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In partnership with



THE STATUS OF UK FUNDRAISING 2019 BENCHMARK REPORT





Foreword

Fundraisers are among the most positive, resilient, and forward-looking people that I know, and it is a great privilege to work with them every day and see first-hand how they are taking on the challenges that we see to put in place the right foundations for success in the future. And I'm delighted that this 2019 edition of Status of UK Fundraising is showing that those in fundraising say that they enjoy their job, hardly any are looking for a role outside of the sector, and that two thirds are positive about the future of the sector as a whole.

We know that there has, and continues to be, a difficult operating environment for charities and fundraising, with the combination of political and economic uncertainty, the need to keep up with technology changes and expectations of the public, as well as the ever-present need to show value for money and cost effectiveness, all coming together to provide a testing set of circumstances.

While each charity is working on meeting and overcoming these challenges for themselves, it is only through pieces of research like this that we get to step away from the day to day and look at what is happening across the sector, which is why I'm really pleased that we've been able to continue the relationship with Blackbaud and produce this research.

Alongside the findings on fundraisers positive feelings about their role and jobs, I was struck again by how key the elements of planning, investment, and strategy are to fundraising success. People and skills are essential – fundraisers who said their charity's income had decreased were much more likely to say it was because they were not resourced effectively or did not

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have enough people with the right skills. And while there is concern about the future economic environment and the negative impact that might have, it seems that fundraisers believe that the key to navigating potentially difficult times ahead is to be proactive and take ownership and control where they can. A clear strategy, articulating a shared vision of success and where your charity aims to get to, which is appropriately resourced with people, skills, and systems can put charities in the best possible place.



One area that we looked at this year was to ask people about diversity in their fundraising teams, part of an ongoing project within the IoF and across the sector to increase equality, diversity and inclusion in fundraising. The challenge of representation in the profession is once again clearly set out, with only 8% of fundraisers responding being from a black and minority ethnic group, and women under represented in more senior roles. It's clear that people feel that the sector as a whole needs to do more to address these issues, although there are some positive signs that respondents see appropriate action being taken, particularly within their own organisations. I hope that the steps that people say they can see leads to meaningful action and real change in the future.



With best wishes,



Peter Lewis
CEO, Institute of Fundraising



Introduction

The Status of UK Fundraising 2019 Benchmark Report was carried out by Blackbaud Europe together with the Institute of Fundraising. The data was collected in April and May 2019 via an online survey of 38 questions. A total of 1012 respondents completed the survey from a wide range of charity types and sizes.

- **30%** of respondents were from small charities (total income less than £1M), 38% from medium charities (between £1M - £10M) and 24% were from large charities (income more than £10M).
- **65%** of respondents are fundraisers
- **72%** of respondents are female, 28% are male
- **92%** of respondents were white
- **60%** of respondents have worked in the non-profit sector for 5 years or more

SECTION 1



KEY FINDINGS



Fundraisers are happy people! This was one of the biggest findings from this year's survey. Respondents told us they enjoy their line of work; they are optimistic about the future of the sector and remain committed to their careers in this sector.

- **84%** of respondents agreed that they enjoyed their job
- Only **5%** were looking for a new role outside of the sector
- **66%** of respondents told us that they are positive about the future of the sector as a whole

“It’s great to see that so many fundraisers say that they enjoy their job. It can be tough and challenging, but clearly also one of the most rewarding professions you can be in.”

—Daniel Fluskey, Head of Policy and External Affairs, Institute of Fundraising

This time last year, the rollout of GDPR seemed like it would bring challenges to the sector, but the survey found it wasn't quite as difficult as many feared.

- **77%** said GDPR made them think differently about engagement strategies
- **31%** said GDPR was a positive thing for their organisation
- However, **57%** did say it was a drain on their resources





While fundraisers are undoubtedly positive about the sector, the majority told us that they saw potential future challenges coming from external forces, specifically the economic climate.

- **50%** of respondents report an increase in income and **50%** expect income to increase, but **67%** told us that the biggest challenge to the sector is the economic environment
- Overall, respondents have greater confidence in their organisation than in the sector, to respond effectively to challenges. This is particularly true around the challenge of public perception

The survey found that the sector is particularly digi-savvy, with the majority of respondents seeing the benefits of online strategy and social media – however, smaller charities are less likely to have a digital strategy.

- Only 1 in 5 (**21%**) do not have a digital strategy
- **42%** of small charities do not have a digital strategy
- **94%** of respondents use social media to communicate with supporters

Those respondents with strategies that successfully increased fundraising income, told us that the key deliverers of growth are innovation, skills and investment.

- **62%** said their income growth was planned based on new and different activity
- **60%** said they could grow their income because they had enough people with the right level of skills in place
- **52%** said they could grow their income because they have the right level of investment in activity

SECTION 2



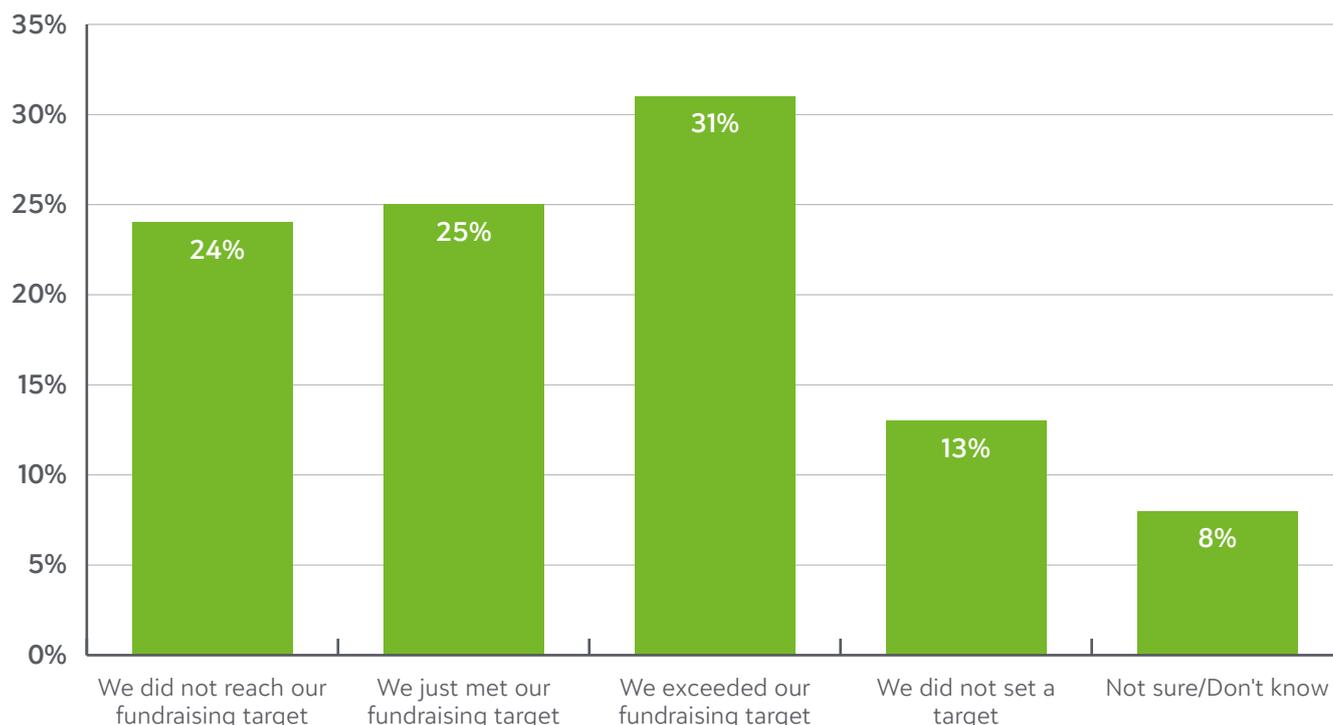
INCOME AND STRATEGY



The survey found that the most successful organisations (those that had seen their income increase) worked towards planned strategies and set targets for their fundraising.

31% of respondents said they exceeded their fundraising targets in the last full financial year, and 25% said they met their targets. 21% of respondents said they did not set or did not know if their organisation had set a fundraising target.

Which best describes your organisation's fundraising performance over the last full financial year?
% Respondents



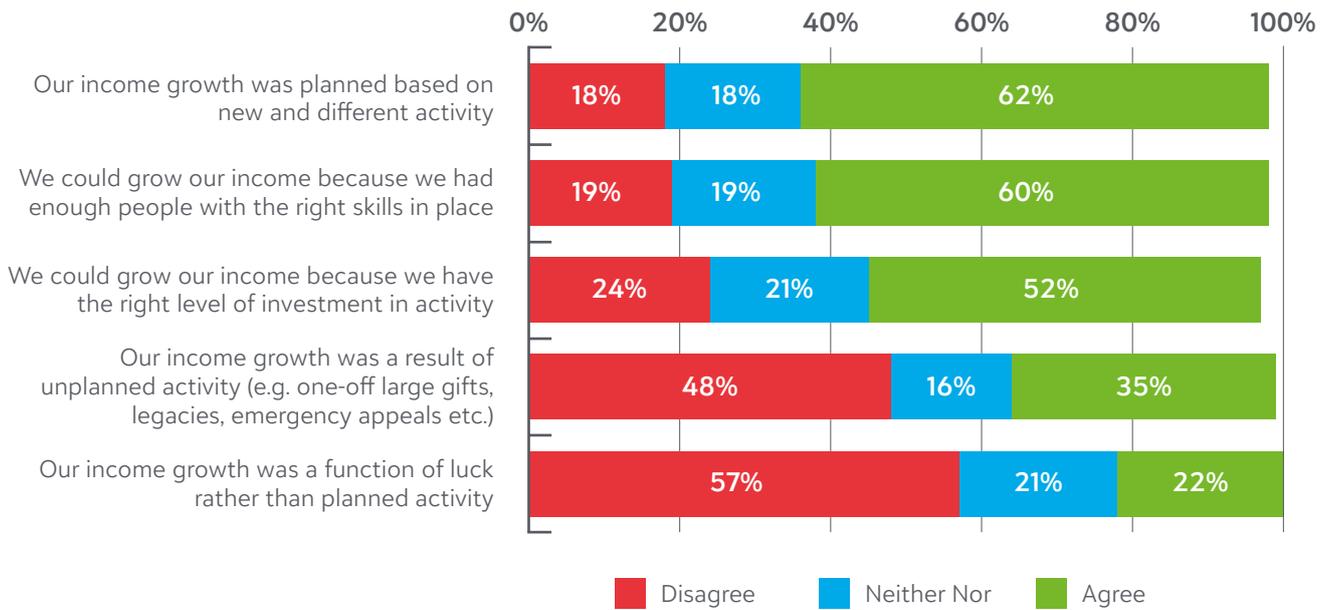
Successful organisations told us that they believe growth was driven by three key factors:

1. Innovation
2. Effective resourcing
3. Investment

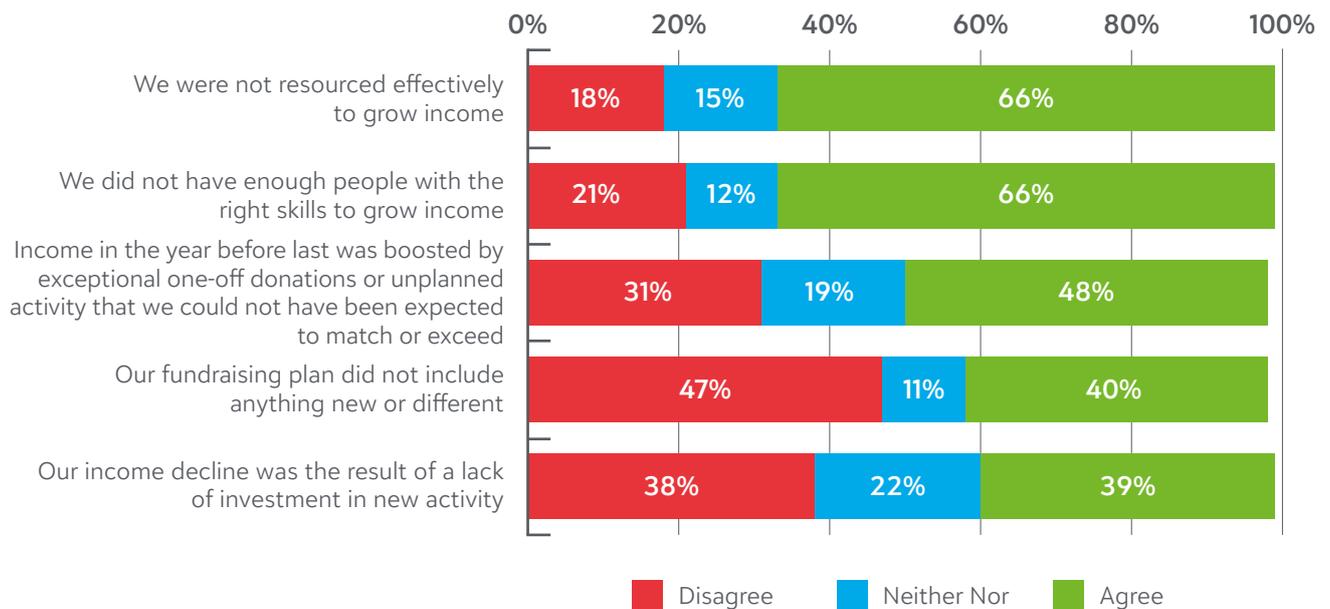
Interestingly, this does not vary by charity size. When trying to understand where their organisation's income has declined, a lack of skills and adequate resources were put forward as the most probable reasons.



To what extent do you agree with the following statements:
all those who said that income had increased



To what extent do you agree with the following statements:
all those who said that income had decreased



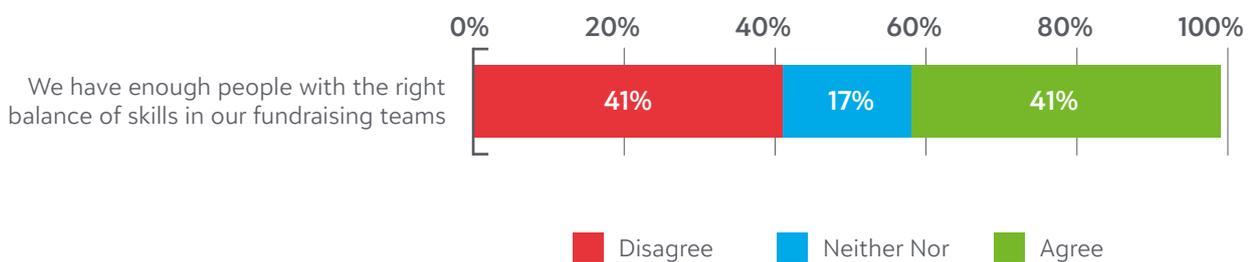
“The key to meeting and exceeding fundraising targets is to innovate, plan and invest. Fundraising success is possible, but it very rarely comes out of the blue. ”
The charities that are doing well are the ones that are more likely to say that they have the right people, skills and tech to take forward their strategies, as well as trying new and different things. But we also should be careful to not only see fundraising success through the hitting of a financial target – the experience that charities give supporters has to be looked at alongside a financial return on investment.”

–Daniel Fluskey, Head of Policy and External Affairs, Institute of Fundraising

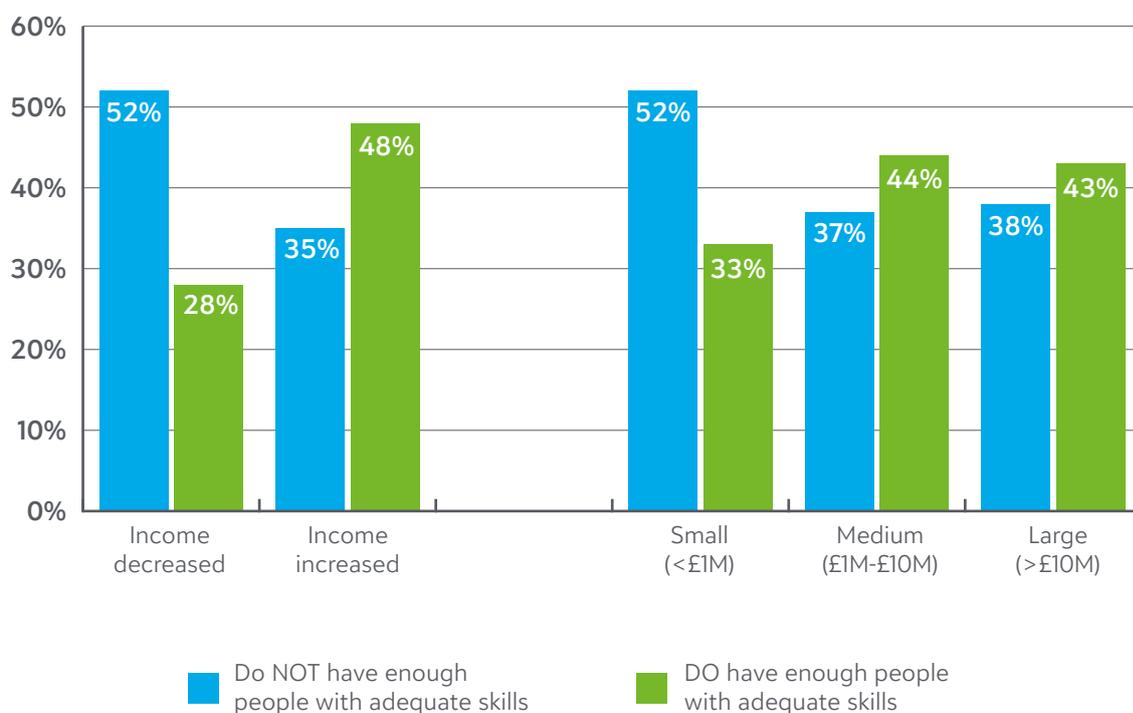
The majority of respondents told us that they feel positive about fundraising within their organisation. A huge 78% said that their fundraisers have stories to tell about the impact the organisation makes, and 66% said fundraisers are supported to try new and innovative approaches. 60% said investment in fundraising is a key strategic priority within their organisation.

However, 41% say that they do not have enough people with the right balance of skills in their fundraising teams. Those who said that their fundraising teams did not have enough people with the right balance of skills were more likely to say income had fallen and more likely to come from smaller charities.

Thinking about the fundraising function/department in your organisation to what extent do you agree or disagree...



Income and Charity size for those who disagree and agree that their organisation has enough people with the right balance of skills



SECTION 3

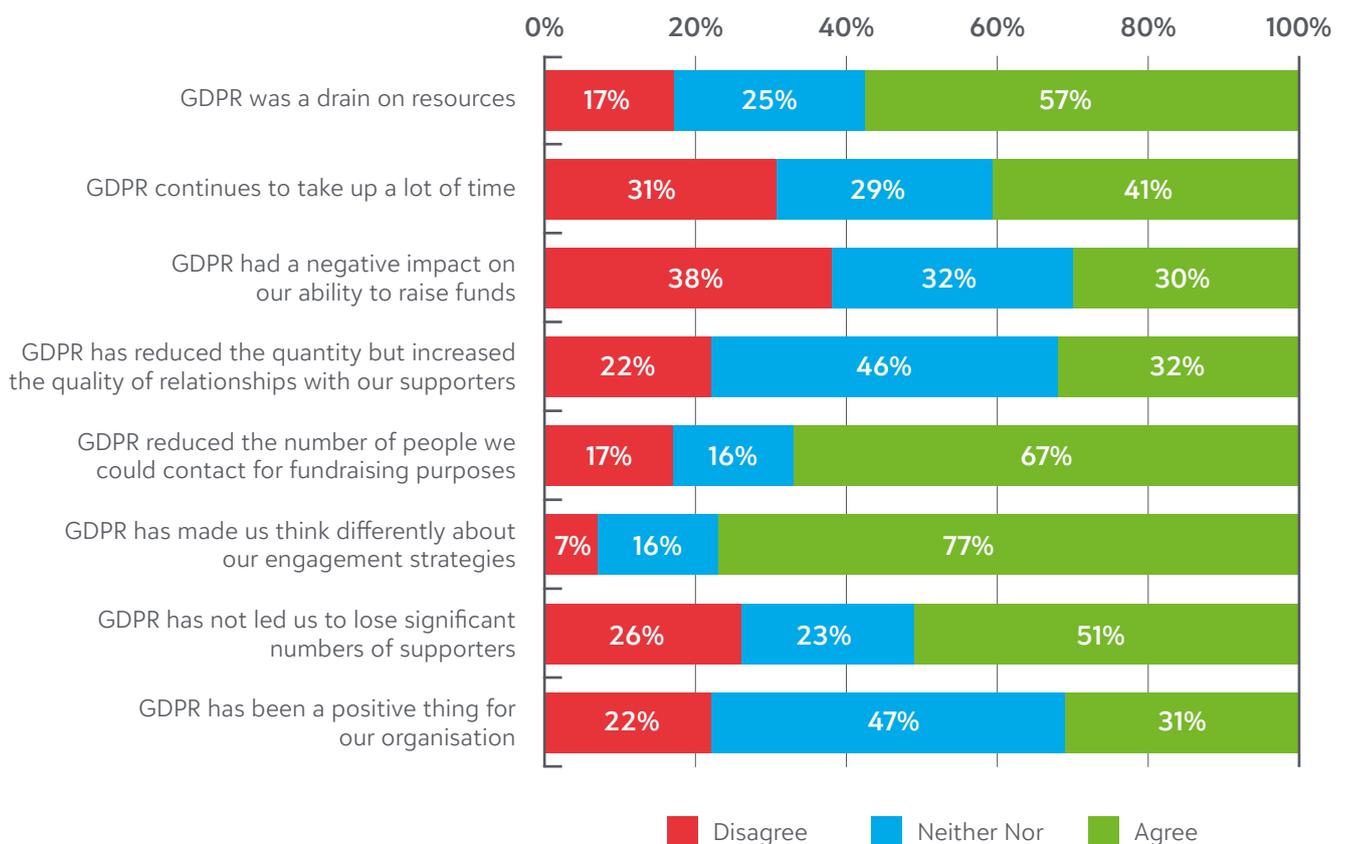
GDPR – THE AFTERMATH



The EU's General Data Protection Regulation (GDPR) came into action in May 2018 and, with a year's worth of experience under their belt, 77% of respondents to the survey told us that GDPR had made them think differently about supporter engagement strategies.

However, 57% told us they believed GDPR was a drain on their resources, and 41% said it continues to take up a lot of time.

**Thinking back to May last year and GDPR, to what extent do you agree or disagree with the following statements?
(excludes those who answered 'don't know')**



The survey found that attitudes to GDPR and income growth are linked; organisations where income is decreasing were more likely to agree that GDPR was a drain on resources and that it had a negative impact on fundraising. Organisations with an increasing income were more likely to agree that GDPR has not led to significant supporter losses and that whilst it may have reduced the size of their contactable support base, it had the effect of increasing the *quality* of relationships with its remaining supporters.



“It seems that GDPR was not the bogeyman that many were anticipating and fearing. Undoubtedly, it had an impact and effect last year on time and resources within organisations as they made the changes needed to systems and procedures, as well as staff training, but it’s interesting that the area of biggest impact was that it led to charities thinking differently about engagement. It is perhaps surprising that less than a third of respondents agreed that GDPR had a negative impact on their ability to raise funds, indicating that while the number of people being contacted has reduced, they may have been people who were not as likely to give.”

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—Daniel Fluskey, Head of Policy and External Affairs, Institute of Fundraising

SECTION 4



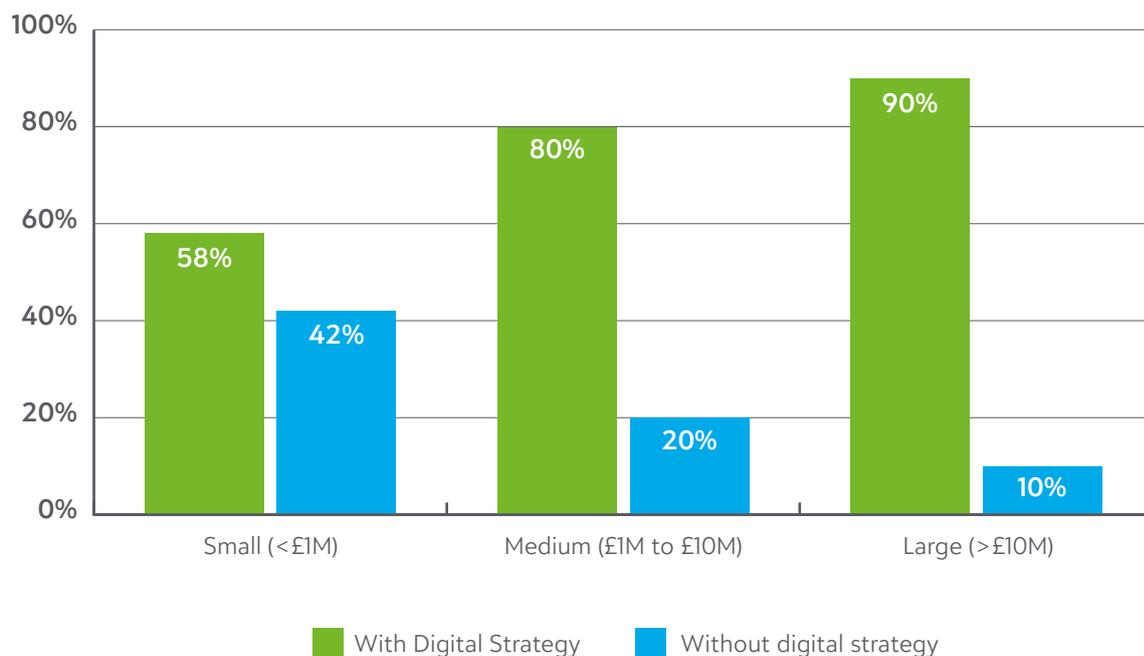
DIGITAL



Only 21% of respondents said they do not have a digital strategy. However, medium and large charities are far more likely to have a digital strategy than small charities, and in fact 42% of small charities do not have a digital strategy at all.

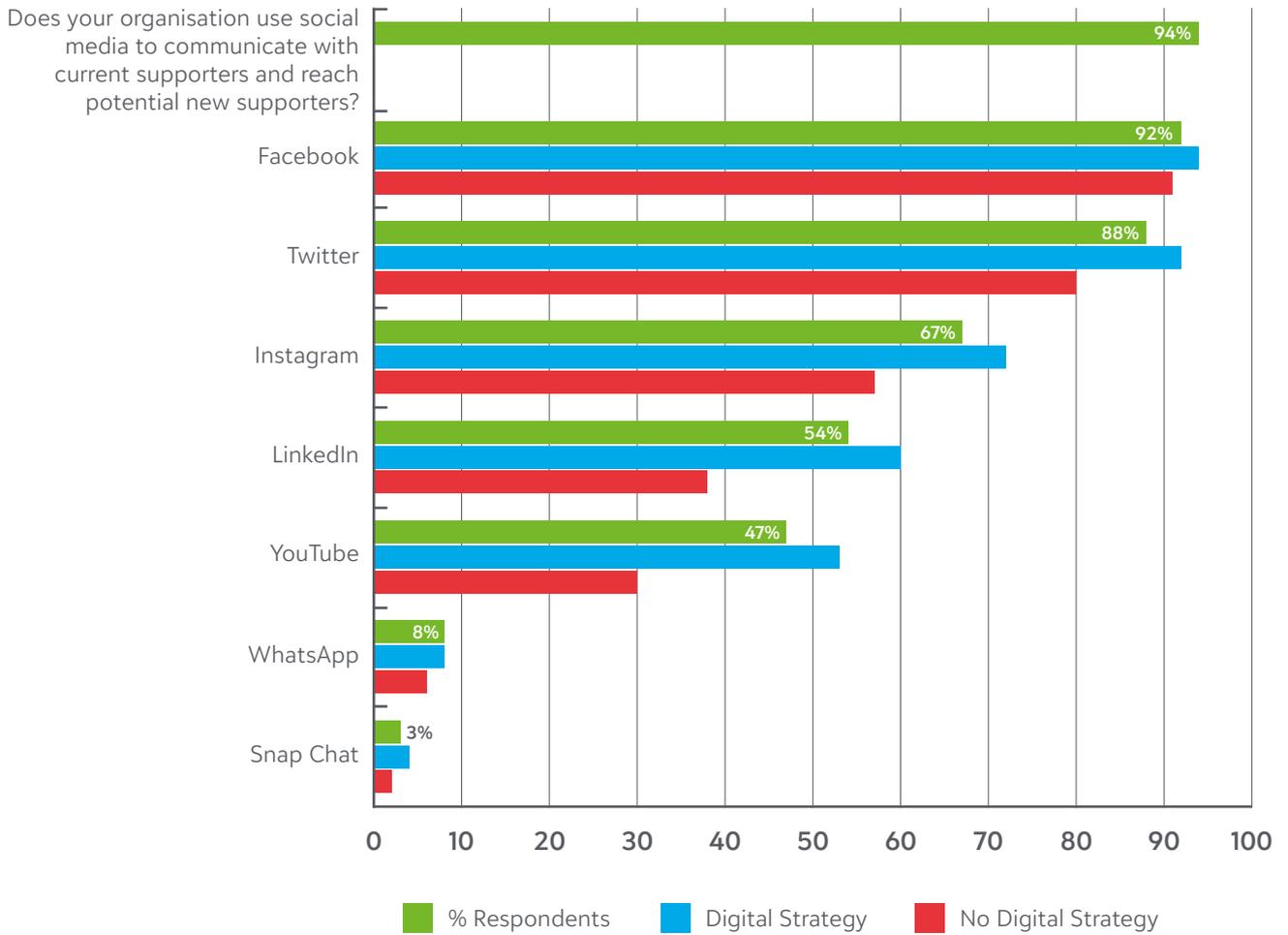
32% of respondents said their websites are updated weekly. Charities without a digital strategy are more likely than those with a digital strategy to update infrequently.

Charity size vs presence of digital strategy
% Respondents



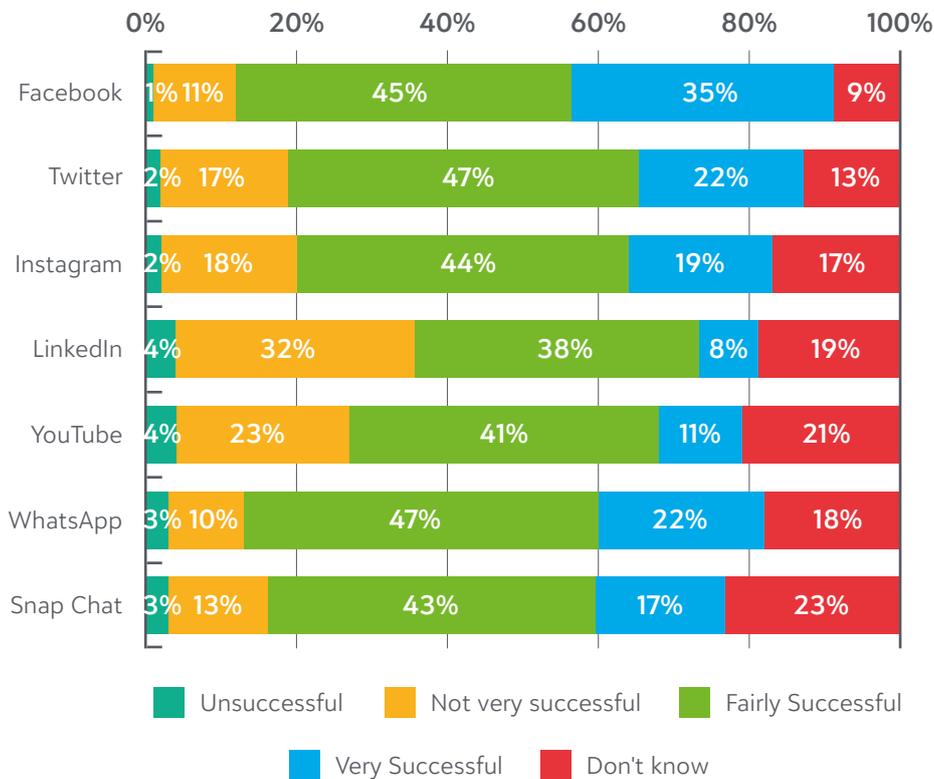
Almost all respondents (94%) told us that they use social media to communicate with supporters, Facebook and Twitter being the most popular channels. Although levels of use are broadly similar across social media channels, those with a digital strategy are more likely to use all channels, particularly those other than Facebook and Twitter.

Does your organisation use social media to communicate with current supporters and reach potential new supporters AND Which of the following social media sites does your organisation use to communicate with current supporters and reach potential new supporters



Except for LinkedIn, respondents told us that their social media efforts were judged to have been broadly successful.

How successful have your social media efforts been over the past year for each of these channels?
% Respondents



“It’s really interesting to see where organisations are focusing their efforts with regards to digital strategy. It is exciting to see that most non-profits are using social media to communicate with their supporters – with Facebook far in the lead as the most popular channel. Not only did 93% of organisations tell us they used Facebook, but 80% said they found their efforts successful over the past year, which is a significant improvement on previous findings. Digital transformation is driving fundamental change across every industry, and social media is just the tip of the iceberg. Artificial Intelligence, machine learning, big data and payments innovations are all areas we expect to be asking about in next year’s Status of Fundraising survey!”

—Casper Harratt, Director of Marketing, Blackbaud Europe

SECTION 5

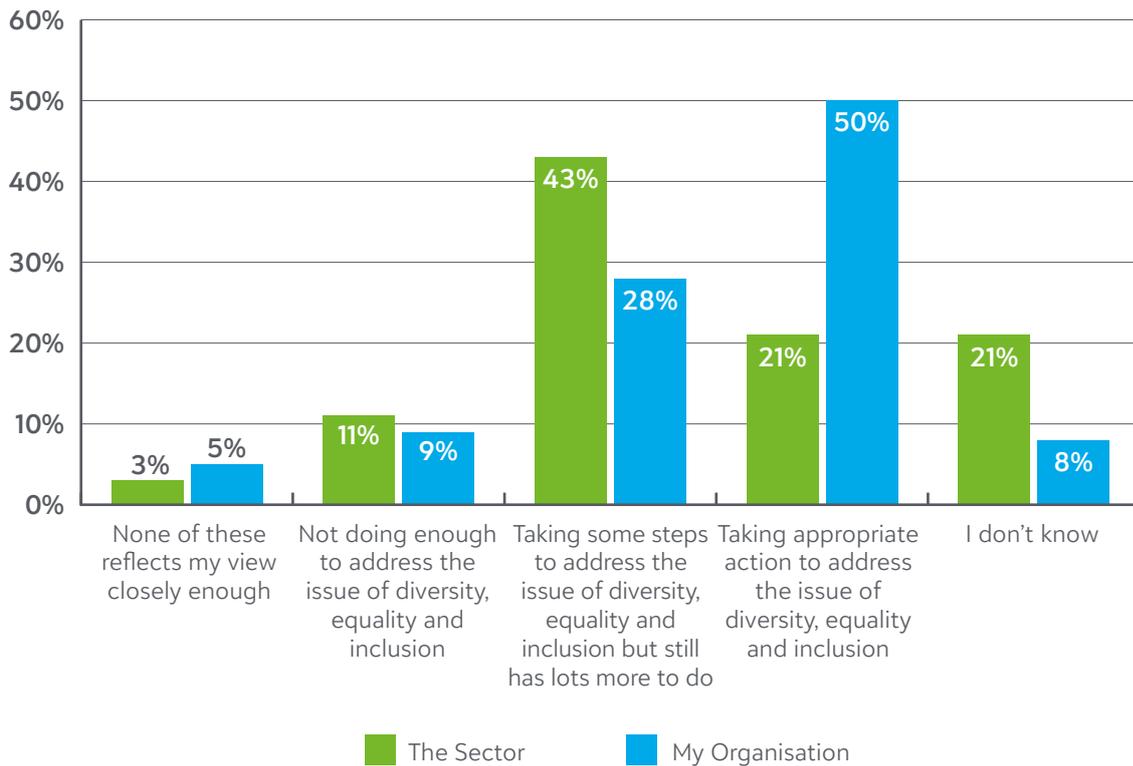


DIVERSITY IN THE SECTOR



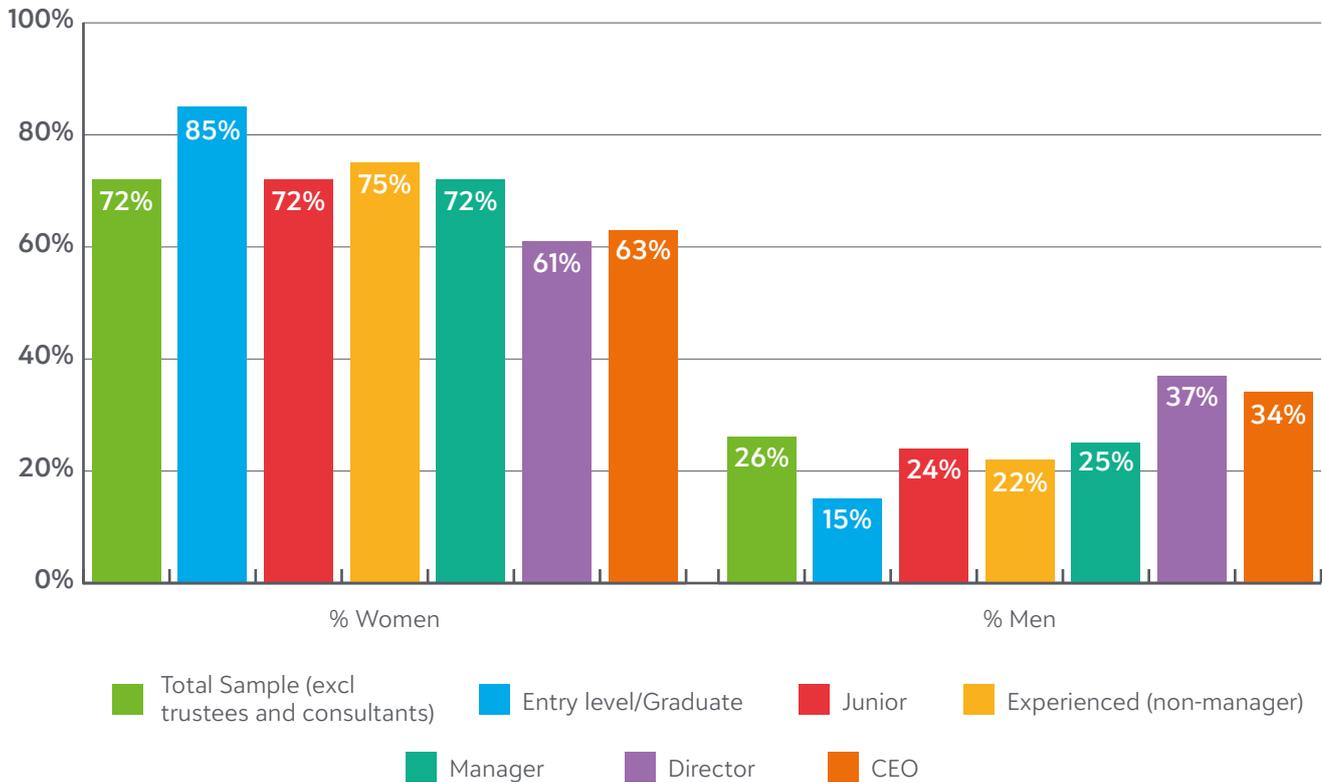
In general, respondents told us that they believe the sector is taking some steps to addressing diversity, equality and inclusion, but there is still more to be done. However, 50% of respondents think their own organisation is already taking appropriate action compared to just 21% who think it of the wider sector. This indication that fundraisers have more faith in their own non-profit than in the sector as a whole demonstrates a great opportunity for organisations to share ideas and best practice with their peers, so the wider community can benefit from the advice of those who are already succeeding in this.

Which of the following statements best reflects your view of how the sector/your organisation is addressing the issue of diversity, equality and inclusion?
 % Respondents



A huge 85% of entry level positions in the respondents' organisations are occupied by women, but this then drops to 61% of director posts and 63% of CEO posts. This is the opposite experience of men, who occupy only 15% of entry level posts but 37% of director roles.

Gender and Job Level
 % of each job level split by women and men
 (note levels of other genders too low include)



“Whilst our survey did not set out to uncover gender bias in the sector – we observed a clear lack of gender equality at a leadership level. Our sector is not unique in its struggle with diversity and more must be done to develop the leaders of the future – whatever the gender.”

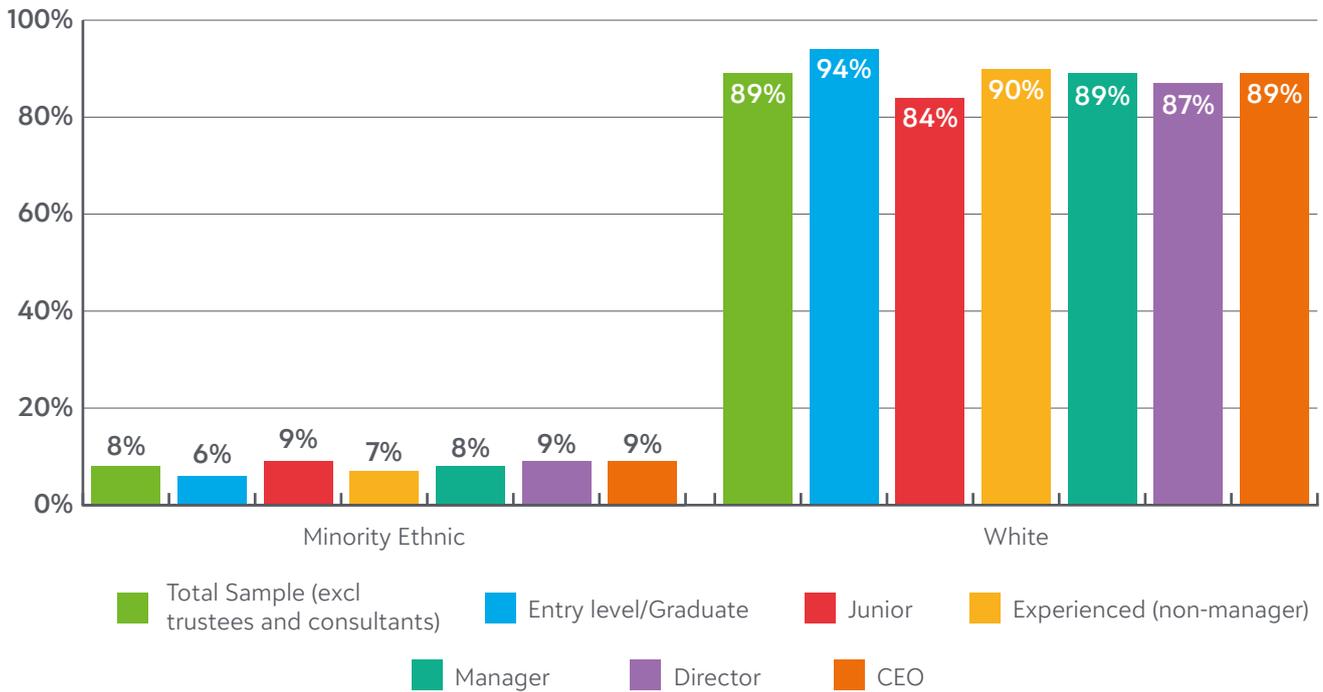
–Sandra Luther, Head of Charity Partnerships, Blackbaud

“We are a tiny charity with only 3 FTE staff, but when we recruit we take these issues into consideration and the aims of our charity expressly take these into consideration.”

–Survey respondent

Only 8% of fundraisers are from minority ethnic groups.

Ethnicity and Job Level



“The findings on the under-representation of BAME fundraisers, and a gender imbalance in seniority that favour men are, unfortunately, not surprising. Every organisation, individually and as a collective, has a role to play in working towards a more equal, inclusive and diverse workforce. A more inclusive fundraising profession will take time, but we hope that every organisation reflects on what they are doing and takes additional steps and action where they can.”

—Daniel Fluskey, Head of Policy and External Affairs, Institute of Fundraising

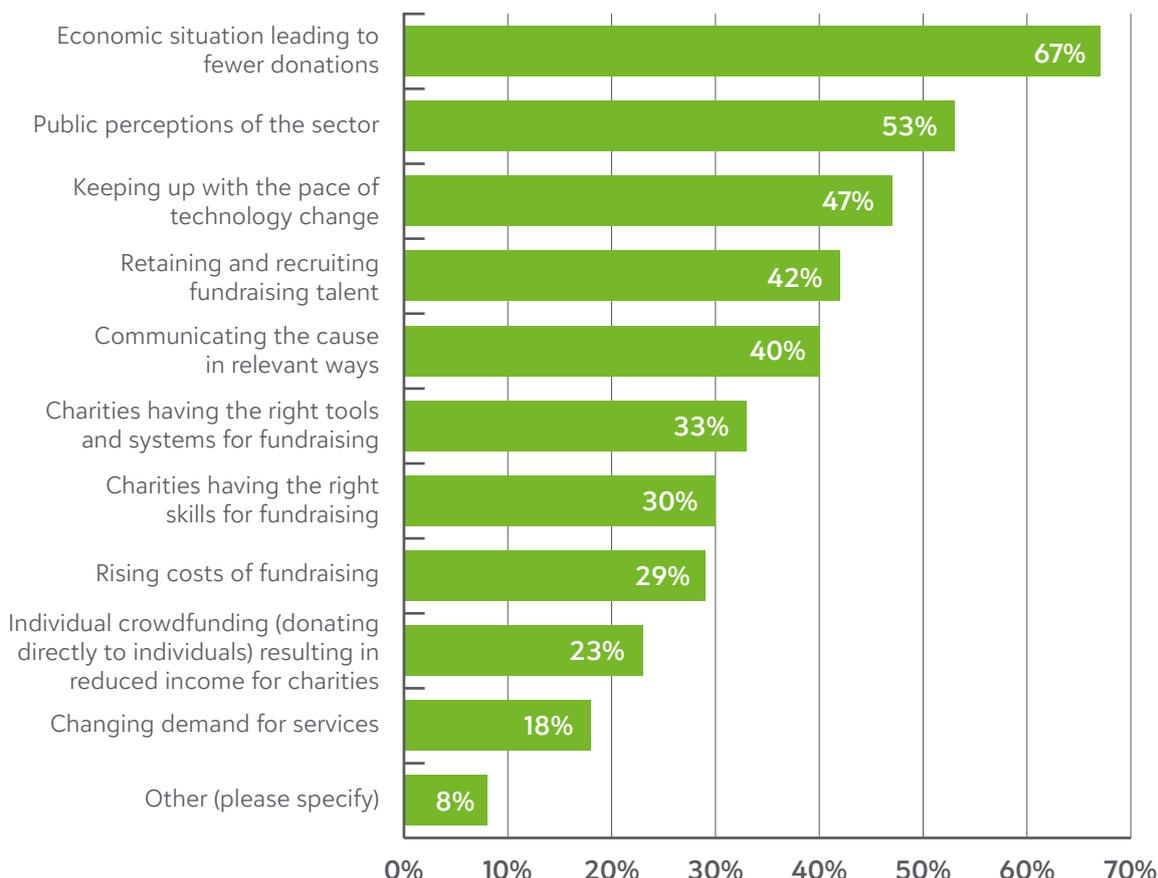
SECTION 6

THE FUTURE OF FUNDRAISING



The biggest reported challenge for fundraising was the economic environment; 67% of respondents told us that this is the main challenge the sector will face over the next three years. Also important are public perceptions of the sector, keeping up with the pace of technological change and retaining and recruiting talent.

What do you think are the main fundraising challenges the charity sector will face over the next 3 years (tick up to 5)?

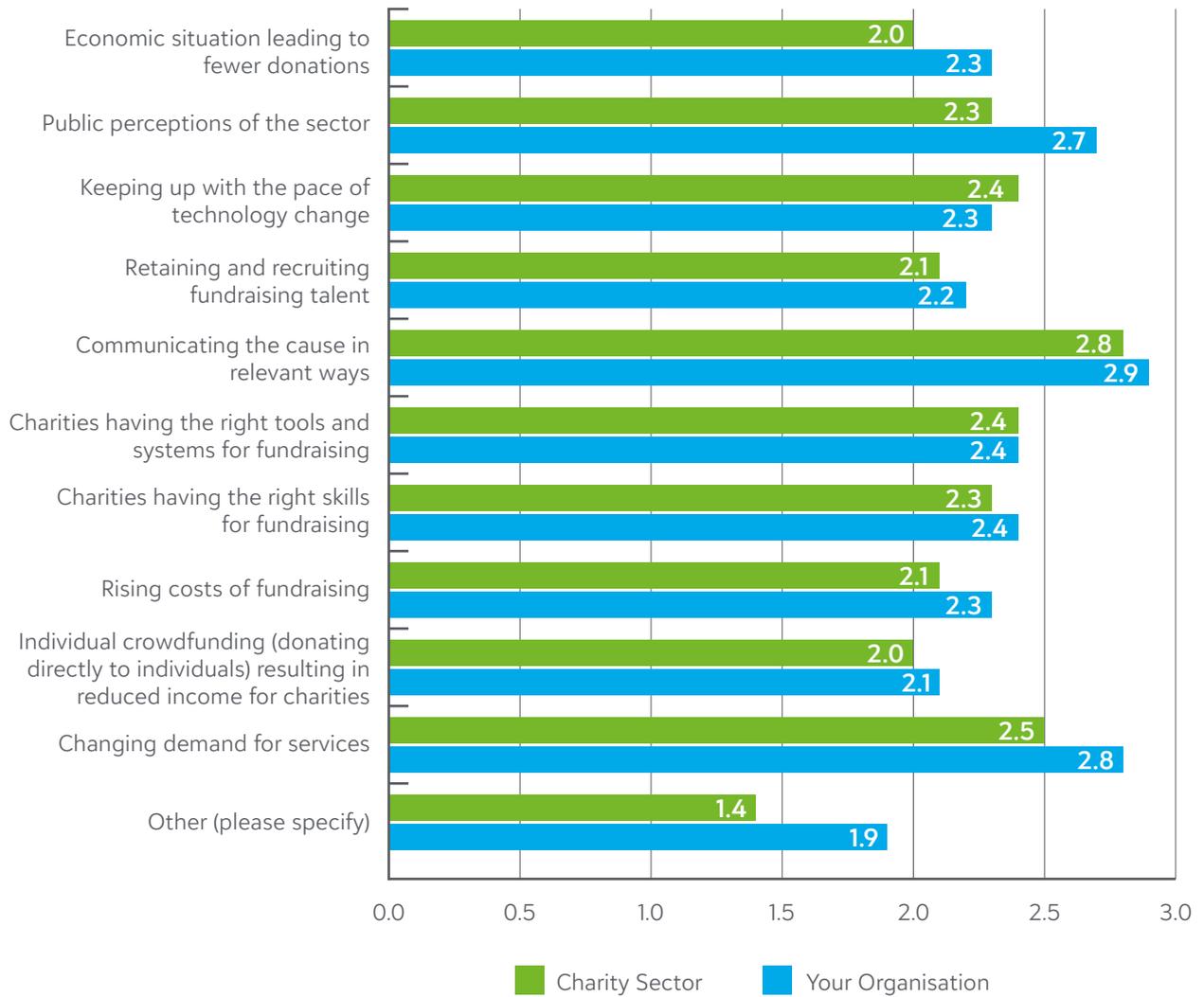


“It’s interesting to see that 47% of organisations are concerned about keeping up with the pace of technology change. This particular challenge was more commonly reported by staff at larger organisations who have seen their income increase. This could be due to their size indicating a lack of internal agility and lengthier business processes when adapting to change. But it could also simply be indicative that individuals at larger charities feel more pressure to be seen to be innovative and keeping pace with digital transformation and the changes in consumer expectations it brings. Either way, it’s clear that ongoing awareness of technological developments is viewed as both a challenge and an opportunity.”

—Casper Harratt, Director of Marketing, Blackbaud Europe

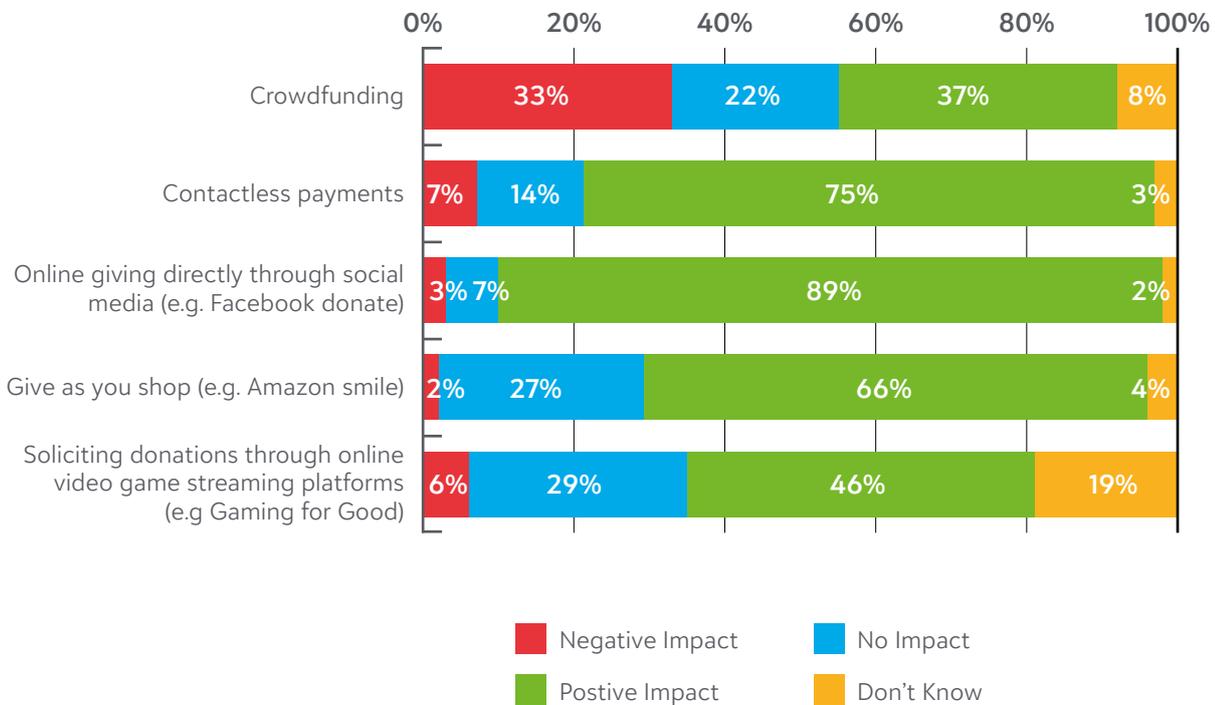
In general, respondents have the same level of confidence in the sector as in their organisation, to respond effectively to these challenges. The exceptions to this are the economic situation, public perceptions and changing demand for services, where they have greater confidence in their organisation.

Mean score for
How confident are you that the charity sector/your
organisation will respond effectively to these challenges?
[1=not at all confident, 2=slightly confident, 3=fairly
confident, 4= very confident]



When it comes to innovation, the feeling towards contactless payments, social media giving and 'give as you shop, is generally positive. However, a third of respondents told us they see crowdfunding as potentially having a negative impact on the charity sector.

How do you think these innovations will impact the charity sector's ability to raise income directly?



“We should look at Crowdfunding as a new user acquisition channel for charities. We know that 9% of crowdfunders who have never given to a charity, have become supporters to a charity within 12 months. Crowdfunding can be part of a charity’s new audience strategy to engage a growing and emerging new demographic wanting to do good in a different way to impact the causes they care about.”

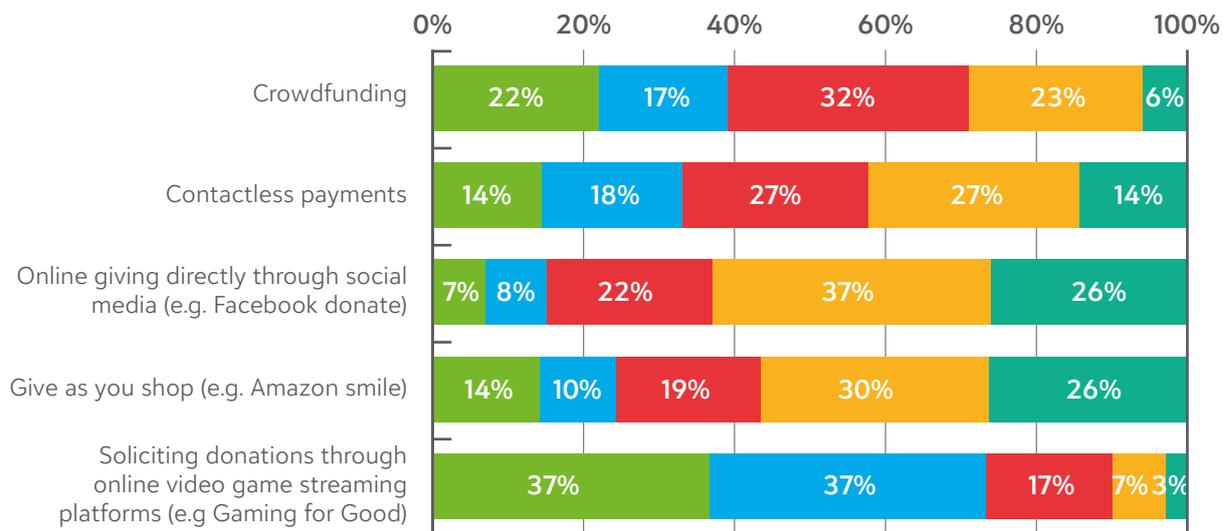
—Keith Williams, General Manager, JustGiving





Respondents told us they are prepared for social media giving and give as you shop while unprepared for crowdfunding, contactless and gaming for good.

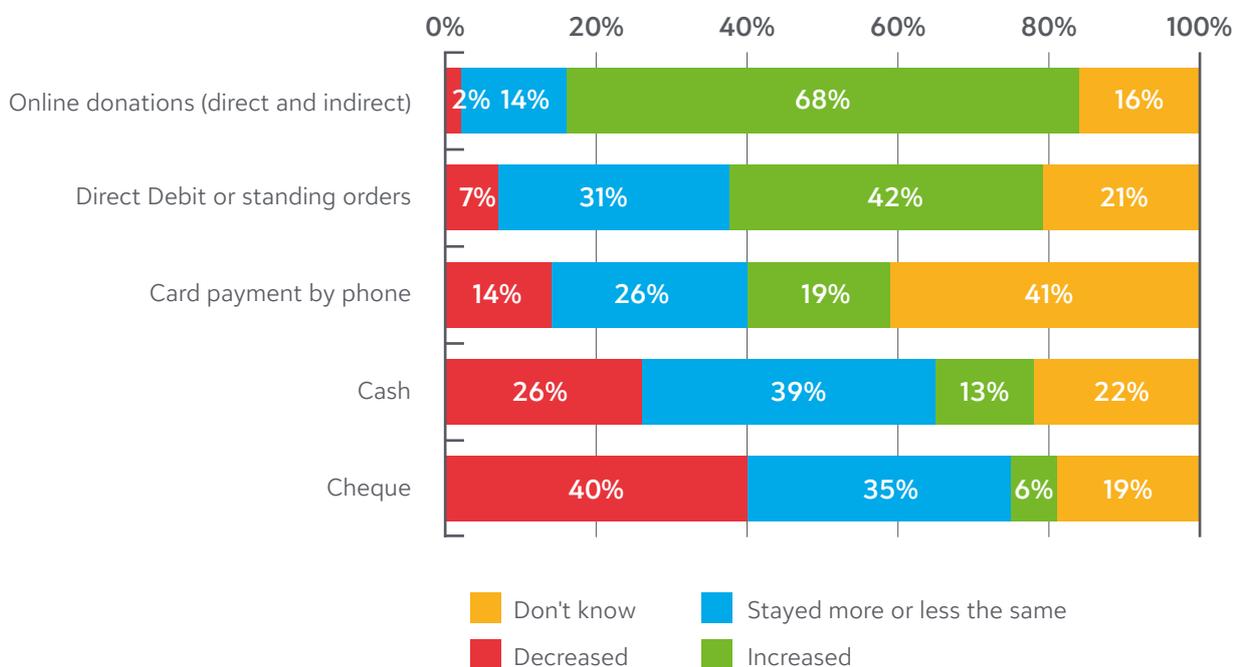
How prepared is your organisation to take advantage of these innovations?



- This type of fundraising would not be right/effective for us
- Completely unprepared
- Fairly unprepared
- Fairly well prepared
- Well prepared

The ways in which charities are receiving payments has changed over the last three years. As expected, online donations have increased while cash and cheque have decreased.

Thinking back over the last 3 years, how has income from these payment types changed for your organisation?



“Fundraising does not happen in a bubble, we are part of a wider context and environment that continuously shapes and influences our work. The potential for the economic situation to lead to fewer donations is a real concern of course, with over two thirds of respondents citing this as one of the main challenges for the future. While there is little that fundraisers can do to change the economy, there are things that we can do to be in the best possible place to respond to external challenges. Having a clear strategy and plan is more important than ever, and - learning from what respondents said was a reason for success in meeting and exceeding their targets – trying new and different things is key.”

—Dan Fluskey, Head of Policy and External Affairs, Institute of Fundraising

Over 1,000 people from different organisations across the sector took time to answer our questions and give us their insight into fundraising in the UK right now. Watching the hundreds of responses coming in, it became clear that the findings were pretty unanimous across most areas. There's not a lot of disagreement, and not a lot of controversy. But isn't that a fantastic thing?

The report shows that fundraisers are happy in their jobs; that there is wide-ranging evidence that you need a solid strategy, skills and systems in place in order to sustain growth; and that GDPR was not the death-knell of fundraising.

In fact, we couldn't believe quite how much agreement there was in almost every section. What that says to me is we are blessed to operate in a sector that is united in its approach to embracing opportunities and tackling challenges head-on.

Of course, there are areas to improve on, specifically diversity across the sector as a whole and in senior leadership positions particular; and it's also interesting that fundraisers generally have more faith in their own organisation than the wider sector. This latter point shows we can do a better job of communicating, sharing and celebrating our successes and progress with one another; which is exactly the forum that Institute of Fundraising and Blackbaud Europe aim to provide.

To all of you who contributed your views to this year's Status of Fundraising survey, a huge thank you. As one of the largest surveys the fundraising profession has ever seen in the UK, we're immensely grateful to you all for lending your voice to help us join forces in elevating our sector to even greater heights. Same time next year...

Casper Harratt,

Director of Marketing, Blackbaud Europe





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