

SPECIAL REPORT | DECEMBER 2025

# FUNDRAISING INVESTMENT STUDY

Making the Case: How Analytics Are Reshaping Nonprofit Fundraising Investments



# STATE OF PLAY:

## How Nonprofits Use Data to Secure Fundraising Investment

As nonprofit organizations face mounting pressure to increase fundraising revenue while operating budgets remain constrained, data-driven analysis and proven fundraising effectiveness have become essential for securing organizational resources.

Organizations are increasingly recognizing the **value of analytics** in **decision-making**, with growing adoption of **metrics-based approaches**. The opportunity ahead lies in accelerating this evolution by building on these collaborative foundations to create more **sophisticated, data-informed budgeting practices** that optimize fundraising investment and demonstrate clear impact.

This study explores how nonprofit organizations **resource their development programs**, how they **use data to inform investment decisions**, and how they **assess fundraising effectiveness**. By analyzing practices across sectors, this research identifies trends, challenges, and strategies that drive effective fundraising. For the purposes of this study, development includes all personnel, functions, and expenditures directly related to securing philanthropic support but excludes alumni engagement, membership, and marketing and communications activities.

### Special thanks

A special note of appreciation to the following team members for their significant contributions to this report:



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## KEY FINDINGS: What the Data Reveals

Most organizations still rely on traditional **budgeting approaches**. Nearly 70% reported **collaborative budgeting** with leadership, and almost half build budgets incrementally from prior years. Only about one-quarter described their process as data-driven—defined in the survey as using internal return on investment (ROI) and cost per dollar raised (CPDR) data or forecasting—underscoring the limited role analytics play in budget setting.



**Peer and internal data carry more weight than external narratives**. Organizations most often cited **peer benchmarking, ROI and CPDR trends**, and **program-specific returns** as the most helpful data for making the case for investment, while **case studies and external anecdotes** were far less influential. This pattern held across organizations of all sizes, though smaller and less-resourced institutions were somewhat more likely to reference external validation, suggesting they may rely more on qualitative examples when internal or comparative data are limited.

Investment arguments are grounded in past **performance and strategy**. The most common justifications for additional resources were **prior fundraising results, alignment with institutional strategic plans**, and **internal ROI and CPDR metrics**. External benchmarks and consultant assessments played secondary roles.



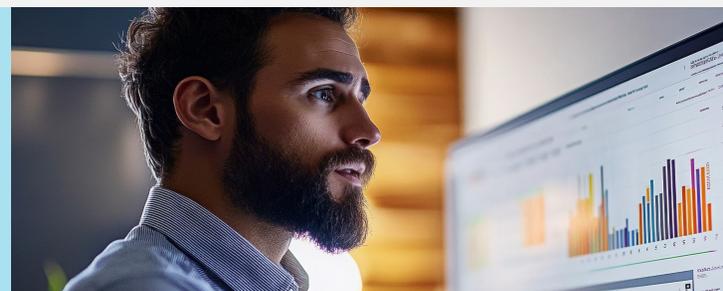
**Fundraising efficiency varies widely across sectors and scale**. Across Marts&Lundy's combined dataset, the typical organization spent about \$0.18 to raise \$1 (median CPDR, \$0.18) and generated \$4.50 for every \$1 invested (median ROI, 4.5). **Arts and culture** and **higher education** organizations achieved the strongest performance, while **health and public and human services** organizations reported lower returns. Larger organizations consistently outperformed smaller ones, achieving roughly **three to four times higher ROI** and about **two-thirds lower CPDR**.

**Campaign activity enhances fundraising efficiency**. In years when an organization was actively engaged in a campaign, **ROI was higher** (4.7 vs. 3.4) and **CPDR slightly lower** (\$0.16 vs. \$0.19) than in non-campaign years. These differences were statistically reliable, indicating that the improved results during campaign periods reflected **consistent performance patterns**.



**Definitions of effectiveness remain narrow**. When assessing results, most organizations focus on **growth in gifts and ROI** as the primary indicators of success, while CPDR, pipeline development, and donor retention are rarely prioritized—signaling missed opportunities for a more holistic view of fundraising performance.

**The findings reveal a central tension:** while organizations increasingly acknowledge the importance of data and analytics in shaping fundraising investment, many still rely on traditional practices and face persistent barriers, such as limited infrastructure and competing priorities. Some sectors are beginning to move ahead in adopting data-driven approaches, but progress is uneven. Institutions that close this gap between aspiration and practice will be best positioned to secure resources and demonstrate impact in the years ahead.



# RECOMMENDATIONS: Five Actions to Modernize Fundraising Investment Practices

The following actions form a practical roadmap for advancement leaders seeking to modernize fundraising investment practices.

Each step strengthens the link between resources and results, positioning the organization for sustained philanthropic growth.

1

Embed performance data directly into budget decisions. Move from incremental or anecdotal budgeting toward **evidence-based forecasting**. Pair annual budget requests with a minimum three- to five-year view of ROI and CPDR trends, comparing them with peer benchmarks.

**Why it matters:** Leaders see the direct relationship between investment and performance, which builds confidence and strengthens the case for continued or increased resourcing.

2

Use aspirational peer benchmarking to set growth targets. Benchmark against institutions operating at the **next level of fundraising performance**, not just those of similar size or type. Identify which staffing ratios, portfolio sizes, or pipeline metrics enable their higher ROI, and adapt those practices internally.

**Why it matters:** This turns benchmarking from validation into a growth tool that helps leadership envision what expanded investment could achieve.

3

Build a balanced scorecard that tracks both efficiency and capacity. **Broaden measurement frameworks** beyond gift totals and ROI. Track CPDR, donor retention, pipeline health, and prospect capacity quarterly, and link these metrics to specific advancement priorities.

**Why it matters:** A more complete view of performance helps advancement leaders manage proactively and justify long-term investment in capacity building, not just short-term revenue.



(Recommendations, continued)

4

Strengthen leadership fluency in fundraising economics.

**Establish regular touch points** (e.g., quarterly briefings or dashboards) to educate executives and board members on ROI trends, pipeline indicators, and the time horizon of return. Pair metrics with stories that illustrate how investment decisions translate into outcomes.

**Why it matters:** When institutional leaders understand how fundraising ROI evolves, they become better advocates and collaborators in resourcing decisions.

5

Build the analytic capability that matches your organization's current level of maturity and growth goals.

- **If systems are emerging:** Start by standardizing data definitions, ensuring CRM data accuracy, and consistently tracking core metrics such as ROI, CPDR, and donor retention.
- **If systems are evolving:** Introduce dashboards that integrate giving data with prospect and pipeline metrics, enabling real-time performance monitoring and more informed forecasting.
- **If systems are advanced:** Use predictive modeling and scenario analysis to anticipate fundraising outcomes and optimize strategies across programs.

**Why it matters:** Regardless of program maturity, progress in data capability empowers advancement leaders to make faster, evidence-based decisions, identify what drives return, and equip institutional leadership with the insights they need to champion continued investment and growth.



# WHO PARTICIPATED:

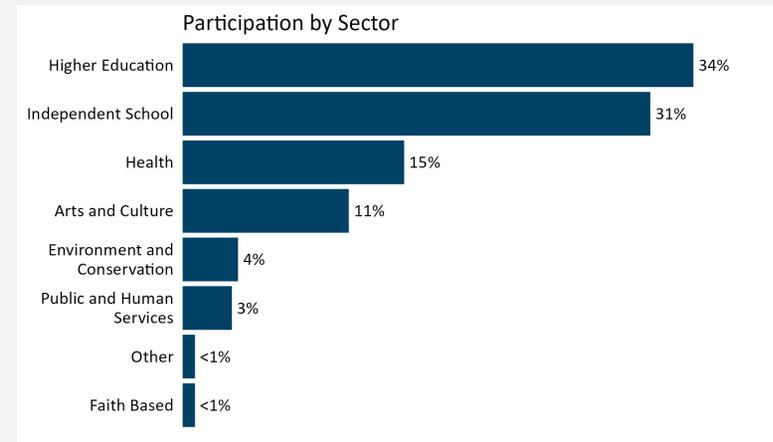
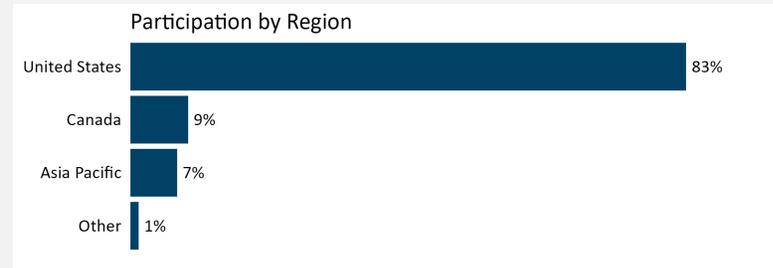
## A Cross-Sector View of Practices

A total of 243 organizations representing seven countries and 40 U.S. states participated in the Fundraising Investment Study.

The study reflects a **broad cross-section of the nonprofit sector**, including health, arts and culture, environment and conservation, public and human services, and faith-based organizations. **Education** represents the **largest share of respondents**, with higher education and independent schools together accounting for nearly two-thirds of the sample. This mix provides both **diversity across sectors** and **depth within education**.



With participation spanning multiple regions and sectors, the Fundraising Investment Study offers a diverse and substantive perspective on how nonprofits are resourcing and evaluating fundraising.





## Organizational scale matters

Participant **organizations ranged widely in size**, from small nonprofits with annual development budgets under \$100,000 and only a few staff to large universities with development budgets exceeding \$100 million and teams of more than 100 FTEs.<sup>1</sup>

**Median annual development budget: \$3.5 million**  
**Median development staff size (FTEs): 22**

This variation underscores that the study findings reflect both smaller, resource-constrained organizations and large, complex fundraising operations.

To better illustrate this range, the table below summarizes median development budgets and staff sizes by sector.

Sector	Median Annual Development Budget	Median Development Staff Size (FTEs)
Arts and Culture	\$2.5M	12.7
Environment and Conservation	\$1.7M	10
Health	\$2.3M	17.7
Higher Education	\$8.3M	43.4
Independent School	\$800K	6.3
Public and Human Services	\$270K	11.5

<sup>1</sup> Reported budgets and expenditures were converted to U.S. dollars using exchange rates in effect at the time of the analysis.

# THE BUDGET REALITY:

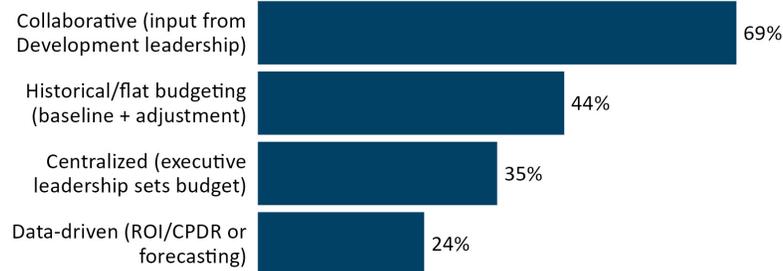
## How Organizations Make the Case for Resources

Organizations approach development budgeting in varied ways, though traditional methods still dominate.

Nearly 70% of respondents reported a **collaborative process** between Development and the organization's top leadership, while just under half continue to rely on **historical or flat budgeting** that builds incrementally from prior years. In comparison, only about one-quarter use a **data-driven** approach rooted in ROI, CPDR, or forecasting. This suggests that while analytics are widely recognized as valuable, they have not yet become central to budget setting in most organizations.



Approaches to Annual Development Budgeting



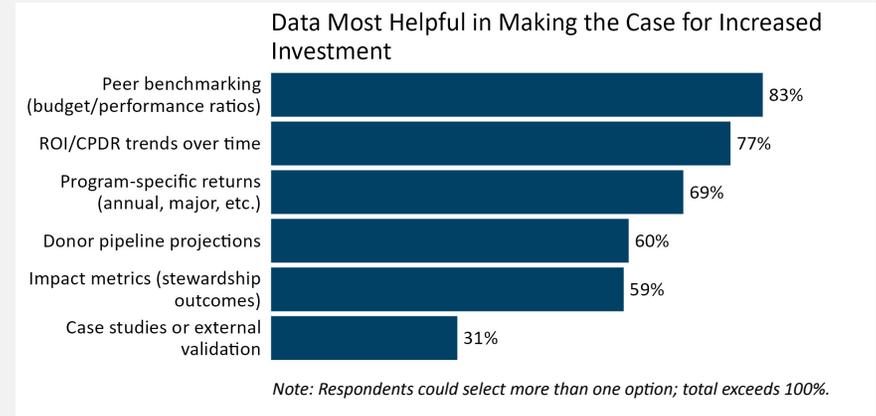
*Note: Respondents could select more than one option; total exceeds 100%.*

Use of **data-driven budgeting** also varies by sector. **Health organizations (39%)** are notably more likely than average (24%) to use ROI or CPDR in their budgeting, suggesting a stronger embrace of analytics in this sector.



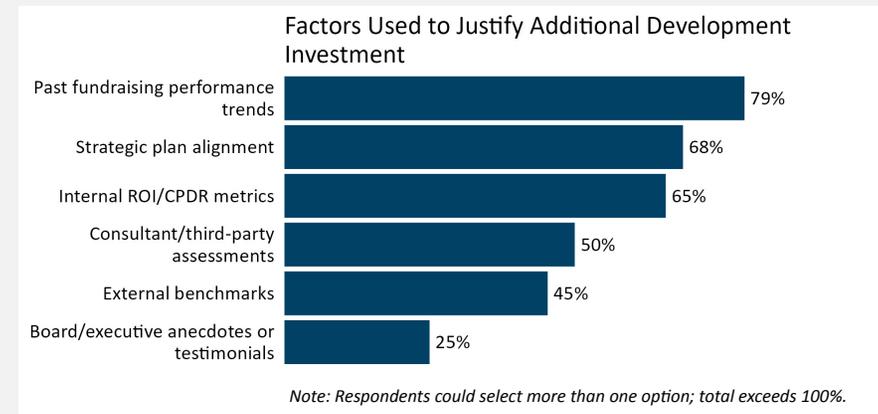
## Peer benchmarking and ROI or CPDR trends over time are the most helpful metrics for making the case for increased investment.

When asked what data would be most helpful in making the case for increased investment, respondents overwhelmingly pointed to **peer benchmarking (83%)** and **ROI or CPDR trends over time (77%)**. Strong interest was also expressed in **program-specific returns (69%)** and **donor pipeline projections (60%)**, both of which tie resource decisions directly to fundraising outcomes. By comparison, relatively few cited **case studies or external validation (31%)**, signaling that organizations place greater weight on data that reflects their own performance and peer context rather than anecdotal or external narratives.



While this preference for peer and internal data was consistent across organizations of all sizes, smaller institutions were somewhat more likely to reference **case studies or external validation**, perhaps reflecting a need to supplement limited benchmarking resources with qualitative examples. Larger organizations, by contrast, tended to emphasize **ROI or CPDR trends over time** and **program-specific returns**, reflecting broader access to analytic capacity and historical data.

In practice, the most common arguments used to justify additional development investment are **past fundraising performance trends (79%)**, **strategic plan alignment (68%)**, and **internal ROI or CPDR metrics (65%)**. External references such as **consultant or third-party assessments (50%)** or **external benchmarks (45%)** play a supporting role, while **board or executive anecdotes or testimonials (25%)** are least common. Taken together, these responses indicate that resource discussions are generally grounded in internal results and strategic alignment, with external perspectives providing additional—but less central—validation.

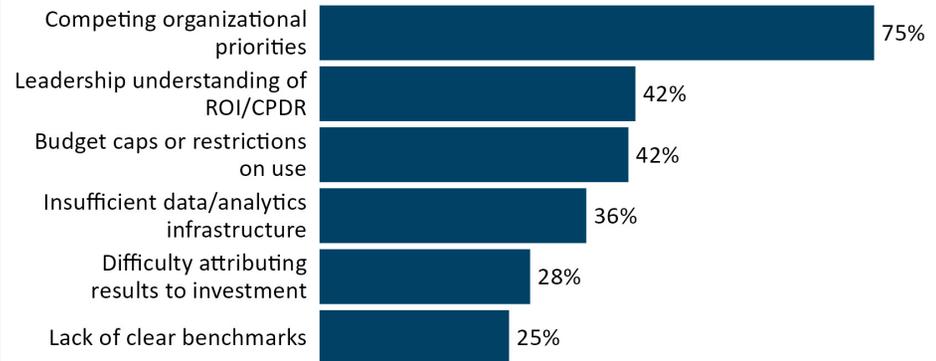


## Even as organizations seek to ground budgeting in data, they continue to face significant challenges in securing and allocating resources.

The most frequently cited challenge in resourcing discussions was **competing organizational priorities (75%)**, followed by **leadership’s understanding of ROI and CPDR (42%)** and **budget caps or restrictions on use (42%)**. Many also noted **insufficient data or analytics infrastructure (36%)**, **difficulty attributing results to investment (28%)**, and a **lack of clear benchmarks (25%)**. These findings highlight a central tension: while organizations increasingly see the value of analytics in shaping investment, they often lack the tools, leadership buy-in, or organizational bandwidth to realize this ambition fully.

**Sector differences also came into view.** More than half of **health organizations (53%)** and over 40% of **arts and culture organizations (42%)** pointed to insufficient analytics infrastructure as a barrier, compared with just **28% of higher education respondents**. This suggests that some sectors face more pronounced challenges with data and structure, while others are better positioned to integrate analytics into budgeting and investment discussions.

### Challenges Raised in Internal Discussions About Fundraising Resourcing



*Note: Respondents could select more than one option; total exceeds 100%.*



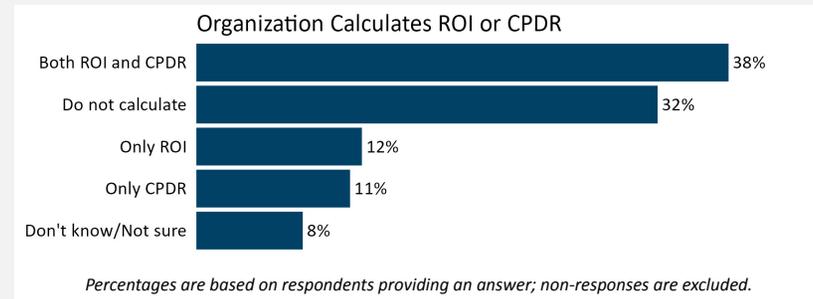
Overall, these findings underscore that while organizations are eager to bring more rigor to investment decisions, their ability to do so depends heavily on both institutional context and sector dynamics—factors that also shape fundraising performance outcomes.

# FUNDRAISING PERFORMANCE:

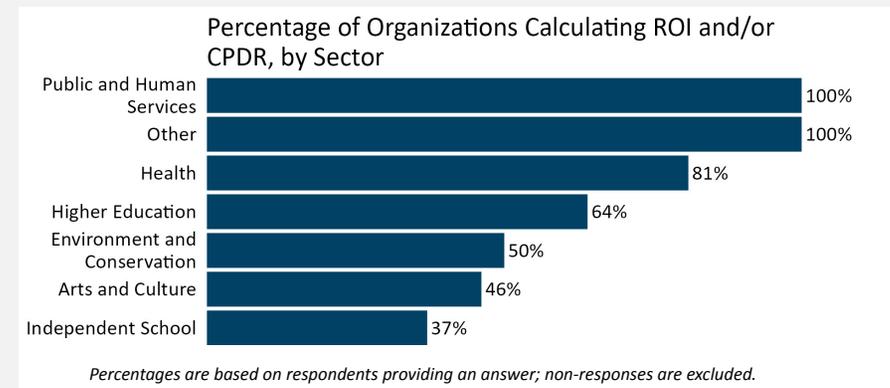
## Benchmarks Across Sectors and Scale

Understanding how organizations resource fundraising is only part of the picture; equally important is how those investments translate into results—a focus of this section.

Before exploring ROI and CPDR benchmarks, it is important to note that not all organizations calculate these measures. Only 38% report calculating **both ROI and CPDR**, while nearly one-third **do not calculate either**.



As shown below, some sectors are much more likely than others to calculate ROI or CPDR. Nearly all **health** and **public and human services** organizations report tracking at least one of these measures, compared with only about one-third of **independent schools** and fewer than half of **arts and culture** organizations. **Higher education** sits in the middle, with roughly two-thirds reporting that they calculate ROI or CPDR. These differences suggest that the adoption of financial performance metrics reflects sector-specific cultures, priorities, and data capacities rather than a uniform standard across the nonprofit landscape.



## A combined dataset provides a more representative view of fundraising performance.

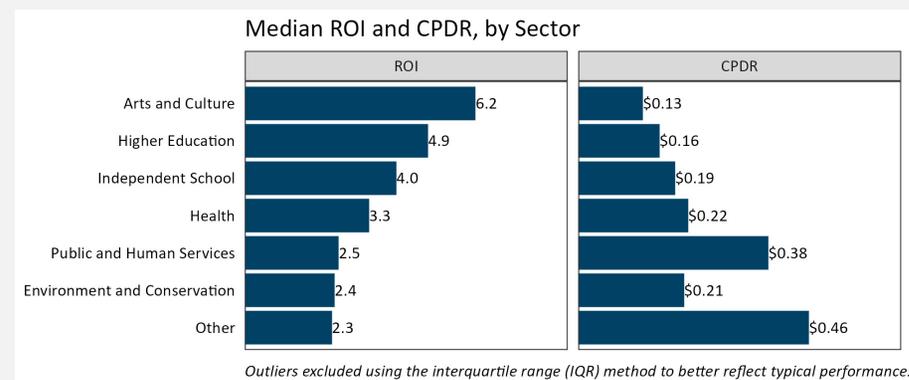
While the survey results illustrate how organizations approach the calculation of ROI and CPDR, the analysis was expanded to provide a more representative view of fundraising performance. To achieve this, data provided by survey respondents were combined with data from Marts&Lundy's benchmarks database. Together, these sources offer a more complete picture of how fundraising investments translate into returns across sectors and campaign contexts.

Across this combined dataset, the **median CPDR was \$0.18**, meaning that the typical organization spent about \$0.18 to generate \$1 in philanthropic support. The **median ROI was 4.5**, indicating that organizations typically generated \$4.50 for every \$1 invested in fundraising. Results varied widely, with most organizations spending between \$0.12 and \$0.24 per \$1 raised and achieving an ROI between approximately 2.5 and 6.5. This variation reflects differences in sector focus, fundraising scale, campaign activity, and other factors.



As shown below, **median ROI and CPDR differ meaningfully by sector.**

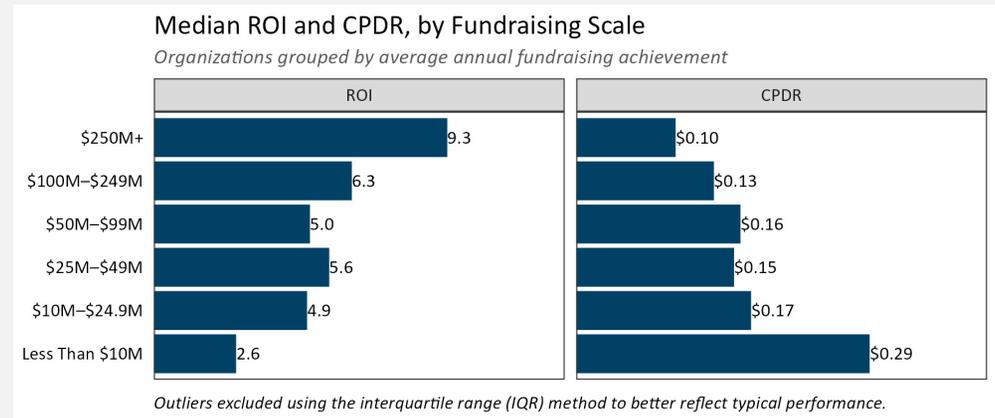
**Arts and culture** organizations achieved the strongest performance, with a **median ROI of 6.2** and a **CPDR of \$0.13**. **Higher education** followed closely (**ROI 4.9, CPDR \$0.16**), while **independent schools** achieved similar efficiency (**ROI 4.0, CPDR \$0.19**). **Health** organizations showed somewhat lower returns (**ROI 3.3, CPDR \$0.22**), and **public and human services** and **environment and conservation** organizations operated with higher relative costs (**CPDR \$0.38 and \$0.21, respectively**) and lower returns (**ROI 2.5 and 2.4, respectively**). Other nonprofits, representing a small, diverse group of institutions, had the highest CPDR (\$0.46) and lowest ROI (2.3). These results highlight how **fundraising efficiency is shaped by sector context**—including donor base composition, campaign intensity, and institutional cost structures—rather than organizational size alone.



## Fundraising scale is strongly associated with efficiency.

Larger organizations consistently demonstrated higher ROI and lower CPDR than their smaller peers. Institutions raising **\$250 million or more annually** achieved a **median ROI of 9.3** and a **CPDR of \$0.10**, compared with an **ROI of 2.6** and a **CPDR of \$0.29** among organizations raising **less than \$10 million** per year. Statistical testing confirmed that these differences are **significant between the smallest organizations and all other size groups** and between the **\$10M–\$24.9M** and **\$250M+** categories.

Although not every step in the size distribution is statistically distinct, the overall pattern is clear: as annual fundraising increases, ROI tends to rise while CPDR declines. In practical terms, the largest organizations achieve roughly three to four times higher ROI and about two-thirds lower CPDR than the smallest organizations. These results underscore that scale confers measurable advantages; larger institutions benefit from established infrastructure, diversified fundraising programs, and efficiencies that lower their relative costs.

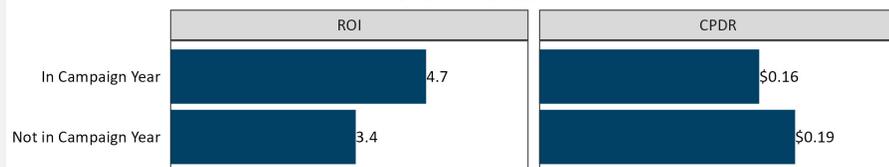


The largest organizations (annual fundraising of \$250M+) achieve roughly three to four times higher ROI and about two-thirds lower CPDR than the smallest organizations (annual fundraising <\$10M).

Efficiency is influenced not only by organizational scale, but also by timing within the fundraising cycle—specifically, whether the organization is in an active campaign year.

In years when organizations were actively engaged in a campaign, the **median ROI was higher (4.7 vs. 3.4)** and the **median CPDR slightly lower (\$0.16 vs. \$0.19)** than in non-campaign years. The differences were statistically reliable, indicating that the stronger performance observed during campaign years reflects a consistent pattern rather than random variation. While the magnitude of difference is modest, the direction is clear: active campaign periods tend to enhance fundraising efficiency. This aligns with expectations; campaigns often concentrate resources, focus leadership attention, and energize donor engagements, leading to higher overall ROI and slightly lower CPDR.

Median ROI and CPDR, by Campaign Status



Outliers excluded using the interquartile range (IQR) method to better reflect typical performance.

Viewed as a whole, the findings establish clear **benchmarks for fundraising efficiency** and highlight that outcomes vary widely by sector, scale, and campaign activity. Organizations can use these benchmarks to evaluate their own efficiency in the context of sector norms and stage in the fundraising cycle.



# BEYOND THE BOTTOM LINE:

## How Organizations Measure What Matters

While ROI and CPDR provide a lens on fundraising efficiency over time, organizations also define effectiveness in broader ways.

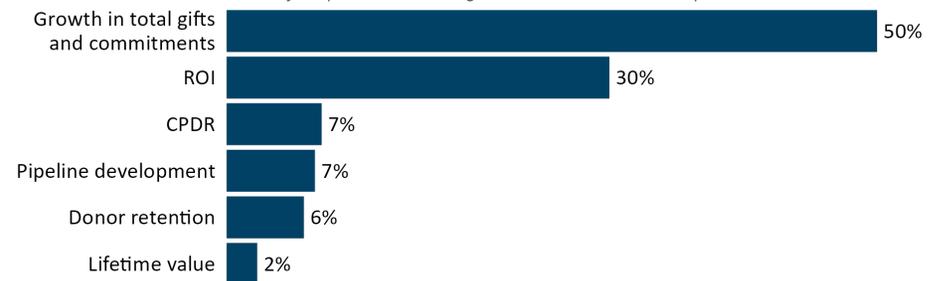
The following section explores how institutions rank different measures of success and where they see ROI and CPDR adding value.

When asked which measures best capture fundraising effectiveness, respondents overwhelmingly emphasized **growth in total gifts and commitments** and **ROI**. Together, these two measures dominated the rankings across all sectors, far outpacing other options such as CPDR, pipeline development, donor retention, or lifetime value.

Sector patterns show important nuances. **Arts and culture** and **environment and conservation** organizations leaned heavily toward **growth in gifts** as their top priority. **Health** organizations were more evenly divided, with strong emphasis on **both ROI and growth**, while **higher education** split almost **evenly between the two**. By contrast, relatively few organizations in any sector ranked **CPDR, donor retention, or pipeline development** as their most important measure, even though many track these indicators in practice.

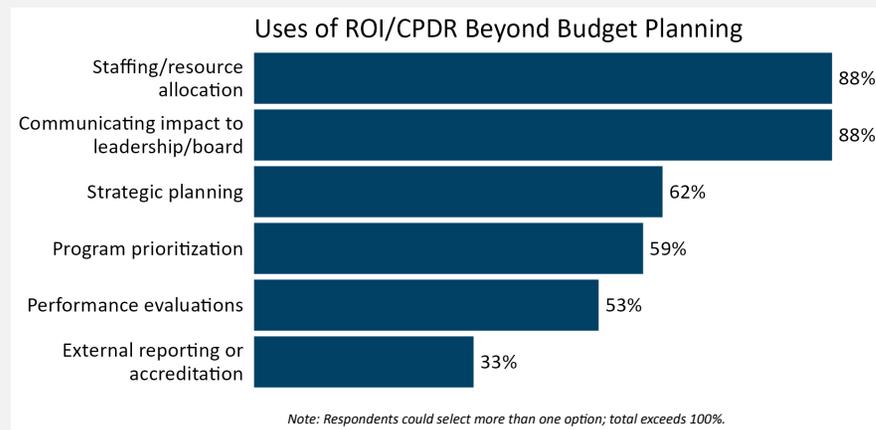
### Importance of Measures Used to Assess Development Effectiveness

*Share of Respondents Ranking Each Measure as Most Important*



## Respondents recognize the value of ROI and CPDR beyond budget planning.

Respondents also recognized that ROI and CPDR could provide value beyond budget planning. Nearly 90% saw these measures as useful in guiding **staffing and resource allocation** and **communicating impact to leadership and boards**. Many also pointed to their potential in **strategic planning, program prioritization**, and **performance evaluation**. While these responses reflect aspirations rather than current practice, they highlight a broadening view of ROI and CPDR as tools not only for financial accountability but also for strengthening decision-making across multiple dimensions of fundraising management.



These findings suggest that while organizations continue to rely on **growth in gifts** as the most intuitive indicator of success, many also see **ROI** as a critical complement that connects fundraising achievement to investment levels. The limited weight placed on CPDR, donor retention, and pipeline development may signal missed opportunities to capture a more holistic view of effectiveness. Institutions that integrate these additional measures alongside growth and ROI could develop a richer, more forward-looking understanding of fundraising performance.

# METHODOLOGY

## About the Research

### Response Base

A total of 243 nonprofit organizations participated in the study. Not all respondents answered every question; percentages were calculated based on those providing an answer, and non-responses were excluded.

**Survey responses were collected between July and September 2025.**

### Currency Conversion

All financial figures were converted to U.S. dollars for comparability across regions.

### Outlier Treatment

Extreme values for ROI and CPDR were excluded using the interquartile range (IQR) method to ensure that benchmarks reflect typical organizational performance.

### Program-Level Data

Program-level investment and return data were collected in limited volume and did not allow for meaningful analysis. These results are therefore not included in the report.



**243**  
organizations



**40**  
U.S. states



**7**  
countries



**USD**



### Definitions

- **Cost per dollar raised (CPDR):** ratio of fundraising expenses to revenue generated.
- **Development:** personnel, functions, and expenditures directly involved in securing philanthropic support through identification, cultivation, solicitation, and stewardship of donors.
- **Return on investment (ROI):** ratio of fundraising revenue generated to expenses incurred.

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