

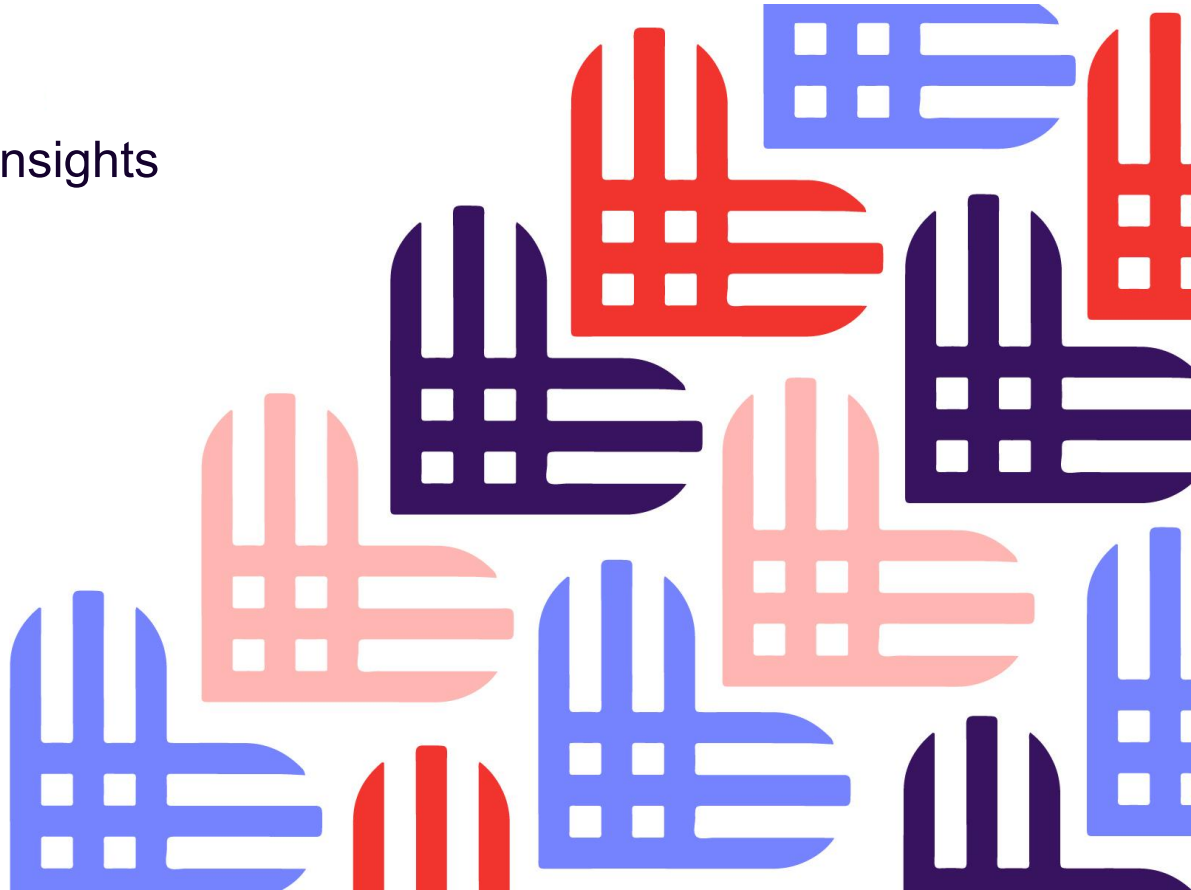
MAY 3, 2023

# Nonprofit resilience during economic uncertainty: taking action on industry research.



# Agenda

- Current fundraising trends
- Myth-busting with industry insights
- Case study
- Key takeaways
- Questions



# Our Expert Speakers



**Woodrow Rosenbaum**  
Chief Data Officer



**Ben Miller**  
Senior Vice President  
of Data Science



# Quarterly Fundraising Report™

Year-to-Date Nonprofit Sector Trends 01/01/2022–12/31/2022

GIVING  
TUESDAY



FUNDRAISING  
EFFECTIVENESS  
project

## Key Takeaways

- Smaller donors are contributing fewer dollars in 2022 than they did in 2021.
- Donors being down in the 2022 is an overarching pattern for more than a decade.
- There are large decreases in overall donor counts.
- Decreases in overall donor counts are driven by weaker acquisition rates as well as lower retention of new donors.



### Donors

**-10%** ↓

YTD Change



### Donations

**-1.7%** ↓

YTD Change



### Donor Retention<sup>1</sup>

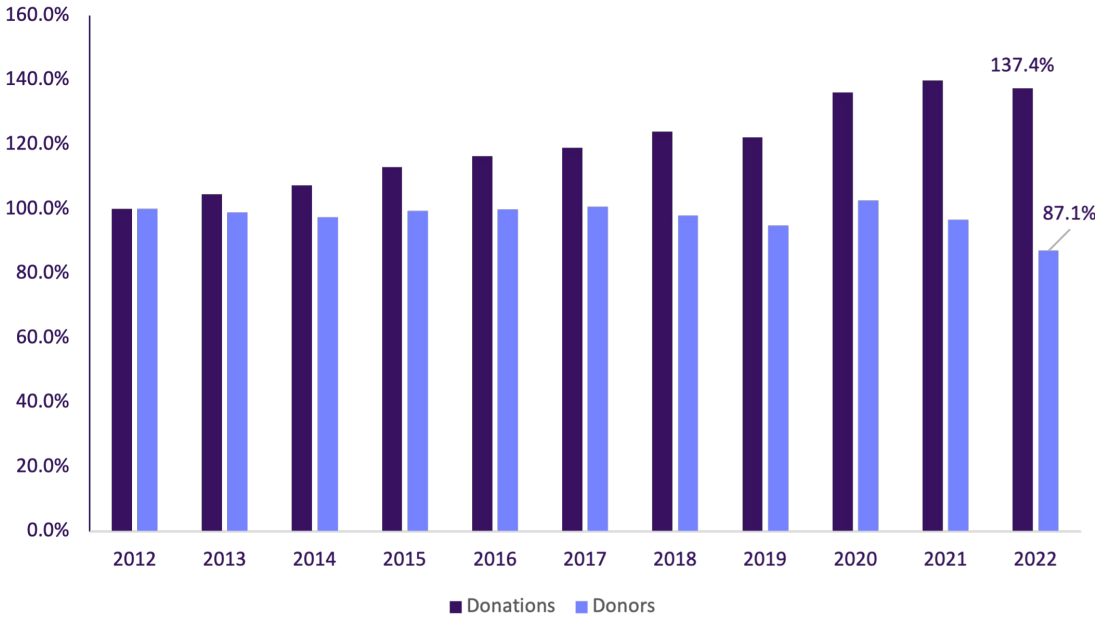
**-3.5%** ↓

YTD Change

Revenue and retention metrics report on year-to-date (YTD) performance compared against the prior year total based on a panel\* of organizations selected from the Growth in Giving Database of 176 million transactions from more than 26,000 organizations and **\$80 billion in donations** since 2005.

# Dollars growth is outpacing donor growth in individual giving

Long Term Trend in Dollars and Donors  
As a % of 2012 Levels



## Key Takeaways

There is a long-term trend of fewer donors donating more money.

### Contributing Factors:

- Continued widening of the wealth gap
- Continued Expansion of the number of nonprofits
- Expansion of ways to give
- Cost to acquire and retain donors has risen

# Despite resources becoming scarcer, the needs for services continued to rise

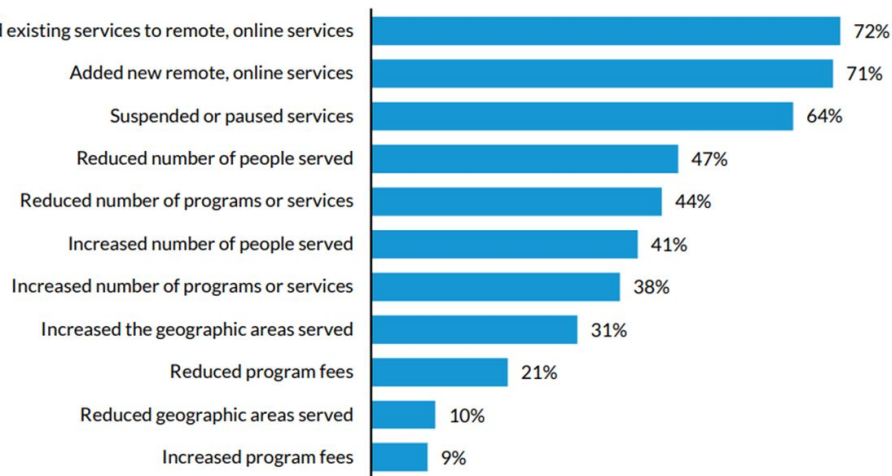
## Key Takeaways

### Capacity Constraints

While many of the NGOs so diminishing donations, 41% of nonprofits saw an increase in the number of people served and 38% had to increase the number of programs or services offered.

### Slightly More Nonprofits Added Services Than Suspended or Paused Services

Changes in operations and services from March 2020 to Spring 2021



URBAN INSTITUTE

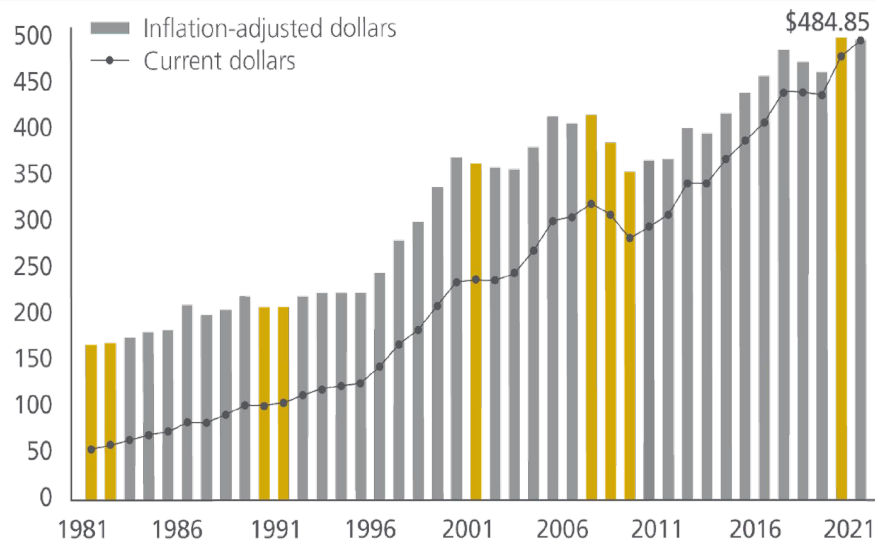
**Source:** Spring 2021 National Survey of Nonprofit and Impacts.

**Notes:** Questions 34 wording: "Since March 2020, has your organization made of the following changes to your Programs?" (with select all-that-apply closed-ended response options). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimate are nationally representative.

# Giving Typically Follows the Market During a Recession

Total giving, 1981-2021

(in billions of dollars)



## Key Takeaways

Donations track with the economy, typically lagging by three to nine months, and have less severe impact during recessions.

The COVID recession in 2020 was an exception, with donations soaring amid the pandemic and social justice movements.

# Key metrics from GivingTuesday 2022



**37 MILLION  
PARTICIPANTS**

(6% increase from 2021)



**\$3.1 BILLION  
RAISED**

(15% increase from 2021)



**10 MILLION  
VOLUNTEERS**

(3% increase from 2021)



**Bonterra™**

**263,191**

**Donors**

**35,156**

**Nonprofits Served**

**110,045**

**Hours Volunteered**



Myth-busting fundraising  
misconceptions with  
industry insights.



# Myth #1: Donors are not giving because they are fatigued.



Data shows that when donors have the capacity to give, they remain generous when asked.



It's not about how often you are communicating with your donors, is about the quality of those communications.



How can you leverage giving moments like GivingTuesday to inspire generosity and reinvigorate your donors and staff?





What tactics will you use to stay engaged with your donors?

- Giving moments
- Volunteer opportunities
- Personal outreach
- Introduction of programs

## Myth #2: I am in competition with other nonprofits for support because there is donor and resource scarcity.



Individuals donate on average to 4.5 causes annually. (source: NP Source)



The nonprofit sector will always be stronger when we work together to tackle community needs.



Donors will feel more compelled to give more to support your work when they have a clear understanding of your unique role in the community.





What are some ways you will aim to collaborate with partner nonprofits to fill community needs?

- Promote their efforts on social media and in newsletters.
- Collaborate closely on outreach projects.
- Co-host an event or volunteer opportunity.
- Co-run a fundraising campaign specific to a joint project.

# Myth #3: During times of economic uncertainty, I need to focus on reaching large donors.



Large donors are the first ones to pull back their giving in times of economic uncertainty



Create and engage strong base of grassroots supporters.



Opportunity to lean into Donor advised funds





## How will your organization build a broad supporter base?

- Peer-to-peer fundraising
- Giving moments
- Donor advised funds
- Grassroots campaigns

# Case study:

## Planned Parenthood South Atlantic



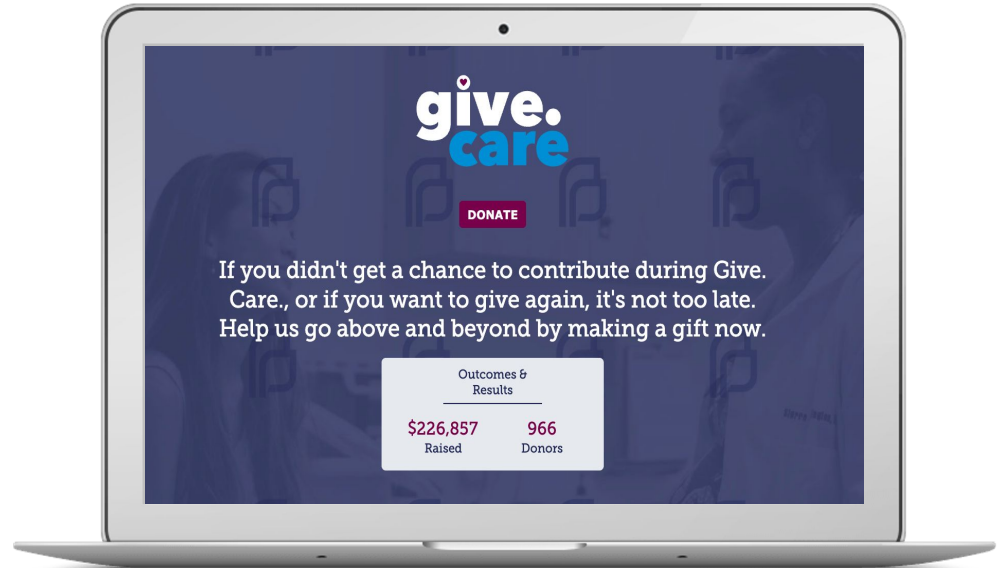
Implemented engagement strategies similar to GivingTuesday to create their own giving movement.



Drove significant impact through small gifts and peer-to-peer fundraising.



30% of its 966 donors were new to the organization!





# Key Takeaways



Giving moments combat current donor trends.



Donors are not fatigued; they just need to be engaged.



Economic uncertainty  $\neq$  scarcity.



Small donors make a large impact.



# Hear what other industry leaders have to say about current trends!

“ **Reminder: the fundraising engagement that we're doing is targeting just a portion of the US population. Our future success relies on efforts that target and \*embrace\* a larger, more diverse group of donors and prospective donors.**”

- Mwosi Swenson,  
President & CEO at Mal  
Warwick Donordigital

“ **As I see it the pool of donors that are being targeted by traditional means is getting smaller and smaller. It's time to reach new audiences, folks who may have never given in traditional ways before, and create the spark.**” -  
Craig DePole, President  
at Newport One

“ **The issue is how we think about donors, they are a source of money. That's factual, but donors want to provide more than financial support. The sector has not operationalized the complete donor.**” -  
Benjamin Mohler,  
Chief Executive & Principal  
Consultant at GivingThree

# Questions

