

Winter 2015

Nonprofit Fundraising Study

*Covering Charitable Receipts at Nonprofit Organizations in
the United States and Canada in 2014*

MARCH 2015

A Study From



Acknowledgements

The Nonprofit Research Collaborative (NRC) thanks all respondents who took the survey in January and February 2015. Your willingness to share information about your organization makes it possible for this report to appear.

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Members of the Nonprofit Research Collaborative are



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Project management



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Contents

- List of Figuresi
- KEY FINDINGS..... 1
- INTRODUCTION 3
- SECTION I: 2014 results.....5
 - Nearly two-thirds of responding charities report growth in charitable receipts 5
 - Organizations attribute success to individual and major gifts and strong fundraising plans6
 - Larger and mid-size organizations saw increased charitable receipts more often than smaller organizations did9
 - More of the largest organizations saw a drop in giving than did a year ago 10
 - Growth highest in U.S. West, lowest in U.S. North and in Canada 12
 - Predicted change in charitable receipts compared with actual results 13
 - Nearly three-quarters of charitable organizations met fundraising goal for 2014 14
 - Smaller organizations remain less likely than larger ones to meet goals 15
- SECTION II: Types of fundraising methods used..... 17
 - Direction of change in charitable receipts in 2014 by methods used 18
 - Least frequently used methods show both highest and lowest increased growth as reported by organizations that use them..... 20
- SECTION III: Trends since 2004..... 22
 - Trends in changes in charitable receipts by method, 2004-2014 23
- SECTION IV: Most organizations receive majority of bequests from prior donors 30
- SECTION V: Outlook for 2015..... 31
- CONCLUSION 34
- METHODOLOGY 35
 - Statistical significance 39
- About the Nonprofit Research Collaborative (NRC)..... 40

List of Figures

- Figure 1: Percentage of responding organizations reporting change in charitable receipts, 2014 compared with 2013 5
- Figure 2: What most positively affected your organization’s fundraising in 2014 -- Overall responses, not specific to fundraising method or vehicle 7
- Figure 3: Percentage of responding organizations reporting change in charitable receipts by size, 2014 compared with 2013 9
- Figure 4: Percentage of responding organizations reporting change in charitable receipts by NTEE code, 2014 compared with 2013 11
- Figure 5: Percentage of responding organizations reporting change in charitable receipts by U.S. region and Canada, 2014 compared with 2013 12
- Figure 6: Predicted results for 2014 compared with actual results..... 13
- Figure 7: Did your organization meet its fiscal year 2014 fundraising goal? 14
- Figure 8: Trend in percentage of organizations meeting fundraising goal, 2010-2014 14
- Figure 9: Percentage of responding organizations meeting fundraising goal, 2014, by organizational size 16
- Figure 10: Percentage of responding organizations that use each of 15 fundraising methods..... 17
- Figure 11: Percentage of organizations reporting change in charitable receipts, 2014 compared with 2013, by fundraising method—most commonly used methods, with frequent increases 18
- Figure 12: Percentage of organizations reporting change in charitable receipts, 2014 compared with 2013, by fundraising method— most commonly used methods, although with less frequent increases 19
- Figure 13: Percentage of organizations reporting change in charitable receipts in 2014, compared with 2013, by fundraising method—least frequently used methods 20
- Figure 14: Percentage of responding organizations that indicate using specific types of online or social media fundraising 21
- Figure 15: Percentage of responding organizations reporting change in charitable receipts by year, 2004 - 2014 22
- Figure 16: Percentage of responding organizations reporting change in contributions received by direct mail, 2004-2014..... 23
- Figure 17: Percentage of responding organizations reporting change in contributions received online, 2004-2014 24

Figure 18: Percentage of responding organizations reporting change in contributions received from major gifts, 2004-2014.....	24
Figure 19: Percentage of responding organizations reporting change in contributions received through special events, 2004-2014.....	25
Figure 20: Percentage of responding organizations reporting change in contributions received through appeals by telephone, 2004-2014.....	25
Figure 21: Percentage of responding organizations reporting change in contributions received through planned gifts, 2004-2014 [change in dollars received].....	26
Figure 22: Change in the number of planned gift commitments received, 2012-2014	26
Figure 23: Percentage of responding organizations reporting change in contributions received through board giving, 2010-2014	27
Figure 24: Percentage of responding organizations reporting change in contributions received through foundation grantmaking, 2010-2014.....	28
Figure 25: Percentage of responding organizations reporting change in contributions received through corporate giving and corporate foundation grantmaking, 2010-2014	28
Figure 26: Percentage of responding organizations reporting change in contributions received through federated campaigns, 2011-2014	29
Figure 27: Percentage of responding organizations reporting change in contributions received from congregations, 2011-2014	29
Figure 28: Anticipated direction of change in charitable receipts, 2015 compared with 2014	32
Figure 29: Coded responses about challenges for 2015 fundraising	33
Figure 30: Percentage of responding charities by Census region compared with registered charities IRS and Business Master File, July 2012	37
Figure 31: Responding charities by 2014 expenditure total, compared with reporting charities filing IRS forms, 2012 (most recent available).....	38
Figure 32: Responding charities by subsector compared with charities registered with the IRS	39

KEY FINDINGS

63%

Sixty-three percent of respondents – the largest share since 2007 – saw *fundraising receipts increase* in 2014. While this is a very slight increase from 62 percent in 2013, it continues the trend of increases of 58 percent in 2012, 53 percent in 2011, and 43 percent in 2010.

The four regions of the *United States had mixed results* in charitable receipts in 2014:

- N ▪ Among respondents in the North, just 59 percent saw increases in 2014, less than 64 percent in 2013.
- MW ▪ In the Midwest, 66 percent saw increases, slightly higher than 63 percent in 2013, but not enough different to meet tests for statistical significance.
- S ▪ In the South, 67 percent saw increases, essentially the same as the 68 percent in 2013.
- W ▪ The West had the greatest share reporting an increase of any region at 70 percent, much higher than 63 percent in 2013.

73%

Seventy-three percent of respondents in the U.S. *met their fundraising goal* in 2014, which is much higher than the 59 percent in 2013 and even the 63 percent in 2012.



Fifty-three percent of *Canadian organizations saw an increase*, essentially the same as the 52 percent that reported increases in 2013.

However, *66 percent of Canadian respondents met their fundraising goal*, also much higher than the 52 percent reported for 2013.

KEY FINDINGS CONTINUED

At least 60 percent of the respondents in the majority of the subsectors saw increased charitable receipts in 2014.



The *Arts* saw the highest share of respondents reporting an increase, at 70 percent, a significant amount higher than only a 52 percent increase in 2013. This subsector saw the lowest results for increases last year.



Health saw charitable receipts increase at the lowest share of respondents, at 56 percent, much lower than 65 percent in 2013.



The five *most often used fundraising vehicles*—major gifts, foundation grants, board giving, corporate grants and gifts, and direct response/mail—saw increases at 45 to 59 percent of the organizations using the method.

Fundraising vehicles where gifts received declined at the greatest percentage of organizations were telephone, congregational gifts, and federated campaigns (all declined at 18% of respondents).



Gifts received through *social media*, used at 46 percent of responding organizations, increased at 79 percent of the organizations using the method, the highest increase in this survey. Additionally, social media, online, and email saw decreases at the lowest shares of organizations using these methods (at 3%, 3%, and 5% of respondents, respectively). Social media is supplementing, not replacing, more traditional methods, such as direct mail, events, or major gifts, all of which are used at nearly 90 percent of organizations.



On average, organizations said 60 percent of the number of bequests came from donors making lifetime gifts to the organization.

INTRODUCTION

Increased charitable giving follows a strengthening economy, which is good news for fundraisers. Despite a stronger economy in the United States as 2014 began, nonprofits expected a struggle to have enough resources to support demands for their services.¹ Charities and registered nonprofits in Canada started 2014 with very little change in gifts received in 2013, based on results from our Winter 2014 survey.

This edition of the Nonprofit Fundraising Survey (NFS) reveals to what extent a wide range of charitable organizations in the United States and Canada saw increases, decreases, or no change in charitable receipts in 2014.

More than 1,550 organizations answered Nonprofit Research Collaborative (NRC) survey questions in early 2015 about charitable receipts from January through December 2014. After data cleaning, more than 1,200 organizations could be included in the analysis. Responding charitable groups included large and small organizations (by budget size) and organizations from every subsector from Arts, Culture & Humanities to Religion.

Questions ranged from changes in charitable receipt amounts in 2014, compared with 2013 to expectations for 2015. Sections of this report share findings from the major sections of the survey. Additional reports will be released later in 2015.

The NRC explores factors that can be managed to help an organization be more likely to see growth in funds raised in coming years. The first section of this report shares results about charitable receipts in 2014 and compares those findings with results from similar surveys from 2004 through 2013. This first section also compares what charities expected would happen in 2014 with what actually did.

One of the unique features of the NRC is the trend data we have going back to 2002, which covers findings about charitable receipts received from roughly a dozen

¹ Nonprofit Finance Fund. 2014. State of the Nonprofit Sector Survey. <http://nonprofitfinancefund.org/past-survey-results>

different fundraising methods. This report includes trends from 2004 through 2014. The survey also asked about expectations for charitable receipts in 2015 and gave respondents a chance to comment on specific challenges or trends they expect to play an important role in fundraising this year.

Special to this year, the NRC included more specific questions about planned giving as well as questions regarding the structure of the organization's development office and roles of the CEO and Chief Development Officer.

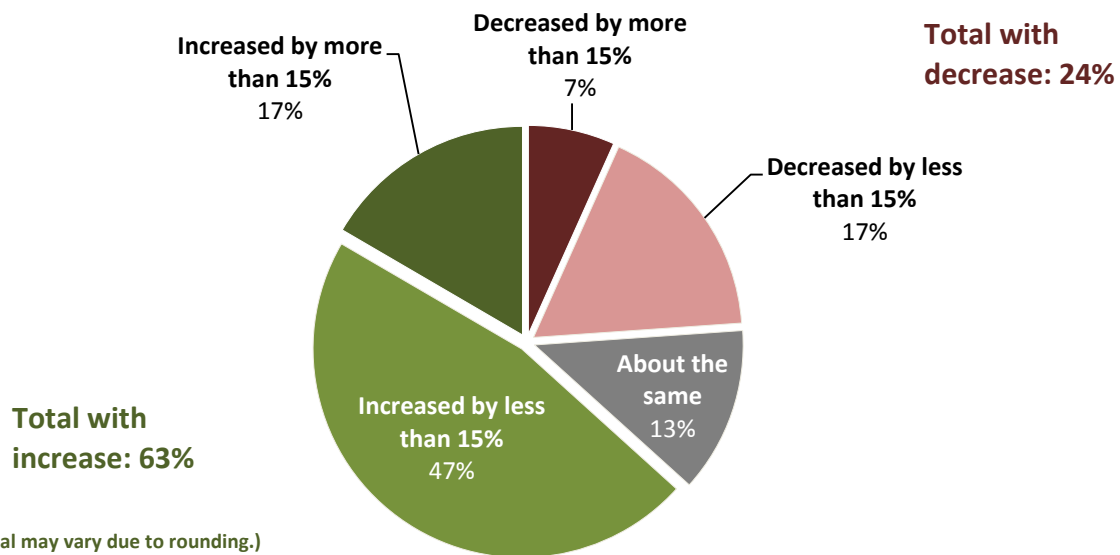
SECTION I: 2014 results

This section presents overall results, including a summary of answers about factors that helped the organization during the year. The section then details sub-sets where there are statistically significant differences in the results. These include results by organizational size (based on total expenditures) and between regions, especially in Canada compared with the United States.

Nearly two-thirds of responding charities report growth in charitable receipts

For the fiscal year ending in 2014, 63 percent of responding charitable organizations reported an increase in charitable receipts compared with 2013. This is the highest percentage seeing an increase since 2007. While this is a negligible increase from 62 percent in 2013, it continues the trend of increases of 58 percent in 2012, 53 percent in 2011, and 43 percent in 2010.

Figure 1: Percentage of responding organizations reporting change in charitable receipts, 2014 compared with 2013



Source: Nonprofit Research Collaborative, Winter 2015

Smaller organizations were less likely to see growth than larger organizations (see Figure 3)

Figure 3: Percentage of responding organizations reporting change in charitable receipts by size, 2014 compared with on page 9).

Organizations attribute success to individual and major gifts and strong fundraising plans

When asked what single issue most positively affected fundraising, respondents indicated a wide range of elements both internal – such as having the right staff in place – and external – such as the economy overall. Results from 2014 show:

About half of the organizations that responded entered a comment about what influenced whether they met their goal or not.

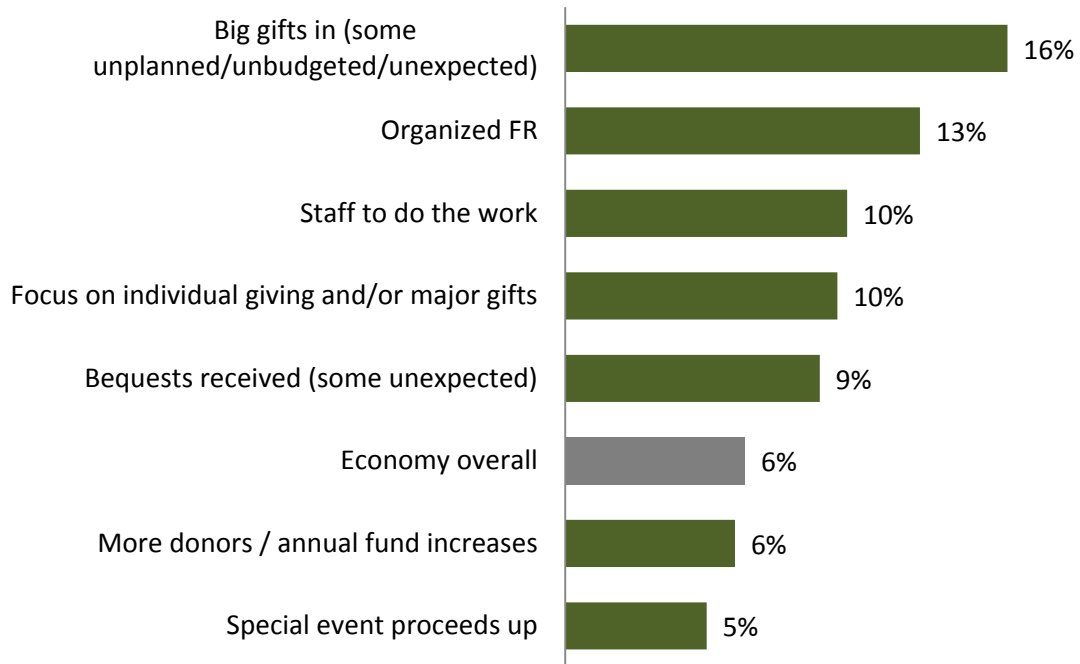
- Nearly 4 in 10 (36%) mentioned donor choices, including 16% who mentioned large individual major gifts, 9% who mentioned bequests received, 6% who said their annual fund was up and 5% who mentioned growth in net proceeds from events.
- About a third (32%) named fundraising practices at their organization, including having staff or volunteers to do the work, a focus on individual giving or major gifts, and implementing fundraising plans, budget, goals, communications.
- Six percent (6%) named something outside of the organization, such as an overall improved economy.

Figure 2: What most positively affected your organization’s fundraising in 2014 -- Overall responses, not specific to fundraising method or vehicle

Analysts coded written responses. People could offer more than one idea.

The lighter shade (gray) relates to comments about the entire organization.

Dark green bars indicate comments that relate primarily to development or advancement work.



Source: Nonprofit Research Collaborative, Winter 2015

Question: What single issue most positively affected your organization's fundraising in 2014?

“A strong return of Individual Giving with a few Major Gifts leading the charge. We were able to leverage some Major Gifts as matching grants, [raising] the overall tide of giving. While some specific goals fell short, Individual Giving increased significantly, resulting in the overall funding goal being met and even exceeded, albeit slightly.”

Large Southern arts organization

“A strong stewardship program with annual letters with a small token of thanks... receptions with our national CEO, invitations to an annual research dinner to our top donors, etc.”

Small- to medium-sized Canadian health organization

“Dedicated staff, volunteers and community partners. A highly orchestrated detailed development plan.”

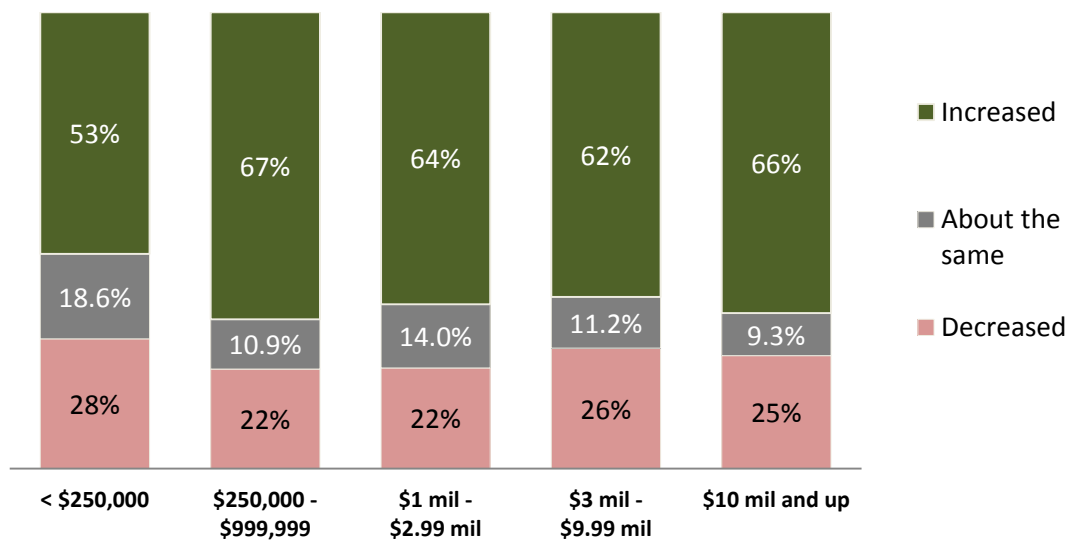
Medium-sized Southern human services organization

Larger and mid-size organizations saw increased charitable receipts more often than smaller organizations did

As has been the case in prior waves of the Nonprofit Fundraising Survey, larger organizations (based on reported expenditures) were more likely to see growth in charitable receipts than were smaller organizations.

Figure 3 shows that 53 percent of the smaller participating organizations (expenditures under \$250,000) reported growth in charitable receipts for 2014 compared with 66 percent of the largest organizations (\$10 million or more in expenditures). Small- to medium-size organizations (\$250,000 to \$999,999 in expenditures) comprised the largest group (67%) to see increased giving in 2014 compared to 2013. At these sample sizes, the only difference that meets tests for statistical significance is the difference between the smallest organizations and all the others.

Figure 3: Percentage of responding organizations reporting change in charitable receipts by size, 2014 compared with 2013



Size is based on expenditures as reported on the survey.

Source: Nonprofit Research Collaborative, Winter 2015

More of the largest organizations saw a drop in giving than did a year ago

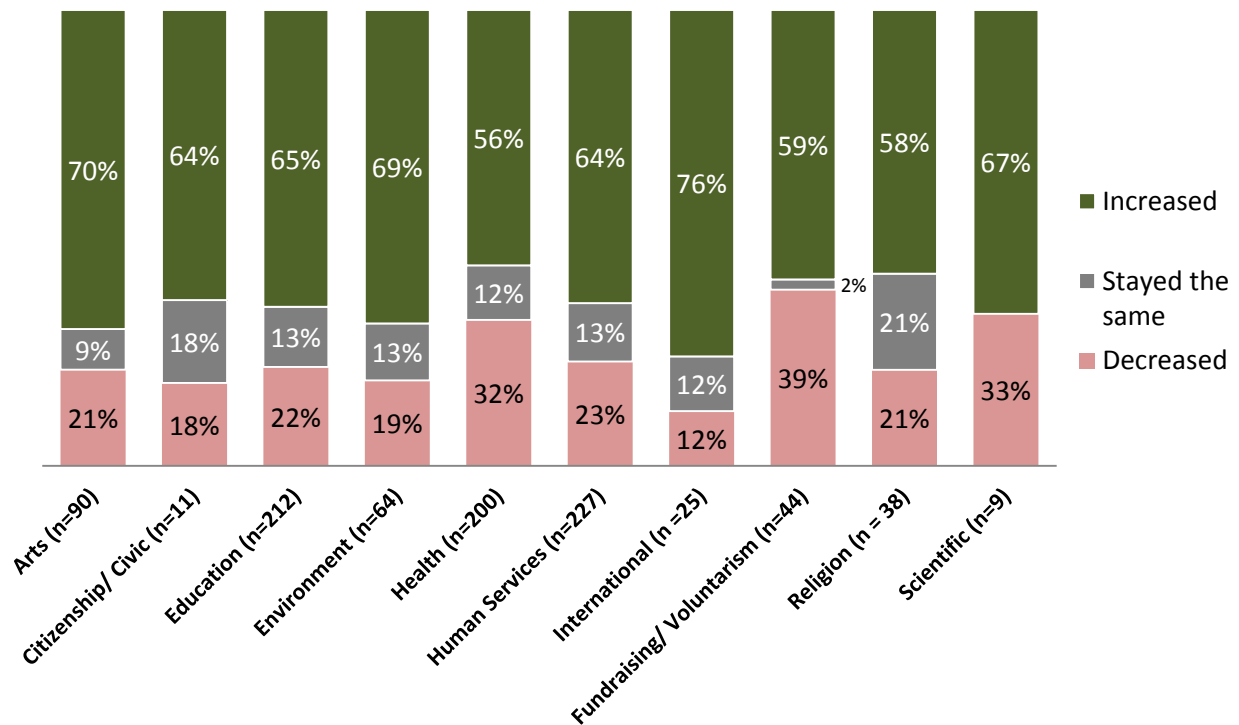
Charities with expenditures less than \$9.99 million saw relatively small fluctuations (of 1% to 3%) in the extent they saw more or less in decreased giving. However, a quarter (25%) of the largest organizations (expenditures \$10 million and greater) saw decreased charitable receipts in 2014 compared to 2013, a much higher share than in the priors' years study when only 16 percent saw decreased charitable receipts.

As shown in

Figure 4 on page 11, Arts organizations saw the highest share of respondents reporting an increase, at 70 percent, a significant amount higher than an increase at 52 percent in 2013. This subsector saw the lowest results for increases last year.

Health organizations and Religion organizations reported the lowest percentages seeing increases, compared with all others. Fifty-six percent (56%) of health organizations saw charitable receipts increase the least, much lower than 65 percent in 2013. Fifty-eight percent (58%) of religious organizations saw charitable receipts increase, slightly higher than 52 percent in 2013.

Figure 4: Percentage of responding organizations reporting change in charitable receipts by NTEE code, 2014 compared with 2013



Source: Nonprofit Research Collaborative, Winter 2015

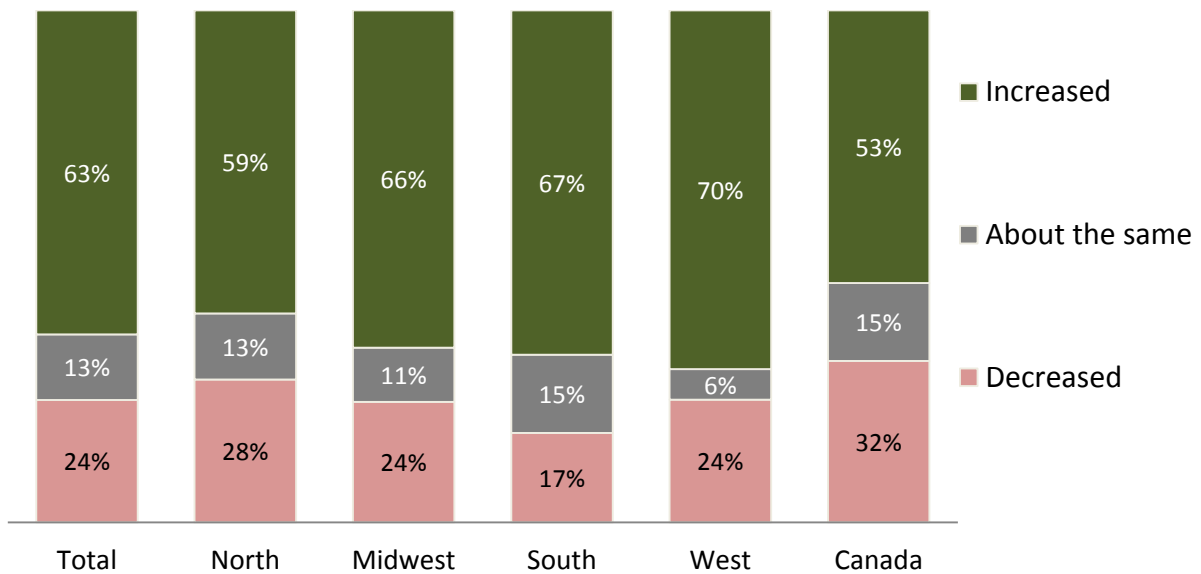
NOTE: Categories were described as **Arts, Culture or Humanities**; **Citizenship/Civic Improvement** including voter registration, civil rights advocacy, community or economic development, veterans not related specifically to health or human services, and mutual benefit organizations; **Education** including pre-school, K-12, higher education, libraries tutoring programs, vocational education; **Environment or animals** including zoos and aquariums, conservation or habitat preservation, humane societies, advocacy on behalf of animals or the environment; **Health** including providing care, research focused on health or disease, and support and advocacy for people living with health related conditions. Includes mental health, dental or oral health; **Human Services** including youth development, senior services not focused on health, helping to meet basic needs such as for housing, food, or employment services, legal aid, general social services, sports and recreation. Also includes disaster preparedness or response; **International Aid, Relief, Development; Philanthropy, Fundraising, Voluntarism, or Grantmaking** including community foundations, independent sponsors of donor advised funds, United Ways, Jewish Federations, volunteer matching services, etc.; **Religion** including houses of worship, media ministries, organizing bodies of faith groups (synod, diocese, etc.); and **Scientific or Social Scientific Research**. New this year, Citizenship/Civic Improvement; Philanthropy, Fundraising, Voluntarism, or Grantmaking; and Scientific or Social Scientific Research were previously categorized together as Public Society Benefit organizations.

Growth highest in U.S. West, lowest in U.S. North and in Canada

Canadian organizations in this survey were less likely than those in the U.S. to report an increase (53% compared with nearly two-thirds of U.S. organizations). Within regions of the United States, there were differences, as well.

Organizations in the U.S. West that participated were more likely to report a growth in charitable receipts (70%) compared with organizations in the U.S. North, where 59 percent reported an increase and the highest percentage among the United States' regions, 28 percent, reported a decline.

Figure 5: Percentage of responding organizations reporting change in charitable receipts by U.S. region and Canada, 2014 compared with 2013

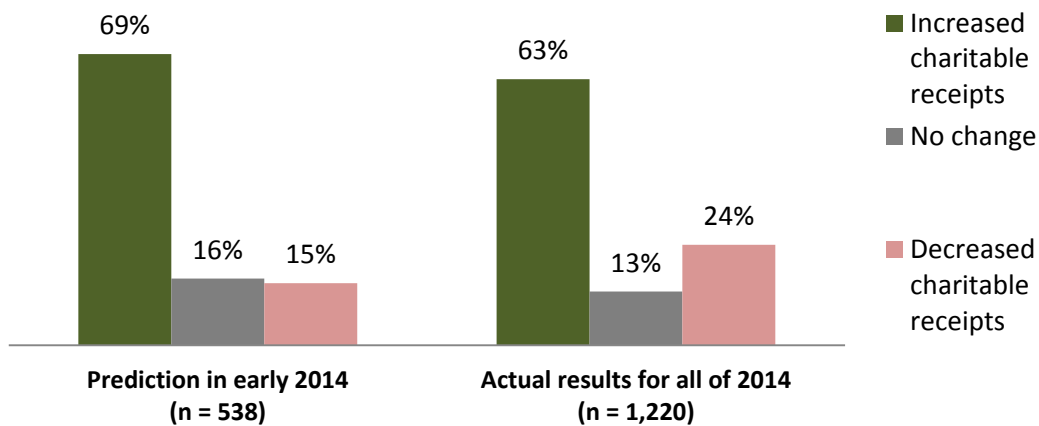


Source: Nonprofit Research Collaborative, Winter 2015

Predicted change in charitable receipts compared with actual results

In February 2014, 69 percent of responding charities projected growth in funds raised in all of 2014. This is 6 percentage points above the 63 percent that actually saw growth in charitable receipts by the end of 2014.

Figure 6: Predicted results for 2014 compared with actual results



Source: Nonprofit Research Collaborative, Winter 2015

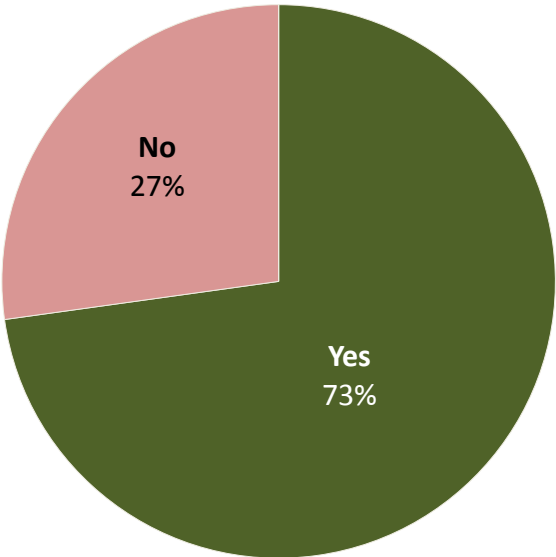
Note: The survey fielded in February 2014 coincided with the series of storms that incapacitated people throughout the United States and some in Canada, thus resulting in fewer responses than usual.

Actual fundraising results in comparison to predicted results for 2014 narrowed to 6 percentage points. A year ago, for giving in all of 2013, that gap was 8 percent and, for giving in all of 2012, that gap was only 5 percent. For both 2010 and 2011, there was at least a 10-percentage point gap between the share of organizations that predicted they would see growth in fundraising receipts and the final results by the end of the year.

Nearly three-quarters of charitable organizations met the fundraising goal for 2014

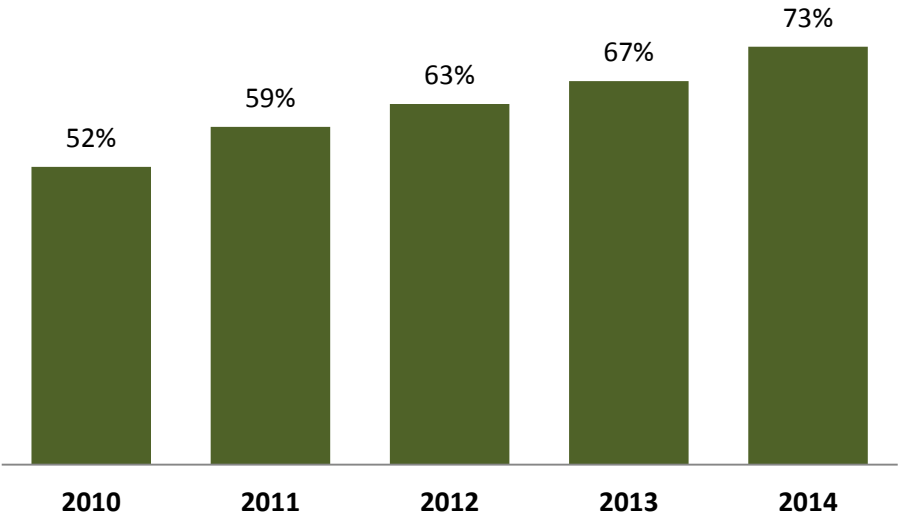
In 2014, 73 percent of responding organizations said they met their fundraising goal, continuing the trend of surpassing the percentages for the prior NRC surveys, for 2010 through 2013.

Figure 7: Did your organization meet its fiscal year 2014 fundraising goal?



Source: Nonprofit Research Collaborative, Winter 2015

Figure 8: Trend in percentage of organizations meeting fundraising goal, 2010-2014



Source: Nonprofit Research Collaborative, Winter 2015

Smaller organizations remain less likely than larger ones to meet goals

The smallest organizations (expenditures less than \$250,000) were far less likely to meet their fundraising goals than were larger organizations, which is consistent with findings from earlier waves of the NFS. Of note, results for 2014 were higher across organizations of all size.

As shown in Table 1, across all size groups, a higher percentage of participating charities met their fundraising goal in 2014 than did in 2013.

Table 1: Percentage of responding organizations meeting fundraising goal in 2014 compared to 2013, by organizational size

Organization Size	Met goal in 2014	Met goal in 2013
<\$250,000	59%	48%
\$250,000 to \$999,999	70%	57%
\$1 million to \$2.99 million	71%	63%
\$3 million to \$9.99 million	72%	66%
\$10 million and larger	77%	65%

Source: Nonprofit Research Collaborative, Winter 2015

Question: What single issue most affected your organization's inability to meet its fundraising goal in 2014?

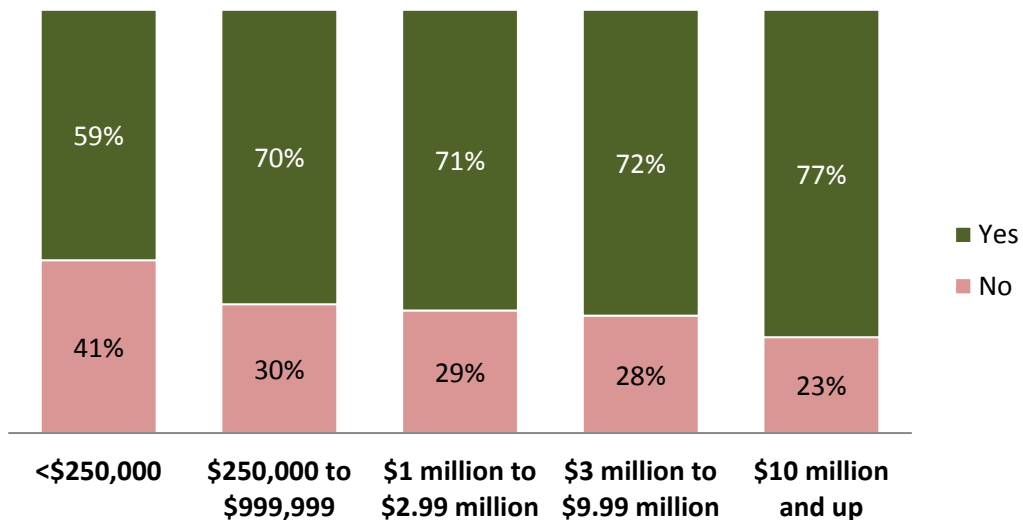
“While overall funds raised increased in 2014 vs. 2013, we fell slightly short of meeting our goals for fundraising to support operations. This is due to the continued operation of a capital campaign, in which we’ve experienced a handful of donors supporting capital and putting operating donations on hold.”

Small Midwestern arts organization

“Board members’ reticence to share the organization's mission/message and refusal to participate in cultivation, solicitation, or personal outreach have hampered community awareness and donor support.”

Small Southern Philanthropy, Fundraising, Voluntarism, or Grantmaking organization

Figure 9: Percentage of responding organizations meeting fundraising goal, 2014, by organizational size

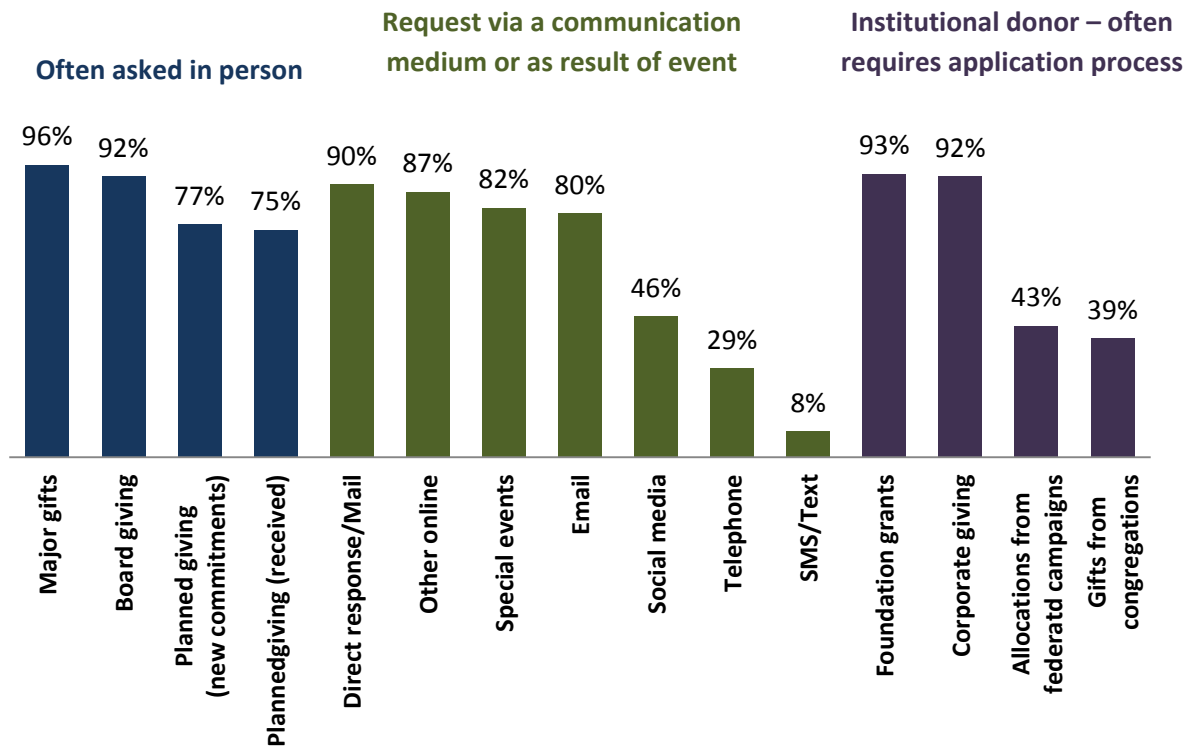


Source: Nonprofit Research Collaborative, Winter 2015.
Size is based on expenditures in 2014 as reported on the survey.

SECTION II: Types of fundraising methods used

Nonprofit organizations use a variety of different fundraising methods that most suit their needs, development staff resources, and history. The most commonly used fundraising methods include major gifts, board giving, foundation grants, corporate grants and gifts, and direct response.

Figure 10: Percentage of responding organizations that use each of 15 fundraising methods

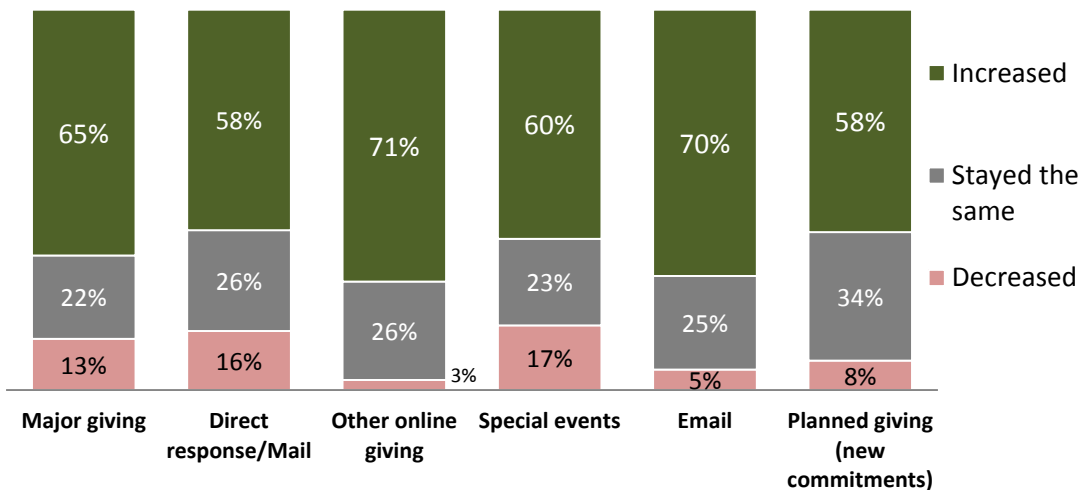


Source: Nonprofit Research Collaborative, Winter 2015

Direction of change in charitable receipts in 2014 by methods used

Organizations reported the greatest increase in growth in email requests, “other online,” giving through SMS/text, and social media. All of these saw increased amounts received at 68 percent or more of responding organizations. “Other online” could include “Give Now” buttons on websites or online giving by people who find the organization on their own. Of particular note, social media is one of the least used fundraising methods, *and* had the highest percentage of responding organizations indicating growth of any method (79%). See Figure 13.

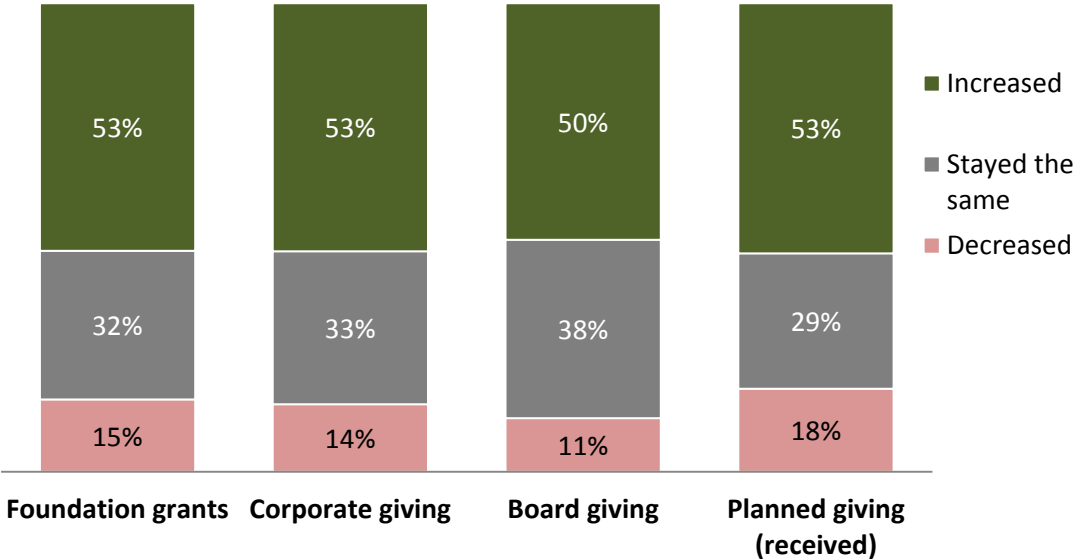
Figure 11: Percentage of organizations reporting change in charitable receipts, 2014 compared with 2013, by fundraising method—most commonly used methods, with frequent increases



Source: Nonprofit Research Collaborative, Winter 2015

Three of the most frequently used fundraising methods generated increased funds at only half of the organizations that use them. These include foundation grants (53% of responding organizations), board giving (50%), and corporate giving (53%).

Figure 12: Percentage of organizations reporting change in charitable receipts, 2014 compared with 2013, by fundraising method— most commonly used methods, although with less frequent increases

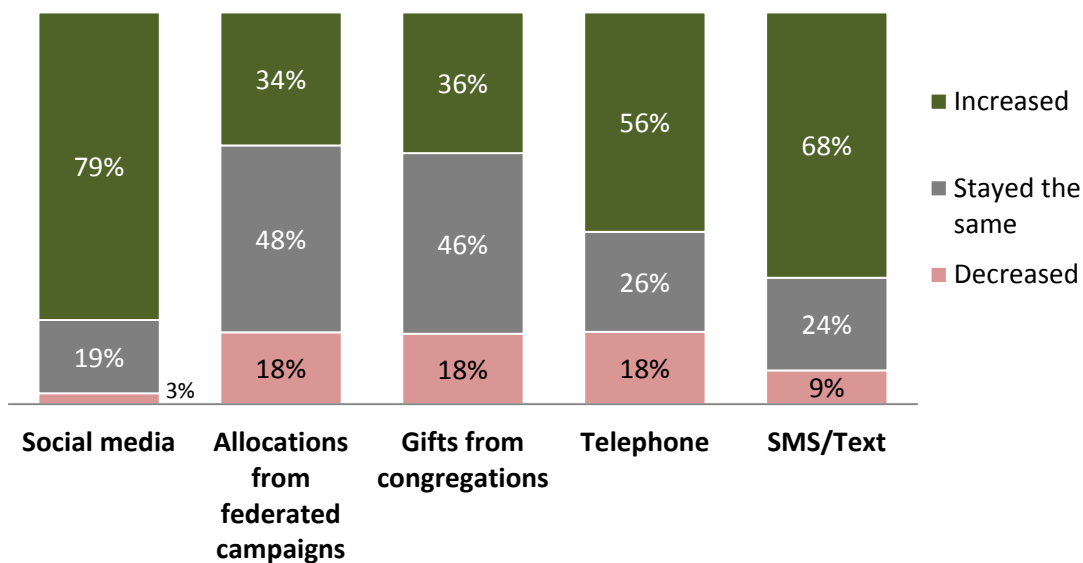


Source: Nonprofit Research Collaborative, Winter 2015

Least frequently used methods show both highest and lowest increased growth as reported by organizations that use them

Two of the least frequently used methods of giving saw the smallest percentages of reported growth. Allocations from both federated campaigns and gifts from congregations reported growth at only 34 percent and 36 percent, respectively, of responding organizations. In vast contrast, another two of the least frequently used methods of giving – social media and SMS/text – reported increases from the highest percentage of organizations, 79 percent and 71 percent, respectively.

Figure 13: Percentage of organizations reporting change in charitable receipts in 2014, compared with 2013, by fundraising method—least frequently used methods

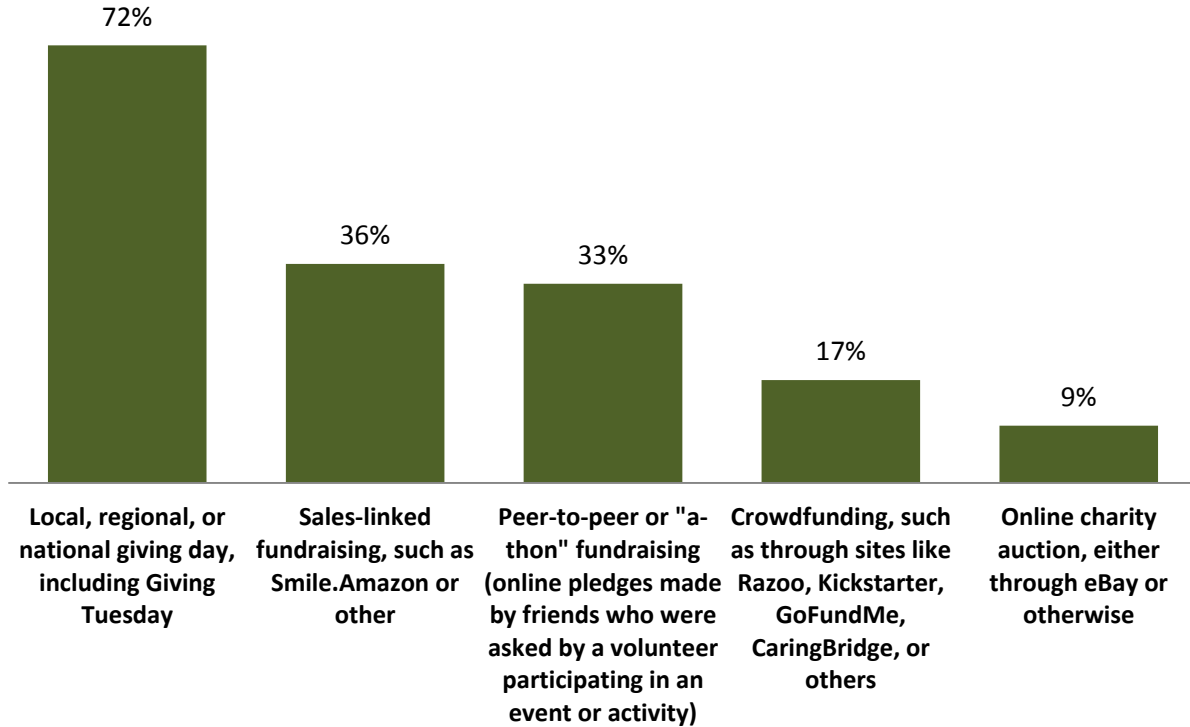


Source: Nonprofit Research Collaborative, Winter 2015

This year’s survey asked questions regarding specific types of online or social media fundraising. By far, organizations used organized effort to promote local, regional, and/or national giving days, including Giving Tuesday. The growth in peer-to-peer fundraising may be a reflection of people inviting friends and family to participate in activities like the Ice Bucket Challenge. See Figure 13.

Figure 14: Percentage of responding organizations that indicate using specific types of online or social media fundraising

N = 822



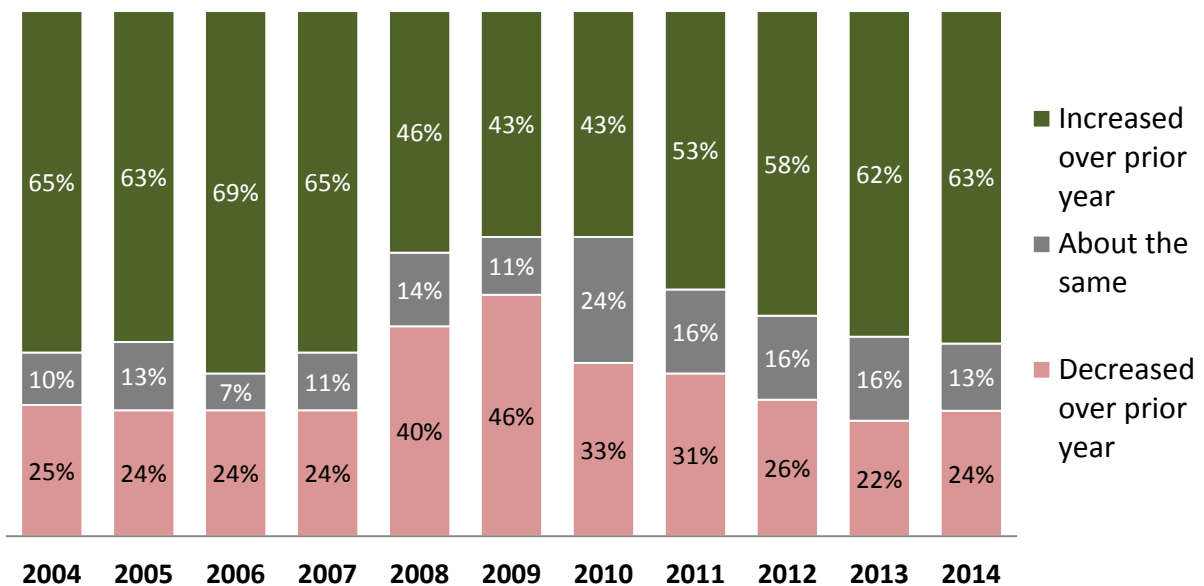
Source: Nonprofit Research Collaborative, Winter 2015

SECTION III: Trends since 2004

The Association of Fundraising Professionals (AFP) began conducting surveys in 2002 to track the impact of economic changes on charitable receipts. The Nonprofit Research Collaborative started asking questions similar to AFP's in 2010.

This year's results overall are followed by trends by the fundraising methods used. Figure 15 shows the trends since 2004, when 65 percent of the members surveyed by the Association of Fundraising saw the receipts from fundraising activities increase. In the best year on record, 2006, nearly 7 in 10 (69 percent) saw funds raised increase.

Figure 15: Percentage of responding organizations reporting change in charitable receipts by year, 2004 - 2014



Source: Nonprofit Research Collaborative, Winter 2015

Data: 2004-2009: Association of Fundraising Professionals; 2010-2014: Nonprofit Research Collaborative. Different recruitment methods for respondents beginning in 2010 mean direct comparison of those years with earlier years will not be meaningful.

By the time the recession that began in late 2007 was in full force (2008 through 2009), fewer than half of the organizations reported increases in charitable receipts. The effects of the recession affected results for 2010, as well as into 2011. Results for 2014 are the best since 2006, when 69 percent saw funds raised increase. While the trend is

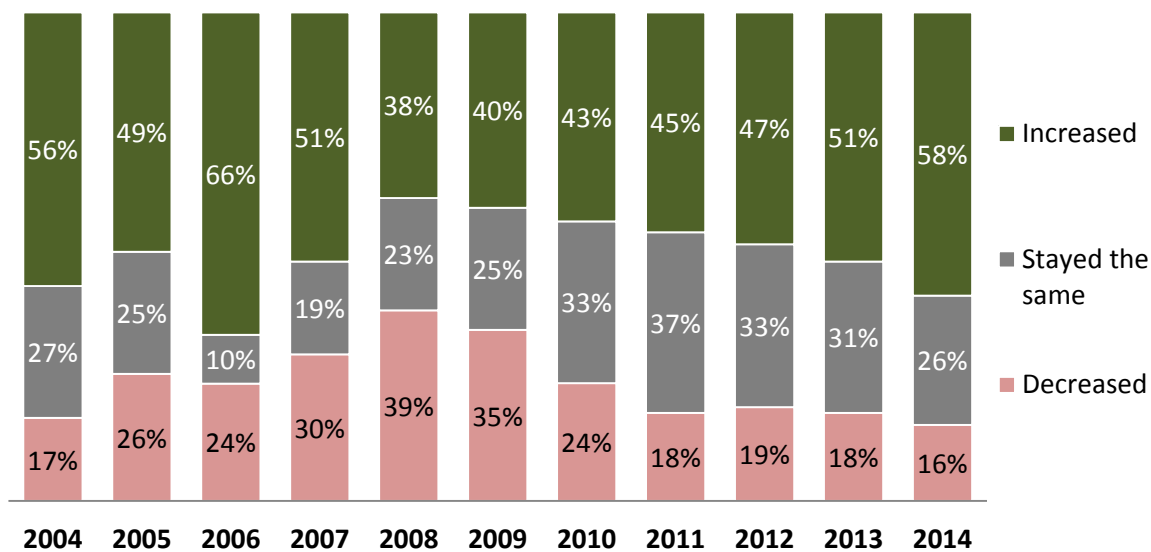
encouraging, at these sample sizes, there is no statistically significant difference between 69 percent and 63 percent.

Trends in changes in charitable receipts by method, 2004-2014

The Association of Fundraising Professionals (AFP) began surveys about charitable receipts in late 2001, following the tragedies of that September. Here we show available years of NRC data in comparison to the trend lines established by AFP, by method used to raise funds.

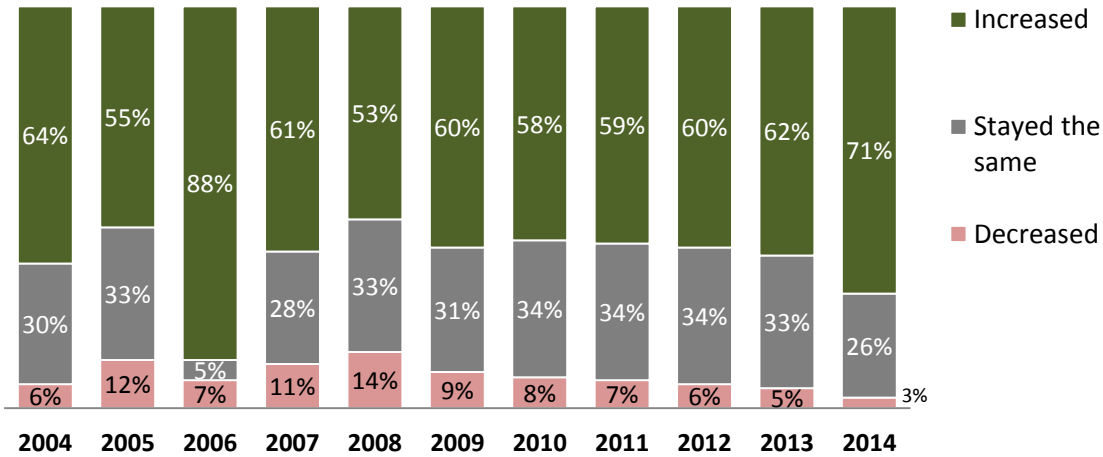
For all of the methods tracked, 2014 consistently saw the highest percentages of organizations reporting growth since 2011.

Figure 16: Percentage of responding organizations reporting change in contributions received by direct mail, 2004-2014



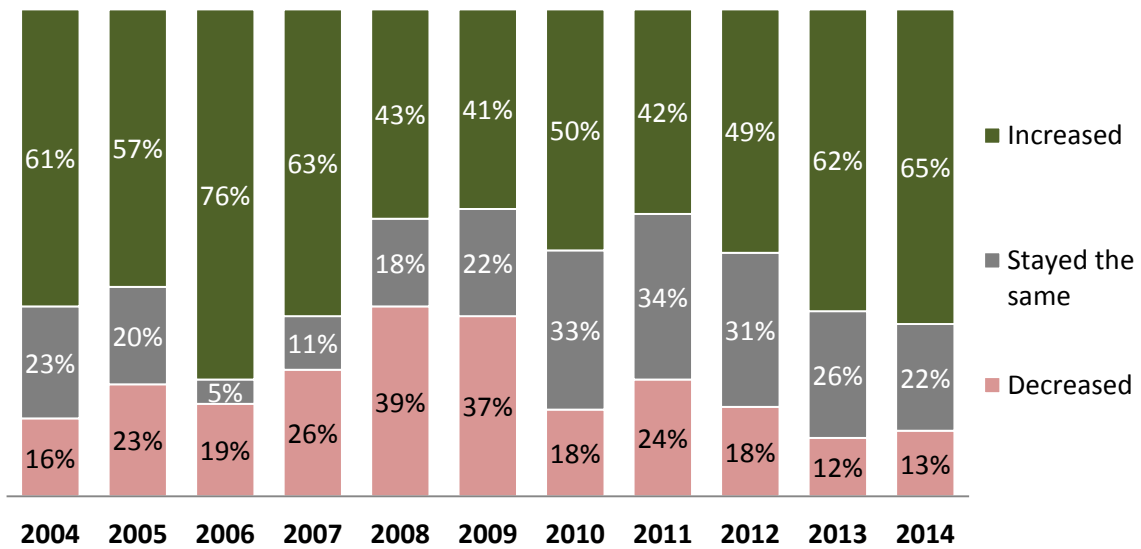
Source: Nonprofit Research Collaborative, Winter 2015
 Data: 2004-2009: AFP Member Survey; 2010 onward: Nonprofit Research Collaborative

Figure 17: Percentage of responding organizations reporting change in contributions received online, 2004-2014



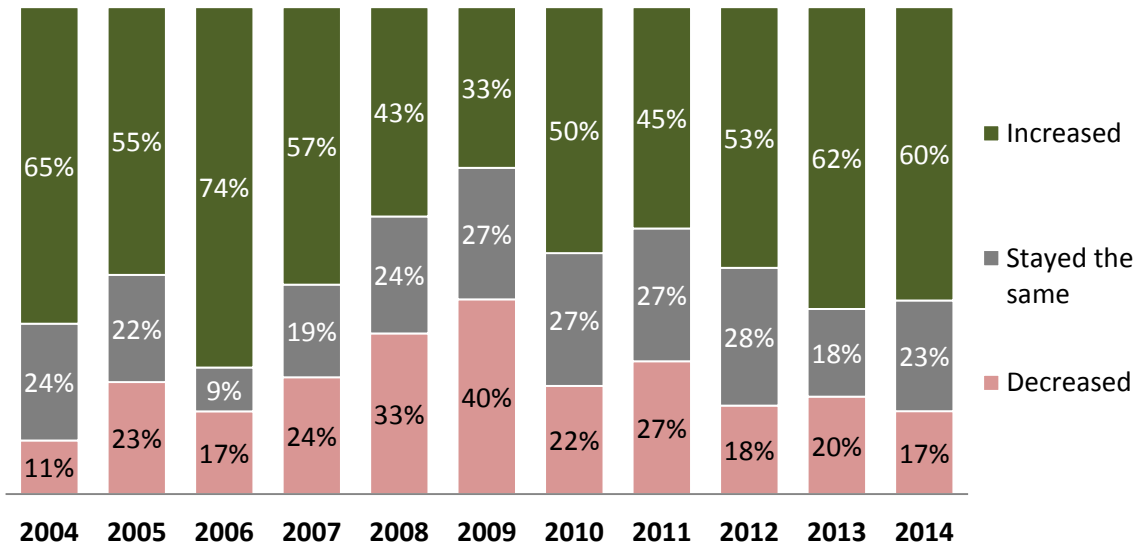
Source: Nonprofit Research Collaborative, Winter 2015
 Data: 2004-2009: AFP Member Survey; 2010 onward: Nonprofit Research Collaborative

Figure 18: Percentage of responding organizations reporting change in contributions received from major gifts, 2004-2014



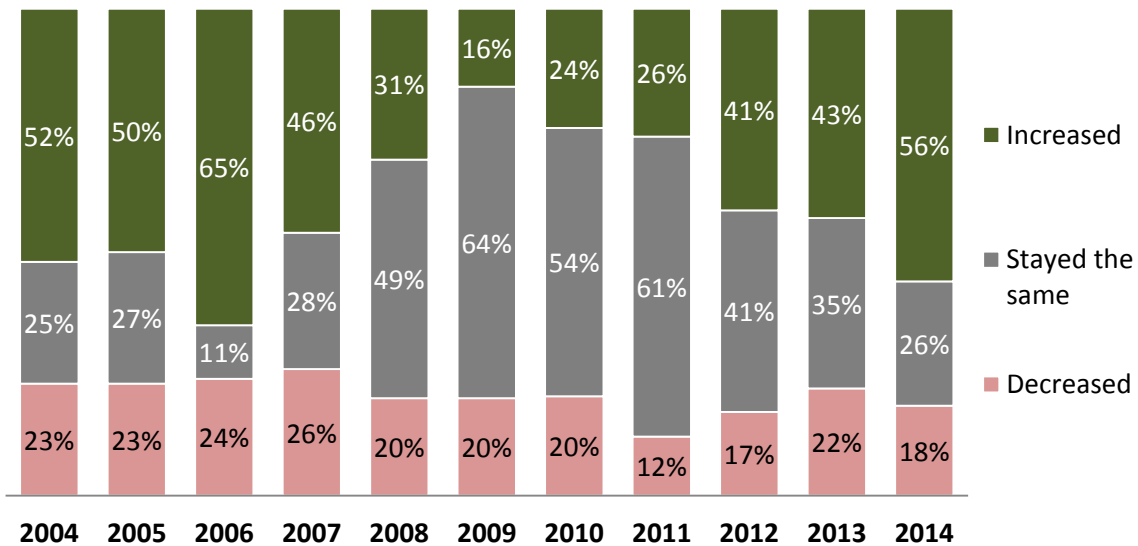
Source: Nonprofit Research Collaborative, Winter 2015
 Data: 2004-2009: AFP Member Survey; 2010 onward: Nonprofit Research Collaborative

Figure 19: Percentage of responding organizations reporting change in contributions received through special events, 2004-2014



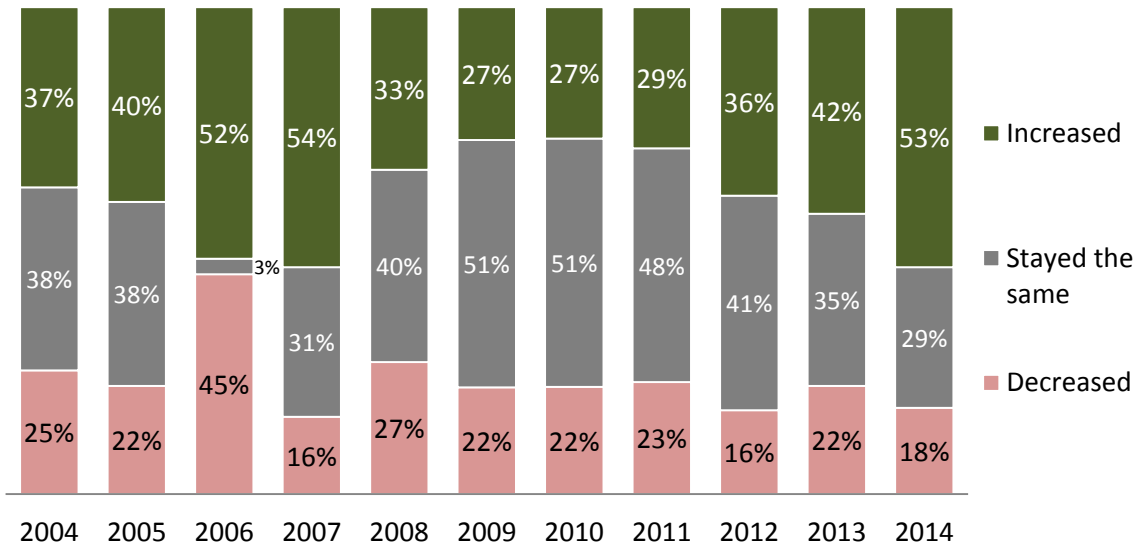
Source: Nonprofit Research Collaborative, Winter 2015
 Data: 2004-2009: AFP Member Survey; 2010 onward: Nonprofit Research Collaborative

Figure 20: Percentage of responding organizations reporting change in contributions received through appeals by telephone, 2004-2014



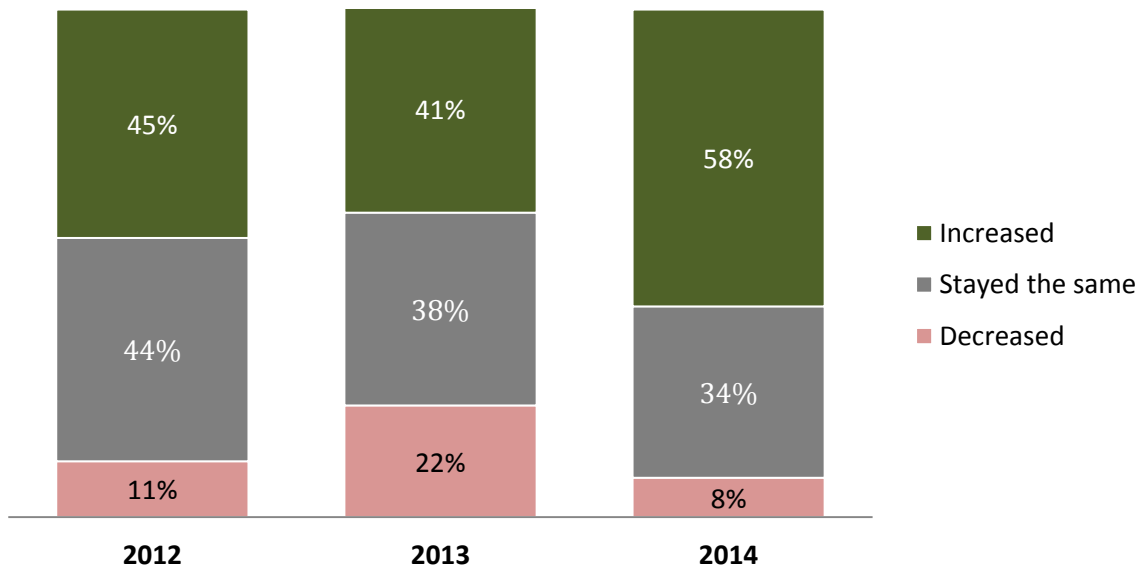
Source: Nonprofit Research Collaborative, Winter 2015
 Data: 2004-2009: AFP Member Survey; 2010 onward: Nonprofit Research Collaborative

Figure 21: Percentage of responding organizations reporting change in contributions received through planned gifts, 2004-2014 [change in dollars received]



Source: Nonprofit Research Collaborative, Winter 2015
 Data: 2004-2009: AFP Member Survey; 2010 onward: Nonprofit Research Collaborative

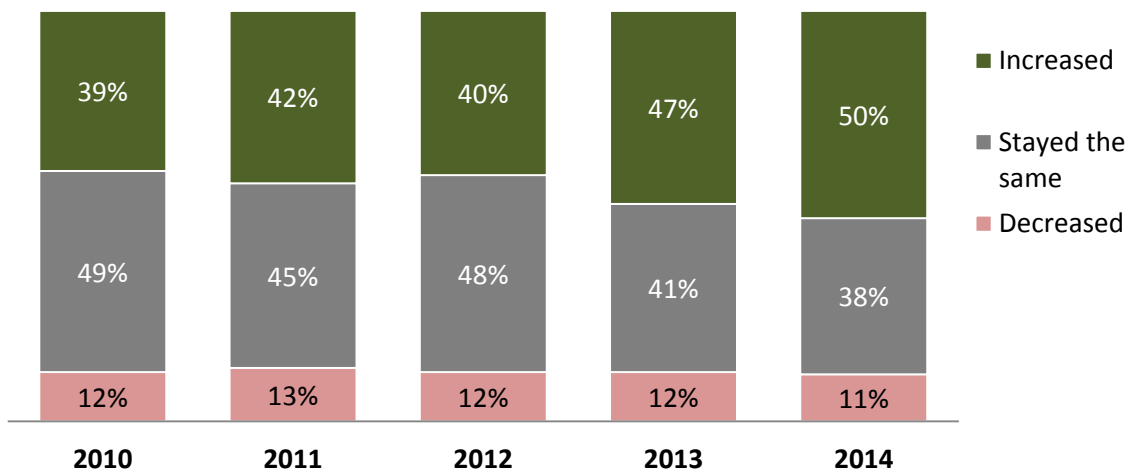
Figure 22: Change in the number of planned gift commitments received, 2012-2014



Source: Nonprofit Research Collaborative, Winter 2015

When the NRC began in late 2009, the members added fundraising methods to the set, which was used previously by the Association of Fundraising Professionals. Additional methods have been added as online and social media fundraising has increased. The following graphs show methods tracked since 2010 or 2011.

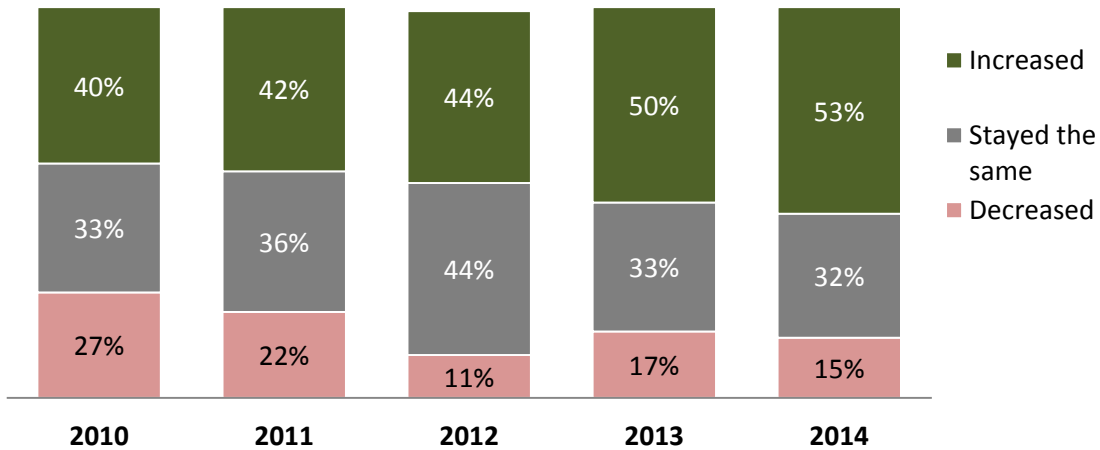
Figure 23: Percentage of responding organizations reporting change in contributions received through board giving, 2010-2014



Source: Nonprofit Research Collaborative, Winter 2015

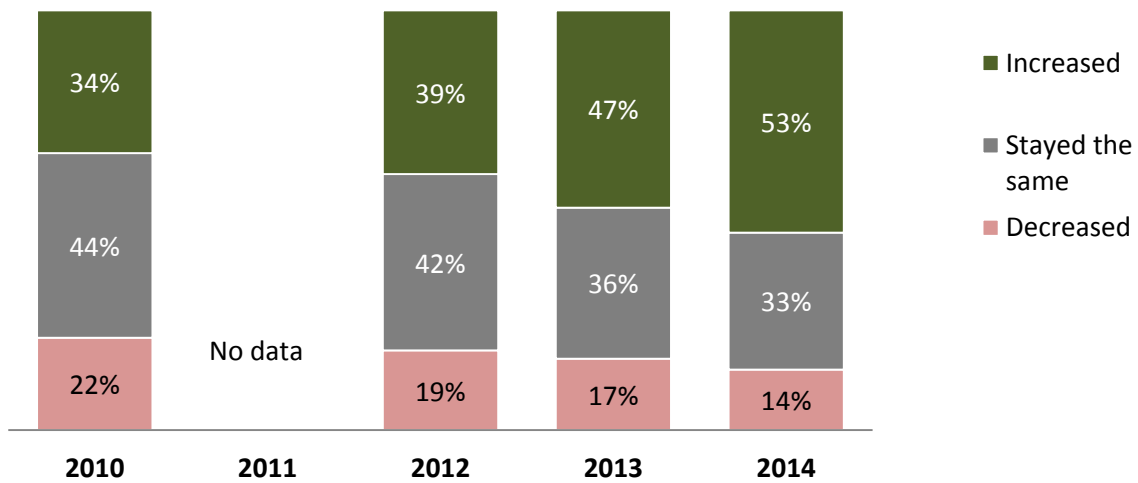
Data: Nonprofit Research Collaborative. Percentages based on organizations that used the method.

Figure 24: Percentage of responding organizations reporting change in contributions received through foundation grantmaking, 2010-2014



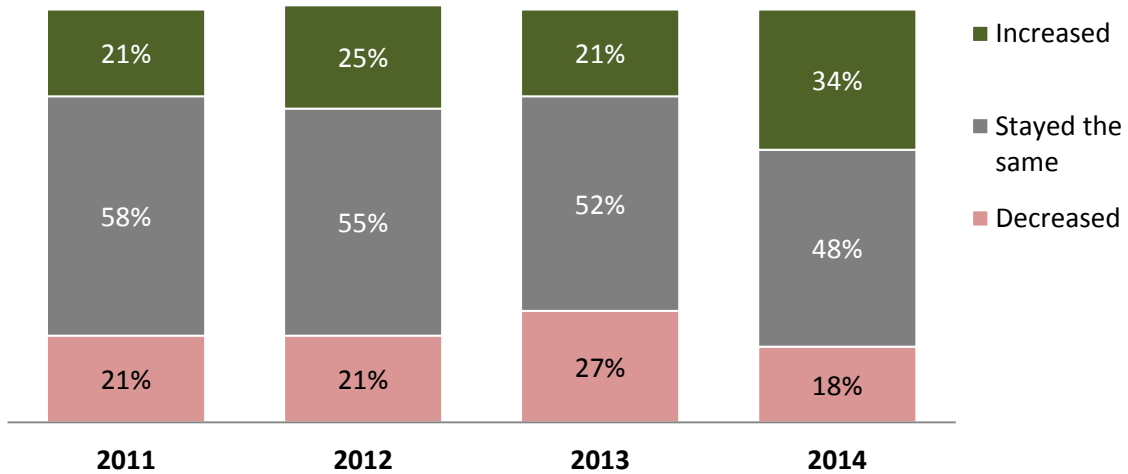
Source: Nonprofit Research Collaborative, Winter 2015
 All data: NRC annual surveys. Percentages based on organizations that used the method.

Figure 25: Percentage of responding organizations reporting change in contributions received through corporate giving and corporate foundation grantmaking, 2010-2014



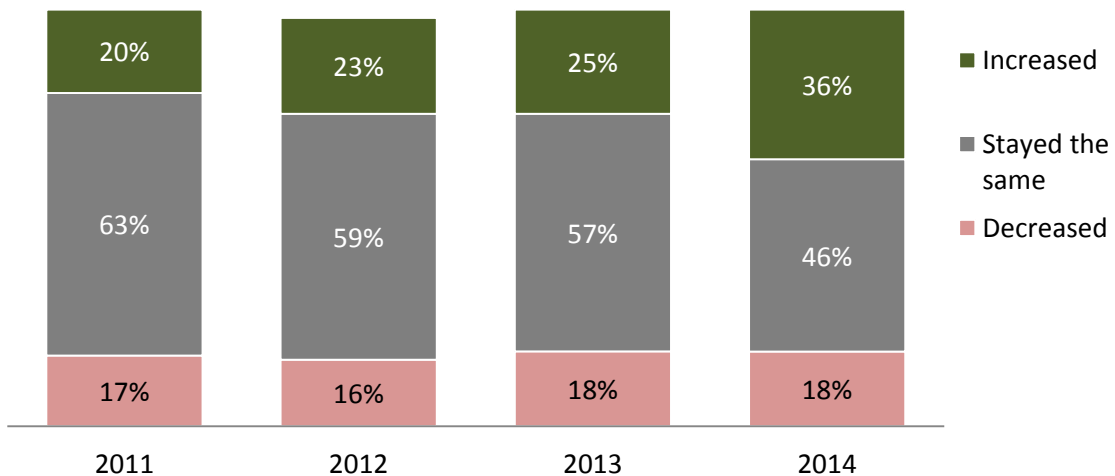
Source: Nonprofit Research Collaborative, Winter 2015
 All data: NRC annual surveys. Percentages based on organizations that used the method.

Figure 26: Percentage of responding organizations reporting change in contributions received through federated campaigns, 2011-2014



Source: Nonprofit Research Collaborative, Winter 2015
 All data: NRC annual surveys. Percentages based on organizations that used the method.

Figure 27: Percentage of responding organizations reporting change in contributions received from congregations, 2011-2014



Source: Nonprofit Research Collaborative, Winter 2015
 All data: NRC annual surveys. Percentages based on organizations that used the method.

SECTION IV: Most organizations receive a majority of bequests from consistent donors

The Nonprofit Research Collaborative asked specific questions about bequest donors' previous giving histories to the organization, uncovering some key findings. The connection between annual giving and planned giving is one of interest in part because some organizations are reluctant to ask for planned gifts, thinking that once a donor plans for an estate gift, he or she will no longer give to the annual fund appeal. These findings suggest the opposite.

The most likely planned gift donors are those who have been steady annual donors, perhaps not within the five years immediately before death but within the recent history of the organizations: 60 percent of organizations reported that half or more of their bequests came from donors who had made lifetime gifts.

- 35 percent of responding organizations state that at least half of their bequest donors had made 3 to 5 gifts or 1 to 2 gifts within the five years prior to the donor's death.
- 25 percent said that at least half of their bequest donors had made gifts to the organization in the past, with the last lifetime gift received more than five years before the donor's death.
- Just 25 percent said that a majority of bequest donors had never been donors to the organization.
- The 15 percent of organizations had a mix of donors among those who made lifetime gifts and those who did not. In these organizations, no one time frame accounted for half or more of bequests received (several gifts within the past five years, a few within the past five years, the last gift more than five years ago, or no gifts at all).

SECTION V: Outlook for 2015

A large majority of respondents anticipate improved fundraising results in 2015, compared with 2014. Seventy (70) percent expect an increase, with most (56%) expecting growth in funds raised to be between 1 percent and 15 percent. See Figure 29.

Question: What will most affect your organization's fundraising for 2015?

“Online and social media fundraising. We currently do very little, but as we reach out to new generations, we will need to make effective use of social media, and are in the process of revamping our strategy.”

Large Northern health organization

“Our current Strategic Plan provides us with a clear, comprehensive, and consistent messaging tool and focus for our fundraising efforts, and this should have a positive effect, as we can ensure that we don't “chase” funds that aren't appropriate or relevant to our work.”

Medium to large Western health organization

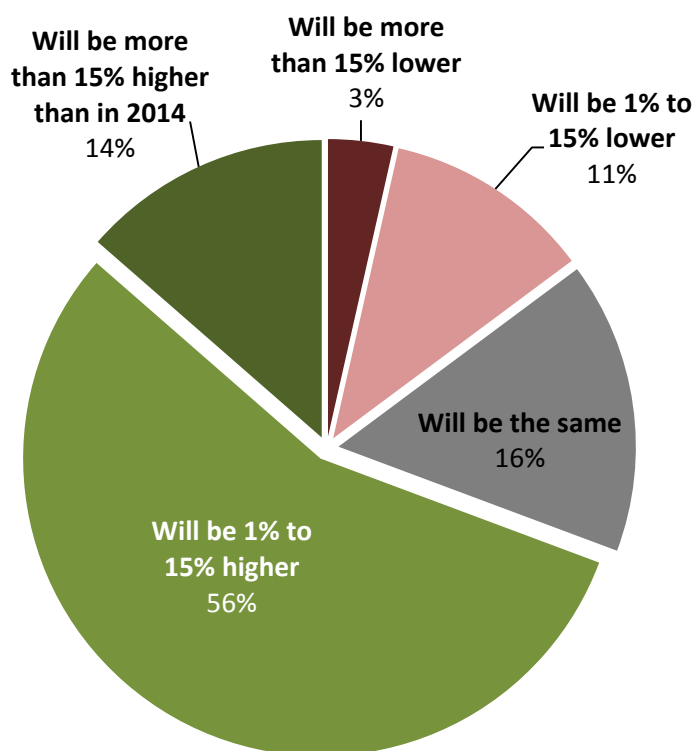
“We already got one big grant in 2015, and we're optimistic that our fundraising event will go better this year.”

Medium to large Northern education organization

“We have vastly diversified fundraising from an events driven organization to one with solid annual giving, mid-level giving, peer-to-peer, major gifts, planned giving and grant writing programs.”

Medium Canadian health organization

Figure 28: Anticipated direction of change in charitable receipts, 2015 compared with 2014



Source: Nonprofit Research Collaborative, Winter 2015

One-third (30%) of respondents predict flat or decreased charitable gifts for 2015, however. This outlook may reflect some challenges organizations see as competing efforts and shortfalls to the organization and that will continue into 2015.

Fundraisers remain concerned about having adequate fundraising staff support, the organizations' ability to recruit new individual donors, and other environmental issues that affect fundraising, such as the overall economy or changing demographics.

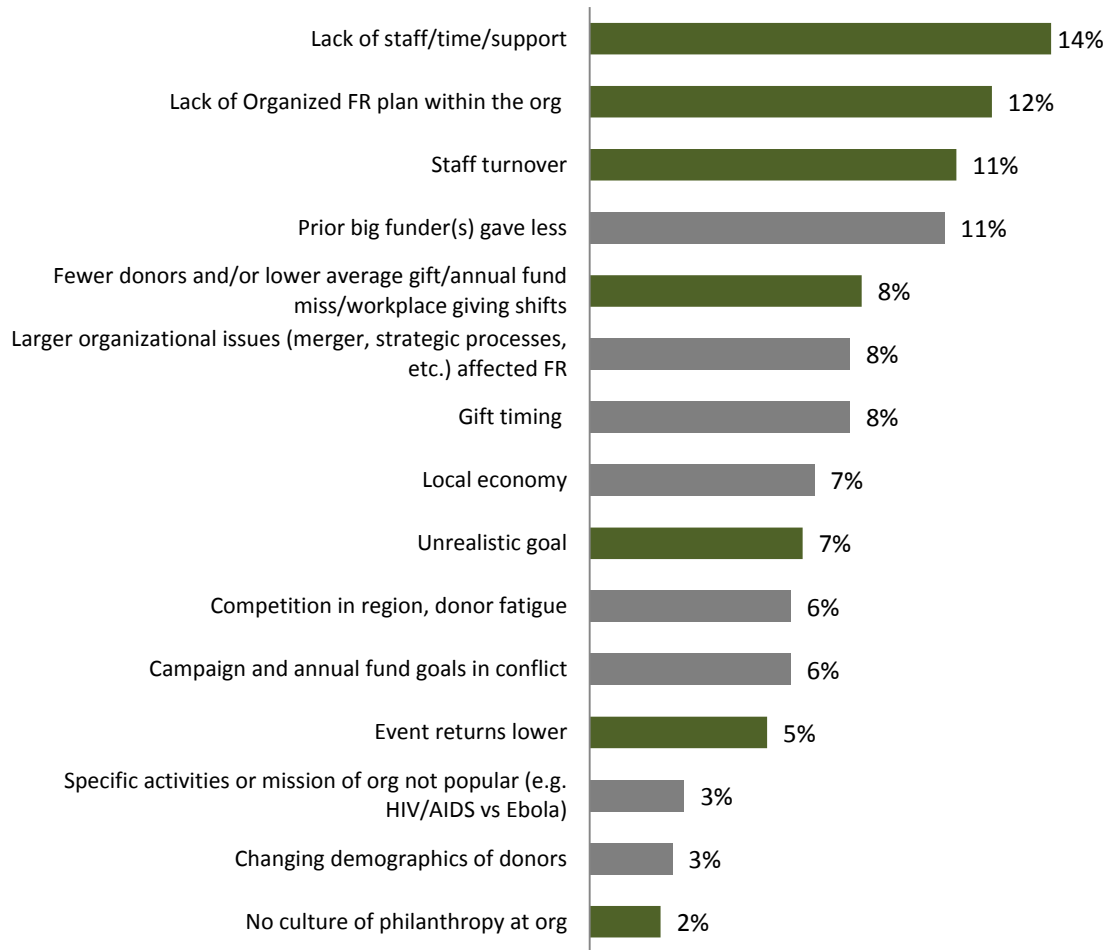
Figure 29: Coded responses about challenges for 2015 fundraising

N = 746

Analysts coded written responses. People could offer more than one idea.

The lighter shade (gray) relates to comments about aspects that are likely outside of the organization's control, but need to be addressed in its plans, nonetheless.

Dark green bars indicate comments that relate to aspects completely in organization's control.



Source: Nonprofit Research Collaborative, Winter 2015

CONCLUSION

Philanthropic gifts grew again in 2014, continuing the upward trend of recent years. Some even predict that 2015 will see pre-recession levels of giving as a result of transfers of family wealth and of leadership from Baby Boomers to Generation Xers.²

For a typical household that gives approximately \$2,300 per year,³ social media may provide fundraisers with an opportunity to expand their communications reach and introduce their organizations to potential donors. Note, however, that typical gift amounts using social media are likely \$100 or less, and renewal rates have not been thoroughly tested. Some research indicates that donors who initially gave in response to email invitations prefer to renew their gifts only after good stewardship, with reports of impact and results, and a mailed letter that provides a web link for giving.⁴

As we learn more about the newer vehicles in fundraising, and perfect the methods we already know work well, fundraisers can see further increases in giving.

² *The Chronicle of Philanthropy*. January 12, 2015.

³ Philanthropy Panel Study. <http://www.philanthropy.iupui.edu/files/research/2009ppskeyfindings.pdf>

⁴ For one dramatic account, see <http://www.nonprofitmarketingguide.com/blog/2012/08/21/no-wonder-retention-of-online-donors-is-so-bad/>

METHODOLOGY

The survey invitation was sent by email and through social media postings beginning on January 20, 2015. The online-only survey response remained open through February 15, 2014.

Invitations were sent by email and using social media to several distinct groups:

- Prior participants in NRC surveys
- Individuals who have signed up to receive communications from NRC (sign up is at www.npresearch.org)
- A random sample of 2,500 members of the Association of Fundraising Professionals (AFP) located in the United States
- All members of AFP in Canada
- More than 13,490 organizations on the mailing list of Campbell Rinker
- Individuals on the email lists maintained by Partnership for Philanthropic Planning and by CFRE International
- An email list maintained by the National Center for Charitable Statistics
- Client organizations of consulting firms that are members of Giving USA
- A contact list for Melissa S. Brown & Associates

Email reminders were sent at least once, and sometimes twice or three times, to people on the email lists. In addition, members of the NRC used notices in newsletters and via social media outlets to recruit additional survey participants. By source of list, response numbers are as shown.

Table 2: Organizations inviting constituents to the survey, responses, and response rate where applicable

List source	Number Received	Percentage of responses received	Sample size*	Approximate response rate
AFP sample	407	32%	2,500	16%
APC	7	1%	Unknown	
Campbell Rinker	57	4%	13,500	<1%
CFRE	258	20%	10,000	3%
Giving USA	57	5%	Unknown	
NCCS	148	12%	Unknown	
NRC email list	67	5%	794	8%
PPP	256	20%	10,000	3%
Other	8	1%	Unknown	
Total		100%		

* Where a sponsor used a mailing list with a known number, we report the response rate based on recipients of the invitation.

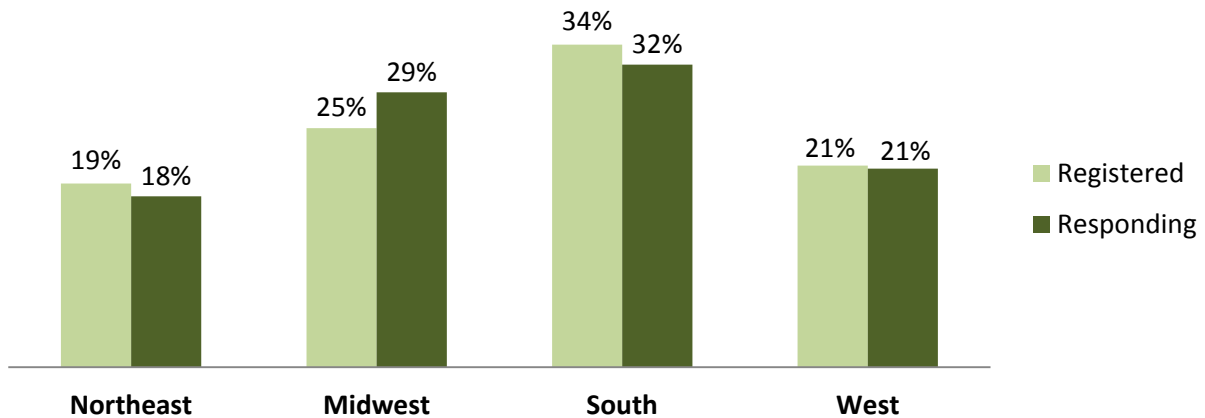
The *Winter 2015 Nonprofit Fundraising Survey* received more than 1,550 non-duplicated responses representing organizations with more than \$19 billion in expenditures in 2014 (including estimates from Canadian respondents about total expenditures).

In the file of responding charities, regions defined by the Census Bureau are roughly equally represented based on the number of registered charities within each. See Figure 30 on the next page.

Figure 30: Percentage of responding charities by Census region compared with registered charities IRS and Business Master File, July 2012

N = 820 U.S. charities answering this question

(The sum is 100 by region—that is, add North, South, Midwest, and West for any of the categories of charity to get 100. All light green bars together = 100, for example.)



Source: Nonprofit Research Collaborative, Winter 2015

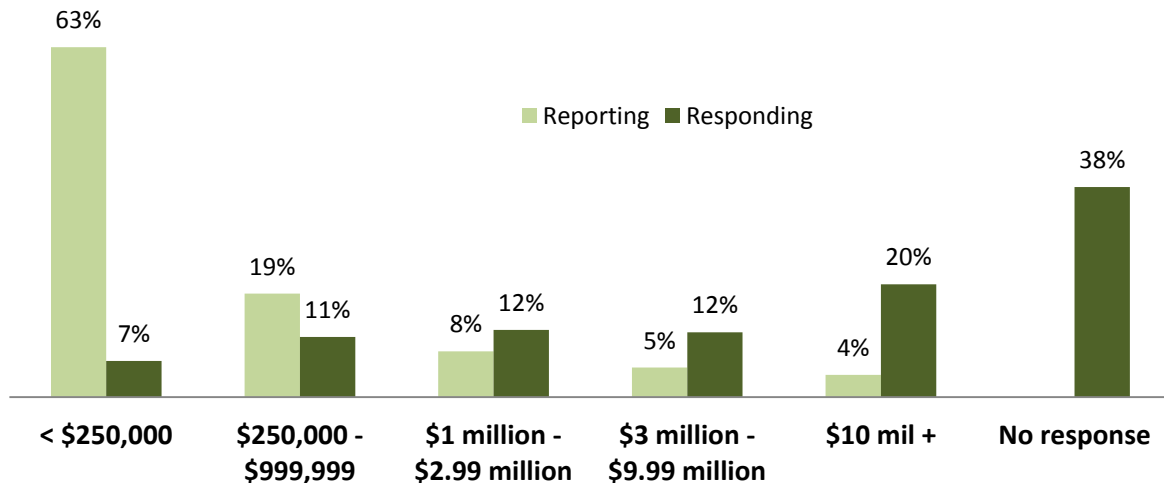
Registered = In the IRS Business Master File as of mid-2012. Regions are as defined by the U.S. Bureau of the Census.

Responding = Response provided in this survey.

With 187 responses from Canadian charities, this survey reached 0.2 percent of the eligible participants in that country. The number of respondents in the U.S. is also 0.2 percent of the charities for which expense data are available, although there are more than twice that many (more than 1 million) registered.

This study asked organizations to self-report their total expenditures for 2014. This was used to compare with the 2012 records for charities completing IRS Form 990 to evaluate representativeness by organizational size.

Figure 31: Responding charities by 2014 expenditure total, compared with reporting charities filing IRS Forms, 990 for 2012 (most recent available)



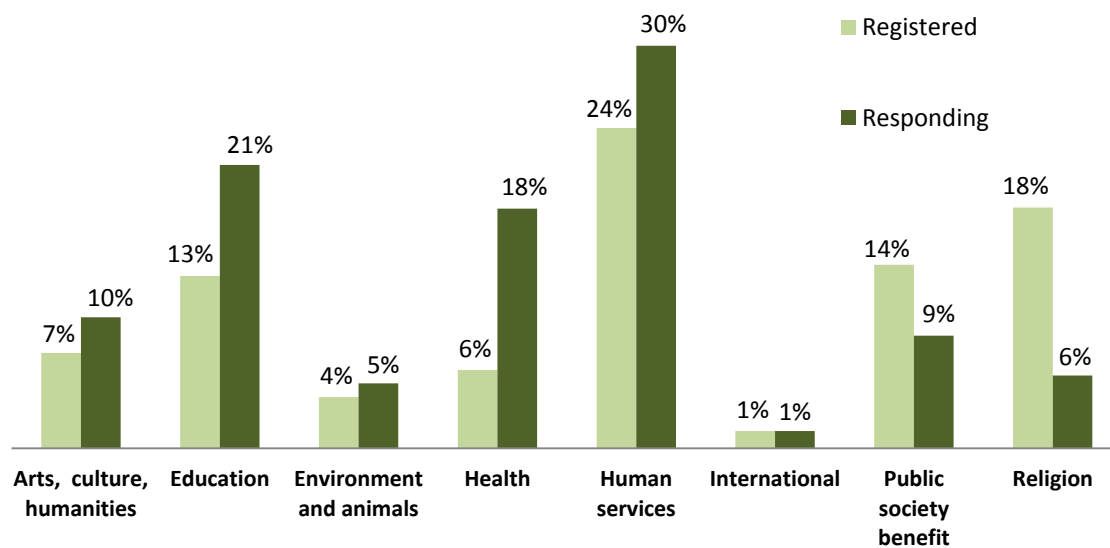
Source: Nonprofit Research Collaborative, Winter 2015

Reporting = filing an IRS Form 990 or Form 990EZ or 990-N ePostcard. Only non-religion registered charities with revenue of \$5,000 or more are required to report. Expenditure information for non-reporting charities is not available at a national level for registered nonprofit 501(c)(3) organizations. Canadian respondents not included in this graph.

Respondents over-represent the larger charities (\$1 million and up in revenue) and under-represent the smallest organizations (less than \$250,000 in revenue).

Responding charities, more or less, mirrored the registered charities by subsector or major category under the National Taxonomy of Exempt Entities (NTEE). However, religious organizations and public-society benefit charities are under-represented, and education, health and human services organizations are disproportionately high in this set of respondents.

Figure 32: Responding charities by subsector compared with charities registered with the IRS



Registered = In the IRS Business Master File as of mid-2012. Charities in the BMF are coded by major category of the National Taxonomy of Exempt Entities (NTEE). Major categories are grouped here into “subsectors” as defined by the National Center for Charitable Statistics. See <http://nccs.urban.org/classification/NTEE.cfm> for more information.

Responding = Response provided in this survey

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 (NRC)

Members of the NRC each have previously collected 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.
- [Association of Philanthropic Counsel](#), an international professional association of consultants whose members survey nonprofit organizations.
- [CFRE International](#), which encourages research that helps fundraising professionals achieve the highest standards of professional competence and ethical practice.
- [Campbell Rinker](#), which publishes the bi-monthly Donor Confidence Report and conducts studies among nonprofit donors and nonprofit professionals.
- Giving USA Foundation, which has published the [Giving USA Annual Report on Philanthropy](#) for nearly 60 years.
- The [Partnership for Philanthropic Planning](#), which conducts research, education, advocacy, community dialogue and the setting of standards and best practices in philanthropic planning.
- The [National Center for Charitable Statistics at the Urban Institute](#), which tracks the finances and activities of nonprofit organizations and prepares 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 Nonprofit Research Collaborative (NRC) conducts surveys twice a year. Melissa S. Brown & Associates manages the NRC. She can be reached at Melissa@NPREsearch.org or at 530-690-5746.