

# THE STATE OF DATA IN THE NONPROFIT SECTOR

 everyaction



nonprofit hub

## INTRODUCTION

40%

of nonprofit  
professionals use data  
to make decisions



60%

of nonprofit  
professionals don't  
use data to make  
decisions

Data is a term we've come to associate with the for-profit world, but in the nonprofit world it's seemingly not as prevalent. Natural-born do-gooders came into the nonprofit sector with one mission—to leave the world a better place than they found it. Nobody mentioned data in that equation.

However, if you want to give your nonprofit every chance it has to improve and succeed, data is vital. Data can help you predict future trends, gather donor statistics, analyze fundraising trends and more. That's why Nonprofit Hub and EveryAction have partnered to bring you a better look at the ways nonprofits are collecting data and to identify how they're using the data for success.

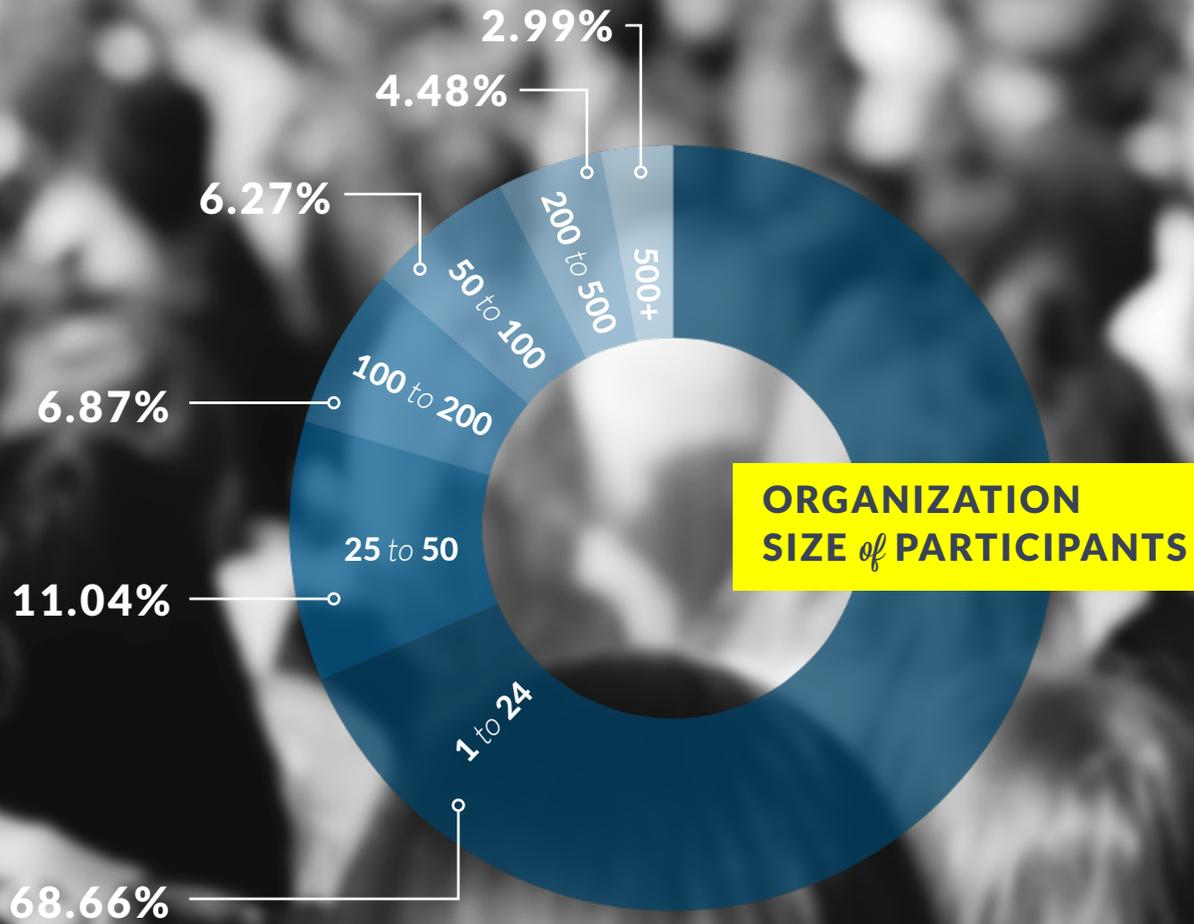
To gain insight, we conducted a survey with hundreds of nonprofits. While 90 percent of

all respondents said they sometimes or always tracked data, 48 percent said they weren't sure of all the ways that their organization was tracking data.

It's a good start that most nonprofits are collecting data, but simply tracking it isn't enough. Our findings produced clear results stating that many nonprofits are collecting data, but often aren't sure what to do with it. For example, **only 40 percent of nonprofit professionals said they use data very often to make decisions or in every decision they make**, and 46 percent said they do not consistently use data to make decisions.

Let's dive deeper into the world of nonprofit data to discover how nonprofits can be more successful.

# DEMOGRAPHICS



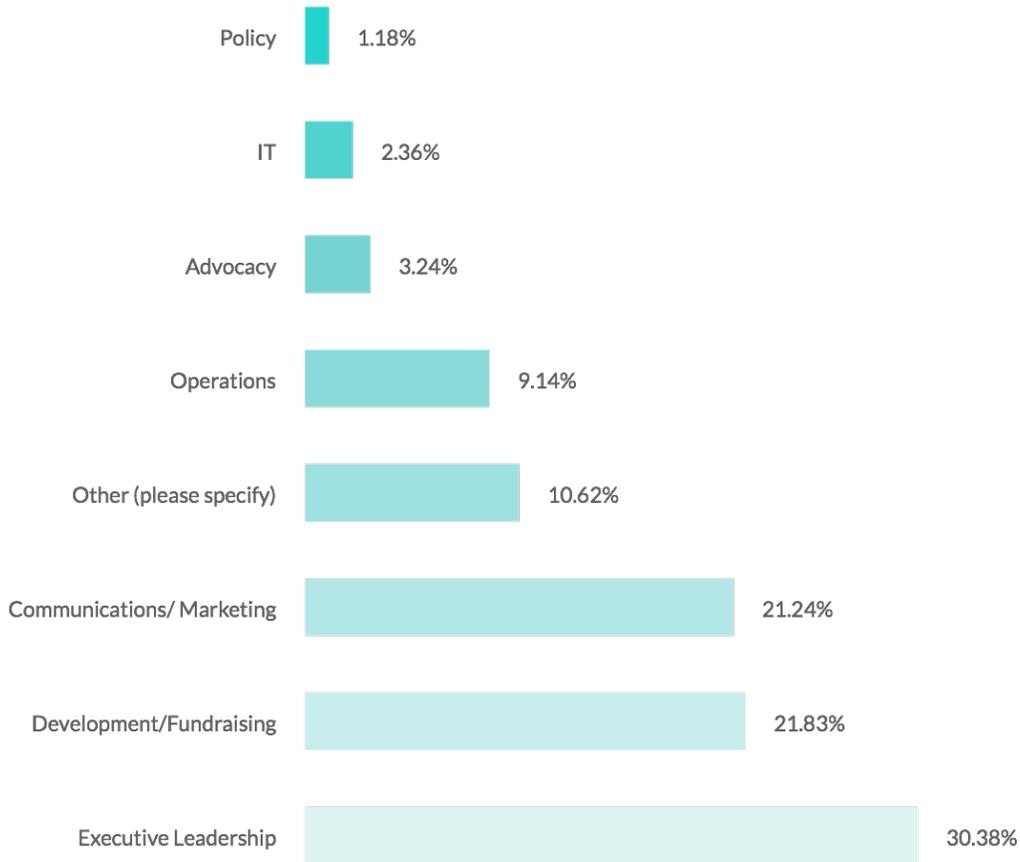
For the survey, **467 nonprofit professionals participated**. Of those polled, 337 identified the size of their organization. The majority of respondents identified as small nonprofits (231 or 69 percent of those who answered). Small nonprofits identified as consisting of 1-24 staff members.

1 to 24	25 to 50	50 to 100	100 to 200	200 to 500	500+
231	37	21	23	15	10
68.66%	11.04%	6.27%	6.87%	4.48%	2.99%

Respondents for this survey included a wide variety of nonprofit sector professionals, including executive leadership (30 percent), development/fundraising professionals (22 percent), communications and marketing professionals (21 percent), and operations (9 percent), among others.

# DEMOGRAPHICS

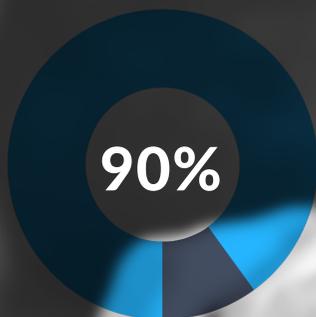
## HOW WOULD YOU DESCRIBE YOUR ROLE IN YOUR ORGANIZATION?



Answer Choices	Responses	
Advocacy	3.24%	11
Policy	1.18%	4
Executive Leadership	30.38%	103
Communications/Marketing	21.24%	72
Development/Fundraising	21.83%	74
Operations	9.14%	31
IT	2.36%	8
Other (please specify)	10.62%	36
<b>Total</b>		<b>339</b>

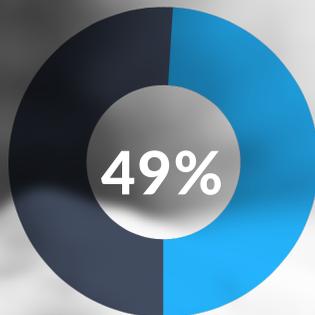
## THE MAJOR FINDINGS: NONPROFITS COLLECTING DATA

### THE GOOD



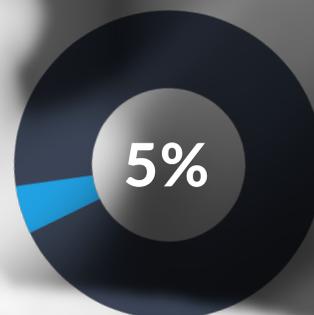
90% said they are collecting data

### THE BAD



49% don't know how their organization collects data

### THE UGLY



5% use data in every decision they make

The results from the survey produced all types of findings about data—some good, some bad and, well—some ugly.

**THE GOOD:** Many nonprofits are collecting data. That's the best place to start. Of the nonprofits polled, 90 percent said they are collecting data. We commend all these nonprofits for taking their first steps into the data world.

**THE BAD:** While collecting data is great, 49 percent said they either don't know or weren't sure about all of the ways their organization was collecting data. If you don't know how data is being collected, you can't use it to your advantage to make decisions and better your organization.

**THE UGLY:** A mere 5 percent said they were using data in every decision they make. Plus, 13 percent said they rarely use data, or not at all (gasp!). Excuse our language, but we consider rarely or not using data at all to be downright ugly. Using data to know what works and what doesn't can help drive changes to your website, email, marketing tactics and so much more.

# THE TOP 5 FACTORS PREVENTING ORGANIZATIONS FROM UTILIZING DATA

It's clear that the majority of nonprofits wanted to be better about utilizing the data that they had gathered—97 percent of the nonprofits surveyed expressed interest in learning how to use their data more effectively. To combat these issues, it's important to know what factors prevented organizations from making strides in collecting and effectively utilizing data. So, without further adieu, these are the top five factors nonprofits said were preventing them from using data.

Organizations aren't collecting enough data

36%

Lack of tools to help analyze data

42%

Data isn't kept in one place

46%

Personnel doesn't have enough experience using data

55%

Not enough time, or personnel to focus on data

79%

# THE TOP 5 FACTORS PREVENTING ORGANIZATIONS FROM UTILIZING DATA

## 1. NOT ENOUGH TIME, OR PERSONNEL TO FOCUS ON DATA (79 PERCENT).

In actuality, nonprofits can save time in other places by tracking data. For instance, data can help streamline the fundraising process, increase donor retention and much more. By tracking data and keeping track of every interaction, you're getting better insight into your donors and the fundraising process. You're finding out what donors like and what they'd like you to change. When you listen to that data, you improve their experience.

## 2. PERSONNEL DOESN'T HAVE ENOUGH EXPERIENCE USING DATA (55 PERCENT).

Sixty percent of nonprofits said they did not have a team member that was specifically tasked with managing and analyzing data. However, this doesn't need to be a full-time task. Designate somebody to be the data gate-keeper. They can designate others to help, but somebody should be trained on the software and be able to train and help others. Keep in mind that there are various types of software tools with different functions, but no matter how you manage your different types of data, come up with a logical plan suited to the needs of your organization.

## 3. DATA ISN'T KEPT IN ONE PLACE (46 PERCENT).

Having a central location makes data run like a well-oiled machine. Save time by finding software that allows you to track multiple aspects of your data. If you can, look for software that can keep multiple types of data, like fundraising and donor statistics, in one place.

## 4. LACK OF TOOLS TO HELP ANALYZE DATA (42 PERCENT).

Having software tools for your data is a must, no matter how big or small your organization is. Luckily we live in a time where there are ample options to succeed at any cost.

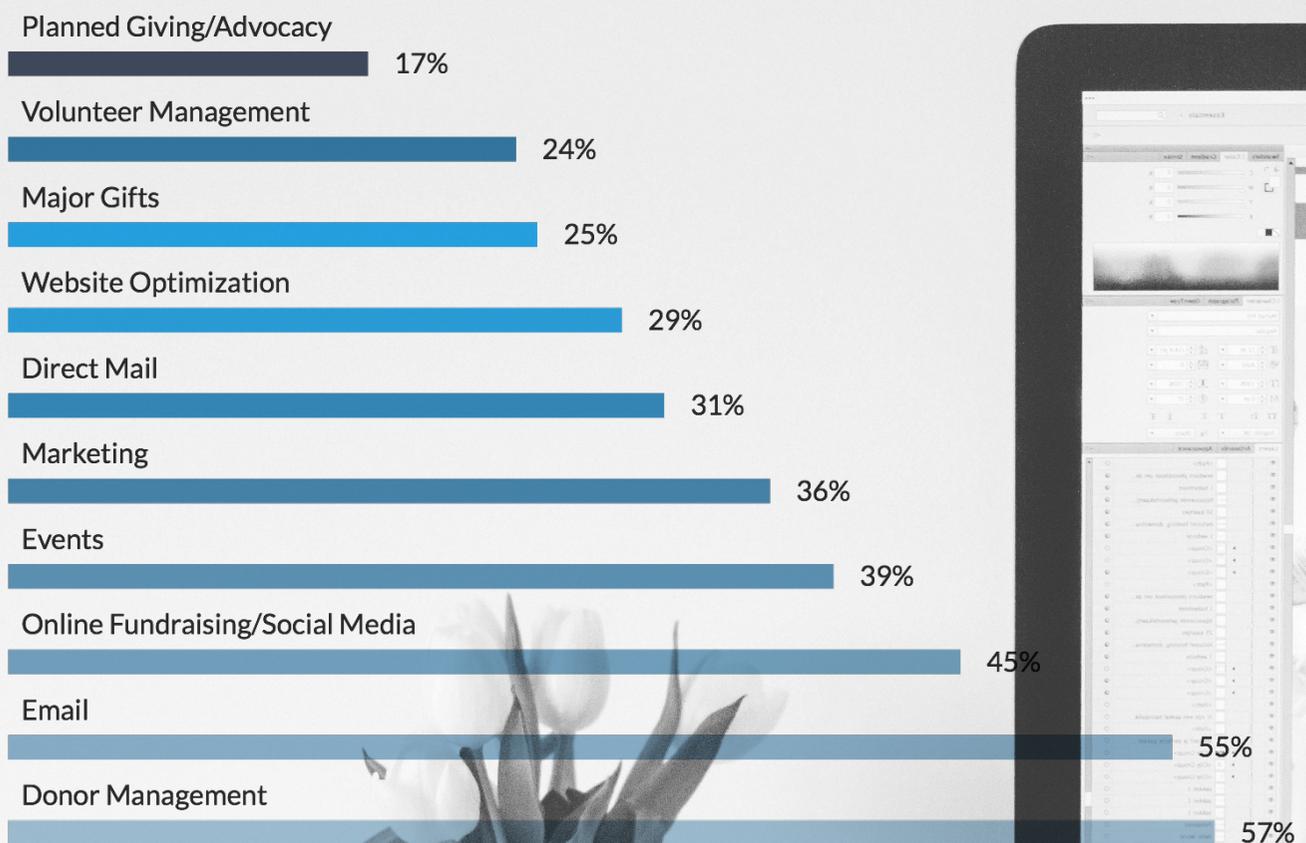
## 5. ORGANIZATIONS AREN'T COLLECTING ENOUGH DATA (36 PERCENT).

This is something that shouldn't wait. Data can help improve multiple aspects of your organization, helping you achieve your mission more effectively. Check out the different types of data your organization could be collecting in the section below.

# WAYS ORGANIZATIONS ARE USING SOFTWARE TO COLLECT AND MANAGE DATA

There are many types of software out there that track different types of data, and some with the option to track multiple types. Take the time to figure out what software will work best for the functions your organization needs.

These are the top ways nonprofits said they were using software to collect data at their organizations.



# WAYS ORGANIZATIONS ARE USING SOFTWARE TO COLLECT AND MANAGE DATA

29%

Only 29% of respondents use data to track their website optimization

A particularly alarming statistic comes from the amount of respondents using data to track their website optimization (only 29 percent). Websites also provide a face for your organization in the digital world we live in. Often, websites are the first place individuals interact with a nonprofit. And in the age of online giving, a smooth donation process can drastically increase fundraising opportunities—making the optimization of your website for visits and for tracking conversions essential. Plus, there are free tools such as Google Analytics that can easily help you track page views and find out where traffic is coming from.

Major gifts data is another area of concern for collecting and managing data. Major gifts make up a large portion of many organizations' fundraising efforts. Knowing the data on major gifts and using it to your advantage can

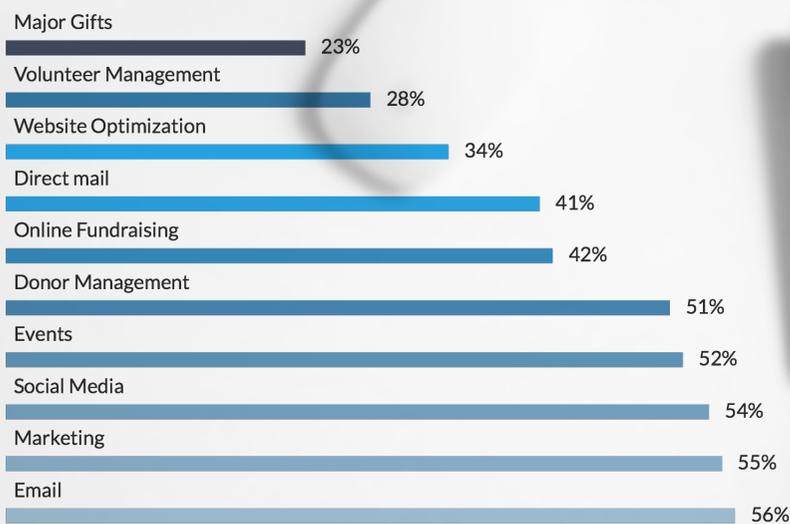
drastically help fundraising efforts. Although donor management as a whole received the best response (57 percent), segmenting data is important to provide donors with the best experience based on their giving patterns. That can help you identify the specific patterns of major donors and allow you to further cultivate them.

Despite some of the low numbers, the use of data is not for lack of want, according to the findings. The same respondents indicated they would like to better utilize data for marketing, online fundraising, donor management, social media and a host of other aforementioned activities. Make sure your organization identifies when it's most beneficial to track certain types of data. And fear not—your organization doesn't have to implement all of these programs at once. Start by utilizing one type of data at a time and go from there.

# USING DATA TO MAKE INFORMED DECISIONS

If you're collecting the data but not using it to influence your decisions, does the data matter at all? Simply put—no. Your organization ends up with numbers that simply sit there in limbo providing no added value.

Why wouldn't organizations use data that they already have? Nonprofits indicated that they weren't confident in the effectiveness of utilizing their data. **Only 6 percent of respondents said they felt they were effectively using the available data at their disposal.** Thirty-three percent indicated they weren't using data effectively or at all.



Nonprofit professionals agreed: 87 percent indicated that data was moderately to extremely important to operations and decision making. However, responses indicated that organizations as a whole placed much less importance (57 percent) on data in those circumstances, showing a disconnect between the way staff and organizations are using data as a whole. Nonprofit professionals need to take charge to change the thinking at their organization. All it takes is the thoughtful idea of one individual to start a revolution.

There are many ways that organizations can integrate the use of data into their decision

making process for various outlets and activities.

Other ways nonprofit professionals indicated they were using data to make informed decisions included advocacy, planned giving, corporate or foundation purposes and face-to-face or street canvassing.

For most nonprofits, weekly informed decisions based on data seemed to be the most feasible. Only 22 percent of respondents actually use their data on a weekly basis, yet 40 percent say they'd like to be using data to make informed decisions on a weekly basis.



## DATA IS ONLY AS GOOD AS THE SOFTWARE

Software for tracking and analyzing data is only as useful as the training your staff receives and the interface you use.

**31%** While 61 percent of participants said they used software every day, **nearly half of respondents (31 percent) said they were not at all or somewhat likely to recommend their software to another organization.**

**WILL NOT RECOMMEND THEIR SOFTWARE**

The best software provides little benefit if it isn't being used properly. Alarming overall, only 5 percent of survey participants said they took full advantage of data collected by their software tools.

When it comes to taking advantage of data collected by software tools, there was a distinct difference between small and large organizations. Forty-nine percent of small organization respondents (1-24 staff members) said they sometimes take advantage of data collected by software tools. Meanwhile, 50 percent of large organizations (500+ staff members) said they often take advantage or take full advantage of data collected by software tools. Keep in mind, **big data isn't just for big nonprofits.** With the proper tools,

integrating data into your plans should be a seamless process. However, the wrong tools could end up slowing your organization down.

A lack of extensive training could be at the root of some nonprofits' software woes with data organization and implementation. A mere 3 percent overall indicated that they had received very extensive training on their software. In comparison, 40 percent said they had received very little training.

**5%** In conjunction with lack of training, **only 5 percent of nonprofits indicated that their software was extremely user-friendly.** Only 3 percent of people who described their software as moderately or extremely user-friendly said they did not find software to be useful, indicating a large margin of happy software customers when they felt their software was easy to use.

**OF NONPROFITS SAY THEIR SOFTWARE IS USER-FRIENDLY**

With user-friendly software, data is much more accessible to evaluate and use for decision making. User-friendly software empowers the end-user to feel confident with the results they're producing by collecting and analyzing data.

## CONCLUSION

97%

of participants indicated that they might be or were interested in learning more about data.

Nonprofits should not only be aware of the data they're tracking, but also how they're utilizing the data. Then, take it a step further—process how effectively your organization is using data to influence decisions and how often.

Nonprofits cited time constraints as the number one reason they don't properly use data. However, tracking that data can drastically improve fundraising, donor retention efforts and more, creating a more effectively run organization. The more you know about donors, the more you can use that information to your advantage to personalize and tailor their donor experience. Thus, the data collected can help you retain donors and gain more fundraising dollars. And using software can help you track data on every touch you make with a donor.

Nonprofits can save time by making an effort to be properly trained in their software and by choosing a user-friendly software interface.

Ninety-seven percent of participants indicated that they might be or were interested in learning more about data. Start by utilizing the data you have readily available, and by making an effort to understand your data software. Take the time to seek out opportunities to learn more about data and how to use it.

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