The savvy nonprofit's guide to staying ahead of giving trends.

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About Bonterra Guided Fundraising

Thousands of small nonprofits rely on Bonterra Donor Engagement's Guided Fundraising solution (formerly Network for Good) to cultivate relationships with donors and raise more funds. From donor management and events and auctions platforms to guidance from accredited fundraising coaches, Guided Fundraising gives small nonprofits the all-in-one solution they need to fundraise smarter and grow their good faster.

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Every year, Giving USA releases a report on philanthropy and giving in the United States. The most recent annual report confirms what fundraisers have feared: Overall giving is down 10.5%. Individual giving has also dropped by 13.4%. *Percentages adjusted for inflation.

It's tempting to read statistics like this and panic—surely this is bad news for your nonprofit, right? Fundraising benchmarks are often a source of worry for smaller organizations that have just started fundraising, don't have a large donor base, or don't yet have access to fundraising software. They feel as though they'll never catch up!

Sometimes, when a fundraising team comes across a scary statistic or benchmark, one of two things happens: they feel overwhelmed and don't make any changes to their fundraising plan, or they jump with both feet and no plan into whatever the latest trend is.

Most fundraising benchmark and trend reports aren't created for organizations like yours—small but mighty nonprofits that are making just as much of a difference in the world as their larger counterparts, but with far fewer resources. At Bonterra, we believe that small nonprofits deserve access to relevant fundraising benchmarks, tools that are designed for your specific needs, and resources to help you overcome your challenges.

We'll show you:

- Why you should pay attention to trends and benchmarks.
- How to separate fads from trends.
- How to evaluate which trends your organization needs to pay attention to.
- How to put giving trends to work for your nonprofit.
- How to check your progress.

And, you'll get our insider knowledge about which giving trends are poised to make the biggest impact next year and beyond!

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How to evaluate fundraising trends.

In this section, we'll talk about two concepts that all nonprofit leaders should keep in mind: **benchmarks and trends**.

Why bother with benchmarks?

Benchmarking is about more than just seeing how well other organizations are doing. It's an ongoing process of comparing your fundraising performance against expectations that you set for yourself or that the industry sets for you. Then, ideally, you can assign goals and track your progress against those benchmarks to measure your progress over time.

Many nonprofits aren't setting fundraising goals and tracking their progress. Perhaps this is because they aren't sure what goals are attainable and reasonable for their organization. This is where industry benchmarks come in.

In addition to helping you set goals and implement a plan to achieve those goals, benchmarking helps you keep an eye on your nonprofit's financial health and sustainability. You can also use benchmarks to prove to your donors, board, and staff that your nonprofit is making forward progress toward your mission!

The value of fundraising trends

Once you decide to make benchmarking a part of your fundraising strategy, you can start making use of some really exciting fundraising trends. It's important to keep an eye on how donor behavior changes over time so that your nonprofit is using the right channels, messaging, and tactics to appeal to your base.

If your organization isn't taking the time to see what others in your area are doing, you could be missing out big time. Especially during year-end, when donors are being bombarded by fundraising asks from all angles, savvy nonprofit leaders are taking advantage of giving trends to make their message stand out from the crowd.

Paying attention to giving trends and your benchmarks will also keep you from investing time and money on tactics that are no longer working for your organization.

Trend analysis questionnaire

Not all benchmarks and trends will apply to your nonprofit. But how do you separate those that are useful from those that aren't? Here are a few questions to ask yourself:

Does the data represent my nonprofit? Some yearly nonprofit benchmark studies survey really large nonprofits with dedicated fundraising teams. If that doesn't sound like your organization, measuring yourself against these benchmarks could be setting yourself up for failure. You should also consider whether the benchmark report contains data from organizations with similar geographic areas, levels of digital maturity, budget, and size as your own. Make sure you feel represented by the benchmark study before using it to set your goals.

Does the data represent my donors? Some benchmark and trend studies focus on donor behavior. But do the donors surveyed sound like yours? The average age of the donors is very important to know; millennial donors behave very differently from retired baby boomers. Also, if your organization operates in a rural area, you might look for donor trends in that category.

Is the data current? Giving trends don't always change significantly every year, so it's not necessary to be too concerned with having the latest data. If you do notice that donor behavior is shifting quickly, such as with the rapid migration to mobile giving, take note. If you're interested in online trends, benchmarks from more than five years ago probably aren't accurate. Online giving technology and trends advance more quickly than offline giving methods like direct mail.

Is it a reputable source? Nonprofit leaders turn to expert guidance from sources like NonProfit Pro and GuideStar for analysis of fundraising trends and benchmarks. Bonterra covers the latest trends and strategies for nonprofits like yours on our blog. Mary Meeker's highly anticipated annual Internet Trends Report is a great source for general online trends.

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Know where you've been.
(So you know where you're going.)

Now that you're ready to begin measuring yourself against benchmarks, it's time to take stock of your past performance. Understanding how you have fared in the past will help you understand where you want to go and set goals to get you there.

Use our Fundraising self-assessment worksheet to help you get started.

Some of the questions you'll ask yourself include:

- How was this past fiscal year?
- Did you reach your goals?
- Did you see increases in average gift?
- Did you see increases in retention rate?
- Did you see increases in the number of donors?

> If you're not using a fundraising solution, there's a good chance this data isn't readily accessible. If that's the case, getting your donor data cleaned up and put into a simplified system should be a priority. It's extremely difficult to measure benchmarks, trends, and your own performance without the use of simple, all-in-one fundraising solutions.
>
> But if your data does exist in difficult-to-manage spreadsheets, all hope isn't lost. Once you migrate that information to a centralized system, you'll be able to draw insights to inform your plan or areas to improve.

After this data is assembled, you'll be ready to create performance goals. Compare your performance to the industry benchmarks you identified in the last section. How do you stack up?

For each data point, you'll create one or two stretch goals so you're not just holding steady, but growing your fundraising as well. Instead of a goal of simply increasing donors, plan to acquire 25 new individual donors in six months. Or set a goal of getting 25% of current donors to make a second gift within a 12-month period. This will keep your team moving toward the same goal and will give you a clear metric to gauge your success.

Begin with the end in mind: goal setting for nonprofits

It's tempting to dive right into strategies and tactics—that's the fun part of marketing. But without a clear idea of exactly what you want to accomplish, it will be difficult to know what strategies and tactics will help you achieve your fundraising goals. For this reason, it's always a good idea to start with SMART goals.

SMART goals are those that are specific, measurable, achievable, relevant, and time-bound. Nonprofits that set SMART goals are more likely to meet their goals.

- **Specific:** Your goals should be clearly defined and detailed. Non-specific goals, like "Raise more money next quarter for Project X" are difficult to achieve because it's hard to know what you're aiming for. How much money do you need to implement Project X? What date do you need to reach it by? What will you need to do to accomplish the goal? A better goal would be, "Raise $20,000 by X date for Project X using a peer-to-peer campaign designed for our supporters who have demonstrated an interest in X cause."

- **Measurable:** In the first example, "more money" isn't measurable. It will be impossible to know whether the amount you raise will cover the needs of the project, and supporters will be unsure what to work toward. It's hard to get excited about a goal that isn't measurable because you don't know when you've achieved it.

- **Achievable:** Nothing kills motivation faster than a goal that isn't reachable. Stretch goals are good. People like to work hard for something they believe in. But if a goal is set too high, your team and your supporters will become discouraged quickly. And because discouragement is "contagious," it can seep into future fundraising efforts, as people will remember failing significantly in the past.

- **Relevant:** Your goals should be as unique as your organization. The perfect goal for one nonprofit will be the wrong goal for another. Let your purpose and your mission guide your goal-setting. What outcomes do you want to see? Who do you most want to help? What methods will you be proud to use? What achievements would you look back on three years from now and say that they're the ones that truly moved your organization forward?

- **Time-bound:** Without a timeline attached, goals tend to stagnate. There will almost always be tasks more urgent, more items that call for immediate attention. By assigning milestone dates to your goals, you'll build in an urgency that will ensure the completion of the actions and activities you need to do to reach your goal.

Now that you've set goals for future performance, it's time for the fun part! In the next section, we'll explore how to determine which technologies, tactics, and trends are a good fit for your mission.

Trend watch: data is king

Experts agree: the nonprofit industry is becoming more data-driven. Fundraisers can't afford to ignore the data that's now so easy to collect. Analytics can show us giving trends, which donors have lapsed or are in danger of lapsing, who might be a good candidate for a recurring giving campaign, and more. Advanced nonprofits are even using artificial intelligence to predict how donors will respond to different imagery and messaging. But what exactly does data mean for you? Here are a few common fundraising problems and how a data-driven nonprofit might solve them.

The problem: Your nonprofit needs to raise more money.

The data-driven solution: Are you using a multichannel approach? According to Double the Donation, "32% of donors are most likely inspired to give via social media, followed closely by email (30%), website (17%), print (15%), TV or radio ad (3%), phone call (2%), or text message (1%)." Make sure all of your supporters are being contacted in a variety of ways. Tracking your results will help you refine your approach over time.

The problem: Your nonprofit's donor retention rate falls short of fundraising benchmarks.

The data-driven solution: Repeat donors have higher retention rates—59% year-over-year—than new donors, who retain at a rate of just 25%. If you haven't yet asked your existing supporters to become monthly donors, here's an easy way to get started. Take a look at your donor database and identify people who have given more than once in the last six months, regularly open your emails, or have attended one of your events in the past. Then, send them a monthly giving ask that demonstrates how much their recurring gift will make a difference.

The problem: Your email appeals aren't getting the results you hoped.

The data-driven solution: We know that 25% of donations are made on mobile devices. If your fundraising pages aren't mobile-friendly, you could be frustrating your donors and missing out on a big segment of potential givers. And, if you know your donors are mobile users, you should try a text-to-give campaign that will make it even easier to donate on their mobile devices.

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Play to your strengths.

Now that you're aware of fundraising benchmarks and trends as well as your own performance, let's figure out how to make all this information work for your organization.

Make a list of fundraising and online trends that you've read, heard, or witnessed firsthand. Here are a few big ones:

- **GivingTuesday is growing exponentially.** In 2022, organizations raised $3.1 billion dollars online during GivingTuesday, up 15% from 2021.

- **Move over, millennials: Gen Z is entering the workforce.** This new audience segment is characterized by a deep desire to make a difference in the world and its ability to tell when an organization is being inauthentic.

- **Email is growing.** An Adobe study found that 61% percent of consumers would rather hear from a company by email than by any other channel.

- **Transparency matters more than ever.** These days, donors want to know how their money is being used. Nonprofits are strengthening their relationships with supporters by sharing more information than ever before.

- **Mobile matters.** Mobile device usage continues to rise in every age range, and the philanthropic sector isn't untouched. In 2022, 57% of nonprofit website traffic came from mobile devices and mobile messaging subscriber lists grew by 11%.

Think of using trends as hitching a ride on a train that's already on the move. If it's going in the same direction as your goals, you'll get there much faster. But if the train is taking you further from those goals, it's time to get off. In summary, feel free to disregard trends that don't align with your mission or play to your strengths.

For example, if your donor base is older and less technologically inclined, it's not advisable to put all your resources into mobile giving campaigns. If your goal is to attract a younger generation of supporters, however, a mobile presence will be critical.

Another example: if your organization raises most of its fundraising dollars from one or two big yearly events, perhaps GivingTuesday is less important for your organization than for others. But if one of your goals is to diversify your fundraising methods, you'll definitely want to get involved in the second-largest online fundraising day of the year (topped only by December 31).

And, if you're struggling to write compelling content to get your supporters engaged, the trend toward extreme donor transparency could be your best friend. Share regular mission updates with your supporters. Send them photos of how your organization is making a difference and post frequent campaign updates on your social media to make donors feel involved in your cause.

Now you're ready to build a plan to incorporate these creative ideas into your fundraising strategy. Have your team come together to brainstorm some concrete steps to get started.

Trend watch: lesson from the private sector

Many of the hottest trends to watch in the coming years come straight from our counterparts in the for-profit industry. The not-for profit sector tends to be slower to adopt new technologies and tactics than our private industry friends, but you can use this to your advantage. By keeping a close eye on tech trends and consumer behavior, you have a window into the future of fundraising trends and donor behavior. Here are a couple of tried-and-true business tactics that the nonprofit sector is starting to pay attention to:

It's all about subscribers. Netflix knows that access to good content is what keeps its subscriber count from plummeting. The takeaway for you is to think of your recurring givers like subscribers: you have to give them access to personalized, exclusive content in order to retain them year after year.

You're probably not bugging your supporters. While there is such a thing as too much communication, it's a high bar to reach. Take a lesson from Amazon. When you order a product, you get a confirmation email, an update when it ships, a delivery confirmation, and a request for feedback. That's not counting the marketing emails that the tech giant regularly sends its customers. Like Amazon, you should be using a multi-step process to provide regular updates and transparency. Remember—they want to hear from you!

Be proactive, not reactive.

Remember when we said that overall giving is slightly down this year? It's too soon to say whether this is part of a larger trend or just a dip in the road for your organization. But if charitable giving were to take a sharp dive, how quickly could your nonprofit adjust course? All of the methods discussed in this guide require you to have a clear look at your donor data.

We can't overstate the importance of clean, accessible donor data and a streamlined fundraising system. If your fundraising information is scattered across spreadsheets or systems, it's holding you back. You won't be able to measure progress or take advantage of fundraising trends that can really help your cause.

Today's technology makes it easier than ever for nonprofits to understand what's important to their donors, deliver a better donor experience, increase donations, and save time and money. To stay ahead of trends and to meet your benchmarks, consider implementing a new or better fundraising solution. Here are a few advantages to an all-in-one solution that integrates your communication channels, reporting, and donor database:

- **Automation frees up staff time.** In our experience, nonprofit teams always have more on their to-do lists than they have time to get those tasks completed. Because a fundraising solution allows you to automate repetitive manual processes, your team can do more with less. You'll benefit not only from having the ability to run more campaigns, but your team will also be less stressed in the process.

- **Segmentation enables personalization.** When you can easily segment your donors by interests, characteristics, and giving history, you can better personalize your communications. Send specific appeals asking for support to the donors most likely to give. Be more descriptive in your thank-yous, letting donors know that you truly appreciate their contributions. Invite the donors most able to contribute large gifts to your top-tier events.

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- **Data lets you leverage strategic donors.** With a fundraising solution, you can easily see which donors are most committed, in terms of both volunteer time and financial support. If you track the data, you can also see which donors have the broadest networks and know other potential donors. With this information, you can focus on these donors with specific requests that they're likely to respond to because of their commitment.

- **Data helps you retain donors.** With a thorough understanding of your donors, you can better craft a donor stewardship program that resonates with each type of donor. You can determine what donors would appreciate most and how to make your thank-yous more meaningful. When donors can sense that they are valued as individuals, they are more likely to feel a part of your team, and more likely to stay committed for the long term.

Trend watch: focus on donor retention

The number one way to future-proof your organization's financial security—and therefore your ability to keep doing good in the world—is to focus on retaining the donors you have. Retaining a donor is also a lot less costly than acquiring a new one, which is why donor retention is one of the biggest trends of the year.

Careful and consistent attention paid to new and existing donors can directly impact the likelihood that they will continue donating and even increase their giving. After all, once donors make their second gift, retention rates increase significantly. Meaningful communication, strong donor data management, and segmentation create an effective donor retention process that will set up your nonprofit for long-term fundraising success.

You put so much work into acquiring new donors. To learn how to keep them year-over-year, read our guide on Mastering donor retention.

Visit **bonterratech.com** to request a demo of Bonterra Guided Fundraising, an all-in-one fundraising solution, to ensure your plan is executed flawlessly.

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