



## The Campaign Budget

***INVESTMENT Not Expense.*** If we think of money in the fundraising budget as an intelligent investment in future growth instead of a regrettable expense, we can report our costs confidently.

There can be no single formula for establishing a fair cost per dollar raised across the industry, because there are simply too many variables. For instance, there are built-in cost efficiencies for organizations representing highly popular or compelling causes, or for institutions that have been in business for a long time. Just as in any other business or in personal financial planning, you must invest first in order to realize a return. The challenge is to make smart investments.

*The moment a donor's gift is first received is the moment that the process of gift renewal begins. This means that everything we do with that donor is an investment in the next gift; it is not paying for the last one.*

**Donors are capital assets in fundraising.** In accounting terms, we think of depreciating the value of capital assets over a number of years. Donors are a development department's capital assets with a twist—they never wear out. They are a fundamental capital asset in fundraising that never depreciates—except through neglect. Just as a business includes both assets and income, so does fundraising, with the donors themselves as the assets and their gifts the income. Assets and income combined are required to get the job done.

The newly acquired donor, and not the absence of donors, is a starting point for fundraising. If we think about donors in terms of capital assets, it will eliminate the stress over the cost of acquisition while putting the onus squarely on the fundraisers' shoulders to keep donors giving for much longer.

To sustain fundraising growth, your institution must utilize the best available professional expertise and fundraising tools at their disposal. Investment in "Donor-Centered Fundraising" will be justified by its dramatic return on that investment.