

24

The State of Capital Campaigns

BENCHMARK REPORT



Capital
Campaign **Pro**

Everything You Need for a Successful Campaign

2024

Historically, the nonprofit sector has relied on anecdotes, word-of-mouth best practices, and isolated case studies to guide all aspects of organizational operation.

Capital campaigns are no exception.

But given the remarkable power and effectiveness of capital campaign fundraising, it is important that we learn what makes them work by gathering data from the field.

This State of Capital Campaigns Benchmark Report, conducted by Capital Campaign Pro, is now in its second year. **It contains data from over 500 nonprofits in the US and Canada**, ranging from those just thinking about conducting a campaign, to those currently in a campaign, to those who have completed a campaign in the last two years.

Their insights will help the nonprofit sector move beyond anecdotal evidence and delve into empirical data, yielding a deeper understanding of what goes into a successful capital campaign.

Thanks to NAYDO, Bloomerang, iWave, & Aspen Leadership Group for supporting this valuable research.

KEY QUESTIONS

- » Are capital campaigns typically successful?
- » How do small shops (\$1MM or less in annual revenue) fare during a campaign?
- » How is the annual fund impacted both during and after a capital campaign?
- » What impact do external factors have on capital campaign planning?
- » Does an organization need a big money/high powered board to be successful?
- » Do campaigns typically have chairs?
- » How much time does the average ED and board of directors spend on campaigns?
- » Do organizations hire outside consultants to help with their campaigns?
- » What typically drives campaigns?
- » What does the average campaign fund?
- » Is there value in conducting a feasibility study?



METHODOLOGY

Three unique surveys were emailed between May and June 2024. Respondents self-selected into one of three cohorts:

- Those thinking about a campaign in the future,
- Those currently in a campaign, and
- Those who have finished a campaign within the last two years.

Analysis was conducted in July 2024. The final report includes data from 527 unique organizations in the US and Canada (up from 275 unique organizations in 2023). The identities of respondents were verified prior to analysis and publication.

2023 respondents who completed the 2024 survey and changed cohorts (moved from pre-campaign to mid-campaign, for example) were updated in each data set.

A special YMCA survey was also deployed thanks to a partnership with NAYDO; the results of which will be shared in a special addendum.

	UNDER \$1MM	\$1MM-5MM	\$5MM-10MM	\$10MM+	
COHORT #1 Pre-Campaign	46	68	38	49	201 RESPONDENTS
COHORT #2 Mid-Campaign	50	106	43	73	272 RESPONDENTS
COHORT #1 Post-Campaign	17	17	3	17	54 RESPONDENTS

EXECUTIVE SUMMARY

High-Level Findings

- Capital Campaigns are overwhelmingly successful. 96% of respondents said their campaign was a success!
- Small shops (\$1MM or less in annual revenue) have successful campaigns, too.
- Annual funds tend to stay the same or increase during and after campaigns (in other words: *campaigns do not cannibalize annual funds!*)
- Campaigns thrived despite COVID, fears around recession, and inflation.

Staff and Volunteers

- A high-powered/big-money board is not necessary for campaign success.
- An organization does not need a campaign chair to be successful.
- Executive directors spend more time on fundraising during a capital campaign than when not campaigning.
- Many organizations hire outside expertise.

Planning a Campaign

- Strategic planning is the primary driver of capital campaigns.
- While some campaigns grow endowments, the vast majority fund capital projects and other new initiatives.
- Conducting a feasibility study is beneficial for setting big goals and improving donor relationships.

Anatomy of a Capital Campaign

AVERAGE
RAISED: **\$7.7MM**

AVERAGE RAISED:
(orgs with annual budget **under** \$1MM only)

\$3.4MM

AVERAGE RAISED:
(orgs with annual budget **above** \$1MM only)

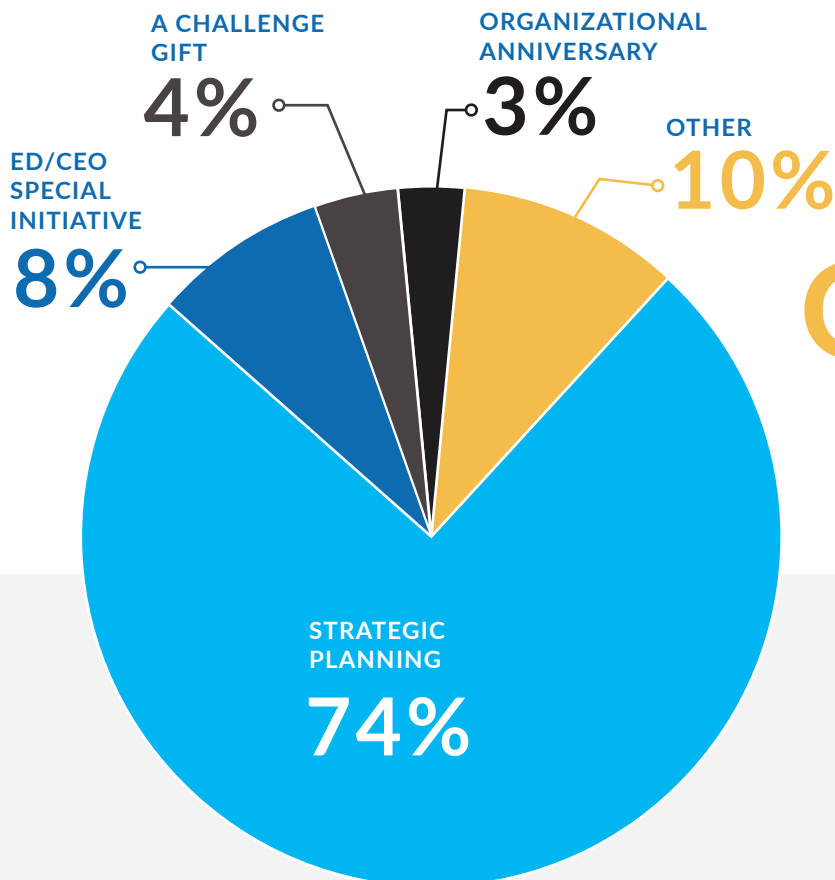
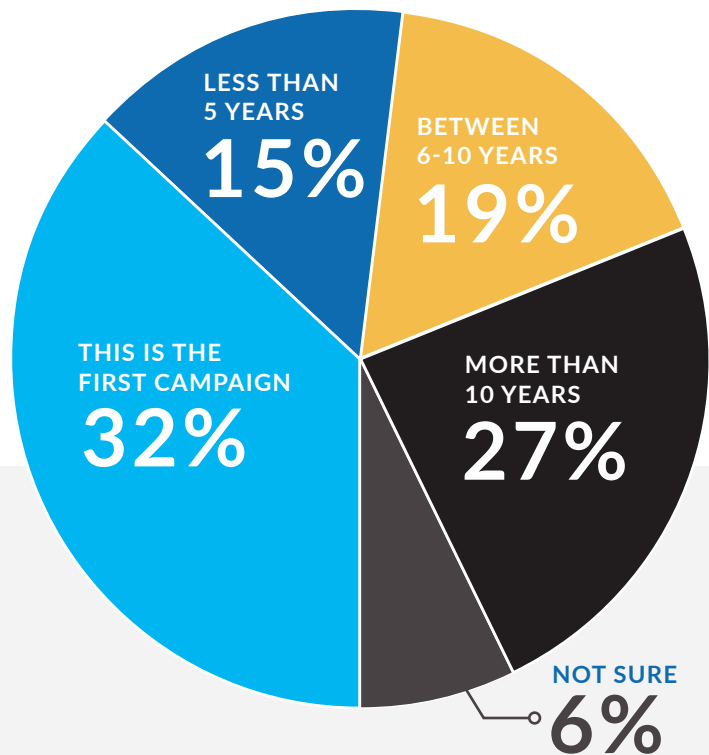
\$9.5MM

AVERAGE LENGTH OF A
CAPITAL CAMPAIGN: **3.7 years**

While there is no one-size-fits-all-rule on how often an organization should conduct a campaign, data suggest that in the life of most non-profits, **campaigns don't happen very often**. One-third of respondents noted this was their organization's first campaign, while nearly another third noted that it was the first one in more than ten years. This is undoubtedly a missed opportunity. Campaigns offer benefits far beyond just raising more money, and if they happen as infrequently as data here indicates, **many nonprofits are missing out on the tremendous organizational growth they offer.**

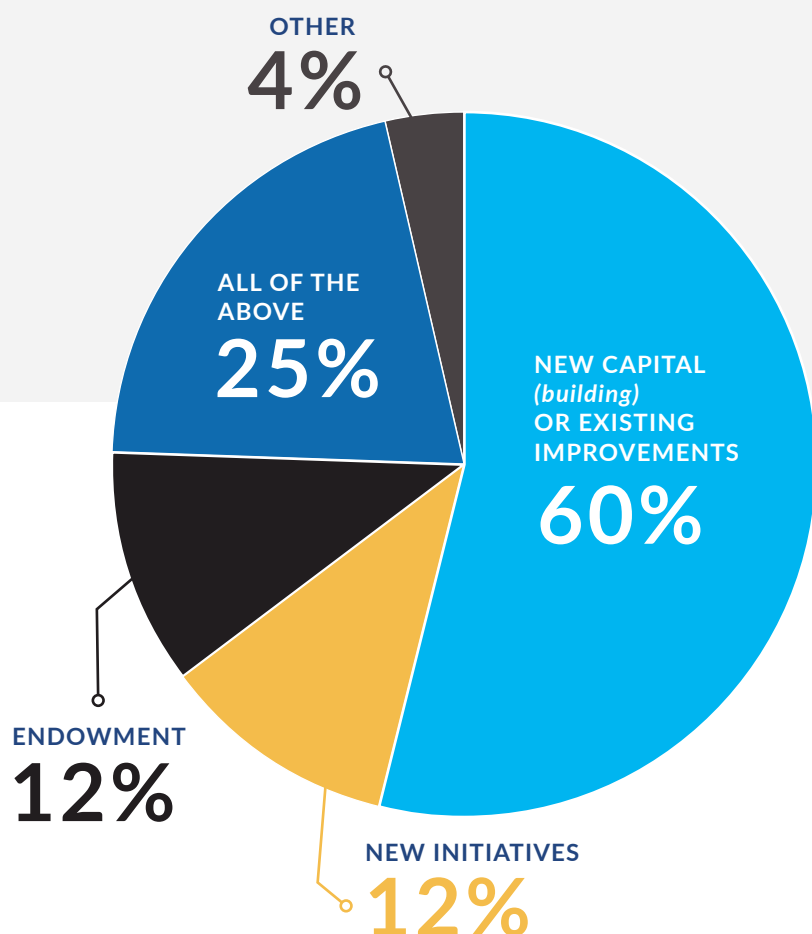
Q:

How long has it been since your organization last conducted a capital campaign?



Q:

What prompted your campaign?



Q:

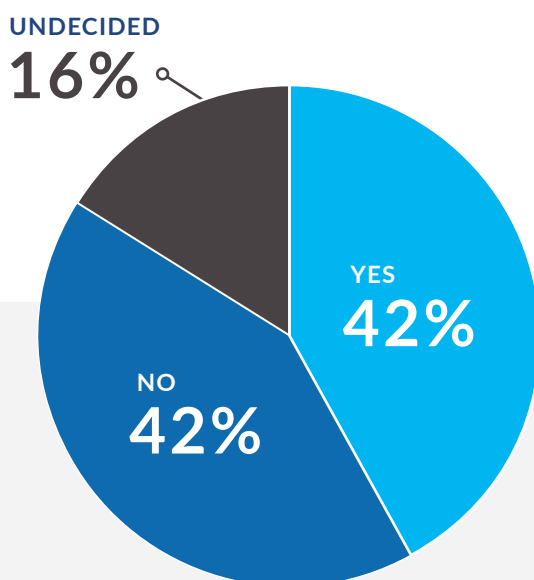
What did your campaign fund?

Campaigns are most inspiring to donors when they create a heightened sense of urgency, convey a clear sense of “why now?” and confer **long-lasting impact**. Toward this end, the data affirms that the majority of campaigns are born of deep strategic planning and other forward-thinking initiatives and not in response to arbitrary organizational markers—such as anniversaries—which are never compelling reasons for donors to give more.

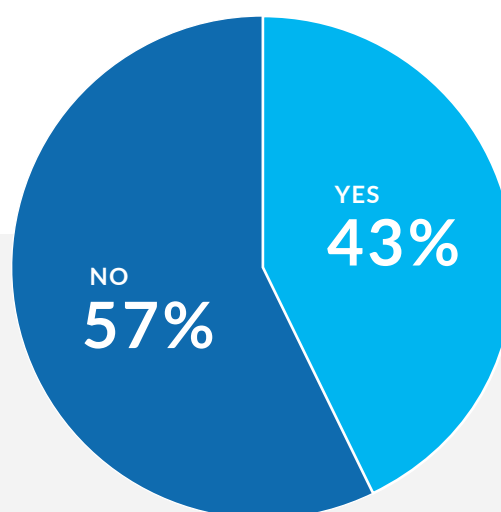
While endowment growth is a common aspiration in many campaigns, it is more often positioned alongside other campaign needs, such as capital priorities and/or program expansion. It is less common for a campaign to focus *singularly* on endowment.

Q: Are you considering this a “comprehensive” campaign?

MID-CAMPAIGN COHORT:

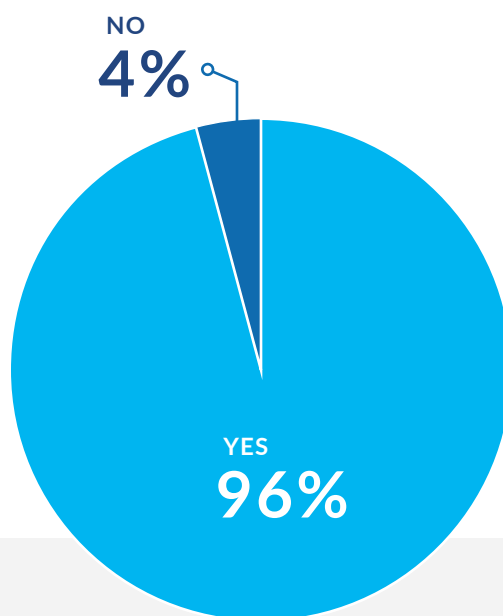


POST-CAMPAIGN COHORT:



While the majority of campaigns still follow the traditional model (*i.e. narrow focus on a single project or defined set of projects and exclusive of operating support*), comprehensive campaigns (*i.e. broader focus and inclusive of annual operating support*) are on the rise. Comprehensive campaigns offer many benefits and some drawbacks. They are a great option for some nonprofits but not for all. **It is essential to weigh the pros and cons and make a decision about how gifts will be counted during campaign planning.**

Multi-year pledges remain an integral component in the vast majority of capital campaigns, and for good reason. Time and again, when donors are invited to fulfill campaign intentions over a multi-year period, **they find creative ways to stretch and give more** –a win-win for donors and campaigns.



Q:

Are you allowing donors to make multi-year pledges toward your campaign?

Campaign Success Rate and Annual Fund Impact

Great news! For organizations that take the time to plan a campaign thoughtfully, and where there is a strong vision for the future, committed leaders, and qualified prospects, success is likely.

Q: What percentage of your goal did you raise?

AVERAGE:

106%

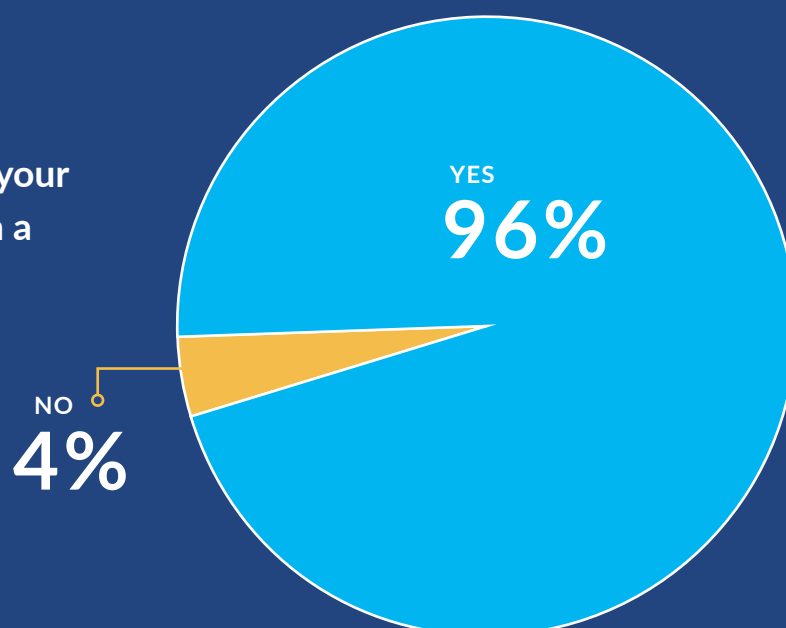
HIGHEST REPORTED:

156%

LOWEST REPORTED:

75%

Q: Do you consider your campaign a success?



By far the biggest trepidation we encounter when speaking with organizational leaders who are considering a capital campaign is whether or not it will cannibalize their annual fund.

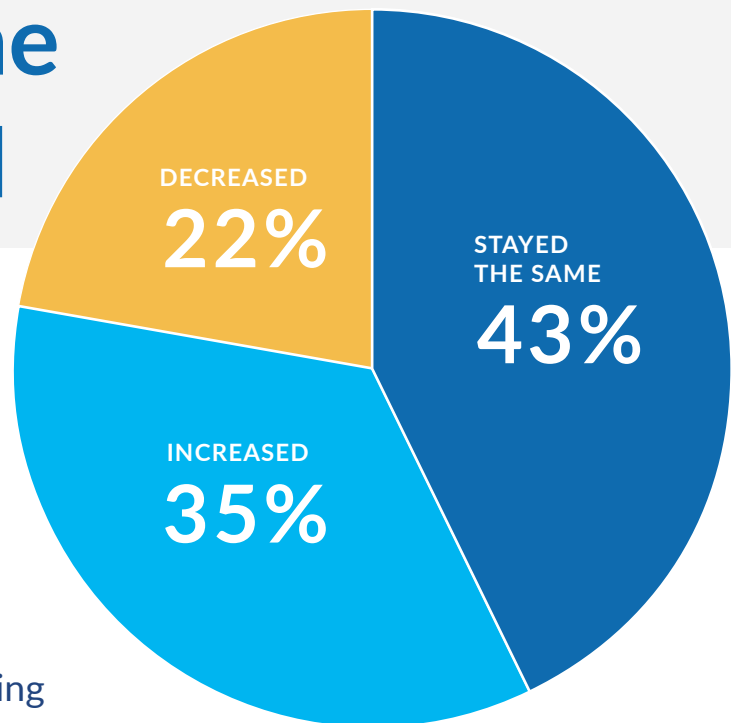
Myth busted! Most annual funds stay the same or even increase during campaigns. If the right steps are taken during a campaign, the annual fund will not suffer.

DURING THE CAMPAIGN

Impact on the Annual Fund

Q: What happened to your annual fundraising during the campaign?

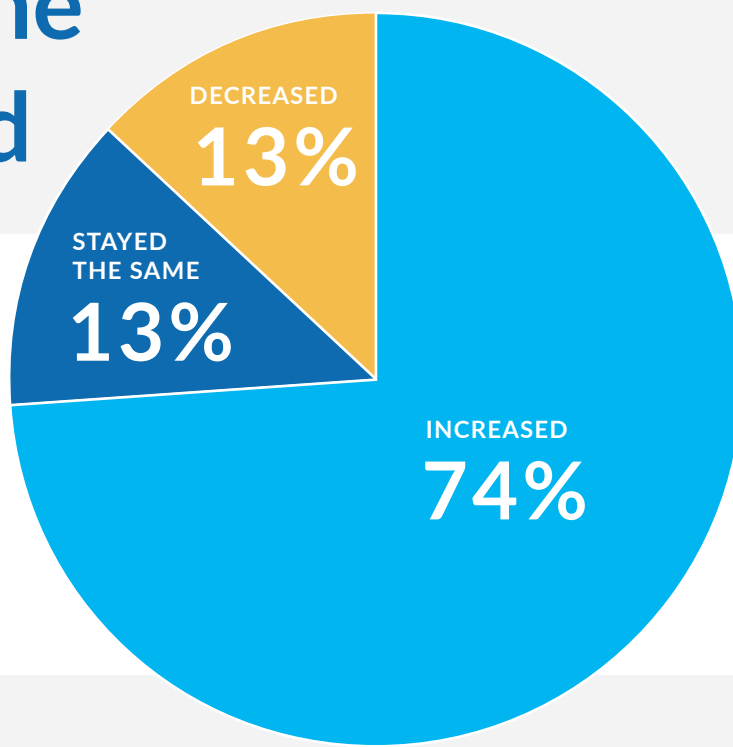
More than three-quarters of organizations reported that, during the campaign, their annual fund either stayed the same or increased.



Impact on the Annual Fund

Q:

What happened to your annual fundraising two or more years after the campaign?



It's not surprising that in the years after campaigns conclude, seven out of 10 organizations report that their annual fund increased. **Campaigns change everything.** Namely, they bring an influx of new donors to the table, which increases the annual fund pool long term, and they bring existing donors closer, which can lead to significant annual fund upgrades in the years immediately after campaigns end.

AVERAGE % OF CAMPAIGN GOAL
RAISED WITH THE TOP 20 GIFTS:

70%

Campaigns continue to abide by the pareto principle, which states that a small number of donors (20%) generates the majority (80%) of funds. **Long a hallmark of campaign best practice, this approach to capital campaigns isn't going anywhere.**

Benefits

Campaigns are about far more than dollars raised. They are organizational change agents of the highest order. **Data here affirms this reality with a majority of responding organizations noting that relationships with major donors were stronger as a result of their campaign and more than half noted increased effectiveness at soliciting large gifts.** These outcomes far outlast the campaign itself and offer great potential for long term organizational growth.

Q: What were the biggest benefits of conducting a campaign (*besides dollars raised*)?

73%

STRENGTHENED
RELATIONSHIPS
WITH MAJOR
DONORS

54%

BECAME MORE
EFFECTIVE AT
SOLICITING
LARGE GIFTS

37%

INCREASED
DEVELOPMENT
STAFF
EFFECTIVENESS

46%

DEVELOPED
BETTER
FUNDRAISING
SYSTEMS

41%

BOARD BECAME
MORE ENGAGED
IN FUNDRAISING

** respondents could select multiple benefits; as many as applied to them.*

Q: Do you feel that external factors (*economic, political, etc.*) have negatively impacted your campaign?

56%

NO

44%

YES

Even in the face of economic and political uncertainty, philanthropy is resilient. With history as our guide, we know that the organizations whose campaigns weathered the storms of 2001, 2008, and 2020 fared far better in the long term than those that paused or stopped due to anxiety around external circumstances. It is heartening that the majority of campaigning organizations in this study did not allow external factors to throw them off course.

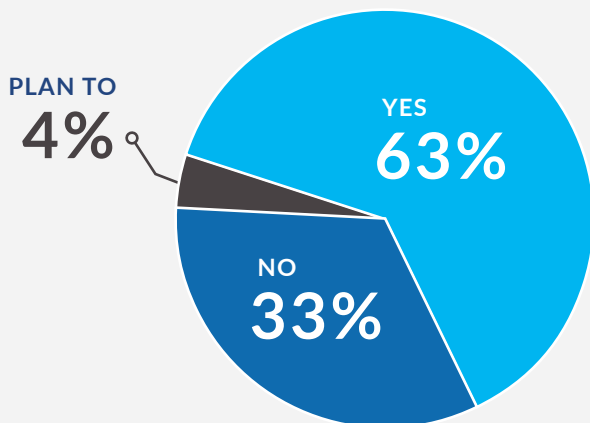
Outside Counsel and Campaign Staffing

Successful campaigns require these two things:

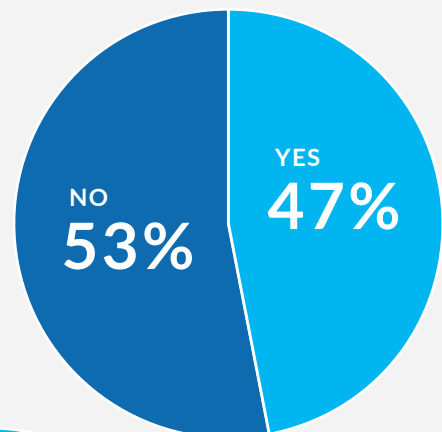
1) expertise and strategy and 2) implementers to do the work. Campaigns don't happen as frequently as they should, thus staff generally do not have the depth of campaign-specific expertise required for success.

We recommend that organizations hire outside expertise to support their campaign in addition to staffing increases to manage campaign-related tasks.

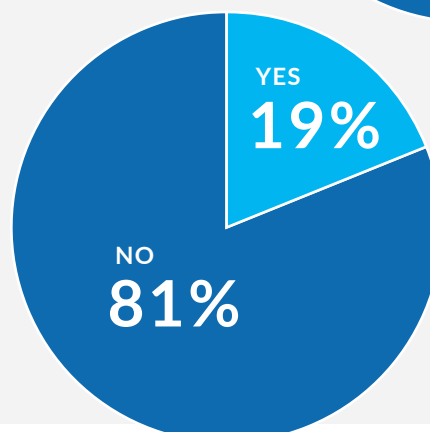
Q: Did you hire outside counsel (*consultant or consulting firm*) to help with your campaign?



Q: Did you delegate any pre-existing staff responsibilities to free up key staff for campaign work?



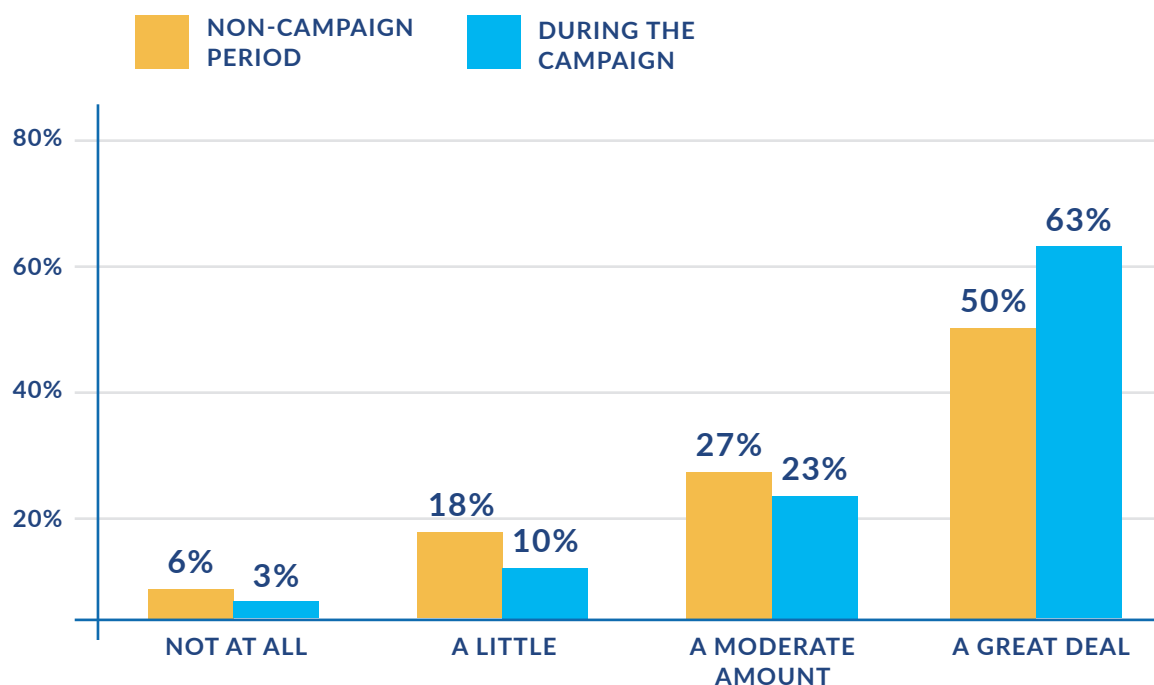
Q: Did you eliminate any organizational priorities to free up staff for campaign work?



OUTSIDE COUNSEL AND CAMPAIGN STAFFING



How active is your Executive Director in fundraising?



Data affirms that for the 86% of campaigns reporting either a “great deal” or a “moderate amount” of Executive Director attention, campaign outcomes were markedly better—these organizations raised millions more when compared to campaigns with little or no Executive Director involvement.

% OF
ORGANIZATIONS
THAT HAD
A VOLUNTEER
CAMPAIGN CHAIR: **63%**

At the same time, campaign outcomes were no different for four out of 10 campaigns that did not have a campaign chair, which affirms that campaign success does not hinge on securing this all-important volunteer position. Indeed,

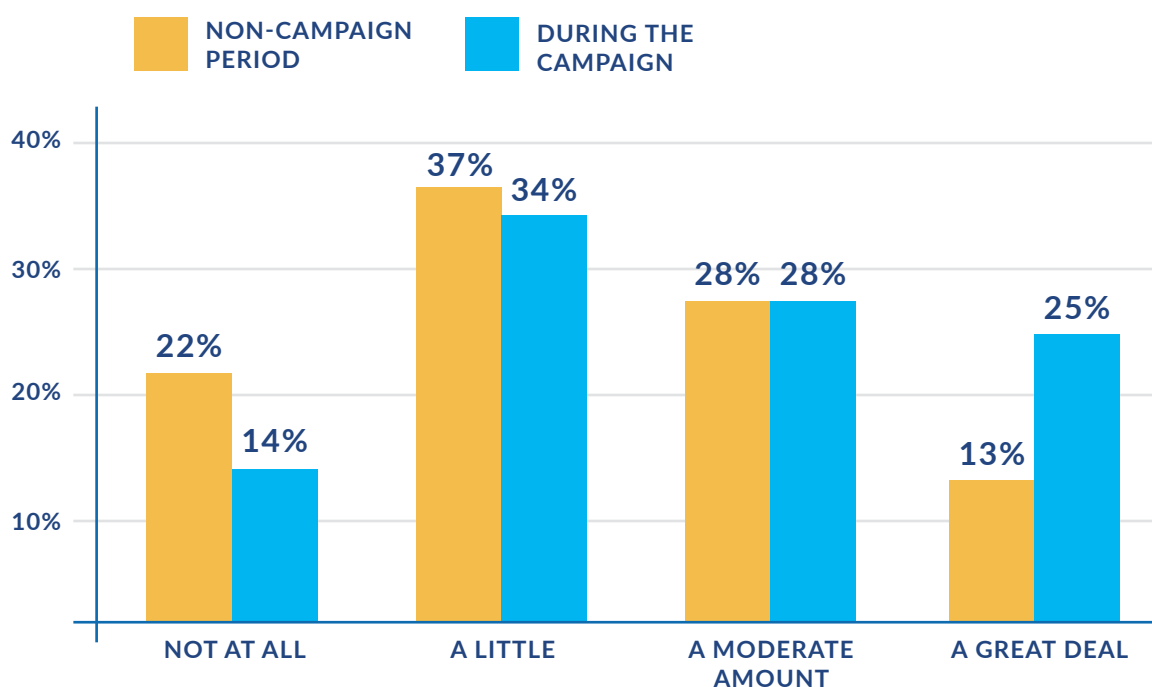
having no campaign chair is far better than having the wrong campaign chair. In the absence of a campaign chair, however, nonprofits must still train and deploy a strong cadre of volunteers to help lead the effort.

Boards and Campaigns

Volunteers are a key component of successful campaigns and, ideally, **Board members are among an organization's closest volunteers and biggest advocates during a campaign.** When Board members make early stretch gifts it demonstrates confidence in the campaign vision, and it inspires other donors to follow suit. Engaging Boards takes time, and we recommend that nonprofits approach it as part of the early campaign planning process.



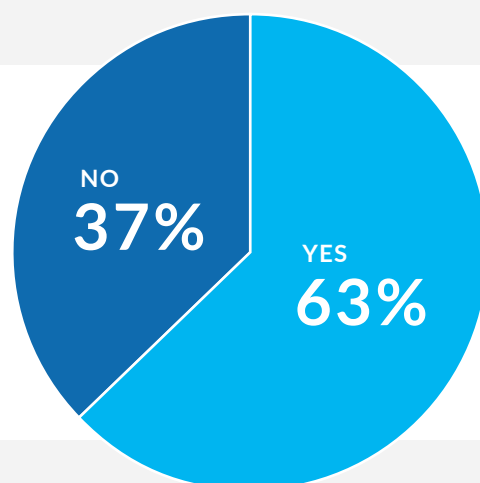
How active is your board chair in fundraising



BOARDS AND CAMPAIGNS



Have 100% of your board members made campaign gifts?



Aspiring to 100% stretch giving from the Board has long been a hallmark of campaign best practice and yet only six in ten campaigns achieved this milestone. Despite these surprising results, nonprofits ought to continue aspiring to this all-important campaign milestone. Attaining it sends a strong signal to other potential donors and builds organizational capacity for the long term.

AVERAGE % OF CAMPAIGN GOAL
RAISED FROM BOARD MEMBERS:

15%

MEDIAN:
(midpoint of all responses)

MODE:
(most common response)

10.5% 10%

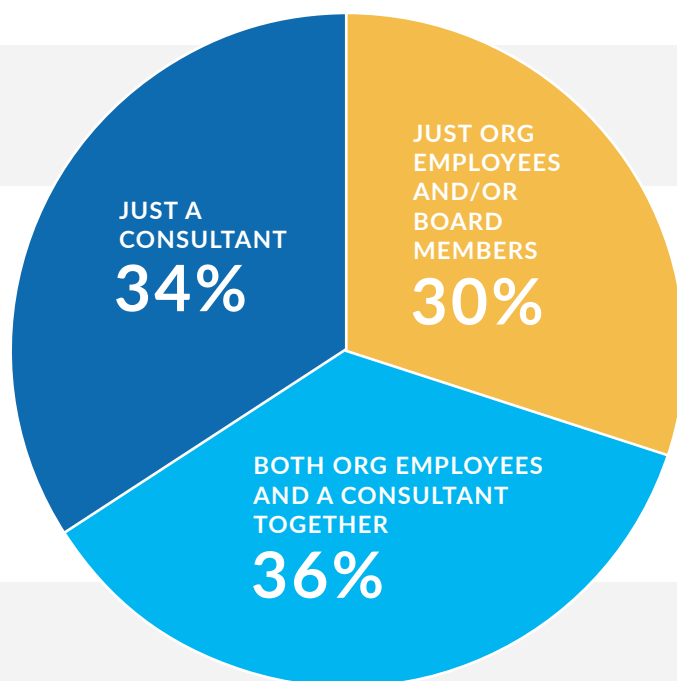
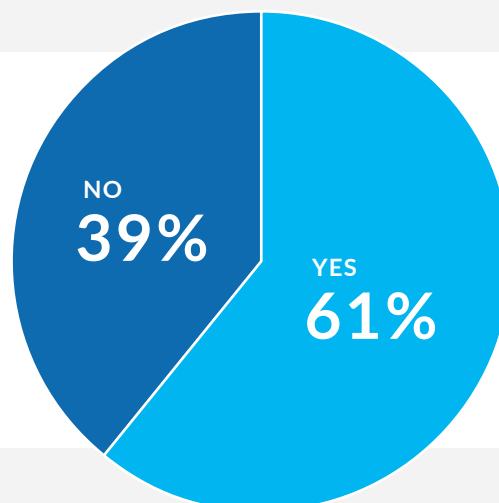
Board giving as a percentage of campaign goal is lower than we would have expected and suggests that—**although it's certainly helpful when a board contributes a significant portion of the campaign goal**—it's not imperative for campaign success.

Feasibility Studies

Conducting a feasibility study is hugely beneficial for fundraising and donor relationships.

Q:

Did you conduct a feasibility study?



Q:

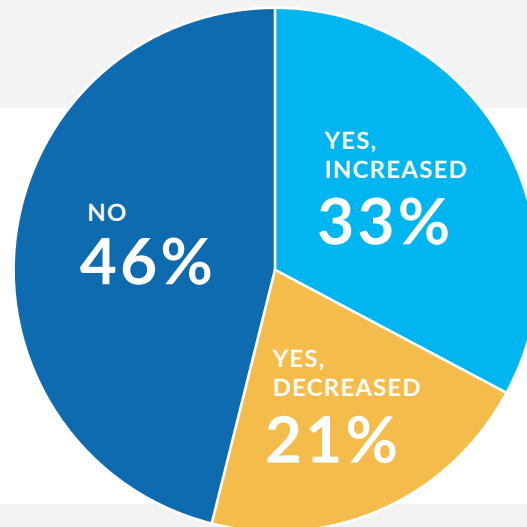
If you conducted a feasibility study, who conducted the interviews?

Gone are the days when the only options for feasibility studies were third-party consultants who interviewed donors in a silo. Two-thirds of organizations involve staff and board members in feasibility study interviews, **signaling an exciting trend away from the traditional model of confidential consultant-only interviews.**

FEASIBILITY STUDIES



If you conducted a feasibility study, did your campaign goal change afterwards?



Feasibility studies remain an essential part of capital campaign planning and preparation. The work involved pays great dividends in the form of nuanced understanding of the landscape surrounding a campaign as well as greater attunement to the specific interests and motivations of major donors.

Moreover, organizations that conducted feasibility studies were twice as likely to report that their campaign:

- Increased effectiveness among development staff
- Developed better fundraising systems
- Strengthened relationships with major donors

Are you interested in conducting a Feasibility Study?

Capital Campaign Pro can help » capitalcampaignpro.com/guided-feasibility-studies

Capital Campaigns for Small Shops

Small shops (\$1MM or less in annual revenue) have successful campaigns, too.

- It is more likely that this was their first campaign
- Campaigns in small shops raised an average of \$3.4MM
- It is less likely that a small shop will work with a consultant during their campaign
- Small shop campaigns report higher levels of major donor relationship building and fundraising system improvement
- Executive Directors and Boards tend to be even more active in campaigns for small shops

Small shops demonstrate remarkable campaign achievements; and even out-performed their larger counterparts in a few areas. As our co-founder Andrea Kihlstedt likes to say: “The only difference between small shops and larger orgs is the amount of zeros at the end of the goal.”

Though small organizations may feel anxious about their first capital campaign, they will be more successful if they move forward with confidence and invest appropriately in their campaigns.

For small shop nonprofits considering a capital campaign, the key is preparation and understanding that the principles of success are the same, regardless of size. This involves thorough planning, from readiness assessments to developing a compelling case for support, engaging with your board and community, and leveraging your unique strengths to build meaningful donor relationships.

CONCLUSION AND RECOMMENDATIONS

The data tells a clear story. If your organization undertakes the proper planning for a campaign, has a strong vision, committed leaders and volunteers, and excited and qualified potential donors, the chances are strong that you will succeed. **This remarkable, outsized form of fundraising works for organizations small and large.**

By and large, capital campaigns are successful, even during the most trying years in recent memory.

The nonprofit sector, time and time again, has weathered external world events. Whether it's 2001, 2008, or 2020, the donor community in general responds to trying times with incredible generosity. If you are delaying because you think it's just not a good time to raise money, you're in the minority.

Furthermore, it is a myth that capital campaigns cannibalize annual funds, or that feasibility studies are unnecessary.

In its second year, this research validated our preconceived notions of the tenets of a successful capital campaign, while squashing myths that are pervasive amongst prospective capital campaigners. Our goal is to continue conducting this research to build the dataset, and measure trends over time.

Thank you for reading!

Thank you to our Sponsors



ABOUT THE AUTHORS



Steven Shattuck

Steven is the Director of Engagement at Capital Campaign Pro.

A recognized thought-leader in the nonprofit sector, he has over 15 years of experience advising nonprofits on donor communications, data management, and digital content.

Steven has contributed content to the National Council of Nonprofits, AFP, Advancing Philanthropy, NTEN and Nonprofit Hub, and is a frequent webinar presenter and conference speaker, having spoken at AFP ICON, NAYDO, Cause Camp, ADRP, the Nonprofit Storytelling Conference, and Planet Philanthropy, to name a few.

He is the author of *Robots Make Bad Fundraisers – How Nonprofits Can Maintain the Heart in the Digital Age*, published by Bold and Bright Media (2020), and was a contributor to *Fundraising Principles and Practice: Second Edition*. Steven is the recipient of the David Letterman Scholarship from Ball State University.



Amy Eisenstein

Amy is the CEO and Co-Founder of Capital Campaign Pro and has served the nonprofit sector for more than 25 years.

Since 2008, Amy has consulted for nonprofit organizations on capital campaigns and major gift fundraising. She is a frequent speaker at national and local conferences and has authored several books on fundraising including, *Major Gift Fundraising for Small Shops* and *50 Asks in 50 Weeks, 2nd Edition*.

Amy served on the board of AFP-NJ for nearly a decade, including serving as President of the board in 2014 and 2015. She was recognized by the AFP-NJ Chapter with the Award for Consulting Excellence in 2019 and as an AFP Distinguished Fellow in 2021.

Amy became a CFRE in 2004 and received the ACFRE in 2013.



Sarah Plimpton

Sarah Plimpton is the Director of Client Happiness (aka “Chief Happiness Officer”) at Capital Campaign Pro.

For more than twenty years, Sarah has worked alongside non-profit executives spanning nearly every sector to design and lead transformational capital campaigns.

She has led more than one thousand feasibility study discussions with philanthropists and served as resident campaign counsel or front-line fundraiser on several ambitious campaigns — all of which met or exceeded goal. She has particular expertise in the education, healthcare, and conservation sectors.

About Capital Campaign Pro

Campaign services
for Nonprofits

Capital Campaign Pro empowers fundraising teams with a modern alternative to traditional campaign consulting.

Clients gain the confidence and expertise to lead successful campaigns with the support of a personal campaign advisor, a comprehensive toolkit of campaign materials, and a community of nonprofit leaders with whom to network and grow.

If you're considering a campaign, we hope you'll consider us.

Visit capitalcampaignpro.com

to learn more about how we can help empower you and your team.



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