F&P FUNDRAISING & PHILANTHROPY
KNOWLEDGE TO POWER YOUR FUNDRAISING
Report | September 2024

THE BENCHMARKING PROJECT

Highlights from The Essentials Report 2024

A special F&P member-exclusive report
in partnership with The Benchmarking Project

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ABOUT THE STUDY PARTNERS

The Benchmarking Project

The Benchmarking Project is a collaborator, facilitator, storyteller, visionary and a partner in fundraising. Our aim is to share the wisdom of our community to provide best practice fundraising to the Australian and Aotearoa New Zealand charity fundraising sector.

About F&P (Fundraising & Philanthropy)

F&P is the only independent media organisation in Australia providing knowledge on fundraising and philanthropy, and has become the trusted information source for fundraising, marketing and communications practitioners working in the nonprofit sector.

Introduction

This report is based on Benchmarking Project data provided by 44 Australia charities, covering the period 2014 to 2023. In calendar year 2023, these organisations collectively received $1.47 billion in donations from a pool of 3.7 million generous donors.

Our aim is to provide a reliable source of information for making data-driven decisions. As a collaboration with charities, suppliers, and consultancies across Australia and New Zealand, The Benchmarking Project draws on a wide community of fundraisers to provide that consistent and trustworthy source of information.

This data is benchmarked so charities can compare their results with their peers against a comprehensive range of Key Performance Indicators (KPIs). By tracking performance with benchmarks, fundraisers can focus on what matters most. More broadly, the benchmarked KPIs and sector-wide data presented in this report allow fundraisers to:

- Reflect on lessons.
- Track progress.
- Signpost changes in outcomes.
- Reinforce the 'investment' nature of fundraising.

Reliable and relevant metrics provide fundraisers with essential information for engaging internal stakeholders, such as making the case for fundraising investment with senior management and Boards.

This report contains edited highlights from a wide array of data and insights. The aim is not only to showcase Benchmarking Project data, but also provide insights for fundraisers to use in their day-to-day decision making.

Paul Tavatgis
Managing Director, The Benchmarking Projec**t**

Data Coverage and Scope

This Essentials Report provides a summary of trends and observations from the data collected and analysed by The Benchmarking Project, with a focus on Australia. Key items to note when using this information:

- **Program size:** Data sets analysed included at least 50,000 Individual Giving transactions in calendar year 2023.
- **Data providing members:** Australia 42, New Zealand 14.
- **Country coverage:** This report covers data for Australian members only.
- **Period covered:** At least 10 years' data to 31st December 2023 (NB: data is presented by calendar year)
- **Data included:** All Individual Giving transactions.
- **Data aggregation:** Data is an aggregation of all members' data. This can include a wide range of outcomes.
- **Excluded data:**
  - Regular Giving does not include Child Sponsorship,
  - Non-Individual Giving donations such as government grants, corporate philanthropy or sponsorship, Trusts and Foundations, and grants.

What is Happening in the Sector Overall?

1 Individual Giving income has shown a robust recovery from pandemic-related interruptions.

2 Regular Giving, Community & Events and Gift in Wills income has recovered from the pandemic-related slow down and surpassed pre-pandemic levels.

3 While donor retention rates are stable, the overall number of Single Givers and Regular Givers is gradually declining, with a 24% drop in donor recruitment volumes compared to five years ago.

4 Regular Giver recruitment is still growing post the 2020 slump but not at a level that is growing the overall donor pool.

5 Meanwhile, Emergency Donor numbers remain unpredictable and are contributing income but not long-term donor number growth.

6 Community & Event donor volumes are on the rise, but the average value of these donors has declined, and this space relies on continual acquisition to sustain or grow income.

7 Single Giving income is growing at a faster rate than Regular Giving income, highlighting the importance of retaining and developing existing donors to drive growth in Single Giving and stabilise Regular Giving.

8 The total active donor pool has maintained at a consistent level over the past five years, with acquisition volumes failing to significantly grow this pool despite increased investment in volume acquisition by more charities.

9 Emergencies and Community Events drive high acquisition volumes but low repeat giving underscores the net income and sustainability challenges in these programs.

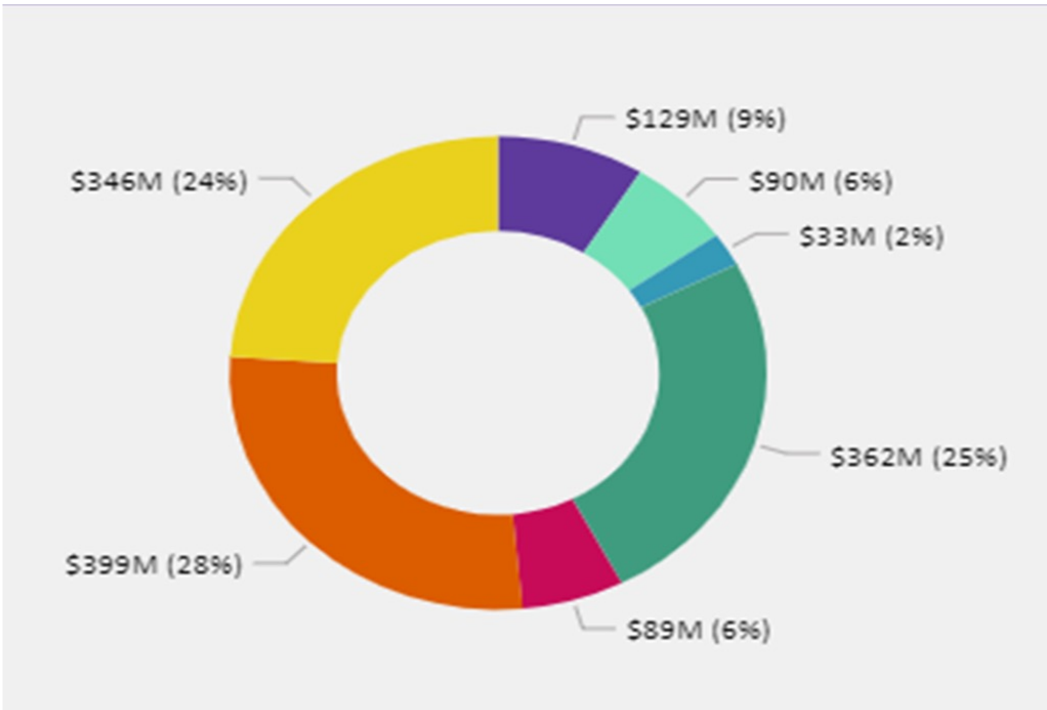
10 Ultimately, retained donors are crucial for stability and growth. Long-term donors are increasing in lifetime value and realising more Gifts in Wills, contributing to 80% of our Individual Giving income.

Top Individual Giving Trends

Donor recruitment volumes have not recovered, retention is declining, donor value is increasing, Emergency Giving is bringing in new income but not more long-term donors, Community & Events are bringing in large volumes of new donors without long-term income impact and High-Value giving (Mid Value, Major Giving & Gifts in Wills) are making the difference with Regular Giving plateauing.

1. 1% increase in Individual Giving from 2022 to 2023, 25% over 5 years.
2. The pandemic saw a period of inflated returns due to reduced spending and investment.
3. The overall donor pool is maintaining, not growing.
4. 6% decrease in donor recruitment from 2022 to 2023.
5. An increase in overall donor retention rates from 44% to 48%.
6. Gifts in Wills income critical – 25% of Individual Giving income in 2023.
7. Flat Regular Giving income, growth in Single Giving income and Community & Events slowly recovering.
8. Average gifts and income per donor continued to grow.
9. The channel mix is changing alongside the giving audience.
10. A shift away from younger demographics.
11. Higher contactability rates for new donors, with contactability decreasing over time.
12. Data quality is not improving.

Income Contribution Levels 2023



	Gift Type	% Income Contribution 2023
	Regular Giving (RG)	28%
	Single Giving	24%
	Gifts in Wills	25%
	Community & Events	9%
	Other	6%
	Child Sponsorship	6%
	Emergency	2%

Income contribution by gift type shows gifts coming from Single Giving and Emergency Giving contributing 26% of income. Regular Giving along with Child Sponsorship contributed 34% of income and Gifts in Wills 25% of income. All other activities delivered just 15% of income.

Gift in Wills Income is Critical

Gifts in Wills accounted for 25% of Individual Giving income in 2023 and is the payoff from mass file building.

Individual Giving Reliance 2023

25%

5 Year Income Growth (2019-23)

34%

Average Gift 2023

$119k
($16k median)

5 Year Average Gift Growth (2019–23)

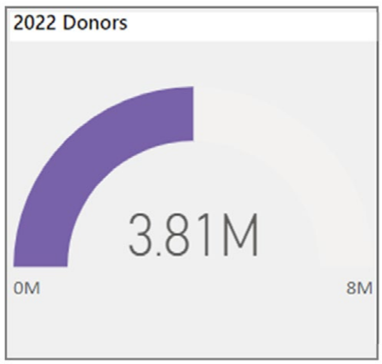
20%

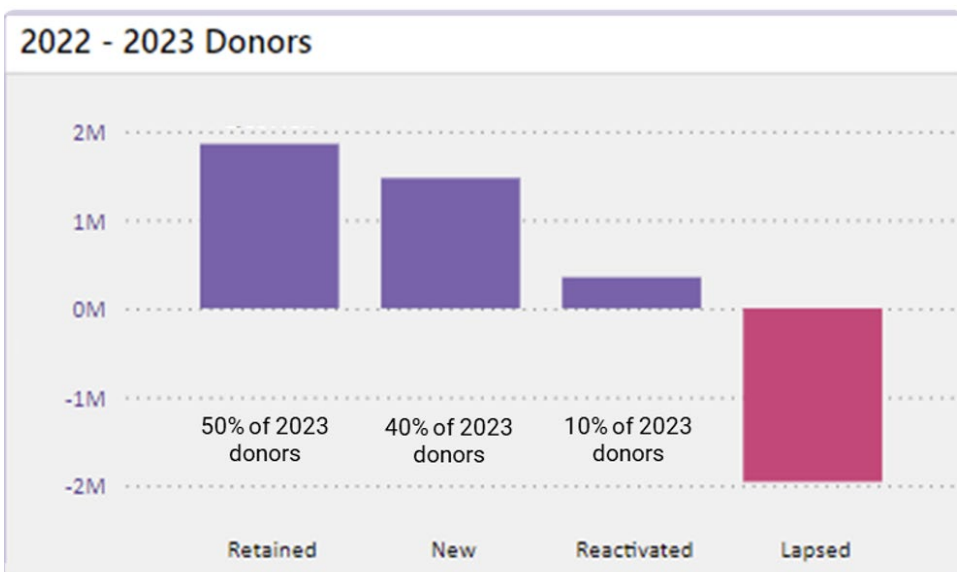
Average Tenure when a donor confirms a Gift in Will

- 0-5 years 29%
- 6-10 years 20%
- 11+ years 26%

The Donor Pool is Not Growing Overall

Size of program, retention rates and acquisition volumes all contribute to varied outcomes across charities.





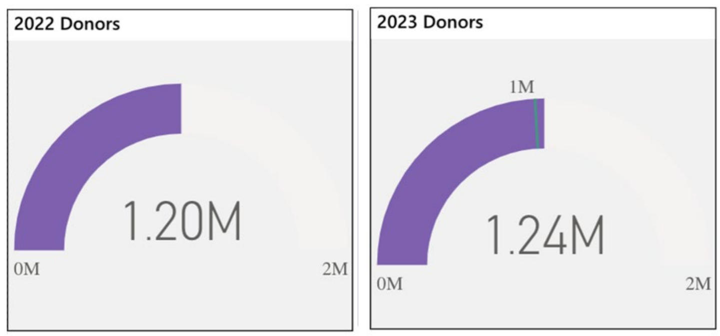
Overall, Individual Giving donor volumes declined between 2022 and 2023 with 50% of 2022 donors giving again (being retained). 53% of donors from 2022 did not give again in 2023 (representing lapsing donors and those acquired in 2022 who did not give again). This delivered a decline in the total donor pool:

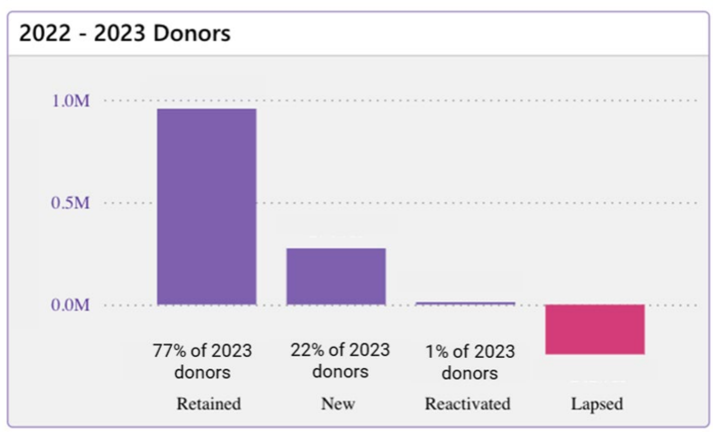
- Reactivated donors (donors who had given prior to 2022) represented 10% of the 2023 donor pool.
- Newly acquired donors represented 40% of the total donor pool and this volume was not enough to offset the lapsing volume.

Medium-sized programs where able to retain, reactivate and acquire more donors than they lost between 2022 and 2023.

The Regular Giving Donor Pool is Flat

There has been -1% growth over the past 5 years with larger programs/ Regular Giving bases more challenged in growing overall donor numbers.





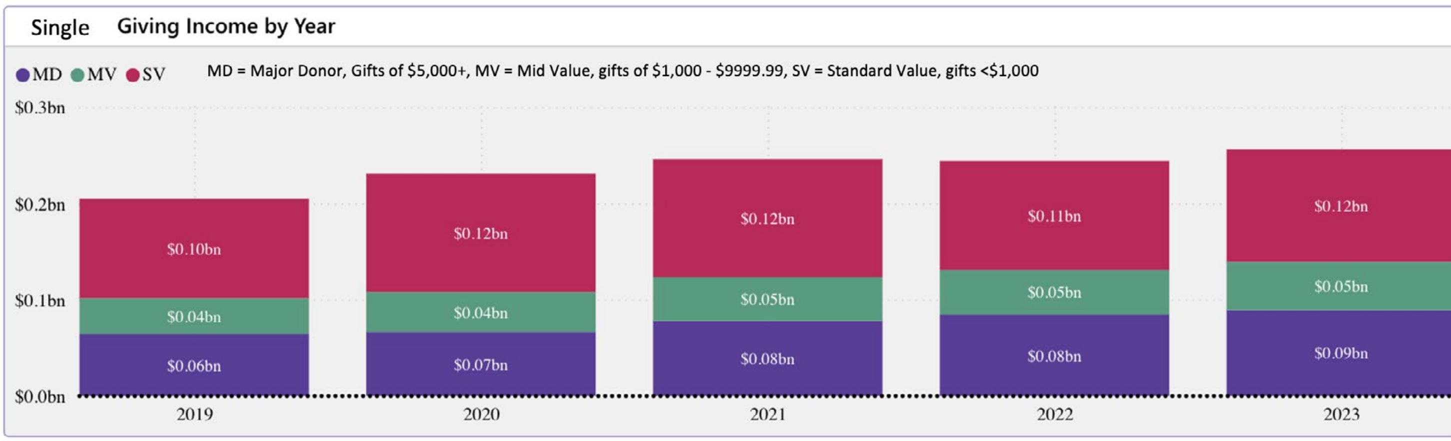
Income per New donors 2023	Income per Retained Donor 2023	Income per Reactivated Donor 2023 (Individuals)
$161	$368	$169

Overall Regular Giving donor volumes increased 4% between 2022 and 2023 with just 78% of previous donors giving again (retained and reactivated). Though over 5 years the overall donor poll has declined by 1%.

- Reactivated donors (donors who had given prior to 2022) represented just 1% of the 2023 donor pool (and 1% of income).
- Newly acquired donors represented 22% of the total donor pool (against 11% of income).
- With retained donors representing 77% of the donor pool and 88% of income the value of repeat givers is considerable, with organisations who give again contributing an average of $8,425 in 2023.

Major Gifts Continue to Grow

As Major Gifts grow, Mid Value and Standard Value show stability despite decreasing acquisition volumes.



Donor Value	5-year income growth	5-year # gifts growth	5-year average gift growth
Standard (SV)	9%	2%	7%
Mid(MV)	36%	24%	10%
Major (MD)	43%	35%	6%

Major gifts have driven much of the growth in Single Giving income and provided 36% of income in 2023. Mid Value continues to sustain in value with consistent retention and growth in donors giving at this level.

12 Key Takeaways

1 Donor acquisition is increasingly challenging for both Single and Regular Giving. Focusing on retaining and developing existing donors is the best way for you to drive value.

2 A key factor in donor retention and development is data quality. Increasing data quality supports effective donor stewardship and the scope for you to maximise value from your donor base.

3 Database migrations are high risk points for failures to retain high quality donor data. Ensure you are fully engaged with this process to ensure effective data retention.

4 Donor contactability is critical – the more contactable your donors, the higher your ability to solicit, steward, retain and grow value.

5 Successful Gifts in Wills fundraising also relies on capture and retention of donor data over an extended period. Nearly 50% of Gift in Will confirmations come from donors with over 6 years' tenure. However, donors will be receptive to a Gift in Will ask early in their relationship with you.

6 You should work with your data team and colleagues responsible for data governance and risk to ensure that the right data is retained to support your stewardship of potential Gift in Will donors.

7 Acquisition is still important to maintain and build the mass donor base to support effective Gift in Wills fundraising.

8 Donor care is critical to maximising value from your Regular Giving program. This includes declines management, reactivation and especially effective upgrade programs.

9 High Value giving presents a significant opportunity. Both Major Giving and Mid Value Giving are growing at a significantly higher rate than Standard Value Giving.

10 The higher the value the gift/donor the more likely they will be retained, initially and long-term, and the more likely they are to lead to a Gift in Will confirmation.

11 Donors from higher socio-economic levels are more likely to be retained, become longer term donors, to be higher value donors and to confirm a Gift in Will.

12 Evidence from New Zealand shows the importance of preparing now for the forthcoming removal of cheques in Australia, especially in stewardship of your High Value donors.

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YOUR DATA TELLS THE STORY

HOW DO I JOIN?

Interested in how you can take part in The Benchmarking Project's collaborative charity fundraising benchmarking program in 2024? Find out more at *www.benchmarkingproject.org.*