What’s Changing in Fundraising & How To Adapt
If it ain’t broke, don’t fix it.
“Insanity is doing the same thing over and over again and expecting different results.”
What’s Changing in Fundraising & How To Adapt
Who is this guy?

And why does he think he knows what he’s talking about?
career fundraiser
Raising funds for causes you care about shouldn’t mean working 60+ hours per week, forever.
slides?

productivefundraising.com/resources
So ... what’s changing?

And what should we do about it?
COVID-19
PAST EVENTS WITH MAJOR IMPACT ON FUNDRAISING

• 9/11
• Tech Bubble Burst
• Great Recession
• Major Domestic Natural Disasters
• Major Election Years
**Phase 1**

**“The Bump”**

Surge in emergency giving, then rapid drop.

Spike only happens if an organization moves quickly with a relevant message.

**Phase 2**

**“The Slump”**

Medium length period of lower-than-normal giving.

Though it doesn’t look like it in this graphic, the ‘shortfall’ in this area is much larger than the earlier bump in giving.

**Phase 3**

**“The Surge”**

Recovery of giving and erasing of shortfall, usually led by Major Donors.

source: The Better Fundraising Co. (Steven Screen)
In a shift from the first quarter of the year, charitable giving increased by almost 7.5% over the first half of 2020, compared to the first half of 2019.

Giving from the first quarter of 2020 was 6% behind first quarter giving in 2019, and many charities were worried that the data didn’t yet show the impact of the pandemic because COVID-19 had not spread significantly by the end of March. But a 19.2% increase in smaller donations (less than $250) in the second quarter was an important driver for this turnaround. The overall number of donors increased by 7.2% with new donors increasing by 12.6%, showing a renewed interest in supporting the work of nonprofits.

Source: Fundraising Effectiveness Project, Q2 2020 Report
There is a new hierarchy

**Coronavirus causes**
Charities seen as important at this specific stage of the pandemic.
- Local rather than large
- Niche
- Direct evidence of need

*Donor response: support whilst relevant and funds available*

**Obligation causes**
Gifts that are hard to refuse – face to face, in-memoriam, sponsoring friends

*Donor response: support according to strength of relationship and relevance.*

**Other causes**
Non-coronavirus causes without relevance.

*Donor response: considered rejection*

**Core causes**
Long supported charities that the donor values.
Relationship strengthened by Coronavirus
- More needed
- Neglected

*Donor response: maintain*

source: Bluefrog Fundraising (Mark Phillips)
LONG TERM IMPACT

• Influx of first time donors (especially younger donors)
• Some will retreat, but other donors will step up (fewer donors, more $)
• Crises teach people to give & give more generously
• Long term growth for the sector
FIX YOUR MINDSET

Your donors are amazing, and they want to help. Let them decide what is relevant and important to them. Your job is to clearly state how your beneficiaries and your organization are being impacted by this situation. And how the donor can help. Share a current need that they can act on. Don’t let your unease with asking take away from a donor the chance to make an impact and feel better about the world.

Source: Steven Screen
FUNDRAISING EVENTS

For all events before fall 2021, pick your poison...

- Cancel (but try to keep the money)
- Postpone
  - VERY crowded late 2021 / when will folks be comfortable in crowds?
- Go virtual
virtual event sponsorships

• Don’t downplay the opportunity / build excitement
• Don’t discount
• Use technology to provide even more value
• Make it a part of something bigger (year round partnership vs. one day sponsorship)
• Recognize that virtual events are here to stay – how will you integrate them?
webinar recording
How to Fundraise in the Time of COVID-19

productivefundraising.com/resources
Giving is growing, and the growth is accelerating.
$449 billion

Giving USA (2020)
Dramatic acceleration
(+0.7% to +4.2%)
2018 Charitable Giving total: $427.71 billion
All percentages adjusted for inflation

Source: Giving USA
individuals give the most

- Make sure you are spending your time appropriately
- Allocate as much staff time as possible to face to face relationship building
The full implications of the 2018 tax law changes are still unknown, but coming into focus.
Let’s look at the data ... 

• Giving increased in both 2018 and 2019
• 2019 was expected to show a larger impact since donors had filed their taxes for first time under new rules
• But the number of donors decreased
• Decrease must be attributed to change in tax law due to good economic conditions
bundling
ADVOCATE for the universal charitable deduction
CARES ACT GIVING INCENTIVES

• Temporary Universal Charitable Deduction ($300)
  – You can tell them!

• Corporate Giving = increased annual limit from 10% to 25% of taxable income
  – Not all impacted equally by economic slowdown
The total number of donors is decreasing.
but the decrease is not evenly weighted

- Greater decline among donors giving small to medium sized gifts
- Major gifts have continued to propel total giving higher
- New donors disproportionally come from the pool of supporters already donating to other organizations
visit goals
network & collaborate with other orgs
Donor retention is still horrible.
45%

Fundraising Effectiveness Project (FEP) 2019
KEEP CALM AND THANK YOUR DONORS
85%
recurring monthly donors give 42% more than regular donors over the course of a year
45% of all donors are enrolled in a monthly giving program.
What’s the best way to convert a donor to monthly giving?

SIMPLY ASK PEOPLE

productivefundraising.com/resources
Online giving continues to grow, slowly.
8.7% of all giving
2019 Charitable Giving Report, Blackbaud Institute
growing at 12% avg per year
Monthly giving now accounts for approximately 18% of all online giving.
What's the experience like on your website?
More and more, online giving is VIDEO driven.

key = authenticity
Direct mail is not dead.
how @fundraiserchad gives
story characteristics

• Compelling story about 1 PERSON, place or thing
• Rich detail (create a vivid picture)
• Brings up a SOLVABLE problem
• And ...
donor = hero

• “Without you, this would not be possible.”
• “Because of your support, Johnny has a safe place to sleep tonight.”
Donors are increasingly loyal to causes not organizations – tell stories about the people your donors help.
But that doesn’t matter if they don’t open it.
And you can’t just switch your mailed newsletter to digital.

15%
Postal changes continue to keep us on our feet.
USPS problems

• End of Q4 Nonprofit Standard Mail in 2018 & 2019
  – Slower delivery
  – Inconsistent (batched) delivery
• 2020 Pandemic & Political Impact
• How should you react?
  – Drop your year end appeal 2 weeks early
  – Use first class stamps for the top of your list
Phone fundraising is almost dead.

@fundraiserchad
But the phone is still an amazing fundraising tool.
Hi (donor’s name).

I’m _______________ (your name) from _______________ (charity).

I’m calling today to thank you for your recent donation. It means so much and we wanted to tell you personally how grateful we are.

[pause]

If you have just a few seconds, I’d love to know what prompted your gift?

[pause]

Thank you for taking the time to speak with me. Have a wonderful day!
Micro-projects are the new big thing.
micro project benefits

- Matches current giving climate which favors more frequent, smaller donations
- $250 out of $5,000 or $1,000 out of $250,000
- Similar to crowdfunding (uber popular)
- Younger generations are less likely to make unrestricted gifts, but they will do this
- Look for “sexy things” already in the operating budget
- Add a corporate sponsor to each campaign (win-win: publicity + more $$$ + head start)
Final Round Up
final round up
temporary or permanent?

• Appealing to a younger audience
• Election year impact on giving
• Effective altruism movement
• Virtual events (permanent?)
• Live streams (twitch)
The End!
fundraising coaching
board training
productivity coaching
online fundraising certificate
capital campaign support
keynotes & workshops
(in person & virtual)
further learning

@fundraiserchad
How to Keep All Those New Donors You Worked So Hard to Get

12/16 @ 1pm (eastern)
questions

productivefundraising.com/resources