



Federation Benchmarking Project

Lessons Learned from Pilot Study of
Small / Intermediate Federations - 2009

Presented by:

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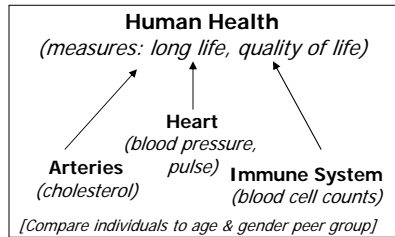
November 9, 2009

Goals for today's session

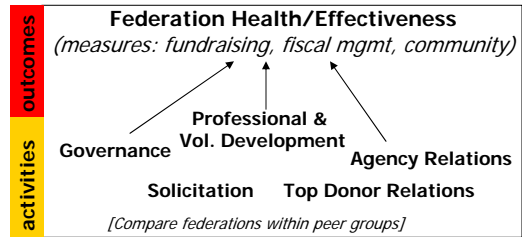
- To familiarize participants with the Federation Benchmarking Project (FBP) of The Jewish Federations of North America
 - To demonstrate the power of benchmarking and data-driven decision-making for federations of all sizes
- To present selected findings from the small / intermediate federation pilot study
 - To discuss potential implications of key findings
 - To learn how one community earned its scores

Purpose of Federation Benchmarking Project: to uncover activities driving federation health

Human



Federation



Benefits of FBP:

- Identifies federation activities linked to desired outcomes
- Compares performance to peers
- Useful management tool
- Because done by national system, FBP offers data consistency and comparability, confidentiality, and reliability

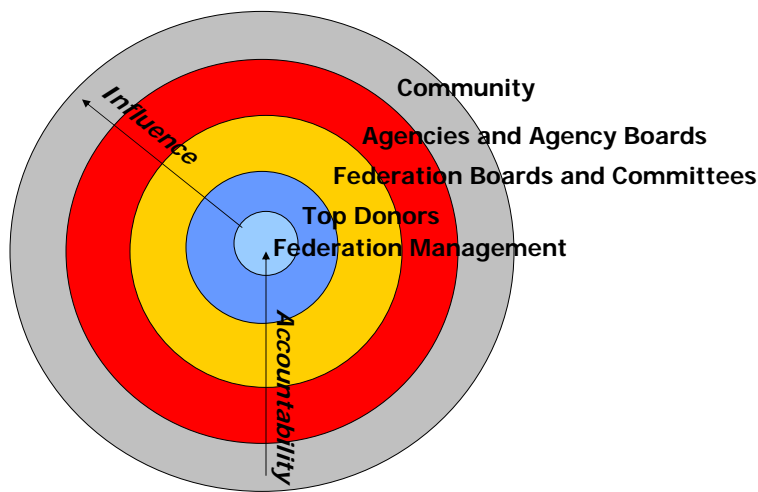
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Concept model: federation concentric circles of influence to the community

Concept Model

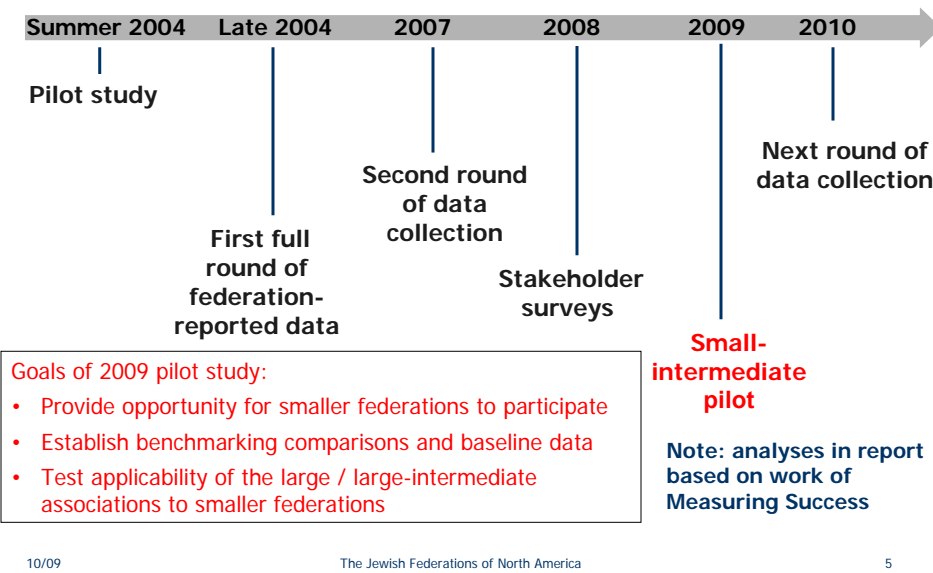


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FBP: a brief history



Participating federations

- Large Federations:
 - Atlanta (2004, 2007 and 2008)
 - Baltimore (2004, 2007 and 2008)
 - Boston (2004 and 2007)
 - Chicago (2007)
 - Cleveland (2004, 2007 and 2008)
 - Detroit (2004 and 2007)
 - Los Angeles (2004 and 2007)
 - MetroWest (2004, 2007 and 2008)
 - Miami (2004, 2007 and 2008)
 - Montreal (2004 and 2007)
 - New York City (2004 and 2007)
 - Northern New Jersey (2007 and 2008)
 - Palm Beach County (2004, 2007 and 2008)
 - Philadelphia (2004 and 2008)
 - Pittsburgh (2004, 2007 and 2008)
 - South Palm Beach (2004)
 - St Louis (2004, 2007 and 2008)
 - Toronto (2004, 2007 and 2008)
 - Washington DC (2004, 2007 and 2008)
- Large-Intermediate Federations:
 - Broward County (2008)
 - Central New Jersey (2008)
 - Cincinnati (2008)
 - Colorado (2004 and 2007)
 - Columbus (2004 and 2007)
 - Dallas (2004, 2007 and 2008)
 - East Bay (2007 and 2008)
- Intermediate and Small Federations
 - Hartford (2004, 2007 and 2008)
 - Houston (2004, 2007 and 2008)
 - Kansas City (2004, 2007 and 2008)
 - Milwaukee (2004 and 2008)
 - Minneapolis (2004 and 2008)
 - Phoenix (2004, 2007 and 2008)
 - Rhode Island (2004 and 2007)
 - Rochester (2004, 2007 and 2008)
 - San Diego (2004, 2007 and 2008)
 - Seattle (2004 and 2007)
 - Vancouver (2004, 2007 and 2008)
 - Winnipeg (2007 and 2008)
 - Ann Arbor (2009)
 - Berkshire County (2009)
 - Central Massachusetts (2009)
 - Champaign-Urbana (2009)
 - Charlotte (2009)
 - Long Beach (2004 & 2009)
 - Louisville (2009)
 - Memphis (2009)
 - North Shore, MA (2004)
 - Richmond (2009)
 - Santa Barbara (2004)
 - Southern Arizona (2004 & 2009)
 - Toledo (2009)
 - Tulsa (2009)

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Limitations and implications of FBP analyses

Limitations

- Correlation does not imply causation
- Not controlled science experiment, so causality is difficult to assess; intuition is needed to sort out direction
- Small data set, although for large/large-intermediate represented nearly the whole population
- Confidence improves as we collect data over time, improve consistency of data, and re-substantiate findings

Management Implications

- Not for evaluation, but tool to help management:
 - Align federation's human and financial resources around key activities
 - Set goals based on data; hold staff accountable
 - Track progress
- Opportunity for federations to learn from each other
- Data not intended to provide an easy answer but for federations to use in decision-making and strategy

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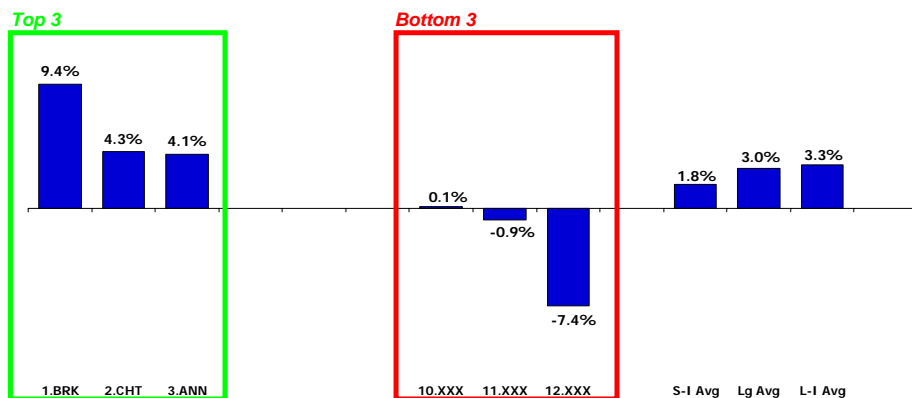
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Outcome

Community outcome: campaign growth

Annualized Campaign Growth, 2005-2008



Note for all slides: Averages for large and large-intermediate federations based on data submitted in 2007 for 2006, and annual rates of change reflect 2003 to 2006 time frame for those federations.

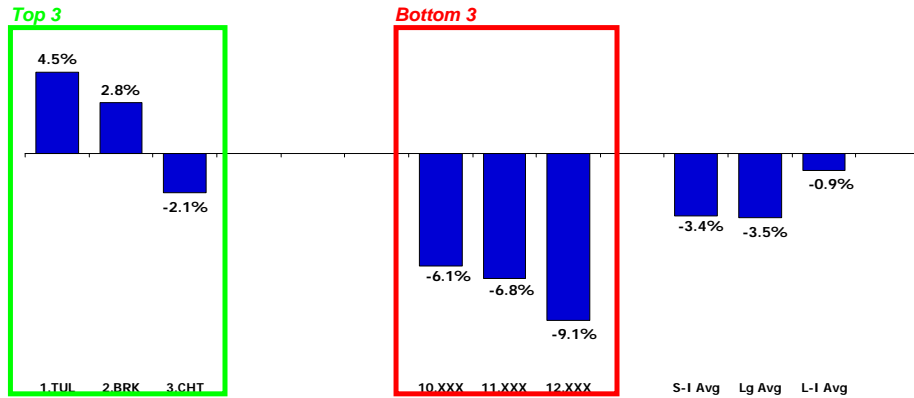
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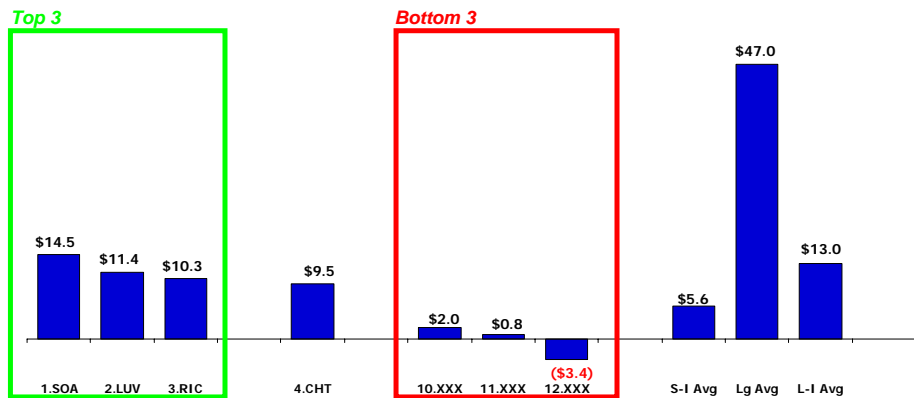
Community outcome: donor growth

Annualized Donor Growth, 2005-2008



Outcome: increases in top donor gift size

Average Increase in Annual Campaign Giving per Top Donor, 2005-2008 \$ in Thousands



Note: Data for small/intermediate federations based on top 25 donors; averages for large and large-intermediate federations based on increases among top 35 donors at each federation

Finding #1: impact of professional cultivation

- More frequent visits by federation professionals with top donors are associated with larger gift increases

Findings – small / intermediate pilot study

- Average increase in campaign gift for top donors is \$5,650 from 2005 to 2008
- Significantly greater increase on average if professional meets with* donor *quarterly* or more often as opposed to less often
 - More frequent meetings associated with even higher increases
 - Lay leaders' frequency of donor stewardship meetings shows no effect

* "Meets with" defined as a pre-arranged cultivation phone call or in-person meeting

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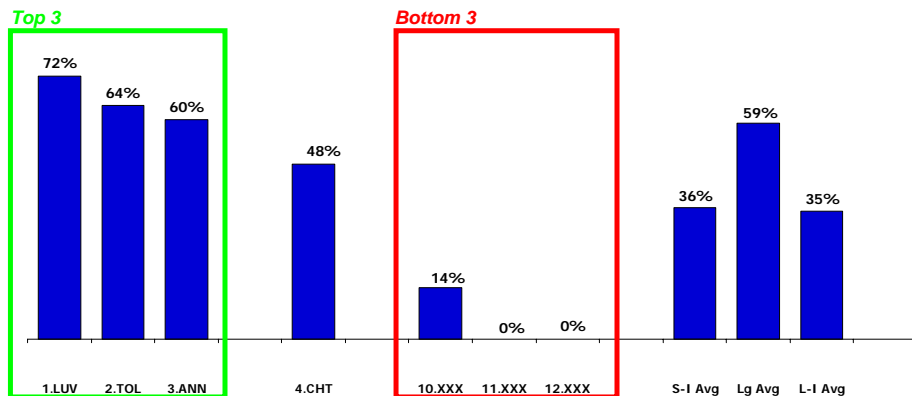
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Top Donors

Frequency of cultivation meetings with top donors

Percent of Top Donors Met With* at Least Quarterly by Professionals, 2008



* "Met with" defined as a pre-arranged cultivation phone call or in-person meeting

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Finding #2: professional solicitation of top donors did not have same impact as in L/LI federations

- For large and large-intermediate federations:
 - +\$10,000 greater increase if top donor solicited solely by professional compared to other solicitation forms
 - Overall average increase was +\$31,500
 - Same federation trend: % of top donors solicited by professionals grew from 23% to 31% from 2003 to 2006

Although professionals in small / intermediate federations are responsible for many top donor solicitations (35% on average), we did not see the same association with giving increases as in larger federations. Why not?

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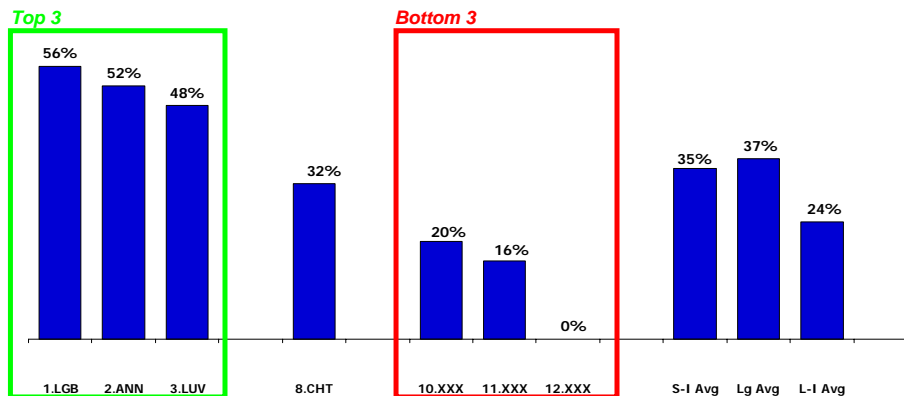
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Top Donors

Top donor solicitation by professionals only

Percent of Top Donors Solicited Solely by Professionals, 2008



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Finding #3: impact of spouse's volunteerism

Findings – small / intermediate pilot study

- On average, top donors whose spouses are volunteers – either at programs or in campaign – make larger gift increases than those whose spouses are not
- Finding is different than for top donors in large / large-intermediate federations where there was no significant association

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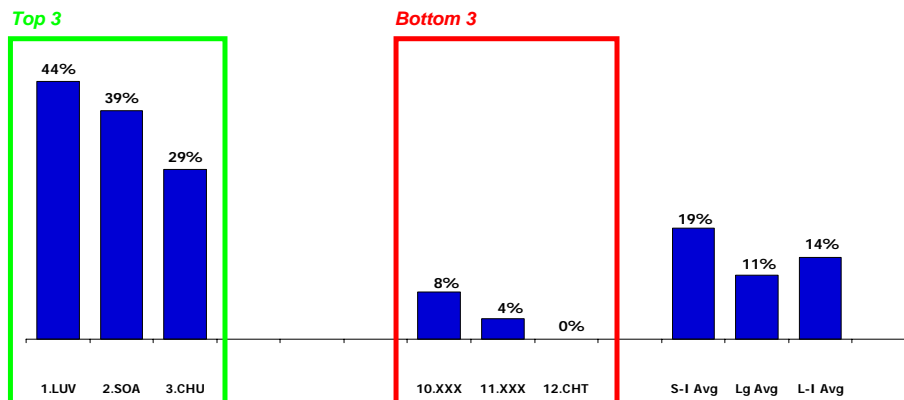
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Top Donors

Top donor spouses who volunteer or solicit

Percent of Top Donor Spouses who Volunteer at Programs or Solicit, 2008



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Finding #4: shift toward restricted giving

TFRD: Restricted gifts may be approach for increasing total giving w/o reducing increase in unrestricted annual gift

Findings – small / intermediate pilot study

- **Trend:** Top donor restricted gifts increase from 4.1% to 4.6% of total campaign gift (unrestricted plus restricted) between 2005 and 2008
 - Average percentage of campaign dollars restricted ranged from 0% (in 4 of the 12 pilot federations) to 21%
- This shift in balance toward restricted giving does not appear to cannibalize the unrestricted annual gift increase
 - In addition, Israel Emergency and one-time/special gifts did not show any effect on the annual campaign gift increase
- A shift in gift toward restricted is associated with greater increase in **total** of top donor's unrestricted and restricted campaign gift

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Finding #5: board campaign gift growth was not linked to overall campaign growth as in L/LI feds

- Small / intermediate federation nominated board members' campaign gifts increased at an annualized rate of 8% from 2005 to 2008, comparable to that of larger federations from 2003 to 2006
- Yet the association seen in the large / large-intermediate federations between growth in board campaign gift and growth in overall campaign did not hold

Are there different expectations of board members in smaller federations? Do they play different leadership roles in the community?

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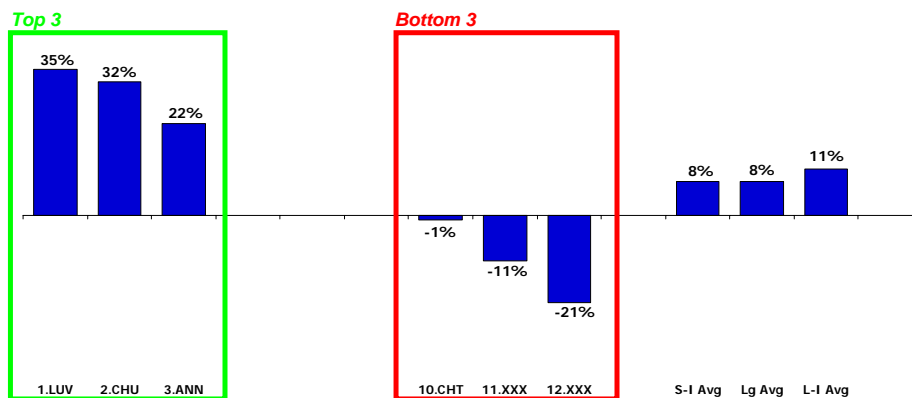
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Federation nominated board increase in campaign giving



Annualized Percentage Increase in Nominated Board's Campaign Gift 2005-2008, based on 2008 board and same individuals' 2005 giving



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Finding #6: executive committee PG&E participation is associated with community-wide PG&E

Findings:

- Executive committee participation in PG&E among small / intermediate federations is marginally linked to higher per capita permanent endowment assets
 - Finding is consistent with first round of large / large-intermediate federation data collection, although the association was not found in the second round

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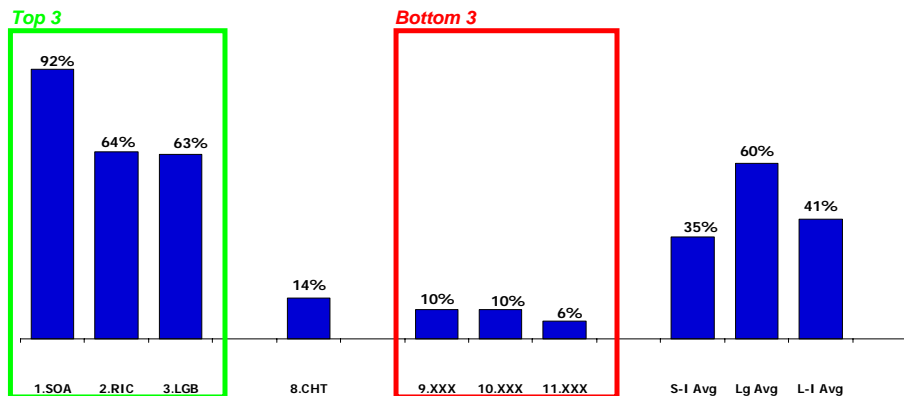
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Federation executive committee commitment to PG&E



Percent of Federation Executive Committee with PG&E Commitment, 2008

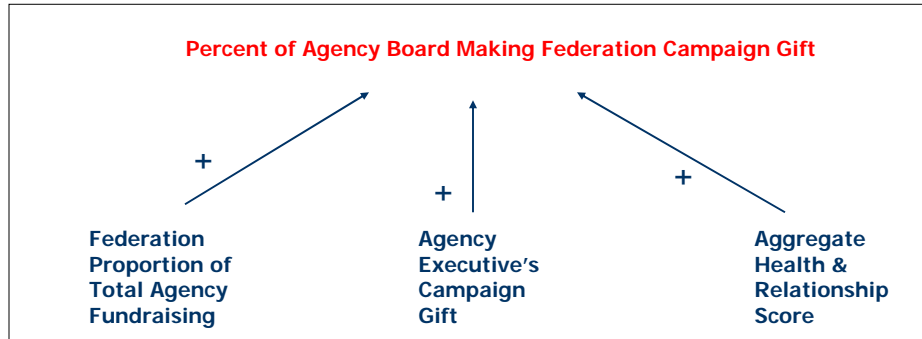


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Finding #7: multiple factors impact the percent of agency boards making federation campaign gift



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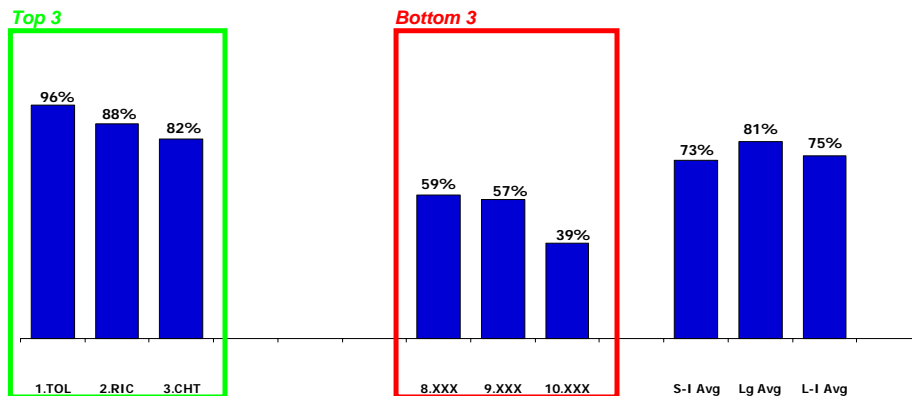
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Outcome: agency board participation in the federation campaign



Aggregate Percent of All Agency Board Members Making Federation Campaign Gift, 2008



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Finding #8: size of agency board and agency exec gifts are important

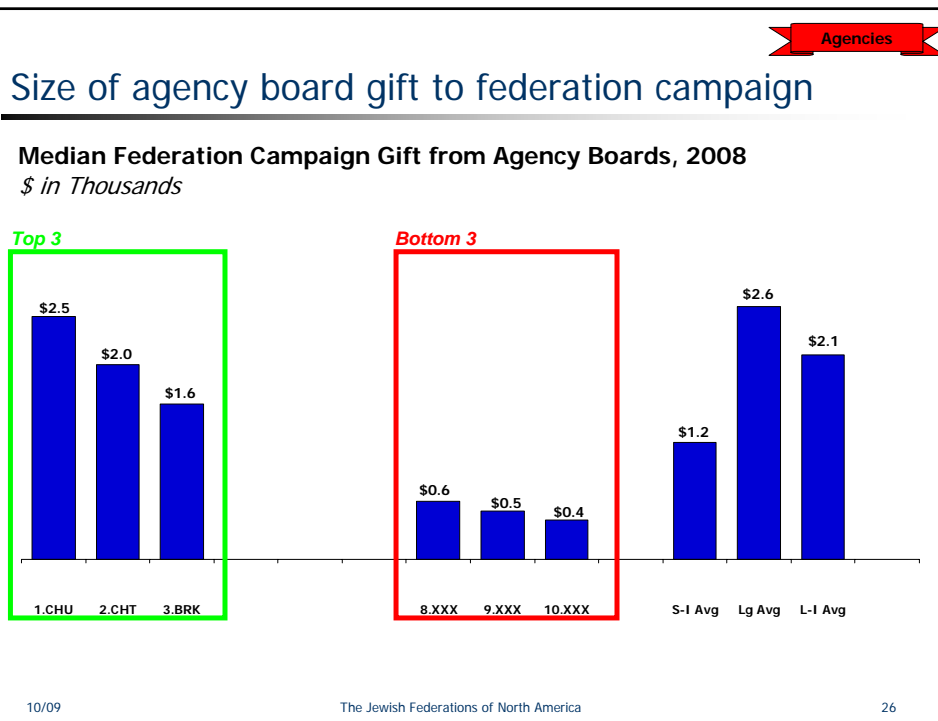
Findings

- Larger median agency board campaign gift and agency exec gift are associated with:
 - Increased agency board giving to federation
 - Higher average community campaign gift

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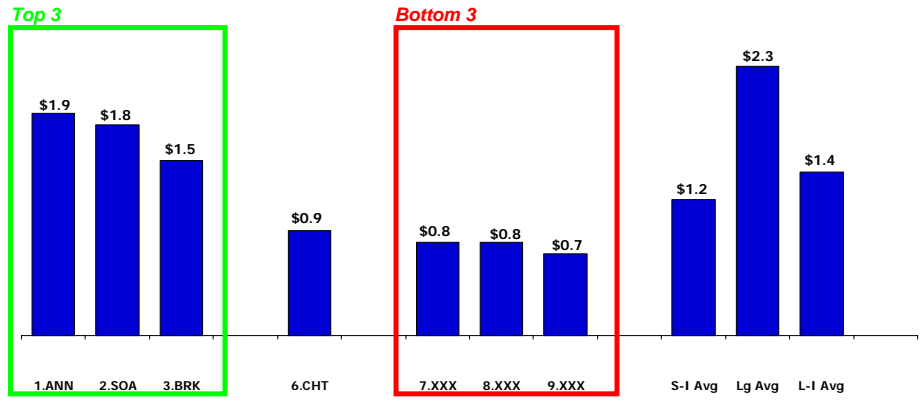
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Size of agency executives' federation campaign gift

Average Federation Campaign Gift from Agency Executives, 2008
\$ in Thousands



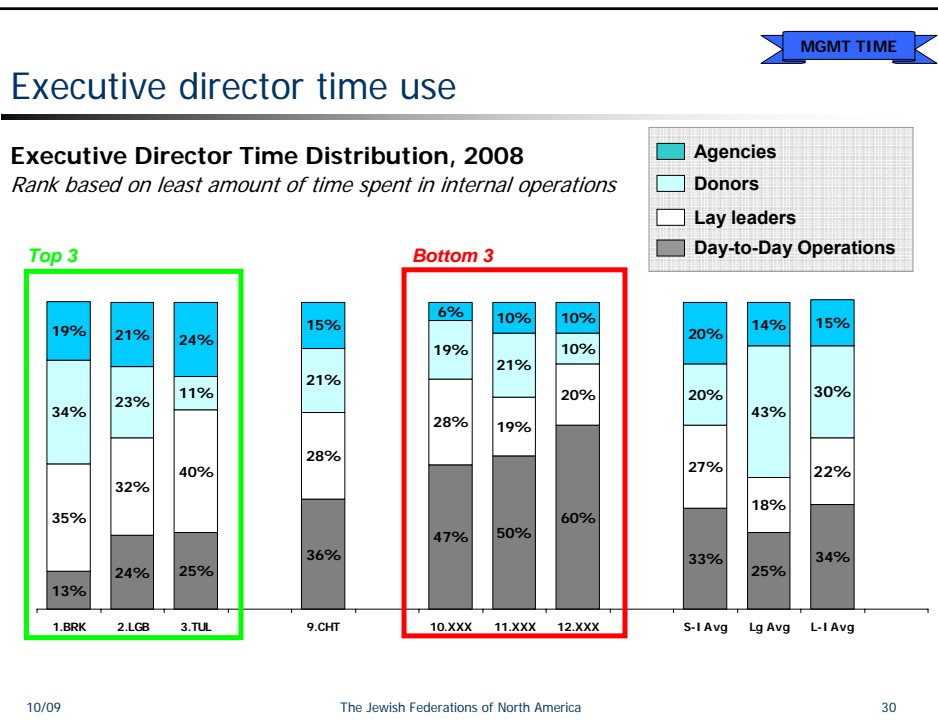
Finding #9: differences in senior management time distribution

- Senior management teams in pilot small / intermediate federations ranged from 1 to 6 professionals, with an average of 3.3
 - In large / large-intermediate federations, the teams averaged 7.3 people (range of 3 to 12)
- Significant variation across federations (in all city-size groups) in how senior managers as a group and executive directors as individuals spend their time
- For the larger federations, less time in day-to-day operations was associated with many positive outcomes, including top donor gift increases and higher agency health scores; association did not hold in small and intermediate pilot

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Finding #10: consistency of expense distribution

- Distribution of expenses by major category is generally consistent across city-size groups
- For the larger federations, the distribution was also consistent across two rounds of data collection
 - Only significant difference was smaller proportion spent on professional and volunteer development in 2006 than in 2003
- Data provide baseline for analyzing impact of economic downturn on federation budgets

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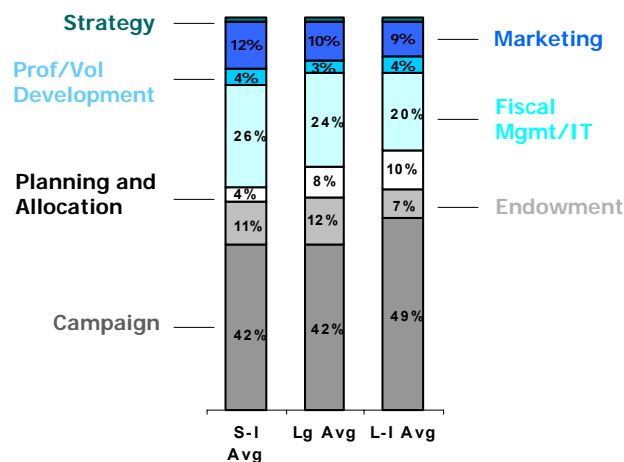
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Expenses

Distribution of expenses

Federation Operating Expenses (no direct services) by Function, 2008

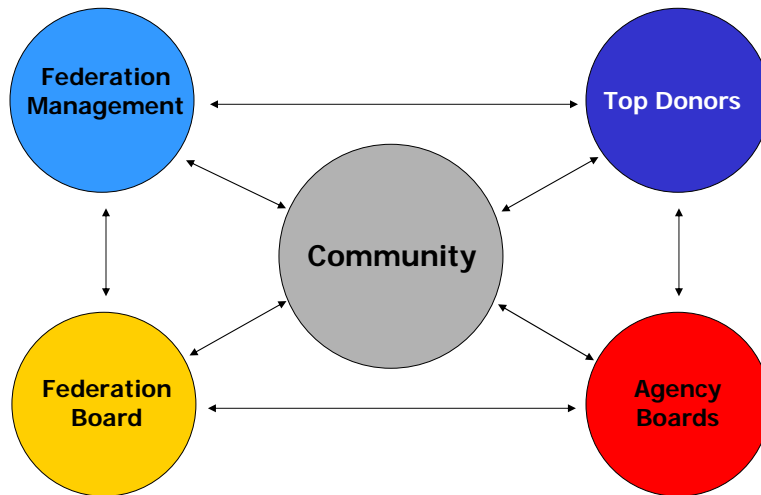


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Pulling it all together



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Thank you

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