



Making Sense of Fundraising

A Fundraiser's Guide to What's Working in 202~~2~~³ & Beyond



Welcome!



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Agenda

1. Myth Busting – What’s Working in Fundraising
2. Hot Takes – What Isn’t Working in Fundraising
3. And What To Do About It
4. **Your Plan**
5. Closing

Speed Round

ALL THE DATA

Speed round of a lot of data, statistics and numbers about what's working in the world of fundraising right now.

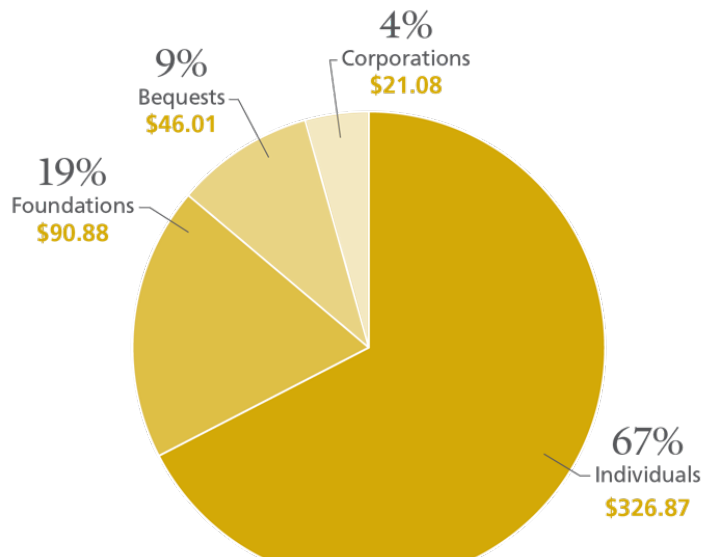
And some audience participation . . .





2021 contributions: \$484.85 billion by source of contributions

(in billions for dollars – all figures are rounded)



Giving was pretty solid in 2021. (Flat when adjusted for inflation, tho)

Individuals still make up the bulk of philanthropy, but now a three-year trend being below 70%.



Researched and written by

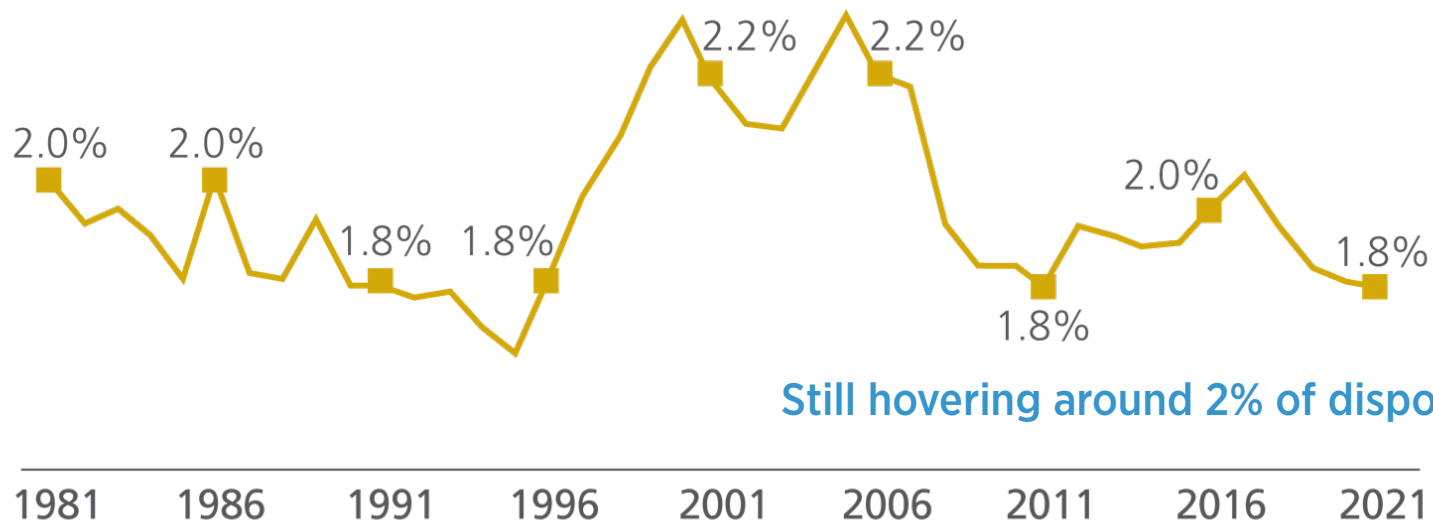


IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY



Individual giving as a percentage of disposable personal income, 1981-2021

(in current dollars)



Still hovering around 2% of disposable income.



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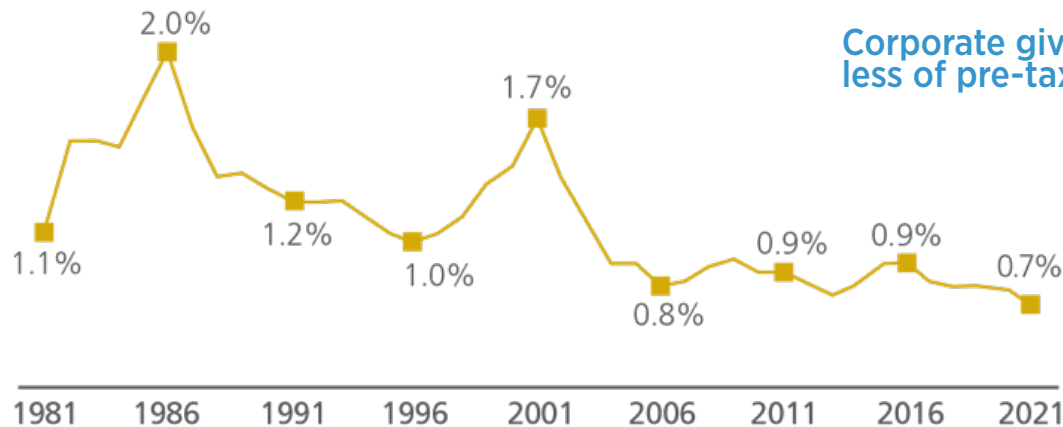


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Corporate giving as a percentage of corporate pre-tax profits, 1981–2021

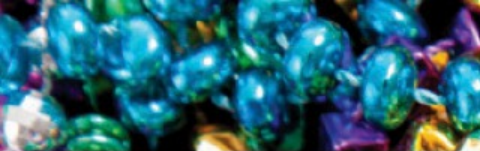
(in current dollars)



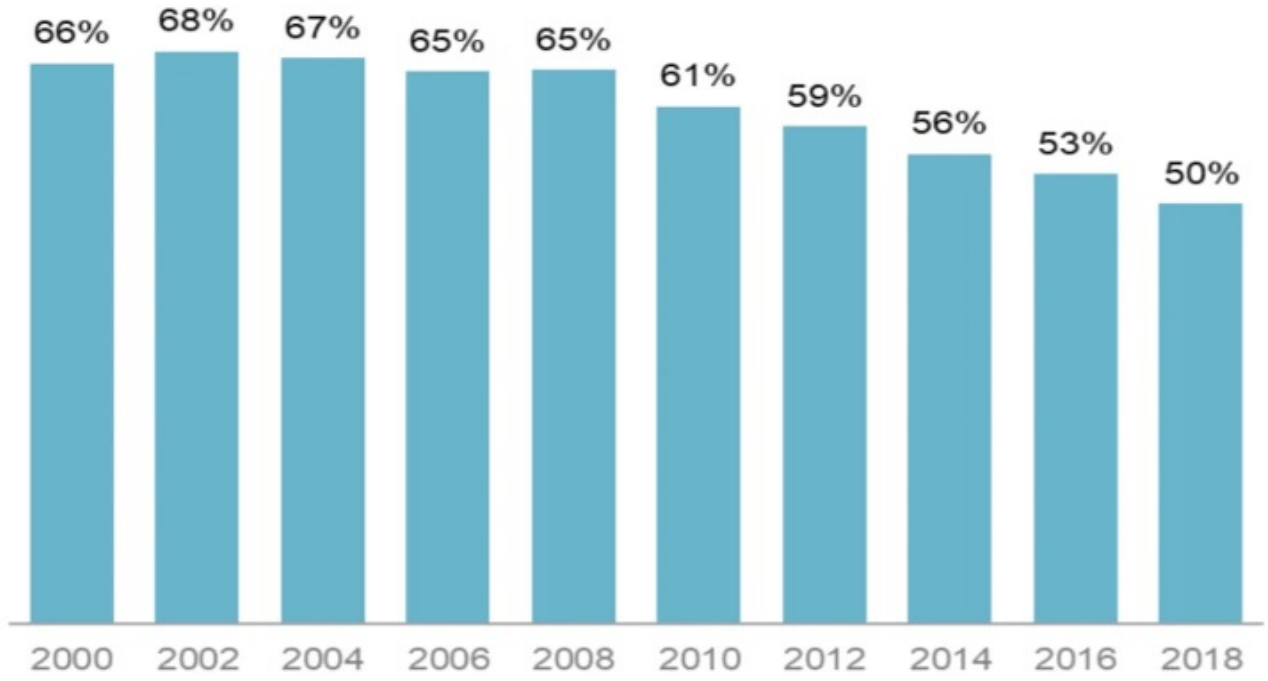
Corporate giving up, yes, but significantly less of pre-tax profits.



Researched and written by  IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY



Percent of U.S. Households Giving to Charity (2000-2018)

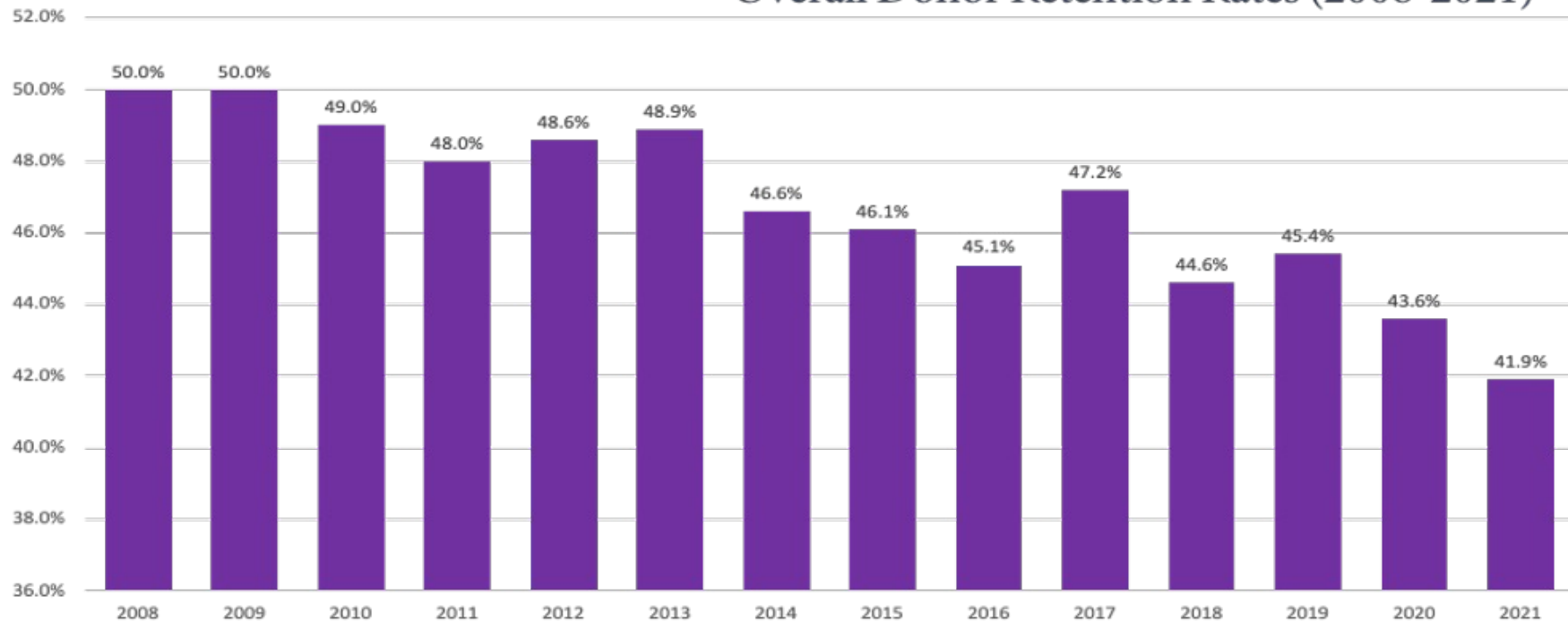


Source: "The Giving Environment: Understanding Pre-Pandemic Trends in Charitable Giving," IUPUI Lilly Family School of Philanthropy, July 2021, p. 14.

Fewer Households Giving to Charities



Overall Donor Retention Rates (2008-2021)





Retention is a Problem

All the Data

DONOR RETENTION

29%

First-Year, Offline-Only
Donor Retention Rate

60%

Multi-Year, Offline-Only
Donor Retention Rate

<https://institute.blackbaud.com/charitable-giving-report/overall-giving-trends/>

DONATION AMOUNTS

\$813

Average Donation
Amount

\$204

Average Online
Donation Amount

\$20

Median Donation
Amount for Gifts
Below \$1,000

\$2,500

Median Donation
Amount for Gifts
Above \$1,000



What About Digital?

Highlights

9%	42%	12%	28%
ONLINE GIVING GROWTH YOY	THREE-YEAR INCREASE IN ONLINE GIVING	PERCENT OF TOTAL FUNDRAISING FROM ONLINE SOURCES	PERCENTAGE OF ONLINE CONTRIBUTIONS FROM A MOBILE DEVICE

<https://institute.blackbaud.com/charitable-giving-report/overall-giving-trends/>



- Total online revenue grew by 3% in 2021, while the number of gifts increased by 5%. These relatively modest figures came after extraordinary revenue growth in the first year of the pandemic.
- Monthly giving increased by 24%, while one-time revenue declined by 1%. Monthly giving accounted for 22% of all online revenue in 2021.
- The average one-time gift was \$125, up from \$111 the previous year. The average monthly gift was \$25, up from \$24.
- Overall online donor retention was 36%. For donors who made their first gift in 2020, retention was 23%. For previous repeat donors, retention was 60%.

<https://mrbenchmarks.com/journeys>

- The majority of nonprofit website traffic came from users on mobile devices — 54%, with 46% of traffic from users on desktop devices.
- Users on desktop devices made up the majority of donation transactions (65%) and revenue (76%).
- The average gift made on a desktop device was \$75; for mobile users, the average gift was \$46.
- Organic traffic (website traffic generated by unpaid search results) comprised 41% of all nonprofit website visits in 2021.
- Overall, 0.11% of organic website visitors made a donation, generating an average of \$0.15 per visitor.

<https://mrbenchmarks.com/journeys>



→ For every 1,000 fundraising messages sent, nonprofits raised \$78. This marks a 3% decrease from 2020.

→ The average response rate for fundraising email was 0.08%, an 11% decrease from 2020.

→ The average open rate across all email messaging was 22%, a 16% jump from the previous year.

<https://mrbenchmarks.com/journeys>

What About Mail?

DIRECT MAIL



70% of consumers prefer traditional mail for cold, unsolicited offers

Source: ANA/DMA Response Rate Report 2018



59% of US respondents say they enjoy getting mail from brands about new products

Source: Epsilon



Print advertising (8%) and direct mail (6%) are listed among top sources generating sales and marketing leads

Source: B2B Marketing Mix Report 2018



Consumers claim that they are 46% more likely to respond to an offer from a familiar company

Source: Tax Marketing HQ



23.4% of consumers will respond to a postcard if the offer was relevant and of interest to them

Source: ANA/DMA Response Rate Report 2018



70% of consumers say direct mail is more personal than online interactions

Source: Fundera



48% of people retain direct mail for future reference

Source: DMW



77% of people sort through their mail immediately

Source: USPS



DIRECT MAIL OUTPERFORMS ALL DIGITAL CHANNELS COMBINED BY 600%

Source: DMA Response Rate Report

What About Mail?

NON-PROFIT

In the non-profit sector, sending more emails does not equal more click-through rates (CTRs) as shown in the statistics below:

- Animal welfare groups sent 16.8% more emails and had click-through rates decrease by 17.7%
- Disaster organizations sent 18% more emails and had click-through rates decrease by 20.7%
- Human and social services sent 12.8% more emails and had click-through rates decrease by 16.1%
- Public broadcasting sent 27.6% more emails and had click-through rates decrease by 18.3%

Source: DMA Statistical Factbook, 2018



At 54%, measuring content effectiveness is the top challenge for non-profit content marketers, followed closely by the ability to produce engaging content at 53%

Source: 2016 Nonprofit Content Marketing Trends - North America: Content Marketing Institute/Blackbaud.



DIRECT MAIL INCREASES ONLINE DONATIONS BY 40% TO NON-PROFITS

Source: Dunham+Company



TIP

Communication volume or list size alone will not save you. Therefore, make sure that each communication you send out is relevant to the person receiving it. For example, if you are an animal welfare organization, you likely have cat people and dog people in your database. Cat people want to hear about cat things. Information about dogs would be irrelevant, and vice versa.

Solution: Segment your audience and build a content library that is relevant to the different sections. You can segment your audience in different tiers, for example:

TIER 1: Cat People

TIER 2: Cat People: Sustaining Donations | Cat People: Repeat Donations | Cat People: First-time Donations

TIER 3: Cat People: Last Donated 5+ Years Ago



RESPONSE RATE BY SELECTED MEDIA



Source: 2018 ANA/DMA Response Rate Book | *CTR x Conversion Rate

What About Events?

Events are back, and they're reigniting donor generosity

Annual events made a comeback in 2021, with many nonprofits deciding between virtual formats, in-person experiences, and a hybrid mix of both. As events returned as a stable income stream, we explore the way they've impacted lasting donor relationships through recurring giving in the next decision-making stage.

Here are the campaign types with the most growth in overall donation volume between 2020 and 2021:

- Ticketed events (49% growth)
- Events with peer-to-peer fundraising* (23% growth)
- Peer-to-peer (10% growth)

[Classy - donationtrends.classy.org](https://donationtrends.classy.org)

*An event with peer-to-peer fundraising is an in-person, virtual, or hybrid Classy event where registrants can fundraise on the organization's behalf.

Mapping the Global Generosity Ecosystem

Giving Tuesday 2022



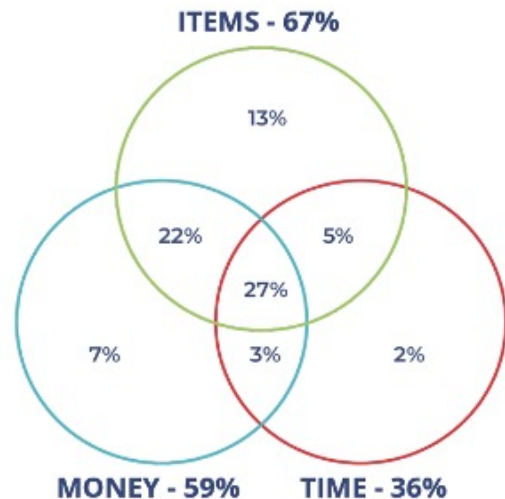
What Happened in Global Generosity?

TOP TAKE AWAYS

- **Almost everybody gave, and gave across all types** - 85% of people surveyed globally gave; non-monetary giving was 2x more common than monetary giving. Globally, only 5% of people who gave, gave money only.
- **Giving happened broadly across all recipient groups** - In the USA, giving to non-registered entities was over 2x more common than giving to registered entities; with most people giving to multiple types of recipients. Only 2.5% of people who gave, only gave money to nonprofits.
- **Volunteering for nonprofits has followed its own unique two-year trend** vs giving of money - increasing 7.4% in 2021 after a severe drop in 2020, remaining far below pre-COVID-19 levels in the USA.

Mapping the Global Generosity Ecosystem

Giving Tuesday 2022



% of Americans who have donated by giving type

ENGAGEMENT OPPORTUNITIES

- **ENGAGE PEOPLE ACROSS ALL TYPES OF GIVING AND NON-GIVING BEHAVIORS.**
A spirit of generosity begets giving, including giving dollars.
- **ENGAGE GIVERS BASED ON CAUSE, NOT BASED ON RELATIONSHIP TO YOUR ORGANIZATION.**
Donors give to causes through a variety of means and structures.

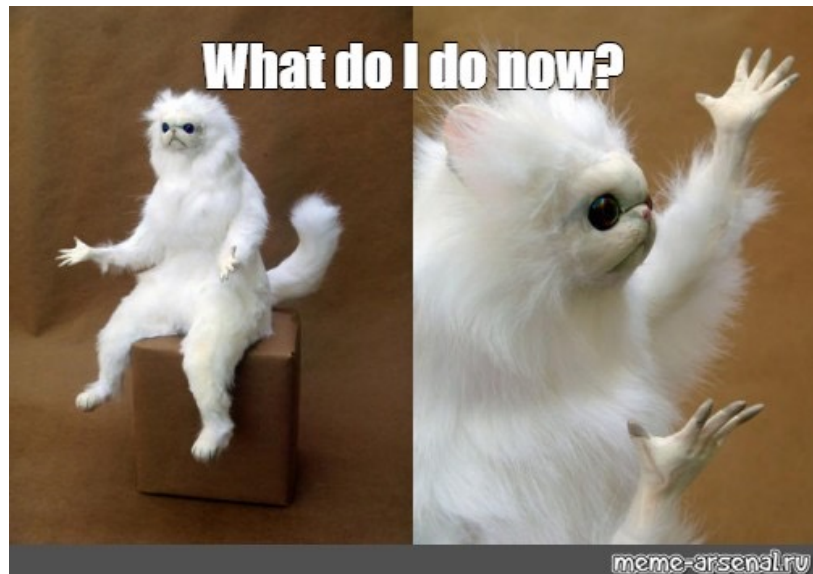


ALL THE DATA

We Haven't Even Talked About

The huge variety of options, ideas, tools, tricks, technology, and tactics that are being used in fundraising right now. For every one example of a tool that doesn't work anymore, there are three that show that it does!

- Phone calls – still VERY effective
- Face-to-Face – huge interest in virtual/hybrid experiences
- Text-To-Give – big increase last year
- Recurring Giving – major strides – donors love it!
- Crypto – it's happening. Kinda.
- DAFs – still massive and growing
- Online Giving Pages



What Does It All Mean?

What do I DO with all this?

It means generosity is alive and well, donors of all ages and backgrounds need choice and options, and the best approach is based on fact and data not assumptions and guess work.

It means your message is more important than ever before.



WHAT ISN'T WORKING IN FUNDRAISING

There are still some challenges – things we should maybe leave behind.

(This is also the Audience Participation part!)



WHAT'S NOT WORKING

Think for a minute – and respond:

What did all of that data that we just looked at have in common? What did it measure?

More importantly, what did it not measure?

- Giving
- Response Rates
- Retention Rates
- Channel/Methodology



WHAT'S NOT WORKING

We're Good at Measuring What Donors Do

But not so much good at measuring why they did it.

e.g. How many of those online gifts came because of a mailed ask? Or an event?



WHAT'S NOT WORKING

We're Also Not Great at Fixing Philanthropy's Historical Problems

We have an obsession with revenue and wealth that often excludes or minimizes active generosity from historically underrepresented and disenfranchised donors.



WHAT'S NOT WORKING

Creating Equity & Inclusion in Fundraising

The definition of equity in philanthropy is the donor standing **WITH** the beneficiary.

How are we recognizing how donors are showing up with our organizations, bringing their identities forward, and creating an inclusivity of philanthropy and generosity?



WHAT'S NOT WORKING

Creating Inclusivity in Giving

Are all donors welcome? Regardless of gift size? Is every gift valued?

Does your community see themselves in your organization? In your leadership? In your messaging?

Is the “Big Check” picture alienating people who care?

- Eliminate Honorifics
- Cis Males are not always head of household
- Tracking age, gender, ethnicity
- Capture names correctly
- Especially non-colonial names
- Ethical acquisition, storage, and handling of data



What's Coming?

2023 and BEYOND . . .

Recession?? Inflation?? Cost-of-Living
Increases?? Housing crises??

Politics for sure. Demand for services
FOR SURE.



WHAT'S COMING?

STAY THE COURSE

Fundraising/Philanthropy is generally a lagging economic indicator.

Generosity NEVER lags.

Right now, pent-up demand is still outweighing price and cost increases.

It might be volatile, but not insurmountable

- Charitable Giving usually goes UP during election cycles and economic turbulence—Values are Front and Center
- HNW individuals may be impacted by stock market and postpone giving decisions until later in the year
- MOST donors will still find ways to afford the things important to them
- AND they will find ways to be generous if we stop fundraising – or curtail it – or focus it on just the wealthy



WHAT'S COMING?

Don't make decisions for your donors

“We shouldn't ask right now because . . . “

Invest in storytelling and compelling
INVITATION to join an important cause (not an
ask to fund a mission)

Keep momentum and cadence

Diversify – methodologies and funding

- Don't let leadership do it either
– you've got the data to support you now. 😊
- Slow and steady wins the race
in Q4 – watch out for knee-jerk
response
- Plan, Plan, Plan – Set the
Plan/Work the Plan



T R Y I T O U T !

Interactive Activity

AFPICON
2023 | NEW ORLEANS
APRIL 16-18

afpicon.com
[#afpicon](https://twitter.com/afpicon)

Presenting Sponsor:
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OK, Your Turn!

YOU CAN DO THIS ...

This is like a 1980s "All-Skate", we're all going to do it together – let's dig into creating a plan that works for you.





GROUP WORK!

You Have About 10 Minutes

Get in a small group – 2-3 people, whoever’s around you – but NOT people you work with already!

Nobody’s grading you. You can work alone if you prefer.



- Introduce yourself – quickly!
- Describe what you do in fundraising – what methodologies do you currently use?
- Of the things we’ve talked about, what do you NOT use?
- Is there anything you’ve been wanting to add?



GROUP WORK!

What would you do now? Why?

Were there any data points/research that surprised you?

Any that challenged something you believed?

Would you change your plan now? What would you add? What would you take away?

Why?

- MOST IMPORTANT – Can I do it and can I do it well?
- Is it really an effective tool to increase fundraising or is it a bright/shiny object?
- HOW DOES IT ADVANCE THE RELATIONSHIP?
- Can I measure the impact of OUR work?



GROUP WORK!

Your Plan

What is the goal?

- The goal is more specific than “more donors giving more dollars”

Does this tactic help me reach the goal?

- How does a methodology help you reach specific goal?

How will I use it exactly? Give details

- What is your #1 Priority?

Can it be effectively managed?

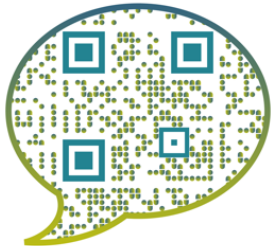
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