

# SUMMARY

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# 2016 MICHIGAN FUNDRAISING CLIMATE SURVEY

MONTGOMERY CONSULTING, INC.

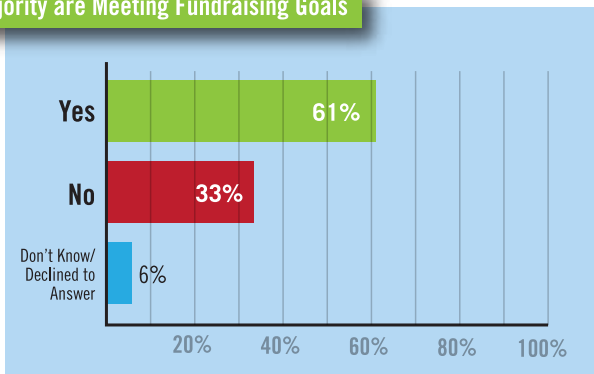
This is a summary of results from the 2016 Michigan Fundraising Climate Survey. We periodically ask leaders from a cross section of Michigan nonprofit organizations about past year results, current conditions, as well as fundraising strategy and tactics. Each edition of the Fundraising Climate Survey also includes a section focused on different types of donors. Past editions looked at Individual Donors (2012), Corporations (2013) and Foundations (2014). This year, we return to take a second look at fundraising from Individual Donors.

NOTE: Figures used in this summary are rounded to whole numbers. Figures in the full report text, however, are rounded at 2-decimals.

## 2015 Fundraising Goals and Expectations

When asked, 61% of respondents reported that their organization met its 2015 fundraising goal while 31% reported that their organization did not meet its prior year goal. The remaining 6% said they did not know if the goal was met or declined to answer the question.

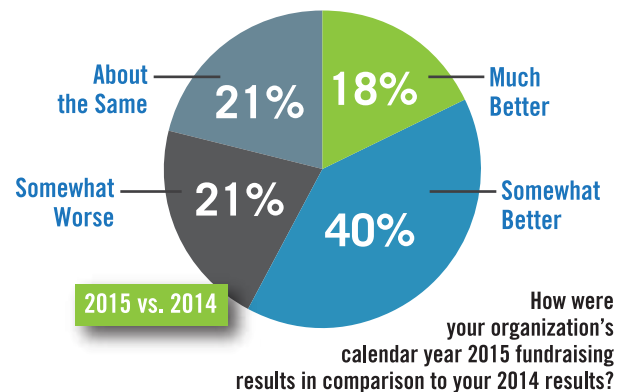
### Majority are Meeting Fundraising Goals



Did your organization meet its fundraising goal or fundraising expectations in calendar year 2015?

## 2015 Fundraising Results versus 2014 Results

When asked, 18% of respondents said their organization's 2015 fundraising results were "Much Better" than their 2014 results while 40% said that 2015 results were "Somewhat Better." Remaining respondents were split evenly, rating 2015 results "Somewhat Better" (21%) or "Somewhat Worse" (21%). Encouragingly, no one responded that 2015 results were "Much Worse" than in 2014.



How were your organization's calendar year 2015 fundraising results in comparison to your 2014 results?

## Local Fundraising Conditions

Respondents were modestly upbeat about current conditions for fundraising in their specific areas with 67% rating those conditions as "Good" but no one rating current conditions as "Excellent." Others were less optimistic and 24% of respondents rated current conditions as "Poor" with almost 7% saying they did not know or had no opinion.

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### Fundraising Conditions Now Versus a Year Ago

A little more than 7 out of 8 respondents said that fundraising conditions in early 2016 are at least as good as a year ago. Breaking that down, 7% said they believed current conditions to be “Much Better,” 44% thought conditions were “Somewhat Better” and 36% that conditions were “About the Same.” At the same time, however, 11% of respondents considered current fundraising conditions to be “Somewhat Worse” and 2% thought that current conditions were “Much Worse.”

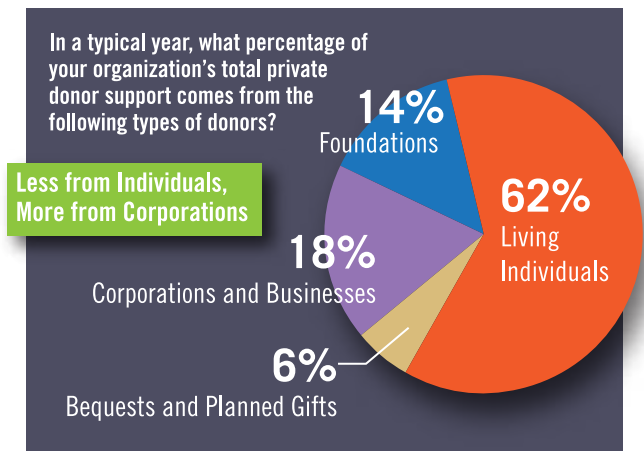
#### Optimists vs. Pessimists



FOR EVERY 1 MICHIGAN FUNDRAISER WHO THINKS CURRENT FUNDRAISING CONDITIONS ARE WORSE THAN A YEAR AGO, THERE ARE 7 WHO THINK THAT CONDITIONS ARE BETTER.

### Charitable Gifts by Type of Donor

Respondents to our survey of Michigan organizations reported raising a smaller percentage of total charitable giving from Individual Donors and a larger percentage from Corporations than reported in national studies.



Our research shows a significantly smaller proportion of total giving coming from individual donors than does the “Giving USA” series. This may be because of regional differences or the result of excluding congregations from our study.

## 3 TRENDS

Our full report combines 2016 survey results with data from previous surveys in order to look at longer term trends for selected questions. Three key trends, however, are summarized below.

- 1 More Organizations are Meeting their Fundraising Goals.** A higher percentage of respondents to this year's survey reported that their organization met its prior year fundraising goal than in the two most recent previous surveys.
- 2 Fundraising is Stable or Increasing at Most Organizations.** On each of the three most recent editions of the Michigan Fundraising Climate Survey, 4 out of 5 respondents reported that their organization raised at least as much money in the year studied as they did in the immediate prior year.
- 3 Optimism About Overall Fundraising Conditions Continues.** On the three most recent editions of the Michigan Fundraising Climate Survey, 85% of respondents reported that they believed general (statewide) current conditions for fundraising to be at least as good as those prevailing one year earlier.

The full report is available at [www.MontgomeryConsultingInc.com](http://www.MontgomeryConsultingInc.com)

# FUNDRAISING FROM INDIVIDUAL DONORS

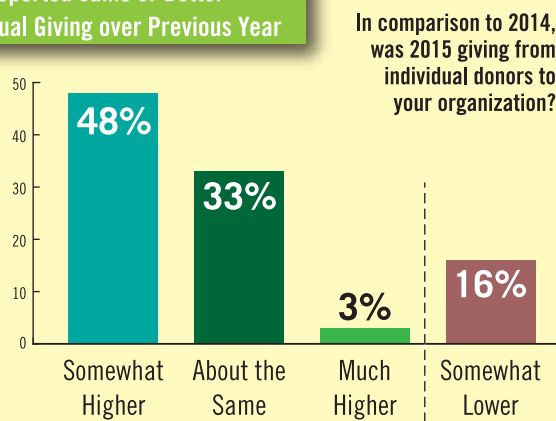
Each edition of the Michigan Fundraising Climate Survey takes a deep dive into how Michigan organizations raise money from particular types of donors. This year we are looking at Individual Donors and Planned Givers.



## Individual Giving Trends

Respondents at 84% of the organizations reported that they raised at least as much money from individual donors in 2015 as in 2014. A slight majority (51%) of respondents reported that their organizations had raised more money from individuals in 2015 than in 2014. No one reported much lower fundraising from individual donors in 2015 but 16% did indicate that their organization's fundraising from individuals was somewhat lower in 2015 than in 2014.

84% Reported Same or Better Individual Giving over Previous Year



## Potential for Growing Individual Giving

When asked their opinion on the reasonableness of increasing fundraising by their organizations from individual donors by 10% or more in 2016, results were more mixed. A slight majority viewed reaching that level of growth as either very (5%) or somewhat (46%) realistic. A significant proportion of respondents, however, thought their organizations' prospects for achieving 10% growth in individual giving during 2016 was either very (4%) or somewhat unrealistic (25%)

## Michigan Fundraisers Utilize a Wide Range of Tools to Solicit Individual Donors

We asked respondents about ten popular fundraising methods used with individual donors.

Here is what we found...

### US Mail Wins the Popularity Contest

Which of the following tools for seeking gifts from individual donors does your organization use and/or promote to its supporters?

1. Appeals Sent by **US Mail** (97%)
2. **Face-to-Face Solicitation by Staff** of a Single Donor (82%)
3. Appeals Sent by **Email** (77%)
4. **Social Media** Tools (59%)
5. **Planned Giving** (57%)
6. **Face-to-Face Solicitation by Volunteers** of a Single Donor (54%)
7. Fundraising **Events** with a Price **less than \$100** (52%)
8. **Telephone** Solicitation (44%)
9. **Multiple Donor** "Living Room" (in home) Meetings (33%)
10. Fundraising **Events** with a price **greater than \$100** (31%)

*Note: We chose not to list giving through websites as an option believing online giving to have become universal.*

# 3 TIPS FOR FUNDRAISING

This year's data points to three simple but important lessons for fundraisers...

- 1 Engage board members and high-level volunteers** in fundraising whenever possible. Classic volunteer-driven fundraising is not dead. In fact, only 12% of respondents said that staff members solicited all gifts while 85% responded that staff, board and other volunteers shared responsibility for fundraising to varying degrees.
- 2 Allocate your limited fundraising resources strategically.** No matter what *Giving USA* says, most readers should probably forget the old truism that "80% of all gifts come from individuals." Our survey showed a significantly smaller proportion of total charitable giving coming from Individual Donors (living and dead) and more from Corporations and Businesses than reported by national studies.
- 3 Don't be afraid to experiment.** Look at the figures on fundraising tools use and then think about your organization's individual donors fundraising program. Are you happy with its results? If not, then perhaps you should consider experimenting with one or more of the tools that other Michigan nonprofits are using.

## ABOUT THE SURVEY

This is the 4th in a series of surveys since 2012 looking at the fundraising climate facing Michigan nonprofits.

Our studies focus on a cross section of Michigan nonprofit organizations of the types most likely to be engaged in classic fundraising activity. Groups that fundraise primarily through the collection plate, membership dues, product sales, or that are mainly supported by government, have generally been excluded from this study.

In January 2016, we invited a single person at 485 Michigan entities engaged in active fundraising to participate in our survey. Most were the head fundraiser for their organization. Where we could not identify that person, the CEO or another senior staff member was invited to take our survey.

Leaders of 61 organizations completed the survey for a response rate of 12.58%, a solid response rate for an online survey. We are confident that the results reported here are a reasonably accurate reflection of the experiences, expectations and fundraising tool use of Michigan nonprofit organizations at the time of the survey.

Michael J. Montgomery is the author of this study. His comments on fundraising and nonprofit organizations have appeared in media outlets, including: *FastCompany*, *NPR*, *Chicago Tribune*, *Detroit Free Press*, *Chronicle of Philanthropy*, *Crain's Detroit Business*, *MLive*, and *US News*.

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Montgomery Consulting, Inc. was established in 1989. The firm provides fundraising and community/economic development consulting services to organizations and communities across Michigan. In recent years, Montgomery Consulting has helped plan and/or implement more than \$1 billion in fundraising activity, including some of this region's largest and most complex campaigns.