

# **Trends In Fundraising: What's Happening and How It May Be Affecting Your Fundraising**

Lori Gusdorf, CAE

AFP Vice President, Membership & Chapter  
Services



# AFP Mission Statement

*The Association of Fundraising Professionals, an association of professionals throughout the world, advances philanthropy by enabling people and organizations to practice ethical and effective fundraising.*



# AFP Vision Statement

*Fundraising is viewed as a credible and respected profession for civic betterment throughout the world.*



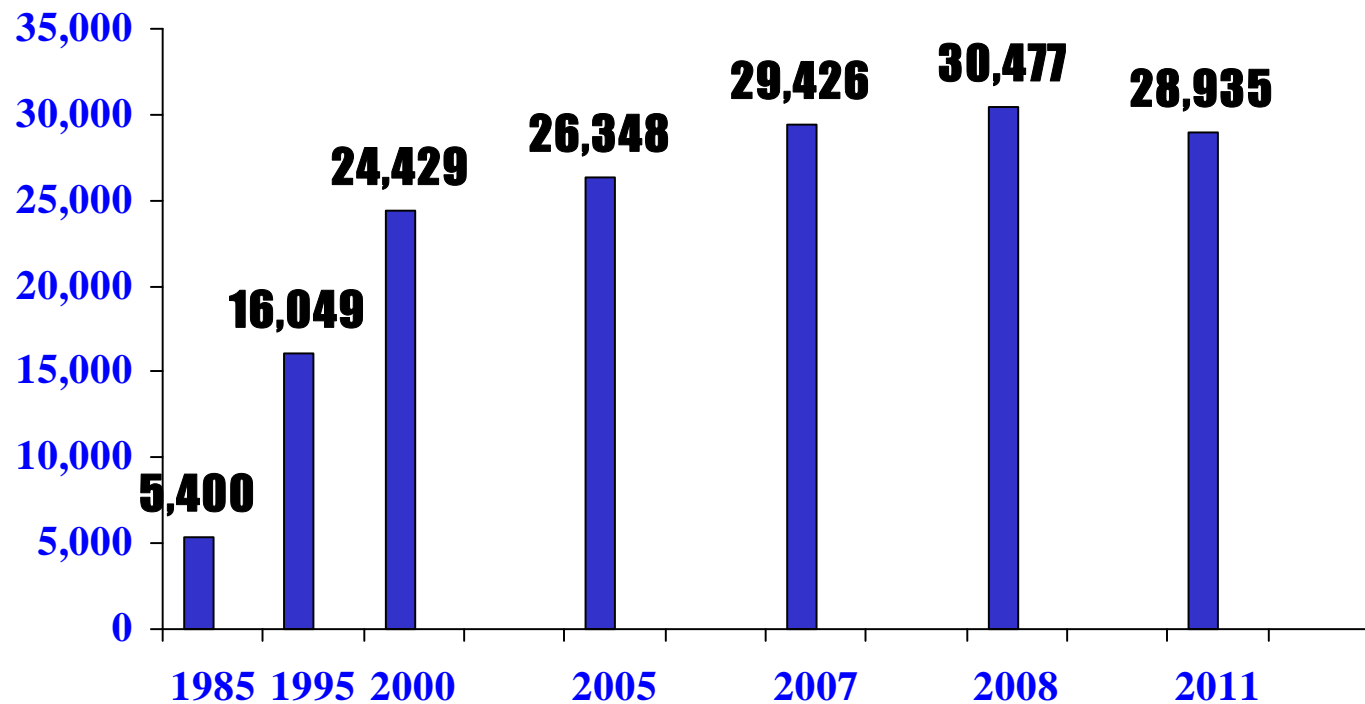
# AFP by the numbers...

- **1 international association**
- **30,000 members**
- **229 chapters in the United States, Canada, Mexico, Egypt and Asia**
- **8 strategic alliances with fundraising organizations: United Kingdom, Germany, Holland, Kenya, Australia, New Zealand, South Africa & Brazil**



# Membership

Nearly 30,000 members & 229 chapters



# **AFP Serves its Members and the Profession**

- **Code of Ethics & Donor Bill of Rights**
  - **Education and training**
    - **Advocacy**
- **Advancing philanthropy worldwide**



# AFP Studies the Trends

- Nonprofit Fundraising Survey
- Annual Compensation & Benefits Report
- Fundraising Effectiveness Project



# What's the Nonprofit Environment?





# AFP International

## 2011-2013 Strategic Plan

- The proliferation of nonprofit organizations and growth of the fundraising profession, intensifying the competition for the charitable dollar
- The availability of new technology that is increasing public expectations of what charities can provide and how they provide it
- The escalation of legislative and regulatory activity by government related to fundraising and other aspects of the nonprofit sector
- The increasing diversity and sophistication of donors and their growing focus on effectiveness and impact

# AFP International

## 2011-2013 Strategic Plan

- The demand for greater accountability and transparency within the charitable sector, especially as it relates to the use of charitable gifts
- The increasing globalization of fundraising and philanthropy
- The increasing leadership gap as Baby Boomer leaders retire and the number of open positions rise significantly



# More Competition

## 501(c)3 Organizations

2000: 819,008

2009: 1,238,201



# What's the Fundraising Environment?



# 2012 Nonprofit Fundraising Survey

- 53.5% of organizations raised more money in 2011 than in 2010
- 16% saw stable amounts of giving in 2011
- 30% said they raised less in 2011 than in 2010



# 2012 Nonprofit Fundraising Survey

- 63% Anticipated Increases in Giving in 2011, but only 57% realized it.
- 56% met their goal



# 2011 Nonprofit Fundraising Survey

- Demand for services growing at nearly two-thirds of responding organizations

# 2011 Nonprofit Fundraising Survey

- 54% of those with government funding received less in 2011
- 16% received an increase in government funding
- 27% stayed the same



# 2011 Nonprofit Fundraising Survey

- Half of grantmakers seeing more applications
- 4 in 10 increasing grant awards

# 2011 Nonprofit Fundraising Survey

Sign of Fiscal Stress	Smaller <\$3 Million	Larger \$3 Million and up
Cash reserves less than 3 months of operating expenses	53%	37%
Over-reliance on a limited number of funders	54%	34%
Declining philanthropic support	56%	34%
Over-reliance on one type of fundraising	40%	17%
Uncertain cash flow due to erratic payment schedules from contractors/donors	32%	19%
Cash flow problems due to lack of line of credit	15%	7%



# 2011 Nonprofit Fundraising Survey

## FUNDRAISING RESULTS BY DONOR TYPE

- Renewing Donors
  - Individual Donors
    - 26% Increase
    - 48% Stay about the same
    - 26% Decrease



# 2011 Nonprofit Fundraising Survey

## FUNDRAISING RESULTS BY DONOR TYPE

- Renewing Donors
  - Corporate Funders
    - 20% Increase
    - 51% Stay about the same
    - 29% Decrease



# 2011 Nonprofit Fundraising Survey

## FUNDRAISING RESULTS BY DONOR TYPE

- Renewing Donors
  - Foundation Grantors
    - 16% Increase
    - 59% Stay about the same
    - 25% Decrease

# 2011 Nonprofit Fundraising Survey

## FUNDRAISING RESULTS BY DONOR TYPE

- New Donors
  - Individual Donors
    - 50% Increase
    - 28% Stay about the same
    - 22% Decrease

# 2011 Nonprofit Fundraising Survey

## FUNDRAISING RESULTS BY DONOR TYPE

- New Donors
  - Corporate Funders
    - 37% Increase
    - 35% Stay about the same
    - 28% Decrease

# 2011 Nonprofit Fundraising Survey

## FUNDRAISING RESULTS BY DONOR TYPE

- New Donors
  - Foundation Grantors
    - 16% Increase
    - 59% Stay about the same
    - 25% Decrease



# Fundraising Effectiveness Project

For every \$5.35 gained in gift dollars  
\$5.54 was lost through donor attrition

Overall growth-in-giving ratio -1.9%



# Fundraising Effectiveness Project

## Donor Retention

- Overall donor retention was 41% in 2010
- Overall donor attrition was 59% in 2010
- Repeat donor retention was 70%
- New donor retention was 27%



# Compensation and Benefits Study

CFRE Only	\$95,136
ACFRE or FAHP Only	\$119,882
Other Certification Only	\$71,014
No Certification	\$69,428



# Trends In Fundraising

## The Good News



# Giving USA

- Americans contributed 2%
- Giving rose 3.8% in 2010
- Giving by individuals rose 2.7%
- Charitable bequests rose 18.8%
- Foundation Giving steady
- Corporate Giving rose 10.6%

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# Fundraising Success Linked with Effective Communications

- Communicating the organization's mission, impact, and needs.
- Increased efforts by staff and board members.
- Donor optimism about the economy.
- Donors' recognition of others' needs due to the recession.
- Increased focus on grants and grant writing.



# Trends in Fundraising

## *Women More Generous Than Men*

- Women give disproportionately more overall than men
- Women give more than men when cost of giving is high
- Women who have attended donor education programs more likely to give unrestricted gifts, planned gifts & take leadership roles on boards





# Positive Trends

- Philanthropy\*
- Volunteering
- New Generations
- Giving

# Trends In Fundraising

## Future



# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Operating Budgets*

- 4 in 10 planning increase in operating budget
- 37% will stay the same
- 20% will decrease

# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Staffing Levels*

- 7% plan layoffs
- 15% hiring freeze
- 22% hiring after lifting a freeze
- 18% hiring

# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Volunteers*

- 65% looking for volunteers for program work
- 54% looking for volunteers for administrative work

# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Budgets*

- 45% will stay the same
- 37% will increase
- 13% will decrease

# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Fundraising Staffing*

- 75% same staffing levels as 2011



# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Fundraising Methods*

- About half same level of expenditures for events and major gift solicitation
- 15% plan to cut event expenses
- 4% plan to cut major gift solicitation





# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Fundraising Expenditures*

- Reductions in
  - Consultants
  - Telephone Solicitation
  - Events



# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012 – Raising Funds*

- Decrease by more than 15% - 3.3%
- Decrease by 1% - 15% - 8.5%
- Stay the Same – 16.4%
- Increase by 1% - 15% - 57.4%
- Increase by more than 15% - 14.4%

# 2011 Nonprofit Fundraising Survey

## *Outlook for 2012*

- Increases in demand
- Modest increase in operating budgets
- Budgets ↑ Program Funding
- More Volunteers



# How AFP Members Stay Up-to-Date at All Times

- *eWire*
- *Advancing Philanthropy*
  - *Kaleidoscope*
- *Youth in Philanthropy Newsletter*
- **Information Exchange**



# Use AFP to help YOU

- AFP online resources
- Other AFP resources
- AFP CT, Fairfield County Chapter resources
- International Conferences



# **AFP Programs And Services**

## **Chapter Member Benefits - Top Five**

- **Networking**
- **Chapter Programs**
- **Fundraising Days/Conferences**
  - **Leadership Opportunities**
  - **National Philanthropy Day<sup>®</sup>**



# The Question of Value

- **Inspiration for meeting the challenges of today**
- **Specific and individualized knowledge to advance your fundraising department**
- **The best training and education in the field**
- **New ideas and the latest trends in our profession**
- **Benchmarks for success and future growth**



# Why Be a Member of AFP?

- **AFP is *THE* professional organization that represents the fundraising profession**
- **AFP *DOES* a lot for you personally**
- **AFP *SAYS* a lot about you professionally**





# AFP The Power of Community

- Community is important
- AFP is YOUR community
  - Your chapter
  - Your world-wide colleagues
  - Your association



# Thank you!

- **For being a part of AFP**
- **For your commitment to ethical fundraising**
- **For what you do for your community and our world**
- **Questions? Comments?**

