

# Individual Giving:

How-to Strategies to Buck Downward Trends

January 30, 2024

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Wade Rogers  
NFC Moderator



Mark Hager  
NFC Moderator



# Today's Presenters



**HILDA POLANCO**  
Market Managing  
Partner

BDO



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Consultant to  
Nonprofits &  
Foundations

Moderator at Nonprofit  
Financial Commons



**RUTH  
MCCAMBRIDGE**  
Director of Content

Nonprofit Financial  
Commons



**MELISSA CAMERON**  
Experienced Manager

BDO

# Today's Presenters



**CREE ROSE DUEKER**  
Program Coordinator  
Movement Building

Native Governance  
Center



**LAUREN KRAMER**  
External & Donor  
Relations Officer

Native Governance  
Center



**ARI SOLOMON**  
Director of  
Development

Jewish Voice for  
Peace

# 5 Common Nonprofit Business Models



INDIVIDUAL DONOR



FOUNDATION (“INSTITUTIONAL”)



GOVERNMENT



FEE FOR SERVICE

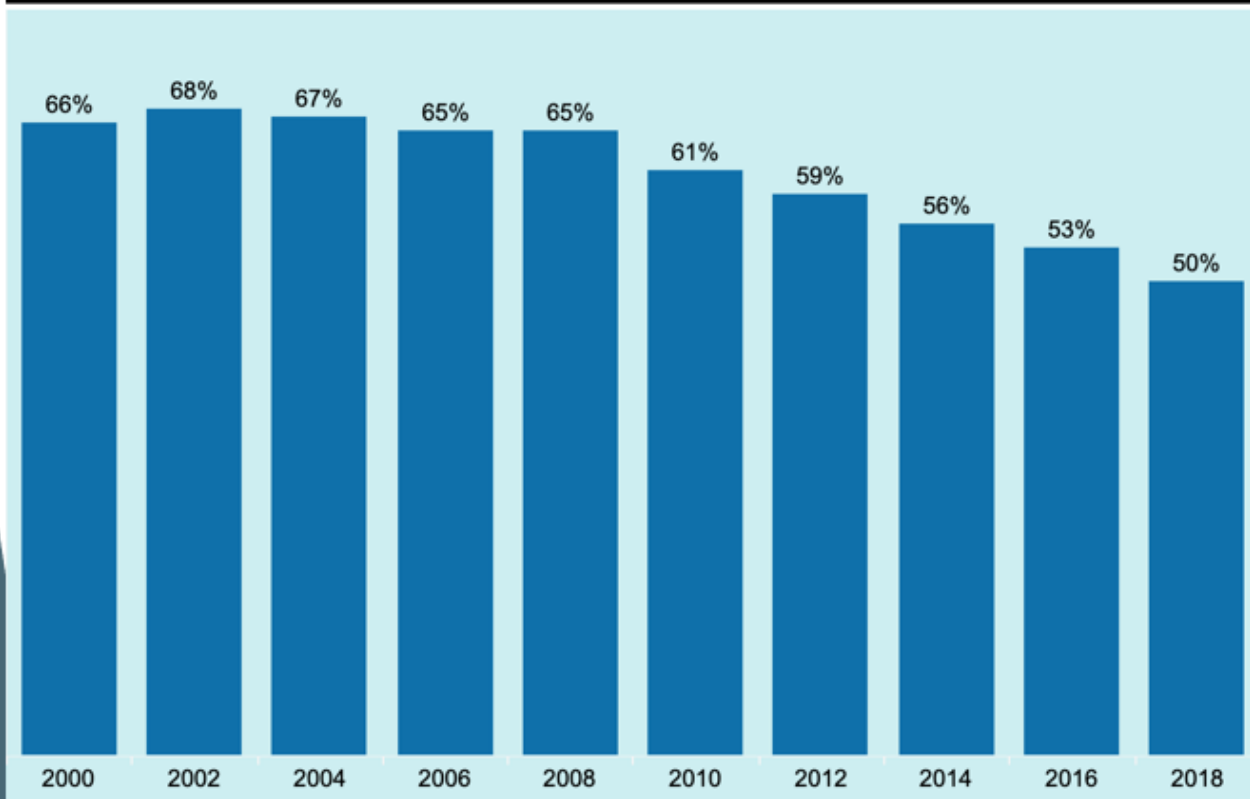


MEMBERSHIP

# Your Questions Answered

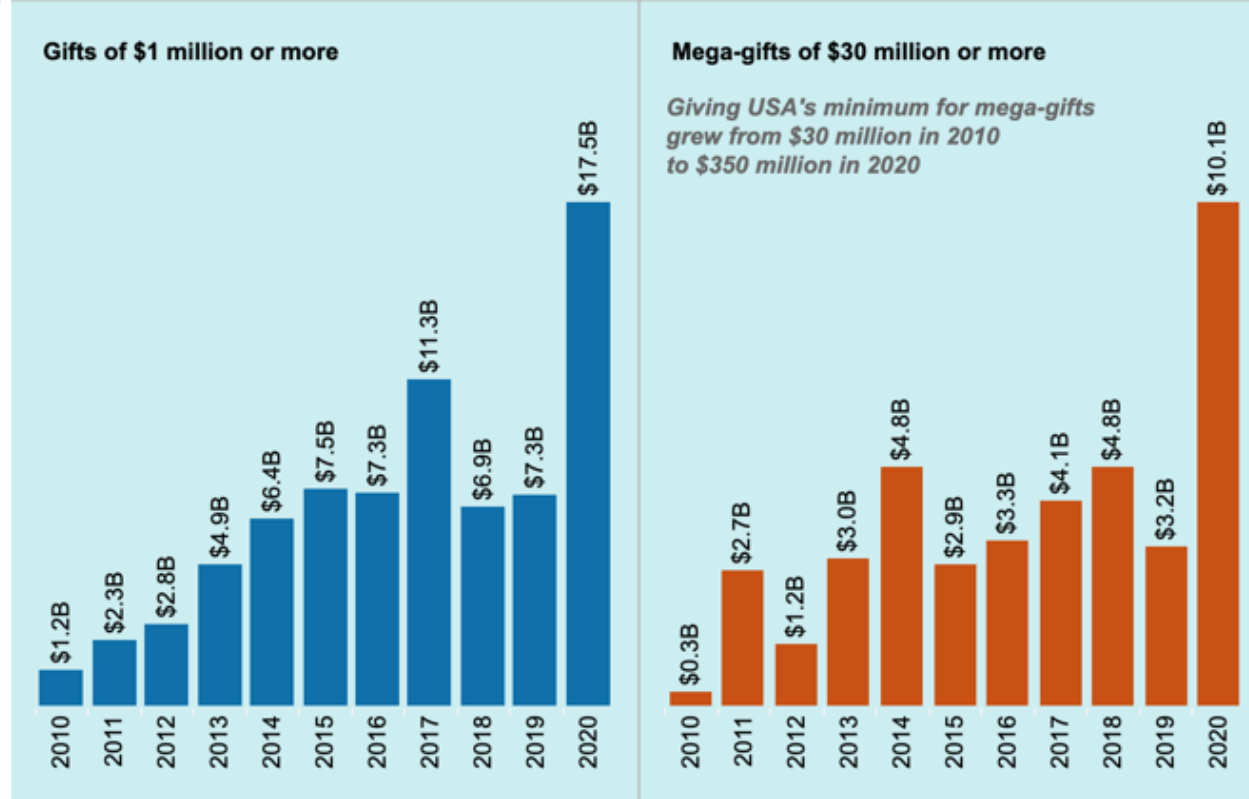
ARE MAJOR DONATIONS UP OR DOWN ACROSS THE UNITED STATES?  
WHAT CONSTITUTES A MAJOR DONATION ANYWAY?

**Fewer Americans Are Giving to Charity**  
*Percent of U.S. households giving to nonprofits, 2000-2018*



Source: IUPUI Lilly Family School of Philanthropy (2021)

**Mega-Giving Is Booming**  
*Major gifts from individual donors, 2010-2020*



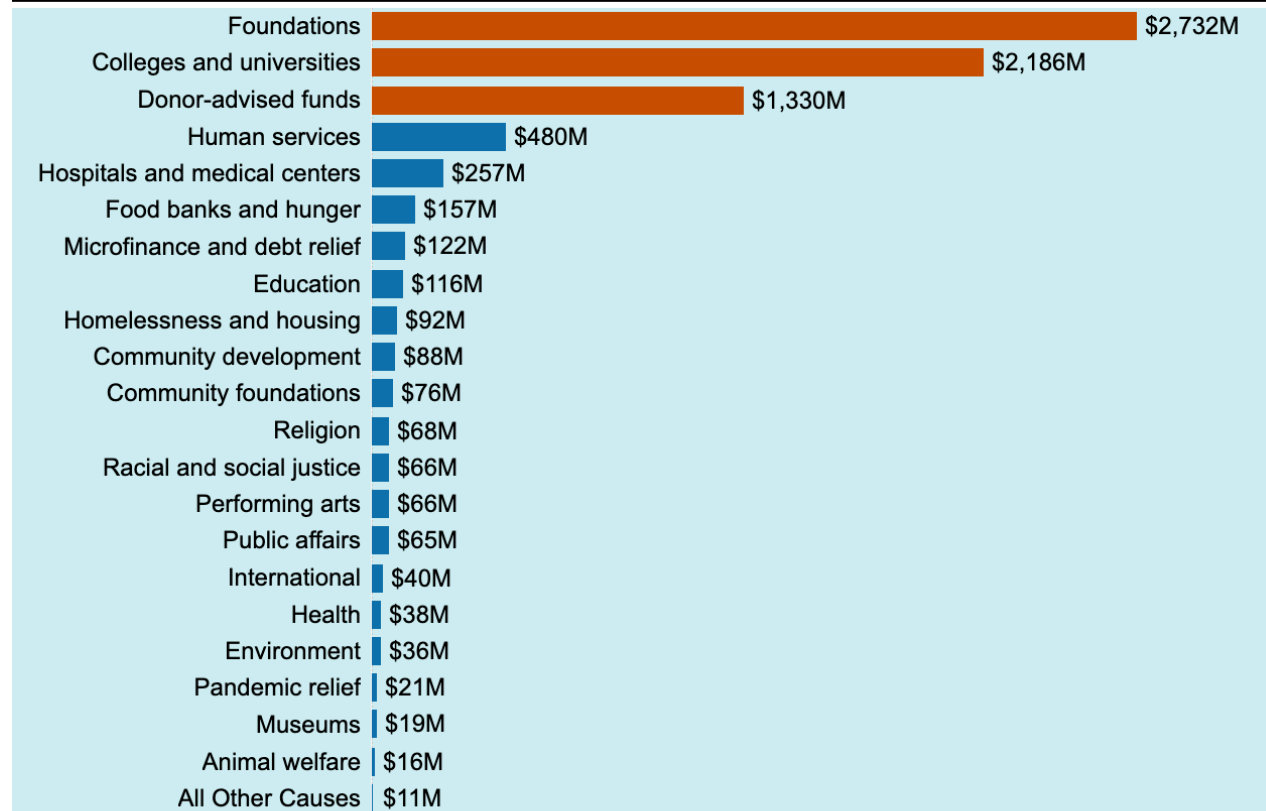
Source: Chronicle of Philanthropy (2021) and Giving USA (2011-2021)

# Your Questions Answered

ARE MAJOR DONATIONS UP OR DOWN ACROSS THE UNITED STATES?  
WHAT CONSTITUTES A MAJOR DONATION ANYWAY?

## The Wealthy Support Different Causes Than the Rest of Us

Where donations of \$1 million or more went in 2020



Source: The Chronicle of Philanthropy (2021)

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# Your Questions Answered

## WHAT IS A HEALTHY DONOR MIX?

### NEW DONORS

- ▶ New donor and New Retained donor groups saw a large decrease in total dollars donated.
- ▶ This is explained by a drop in donors in those categories as well as a decline in dollars donated.

### REPEAT DONORS

- ▶ Dollars donated by Repeat Retained donors stayed relatively constant.
- ▶ As other groups donated less money compared to last year, the share of dollars from Repeat Retained donors went from 59.2% in 2022 to 63.5% in 2023.



# Your Questions Answered

## WHAT IS A HEALTHY DONOR MIX?

### NEW DONORS

Never gave to the organization

-16.9% YOY Change  
35.3% of total donors

### NEW RETAINED DONORS

Gave last year, but never before

-18.7% YOY Change  
8.5% of total donors

### REPEAT RETAINED DONORS

Gave last year, but not for the first time

-7.4% YOY Change  
41.9% of total donors

### RECAPTURED DONORS

Did not give last year, but gave previously

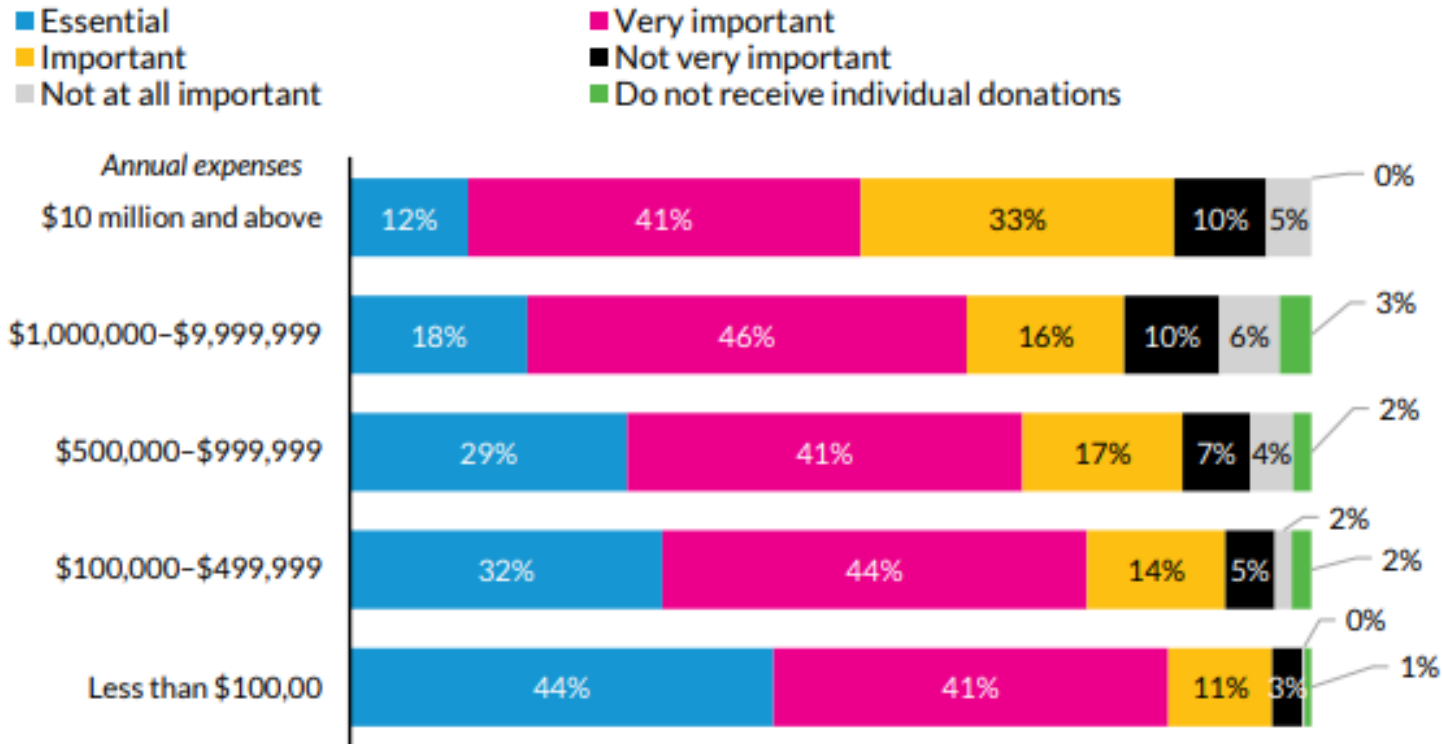
-7.9% YOY Change  
14.3% of total donors

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# Your Questions Answered

## HOW IS INDIVIDUAL GIVING PERFORMING ACROSS BUDGET SIZES?

**The Majority of Nonprofits Report That Donations from Individuals Are Essential or Very Important to Their Work, and They Are Especially Important for Smaller Nonprofits**



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# Your Questions Answered

HOW DO FUNDRAISERS ACCESS THE MONEY IN DONOR ADVISED FUNDS? ARE THESE CONSIDERED INDIVIDUAL DONATIONS?



# Individual Giving Software Ecosystem

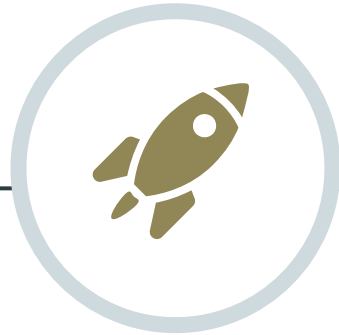


# Characteristics for Selecting CRMS



## COLLABORATIVE

Acts as a mechanism for tracking patron/donor data across the organization. Multiple individuals may interact with prospects and move them through the donor management cycle.



## OPERATIONAL

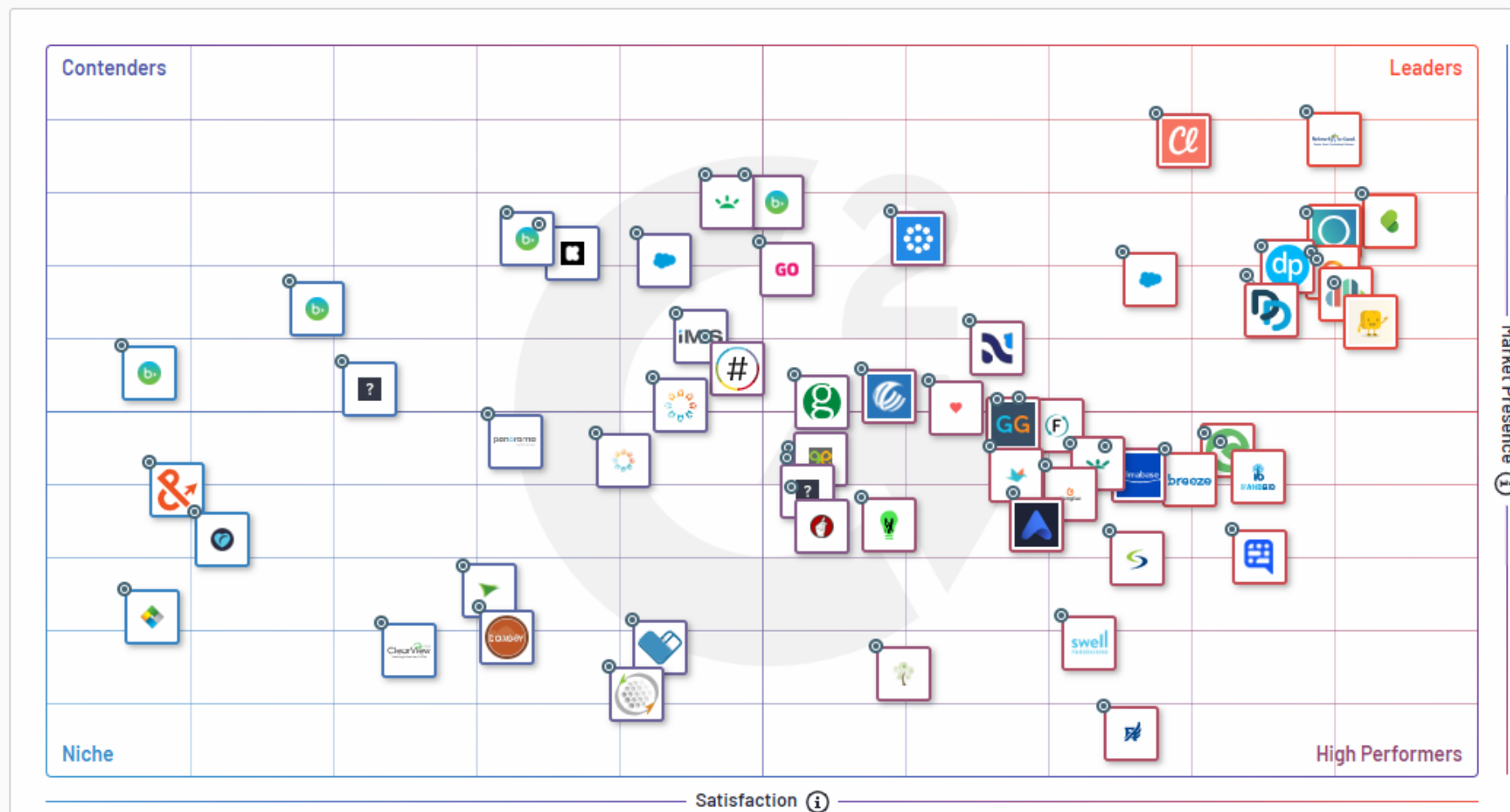
Streamlines ongoing operational tasks such as email acknowledgements, marketing or customer service communications, and payment reminders. Especially helpful when there is a linear donor process with repetitive tasks done on a large scale.



## ANALYTICAL

Consolidates data into user-friendly reports to inform decision making. Often times more expensive and robust than collaborative or operational CRMs and may require an expert end-user.

# System Selection



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# Implementing Technology



## CONNECTIVITY

- ▶ What integrations exist out of the box? Does the product work with existing systems?
- ▶ Do existing systems offer software solutions that should be explored?

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- ▶ What level of historical data can be migrated?



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## SECURITY

- ▶ Can donor data be collected and maintained securely?
- ▶ Who is responsible for implementing security updates?

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- ▶ How many unique users are included?
- ▶ How are processing fees calculated and collected?
- ▶ What is the annual or monthly fee?

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## CUSTOMIZATION

- ▶ Do you have in-house experience needed to customize the system?
- ▶ What level of customized staff training is required?

# Innovations in Generative A.I.



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Q&A

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# Individual Donations: Different & Valuable

## Exclusively intended for nonprofits

- ▶ Is typically **unrestricted**
- ▶ Major donations can potentially represent reputational, mission-alignment and/or sustainability **risk**

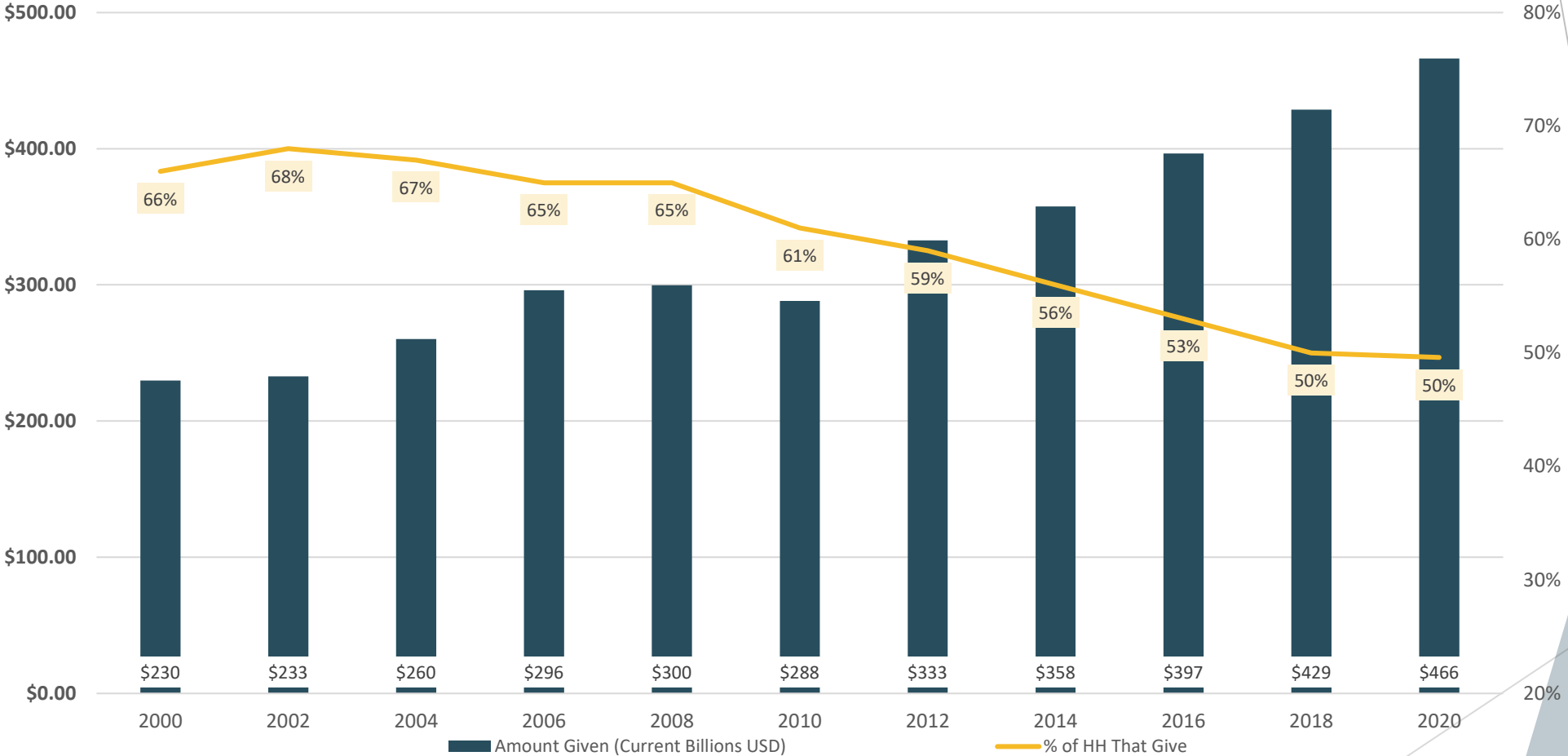
## Can be regenerative, with multiple forms of capital in one contact

- ▶ Donors can become active supporters of your cause, and vice versa
- ▶ Donors can generate funding from themselves AND others

## Highly dependent on a social contract with donors/supporters

- ▶ Need to be in touch with your base and share **common cause(s)** with them
- ▶ Betrayal of common cause(s) comes at a huge risk

# Is Charitable Giving Resilient? Or Stagnant?



# Case Studies

Native Governance Center & Jewish Voice for Peace

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# Key Takeaways

Center asset-based language and stories

Build asks into your visibility efforts

Value the person before the donation

Look for individual donors in other funding streams:

You need a team

Build your donor pool through visibility

Implement strong systems from the start:

Prepare the experience well in advance

# Resources & Wrap Up

## Lilly Family School of Philanthropy

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# New study finds differences between crowdfunding donors and traditional charitable giving donors

Thursday, April 08, 2021

**Crowdfunding donors are more diverse, younger, less religious and more likely to be single, Indiana University Lilly Family School of Philanthropy research shows**

Research released today by the Indiana University Lilly Family School of Philanthropy at IUPUI provides new insights into the use of crowdfunding for charitable giving, focusing on donors who give via crowdfunding and how they differ from traditional charitable donors.

The new study, [Charitable Crowdfunding: Who Gives, to What, and Why?](#) examines who crowdfunding donors are, their motivations for giving this way, how they are different from traditional charitable donors, and the implications for management. The



## Analyzing the Dynamics of Funding: Reliability and Autonomy

 **Jon Pratt**  
June 21, 2004



**Editors' Note:** An earlier version of this very popular article appeared in the Fall 2002 issue of the *Nonprofit Quarterly*. This version provides a deeper cut, making explicit a set of eight common nonprofit financing models or archetypes. Each archetype carries with it a constellation of management challenges and an advised set of management priorities to address those challenges. Pratt is a master of this kind of simple but profoundly helpful sorting of information. We recommend it as an excellent reading for board members.

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# Stay Connected on the Forum

## YOUR FORUM AWAITS...

Most commons have a forum where community members can meet to surface mutual concerns and exchange resources. At the Nonprofit Financial Commons, THIS is that space. Any question you have about nonprofit finances, whether it has to do with high strategy or granular practice, can be brought here. Here you can glean the rich wisdom of your peers and share your own hard-won insights and knowledge. Be and spread the change you wish to see.

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## In the Chat:

**Are there one or two things that stand out as learnings you will try to apply?**