



CONVERGE | 22

powered by **PURSUANT**

Monday, October 10

State of Philanthropy

Pursuant Giving Outlook



Matthew Mielcarek

SVP, Analytics & Insights Strategy
matthew.mielcarek@pursuant.com



powered by **PURSUANT**

What We'll Cover.

- Fundraising environment
- Key strategies for uncertain times



powered by **PURSUANT**





Our challenge as marketers is to connect people with our mission through messaging and content that is most relevant and drives action.

In 2020 and 2021, we scaled up proven strategies that performed very well and helped offset revenue declines from other programs that struggled through the impact of the pandemic.

Since then, donor behavior has changed. Everything costs more for everyone, and we all feel the weight of uncertainty in the world.”

Catharine Holihan
Vice President, Direct Marketing
American Cancer Society



What We'll Cover.

- Fundraising environment
- Key strategies for uncertain times



powered by **PURSUANT**



FLASH BACK

America is on the
verge of a post-
pandemic boom.





**CONSUMER
PRICES**

INFLATION

currently 8.3% for the past 12 months

**DISCRETIONARY
SPENDING**



powered by **PURSUANT**

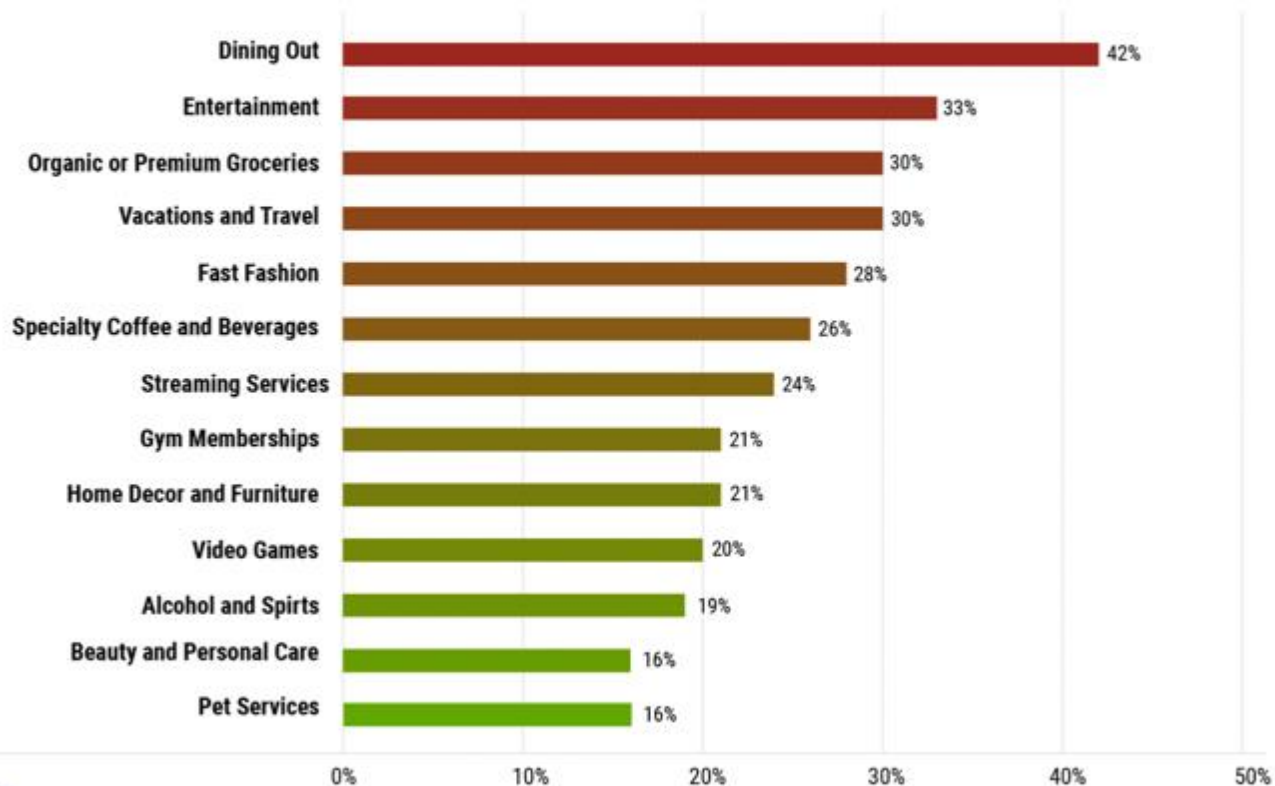
A \$1000 wallet in 2021
is worth **\$917** today

Where will the impact
be felt most?



INFLATION IMPACT ON U.S. DISCRETIONARY SPENDING


What discretionary spending will you cut back on due to rising prices?



**Becoming your donor's
charity of choice
makes you essential**



powered by PURSUANT™

A row of various mailboxes, including white, grey, and wooden ones, mounted on wooden posts along a grassy roadside. In the background, there are rolling hills and mountains under a blue sky with some clouds. A semi-transparent white box is overlaid in the center of the image, containing text.

When you are essential...

Your mail is opened

**You are welcomed back
again and again**




When you are essential...

**First time donors make the leap
to a second-year gift**



When you are essential...

**A supporter chooses to
give you their time**



When you are essential...

**You don't get overlooked
when times are tough**

Becoming “essential”...

- Builds resiliency within your donor file
- Opens the door to relationship development
- Drives growth at your organization



powered by **PURSUANT**



Mixed Signals in 2022 Economy



Inflation has cooled...



...but is very high



Mixed Signals in 2022 Economy



Unemployment remains low...



...but job growth is **cooling**



Mixed Signals in 2022 Economy



Retail sales are up...



...**but** home sales **and** consumer confidence **are falling**



Mixed Signals in 2022 Economy



Doesn't **feel** like a recession...



...but two quarters of GDP decline



Uncertainty clouds judgment and decision-making



powered by PURSUANT™

A sure thing: the economy is entering an era of **higher for longer** interest rates and cost of lending



Inflation
has cooled...

Unemployment
remains low...

Retail sales
are up...

Doesn't "feel" like
a recession...



...but is
very high

...but job growth
is cooling

...but home
sales are falling

...but two
quarters of
GDP decline



In 2021, philanthropy grew 4.0% to \$484B but just 0.07% adjusted for inflation

PHILANTHROPIC GIVING

Overall **increase of 0.07%**
over previous year.

CATEGORY GIVING

Foundation giving declined
1% Corporations
fell 18%. **Individual
giving declined by 1%.**

CHANNEL GIVING

Overall online revenue
increased by 3% .
Monthly online giving
revenue grew by 24%.

Giving USA Report, 2022

Sector performance in 2021 illustrates **rebound giving** from pandemic



Arts, Culture, Humanities
UP 21.8%

Public Society Benefit
UP 17.9

Environment/Animals
UP 6.1%

Health
UP 2.9

Religion
UP 0.7%



Education
DOWN 7.2%

Human Services
DOWN 2.4

International Affairs
DOWN 4.5



powered by **PURSUANT**

donorCentrics Index of Direct Marketing Fundraising
Fundraising Effectiveness Survey, Q1 2021

Headed into fall 2022, **signs** of economic softness affecting fundraising

...however, the trends we're seeing aren't new to us



Direct mail appeal
response rates



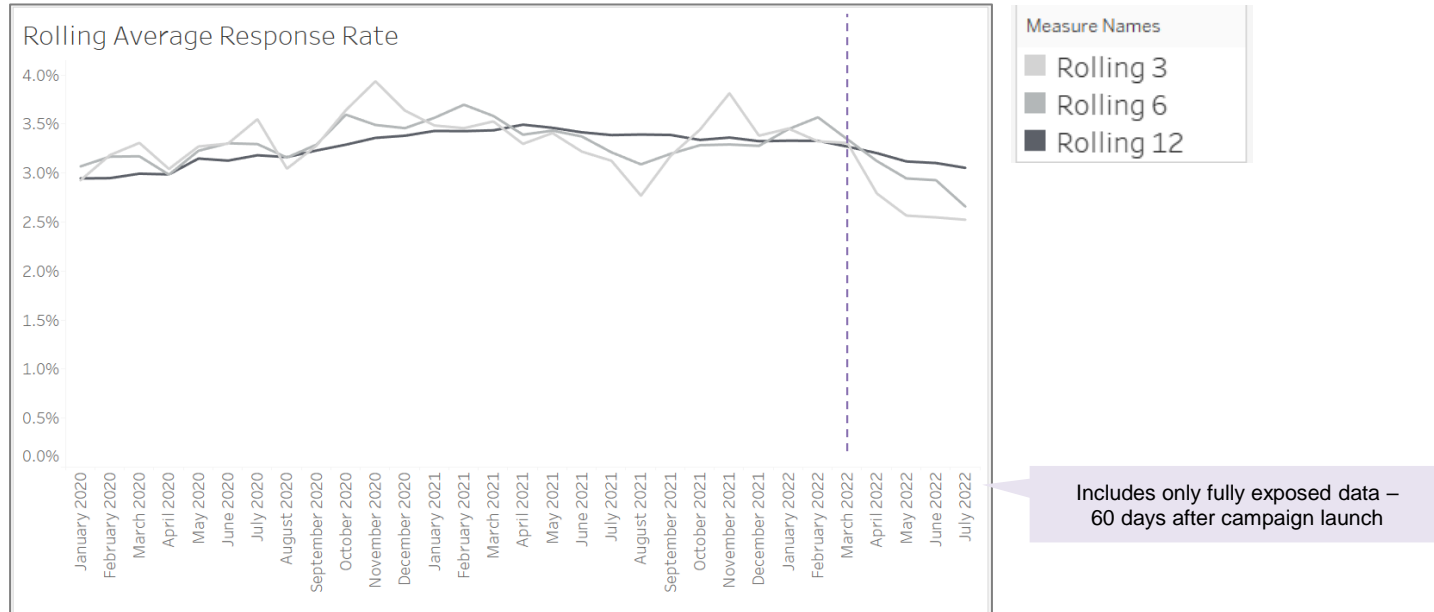
Average gift



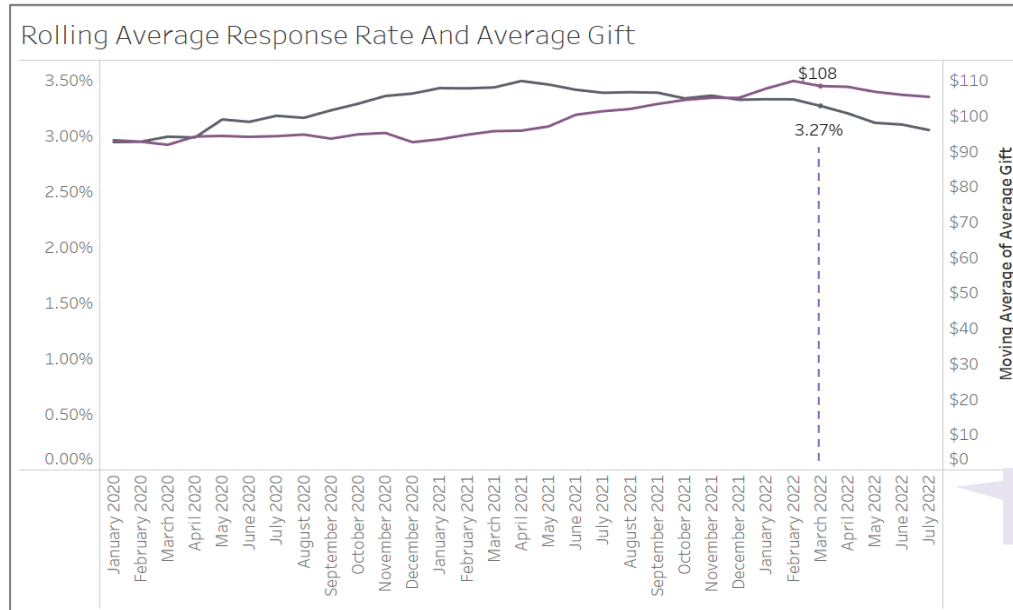
Retention



Response Rate declines accelerated in March 2022

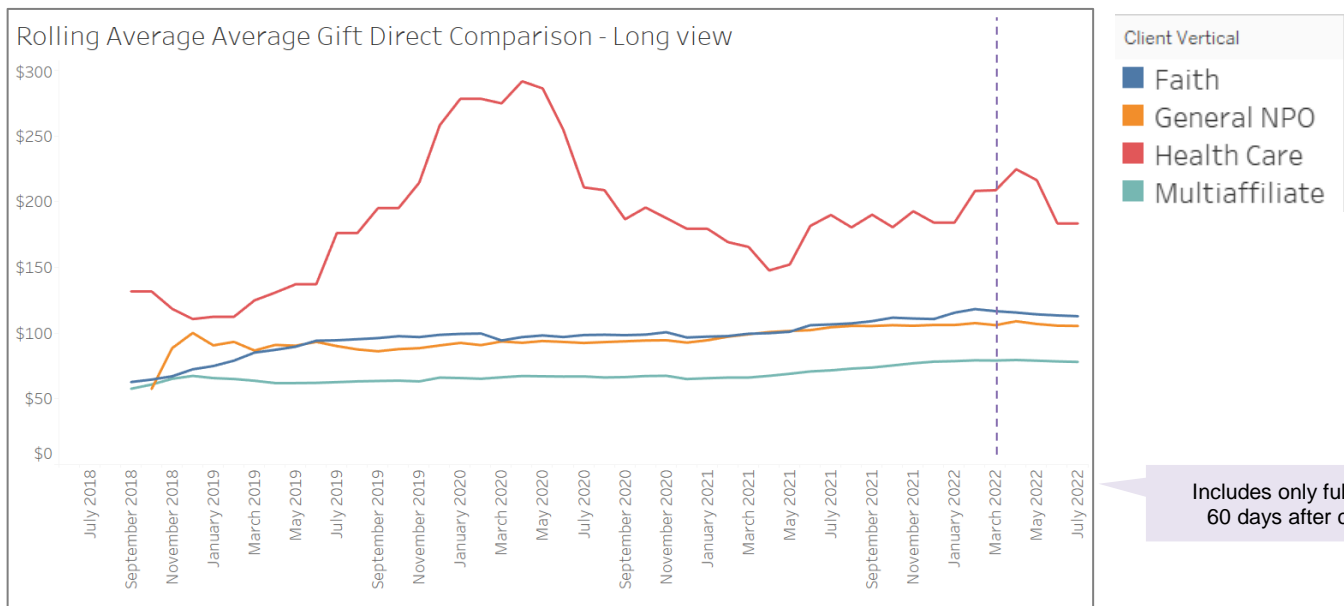


Long-term **Average Gift** growth paused in March 2022



Includes only fully exposed data –
60 days after campaign launch

Average Gift declines largely observed in healthcare vertical



Retention is down 10% over last year

PURSUANT DIRECT RESPONSE CLIENTS



52%

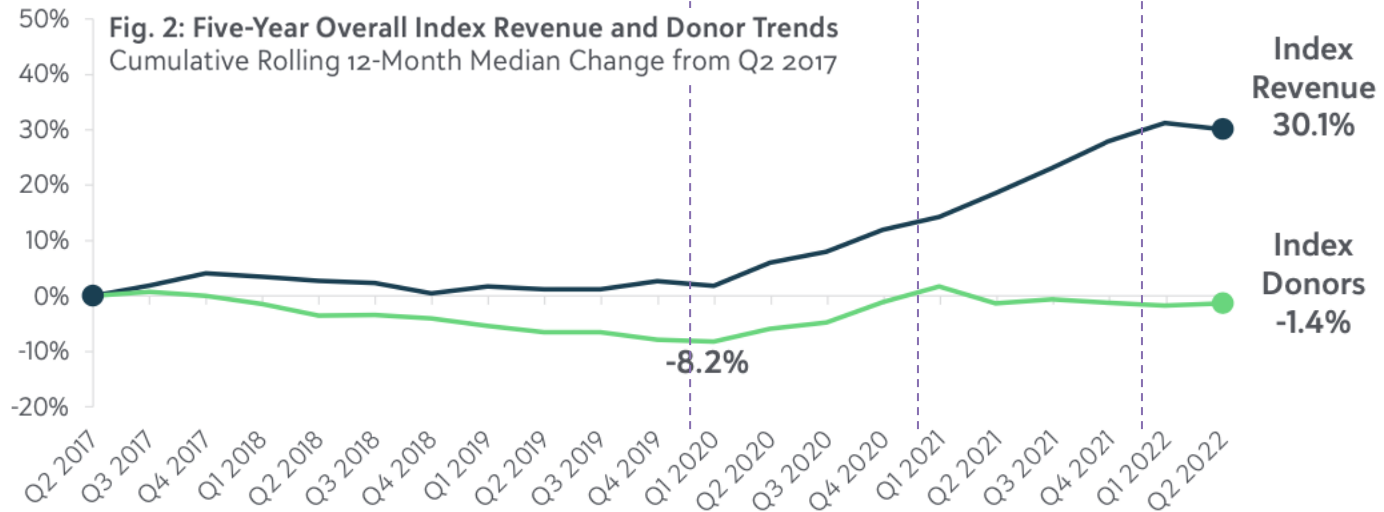
Retention Rate
October 2021

59%

Retention Rate
October 2020

BIGGEST PICTURE

Pandemic giving and donors endured – 2022 is a return to pre-pandemic trendline



What's ahead...

- Major donors will pull back large gifts and pledge payments *if the stock market remains volatile*
- Corporate giving will slow *if corporate profits slip*
- Individual donors will continue giving, although to fewer charities *if the recession runs long or deep*



A scenic landscape featuring a range of mountains and a calm lake under a warm, orange-hued sky at sunset. A lone figure stands on a grassy ridge in the foreground, looking out over the valley. The overall mood is peaceful and contemplative.

A sure thing:
**Generosity transcends
tough times.**



powered by PURSUANT™

What We'll Cover.

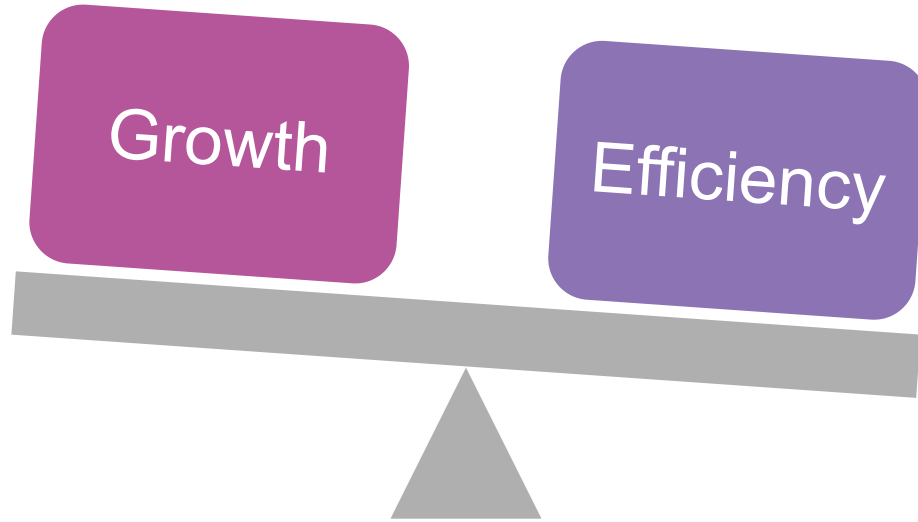
- Fundraising environment
- Key strategies for uncertain times



powered by **PURSUANT**



Key Strategies.



Prioritizing Growth

- Leverages short-term disruptions as an opportunity to invest
- Breaks current inertia
- Shapes behavior, mindset, risk tolerance, and investment
- Strengthens organizational resilience and ability as change occurs
- Drives revenue



Growth Strategies.



Bolster
Mid-level and
Major Gift
Programs



Diversify the
Donor Base



Enlighten
Direct Mail



Empower
Donors to
Give However
they Choose

Prioritizing Efficiency

- Improves the ability of the organization to profitably deliver upon its mission
- Involves critical review of processes and systems to extract savings
- Protects revenue



Efficiency Strategies.



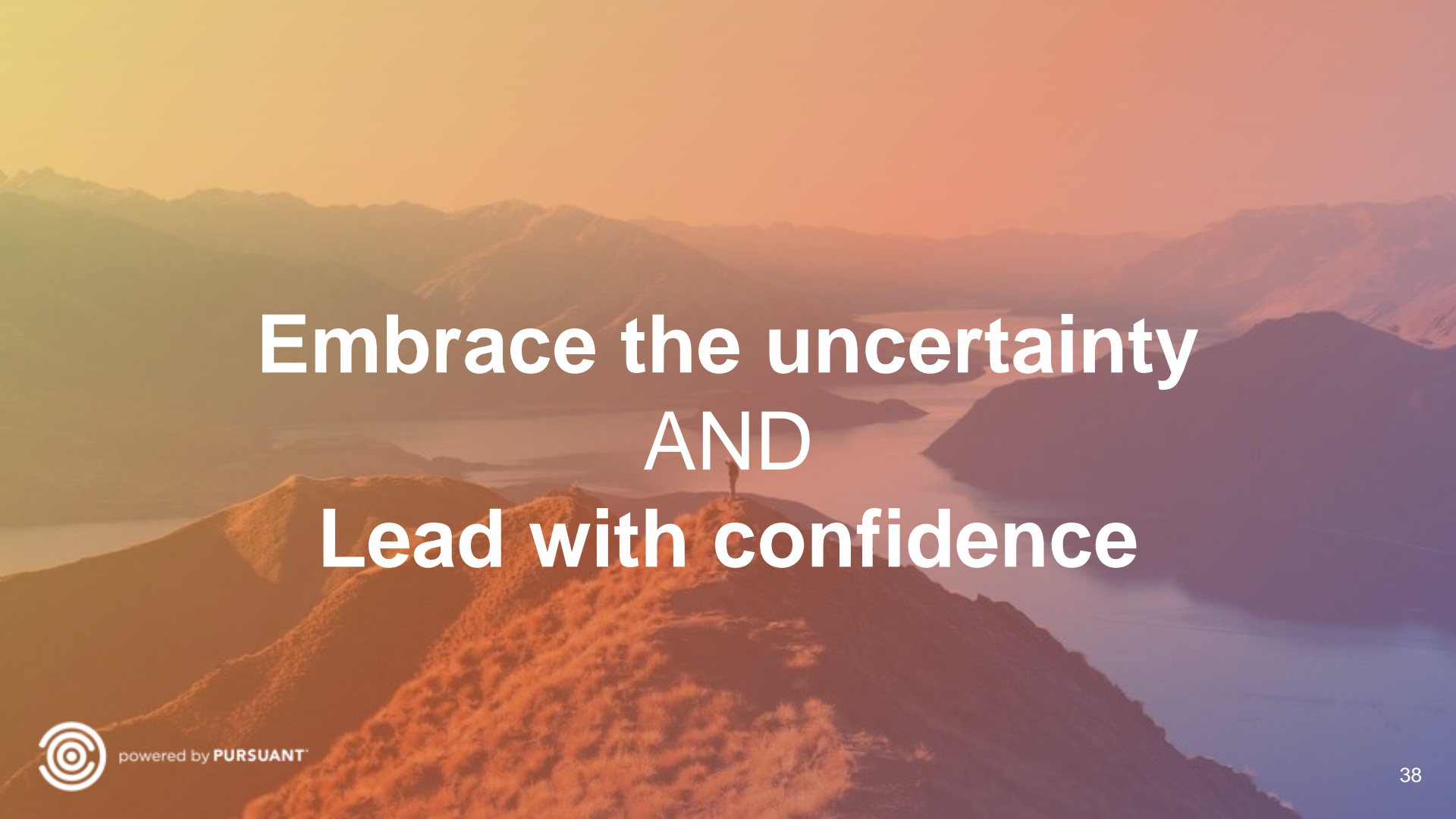
**Productize
Creative**



**Reallocate
Acquisition
Responsibly**



**Inform Decision
Making through
Testing**

A person stands on a mountain peak, looking out over a vast landscape of mountains and a lake under a warm, orange-hued sky at sunset. The scene is serene and inspiring, symbolizing achievement and confidence.

Embrace the uncertainty AND Lead with confidence



powered by PURSUANT™

“Our Development and Communications Department works collaboratively to **focus on stewardship and engagement** to position Houston SPCA as the charity of choice for our supporters.


Communicating financial transparency has become the key to our success...during times of uncertainty or crisis, this ‘back to basics’ approach helps us to identify solutions while meeting needs and strengthening relationships.”

Jamie Spiva
Senior Director of Leadership Giving
Houston SPCA

A background image showing two hands holding red mugs and clinking them together. The scene is set outdoors with a blurred background of trees and foliage. The image has a warm, orange-toned overlay.

**Let's become their essential
charity and be welcomed back
again and again**





Moderated Discussion

**Tension: Leading
in a Recession/
Unprecedented Times**



powered by **PURSUANT**

