npEXPERTS

PHILANTHROPY BY THE Numbers

2016

THE STORY BEHIND THE STATS

blackbaud

FOREWORD
THE RISE OF DONOR-ISM

Not many would challenge the notion that we're smack dab in the middle of a new philanthropic era today. A change in expectations has been spurred by savvy consumers and their unprecedented access to technological advances in their daily life.

Donors today want to be in the driver's seat. They want you to tug at their heartstrings while providing transparency, engagement, and meaningful outcomes. As the sector has seen before, trends in donor stewardship follow the marketplace. This, my dear readers, is the rise of donor-ism.

As a fundraiser today, no doubt you've heard of the concepts covered in this eBook. But how can you grow your base, your funding, or your mission impact if you find yourself steadfast in the proverbial "this is the way we've always done it" mentality?

Inside these pages are some of the most noteworthy trends in the sector today. These trends have prominently established their place and are now reshaping the way we not only effectively lead our organizations but also reach our supporters and build the sustainable organizations of the future.

Your friend in fundraising,

Ashley Thompson
Blackbaud

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CONNECTING THE DOTS

THE NEW NORMAL

BY **MARC PITMAN**

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PHILANTHROPY IS A LEADERSHIP ISSUE

One of the things I love most about fundraising is that it is completely dependent on leadership.

IN AN IDEAL WORLD:

- Leaders cast vision that grabs the attention of donors
- Donors fund work that allows nonprofits to employ specialists
- Leaders work with those specialists to measure how well the mission is being accomplished
- The board oversees it all, holding the nonprofit's mission and vision in trust and making sure more people know about it

Unfortunately, this is not a perfect world. In the recent Nonprofit Sector Leadership Report, leaders admitted that most of this isn't happening at their nonprofits.

Despite evidence that strategic plans make a nonprofit more effective at all levels, including the board level, a startling 49% of nonprofits are operating without one. Even one in five of the largest nonprofits—those with over $5 million in revenue—reported not having a strategic plan.

And the situation is even worse. Sixty-two percent of the leaders claiming to have a strategic plan admit that the plan does not include any sustainable fundraising plan. Sixty-two percent! How can you call a plan "strategic" if you neglect to account for revenue?

It seems that these leaders are more involved in strategic wishing than strategic planning.

If you are like one of the nonprofit leaders in the study, you will love Philanthropy by the Numbers from Blackbaud's **npEXPERTS**. In this volume, you'll find:

- Advice for leading
- Analytical ways to focus on data and outcomes
- Multiple strategies for getting the word out to various groups
- New ways to work with funding organizations that could significantly move your mission forward

Please don't just pass this book to your fundraising staff. Philanthropy is a leadership issue. Whether or not your nonprofit has a written strategic plan, working through each of these articles will help you lead. As you're reading them, think about your own nonprofit's diversity, outcomes, advocacy, and giving. Allow those thoughts to help you reflect on your nonprofit's strategic plan.

It would be nice to have a strategic plan first, then create a fundraising plan to support it. But few of us live in an orderly world. Most of us feel we are "building the bridge as we are walking across it." As we're working on

49%

Percentage of nonprofit organizations operating without a strategic plan

– Concord Leadership Group, Nonprofit Sector Leadership Report 2016

strategy, we bump into costs and try to figure out ways to cover those costs with fundraising. And as we're planning ways to fundraise, we bump into the need for clearer outcomes so donors will see the direct impact of their giving. That naturally leads us to sharpening our strategic plan.

So use this **npEXPERTS** book to help fine-tune both plans. And be sure to take notes. In fact, before you start reading, grab a legal pad and draw a line down the center. At the top of the left side, write "Strategic Direction"; at the top of the right side, write "Fundraising Plan."

As you are able to read a section of the book, jot down actionable notes and ideas in the appropriate column. Let these notes become a task list that you use to shape the rest of your nonprofit's year.

Get that legal pad and get ready to take your philanthropy to a whole new level. ■

Concord Leadership Group founder Marc A. Pitman helps leaders, especially in nonprofits, lead their teams with more effectiveness and less stress. He's the author of "Ask Without Fear!®," the executive director of TheNonprofitAcademy.com, and an Advisory Panel member of Rogare, a prestigious international fundraising think tank.

85%

Percentage of funders who want help tracking to outcomes but don't know where to start

– MicroEdge®, now powered by Blackbaud

A CULTURE THAT VALUES LEARNING

BY **MARY KOPCZYNSKI WINKLER**

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In February 2015, the Leap of Reason Ambassadors Community published The Performance Imperative Campaign: A Framework for Social Sector Excellence. The Leap Ambassadors Community is a group of nonprofit leaders who are passionate about "inspiring, motivating and supporting nonprofit and public sector leaders (and their stakeholders) to build great organizations for great societal impact."

The Performance Imperative offers a common definition of high performance, supported by seven pillars of highly effective organizations. The pillars range from leadership to management to evaluation for mission effectiveness. However, the pillar which has most recently captivated my interest and attention in much of my work with nonprofits is the fifth one: a culture that values learning.

The history of performance measurement and management for most nonprofits has been driven by external requests from funders to produce data for accountability and compliance purposes. As a result, too many nonprofits have been merely "checking the box" to meet what many lament as unfunded—or at least underfunded—mandates in producing data for interim or year-end progress reports. For some, the data requests seem irrelevant to their mission; for others the data seemed to disappear into a black hole. In both instances, nonprofit staff responsible for collecting and reporting data have done so with resentment and frustration. I'm not here to argue that compliance and accountability are without purpose but rather to suggest that there is a more productive approach.

When organizations change their mindset about measurement and reporting to be internally focused, to ask "What data do I need to best tell the story of our organization," to emphasize continuous improvement program, the motivations are fundamentally changed in support of an organizational culture that values learning.

So what does a learning culture look like? In "Moving Beyond a Culture of Compliance to a Culture of Continuous Improvement," a resource guide for Head Start Programs, we describe several key indicators, including curiosity, reflection, tolerance of failure and vulnerability, and use of feedback. Here are some of the principles articulated in Pillar 5 of the Performance Imperative:

- The board, management, and staff take on the challenge of collecting and using information, not because it's a good marketing

“The commitment to using data for program improvement and continuous learning needs to be owned by all members of the organization.”

tool and not because a funder said they have to. They believe it is integral to ensuring material, measurable, and sustainable good for the people or causes they serve.

- Senior management leads by example and encourages people throughout the organization to be curious, ask questions, and push each other’s thinking by being appropriately and respectfully challenging. High-performance cultures are innovative cultures, mindful that every program and process eventually becomes data, even obsolete.
- Senior management creates the conditions for staff members to feel safe acknowledging when there are problems. They use what others might deem failures as an opportunity for learning.
- Even the busiest leaders, managers, and staff members carve out some time to step back, take stock, and reflect.

For many nonprofits, this shift in thinking may seem daunting. But we have been working with nonprofits on a variety of initiatives, including most recently Measure4Change, and here are some things we are learning:

1. **The commitment to using data for program improvement and continuous learning needs to be owned by all members of the organization.** While leadership will have a large role to play in setting both the tone and direction, these values need to be communicated, understood, and acted upon by staff from all levels. These values ideally should be reflected in mission statements, job descriptions, and even performance review criteria. Particularly important is the need to establish feedback loops for staff and leadership to openly share concerns and to check in periodically as new procedures are established. Additional tips can be found in our Measure4Change brief “Starting Small and Thinking Long Term.”
2. **Adopt more creative and nimble strategies for engaging staff in routine use of data.** For many nonprofits, data reviews have been a sporadic event, often to meet a grant requirement or to produce the annual report, and most often these reviews were done by one or two staff members in the organization. New strategies and technologies are emerging to make data more available and useful to decision-making across agencies and nonprofits. Some of these include new employee orientation programs, soliciting feedback on types of reports that would be most useful to end users or stakeholders, or making data a routine part of staff and board meetings. Some organizations are getting creative with technology and broadcasting progress on a performance measure on TV screens in areas where clients are received. Part V of the Head Start Resource Guide reviews some of these strategies in greater detail.
3. **Develop systems for soliciting feedback from clients and other stakeholders about data plans, needs, and findings.** A growing area of interest and engagement in the nonprofit sector is that of constituent or beneficiary feedback. In principle, beneficiary feedback is about

listening to the intended beneficiaries of nonprofit programs, the people you are seeking to help. This kind of feedback can be helpful as nonprofits are designing programs, during program implementation, and even after the program concludes. Another strategy for sharing data with community stakeholders that’s quickly gaining in popularity is using Data Walks. Data Walks allow programs to share data and findings with community residents or other constituent groups, better improve program services, and engage residents as partners in interpreting findings.

If you haven't already embarked on your journey to cultivate an organizational culture that values learning over compliance, hopefully this piece has sparked an idea or two you'll be willing to try. Start small; add changes incrementally; bring staff and management along together. I am confident your efforts will be rewarded with positive results. ■

Mary Kopczynski Winkler is a senior research associate with the Center on Nonprofits and Philanthropy at the Urban Institute where she heads up the Institute's Cross-Center Initiative on Performance Measurement and Management. She has more than 20 years of research and management experience on projects for federal, state, and local government, as well as the nonprofit sector.

36.8%

Percentage of grants approved across community, corporate, independent family, and government foundations

– MicroEdge®, now powered by Blackbaud

FROM GRANTS MANAGEMENT TO FOUNDATION MANAGEMENT

BY **ANNIE RHODES**

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I was really inspired this year at my first Association of Fundraising Professionals Conference (AFP) where a subset of the 30,000 professional fundraising members discussed, taught, and learned about new development ideas, approaches, and issues.

As a former grant manager who works on a daily basis with grant-makers, the complex, creative, diverse world of fundraising finally came to life for me. What struck me most during the conference was how fundraisers and the staff they work with closely at foundations are quite similar. They are on the front lines of their organizations' activities, ready to shift at any given moment. They keep a finger on the pulse of what is happening around their organizations, and they are increasingly responsible for connecting data to better understand results. Many hold developing leadership roles with ever increasing responsibilities.

The week prior to AFP, I was at the 11th annual Grants Managers Network Conference (GMN) in New Orleans, which is the membership organization of 3,000 grants management professionals who work at public, private, corporate, community and government grantmaking organizations. The theme of the GMN conference was "Take the Lead," and we learned firsthand how grants managers have leaned in on their contribution to foundation strategy. We discovered how they are pivoting from grants managers who helped process grants to foundation managers who are helping to lead change across the sector.

At the GMN conference and throughout the industry, grants managers are being inspired to dive deeper on topics of strategy, outcomes, data, investments, partnerships. They are helping to lead their own foundations away from being solely grant-focused and towards a utilization of all assets to help their partner organizations achieve their intended impact. What amazed me is that fundraisers are being asked to do the same thing. Fundraisers and grants managers are contributing more and more to the management of organizations, with an emphasis on building better partnerships, being smarter about data, communicating results, being more creative in their partnerships, and finally, growing as leaders within their own organizations. Here are a few observations on how fundraisers—the ones making the asks—and grants managers—the ones managing the application process—can better collaborate to achieve strong grant results:

> “Let’s use our outcomes measurement data to really understand, as an organization and as an industry, how we are doing in achieving our mission and goals.”

Build a partnership. Both fundraisers and grants managers are at the center of it all, often managing many different stakeholders throughout the grantmaking cycle. Even if the initial discussions aren’t between the fundraiser and grant manager, the result of these two developing a relationship with each other will prove to be invaluable. The fundraiser relies on the grants manager for information on the status of a grant proposal and on the ongoing correspondence during the grant period. The grants manager relies on the fundraiser to give them necessary and timely information for a complete grant proposal, to communicate the overall needs of the organization, and to be in lockstep throughout the grant process. It’s in this back and forth exchange that the fundraiser can learn about the likelihood of approval, other available resources, and about the interworkings of the foundation. The grants manager, on the other hand, can learn insight about the applicant organization that may not be as clear in their written proposal. This is a great time to educate your grant partner on what you are hearing and learning in the field. This partnership will last through the course of the grant and each role can be your biggest internal ally.

Use all that data. Fundraisers and grants managers have access to most—if not all—of their organizations’ data. Our organizations rely on us to share that data more broadly to tell our story; however, we could also use that information to educate our grant partners. Fundraisers, consider what is working well and what is not. Share that data and educate your funders as they try to sift through their own data. Be honest about all results, good and bad. It will not only help build the relationship, but it will keep the foundation on track towards its mission. Grants management professionals, share with your applicants how long your grant cycle really is and what they can expect during the process. Applicants put upwards of 20 hours into each proposal, so it is incredibly disappointing when they don’t receive a response. If you have the data, use it—internally to educate your leadership and drive decision making and externally to share the progress of the work, what you are doing and who you’re supporting.

Communicate your results. Speaking of data, let’s use it to help communicate to our funders and stakeholders what is working and what is not. Let’s use our outcomes measurement data to really understand as an organization and as an industry how we are doing in achieving our mission and goals. We know everyone is talking about them. We want to understand them, know what we’re working towards, what we’ve achieved, and better understand how our partner organizations are achieving the outcomes to which they’ve committed.

Creatively problem solve. We have learned that for grant recipients to be successful with their intended outcomes, they need more than just grant dollars. Foundations often have more assets than just grant dollars. They have social impact investments that can be made

in the local community. Foundation staff have internal skills and peer networks—they can bring all of their partners together, connecting them to something much bigger. Foundations often don’t need their grantmaking partners need other type of support until the grant is underway. If you know that to achieve a specific outcome, you need capacity building support, then don’t be afraid to let your potential funder know. If your potential funder can’t provide additional support to you, they might know who else may be able to help in a different way. They want you to succeed as much as you do. They have a lot riding on this as well.

Be a philanthropic leader. There are a few key areas where staff are contributing more and more to the management of their own organizations. Often, staff are specifically analyzing data to drive decision making, contributing to the definition of outcomes measurement, identifying ways of using all assets, and finally, building relationships with grant partners and other budding foundation leaders to learn and share best practices. Your organization needs your insight and perspective. It is most likely a different perspective than those in the leadership role, but you have a viewpoint, perspective, and relationships that give you a different level of contact and communication with your organization's partners. Future leaders are those with the eyes and ears on the ground working with grant partners and internal staff teams. Promote partner organizations, especially when more support is needed. Collaborate with other internal teams to grow your organizational effectiveness. ■

Annie Rhodes joined the MicroEdge team in the summer of 2010 to help philanthropic organizations leverage technology to evolve how they manage their giving, improve the collaboration and communication with partner organizations and help shift the conversion from grantmaking to investment so all organizations, across philanthropy can drive toward impact.

BY **STEVE MACLAUGHLIN**

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THERE'S SOMETHING ABOUT DATA

"The Purloined Letter" is a well known short story by Edgar Allan Poe. It's a detective story in which the main character, C. Auguste Dupin, is hired to find a valuable letter that has been stolen.

Later in the story, Dupin is offered 50,000 francs as a reward for returning the letter. Dupin accepts the offer and immediately produces the letter. As it turns out, the valuable letter was "full in the view of every visitor" and completely overlooked by everyone searching for it, except Dupin.

Any discussion about nonprofit data or analytics reminds me of Poe's "The Purloined Letter" because so many organizations have a very valuable asset left out in plain sight. The data nonprofits have is often overlooked and undervalued by them. So many nonprofits don't maximize the hidden treasure they are sitting on.

Everything begins with data quality. Because we often call it "data hygiene," people tend to tune it out. A vision of sitting at the dentist—or another less than desirable situation—comes to mind. That's why I prefer to call it "data health." This term implies that it's not only good for you, but necessary.

Target Analytics, a division of Blackbaud, recently analyzed the data health of thousands of nonprofit organizations. The analysis looked at fundamental areas of nonprofit data like addresses, deceased constituents, phone and email addresses, and other commonly used data.

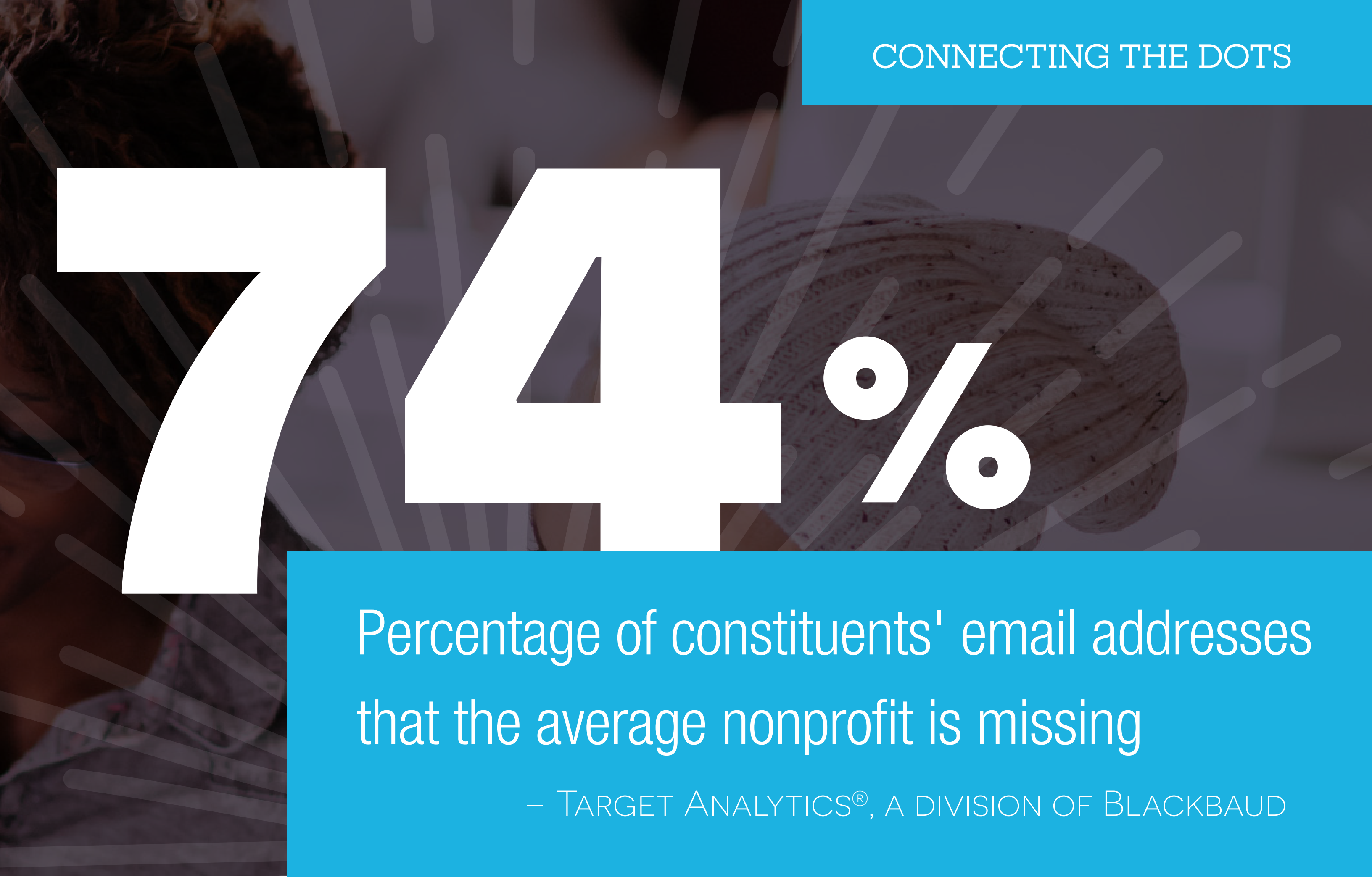
The results of the analysis were troubling. For the average nonprofit, 26% of its house file was unmailable due entirely to bad data. We're talking outdated or invalid addresses and deceased supporters still in the data.

For the worst nonprofits in the analysis, that problem grows to 67% of data being unmailable. That's either lost opportunity or wasted money, depending on how you look at it. One could argue that having correct address data is table stakes. It is not only used to mail supporters, but that data is extremely valuable in predictive modeling. More on that later.

Now, let's just pretend for a moment that physical addresses don't matter that much anymore. We're living in a digital age and isn't everyone using email to engage supporters? Target Analytics found that the average nonprofit was missing email addresses on 74% of its constituents. The worst are missing 96% of their email addresses. Email is not a new thing, in fact it's been in broad use by the public for over 20 years now. And yet many nonprofits still do not have a solid foundation of data to work with.

Now, you might be wondering why something as simple as address and email data can have a big impact on the performance of your nonprofit. First, if you're unable to capture, maintain, and manage the basic elements of data, then you'll never get to the more complex information. Second, this type of data allows for a wide range of both descriptive and predictive analytics to be used.

The first advanced use of data is often called descriptive analytics. It allows a nonprofit to know what happened for a very specific group of constituents. This is why data like address,



74%

Percentage of constituents' email addresses that the average nonprofit is missing

– Target Analytics®, a division of Blackbaud

age, income, and other variables is so important to have and for it to be updated regularly. Descriptive analytics is a very good tool for grouping known constituents into segments for marketing or engagement activities.

But if you want to know who in your data to engage that you haven't reached out to already, then you need to use predictive modeling. Predictive modeling takes your data and combines it with external data to help predict what might happen in the future. Be warned that predictive modeling requires some data science to get right. Predictive modeling helps to identify constituents in your data that have a higher likelihood to engage, donate, lapse, or renew support. It is also used to help predict the likelihood that someone is a good prospect for a major, planned, or principal gift.

Recently, Target Analytics has been focusing more on prescriptive analytics as a way to help nonprofits make quicker decisions. Rather than giving a potential donor a score of 1 to 1000, prescriptive models indicate whether this person is a better annual fund or major gift prospect. In this way, the prescriptive model offers real recommendations on how to best use information about the constituent. Even organizations that had never used modeling before are seeing improved results from predictive analytics.

Fundraising is both an art and a science. There is no question that relationship building is an art. We also know that there is a science to donor segmentation and the use of analytics. This requires performing data science on your healthy data to help you focus on the right relationships.

The use of analytics helps to remove a lot of guesswork around which donors have the most affinity for your cause. Through analytics, you can tell which donors have a better likelihood to give to your organization.

The good news is that the technology making this insight possible exists today. That value hidden deep in your nonprofit's data can be surfaced and used to meet your goals. They key is moving from just collecting the data to cleaning it, sorting it, refining it, and leveraging it in the right ways. Start by doing your own detective work and you may find something very valuable right there in front of you that you never knew existed. ■

Steve MacLaughlin is a director of analytics at Blackbaud, where employees leverage the company's unique data assets to accelerate positive results for the nonprofit sector. He has been featured as a nonprofit expert by major news media, is a frequent speaker at nonprofit events, and serves on the board of directors of NTEN. Steve's newest book, Data Driven Nonprofits, will be published in 2016.

BY **VU LE**

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WHY INDIVIDUAL GIVING STRATEGIES OFTEN DON'T WORK FOR COMMUNITIES OF COLOR

Every time that I talk about how arduous grantwriting is, inevitably someone will say something like, "That's why you should focus on individual donors! Statistically, individual donors provide 72% of the funds for nonprofits!"

"Why, I knew this one organization that was struggling, and they decided focus on individual donors. They were able to save the family farm—not only that, but the Executive Director was asked to pose for the Men of Nonprofit calendar because his stress melted away and he regained his youthful, radiant complexion!"

No one is disputing the importance of individual donors, but lumping all communities and organizations together and assuming they operate the same way is risky. This 72% statistic—or 85%, depending on the source—is for all nonprofits in general. When disaggregated, the numbers tell a completely different story. According to this report by CompassPoint Nonprofit Services and GIFT (Grassroots Institute for Fundraising Training), and cited by Blue Avocado, of among 104 communities-of-color-led nonprofits surveyed, about half of the organizations reported 5% or less of their budget coming from individual donors. A third say more than 75% of their revenues come from foundations. Only 5% say that individual donors are their biggest source of revenue.

While the above report is six years old and samples organizations in California, I am willing to bet that these statistics would still apply today and be generalized to communities-of-color-led organizations in other states. I've been working with grassroots organizations long enough to say that there is a clear dissonance between accepted fundraising principles and how they play out in communities of color.

We need to accept the premise that fundraising—the way we currently understand and practice it—is historically designed for white fundraisers to work with white donors. Taking these principles and practices and applying them to communities of color is like using a spoon to eat spaghetti—you can do it, but it will be slow, messy, and difficult. If we are going to engage communities of color in fundraising, either as donors or as fundraisers, we have to understand cultural context.

Development professionals know that demographics are changing, and that there are significant potential resources available from donors of color. Many, however, are trying to figure out what would motivate these donors. People of color are very generous, but factors, like where they give and why, need to be examined. Here are few observations I've noticed:

"Nonprofit" is often a new concept for many communities. In many communities, the concept of what a nonprofit is and what it does is pretty novel. To this day, my relatives have no understanding of what I do. Several parents of students in the after-school program that I used to run asked me if I had a "real" job in addition to my much-appreciated "volunteering." The unfamiliarity of the nonprofit structure affects all sorts of stuff, from board engagement to hiring, and it often makes giving to a nonprofit a bizarre idea.

25

Number of years that philanthropy in America is behind in terms of its outreach to diverse communities

– Blackbaud, Diversity in Giving Report

Homeland government plays a significant role. People from different countries will often go by what they have experienced. Depending on the home country, the government takes care of certain societal issues. So it is confusing for people new to the United States, one of the wealthiest countries on earth, that nonprofits ask them to donate to support schools, or veterans, or people who should clearly be helped by the government. A lack of government trust is often prevalent, and nonprofits can be confused with government agencies.

Religious institutions have the trust of the communities. Churches, temples, and other religious institutions have historically been the recipients of giving for many communities. They are organized, do a lot of important and visible charity work, and are seen as trustworthy. Plus, they've been around as community pillars for thousands of years and are relatively simple in structure. People continue to give significantly to these institutions.

Communities' priorities often focus abroad. For many people, the relatives and neighbors they leave behind when they left their countries weigh heavily on their minds. A significant portion of giving in communities of color goes to support family and community members abroad. When problems are still relatively awful for people you may have left behind, and when donations go so much further in other countries, it is understandable why so much giving goes abroad.

If we don't understand these factors, it is easy and tempting to dismiss communities of color, wondering why they are so reluctant to give. People of color give a lot, but not always to nonprofits. Giving is affected by history, culture, and traditions. These things can't simply be retrofitted into the current fundraising system. If we hope to change the culture of giving, it will take time and resources, investment in fundraisers of color, development of giving systems designed with communities of color in mind, and significant support from foundations led by communities of color. And it starts with the willingness to put aside our preconceptions and unlearn some traditional fundraising techniques. ■

Adapted from nonprofitwithballs.com

Vu Le ("voo lay") is a writer, speaker, vegan, Pisces, and the executive director of Rainier Valley Corps, a nonprofit in Seattle with the mission of developing and supporting leaders of color to strengthen the capacity of communities-of-color-led nonprofits and foster collaboration between diverse communities to affect systemic change.

29%

Retention rate of first-year donors

– DonorCentrics™, Index of Direct Marketing Fundraising

DONOR RETENTION: THE EASIEST MONEY YOU'LL EVER RAISE

BY **GAIL PERRY**

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There's a crisis brewing in the fundraising world. And it's all about our donors, the ones who are deserting us. Donors can be fickle, and they're fleeing our organizations in vast numbers these days.

Overall, the numbers are disappointing and stark. Research completed by Target Analytics® in 2015 shows that:

- Only 29% of first-time donors renewed their gifts
- Roughly one out of every two donors renewed their gifts last year

It's pretty hard to keep your revenue numbers up when this many people leave your cause each year.

THE FUNDRAISING TREADMILL

Here's the typical treadmill for many fundraising professionals: You work so very hard to bring in new donors, but your current ones are flying out the window.

Because you are consistently bringing new donors in, your overall donor numbers manage to stay the same. You are running, running, running just to keep the status quo.

THE EASIEST MONEY YOU'LL EVER RAISE

Getting your donors to renew their gifts is the easiest way to raise money for any nonprofit.

These wonderful people have already given to you once. That means they know your organization; they like you; they understand your mission; and they once voted with their money that they wanted to join your bandwagon and boost your good work in the world.

Lavish love and attention on your current and former donors—and many of them will respond by sticking with you.

A SUSTAINABLE FUNDING BASE: THE HOLY GRAIL FOR NONPROFITS

Your goal is to develop a loyal cadre of donors who you can count on year after year. That's where sustainable funding comes from—these wonderful, lovely, loyal supporters.

CREATING A DONOR LOYALTY PROGRAM

What does it take for donors to renew their gifts? Here's my list of easy ways to "touch" your donors. Hint: It's all about the post-gift experience.

1. Send them a thank-you very, very, very quickly. And it needs to be perfect. Show them you care with a prompt letter that is personalized and truly appreciative.
2. Make your thank-yous personal, emotional, and even a bit gushy. Write to them like you are just thrilled to receive their money—which you are, of course.

> “Reconnecting with someone who already knows you is so much easier than trying to find a brand new donor.”

3. Thank your donors over and over. Thank them until they tell you to stop!
4. Invite your donors to experiences. What about a series of tours or educational sessions exclusively for donors?
5. Send your donors happy stories about your organization at work. Send your donors fabulous, emotional stories about how they are helping make important work happen.
6. Give your donors credit for the work your organization is doing. This is what donor-centered really means. Remove your organization as the intermediary between your donor and the wonderful results you achieve.
7. Ask your donors their opinion. It’s so easy to survey your donors. Find out why they gave and what they are interested in at your organization. Invite their feedback.
8. Thank donors via social media. Hold a social media thank-you day featuring your donors on Facebook®, Pinterest®, Instagram®, or other social media networks.
9. Ditch your donor appreciation event. Yawn! Instead, have a fun cookout, or throw porch party honoring your donors.
10. Recognize long-time donors. Give them special acknowledgement based on how long they have been giving, not their gift amount.
11. Celebrate holidays with your donors: Send them Valentines, Thanksgiving cards, April Fool’s Day notes…you get the idea. Have some fun!
12. Send them videos of your work in the field. You could even stream live videos for them to make them feel close to the action.
13. Hold a thank-athon for your donors. Pull in volunteers and people your organization serves for a massive thank-you night.
14. Have your board members make thank-you phone calls. It’s a great way to introduce your board members to fundraising, and donors will give substantially more if they get a phone call thank-you!
15. Ask your donors for their feedback. Bring donors together to share their experiences. I once facilitated a focus group for the North Carolina Symphony, and the donors loved it!
16. Have board members hand write thank-you notes. Bring note cards to your next board meeting, and take a few minutes for them to pen personal notes.
17. Tell donors over and over about all the wonderful things they are making possible. Remind them that they are the true heroes of your work.
18. Host special donors-only events, like tours, briefings, conference calls, and yes, parties!
19. Make personal thank-you visits. What an easy and nice way to connect deeply with an important donor!
20. Train and acknowledge the back office staff members who process gifts. They are part of your customer service team from fielding donor phone calls to keeping correct records.

THE BOTTOM LINE

Make donor loyalty a primary focus of your annual fundraising program, and you’ll be rewarded with happy, loyal donors who will support you year after year. ■

Gail Perry, MBA, CFRE, is an international fundraising consultant, speaker, trainer and thought-leader. She is a leader in the new breed of fundraisers who are on the cutting edge of fundraising today. Her Fired-Up Fundraising approach, developed over the past 25 years as a nonprofit philanthropy expert, has helped organizations raise hundreds of millions in gifts.

17.4%

Percentage of all giving that happens in December

– BLACKBAUD, 2015 CHARITABLE GIVING REPORT

CUTTING THROUGH THE CLUTTER OF YEAR-END APPEALS

BY **LORI L. JACOBWITH**

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Ignited Fundraising

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It takes up to four times more time and money to find a new donor than to keep an existing donor. We all know that donor retention is a year-long process, right? The good news is December can be the “cherry on top” of a yearlong stewardship or donor retention program if you’ve paid attention to your communication.

THE WRONG WAY TO KEEP YOUR DONORS GIVING:

1. Use language that is all about you, for example: Please help. Give Today. Attend our event.

Those word choices don’t inspire or cause people to want to give you their money or their time. Utilitarian language quickly becomes part of the loud fundraising noise that barrages your donors, especially at year-end.

THE RIGHT WAYS TO INSPIRE YOUR DONORS TO STICK AROUND:

1. Talk about the impact **their gifts** helped you make.
2. Use communication to cause people to **feel something**.
3. **Don’t wait until year-end** to work on donor retention.

Our brains are wired so that we must feel something before we can make a decision. Cause me to feel happy, sad, proud, angry, or worried; the emotion doesn’t matter. Just don’t waste your words with a report that is dry and uninspiring.

Adding a few more words and thoughtful descriptive phrases to your communication will inspire the response you want: pride about previous donations and an interest in giving more.

HERE’S AN EXAMPLE OF UTILITARIAN VS. INSPIRING COMMUNICATION:

A Report: Utilitarian Language

Mrs. Lee is one of our subscribers to our theater series. She’s been a part of our theater family for many years.

Mrs. Lee loves the performing arts and rarely misses one of our shows. She often brings guests with her and she always makes sure we know that she is spreading the word about our quality performances to others. We love Mrs. Lee as much as she loves our theater.

A Story: Inspiring Language

At the tender age of 9, wide-eyed Amanda saw her first live theater production: a three-hour long performance of Camelot. Now at 79, Mrs. Amanda Lee loves to remind me she

“You can't share too many inspiring stories. You can share too many uninspiring reports that you might mistake for stories.”

can still recall the thrilling moment when the orchestra music began, and she was swept away with a love for live theater.

It’s not surprising that Mrs. Lee is one of our most passionate patrons. Even when money was tight, she proudly brought her son and daughter, dressed in their best outfits, to the People’s Theater. These days, she delights in opening the eyes of her grandchildren to the magic of live theater.

Just as your grandparents or parents are aging, Mrs. Lee is becoming more frail each year. But that hasn’t changed her love of live theater. She recently said the joy she gets from our performances is better than any rehab or medication. And she told me proudly that our theater is in her will.

Amanda Lee knows it takes more than ticket sales to keep our theater financially healthy.

As I talk about her, Mrs. Lee reminds me and our staff that we are much more than a theater company. For Amanda Lee and her family we are a place where memories are made, dreams are woven, and passion is felt. Frankly, we love Mrs. Lee as much as she loves our theater.

CUTTING THROUGH THE CLUTTER OF YEAR-END APPEALS

When an inspiring story is shared in your newsletter, on your website, in your social media, or in person, you help your supporters remember how their contributions make a difference.

Sharing real examples that paint a clear, relatable picture is the right way to ensure that your donors feel connected to your organization. You can’t share too many inspiring stories. You can share too many uninspiring reports that you might mistake for stories.

Using inspiring examples of your impact is what reminds a supporter why he or she made a gift in the first place. To cut through the clutter of year-end appeals, use carefully chosen words to inspire donors to give again.

A list of emotionally connecting words and a template for crafting an inspiring story can be found in the *Boring2Brilliant* eBook on my website. ■

A nationally recognized master storyteller and fundraising culture expert, Lori L. Jacobwith has more than 30 years' experience helping nonprofit organizations raise $300 million—and counting—from individual donors. When she's not speaking at conferences around the world, Lori provides group coaching for non-profit staff and board members to powerfully share their stories.

#GIVINGTUESDAY

End-of-Year Giving Highlight ▸

The large increase in year-over-year donations on **#GivingTuesday**, an annual day of giving on the Tuesday following Thanksgiving, hints at the fundraising opportunities that come with the charitable spirit surrounding the end of year holiday season.

52%

increase in online donations during **#GivingTuesday** 2015 compared to 2014

–Blackbaud

BY **DAVID HESSEKIEL**

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THE NEW WAVE OF PEER-TO-PEER FUNDRAISING

Just how far will your organization's supporters go to raise money on your behalf? Would they walk across hot coals? Shave their heads? Ride a rollercoaster with hundreds of strangers ... while naked?

During the past decade, we've seen a massive explosion in the number and types of activities that comprise peer-to-peer fundraising—the practice of having a nonprofit's supporters reach out to their friends, family members, and colleagues for donations through their participation in activities.

In the past, these campaigns were built largely around structured events like charity walks and bike rides. Today, these campaigns can take hundreds of forms. But one thing remains constant—organizations that are diligent and disciplined in their approach to donor stewardship are the ones most likely to succeed.

For the past 10 years, my organization, the Peer-to-Peer Professional Forum, has been tracking the results of the nation's 30 largest peer-to-peer fundraising programs.

And as we look at how these large programs have evolved, it's clear that the landscape has grown more competitive and that supporters have more opportunities than ever to raise money for their favorite causes.

Looking back at America's five largest peer-to-peer fundraising programs in 2006, four have experienced precipitous drops in revenue. These four programs are still huge—they collectively raised $455.8 million in 2015. But that figure is $254.5 million less than what those same four programs raised in 2006.

While these campaigns have struggled, a new wave of rapidly expanding programs has emerged.

Nearly one-third of the top 30 programs have seen their revenues more than double during the past decade. Two others—Memorial Sloan-Kettering Cancer™ Center's Cycle for Survival and the bicycling event Pelotonia—are so new that they didn't even exist 10 years ago. Pelotonia, which hosted its first event in 2009, is already the nation's 20th largest program after raising nearly $23.7 million in 2015.

While a handful of brand-name programs have struggled to keep pace with their prior results, a new generation of highly successful programs has appeared—meaning more charities than ever are seeing significant revenues from peer-to-peer fundraising.

Collectively, the 30 largest peer-to-peer fundraising programs raised more than $1.57 billion in 2015. And beyond the top 30, we saw great growth from locally-focused events.

We've seen a true democratization of peer-to-peer, where your success isn't driven by the type of event you run, but rather your ability to produce excellent experiences for volunteer fundraisers. You no longer have to be among the largest or most established organizations to successfully raise money through peer-to-peer fundraising.

To do this, you need a relentless focus on stewardship—a focus that begins with your first communication with your volunteer fundraisers, extends through the event or campaign, and continues long after the campaign is over.

The most successful campaigns begin with focused messages to supporters that include clear calls to action—likely driving them to a page on the nonprofit's website that makes it easy for them to sign up for the event and learn

74.5%

Percentage of fundraisers who raised more than $500 and also shared their crowdfundraising pages on social media

– EVERYDAYHERO®

more information. Simply put, organizations make it easy for people to join and spread the word to their friends and colleagues. Many groups supplement their larger-scale marketing efforts with in-person outreach.

But they don't stop there.

They keep pushing and asking people to not only join their effort but also to ask for support on their behalf.

The fact is, many participants who sign up for your event won't contribute or attempt to raise money beyond what's minimally required. But the folks who do take the extra step of fund-raising for you will carry your event.

The most successful organizations invest heavily in identifying and stewarding those power participants. They communicate with them regularly with personal messages and offer meaningful challenges and rewards. They provide support. They make them feel welcome and wanted.

This level of stewardship continues through the actual event. The organizations that succeed find ways to connect the event to their mission and give participants a reason to feel like they are accomplishing something special. They also pay attention to every detail, making sure that the experience itself is pleasant and fun.

To do that, they must make sure they are properly staffed, they have an army of well-trained volunteers, and they have planned ahead to ensure that they have a plan B in case the weather doesn't cooperate, technology backfires, or a key volunteer gets sick.

Groups that nail the pre-event stewardship and provide a world-class event experience, have a greater chance of bringing their best fundraisers back to future events.

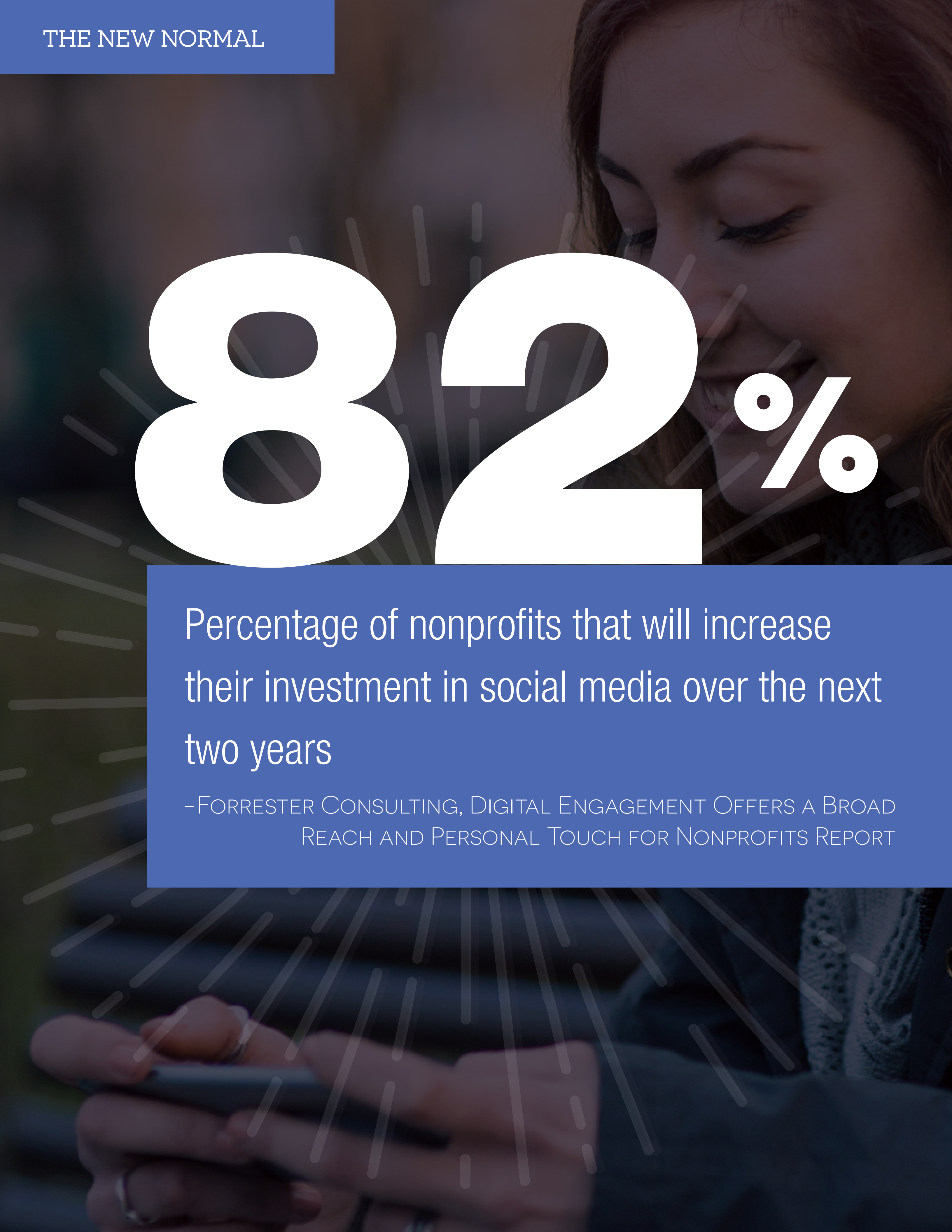
But the work doesn't end there.

It's also vital that organizations thank and engage with these participants regularly once the event is over.

The best campaigns—regardless of their size and history—are the ones that are organized and thoughtful and recognize that if they are able to put the fundraiser first at every step of the process, that fundraiser will do almost anything to support their work.

Even if that means riding a rollercoaster in the buff. ■

Cause Marketing Forum President David Hessekiel produces the Peer-to-Peer Professional Forum and Peer-to-Peer Fundraising Canada. In the spirit of experiential learning, he has raised money by slogging through a marathon, running a half-marathon (much more pleasant), pouring a bucket of ice water over his head, eating hot chili peppers, crowdfunding construction of a school in Guatemala, and more.



82%

Percentage of nonprofits that will increase their investment in social media over the next two years

–Forrester Consulting, Digital Engagement Offers a Broad Reach and Personal Touch for Nonprofits Report

REACHING YOUR COMMUNITY THROUGH SOCIAL MEDIA AND ADVOCACY

BY **AUSTIN GRAFF**

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If there's one thing I've learned about social media, it's this: It's all about human connection. Virtually every social media platform was initially created for and because of human connections and relationships.

Facebook® was started to connect friends in college and grew to include families and friends outside of the college world too. Twitter® began as a way to connect with influencers. Social media gives us the opportunity to show up, be seen, and connect with other people, a community. However, the question remains, how does an organization connect with real people and foster community on social media?

While I led social media at International Justice Mission (IJM), the largest human rights organization fighting to end slavery, human trafficking, and other forms of violence against the poor, our social media followers grew from 0 to 500,000...on no budget. We lacked dollar signs, but we didn't lack connections. s. We used a strategy based around connecting with our social media fans by following these steps:

DEPLOY THE 80/20 RULE.

Eighty percent of our content across our social platforms are "gives" to our followers. Whether it's an inspiring graphic, a free resource, or a creative video, these posts demand no action. This allows us then to devote only 20 percent of our posts to asking our social fans to take action. Social media relationships are like real relationships. If someone you met at an event only communicated with you when he or she wanted something, you'd start to avoid that person. Social media is the same, which is why it's important to create the best practice of giving to your fan base. Develop your social media content strategy around the 80/20 rule!

REACH OUT TO NEW FOLLOWERS.

We tweeted at them. We asked them questions. We retweeted them. We celebrated them. The result? An army of loyalists who shared our content without being asked. It's because of our loyal fans that we had one of the highest engagement rates for a nonprofit organization on Facebook.

TREAT SOCIAL MEDIA AS A CUSTOMER SERVICE ARM ... AND TAKE IT SERIOUSLY.

Interact with the tweets and Facebook comments. Use the Favorite button on Twitter if you don't want to retweet something. It's a great way to tell your fans that you saw their tweet and appreciate it. Answer any question asked of your organization on social media. If someone asked you a question on the street, it would be rude to just walk by, right?

ACTIVATE INFLUENCERS TO SHARE YOUR CONTENT.

I see influencers as one of three people:

1. A celebrity—this can be anyone from your local newscaster to Barbara Walters herself
2. Anyone with a social following of more than 3,000
3. Anyone who frequently shares your content

Reach out to these influencers. Foster the relationship. Meet them face-to-face. Invite them to a private Facebook group where you give them the inside track to your ministry, and ask them to share marquee content. Investing in influencers will help encourage others to join your community!

USE TWITTER TO CONNECT WITH NEW AUDIENCES.

The goal of a hashtag is to reach new audiences. Research top daily trends. A great place to start is on the home page of your Twitter account on the lower left hand corner. Use those hashtags if they're relevant. Twitter also gives you access to people you may otherwise not have access to. Research your local celebrities, newscasters, and businesses, and reach out to them on Twitter to invite them to events and/or to share your content.

Of course, a good social media strategy will include beautiful, inspiring content and leverage the newest social media technology or app. But at the end of the day, those things are lost without human connection and a community. My favorite author and TED Talk speaker, Brene Brown, says, "I define connection as the energy that exists between people when they feel seen, heard, and valued; when they can give and receive without judgment; and when they derive sustenance and strength from the relationship." Considering Brene is active on Twitter (@BreneBrown), I know she'd agree her quote applies to social media too!

By using social media, an organization can spark an advocacy movement too! "Our fight against human trafficking is one of the great human rights causes of our time." These were the words President Barack Obama used in his speech to the Clinton Global Initiative (CGI) in 2012. His speech was the first speech entirely dedicated to the issue of slavery by a major world leader since Abraham Lincoln!

What inspired President Obama to deliver such a speech? Part of the reason was thanks to International Justice Mission's first-ever digital letter writing campaign. The organization's goal was to get 72,000 Americans to sign a letter asking the President to take a stronger stance on ending modern-day slavery. As IJM's social media lead, I knew it would take an entire community to reach our goal. So, we deployed a social strategy with two major components:

- **Social activation:** We worked hard to make sure social media was integrated throughout the entire campaign. We added social sharing buttons with auto messaging, including a shortened link and key hashtags for people who signed the letter. We literally saw hundreds of people use the sharing buttons every day!
- **Community management:** Because our social strategy used the 80/20 rule, our community was ready to act when asked. Every time someone tweeted about the campaign, we tweeted back at them to thank and challenge them to get five friends to sign. We invited our top social media fans and influencers to share the campaign. We resourced them with graphics, tracked links, and lots of love!

The most interesting part to all of this is that we spent zero dollars on marketing and promotion. If you work for an organization that has no social budget, there is hope. You can still build a movement! ■

Austin Graff is the social media manager at America's leading organic bottled iced tea company, Honest Tea, where he leads social media and influencer marketing. Prior to Honest Tea, Austin was the digital and social media marketing manager for International Justice Mission, where he built and led a social media presence of more than 500,000 fans. After growing up in Russia, he now calls Washington, DC home.

Giving in an Election Year Highlight ▾

These numbers suggest that engagement in one aspect of the community (such as politics) encourages donors to engage more strongly in other aspects (such as charitable giving). The political year offers a great opportunity to rally advocates and galvanize supporters around your cause through opt-ins, segmentation, and personalized outreach.

PERCENT CHANGE IN CHARITABLE GIVING 2011 - 2012

▲ .9%

POLITICAL DONORS

▼ -2.1%

NON-POLITICAL DONORS

–Blackbaud, Giving in an Election Year: How Political Giving Impacts Nonprofit Support

6.8B

Projected number of smartphone users by 2020

–2016 Ericsson Mobility Report

BY **HEATHER MANSFIELD**

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MOBILE TECH WILL TRANSFORM FUNDING & CHANGE THE WORLD

In the late 1990s, I worked as a communications director for a small international development organization in San Francisco. When I came on board, the company's first website had just launched, and my role was to create the first email newsletter and set up the site to accept online donations. The times were revolutionary.

I was a young Gen Xer empowered with a brand new Bondi Blue iMac® G3 desktop computer and emboldened by the belief that my generation was going to pioneer how non-profits used the Internet, and in the process, change the world.

In truth, we did change the world, and we did pioneer how nonprofits use the Internet, but progress took longer than any of us thought it would. In reality, those early years of experimentation were mostly defined by failure. We learned that website traffic was earned, not a given, and that effective email marketing required advanced skills and forward thinking.

As far as online fundraising success? It would remain elusive for a decade. Inspiring donors to give online is an art form that requires creative writing and design skills juxtaposed with a working knowledge of how altruistic human behavior is manifested, and even more importantly, triggered online. It is a skillset that takes years to acquire.

Today, the vast majority of nonprofits have websites, use email marketing, and accept online donations, but ironically, everything that we, as a sector, have learned about web and email communications and online fund-raising over last 20 years needs to be revised and relearned.

Why? Quite simply, the release of the first iPhone® on June 29, 2007 (my 35th).

As a Gen X nonprofit communicator, I was born at the best of times. I was a witness to the beginning of websites, email, and online fund-raising as well as the rise of social media and mobile communications. However, to anyone and everyone reading this now, no matter your age or location in the world, you are about to experience—and hopefully help pioneer—the most consequential evolution in Internet technology yet: the Global Mobile Revolution.

The number of smartphone and tablet users worldwide is expected to grow to 6.8 billion by 2021. Today, it is 3.7 billion *(2016 Ericsson Mobility Report).* It has taken almost 20 years for Internet access to spread to 40% the world's population, beginning with the release of AOL® dial-up in 1997, yet that number is set to nearly double in the next five years due to mobile technology. If your non-

“It’s guaranteed that your nonprofit is losing online donations if your donation pages are not mobile compatible.”

profit has been procrastinating on embracing a mobile-first communications and fundraising strategy, then the bells are ringing loudly. Here’s what your nonprofit needs to know, but more importantly, what it needs to do:

1) WEB COMMUNICATIONS

By 2021, 90% of Internet traffic will be mobile *(Source: Ericsson®).* Your website must be compatible with smartphones and tablets. If your website—and blog—content cannot be easily read on a two-inch screen, then it won’t be read at all. Investing in a new responsively designed website, meaning it responds and reshapes itself depending upon what size browser it is being viewed on, is a necessary expense. There’s no way around it, so the sooner your nonprofit makes the investment, the better.

2) EMAIL FUNDRAISING

More than 55% of emails are now opened on a mobile device *(Source: Litmus®)*, and you can expect that percentage to grow steadily each quarter. Your nonprofit must have mobile-responsive email templates for newsletters and fundraising appeals. Think large, visually compelling photos and graphics, less text, and tap-able call-to-action buttons.

3) DONATION PAGES

14% of donations are now made on a mobile device *(Source: Blackbaud)*, and it’s guaranteed that your nonprofit is losing online donations if your donation pages are not mobile compatible. If it’s a frustrating experience for you to donate to your own nonprofit on a smartphone (hint, hint: test, test), imagine how your donors feel. Online giving continues to grow rapidly every year, and within five years it’s not too much of a stretch to predict that online revenue will account for 20% of your nonprofit’s operating budget.

4) SOCIAL MEDIA

54% of Facebook users log in exclusively on a mobile device *(Source: Facebook®)*, **and 83% of Twitter-ers are active mobile users** *(Source: Twitter®).* Your nonprofit must approach social media from a mobile-first perspective and understand that the majority of website articles, blog posts, and calls-to-donate posted on social media will be read on a two-inch screen. If your nonprofit hopes to convert followers into donors, embracing mobile technology is a must. And that includes learning how to use Instagram® and Snapchat!

5) MOBILE APPS

The mobile app economy is projected to double to $101 billion by 2020 *(Source: VentureBeat).* Thus far the nonprofit sector has struggled to effectively use mobile apps for fundraising, but as Apple Pay™, Android Pay™, Samsung Pay®, and other mobile payment systems increase in popularity, it’s just a matter of time until your donors will be able to give to your nonprofit with just two taps and a finger scan inside mobile apps. It’s also likely that mobile apps will evolve into Internet of Things apps that will allow tap-tap-scan giving through things, such as the new Family Hub Refrigerator from Samsung®. By 2020, there will be about 26 smart objects for every human being on Earth (Source: Intel®).

Get ready! The Global Mobile Revolution has just begun. ■

Heather Mansfield is the founder of the Nonprofit Tech for Good blog and author of the best-selling books Mobile for Good and Social Media for Social Good. Over the last 10 years, she's grown a following for @nonprofitorgs on social networks to more than one million and presented over one hundred social media and online fundraising trainings throughout the United States, Canada, Australia, New Zealand, India, and Southeast Asia.

BY **RICK DUNHAM**

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DONOR-ADVISED FUNDS: PHILANTHROPY'S HOT-BUTTON ISSUE

Donor-advised funds (DAFs) have become one of the hottest tools in philanthropy over the last few years.

While the funds have been around for decades, the 1990s ushered in an increasing interest in DAFs as financial planning and planned giving tools.

Today they're growing rapidly as vehicles for donors to make charitable contributions and gain tax deductions, while maintaining the ability to distribute those dollars to multiple charities in the future.

What makes a donor-advised fund so attractive? Simply put, it allows donors the ability to time their charitable contributions to maximize tax savings. A DAF gives donors time to consider where they want to invest those dollars over the coming months and years.

HERE'S HOW IT WORKS. THE DONOR:

- Establishes a DAF with a public charity, like a community foundation or a charitable fund (Fidelity Charitable or the National Philanthropic Trust, for example)
- Makes a charitable contribution to fund the account (some funds require as little as $5,000 while others require a minimum of $25,000)
- Receives a full tax deduction (up to 50% of AGI) in the year the contribution is made
- Advises the public charity administering the DAF on where and how the funds should be distributed

For some, DAFs are a great alternative to setting up a charitable remainder trust or family foundation, and adoption rates prove their growing popularity. According to the National Philanthropic Trust (NPT), between 2013 and 2014, DAFs grew by 8.8% while charitable remainder unitrusts declined by 1.7% and charitable remainder annuity trusts declined by 7.7%. During the same period, private foundations grew by just 3%.

The amount contributed to DAFs since 2010 has also grown steadily in real dollars, as well as the percentage of giving by individuals. According to Giving USA, individuals contributed $211.77 billion to charity in 2010, and based on NPT data, $9.35 billion (4.4%) was given to DAFs. Just four years later, Giving USA reported that individuals gave $258.51 billion to charity in 2014, and NPT data show $19.66 billion (7.6%) was given to DAFs.

NPT also reports that, as of 2014 year-end, there were 238,293 DAFs representing $70.7 billion in assets. That's up from 184,364 DAFs in 2010 representing $33.6 billion in assets.

DAFs are not without detractors, though. There is a growing debate about the amount of money sitting in DAFs that has yet to be distributed by the donor advisor. NPT data indicates that the amount granted from DAFs annually has only increased by $5 billion from 2010 to 2014 while the amount contributed to DAFs annually during the same period increased by more than $10 billion.

7.6%

Percentage of individual giving that goes to donor-advised funds

–2015 National Philanthropic Trust,
Donor-Advised Fund Report

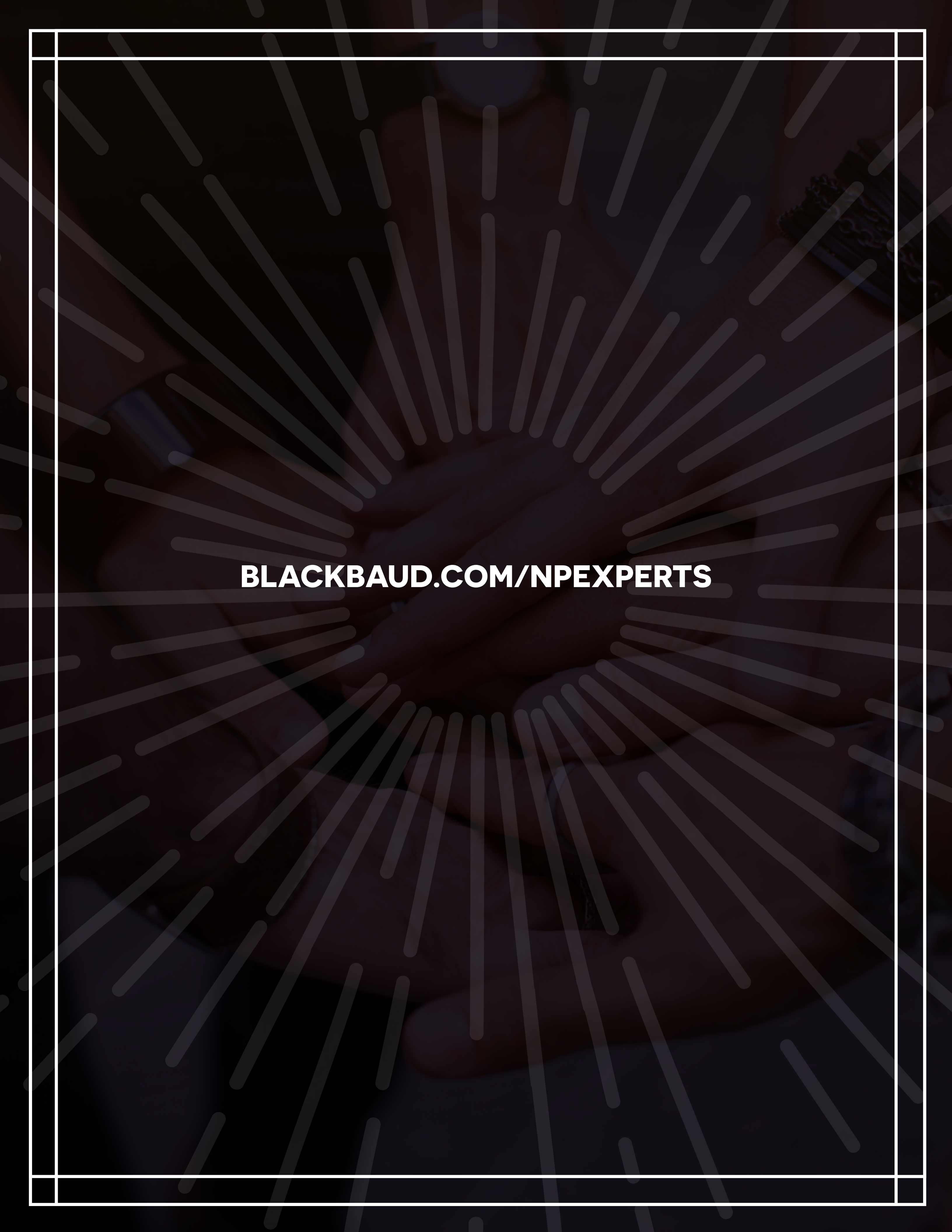
Here is a helpful look at the data:

	AMOUNT CONTRIBUTED	AMOUNT DISTRIBUTED	TOTAL DAF ASSETS
2010	$9.4 billion	$7.2 billion	**$33.6 billion**
2014	$19.66 billion	$12.49 billion	**$70.70 billion**

While the amount distributed from DAFs in 2014 actually eclipsed the amount contributed to DAFs in 2010, there is an increasing delta between the amount distributed and the remaining assets. In 2010, there was a $24.6 billion difference between remaining assets and amount distributed, whereas there was a $58.21 difference between the two in 2014. In addition, distributions represented 21.4% of DAF assets in 2010 compared to 17.6 percent of DAF assets in 2014.

Some legislators and giving experts are advocating for a sunset provision or requirement on DAFs. The aim would be to ensure that funds contributed to a DAF go to a charitable cause in a reasonable amount of time after they are made. As assets in DAFs continue to grow, so will the scrutiny—fundraisers are well-advised to stay tuned into philanthropy's latest hot-button issue. ■

Rick is a 38-year veteran in fundraising and marketing for nonprofit organizations. In 2002 Rick founded Dunham+Company, which is a global leader in helping faith-based nonprofits develop and execute comprehensive fund-raising strategies.



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