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Fewer Charities See Increased Fundraising Results, Meet Fundraising Goals in 2016
More Organizations Attribute Results to Leadership and Staffing
Than to Economy or Election

San Francisco, CA: Sixty percent (60%) of responding charitable nonprofits in the U.S. and Canada reported raising more from charitable gifts in 2016 compared with a year earlier, according to the newly released Nonprofit Fundraising Survey (NFS) report from the Nonprofit Research Collaborative (NRC). The result marks a statistically significant year-over-year decrease from the 65 percent of organizations that reported increased funds raised in 2015 compared with the prior year and the first such decrease since the last recession. Organizations reporting having met fundraising goals in 2016 also showed a significant drop, from 73 percent in 2015 to 68 percent in 2016.

RESULTS BY FUNDRAISING METHOD

The report asked charities to compare their fundraising in 2016 vs. their results in 2015, including 15 different fundraising methods. Fewer charities reported fundraising success when soliciting major gifts, corporate gifts, board gifts and email contributions.

“Take all these results together, and we are seeing the first slow-down in the rate of growth in charitable giving since the Recession of 2008 and 2009,” said Jason Lee, president and CEO of the Association of Fundraising Professionals, one of the sponsors of the NRC. “But it is important to underscore that giving remains fairly strong—with 60 percent of charities raising more money in 2016 and another 13 percent raising about the same, as compared to 2015. It is a decrease, but these numbers are consistent with results we have seen in the study since 2000, and many charities continue to do very well.”

TRENDS IN MEETING FUNDRAISING GOALS

The NFS has asked about meeting fundraising goals, in addition to comparison of total funds raised, since it began in 2010. This year sees a statistically significant drop in the share of organizations meeting goal, from 73 percent in 2015 to 68 percent in 2016. This is the first such decline since 2013. Comments added by survey participants indicated that some organizations set unrealistic fundraising goals. Others did not have plans for maintaining annual giving during a capital campaign or for the contingency of not receiving an expected grant or major gift.

DIFFERENCES IN WHETHER FUNDS RAISED INCREASED BASED ON ORGANIZATIONAL CHARACTERISTICS

In most prior waves of the Nonprofit Fundraising Survey, organizations with larger operating budgets were also more likely to raise more than in the prior year. For 2016, however, the NFS finds no statistically significant difference based on organizational budget.

“We know from work by the NRC and by Giving USA Foundation, among others, that the amount invested in fundraising is usually highly correlated with the amount raised,” says Aggie Sweeney, CFRE, Campbell & Company (Seattle, WA) and chair of Giving USA Foundation. Giving USA Foundation is also an NRC partner. “The lack of a difference in this study is intriguing. There is also no difference by size in the share of responding organizations that report they were affected during the campaign season or after the election. On-going research is needed to help our field understand these and other changes in North American giving.”

The NRC examined higher educational institutions separately from all other forms of education in this wave. Among the responses from colleges, universities, and other higher educational organizations, just over half (52 percent) reported growth in funds raised in 2016 when compared with the prior year. This is lower, with statistical significance, than in all other subsectors except public-society benefit.

Responses from the public-society benefit subsector (which includes United Ways, Jewish federations, community foundations, and other federated funding initiatives) showed just over one-quarter (29 percent) reporting growth. These were the only subsectors that were different from the others: arts, K-12 education, environment, health, human services, international, and religion all had results that mirrored the overall finding that 60 percent raised more in 2016.

Unlike prior years, there was no statistically significant difference between charities in Canada reporting growth in funds raised (57 percent), compared with the responses from United States charities (62 percent). Also unlike prior years, there was no statistically significant difference among the four U.S. Census regions.

ISSUES AFFECTING 2016 SUCCESS AND CONCERNS FOR 2017

In both Canada and the U.S., about 20 percent mentioned staffing for fundraising—and having knowledgeable board and organizational leadership—as a critical component of success in 2016. This compares with just 3 percent who offered the economy or U.S. elections in response to “What most affected your organization’s 2016 results?”

However when asked about concerns for 2017, 36 percent of Canadian respondents emphasized the national or local economy. In the U.S., nearly a third (32 percent) mentioned some aspect of the probable changing role of the federal government in funding or supporting charities, and 11 percent mentioned the economy more generally.

“This uncertainty among fundraising professionals regarding the economies in which they practice and the future of federal funding for charities puts a spotlight on the importance of building organizational fundraising plans and strategies rooted in established best practices for identifying, cultivating, and stewarding donor and funder relationships. Organizations must be known for their ethics and accountability in fund development in order to grow and continue to meet donor and beneficiary needs”, said Eva E. Aldrich, M.A., CAE, President & CEO of CFRE International, another NRC sponsor.

SPECIAL SECTION ABOUT THE EFFECT OF THE U.S. ELECTIONS

Survey participants answered questions about the U.S. elections and the impact seen (if any) on charitable receipts. In that group, a third reported some type of impact, with 24 percent saying they raised less than they anticipated because of campaign activity or post-election concerns; 9 percent said they raised more than they expected.

The most common reason for raising less in this study was that major donors contributed to an election campaign or to a “hot button issue” associated with a campaign. More than 8 in 10 that raised less identified this as a concern.

A majority (63 percent) of the organizations that raised more indicated that major donors contributed because the organization’s mission was threatened or challenged in some way by a political campaign (or the election results).

Among all who answered questions in this section, more than half (53 percent) said their major donors have said that they are rethinking giving priorities for 2017.

ABOUT THE SURVEY

The Nonprofit Research Collaborative (NRC) conducts surveys twice a year. Reports are available at www.NPResearch.org (the new report will be available May 1, 2017).

This survey was conducted online and respondents form a convenience sample. There is no margin of error, as it is not a random sample of the population studied. Reported results are statistically significant using chi-square analysis. More than 900 participants answered questions in early 2017, including 144 from Canada.

ABOUT THE NONPROFIT RESEARCH COLLABORATIVE (NRC)

The NRC is a coalition of fundraising and charitable organizations dedicated to gathering and analyzing the most accurate data possible to help charities become more effective at fundraising. NRC members have direct experience collecting information from nonprofits concerning charitable receipts, fundraising practices, and/or grantmaking activities. NRC partners are the Association of Fundraising Professionals; Association of Fundraising Counsel; CFRE International; Giving USA Foundation; the National Association of Charitable Gift Planners; and TopNonprofits.