

Fundraising Planning and Climate Report

Outlook for 2023



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Introduction

At the end of 2022, we wanted to know how nonprofit professionals were feeling about 2023 and their ability to fundraise effectively. We wondered:

- How do they feel about their 2023 fundraising goals? Are they confident that they will raise more funds this year than they did in 2022?
- What internal and external factors affect their fundraising performance?
- What tactics are used to meet their fundraising goals?

With the help of Dr. Adrian Sargeant, Harriet Jones-Day, James Barratt, and Kathryn Edworthy of the Institute for Sustainable Philanthropy, we conducted a Fundraising Planning and Climate Study, surveying more than 1,000 nonprofit professionals from small and medium-sized nonprofits.

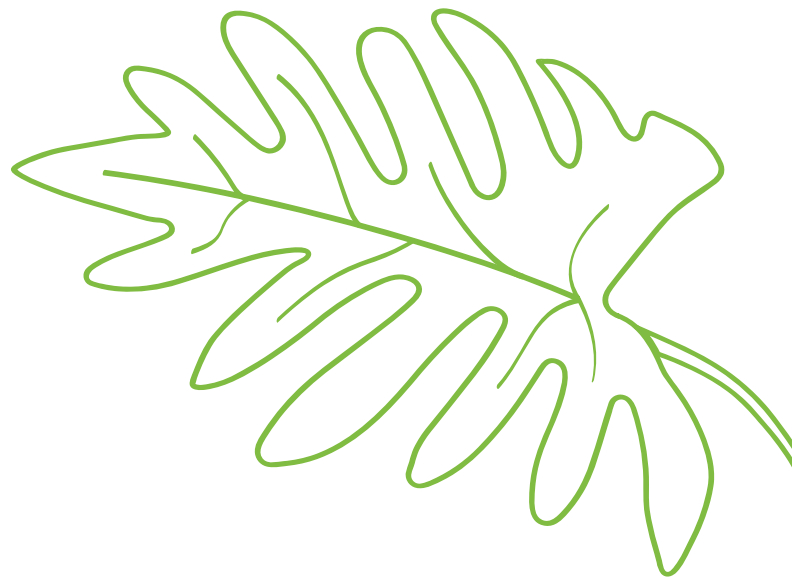
We hope the results in this resource give you an opportunity to reflect on your plans for this year and inspire you to take advantage of the exciting opportunities ahead.

Demographic Information

In November 2022, we surveyed 1,017 fundraising professionals at small and medium-sized nonprofits supporting a variety of causes.

More than half of respondents worked for organizations that reported their total annual revenue for last year to be less than \$1 million. An additional 30% of respondents worked for organizations that reported a total annual revenue between \$1.1 million and \$5 million.

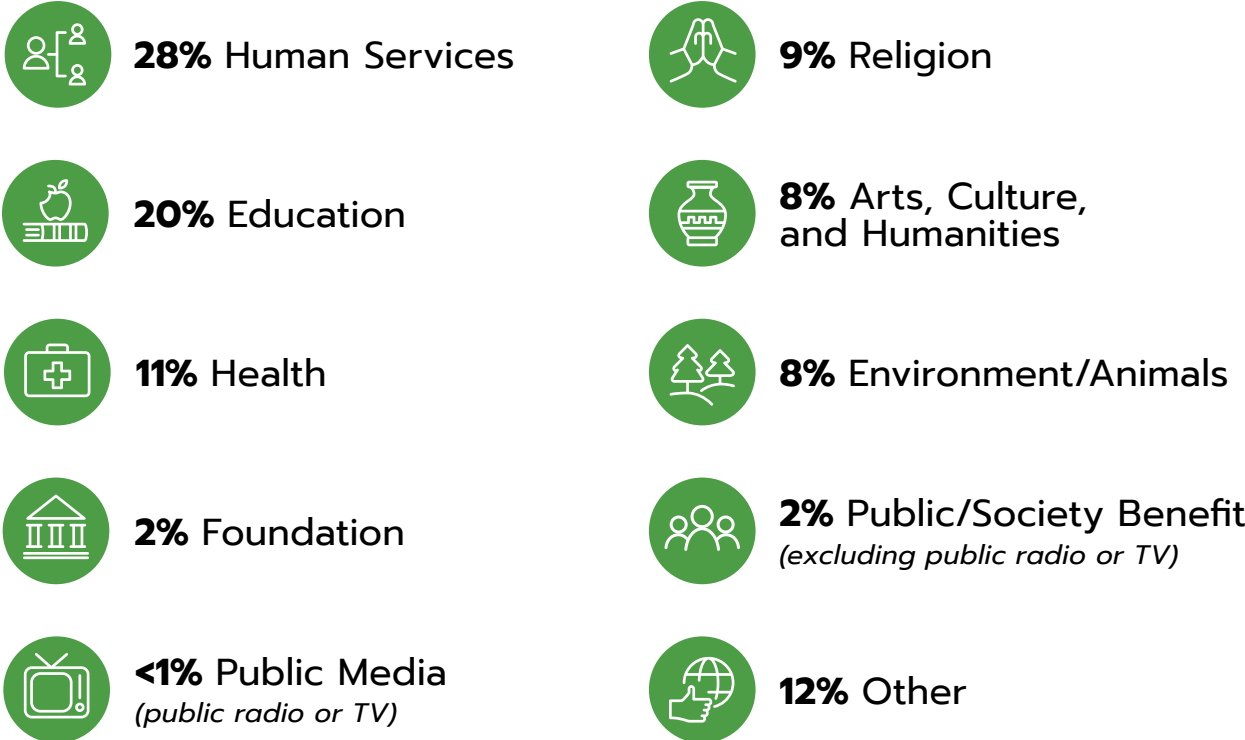
For the purpose of this survey, we defined small nonprofits as those that bring in less than \$5 million in revenue and medium-sized nonprofits as those that bring in more than \$5 million but less than \$10 million in revenue. On average, these nonprofits employ fewer than two full-time fundraisers.



Survey Respondents and Cause Types

In November 2022, we surveyed 1,071 fundraising professionals at small and medium-sized nonprofits supporting a variety of causes.

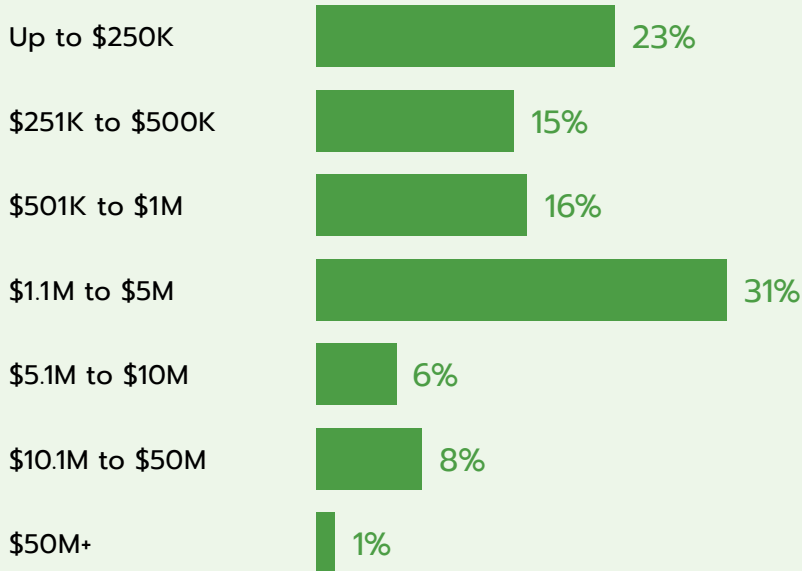
Cause Types



Survey Respondents



Survey respondents by total revenue in past financial year



Survey respondents age

Average age



Age range



The average age of respondents was 52 years old. However, there was a considerable variation in the sample as age ranged from 21 to 89 years old.

Survey respondents tenure in fundraising

Mean
tenure



Median
tenure



Average time working
for current employer



Average full-time
fundraisers employed
at organization



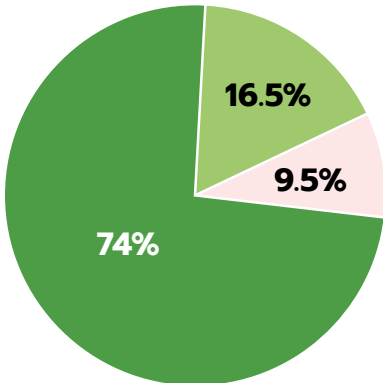
Confidence in Fundraising Performance

We asked fundraisers how confident they feel about meeting or exceeding their targets. The results show that they are optimistic about their ability to fundraise in 2023 and meet their goals, but they are less confident they can exceed their goals.

74% of respondents are confident they will meet this year's fundraising goals.

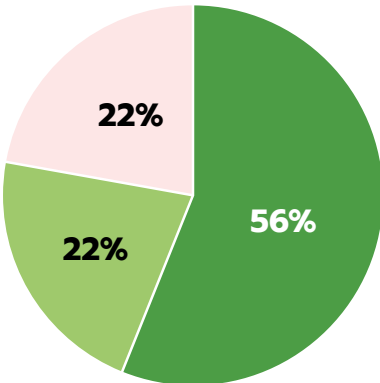
56% of respondents are confident they will exceed this year's fundraising goals.

Confidence to meet goals



- 74% confident
- 16.5% neutral
- 9.5% not confident

Confidence to exceed goals



- 56% confident
- 22% neutral
- 22% not confident

Factors Affecting Fundraising Performance

We also wanted to hear from the fundraisers about their outlook on the current fundraising climate, including the external and internal factors that impact their fundraising performance.

In the following pages, we share their thoughts and expand on those factors.



External Factors Affecting Fundraising Performance



Respondents say they are mildly optimistic about the current external fundraising climate and believe conditions will improve in the coming 12 months.

They say the top external factors impacting their fundraising efforts are:

- Economy (including inflation, unemployment, stock market performance, and fears about a recession)
- Political climate
- COVID-19 pandemic
- Death of donors

Regarding their donor population, one respondent says:

“[We’re concerned about the] deaths of aging donors who will not be replaced by younger donors.”

Other respondents agree that it is challenging to find younger donors, whether due to COVID-19 or the economy.

“[We] need an influx of new lower-tier donors.”

“[We are dealing with the] continuing impact of COVID; [it is] hard to get donors’ attention as life returns back to normal.”



Internal Factors Affecting Fundraising Performance

While they are mildly optimistic about the changes to the external factors they face, respondents are markedly more optimistic about the positive internal changes to come.

Respondents say the following internal factors make the biggest difference on their fundraising performance:

-  1. Capacity
-  2. Board support and engagement
-  3. Strategy and planning
-  4. Leadership issues
-  5. Communication issues
-  6. Budget and finance

1. Capacity

Many respondents say that their team's capacity—or lack of capacity—is one of the most important factors in determining their fundraising performance. This includes the fact that fundraising roles remain unfilled and their teams are understaffed.

Unsurprisingly, many respondents are fatigued. They mention feeling unappreciated, overworked, or over-burdened, either due to deliberate downsizing or natural attrition.

"We are a staff of 2 and often feel at capacity."

"[We're a] small team wearing too many hats."

"I'm a one-horse operation at this time."





2. Board Support and Engagement

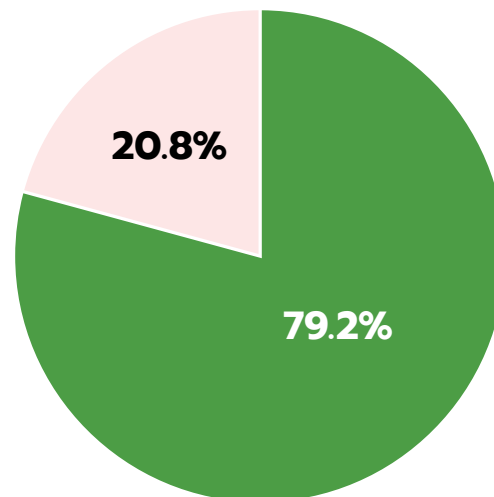
Many nonprofit professionals we surveyed say they have a hard time getting their Board members to engage in or support fundraising efforts. They also express disappointment in the Board's general reluctance to support donor stewardship and cultivation efforts. About half of respondents feel that Board engagement is low or unacceptable.

"Every year it's a grind to get them to engage."

"Our board's willingness to help with fundraising, which has been abysmal..."

Percentage of Board members who made a gift to the organization

- 79.2% made a gift
- 20.8% did not make a gift



We also asked what percentage of Board members have supported fundraising activities (e.g., hosting a dinner, meeting with a donor, or making a presentation on behalf of the organization). This figure is much lower. Typically, only 43.5% of Board members provide support in this way.

3. Strategy and Planning

Although most respondents are optimistic about their fundraising performance in 2023, only 42.9% of respondents have a written strategy or fundraising plan in place.

However, many of them express how important having a plan is and share that they are in the process of creating one.

“Not relying on building (the) airplane while we are flying it. Takes dedicated time to prepare, review, ring out issues, and finalize.”

“We are in the process of writing a fundraising plan!”

“We are going to do strategic planning!”

“Finally, we have agreement that there will be a formal planning process for next year.”

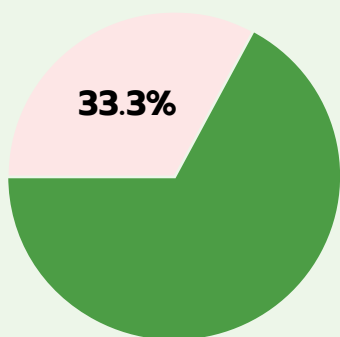
Only **42.9%** of respondents have a written strategy or fundraising plan in place.



4. Leadership Issues

Many respondents cite a frequent change of leadership as a significant factor in their fundraising performance. They also hope their leadership will learn more about fundraising, engage in the process, and support their team's efforts.

Percentage that rated internal support below average



Roughly one third of respondents rate internal support for fundraising below average in 2022, and they indicate that support from leadership has room to improve.



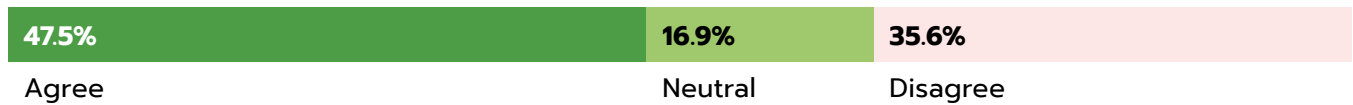
A few respondents share what they would like to see this year:

“Getting the new CEO and new COO (on board) with understanding the dynamics of fundraising. Both have had very limited experience with philanthropy.”

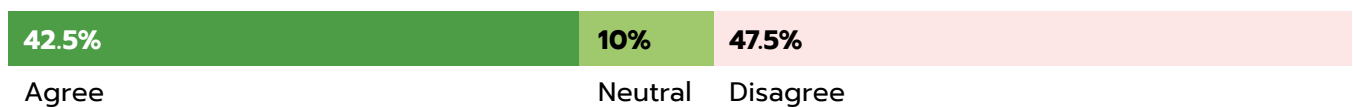
“Leadership stepping up to build relationships and supporting fundraising efforts as a higher priority.”

“CEO involvement in fundraising. Our CEO has not been traditionally involved with fundraising and that doesn’t seem to be changing.”

Percentage of respondents who say philanthropy is embedded at the core of their organization



Percentage of respondents who say donor stewardship is seen as everyone’s responsibility





5. Communication Issues

Respondents say they need to improve their communications with their donors. This is especially true when it comes to making their case for support.

“We need better and more consistent communication with donors.”

“Effective communications to encourage participation.”

“Our ability to articulate a good case for support.”

Percentage of respondents who say that all members of their organization’s staff could clearly articulate our case for support



6. Budget and Finance

Some nonprofit professionals say they feel limited in what they can do because they have limited funds at their disposal.

“Fundraising is still seen as a cost and not as an investment.”

“Limited financial resources directed at fundraising efforts.”

“Fundraising budgeting is too ad hoc. We need resources to hit our targets.”

However, most respondents report that fundraising planning is a part of the overall budgeting process.

81.2% of respondents indicate that fundraising planning is integrated with the organizational budgeting process.

Most of their budget is dedicated to keeping existing donors.

67% of their fundraising budget is dedicated to stewardship/renewals.

33% is dedicated to new donor recruitment.

Fundraising Tactics

Nonprofit professionals indicate some shifts in their fundraising tactics in 2023. This highlights the concerns they have about their aging donor population and ways in which they are working to find new donors.

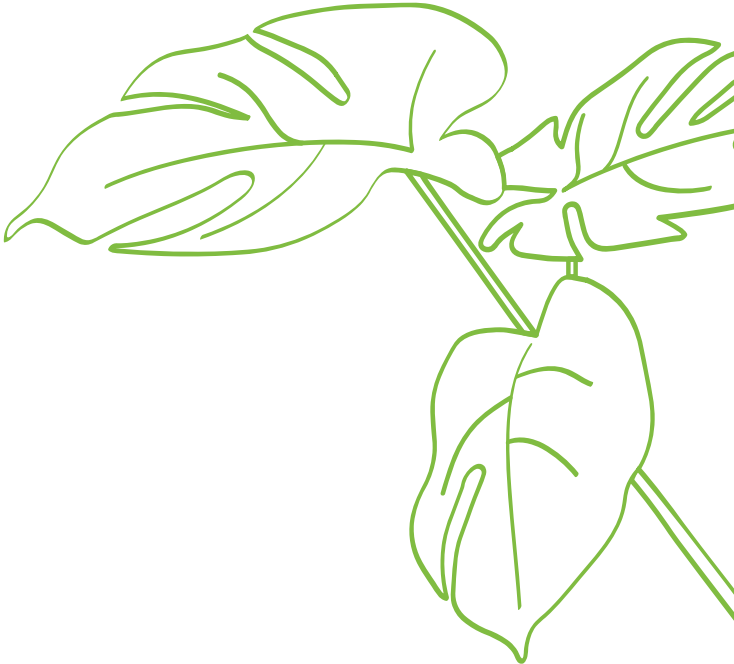
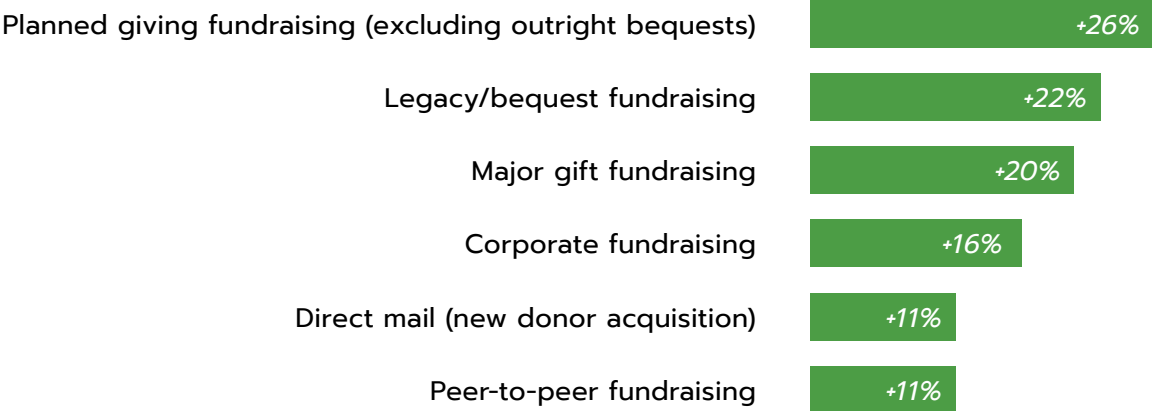
Participation in different forms of fundraising 2022–2023



Increases in Fundraising Tactics for 2023

Nonprofit professionals plan to increase their focus on fundraising tactics to address areas of concern. Notable increases include:

Planned increases in forms of fundraising





Innovation

In addition to the tactics that proved successful in the past, respondents are trying out innovative ways to attract new donors and better communicate with existing ones.

These tactics include:

- Matching campaigns
- Text-to-give
- Project-specific direct mail appeals
- Predictive technology for donor insights
- Donor appreciation events
- Donor surveys

“Adding a matching challenge to our annual gala dinner.”

“Launching text-to-give.”

“Two new direct mail appeals and the appeals were focused on specific projects rather than general support. Both did well.”

In 2023, they intend to engage in new forms of fundraising like:

- Third-party fundraising platforms
- Partnerships with other groups
- Crowdfunding
- Cryptocurrency campaigns
- Car donations
- In memoriam giving

Conclusion

Nonprofit professionals like you have shown time and time again that it is possible to create lasting change in the communities you serve. As such, we are not surprised to see that most of the respondents are optimistic about reaching or exceeding their goals.

We hope that this will be a year of growth for you—in capacity, in fundraising revenue, in support from your Board and other stakeholders—and that your resources match your passion and dedication.

We can't wait to see how you thrive.





Build a World Inspired by Giving.

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Volunteer Management

Email Marketing

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Bloomerang is the complete donor relationship management solution that helps thousands of small and medium-sized nonprofits deliver a better giving experience and create stable, thriving organizations. Combining robust, simple-to-use technology with people-powered support and training, Bloomerang empowers nonprofits to work efficiently, improve their donor relationships and grow their donor bases. With Bloomerang, nonprofit professionals love their work and have another teammate in the cause.

Schedule a meeting

