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Fundraising Institute Australia

The Professional Body for Australian Fundraising

Fundraising Futures Report September 2020

As the peak body representing professional fundraising in Australia, FIA is committed to supporting its members and the broader sector, particularly during the challenges the sector faces as a result of recent environmental disasters and the COVID-19 pandemic.

We are grateful for our excellent relationships with our partners, including More Strategic, who are helping us to advance research and benchmarking in Australia. We hope this report into the current fundraising climate will enable you to be better equipped to manage the issues arising in this subdued economy.

It is clear from the findings of this survey that things will get worse before they begin to improve. However, it is also apparent from the responses received that we are an incredibly strong sector, composed of 'resilient optimists.' One of the keys to fundraisers' success in future will be the ability to adapt and innovate, particularly around digital innovation.

The impact of social distancing on a sector that heavily relies on events for fundraising is enormous – an overall decline of 72% in events income since the start of the pandemic in early 2020. Driven by that decline and the softening of other fundraising channels, the expected decrease in revenue in the next year is 15%. There will be tough times ahead, indeed.

We know from members and the wider fundraising community that more support from all avenues is needed, and so we are here to help. FIA will provide tools, resources and fundraising best practice techniques for practitioners, management teams and boards. We will offer opportunities to share stories of success and resilience, and continue to communicate the excellent work fundraisers do on behalf of their beneficiaries.

A note of caution: now is not the time to pull back on your continued professional development; in fact, more and more will likely be required of all of you to meet the challenges ahead. And so, I strongly encourage everyone to continue to upskill because a lack of investment in this area will undoubtedly lead to lacklustre results in the future.

The Fundraising Futures Report shows how critical it is that we take the time to listen to our members and take on board feedback from the entire sector. In the months ahead, we will continue to advocate for the reduction of red tape and the special purpose and license the sector has for fundraising. Most important, we will help you to rise and meet the challenges of this 'new world' of fundraising.

Katherine Raskob
Chief Executive Officer
Fundraising Institute Australia

Key Findings

It wasn't as bad as we expected – 61% of fundraisers reported better than expected income performance.

It will get worse – plan for a decrease in income of at least 15%. If you are a smaller organisation, prepare for a greater decrease.

The downturn will be longer than we thought – back in March, 43% of respondents expected the recovery to take two years or more. This is now 64%.

There will be a long tail – no matter how long the economic fallout, even the impact of diminished acquisition and cancelled events for the past six months will decrease income for the next two years.

Be cautious – continue to budget conservatively and regularly update forecasts. There is far too much uncertainty to be setting higher targets.

Fundraisers are resilient optimists – we have adapted quickly and feel more positive in July than we did in March. 60% have created emergency-style appeals.

Support-centricity is on the rise – 73% of organisations report increased communication and connection to their supporters. At last!

Acceleration of the digital revolution – most organisations have been forced into a rapid shift towards digital fundraising and communications. We need to enhance skills and expertise in these areas.

Keep the JobKeeper – 75% of respondents are using JobKeeper. Although now extended, most organisations have limited reserves to survive a sustained economic downturn.

The talent-led recovery conundrum – success (however defined) during this period requires talented fundraisers. However, job security is under threat. Training has been reduced and external support is expected to decrease. Yet, we also want fundraisers to deliver in new areas of digital fundraising and innovation, which require greater risk and new skills.

Necessity is the mother of invention – a crisis forces innovation upon us. Our culture surveys frequently show a gap between innovation aspirations (it *is* important) and the practicalities (time, resources and budget). Innovation thrives where there is an acceptance of failure and appetite for risk.

Play to your strengths – while fundraisers readily adapted to working from home, they were least likely to say their personal drive and support from their managers had been better than expected. Find and use the individual strengths of your team members to improve wellbeing.

Take time to listen – this is the time to listen to your supporters and staff. Check in. Ask if they are okay. Show your genuine concern and act on their feelings.

Fundraisers need:

1. External certainty and support.

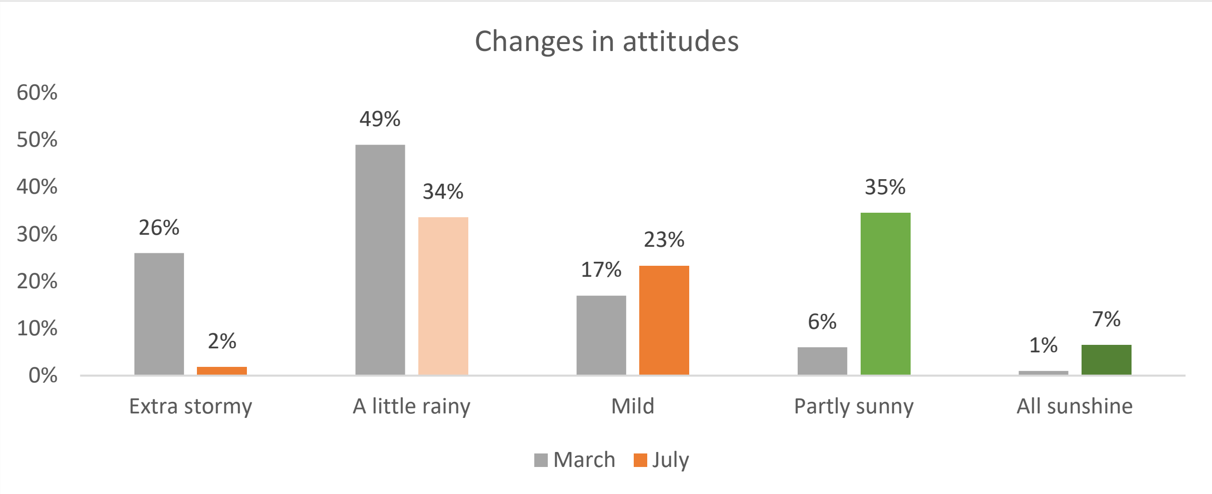
2. Internal understanding and realistic expectations.

3. Appropriate resourcing and focus.

How Fundraisers are Feeling

Fundraisers were feeling considerably more optimistic in July than in March. In March, 75% of people cited feeling pessimistic (expressed as either 'extra stormy' or 'a little rainy') and only 7% optimistic (expressed as 'partly sunny' or 'all sunshine'). In contrast, in July, only 36% expressed pessimism, and 42% gave an optimistic response.

This suggests that people feel they have managed to weather the worst of the 'COVID-19 storm,' and have increased confidence in being able to navigate fundraising for the rest of the pandemic and in a post-COVID world. Perhaps things seem less uncertain now. Even if the situation is still highly undesirable, we know what we are dealing with. This sense of improved optimism may also be the result of relatively strong fundraising performance outside of the event arena over the period March to June.

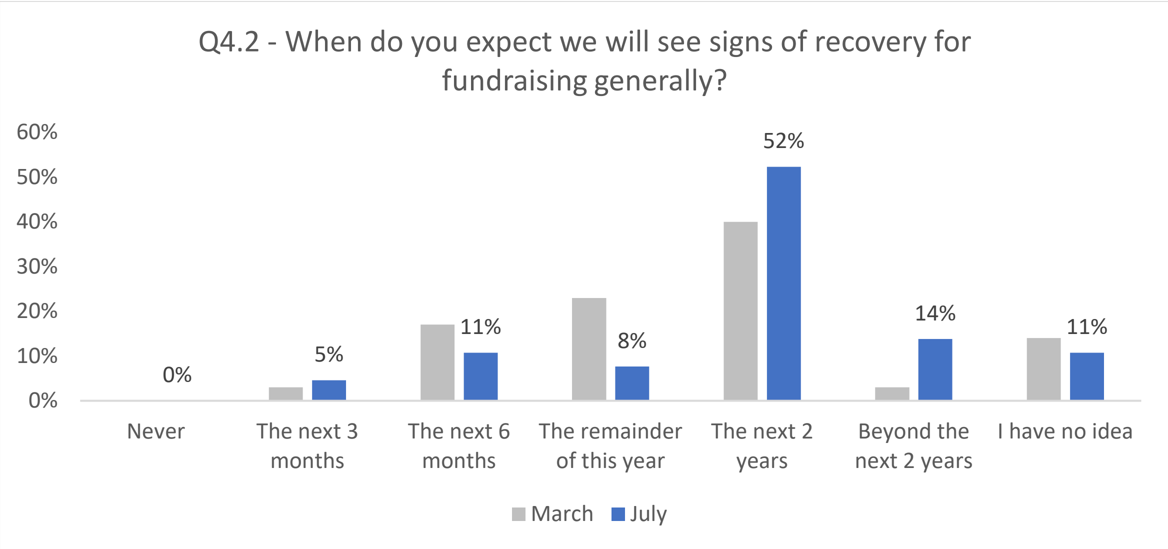


Interestingly, splitting responses by size of organisation shows the smaller organisations are more polarised on how they are feeling – with a fairly equal percentage feeling 'rainy' as opposed to 'sunny,' and that larger organisations are far more likely to be feeling 'mild' or indifferent to the situation.

When asked when they expected to see signs of recovery within fundraising, again you can see a significant shift between March and July, as people's expectations in terms of timelines around recovery have lengthened.

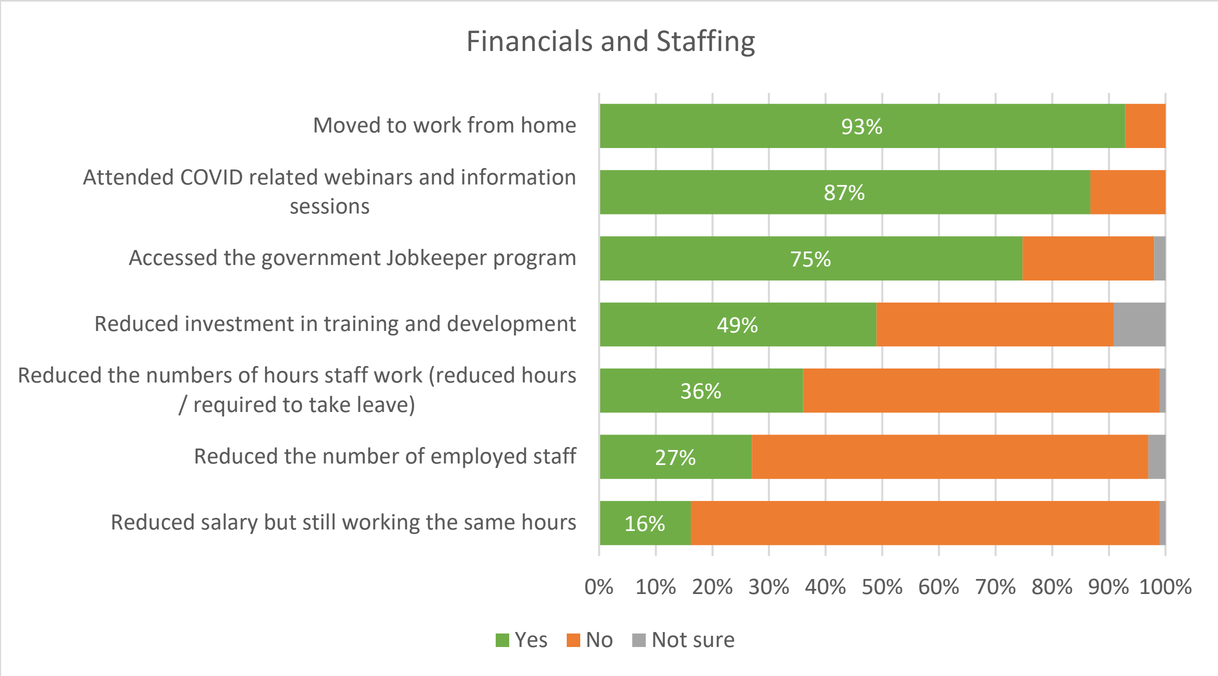
In March, there was a split across all options, ranging from 'the next three months' to 'beyond two years,' with 43% of respondents speculating recovery would happen over the next 12 months and 43% in two years or more. In July, we see 64% of people agree that signs of recovery would be seen over the next two years or beyond.

This suggests that people have started to recognise the long-term impact of COVID-19 on all types of fundraising and that people in March perhaps underestimated the scale and persistence of the pandemic, which is still impacting society generally and, consequently charitable fundraising, six months into the crisis.



Fundraisers have adapted quickly in several ways to the crisis. As expected, the majority of respondents are now working from home and have engaged in COVID-related webinars. The fact that 75% of organisations have accessed the JobKeeper program provides some cause for concern, as it suggests all these organisations demonstrated the required 15% downturn and could be perceived to be at risk at the end of the next JobKeeper period. Analysis by SVA and the Centre for Social Impact using the ACNC data set showed that a 20% decline in revenue would put the survival of 17% of charities in jeopardy within six months.

Just under half the organisations surveyed have already had to reduce investment in training and development, which causes some concern for longer-term fundraising performance and is indicative of the quest to find short-term savings. There is also an expectation that there will be a reduction in outsourced support. This combination of reduced training and decreased access to external expertise at a time when many organisations are pivoting towards new ways of (digital) fundraising and expressing the need for innovation could be a real challenge. As well, 36% of organisations claim to have had to reduce staffing hours or had to force staff to take leave, and 27% have had to let staff go.



Personal and Team Impacts

For most respondents, things have not turned out as badly as they expected. Fundraising income performance was better than expected for 61% of respondents.

Anticipation of the financial impact on fundraising programs has been significantly much better than expected, including working from home and being able to connect and interact with others.

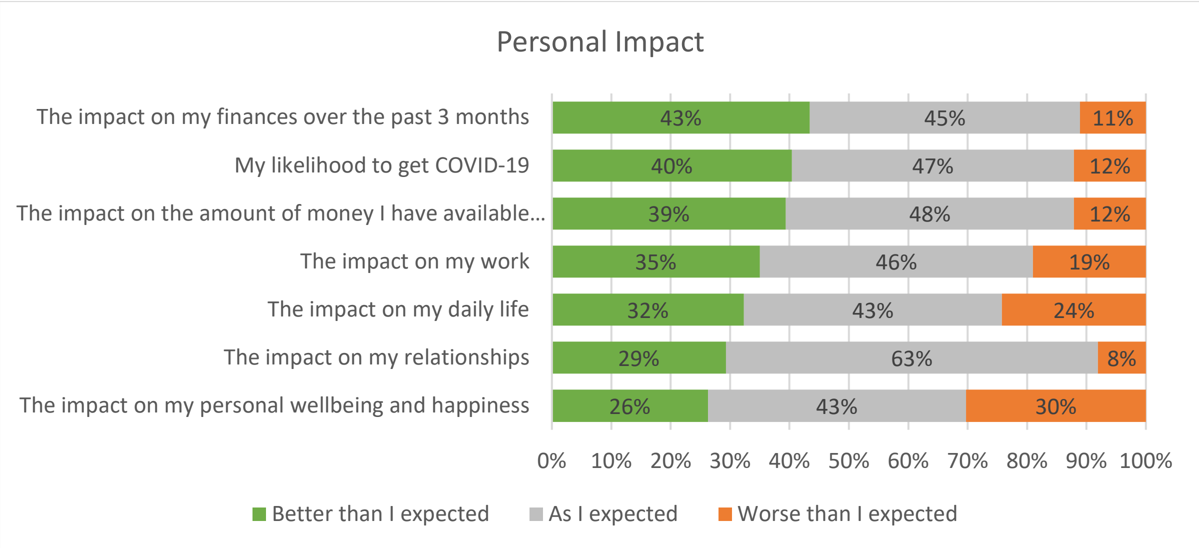
For the majority of fundraisers (>69%), expectations on personal impact have either been as expected or even better than expected.

The greatest change in expectations, worse than expected, was around the personal impact on daily life, wellbeing and happiness, personal drive and sense of professional accomplishment. Working from home does not seem to be contributing to this.

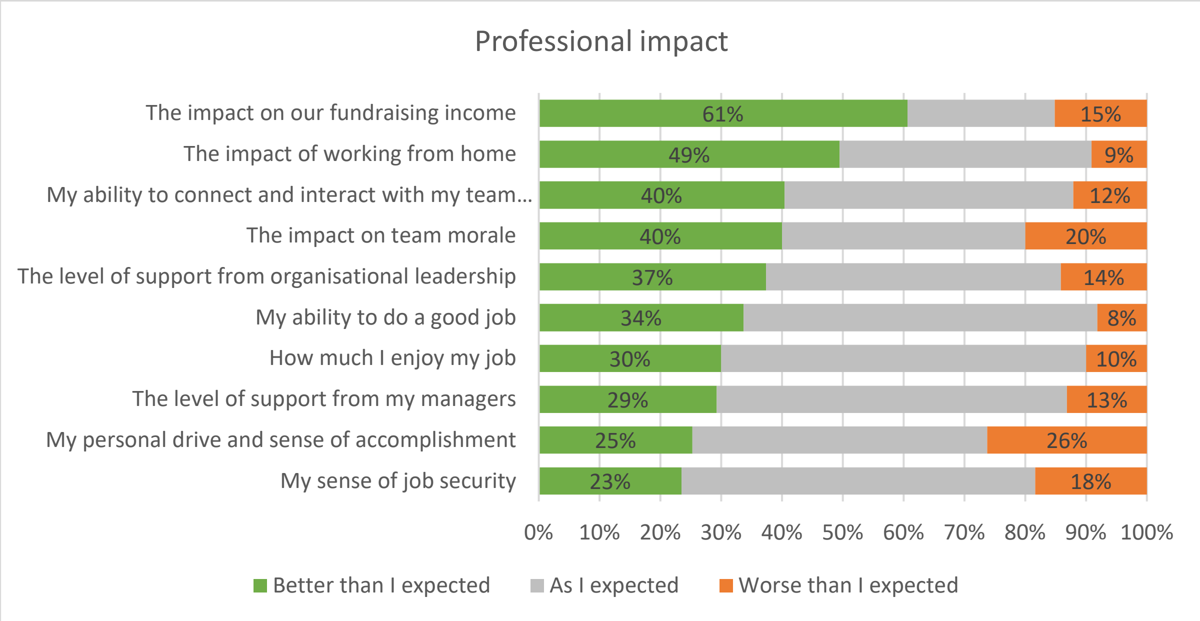
It is no surprise with the amount of adaptability and resilience required from fundraisers over the past few months that overall wellbeing has been impacted. So, what can we do to boost our own and our team's wellbeing?

Wellbeing, as suggested by leading researcher in positive psychology Professor Martin Seligman, can be cultivated by the presence in our lives of positive emotion, engagement, relationships, meaning and accomplishment. This framework is often referred to as 'PERMA.'

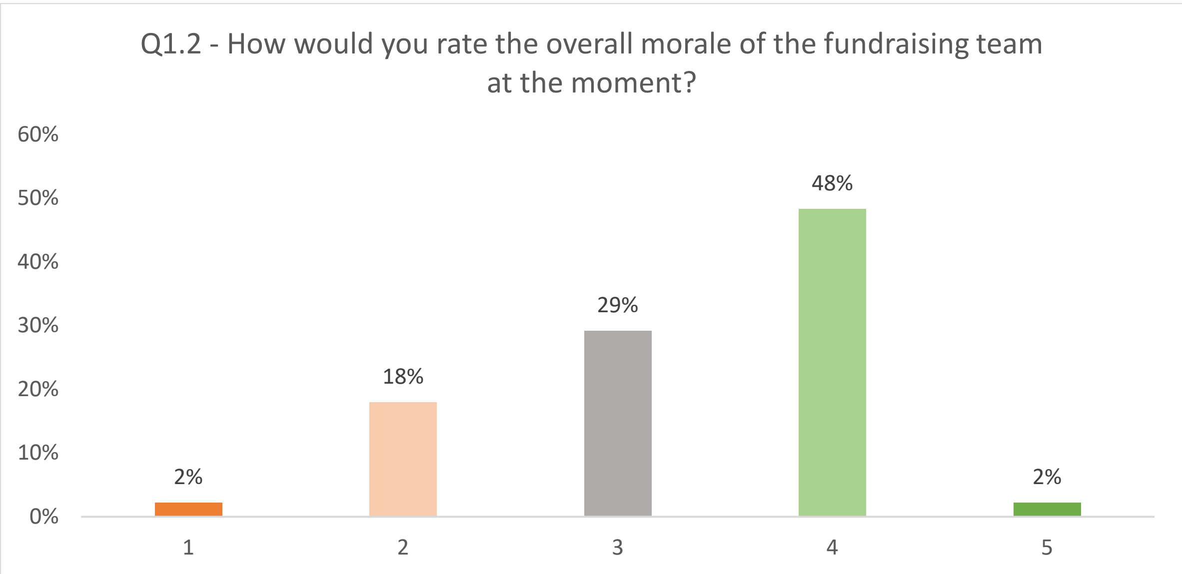
A useful starting place is to identify, develop and intentionally practice approaches tailored according to individual and team strengths (what you're good at and also find energising). This will help with overall engagement, focus, sense of accomplishment and reduce likelihood of burnout.

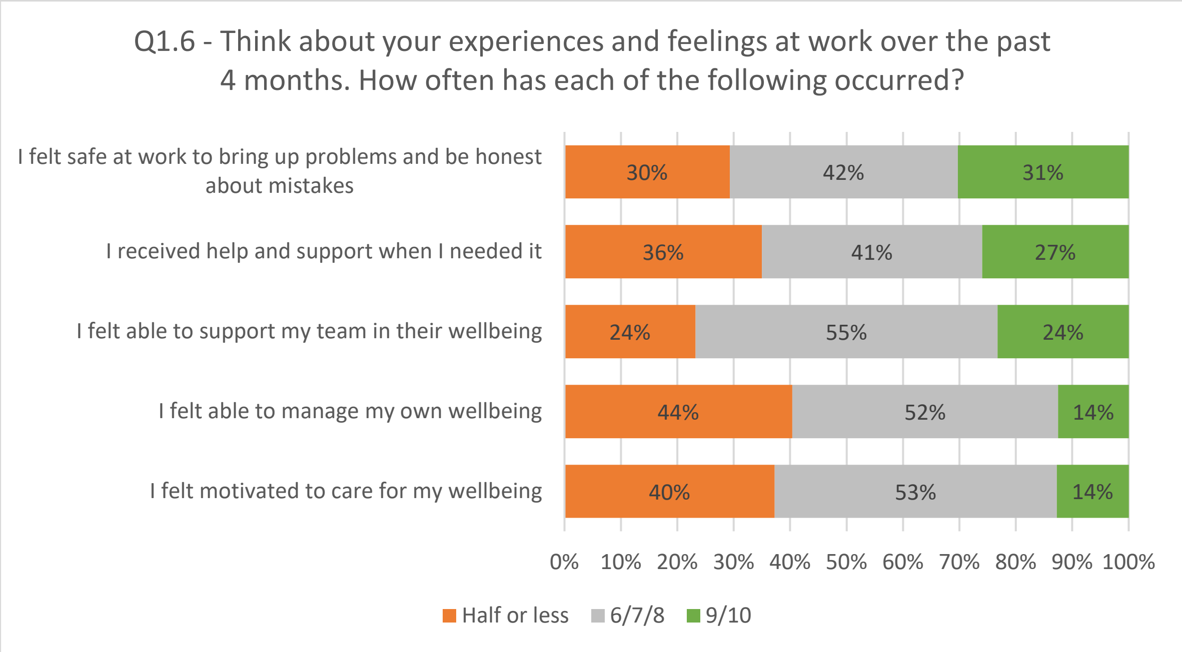


It is perhaps worth noting that, although the majority of respondents experienced a level of job insecurity they expected, nearly 1 in 5 fundraisers feel their job security is worse than expected. With pressure to adapt, innovate and protect revenue during a difficult period, this environment may reduce the appetite for taking risks.



Although expectations on the impact of team morale have been predominantly 'as expected' or 'better than expected' (80%) when looking at how fundraising team morale is right now, just under half of respondents were 'just okay' or 'could do with a morale boost' (1 in 5).





If 'PERMA' are the pillars to wellbeing (positive emotion, engagement, relationships, meaning, accomplishment), 'The Four W's' are useful in understanding what enables it:

- **Way powe**r: our ability and confidence to manage our wellbeing
- **Will power**: motivation and sense of agency
- **We power**: how we enable each other through trust and support (psychological safety)
- **Why power**: connecting to why we do what we do.

For fundraisers, greater attention is particularly required around way power (improving ability to manage wellbeing) and will power (motivation to care for wellbeing).

Some of the key themes shared that could improve individual and team wellbeing:

- **Reflection**: Taking time to pause, reflect, adjust, acknowledge and set intentions
- **Mini-digital detox**: Intentional breaks from the news cycle, having more downtime
- **Acknowledgement**: Celebrating small and big wins
- **Access to diverse wellbeing support**: Having other types of support other than EAP
- **More ways of connecting**: Mixing it up in terms of how we interact with each other
- **Establishing boundaries**: Carving out different physical and mental spaces between home and work
- **Checking-in:** regular demonstration of care and consideration 'Are you okay?' and 'What can I do to support you?' Acknowledging that wellbeing is a state and that it ebbs and flows

- **Culture of wellbeing:** Prioritised and modelled by leadership
- **Communication and transparency**: Purposeful, regular and clear communication
- **Job security**: more certainty around hours and roles going forward
- **Empowerment and autonomy**: flexibility in how work is approached with trust that it will get done.

Having one of my upline managers just asking 'Are you okay? Is there anything you need for YOU?"

Taking the time to relax and not being a martyr to try to do everything that I think needs to be done.

"Wellbeing focus day," e.g. guided workshop on personal wellbeing/team dynamics, etc.

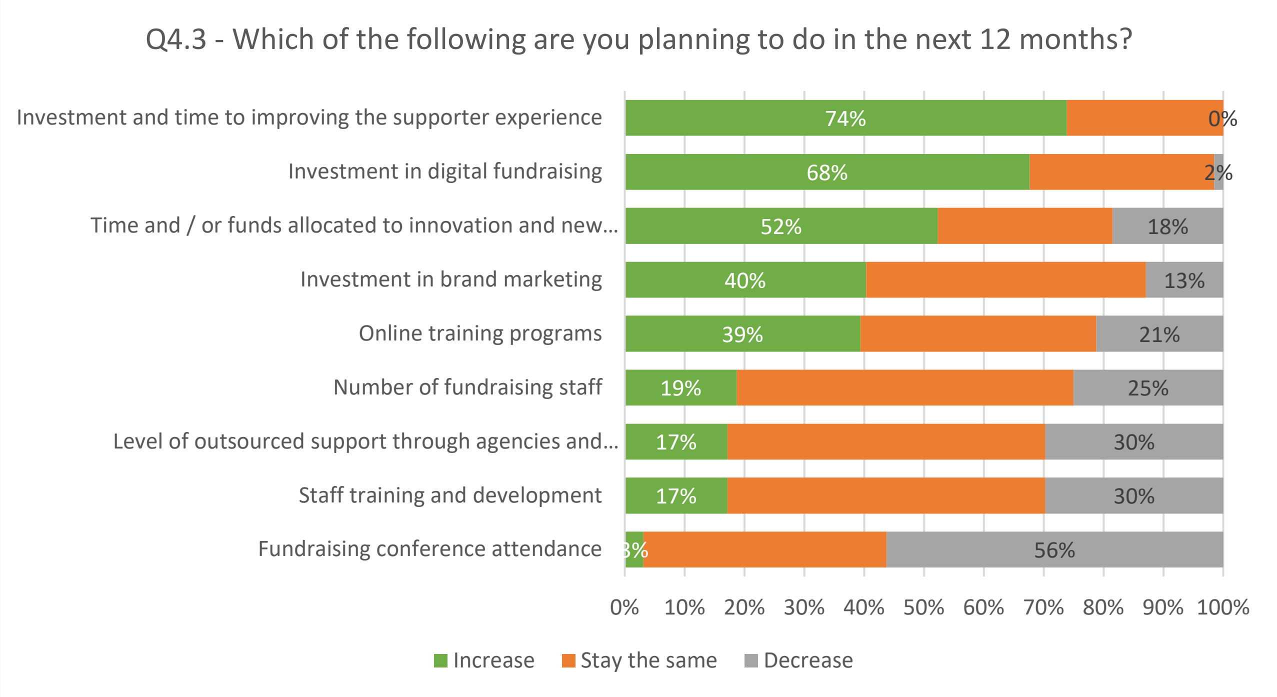
Fundraising Programs

The coronavirus has, in many ways, amplified trends that were already in existence in fundraising: reduced acquisition reliability, shift to digital channels, development of virtual events and increased focus on supporter experience management. It has also accelerated workplace changes with a rapid forced move to working from home.

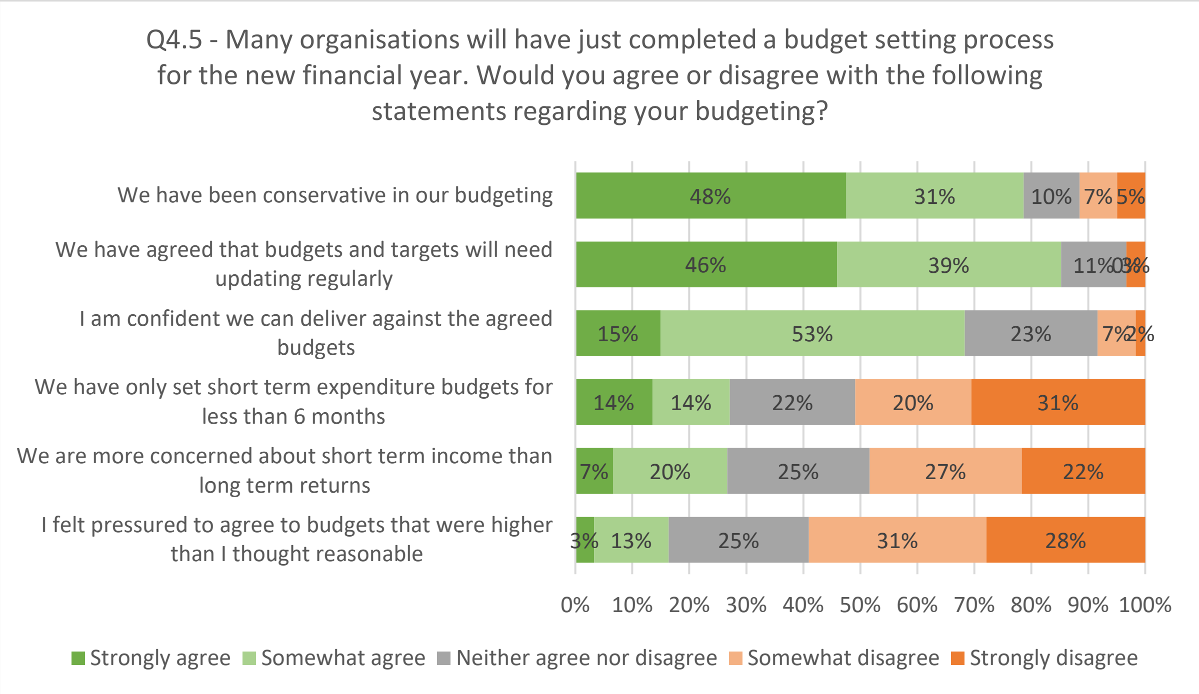
While fundraising organisations are cutting back on training and overall expenditure, we also see great agility with 60% of organisations creating emergency-style appeals to protect their mission delivery work.

The repercussions of the pandemic will be felt for a significant time though, as acquisition volumes have fallen and attrition in regular giving has worsened. However, the increased communication and engagement with supporters may actually drive greater lifetime value through stronger connection and loyalty – something the sector has needed to focus on and invest in for many years.

There is an encouraging level of commitment to supporter experience improvement, digital investment and innovation for the future. However, this may be challenging for organisations given a far higher expectation to reduce conference attendance, staffing levels, training and outsourced expertise. Ensuring the organisation has the skills to develop and manage excellent (digital) supporter journeys will be vital for long-term success and cutting back on areas that may upskill staff could lead to poor results in the future.



Most respondents report a wisely conservative approach to future budgeting and an expectation that forecasts will be regularly updated. Most fundraisers feel 'somewhat' or 'strongly confident' that the budgets can be achieved (we don't have a baseline for what this looks like in normal times though), and less than 1 in 10 don't think they will be able to achieve the goals. There has been previous conjecture that fundraisers are pressured into ever higher fundraising targets to deliver against organisational ambitions, but in this situation, only 16% felt they had been under pressure. The majority of organisations are still taking a long-term view of their fundraising programs.



Despite the challenges, fundraisers are very adept at finding silver linings with a recognition by survey respondents that the following have changed for the better:

- **Consumer-centric agility** – more flexible and responsive outcomes
- Most engaged donors helping out in a crisis – engaged donors continued giving and demonstrated support for organisational need and emergency appeals
- **Opportunity for greater donor engagement** – use of time for focused donor contacting programs
- **Greater digital and online activity** – enforced or brought forward in plans – realised earlier.
- **Innovation** – generally inspired by less time and greater need – 'necessity is the mother of invention'
- **Community compassion observed** – donors wanting to feel part of a community
- **Surprising results** – one appeal fails, the next thrives? Is it timing in crisis? EOFY better than expected for some
- **Greater team compassion and connection** – more conscious check-ins on welfare virtually
- **Flexible working** – less commuting, less travel, better work-life balance.

“The opportunity to engage more deeply with donors and also reactivate quite a few lapsed donors.”

“Donors we have built a relationship with have helped us when we asked for assistance due to a cancelled major event. What a blessing!”

“Innovation and ideas to mitigate and work around the COVID19 impact.”

Fundraisers understand what happens next in society is largely beyond their control but will have a significant impact on performance. The greatest challenges ahead were identified as:

- **Economic uncertainty and declining consumer confidence** –leading to a reduction in giving
- **A potential rise in ‘charity begins at home’ attitude in public** – especially damaging to development INGOs
- **Messaging burnout generally** – maintaining relevance post bushfires and COVID in an ultra-competitive marketplace
- **Ongoing uncertainty and disruption** – planning based on any certainty is impossible while boards insist investment is cut back
- **Managing the momentum that has been achieved to date** – often understaffed and stretched now, but with no end in sight
- **Organisations reliant on community and events-based fundraising** – asking will it ever come back?
- **Small organisations feeling at risk of going out of business** while the need they serve in society often grows inexorably.

“Small agency, huge demand for services and it will be difficult to free up the necessary resources.”

“Disruption – increasingly hard to plan or predict with certainty/having to respond in an agile way to changing circumstances.”

“Keeping that connection with donors as the economic impacts of the crisis become more apparent to all.”

“Accurate forecasting and phasing. Having the board understand when the actuals don't meet expectations for timing.”

“As a community fundraising focused organisation with strong history of events, this will be a challenge to continue to evolve and transition some of these activities.”

When asked “what would help you to succeed in fundraising over the next 12 months?” responses broadly fell into three categories:

i. External certainty and support
ii. Internal understanding and managing expectations
iii. Appropriate resourcing and focus

i. External certainty and support

- ‘A crystal ball’ – clarity around the economic outlook and implications for consumer sentiment and spending
- Ongoing support through the extension of JobKeeper
- Sharing positive stories of organisations navigating this challenging environment
- Resources to provide to boards to maintain confidence in fundraising, including evidence of the importance of fundraising during a crisis.

ii. Internal understanding and managing expectations

- Board and management:
  - Good, clear strategy from the board and support from the CEO.
  - Understanding from the board and management of the fundraising challenge
  - Financial – setting reasonable goals, rolling forecasts, a tolerance for variations and willingness to invest in organisational strategy and systems.

iii. Appropriate resourcing and focus

- Staffing:
  - Recruit and retain the right staff/team. Management understanding the (long-term) impact of staff moving on and underinvestment in professional development.

- Digital Fundraising:
  - resourcing to invest in new technologies
  - mentoring re digital fundraising ideas and strategies.

- Acquisition – affordable and management willingness to invest in acquisition campaigns

- Making the most of what we already do/have:
  - maximising current CRM and website
  - integration of campaigns across multiple channels
  - good stewardship
  - retain effective programs with good returns and park inefficient programs.

“Certainty and security, the two things no one has right now.”

“Having management really understand how tough it is out there!”

“Organisational understanding of the long term rather than the short term.”

"Evidence of the importance of fundraising during a financial crisis."

"Finding staff with the right qualities for vacant roles."

"Positive industry stories of charities navigating their way out of the pandemic."

Financial Impacts

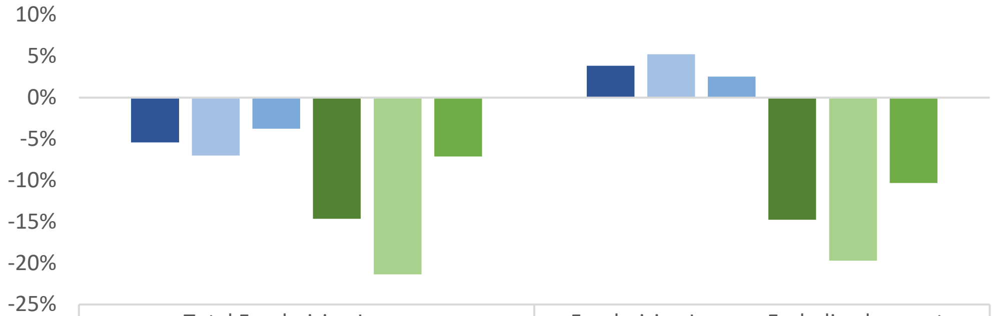
Based on the responses from 31 fundraisers regarding their past performance, we see that non-bequest income held up on an average basis but declined when using the median percentage change. This suggests that a small number of organisations had stronger performance which was offset by a larger number having decreases.

A greater number of organisations (55) were able to provide their estimates for future income, and the picture was more consistent with an overall decline expected of around 15-18%. Larger organisations expected the decline to be smaller. Based on our other benchmarking data this is likely to be true, as larger organisations typically have more diverse revenue streams, a greater reliance on direct marketing (which has been relatively unaffected to date) and usually have only a small proportion of income from events.

Over the past four months, we have collected detailed data from up to 40 charities comparing their 2020 performance against their 2019 results for the period March to June. The full report is available on request (and has been widely distributed). In essence:

- Events were decimated
- Direct marketing was marginally up
- Corporates came to the rescue for a few organisations and was up overall
- Major donor income was sustained
- Trust and foundation contributions were sustained
- Bequest income was broadly down.

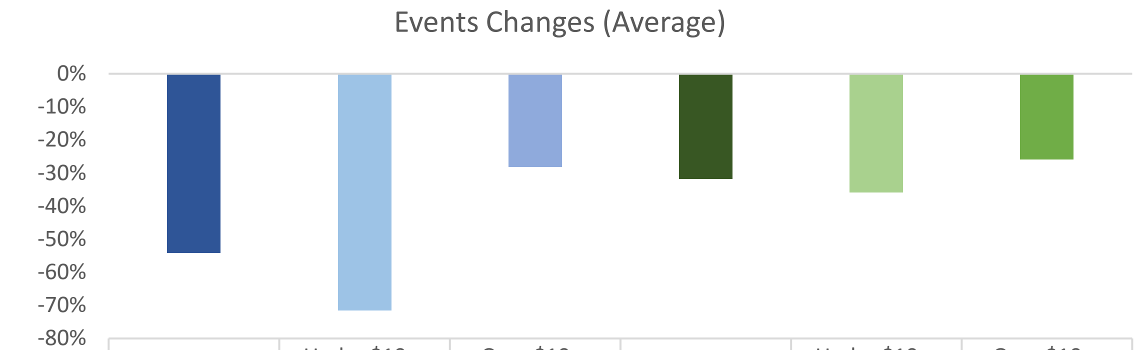
Fundraising Changes (Average)



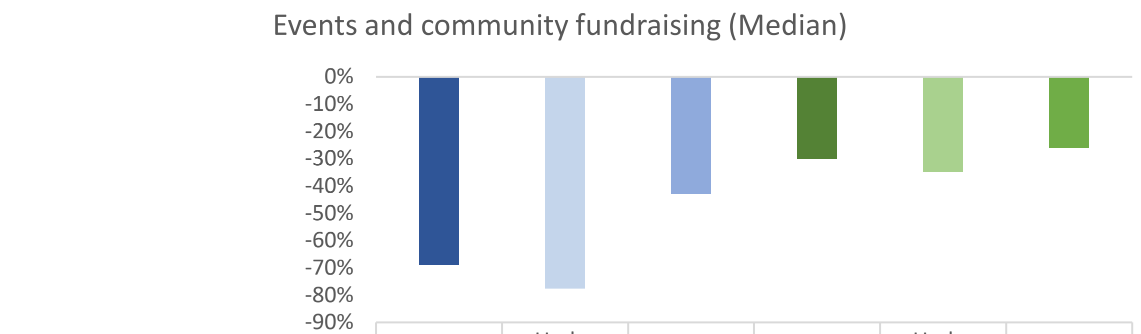
	Total Fundraising Income	Fundraising Income Excluding bequests
All past	-5%	4%
Under $10m (past)	-7%	5%
Over $10m (past)	-4%	3%
All Future	-15%	-15%
Under $10m Future	-21%	-20%
Over $10m Future	-7%	-10%

Fundraising Changes (Median)

	Total Fundraising Income	Fundraising Income Excluding bequests
All past	-16%	-12%
Under $10m (past)	-18%	-15%
Over $10m (past)	-10%	-10%
All Future	-20%	-18%
Under $10m Future	-24%	-24%
Over $10m Future	-12%	-11%



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Series1	-54%	-72%	-28%	-32%	-36%	-26%



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Events and community fundraising	-69%	-78%	-43%	-30%	-35%	-26%

Events fundraising has been the most severely impacted area of fundraising, with a median decline over the period of 69%. Larger organisations have had a smaller but still significant decrease in income.

There is a consistent expectation that events will still be down significantly by around 30% over the next 12 months. In the context of the last six months, this a recovery! Expectations between large and smaller organisations are very similar for the future.

The more detailed COVID Benchmarking Report revealed that events were decimated with an overall decline of 72% and a median decline of 51%, amounting to a $23m loss of revenue. Participation numbers halved, though income per fundraiser actually increased. Smaller organisations, highly reliant on events, were hardest hit.

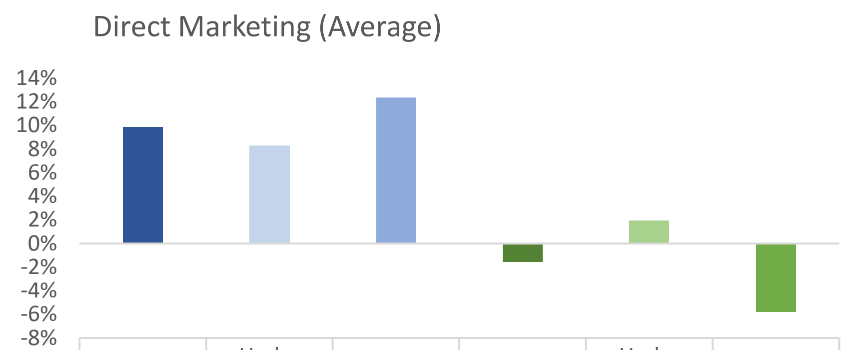
Comments

- Gala events are no longer. All face-to-face events cancelled, and even events that are predominately virtual may have been rescheduled, and concern remains that there will be a negative impact on income.

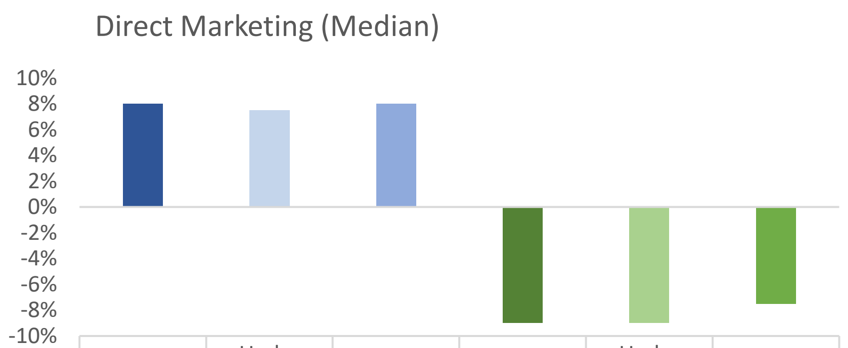
- Generally, a feeling that face-to-face events will take years to recover while others are hopeful that events will be viable by 2nd quarter 2021. However, there is still concern about the uncertainty regarding planning. Some feel large-scale public events will never recover as a result of changing attitudes towards mass gatherings.

- Strong feeling that events/event programs will need to pivot to digital or at least a combination of virtual/digital and face to face.

- Virtual events have opened up the marketplace, and there is concern regarding increased competition and marketplace saturation. Other concerns with virtual are around the ability to acquire new participants, decreasing participation and fundraising performance as people become fatigued and bored, preferring face-to-face connection to maintain their enthusiasm.



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Direct Marketing (appeals, regular giving, acquisition, most telemarketing)	10%	8%	12%	-2%	2%	-6%



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Direct Marketing (appeals, regular giving, acquisition, most telemarketing)	8%	8%	8%	-9%	-9%	-8%

When looking at the claimed impact on direct marketing over the past four months, we can see that, on average, organisations claim to be 10% above 2019 results with larger organisations reporting slightly better growth. When considering the longer-term outlook, however, you can see that organisations are predicting a slight decline in income over the next 12 months driven by large charities who predict a decline of 6%. This could well be driven by the impact on face-to-face fundraising, led mostly by larger organisations, which saw a significant decrease in the usual volumes of regular givers they were able to recruit.

The more detail COVID Benchmarking reported showed that:

- Direct marketing held steady with the total income up 11% and a median increase of 4%. Results were bolstered by some late bushfire donations and high performance from one or two charities. Regular giving acquisition volumes have dropped significantly, and though digital acquisition has proven successful, it has not replaced the high volume of lost face-to-face acquisition. Retention has worsened slightly in June and reactivation for the small number reporting data was also worse, as was phone conversion. Although reported numbers were small, upgrade campaigns appeared to be faring well.

- Appeals response rates improved in June, but average gifts were more likely to be lower than last year for most charities. Acquisition volumes were far lower than last year though response rates for those that reported data were a little higher than last year.

When seeking to understand the rationale behind these income predictions, the qualitative commentary highlighted a cluster of organisations who were planning to decrease investment in direct marketing due to budgeting restrictions which will lead to immediate revenue loss. In terms of performance, there was a mix of opinions with some predicting an increase in direct mail responsiveness due to people being at home, and others talking about an expected decline as longer-term impacts of COVID-19/the end of government support packages, etc reduce both people's disposable income and financial confidence.

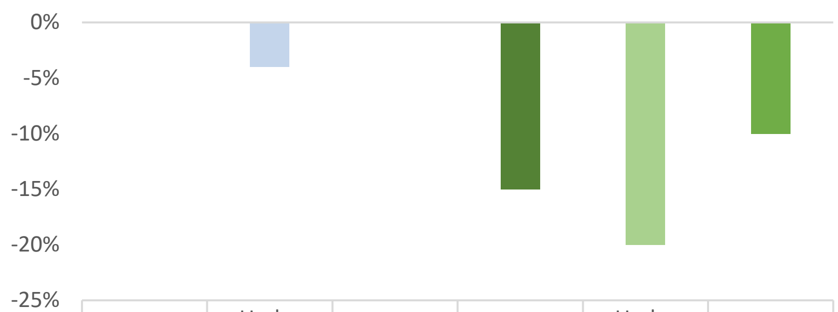
Moving forward, the recommended approach for direct marketing is that organisations focus on supporter experience excellence. This includes producing communications that are transparent, honest and emotional, and ensuring they connect donors with the ongoing need their charities exist to meet. Cutting expenditure at this time will have an adverse impact on both short-and long-term income, as it is vital that charities remain at the forefront of donor decision making by demonstrating relevance, ongoing need, impact and showing excellent donor care. Investing in diversification strategies to trial connecting with donors via digital channels will be key as we continue to operate in a contactless society that limits our face-to-face interaction. Using the phone to stay connected and to develop existing donors' giving is continuing to be a successful approach for many charities.

Further to this, ensuring a donor-centric, personalised and tailored approach in response to donor values, interest and motivations will serve organisations well in keeping donors giving at this critical time. **To learn more about your donors, there is no better time than now to be investing in research to understand their needs, interests and preferences**.

Corporate partnerships (Average)

	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Corporate partnerships and workplace giving (not including in kind value)	11%	8%	14%	-13%	-15%	-11%

Corporate partnerships (Median)



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Corporate partnerships and workplace giving (not including in kind value)	0%	-4%	0%	-15%	-20%	-10%

Fundraisers report relatively positive (or at least neutral) results from corporate fundraising over the past few months but expect this to worsen with an anticipated decline of around 15% over the next 12 months.

The more detailed COVID Benchmarking Report showed that:

- Corporate partnership income was strong, with a total increase over the four months of 51% and a median of 33%, though this was driven by a few organisations with exceptional results. Removing the top two organisations still left growth of 17%.

Mixed performance, mixed expectations, but generally downbeat on future potential:

- Generally, concerns that the economic situation will not improve and will mean that corporate support will tighten, if not largely, disappear
- Engagement from larger corporations may survive, but small-to-medium companies believed to be under greater pressure and likely to cut charitable engagement before they cut staff
- Those fundraisers that buck this pessimistic trend have belief in corporate social responsibility as a positive influence, citing the PR benefits, plus the maximisation of existing relationships.

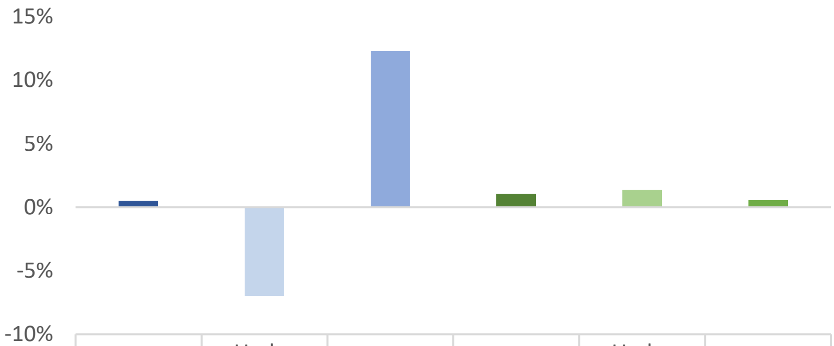
“Corporate uncertainty and crisis have been difficult; however, strong performers have remained loyal.”

“This area will come back to life; however, it will be hard work for less return – corporates are likely to be less generous, may shift their focus to being part of a COVID-19 solution and wary of being seen to spend too much money if they are cutting staff.”

“I have grave concerns that negative impact will increase in 2021.”

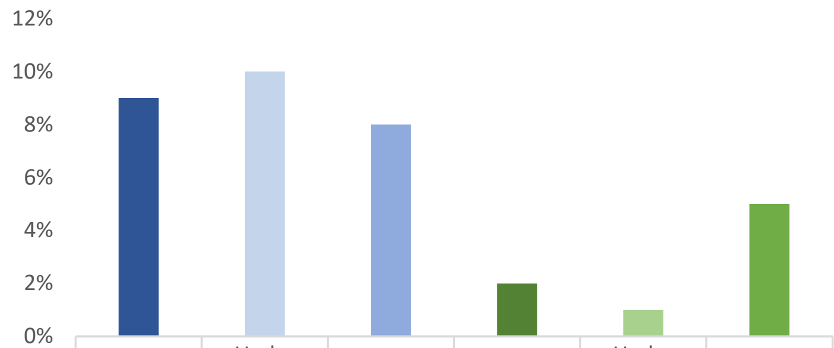
MAJOR GIFTS

Major Donors (Average)



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Major Donors (Gifts >$5,000 as a result of a structured program)	1%	-7%	12%	1%	1%	1%

Major Donors (Median)



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Major Donors (Gifts >$5,000 as a result of a structured program)	9%	10%	8%	2%	1%	5%

When looking at feedback received on major donor support, the chart below shows how, on average, giving over the past four months has not been impacted by COVID-19, with an overall increase of 1%. However, there is a significant difference noted between small organisations who show an average decline in major donor giving of 7% and larger organisations who cite an increase of 12%.

In the future, there is a consistent belief that major donor income will remain stable, with an average of 1% increase agreed across both sizes of organisations.

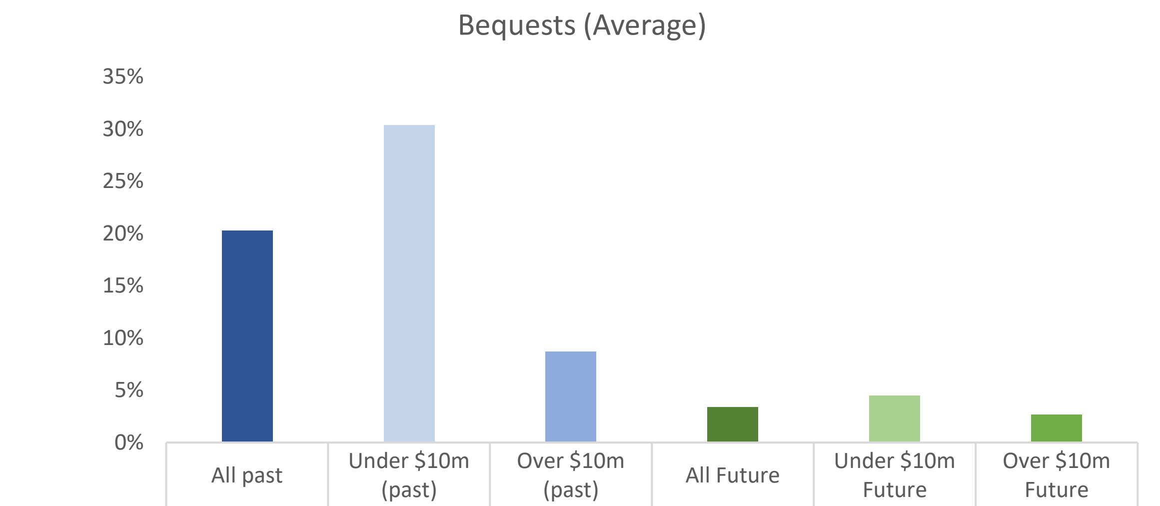
The more detailed COVID Benchmarking Report showed that:

Major donor income was up by 10% though the median change was a 2% decline. The pattern suggests some donors may have brought forward donations from June into May. More organisations saw major gift income increase than saw it decline.

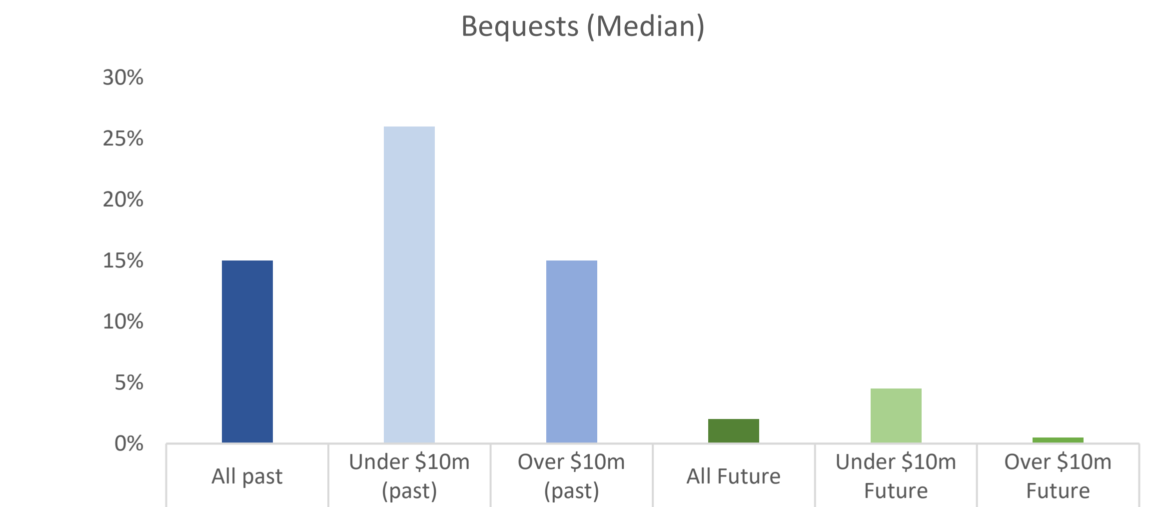
In the qualitative comments, it was clear that there is some concern around the impact of the stock market on major donor giving but this is viewed to be a less immediate and pressing reality for organisations to face. It was also clear that major donors remain a key focus area in 2020/21.

As we navigate the rest of the pandemic and the post-COVID world, it is essential that we continue to engage with our high-value donors with a focus on "listening your way to a major gift." While we cannot engage easily with major donors face to face or via events, time should be spent ensuring relationships are built to help understand high-value donors and to develop communications that are highly personalised and tailored to deliver content that will resonate with each individual's interests and motivations. As one respondent noted: *"Now is the time for extra care and discussion. Listening. Learning. Reframing."*

We know from our research conducted across 29 organisations over the past year that high-value donors are more likely to value getting direct feedback from frontline staff, having a deeper understanding of future plans and directions of the organisation and receiving an impact report on what their donations have achieved. We also know that only a worryingly low 27% of $1,000 plus donors remember having received a thank-you call. Now is the time to put this right, and to ensure you are thanking your donors and letting them know how much their support and partnership is appreciated and needed in the future.



	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Bequests	20%	30%	9%	3%	5%	3%



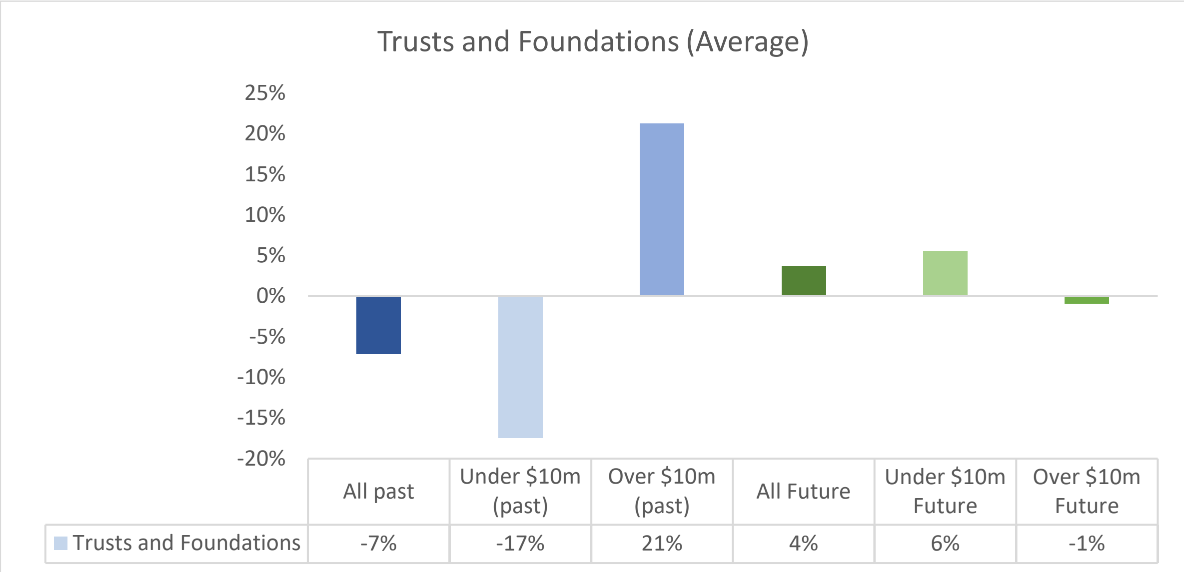
	All past	Under $10m (past)	Over $10m (past)	All Future	Under $10m Future	Over $10m Future
Bequests	15%	26%	15%	2%	5%	1%

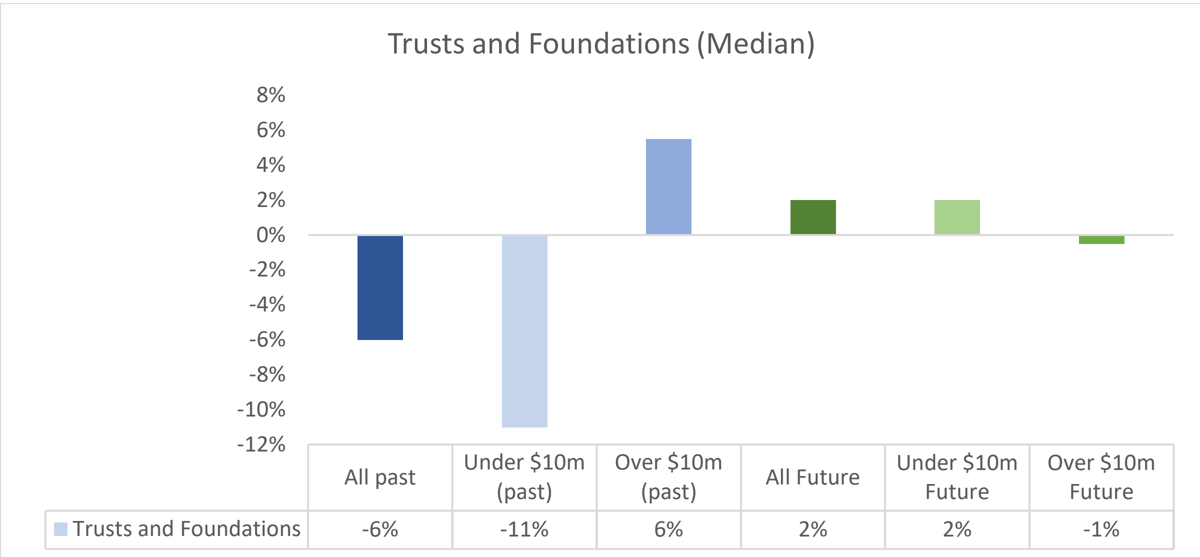
The self-reported results from trust and foundation income come from just 15 organisations and range from an increase of 100% to a decline of 77%. As with any high-value contribution program, there are likely to be large fluctuations due to timing as well as priorities. The overall reported change was a modest decline of 6-7%, though the larger organisations reported doing better.

The more detailed COVID Benchmarking Report showed that:

Income from trusts and foundations was highly influenced by a small number of high performing organisations. However, even when they are removed, total income was up for each month except May.

There is an expectation of modest growth in the future. This may be optimistic as foundations reliant in earnings for distributions will have less to give away. A recent study by Philanthropy Australia suggested that 33% of granting organisations have had a reduction in their principal and would have lower distributions as a result. Somewhat contradictorily, only 15% of their respondents said they would decrease their grant amounts and 22% that they would increase them in 2020/21. Expect grants to be highly contested, seek collaboration and make sure your projects align to potentially more restrictive guidelines.





In this report, charities reported growth in their bequest income over the past few months. This contrasts with our more detailed benchmarking analysis which showed a significant decline in the median bequest income. This illustrates the challenges with unpredictable bequest performance within and between organisations.

Given that bequests are a long-lead program, there is no indication of a negative impact so far regarding bequests. Rather organisations, particularly organisations with revenue under $10 million, have had positive growth during this time. Looking forward, there is a fairly conservative expectation of growth with smaller organisations slightly more optimistic regarding the growth.

Most think this area will stay the same or continue to grow. There may be an impact some years down the track because of changed financial situations and investments. There is no indication that organisations have had direct feedback from bequestors, but some expect people to adjust their commitment to charities because of changes in the financial situation of family members. Many fundraisers feel it is a good time to have sensitive bequest conversations and up-to-date resources available as people are thinking about their mortality/future. We know that a health scare is the primary trigger for updating a Will later in life, and the current pandemic is certainly a health scare!

The more detail COVID Benchmarking Report showed that:

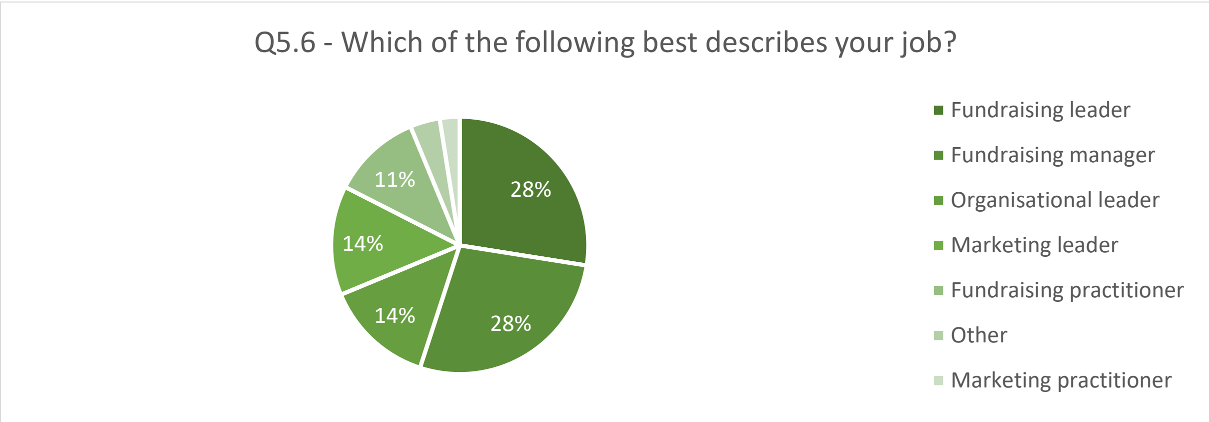
Bequest income was down 5%, and the median decline was 23%. However, most charities reported a significant increase in estates inquiries and an increase in notifications. There are also some indications that more people are including a charity in their Will.

About the Survey and Respondents

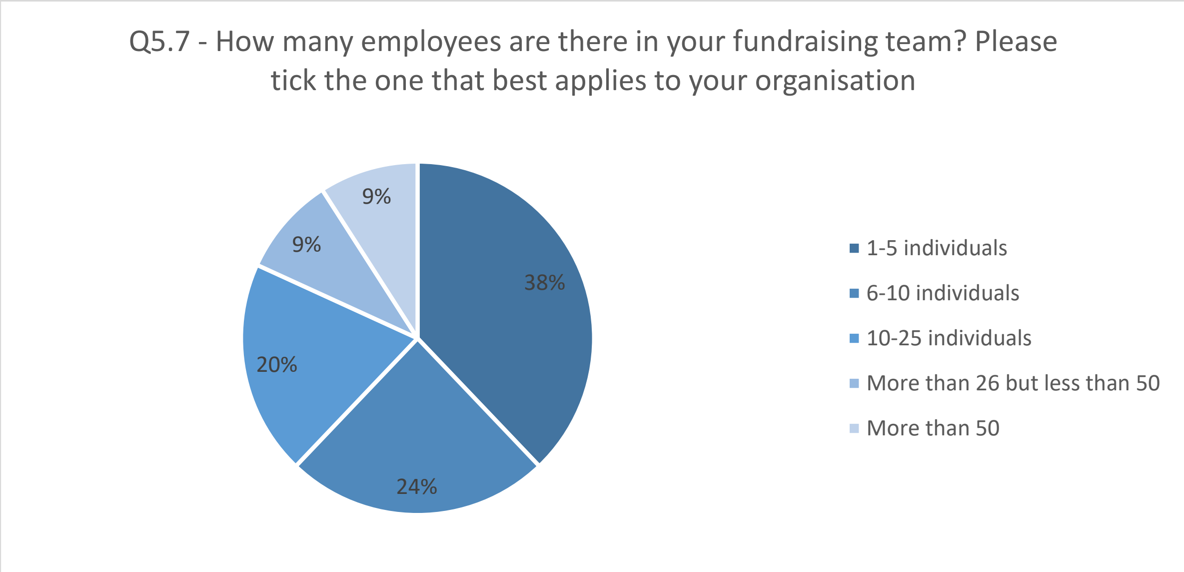
The Fundraising Futures Survey was emailed to known contacts of More Strategic and promoted via LinkedIn and the Fundraising Institute Australia. Responses were collected between the 22nd July 2020 and 4th August 2020, with the majority (54%) collected on the 22nd and 23rd July 2020. Melbourne entered the second lockdown on the 9th July 2020 for a six-week period.

Note that the findings reflect the views of those that chose to respond to this voluntary sector survey. Where comparisons are made to past results, this refers to a survey conducted at the end of March, which was again entirely voluntary and represented a larger cohort of organisations.

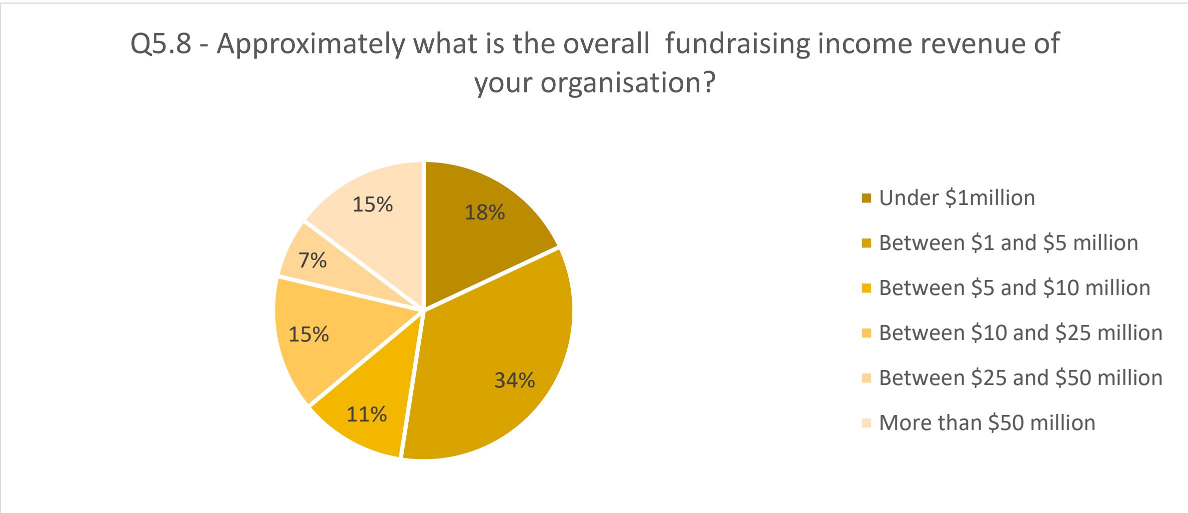
The majority of respondents were fundraising leaders or managers (56%), and 67% were fundraisers, with 14% of respondents being CEOs/organisational leaders.



62% of respondents had fundraising teams of less than 10 people.



63% had a fundraising turnover of under $10m



More Strategic

More Strategic is Australia's leading fundraising, research and experience management consultancy specialising in insight-driven strategies for not-for-profits.

More Strategic has conducted research on behalf of many of Australia's largest and most respected charities. We have a particular passion for collaborative research that is beneficial to the whole charity sector.

Fundraising Strategy

Fundraising strategy

Program strategies

Practice audits

Predictive modelling

Benchmarking

Analysis

Experience Management

Journey mapping

Dialogue and Feedback

Motivational segmentation

Moments that matter

Marketing and Research

Brand and Proposition development

Supporter and public research

Social and services marketing research

The Author

Martin Paul is one of Australia's most experienced and respected fundraisers and the Australian Fundraiser of the Year 2020. He has a passion for evidence-based decision making in the not-for-profit sector and always wants to understand *why people do what they do*.

With a background in economics and marketing, Martin led fundraising teams at WWF, The Heart Foundation and Cancer Council before co-founding More Strategic in 2008. Martin is a popular presenter at fundraising conferences in Australia, Europe and Asia.

https://morestrategic.com.au/

Fundraising Institute Australia (FIA)

FIA's roots go back to 1968 when a group of Melbourne fundraisers formed the Australasian Society of Fundraisers (ASF). Over the next few years, ASF's constitution was revised, culminating in the birth of the Australasian Institute of Fundraising (TAIF) in 1972, with fundraisers across the various states and territories (and even New Zealand for a time) joining TAIF to form a national body. TAIF became incorporated in 1988, and its name changed to Fundraising Institute Australia in 1992.

Today, FIA is the largest representative body for the $10.5 billion fundraising sector. FIA members include charities and other fundraising not-for-profits operating domestically and internationally as well as the organisations and professionals that provide services to them.

FIA advocates for the interests of the sector, administers a self-regulatory Code, educates fundraising practitioners, conducts research and creates networking forums for the exchange of knowledge and ideas.

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