



2024 Nonprofit **FUNDRAISING STUDY**

HOW NONPROFITS WEATHERED
THE TOUGH ECONOMY IN 2023

NonProfitPRO
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I. EXECUTIVE SUMMARY

NonProfit PRO is dedicated to providing nonprofit professionals with the insights and trends they need to run their organizations and, therefore, is delighted to share the results of the “2024 Nonprofit Fundraising Study.” In its inaugural year, this research report relies on the same respondents who participated in the [“2024 Nonprofit Leadership Impact Study”](#) that we released in June.

This new report will dig into how nonprofits fared in 2023 in terms of acquisition, retention, year-end giving, digital fundraising and more. This look at where nonprofits stand as we enter the year-end giving season complements and bolsters our findings in the “2024 Nonprofit Leadership Impact Study” to provide a better understanding of how fundraising outcomes and nonprofit challenges go hand in hand.

Read on to learn how your organization fared against other nonprofits, as well as what you should keep in mind as you finalize your year-end fundraising efforts this year and look ahead to 2025.

Table of Contents:

I.	Executive Summary	2
II.	Key Findings	3
III.	Research Methodology	4
IV.	Fundraising Results	6
V.	Digital Fundraising	11
VI.	Year-End Giving	13
VII.	Fundraising Strategy	15
VIII.	Conclusion	18
IX.	References	18

II. KEY FINDINGS

Despite sector trends, those we surveyed overwhelmingly raised more in 2023 compared to 2022.

- When it came to the year-over-year comparison, 60% of respondents reported their nonprofit raised more last year than in 2022.

Nonprofits continue to struggle with finding digital donors and building communities online, citing various roadblocks.

- 40% of respondents rely on digital fundraising for 20% or less of their total donations.

Most nonprofits are not overly reliant on year-end giving — instead focused on raising funds throughout the year.

- Only 7% of organizations rely on year-end campaigns for at least half of their annual revenue.
- Additionally, GivingTuesday continues to lose traction among nonprofits, with 30% not even participating.

Despite recent fundraising hurdles, 56% of respondents admitted their organizations do not create donor engagement strategies.

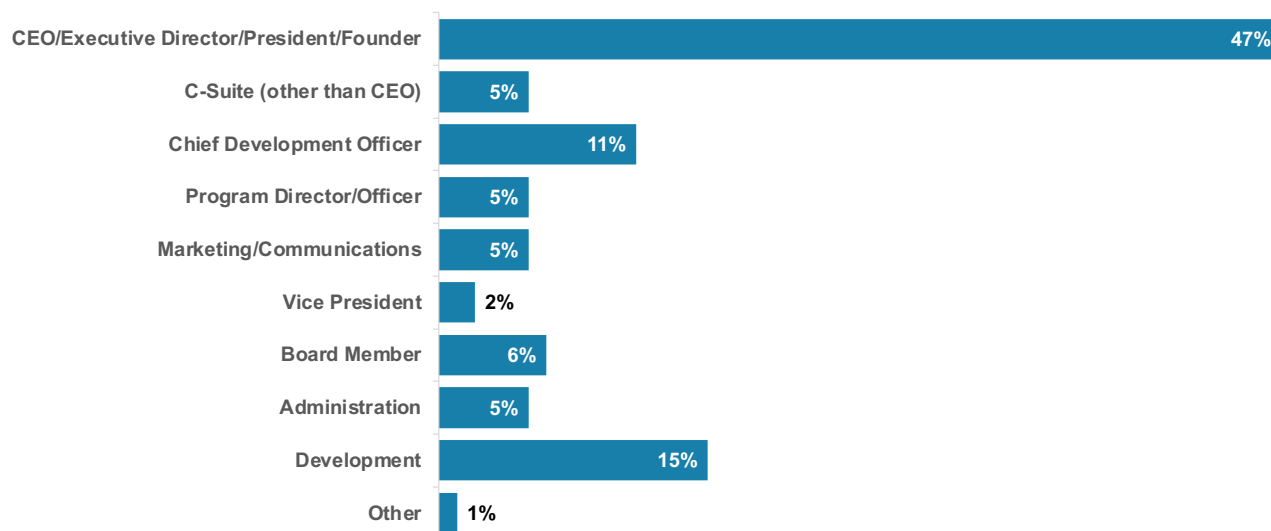
- Digital communications, events and face-to-face communications led the way when it came to donor engagement tactics.

III. RESEARCH METHODOLOGY

NonProfit PRO conducted an online survey of nonprofit leaders to identify key trends, opportunities and challenges nonprofits had faced, as well as their past results and expectations for the future. From Feb. 20 to March 7, 454 people completed the survey.

Nearly half of respondents (47%) identified as a CEO, executive director, president and/or founder of their organizations. Another 26% were chief development officers or other development professionals (Figure 1).

Figure 1: Nonprofit Respondents' Roles

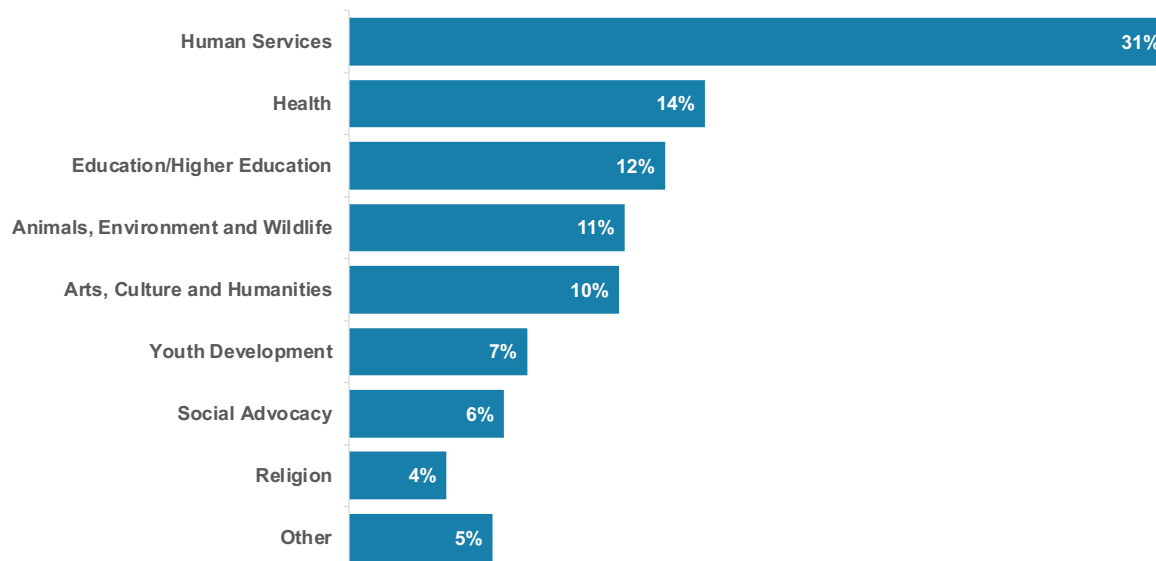


What is your role at your organization?
n = 455

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When it came to respondents' nonprofit causes, almost a third were from human services organizations (31%), though health (14%); education (12%); animals, environment and wildlife (11%); and arts, culture and humanities (10%) nonprofits also had strong showings in our dataset (Figure 2).

Figure 2: Nonprofits' Mission Categories

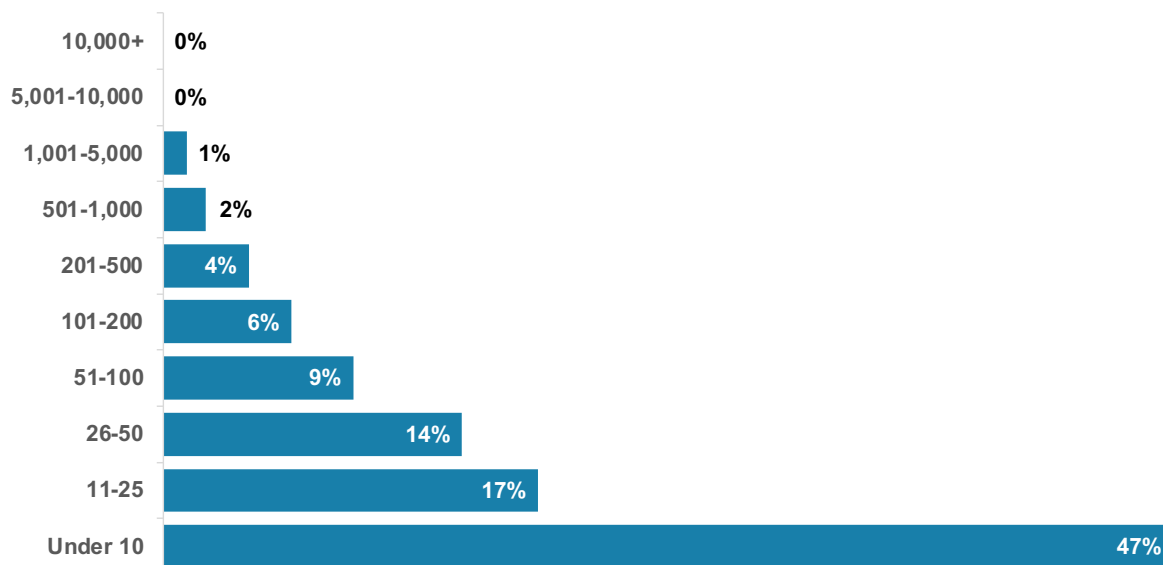


What category does your nonprofit fall into?
n = 455

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In terms of paid, full-time employees, about half of respondents reported having fewer than 10 staffers. Meanwhile, 31% had 11 to 50 workers and the remaining reported between 101 and 5,000 (Figure 3).

Figure 3: Nonprofits' Full-time, Paid Staff Levels

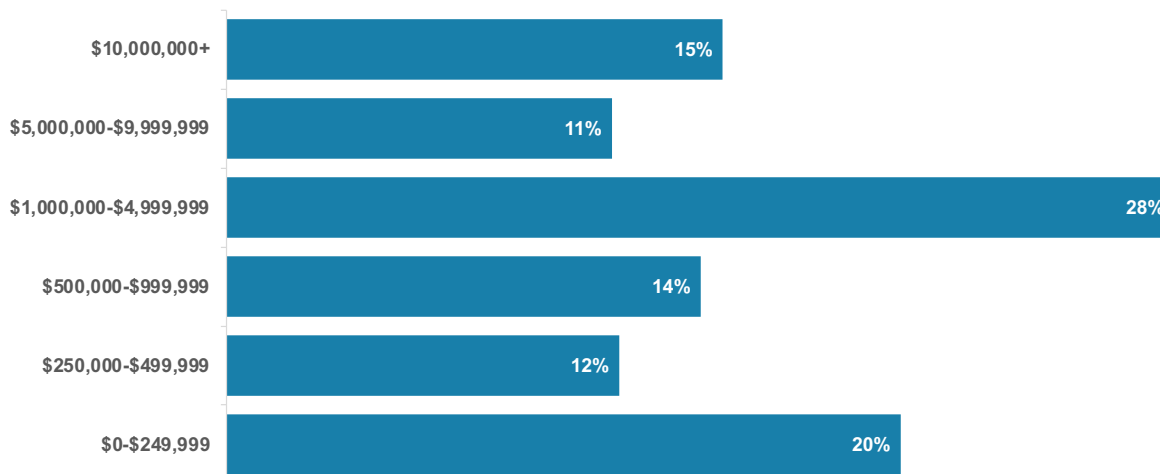


How many total staff members make up your nonprofit organization (not including part-time employees or volunteers)?
n = 455

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Our research also includes data from nonprofits of various revenue sizes. About 46% of respondents were from small nonprofits with budgets less than \$1 million, 39% were from mid-sized organizations with budgets greater than \$1 million but less than \$10 million and 15% were from large nonprofits with more than \$10 million in revenue (Figure 4).

Figure 4: Nonprofits' Operating Budgets



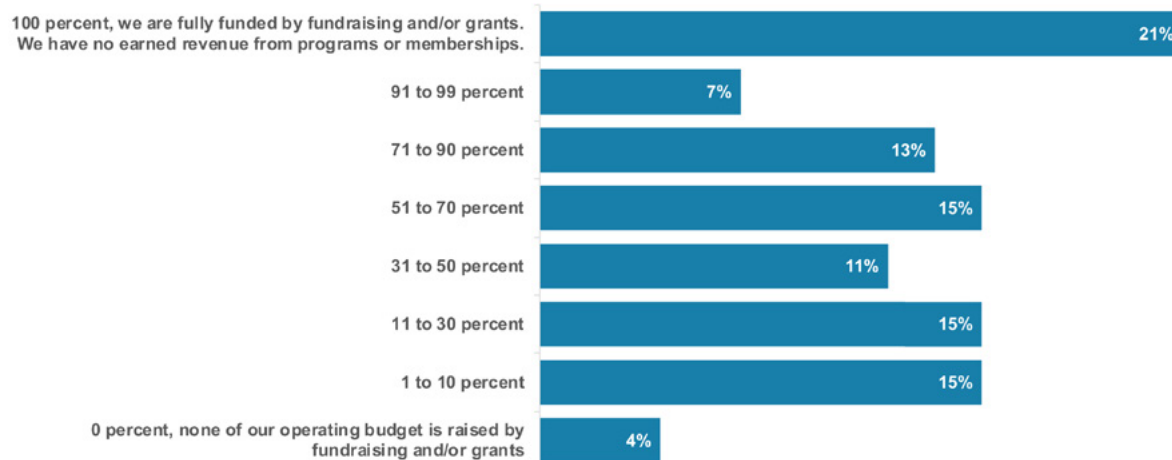
What is your organization's operating budget?
n = 455

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IV. FUNDRAISING RESULTS

About 21% of our respondents indicated they were fully funded by fundraising efforts (Figure 5). Only 4% did not rely on fundraising or grants for any of their operating budget.

Figure 5: Amount of Operating Budget Raised by Fundraising

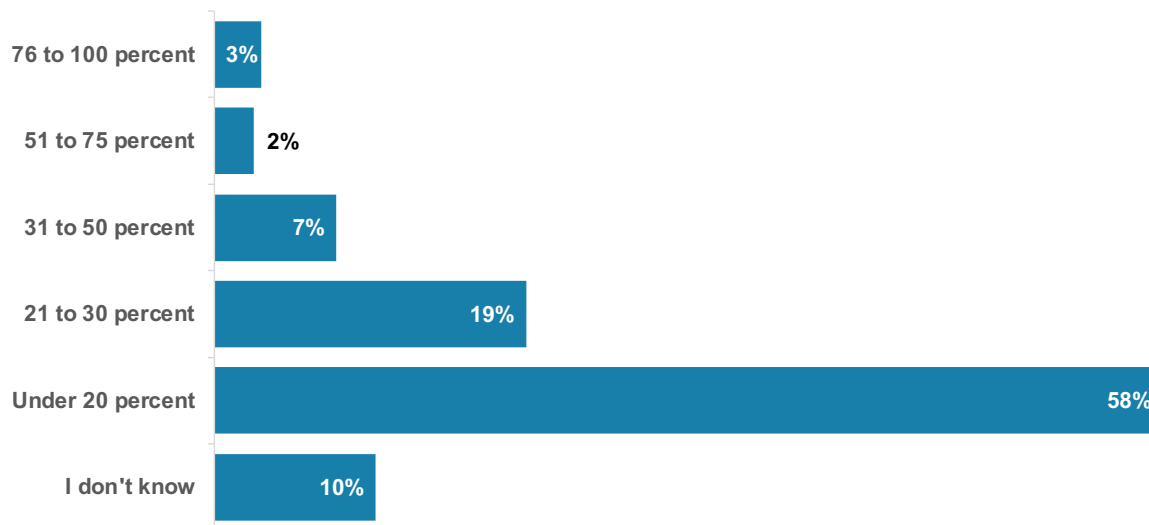


What percentage of your operating budget is raised by fundraising (including grants)?
n = 455

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Nonprofit leaders cited acquisition as their biggest challenge in *NonProfit PRO*'s [“2024 Nonprofit Leadership Impact Study”](#) and it's reflected in their donor acquisition rates, with 58% boasting a rate lower than 20% — 12 points higher than the last survey, which measured 2021's figures (Figure 6). Those with rates between 21% and 30% dropped 8 points, likely accounting for most of the shift to less than 20% acquisition rates.

Figure 6: Donor Acquisition Rate in 2023

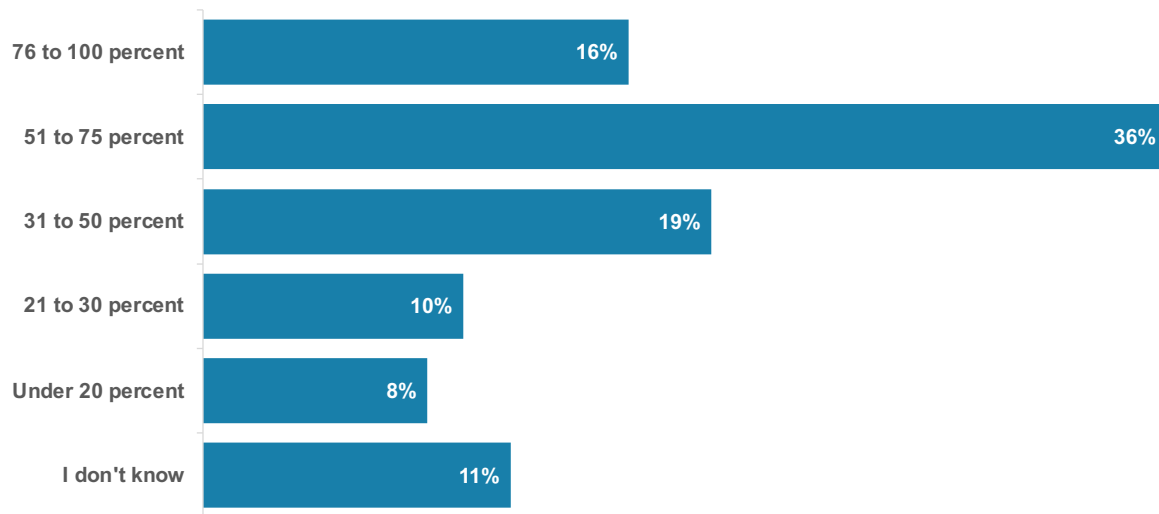


Looking at your nonprofit's total donors in 2023, what percent of donors were newly acquired in 2023? (If you're not certain, please estimate to the best of your ability.)
n = 455

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When it comes to retention rates, nonprofits stayed pretty even year over year, though 36% of respondents indicated they retained 51% to 75% of donors in 2023 (Figure 7). This percentage range also jumped 10 points over the last survey that looked at 2021's retention rate. Unsurprisingly, respondents who named donor retention as one of their top challenges in the [“2024 Nonprofit Leadership Impact Study”](#) reported lower retention rates than other respondents.

Figure 7: Donor Retention Rate in 2023



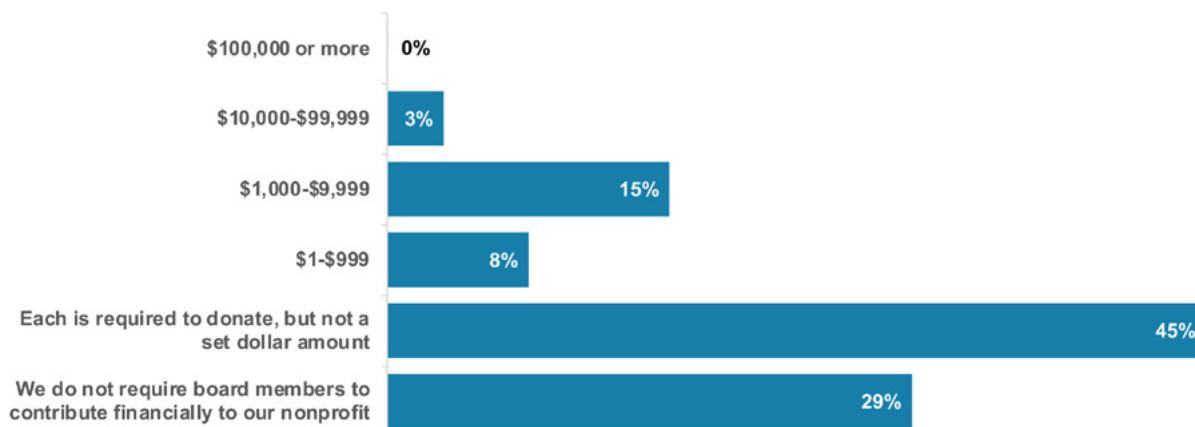
*Looking at your nonprofit's total donors in 2023, what percent of donors were retained in 2023?
(If you're not certain, please estimate to the best of your ability.)*
n = 455

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In the [“2024 Nonprofit Leadership Impact Study.”](#) we also learned that 71% of respondents felt their biggest challenge affecting their board of directors was ensuring the board was actively fundraising on behalf of the organization. This is a common concern our readers express, so to learn more, we asked in this year’s survey what their expectations were surrounding their board members’ contributions.

There are many other ways board members can contribute to fundraising efforts, but it often starts with their own contribution. Nearly half (45%) of respondents expect their board members to donate but do not set a dollar amount, while another 29% do not require their board members to financially support the organization they represent (Figure 8).

Figure 8: Board Members’ Personal Donation Expectations



How much is each board member expected to personally donate annually?
n = 455

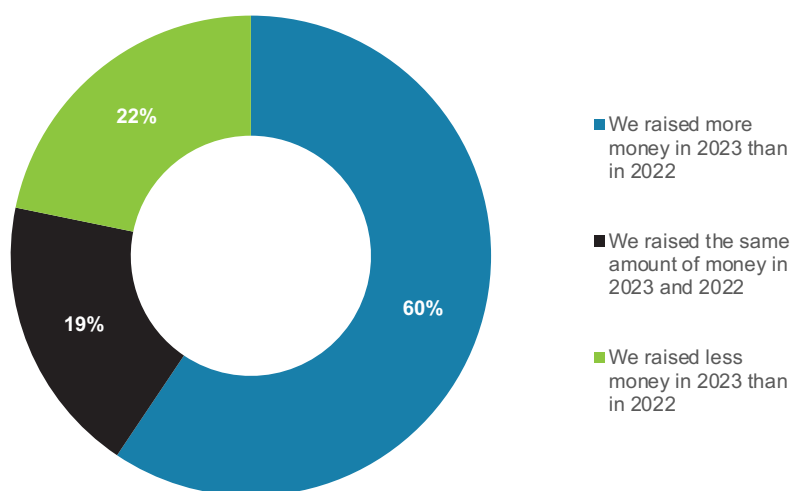
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Respondents who said their greatest board challenge was encouraging directors to actively fundraise were slightly more likely to require their board members to donate but do not set a dollar amount. On the other hand, they were slightly less likely to say they do not require board members to contribute financially to the organization.

Despite sector challenges, 60% of respondents noted that their organizations raised more in 2023 compared to 2022 (Figure 9). According to the [“2024 Nonprofit Leadership Impact Study,”](#) those that raised more in 2023 were:

- Less likely to say their business model sustainability was a top challenge.
- More likely to address challenges by boosting recurring gifts through strong donor relationships; increasing pay and/or incentives to attract quality staff; and stewarding year-end donors throughout the year.
- More likely to use technology for managing communications, fundraising and events to improve donor relationships.
- Less likely to report staff capacity and outdated technology as obstacles to creating a complete donor picture.
- More likely to report retaining 76% or more of their donors in 2023.

Figure 9: Year-Over-Year Fundraising Totals



Did your organization raise more or less money in 2023, compared to 2022?
n = 455

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Additionally, 67% of respondents whose organizations had more than 100 employees said they raised more money in 2023 than they did in 2022, while 59% of respondents from organizations employing fewer than 100 staffers reported the same. However, there was no significant correlation between organizations' operating budgets whether they reported raising more or less money.

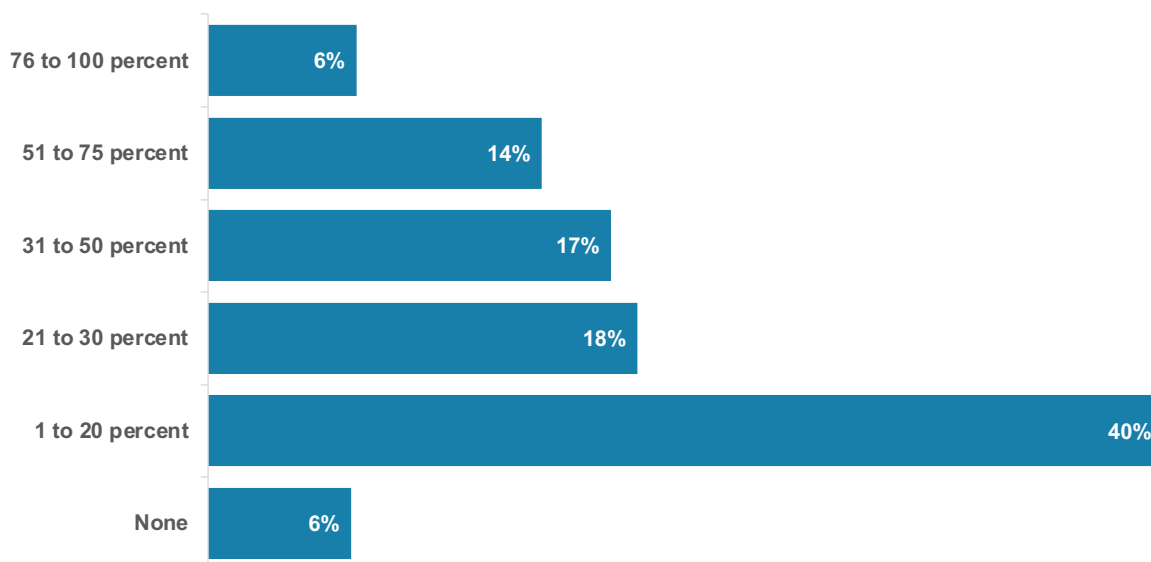
To learn more about those who struggled to break even or raise more, we inquired what resulted in less funds raised in 2023. There were a number of reasons for not meeting 2022 fundraising outcomes, but many respondents cited the same few areas:

- Less grant funding.
- Staff turnover and/or lack of focus.
- Higher expenses and fewer donations as a result of the economy and inflation.
- Fewer donors in general, though some experienced specific pains with major gifts and year-end giving.
- Fewer events and/or event revenue.

V. DIGITAL FUNDRAISING

The percentage of digital fundraising held steady with 40% having less than 20% dedicated to digital fundraising efforts (Figure 10). Meanwhile, 20% dedicate more than half of their efforts in the digital space, and 6% have yet to embrace an online fundraising strategy.

Figure 10: Amount of Digital Fundraising

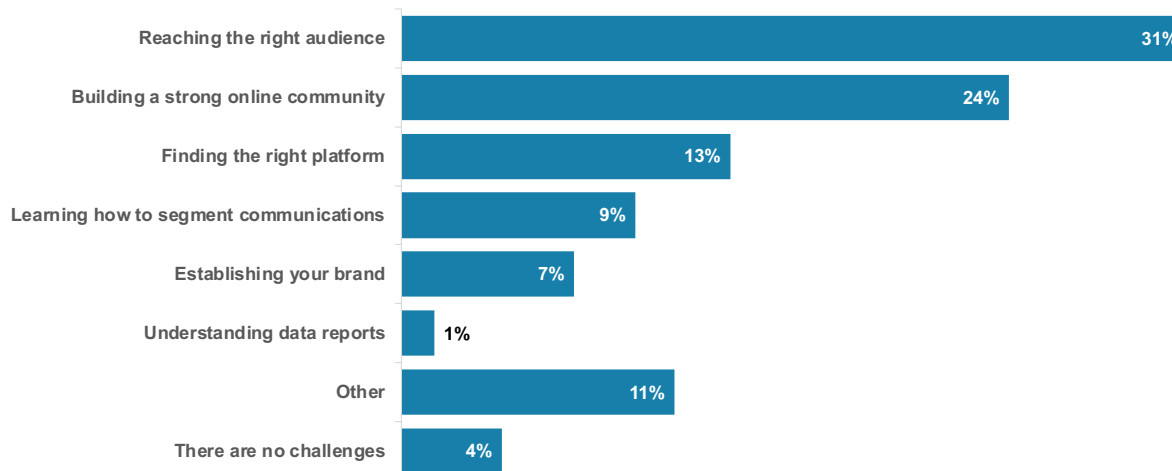


What percent of your fundraising is digital? (If you are not certain, please estimate to the best of your ability.)
n = 455

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From your website to social media to email to texting, there are so many ways to engage donors online. For those we surveyed, the biggest challenges inhibiting digital fundraising growth continue to be reaching the right audience and building a strong community (Figure 11).

Figure 11: Biggest Challenge With Moving More Fundraising Online



What is the biggest challenge related to moving more of your fundraising efforts online? (Select one)
n = 455

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To better direct your efforts and understand your achievements online, it's vital to analyze and optimize your fundraising efforts¹. Analytics tools, such as Google Analytics, offer ways to discover where your site traffic is coming from, as well as which channels are generating the most donations. Pinpointing a few digital channels to focus on at first may prove to be a better tactic than spreading your team's bandwidth across all digital channels.

However, many respondents who chose "other" indicated that their older donor base did not give online.

It's important to not ignore the growth of digital fundraising. After all, NextAfter found digital-first nonprofits grow at faster rates². And it isn't only younger donors, according to a 2023 study from the Giving USA Foundation. Here's a breakdown of the percentage of each generation who donates online:

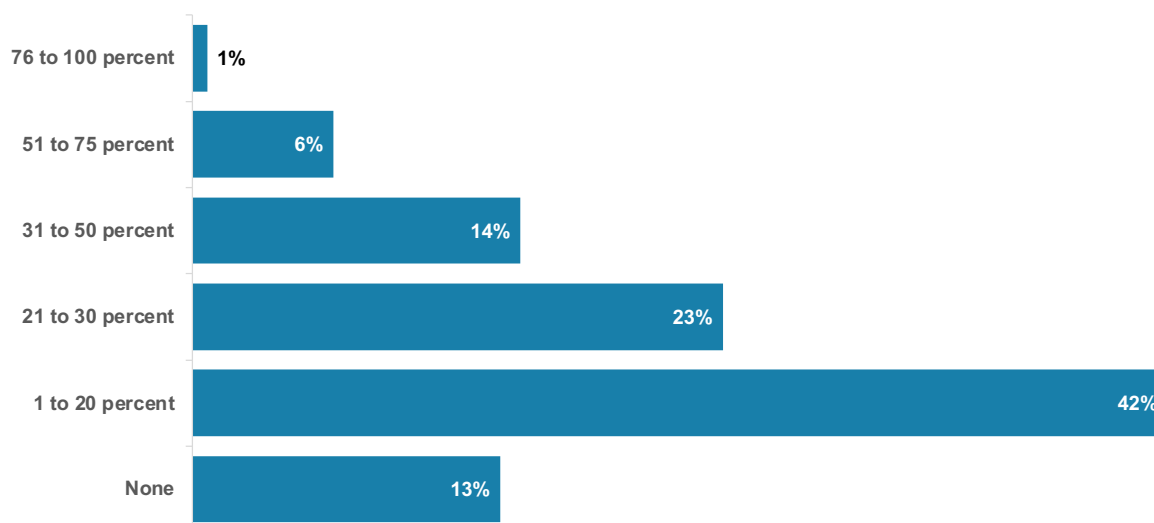
- Millennials (1981-1996): 81%
- Generation Z (1997-2012): 76%
- Generation X (1965-1980): 69%
- Baby boomers (1946-1964): 61%

Others cited not having the staff capacity or facing internal resistance as challenges to raising more online. Staffing continues to be the No. 1 resource nonprofits are lacking, per our annual ["Nonprofit Leadership Impact Study."](#)

VI. YEAR-END GIVING

About 7% of nonprofits rely on year-end giving for more than half of their annual fundraising (Figure 12). While this time of the year is known to bring in a hefty sum of donations for nonprofits, it's important to build year-round relationships with your donors to ensure your cause is funded throughout the year. This is particularly crucial when it comes to major donors, who likely already made their philanthropic decisions by the time year-end rolls around³.

Figure 12: Amount of Fundraising From Year-End Campaigns



What percent of your nonprofit's 2023 fundraising came from year-end giving campaigns?
n = 455

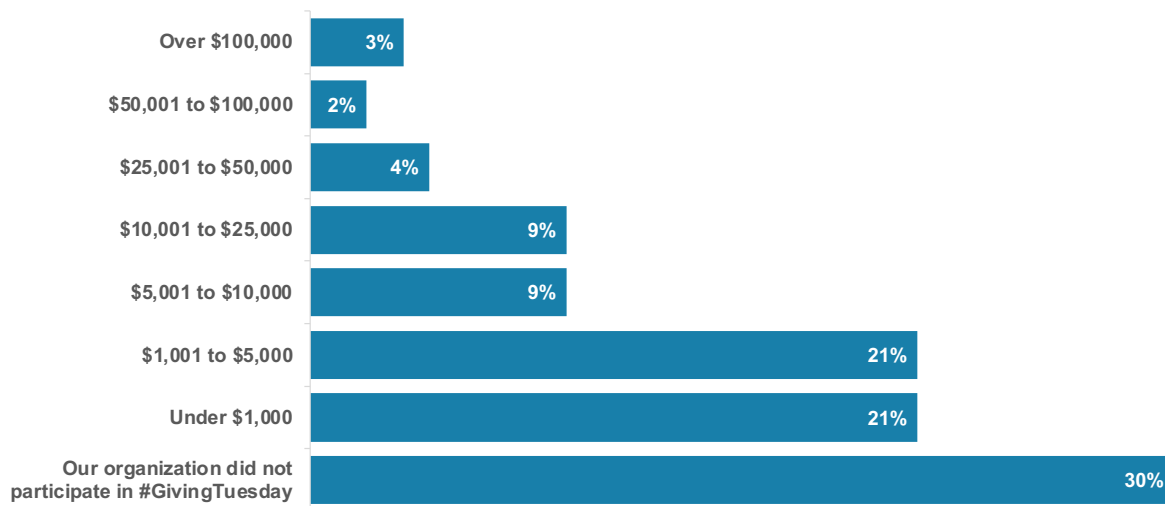
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Notably, nonprofits with fewer employees were more likely to report that less than 20% of their 2023 fundraising came from year-end giving initiatives. Among organizations with 100 or fewer employees, 57% said that 20% or less of their fundraising was tied to year-end campaigns, compared to 45% of organizations with at least 100 employees.

Similarly, having a smaller operating budget was associated with year-end giving making up 20% or less of 2023 fundraising; 61% of nonprofits with budgets less than \$1 million reported this, compared to 51% of nonprofits with budgets greater than \$1 million.

A growing number of nonprofits decided to not participate in GivingTuesday. In this year's survey, 30% noted they do not partake in the nonprofit giving day that follows Black Friday and Cyber Monday (Figure 13). This number grew 6 percentage points over GivingTuesday 2021.

Figure 13: Giving Tuesday Revenue in 2023



During GivingTuesday in 2023, how much did your nonprofit raise?
n = 455

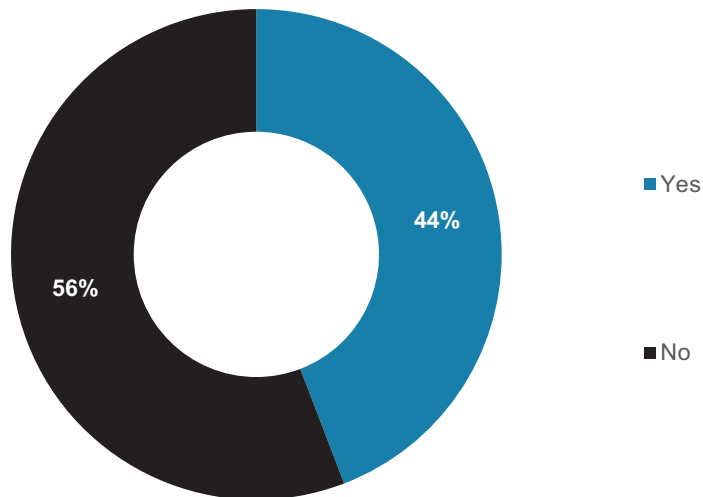
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In fact, many nonprofits have begun to opt for a giving day at another point in the year⁴. Instead of focusing their efforts on GivingTuesday, some nonprofits choose a day that is significant to their mission and create a campaign around that day so that it does not get lost among all the other organizations' asks around GivingTuesday.

IV. FUNDRAISING STRATEGY

Surprisingly, more than half of nonprofits do not create a donor engagement strategy at the start of each fiscal year (Figure 14).

Figure 14: Nonprofits That Develop Donor Engagement Strategies



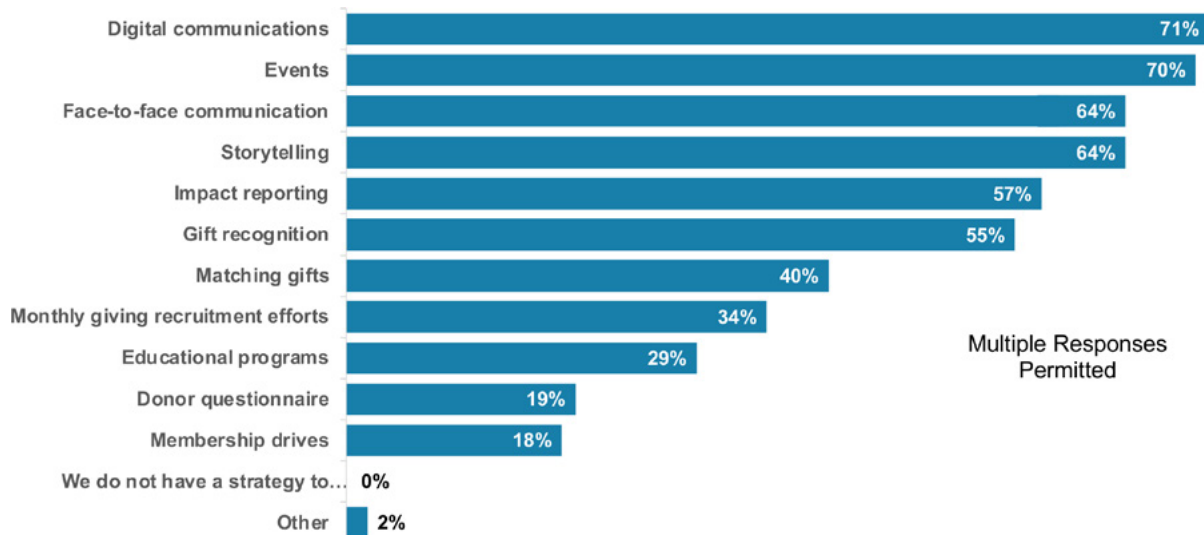
At the start of each fiscal year, does your nonprofit outline a donor engagement strategy?
n = 455

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With a shrinking donor pool, it's crucial to have a set strategy in place. Keeping donors engaged translates into improved donor retention, and can also lead to donor loyalty in the form of donor upgrades and repeat gifts. You've heard it before: Meet donors where they are. Different donors prefer to give on different channels. If you're not on that channel, you're missing out.

Donor engagement tactics tend to include digital communications (71%), events (70%), face-to-face communications (64%), storytelling (64%), impact reporting (57%) and gift recognition (55%) (Figure 15).

Figure 15: Donor Engagement Strategies Utilized

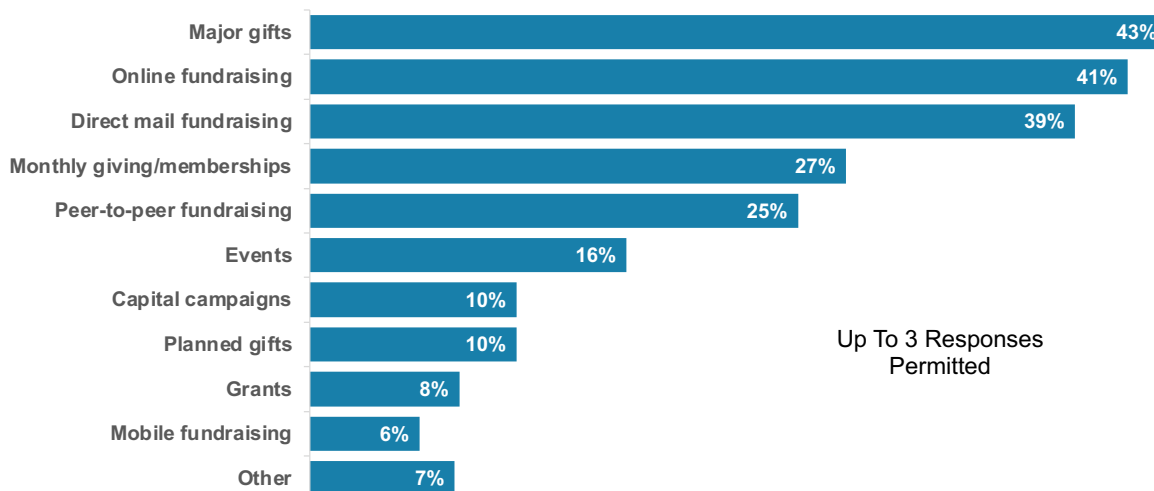


Which strategies has your nonprofit utilized to engage donors? (Select all that apply)
n = 453

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Major gifts can add up quickly, allowing 43% of our respondents to be able to cite them as their top revenue-producing fundraising strategies (Figure 16). Notably, nonprofits with larger staffs and larger operating budgets were more likely to report major gifts as a top strategy.

Figure 16: Top Revenue-Producing Fundraising Strategies



*What are your organization's top revenue-producing fundraising strategies?
(Select up to three)
n = 451*

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However, obtaining major gifts require dedication to building relationships with wealthy donors — a process that can take time. That's why it's important to develop multiple revenue streams. If one area suffers one year, you'll have others to help you meet your fundraising goals.

Diving deeper, nonprofits with more than 100 employees and those with operating budgets greater than \$1 million were more likely than smaller organizations to report major gifts, direct mail fundraising and planned gifts as their top revenue-producing fundraising strategies.

Meanwhile, nonprofits with less than 100 employees were more likely than larger nonprofits to report peer-to-peer fundraising and, to a lesser extent, grants as a top strategy..

Nonprofits that had an operating budget of more than \$1 million were less likely than organizations with smaller budgets to report online fundraising, monthly giving/memberships and peer-to-peer fundraising as top fundraising strategies.

The biggest year-over-year changes in this question were direct mail dipping 4 percentage points, while monthly giving and memberships grew 4 percentage points.

VII. CONCLUSION

While many nonprofit leaders reported an uptick in funds raised this past year, the sector is still facing a variety of fundraising challenges, such as acquiring donors, building communities online and relying heavily on year-end giving. Setting a donor engagement strategy — something many nonprofits reported not doing — is crucial to addressing these and other related issues.

VIII. REFERENCES

1. [“Maximizing Online Fundraising: 7 Tips for Engaging Donors in the Digital Age”](#) by Linda Handley. *NonProfit PRO*.
2. [“Research Reveals Promising Findings for Nonprofits That Prioritize Digital Fundraising”](#) by Amanda L. Cole. *NonProfit PRO*.
3. [“4 Fallacies of Year-End Giving”](#) by Paul D'Alessandro. *NonProfit PRO*.
4. [“Giving Days Provide Organizations a Platform to Broadcast Their Mission”](#) by Kalie VanDewater. *NonProfit PRO*.

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NonProfitPRO

NonProfit PRO is the go-to source for nonprofit management and strategy. Developed for thought leaders and innovators, we cover an array of topics focused on leadership management, development, fundraising strategy, technology and much more. We offer a magazine, website and daily e-newsletter, *NonProfit PRO Today*, with a fresh look and quick, hard-hitting content as the go-to source for modern nonprofit professionals. *NonProfit PRO* also offers a wide range of tools, including a live, multiday conference, webinars, video, custom publishing, research and more.

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