



Greater Detroit Chapter The 2021 War Memorial Series

Results from the *2021 Michigan Fundraising Climate Survey*

Originally presented: Tuesday, February 23, 2021

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2021 Michigan Fundraising Climate Survey 9th Annual Edition

AGENDA:

- Welcome - Charles Burke, President & CEO of The War Memorial
- Introductions - Steve Ragan, Executive VP, The Hope Network and Immediate Past President Greater Detroit Chapter AFP
- Results from the 2021 Survey - Michael Montgomery, The War Memorial, Montgomery Consulting
- Panelist Questions and Comments:
 - Nina Holden, Senior VP and Chief Development Officer, Detroit Institute of Arts
 - RJ King, Editor and Co-Founder of dBusiness Magazine
- Audience Questions
- Evaluation Survey
- Closing & “Coming Attractions”

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The Big Story:

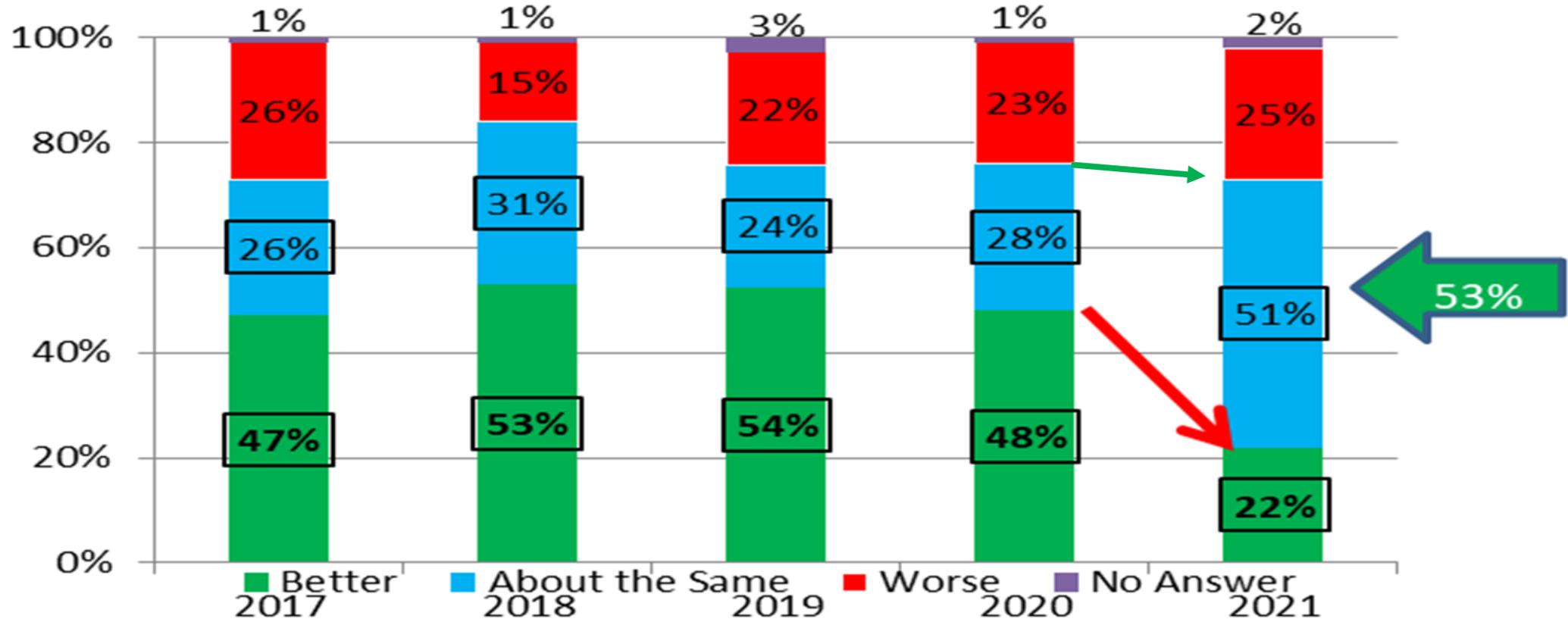
- Impact of COVID-19 and related economic downturn on Michigan NPOs does not appear as great as feared.
- Not the existential threat supposed in spring 2020 when there were predictions of 30-40% attrition.
- Not seeing increased interest in merger/consolidation.
- 2020 was, however, a tough year for most respondent organizations.
- Significant impact on operations, philanthropy, and especially Earned Revenue.
- But some reported growth in giving, donors and enhanced overall viability – especially Community Foundations, United Way, Health, and Human Services (CFUWHHS)
- *NPOs of types donors could readily see as relevant to addressing the Pandemic and its effects did well in 2020. (CFUWHHS highlighted on some charts in deck) to call attention to this)*

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Methodology:

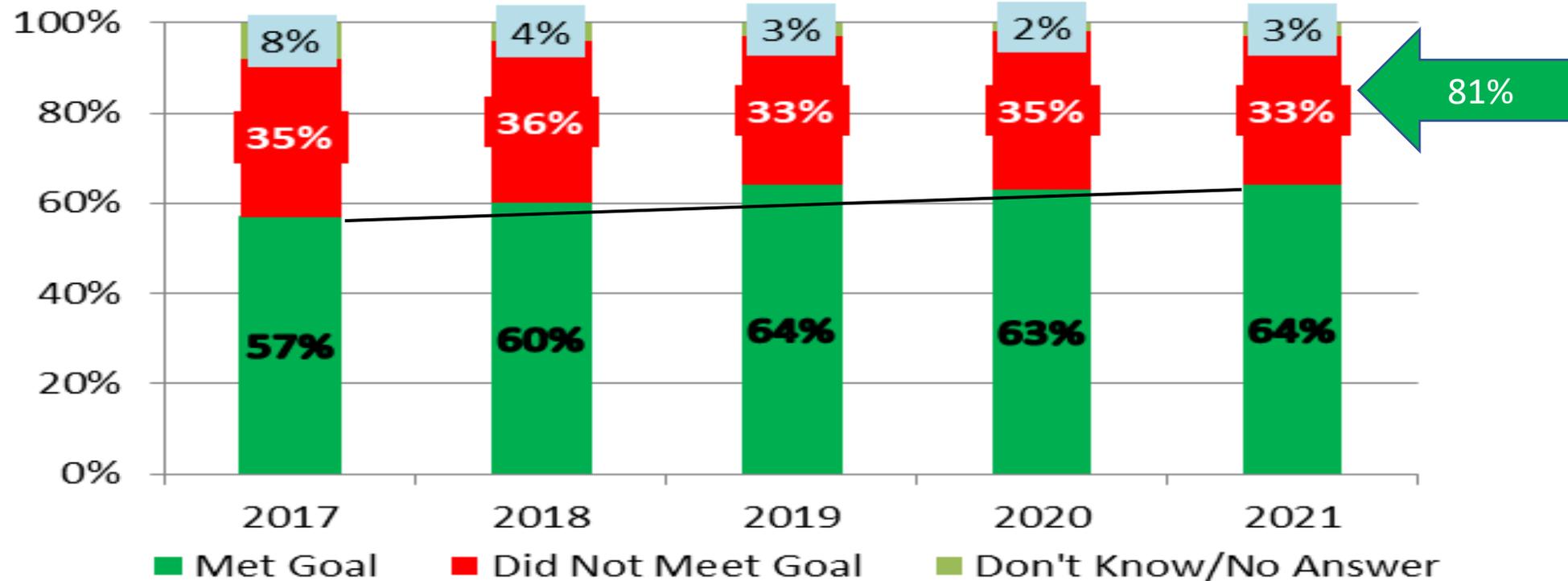
- Built sample frame of Michigan NPOs most likely (by size and type) to be actively fundraising.
- Removed religious congregations from sample frame.
- Invited by name 1 person in leadership at each organization to participate.
- 2021: 588 invites and 74 responses - 13%.
- Use 16 strata or “buckets” (Purpose, Size, Location) to determine if a good cross section of NPOs responded.
- If so, report results or report results with caveat
- 2021 Tough year -- NPOs have been “over-surveyed.”
- 14 of 16 buckets decently full (usually 16 of 16)
- For the broad questions we ask, results are likely to be reliable -- with the possible exceptions of in the UP and Thumb (very few responses from those areas).

Fundraising Results: 2017 - 2021 (Year of Survey)



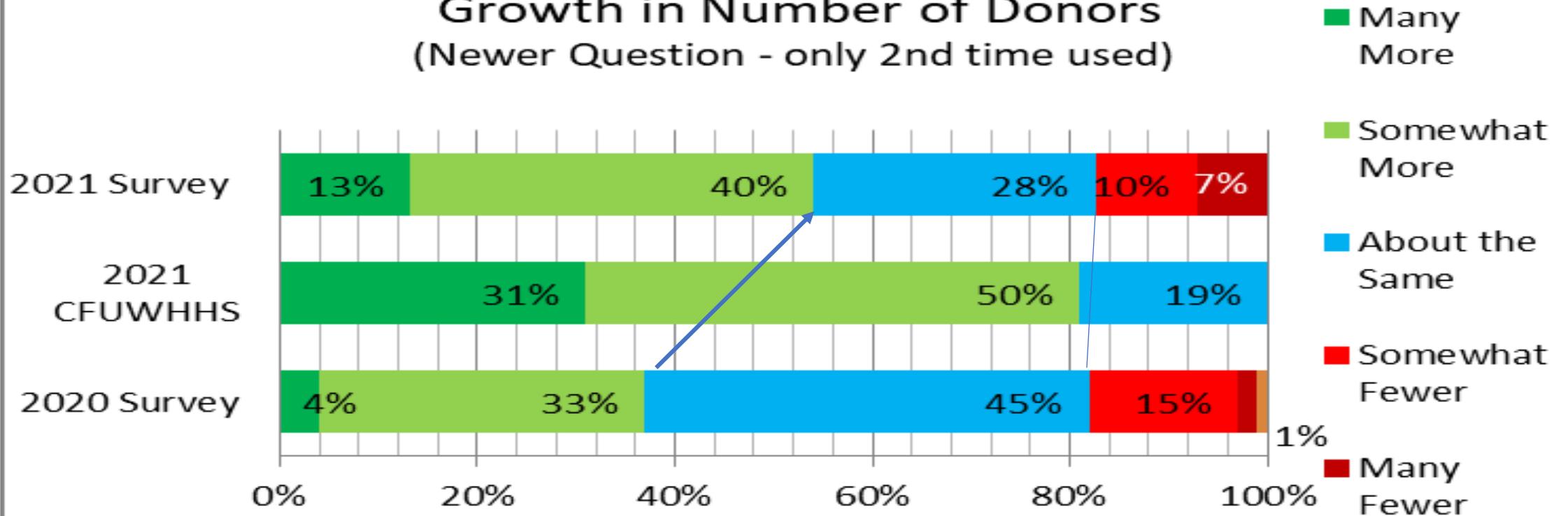
- Bad News: Fewer reported raising MORE in 2020 than in 2019 – Red Arrow (Not a surprise)
- Good News: Most raised at least as much in 2020 as in 2019 – Green Line (Big surprise)
- *Looked at separately, Community Foundations, United Ways, Healthcare, and Human Services agencies out-performed the panel with 53% reporting raising more in 2020 than in 2019. (Green Arrow)*

Percentage Meeting/Not Meeting Goal



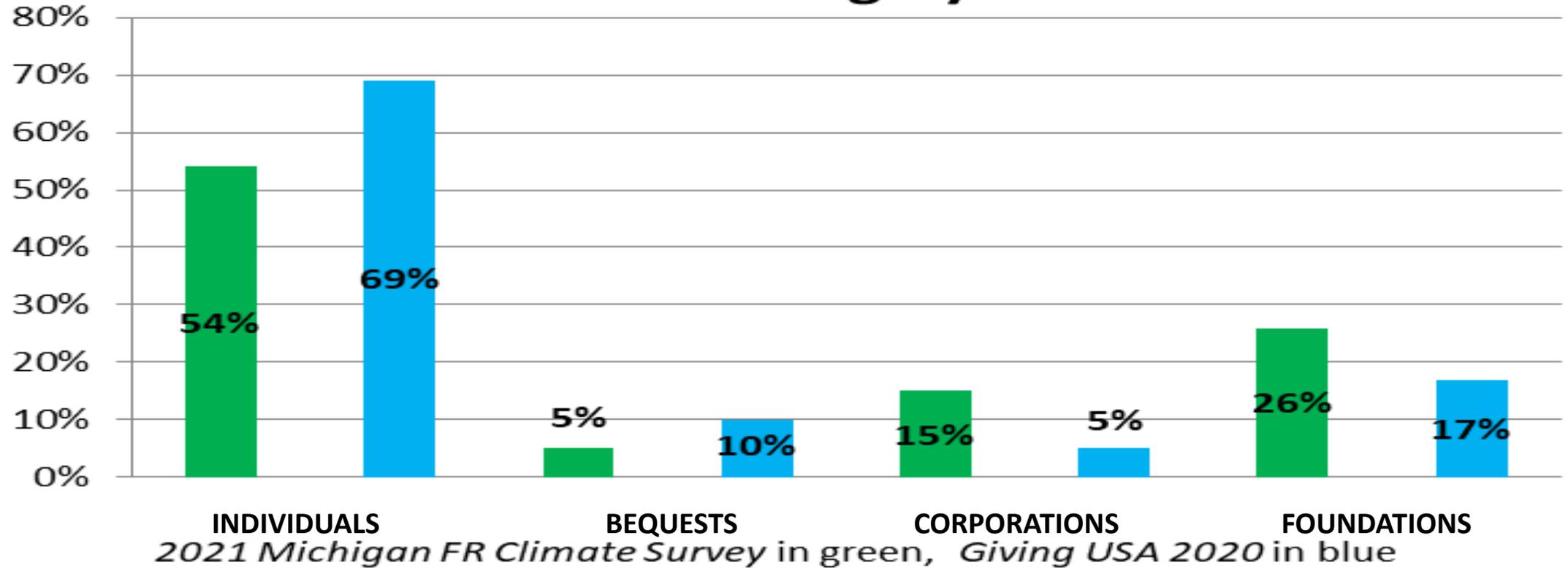
- Bad News: 33% of respondents said their organization did not achieve its 2020 fundraising goal.
- Good News: Only 33% did not make goal – around our normal range for this measure.
- *Looked at separately, 81% of CF, UW, H, & HS organizations made goal – Pandemic giving?*

Growth in Number of Donors (Newer Question - only 2nd time used)



- Newer question for us – only 2nd year used
- Relatively few reported decreased number of donors in 2021 or 2020 – growth is the pattern.
- 2021 saw significant growth in proportion reporting More Donors (37% in 2020 to 53% in 2021)
- CFUWHHS much more likely than Panel to Report Many (31%) or Somewhat (50%) More Donors (Middle)
- Seems natural – CFUWHHS easier to see as relevant to Pandemic than many other types of organizations.

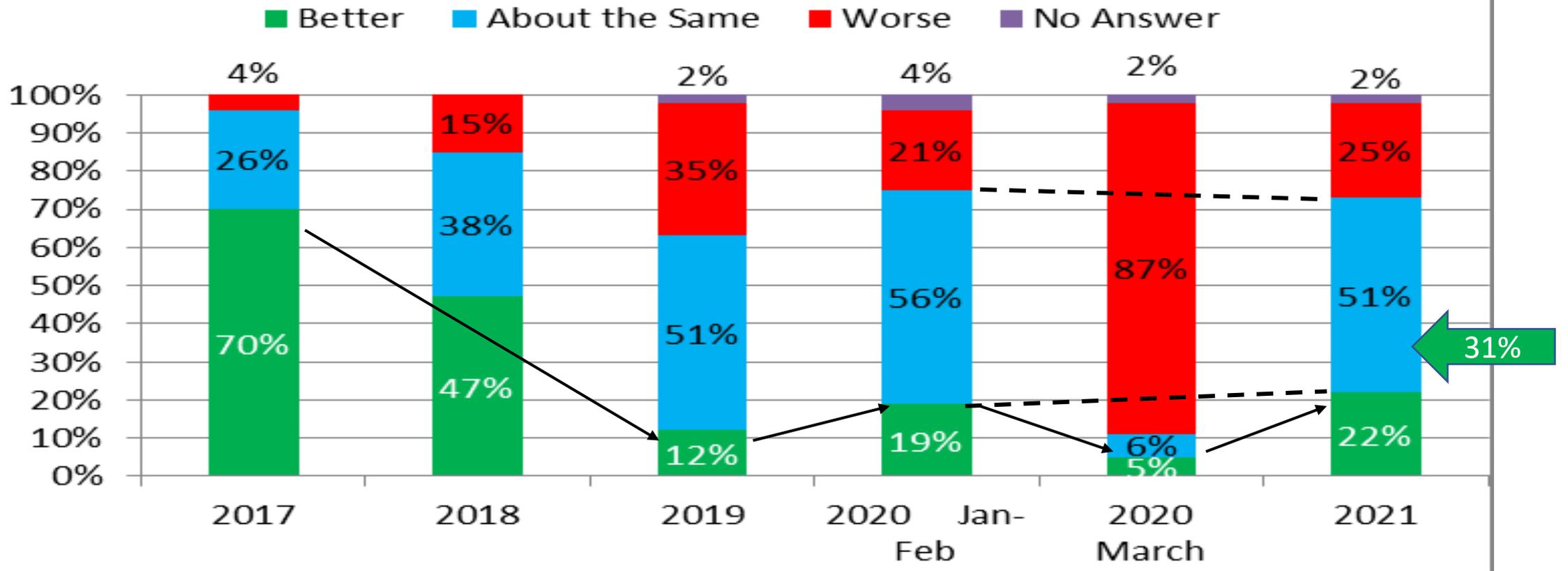
Charitable Giving by Source



- 2021 – Michigan foundations a little more, and Corporations a little less, important to respondents than usual.
- Consistent Finding: Individuals less, Corporations more, important to MI organizations than implied by *Giving USA*
- Regional Effect: Michigan is HQ of some of America’s largest Corporate givers.
- Methodological Effect: Religious congregations NOT in Michigan figures (they use different FR methods).

Net Effect: Our figures closer to what most fundraisers are likely to see at their own organizations.

Statewide Fundraising Conditions



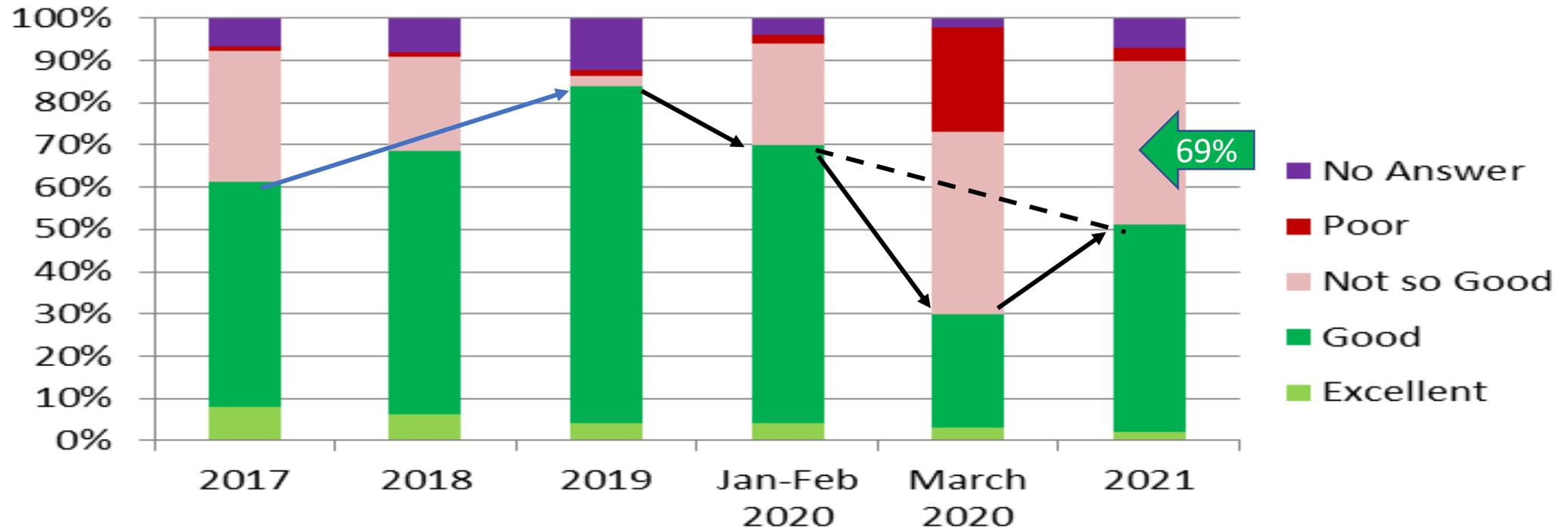
- Declined 2017-2019, recovered some early 2020 – tanked in March – recovered some in 2021 (dotted lines).
- March 2020 seems now like a short-term phenomena – panic?
- *CFUWHHS, however, much more confident in statewide climate than whole panel.*

Shifting Donor Priorities

- Been a fair amount of media on the subject of shifting donor priorities and some major funders have in-fact announced major changes.
- Majority of our respondents, however, report that their specific donors have typically told them little or nothing about how COVID and greater concern with Racial Justice issues might impact future giving to their organizations.
- Donors have generally been more forthcoming about the likely impact of COVID on their future giving (even when news is bad) than about how growing concern with Racial Justice might impact their giving to specific respondent organizations.
- Foundations generally more forthcoming than either Individuals or Corporations about their future giving (but still not saying much).
- CFUWHHS a little more likely to report being informed about changes in future giving than the panel as a whole – mostly about COVID.

Nothing especially surprising here.

Local Fundraising Conditions

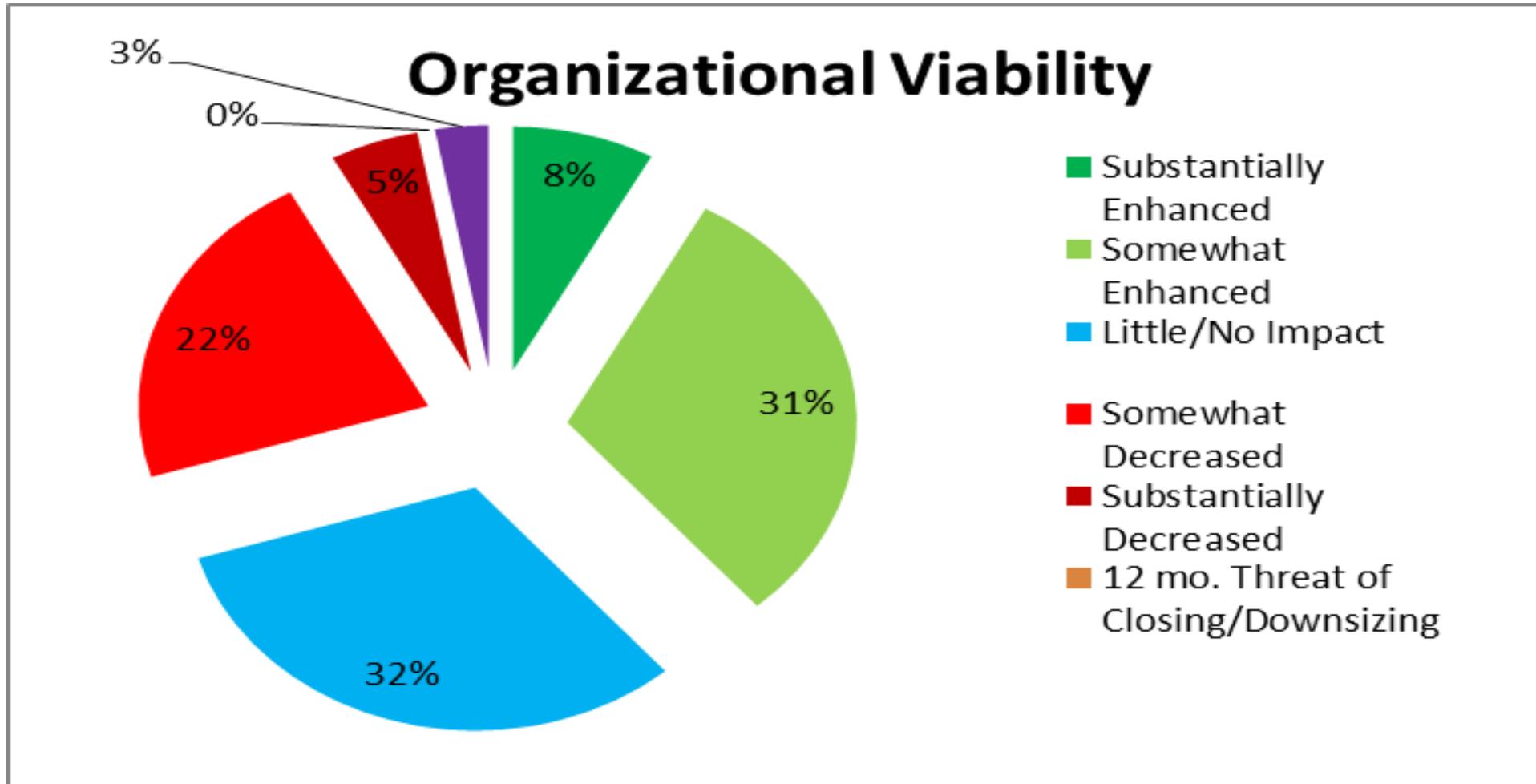


- Panel has long been more optimistic about fundraising conditions in their local communities than statewide and 2021 continues that trend.
- Confidence also improved in 2021 after the very low level of March 2020
- Did not return to 2020 level – continuing downward trend from 2019 (dotted line)
- CFUWHHS, however, much more likely to call local FR climate Good or Excellent. (Green Arrow)

Reported Impact of COVID and/or Associated Recession on Organization

Noticeable differences between whole Panel & CFUWHHS

- Operations: 99% Significant/Some Impact (Panel), 100% (CFUWHHS)
- Need/Demand: 55% Increased (Panel), 87% Increased (CFUWHHS)
- Earned Revenue: 60% Decreased (Panel) 57% Decreased (CFUWHHS)
- Philanthropy: 59% Increased (Panel), 87% Increased (CFUWHHS)
- Overall Viability: 71% Positive or Neutral (Panel), 94% Neutral or Positive (CFUWHHS)



- Only 27% of Panel reported decreased viability for their organizations from COVID and Recession.
- Even a smaller proportion - 6% - of CFUWHHS reported decreased viability.
- NOT the existential threat we supposed last spring, at least for our respondents

Merger and Consolidation

Merger and Consolidation NOT as relevant as might have expected.

- 38% did not see as an option because location or nature of organization.
- 38% not interested because their organization is financially strong.
- 11% open to the idea of merger but have nothing brewing
- 5% have merged, consolidated, or begun partnering in last 12 months
- 6% implementing, planning, or seriously contemplating merger/consolidation.

Very similar pattern for CFUWHHS on this question

What did we see last time?

- Questions different in 2019, but responses broadly-similar – not much interest in merger or consolidation.