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# The Fundraising Forecast:

Top 10 Insights to Talk About in 2024.

JANUARY 2024

**Blakely**

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# Let's get the conversation started



We know fundraisers and marketers are under immense pressure to create new strategies and to do more, often with fewer resources. As boards ask where the growth is coming from and our strategic plans identify the need for increased funding, the economy is creating some uncertainty and everything is more expensive. Clarity and the ability to prioritize opportunities is even more important.

We also know that donors' expectations are rising. And their expectations are very clear. If they're going to give, they need relevant content that lays out a compelling problem and solution they can get behind. And to keep them giving, we need to work to connect and engage.

**Conversations are key to making real change in our organizations** — the right conversations, with the right people, at the right time, posing the right questions.

This paper is about helping you have those conversations in your own organization so you can retain and grow donor relationships and raise more money for the causes you're most passionate about. Each section can be used as pre-reading material for a meeting topic, and we have included questions to discuss with your colleagues as a starting point to delve into key trends for your own organization.

Our goal is to share the latest research on donor attitudes in the US as well as in-depth insights from thousands of donors who have shared their needs, motivations and connections through our affinity work, plus amalgamated trends based on performance metrics from more than 30 charities.

## So let's start talking.

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# Methodology



## Where the insights come from

The insights in this report draw from our most recent donor attitudes research, with additional insight from data analytics compiled from aggregated results commonalities we've seen in our donor affinity surveys and past attitudes research surveying thousands of Canadians and Americans who donated to charity in the past four years. From these insights we offer key takeaways that will empower you to better understand your donors and emerge stronger in the months and years to come.

The paper is the culmination of years of research, brand new insights and trends, and a curiosity about the future.

### Donor Attitudes Research

In our latest research conducted in September 2023, our research partner Leger facilitated an online survey of 1,004 Americans and 1,001 Canadians who gave to charity in the previous 2 years. Our references to these insights are based on the full donor panel spanning a wide range of demographics. We have been tracking donor attitudes since the beginning of the pandemic in March 2020, which includes three rounds of Google survey research in 2020 and into 2021. We worked with Leger to conduct five wide-scale and in-depth panel surveys of both American and Canadian donors and non-donors. Leger is a leading research and analytics company with an online panel of about 400,000 members in the US and Canada and a retention rate of 90%.

### Aggregated Results

These are results we have anonymized and amalgamated from 30 Canadian organizations across the non-profit sector. The historical trends are based on results from 2018 to 2023. When we reference these insights, we're talking about actual results across a broad spectrum of organizations.

### Donor Affinity Work

Insight has been pulled from trends emerging from our Affinity surveys from 34 Canadian organizations between 2019 and 2023. Affinity surveys are a deep dive into motivation, donor needs and connection. When we reference this insight, it's anonymized and based on trends and observations we have seen across multiple surveys.

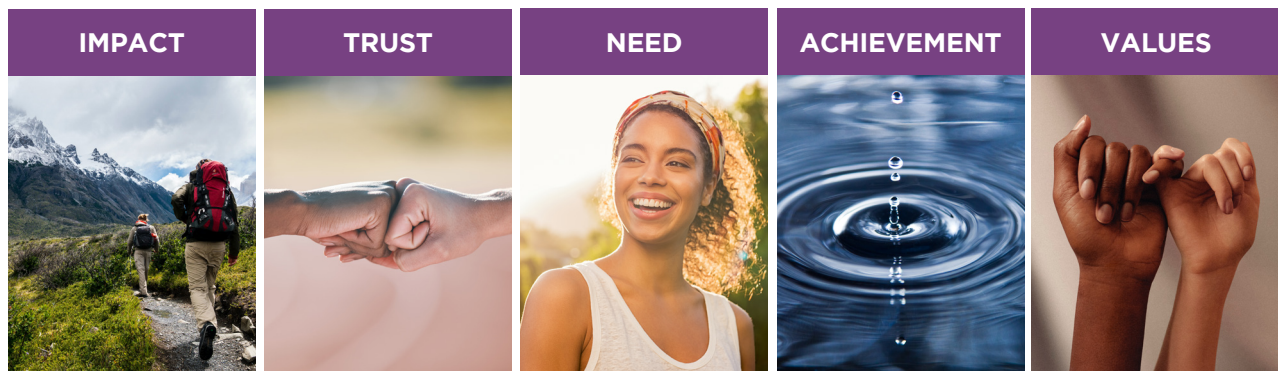
# Introductions to the conversation



1. Our starting point: the trends of 2023
2. What are donors really feeling in the current climate?
3. Driving relationships by building on trust
4. Dissecting age and its relevance to giving
5. Shining a spotlight on the superpower of values
6. Informed donors are better donors
7. The technology of giving
8. Legacy giving comes of age
9. Measuring the donor experience to drive value
10. Everyone's favorite: The super supporter

## The Blakely Donor Needs: Validated and Measured

In this paper we reference verified donor needs that we have worked on verifying and measuring over the past six years through our affinity work. They have given us rich and valuable non-financial KPIs that are key to renewal, high-value giving and lifetime values, and we refer to them several times in this paper.





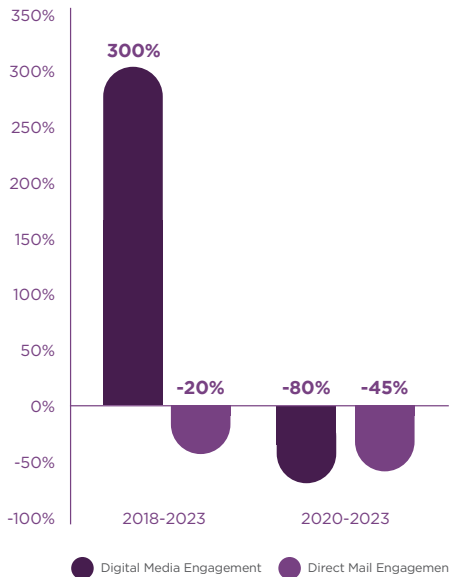
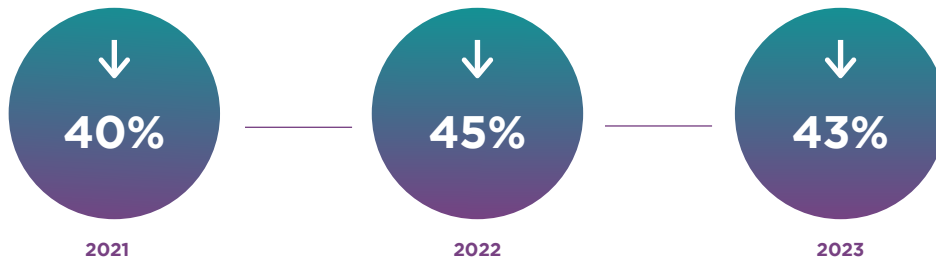
# Our starting point: The trends of 2023

## New donor acquisition: Tougher and more expensive

As we head into 2024, understanding the trends based on performance metrics is the key to knowing what we need to focus on and build from.

Overall acquisition was down in 2023, which poses one of the biggest challenges for fundraisers in 2024. Overall acquisition levels are slightly ahead of 2019, but after the amazing results of 2020 and 2021 we have a desire for growth.

**Since 2020, we have seen new donor acquisition drops of 40% in 2021, 45% in 2022 and 43% in 2023. Acquisition is still trending about 8% higher than in 2019.**



Attracting new donors is getting tougher and much more expensive. Direct mail is still a big source of new donors, and the growth we saw in digital media and email lead generation declined in 2023. The exceptions to this trend are international aid/emergency response and food banks, which have experienced continued growth in digital media and lead generation strategies driven by global crisis, war and increased local needs.

Digital media engaging new donors in 2023 is **up 300%** compared to 2018/19, but **down 80%** from 2020. Direct mail trends are closer in comparison: 2023 is **down 20%** compared to 2018/19 and **down 45%** compared to 2020. Direct mail was still responsible for the bulk of new donor acquisition (direct mail is **25% higher** in volumes of new donors being recruited than digital and other online combined).

## Donors acquired in the COVID and post-COVID periods are renewing at lower than historical rates.

### There are a couple of contributing factors:

- Increasing proportion of new donors being sourced online (these typically renew at 20-25% vs. 30-35% for offline sourced)
- The impact of economic uncertainty on donor renewal rates overall, not just in the new donor cohort

Fixing the donor experience for online-only donors is one key to strengthening renewal in the future. It involves specific attention to integration, new donor onboarding and delivering on what donors actually need and want. All are equally important and relevant. As acquisition trades become more challenging due to privacy legislation and print costs continue to go up, donor experience, proposition clarity and channel integration are going to become even more important for your new donor engagement strategies. In fact, they will be a key factor in an organization's ability to grow.

## Overall renewal rates are down, but holding from 2019

After the surge in renewal rates in 2020 (32% across all segments), we've seen a gradual decline across the board, in 2022 and again in 2023.

Declines in longer-lapsed donors are significant. This correlates with cost-containment measures that organizations are increasingly using, which reduces touchpoints for these cohorts.

In addition, as a result of lower retention in 2022, we came into 2023 with fewer active donors. This is compounding the effect of a decline in renewal rates and impacting revenue as we move into 2024.

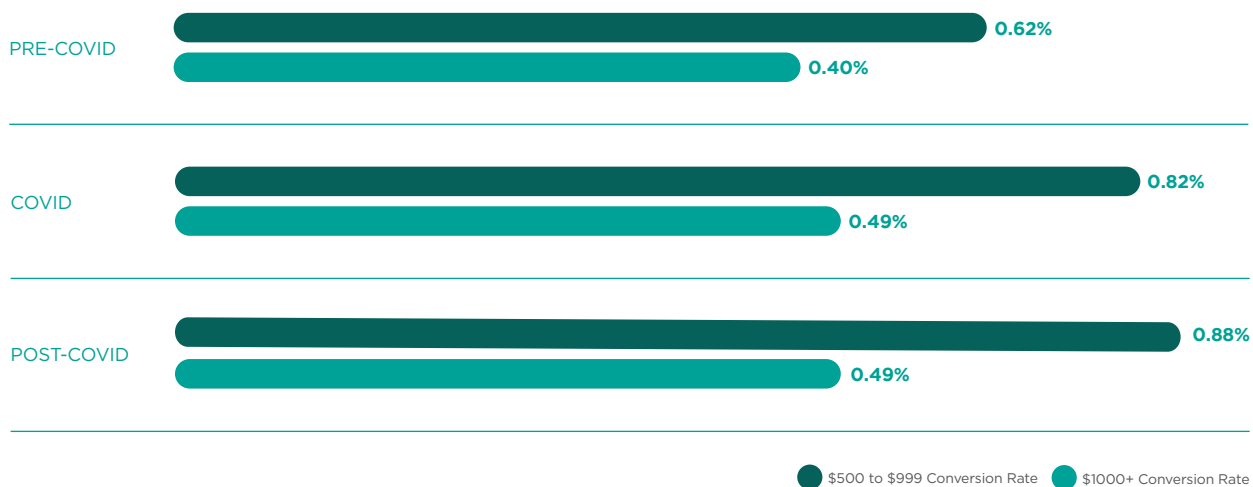
The challenge is that the combination of lower renewal and lower acquisition means files are smaller and there will be fewer people available to engage in high-value giving moving forward. We also know that privacy changes are going to make engaging lapsed donors by email much more challenging — **so renewal and reactivations are urgent strategies for organizations in 2024.**

### DISCUSSION QUESTIONS

- What are our five-year trends in donor acquisition, by source?
- Are we adding new channels and surrounding the donors with a 360 degree donor experience?
- Where are we with new donor renewals?
- What's impacting these numbers?
- What are the renewal trends by donor type?
- What is the strategy for renewing lapsed online donors in 2024?

## Some good news: People are stepping up into mid-level giving

Conversion to mid-level prospect (\$500 to \$999) and mid-level (\$1,000+) continues to improve coming out of the pandemic. We're seeing stability in both the proportion of donors coming in with a first gift at these levels and in the rates of donors that are subsequently migrating. Despite renewal levels being down overall, mid-level trends are still strong.



## Mid Level renewal and maintenance rates are higher than pre pandemic levels

In 2020, renewal and maintenance rates for mid level donors surged by 25-50%, followed by a dip in 2021. In the past 2 years, these rates have increased to exceed pre 2020 rates.

Unlike house donor pools, mid-level donor pools are either stable or experiencing limited declines. The pandemic led to strong growth in mid-level — and despite some expectations that this would quickly revert once COVID was over, we haven't seen that.

2023 represents the largest average mid-level pools we've seen in recent history, which suggests 2024 will also be a strong year for higher-level support.

	Renewal Rate YTD	Maintenance Rate YTD
2018	52.24%	24.69%
2019	53.50%	26.32%
2020	60.64%	33.54%
2021	50.91%	24.62%
2022	56.08%	27.98%
2023	57.04%	28.89%

### DISCUSSION QUESTIONS

- What are our five-year trends for mid-level donors?
- Is their value holding? How does it compare?
- What is our maintenance rate of mid-level donors vs the renewal rate (in other words: are we keeping them giving at mid-value or are they dropping down into the core file?)

## Monthly sustainer programs are stable and offer continued opportunity

After some initial concerns about the convertibility of COVID-acquired donors to monthly giving, we're seeing these rates improve. The large influx of new donors during the pandemic helped many organizations see strong growth in their monthly donor programs. At this point, post-COVID conversion is lagging. We expect as donors are on file longer, conversion will rebound to pre-COVID levels.

	Conversion Rate
PRE-COVID	2.25%
COVID	2.71%
POST-COVID	1.69%

In our donor attitudes research, commitment to monthly giving is strong, with 94% likely to renew their monthly giving, especially those giving more than \$300 per year and who are under 55+.

### US donors' likelihood of renewing monthly contributions:

Likely (NET)  94%

Monthly Sustainer programs warrant investment! Given the consistency and demonstrated value of monthly giving, now is a good time to invest in this area. We are seeing very informed and connected groups of monthly donors in our affinity work, which is providing increased opportunities for organizations to invest in monthly productization and propositions that can grow programs even more in 2024 and beyond.

### DISCUSSION QUESTIONS

- What do our performance metrics say about 2023? Do we see any challenges in specific segments?
- Are we retaining our monthly sustainers?
- Are we attracting people to monthly or converting them? And on what proposition or product offer?
- Are we stewarding and engaging monthly sustainers in additional giving options?

## Summing up the trends of 2023

- The financial climate is causing people to be concerned, especially those who give at the lower cumulative levels (under \$300+), so meeting the changing needs of donors, understanding your audiences and delivering relevance is vital in 2024.
- Both acquisition and new donor renewals are down, which means donor experience, integration and proposition development are more important than ever.
- The strength lies in mid-level giving and monthly sustainers — donor groups that both need specialized experiences and propositions to be fully engaged, converted or inspired to give more.

The conversations ahead will help support all of these strategies.





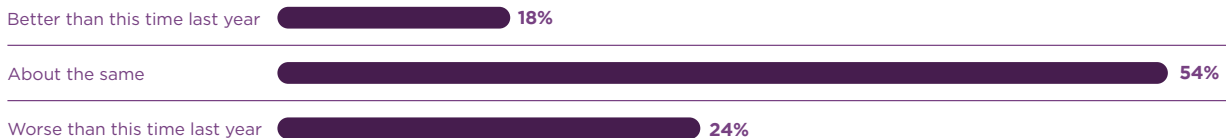
# What are donors really feeling in the current climate?

When it comes to personal finances, donors who describe their situation as average is down 1% from last year (from 32% to 31%) and the number of donors who say they are wealthy is also down 1% (from 3% to 2%). The number who say they are struggling has also gone down by 3% (from 19% to 16%). More than half the people surveyed feel they're on the same footing as their neighbours and not losing ground.

**What's interesting is that those who feel affluent is up to 8% from 4% last year.**

54% of people surveyed feel their financial position is about the same as last year, 18% feel better off and 24% feel worse off than in 2022 and this % is increasing YOY. There is a cautious approach to giving based on the financial situation people find themselves in today. Why is this of concern for charities in early 2024? Because people tend to give less to fewer charities when they're concerned about their own finances and the economy in general. The good news for US charities is that there are significantly less (-11%) people who are feeling worse off than in Canada, and more people (+7%) who are feeling affluent.

## Do Americans consider their financial position...



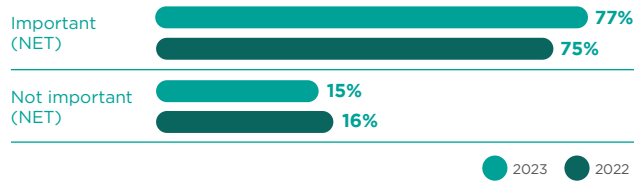
## DISCUSSION QUESTIONS

- Are we concerned about the economy as we move into 2024?
- Do we have strategies to mitigate possible soft results in the first half of 2024?
- Did you see declines in performance in any key segments during Q4 2023?

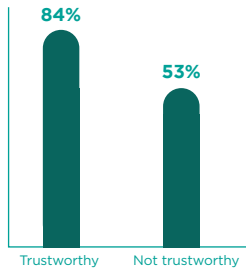
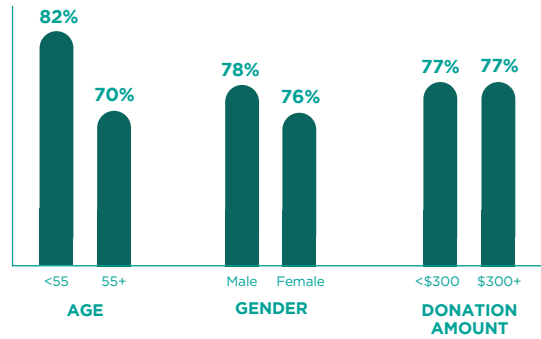
## Is the pandemic still on people's minds when they're considering charitable donations?

Despite feeling like things have moved on, people are still feeling that the challenges created by the pandemic are an important, compelling reason to give. In fact, in the US, this is up slightly to 77% from 75% the previous year, which means COVID is still a motivating reason to give. It's especially true for male donors and under 55s.

**Importance of American charities in solving COVID-19 problems:**



**Importance of American charities in solving COVID-19 problems by specific demographic:**



**Importance of American charity in solving post pandemic issues for those who trust vs. not**

The belief that COVID is a motivating case for support also increases with donors who highly trust the charitable sector. This is very important when thinking about your own proposition, particularly if there is an element of your case that is truly impacted by the pandemic.

The picture changes considerably for lapsed donors, who are less trusting and less connected. This is important to consider in the mix for renewal, especially for donors who joined your organization in 2020 and 2021 on a COVID-related proposition. Finding ways to effectively bridge them to ongoing giving requires testing and investment.

**DISCUSSION QUESTIONS**

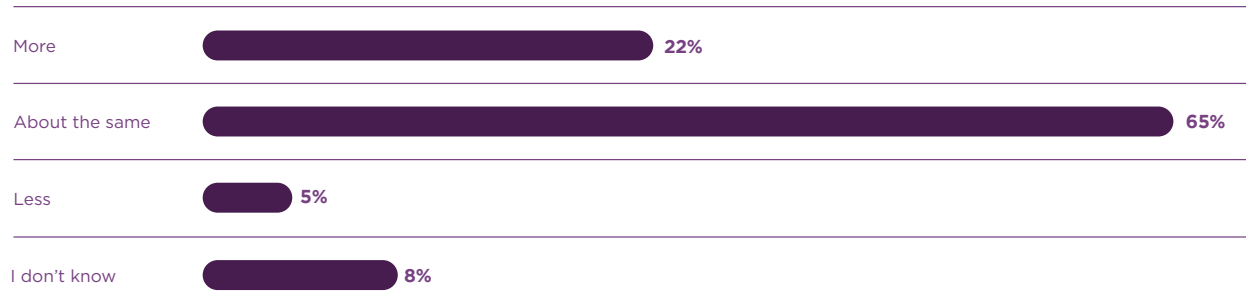
- Is our cause impacted at all by post-pandemic problems? If so, how are we articulating this and to whom?

**Caution is a concern**

Overall, how people see themselves related to the economy and finances reflects the caution we’re seeing with donor giving.

87% of those asked anticipate giving the same or more in the next 12 months, with 60% agreeing that it will be their financial position that will impact the level of charitable giving in some way. Cost of living and the 2024 elections will almost certainly impact giving this year, and people are being careful with their commitments.

**Are Americans anticipating giving more or less in the next 12 months?**

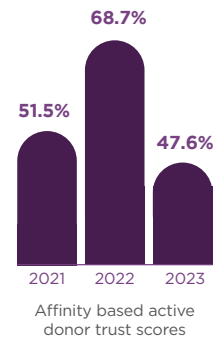
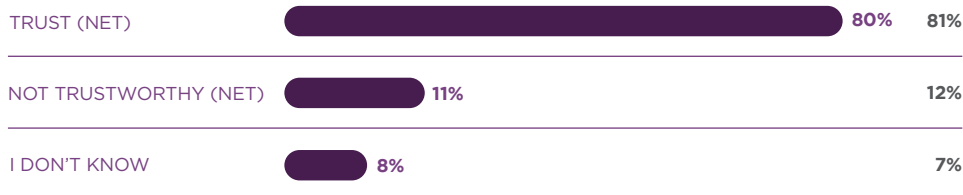




# Driving relationships by building on trust

This year, we've seen trust scores dip in both our donor attitudes research and our affinity-based donor needs benchmarks.

**Trust in the American charitable sector:**



There are plenty of reasons why trust is declining and it's partly reflected in general attitudes in the post-pandemic world. It's not necessarily that we're doing anything wrong, it's just becoming harder for people to trust.

**Why?**

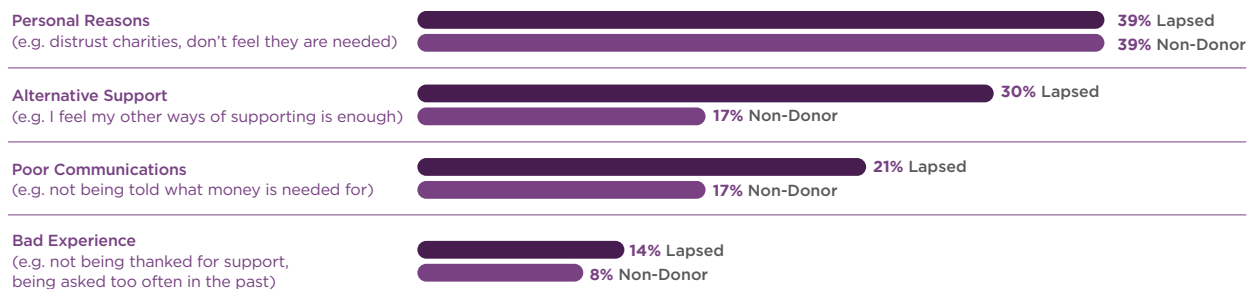
- Fake news and deep-fake, AI-driven content
- More polarization in society
- The aftermath of the pandemic has led to a big drop in trust in governments and organizations in general

Given that people are questioning if what they see on the news and social media is trustworthy, it only makes sense that people are more cautious with their trust in other areas.

**We know trust is vitally important if we're going to retain donors and build higher value files. The link between trust and lifetime value is clear:** The more a donor trusts an organization, the more they are likely to give.

In 2023, we asked lapsed and non donors why they were not giving. Nearly 40% chose personal reasons which included a lack of trust.

**Reasons to not donate money to charity:**



## DISCUSSION QUESTIONS

- How well do our donors trust us? Do we know?
- Thinking about how we feel personally, compared to pre-2020, what are our trust levels in government, non-government and commercial organizations? Has it dipped or increased?
- How are communications and donor support helping to build trust? What other teams can help?

## Trust drives donor experience

We have also seen in our affinity research that where there is trust, donor needs scores increase across the board, but particularly in the areas of donation achievement and aligned values.

### How trust drives donor needs:

	All Respondents	Respondents who said they trusted the organization	Variance
IMPACT	56.3%	64.4%	8.1%
NEED	52.2%	60.7%	8.5%
ALIGNED VALUES	29.7%	42.7%	13.0%
DONATION ACHIEVEMENT	17.5%	28.3%	10.8%

We also found there is a strong link between donation achievement and trust, with a nearly 50% decrease in trust when there is no communication of donation achievement. **However, being clear about what donations achieve is one of our five key donor needs that we're consistently seeing the lowest scores for.**

In our affinity work, the current benchmark on donation achievement for OTG donors stands at just 17.1%, but this increased to 32.3% for mid-value donors who are often receiving an elevated experience.

### % of donors who feel they have been told their donation achievement by donor type:

TRIBUTE	9.2%
LAPSED	14.8%
OTG	17.1%
MONTHLY	24.1%
MID-VALUE	32.3%

It's worth noting that tribute donors often score lower than lapsed donors on donor achievement. This might not be a surprise given these donors aren't typically "acquired" the same way as other audiences — and they often don't experience a specific onboarding journey in the way that monthly and mid-value donors do.

## DISCUSSION QUESTIONS

- In our current program, are there differences between audiences in terms of how we report donation achievement?
- Are all donor groups getting relevant onboarding experiences? Are there any audiences that get missed?

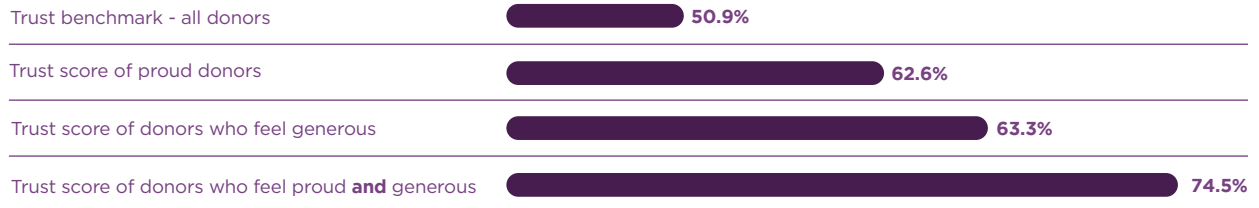
## A few thoughts about the role of pride and generosity

Of all the emotions donors feel, two seem to have a direct impact on trust scores.

One is the feeling of being generous. We typically wouldn't be generous to an organization we don't trust, so one of the tactics we can employ is to help donors retain that feeling of generosity.

The other is pride. Feeling proud to support an organization often means we'll talk about it to others and recommend that they, too, lend their support.

### The impact of pride and generosity on trust scores



So if a donor feels generous *and* proud to support an organization, that shows it's an entity they absolutely trust. And we can see that in the trust scores: when both feelings are applied to the support of a charity, trust scores soar.

There are other tactics that can be employed to build trust, of course. We can show the donor we trust *them*. We can act honestly and authentically, admitting when we got something wrong and reporting with transparency. Being open about how we make decisions and spend money will help us gain — and retain — donor trust.

### DISCUSSION QUESTIONS

- How can we build things into the journey that might make donors feel more proud?
- Do we recognize people's generosity appropriately and in a way that will leave them feeling generous?



# Dissecting age and its relevance to giving

In 2020 and 2021, we saw a marked increase in the number of donors under 55 giving. In 2024, we need to take notice of how they differ from our traditional donors. Only then can we keep them engaged and doing more.

The way donors consume information, what motivates them to connect and give and what they feel is relevant and valuable differs by age, as do the values they want to feel aligned with. So who are our main donor groups? While they align with the generational groups, we are seeing three main donor groups emerge:

## **Traditional donors: Post-war and Baby Boomers**

Traditional donors have been giving out of a sense of duty. For them, it's about the need and the cause. They don't tend to feel they should get any kind of recognition because this would spoil the feeling of altruism. They don't want waste of any kind. And they don't want to see anything they don't consider the "core cause" get a slice of the pie (although don't forget to send them a thank you letter — that's essential!).

## **Middle-generation donors: Generation X, the youngest Boomers and the oldest Millennials**

Donors who belong to the sandwich generation are all about trust, transparency and impact. An entrepreneurial generation that knows it takes money to run an effective organization, these donors are the most open to the "overhead" debate. They are receptive to innovation and new ideas and inspired by smart solutions to problems.

## **New generation of donors: Millennials & Generation Z**

The newest generation of donors is different. Younger donors see their giving as part of a personal brand. They're fiercely opposed to what they consider old-school hierarchy and they want conversations, not a monologue. They're hungry for content they can share on their channels, as long as it's quality and something they believe in — this is a generation of donors that live by their values.

## DISCUSSION QUESTIONS

- Think about where you are in these groups. Does this resonate? Are there differences within the group?
- Considering the three generational groups, how is our donor base made up now?

## **From recognition to payment options, age matters**

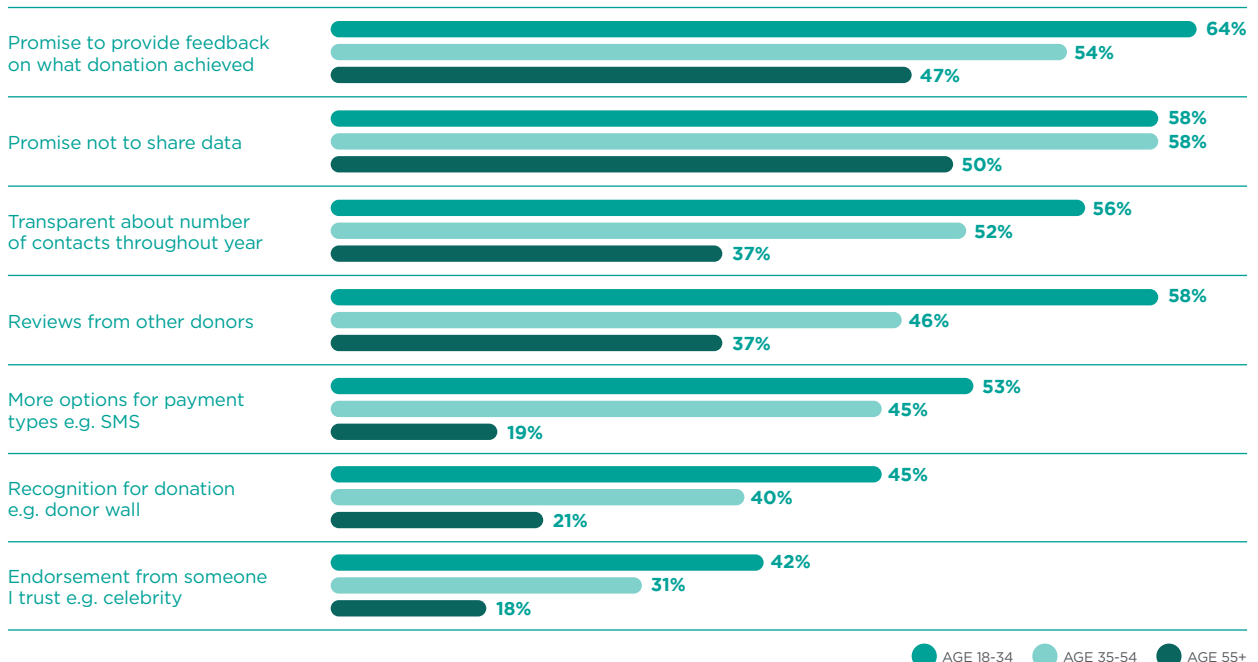
Our affinity work has shown significant differences between certain age groups. Although everything points to the youngest donors being the most different, in essence what we do know is that over-55s and under-55s are looking for different things.

## We've seen trends that under-55s:

- Are more likely to be connected to a cause or to have been recommended to a cause through work or their networks
- Place more importance on values and diversity
- Are more likely to feel generous and proud of their support
- Have a strong interest in both monthly and legacy giving
- Are happier to invest funds to help ensure an organization is effective
- Are more interested in raising awareness and lobbying etc.
- Are hungry for content (and therefore much more likely to be interested in receiving information)
- Most likely want shorter communications, delivered digitally

Moving forward, we should accept that everything from recognition through to payment options will need to be re-considered based on our audiences and our understanding of them.

### Features that would make people more likely to donate:



## FOCUS GROUP EXERCISE

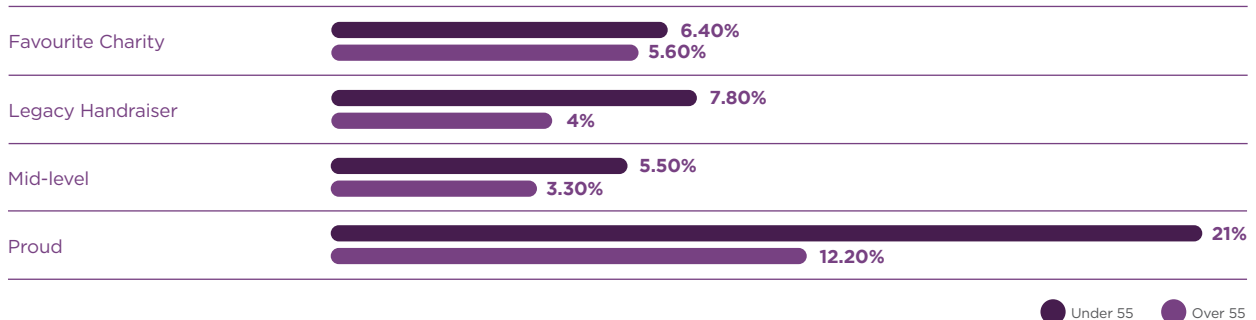
- Run your own focus group - talk to a group of donors split by age (55 and under, over 55). Have each group discuss their expectations for charities they interact with, then report back and see what the differences are!

## When is the time right to shift our focus to younger donors (away from the majority)?

When we look at the numbers, under-55s account for 15% to 38% of the files we're surveying. While they certainly aren't in the majority yet, this number is growing. Some causes are more attractive to younger donors, and certainly some brands seem to have inspired younger donors to give. The organizations working toward keeping these new audiences engaged will be well positioned for the future because we're seeing an appetite from these younger donors that can't be ignored.

They're more interested in giving in other ways. They're interested in receiving communications. Overall, they're more engaged. So this is something every organization, even those with older donors on file, should consider. These emerging audiences need to be on our radar because shifting the way we communicate will be essential — not optional — in future years.

#### Key Indicators of higher lifetime value potential by age



#### DISCUSSION QUESTIONS

- When do we envisage it may be worth considering under-55s as a key audience?
- Do we have the resources to start prioritizing the younger generation now? What might we need to consider for the future?
- What baby steps could we take to develop one or two age-appropriate communication versions?
- Do we know the age of donors in our base today?

## Framing data collection

Data collection is at the root of building age-appropriate dynamic journeys for donors. Just like direct mail once was — and email is today — segmentation and variable content are key to the future of engaging people in a more personal way. People have to feel your content is relevant to them. It's why collecting that data now and building a content strategy will help you build more relevant communications in the future. In fact, data collection has become so important that the most effective organizations are prioritizing and driving major investments in time and resources into this important area.

We couldn't agree more with this approach.

Even organizations that don't have the resources to deliver age-segmented content should be starting to collect information that will allow them to determine age in the future. If you are an organization with age data available - you have an incredible opportunity to make your communications more relevant and tailored! We hope you are using it.

What's key is looking at sources of data collection, prioritizing based on goals and resources, and then integrating data collection opportunities with automation and underpinning it with excellence in donor experience.

#### DISCUSSION QUESTIONS

- How might we collect age information in a way that's non-intrusive but dynamic?
- Where in our donor touch points can we collect information that will inform key pieces of information like age?





# Shining a spotlight on the superpower of values

Before 2020, we were aware that donor experience was set to overtake product quality and price, but now we have a new element of decision making: values alignment. We need only look at the commercial world for proof that modern consumers are increasingly buying from companies with values that align with their own.

According to the Edelman Trust Barometer, 63% of consumers consider beliefs and values before purchasing. We believe this is even more important when people are considering the decision to donate.

Unsurprisingly, this is especially important for the under-55s, where we have found a small increase in donors feeling aligned with the values of the organization they support when compared to the donors 55+.

**Affinity benchmark of donors who feel aligned with charity values:**



Aligned values is also one of the most important of our verified donor attitudes research needs when it comes to the consideration of legacy giving. The benchmark is 5.8% on people who are interested in or have already left a gift in their will to the supporting charity, but when people say they are aligned with the organization’s values, this increases to 8.7%.

**Donors who are considering a legacy gift:**



So aligned values are clearly important. But when we asked donors in our donor attitudes research, **only half said they were aware of the values of all the charities they support**, with another 39% saying they were aware of some. This means there’s still work to be done. Interesting 12% more male donors felt aware of all values of the organizations they supported.

**Only half of Americans are aware of all of the values of the charities they support:**



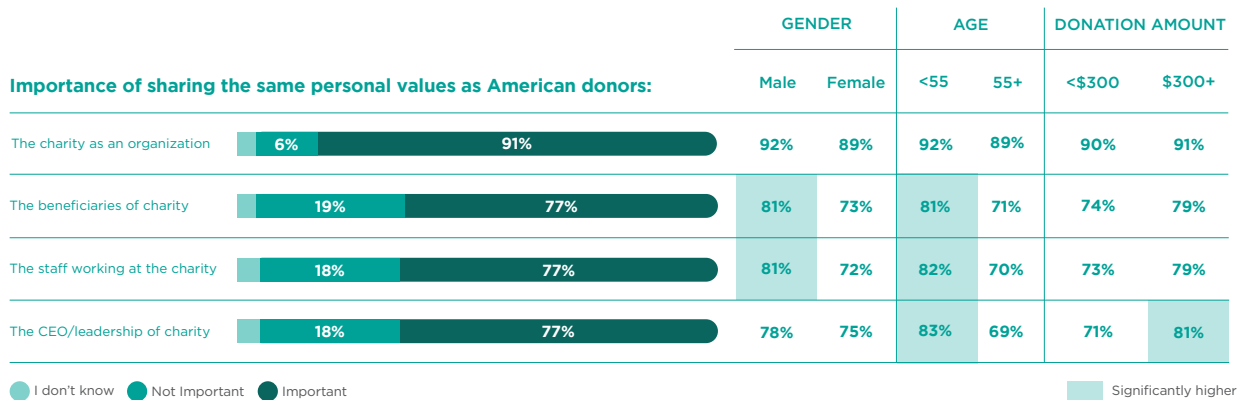
## DISCUSSION QUESTIONS

- How many of us in the room are clear about the values our charity holds?
- Do we articulate them and include them in donor communications?
- Does our marketing/communications team understand how to apply them effectively?

## When we talk about aligned values, who (or what) is the most important?

Last year we found donors' personal values were the most important, so we set out to explore that a little more and to see what (or whose) values we need to consider.

The most important values to be aligned with were the organization's values but it was interesting to note that people align with the values of the beneficiary more than the values of the CEO or the staff. People want to help those they perceive as being similar to them and are less likely to help those with opposing views and beliefs. This is especially important for organizations that are political, religious or niche. It's worth noting that Americans felt that all values alignment was slightly more important than Canadian donors.



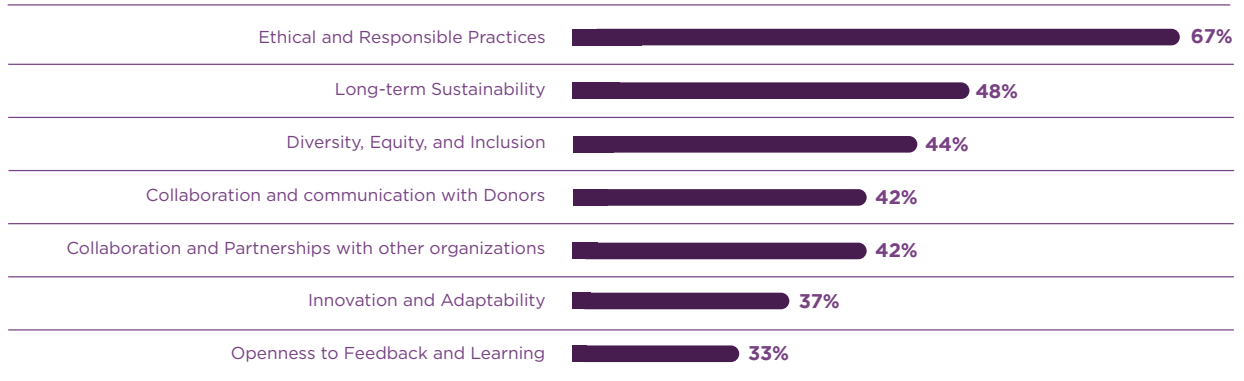
Although both age groups chose organization values as most important, the under-55 group seemed significantly more concerned than older donors about beneficiary, staff and leadership values. Donors making gifts of \$300 or more placed slightly more importance on all elements of aligned values but were the most concerned about aligning with CEO/leadership's values rather than the beneficiary or staff.

## Do we need to communicate all our values? If not, which values are most important to communicate to donors?

Our affinity research is suggesting that different values are at play depending on the specific charity, which means it certainly isn't a one size fits all. However, when we asked a broader hypothetical question in our donor attitudes research, we got some interesting insight.

Ethics, sustainability and openness to feedback — values that did not score highly when asked in a specific charity context — topped the list. This leads us to conclude that the question of values is more individual by charity than something we can apply across the sector. It's also worth noting that American donors felt that collaboration mattered more than Canadian donors - especially with other organizations.

**What organizational values matter to American donors?**



**DISCUSSION QUESTIONS**

- Do we know which of our values matter to our donors, and which are more internal?
- How aligned are our beneficiaries with our organization and personal values? Is this something we articulate to donors?

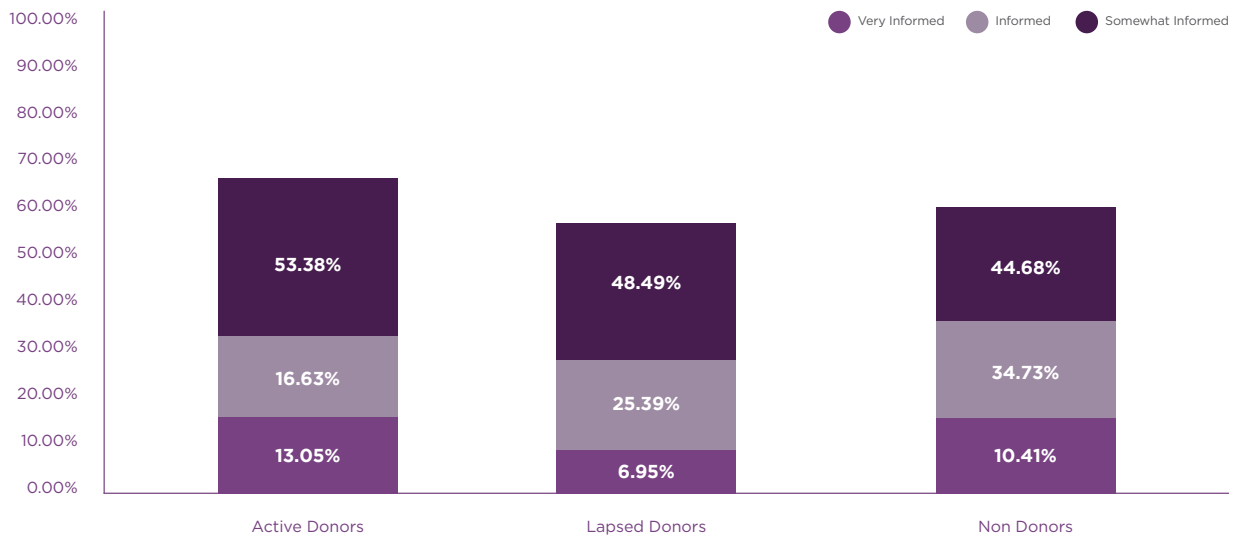


# Informed donors are better donors

Although it sounds simple, being “very informed” about an organization is a strong non-financial indicator of retention and increased lifetime value.

At the beginning of the year, we set out to determine how informed our donors were about the causes they were supporting — and if it even mattered.

We were surprised to find that the overall donor benchmark for the level of feeling informed was lower in some cases than non-donors.

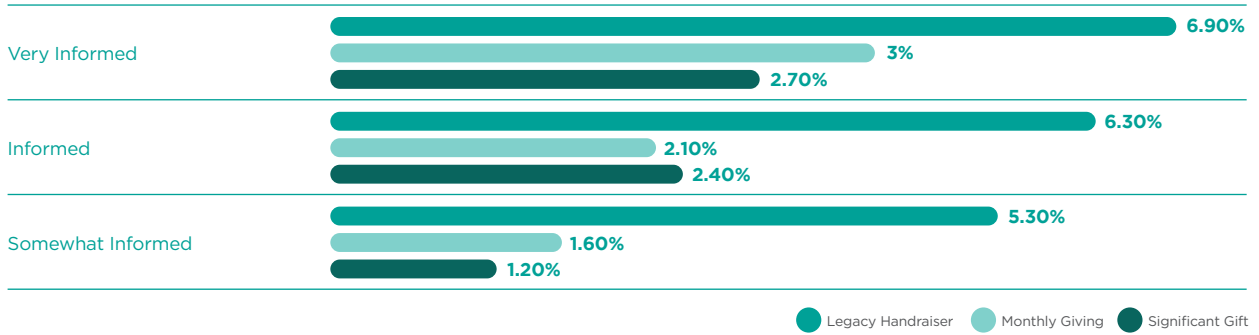


When we looked further, the non-donor groups included newsletter subscribers who often seemed to be getting more information than donors (and consistent information that was less about an ask and more about informing). Lapsed donors scored the lowest on being very informed, but when we looked at those who said they **were** very informed, they were much more open to reactivation than those who were less informed. This suggests that intentionally and effectively informing lapsed donors could be a successful reactivation strategy.

## Does being very informed really move the needle on lifetime value?

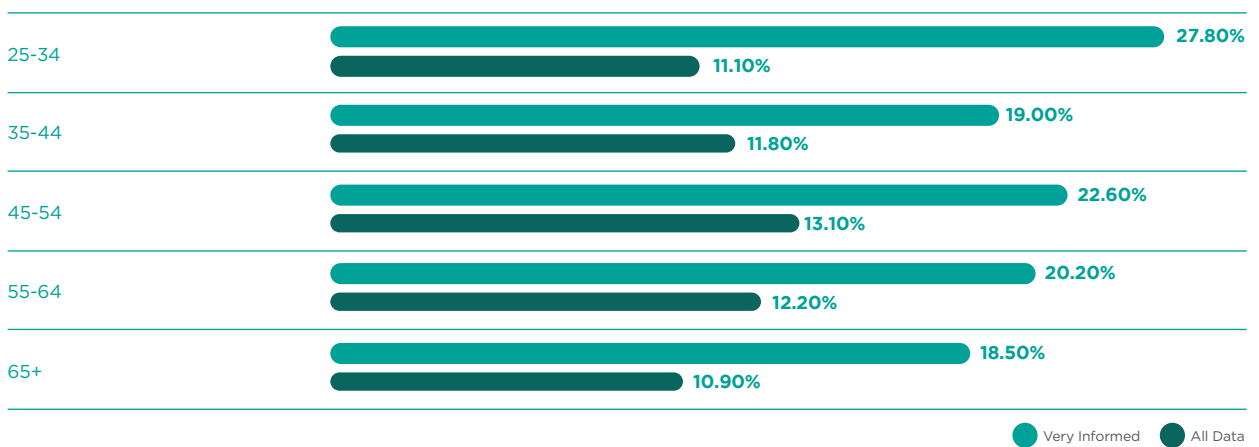
In short, yes. We have seen a direct link between the level of being very informed and a donor’s willingness to consider legacy, monthly and mid-level giving. The more informed the donor, the more likely they are to consider other forms of giving that increase lifetime value.

**% of donors interested in other forms of giving by informed status:**



In addition to lifetime value, we've validated a link between a donor being very informed and the likelihood of conferring favorite charity status, especially in the younger age groups. So by quickly getting donors up to speed, we can generate more activity in what we refer to as the Super Supporter. These are donors who do more and care about an organization deeply (more in Conversation 10 about Super Supporters).

**Donors saying the charity was their favorite by informed status and age:**



And it doesn't end there.

Being very informed is also linked with donors feeling clear about what their gift has achieved, which we have correlated with trust, retention and lifetime value. This is especially true for legacy giving. So we can reasonably assume that an effective way to increase the donor's clarity on what their donation achieves is to increase their level of feeling informed.

**Donors who say that they are clear what their donation achieves by informed status:**



**DISCUSSION QUESTIONS**

- What's the first piece of information a donor receives when they donate for the first time? Is it informative?
- How informed do we think our donors are and is this contributing to attrition?

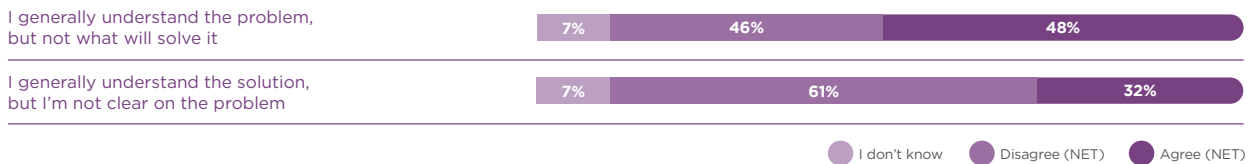
## What does being informed really mean?

The biggest part of being very informed seems to be the clarity donors have around the proposition. It's about the problem and solution, the "what" an organization does and, most importantly, the "why" it does it.

When we asked donors what was important when they made the decision to donate, the top answer was having a clear sense of what an organization does (the problem they are solving). This was rated higher than connection and need, and even the impact of donor dollars.

When we asked in our attitudes research, how clear donors were on the problem and solution, nearly a third of American donors said that they were not clear on the problem.

### Agreement with the following statements:



We know those charities with a very clear purpose and problem/solution tend to excel at acquiring donors, because the easier and higher-level the problem/solution is, the less work our brains must do when deciding to donate. But we know a lot of organizations are complex and sometimes struggle to keep things simple. Here it's a case of less is more. Keeping things very high level is often the easiest way to be very clear.

## DISCUSSION QUESTIONS

- Ask the group to write down in one sentence what the problem is that we exist to solve. Is there consensus?
- Is this clear in all our communications?

## How can we start to ensure our donors are more informed?

Other than the communications donors are receiving, we've found several factors influencing informed status:

1. Donors with a lived experience (e.g. patient or cancer survivor)
2. Donors' tenure on the file
3. Donors 65+ (this may be linked with tenure)

**So what's the best way to quickly inform donors? Here are a few key considerations:**

### Keep it simple.

Charities are often complex organizations, and it can be tempting to want to tell donors everything in the hope that something sticks. But when we do that we're making the donor do all the work, expecting them to pick through the information we communicate to find something relevant. Too much will turn them off, so we need to dial everything up to the highest level and keep it simple.

### Make it easily consumable.

In our affinity research, nearly 100% of charities that have undertaken a survey (with one exception) found the format donors want is short, sharp and to the point. If it can't be consumed in 10 seconds or less, then it's hard work. So make sure your core message is delivered in a way that can be understood and consumed at a glance and ensure you are using both long and short formats in your content delivery.

### Repeat

Repetition is the key here. We can't assume donors see or consume everything we send, so repeating short messages in multiple ways and through multiple channels will ensure they stick.

We've seen this play out in our affinity research, where audiences get messages that are consistent and simple. For example, in a lottery program, we found that players were actually more informed than some high-value donors. This tells us that frequent repetition of key pieces of information really works.

#### % of donors who feel very informed:



### DISCUSSION QUESTIONS

- How do we feel our communications are consumed?
- Do we know our top three key messages? Are they clear or getting lost?
- How might we make some of our communications simpler, more visual and quicker to consume?



# The technology of giving

In 2020 and 2021, we saw higher levels of donors giving online. In 2022 & 2023, we continued to see surges in online transacting activity associated with crises such as the Ukraine and natural disasters. In fact, nearly half of online transactions are attributed to emergency outbound digital campaigns.

Along with international development charities, Food Banks have also seen continued growth in digital giving. These have a large proportion of donors transacting online, often supported by offline communications, which emphasizes the need for a multi-channel approach.

Performance trends saw a flattening of the percentage of donors transacting online in 2023. As we said in Conversation #1, overall renewals are down and we continue to see a lower renewal rate for online only donors vs. integrated and offline renewals.

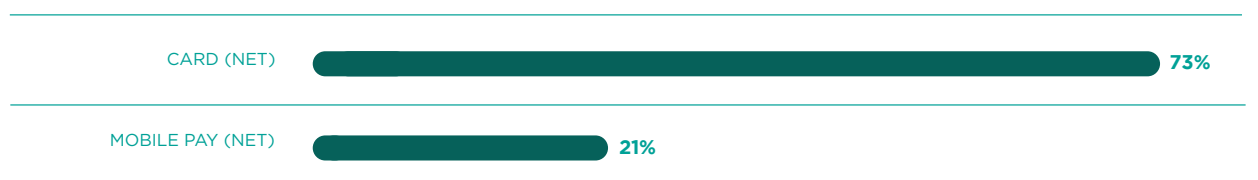
**American donors who made an online donation last year:**



## Mobile Payment Options Needed For Younger Donors

We're seeing real shifts in preferred payment options, with an increase in the desire for mobile payment options up to 21% from 18% last year (with Pay Pal representing 18% of the total). This is key for every organization working to attract under-55s and engage younger donors in giving. American donors are far more likely to want to use mobile payment than Canadian donors, so this is something to be particularly aware of.

**Preferred payment method for American online transactions:**



### DISCUSSION QUESTIONS

- Are our renewal rates of online only donors different from overall renewal rates? If so, why might that be?
- Are we ready for new payment technology? Are we creating unnecessary barriers to giving? Are donors able to transact the way they want?



## Email marketing offers real opportunity to deliver on donor experience and content needs

In today's multi channel world, it is vital that all of our delivery systems are well-structured and have relevant data points to allow our teams to optimize. But for email, this is even more important given the power that email has to deliver unique journeys to specific donors who want relevant content focused on their interests, motivations and ways of giving.

Ensuring data is moving between your CRM system and your email delivery system is vital to providing a relevant experience. Email is a dynamic channel that needs to reflect the current relationship with the supporter, requiring up to date information.

The opportunities to engage people in more meaningful ways is possible if you have key information to drive the donor experience. Attributes, interests, demographics like age are all data points that can help you build personalized experiences for your donors. In other words, harnessing the power of automation for email can be a game changer in future engagement, supporting your lapsed donor strategies, your acquisition goals and your ongoing renewal of donors by making all of your communications more relevant.

### DISCUSSION QUESTIONS

- Are we utilizing all relevant pieces of information from our CRM and our channel delivery systems when creating email content for different donor groups?
- How could this help us in future engagement?

## Integration is king, and consistency is queen!

We continue to see online renewal rates 10 to 15% below those of offline or integrated donor groups, so we know donor experience for online-only donors continues to be a challenge. We need to change the approach to these donors, understand what they need and deliver a more relevant and integrated experience.

In our affinity work, we validated that online donors want the same content as offline; they just consume and/or transact in a different way. Their motivations are the same, yet often they have a completely different journey. As we start to invest more than ever in digital acquisition, our focus must turn to the onward journey of these donors.

When we asked those who had donated online, 75% said they had received follow-up emails, 40% had received mail and 31% had received phone or SMS follow-ups. 6% hadn't heard anything at all!

Fixing the donor experience for online-only donors is key to engagement in the future — and this can be achieved by paying specific attention to integration and delivering what donors actually need and want (ie. being relevant). Investing in online donors is in most cases less expensive than finding new donors, so shifting some of our resources to investing in the experience for them is key to 2024 optimization.

### DISCUSSION QUESTIONS

- Have we “secret shopped” our online experience lately?
- Do those who transact online with us receive any offline communications? If not, how can we offer a more integrated experience?
- Are we maximizing our email communications and delivering the content people want and need? How can we harness the power of email to further engage donors?

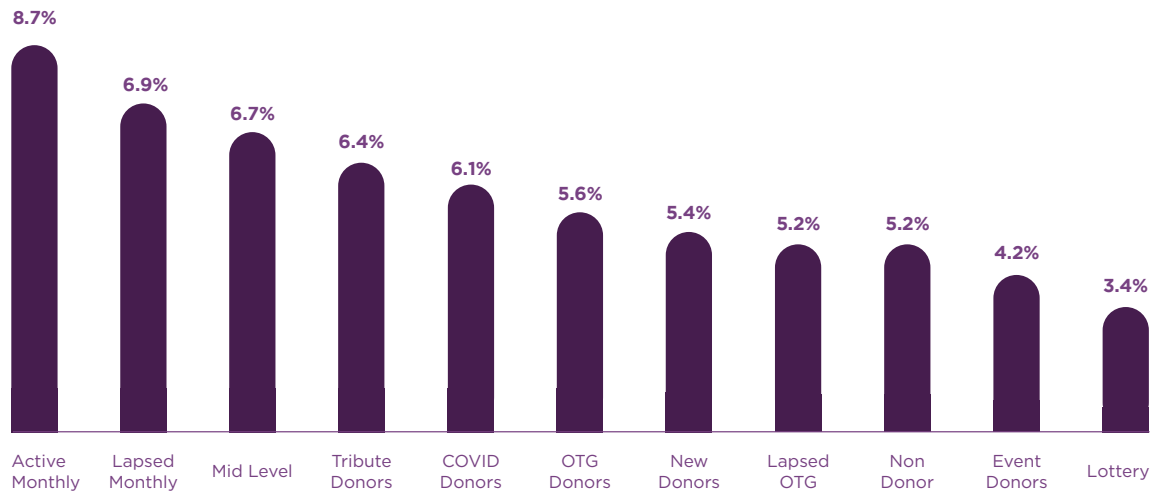


# Legacy giving comes of age

Legacy giving has long been an underinvested area of fundraising, but the tide is turning and we're seeing more interest and openness to legacy giving **especially within monthly, mid-level and tribute audience groups.**

Traditionally we've focused on older, loyal and monthly sustainers, but we need to consider a wider audience when it comes to legacy giving. In addition to the more known opportunity areas, there are some interesting donor segments that are considering a legacy.

% of donors considering a legacy by type:



When we look at age profiles, donors under 55 are far more likely to say they're open to making a legacy gift so we need to start positioning legacy giving for these audiences.

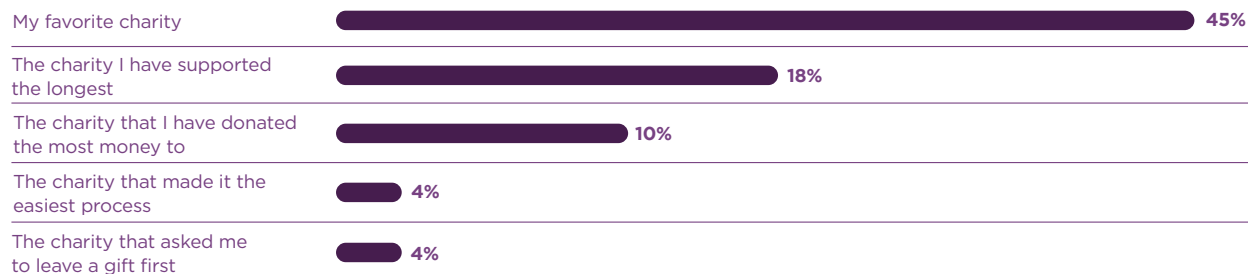
We continue to see increases in openness to legacy giving (+5% over 2022), especially with donors under 55 or giving \$300+ gifts. This is positive for all organizations who are investing in legacy marketing in 2024. It is worth noting that Americans are significantly more likely (+13%) than Canadians to consider leaving a gift in their will.

Likelihood of American donors to leave a planned gift:	AGE		DONATION AMOUNT		DONATION MONTHLY	
	<55	55+	<\$300	\$300+	YES	NO
Very likely  24%	31%	13%	14%	31%	48%	15%
Somewhat likely  28%	35%	20%	27%	30%	29%	28%

Nothing affects legacy giving potential in an organization more than overall donor experience. We have seen that where there is a strong donor experience, more donors are open to consider legacy giving.

Traditionally, we have used tenure and value as indicators for legacy giving, but in every file we have surveyed, we've found favorite charity is the most direct connector, and in our donor attitudes survey, this answer was the top answer with nearly 50% of those respondents likely to leave a legacy choosing favorite charity.

**Americans are most likely to leave a gift in their will to:**



**DISCUSSION QUESTIONS**

- Who are our current legacy prospects?
- Are there audiences we don't currently approach about legacy giving that we should test?

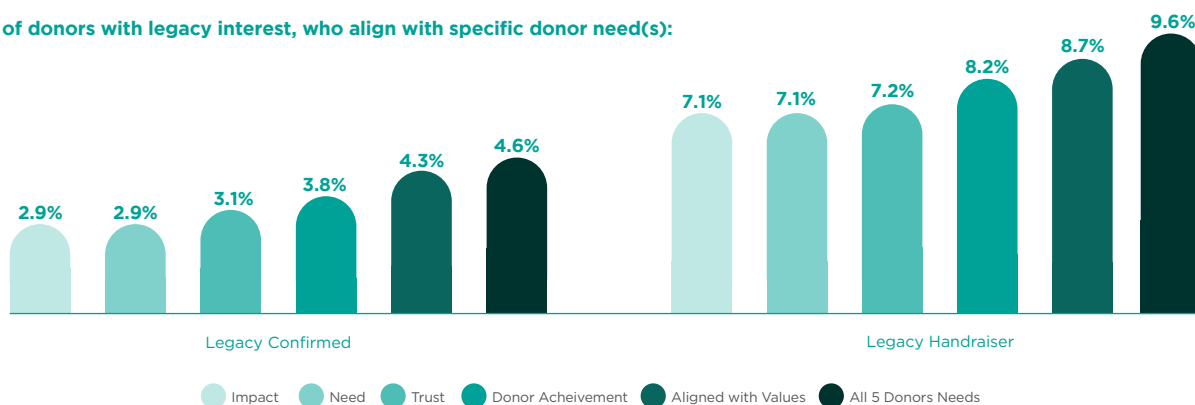
## All donor needs have an impact on legacy potential

All our verified donor needs had a positive impact on legacy potential, but values alignment and donation achievement had the strongest correlation. **When donors say they feel all five donor needs are present in their experience, handraiser potential is significantly increased.**

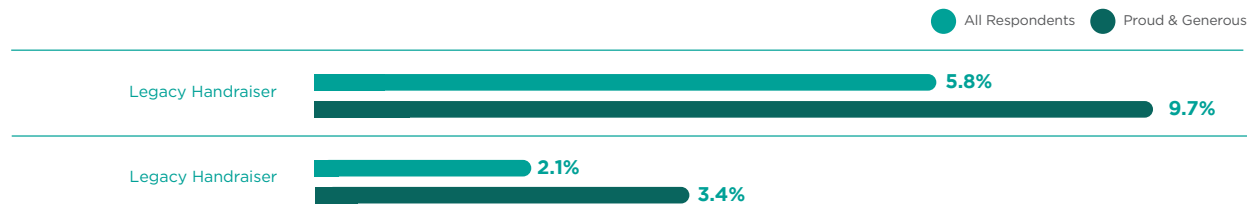
Our research over the past six years has validated that all our proven donor needs are important in high-value giving, especially in legacy giving. But if you concentrated on one thing, then aligned values would be it. **Legacy is based on a values connection: it is the key to all legacy giving and essential in the mix.**

Once a donor has shown interest or confirmed their intention, ensuring there are appropriate donor journeys for handraisers and prospects, along with confirmed expectancies, is essential. Reinforcing donor needs and pride in their generous decision will help ensure donors either continue to consider a legacy gift or keep you in their will. It will also encourage them to give more in their lifetime.

**% of donors with legacy interest, who align with specific donor need(s):**



Along with donor needs, we have also noticed that those donors who feel both proud and generous are also nearly twice as likely to consider a gift and a third more likely to have already made a legacy gift.



### DISCUSSION QUESTIONS

- What is our current legacy journey?
- How would we rate our donor experience in audiences that are not traditionally legacy prospects?

## Legacy marketing as brand awareness

Investments into legacy marketing are an amazing opportunity to do more now. Think specialized approaches to specific known audiences; and broad-based marketing approaches to the public that inspire more people to make a first connection with your organization. We are seeing more organizations making significant investments in legacy marketing as an upfront connector to values. We believe it has an important role to play bridging between awareness and direct response marketing.



When we talk about legacy marketing, we tend to be more aspirational, talk about the problem and solution in a different way and create a connection that is deeper than a one-off donation. Using legacy marketing to attract new donors is a real opportunity to connect with those who may care deeply but aren't yet ready to make a legacy commitment. It's also an opportunity to engage them in a way that makes a future decision more likely.

### DISCUSSION QUESTIONS

- Are we investing in legacy marketing at the right level?
- Do we have a clear proposition for legacy giving?
- Can we think more broadly about who we're talking to legacy about? Could we expand our prospect pools? How can we reach new audiences through legacy or cross-market across the organization?

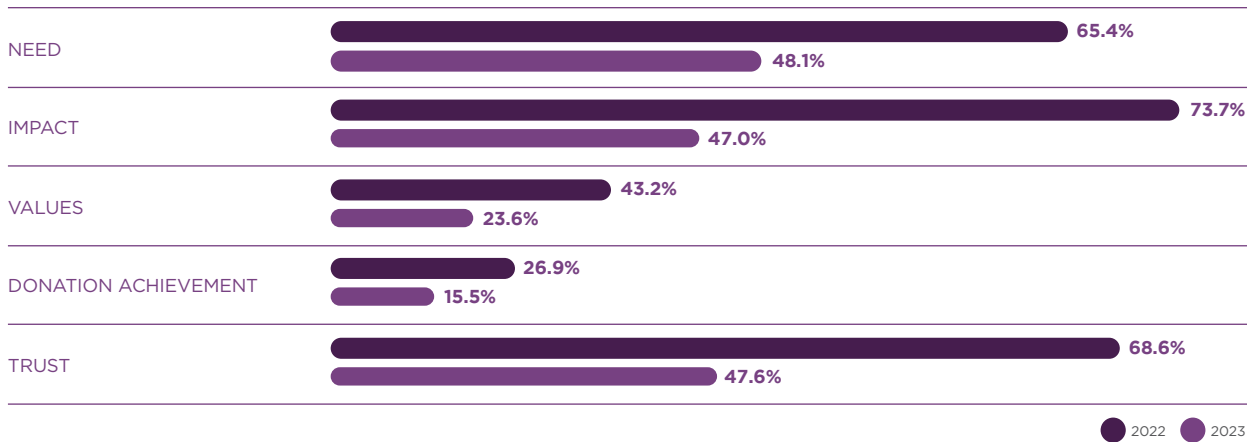


# Measuring the donor experience to drive value

At Blakely, we've validated a set of donor needs that directly impacts retention and lifetime value. It's how we measure donor experience. (see Page 4)

This year we created benchmarks for all five donor needs from our affinity work, and what we have found is that results have shown a dip in scores from last year. We set out to look at what might be causing this dip and what we can do about it.

**Verified Donor Need measurements that drive renewal, high value giving and lifetime value are down in 2023:**

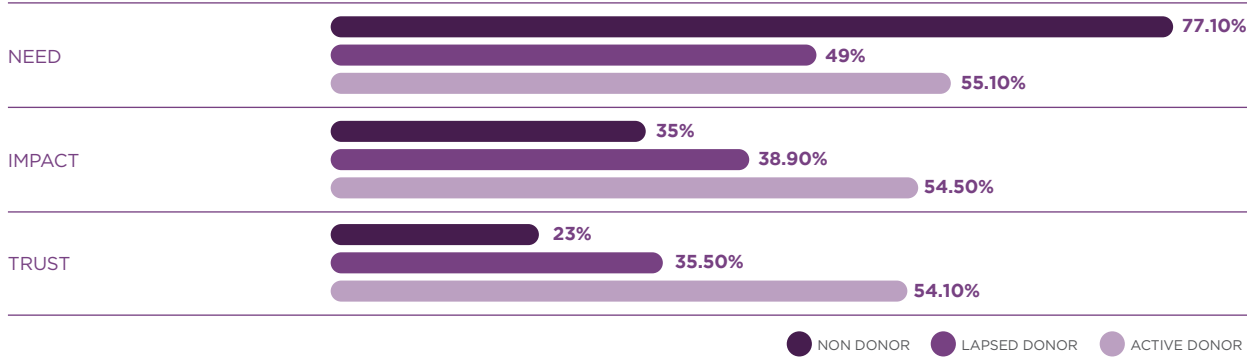


First was to think about one of the key things in any experience: **expectation**. We typically expect donor needs scores to increase as the relationship deepens over time. But we've seen new audiences coming into the relationship with higher scores (expectation) than longer tenured donors. Then we are seeing these scores decreasing as they move into "active" segments. Our hypothesis is twofold:

- The onboarding experience of a new donor creates an expectation that then isn't sustained across the ongoing donor experience
- The new donor comes into the relationship with an expectation based on commercial experiences or other charity relationships — and if it isn't met, the donor needs scores drop

In many of our surveys, we have also found that some non-donors (for example, people subscribed to a newsletter) are having a better experience than actual donors! Again, it may be because their expectations are lower than when they are financially supporting the charity.

**Non-Donors are scoring higher on need than lapsed or active donors**



In our acquisition research in 2023, we found that non-donors feel the charity has need, but they feel that the charity has less impact and they trust the charity less, so focusing a conversion journey on impact and trust could be an effective conversion strategy.

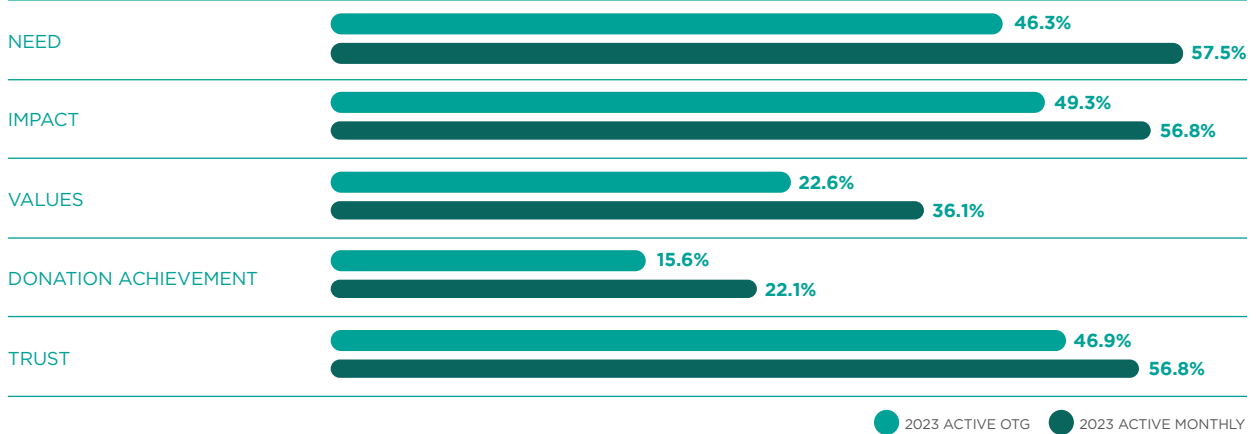
**DISCUSSION QUESTIONS**

- On a scale of 1 to 10, how do we rate our donor experience?
- What’s the difference between donor and non-donor journeys and new/active donor journeys?

## The monthly vs one-time gift experience

We’ve found that monthly sustainer donors are consistently having a better experience than one-time gift donors across many organizations. We recognize this could be because monthly donors are often more engaged in the first place. But we’re also seeing even lapsed monthly audiences score higher than active one-time gift audiences.

**Monthly sustainers are scoring higher in every donor need compared to active OTG**



So what can we take from the monthly experience? Could it be down to the number of asks a donor receives? The number of stewardship touchpoints? Or the overall engagement strategy that could include one-time asks and ongoing expressions of gratitude?

**One of the biggest things we're seeing is an imbalance of stewardship and solicitations to the one-time gift audience.** Often when budgets need to be cut, the non-ask stewardship pieces are the first to go. This may well be a false economy because we know that priming an ask with impact and donation achievement is a sound strategy, as is sending non-ask communications that lend themselves to donations.

Monthly sustainers are also often onboarded in a far more thoughtful and effective way than one-time gift givers, which could be contributing to softer renewals and less rich experiences for the core file. When planning onboarding to all audiences, we should remember that monthly sustainers, mid-level donors and legacy donors are often migrated from the core file over time — so all new donor experience matters.

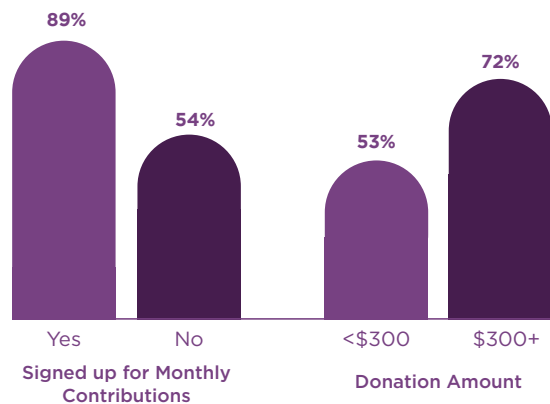
## DISCUSSION QUESTIONS

- What's the difference between the journey of monthly vs one-time gift donors?
- Is there anything we can take from the monthly journey and replicate in the one-time gift journey?

## The importance of donors knowing what they've helped achieve

Of all the donor needs we have validated, one of the most important in delivering a great experience is donors being told what their gifts have achieved. This is not the same as impact. It's about donors feeling their contribution made a difference vs the impact the charity itself is having.

**% of US donors who were told what their donation achieved:**



In our donor attitudes research, we found 63% of donors were told what their donations achieved, up from 56% in 2022. This increased significantly for monthly donors (89%) and donors who gave more than \$300 (72%).

This is one of the most important things for a donor to hear, yet it is consistently the lowest-scoring indicator in our affinity research, especially for one-time gift and tribute donors where we need to find more creative ways to articulate it at a broader (rather than individual) level.

## DISCUSSION QUESTIONS

- How can we share what one-time gift donors are achieving?
- Do we have donor experience key performance indicators (ie. non-financial measurements)?
- Do we know where our donor experience is failing to meet expectations?

## Creating content that is consumed and informs makes a difference!

We know that when the right content is consumed, it's more than just informative. It can have a positive impact on how donors are feeling about their experience.

This can be put effectively into action. Case in point: One food security charity spent 2022 focused on ensuring donors were aligned with values and knew what their donation achieved, with special attention on monthly and mid-value donors. When we surveyed their donors 12 months later, the communications were doing their job, with significant increases in donors who said they knew what their donation achieved and felt connected on values.

### Increase in two donor needs scores at a food bank charity, after implementing a strategic journey



We know that both getting the right content and knowing what donations achieved are strong indicators for retention and increased giving. This shows that when content is delivered in the right way, it can have a positive impact. It all starts with knowing how your donors feel, where your opportunities lie and where you can impact connection and giving over time—then building strategy to support it.

### DISCUSSION QUESTIONS

- Ask everyone to guess what percentage of content is opened and consumed.
- How can we measure how our communications are impacting our donors?





# Everyone's favorite: The super supporter

All donors are not equal — but charities tend to focus on short-term measurements, which often means that what a donor gave last is the driver in strategy and tactics. One of the key things we found in our affinity work is that **who** matters must be based not just on transaction history, but on the **level of engagement and connection** they may have with the organization: this is where the super supporter comes in!

Over the past three years we tracked and measured donors who had identified a charity as their favorite and given them favorite charity status. We were able to validate — not surprisingly — that this has a positive impact on retention and lifetime value. In fact, it's the biggest indicator by far of a legacy donation consideration, over and above tenure and value. (For more on these connectors, see Conversation # 8)

## So how do we influence favorite charity status?

There are two parts to the story - Connection and Experience. A donor can have a poor donor experience, but will still say you are their favorite charity based on the connection they have. It works the other way, too. A donor can have a weaker connection but still be having a fantastic donor experience, and therefore say you are their favorite charity. **We can affect the experience, but not necessarily the connection**, so this is where we should focus our efforts.

Super supporters are the donors who are going to talk about you, leave a legacy, engage in multiple ways and inspire others to support you. But what are you doing differently for them? How can you elevate their favor even more, make them feel appreciated and valued? And how do you encourage more people to select your organization as their favorite charity?

## DISCUSSION QUESTIONS

- How do we shift a culture that has traditionally made investment decisions based on donors' transactional history rather than their future potential?
- How do we find our super supporters, both now and in the future? What information do we need to collect and how do we manage that?

## What donor needs and indicators contribute to super supporter status?

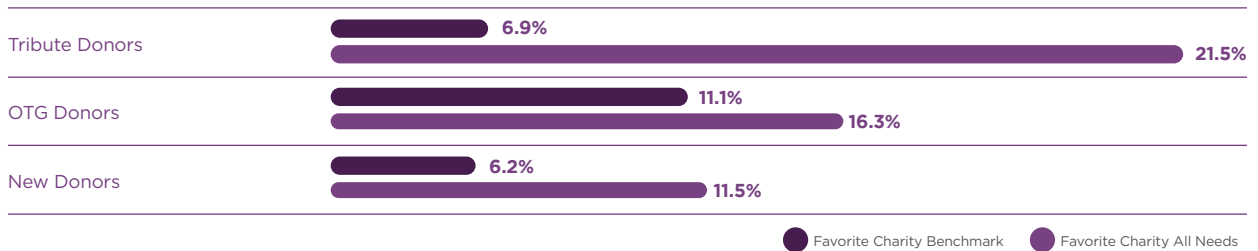
The two donor needs with the biggest impact on favorite charity status were clarity on donation achievement and having aligned values, so increasing the focus here will lead to more donors naming your organization as their favorite.

Another indicator that a donor is a super supporter is that all five of their donor needs have been met. In some audience groups, donors were more than twice as likely to say a charity was their favorite, when agreeing that all five donor needs were met.

The most noticeable audience being the tribute audience who were **three times more likely** to give favorite charity status where they felt all five donor needs were present.

Tribute donors indicate interest in legacy and a confirmation of a legacy gift at a rate 30% higher than average, but tend to have lower donor needs and donor experience scores. Tribute donors who say they have all five donor needs met are in the highest percentage of favorite charity status of any other audience group across the board. **In other words, when you meet the needs of tribute donors, they will be among your very best supporters.**

**Favorite Charity benchmark vs. all needs by donor group:**

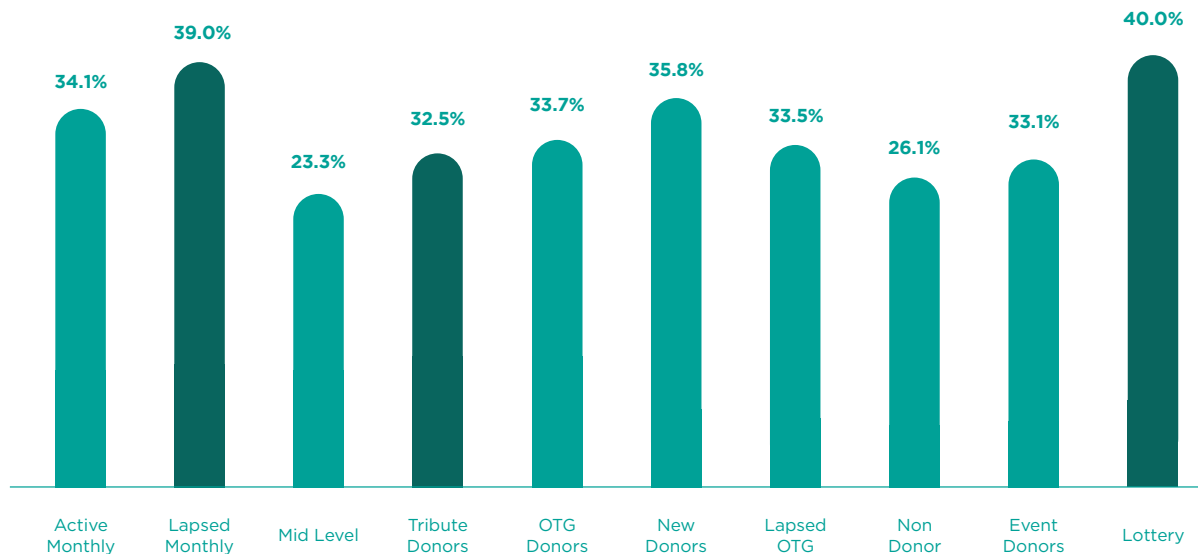


Making sure the experience and journey meet your donors' needs will be true drivers of lifetime value for your organization. But there's one more powerful determinant of super supporter status: donors feeling both proud and generous when they think about their support. We found that when donors feel both proud and generous, their consideration of other ways of giving more than doubled — especially legacy giving.

## Groups with super potential

The final donors we want to highlight in this conversation are those that might not be on our radar but who have the *potential* to be a super supporter.

**Audiences who say the cause area is their favorite but not the charity in question:**



### There are three groups we feel fit the bill:

- The lottery audience, which has the highest percentage of people who say the cause area is their favorite but not a particular charity (40%)
- Lapsed monthly donors who are also higher than average in saying the cause area is their favorite (39%)
- Highly connected tribute donors (next of kin), who with the right experience could become strongly connected

Looking differently at your audiences and identifying the super supporters for your organization are important as you look to prioritize investments and deliver better experiences with a focus on retaining and engaging donors long-term.

### DISCUSSION QUESTIONS

- Is there value in creating a super supporter segment and delivering an enhanced donor experience?
- If we're short on resources, how do we blend this work with what we're already doing? Are there things we can stop doing in order to really focus on the people who are most engaged?

# The key insights to talk about in 2024

- Invest in **analytics and donor insights** to better understand the needs, motivations, trends and opportunities in your own file. Knowing that renewal and acquisition are tough — while monthly and mid-level files are showing real strength — what are your own program strengths and opportunities by audience?

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- How do you evaluate how donors are feeling? How do they feel about your communications and offers? It's about **investing in understanding**.

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- Donors' needs matter — especially pride and generosity, which are tracking low. **Improving these feelings are important** for long-term increased giving.

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- Trust matters but it's getting harder to gain, so we need to **foster trust** in our communications and strategies.

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- Values are a powerhouse of **connection and engagement**. Connecting through them and informing donors about them should be a priority for every charitable organization.

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- Very informed donors are better donors. They give more and do more, so **improving the ways we inform donors** should be a priority.

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- Technology and digital matter, a lot. They are driving awareness and giving but need some attention. **Investment in data collection** will change our ability to target in the future — and delivering the online experience people need is a game changer in providing a better experience — especially through email.

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- Legacy is seeing its day. **Investing in legacy** giving now — the offer and journey as well as your marketing plans — is important to drive growth in the years to come.

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- Donor experience matters. It impacts **long-term giving and is driving engagement**. We can improve the bottom line with a better donor experience, so we need to invest where it matters.

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- There are incredible opportunities to **deliver an elevated experience to super supporters** who are just waiting to be recognized. We encourage you to think outside the annual or direct mail box, and think about your younger, peer-to-peer, lottery, employee giving and tribute donors: What can you do differently to inspire them?

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# A few final words

**THANK YOU** for your interest in Fundraising Forecast: Top 10 Insights to Talk About in 2024.

All of these conversations are yours to have with your colleagues, your teams and your partners — we just want to inspire you to have them. Start small with trusted colleagues and then bring others into the mix. Prioritize your opportunities and challenges and have the big (and sometimes hard) conversations that will ensure your success.

You have big plans. Give people pathways to make things better. Small changes are important. Start with one or two small things that will make the donor experience better and inspire donors to stay with you. The important thing is to take action and make changes now to ensure a positive 2024 and beyond!

