



# Building a Sustainable Fundraising Plan: A Research-Backed Guide to Healthy Fundraising

Wendy Mercurio, Communication and Education Specialist at Qgiv



Donation Forms | Event Registration  
Text Fundraising | Peer-to-Peer | Auctions





## FUNDRAISING TECH

# Made for you



### Designed with you in mind

Designed for fundraisers by fundraisers through customer-led development input



### Time saving data tools

Save time, attract and retain donors, and raise more money with all of your fundraising data in one place



### Powerful integrations

Easily integrate with your third-party CRM, email provider, and accounting software



# A little about me...

**Wendy Mercurio**

Content and Education Specialist | Qgiv

**Former Director of Development**

Served child welfare and food rescue organizations

📍 **Home base is in little Rhode Island!**





# Agenda

- + Why address sustainable fundraising?
- + A peek into the *Sustainable Giving Report*
  - Economic Instability
  - Wellness of Nonprofit Teams
  - Building Sustainable Streams of Revenue



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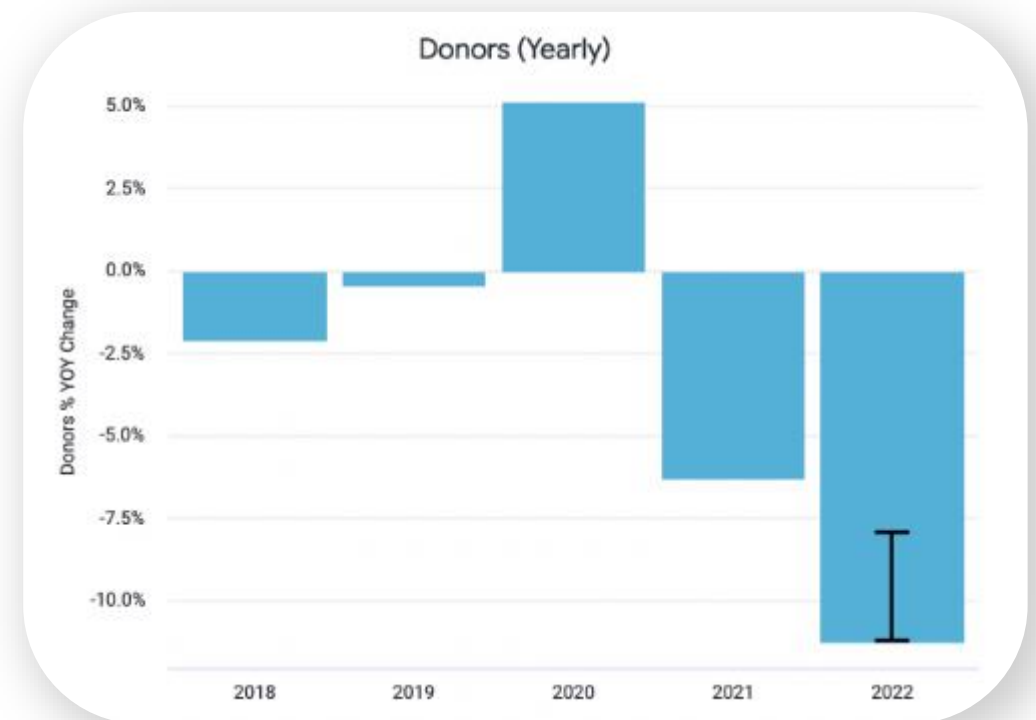
**How would you define sustainable fundraising?**

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# Why focus on sustainable fundraising?

- + The latest data from the Fundraising Effectiveness Project (FEP) isn't great. 2022 ended with the **lowest donor retention rate on record (42.6%)**, donor numbers have **decreased 10%**, and overall dollars raised is down for the **first time since 2018**.
- + Add in the Great Resignation shaking up nonprofit teams + the effects of inflation and you have a fundraising environment that fosters pressure to *raise more* money with *even fewer* resources.



# Why focus on sustainable fundraising?

At Qgiv, we love fundraising and wanted to create a **data-backed resource to help fundraisers create diverse and *sustainable* revenue plans** to ensure the longevity of all their important missions. We wanted to know:

- + Are fundraisers being given the tools they need to meet their goals?
- + How has inflation impacted donors and fundraising teams?
- + How can nonprofits retain their staff and build more sustainable programs?



# Overview of the Research Study

*The Sustainable Giving Report*



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## Who Responded

# Fundraisers

290 Qgiv clients responded in March of 2023.

- + The majority of fundraisers that responded:
  - + Fundraise between \$1 million and \$5 million annually.
  - + Work for small to medium-sized nonprofits.
  - + Support Youth Development and Human Service Missions.
- + 40% responded that their organization employs between 1 and 10 staff.
- + 30% responded that their organization employs between 11 and 50 staff.



# Who Responded

## Donors

2,007 donors responded in March of 2023. The majority of respondents:

- + Were between 35 and 40 years old.
- + Had an average gift between \$5 and \$55.
- + Had an average yearly contribution between \$100 and \$499.
- + Gave to human service organizations (18.6%), animal welfare (11.7%), and health services (11.8%).



# Economic Instability



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# Economic Instability

+ Since 2020:

Prices have increased 5.26% per year + Supply chain issues & product shortages + Climbing interest rates = ?

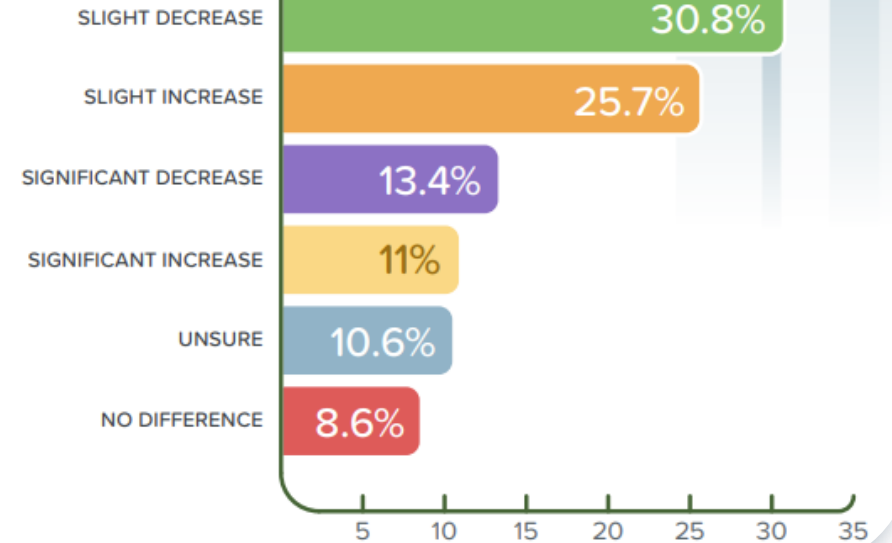


## Economic Instability

# Fundraiser Responses

- + **Fundraising revenue has decreased.**
- + In-person events have taken the hardest performance hit, followed by direct mail appeals.
- + **Over half of our respondents said their one-time in-person events didn't perform as well as in years past (galas, luncheons, races, etc.).**

*In the last three years, what trend in fundraising revenue have you noticed?*



## Economic Instability

# Donor Responses

- + Over half of the donors we surveyed said the nonprofits they support are talking about inflation/rising costs.
- + **Your donors are feeling the effects of inflation.** Donors shared:
  - + 45% have been severely impacted, 31% negatively impacted, and 23% felt a neutral impact.
- + Inflation has negatively impacted the charitable giving of almost half of all donors (48.23%).



36.4%	My giving has remained the same
34.9%	My giving has decreased
13.3%	My giving has stopped all together
11.2%	My giving has increased
4.2%	Instead of donating money I have given my time or made in-kind donations



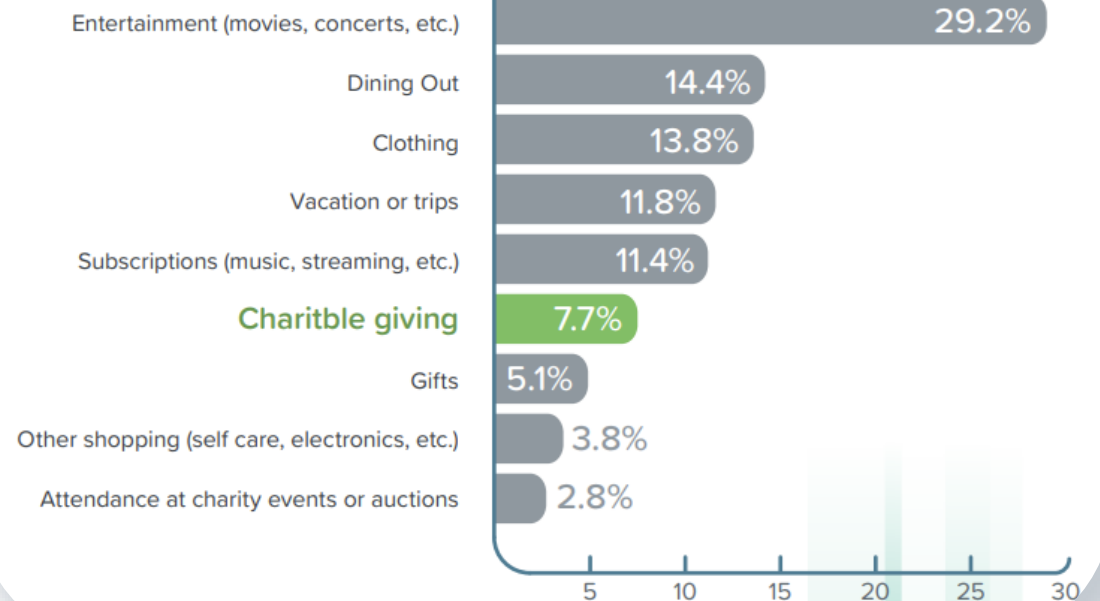
Economic Instability

## Donor Responses

The majority of donors will cut spending on entertainment or dining out before changing their charitable giving.



*If your budget is tight, what's the first area of discretionary spending you cut?*

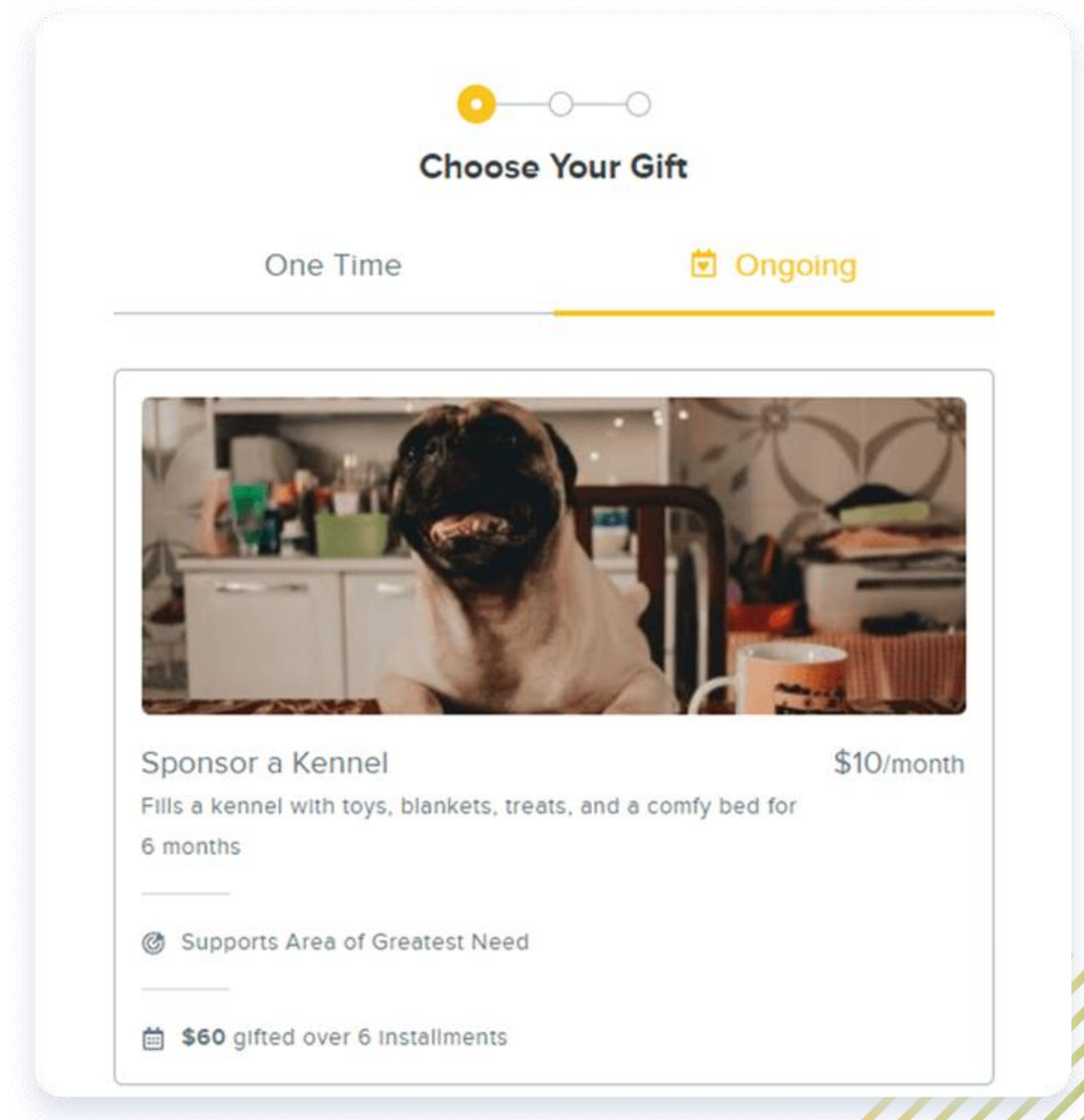




# Qgiv Takeaways

## Your donors want to support you!

- + Over 80% of the donors we surveyed *continued* making some sort of monetary gift despite 76% reporting they'd had to make spending cuts!
- + Nonprofit supporters will cut discretionary spending in five other areas before they choose to alter their giving!







# Qgiv Takeaways

## There's no returning to “fundraising as normal.”

- + The data shows that annual events are not performing as well as they did in the past—neither are standard appeals. The pandemic changed donor expectations (hybrid options, digital options for engagement & participation, etc.).
- + Embrace engaging acquisition strategies like peer-to-peer fundraising, adding interactive moments in your events (wine pulls, raffles, hybrid participation, etc.)

## Retention, retention, retention.

- + We ended 2022 with the lowest donor retention rate on record. That's supporters and money lost.



# Qgiv Takeaways

## Change your donor outreach.

- + As donor numbers have declined, the one area that has remained largely unchanged is donor outreach.
- + Are our communications visual? Do we offer text updates? How often do we send mail that isn't a fundraising appeal?

## Embrace strength-based communications.

- + Learn more about scarcity mindset and develop strategies for your organization to implement strength-based communications.
- + To learn more, read [Discovering the Love Language of Fundraising](#).



# Wellness of Nonprofit Teams

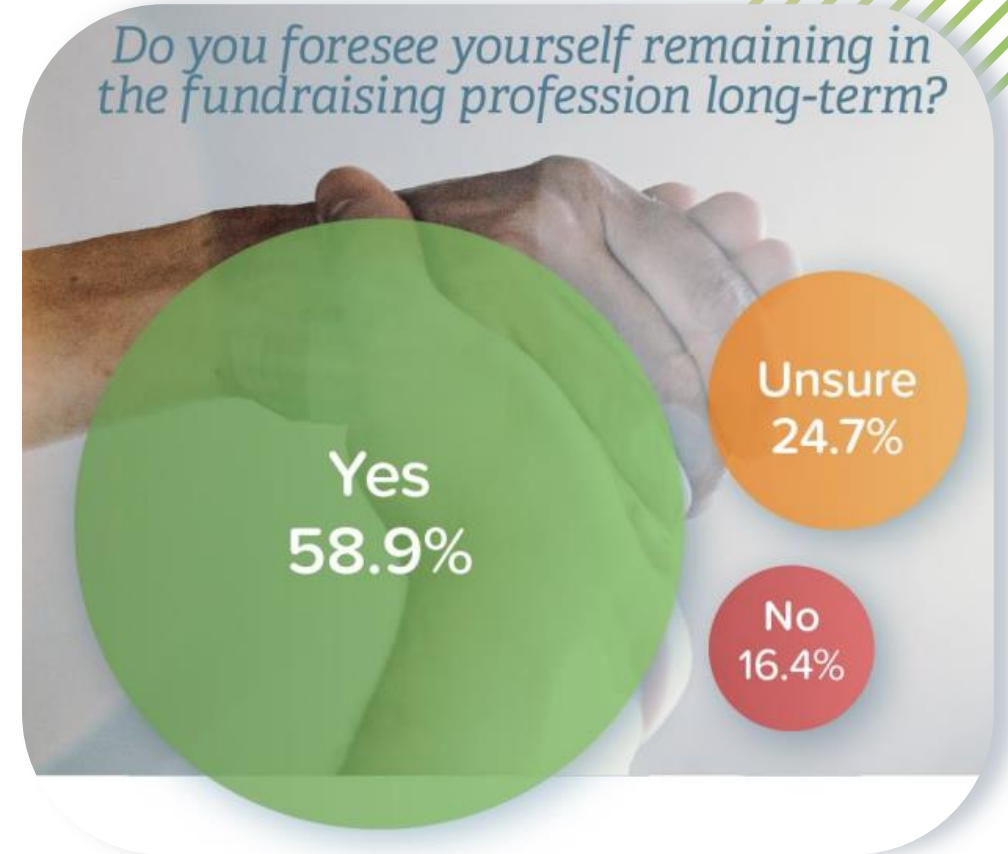


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## Wellness of Nonprofit Teams

# Fundraiser Responses

- + Over half of respondents plan to remain in the fundraising profession.
- + Other **career aspirations and pay** were the top reasons for departing the profession.
- + Top job satisfaction factors for fundraisers are the **mission of their nonprofit** and their **relationship with peers**.



# Wellness of Nonprofit Teams

## Fundraiser Responses



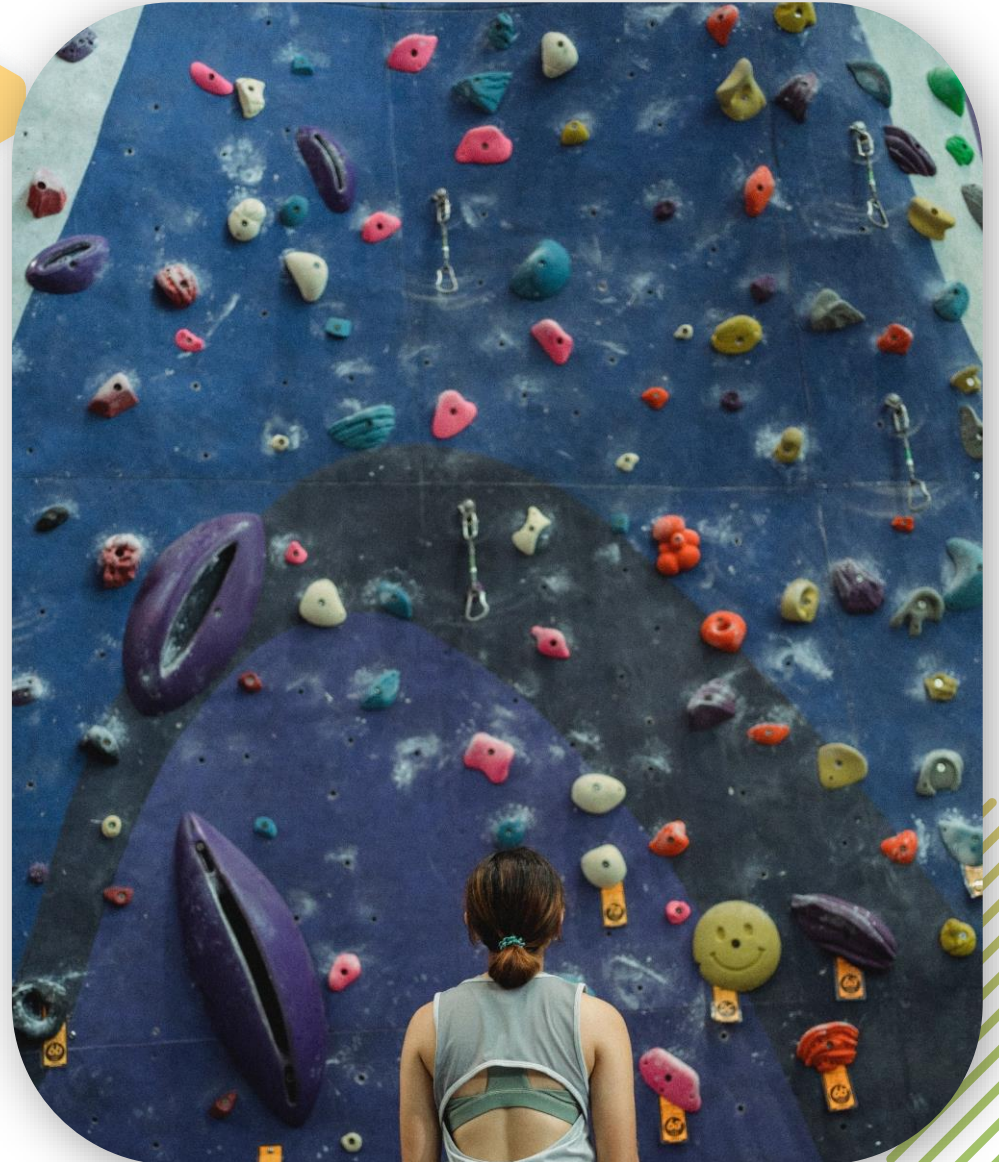
- + Over 55% of fundraisers feel overwhelmed with their workload.
- + Over 40% believe their development department is only occasionally staffed properly, and 30% believe their department is never properly staffed.



Wellness of Nonprofit Teams

## Fundraiser Responses

- + 51% of fundraisers think their goals are “mostly” attainable.
- + 57.8% responded they “could use a few additional resources,” and 26.6% answered that they would “need significantly more resources” to meet their goals.



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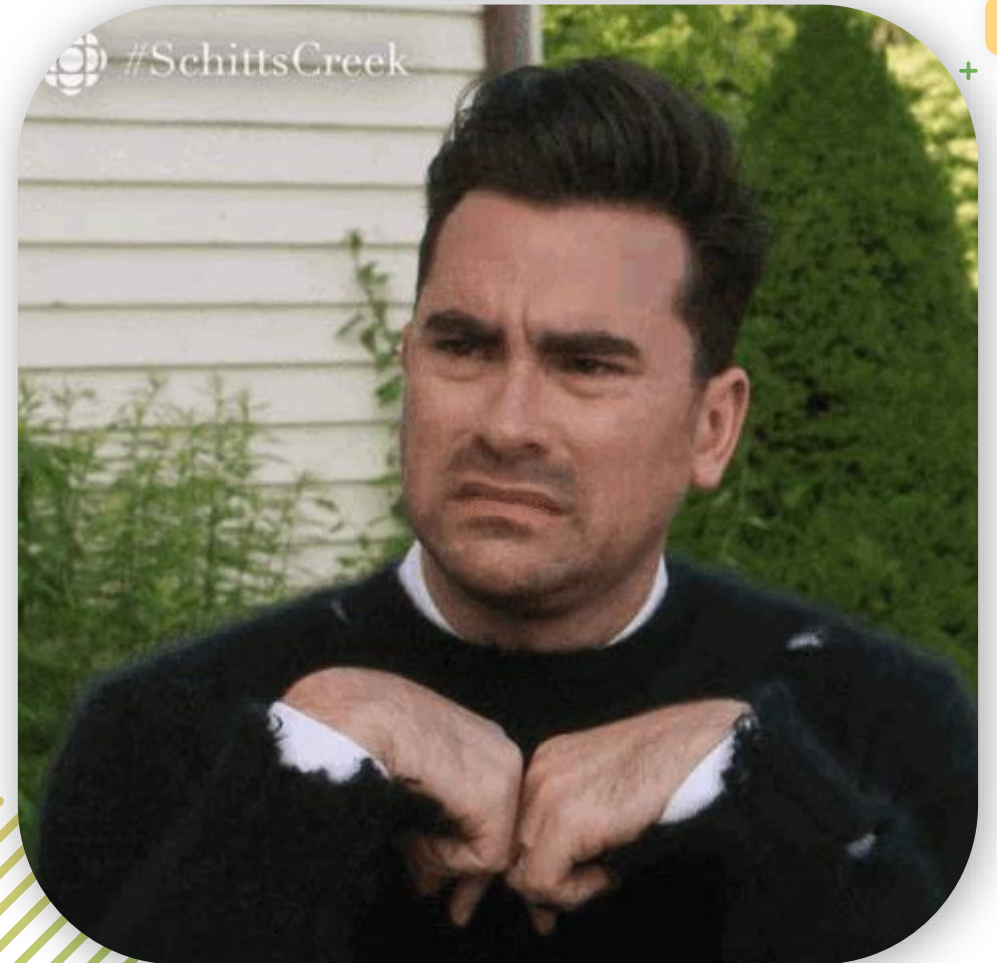
**What additional resources would you or your team most benefit from?**

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## Wellness of Nonprofit Teams

# Donor Responses

- + Over half of respondents believe that nonprofit staff should receive average compensation.
- + 25% of donors think that fundraisers should receive no salary or a below average salary.





# Donor Responses



- + Donors are open to covering administrative costs.
- + 36% of donors have a willingness to cover costs associated with administration.
- + Only 10% were firmly opposed.





# Qgiv Recommendations

- + **Educate your supporters on the roles and responsibilities of different staff.**

Regular employee spotlights on social, email, etc. can help your supporters understand who the “doers” are behind the incredible work they support.

- + **Promote a mission-forward culture.** Fundraisers said that their nonprofit’s mission is the top factor that lends to their job satisfaction.

- + **Advocate for additional fundraising resources and staff.**



**AFP Compensation  
Report**

# Building Sustainable Streams of Revenue

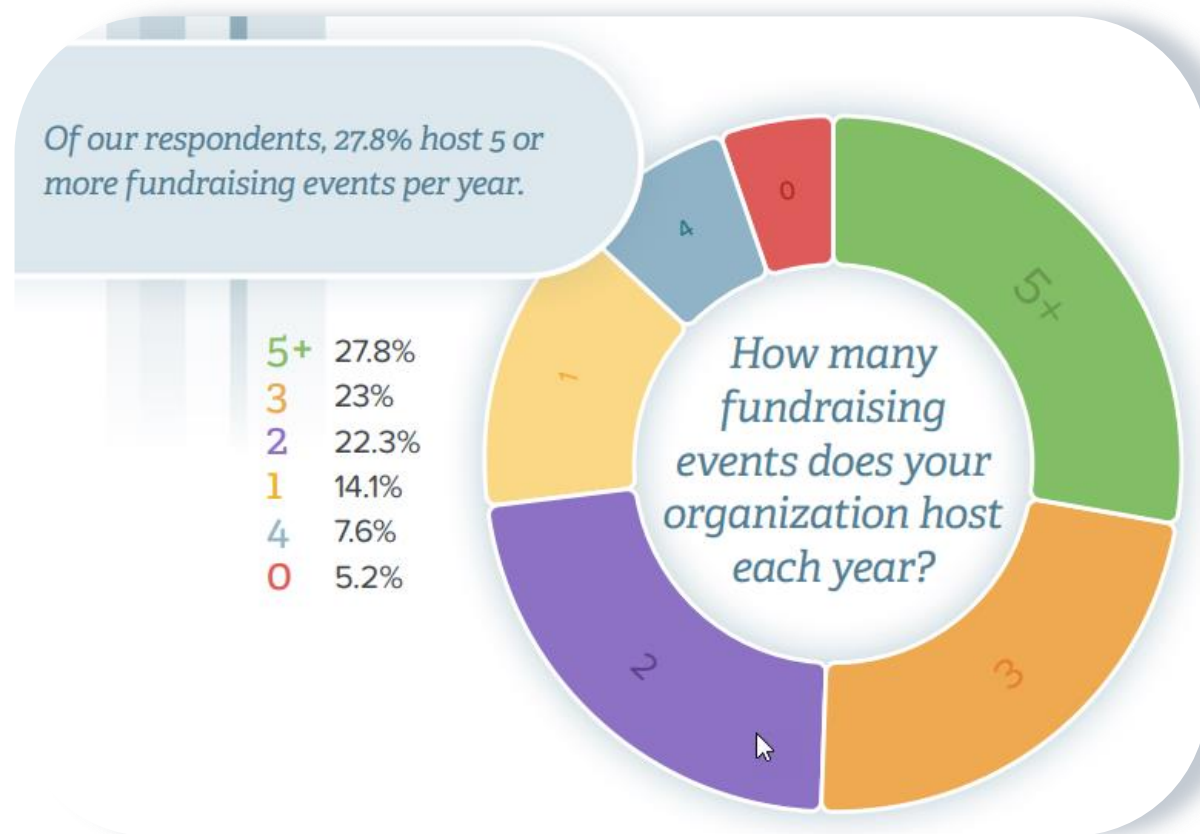


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# Sustainable Streams of Revenue - Fundraising Events

## Fundraiser Responses

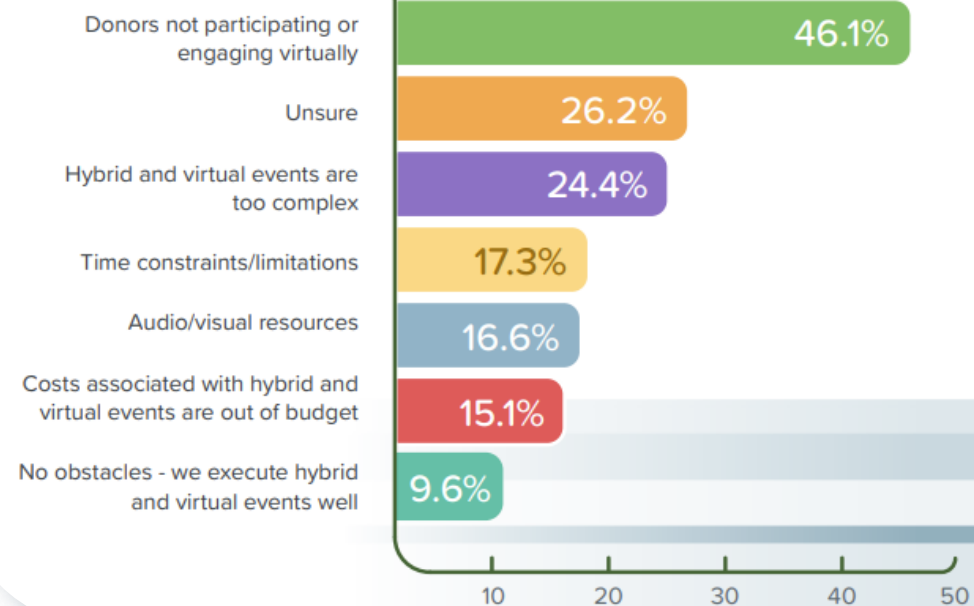
- + 27.8% of respondents host **5 or more fundraising events per year.**
- + Galas, auctions, and peer-to-peer fundraising events are the most popular event styles.
- + Almost all fundraisers solicit sponsorships to support their fundraising event efforts and offer revenue enhancers.



# Fundraiser Responses

- + Responses were split for virtual and hybrid events—48% don't host them and 44% do.
- + For those that don't host them:
  - + 46% said their biggest obstacle is the donors not engaging.
  - + 24% said hybrid/virtual events are too complex.

*What is your organization's biggest obstacle hosting virtual and hybrid events?*

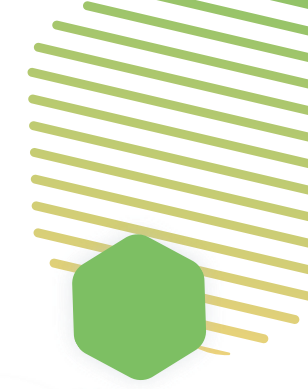
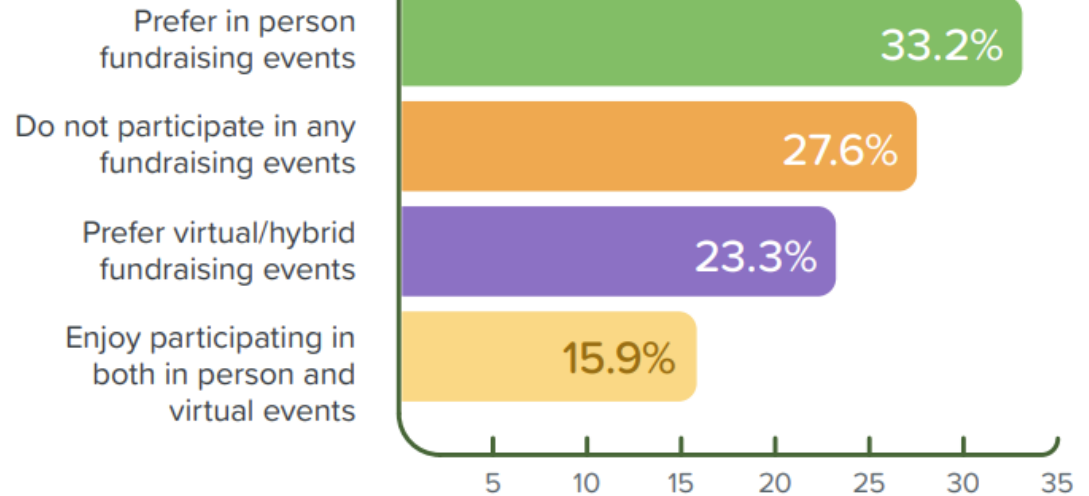


# Sustainable Streams of Revenue - Fundraising Events

## Donor Responses

- + The most popular event formats among respondents were breakfast/luncheons, races, sporting events, and auctions.
- + Donors prefer all types of fundraising events.

*Do you prefer to participate in virtual/hybrid events or in-person fundraising events?*



# Sustainable Streams of Revenue - Fundraising Events

## Donor Responses

- + Those that did attend a virtual or hybrid event enjoyed it!
- + The top reasons for expectations being met or exceeded included:
  - + Excellent **storytelling, engaging content, and an excellent auction or raffle.**
- + For those whose expectations weren't met:
  - + 29% believed that video content could have been added or improved upon.
  - + 25% hoped for more engagement.



## Fundraising Events

# Qgiv Recommendations

- + **Donors are interested in a variety of event types!** Most fundraisers said that their annual events didn't perform as well as in years past. Now is the time to diversify and amplify your event strategy and embrace virtual/hybrid.
- + **Focus on storytelling in your events.**
- + **Continue to solicit sponsorships and provide revenue enhancers to attendees.**



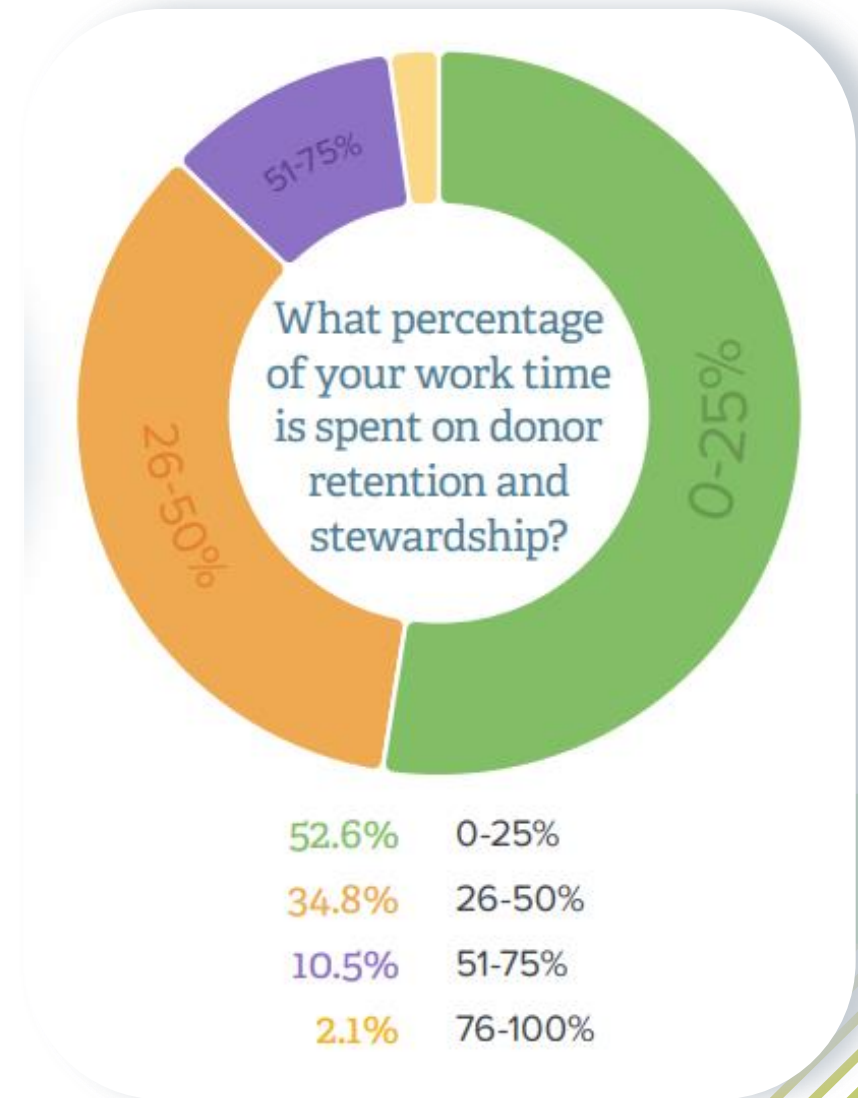


## Sustainable Streams of Revenue - Recurring Donations & Retention

# Fundraiser Responses

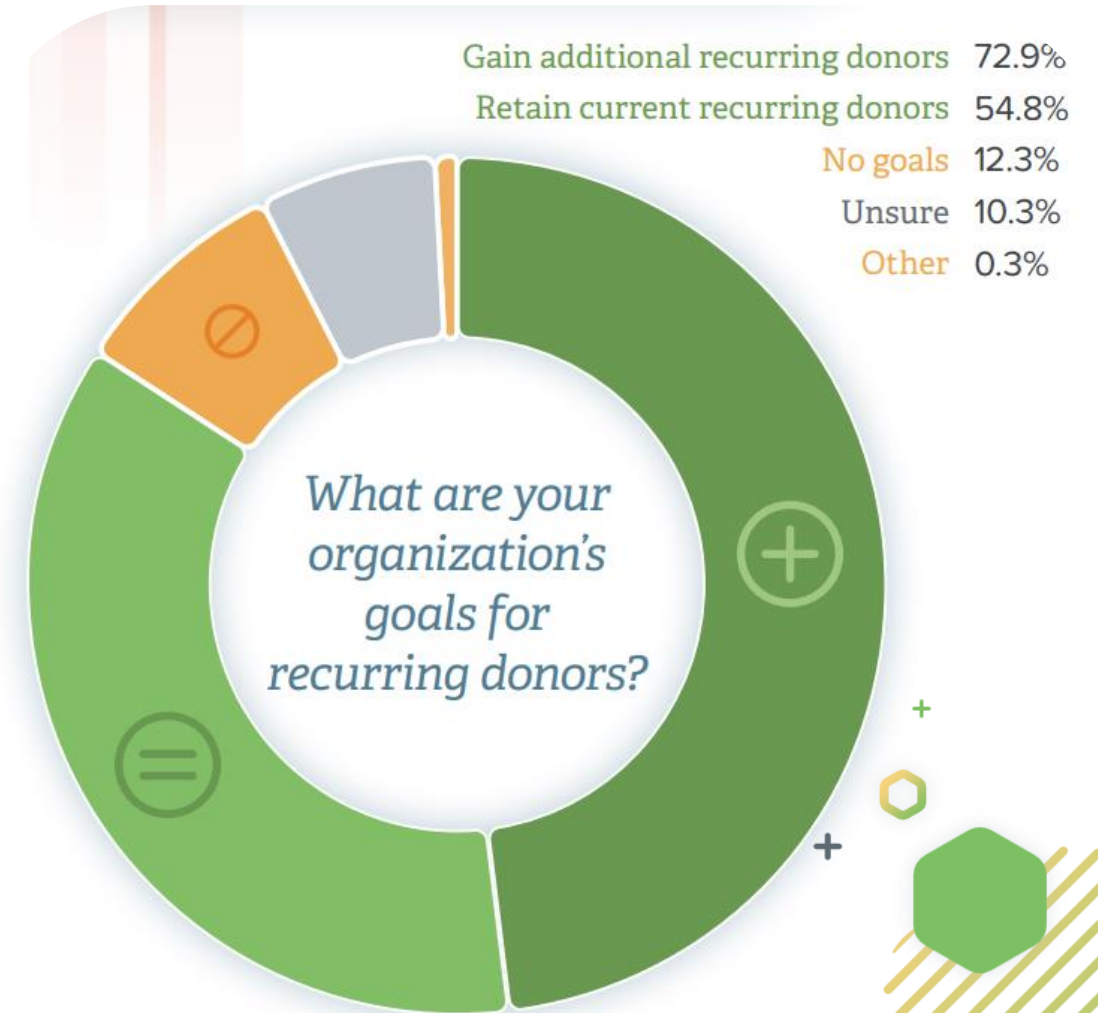


- + Donor retention rate was unknown by many fundraisers—43%!
- + Over 50% of respondents answered that they spend between **0% and 25% of their work time on donor retention and stewardship strategies.**



## Fundraiser Responses

- + 90% of fundraising respondents answered that they support recurring gifts.
- + Most organizations have a small push for recurring gifts. 50% have some additional fundraising strategies in their annual fundraising plans.
- + Targeted asks and a specific campaign for recurring donors are the most popular tactics to obtain sustaining donors.



Sustainable Streams of Revenue - Recurring Donations & Retention

## Fundraiser Responses

- + When asked what factors could help fundraisers increase their donor retention rate:
  - + 33.7% said **more fundraising staff**.
  - + 29.2% said **more time**.
  - + 25.4% said **more knowledge/expertise**.



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**What is your biggest obstacle to spending more time on donor retention strategies/communications?**

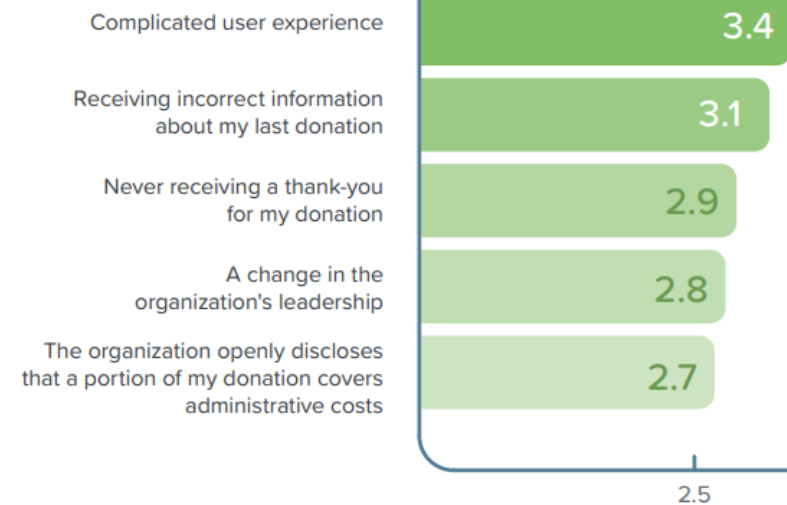
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## Donor Responses

- + A complicated user experience tops the list for donors stopping their support.
- + Receiving **recognition for their donation** and a **personal thank-you call or email** are the leading factors that contribute to donors making a second gift.

*What is the most impactful factor that would convince you to not support or give again to an organization you've previously donated to?*





## Donor Responses

- + Over 80% of donors that responded to the survey would be highly or somewhat likely to make a second gift to an organization after receiving a personalized acknowledgement.



## Recurring Donations & Retention

# Qgiv Recommendations

- + Offer giving frequencies beyond monthly.
- + Implement strategies to cultivate recurring donors.
- + Provide additional updates to recurring donors.
- + Understand your donor retention and calculate your donor retention rate.
- + Allocate resources for fundraisers to focus more time on retention.

$$\frac{\text{\# of Returning Donors (Year 2)}}{\text{\# of Previous Year Donors (Year 1)}} = \text{Retention Rate (\%)}$$



# Conclusion



Donation Forms | Event Registration  
Text Fundraising | Peer-to-Peer | Auctions



# Conclusion

- + **To combat declining revenue and donor numbers, it's important to focus on stewardship and retention and implement new *engaging* donor acquisition strategies.** Try peer-to-peer fundraising, a digital campaign or social ads, a mixology event, etc.
- + **You can't fundraise without fundraisers.** The average cost of replacing an employee varies between 30% and 150% of their salary. Not only is it the right thing to do, but it pays to retain your employees!
- + **It's time to change up your annual event.** An event that's attendance is declining year after year isn't sustainable. Now is the time to take stock of your annual events and ask, "what can we improve?"



# Q&A



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