

20 | PHILANTHROPY
23 | PULSE



■ — WEBINAR

Today's Webinar Presenters



GREG HAGIN

Principal & Managing Director
CCS Fundraising



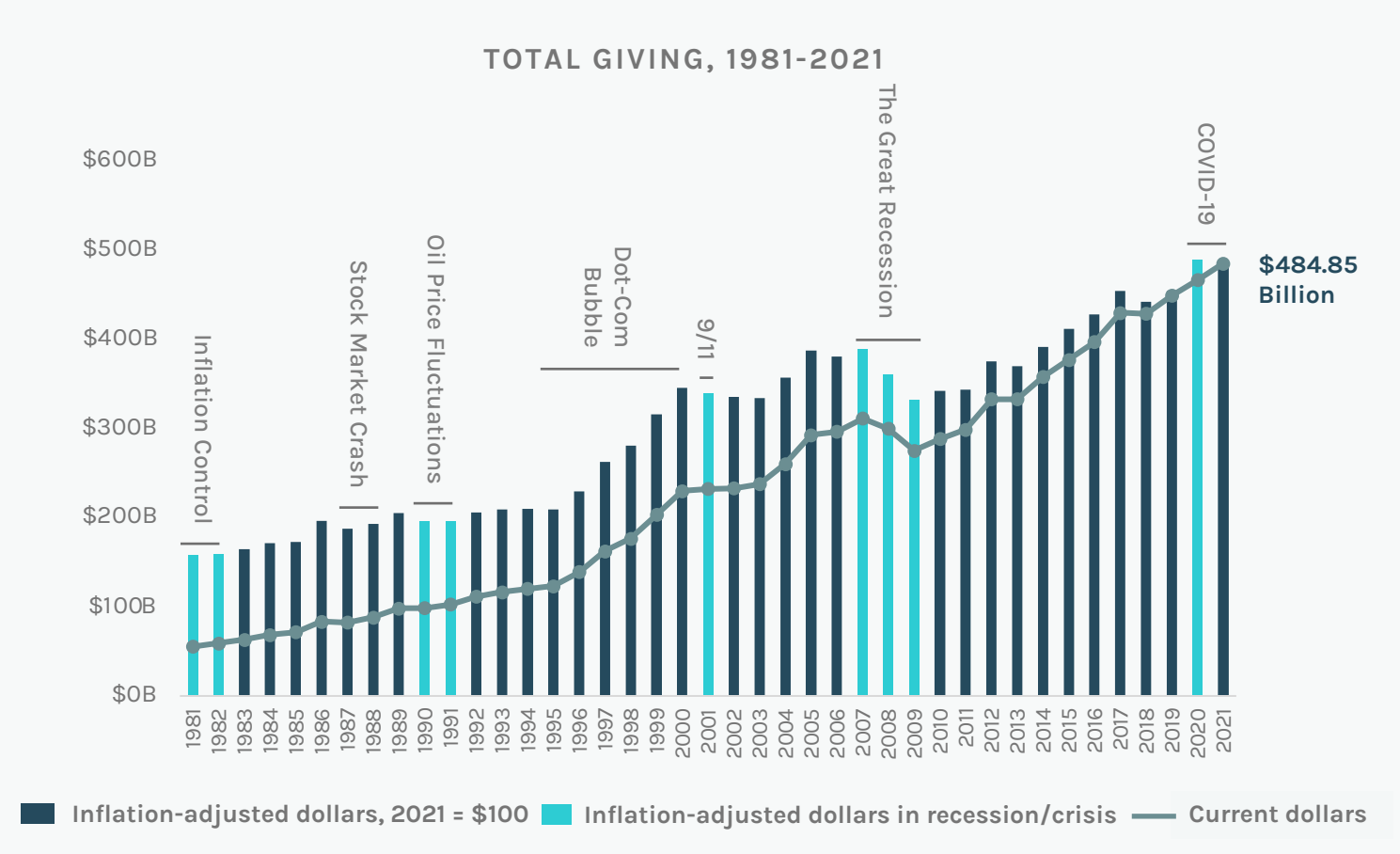
KATHERINA ROSQUETA

Founding Executive Director
Center for High Impact Philanthropy,
University of Pennsylvania

TODAY'S PHILANTHROPIC
LANDSCAPE



Despite economic challenges, overall giving is still on an upward trend. However, total donor counts continue a steep decline.



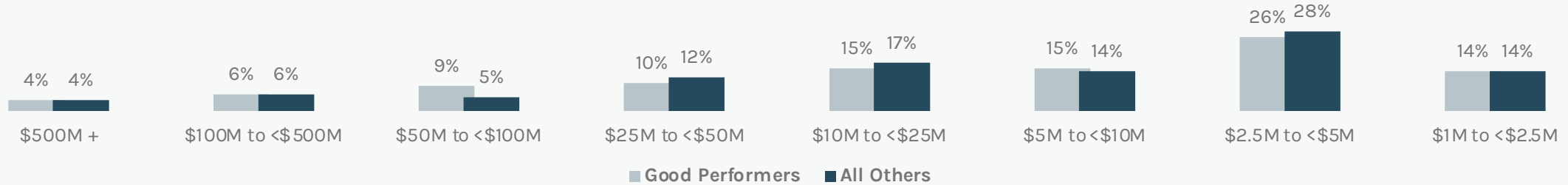
Giving USA estimates that charitable giving in the U.S. reached **\$484.85 billion** in 2021, an all-time high.

The Fundraising Effectiveness Project found that giving in the first three quarters of 2022 grew by **4.7%** compared to the first three quarters of 2021.

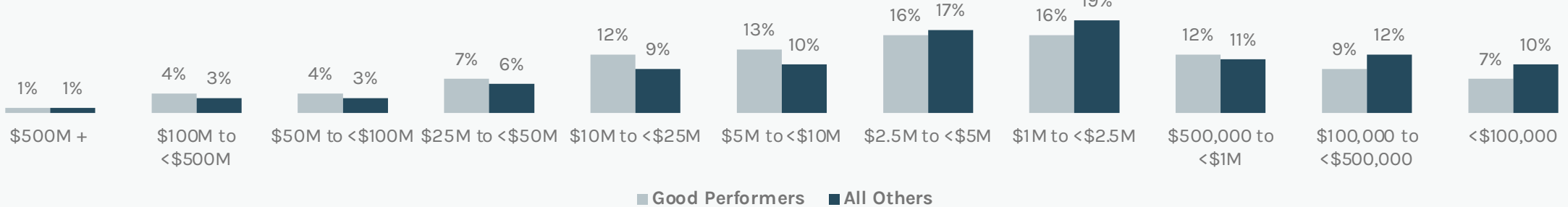
Data shows a continued steep decline in donor counts, though, with a Q3 YOY drop of **7.1%**, which follows a similar 7% YOY drop in Q2.

However, Philanthropy Pulse data shows that regardless of organization size or budget, fundraising revenue grew across the board.

PERCENT OF REPSONSES BASED ON BUDGET SIZE

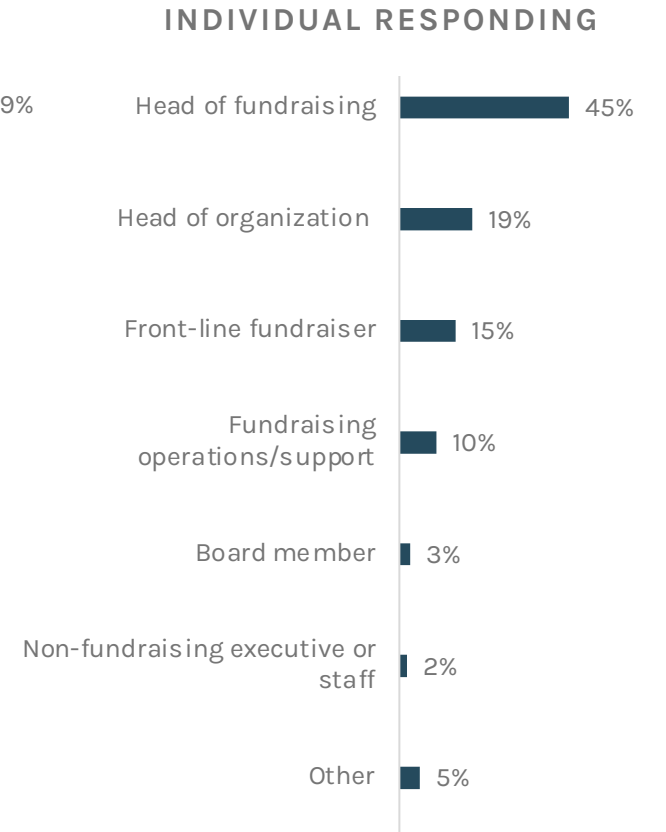
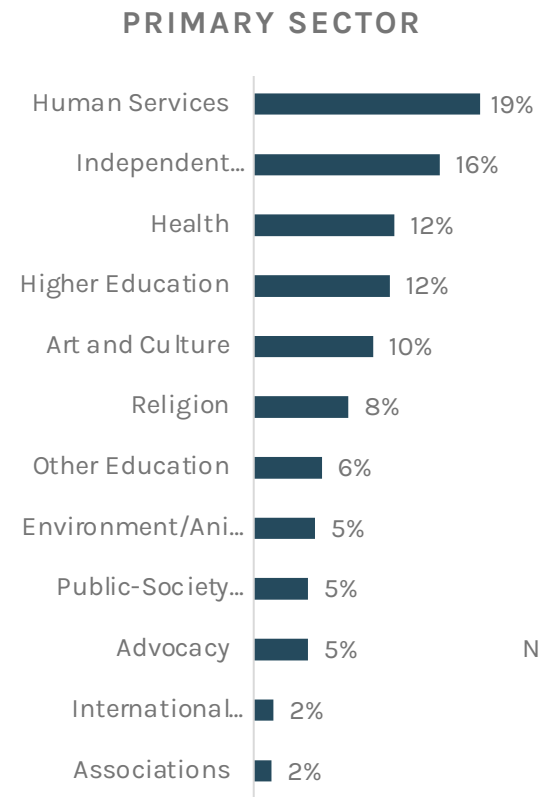
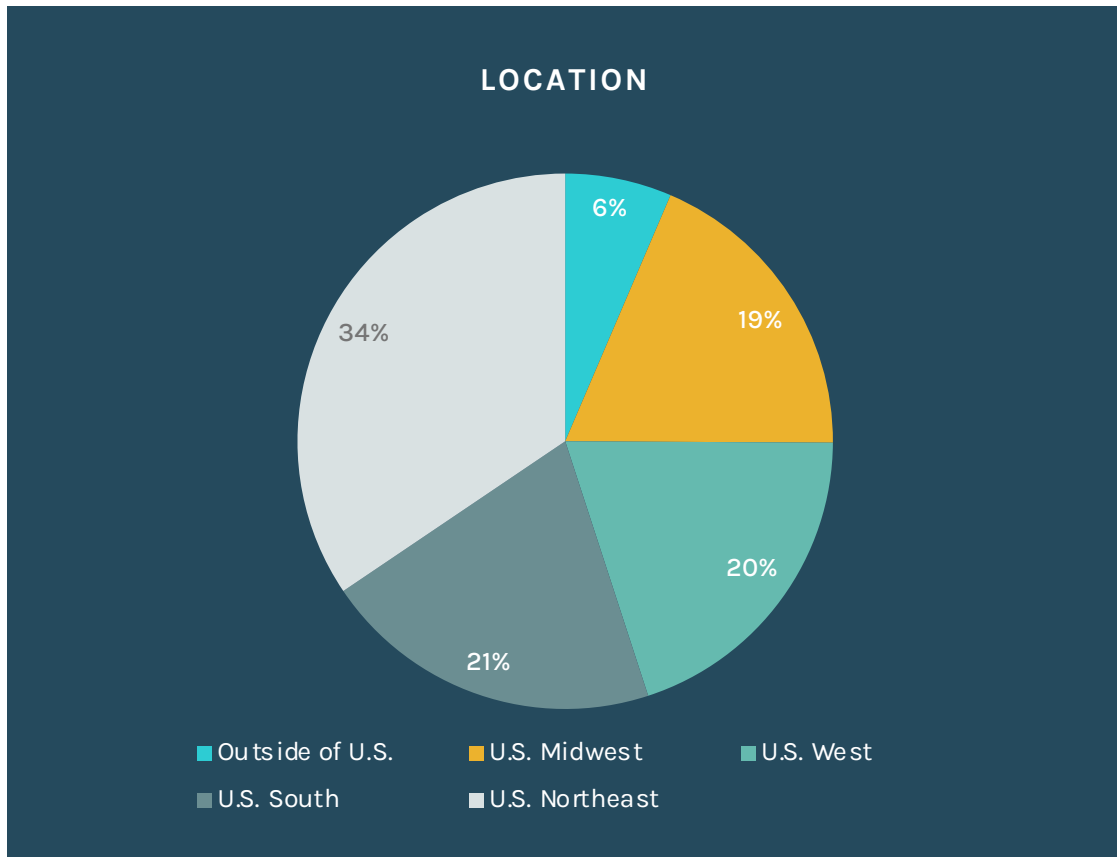


PERCENT OF RESPONSES BASED ON FISCAL YEAR REVENUE



Good performers are defined as organizations who saw at least a 10% increase in revenue from the prior fiscal year.

The CCS Philanthropy Pulse provides a window into the fundraising practices of nearly 1,200 organizations based on data collected via an online survey in the fall of 2022.



Today's Discussion Themes



2023 Outlook



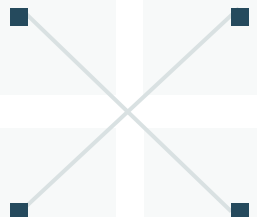
Donor Acquisition and Retention



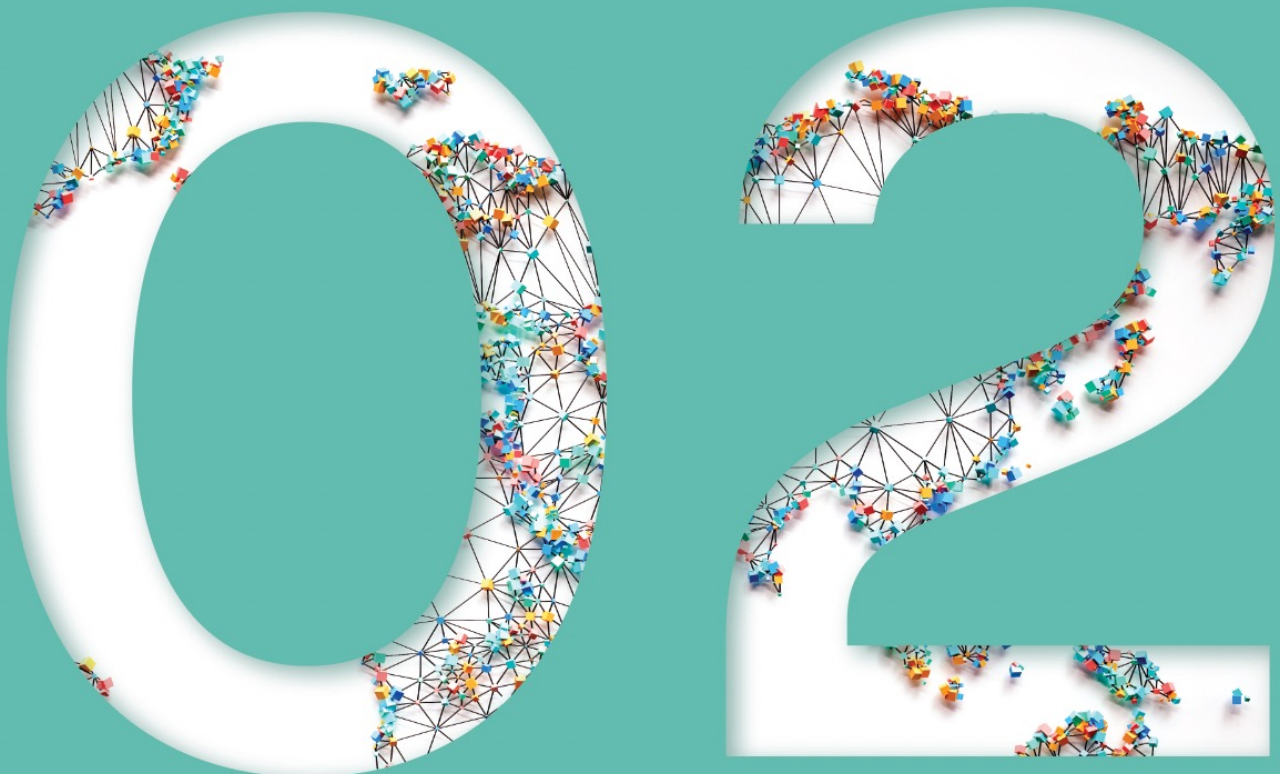
Diversifying Your Fundraising Strategy



Sector Trends and Themes



2023 OUTLOOK



Today's Headlines

**The
New York
Times**

"What Recession? Some Economists See Chances of a Growth Rebound."

**McKinsey
& Company**

"How can companies make hybrid work a success?"



"To Build a DEI Program That Works, You Need Metrics"

Forbes

"A War For Talent Is Starting—Spoiler Alert: Workers Will Win"

**WALL STREET
JOURNAL**

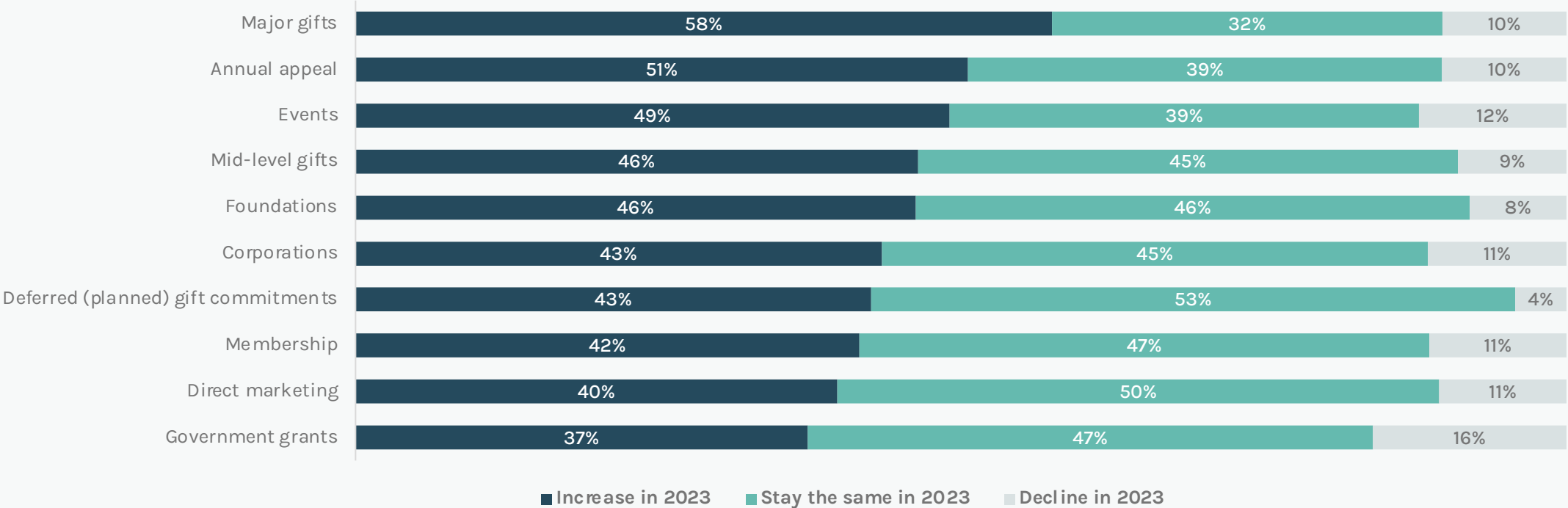
"I tried Microsoft's New AI-Powered Bing. Search Will Never Be The Same."

The Washington Post

"Is the U.S. More Divided Than Ever?"

Despite a projected mild recession, investment market volatility, and inflation, most organizations anticipate growth or stability in their fundraising results in 2023.

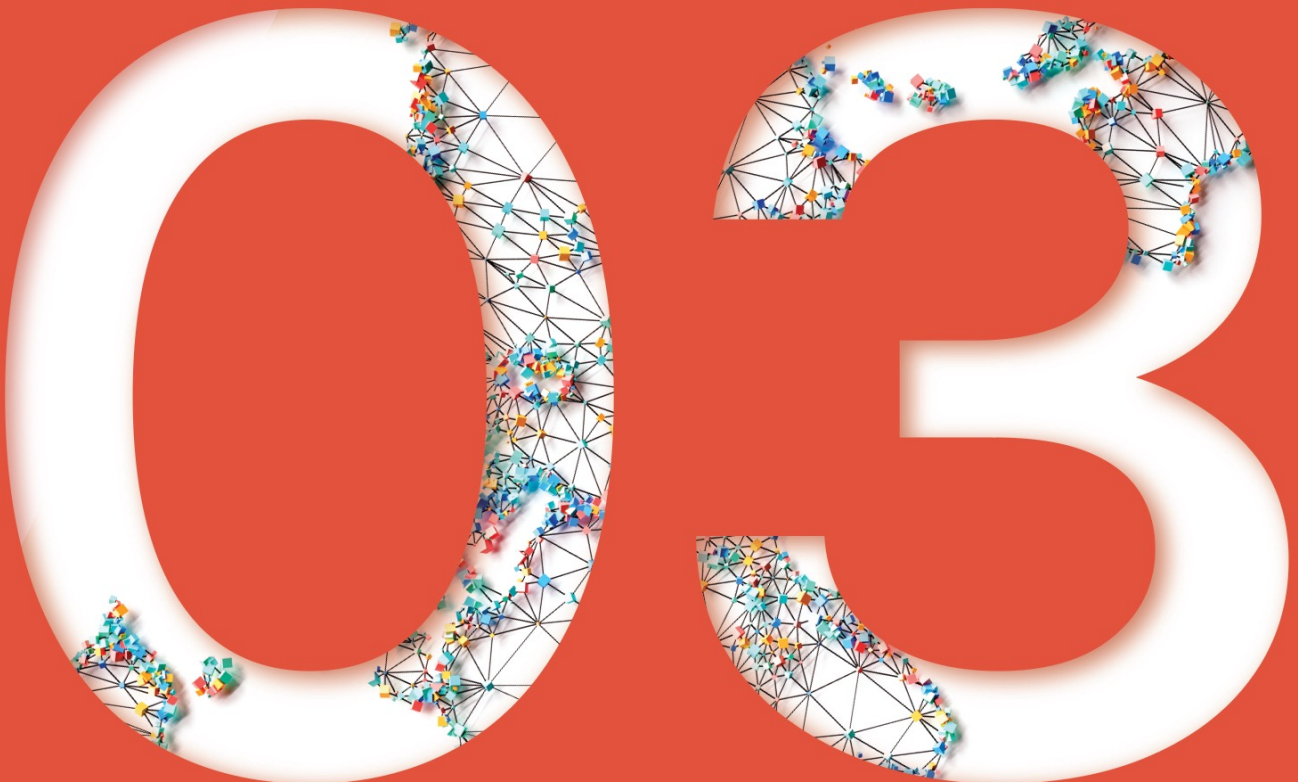
EXPECTED CHANGE IN PROGRAMS FOR 2023 VS 2022



Discussion

Our findings suggest that most organizations are confident in fundraising either growing or remaining steady in the year ahead. Given your experience and expertise in philanthropy, how do you think the economy will impact giving in 2023 and do you agree with this optimism?

DONOR ACQUISITION
AND RETENTION



Individual giving continues to drive all charitable giving, and further push the “dollars up, donors down” phenomenon.

Forbes

JANUARY 23, 2023

“

[In 2022] ... the country's most generous billionaires doled out more money than in each of the previous two years.

GIVING BY INDIVIDUALS
IN 2021:



\$326.87B

Amount given by individuals in 2021



0.2%

Increase of individual giving from 2020 to 2021

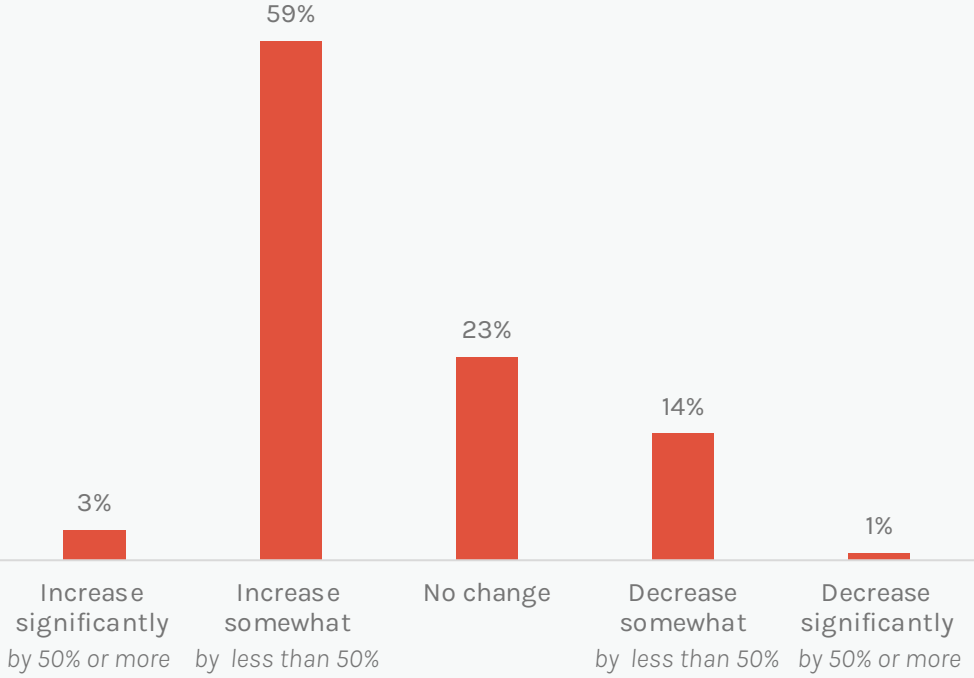


67%

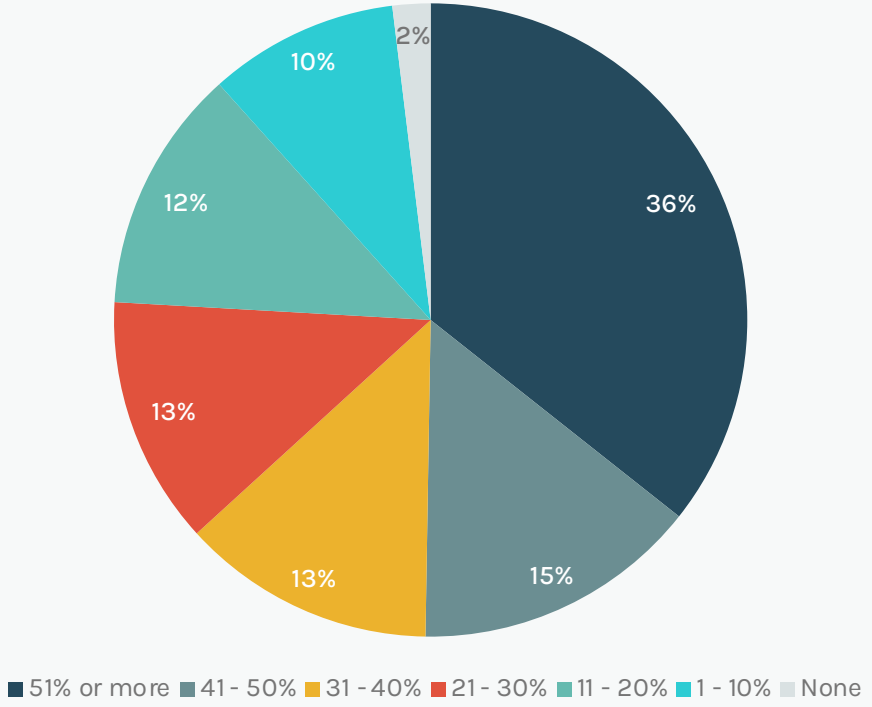
Percent of all charitable giving by individuals

Despite donor counts being down, more than 60% of organizations reported increasing their new donors in 2021. Retaining them is the challenge.

CHANGE IN NUMBER OF NEW DONORS IN PAST 12 MONTHS



RETENTION OF NEW DONORS FROM 2020 AND 2021

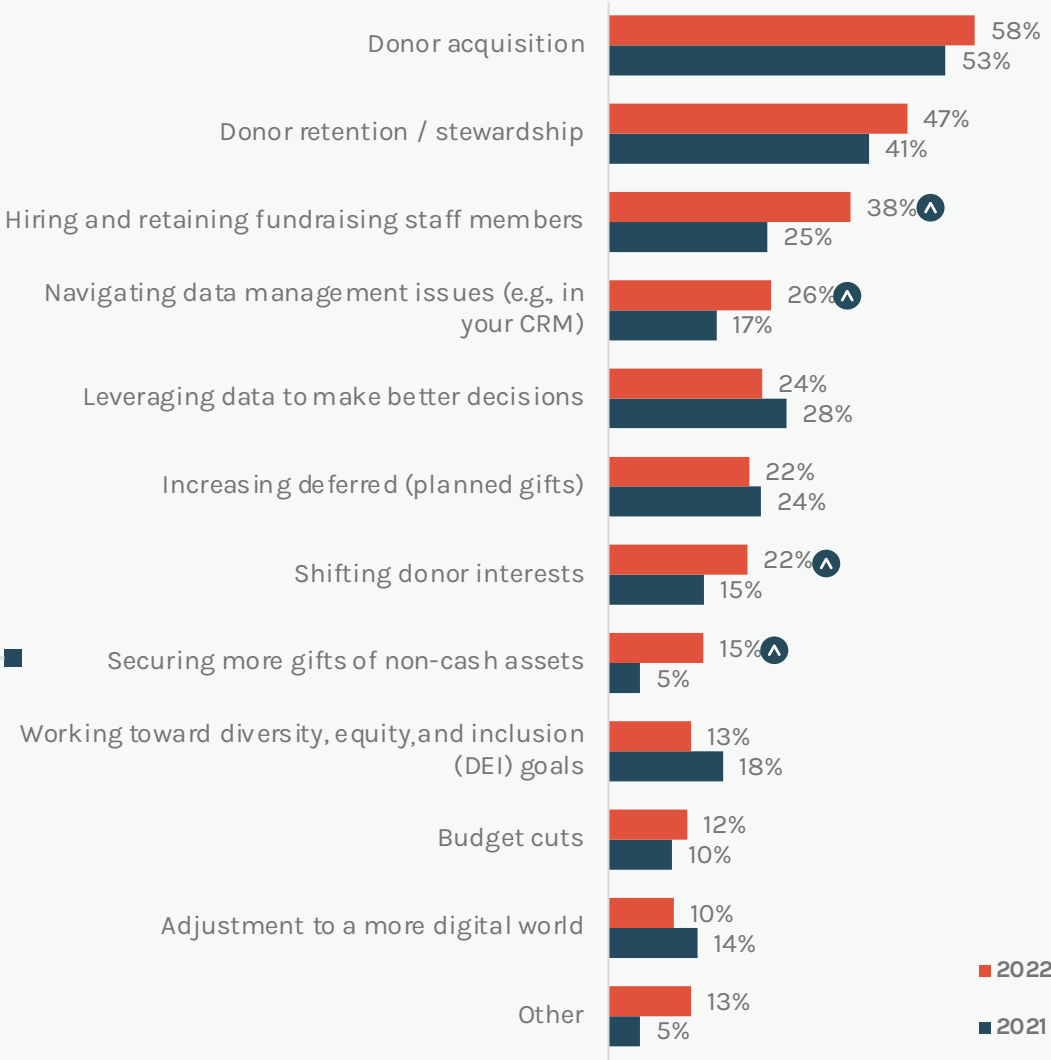


In fact, donor acquisition and donor retention continue to be the top fundraising challenges experienced by nonprofits year over year.

DISCUSSION QUESTION:

Based on your extensive experience working with philanthropists and your understanding of donor motivations, how do you think organizations can best position themselves to attract and retain donors?

TOP FUNDRAISING CHALLENGES



Strengthening donor loyalty will be key to continued fundraising success in 2023.

THE CHRONICLE OF PHILANTHROPY

“How to Strengthen Donor Loyalty? A New Study Says Talk Less, Listen More”

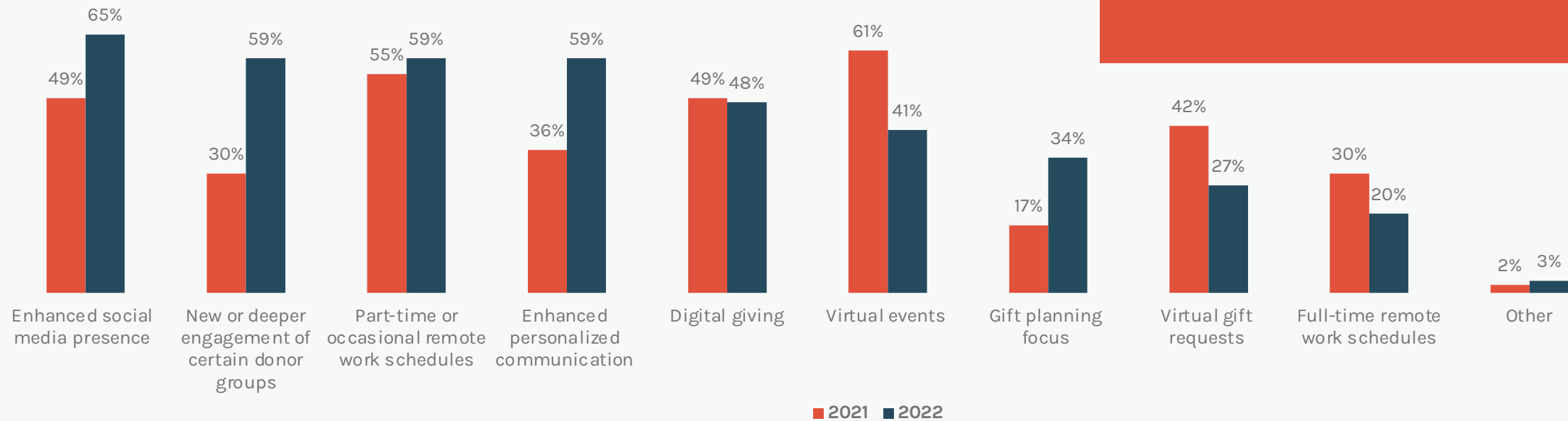
By Drew Lindsay | September 21, 2022



Organizations continue to evolve their operations and fundraising practices to reach new donors.

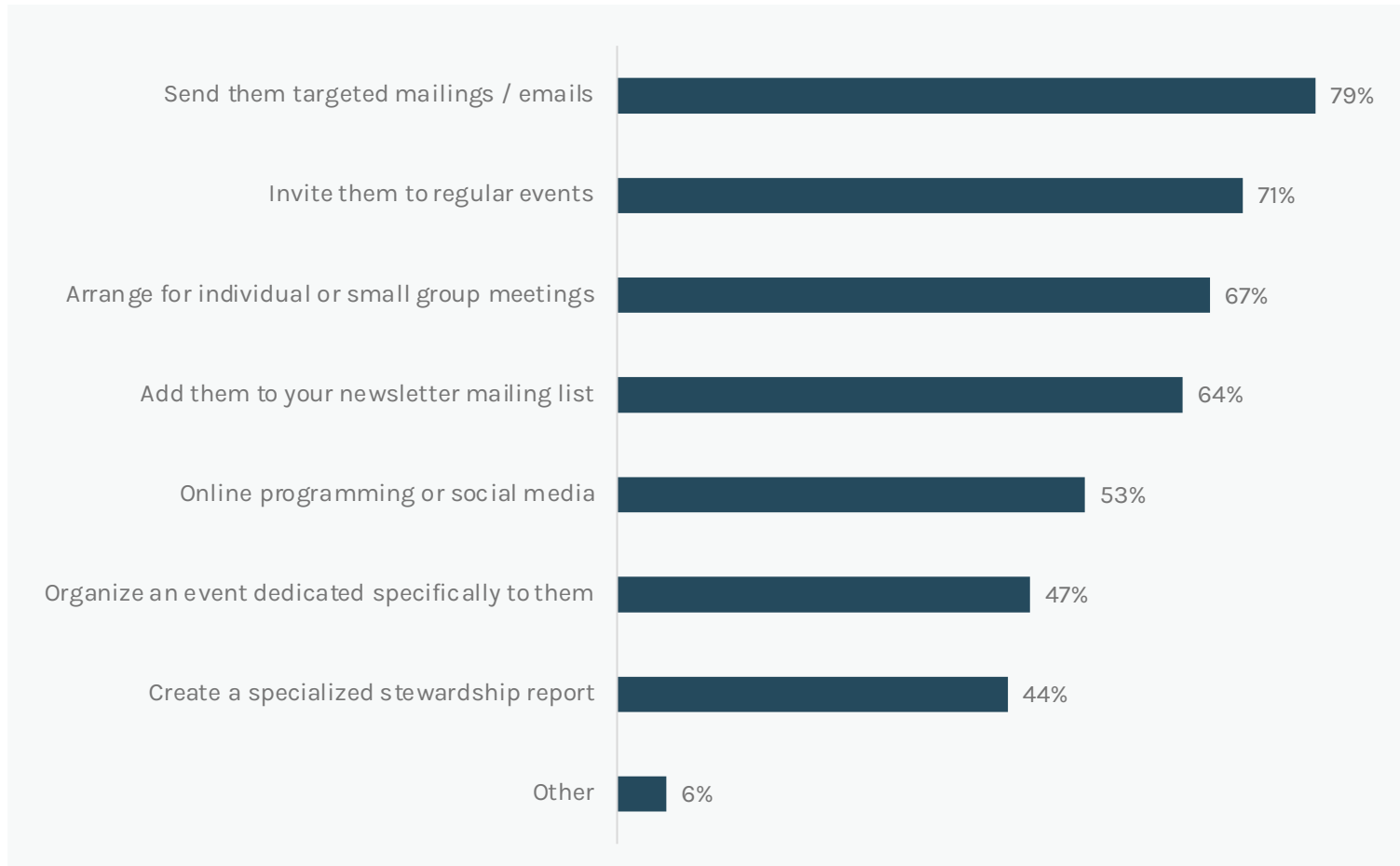
Social media surged to be the top focus, from 49% in 2020 to 65% in 2021.

PRACTICES ADOPTED IN PAST 2 YEARS THAT PLAN TO CONTINUE



As discovered in the [CCS 2022 Philanthropic Landscape report](#), donors strongly prefer digital forms of engagements. This engagement could include social media, blog posts, podcasts, or virtual reality experiences.

Utilizing targeted communications and active event schedules are the top intended strategies by organizations for retaining donors.



Candid.

“Four tips to make the most of your nonprofit email campaigns”

By Aidan Augustin

Discussion

Our findings highlight the continued prominence of digital forms of personalized engagement. Through your role as the Chair of Candid., what other trends have you seen emerge around donor engagement preferences?

DIVERSIFYING YOUR
FUNDRAISING STRATEGY



Organizations should prioritize financial flexibility and growth to be better set up for success in 2023.

Forbes

Nonprofit
Council

JANUARY 30, 2023

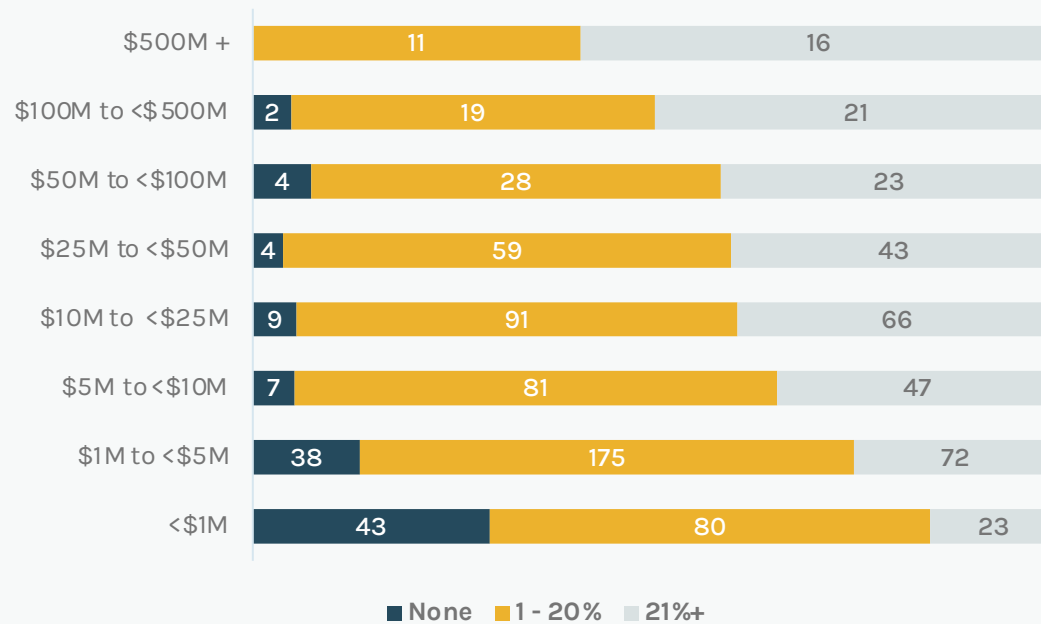
“

The best leaders will go all-in on growth strategies in 2023...Growth-oriented, agile organizations can react decisively to disruptions and turn short-term opportunities into long-term gains.

AREAS FOR GROWTH: GIFT PLANNING

Most respondents (57%) only receive between 1- 20% of their contributions in the form of noncash assets, suggesting Gift Planning as an area for major growth.

ANALYSIS OF PERCENTAGE OF NONCASH ASSETS VS BUDGET

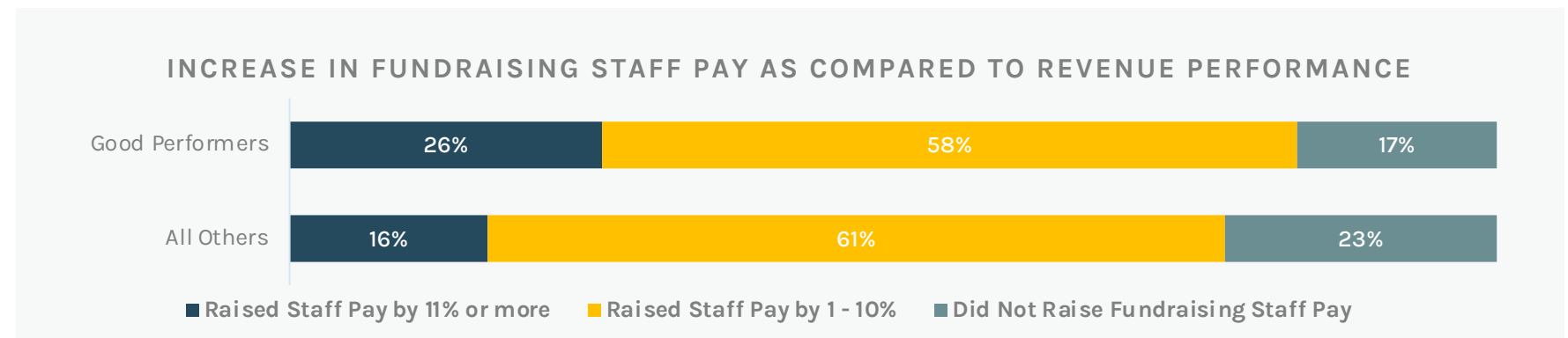
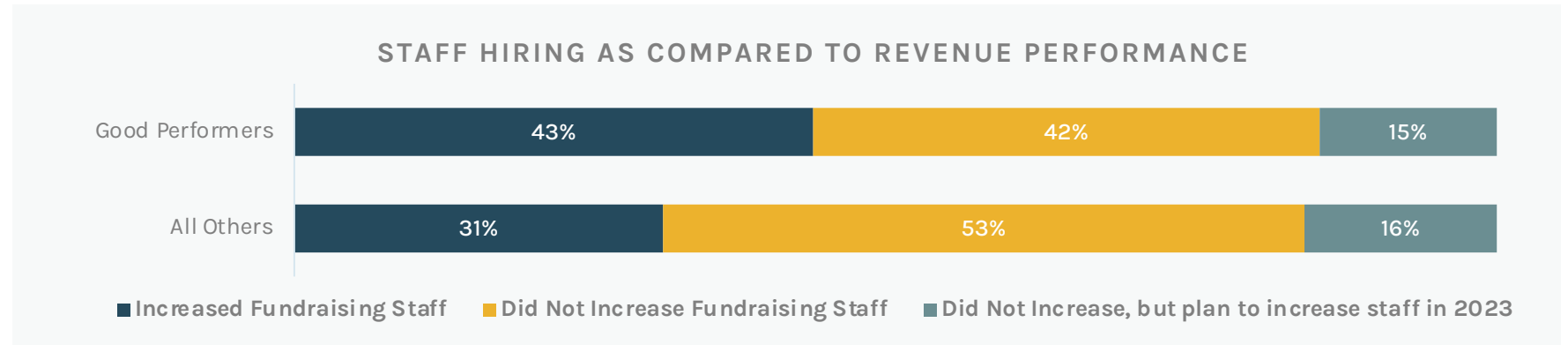


CCS FUNDRAISING KEY INSIGHT

Organizations with larger budgets capture more of their philanthropic contributions from noncash assets. Implementing a planned giving program is an effective way to diversify revenue streams and move donors along a continuum of commitment to your organization.

Organizations that invested more in hiring and retaining top fundraising talent exhibited more growth.

While respondents reported fundraising revenue growth regardless of the organization's size or budget, those that focused on hiring staff or increasing pay experienced higher proportional growth.



Good performers are defined as organizations who saw at least a 10% increase in revenue from the prior fiscal year.

Discussion

Based on your extensive leadership experience at both CHIP and Candid., what advice would you give to organizations around attracting top talent as part of their organization's growth strategy?

Nonprofits continue to focus on diversity, equity, and inclusion (DEI).

“

Nonprofits' supporter ranks are changing as women donors, donors of color, and younger donors step up their giving. Courting these donors and keeping them in the giving pipeline will be crucial to nonprofit budgets.

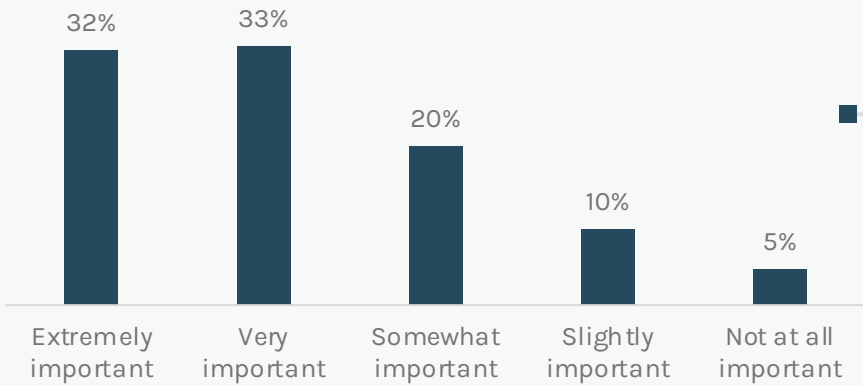
THE CHRONICLE OF PHILANTHROPY

“5 Trends That Will Shape
Fundraising in 2023”

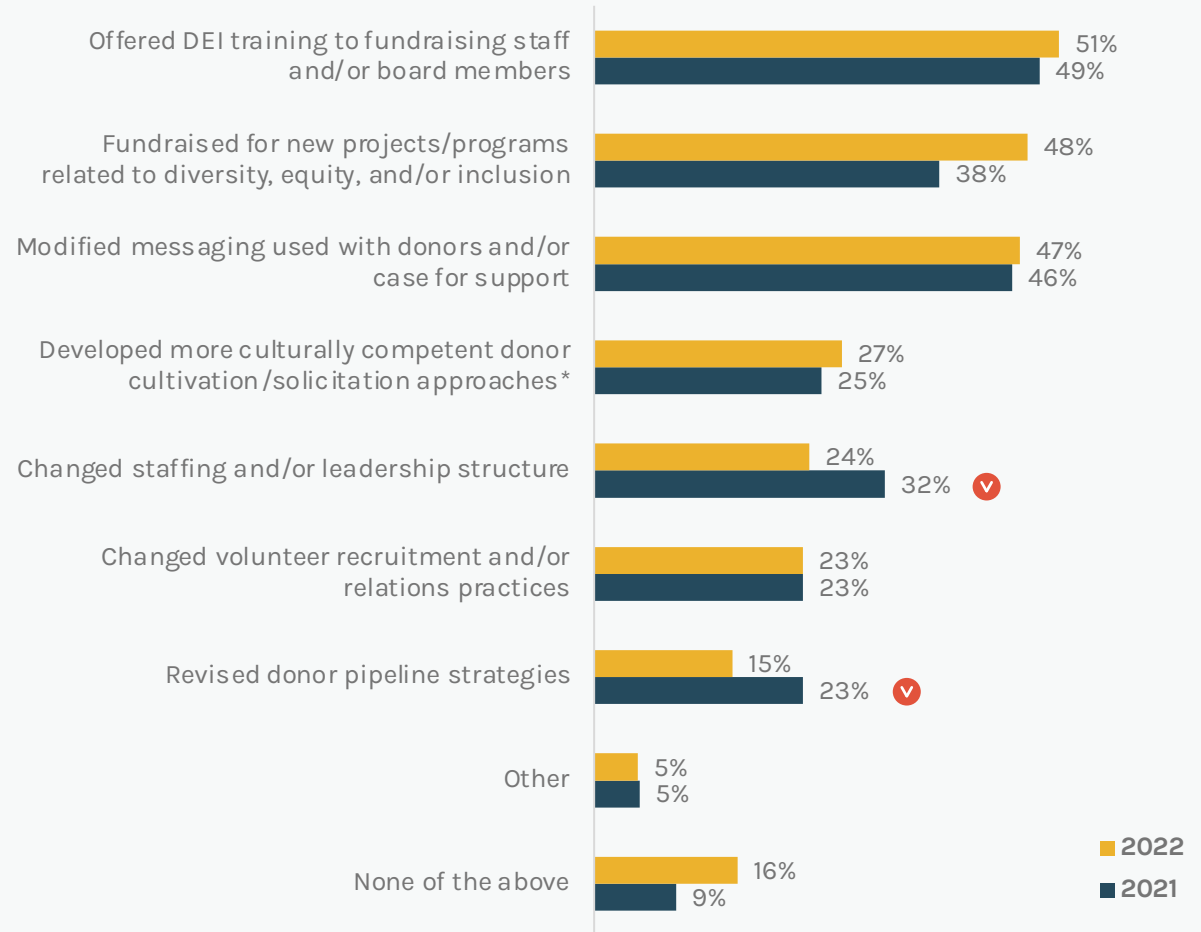
By Rasheeda Childress | January 4, 2023

A higher proportion of the organizations that experienced larger growth in 2021 consider DEI very important or important.

IMPORTANCE OF DEI IN DEVELOPMENT OF STRATEGIC PLANS



TACTICS TO MAKE FUNDRAISING PRACTICES/OPERATIONS MORE DIVERSE, EQUITABLE, AND/OR INCLUSIVE



*E.g., tailoring engagement approaches for a major donor based on complex and intersecting components of the donor's identity

Discussion

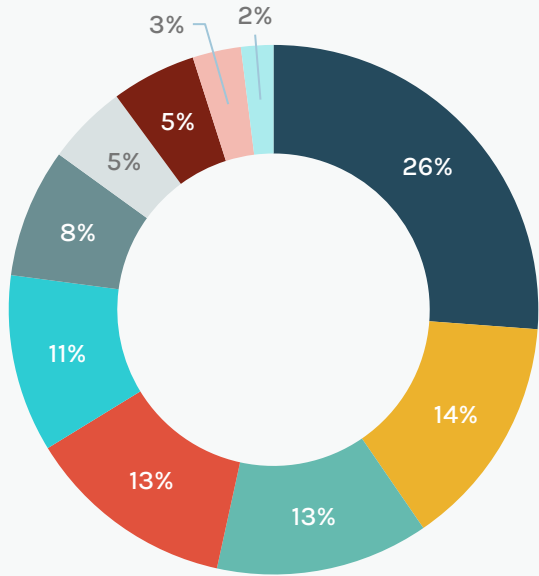
What are some of the best practices that you have seen to promote diverse perspectives and achieve inclusive solutions?

SECTOR TRENDS AND
INSIGHTS



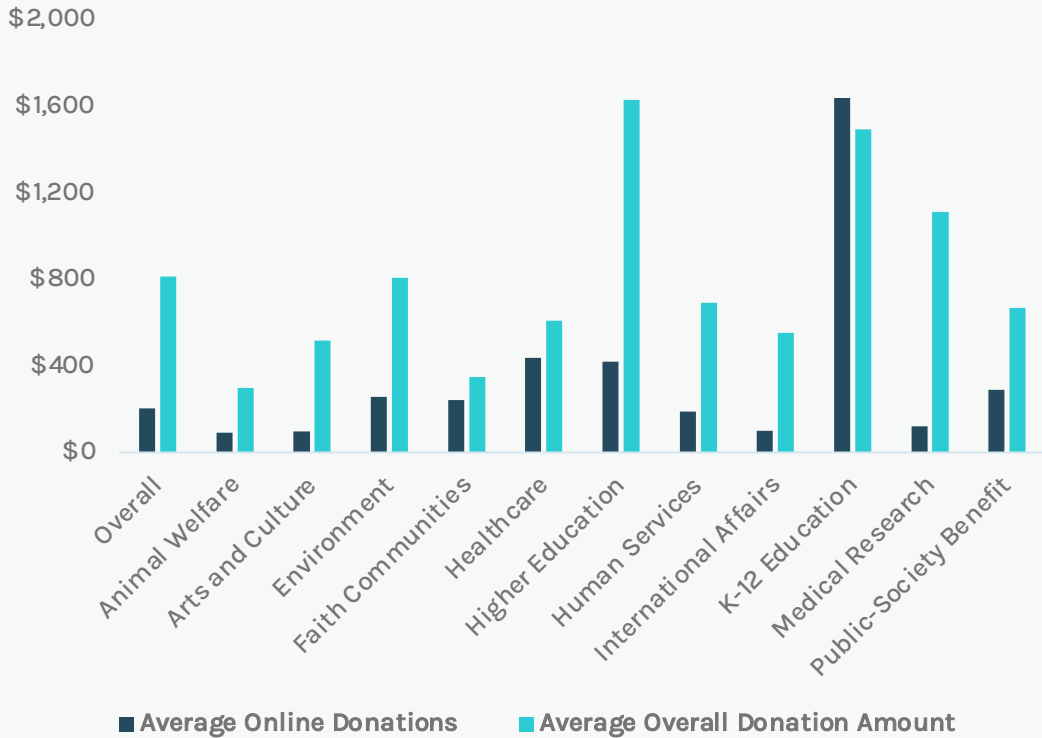
Giving in 6 of 10 sectors has increased since 2020, and digital giving trends continue to rise in all sectors.

GIVING BY SECTOR IN 2021



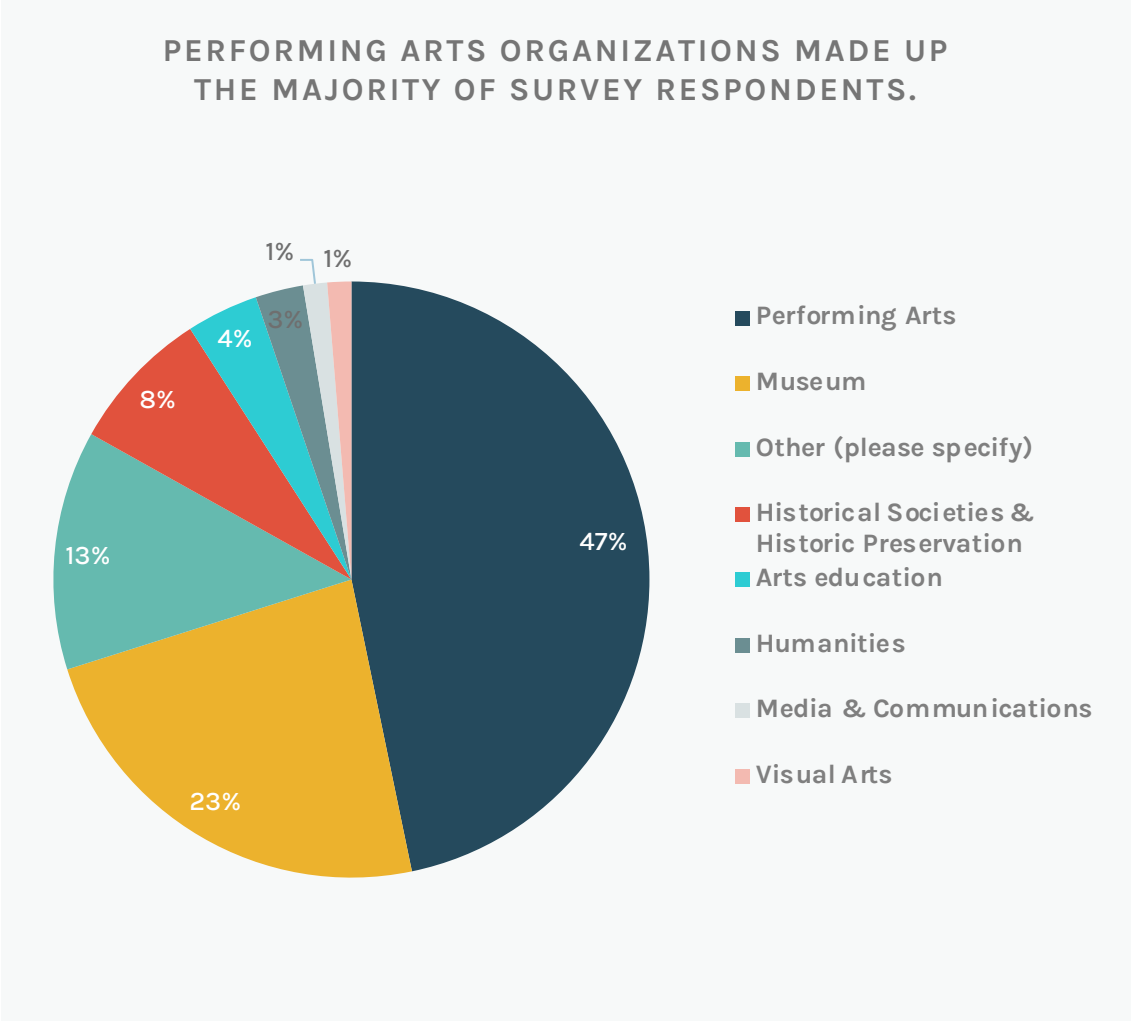
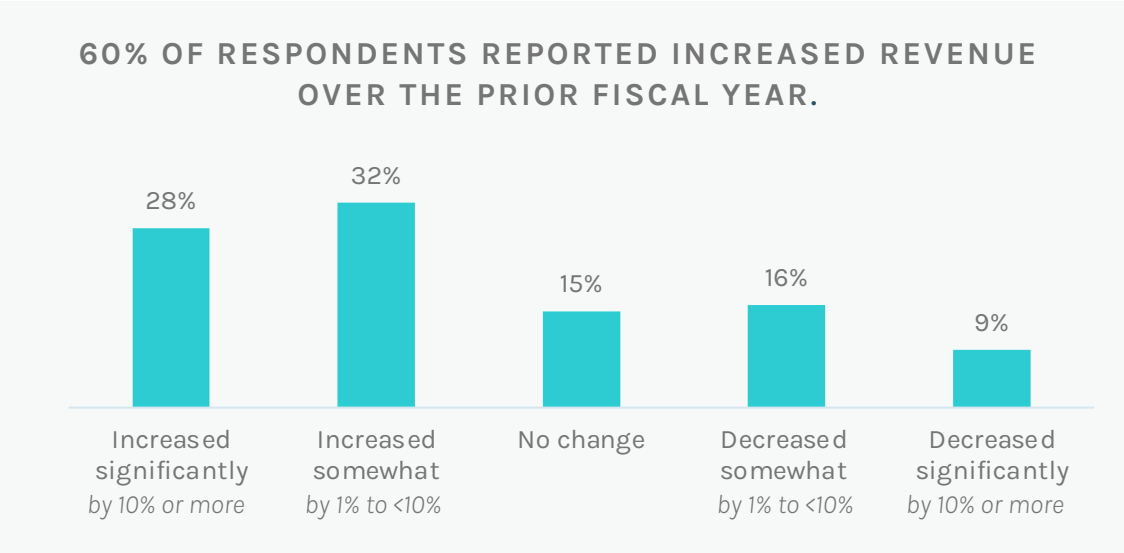
- Religion | \$135.78B
- Education | \$70.79B
- Human Services | \$65.33B
- Giving to Foundations | \$64.26B
- Public-Society Benefit | \$55.85B
- Health | \$40.58B
- International Affairs | \$27.44B
- Arts, Culture, & Humanities | \$23.50B
- Environment & Animals | \$16.32B
- Giving to Individuals | \$11.74B

2021 ONLINE DONATION AMOUNT BY SECTOR



Arts & Culture

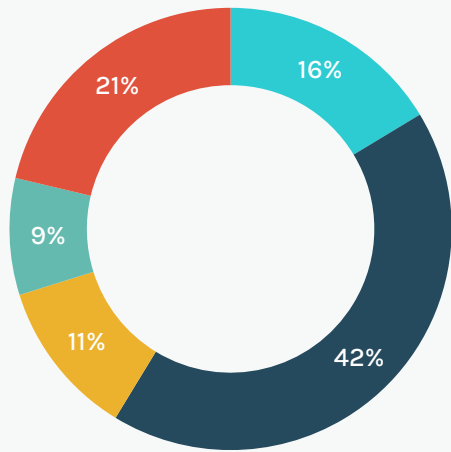
Fifty-five percent of arts and culture respondents reported that the number of donors increased, which juxtaposes the overall “dollars up, donors down” trend we see across the nonprofit sector. Arts and Culture organizations were among the most likely to discuss the concepts of diversity, equity and/or inclusion in conversations with donors, with 92% reportedly doing so.



Faith

NINETY-FOUR PERCENT OF RESPONDENTS REPORTED THAT THEIR OFFERTORY INCOME INCREASED OR STAYED THE SAME.

Additionally, fundraising time is dedicated to an (arch)dioceses' annual appeal.

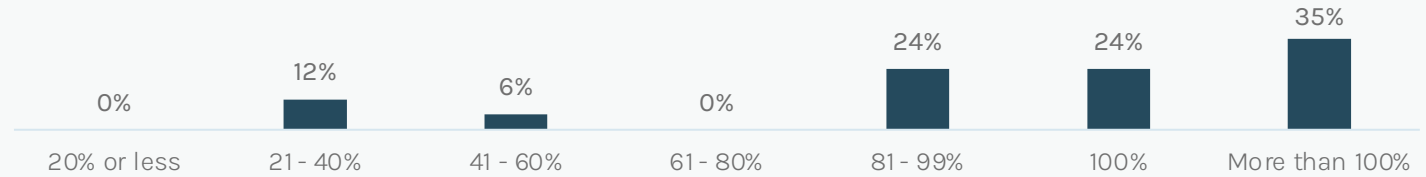


- Major gifts
- Annual appeal
- Capital campaigns
- Planned giving engagements
- Parish support

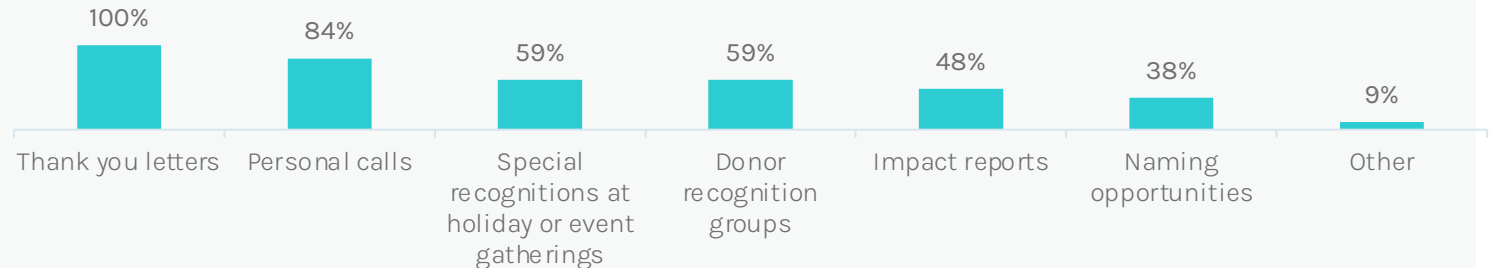
Ninety-six (96) responding religious institutions were comprised of congregations or houses of worship (44%), (arch)dioceses (25%), and other (31%) types of religious organizations.

NEARLY 60% OF ALL RELIGIOUS ORGANIZATIONS REACHED OR EXCEEDED THEIR ANNUAL APPEAL.

No respondents indicated that they received 20% or less of their annual stewardship appeal goal.



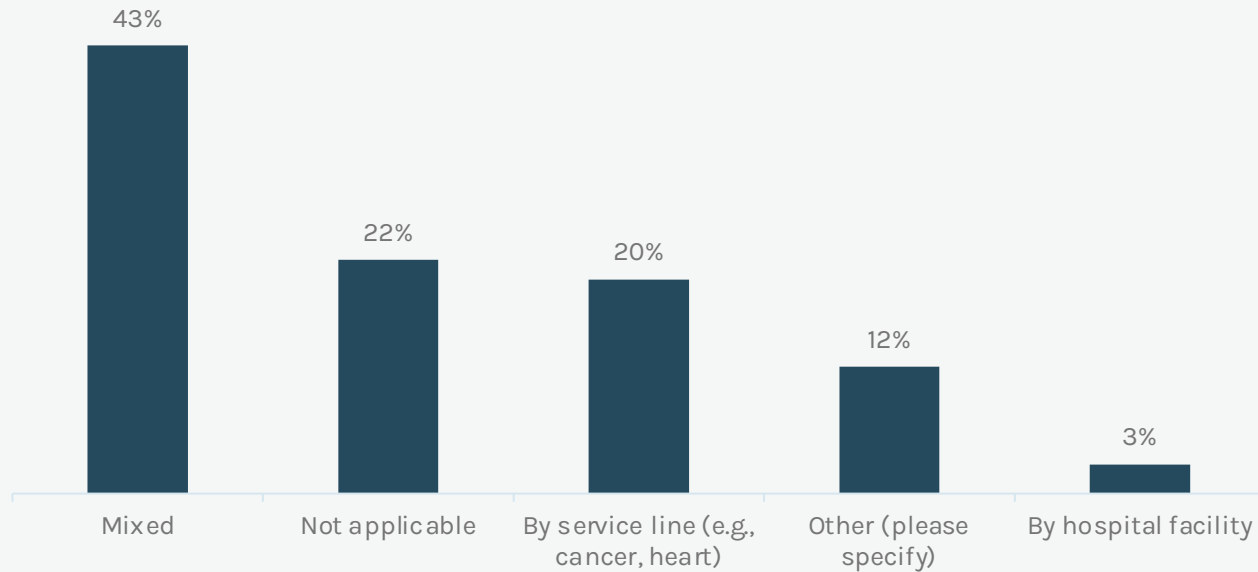
ALL RESPONDENTS INDICATED THAT THEY SEND THANK YOU LETTERS AND MOST PERFORM PERSONAL CALLS TO RECOGNIZE DONORS.



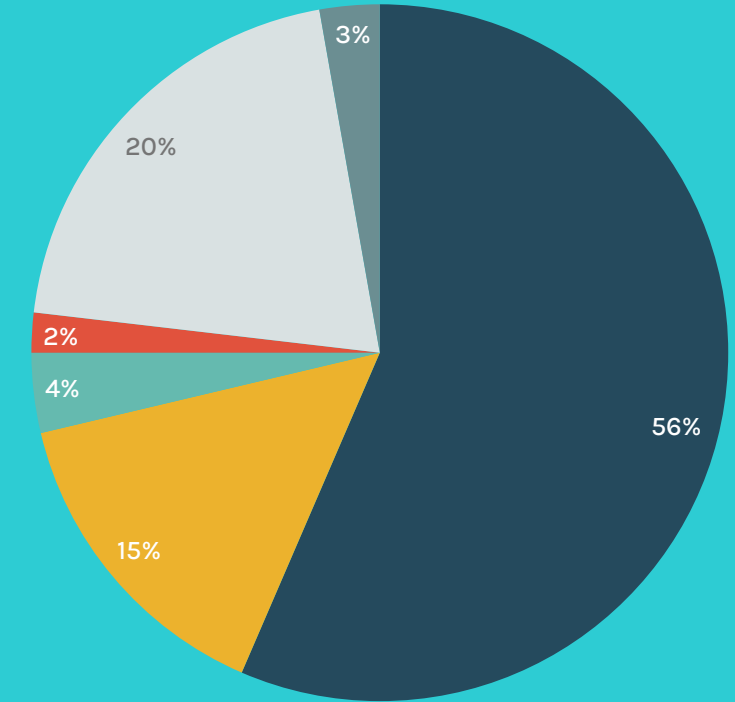
Health

Fifty-seven percent of healthcare institutions increased fundraising staff in 2022 or plan on doing so in 2023, which was among the highest reported rates of staff acquisition across nonprofit sectors.

ALMOST HALF OF RESPONDENTS HAVE FUNDRAISING EFFORTS ORGANIZED IN A MIX BETWEEN SERVICE LINE AND HOSPITAL FACILITY.



MOST SURVEY RESPONDENTS REPORTED THAT THEIR ORGANIZATION'S FUNDRAISING OPERATIONS WERE FULLY OR INCREASINGLY CENTRALIZED IN 2022.

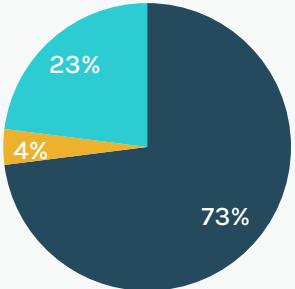


- Fully centralized
- Increasingly centralized
- Fully decentralized
- Increasingly decentralized
- Hybrid
- Other

Higher Education

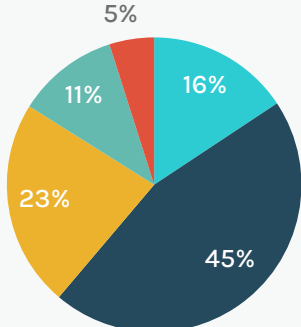
Among 138 higher education respondents, 60% of respondents are from four-year universities, followed by two-year community or junior colleges (14%), then undergraduate, graduate, or other institutions.

MOST (73%) RESPONDENTS HAVE A CENTRALIZED FUNDRAISING MODEL.



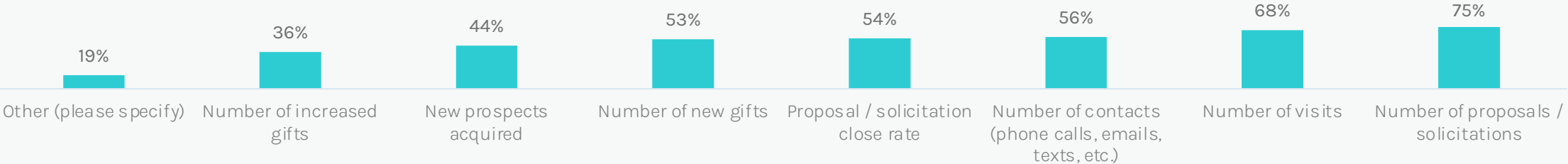
- Fully centralized (a central office or foundation coordinates fundraising operations)
- Fully decentralized (individual fundraising entities operate with little to no central support)
- Hybrid (mix of centralized and decentralized operations)

MAJOR GIFTS ARE THE DOMINANT FUNDING SOURCE (46%) FOR HIGHER EDUCATION.



- Annual fund
- Major gifts
- Foundation and corporate grants
- Planned (deferred) gifts
- Other

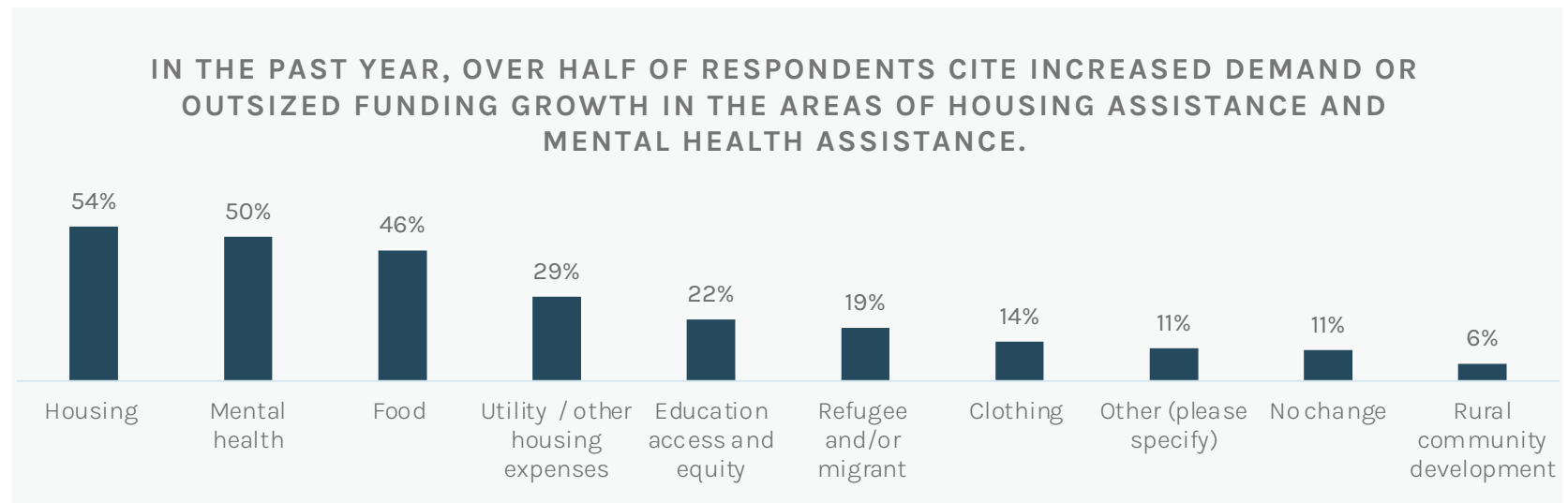
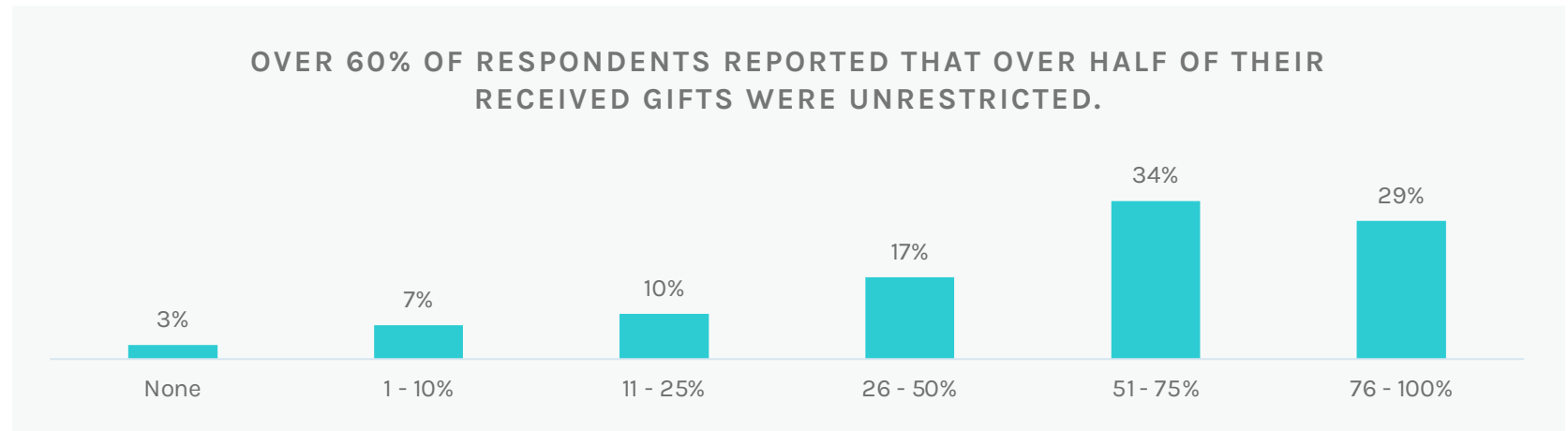
MOST FUNDRAISERS TRACK THE NUMBER OF PROPOSALS AND SOLICITATIONS (75%), AND NUMBER OF VISITS (68%). THOUGH DONOR ACQUISITION IS A TOP-THREE CHALLENGE FOR 50% OF RESPONDENTS, ONLY 44% TRACK PROSPECT ACQUISITION.



Human Services

Human services organizations were among the most likely to report an expected increase in corporate and foundation giving in 2023, with nearly half of all organizations anticipating an increase in each source.

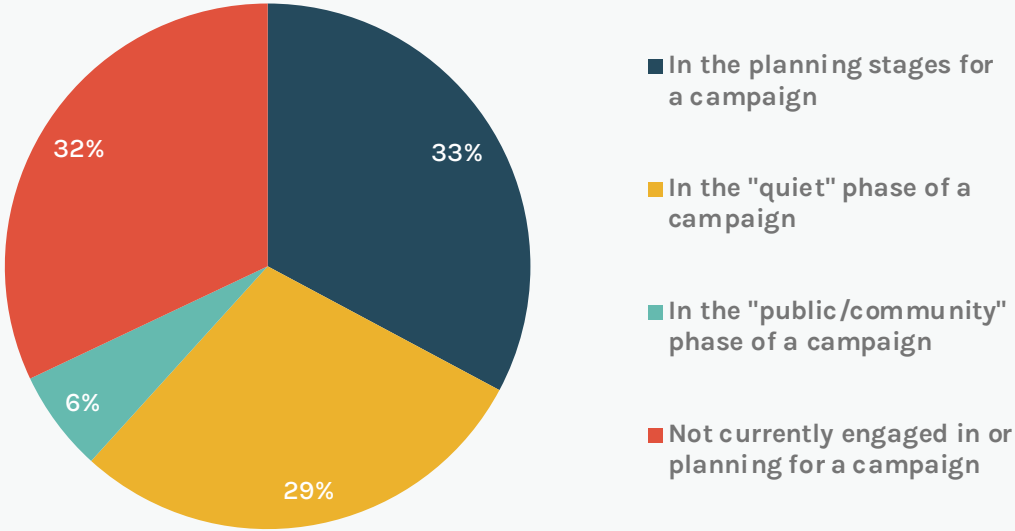
Donors increased significantly in this sector as well, with 61% of organizations reporting a rise in the number of donors.



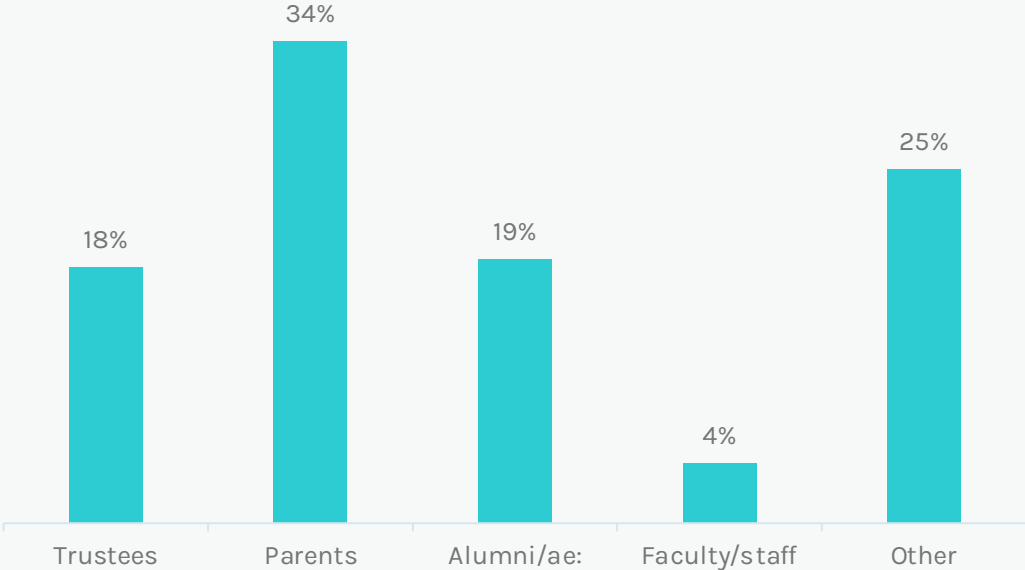
Primary & Secondary Schools

Eighty-three percent of primary and secondary schools saw an increase or sustained revenue throughout the year compared to the prior fiscal year, which was the highest percentage reported among sectors. Moreover, 64% of all schools met or exceeded their annual fund goal for the prior fiscal year.

THIRTY-THREE (33%) OF SCHOOLS ARE IN THE PLANNING STAGES OF THEIR CAMPAIGN.



THE MAJORITY (34%) OF SCHOOL ANNUAL FUND SUPPORT COMES FROM PARENTS.



Discussion

Which sector's results surprised you the most? Are there certain themes we noted today that you think will be most prevalent in our industry in 2023?



LET'S TALK
ABOUT IT

Audience Q&A

Additional Insights

- Nonprofits continue to increase their acceptance of noncash gifts, with family foundations and DAFs being the most popular.
- Coming out of the pandemic, fundraising has become even more important, with 1/3 of organizations reporting increasing their staff and 6 out of 10 organizations raising staff pay.
- 9 out of 10 organizations are using external vendors and consultants to bridge the gap in staff capabilities.
- While organizations continue to indicate DEI is important to their fundraising plans, DEI conversations with donors have decreased significantly.

THANKS FOR JOINING OUR WEBINAR!

The full report will be sent to you. For more sector-specific information, please visit www.CCSFundraising.com.



