



Outlook 2013 Online Survey Results

An Optimistic View of The Road Ahead

Goettler Associates has completed its fourth survey of the philanthropic marketplace, and we are pleased to discover that there has been a dramatic shift toward a more optimistic outlook for the future. Seventy-four percent of organizations anticipate a future increase in gift revenue from individuals. This outlook represents a 38-point increase from the 2009 response.

The results of each of our surveys, as well as countless other industry studies, reinforces the knowledge that the best pathway to raise more money is to engage more individual donors. Many development officers will work diligently to court private foundations and corporate grants, but the survey data continuously points us toward a greater focus on individuals as the pathway to greater success.

Seventy-one percent of the organizations that raised more, did so because they increased the number of individuals that gave. This is a 13-point increase from our last survey three years ago. The second most frequently mentioned factor for why organizations raise more, was because individuals made larger gifts.

We also found that the larger organizations in terms of annual budget and staff size raised more at a higher frequency than all other organizations. And how

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Fund-Raising Results are Improving

Reported Increase in Fund-Raising Results

The most encouraging discovery in our Outlook 2013: The Road Ahead Survey is the report of more favorable fund-raising results for last year. While it does not appear that as many organizations have reached the success levels reported in our 2006 survey, things are clearly improving . . . a lot!

The adjoining table compares the past four survey response tallies, where this time 47 percent say they raised more than last year. And, the number who reported raising less than last year has dropped by about the same margin.

Q. Comparing fund-raising results in the current year with the last, did your organization raise more or less?

Survey Year	2013	2009	2007	2006
A Lot More	10.6%	4.2%	10.2%	8.9%
More	36.6%	20.5%	47.5%	50.1%
	47.2%	24.7%	57.7%	59.0%
About the Same	29.8%	29.7%	28.7%	26.4%
Less	20.8%	38.2%	12.1%	11.7%
A Lot Less	2.3%	7.4%	1.6%	2.9%
	23.1%	45.6%	13.7%	14.6%

Analyzing the results of our 2009 survey was rather simple, as most everyone recognized that in 2008 and 2009 “it was the economy stupid.” But, what has lead to the philanthropic sector’s improvements this year? Was this improvement limited to one sector and not another? And, how have the successful organizations reached improved results?

In reviewing the results of our Outlook 2013 Survey, we’ve completed the most comprehensive and in-depth analysis of the survey data that we’ve ever done in search of a little insight to the marketplace and what our colleagues are thinking and doing.

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What changes have you made to improve fund-raising results?

Let's face it, it's basic human nature, everyone wants to know what the other guys (e.g. *all y'all*) are doing. . . so we asked!

Survey participants told us what changes they have already made toward improving their development programs, and:

- 82% have increased overall strategy and methods
- 63% have increased the use of social media
- 62% have increased major gift programs
- 10% have decreased direct mail
- 6% eliminated their telemarketing

We also wanted to know what folks were thinking and planning for the year ahead. So we also asked that question, and:

- 83% will increase overall strategy and planning
- 73% plan increased major gift appeal programs
- 69% plan increased use of social media
- 9% will begin a new planned and deferred gifts program
- 9% will decrease direct mail.

Yes, change is inevitable, but not simply for the sake of change. Successful organizations will study the marketplace and work to listen and respond to their constituents.

An Optimistic View of the Road Ahead

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did it they do it? With a laser focus on individuals, and principally larger gifts from existing individual donors.

Is it best to study the characteristics of successful organizations, or better to study the challenges of those that perform at a lower level? We did both, and simply concluded that the deciding factor was the same: **individual donors.**

Certainly not all organizations are the same and circumstances change from community to community. We found that the mid-ranged size organizations (\$2.5 to \$20 million annual operating budget) reported a disproportionately higher positive impact from corporate donors, especially when compared to the larger organizations. And, the mid-sized entities reported foundation giving as a success factor at a much higher frequency than the smallest organizations.

Institutions focused on education are succeeding with larger donations from existing donors (of all types), while human & social service groups are improving their totals by receiving gifts from a larger number of donors.

Emerging Trends: The survey data suggests that the number of professional development staff employed by organizations may be changing. The number of organizations reporting one full-time professional increased by six-points from our last survey. The largest variation identified in staffing levels from the four survey average is a five-point decrease in the number of organizations with between 2 and 10 development personnel.

The arts/culture organizations are the least optimistic, as none of this group that raised more believes their success is part of an upward trend. The smallest organizations are also less optimistic than the average and much less so than those with the largest budgets.

Expectations for Future Appeals: Sixty-four percent of organizations expect the total number of donors to increase in the year ahead, and 53 percent believe the dollar amount of gift transactions will increase. We are also encouraged to find 53 percent who believe that major/capital gift appeals will increase.

We also identified some changes in what people are planning and doing. Plans to strengthen branding and positioning have risen by 10-points over the last half dozen years. More organizations are now planning a capital (major gifts) campaign than in 2009. Interest in organization-wide strategic planning has dipped below the four survey average, and the focus on new or redesigned web-sites has dropped below the four survey average.

We learned a lot about what people are planning and doing in our industry and hope the survey may be of help to you as well.



Reported Increase in Fund-Raising Results

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Survey participants offered some basic organizational profile information that we have used to tabulate the response data, including:

- type of organization (focus of mission),
- total annual operating budget,
- number of development (fund-raising) personnel employed,
- portion of annual budget derived from voluntary contributions,
- and, fund-raising results.

We considered each of these distinct organizational characteristics in reviewing the survey data, and tabulated unique organizational characteristics across most if not all of the survey questions. Quickly, the 24 questions generated thousands and thousands of variations to consider.

Human & social service organizations were more likely to have raised more, and the arts/culture organizations were most likely to have raised about the same.

A good cross-section of the nonprofit sector participated in our survey, and the mix of respondents is consistent over each of the four surveys. The two most frequently responding organizational types are health care and education.

The number of professional development staff employed by organizations may be changing. Nearly 30 percent of survey respondents had one development staff member, which is above the four survey average and a six-point increase from 2009.

One third of the organizations completing the survey had annual budgets of \$20 million or more, which was also consistent to previous years. Another third reported annual budgets of \$2.5 million up to \$20 million, and the final subgroup analyzed had budgets of less than \$2.5 million.

Nearly half of the survey is represented by organizations that raise less than 10 percent of their organization's total annual operating budget.

We also compared results between Outlook 2013 and the three previous surveys and identified some interesting trends that will be helpful to development professionals as they chart The Road Ahead in 2013 for their organizations.

We think you'll find Outlook 2013: The Road Ahead Survey Report of great interest, and we are pleased to offer the full report for your review and use. Or, better yet, give us a call to arrange an initial consultation.



Outlook 2013 Survey

The Road Ahead Survey Analysis and Report

Who is raising more? How are they doing it? What changes have organizations already made? What changes are organizations planning for the future?

You want to know what the philanthropic marketplace is thinking and doing. Our Survey and Report will provide you with the information you need to chart The Road Ahead.



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580 South High Street
Columbus, Ohio 43215
(614) 228-3269 voice
(800) 521-4827 toll-free
info@goettler.com

Goal Getter

Focus on Individuals to Raise More

Our analysis of the Outlook 2013 survey took an in-depth look at a wide range of factors that may have contributed to how and why organizations raised more.

Seventy-one percent of the organizations that raised more in Outlook 2013, did so because individual donors are giving more — more than corporate and foundation giving. This is not new information, and the conclusion is further supported by many other industry studies, as well as all three of our previous Outlook Surveys.

The 2013 survey data also provides support for the fact that it takes more resources (in the form of staff and budgets) and greater focus to raise more money from individuals.

So, how does one best focus their development efforts on individual donors? We think we've identified a few factors that can help.

1. Maintain a full-time staff of Development professionals (and the more the better)

There is a direct correlation between the number of full-time development staff personnel and the organizations that raised more. Fifty percent of the organizations with 10 or more staff members raised more, and the organizations with six or more development personnel were less likely to report they raised less. More staff is better.

2. Develop a Written Annual Plan

The organizations that prepare an annual fund-raising plan, either for internal use or one that is coordinated across multiple departments raised more at a higher frequency than those organizations that did not have a plan.

3. Ensure that the Development staff interacts with the Governing Board

Seventy-one percent of survey participants that promote development office interaction with their Governing Board raised more money. This behavior was a stronger indicator of success in our survey than many other factors traditionally thought to be best practice and the industry's conventional wisdom.

4. Get the CEO actively engaged in Fund Raising.

Nearly 50 percent of all survey participants raised more money, but only 32 percent of those without CEO involvement.

There are of course many paths to success, but based on our analysis of the marketplace in 2013, these steps will likely be the most effective in moving your organization closer to achieving its goals.