

How Much Does Fundraising Cost?

Annual Giving

The standard that many folks quote when identifying an appropriate cost per dollar raised for Annual Fundraising is often 20% or 20 cents for every dollar raised. This number has its origins in the book, Fund-Raising: Evaluating and Managing the Fund Development Process (1999), in which James Greenfield observed the following costs associated with different kinds of fundraising:

Fundraising Activity/Method	Average Cost to Raise One Dollar
Capital Campaign/Major Gifts	\$0.05 to \$0.10 per dollar raised
Corporations and Foundations (Grant Writing)	\$0.20 per dollar raised
Direct Mail Acquisition	\$ 1.00 to \$1.25 per dollar raised
Direct Mail Renewal	\$0.20 per dollar raised
Planned Giving	\$0.25 per dollar raised
Benefit/Special Events	\$0.50 of gross proceeds
National Average	\$0.20

The Association of Fundraising Professionals sites similar numbers.

Fundraising Activity/Method	Average Cost to Raise One Dollar
Capital Campaigns	\$0.05 to \$0.10 per dollar raised.
Corporations and Foundations (Grant Writing)	\$0.20 per dollar raised.
Direct Mail Acquisition (with a 1% or better rate of return)	\$ 1.25 to \$1.50 per dollar raised.
Direct Mail Renewal (with a 50% or better rate of return)	\$0.25 per dollar raised.
Planned Giving	\$0.25 per dollar raised.
Benefit/Special Events	\$0.50 of gross proceeds.

These are averages and there are many variables involved.

Generally speaking the most significant variable is your organization's experience with fundraising. Size matters as well. In larger operations there is also an economy of scale that can be achieved.