



# THE STATE OF NONPROFIT TECHNOLOGY

A LOOK INTO HOW TECHNOLOGY  
HAS TRANSFORMED THE WAY  
NONPROFITS OPERATE

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**NonProfitPRO**  
powered by **NAPCO RESEARCH**



**boodleAI**

# THE STATE OF NONPROFIT TECHNOLOGY

## A LOOK INTO HOW TECHNOLOGY HAS TRANSFORMED THE WAY NONPROFITS OPERATE

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### I. EXECUTIVE SUMMARY

It's a historic time for nonprofits as we experience and witness the digital transformation taking place across the sector. In a regular economic climate, nonprofit organizations already face the challenge of having adequate resources to conduct their day-to-day operations. However, with the pandemic upon us, the need for a quick adoption of technology solutions escalated to continue team collaborations, external communications, fundraising events, and to establish effective business operations overall. During a time when virtual was the only means to get work done, organizations were pushed to think quickly and thoughtfully about their needs in order to find the technology solutions that would be the best investment for their organization.

Those that acted quickly and saw the power of technology within their nonprofit organizations were able to ride the wave of remote work, online relationship-building, and virtual fundraising experiences. With that technology-driven foundation in place, these nonprofits have been able to continue building on their technology stack — creating a more streamlined business — and allocating additional resources toward the cultivation of new prospects and stewardship of existing, recurring donors.

On behalf of boodleAI, NAPCO Research and *NonProfit PRO* (units of NAPCO Media) conducted an online survey of nonprofit organizations to identify how they are buying into today's digital transformation. With technology driving both current and future nonprofit markets, we sought to uncover technology solutions in which nonprofits have or have not invested to determine the profitability of such investments. In our research, not only have we discovered trends in nonprofits' technology buying habits, but we also learned about the crucial role the pandemic played in this digital transformation.

### II. KEY TAKEAWAYS

A total of 267 nonprofits participated in this survey. Here are the key takeaways:

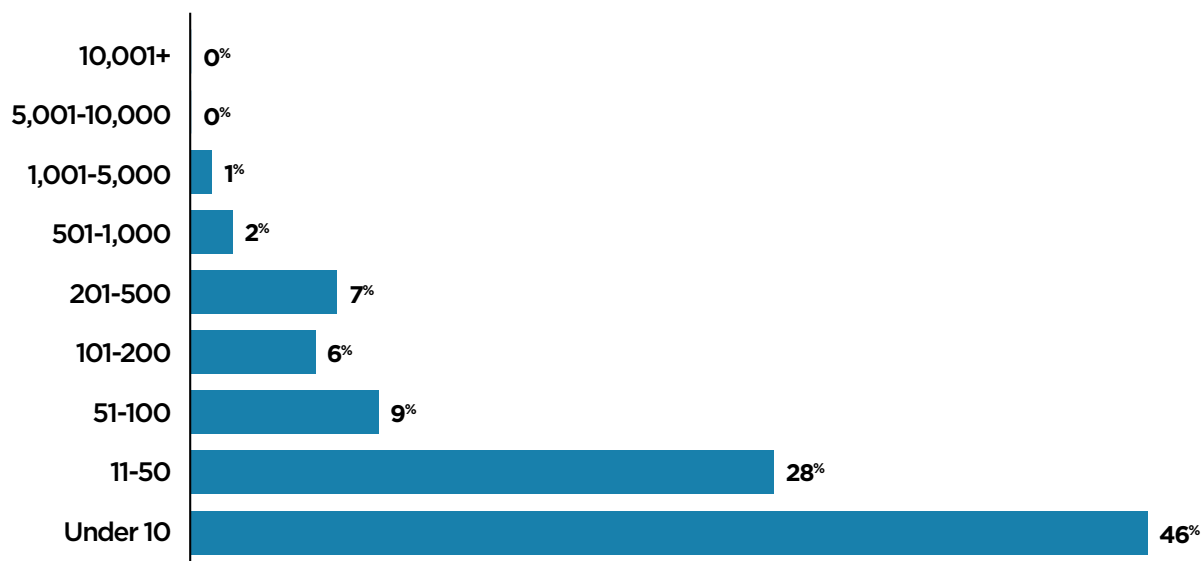
- Nonprofits understand the relevance and need for technology, and they are more comfortable investing in simpler, more straightforward technology solutions — with 87% of nonprofits already investing in online collaboration, 78% in SMS and email messaging, and 76% in cloud storage.
- Over the past 18 months, nonprofits significantly increased their use of technology across the board. Most notably, nonprofits greatly increased the use of online collaboration (76%) and webinars/virtual events (59%). It is evident that the pandemic impacted this shift, as it forced nonprofits to take both operations and fundraising to a remote setting.
- True donor-facing technology solutions drove revenue for nonprofits. Respondents identified donor management/CRM (78%), fundraising technology (76%), SMS and email messaging (62%), and webinars/virtual events (62%) as contributing to overall revenue moderately or significantly.



### III. RESEARCH METHODOLOGY

The purpose of this research was to evaluate how nonprofits are using technology and to identify the technology solutions that organizations found valuable enough for their investment. A survey was created by NAPCO Research (a unit of NAPCO Media, the parent company of *NonProfit PRO*) and deployed to the *NonProfit PRO* database in November 2021, yielding 267 survey completions. The survey base includes nonprofit organizations of various sizes (Figure 1) and areas of focus (Figure 2).

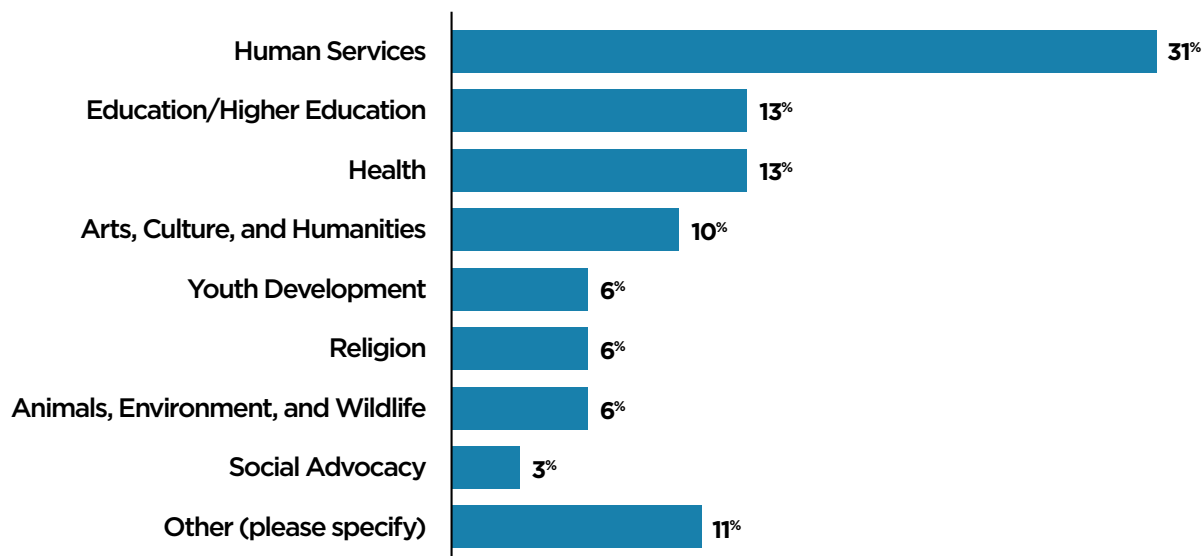
#### Figure 1: Size of Nonprofits



Q: How many staff members make up your nonprofit organization?  
n = 267

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#### Figure 2: Nonprofit Respondents' Area of Focus



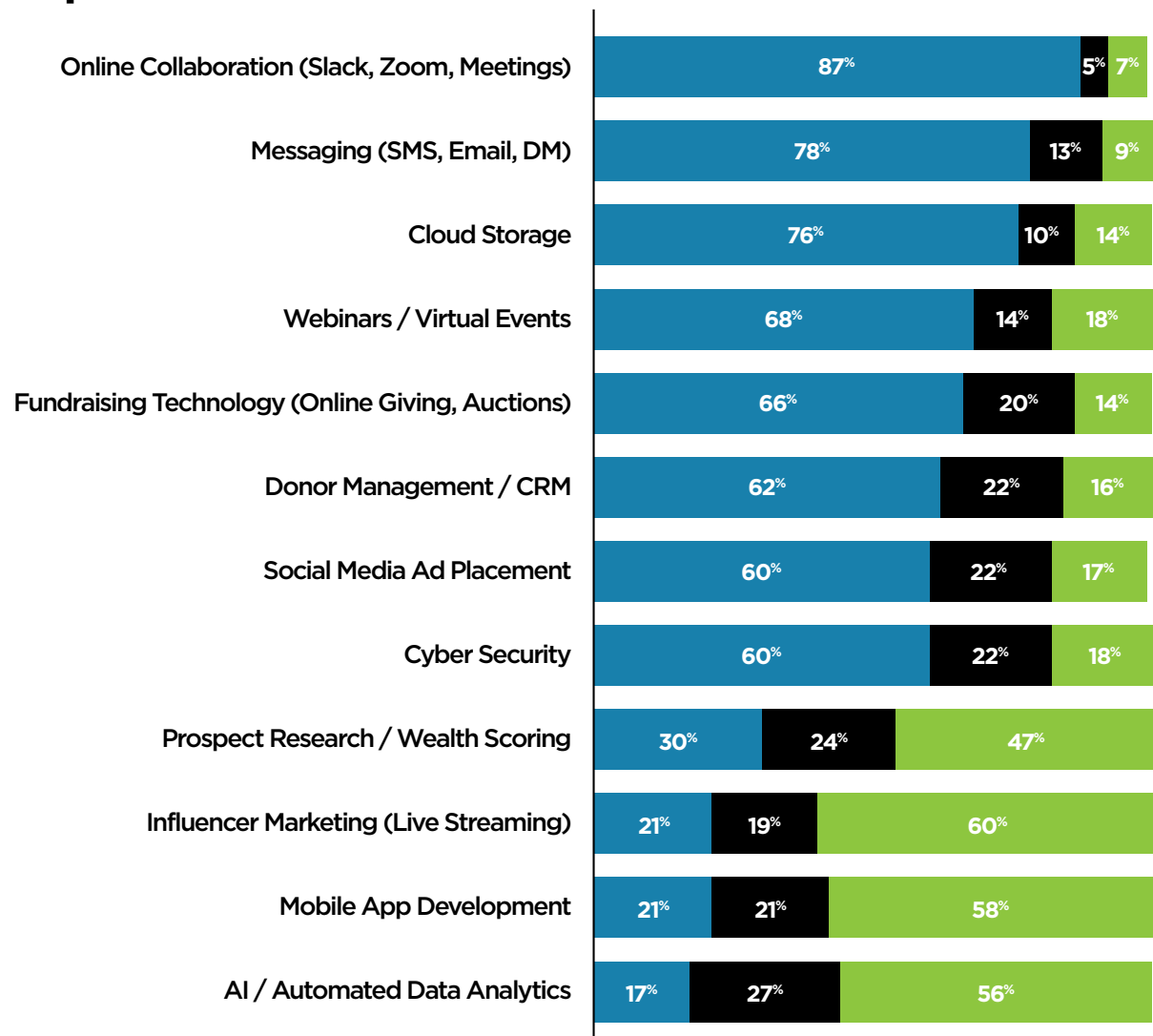
Q: What category does your nonprofit fall into?  
n = 267

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## IV. THE INCREASED DEMAND FOR TECHNOLOGY

While the need for technology in the nonprofit sector has grown exponentially, nonprofits were not always so open to the idea of adding new technology tools into their repertoire. Nonprofits are historically known as slow adopters of technology; however, it seems that investing in new technology tools is now on most nonprofits' radars — but to a modest degree. When it comes to technology tools that nonprofits have already implemented (Figure 3), the leading tools are online collaboration (87%), SMS and email messaging (78%), cloud storage (76%), and webinars/virtual events (68%).

**Figure 3: Technologies That Nonprofits Have Implemented**



■ Have implemented

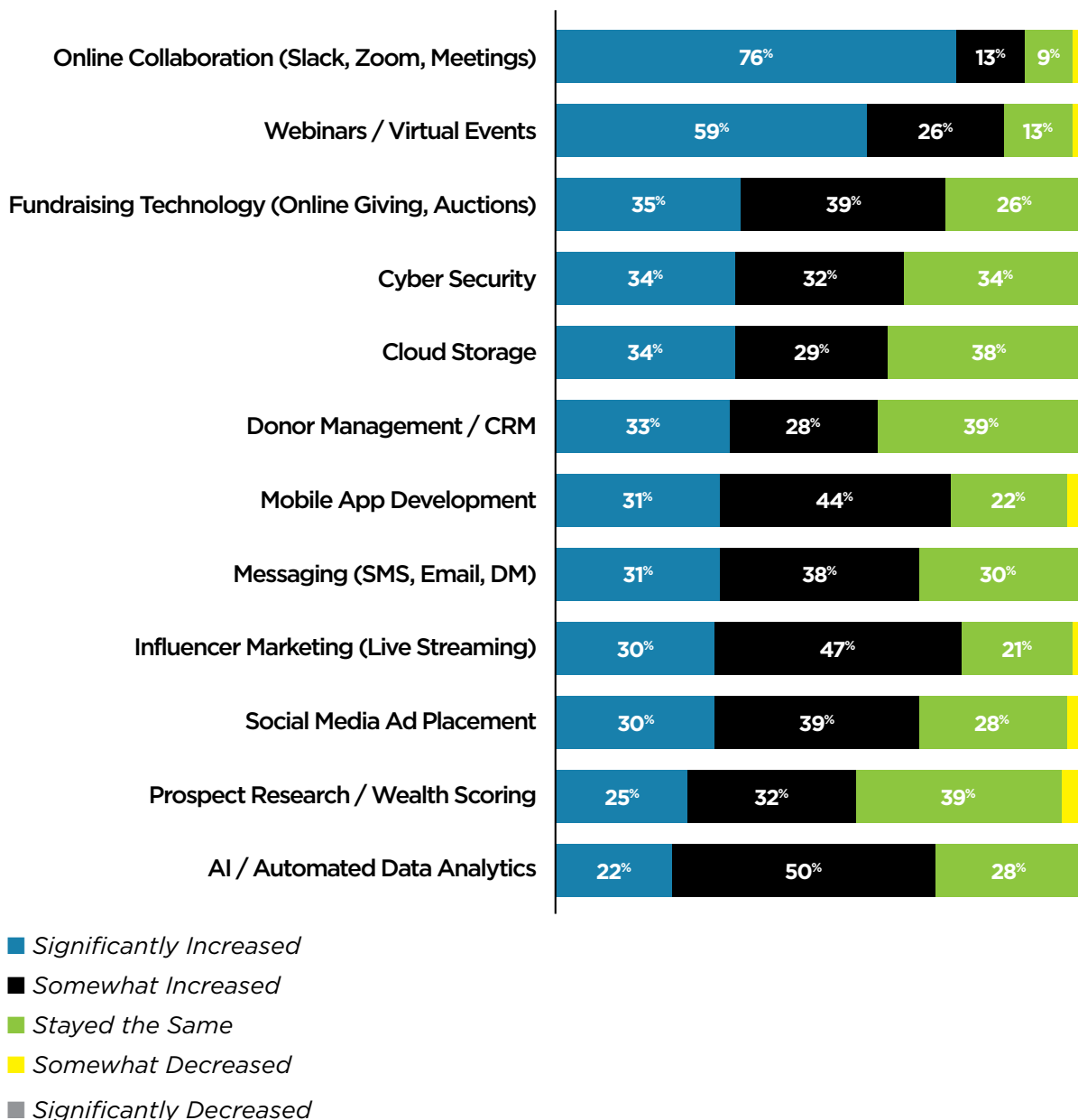
■ Planning to implement in the next 18 months

■ No plans to implement

Q: For each of the following technologies, please indicate whether you have implemented or are planning to implement the technology.  
n = 267

Because the pandemic challenged the way nonprofits traditionally operated, most nonprofits invested in technologies to take their work remote, implementing online collaboration tools and cloud storage. However, since many nonprofits prefer to fundraise face-to-face, and the pandemic limited in-person interactions, several organizations sought out other ways to engage their constituents (e.g., hosting webinars and virtual events). This was further indicated in our findings, as we saw an increase in technology adoption related to these specific needs over the last 18 months (Figure 4). Most notably, survey respondents said they “significantly increased” the use of online collaboration (76%), and webinars/virtual events (59%).

**Figure 4: Use of Technology Over the Last 18 Months**

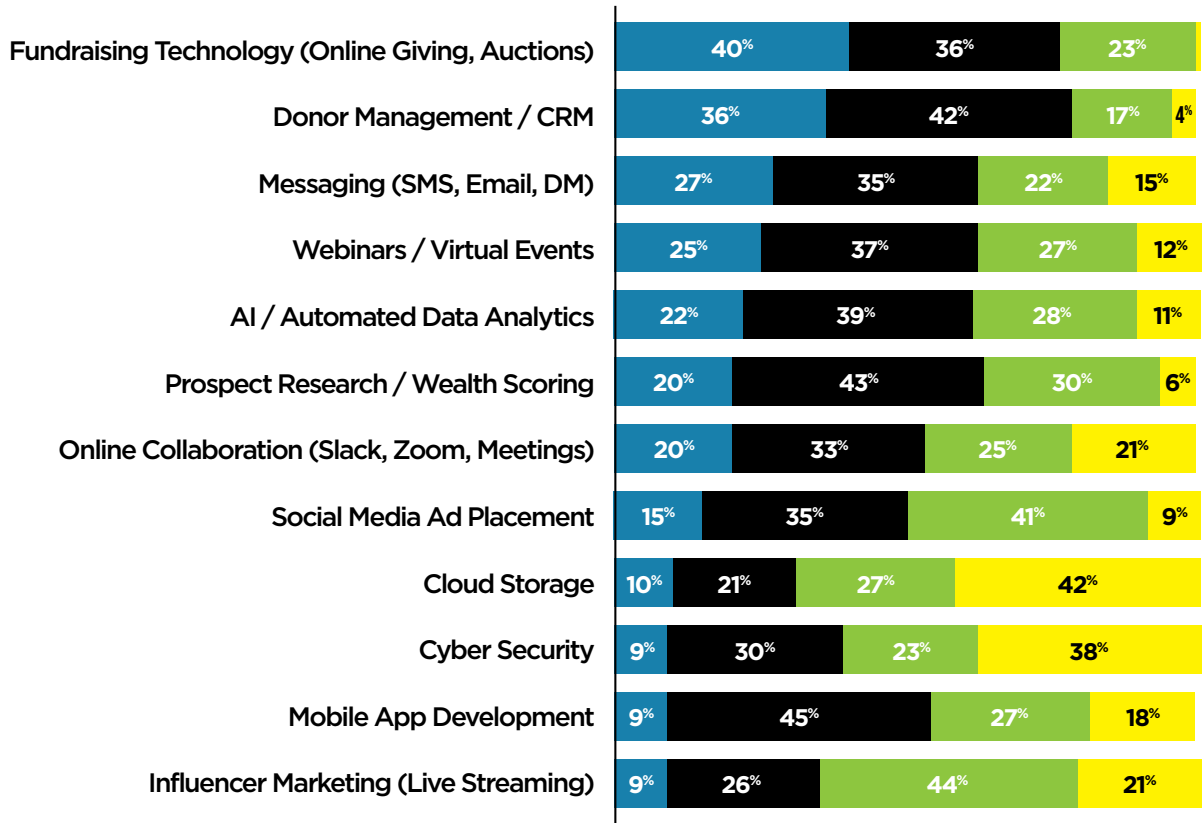


Q: For each of the technologies below, please indicate whether your use of the technology has increased, decreased or stayed the same over the last 18 months.  
n = 267

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Additionally, the top technology tools that most contributed to nonprofits' overall revenue were true donor-facing tools — meaning technology solutions that were direct touch points with nonprofit constituents. Our data found (Figure 5) that the following technologies had a moderate to significant contribution to nonprofit revenue: donor management/CRM (78%), fundraising technology (76%), SMS and email messaging (62%), and webinars/virtual events (62%).

## Figure 5: Technologies' Contribution to Nonprofits' Overall Revenue



■ Significant Contribution

■ Moderate Contribution

■ Slight Contribution

■ No Contribution

Q: For each of the technologies below, please indicate the degree to which they contribute to your company's overall revenue.  
n = 267

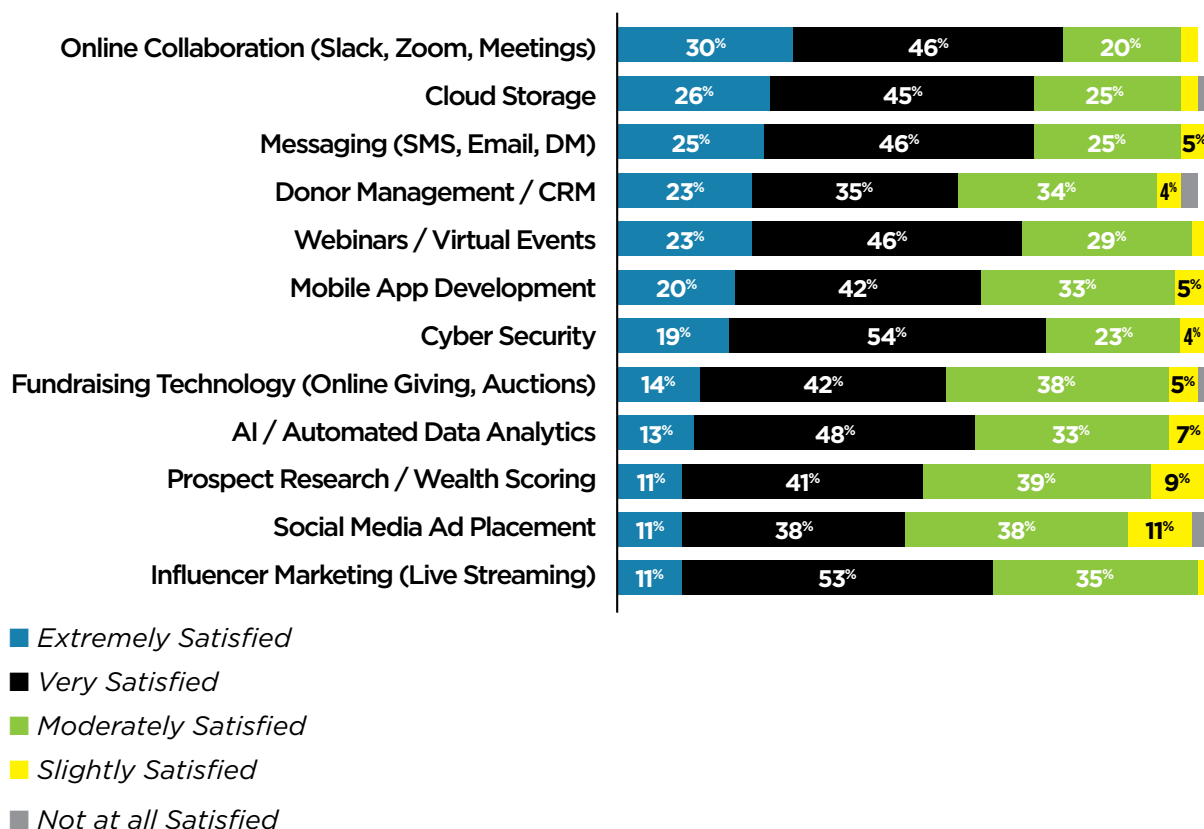
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While nonprofits have invested in many tools that are simple and to the point, the more complex technology tools still seem to be too robust and advanced for many nonprofits. In the case of more sophisticated tech offerings, 60% of nonprofits have no plans of investing in influencer marketing, 58% have no plans of investing in mobile app development, 56% have no plans of investing in AI/automated data analytics, and 47% have no plans of investing in prospect research (Figure 3, page 4).

## V. BETTER PAYOFF WITH MORE COMPLEX TECHNOLOGY TOOLS

Even though our findings indicate that nonprofits are hesitant to invest in more complex technology (Figure 6), those that make that leap feel more satisfied with the technology's performance. Respondents indicated that they were “extremely satisfied” or “very satisfied” with the performance of the following technologies: online collaboration (76%), cyber security (73%), cloud storage (71%) and messaging (71%).

**Figure 6: Nonprofits' Satisfaction With Technologies**



Q: Please rate your level of satisfaction with each of the technologies below.  
n = 267

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Technology advancements continue to influence how nonprofits conduct their operations and drive change within the sector. Through adoption, nonprofits have begun to maximize the resources they have available, minimize tedious paperwork, and ultimately place more focus on what's most important: their mission. While simpler, easy-to-learn technology investments (e.g., online collaboration and messaging tools) will certainly help nonprofits streamline their processes, more sophisticated technology tools (e.g., AI/data analytics and prospect research) will help nonprofits make smarter decisions about their fundraising and overall business strategies. Our findings suggest that any technology investment made seems to meet or exceed nonprofits' expectations — with no more than 3% saying that they were “not satisfied at all” by any one technology (Figure 6).

## CONCLUSION

New research from NAPCO Research and *NonProfit PRO* (units of NAPCO Media) highlights how nonprofits are investing in technology, what value these technologies have for their businesses, and which technologies will be trending upward in the future as the sector becomes more sophisticated in its knowledge of technology.

Known for not being the most tech-savvy, many nonprofits are just learning how transformative technology can be for their organizations. In order for technology to promote growth within nonprofit organizations, they will ultimately be required to educate themselves on the more complex technologies or hire individuals with experience in their areas of interest (e.g., data scientist, prospect researcher, influencer marketer).

Our research has indicated that nonprofits are investing in different types of technologies across the board and feel satisfied in the technologies that they have implemented in their practice. The technology solutions that made a moderate to significant contribution to nonprofits' revenue streams included true donor-facing technologies, like donor management/CRM and fundraising technology.

However, while more nonprofits are investing in simpler technology solutions, those that are investing in the more complex solutions find themselves more satisfied with the technology's performance. This indicates that nonprofits may need more training to understand the benefits and operational improvements that more complex technologies have to offer. They may also benefit from additional resources that aid in communicating with their boards of directors as they consider investing in complex technology solutions to drive a more streamlined business.

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# WHO WE ARE

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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 topics such as human resources, board and volunteer management, technology, tax and legal matters, and fundraising. We offer a 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.

## NAPCORESEARCH

Led by a former Forrester Research analyst, the NAPCO Research team crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision making.

Contact [research@napco.com](mailto:research@napco.com) for a research consultation.

## boodleAI

boodleAI offers unique contact insights for nonprofits that leverage high-volume inbound leads. Using our advanced predictive scoring platform, you can enhance your leads and unlock powerful AI-driven contact segmentation. Our highly accurate behavioral and affinity scores ensure that you never overlook an ideal prospect or any existing donor with greater potential.

Contact [marketing@boodle.ai](mailto:marketing@boodle.ai) for more information.



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