

How strategic investments can fuel NGO fundraising success & resilience

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Table of Contents

<i>Executive Summary</i>	<i>03</i>
<i>Background</i>	<i>06</i>
<i>Detailed findings</i>	<i>06</i>
<i>Key Insights: Best Practices and Lessons from NGO Successes and Challenges</i>	<i>10</i>
<i>Recommendations for Donors</i>	<i>14</i>
<i>Conclusion</i>	<i>15</i>
<i>Annexures</i>	<i>16</i>

Section 1 - Executive Summary

1. Overview

This white paper highlights the significant impact of targeted grants given to 11 diverse NGOs in strengthening their fundraising capabilities between FY2013 and FY2024. These grants were focused on building financial resilience by helping NGOs invest in key aspects of fundraising such as strategy, hiring and upskilling teams, leveraging technology, and improving operational processes. The evidence presented in this paper clearly showcases that investment in fundraising is a vital and strategic lever for NGOs, essential for driving long-term growth and sustainability. It also highlights the need for donors to prioritise strengthening this critical function to enable their grantee partners to perform effectively.

Demographic profile of the NGOs studied:

11 NGOs

Sectors represented: 50% in education
50% in community development, policy advocacy, sports, and urban governance

Median Age

17 years

7 years to 35 years

Median Annual Expenditure

INR 4.2 crores

INR 49 lakhs to INR 13 crores
During the Intervention Year

Overview of grant support for Fundraising domain:

Median Annual Grant Size

INR 9 lakhs

INR 7 lakhs to INR 15 lakhs

Median Support Period

4 years

4 years to 8 years

2. Key Findings

In the absence of impact metrics that can be used to fairly compare performance across the cohort, over a ten-year period, the study evaluated the performance of the NGOs across following three dimensions:

1. *Payback on Fundraising Investment (POFI)*

The payback period calculates how long it takes for an NGO to recover the costs incurred from fundraising efforts through the donations or funds raised. In other words, it measures the time it takes for the NGO to start seeing a return on its investment in fundraising activities.

2. *Financial Growth*

This reflects an organisation's capacity to scale resources and impact sustainably while ensuring financial resilience.

3. *Donor Growth & Diversity*

This aspect demonstrates an NGO's success in broadening its base, improving retention, and increasing grant sizes, ensuring sustained support and trust.

The progress however varied across organisations, influenced by factors such as leadership commitment, investment in fundraising personnel, and the maturity of internal management processes. On further analysis, the NGOs were categorised into two performance groups: the Leading 5 and the Trailing 6. While the Leading 5 excelled across most indicators, the Trailing 6 also made notable progress, underscoring the transformative impact of strategic investments in fundraising capabilities.

The below findings showcase their performance across various indicators on all three dimensions post a minimum of 2 years of intervention:



Payback on Fundraising Investment (POFI)

1.1. Lowest payback period: Depending on how the funds are utilised, the median payback period for NGOs is in the range of one to four months. When funds are allocated to hiring dedicated personnel, it has been observed that the payback period typically begins once the person is fully settled, usually takes around 4-6 months.



Financial Growth

2.1. Accelerated Growth for Leading NGOs: The Leading 5 NGOs achieved a 39% Compounded Annual Growth Rate (referred as CAGR), compared to 13% for the Trailing 6. The median growth rate was 23% while the sector¹ recorded a median growth of 15%.

2.2. Sustained Runway months: Runway months show how long an NGO can operate with existing funds if no new income is raised. The median runway for NGOs is 15 months, with the Leading 5 at 20 months and the Trailing 6 at 11 months.



Donor Growth & Diversity

3.1. Expanded Donor Base: The NGOs achieved an overall 2.5x increase in their donor base, with the Leading 5 increasing by 2.6x and the Trailing 6 by 1.8x. This showcases good growth for both groups, highlighting the impact of improved donor outreach and engagement strategies.

3.2. Boost in Donor Retention: The median donor retention rate improved from 50% to 70%, driven by enhanced donor engagement, robust reporting, and effective tracking mechanisms. Retaining donors is often more cost-effective than acquiring new ones and this improvement suggests NGOs are building deeper, longer-term relationships with their supporters.

3.3. Improved Grant Ticket Sizes: The Leading 5 NGOs saw a 66% increase in grant sizes, reflecting strong donor trust, while the Trailing 6 experienced a much smaller increase of 9%. The median rise was 59% showcasing improved donor trust and confidence.

The findings emphasise the critical importance of treating fundraising as a core organisational capability rather than just a support function. It also demonstrates that having a clear fundraising strategy, hiring professional fundraisers, sustaining donor engagement, and developing diverse funding sources are not merely best practices but essential components of financial resilience.

It is critical that donors should consider longer-term, more strategic support to their grantee partners to build their fundraising capabilities, as it consistently leads to better outcomes in terms of financial sustainability and organisational growth.

These outcomes were made possible through a targeted emphasis on building and strengthening the fundraising teams, highlighting the critical role of dedicated personnel in driving sustainable growth and impact.

Key highlights of the investment in fundraising team are shared below:

Highest allocation in hiring: 6 of 11 NGOs allocated over 90% of the grants to hiring dedicated fundraising professionals, addressing critical capacity gaps.

Growth in team size: With the focus on hiring personnel, the average team size grew from 1 to 3 members (excluding Founder/CEO) for this cohort of NGOs. This investment significantly boosted organisation's internal fundraising capabilities.

Shifting Founder focus to Core Strategic Priorities: With dedicated fundraising personnel in place, founders were able to reduce their time spent on fundraising from a median of 60% to 40%. This allowed them to redirect their focus toward strategic priorities, including scaling growth plans, nurturing organizational culture, and driving long-term impact.

Section 2 - Background

The founders of A.T.E. Chandra Foundation (ATECF) embarked on their philanthropic journey over a decade ago, noticing that most NGOs faced challenges in scaling their impact and often remained small in their operations. As they delved deeper, they discovered that the majority of organisations approached them for programmatic grants, neglecting the importance of institution building and, most crucially, fundraising. This highlighted a critical gap—not in intent, but in approach. While programmatic funding addresses immediate needs, fundraising is essential for enabling organisations to sustain and expand their impact over the long term.

This understanding led to a pivotal hypothesis: investing in fundraising as a foundational capability can unlock exponential growth and amplify impact. To test this, the Foundation initiated exclusive grants focused on building fundraising capacity for NGOs with the potential to scale their operations and outcomes.

This white paper examines the impact of these fundraising grants and also highlights best practices for success and lessons from failures to help NGOs be strategic and make informed decisions. By sharing these insights, we hope to inspire both donors & NGO leaders & board members to reframe fundraising not as an overhead cost but as a strategic enabler—essential for organisational success and long-term social change.

Section 3 - Detailed findings

The findings confirm that sustained investment in fundraising capabilities deliver high returns, significantly enhancing the financial resilience and long-term sustainability of NGOs.

This section provides a comprehensive evaluation of the payback timeline for 11 NGOs, highlighting their financial and donor growth. It also includes a comparative analysis of the Leading 5 performing organizations versus the Trailing 6. Subsequently, this report delves into best practices and learnings shared by these NGOs, highlighting what works and what doesn't, to guide others in making informed decisions about their fundraising investments.

1. Payback on Fundraising Investment (POFI)

This metric helps organisations evaluate the effectiveness of their fundraising efforts by calculating how much they spend to raise funds relative to their overall budget. It considers the total cost of fundraising activities over a period and compares it to the organisation's average annual budget. By doing so, it provides a clear indication of how efficiently resources are being used to sustain and grow the organisation's impact.

Key Insight:

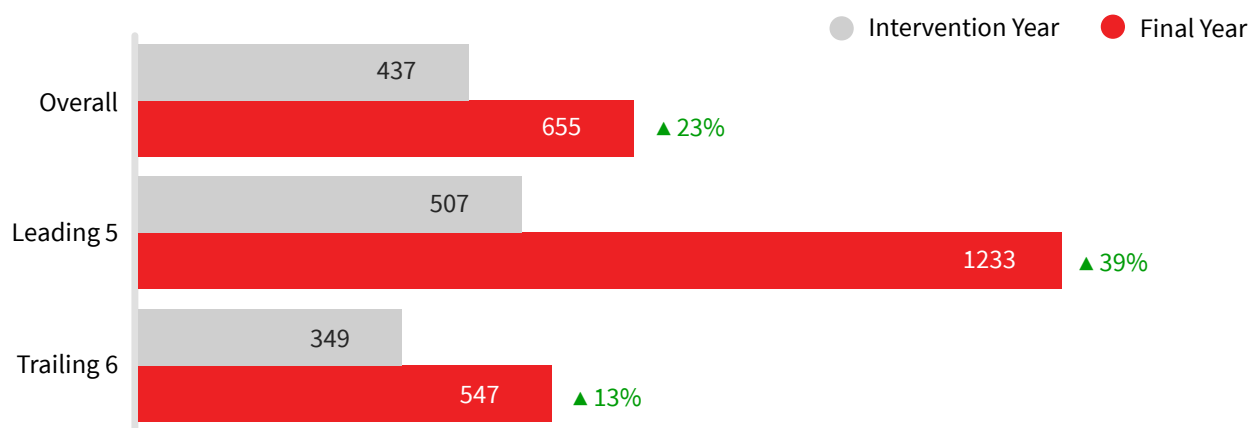
- **Impressive Payback for All NGOs:** The median payback period for NGOs ranges from one to four months, depending on how the funds are utilised. When funds are allocated to hiring dedicated personnel, the payback period typically begins once the person is fully settled, which usually takes around 4-6 months. NGOs that invested in technology saw the quickest payback periods, as technology often leads to immediate improvements in efficiency and fundraising capabilities.

2. Financial Growth

2.1. Budget Growth

Budget growth is calculated based on the annual expenditure of the NGO before and after ATECF's intervention, expressed as a Compounded Annual Growth Rate (CAGR).

Budget Median (INR lakhs):



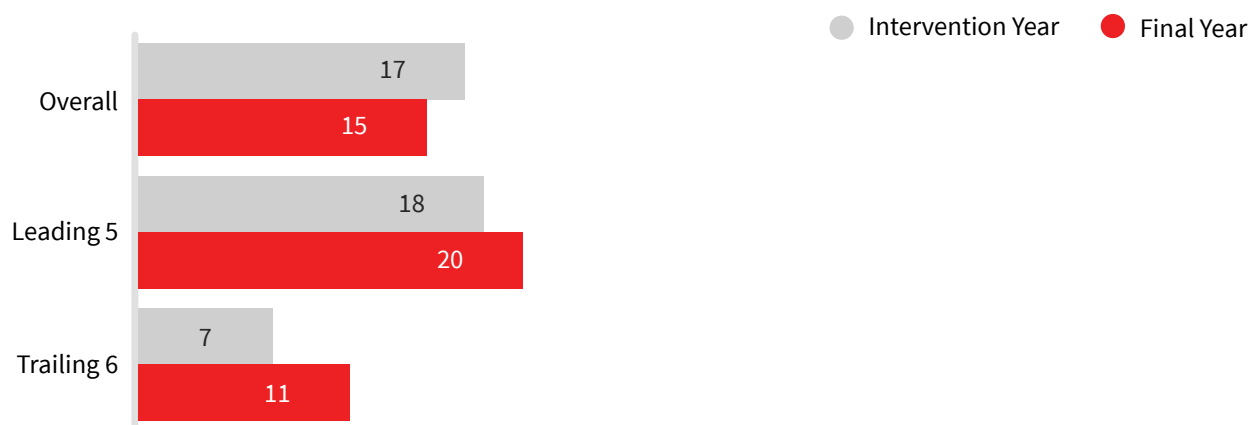
Key Insight:

The Leading 5 NGOs achieved budget growth three times higher than the Trailing 6, showcasing the impact of strategic fundraising investments and organisational readiness to scale. It is important to note that 5 out of 11 NGOs were supported during the Covid 19 years (FY20 and 21) where the growth of the NGOs was drastically affected due to the mass scale disruption. Despite that, the overall CAGR has shown positive result.

2.2. Sustained Runway

Runway months indicate how long an organisation can sustain operations without additional income, relying on accumulated surplus funds.

Runway (in months):



Key Insight:

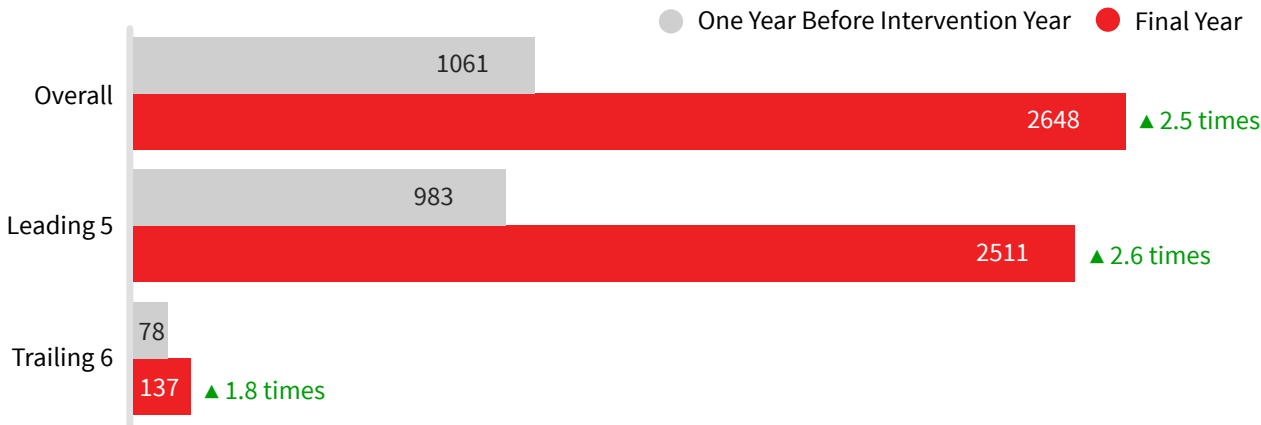
The data reflects a positive shift in financial resilience for both groups, with the Trailing 6 showing significant improvement by increasing their runway from 7 to 11 months. The Leading 5 NGOs, with a remarkable 39% growth in median budgets, also extended their runway from 18 to 20 months. This demonstrates their ability to manage cashflow effectively even at a larger scale.

3. Donor Growth & Diversity

3.1. Donor Base Expansion

Donor growth tracks the increase in the number of donors supporting the NGO before and after intervention, expressed as a multiplier.

Total count of donors:



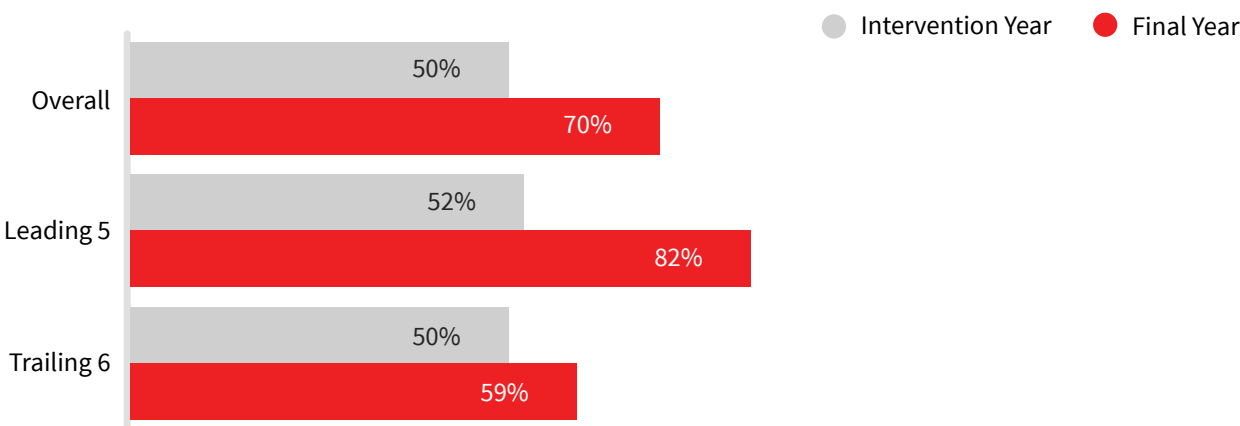
Key Insight:

The Leading 5 NGOs and the Trailing 6 NGOs demonstrated significant increase in the number and type of funding sources within three years of investments. While Corporate Foundations remain the largest source of funding for the Leading 5, they achieved a remarkable 4x growth in funding from Family Foundations, highlighting diversification. Similarly, for the Trailing 6 NGOs, Family Foundations are the largest source of income, yet they doubled their funding from Corporate Foundations, showcasing the effectiveness of targeted fundraising efforts in expanding their donor base.

3.2. Donor Retention

Donor retention tracks the % of donors retained from the previous financial year. It reflects organisation's ability to maintain good relationships with existing donors and secure long-term commitments.

Median % of donors retained:



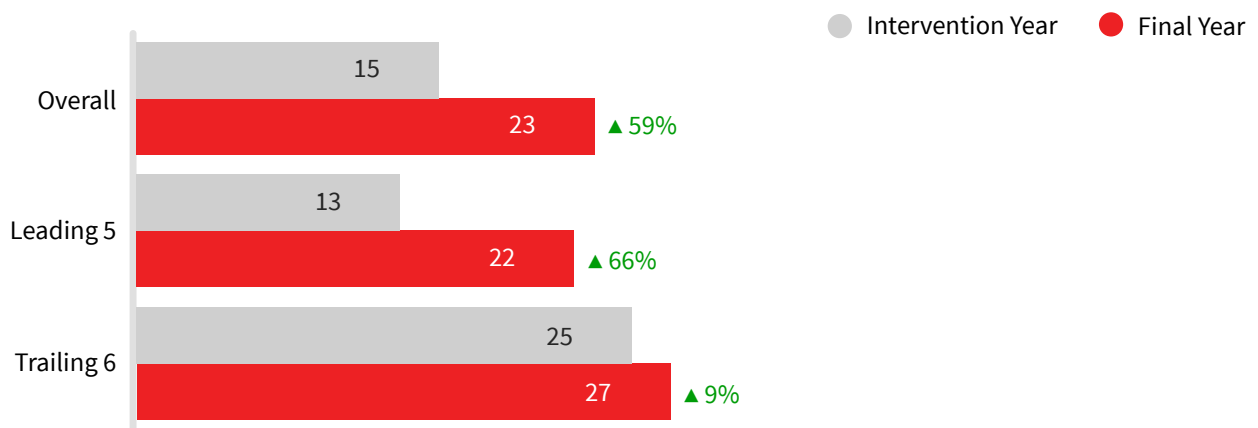
Key Insight:

The Leading 5 NGOs demonstrated a significant improvement in donor retention, increasing from 52% to 82%, highlighting the effectiveness of their donor engagement strategies. In contrast, the Trailing 6 showed a modest increase from 50% to 59%, indicating potential challenges in sustaining donor engagement and securing multi-year commitments.

3.3. Ticket Size

Ticket size per donor refers to the amount of funding contributed by each donor, serving as a key metric to assess the financial value of donor relationships. In this study, we have specifically calculated the ticket size for institutional donors, as most NGOs except one had no income from retail donors.

Annual Median Ticket Size (in INR lakhs):



Key Insight:

The Leading 5 NGOs experienced a significant 66% increase in their annual median ticket size, and the highest jump was observed for one NGO who tripled their contribution, reflecting their ability to secure larger contributions. In contrast, the Trailing 6 saw a modest 9% increase.

Section 4 - Key Insights: Best Practices and Lessons from NGO Successes and Challenges

1. What worked well

1.1. Strategic Fundraising and Budget Planning: A Game-Changer for Success

The key differentiator for Leading NGOs is their approach to fundraising and budget planning. They consistently demonstrated a clear, forward-thinking fundraising strategy that aligned seamlessly with their organisation's mission and long-term goals. Sharing below 3 practices that set them apart:

- **Plan for 3 Years, Not Just Annually:**

While most NGOs prepare annual budgets based on organisational goals for the next financial year, the Leading NGOs take a more forward-looking approach. They create three-year financial plans with clear fundraising strategy that align with their organizational strategy and operational plans. This approach not only enhances clarity in setting annual fundraising targets but also builds donor confidence by demonstrating a well-thought-out vision. With stronger donor trust, these NGOs can successfully pitch for multi-year funding, enabling them to plan for and achieve long-term outcomes more effectively.

- **Set Clear, Specific Targets:**

Leading NGOs not only set clear annual fundraising targets but also strategically break them down by donor type and ticket size. They review the average ticket size of existing donors and aim to increase it by 10–20% with each cycle, ensuring steady growth in funding. Additionally, they analyse their organisational context to identify the donor types best suited to their work and develop targeted strategies to approach and engage these groups.

For NGOs focused on governance, research, or policy advocacy, flexibility and independence in fund allocation are critical. These organisations often rely heavily on flexible funding from family foundations or HNIs. In contrast, NGOs with established programs tend to work closely with corporate foundations, while few venture into retail fundraising.

This is not to suggest a lack of diversification but rather highlights the importance of identifying a primary donor group and a secondary donor group based on an NGO's unique context and focus. This clarity enables a more tailored and effective fundraising strategy.

Success isn't accidental—it's the result of meticulous planning, disciplined execution, and a leadership team that always has its eyes on the bigger picture.

1.2. Build effective donor engagement strategy

Successful fundraising is built on strong and intentional donor engagement and hence Leading NGOs prioritised ongoing, meaningful interactions with their donors in following ways:

- **Regular and Personalised Communication:**

In addition to formal reporting, they create concise and impactful communication materials to provide targeted updates on their programs and outcomes. They also created meaningful opportunities for donors to engage directly with beneficiaries, fostering trust and

confidence. For example, one NGO organised mentorship sessions for their students where donors interacted with them, gaining a deeper understanding of the program's impact and the challenges faced by students.

- **Build Champions at every level:**

They prioritised building relationships across all levels within donor organisations, including the senior leadership team, rather than focusing solely on Principals or Board members. By engaging meaningfully with these leaders, NGOs make them their Champions who advocate for their work both internally and in external forums, strengthening trust, visibility, and opportunities for partnerships.

Successful NGOs understood that donor engagement is not merely a function but a strategic, long-term investment. By prioritising meaningful relationships and consistent communication, they built a foundation of trust and sustained support that fuels lasting impact.

1.3. Hiring fundraising personnel

In the social sector, fundraising is often driven by Founders, particularly during the start-up phase, where their involvement is crucial to establish donor relationships and build credibility. However, as organisations grow, it becomes essential to clearly define the Founder's role within the fundraising strategy and invest in a dedicated team to support them. 6 out of 11 NGOs in this study allocated over 90% of the grants to hiring dedicated fundraising professionals, addressing critical capacity gaps. Sharing key observations from these investments below:

- **Dedicated Fundraising Staff:**

Before the intervention, the median fundraising team size across all NGOs was just one staff member supporting the Founders. Post-intervention, this grew significantly to a median of three members, reflecting a substantial investment in building dedicated fundraising teams.

Leading 5 NGOs had slightly larger teams with a median of three members, compared to two members for the Trailing 6. These teams typically included a Senior Lead with 8–10 years of experience and one or two Associates with 4–5 years of experience. Some NGOs have successfully hired professionals from their own fields—such as sports professionals—who can effectively advocate to donors and build compelling cases for investment in their programs. The Trailing 6 also invested a median 10% of the budget to upskill their team on fundraising skills.

While Founders continued to anchor the fundraising strategy, their role evolved to focus on identifying and managing key relationships—regardless of ticket size—acknowledging the strategic importance of these donors. The Senior Lead took charge of proposals and donor engagement, while Associates focused on donor research and reporting. This shift to well-structured teams enabled more balanced and effective management of fundraising efforts, driving better outcomes for the organisations.

- **Low Risk, High Return Investment:**

The payback period for fundraising investments ranges from one to four months, demonstrating that the financial risk of hiring fundraising personnel is relatively very low. Even if an initial hire does not work out, the quick recovery period ensures that the investment is not a long-term liability. This underscores the importance of continuously seeking the right candidate for the role. Finding the most suitable fundraising talent not only mitigates risk early but also sets the NGO for sustained budget growth and financial stability.

- **Founders Need to Focus on Strategic Priorities:**

In the overall cohort, the median time spent by Founders on fundraising activities reduced from 60% to 40% post-intervention. Notably, the Founders of the Leading 5 NGOs continued to dedicate 50% of their time to fundraising, recognising its strategic importance. In contrast, the Founders of the Trailing 6 NGOs reduced their time significantly, from 65% to 35%. This shift suggests that as organisations mature, Founder time becomes increasingly critical for driving program growth strategies, creating a thriving organisational culture, and building a strong senior leadership team, while fundraising responsibilities are shared with dedicated teams.

This approach of hiring & upskilling ensures that fundraising efforts are sustainable and scalable, much like other organisational functions.

1.4. Investing in building systems & process

NGOs who were growing at an accelerated pace realised that they would need to invest in systems and processes to build efficiency in their work. Thus, the large ones focused on strengthening & to a large extent automating process of compliance, reporting & end-to-end donor management. These systems played a critical role in enhancing transparency, improving donor engagement, and securing funding, particularly from CSR donors who require detailed and periodic reporting to meet governance standards.

- **Strengthening Compliance, Reporting & donor management:**

Investment in compliance and reporting systems resulted in timely, accurate, and transparent updates to donors, fostering trust and credibility especially for Corporate Foundations.

- **Technology as a Catalyst:**

Some NGOs invested in technology to manage donor database effectively which was transformative, especially for the ones with complex data needs or large donor pools (> 100 donors). These platforms enhanced efficiency, improved donor interactions, and opened doors to new funding opportunities.

Investing in systems and processes—whether for compliance, reporting, or donor engagement – creates a robust foundation that significantly supports fundraising potential. These capabilities not only enable NGOs to meet donor expectations but also position them for sustained growth and increased contributions over time.

2. *What challenges hindered growth*

2.1. Inability to Raise Corpus

Raising corpus funds continues to be a significant challenge for NGOs, despite its essential role in ensuring long-term financial stability and organisational resilience. This persistent issue is driven by two key factors: donor preferences and limitations in NGO advocacy.

Donor Preferences: Donors, particularly institutional funders, often prioritise programmatic funding with visible, short-term outcomes over unrestricted contributions. Corpus funds are frequently perceived as administrative or non-impactful, making donors hesitant to invest in them. Additionally, the short-term nature of many funding commitments further limits the

potential to build a robust financial corpus, which requires sustained and flexible funding.

NGO Advocacy Limitations: Most NGOs struggled to effectively communicate the importance of corpus funding. Focused on meeting immediate programmatic needs, they often fail to highlight how a corpus contributes to long-term sustainability, operational continuity, and resilience. Without a compelling narrative, NGOs find it difficult to shift donor mindsets and secure multi-year commitments necessary for corpus building.

These factors together create a systemic challenge that requires a shift in both donor understanding and NGO advocacy strategies.

2.2. Hiring Senior Fundraising Professionals

Many NGOs in the cohort faced the challenge of determining whether hiring a senior fundraising or communications professional was the right strategy to strengthen their fundraising capabilities. For organisations with complex interventions or those requiring deep relationship-building with donors, simply bringing in a senior professional did not address the core needs. These NGOs required process-based support, such as conducting detailed donor research, managing donor pipelines, and ensuring regular reporting which can be managed more effectively by a junior support. In such cases, founders or senior leaders continued to spend significant time on fundraising, as their involvement was essential to secure the appropriate type of funding.

To overcome this challenge, NGOs must first assess their operational maturity and fundraising needs. Organisations with complex interventions should prioritise building strong systems and processes to support fundraising efforts rather than relying solely on senior professionals. On the other hand, NGOs with robust systems in place in this cohort benefitted from hiring senior experienced fundraising professionals who can reduce the burden on founders and improve engagement with larger donors. Tailoring the approach to the organisation's unique context ensures a more effective and sustainable fundraising strategy.

2.3. Challenges in Retail Fundraising

Most NGOs found raising retail donations challenging, with only one organisation actively investing in and executing a retail strategy. The majority prioritised institution building and did not explore retail giving, often due to limited bandwidth and the perceived high cost of setting up and sustaining such efforts.

However, retail donations offer flexible, untied funding, increase public awareness of key issues, and build a committed supporter base. It is important for NGOs to think about this untapped opportunity and find innovative ways to leverage the everyday givers to contribute towards social impact.

Section 5 - Recommendations for Donors

1. Give funding towards strengthening fundraising function

Donors should prioritise dedicated funding to support the development of the fundraising function within their grantee organisations. This could include following aspects:

- i. **Investing in Talent:** Provide funding to hire skilled fundraising professionals, including Senior Leads to drive donor engagement and Associates to manage research, reporting, and pipeline tracking.
- ii. **Building Capacity:** Allocate resources for training and upskilling existing fundraising teams to enhance their effectiveness in donor outreach, proposal writing, and relationship management.
- iii. **Enabling Systems and Tools:** Support the adoption of technology and systems for donor pipeline management, database organisation, and reporting to streamline fundraising efforts.
- iv. **Multi-Year Commitments:** Offer multi-year grants to ensure NGOs have the stability to build and sustain robust fundraising teams and processes over time.
- v. **Flexible Funding:** Allow grantees to allocate a portion of program funding towards strengthening their fundraising function, enabling them to invest strategically where it is most needed.

2. Provide Mentoring Support

Mentoring from donors goes beyond financial support; it equips grantee organisations with the strategic guidance, expertise, and networks needed to strengthen their capabilities and scale their impact.

- i. **Strategic Fundraising Guidance:** Offer formal or informal mentoring to help grantees refine their fundraising strategies, set realistic targets, and align fundraising efforts with their organisational goals.
- ii. **Connections to Sector Experts:** Facilitate access to social sector advisors or intermediaries for strategy refinement or execution, recruitment, or compliance related support.
- iii. **Systems & Processes:** Donors with their proficiency in technology and systems, can guide NGOs in designing or adopting open source tools for donor management, reporting, and engagement. This leverages the donor's expertise to enhance NGO efficiency thereby improve fundraising outcomes.

3. Advocate and Influence

Once donors have witnessed the transformative impact of their grants on building fundraising capabilities firsthand, it becomes essential to share these success stories within the sector. Advocacy not only amplifies the importance of investing in fundraising but also inspires other donors to adopt similar strategies, creating a ripple effect of support.

- i. **Share Success Stories:** Highlight concrete outcomes, such as increased donor bases, improved financial resilience, or organisational growth, achieved through the targeted fundraising grants. Use data, case studies, and testimonials from grantees to showcase the tangible benefits of

investing in fundraising capabilities to the peers in your network.

- ii. **Engage in Thought Leadership:** Publish articles, blogs, or reports detailing the impact of fundraising grants to educate and influence other funders. Participate in sector forums, panels, or events to share insights and advocate for investment in fundraising capabilities.
- iii. **Encourage Collaborative Funding Models:** Advocate for co-funding opportunities where multiple donors can jointly invest in building an NGO's fundraising function, reducing individual risk while maximising impact.
- iv. **Create Peer Learning Platforms:** Facilitate discussions or learning circles among donors to share experiences and best practices in strengthening fundraising for NGOs.
- v. **Influence Ecosystem Change:** Work with philanthropic networks and circles to include fundraising capacity as a key metric for evaluating grant effectiveness and NGO sustainability.

Section 6 - Conclusion

This white paper makes a compelling case for reimagining fundraising as a strategic enabler rather than just an administrative cost. The evidence is clear: targeted investments in fundraising capacity enable NGOs to achieve financial resilience, expand their donor base, and sustain their mission-driven work effectively. These grants not only yield impressive returns but also demonstrate that fundraising, when treated as a core capability, accelerates organisational growth and impact. From the exceptional results of the Leading 5 NGOs to the meaningful progress made by the Trailing 6, the findings reveal the transformative potential of prioritising fundraising as a strategic lever for success.

To fully unlock this potential, donors must adopt a long-term perspective, viewing grants to strengthen fundraising not as one-time expenditures but as multi-year, strategic investments. Such support enables NGOs to build dedicated teams, refine their fundraising strategies, leverage technology, and establish systems that drive sustained growth. Beyond financial contributions, donors can further amplify their impact by offering mentorship, facilitating access to expertise, and advocating for sector-wide adoption of this approach. By sharing success stories, engaging in thought leadership, and encouraging collaborative funding models, donors can create a ripple effect, inspiring others to embrace this mindset.

For NGOs, the path forward requires a commitment to treating fundraising as a strategic priority. Building and sustaining dedicated teams, setting clear and ambitious targets, and diversifying funding sources aligned with organisational goals are critical steps. Leveraging data to track progress and cultivating meaningful, long-term relationships with donors further ensures sustained growth and resilience. These practices not only enhance financial sustainability but also position NGOs to achieve greater impact over time.

The call to action is clear. For the social sector to thrive, donors and NGOs must work together to embed fundraising capacity as a cornerstone of organisational strategy. By doing so, they can create a resilient ecosystem that drives profound and lasting change, enabling NGOs to scale their impact and transform the lives of the communities they serve. This is not just an opportunity—it is a necessity for building a stronger, more sustainable future for the social sector.

ANNEXURES

Annexure 1 - Acknowledgments

We extend our heartfelt gratitude to all the NGO partners who generously shared their data, insights, and experiences. Their openness and cooperation were fundamental in bringing this white paper to life, and to showcase the transformative impact of strategic grants in strengthening fundraising capacities. We sincerely appreciate your commitment to transparency and collaboration.

We extend our heartfelt thanks to our Founders for their belief in the power of capacity building and for encouraging us to conduct this study. A special thanks to the team at A.T.E. Chandra Foundation, led by Gayatri, for their invaluable contributions and support throughout this process.

We extend our heartfelt thanks to the KPMG India team members—Devang Bhandari, Piyush Singhanian, Raghavendra Chitta, Nikhil Kumar Gupta, Suvadeep Nandi Roy, Avanish Singh, and Nitesh Mishra—for their invaluable contributions in a personal capacity. Their meticulous and comprehensive data analysis, coupled with their ability to simplify complex information, has been instrumental in clearly illustrating the impact of fundraising grants on our partner NGOs.

Our sincere thanks also go to Pramiti Philanthropy partners, whose strategic guidance and collaborative brainstorming throughout this journey have been truly valuable. Their insights have helped shape the direction and focus of this work.

We are grateful to Let's Talk Money (LTM) Advisors for conducting interviews with NGO partners and providing rich qualitative insights that added depth and nuance to the findings. Their efforts in capturing the voices and experiences of NGO partners have been instrumental in presenting a holistic narrative.

Lastly, we thank the X-Leap team for synthesising this research into a clear narrative. Their work has brought together the data and insights into a resource that will support and guide both NGOs and donors to make informed decision about fundraising investments.

Thank you to everyone for their collaborative efforts, dedication, and shared commitment to strengthening the social sector ecosystem.

Annexure 2 - Methodology

1. NGO identification

The 11 NGOs shortlisted were those that ATECF had provided fundraising capability support over a 2 to 9 year period. Some NGOs received support as early as 2013 and some, as recently as 2019.

2. Timeline

To calculate the key metrics presented in this white paper, the dataset analysed performance across specific timeframes relative to the intervention. These timeframes were chosen to assess the impact of the fundraising capacity-building grants with a focus on measuring progress over a meaningful period.

- a. Intervention Year:** This refers to the year when the fundraising capacity-building support was initiated.
- b. Final Year:** Metrics were compared against data from either two or three years following the intervention year, depending on data availability for each NGO. This timeframe captures both immediate and sustained effects of the capacity-building efforts.

3. Data analytics

3.1. NGO categorization

The categorisation of NGOs into Leading 5 and Trailing 6 was based on following three key metrics that measured their performance during and after the intervention. T is intervention year when the grant for fundraising was first utilised.

Metric	Calculation
Payback on Fundraising Investments	<p>The Payback on Fundraising Investment (POFI) formula calculates how quickly an NGO recovers the funds spent on fundraising activities by comparing the total cost of fundraising to the annual funds raised. The resulting value is the no. of years for the payback and is multiplied by 12 to express it in months.</p> <p>Formula: $\text{POFI} = \frac{\text{Fund Raising Cost}(T+T1+T2)}{[\text{Average funds raised } (T1+T2+T3)]} \times 12$</p>
Budget Growth	<p>Budget growth is the Compounded Annual Growth Rate (CAGR) of the annual expenditure of the NGO from T-1 to T+3/T+2 where T is ATECF intervention year and T+3/T+2 is Final Year.</p> <p>Formula: $\text{CAGR} = \left[\frac{\text{Annual expenditure in Final Year}}{\text{Annual expenditure in Intervention Year}} \right]^{\frac{1}{(\text{Final Year} - \text{Intervention Year} + 1)}} - 1$</p>
Donor Growth	<p>Donor growth tracks the increase in the number of total donors supporting the NGO before and after intervention, expressed as Multiplier growth (from T-1 to T+3) where T is ATECF intervention year.</p> <p>This metric helps understand the change in donor pool for the organisation.</p>

The process of ranking is shared below:

3.2. Scoring Methodology

1. Normalization:

Each metric was normalized to a common scale between 0 and 1. This adjustment accounted for differences in the range of values across metrics, making them directly comparable.

2. Weightage Assignment:

Equal weightage was given to all three metrics (POFI, Budget Growth, and Donor Growth). A combined score for each NGO was calculated by summing the normalized values of all three metrics.

3. Ranking and Categorization:

NGOs were ranked based on their combined scores, with the highest score assigned Rank 1 and the lowest Rank 10. The top five NGOs were categorised as the Leading 5, and the remaining were classified as the Trailing 6.

This methodology ensured a fair and balanced assessment of NGO performance, highlighting both efficiency and growth outcomes achieved during and after the intervention period.

3.2. Other metrics calculation

The calculation of other metrics used in the white paper are shared below:

Metric	Calculation
Financial Runway	Financial runway is a metric that indicates how long an organisation can operate before it runs out of cash. Formula: $\text{Runway months} = \frac{\text{Cumulative surplus/deficit}}{\text{Monthly Operational Expense}}$
Donor Retention	This was based through interviews with NGO partners.
Grant Ticket Size	Grant Ticket Size refers to the amount of funding contributed by each donor. In this case, funds from Institutional donors were included and retail donors were excluded as it would have skewed the data. Formula: $\text{Grant Ticket Size} = \frac{\text{Total funds raised in a financial year}}{\text{No. of donors in that financial year}}$
Founder's time invested in fundraising activities	This was based through interviews with NGO partners.

Annexure 3 - Limitations

This study, while providing valuable insights into the impact of fundraising capability investments, has several limitations that should be considered when interpreting the findings:

1. Sample Size and Selection

- The analysis is based on 11 NGOs, which while providing detailed insights, may not fully represent the diverse landscape of Indian NGOs.
- The study may not fully capture variations across different regions of India, where fundraising dynamics could differ significantly.

2. Time Period Considerations

- The intervention periods ranged from 2-9 years across NGOs, making direct comparisons challenging.
- The study period included significant external events (like the COVID-19 pandemic) that may have influenced fundraising outcomes differently across organisations.
- Organisations were at different stages of maturity when receiving support, potentially affecting their ability to leverage the interventions.
- The changing nature of philanthropy in India during the study period may have influenced results independently of the interventions.
- Changes in regulatory frameworks affecting NGO fundraising during the study period may have impacted different organisations differently.
- All the quantitative metrics are not inflation adjusted in this study as it included 10 years' timeframe.

3. Data Availability and Quality

- The study primarily measures direct fundraising outcomes, potentially understating broader organisational benefits from the capacity building support. Some important qualitative factors, such as leadership quality, team dynamics, and local context, while noted, could not be quantitatively measured.
- The financial runway calculation might not fully account for variations in funding cycles and commitment patterns across different donor types.

Annexure 4 - Future Research Opportunities

These limitations suggest several areas for future research:

- Longitudinal studies with larger sample sizes across different geographical regions.
- Detailed analysis of sector-specific fundraising dynamics.
- Investigation of the interaction between different types of capacity building support.
- Examination of the role of digital transformation in fundraising effectiveness.
- Study of the impact of different donor engagement strategies on long-term sustainability.

Practical Implications

When applying the findings, organisations should:

- Consider their specific context and stage of development.
- Recognize that success factors identified may need adaptation to local conditions.
- Account for their unique organisational capabilities and constraints.
- Plan for longer-term evaluation of capacity building investments.
- Factor in the evolving nature of the fundraising landscape.

These limitations, while important to acknowledge, do not diminish the value of the insights gained from this study. Rather, they provide important context for interpreting the findings and suggest areas where additional research could further enhance our understanding of effective fundraising capacity building in the social sector.

Annexure 5 - Co-Authors



Gayatri Nair Lobo

CEO, A.T.E. Chandra Foundation

Gayatri Nair Lobo is the CEO of A.T.E. Chandra Foundation. She brings to the foundation, a mix of 20 years of strategy consulting and development sector experience, having worked as CEO of India School Leadership Institute (ISLI) and as Chief Operating Officer at Teach For India as part of the scale up of operations during its first six years. Gayatri has also previously worked at OC&C Strategy Consultants and Avalon consulting, working with clients across sectors. Gayatri has a Masters in Management Studies and a Bachelors in Commerce from Mumbai University.



Poonam Choksi

Vertical Head, A.T.E. Chandra Foundation

Poonam Choksi is a development professional with over 17 years of experience in both social start-ups and large organisations. She currently leads the Capacity Building Vertical at A.T.E. Chandra Foundation, where she drives initiatives that strengthen leaders and organisations to tackle social issues at scale. Her career spans diverse sectors, having worked with over 50 NPOs to improve operational effectiveness, as well as with organisations like UnLtd India and Adhyayan Quality Education Services. With a Post Graduate Diploma in Business Management from Symbiosis Institute of Business Management, Pune, she is deeply passionate about driving sustainable, systemic change in the social sector.



Deepa Varadarajan

Co-Founder & Director, Pramiti Philanthropy Partners

Deepa brings over a decade of experience in philanthropy advisory and grant assessments including due diligence, monitoring and evaluation. She has worked with Asha for Education-Dallas (volunteer capacity), GiveIndia, Dasra and India Philanthropy Initiative (housed under Azim Premji Foundation), in the past. She built the HNI Giving vertical at GiveIndia to engage and assist over 50 HNI/UHNI families in personal philanthropy by providing customized solutions to meet their philanthropic objectives. Her experience further expands to close engagement with NGOs, experts, grant-management and grant monitoring.