

The State of Fundraising 2023

A Guide For Non-Profits





Why?

Even though the pandemic is over, nonprofits and many of those they serve have not yet recovered. This is particularly true for organizations in the field of social services with budgets under \$1M, and those who serve marginalized communities. Distributing this survey allowed me to get a better idea of how nonprofits are faring post-pandemic and what kind of help they need.

I also wanted to compile data on how nonprofits of various sizes compare to one another, so I could better understand my target audience and provide relevant support and training. Finally, I wanted to help nonprofits understand how they compare to their peers.

We designed and distributed a survey to everyone on our email list in June, 2023. These are the results.



What we did

51 non-profit organizations responded to a survey between June 12 and July 1, 2023.

They answered questions about:

- Their fundraising goals
- Their fundraising process
- Their staffing
- Their training

The sample size for each question is 51 unless noted otherwise

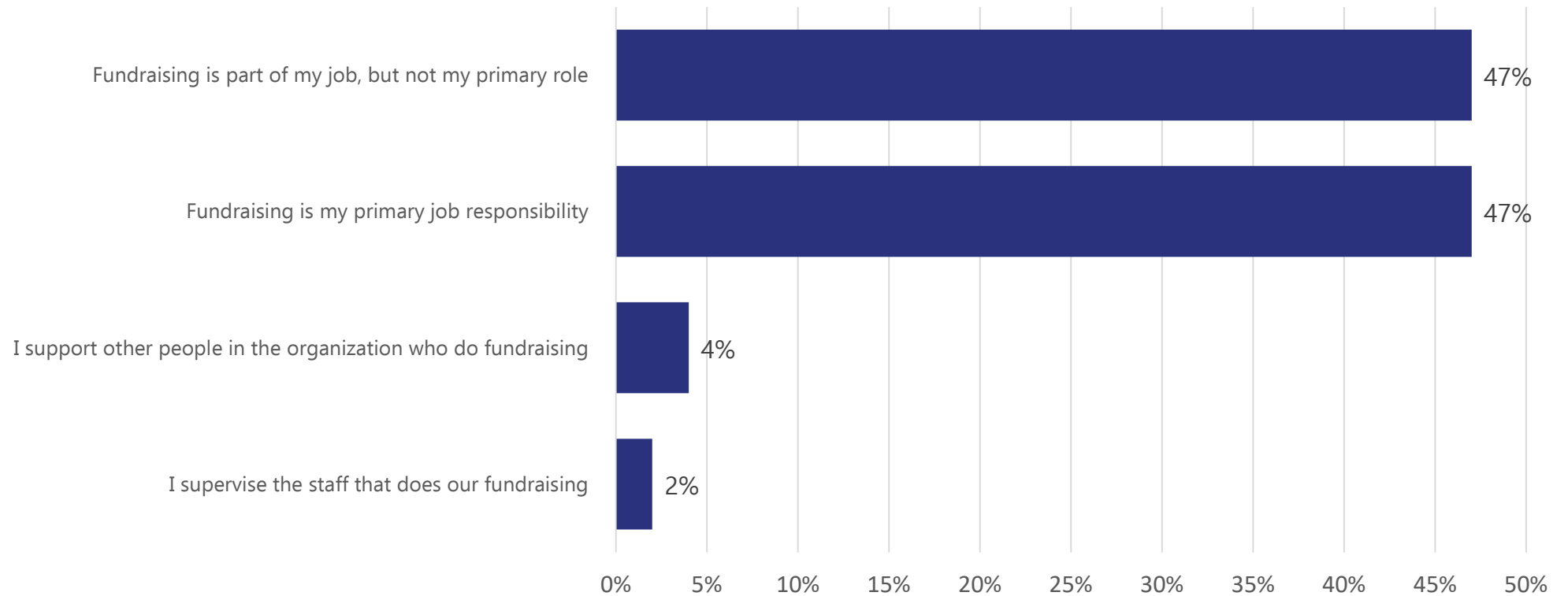


Who We Spoke To

We spoke mostly to nonprofit fundraisers



Fundraising Role

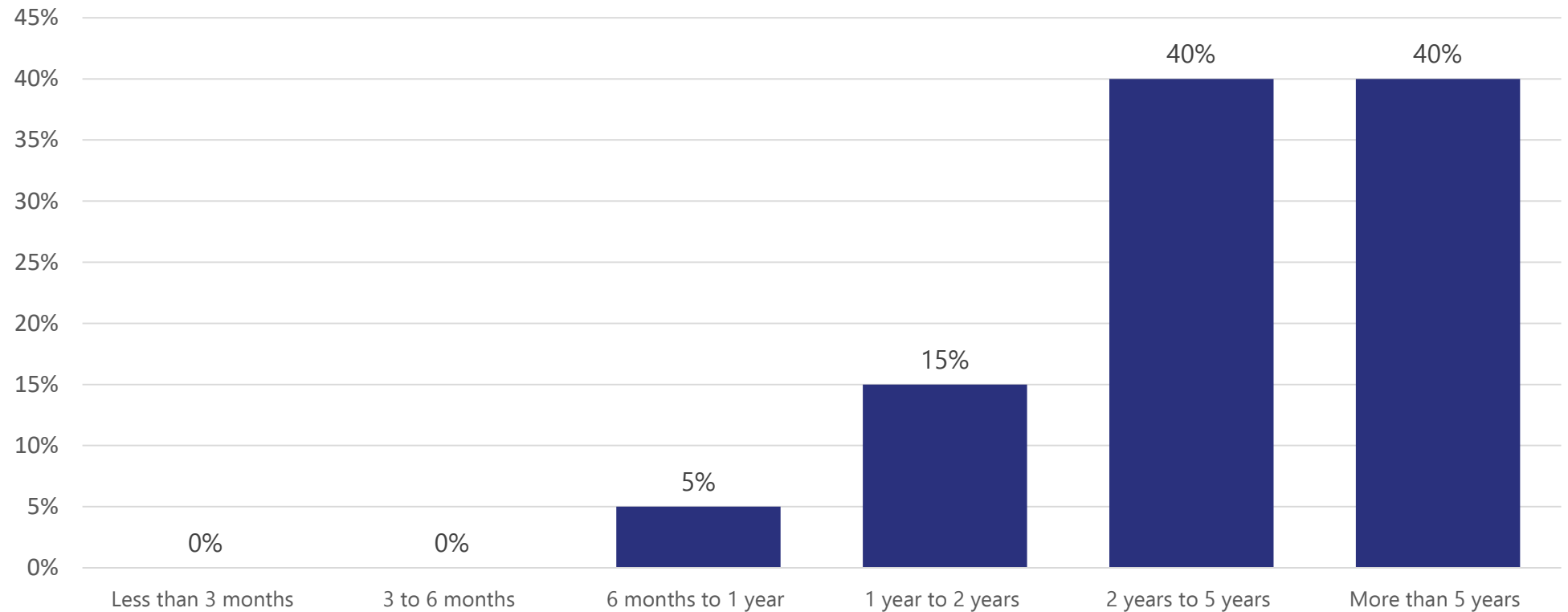


N=47

The fundraisers we spoke to had long tenure in their organizations

Tenure In Fundraising Role

Among those who do fundraising for organization

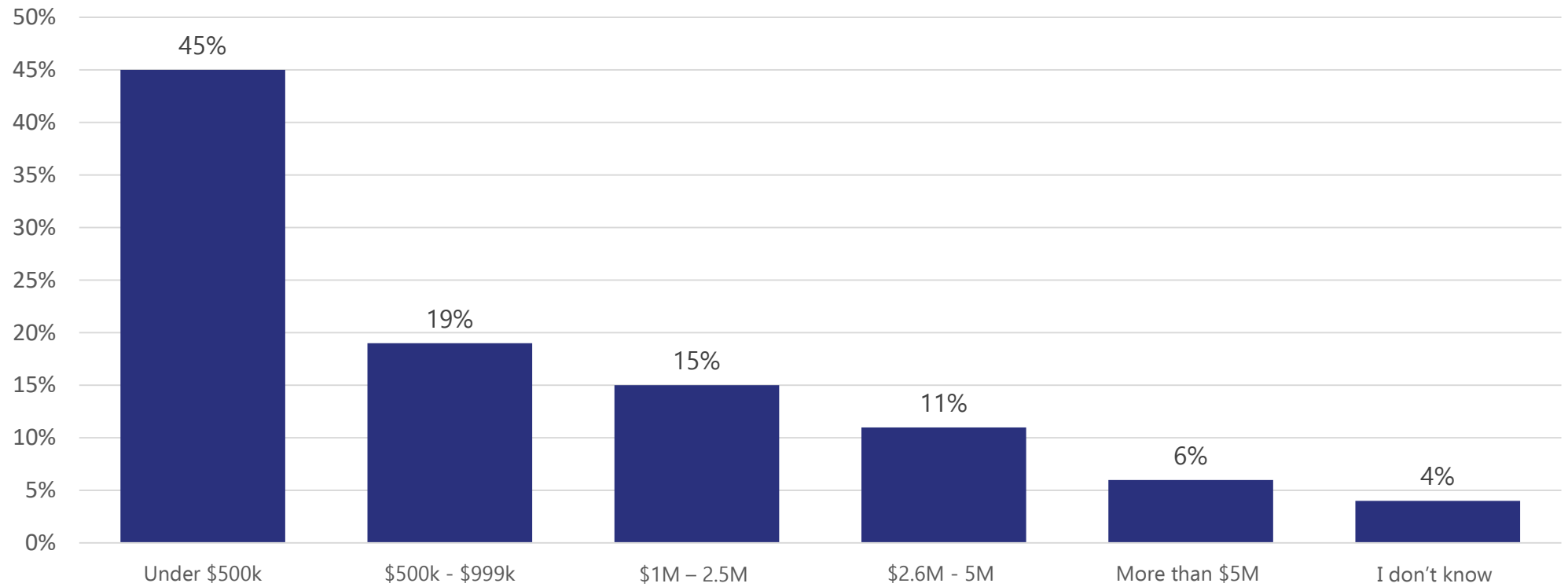


N=20

Most of the organizations have an annual revenue below \$1mm



Annual Revenue

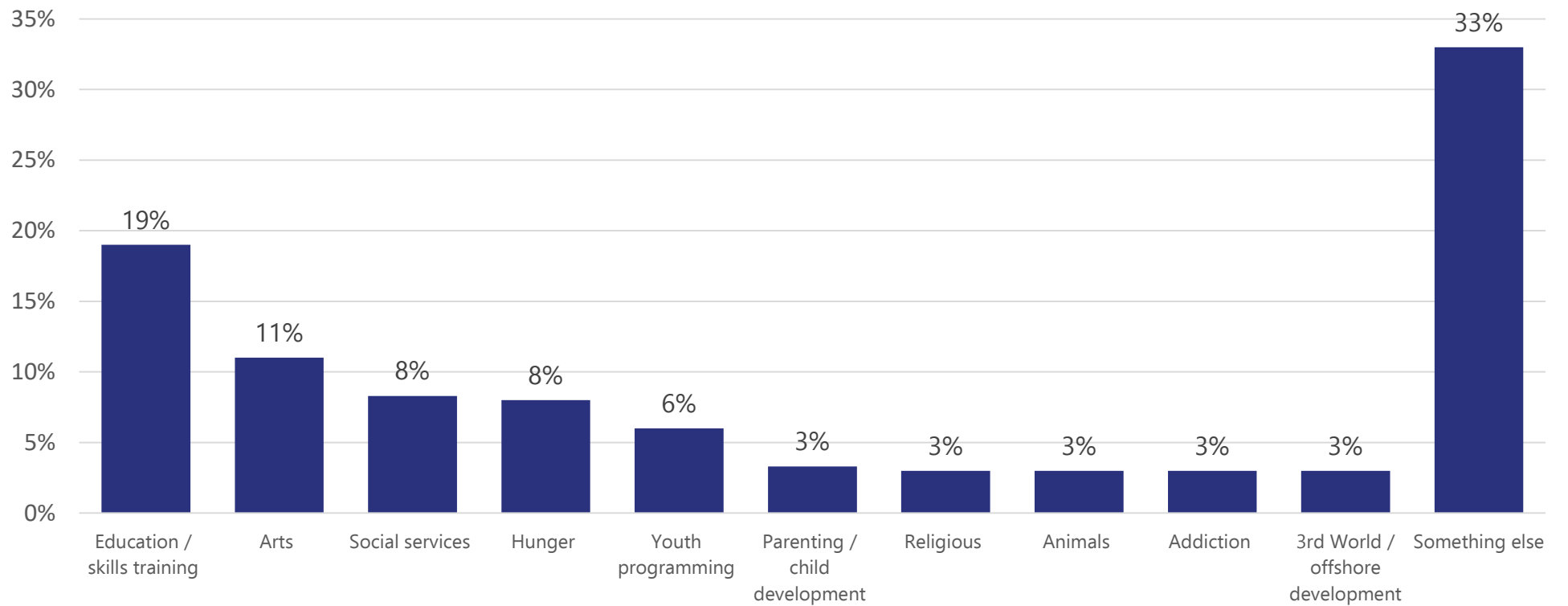


N=47

← 64% below \$1mm →

Organizations had a wide range of missions

Focus of Organization



N=36

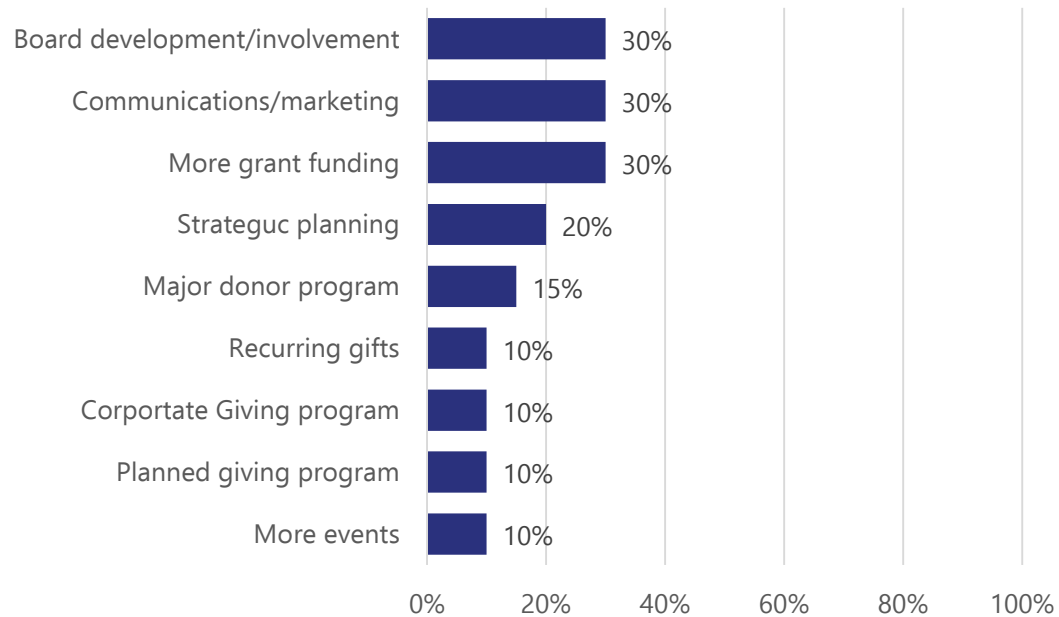
The background of the image consists of a dense, overlapping pattern of US dollar bills, primarily \$100 bills, rendered in a monochromatic blue color. The bills are oriented in various directions, creating a textured, layered effect. The central focus is the text 'Organization's 2023 Goals', which is superimposed over the middle of the image. The text is in a clean, white, sans-serif font, with the word 'Organization's' in a smaller size than '2023 Goals'.

Organization's 2023 Goals

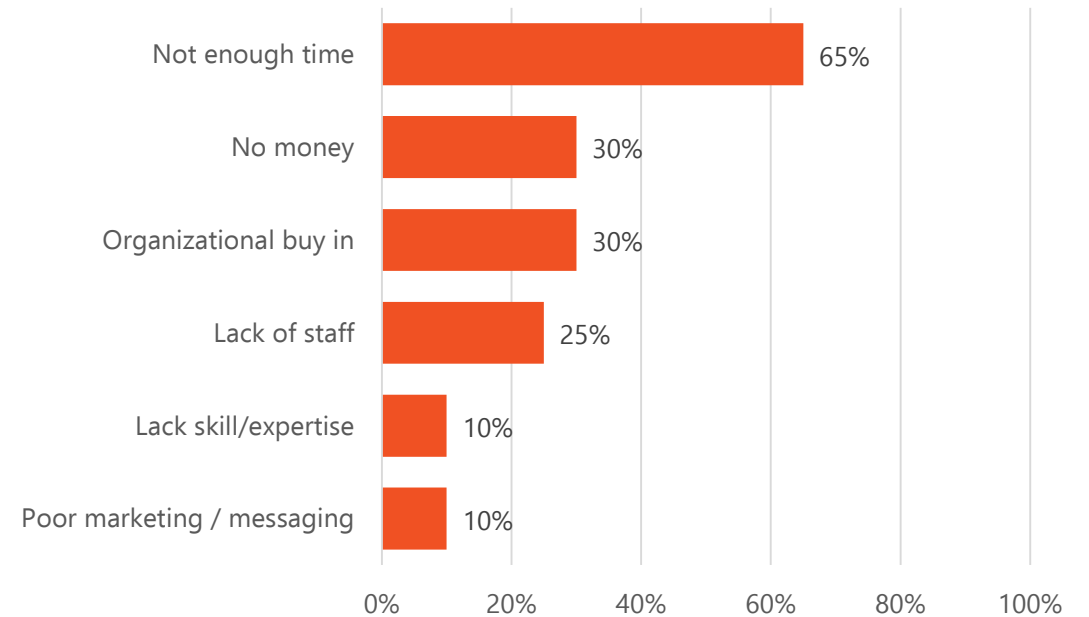
Top 2023 Goals are more board involvement and better marketing



2023 Goals



Barriers



N=20



Fundraising

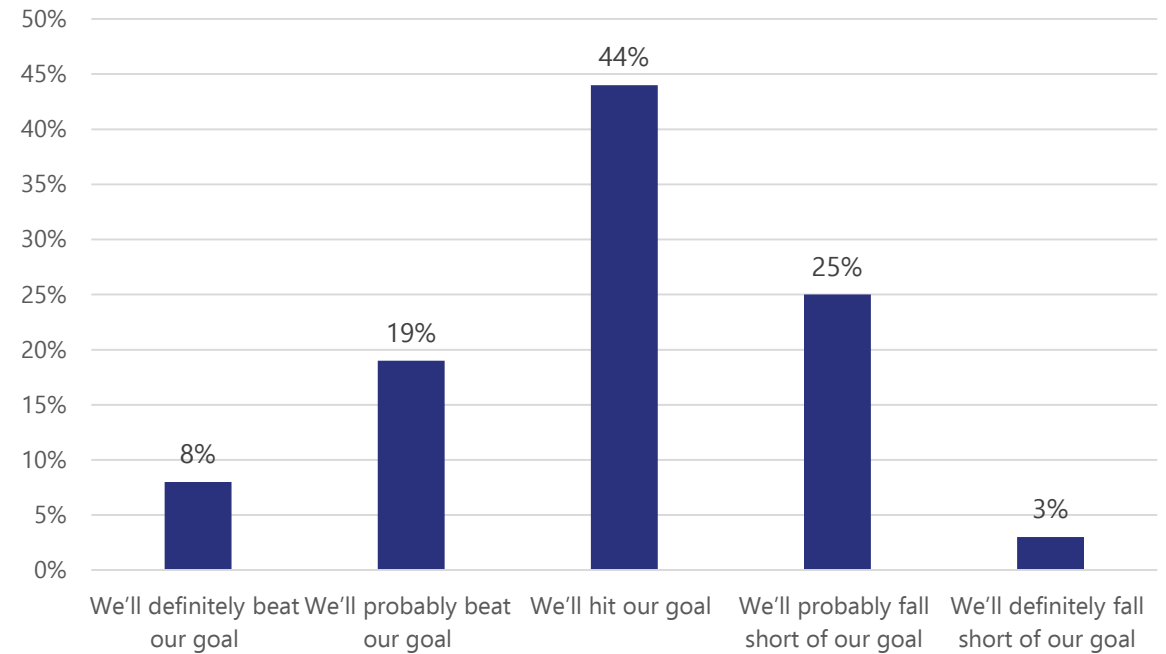
Over 4 in 5 Organizations have a fundraising goal for 2023

Larger NPO more likely to have goals (86% vs 73%)

Overall, organizations reported an average 2023 fundraising goal of \$625,000.

- The average goal for larger organizations (>\$1mm) was \$1,526,000.
- The average goal for smaller organizations (<\$1mm) was \$175,000.
- Organizations with dedicated fundraising staff reported an average 2023 goal of \$1,461,000.
- Organizations without any dedicated fundraising staff reported an average goal of \$131,000.

Expect to Meet Goal

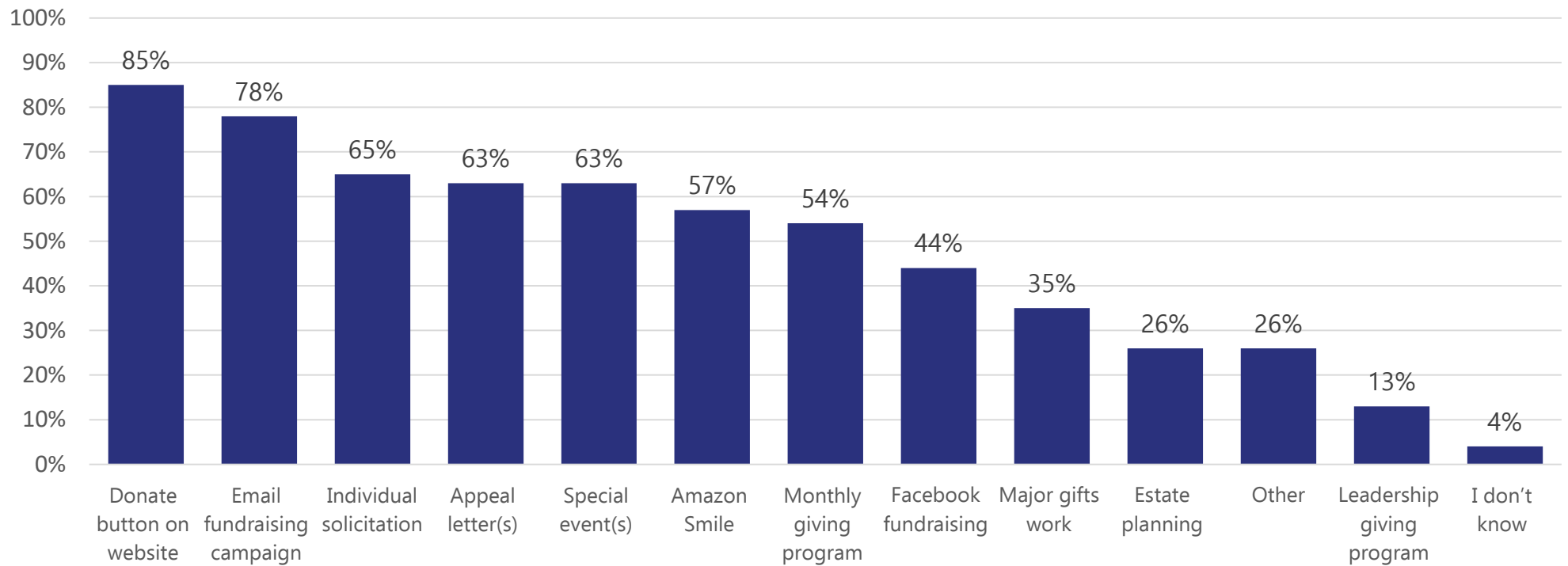


N=36

Websites and email campaigns were most frequently used tactics

6 methods used on average

Fundraising Tactics Used in 2023



N=46



4 in 5 organizations submitted a grant application in 2022

We land 90% of the grants for which we apply; we usually get the amount we ask for and in some cases, more! If you want to learn how to write winning grants, get in touch about our one-day intensive on August 22!

Larger organizations and organizations with dedicated fundraising staff submitted more grant applications but were not any more effective at securing grants than smaller organizations or those without dedicated fundraising staff.

Overall, organizations reported submitting a median of 6 grant applications in 2022.

- Larger organizations, on average, submitted more grant applications (11) compared to smaller organizations (5).
- Organizations with dedicated fundraising staff submitted more grant applications (12) than organizations without dedicated staff (3).

The overall median funding rate for grant applications was 50%

- There wasn't any difference between large and small organizations.
- There wasn't any difference between organizations with or without dedicated fundraising staff.

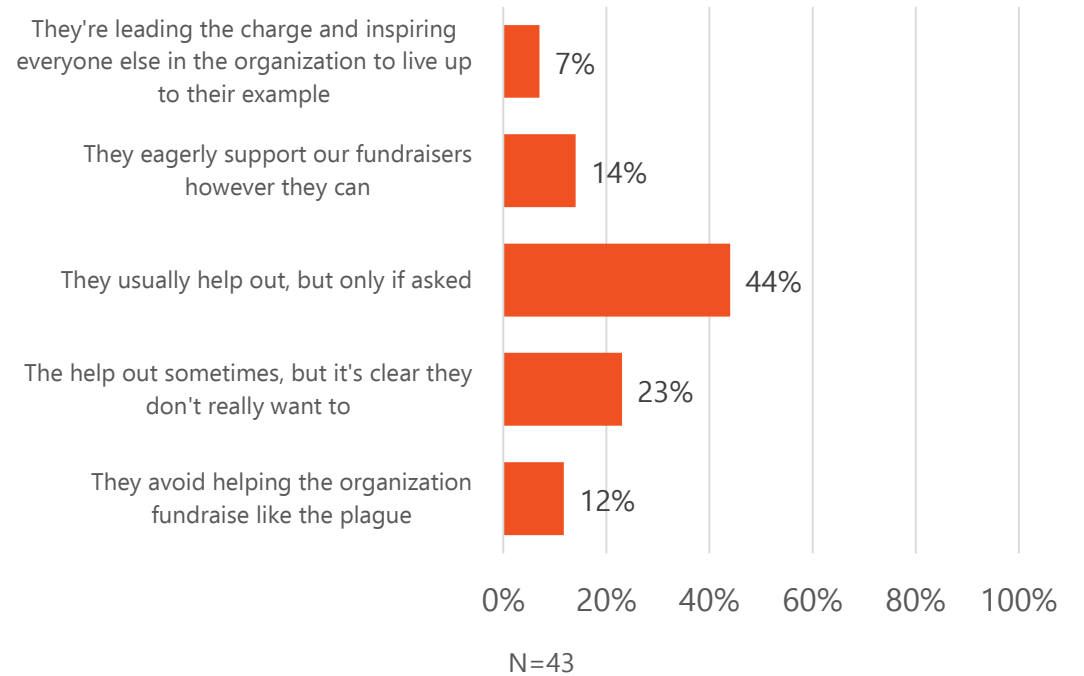
Board members mostly write checks – not thrilled about fundraising



Board Involvement

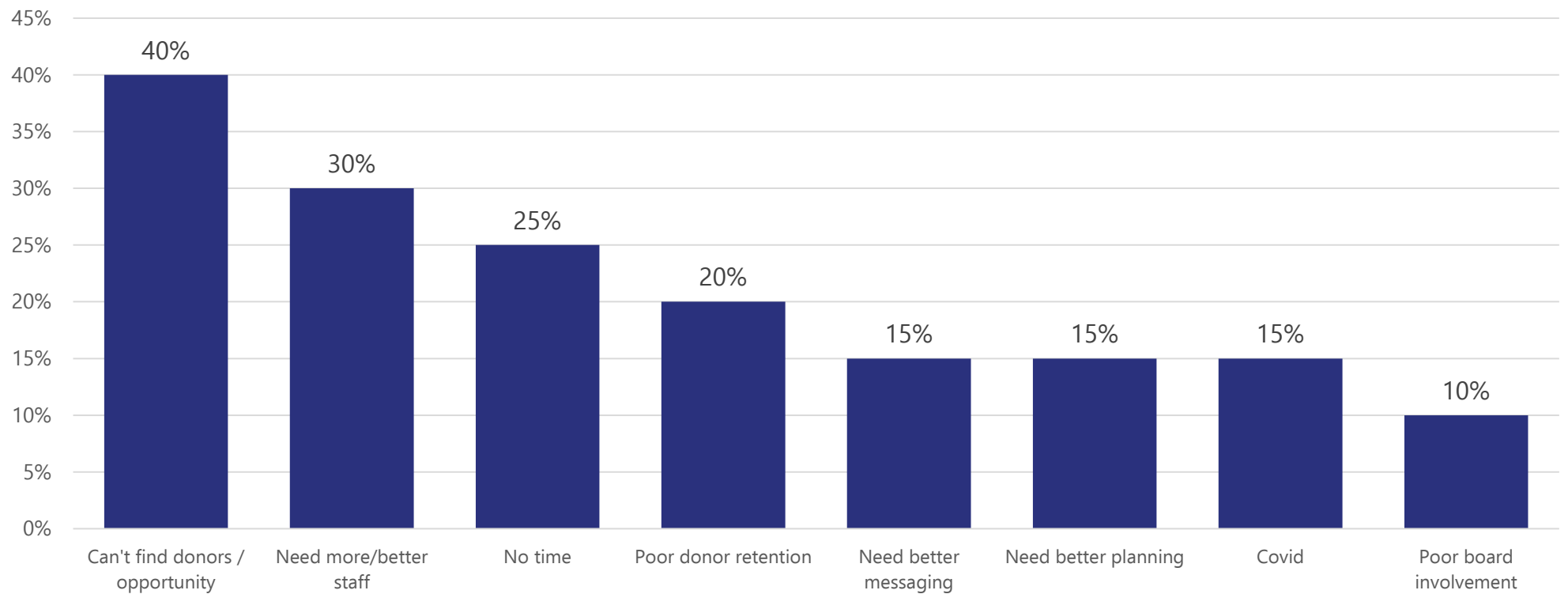


Board Attitude



Top challenges are inability to access donors and lack of qualified staff

Fundraising Challenges



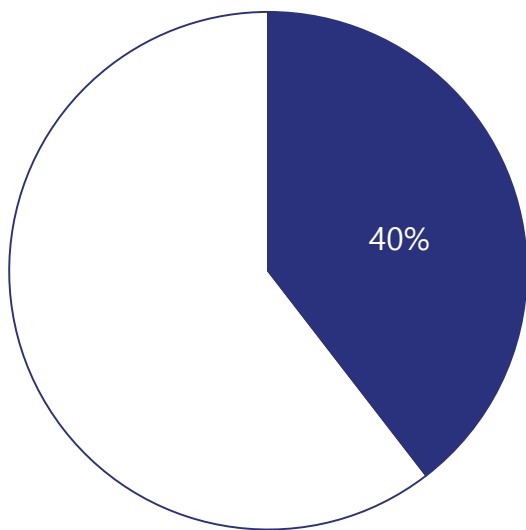


Staffing

Only 2 in 5 organizations have fundraising staff

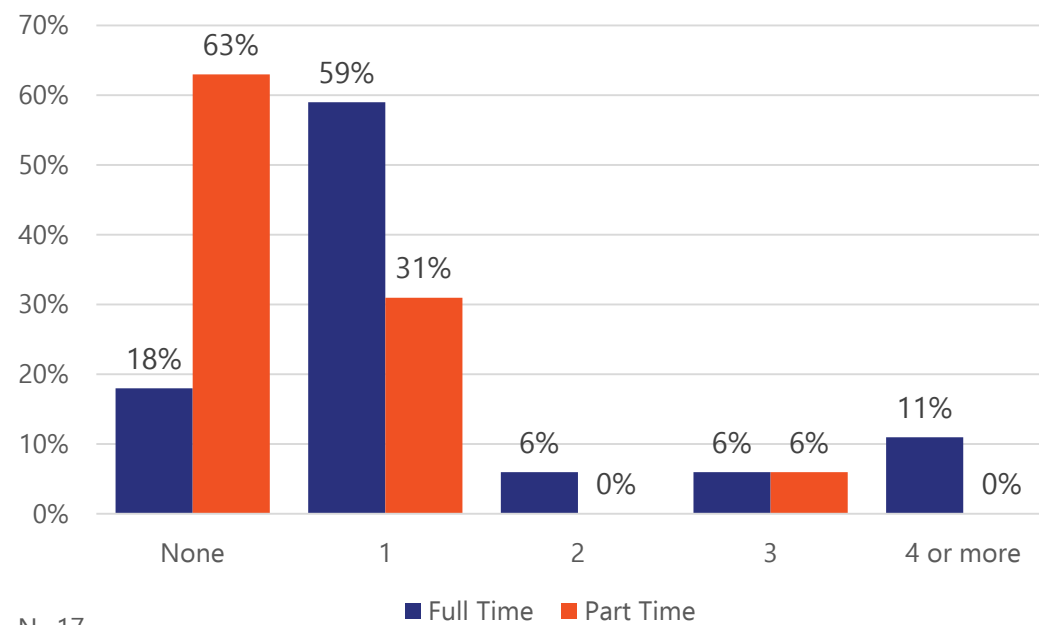
Larger orgs more likely to have dedicated staff (71% vs 25%)

Have Fundraising Staff



N=43

Number of Fundraisers



N=17

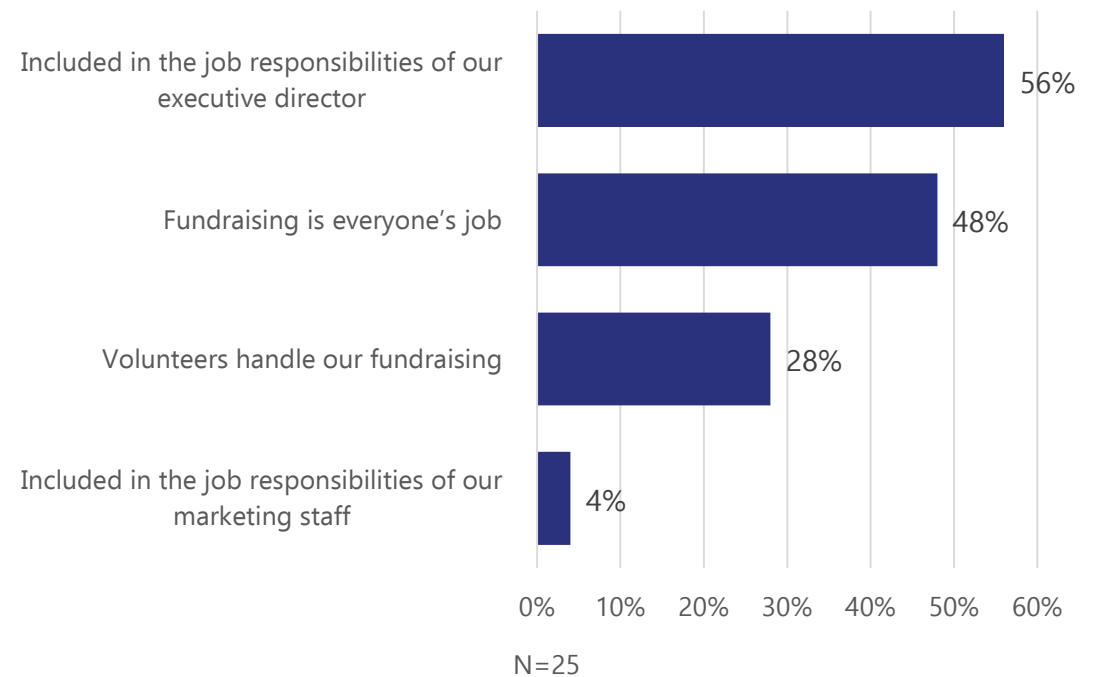
Organizations without staff rely on the ED to fundraise

When the Executive Director is doing the fundraising for an organization, or it's been combined with another job (I frequently see fundraising and social media/communications squished together), you're setting yourself up for failure on both fronts.

Worse, you've now turned fundraising into your "side hustle," when fundraising should be one of the organization's top priorities. The only way to maximize your revenue potential is to INVEST in fundraising.

Yes, Executive Directors should be working with the board to raise funds, and develop and deepen relationships with top donors, but the rest needs to be handed off to qualified fundraising staff, who can focus on the task at hand without distraction.

Fundraising Responsibility



The background of the image is a dense, overlapping pattern of US dollar bills, all rendered in a monochromatic blue color. The bills are oriented in various directions, creating a sense of movement and abundance. The central focus is a large, clear image of a 100-dollar bill, featuring the portrait of Benjamin Franklin. The text "ONE HUNDRED DOLLARS" is visible on the bill, along with the serial number "KG 49756406 B" and the signature of the Secretary of the Treasury. The word "Training" is superimposed over the center of the image in a large, white, sans-serif font.

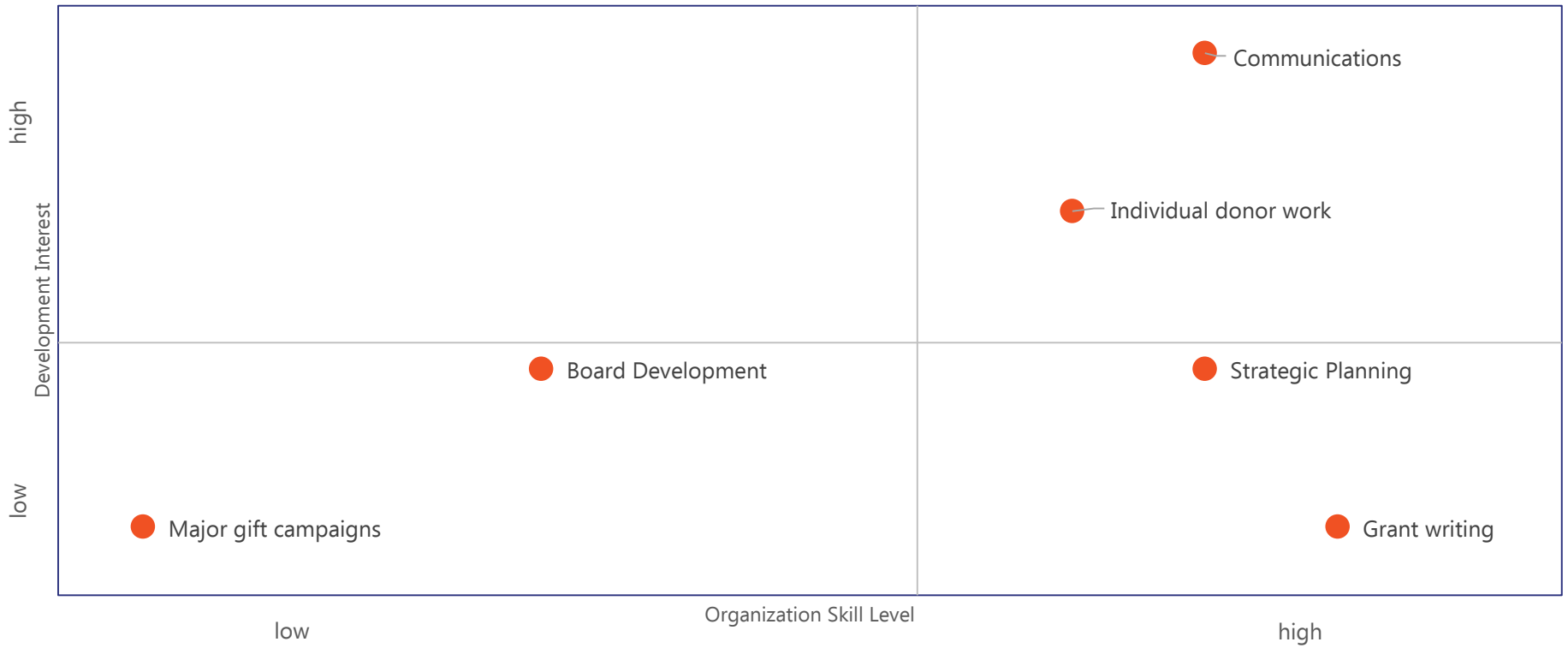
Training



Marketing and individual donor work most interests organizations

These results are interesting, because if you look at the data on ROI, individual donor work provides the highest return. Last year, over \$499 BILLION was donated to charities – and **80%** of that came from people. While most respondents re very interested in individual donor work, board development and major gift work – both of which return a very high yield – are 2 areas in which there is little interest and a low level of skill.

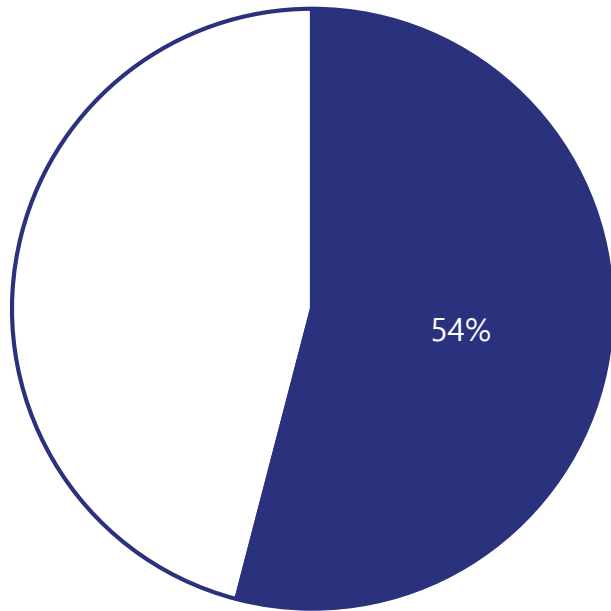
Development Areas



About half of organizations have a budget for training

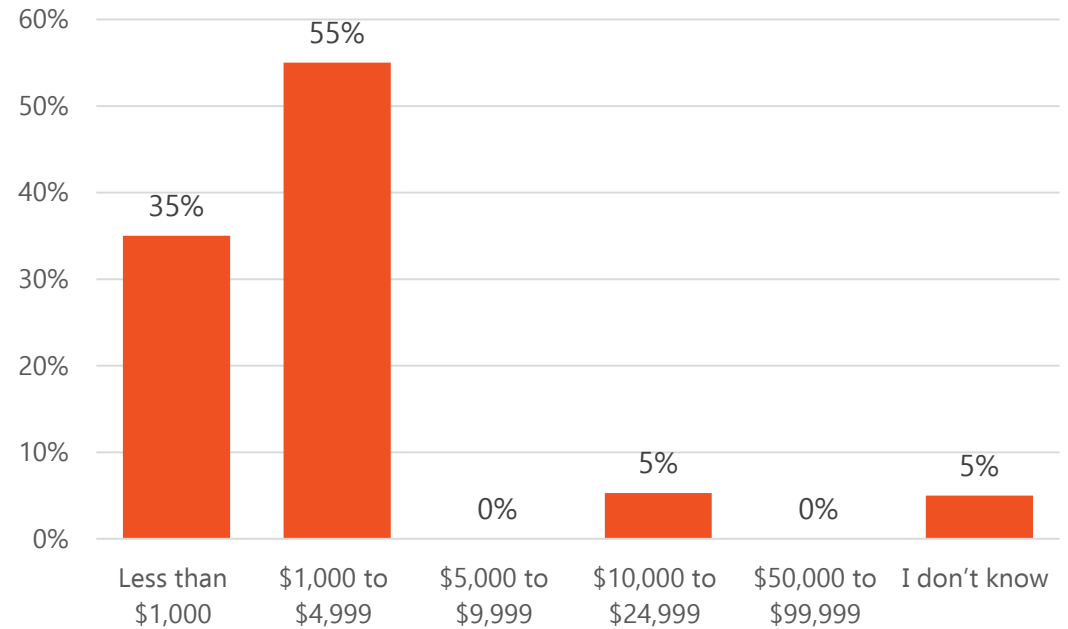
Larger orgs more likely to have a budget (75% vs 46%)

Has a Training Budget



N=39

Training Budget

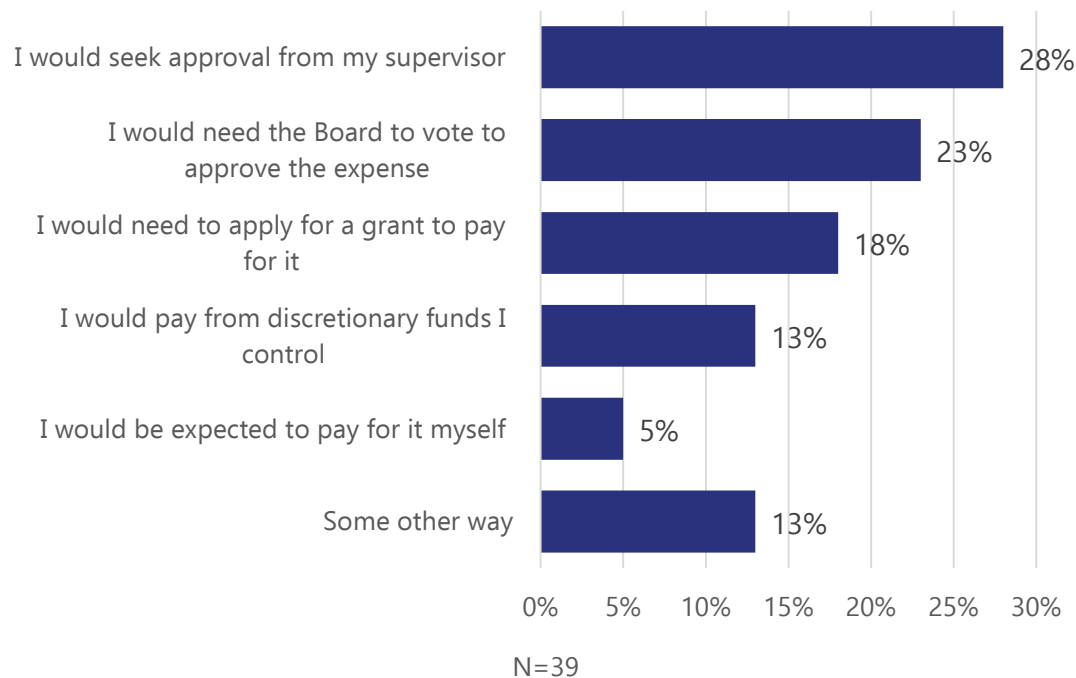


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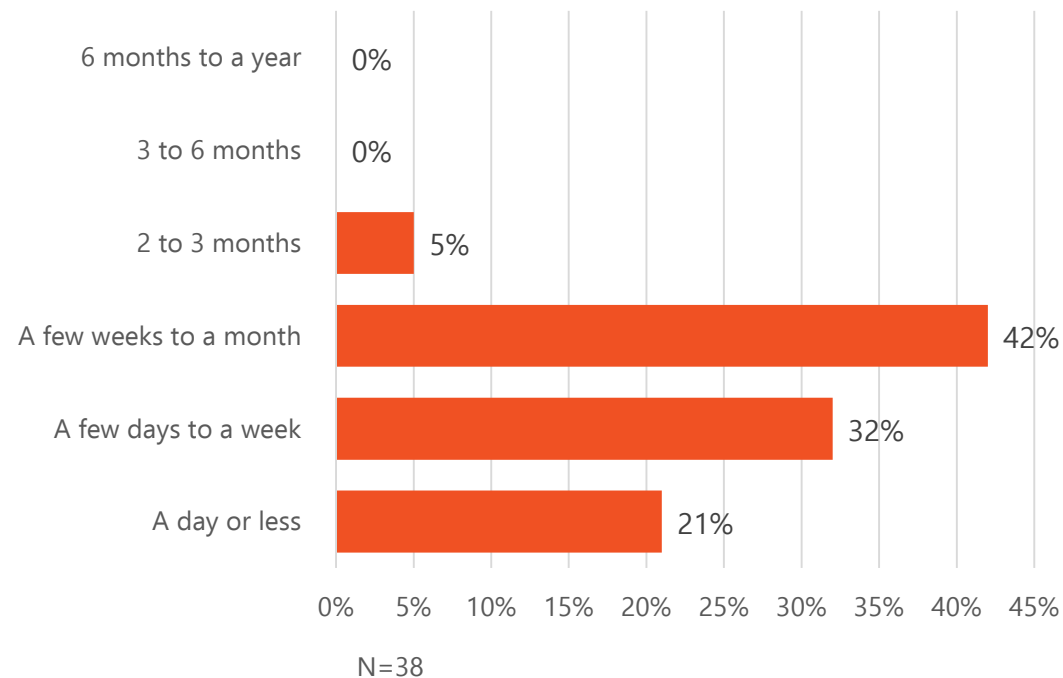
Very few have the flexibility to invest in training without approval

\$500 is the median threshold for expense approval

Would pay for training by...



Time for Approval





What's Next?

We are witnessing the largest transfer of wealth in the history of the US.

At present, Boomers are in the process of passing on more than **\$39 TRILLION** to Gen X and Millennials.

By 2061, **\$59 TRILLION** will pass hands! **\$39 TRILLION** of that will pass to heirs, who are looking to make an impact.

If you're not focused on individual giving, NOW is the time to start! A relational fundraising approach works far better than a transactional one. If you're not sure what that means, let's have a chat!

There are two ways to expand your fundraising capacity:

1. Maximize the capacity of your staff & board by investing in training & professional development.
2. Hire more fundraising staff. As you see from the data, it makes a HUGE difference in an organization's ability to raise money!

Take note of where other nonprofits of the same size are outperforming you. Share this information with everyone in the organization. Create a plan for filling the gaps so you can catch up with – and outpace! – your peers.

With the retirement of Boomers (at the pace of 10,000/day!), there are fewer fundraisers than there are fundraising jobs. The field is growing, but not quickly enough to keep up with the needs of the 1.5 Million nonprofits in the US.

Moving forward, you may have to consider filling positions with people who have some of the basic skills (people skills, writing skills, etc.) and train them how to become fundraisers.

I hope you found this information helpful!

Have questions?

Want to talk about what's next for your organization?

Book your free, 1-1 Fundraising Strategy call here:

<https://calendly.com/sbl-fundraising/free-strategy-session>



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