



# GIVING OUTLOOK

**allegiance**  
group

**PURSUANT.**

+

GivingDNA.



# **Emerging Stronger:**

## **How Nonprofits Can Find Growth Today**

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American philanthropy has endured prosperity and pause, presenting an opportunity for fundraisers to find growth. Pursuant + Allegiance Group offers a strategic plan to enable nonprofits to thrive by aligning with donor expectations, embracing new patterns of giving, and refocusing strategic engagement.

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# Introduction:

## Emerging Stronger



Fundraisers faced yet another exceptional year in philanthropy in 2022 as inflation and economic uncertainties took their toll on donors. **As we consider 2023, there are signs of promise that recessionary fears were overblown and the worst may be over.** While some nonprofit organizations are continuing to absorb the impacts of 2022, there is widespread resilience within the philanthropic sector which has shown its ability to adapt to adversity. Pursuant's data and observations suggest that the sector is poised to emerge stronger from recent hardships and capitalize on opportunities ahead.

# Observations from 2022

**2022 brought a new set of challenges for fundraisers:** Inflation reached a 40-year high, the stock market remained volatile, and the economic outlook headed into 2023 was highly uncertain.

As an industry, we saw overall philanthropic giving revenue decline by 3.4% in 2022, and individual giving revenue fell even steeper at 4.9%, according to Giving USA.<sup>1</sup>

Perhaps the most important headline from 2022 was the decline in the number of overall donors by 10%, as reported by the Fundraising Effectiveness Project.<sup>2</sup>

**The perennial narrative of *more dollars from fewer donors* degraded in 2022 to *fewer dollars from even fewer donors*.** As ever, the headline serves as a catalyst for change and should prompt the industry to reassess strategies and adapt to the evolving landscape.

# A Resilient Response

Despite setbacks, the philanthropic community showed determination with donors at all levels continuing to contribute meaningfully. In 2022, Americans gave

\$499.33 billion to charity. Giving by individuals accounted for 64% of this revenue, totaling \$319.04 billion to make change happen and create a better world.

Despite setbacks, the philanthropic community **showed determination with donors at all levels** continuing to contribute meaningfully.

## **Patterns of resiliency are evident down to the individual appeal level.**

Pursuant clients and M+R Benchmarks reported a decline in direct mail and fundraising email response rates through much of 2022. Yet direct mail response

rates hit a floor that summer and have crept back meaningfully and consistently in the 12 months since then. Organizations have shifted strategies to mail at lower volumes or mail smarter – and response rates are now reflecting those strategic changes.

# Marching Ahead Together

Fundraisers and marketers find themselves operating in a state of “permacrisis”<sup>3</sup> – an environment that continuously challenges humankind with ongoing emergencies. Fundraisers must vie for attention across a multitude of needs – many of which are actually the needs of their own constituents.

**Despite these complexities, optimism prevails.**

The sector's ability to withstand inflation, adapt to the environment, and continue to serve those in need shows promise for the path ahead. The spirit, experience, and outlook of fundraisers has remained positive and optimistic throughout this period. The Pursuant Pulse Survey of fundraisers revealed that over 80% of fundraisers have 2023 revenue targets that are equal to or higher than those of 2022.<sup>4</sup>

**As the landscape in which we operate continues to evolve, nonprofits are primed to flourish and drive lasting change.** The sections ahead explore where we have been as an industry and where we are headed. Most importantly, we explore where nonprofit organizations are finding growth and hope to inspire a growth mindset in your own program with these tactics and strategies.



# Observing Change



## Giving Overall

*The Pursuant Giving Outlook highlights many of the very best sources of nonprofit benchmark data – for overall fundraising, direct response, and online programs, with insights by sector – along with perspectives on growth and innovation. We have compiled a recap of philanthropy’s path in 2022 as well as perspectives on the most available data at hand. We hope you’ll find yourself within this data, and we welcome discussion to take you where you want to go.*

Total philanthropic giving fell in 2022, a relatively rare occurrence usually seen during years with difficult or unusual economic conditions. Giving was influenced by stock market volatility and economic uncertainty. Total giving declined 3.4% from a total of \$516.65 billion in 2021. Online giving – typically an engine of growth – similarly declined by 4%.

## **Economic challenges from the year included:**

- A 19.4% drop in the S&P 500, the first double-digit decrease since the Great Recession in 2008<sup>5</sup>
- Steep declines in the S&P 500 during the year-end giving season<sup>6</sup>
- Flat growth in disposable personal income by a 0.3% increase<sup>7</sup>
- 40-year-high inflation rate of 8.0%<sup>8</sup>

Context is incredibly important. 2022 follows the two best years on record for charitable giving, including 2021 when giving surpassed \$500 billion for the first time. Viewed through a longer-term lens, giving in 2022 is up 8.6% to \$482.44 billion from pre-pandemic 2019 levels of \$444.24 billion, according to Giving USA. **Despite a very rough 2022, the industry remains on a long-term growth trajectory.**

In our experience working with clients, we appreciate the importance and value of annual and even quarterly budgeting. At the same time, it's important to recognize that extended and substantial growth often comes from long-term strategic moves and investments. We encourage our clients to evaluate the growth of their own programs by looking at both short-term signals as well as long-term trends.

Below, we will jump into depth by exploring giving by sector, source, and channel for 2022 — while acknowledging that the long-term lens is equally important.

### **How has your fundraising program changed?**

GivingDNA Platform decodes the personal experiences that inspire your donors to find, engage, and give more than ever before. It's

purpose-built for fundraisers, designed to answer your toughest fundraising questions. It's the way supporters engage with nonprofits today.



**Request a free demo at [givingdna.com/demo](https://givingdna.com/demo).**



# Giving by Sector

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The overall pattern of growth has been echoed to a greater extent by the eight industry sectors tracked by the Giving USA Annual Report on Philanthropy.

**Contributions by Recipient Organization, 2013 to 2022**  
*Total Percent Change (%) year-over-year in billions of dollars*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>OVERALL</b>	<b>-0.6</b>	<b>7.5</b>	<b>5.0</b>	<b>5.1</b>	<b>8.2</b>	<b>1.6</b>	<b>1.3</b>	<b>11.3</b>	<b>6.2</b>	<b>-3.4</b>
<b>Religion</b>	4.4	5.0	2.8	3.9	1.0	0.3	2.9	<b>-0.4</b>	6.3	<b>-5.2</b>
<b>Education</b>	<b>-5.1</b>	11.1	7.7	0.7	5.0	4.6	5.9	<b>-4.6</b>	22.2	<b>-3.6</b>
<b>Human Services</b>	0.0	6.3	7.2	4.4	7.8	8.7	1.6	15.9	7.2	<b>-0.06</b>
<b>Health</b>	23.2	2.5	3.6	10.5	1.4	6.4	<b>-2.7</b>	6.8	14.4	5.1
<b>Public Society Benefit</b>	6.1	6.5	5.7	13.2	11.4	8.9	3.0	13.2	17.1	<b>-8.4</b>
<b>Arts, Culture, Humanities</b>	5.4	8.7	11.0	<b>-3.0</b>	5.7	4.4	4.3	<b>-2.4</b>	24.5	2.9
<b>International Affairs</b>	21.2	4.2	15.9	<b>-7.5</b>	16.4	<b>-4.5</b>	5.1	3.2	16.3	10.9
<b>Environment/Animals</b>	<b>-4.0</b>	12.2	10.9	6.0	6.5	10.1	0.7	11.6	10.1	<b>-1.6</b>
<b>Foundations</b>	4.7	9.4	2.2	8.9	11.5	5.4	6.6	24.3	11.6	2.5



## Religion

**Religious contributions grew by 5.2% between 2021 and 2022**, with an estimated \$143.57 billion in contributions.

- Religious organizations received the largest share of charitable dollars in 2022, at 27% of total giving.
- While giving to religion didn't keep pace with inflation in 2022, it had the fourth-largest increase in giving compared to all other recipient categories. The percentage of contributions to faith-based organizations for the past decade has decreased dramatically in comparison to other top sectors.
- The number of Americans aligned with a faith also wanes each year causing the number of donors to decrease progressively. Yet, overall giving from most denominations has been resilient and a handful have witnessed a significant increase. A "dollars up and donors down" dynamic is apparent in this sector.
- The pandemic presented extraordinary challenges for religious organizations given this sector relies more on in-person participation and impacts continue to be felt. Religious attendance has yet to recover to pre-pandemic levels, continuing to impact giving to religious congregations. But many faith-based organizations have found opportunities to pivot on service delivery options as well, creating new opportunities to engage in digital and virtual spaces, which could account for some of the increase yielded in 2022.



## Education

**Education is estimated to have declined by 3.6% between 2021 and 2022, to \$70.07 billion.**

- The education subsector ranked third in total gifts received, at 13% of charitable dollars in 2022. This was only the fifth time in the past 40 years when education failed to hold its position as the second-largest revenue-generating subsector.
- Declines in 2022, while likely due in part to donor perceptions regarding inflation, also reflected a significant drop in philanthropic revenue at some institutions compared to 2021 when one-time mega-gifts affected significant but not sustainable growth. Paired with the pending “Enrollment Cliff” that is projected and the increasing cost of higher education driving divisive perceptions of higher education in general, there is reason for concern in this subsector to address the approach to philanthropy.
- Though giving to education declined from 2021 to 2022, two-year and five-year trends in this subsector saw increases in the long term.



## Human Services

**Human Services reached \$71.98 billion in 2022**, and declined by 0.6% in current dollars, staying relatively flat with 2021.

- Human services organizations comprised the second-largest portion in total gifts received, at 14% of the total in 2022.
- Donors are opting to give directly via crowdfunding when a crisis occurs, and with more crises happening each year, it is more difficult for human service organizations to attract, retain, and even track donors.
- Donor retention in this sector is among the most challenging as donor contributions are episodic in response to current events rather than comprised of recurring gifts from tenured stakeholders.



## Health

**Health is estimated to have grown by 5.1% between 2021 and 2022** to \$51.08 billion.

- Comprising the fifth-largest portion of charitable dollars in 2022, the health subsector received 10% of total giving.
- Philanthropy for all areas of healthcare is now rebounding after support for COVID relief slowed in 2022. While slightly softer than 2021, giving to health in 2022 saw the second-highest inflation-adjusted value in history.
- LGBTQIA+ rights, health equity, mental health initiatives, and abortion rights were the most supported areas across healthcare philanthropy. Large gifts supporting AI in healthcare were prevalent in 2022 and are expected to continue in 2023.
- Peer-to-peer fundraising events increased in participation in 2022 and more fundraising events will return in 2023, reimagined for the new philanthropy landscape.



## Public-Society Benefit

**Public-Society Benefit decreased an estimated 8.4% between 2021 and 2022, to \$46.86 billion.**

- The public-society benefit organizations subsector ranked sixth in total gifts received, at 9% of charitable dollars in 2022. Giving to this sector saw the first drop in giving in over a decade. However, giving to this sector has proven strong, with the five-year annualized average rate of growth nearly double the growth rate of total giving.
- Organizations that responded quickly to create or promote solutions to pivotal and urgent issues saw strong fundraising results. These were nonprofits that were already working on these issues, had a trusted brand, and offered clear goals that donors could invest in.



## Arts, Culture, and Humanities

**Arts, Culture, and Humanities is estimated to have increased 2.9% between 2021 and 2022, to \$24.67 billion.**

- Arts, culture, and humanities organizations received the eighth-largest portion of charitable dollars in 2022, at 5% of total giving.
- While giving to arts, culture, and humanities organizations was largely stagnant (growth of 2.9% in current dollars), there were troubling undercurrents: declining million-dollar gifts, a decrease in online giving, and lagging patron numbers.
- Giving to larger, established organizations grew most strongly in 2022, especially giving for endowment support, with smaller organizations and those led by and primarily serving people of color finding more challenges in securing increased giving. Larger institutions were able to survive through pandemic closure challenges with significant benefactor support and endowments. But through that same period, smaller community-based organizations closed their doors entirely, unable to survive for the long term. The impacts of those shifts in philanthropy are certainly reflected in 2022 results.



## International Affairs

**International Affairs is estimated to be \$33.71 billion in 2022**, staying level with 2021 with 10.9% growth.

- The international affairs subsector ranked seventh in total gifts received, amounting to 6% of charitable dollars in 2022.
- Significant giving in response to the Russian invasion of Ukraine drove contributions to international affairs, which increased by 10.9% before adjusting for inflation. When removing support for Ukraine, funding for humanitarian appeals likely fell to its second-lowest level in seven years.



## Environment/Animals

**Environment/Animals is estimated to have decreased 1.6% between 2021 and 2022, to \$16.10 billion.**

- Comprising the ninth-largest share of charitable dollars in 2022, the environment/animals subsector received 3% of total gifts.
- While giving to environment and animal organizations declined in 2022, the sector has outpaced the growth rate for total giving over the past five years – a trend that reflects growing concerns over environmental issues, particularly the climate crisis.
- Despite an overall decline in the environment and animals subsector, there was a boost in recurring, monthly, and online giving for both environment and animal causes.



## Foundations

**Foundations are estimated to have increased by 10.1% in 2022**, to \$56.84 billion.

- Gifts to grantmaking foundations – including independent, community, and operating foundations – comprised the fourth-largest share of charitable dollars in 2022, amounting to 11% of total giving.
- Gifts to foundations in 2022 included support of long-term donor commitments as well as targeted emergency support to Ukraine and other crises.

# Giving by Source

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**Giving by individuals** remained the largest source of giving within the philanthropic sector, **accounting for 64% of the total giving, amounting to an estimated \$319.04 billion.**

However, there was a notable decline of 6.4% compared to the previous year, impacting the overall giving landscape.

Despite this dip, individual giving managed to maintain relative stability. Average gift size increased by 3.5% in 2022, to \$121. This suggests that among donors who gave, they may have been more strategic about their giving, focusing on causes that were most important to them.



**Giving by foundations** also played a significant role in the philanthropic ecosystem.

**In 2022, giving by foundations experienced growth, increasing by 2.5% to an estimated \$105.21 billion.** This category encompasses grants provided by independent, community, and operating foundations and constituted 21% of all gifts made during the year.

The upswing in foundation giving can be attributed to a number of factors, including strong financial performance of foundations and an increased focus on social impact investing. According to a report by the Foundation Center, the average foundation asset increased by 10.8% in 2021. This growth has allowed foundations to increase their grantmaking, which has benefited a wide range of nonprofits.



**Giving by bequest**, as a form of giving through wills and estates, showed promising growth in 2022. **The total amount of giving by bequest reached an estimated \$45.60 billion, marking a 2.3% increase compared to the previous year.** Bequests contributed 9% to the total gifts made in 2022, indicating the ongoing importance of legacy-based philanthropy.

While Giving USA tracks giving by individuals and by bequests as separate categories – and certainly they are different modes of giving – it is important to acknowledge and recognize that both types of giving originate through relationships with individuals.



**Giving by corporations** also experienced growth in 2022, with an estimated **increase of 3.4%, totaling \$29.48 billion.** This category includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts from corporate foundations. Corporate giving constituted 6% of the total giving in 2022.

The growth in corporate contributions reflects the commitment of businesses to invest in social impact initiatives. According to a report by the Conference Board, corporate social responsibility spending increased by 5.2% in 2021. This growth is likely to continue in the years to come, as businesses increasingly recognize the importance of giving back to the communities in which they operate.

# Giving Online

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**Artificial Intelligence (AI) was the dominant technology headline of 2022** with the splash of ChatGPT in November, yet online continues to be driven by traditional tools such as email, web, and paid media.



**Online revenue experienced a decline of 4% in 2022,**<sup>9</sup> attributed to the same economic factors affecting overall giving. One-time online giving saw a considerable decrease, with revenue from contributions falling by 12%. However, the average one-time gift size increased from \$115 the previous year to \$121. It's likely that a smaller group of more dedicated donors are choosing to give more generously amid economic uncertainties.

Declines in online giving are rare because the migration of philanthropy to online sources continues and has often grown annually in the double digits. While current year information is not available, the 2021 Charitable Giving Report by Blackbaud Institute showed that online contributions accounted for just 9% of all donations. Advances in payment technologies and donor habits will continue to drive these shifts – not to mention the promise that AI will likely drive for improved online donor engagement and retention.

# Digital Migration

Some perspective on online migration across industry sectors:

- Faith-based organizations lead the pack with 16.8% of their total fundraising coming from online giving, demonstrating a robust digital donor community.
- Animal welfare and human services follow, registering 11.7% and 9.1%, respectively.



**16.8%**

of fundraising  
for faith-based  
organizations  
came from  
online giving.

**Other sectors have room for significant digital growth.** The figures on the following page show the still substantial opportunity that digital migration and transformation can have for the industry.

**Percent of Total Fundraising  
from Online Giving by  
Industry Sector, 2021<sup>10</sup>**

<b>OVERALL</b>	<b>9.0%</b>
<b>Faith-Based</b>	<b>16.8%</b>
<b>Animal Welfare</b>	<b>11.7%</b>
<b>Human Services</b>	<b>9.1%</b>
<b>Arts &amp; Culture</b>	<b>7.7%</b>
<b>Public &amp; Society Benefit</b>	<b>6.8%</b>
<b>K-12 Education</b>	<b>6.4%</b>
<b>International Affairs</b>	<b>5.9%</b>
<b>Medical Research</b>	<b>5.8%</b>
<b>Environment</b>	<b>5.1%</b>
<b>Healthcare</b>	<b>3.3%</b>
<b>Higher Education</b>	<b>2.7%</b>

# Monthly Giving

While online giving growth took a pause in 2022, online monthly giving remains a primary driver of growth. **Revenue from monthly giving rose by 11% in 2022**, demonstrating the growing preference among donors for making regular, smaller contributions over sporadic larger ones. Additional changes in technology and consumer preferences have influenced this growth, aligned closely to demographic generations.

**Percentage of Donors Who Prefer to Give Occasionally Versus Monthly<sup>11</sup>**

	OCCASIONALLY	MONTHLY
Gen Z	57%	62%
Millenials	79%	58%
Gen X	78%	35%
Boomers	72%	18%



- **Monthly giving didn't just grow in absolute terms: It now accounts for a larger slice of the online revenue pie, making up 28% of all online revenue in 2022.** Monthly giving has become a significant pillar of the fundraising strategy for many nonprofits, providing a reliable and predictable income stream.
- **Average monthly gift increased to \$25, up from \$24 in the previous year.** This marginal growth might be seen as modest, but when spread across numerous donors and multiplied by 12 months, it can lead to a substantial increase in total annual revenue.

# Email

Email marketing continued to be a significant channel for nonprofits in 2022, providing an effective platform for communication, donor acquisition, and fundraising.

- **For every 100,000 email subscribers that nonprofits had at the beginning of the year, they were successful in adding an average of 9,000 new subscribers through paid advertising.** This data underscores the viability of paid advertising as a strategic tool for expanding email databases and broadening the reach of organizations' messages.
- **On average, nonprofits sent 60 email messages per subscriber over the course of the year, or about one email every six days.** Among these messages, nearly half were fundraising appeals. Email remains a primary channel for soliciting donations and nonprofits are leveraging it to maintain regular touchpoints with their donors.
- **Email drives about 14% of all online revenue. Despite the proliferation of social media and other digital platforms, email marketing remains enduringly relevant.** From a demographic perspective, email tends to be more effective at engaging younger audiences while direct mail engagement is generally equivalent.
- **It is particularly interesting to note that a long-held assumption that younger donors are not interested in direct mail does not seem to be bearing out.** The percentage of Millennials likely to be motivated by direct mail is actually higher than Boomers or Gen X so it is reasonable to assume that adjustments in channel-driven audience segmentation should be revisited.

## Direct Mail Versus Email in Likelihood to Motivate a Gift

*Mean score with 1 being very unlikely and 5 being very likely.*

	DIRECT MAIL	EMAIL
Gen Z	3.1	3.7
Millenials	3.5	3.8
Gen X	3.3	3.4
Boomers	3.3	2.8

**AI will bring about an additional wave of digital migration. With a wealth of data at hand, will AI finally unleash this potential to create personalized, engaging experiences for donors?** Or will fundraisers be forced to invest and understand new technologies such as data science and machine learning to inform simple decision-making?



# Looking Ahead & Imperatives for Growth



## Looking Ahead

The past few years have been tough for philanthropy. The pandemic, economic uncertainty that followed, and political polarization have all taken their toll on the sector – exposing vulnerabilities of weaker organizations and at times the industry as a whole. Additionally, labor market challenges have hit the nonprofit sector particularly hard with inflation, supply chain issues, and overall burnout in the sector adding to the strain. As the nation endures the 2024 presidential election ahead, there's hope amidst the apprehension. **There are signs that the worst may be over and new opportunities are around the corner.**

## Current Conditions

Inflation has cooled and consumer confidence appears to be recovering as we head into 2023 year-end. As of June 2023, the annual inflation rate in the US moderated to a two-year low of 3%, down by an inflation rate that peaked at 9.1% in 2022. Consumer sentiment has strengthened for the second consecutive month, reaching a high of 71.6 in July 2023 – the highest level in nearly two years. Stability in the labor markets and waning inflation largely accounted for this positive trend.

Amid these developments, the S&P 500 marked a solid first half of 2023. The index rose more than 6% during the month, translating into a near 16% surge heading into Q3 2023. The early banking crisis of 2023 appears to have subsided.

## Demographic Dynamics

Over \$68 trillion in assets and family wealth will shift from baby boomers to younger generations over the next 25 years.<sup>12</sup> The recipients of this wealth, largely millennials and Gen Zs, are both technologically adept and socially aware, traits that could profoundly reshape the nature of giving. Their digital fluency combined with their strong social consciousness could mean a shift towards more transparent, impactful, and value-aligned philanthropy.

**While this wealth shift raises questions about wealth disparity and the potential reinforcement of existing power structures, the immense scale of this opportunity, if harnessed properly, could catalyze systemic change and redraw the philanthropic landscape.**



**\$68+ trillion**

in assets and family wealth will shift from baby boomers to younger generations over the next 25 years.

In the shorter term, the largest cost-of-living adjustment in over four decades took effect in 2023 for older Americans who are Social Security recipients. Spending and philanthropy should both be bolstered by this increase. According to Bank of America Institute’s research, card spending data indicates accelerated spending growth among households receiving these payments, relative to non-recipients. Aggregated data reveals a 5.1% YoY rise in total card spending per household in January 2023, marking a significant uptick from December before changes went into effect.<sup>13</sup>

Annual giving by generations is summarized below, showing relative differences between the Gen X and Boomer generations – along with the potential that Gen X donors may yield as they become beneficiaries of this wealth and influencers of where philanthropy is driven.

Annual Giving By Generation

	2016	2022	Difference	% Change
Gen Z		\$747		
Millenials	\$942	\$1,323	\$381	+40%
Gen X	\$1,265	\$1,220	\$45	-4%
Boomers	\$2,921	\$2,568	\$353	-12%

## Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion (DEI) programs have evolved beyond social imperatives to become drivers of organizational growth. This means a recognition that growth must come from a long-term acquisition strategy that seeks to acquire an audience that is distinctly different from a traditional or core audience.

For many organizations, this will mean reaching and engaging a significantly younger audience. For others, this translates to an ethnically diverse constituency – of both service recipients and donors. Recognition of the needs of these audiences will lead to changes in communication channels and touchpoints, for instance, to Spanish language media.

As the demographics of America continue to evolve, such strategies create a path for growth at nonprofits. Organizations that make DEI a strategic priority are broadening perspectives, deepening their understanding, and strengthening their potential for impact. In turn, these programs act as catalysts for organizational growth and the creation of a more equitable society.

## Three Imperatives for Growth

**How will your organization emerge stronger?** A focus on individual philanthropy and commitment to fundamental relationship building will enable organizations to create impactful connections, broaden their donor base, and remain resilient in the face of change.



## **Imperative One: Fuel Philanthropy through Individuals**

Philanthropy, at its core, is profoundly human. In 2022, giving by individuals still composed 64% of total giving. Despite the rapid digitization of communication and engagement (not to mention the rise of AI), the heart of philanthropy continues to be driven by personal, one-on-one relationships.

Regardless of how they are classified, major gifts, donor-advised fund gifts, and bequests originate from individuals, their personal convictions, and their connection to your cause. Nurturing meaningful relationships with individuals at every stage of the donor pyramid will continue to drive growth.

- Perform a donor file analysis to prioritize donors by their lifecycle on your file – whether new, multiyear, or lapsed donors
- Explore the migration of individual donors to become major donors
- Explore how “non-traditional” donors – such as DAF gifts – are recorded and attributed within your donor management system



## **Imperative Two: Invest in Relationship-Building over Short-Term Revenue**

Short-term planning and immediate goal-setting often inhibit the cultivation of a comprehensive donor development pipeline. Nonprofits that primarily focus resources on their biggest donors risk alienating everyday donors and lack a pipeline of engaged donors that can often take multiple years to cultivate. This pattern is perhaps perpetuated across the industry in a cycle where fewer donors contribute more dollars, and new donors are overlooked or not welcomed into the practice of philanthropy. To break this pattern, nonprofits must commit to long-term investment to nurture and engage a dynamic donor pyramid.

- Establish organizational KPIs for acquiring new donors and generating multi-year donors. Both are integral components of a dynamic donor pyramid.
- Frame the value of an individual giving program over time through sustained investment with multiyear projections that illustrate the impact and value of an efficient operating program.
- Benchmark the life stage of your individual giving program against other programs that are further along. Cast a vision for what an efficient operating program could be for your organization and invest appropriately.



## **Imperative Three: Rely on Experience and Perspective to Stay on Course**

Fundraisers have been through this before. Regardless of where you are in your fundraising career, there is precedent for where we are today and the expertise available of those who have thrived through challenges.

Despite the obstacles encountered in 2022, 60% of fundraisers polled by Pursuant in Q1 2023 share that they met or exceeded their 2022 fundraising goals.<sup>14</sup> Two-thirds believe that the economy will stabilize or improve in the remaining months of 2023. This optimism, rooted in adaptability, is a testament to the dynamic nature of the fundraising community and evidence that we will forge ahead.

- Participate in conferences and benchmarking discussions to understand your organization's performance in context with others'.
- Share economic and fundraising outlooks with your board and leadership teams so that they might understand the relationship between fundraising and the economy.
- Maintain a long-term growth mindset, remaining focused on long-term moves and strategies while short-term blips are encountered.



# Tools for Emerging Stronger

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**Pursuant has developed a set of tools and solutions designed to drive strategic fundraising growth and position fundraisers for success.** Please don't hesitate to contact us to learn more.

# 1

## Learn more about your supporters

**Before you engage your donors, you have to know them. As you plan for the year ahead, start by listening to your donors at scale through the Pursuant GivingDNA™ Platform.** The approach identifies real-time key audiences within your donor database and helps to prioritize those who are ready for a more meaningful relationship – and it starts by simply uploading constituent and gift files to the platform.

Augmented intelligence is then applied to explore and understand your file. Our technology decodes each supporter, from major gifts to casual supporters, revealing elements of who they are and what motivates them to action. You will be able to explore and describe your donors based on motivation and behavior, rather than departmental silos, hypothesized marketing segments, or website personas.

**Request a free demo** of the Pursuant GivingDNA™ Platform at [pursuant.com/demo](https://pursuant.com/demo).



## 2

## Explore the impact of improved relationships

**What impact would an elevated experience for your mid-level donors have on your fundraising program in 2023?** Would your donors benefit from a monthly giving program? What role would a new event play on acquisition? What if we did nothing? Generating outlook scenarios for the future allows you to explore the potential of improved retention on your fundraising program and your organization works through strategic planning.

Pursuant + Allegiance Group continuously works with clients and prospects to generate and refine growth strategies of direct response programs. Our sophisticated projections calculators take the very best aspects of that experience and enable us to support our clients with data-driven insights that drive scenario planning and decision-making.

**Contact us today** to support growth and scenario planning at your organization.



# 3

## Rebalance your program to meet objectives

**With a firm understanding of your current program – as well as the what-if opportunities that growth scenarios could provide – we can now compare and contrast program opportunities with revenue and budget outcomes in mind.**

Our clients use these insights to inform strategic decision-making, assessing investment of current fundraising vehicles while considering the impact of new programs within a broader philanthropic portfolio.

Additional tactics that can inform campaign planning and design include **journey mapping, experience design, and contact and content strategies.**

# 4

## Reward your supporters

**Anchored by both insights and growth imperatives, focus shifts to execution, ongoing measurement and optimization as your efforts are realized through results.** These efforts include development and deployment of your strategies to improve marketing and fundraising results of your organization.

As your donors hear the right messages from you, they'll welcome a letter from you in their mailbox or an email in their inbox. They will be more likely to open these communications and feel the impact of past support, thereby strengthening their connection with your organization.

Pursuant delivers compelling direct response campaigns through direct mail, digital, phone, media, and more. **Contact us today to learn how we can help you engage and grow your supporters.**

## Endnotes

- 1 *Giving USA 2023: The Annual Report on Philanthropy*, <https://store.givingusa.org/products/2023-key-findings?variant=44055760896224>
- 2 *Fundraising Effectiveness Project: Quarterly Fundraising Report*, <https://data.givingtuesday.org/fep-report/>
- 3 *Accenture Life Trends 2023*, <https://www.accenture.com/us-en/insights/song/accenture-life-trends#block-trend-1-i-will-survive>
- 4 Pursuant Philanthropic Pulse Survey: Q2 2023 Results
- 5 Nonprofit Quarterly: “Why Philanthropic Giving Declined in 2022”, <https://nonprofitquarterly.org/why-philanthropic-giving-declined-in-2022/>
- 6 Lilly Family School of Philanthropy, [https://philanthropy.iupui.edu/news-events/news-item/giving-usa-total-u.s.-charitable-giving-declined-in-2022-to-\\$499.33-billion-following-two-years-of-record-generosity.html?id=422](https://philanthropy.iupui.edu/news-events/news-item/giving-usa-total-u.s.-charitable-giving-declined-in-2022-to-$499.33-billion-following-two-years-of-record-generosity.html?id=422)
- 7 U.S. Bureau of Economic Analysis, <https://www.bea.gov/data/income-saving/personal-income>
- 8 AP News: US Inflation, <https://apnews.com/article/key-inflation-report-highest-level-in-four-decades-c0248c5b5705cd1523d3dab3771983b4>
- 9 M+R Benchmarks 2023 Report, <https://mrbenchmarks.com/#fundraising>
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- 11 *Giving USA Special Report: Giving By Generation*, <https://store.givingusa.org/products/giving-usa-special-report-giving-by-generations>
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- 14 Pursuant Philanthropic Pulse Survey: Q2 2023 Results



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