Military Insert, has gone from #254 in 2011 to #148 in 2023.
- Mary House, a local DC-area charity, went from #550 in 2017 to #258 in 2023.
- **National Park Foundation**, which has been in all our guides with a display ad, has gone from #174 in 2011 to #43 in 2023.
- NARAL Foundation (now Reproductive Freedom For All) went from #402 in 2011 to #70 in 2023.
- Cancer Prevention and Treatment Fund has gone from #214 in 2011 to #87 in 2023, while competing for donations with 187 other cancer charities in the CFC.
- Chesapeake Bay Foundation, again in all our guides, has gone from #76 in 2011 to #39 in 2023.
- **Defenders of Wildlife**, in all our guides and our Military Insert, has gone from #424 in 2011 to #323 in 2023.

For each of these charities, you can get a quick estimate of the value of their higher ranks over time. For example, for the Chesapeake Bay Foundation, *the difference between #76 and #39 in 2023 was more than \$58,000*.

For Reproductive Freedom For All, the difference between #402 in 2011 and #70 in 2023 was nearly \$81,000.

Impact on charities that drop out

Some of the strongest impact data involves charities that leave our guides in a particular year, especially those that came back in the following year. This article looks at data from 2013-15 for several charities that left our guides and then returned. In 2014, three large CFC charities that long been part our guides dropped out. In 2015, all three came back in.

- In 2014, the three went down 33.5% (vs. an overall CFC decline of 7.8%).
- In 2015, they went up 20.6% (vs. an 8% CFC decline).

Here is the data for several other charities that dropped out of our guides:

- Nature Conservancy dropped out of our guides after the 2011 CFC. Between 2012 and 2016, it went from #18 to #22. *In 2016, the difference between 18 and 22 was nearly \$230,000*. Prior to 2012, when it was in our guides, it went from #23 in 2009 to #18 in 2012. When it came back into our guides in 2018, it went back up to #16.
- Children's Hospital and Research Center Foundation did very well from 2009 to 2013, when they were part of all our guides, rising from #363 to #211. But in 2014 they

- cut back to just one guide. Their ranking went from #211 to #346. By 2016, its CFC donations had gone down so much it left the CFC.
- Children's Hunger Relief Fund dropped out in 2014. It went from #122 to #202, a loss of nearly \$80,000.
- Food for the Poor left our guides was 2013. Its ranking went from #54 to #59. Its CFC donations dropped almost \$110,000. When it came back in 2014, its ranking went from #59 to #46. Had it stayed at #59 that year, it would have raised \$72,400 less.
- More recently, when the **National Alliance to End Homelessness** dropped out of our guides in 2022, it went from #180 to #197, a decline of more than \$7,000.

Impact on charities new to our guides

While many factors influence how a charity does in a particular year, we've seen a lot of strong data showing that coming into our guides can have an immediate impact.

- Farmers and Hunters Feeding the Hungry came back into our guides in 2017, a terrible year for the CFC, down 40%. But Farmers and Hunters actually raised more, from \$12,800 in 2016 to \$18,640 in 2017. They went from #1095 to #576.
- Tuskegee Airmen Scholarship Foundation came into our guides and Military Insert in 2014. Between 2014 and 2016, its rank went from #827 to #510. In 2016, the difference between #827 and #510 was more than \$15,000.
- The Michael J. Fox Foundation for Parkinson's Research came into our guides in 2016. Its CFC rank went from 29 to 26. While this is only three spots, in 2016, the difference between #26 and #29 was just over \$30,000.
- The **Alliance for Cell and Gene Therapy** came into our guides in 2015. It went from #491 to #403 and raised nearly \$16,000 more in CFC donations. The next year, still in our guides, it went from #403 to #252. Had it stayed at #403, it would have raised \$24,500 less.
- Veterans Consortium Pro Bono Program came into our guides in 2008, before individual charity data became public. In 2009, its rank was #1,348. By 2013, it had gone up to #362. This increase in rank was especially notable because these were years that nearly all veterans' charities went down because of the impact of the Wounded Warrior Project, as this data documents. In 2016, Veterans Consortium dropped out of our guides. Its rank dropped to #716.

Impact on similar charities

Another way we often see the impact of CFC-focused promotion is by comparing similar charities, one that has been in our guides and other options for several years, one that dropped out.

• One example: the NARAL Foundation (now Reproductive Freedom for All) and the National Abortion Fund.

Reproductive Freedom for All has been part of our guides and Military Insert for many years. The National Abortion Fund dropped out in 2011 and hasn't returned. In 2011, the NARAL Foundation raised slightly more money in the CFC (\$8,000) than did the National Abortion Fund. But between 2011 and 2016, the NARAL Foundation ranking went from #402 to #140. In contrast, the National Abortion Fund's ranking went *down*, from #439 to #461. *The difference between being #461 and #140: more than \$69,000.* Since 2016, Repro Freedom's rank has continued to improve, rising to #78 in 2021, the year before the Dobbs decision, which stimulated donations to many abortion rights charities.

• CFC data for two large, faith-based, international charities shows a similar impact over time.

World Vision left our guides in 2010. Food for the Poor was in all our guides and other CFC promotion options every year except one. In 2010, World Vision was #30 in the CFC. In 2016, it had gone down to #50. In 2010, Food for the Poor was #63. By 2016, it had gone up to #48. It went from raising nearly \$380,000 less than World Vision in 2010 to raising \$1,600 more in 2016.

Another, much smaller faith-based, international charity that's also continued to use our guides and other options, **World Emergency Relief/Children's Food Fund**, has had a similar trajectory, rising from #780 in 2011 to #273 in 2023.

• Another example involves five CFC charities that have "Bible" in their names.

One of these five is **Wycliffe Bible Translators**, which has been part of our guides for many years while also doing other things to spur CFC donations, such as attending charity fairs. The other four, such as the Bible League and the Moody Bible Institute, are also large charities but have done little or no CFC promotion. *In 2013, Wycliffe raised \$68,000 more in CFC donations than the other four combined: \$197,500 vs. \$129,500.* In the years since 2013, Wycliffe has continued to do well, rising in rank from #112 to #91 in 2021. In contrast, by 2021, both the Bible League and the Moody Bible Institute had dropped out of the CFC.

What does all this data mean?

Over the years we've collected a lot of CFC data because we know that charities need to see the impact of how they spend their limited promotion budgets. We think the data makes a strong case for CFC-focused promotion, like our guides and other options. This said, we want to note three caveats:

• For many charities cited in this report, being part of Charitable Choices is only part of what they do to increase CFC donations.

Wycliffe Bible Translators, for example, does other CFC advertising and organized volunteers to attend CFC charity fairs across the country for many years. Larger media campaigns can also have a big influence on CFC donations, the prime example being the exponential growth of CFC donations to the Wounded Warrior Project, which invests large amounts in national promotion campaigns.

• A charity's data in a particular year can be influenced by many factors other than its CFC promotion.

A major disaster occurring during the CFC campaign in the fall, such as Hurricane Sandy in 2012, can cause many more donations to flow to disaster charities such as the Red Cross.

Current events can strongly influence CFC donations. This happened after the 2016 election, when many CFC donations flowed to charities responding to the new administration's policies, such as the ACLU Foundation. In 2020, it was the pandemic, which stimulated a huge flow of donations to Food Banks and other direct service charities.

Another big factor is placement in the CFC's catalogs, which changes every year. A charity can go from page 6 to page 100. This order is now reflected in search results on the CFC giving site, though which .

This year-to-year volatility in the CFC is one reason we focus on impact over time.

• CFC-focused promotion doesn't work for every CFC charity.

In the past, a relatively small, not-well-known charity could raise a significant amount through the CFC. This seems much harder in today's CFC, which has a lot fewer donors. One example of this is the Victims of Communism Memorial Foundation, new to the CFC in 2018. Promotion didn't help them raise enough through the CFC to continue paying the CFC's listing and participation fees in 2019.

Over the years we've found that CFC promotion seems to work best for certain types of charities.

- Those with a **natural constituency in the workplace**, such as those focusing on specific diseases or charities working on issues that impact certain people: veterans, women, minorities.
- Those working on certain **strongly felt issues**: animal or environmental protection, abortion, civil rights, extreme poverty and hardship.
- Those that already have **strong brands**.

All this said, the impact data for most charities is very strong even in a declining CFC. It's what has kept us going: what we do still seems to help many charities and encourage many people to give a lot through the CFC – the average donation in 2023 was nearly \$923.