Fundraising Landscape

Giving USA

Index of National Fundraising Performance

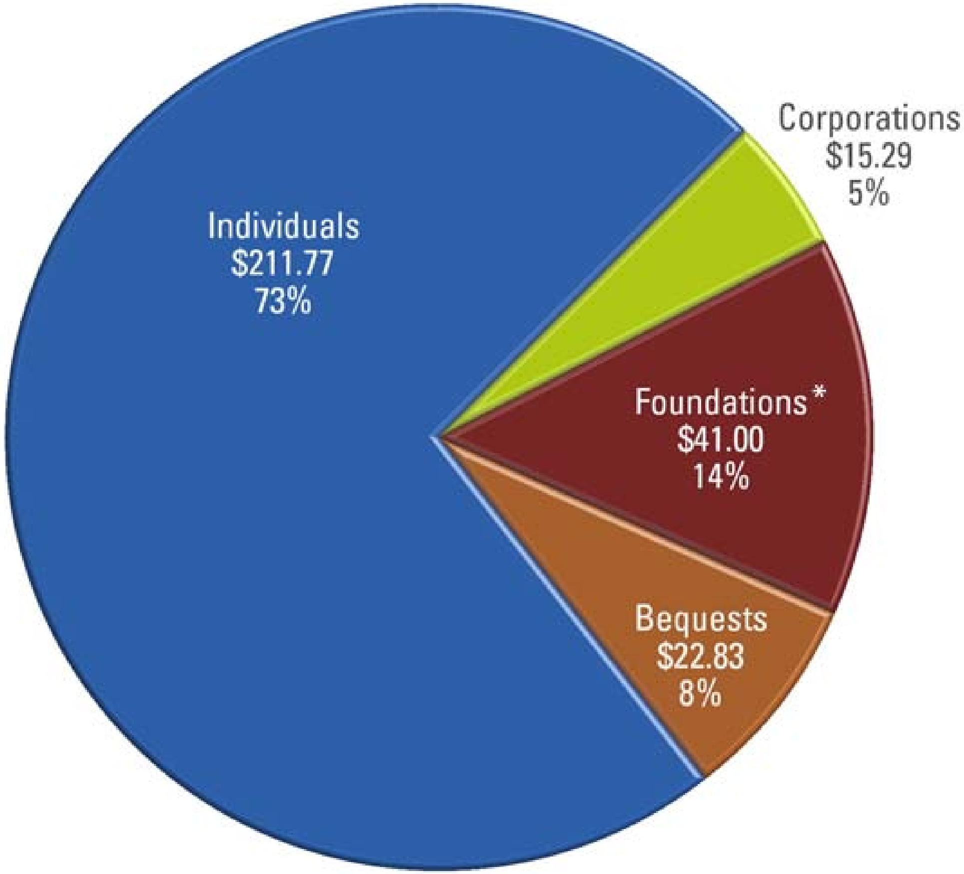
Changes in Giving

Growing Philanthropy Summit

Economic Indicators/Forecast

2010 charitable giving Total = $290.89 billion

($ in billions – All figures are rounded)

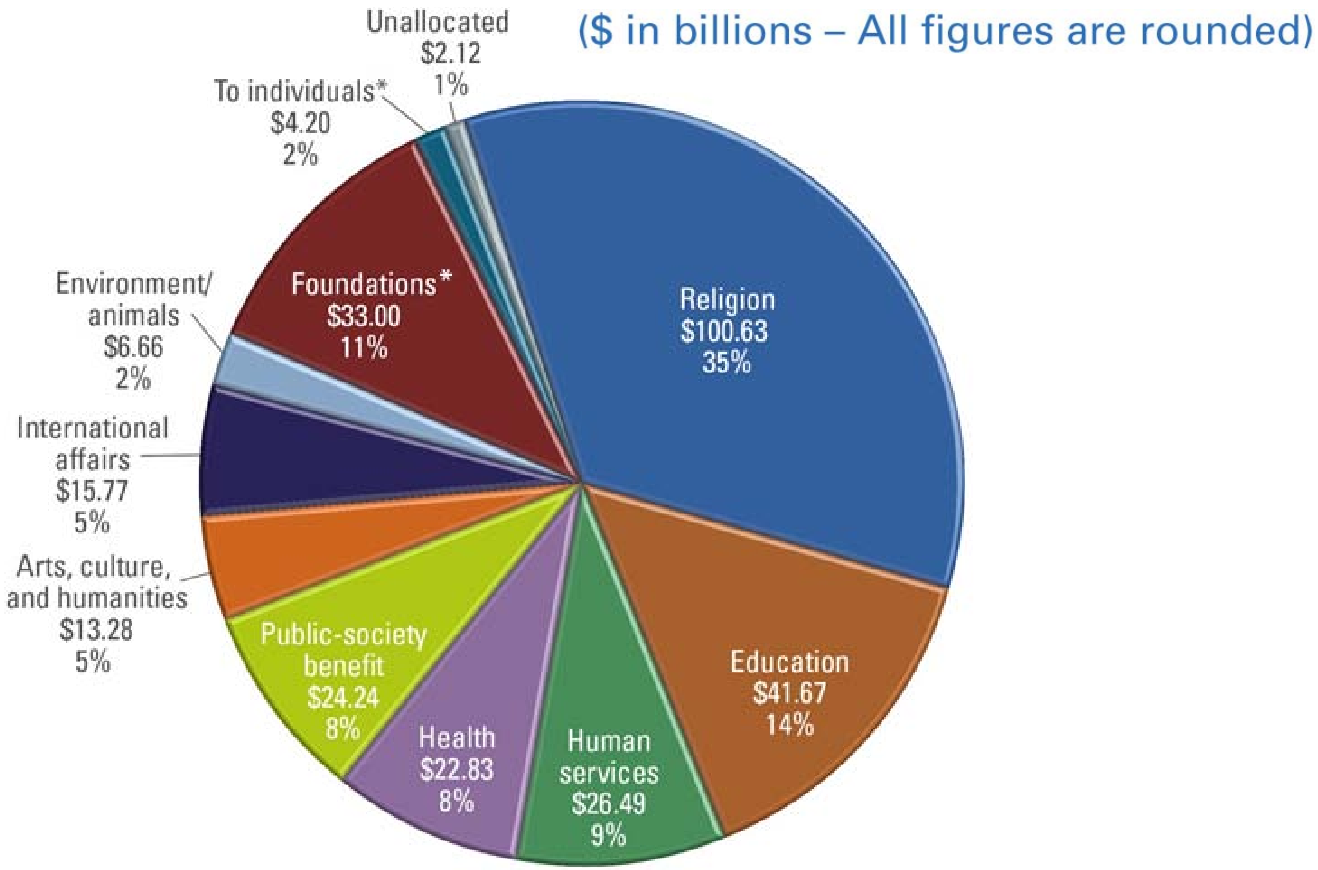


Includes rounding to get to 100%
*Estimate developed jointly by the Foundation Center and *Giving USA*

SOURCES OF CONTRIBUTIONS, 2010

- Total giving = $290.89 billion.
- Increase of 3.8 percent
- **Individuals remain the single most important source**.
- Individuals + charitable bequests = 81 percent of total.
- Foundation grantmaking = 14 percent of the total.
  - About three-fifths of independent foundation giving is from family foundations.
- Individual + Bequest + Family Foundations = **87 percent**.
- Corporate giving is an estimated 5 percent of the total.

TYPES OF RECIPIENTS OF CONTRIBUTIONS, 2010
TOTAL = $290.89 BILLION



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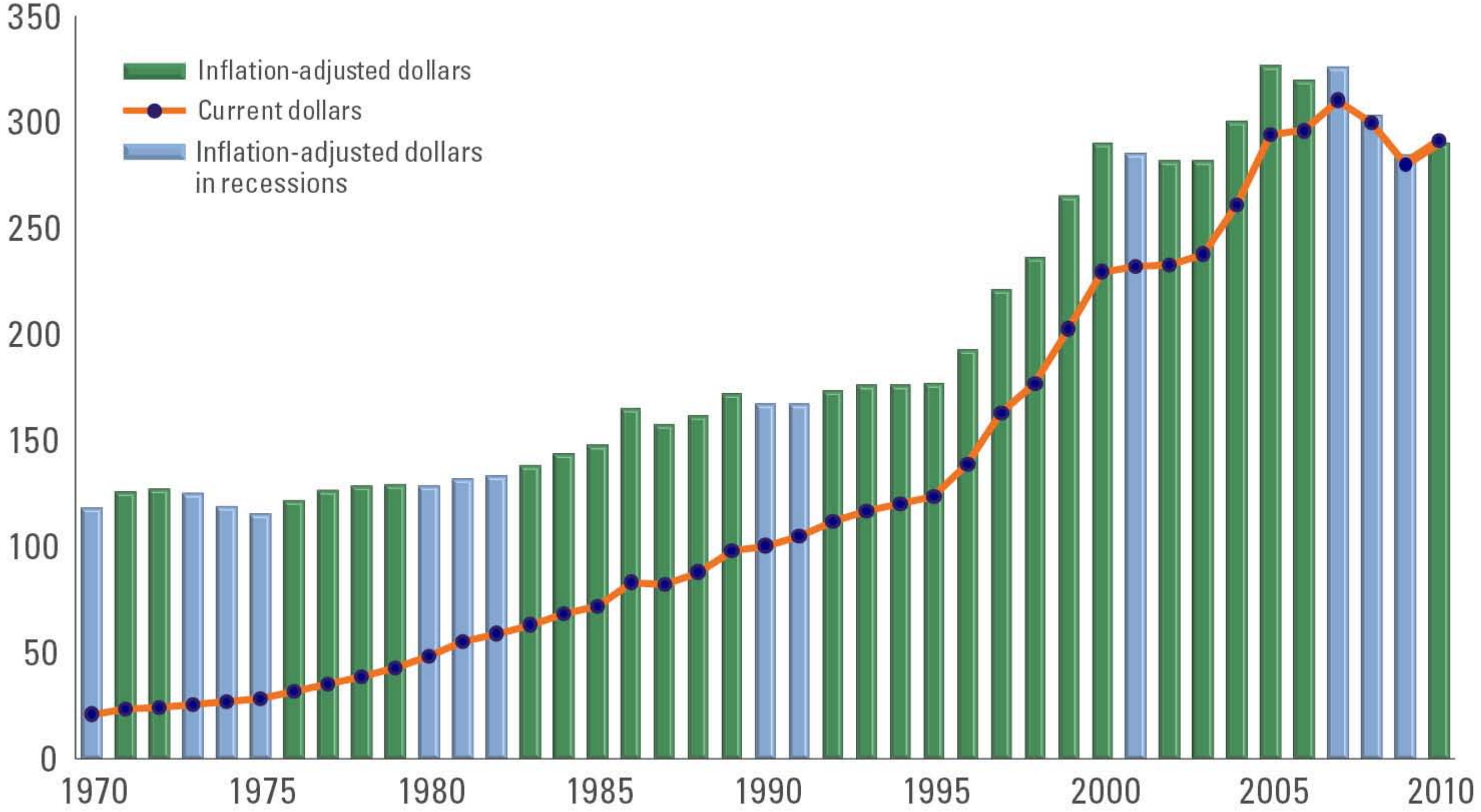
TOTAL GIVING, 1970–2010

($ in billions)



TOTAL GIVING, 1970–2010

Giving grows more slowly—or declines adjusted for inflation—in recession years.

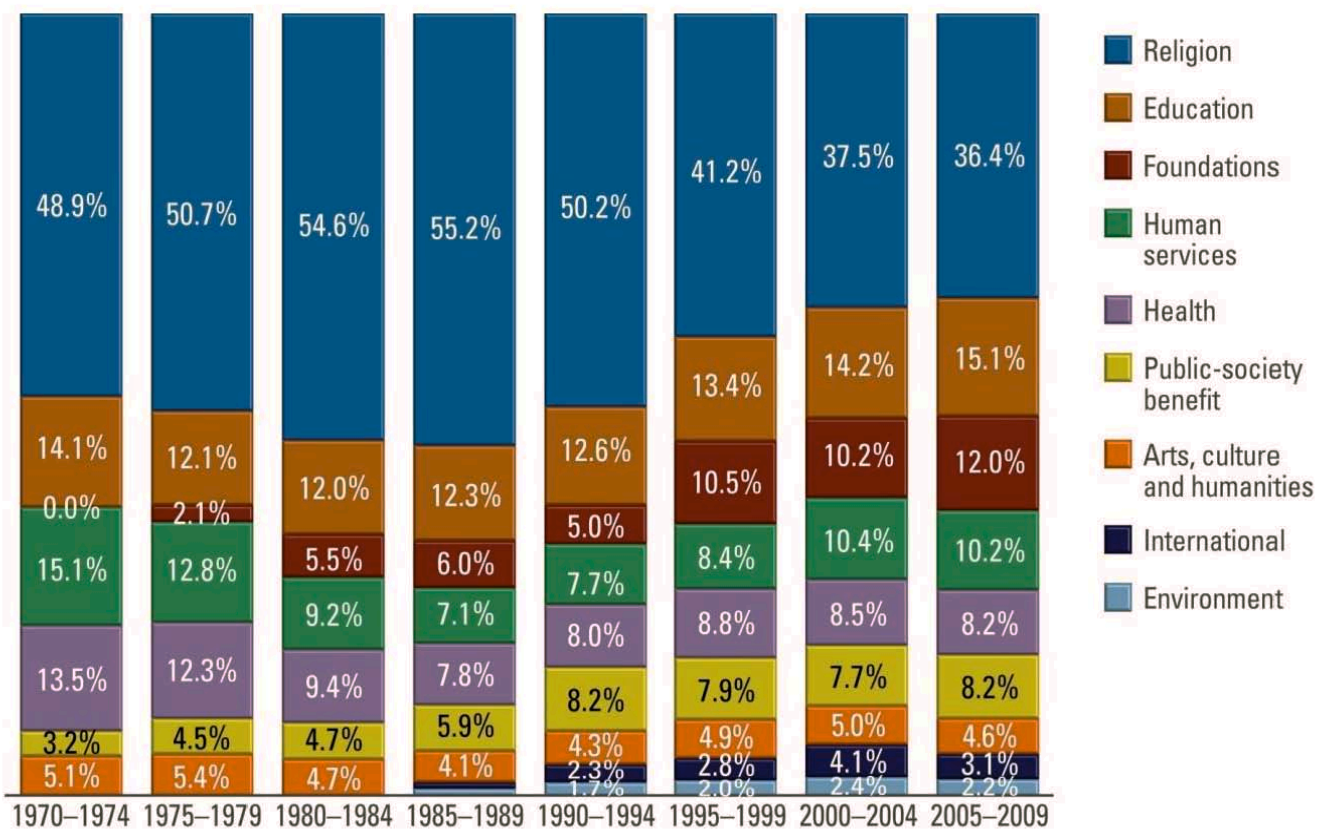
In 2008, total giving fell 7.0 percent adjusted for inflation. This is the worst result on record; 2009 follows with a decline in total giving of 6.2 percent, adjusted for inflation.

2010's inflation-adjusted increase of 2.1 percent is promising but does little to address the overall drop of approximately 13 percent in giving (adjusted for inflation) **over the years of the current recession.**

History suggests giving will increase as the economy improves.

Religious giving is declining as a share of total giving.

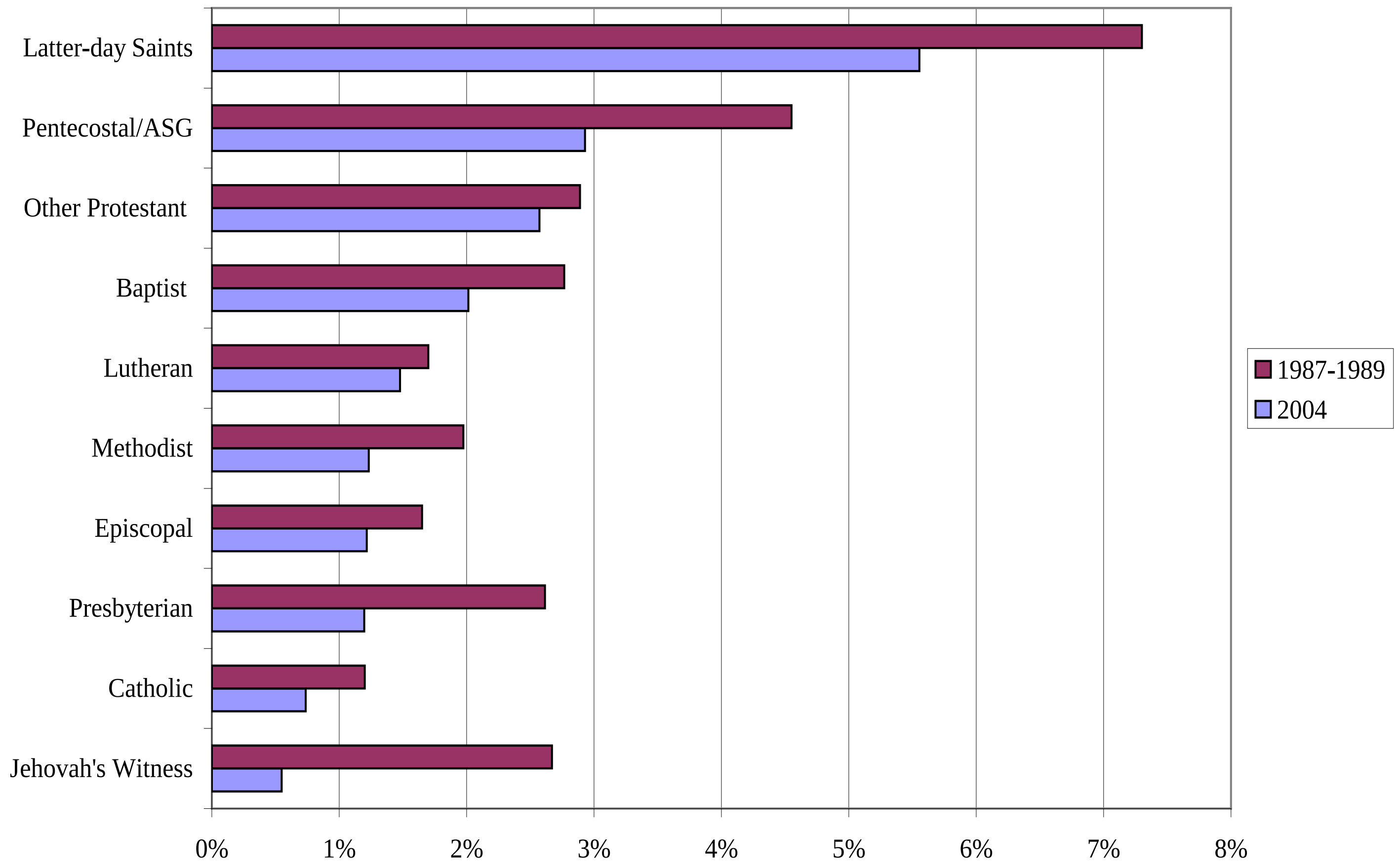
Giving by type of recipient as a percentage of total giving Five-year spans; does not include "unallocated"



Note: Data began in 1978 for foundations and in 1987 for environment/animals and international affairs.
Source: *Giving USA Foundation™* / **Giving USA 2010**

Religious/congregational giving is waning.

Religious Giving as a Percentage of Income, 1987-89 versus 2004



Sources: 1987-89 data, Hoge et al, *Money Matters* , Westminster John Knox Press, 1996, page 12. (Data from General Social Survey)

Generational Differences in Religious Giving

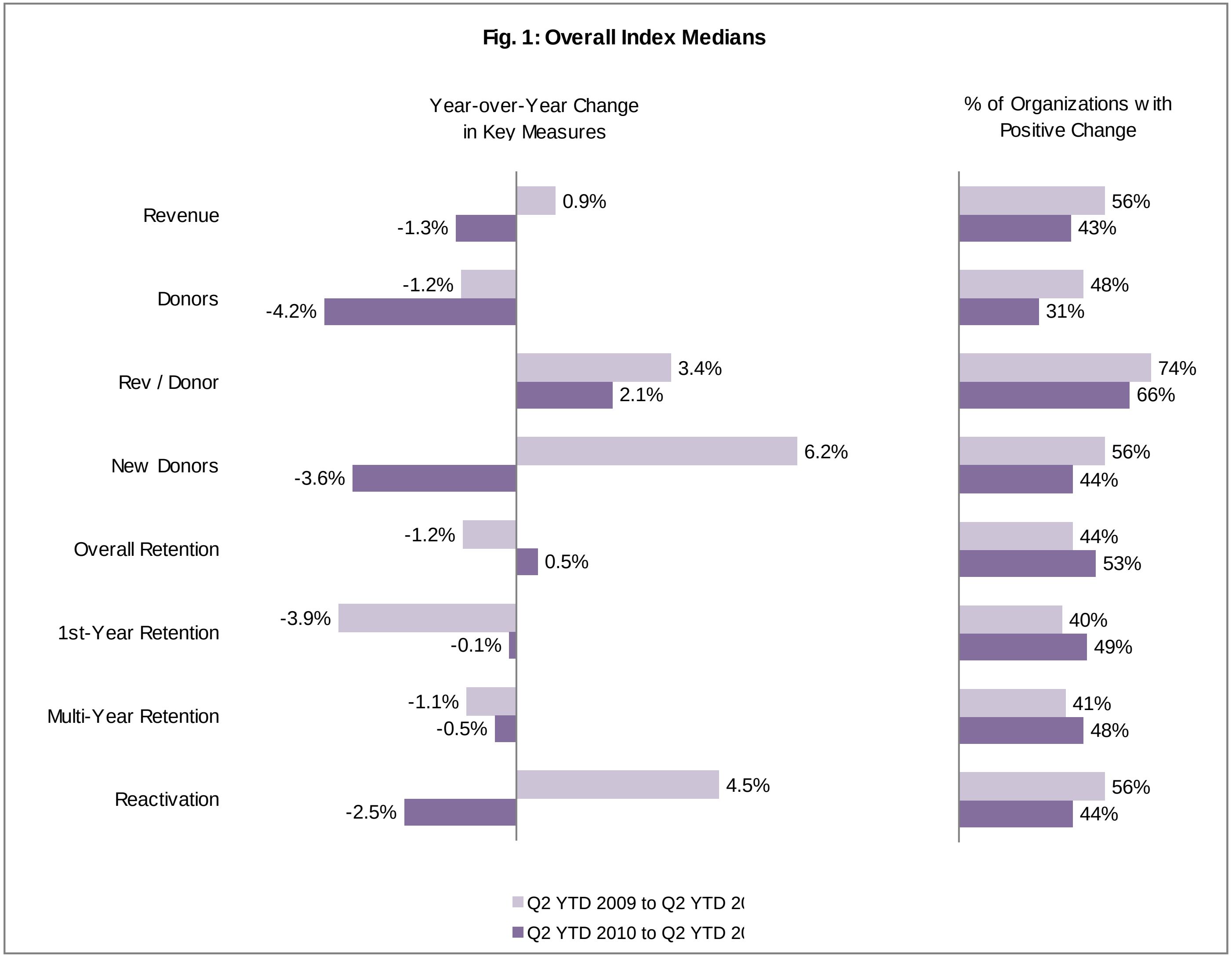
Generation	% who give to religion	Average size of gift	% who attend church once/week
Great and Silent (born before 1945)	72.0	$1,209.60	57.7
Boomer (between 1946-1960)	46.7	$1,380.90	32.5
X (between 1961-1981)	45.1	$1,362.60	30.8
Millennial (born since 1981)	41.5	$722.10	27.9

Source: "Generational Differences in Charitable Giving and in Motivations for Giving," A report prepared for Campbell & Company by the Center on Philanthropy, May 8, 2008.

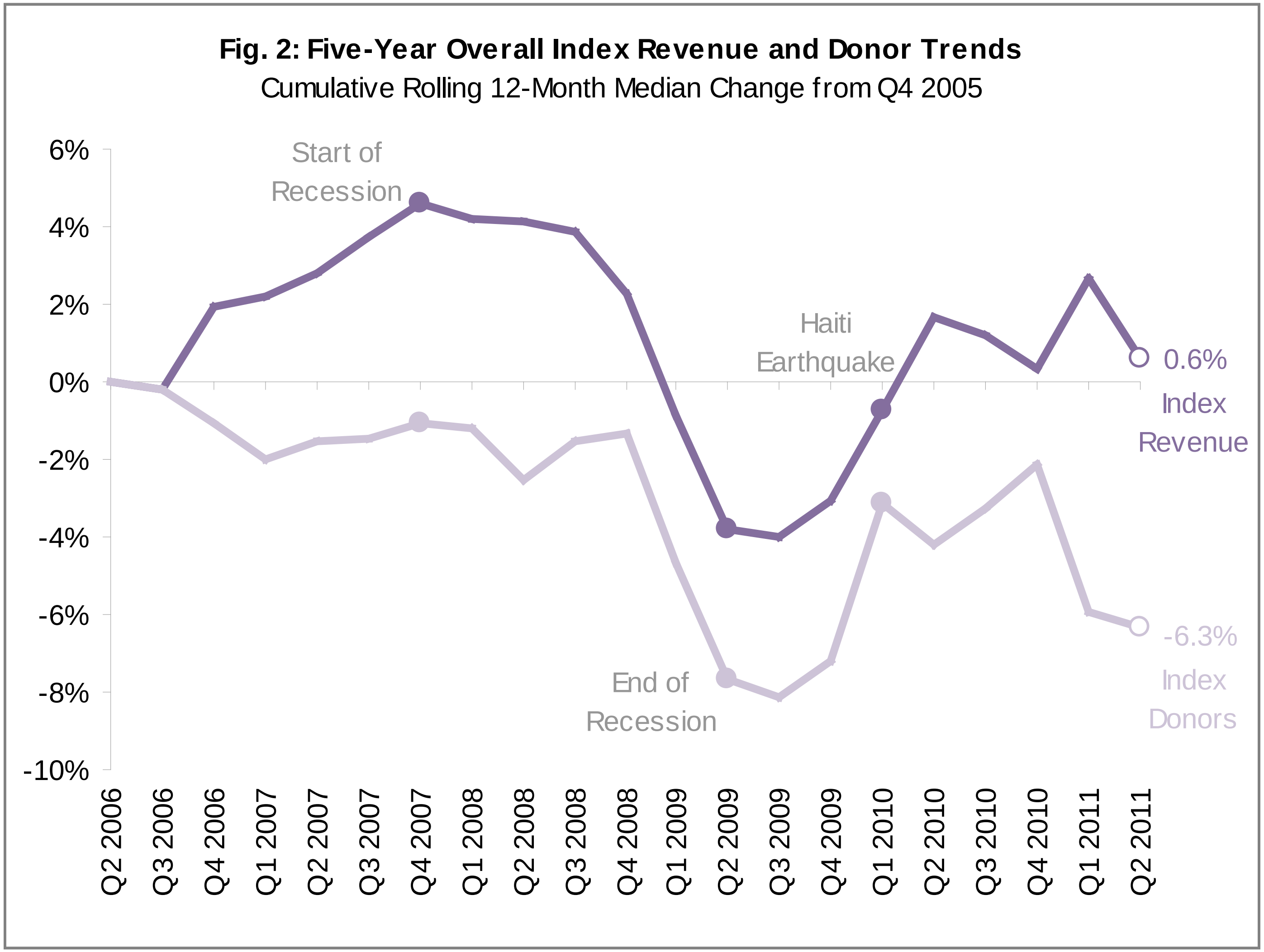
Target Analytics donorCentrics™ Index of National of Fundraising Performance

- 80+ national non-profit organizations
  - Over 39 million donors
  - more than 80 million gifts
  - over $2.4 billion in revenue
- Organizations have 100,000+ active (0-12 month) donors
- Direct mail, telemarketing, web, canvassing – not events
- High dollar gifts excluded
  - Calendar Year 2010 – gift cap of $5,000
  - Calendar Year 2011 – gift cap of $10,000

Fundraising Landscape



Fundraising Landscape



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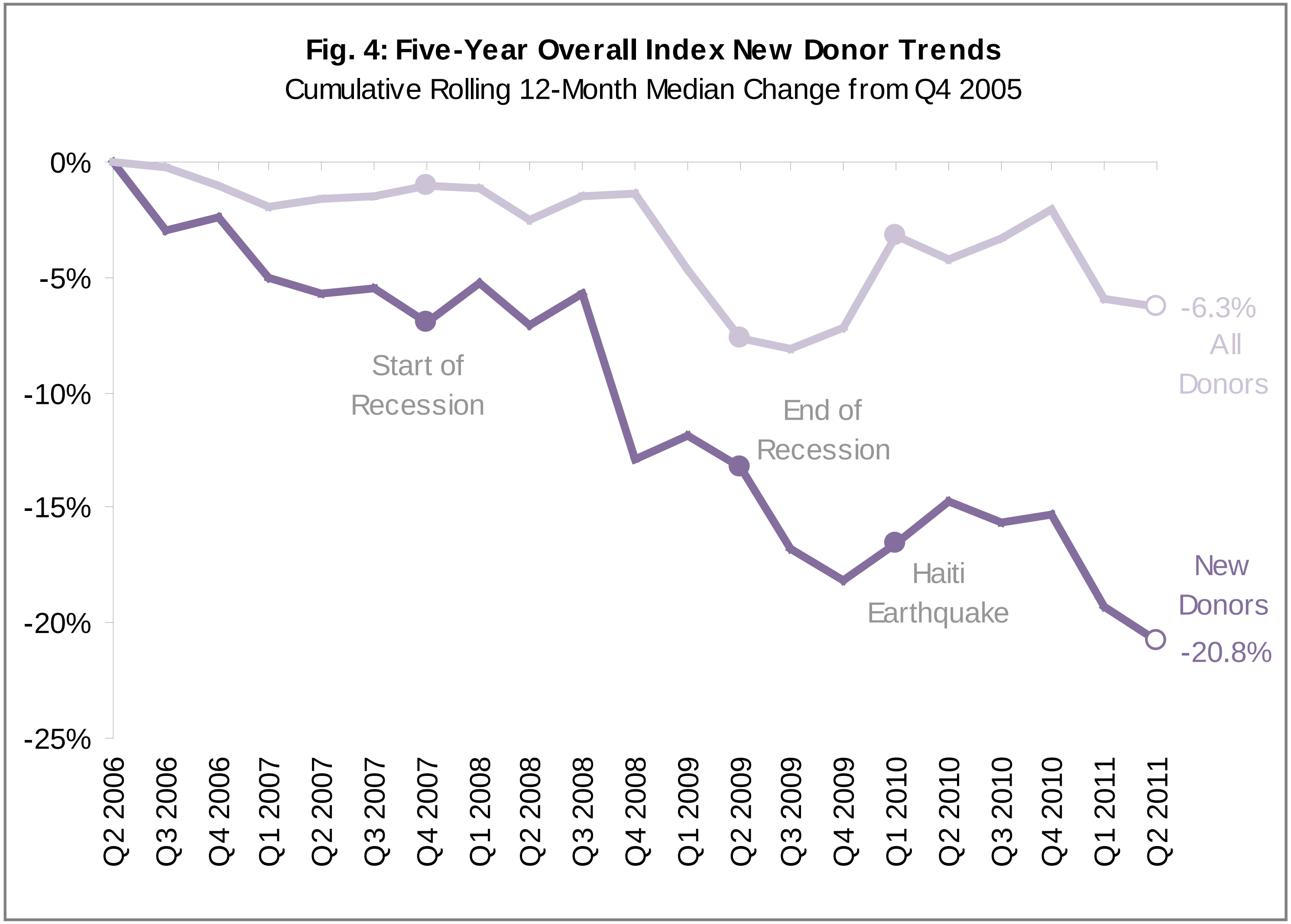
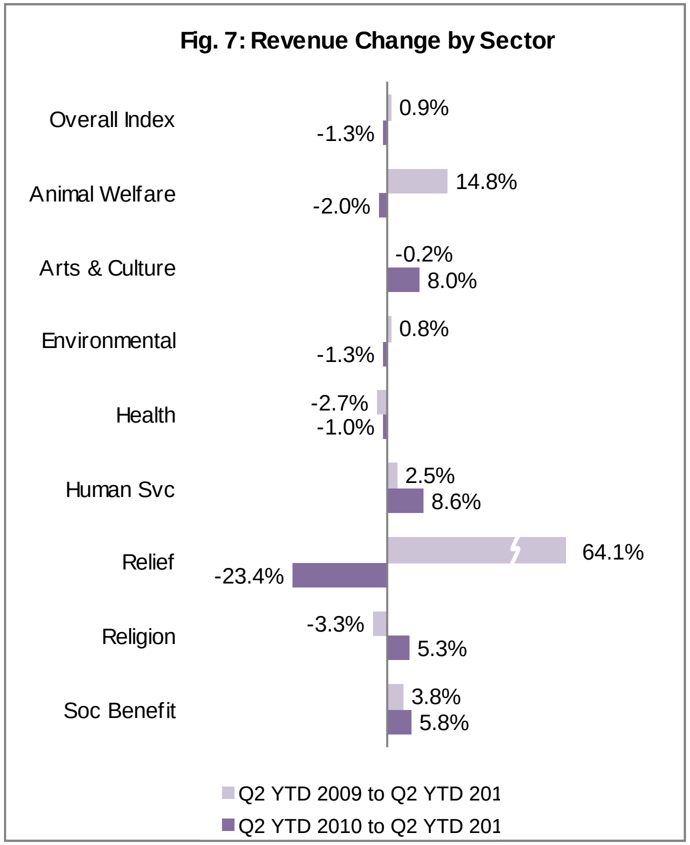
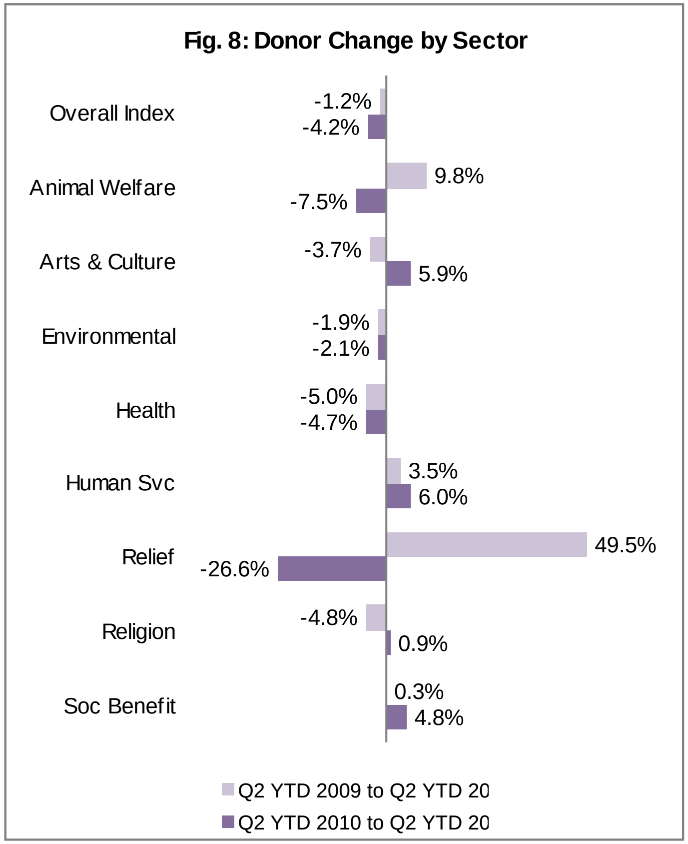
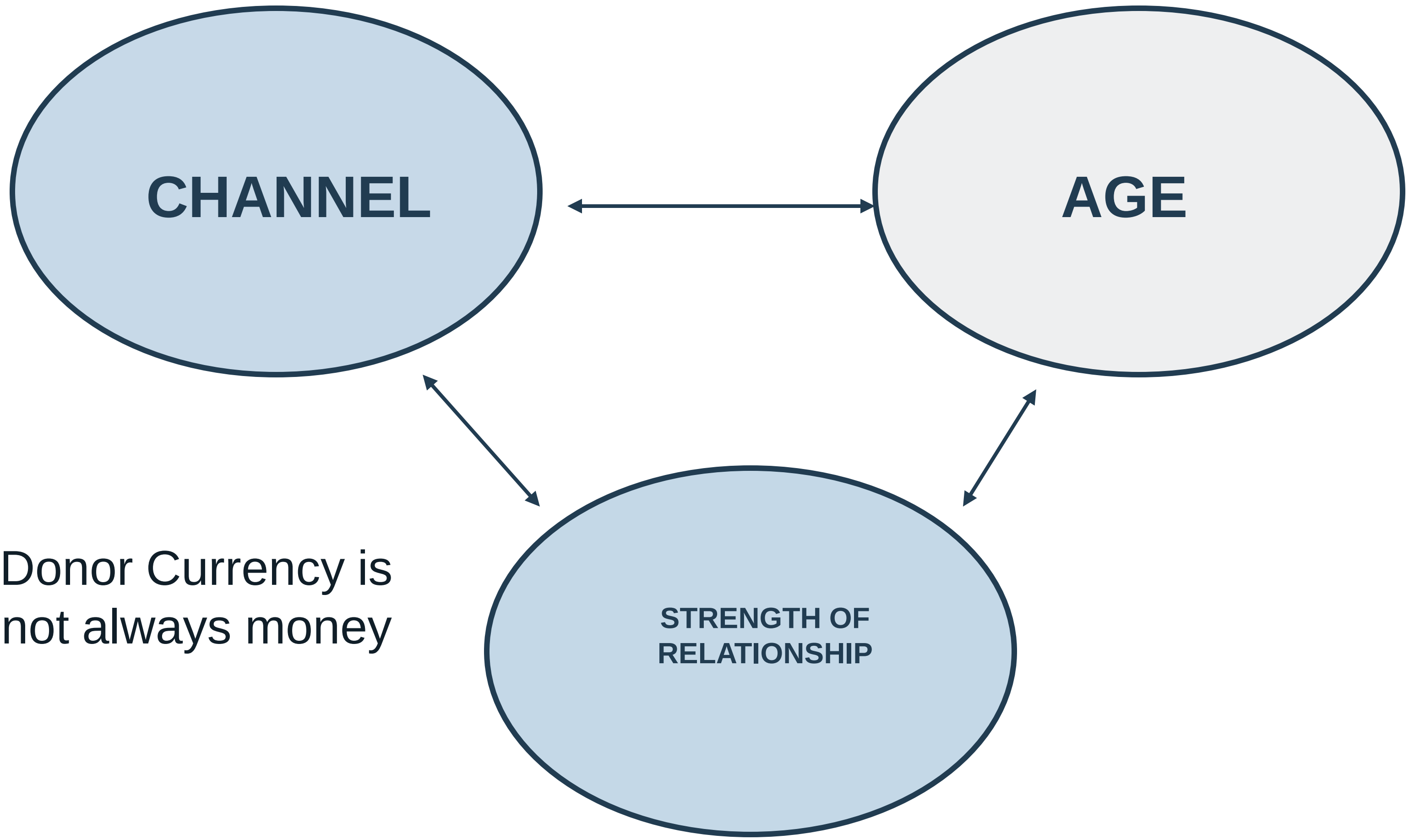


Fundraising Landscape





A Critical Three-Way Interplay



Donor Currency is not always money

Generations

MATURES (Greatest and Silent)

- Born between 1925 – 1942 (Silent)
- Age range today: 66+ years

Boomers

- Born between 1943 - 1960
- Age range today: 51 – 65

XERS

- Born between 1961 - 1981
- Age range today: 30 – 50

Millennials

- Born between 1982 – 2000
- Age range today: 11 – 29

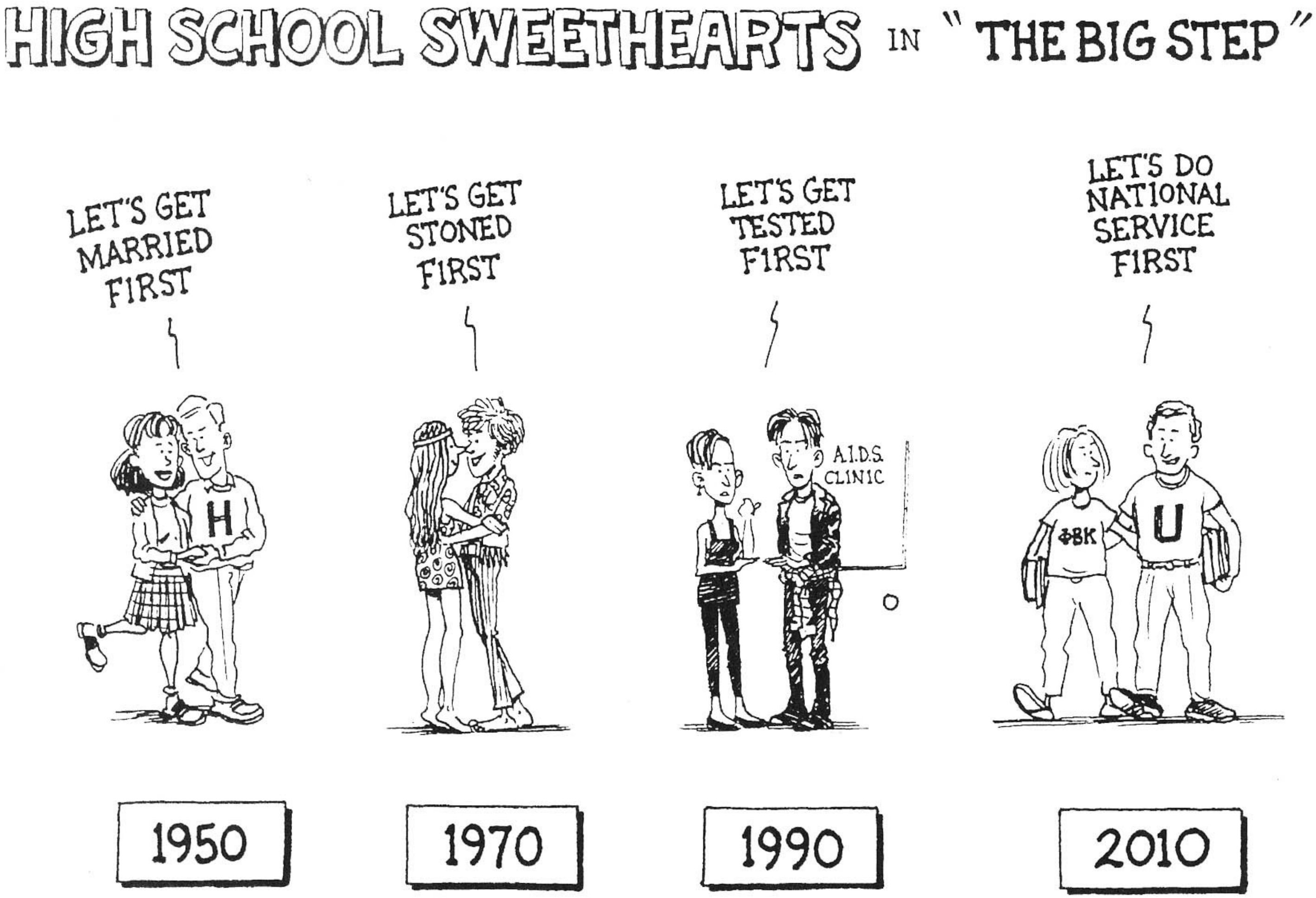
Definitions

	Matures	Boomers	XERS	Millennials
Defining Idea	*DUTY*	*INDIVIDUALITY*	*DIVERSITY*	*GLOBALISM*
Celebrating	Victory	Youth	Savvy	Enjoyment
Style	Team Player	Self-absorbed	Entrepreneur	Laid back
Reward Because	You've earned it	You deserve it	You need it	You are special
Work Is	An inevitable obligation	An exciting adventure	A difficult challenge	A means to support lifestyle
Education Is	A dream	A birthright	A way to get there	Necessary

Five Questions to Always Ask

- Could any other organization have written this message?
- Could this message have been written at any other time?
- Does this message directly speak to the donor’s relationship with my organization?
- Is this message reflective of the recipient’s generational style?
- Do the style, tone and content of this message reflect the channel of delivery?

Generational differences



Donors are Changing

- Used to be that age was a controlled variable at 50+ donor gene switched on
- Now…
  - How acquired matters more
  - Where should the relationship be built
  - Much more donor accountability
  - Different kind of stewardship
  - Use the database to target marketing instead of mass appeals

Boomers and Giving

- Half the donors to progressive causes
- View contributions as investments
- Give more to public interest and charities than to church
- Give to fewer causes
- Organizations need to demonstrate progress
- Men give annually, women as needed

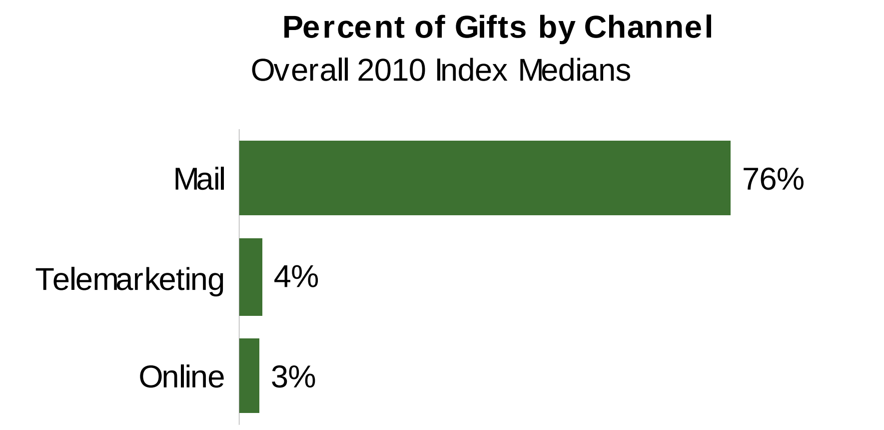
Generational Marketing

Generation	Giving Pattern
Millenials	Involvement, feedback, control
Xers	In on the plan, concrete giving, report on their gifts
Boomers	Make a better world, transparency
Matures	Institutional, what makes America great

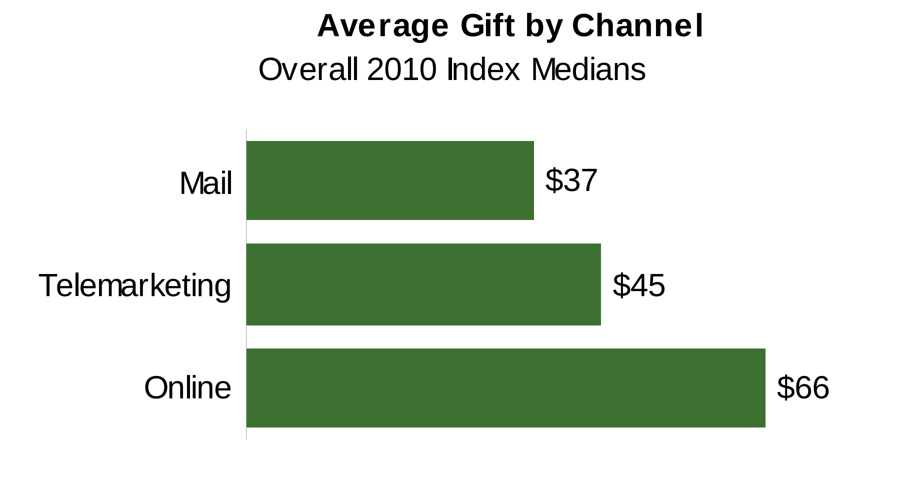
The Paradigm Shift in Giving

The Old Paradigm	*The Emerging Paradigm*
Moral Obligation	Donor Cultivation
Duty	Connection
Institution Centered	Donor Centered
Institutions are to be Trusted	Institutional Trust must be Earned
Institutions are Autonomous	Donors are Collaborative Partners
Budgets are Need-Driven	Giving is Value-Driven
Financial Focus is Insular	Financial Focus is Global
Giving is a Contribution	**Giving is Creating Change**
Fundraising is Raising Money	Fundraising is Nurturing Generosity
Incomes Sources are Limited	Income Sources are Diverse
The Gift as an End to Philanthropy	The Gift as a Means to Philanthropy
Different from Business	Embraces Business Principles & Practices

Sources of Giving



All other channels combined made up 17% of gifts in 2010.



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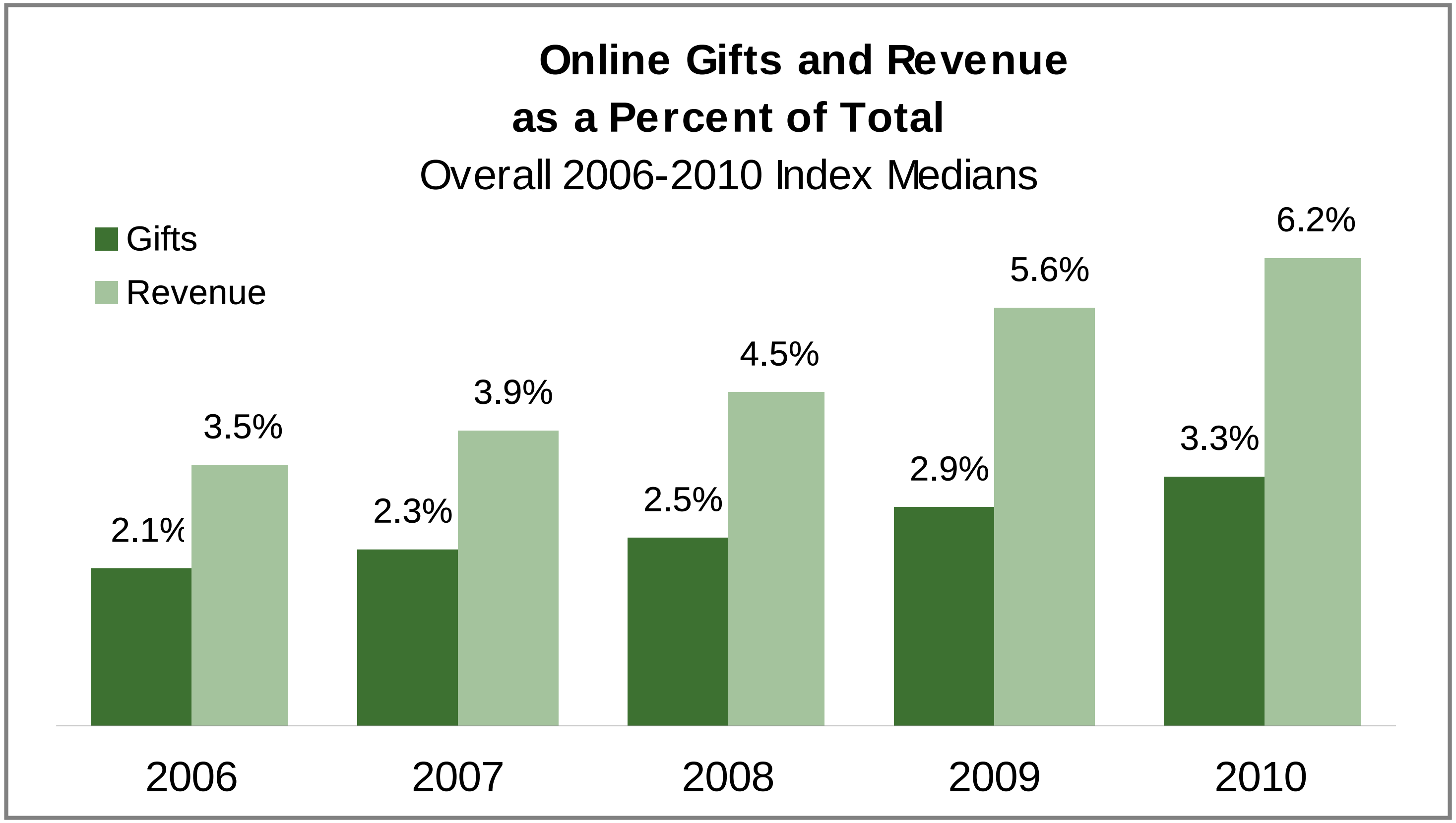

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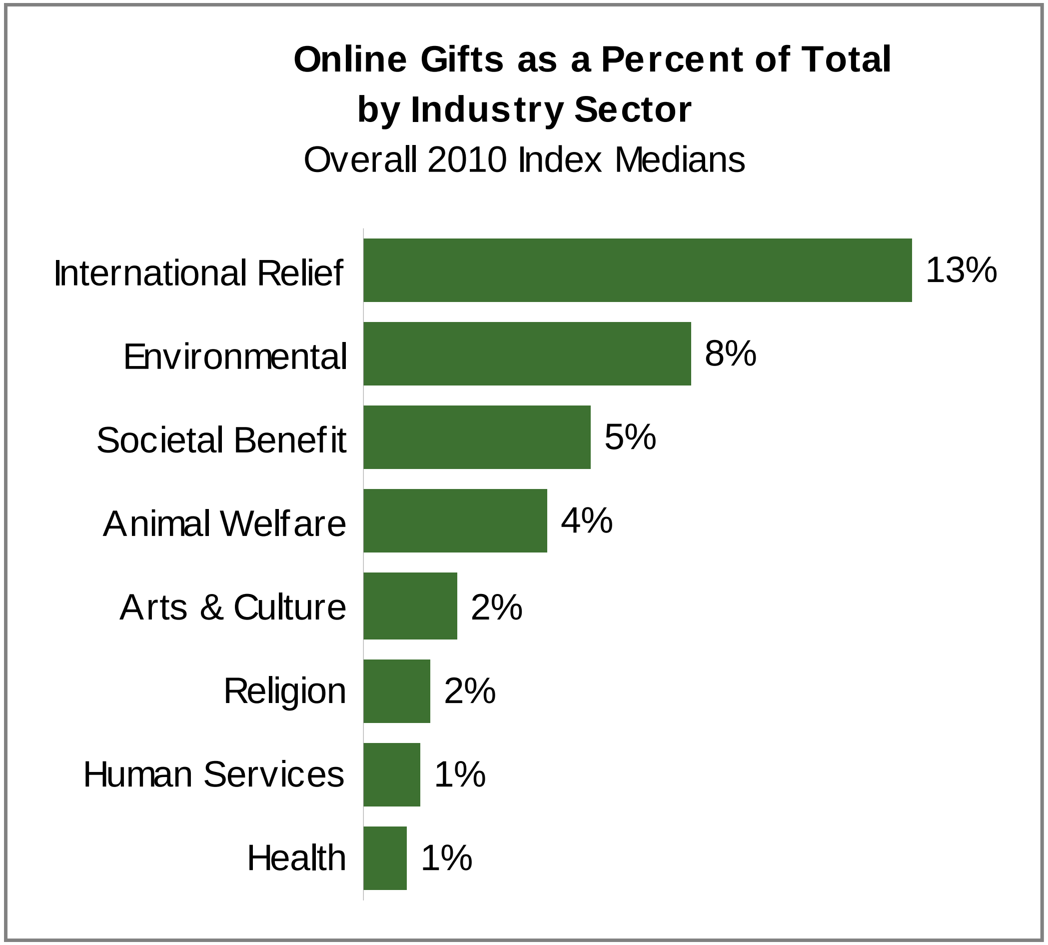


Growing philanthropy SUMMIT recommendations

1. Redefine relationships from donor relationships to individual relationships- required greater donor research
2. Re-orient toward longer term measures of fundraising performance
3. Enhance focus on retention and building supporter loyalty
4. Develop a more integrated approach to fundraising – people support the mission not the campaign
5. Break down organizational silos and encourage greater collaboration
6. Give supporters greater control over the relationship
7. Tackle high turnover rates in the fundraising profession
8. Educate the public and journalists about the nature of the nonprofit sector
9. Develop measures of performance that look to efficacy not cost to raise a dollar

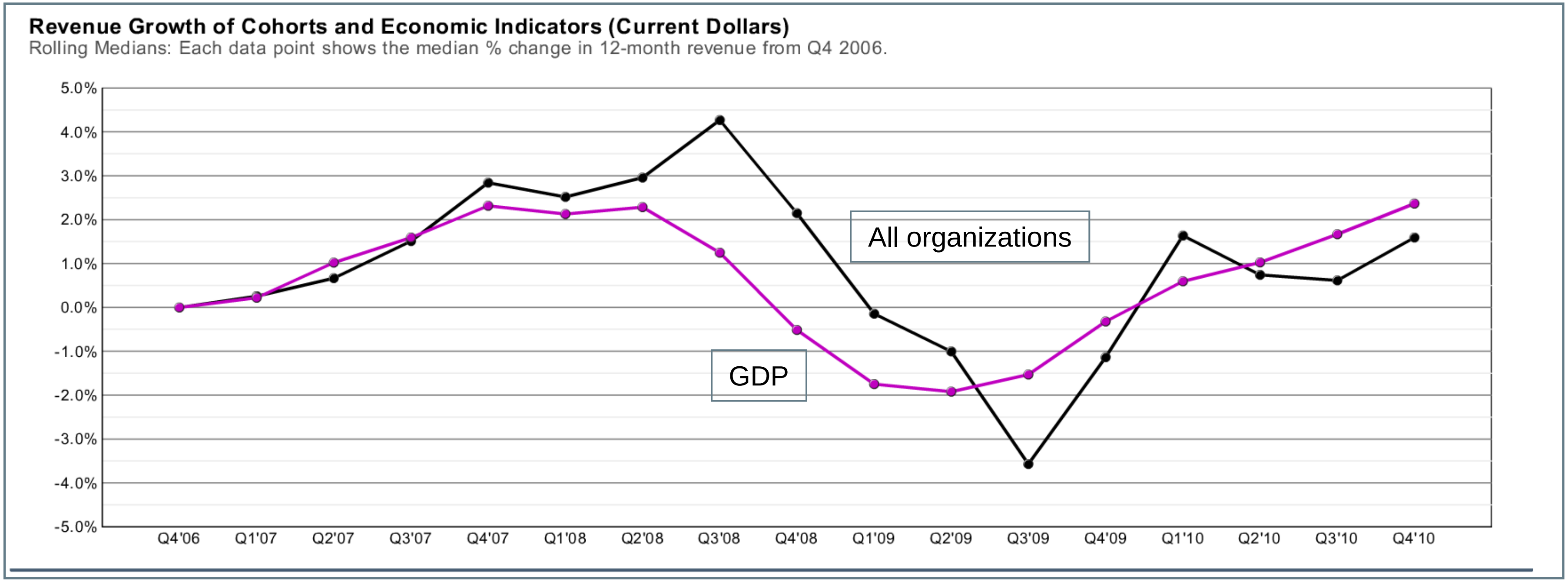
Growing philanthropy SUMMIT recommendations

10. Expand Regular Giving
11. Encourage asset-based giving
12. Develop expertise in broadening participation in giving – bring non-traditional groups to the table
13. Improve bequest fundraising nearly 80% give and 8% leave a planned gift
14. Engage younger people
15. Invest in fundraising research
16. Encourage the development of academic qualifications for fundraising
17. Educate boards about how fundraising is managed

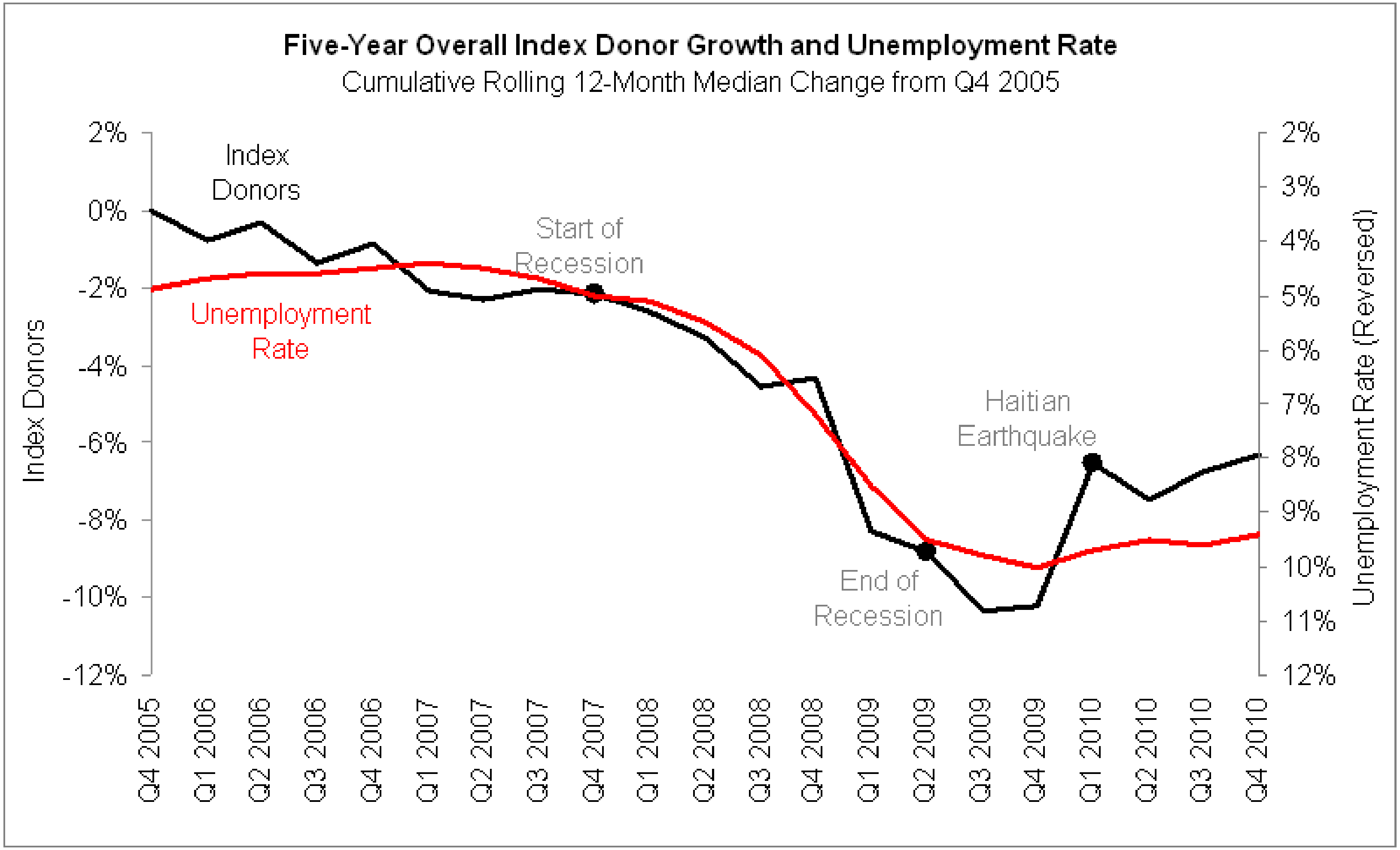
Challenges to Fundraising

- Failure to hand down the traditions of philanthropy through social institutions such as church and school
- Superficiality of social contact – less connected
- Lack of understanding nonprofits have about their supporters
  - Who they are
  - How they express themselves through giving
  - Differences in giving behavior
  - Motivations
- New donors are Millennials – tech-savvy, care more about friends and lifestyle than about a career, not loyal to institutions but loyal to causes

Economic Indicators



Economic Indicators



World Giving Index 2010

Table 1 Top 21 countries in the World Giving Index

World Giving Index	Country	World Giving Index % score
1	Australia	57%
1	New Zealand	57%
3	Ireland	56%
3	Canada	56%
5	Switzerland	55%
5	USA	55%
7	Netherlands	54%
8	United Kingdom	53%
8	Sri Lanka	53%
10	Austria	52%
11	Lao People's Democratic Republic	50%
11	Sierra Leone	50%
13	Malta	48%
14	Iceland	47%
14	Turkmenistan	47%
16	Guyana	45%
16	Qatar	45%
18	Hong Kong	44%
18	Germany	44%
18	Denmark	44%
18	Guinea	44%

These scores include all types of giving

Donating, volunteering, and helping a stranger

Economic Forecast Data

Global MONITOR

the coming together of
Henley Centre HeadlightVision
and Yankelovich

Drivers, impacts and uncertainties

Given that many countries seem to be in a fairly fragile state of low-speed recovery, we need to focus our attention on the risk factors that could exert most influence on the future outlook. Sustained recovery could still be derailed by any one or combination of the following drivers of change:

1. Financial instability of the Eurozone
2. Economic fallout from the Japanese disaster
3. Higher oil prices
4. Tightening of monetary policy

Economic Forecast Data

Driver	Impact on ...	Score 1-10	Uncertainty	Score 1-10
Financial instability of the Eurozone	Eurozone economies Global economy	10 10	Highly uncertain as to whether more bailouts will be required in future	9
Economic fallout of the Japanese disaster	Japan Global economy	10 5	Uncertain as to whether we will see reconstruction bounce or further stagnation	7
Rising oil prices	Global economy	9	Highly uncertain due to difficulty in predicting causes and timing of peaks and troughs	9
Tightening of monetary policy	Global economy	7	Harder to predict timing than overall trend	5

Economic Forecast Data – September 2011

USA

- Revised GDP figures indicate a much weaker economy than previously thought.
- Growth of 1.3% (at an annual rate) was recorded in quarter two 2011.
- Dealing with the debt burden will be a key priority for policymakers. We have lowered our forecast for growth to 1.8% in 2011 and 2.3% in 2012 and 2013.

- Thank you

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