

# *Philanthropic Trends 2011*

# **5** *key questions* *in philanthropy today* *(...and tomorrow...and for some time to come)*



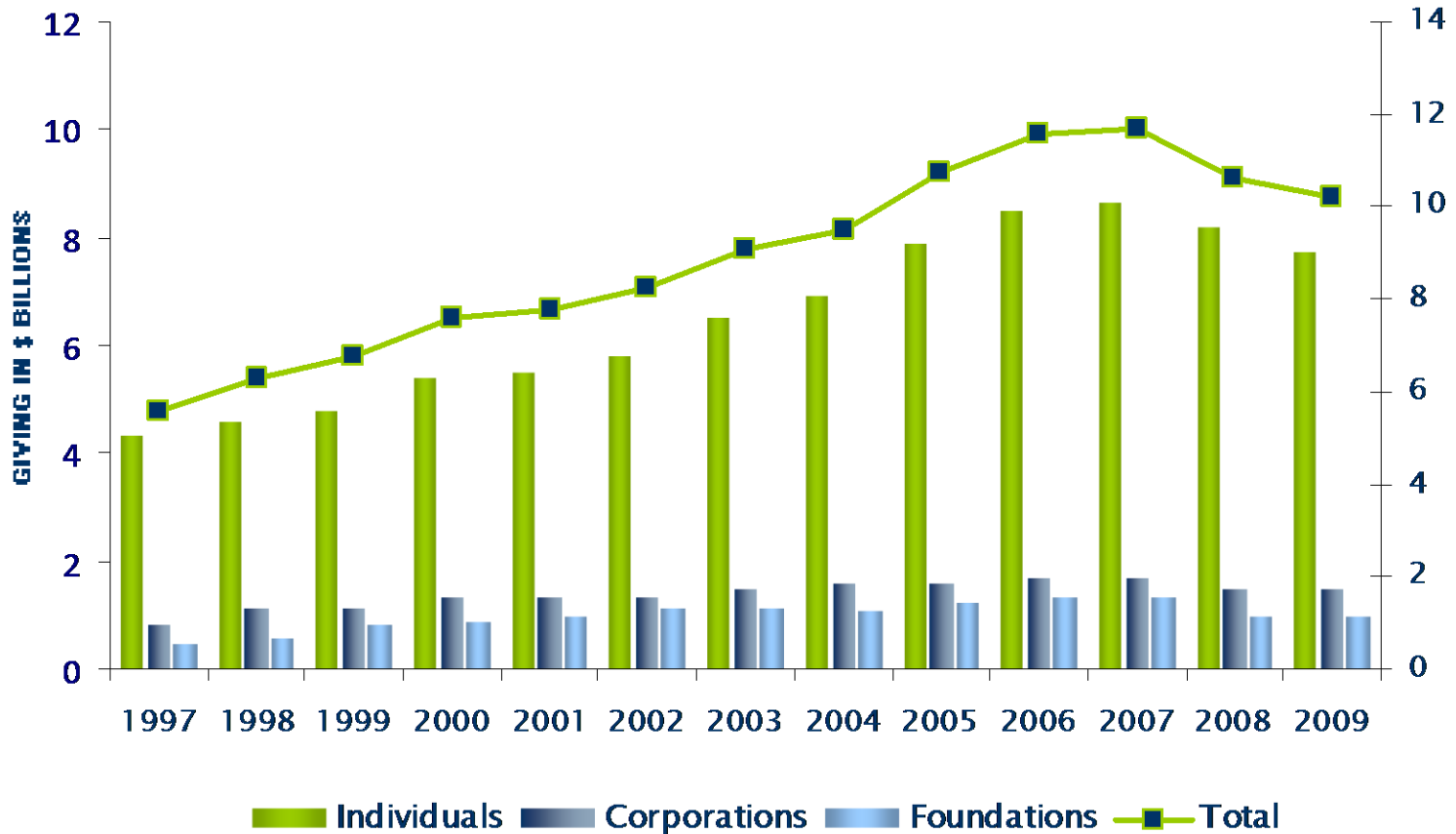
FORWARD THINKING



*Where have all  
the donors gone?*

*(Or have they?)*

# Overall giving



Source: KCI Research Services

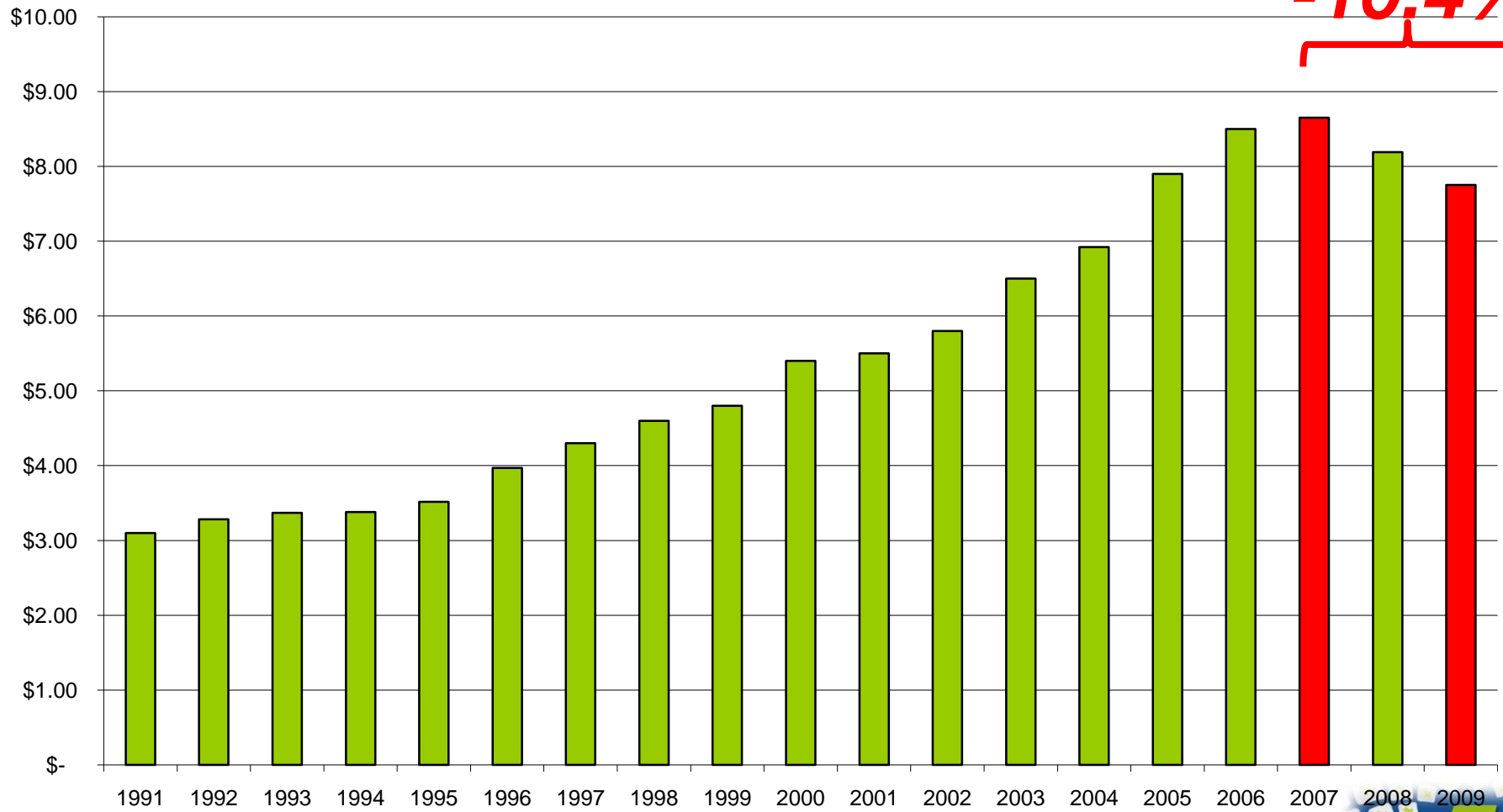
*Where have all the donors gone?  
(Or have they?)*





# *Individual giving is down...*

**-10.4%**

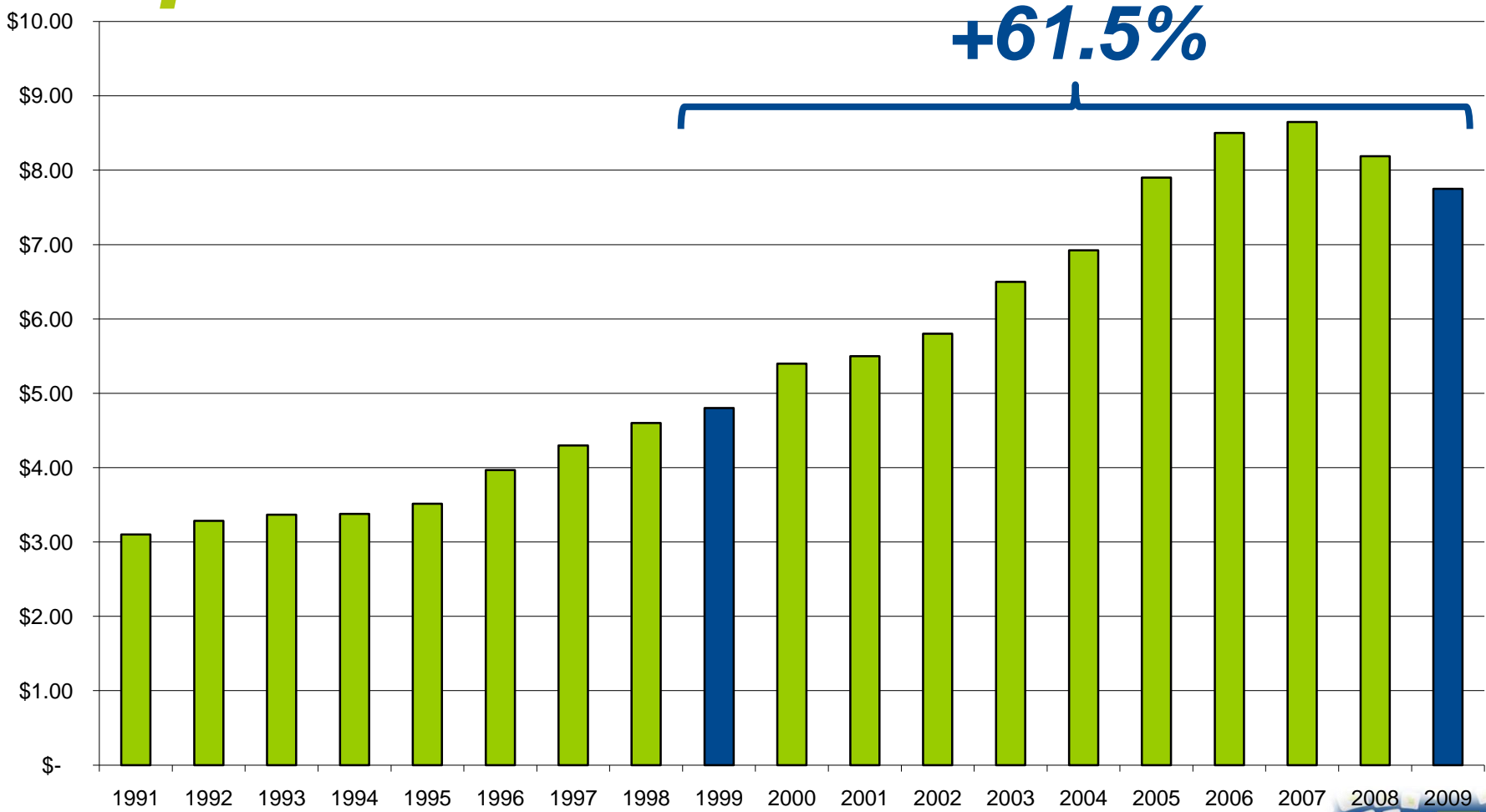


*Where have all the donors gone?  
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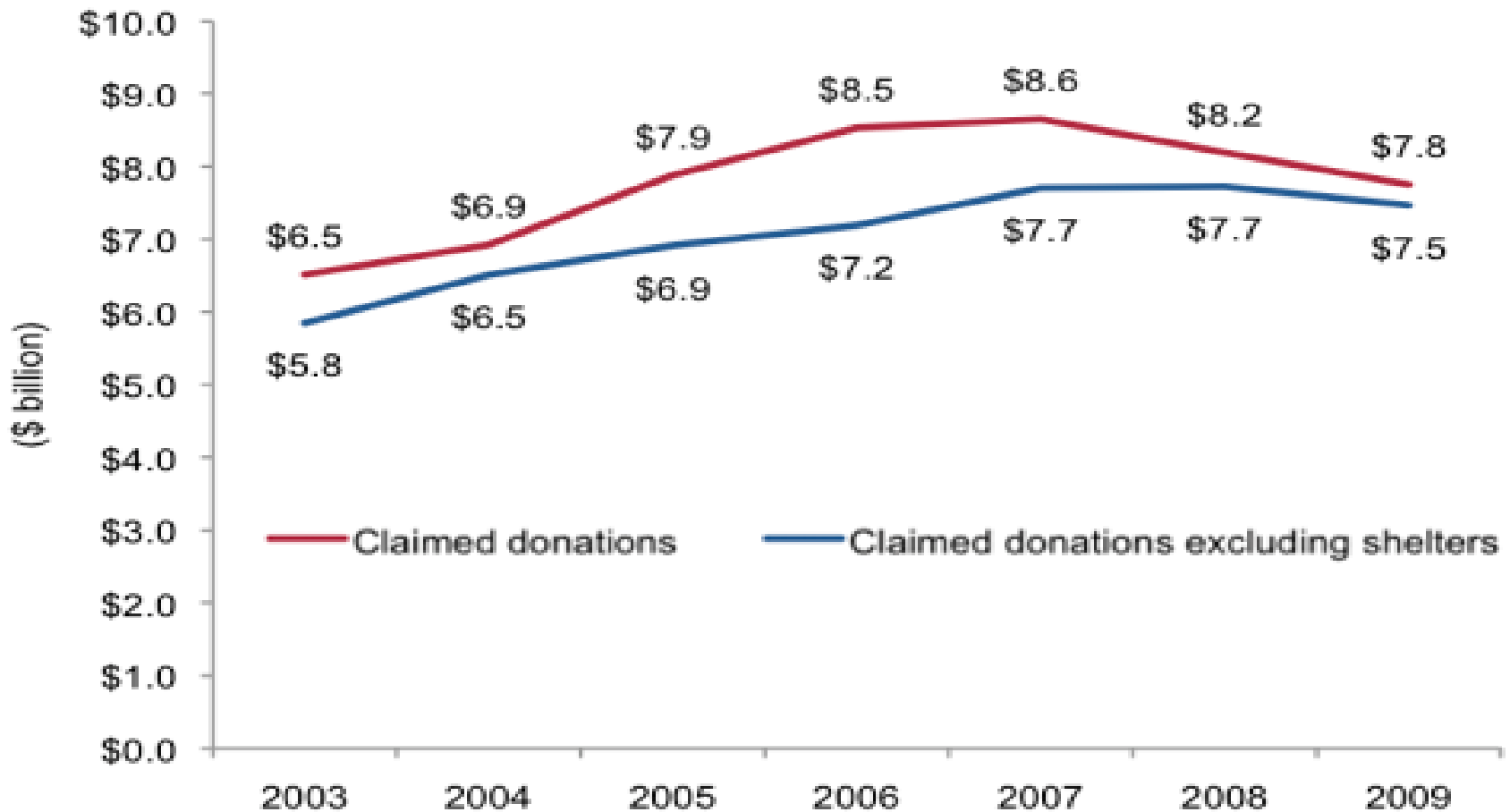
# Long-term trend still hugely positive...



*Where have all the donors gone?  
(Or have they?)*



...but decline in 'true' giving not nearly as dramatic...



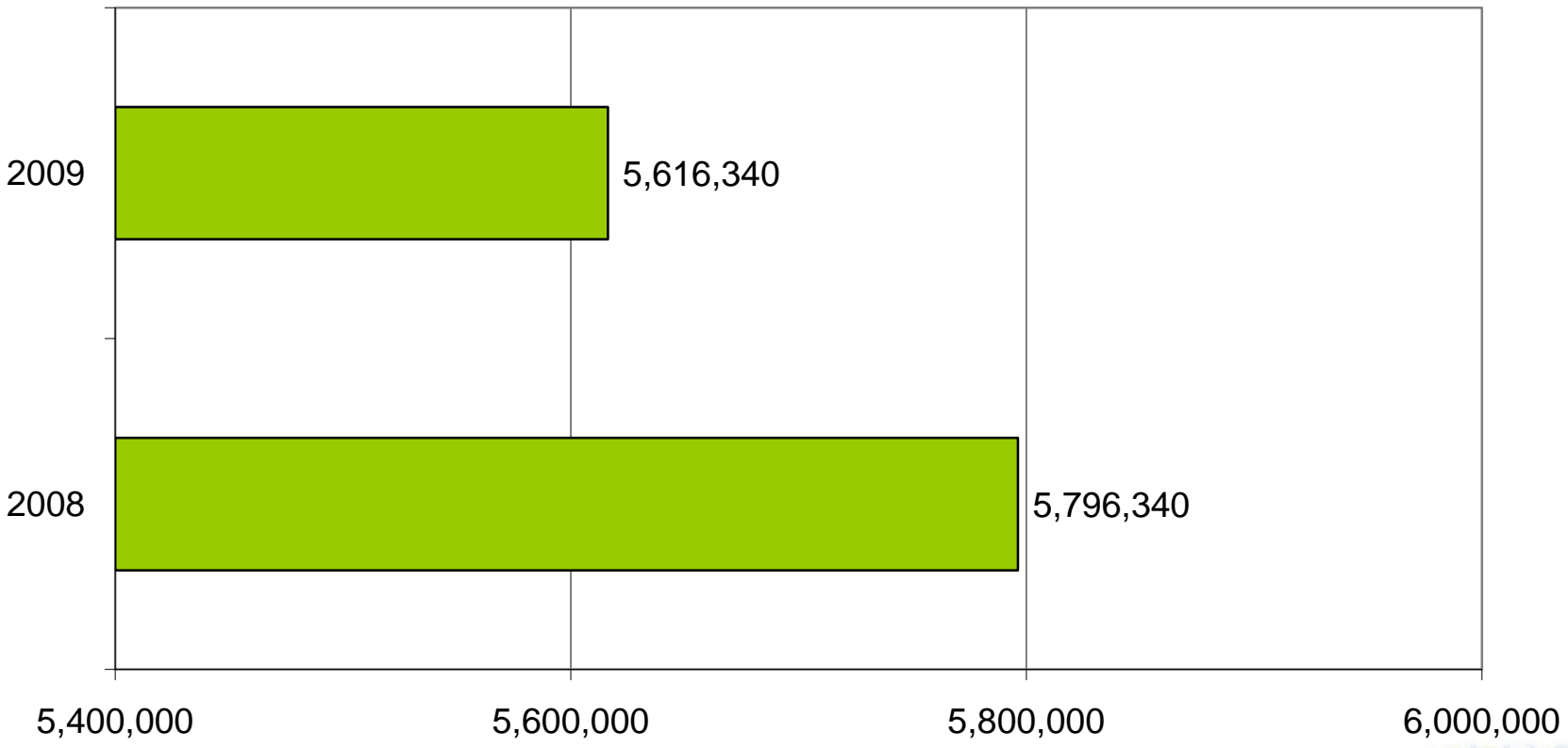
Where have all the donors gone?  
(Or have they?)





# *...and fewer donors giving...*

Total number of tax filers claiming deduction



*Where have all the donors gone?  
(Or have they?)*

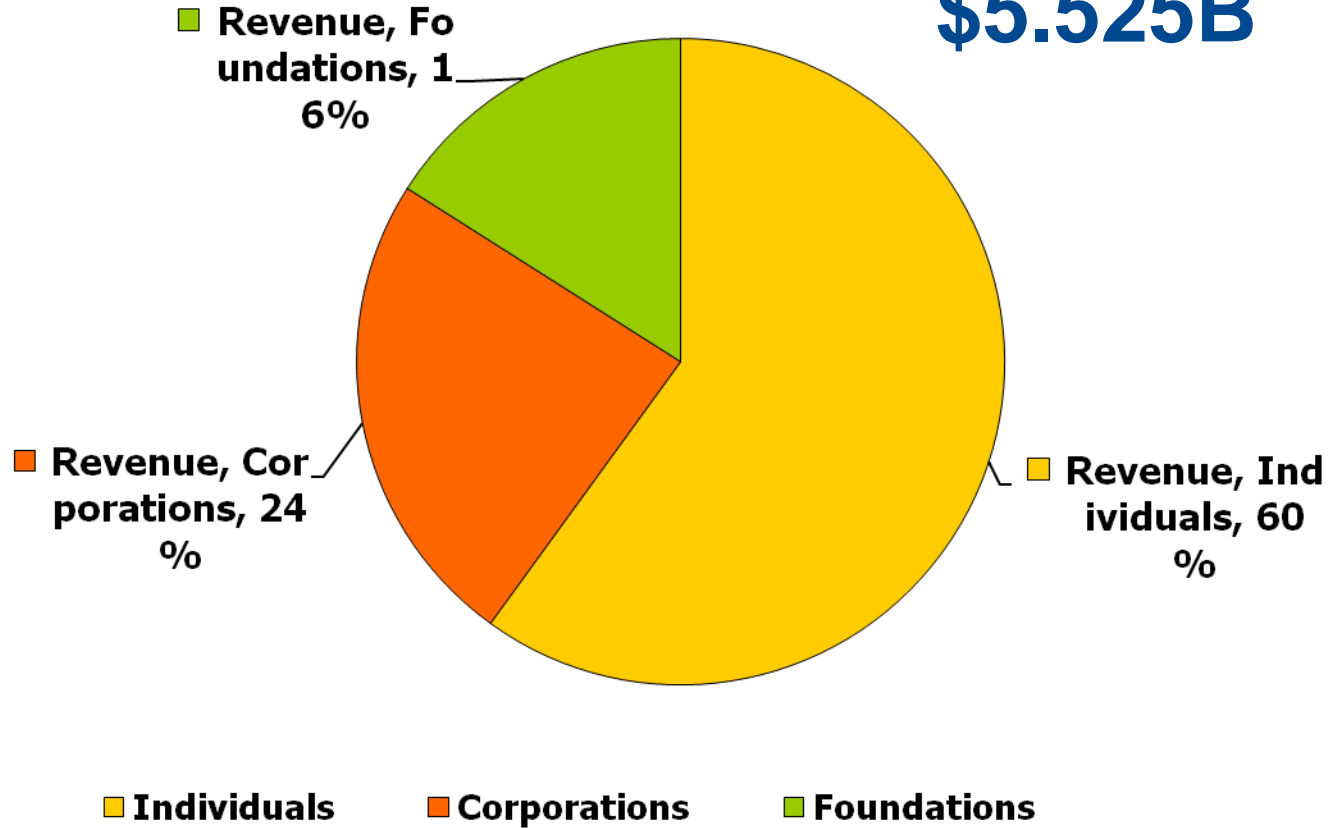




# Major gifts of \$500K+

All Sectors, 2003-10

**\$5.525B**



*Where have all the donors gone?  
(Or have they?)*





*How will the  
economic  
uncertainty  
affect  
fundraising?*

➤➤ ***\$1.4 trillion in debt...***



***How will the economic uncertainty affect fundraising?***



# ➤➤ *Assess your situation*

- The economic base of your community/region.  
(The past and current reaction to economic upheaval)
- Religious organizations, hospitals and universities have very loyal donors
- Social and human services have urgency going for them – what do you have?

*How will the economic uncertainty affect fundraising?*



# *Your 'staying on mission' case*

- Reassure your constituents and donors you are there and you will be there
- Vision – describe the future – you and the donor on a journey – today is over, tomorrow is full of possibilities
- Demonstrate how you are meeting needs
  - Compelling and urgent
  - For some – bold, audacious, gutsy
- Provide exceptional reasons for donors to consider you their charity of choice
- Make it personal and passionate – positive emotional triggers to counter the fear, anxiety

*How will the economic uncertainty affect fundraising?*



# *The new SWOT*

- Which scenario best describes your current situation?

SwOt

sWoT

*How will the economic uncertainty affect fundraising?*





# *Keep focused on the basics*

- **Keep it simple and strategic**
- Stewardship, Stewardship, Stewardship
- Mission–focused
- Relationships are key
- Have a plan, work the plan
- Be open and accountable
- Be grateful

*How will the economic uncertainty affect fundraising?*





***What do your  
future donors  
look like?***

***(And more importantly,  
what do they want?)***

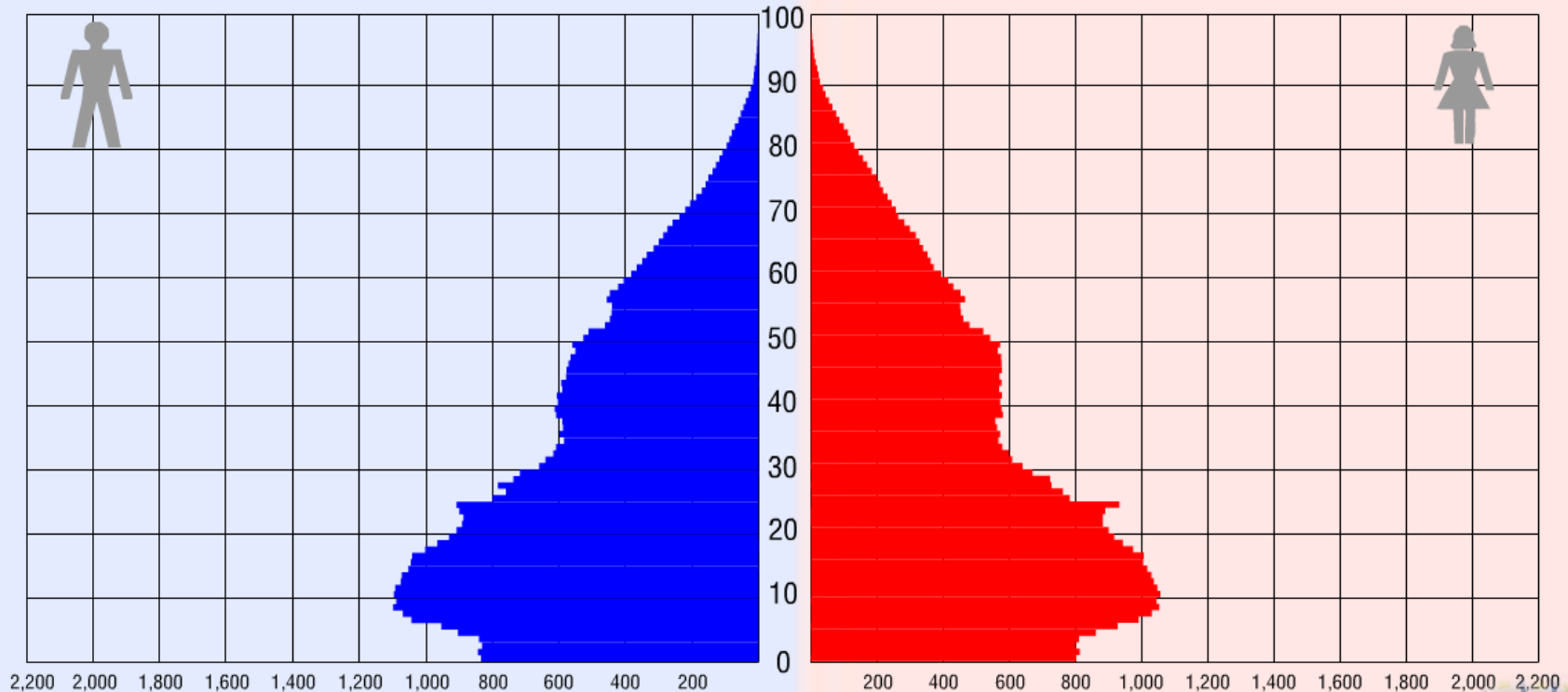
# The generations are shifting...

Age Pyramid of Population,

1971

1971

22.0 million



*What do your future donors look like?*

*(And more importantly, what do they want?)*

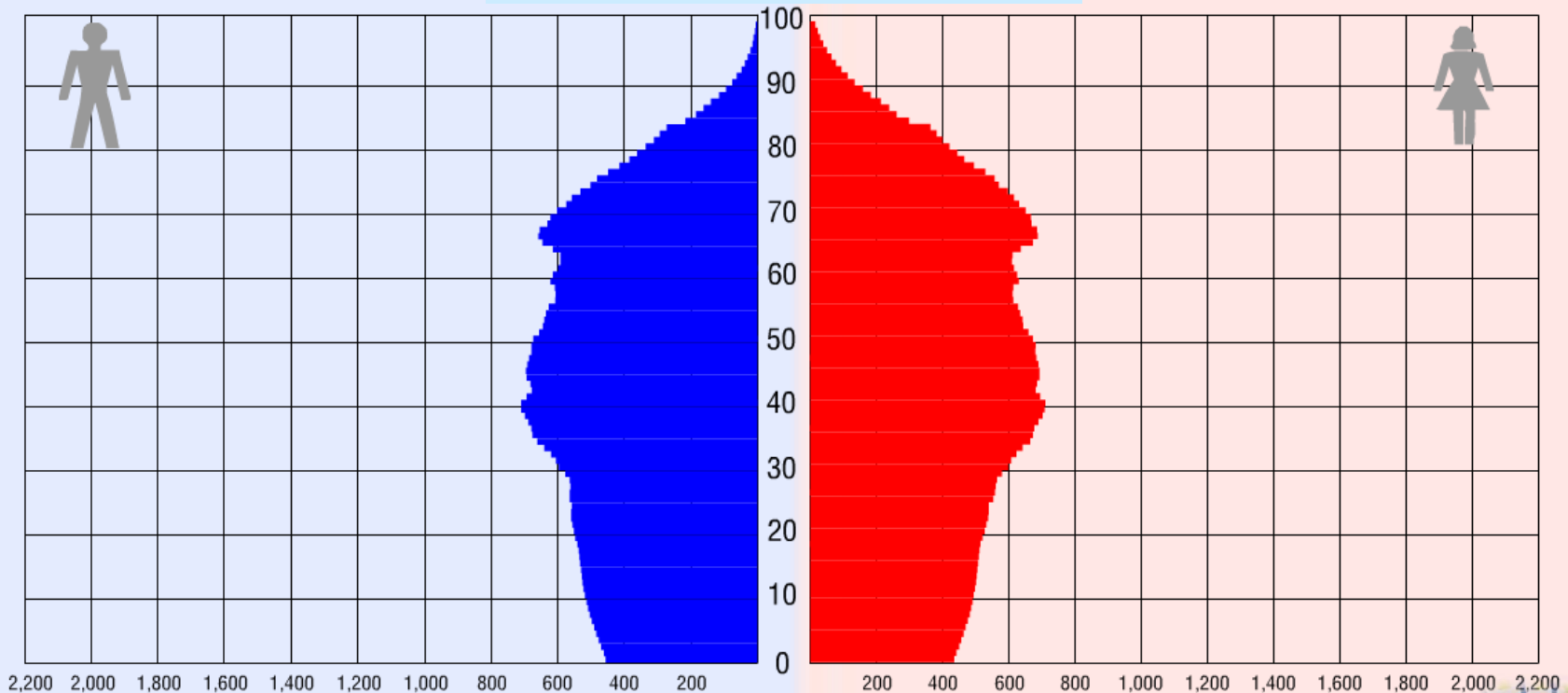


# The generations are shifting...

Age Pyramid of Population,

2030

38.8 million

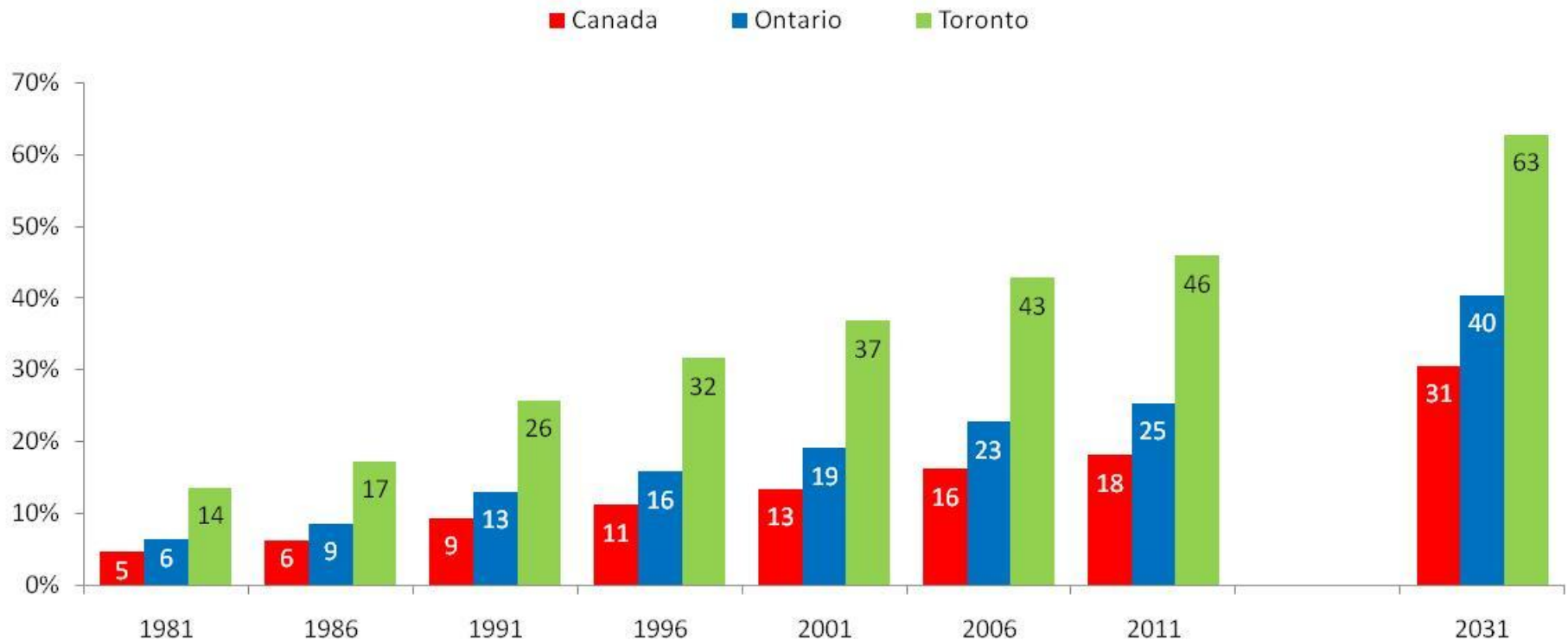


*What do your future donors look like?  
(And more importantly, what do they want?)*



# *...and becoming more diverse.*

Percentage of Population who Report Being a Member of a Visible Minority Group



Source: Environics Analytics

***What do your future donors look like?***  
***(And more importantly, what do they want?)***



# Generational donor profiles

Generation	% Giving	Average Gift
Gen Y (b. 1981-1991)	55% give	\$325
Gen X (b. 1965 - 1980)	61% give	\$549
Boomers (b. 1946 - 1964)	66% give	\$725
Civics (b.1945 or earlier)	73% give	\$833



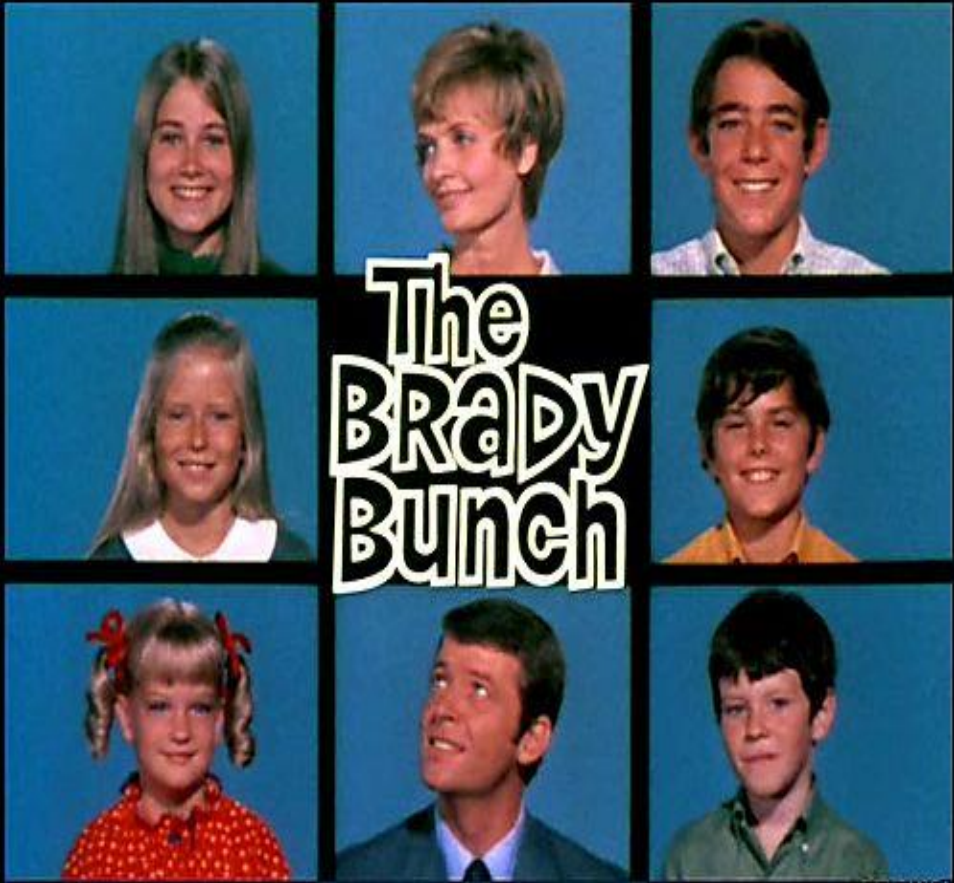







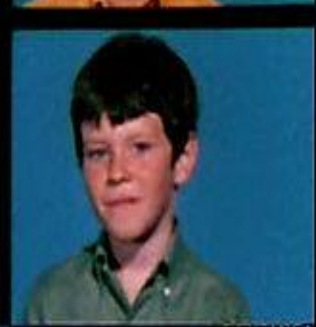
# Generational donor profiles

Generation	% Giving	Average Gift	Characteristics
Gen Y (b. 1981-1991)	55% give	\$325	<ul style="list-style-type: none"> <li>• See their giving as more random &amp; ad hoc</li> <li>• Like to volunteer, participate in and sponsor friends in events</li> <li>• Prefer mobile phones over landlines</li> <li>• Prefer to use phone over mail to interact with charities</li> <li>• Use social media extensively</li> <li>• 34% - 1<sup>st</sup> hear of charity from peers</li> <li>• 40% - gift is 1<sup>st</sup> interaction with charity</li> </ul>
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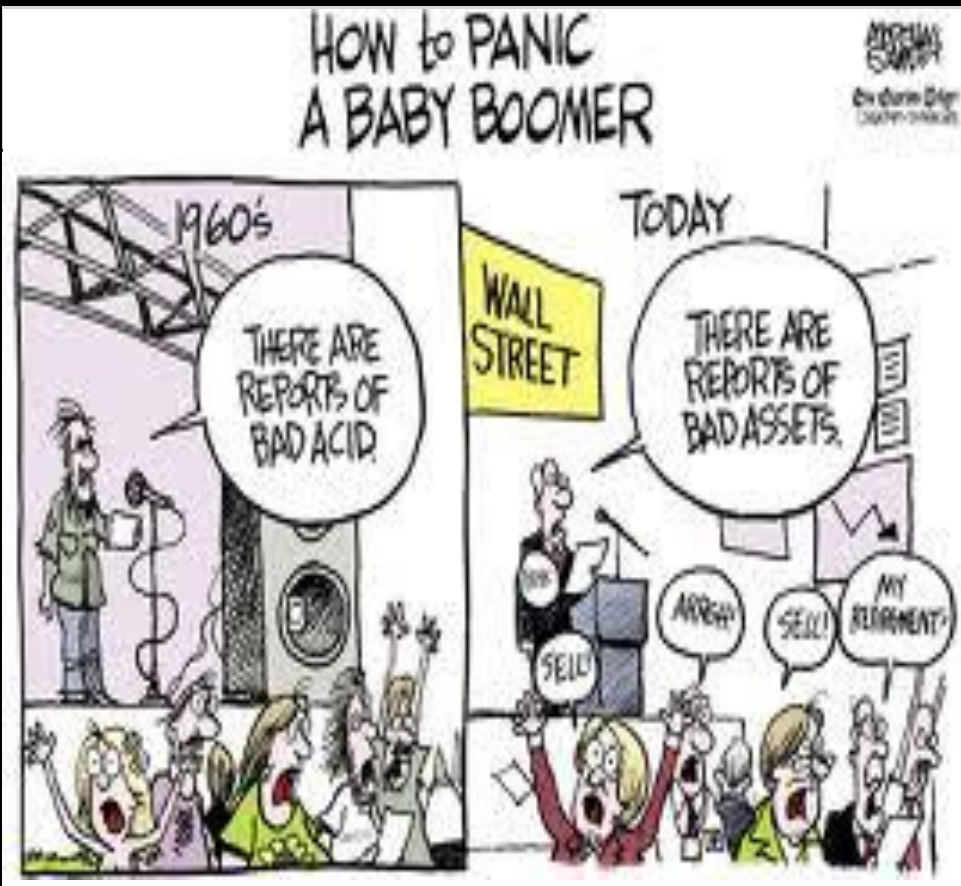
# Generational donor profiles

Generation	% Giving	Average Gift	Characteristics
Gen Y (b. 1981-1991)	55% give	\$325	<ul style="list-style-type: none"> <li>• Little time but like to participate in and support friends in events</li> <li>• Mostly likely group to make point of sale donation</li> <li>• Comfortable with giving email addresses</li> <li>• Use social media, but often as a way to enhance relationship or save time</li> <li>• 14% - 1<sup>st</sup> hear of charity at work</li> <li>• 47% - gift is 1<sup>st</sup> interaction with charity</li> </ul>
Gen X (b. 1965 - 1980)	61% give	\$549	
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*(And more importantly, what do they want?)*



# Generational donor profiles

Generation	% Giving	Average Gift	Characteristics
Gen Y (b. 1981-1991)	55% give	\$325	<ul style="list-style-type: none"> <li>• Giving is more deliberate than younger generations</li> <li>• Show strong preference to interacting with charity thru mail</li> <li>• Markedly less comfortable than Gen X with social networking</li> <li>• Comfortable signing petitions and reading newsletters online</li> <li>• 33% - 1<sup>st</sup> hear of charity from peers</li> <li>• 51% - gift is 1<sup>st</sup> interaction with charity</li> </ul>
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# Generational donor profiles

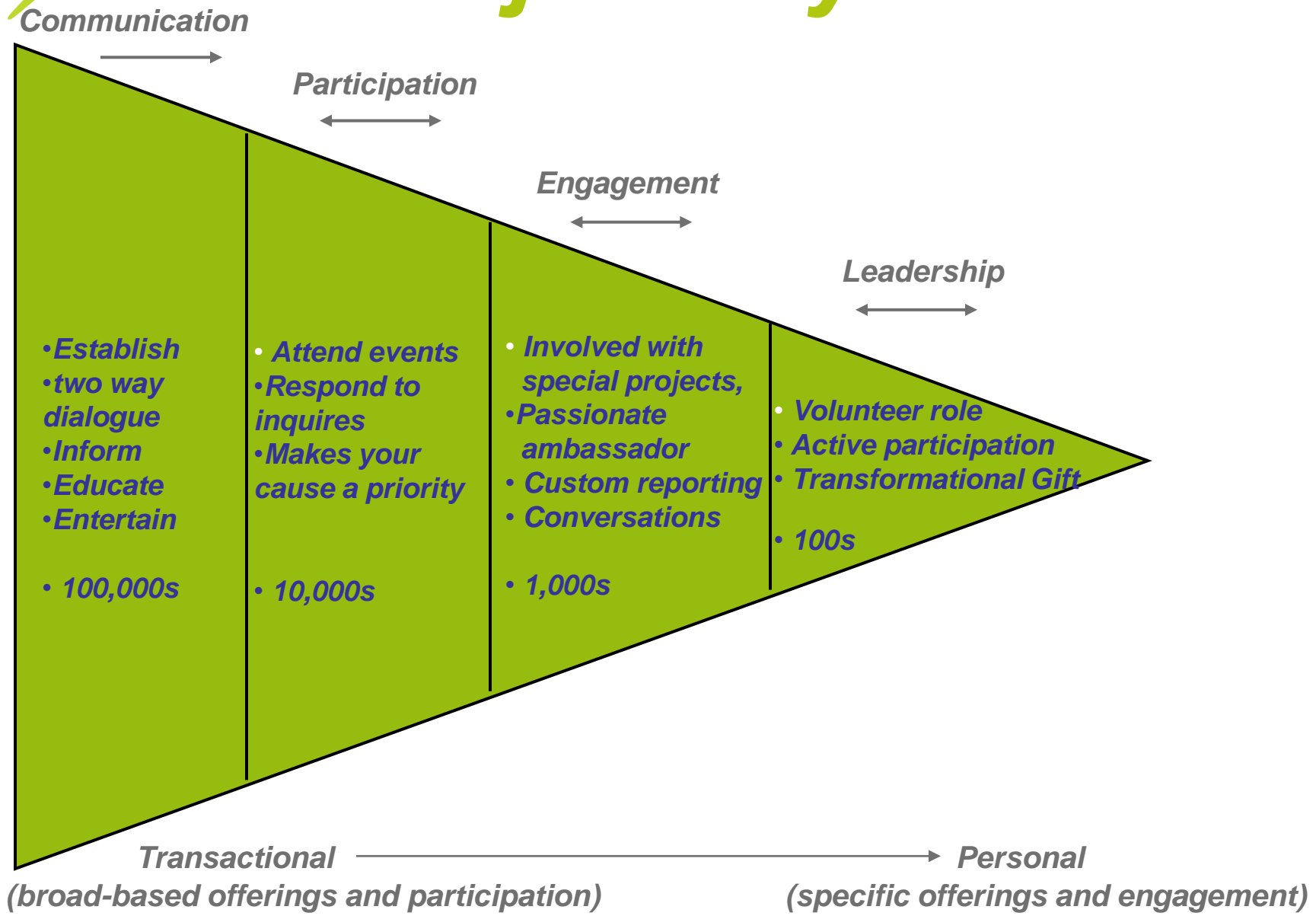
Generation	% Giving	Average Gift	Characteristics
Gen Y (b. 1981-1991)	55% give	\$325	<ul style="list-style-type: none"> <li>• Use mail channel most extensively</li> <li>• Tribute giving is popular with this group</li> <li>• Do not often give online and don't like to give email addresses</li> <li>• Comfortable forwarding links and signing petitions online</li> <li>• 22% - 1<sup>st</sup> hear of charity from mail</li> <li>• 62% - gift is 1<sup>st</sup> interaction with charity</li> </ul>
Gen X (b. 1965 - 1980)	61% give	\$549	
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**What do your future donors look like?**  
*(And more importantly, what do they want?)*





# Donor's journey



# Evolution of donor scrutiny



...GIVING  
TO AN  
INSTITUTION



...GIVING  
TO A PROJECT  
OF AN  
INSTITUTION



...EMPHASIS IS  
MORE ON THE  
IMPACT  
THAN ON THE  
PROJECT  
ITSELF

**What do your future donors look like?**  
(And more importantly, what do they want?)





*Who are you  
competing  
against?*

# *The 'usual suspects'...*

Increased number of charities

+

Increased sophistication of profession

+

Increased needs and demands for funds

=

Dramatically increased competition for 'mind-share':

- Public goodwill and profile
- Volunteers and community leaders
- Donors
- Staff

*Who are you competing against?*



# *...to the not so usual...*

- The world is 'smaller' than it used to be
  - Much greater interest in global issues – social, business and philanthropic
- Donors have wider interests and greater choice
  - Being enabled, in part, by the access granted through new technology
- 'Diaspora' philanthropy
  - Giving back to 'home country' important to recent immigrants
  - Estimated to be 1.5 times official aid

*Who are you competing against?*



# ➤➤ *Defining a ‘good charity’*

- Cost per dollar raised universal measure of a “good” charity
- While seemingly simplistic, actually very complex, belies comparison and cannot be used in isolation
- Are we doing it to ourselves?
- Movement to change the name of the sector

*Who are you competing against?*





*Beyond  
‘best’ practices to  
‘next’ practices*



# *Creating Philanthropy 2.0*

**Closed**

**Small**

**Slow**

**Fragmented**

**Short**

Open  
Big  
Fast  
Connected  
Long

*Beyond 'best' practices to 'next' practices*





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***‘If it is to be, it is  
up to....?’***



FORWARD THINKING

*[forwardthinkingKCI.com](http://forwardthinkingKCI.com)*

TORONTO MONTRÉAL CALGARY VANCOUVER OTTAWA HALIFAX EDMONTON