

Canadian Nonprofit Fundraising Study

April 2012

Nonprofit Research Collaborative



blackbaud[®] Campbell Rinker



Acknowledgements

The Nonprofit Research Collaborative (NRC) thanks all respondents who took the survey in January and February 2012. Your willingness to share information about your organization makes it possible for this report to appear.

Members of the Collaborative also thank GuideStar, the Foundation Center, and the Center on Philanthropy at Indiana University for their leadership in the first year of surveys. We welcome two new members, Campbell Rinker and Convio, for 2012.

Most importantly, we thank every individual who made this report possible, from concept and survey design through data analysis and proofreading. The partner organizations have a true collaborative that makes the NRC and each report a reality.

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Introduction

Every nonprofit fundraiser and manager wants to know, “How did we do this year?” People especially want to know their own results compared to peer groups. The Nonprofit Research Collaborative, through its Nonprofit Fundraising Survey, asked Canadian charitable organizations these and other questions about charitable gift receipts in 2011.

More than 160 Canadian organizations answered survey questions in early 2012 about charitable receipts in 2011. Responding charitable groups included large and small organizations (by budget size) and organizations from every sub-sector, from Arts, Culture & Humanities to Religion.

Questions ranged from a report about changes in charitable receipts in 2011 compared with 2010 to expectations for 2012. Sections of this report share findings from the major sections of the survey.

The first report section shares results about charitable receipts in 2011 and presents findings about charitable receipts from 10 different fundraising methods.

A special section of the survey focused on how board members of charitable organizations are engaged in fundraising. This report includes key findings, such as the percentage of responding charities that require a gift from every board member, the average minimum gift from board members, and various activities that board members undertake to help their nonprofit organizations raise funds more successfully.

The survey also asked about expectations for charitable receipts in 2012 and gave respondents a chance to comment on specific challenges or trends that they expect will play an important role in fundraising this year. This information appears as the final few pages of the report, before a presentation of the study’s methodology.

Summary of findings

Charitable receipts rose at more than half of responding organizations

By the end of 2011, a majority of responding Canadian organizations (54%) saw charitable receipts increase compared with 2010. There were no statistically significant differences by mission focus.

However, smaller organizations (operating budgets below \$ 1 million) reported increases in charitable receipts less often than larger organizations.

Organizations in British Columbia were less likely to see increases—and more likely to see charitable receipts remain the same—than were organizations in other regions with more than 30 responses (Ontario and “The West”—Alberta, Manitoba, and Saskatchewan).

Two-thirds of respondents met their goal

Not only did more organizations raise more in 2011, two-third (66%) of responding organizations met their fundraising goal in 2011.

Respondents showed diverse use of fundraising approaches and methods

Most respondents to this survey receive contributions from multiple fundraising approaches, such as annual fund and special events. A sizable share also receive funds from campaigns and planned giving, with these being more common in the larger responding organizations.

Most organizations also employ various different fundraising methods, such as direct mail, major gifts, online appeals, and others. Very few respondents received more than 25 percent of their funds from any one fundraising method.

By fundraising method, about half of organizations reported increased in online giving (51%), special events proceeds (50%), and major gifts (49%). However, direct response generated increased charitable contributions at 39 percent of responding organizations and flat giving at 37 percent. Board giving improved at just 38 percent of organizations and held steady at 52 percent.

Less widespread methods of fundraising typically showed a lower percentage of organizations seeing an increase in 2011, compared with those seeing a decrease in receipts from the method in the same year. These include telephone, planned gifts, federated campaign contributions (amount distributed by United Ways, Jewish federations, and similar groups), and congregational contributions (amounts given to other nonprofit organizations by congregations).

Board members at responding charities are usually engaged in fundraising in numerous ways

Among respondents to this survey, board members are likely to be involved in fundraising in a combination of ways. These include connecting their personal networks to the organization by providing names for letters or making introductions. In Canada, only 38 percent of responding charities expect board members to make a contribution, compared with 57 percent in the United States.

Several survey respondents offered examples of successful strategies they have used for engaging board members in fundraising. Among the innovative approaches developing individualized plans for board members to follow in seeking support for the organization and working with members of the board to raise funds from a very specific constituency such as lapsed donors or for a focused purpose that the board member cares about a great deal.

Outlook for 2012

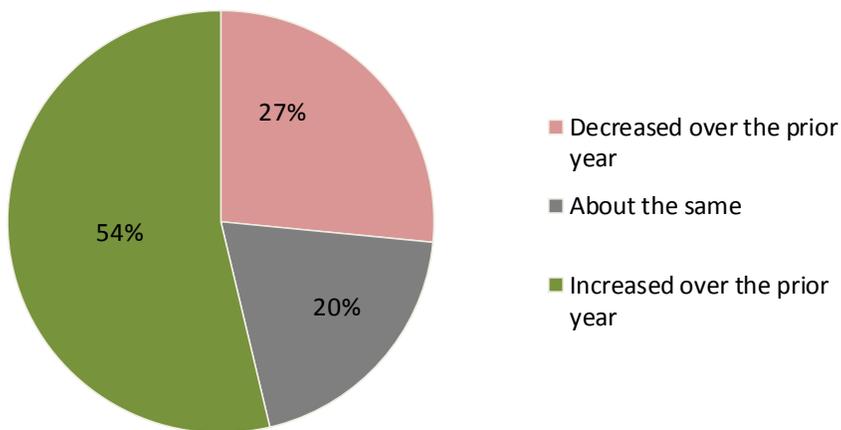
People who completed the survey remain optimistic about prospects for fundraising in 2012. However, when asked about the most important trends or issues that could affect fundraising results either positively or negatively, nearly one-third (29%) mentioned local, national, or global economies as a challenge to raising funds this year.

2011 results

Majority of responding charities reporting growth in charitable receipts

By year end, 54 percent of charitable organizations responding to this survey (see Figure 1) reported an increase in charitable receipts for the year compared with all of 2010.

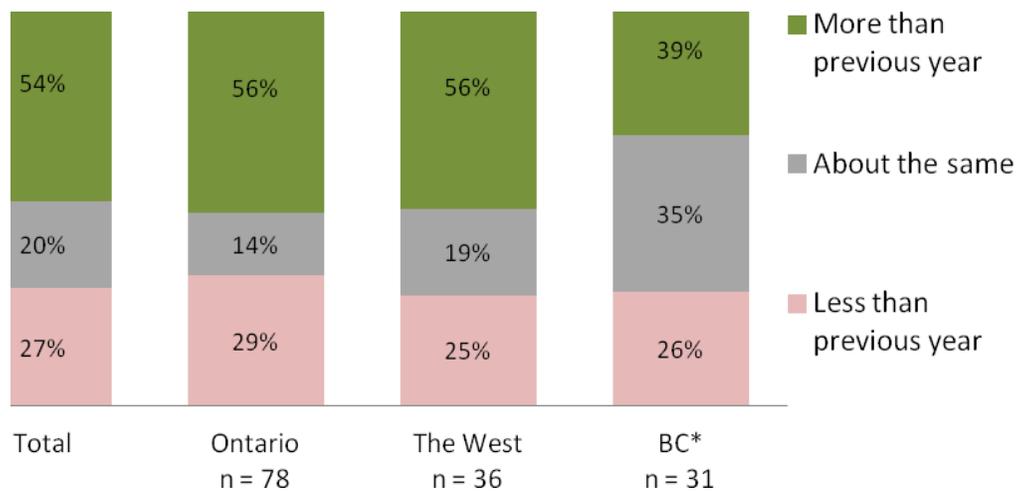
Figure 1: Change in charitable receipts, 2011 compared with 2010 for responding organizations



Respondents from British Columbia less likely to report growth

Responding charities with a postal code in British Columbia were less likely to see an increase in contributions compared with all respondents, and with respondents from Ontario and from the West. Just 39 percent of responses from British Columbia reported an increased, compared with more than 50 percent in the other regions analyzed. The percentage reporting that contributions stayed about the same in 2011 was 35 percent in B.C. and 20 percent or less in the other areas.

Figure 2: Percentage of respondents by type of change reported in charitable contributions, 2011 compared with 2010, by region



*p < .05

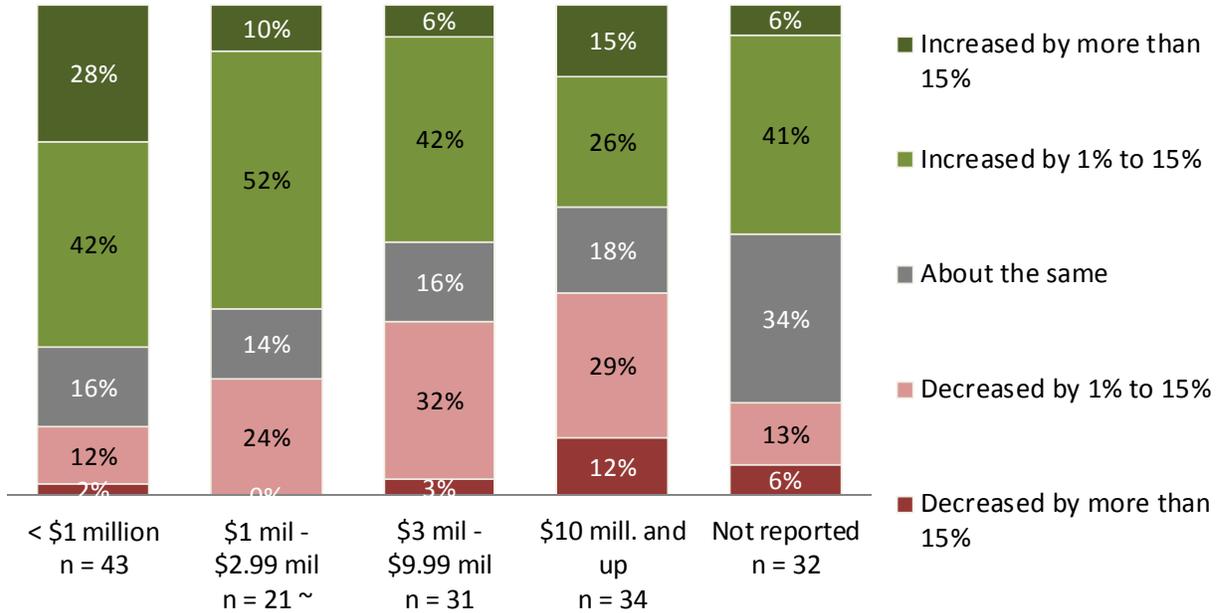
There were not enough respondents to analyze other regions or to combine them into one group for "all other." The West includes Alberta, Manitoba, and Saskatchewan, following coding by the Canadian Postal Service.

By mission focus

The largest number of respondents (39%) was from organizations focused on health, but there was no statistically significant difference in the reported changes in charitable contributions received between that group and all other respondents.

Difference by size not significant

Figure 3: Percentage of responding organizations by type of change reported in charitable contributions received, 2011 compared with 2010, by organizational size

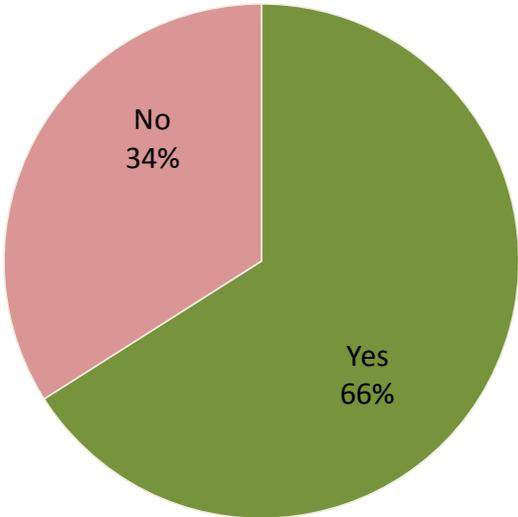


Size is based on reported 2010 operating budget
 Responses numbered under 30 are shown but results should be interpreted with caution.

Two-thirds met fundraising goal for 2011

Two-thirds of responding organizations said they met the 2011 fiscal year fundraising goal. This is above the 59 percent in the USA who reported reaching goal, but the difference is not statistically significant given the sample sizes.

Figure 4: Did your organization meet its Fiscal Year 2011 fundraising goal?



There were no significant differences by organizational characteristic—by staff size or by expenditures—both of which are significant in the United States.

Benchmarks for share of charitable receipts from fundraising approaches

Most organizations use a mix of fundraising strategies, each with its own prospect pool and communications tools. These are often divided into four staffing units: annual fund, events, campaigns, and planned giving. The topic of major gifts, which can also be a staffing unit, is treated later as a fundraising method. We added special campaigns as an approach after receiving reports from the field that this type of focused effort became more frequent during the recession.

This survey finds that most responding organizations are not reliant on any one approach, although a comparatively high percentage relies on annual campaigns for more than three-quarters of their total funding. Table 1 shows the percentage of respondents that indicated each option for the percentage of total charitable receipts that could be tracked to each of these fundraising approaches.

Table 1: Responding organizations by share of funds raised through different segments of the fund development process

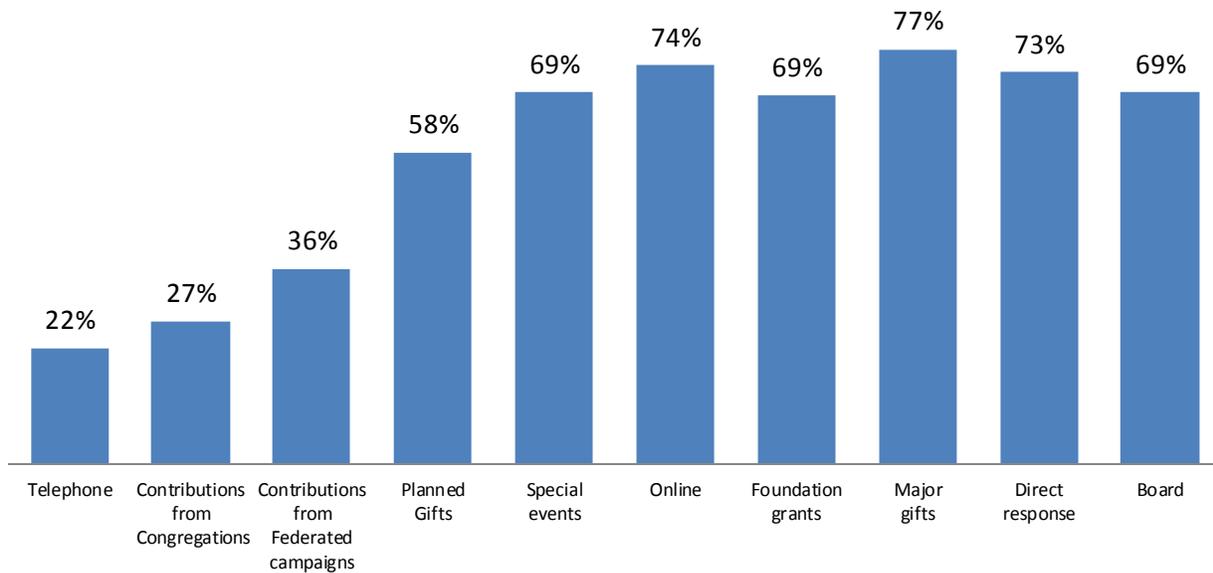
Fundraising approach	0%	1-9%	10-25%	26-50%	51-75%	76-100%	Sum
Annual campaign	6.3	18.3	25.4	16.2	12.7	21.1	100%
Special events or sales	31.0	31.8	30.2	14.3	10.3	2.6	100%
Special campaign	31.7	23.1	20.2	14.4	8.7	2.0	100%
Capital or endowment campaign	35.9	23.9	9.4	9.4	12.8	8.6	100%
Bequests	32.2	38.8	24.0	4.1		1.0	100%
Other	23.3	15.4	6.1	3.3	4.0	4.9	100%

Types of fundraising methods used

On average, organizations in this study used eight of the 10 different fundraising methods included in the survey. Roughly 70 to 80 percent of organizations in this survey use online giving, foundation proposals, special events, major gifts, direct response via the mail, and board giving to raise funds.

Some less-often used methods include telephone, gifts from congregations, and distributions from federated campaigns. About 6 in 10 (58%) of responding organizations reported using planned giving.

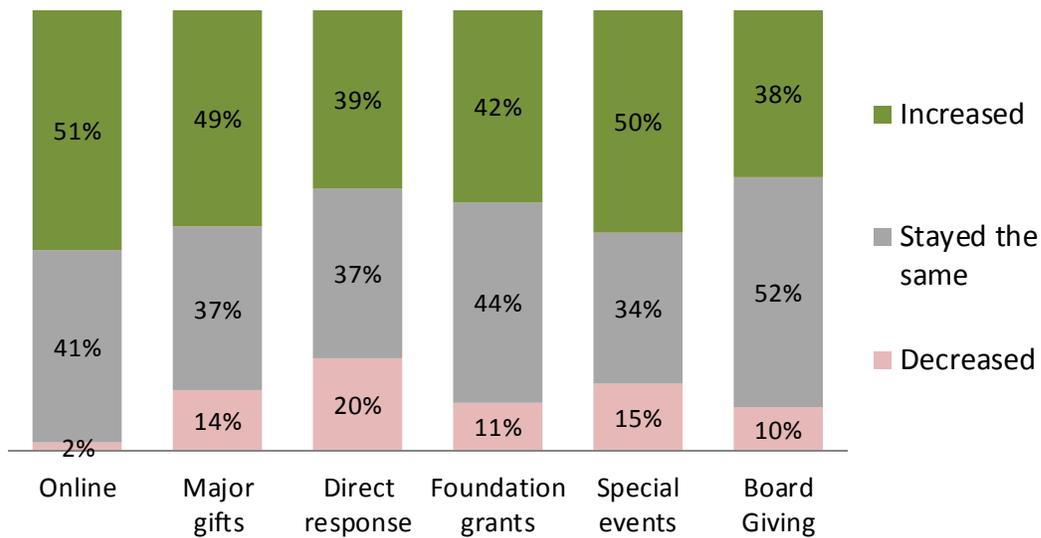
Figure 5: Percentage of responding organizations that use each of 10 fundraising methods



Only online and special events increased at half of responding organizations that use the method; major gifts increased at 49 percent

Gifts received online and from special events increased at 51 and 50 percent of responding organizations, respectively. Major gift receipts rose at nearly half of the participants (49%). Direct response (mail) giving rose at 39 percent of respondents but declined at 20 percent. This is the largest percentage of organizations in this study reporting a decline from any of these frequently-used methods.

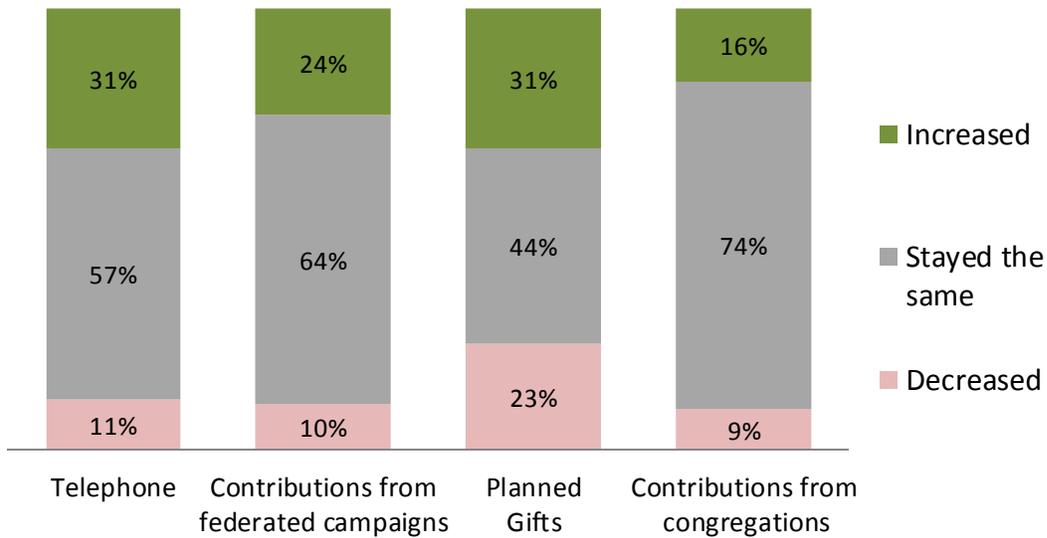
Figure 6: Percentage of organizations reporting change in charitable receipts, 2011 compared with 2010, by fundraising method—frequently used methods



Percentages based on organizations that used the method in 2010 and in 2011.

Among the less-used approaches, a majority of respondents reported little change in charitable amounts received in 2011 compared with 2010. The most noticeable area of change was the nearly one-quarter (23%) of organizations that reported a decrease in planned gifts received in 2011 compared with 2010.

Figure 7: Percentage of organizations reporting change in charitable receipts in 2011, compared with 2010, by fundraising method —seldom used methods



Percentages based on organizations that used the method in 2010 and in 2011.

Benchmarks for share of total charitable receipts by fundraising method

This wave of the Nonprofit Fundraising Survey asked organizations about the percentage of total charitable receipts attributed to each of ten fundraising methods, from major gifts (used by 77% of responding organizations) to telephone appeals (used by 22 percent in this survey).

Board giving most often accounts for 1 to 9 percent of total charitable receipts, as reported by 64 percent of responding charities. Major gifts from donors other than board members, by contrast, account for more than 10 percent of the total at a majority of responding organizations. In fact, at 23 percent of responding charities, major gifts accounted for more than half of charitable receipts. Planned gifts received most often represent between 1 and 9 percent of the total (at 30% of responding organizations) but form between a quarter and a half of the total at 27 percent of organizations participating in this study.

Table 1: Percentage of responding organizations that indicated the share of all charitable receipts by donation method – Major Donor type methods

Darker shade in cell indicates a higher percentage of respondents selected that answer

Fundraising method	Percentage of total charitable receipts						Sum
	0%/NA	1-9%	10-25%	26-50%	51-75%	76-100%	
Board	20%	64%	10%	4%	1%	2%	100%
Major gifts, not board	18%	11%	24%	24%	14%	9%	100%
Planned gifts received	32%	30%	27%	27%	3%	0%	100%

Direct response mail accounts for a larger percentage of total charitable receipts than online giving at more charities taking this survey. Mailed contributions account for 10 to 25 percent of the total at 30 percent of respondents and for 26 to 50 percent at another 20 percent of respondent. Thus, 56 percent of respondents said mailed contributions account for between 10 and 50 percent of all of their charitable giving. By contrast, online giving is most likely to account for 1 to 9 percent of the total (at 30% of respondents). For that method, 57 percent said online giving was 1 to 25 percent of their total charitable receipts.

Table 2: Percentage of responding organizations that indicated the share of all charitable receipts by donation method – Annual-fund type methods

Darker shade in cell indicates a higher percentage of respondents selected that answer

Fundraising method	Percentage of total charitable receipts						Sum
	0%/NA	1-9%	10-25%	26-50%	51-75%	76-100%	
Direct response/mail	18%	16%	36%	20%	7%	3%	100%
Online	32%	30%	27%	9%	3%	0%	100%
Special events	23%	18%	31%	16%	10%	2%	100%
Telephone	57%	30%	7%	9%	3%	0%	100%

Most charitable organizations in this survey do not receive support through federated campaigns (such as Jewish federation or United Way) or from congregations. When organizations do receive funding from those sources, the amount is between 1 and 9 percent of total funds raised. Foundation proposals are more often used but grants still account for less than a quarter of all funds raised at a majority of respondents (57% say foundation proposals account for 1 to 25 percent of total charitable contributions).

Table 3: Percentage of responding organizations that indicated the share of all charitable receipts by donation method – Institutional donors*

Darker shade in cell indicates a higher percentage of respondents selected that answer

Fundraising method	Percentage of total charitable receipts						Sum
	0%/NA	1-9%	10-25%	26-50%	51-75%	76-100%	
Foundation proposals	26%	28%	29%	12%	5%	1%	100%
Contributions from federated campaigns	58%	24%	12%	3%	1%	1%	100%
Contributions from congregations	54%	22%	19%	0%	1%	3%	100%

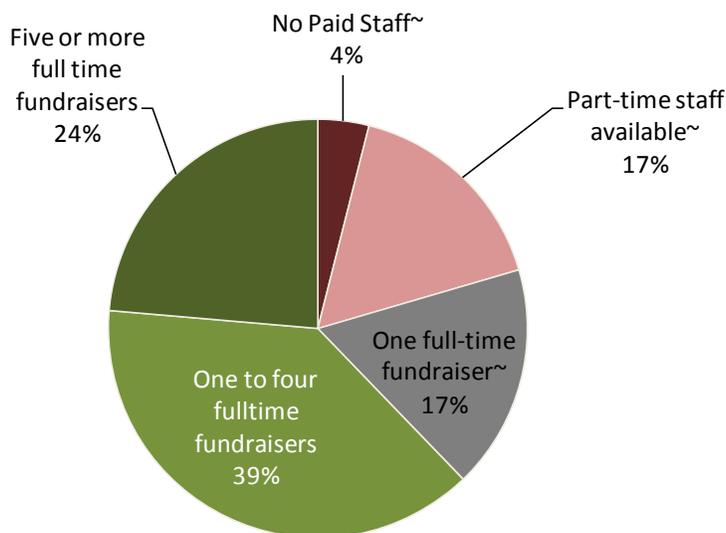
* Due to a data collection error, corporations and corporate foundation data could not be analyzed in this wave.

Staffing for fundraising

This survey asked about the size of fundraising staff, including volunteers, and the years of experience in fundraising for the person most responsible for fundraising at the organization. With fewer than 130 respondents answering questions in this section and with several options for each question, the results are interesting but not useful for drawing firm conclusions about how Canadian charitable organizations staff their fundraising functions. The percentages of respondents are shown below nonetheless.

The majority of organizations responding to this survey reported having one or more paid full-time fundraising staff members.

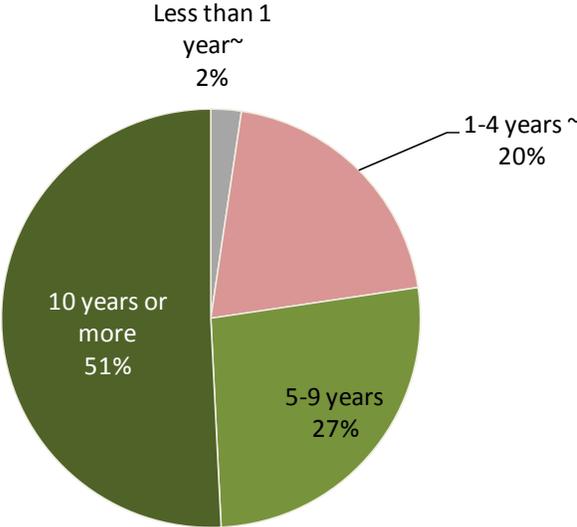
Figure 8: Percentage of responding organizations by the payroll status and size of fundraising staff



~ N < 30. Results not likely to be replicated in a larger study. With fewer than 130 responding organizations providing information for this question, this distribution is not likely to be replicated in a larger study or in a study with a random sample.

Half of the respondents to this survey had a chief fundraising staff member or volunteer with 10 or more years of experience in fundraising.

Figure 9: Percentage of responding organizations by the years of fundraising experience for the person most responsible for fundraising at the organization

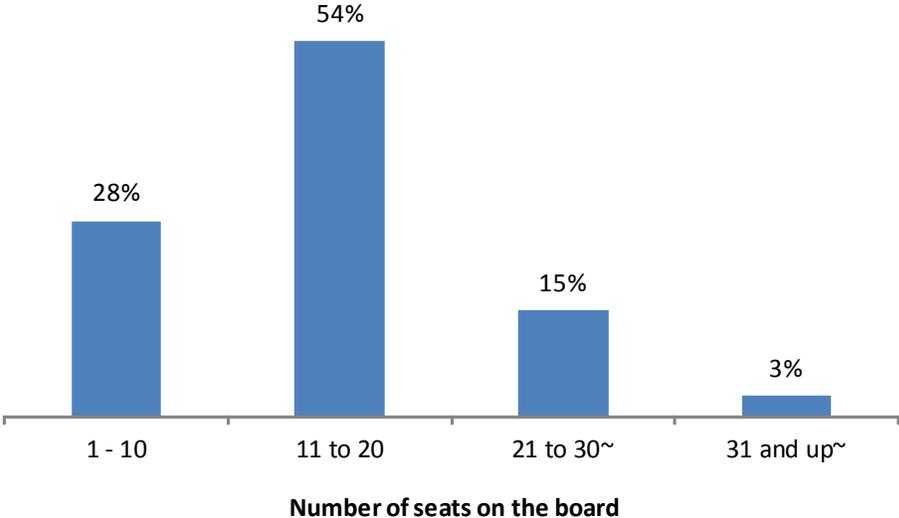


~ N < 30. Results not likely to be replicated in a larger study. With fewer than 130 responding organizations providing information for this question, this distribution is not likely to be replicated in a larger study or in a study with a random sample.

Board size and expected giving

Responding organizations reported board sizes ranging from 1 to 60, with an average of 14. The most frequently appearing number of board members (the mode) is 12, reported by 16 percent of the respondents.

Figure 10: Percentage of responding organizations by number of seats on the board



~ N < 30. Results not likely to be replicated in a larger study. With fewer than 130 responding organizations providing information for this question, this distribution is not likely to be replicated in a larger study or in a study with a random sample.

Board giving not often required

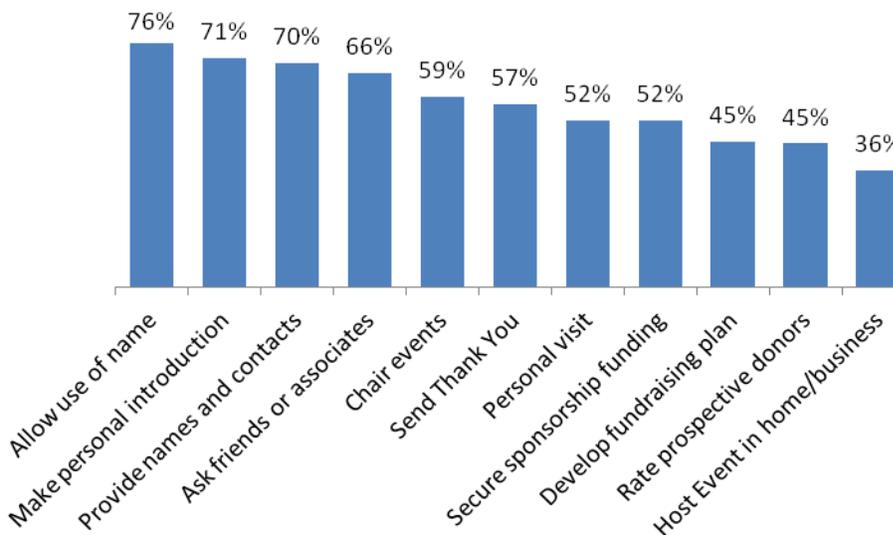
Among Canadian respondents, 38 percent require board members to give to the organization, and of those, just one-third (34%) require a minimum amount for their board gifts.

Role of boards in fundraising

Among Canadian respondents to this survey, the methods of engaging board members in fundraising are similar to methods used in the United States.

- The most frequent approaches, used by 66 to 76 percent of respondents are to ask board members to link the organization with their personal networks, such as by allowing the use of the individual board member's name on fundraising materials, asking the board member to make a personal introduction, requesting a contact list, or asking the board member to appeal to his or her friends and colleagues.
- The next most-frequent types of board member engagement include chairing events (at 59% of respondents), sending thank you letters (57%), making personal visits (52%) and securing sponsorship funding (also 52%).
- The least-used methods are planning for fundraising and rating prospects, both at 45 percent of responding organizations, and hosting a 'friend-raiser' at the board member's business or home, reported by 36 percent.

Figure 11: Percentage of responding organizations that engage board members in fundraising in each of several different ways

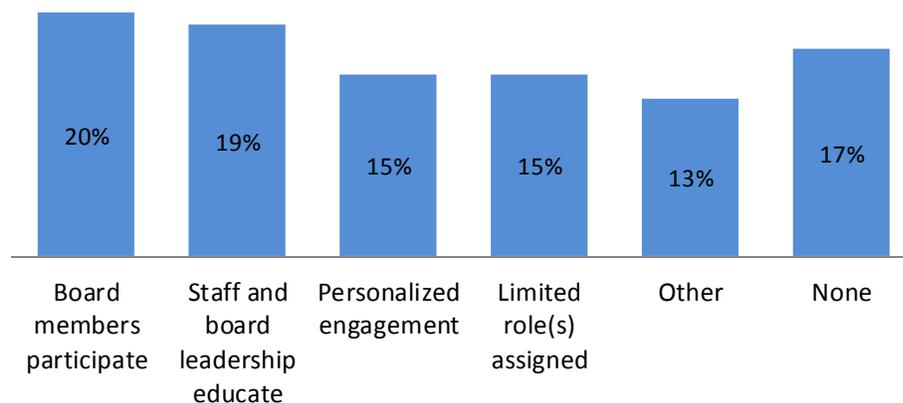


Suggestions for great ways to involve board members in fundraising

Many respondents offered successful strategies that had engaged their board members in fundraising. Respondents frequently mentioned providing training or education about fundraising and providing direct opportunities for engagement through campaigns, events, and fundraising planning.

Figure 12: Percentage of respondents by method suggested for engaging board members

Methods are coded by analysts based on open-ended responses



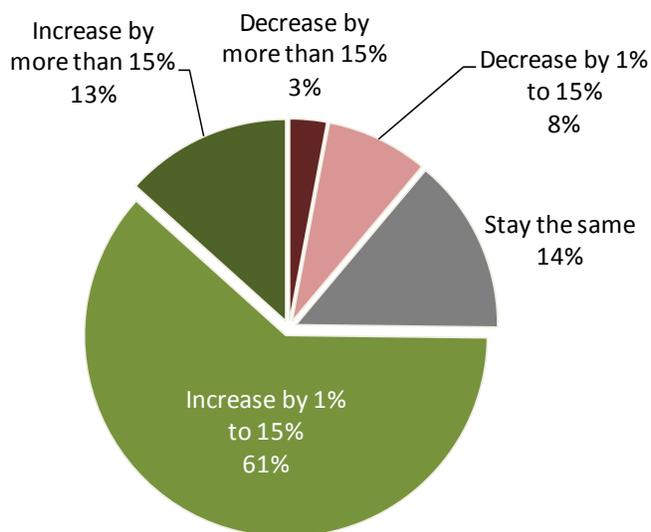
These quotations from survey responses explain the coding a bit further.

- Engage them early in the planning of key fundraising initiatives. (board members participate)
- Education presentations at each Board meeting to help understand the case for support and the positive impact of donations and other financial support. (staff and board leadership educate)
- Annual performance commitment with specific deliverables and identified staff support. (personalize engagement)
- Ask them to make thank you calls to donors. (limited role assigned)
- Asking! We often forget to ask. (other)

Outlook for 2012

Nearly three-quarters of respondents (73%) anticipate an increase in charitable receipts for 2012, with 61 percent anticipating an increase between 1 and 15 percent compared with 2011 charitable receipts.

Figure 13: Anticipated direction of change in charitable receipts, 2012 compared with 2011



Among respondents, 29 percent said that the economy will be a challenge for fundraising in 2012. Other challenges mentioned include having resources (time and funding) for fundraising (11%) and increasing competition (9%).

Quotations from survey responses about challenges for 2012 include:

- The Economy. Donors are taking a longer time to make their decisions and pledge periods are becoming longer.
- The organization is a social service charity with very poor visibility. The organization does not value spending money or even volunteer time on raising its profile so I am doing that off the side of my desk while trying to make a case to expand in this area.
- External AND internal competition for donors. Internal because of the campaign launch and the disadvantage inherent in being a library development operation within an academic setting. Challenging competitive scenario for the attention of alumni.

Methodology

The survey invitation was sent by e-mail and through social media postings beginning on January 16, 2012. The online-only survey response remained open through February 3, 2012. Invitations were sent to several distinct groups:

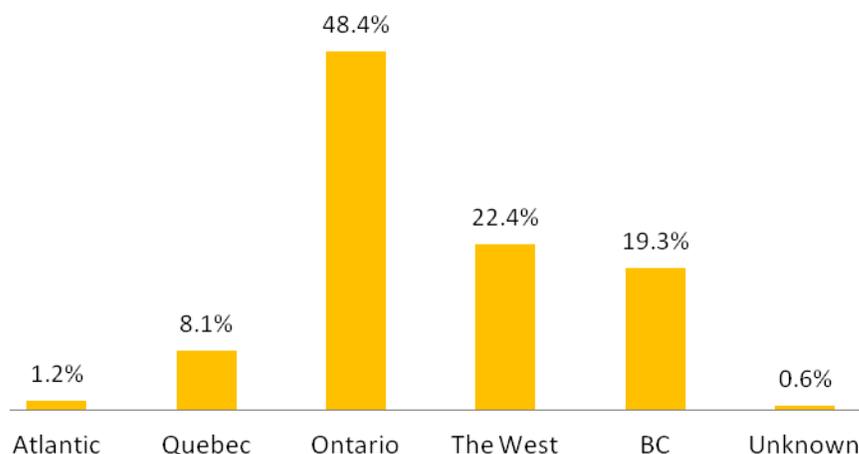
- Members of the Association of Fundraising Professionals
- Organizations on the mailing list of Campbell Rinker
- Organizations on Blackbaud's e-mail list

Reminders were sent at least once, and sometimes twice or three times, to people in each of these groups.

In addition, members of the NRC sent messages through their own e-mail systems, in newsletters, and via social media outlets to recruit additional survey participants.

The *2012 Canadian Nonprofit Fundraising Survey* received a total of 162 nonduplicated responses from Canadian organizations.

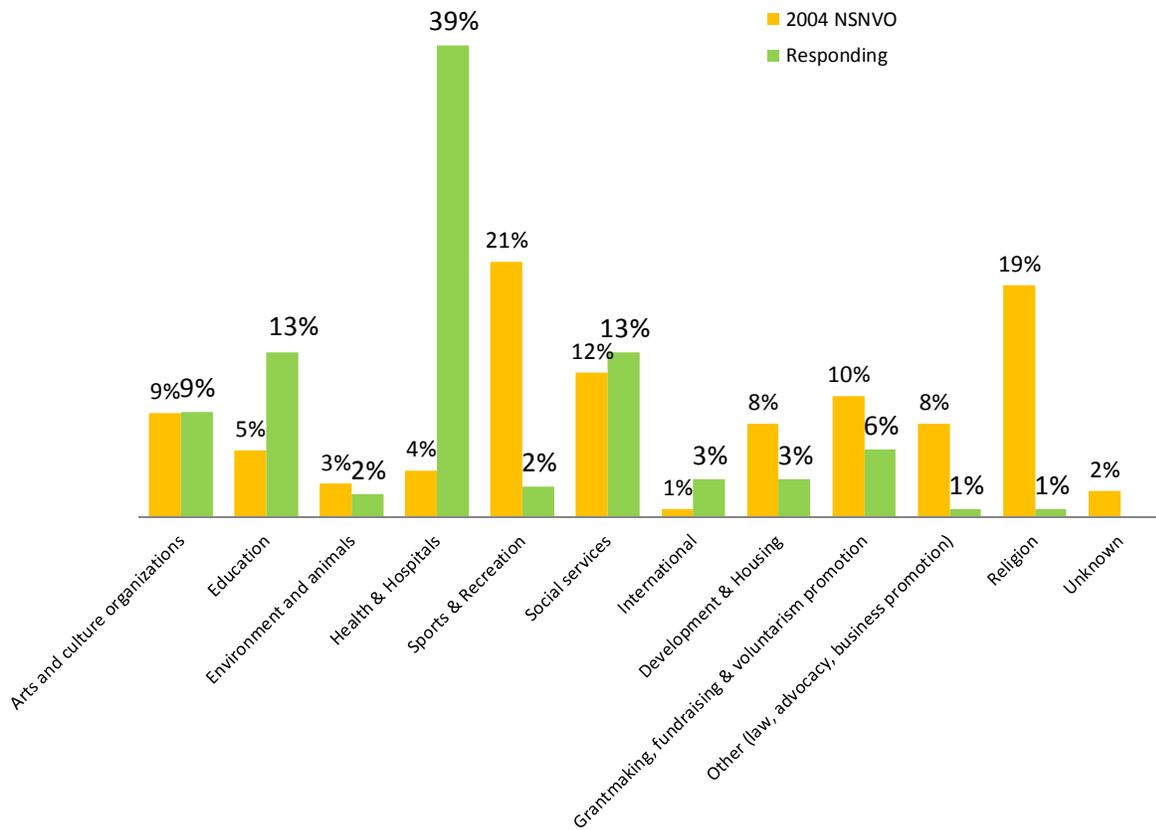
Figure 14: Distribution of respondents by region



The West includes Alberta, Manitoba and Saskatchewan.

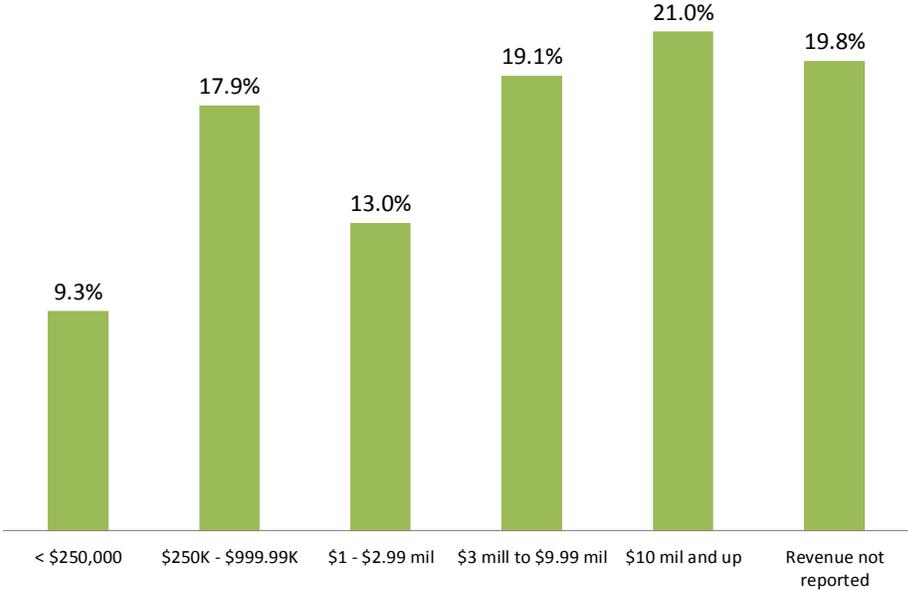
Responding charities included a large percentage of health organizations (39%) and a low percentage of charities in the sports and recreation service area and a low percentage of religious charities. These comparisons are based on data released in 2004 from the National Survey of Nonprofit and Voluntary Organizations.

Figure 15: Distribution of respondents by mission focus compared with 2004 National Survey of Nonprofit and Voluntary Organizations (NSNVO)



This survey asked respondents to report the total expenditures for their organizations in 2010. Using these categories, we developed size groups for analysis.

Figure 16: Distribution of respondents by total expenditures in 2010 (Canadian)



Statistical significance

The respondents form a convenience sample. There is no margin of error or measure of statistical significance using this sampling technique, as it is not a random sample of the population studied. Chi-square tests were used throughout the analysis to compare differences between larger responding organizations and smaller responding organizations. Results included here are statistically significant using that approach.

About the Nonprofit Research Collaborative

Several organizations have formed the NRC. Each of these entities has, at a minimum, a decade of direct experience collecting information from nonprofits concerning charitable receipts, fundraising practices, and/or grantmaking activities. The collaborating partners are:

- Association of Fundraising Professionals, which surveyed members for an annual state of fundraising study from 2002 through 2010;
- Blackbaud, Inc., which publishes The Blackbaud Index and prepares a report about the State of the Nonprofit Industry;
- Campbell Rinker, which publishes the bimonthly Donor Confidence Report and conducts numerous studies among nonprofit donors and nonprofit professionals;
- The Center on Philanthropy at Indiana University, which conducts a wide range of research studies on philanthropy and giving;
- Convio, a leading provider of on-demand constituent engagement solutions that enable nonprofit organizations to maximize the value of every relationship;
- Giving USA Foundation, which has published the *Giving USA Annual Report on Philanthropy* for more than 50 years; and
- The National Center for Charitable Statistics at the Urban Institute, which tracks the finances and activities of nonprofit organizations and prepares *The Nonprofit Almanac* and other publications and resources.

The collaborative effort reduces the burden on charities, which receive fewer requests for survey participation. Survey respondents will form a panel over time, allowing for trend comparisons among the same organizations. This approach provides more useful benchmarking information than repeated cross-sectional studies.

The NRC conducts surveys twice a year.