



The Election is Over – Did the Political World Bury Charity Fundraising on Facebook?

If you're like us, you spent the last year planning for (and to some degree worrying about) how an influx of 2020 political advertising could affect the fundraising opportunity within Facebook.

Good news...we made it through the election! (Kind of). So how did our charity world fare?

First, it might be helpful to dig into the phrase "fundraising opportunity" a little, which we assess through two major components:

- 1) Conversion rates** – Whether we're talking about impression-to-donation conversion rate or website conversion rate, this is where we exert 90% of our effort every day. The people we target, the campaigns we run, the creative we compose and the website we optimize, plus the difficult-to-quantify "willingness to give," are all key variables of conversion rate. It changes and evolves, sometimes very quickly!
- 2) Cost of ad inventory** – The base cost of showing an ad, which boils down to CPMs for Facebook. With bidding-based placements, ad costs fluctuate about as much as conversion rates and far more than the traditional media world is used to. CPMs are predominantly affected by bidding competition (as well as granular tactics, targeting and Facebook's evaluation of the content). All in all, CPM trends are really important.

When fundraising opportunity increases – within a channel, a campaign, a period of time, etc. – we lean in like something out of [a scene from Trading Places](#). When opportunity drops, we pull back and pivot quickly – find a new way to improve conversion rates.

So back to the original question: What did [over \\$150 million in Facebook spend on the 2020 presidential election](#), plus millions more in senate and congressional races and down-ballot initiatives, do to our fundraising opportunity? ...Not to mention the fact that Facebook announced [political and social issue ad restrictions this fall](#) that are affecting charities headed into peak giving season?

Among Further clients, as political spending amplified over the last three months...

- **Over 70% of charitable clients saw ad revenue from Facebook increase year-over-year**
- **More than 80% saw cost per donation on Facebook decrease**



Not too bad. Maybe we spent a little too much time worrying?!

The ad inventory cost developments were particularly interesting.

Last year during this period, almost all Further clients saw CPMs rise to new highs, putting an even heavier burden on us to improve conversion rates. We were mentally prepared for this election season to continue or worsen that trend.

However, Facebook CPMs since August are down compared to last year for more than 70% of our clients. In November, this trend has become even more pronounced with all clients seeing CPMs fall from last year, most of them by more than 40%!

Four theories for why this unexpected trend is happening:

- 1) Facebook and Instagram usage is up (these stats likely won't be available until next year), allowing for more supply.
- 2) Big sectors like travel and entertainment continue to spend less on Facebook advertising for pandemic-related reasons.
- 3) The political and social ad restrictions are reducing competition and are thereby lowering costs for organizations that can still serve.

Sidenote: With Facebook's social issue ad restrictions, most of our clients were fortunate to be able to plan ahead and create ads that passed the apolitical litmus test. Sometimes Facebook's ad rejection bots still go wonky, and when they do, working with Facebook to get reapprovals is key. This remains important because [Facebook extended the ban](#) past Giving Tuesday.

A low cost of ad inventory in Facebook certainly helps with the strong results we're seeing, and it's of course allowing us to increase budgets right now. This takes a modicum of pressure off the year-end home stretch.