

2024 Michigan Fundraising Climate Survey

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This is the 12th edition of the *Michigan Fundraising Climate Survey* from Montgomery Consulting, Inc. This year's *Survey* uses 59 valid responses from leaders at a stratified sample of organizations from across Michigan's nonprofit community. We observe the norms of social research and believe our results to be accurate for the specific question asked and issues addressed. See Section III for more on our process.

The view from 60,000 Feet:

Fundraising Performance and Trends:

- This year's respondents were less upbeat across-the-board than our 2023 respondents (who had been less upbeat than our 2022 and 2021 respondents).
- Continuing uncertainty – economic, social, political, and global – appears to be taking a toll on fundraising results and how NPO leaders view the current climate for fundraising.
- Based on what our respondents said, we believe it highly probable that charitable giving in Michigan most likely declined in 2023 and will, at best, remain static in 2024.

NPO Boards and Board Members (2024-only):

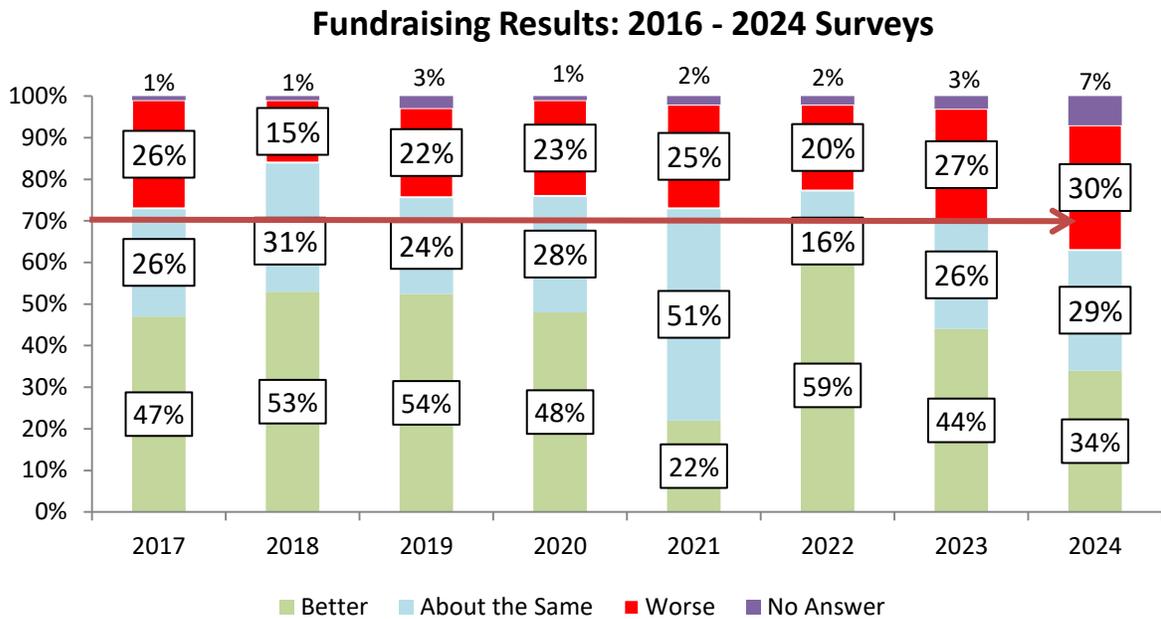
- Our 2024 panelists viewed the overall performance of their governing boards favorably.
- When asked about some specific aspects of board work, the 2024 panel was also very positive in all areas but one: helping with fundraising where "Fair" and "Poor" were the predominant grades.
- When asked to rank seven potential new board members from most to least needed by their organizations at this time, the full statewide panel gave their top ranking to members of the Professions (law, accounting, medicine) while metro Detroit respondents made Business Leaders (C-level and owners) their #1 choice by a wide margin.

I. Fundraising Performance and Trends

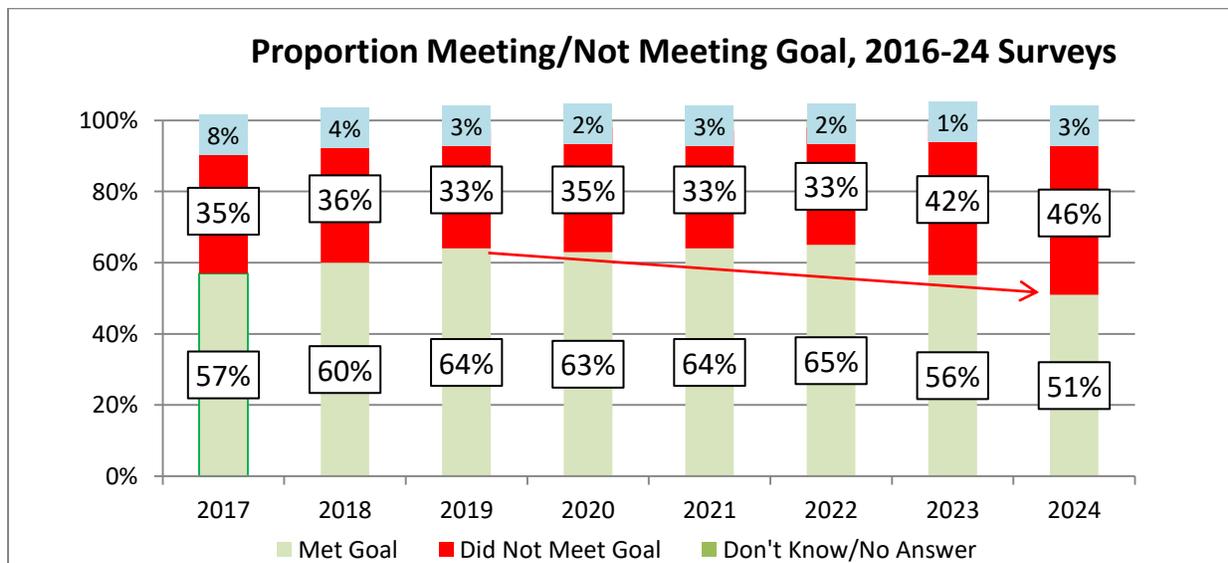
#1 – Fewer organizations reported having raised more money.

Statewide: In 2023, 44% of our respondents reported "Much Better" or "Somewhat Better" year-over-year fundraising results. In 2024, that dropped to 34% which also broke the longer term trend of 70% or more of our respondents reporting raising least as much money in the year just concluded as they had in the year before.

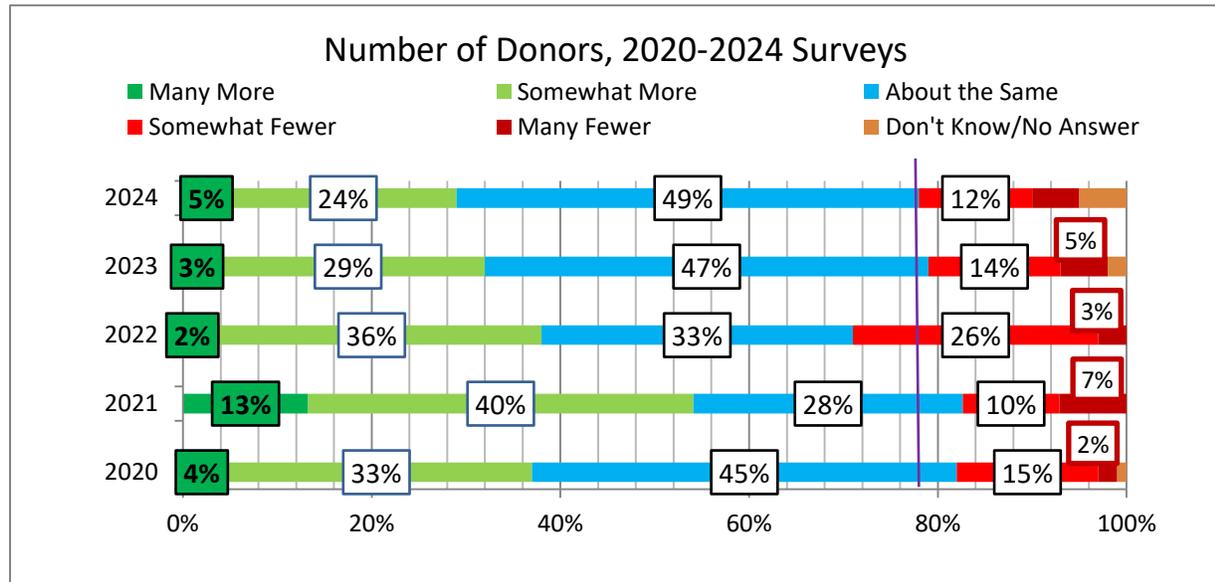
Metro Detroit: While metro Detroit respondents were more likely to report better fundraising results (43%) than the full panel, they were less likely to report that fundraising results were "about the same" (20%) leading to exactly the same proportion as the full panel reporting having raised at least as much money as in the prior year (see next page for chart including a red line at 70%).



#2 – Fewer reported having met their fundraising goal. This year, the proportion of respondents reporting that their organization had met its prior year fundraising fell from 56% to 51% while the proportion not making goal rose from 42% to 46%. That is the highest proportion of respondents reporting not making goal, and lowest proportion making goal, of all 12 surveys in this series. Historically, about 1/3rd of our respondents report having missed their fundraising goal, to see that increasing significantly in two successive years is concerning. On this question, results for metro Detroit organizations were the same those for the statewide panel.



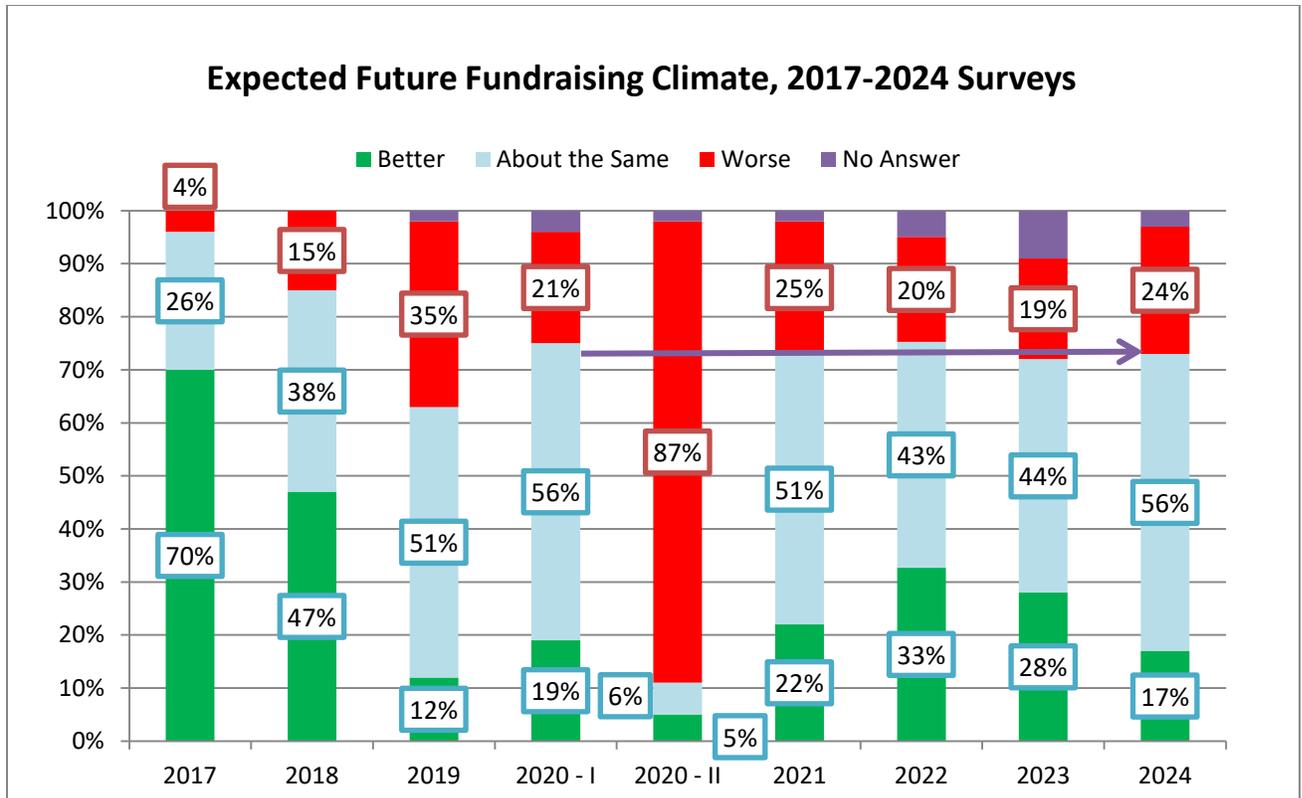
#3 - Fewer reported adding donors. In 2024, the proportion of organizations reporting having added donors fell from 32% to 29% which was offset by growth in those reporting “about the same number of donors.” Metro Detroit respondents were both a little more likely to report having added donors (33% vs. 29%) and a good deal less likely (10% vs. 17%) to report losing donors than the full panel. Overall, our results are a little different than those from the *Fundraising Effectiveness Project* which found that the number of donors is decreasing, while that may be happening nationally, relative stability (purple line) appears to be the Michigan pattern.



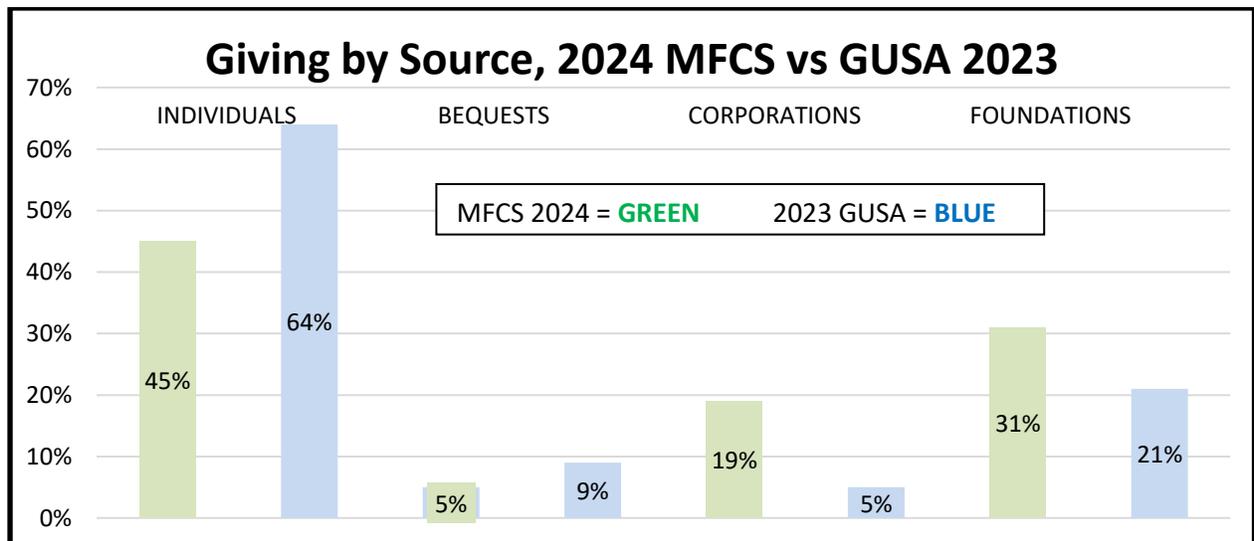
#4 - Respondents were less optimistic that Michigan’s fundraising climate was improving. This year, just 17% of our panel members expected Michigan’s fundraising climate to improve which was down from 28% expecting improvement last year. Metro Detroit panelists were only marginally more optimistic than the statewide with 21% (vs. 17%) expecting improvement and 20% (vs. 24%) expecting fundraising conditions to be worsen in 2024.

The leaders of Michigan NPOs, however, are in not despair about fundraising. When responses from those expecting the fundraising climate to improve are combined with those expecting things to remain “about the same,” a pattern of consistency emerges from 2020-I through 2023 in which 73% to 75% of our respondents expected the climate for fundraising to be at least as good the new year as in the year just completed - *see arrow on the chart that follows.*

The survey marked as 2020-II in the table below, however, is an obvious outlier. In 2020, we administered this part of our survey twice: just prior to the pandemic’s declaration (2020-I) and then during the April-May 2020 “lock down” (2020-II). On 2020-II, respondents were extremely pessimistic with 87% expecting that year’s climate for fundraising to worsen. By early 2021, however, not only were respondents more optimistic about the future, they were surprisingly upbeat about their organizations’ actual 2020 fundraising results. It is important to note, however, that our respondents remain less optimistic current fundraising conditions than they were back in 2017 and 2018 which is not surprising given the extraordinary amount of uncertainty with which we continue to live (see next page for chart).



#5 - Corporate Donors continue to be *more*, and Individual Donors *less*, important to secular Michigan nonprofits than implied by national averages coming from *Giving USA*. This has been the single most consistent finding of all 12 editions of the *Michigan Fundraising Climate Survey* and is another area in which metro Detroit responses are effectively identical to those of the full panel.



Differences between our figures and those from GUSA are partly a regional effect; Michigan does not have as strong a tradition of major individual giving as some other areas but remains the headquarters of some of America's largest corporate givers as well as very significant foundations. The differences are also partly

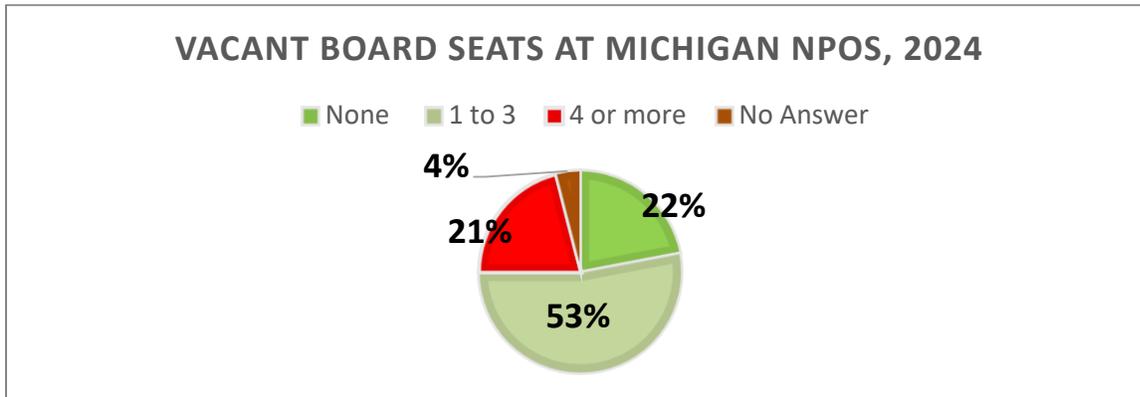
methodological; we exclude religious congregations from study because they typically use different fundraising methods than other nonprofits.* We believe, however, that our figures above are likely to be more useful to Michigan’s professional fundraisers than the GUSA numbers given that few fundraising professionals work for religious congregations.

*Religious hospitals, colleges, and high schools are included in our survey because they both fundraise actively and typically use the same fundraising tools and techniques as secular organizations.

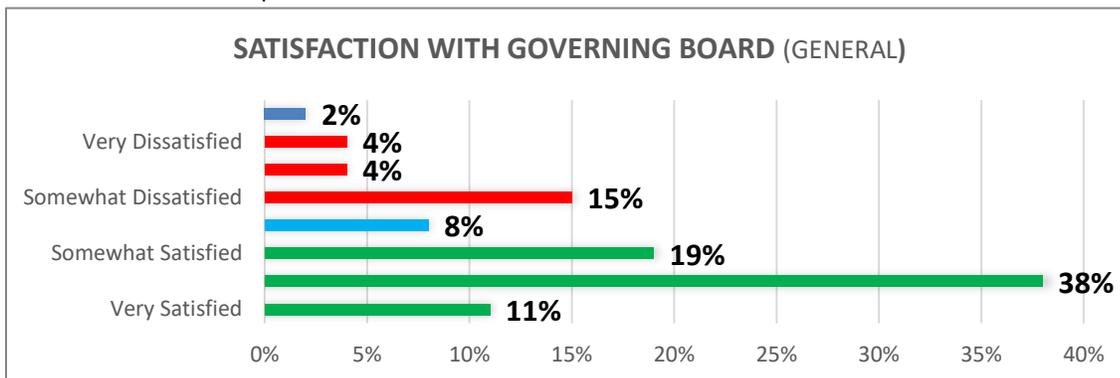
II. Nonprofit Organization Boards and Board Members

With numerous long-time nonprofit organization board members from organizations across Michigan leaving the scene in 2023, we decided to make Boards and Board Members the focus of this year’s final question group.

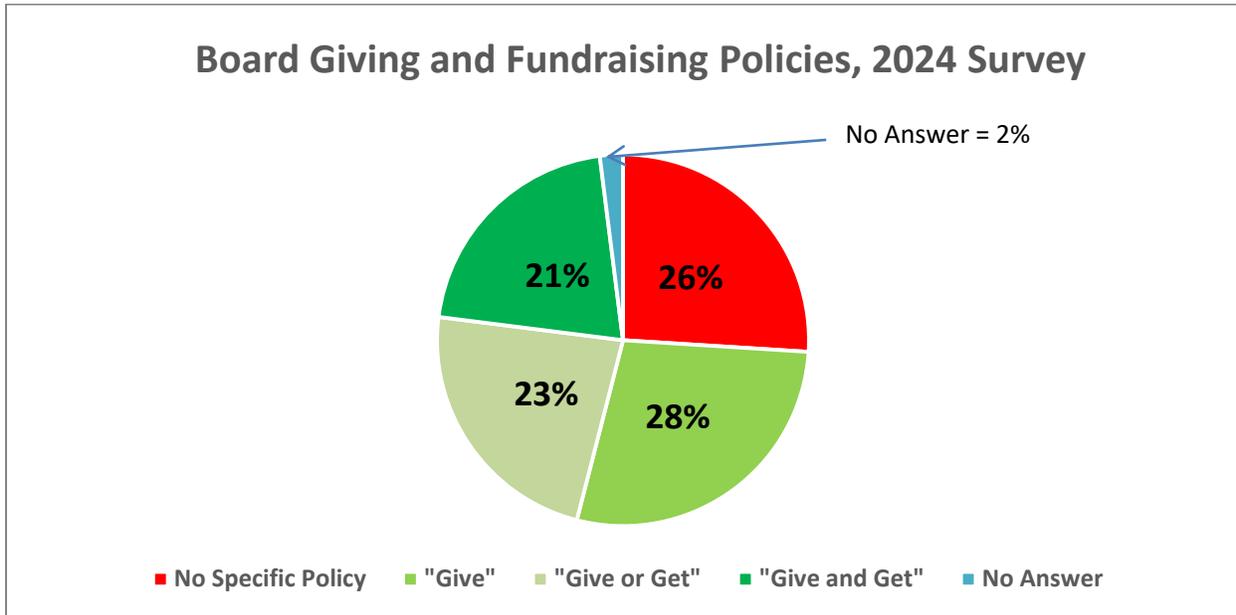
#6 - Board Vacancies. Only 22% of respondents reported having no empty seats on their organization’s Governing Board while 53% reported 1 to 3 open seats and 21% reported 4 or more vacancies. An open board seat or two can be good to have in the event that an organization makes affluent or influential new friends. But, 4 or more open seats seem excessive as 3 open seats might be for many if not most organizations.



#7 - Satisfaction/Dissatisfaction with Board (General). Leaders of Michigan nonprofits responding to this survey were generally satisfied with the overall performance of their organizations’ governing bodies. When “Dissatisfied” responses are combined, just 19% of our respondents expressed varying degrees of dissatisfaction with the performance of their organization’s board in comparison to 68% expressing varying degrees of satisfaction with, at 38%, the modal response being “Satisfied.” Metro Detroit responses were marginally more critical of overall board performance.



#8 - Board Policies on Giving and/or Fundraising. In 2024, 26% of our respondents reported that their organizations had no specific policy in-place requiring board members to give and/or assist in fundraising. At the same time, 28% of respondents reported that members of their board were expected to make personal gifts to the organization (“Give”), 23% said board members were expected to give or help fundraise (“Give or Get”), and 21% reported that board members were expected to both make personal gifts and also help fundraise (“Give & Get”).

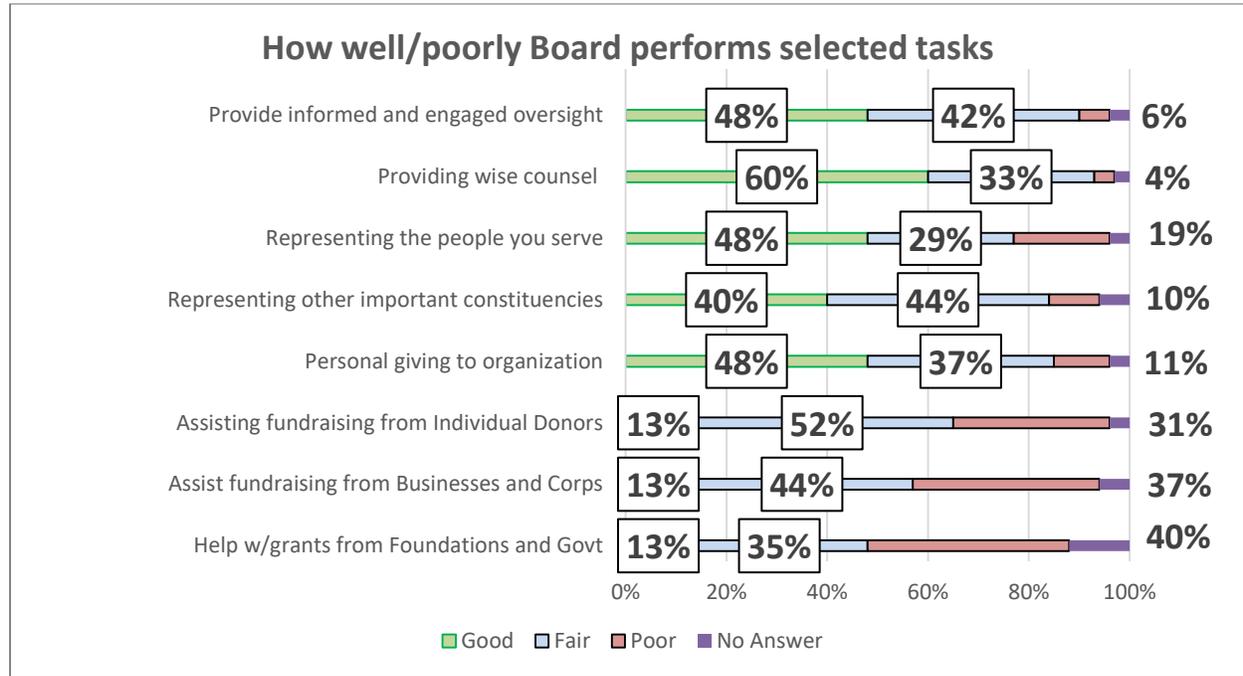


We last looked at policies regarding board member giving and fundraising on Survey 2020-I which was in the field just prior to the declaration of the pandemic. As shown in the table below, during the intervening years Michigan NPOs have not only become more specific about their expectations but more concerned about fundraising with “Give” (only) policies declining in popularity while “Give or Get” and “Give and Get” policies both increased. What is surprising, however, is that more than ¼ of responding organizations still do not have a policy on board member giving and fundraising.

	No Requirement	“Give”	“Give or Get”	“Give & Get”	No Answer
MFCS 2024	26%	28%	23%	21%	2%
MFCS 2020-I	29%	36%	17%	16%	2%

In 2020, we also asked our panel if they recalled any board members(s) actually being removed from their board for failure to comply with their organization’s requirement that they give and/or help fundraise. Only 7% of our 2020 panel could recall an occasion when a board member was actually removed or not re-elected for that specific reason. We did not include a similar follow-on question in our 2024 survey but probably should have.

#9 - How well/poorly organization boards fulfill selected traditional board responsibilities. In addition to asking for leadership’s evaluation of the overall performance of their organization’s board, we also asked them to evaluate how well or poorly their boards fulfill some traditional obligations of board members. The panel generally gave their board good reviews in the areas of oversight, wisdom, representation, and giving. Our panel, however, was a good deal less positive about the performance of their boards in all three aspects of fundraising touched on by this year’s survey.



#10 – A new board member “wish list.” This year’s final question asked our panel to use a 7-point scale to rank some typical profiles of people commonly serving on nonprofit boards from most to least needed by their own organization at this time. Ranks in the table below are based on selection scores created by combining the rankings by individual respondents into an overall score. Ranks, selection scores, and the proportions of panel members declaring a type of new board member most, and least, needed by the statewide panel appear in the table below. The full panel generally ranked the profiles connoting expertise more highly than those implying connections.

Statewide Panel (all 59 respondents)

Rank	Prospective new board member profile	Score	“Most needed”	“Least needed”
1	Professions (law, accounting, etc)	4.46	20%	11%
2	Representative of an important constituency	4.41	13%	2%
3	Subject matter expert (about work of the NPO)	4.24	20%	11%
4	Business leader (C-level or owner)	4.21	16%	9%
5	Major donor (or major prospect)	4.17	17%	13%
6	Community representative	4.04	12%	14%
7	Government official or political influencer	2.87	4%	39%

In the table that follows, the Metro Rank vs. Michigan Rank column shows the number of places by which a given profile for a prospective new board member was ranked higher (positive numbers) or lower (negative numbers) by Metro Detroit respondents than by the full statewide panel.

Metro Detroit respondents had a clear preference for recruiting *Business Leaders* giving them a selection score of 4.91 and putting them into the #1 spot by a wide margin. The metro Detroit subgroup also expressed greater need for *Community Representatives* and *Professions* than the full panel. In turn, Metro Detroit respondents ranked *Representatives of an Important Constituency*, *Major Donors*, and *Professions* lower than the full panel. The two groups both ranked *Subject Matter Experts* as their third priority. Interestingly, they also agreed about *Government Officials and Political influencers* – neither group had much use for them and both ranked them as the type of new board member least needed by their organization at this time.

Metro Detroit (29 Detroit-area responses)

Metro Rank	Michigan Rank	Metro vs. MI Rank	Prospective new board member profile	MI Score	Metro Score
1	4	+3	Business leader (C-level or owner)	4.21	4.91
2	1	-1	Professions (law, accounting, etc)	4.46	4.46
3	3	Same	Subject matter expert (about work of the NPO)	4.24	4.23
4	6	+2	Community representative	4.04	4.19
5	2	-3	Representative of an important constituency	4.41	4.08
6	5	-1	Major donor (or major prospect)	4.17	3.77
7	7	Same	Government official or political influencer	2.87	2.88

Methodology:

The *Michigan Fundraising Climate Survey* series was launched in 2012. To conduct the survey, we built and continue to update a sample frame of Michigan NPOs of the types most likely to be actively fundraising. To assure that we obtain the views of leaders at a representative cross section of Michigan nonprofit organizations, the sample frame has 19 overlapping strata representing different Sizes (4), Locations (6), and Purposes (9) of Michigan nonprofit organizations.

Our Panel: Each year, we invite a single person at each organization to take our survey and keep sending out reminders until we have obtained an adequate number of responses both in total and from each stratum. In 2024, we sent 560 invitations to participate in the survey and ultimately obtained 59 valid responses for an 11% response rate.

Number of Responses: 59 is an adequate number for our purposes. By way of comparison, Gallup and other national polling firms predict the outcomes of Presidential elections in which 100 million+ persons will vote with as few as 1,500 responses.

Response Rate: Since the onset of the pandemic, Americans have been over-surveyed (order online - receive a survey, etc.) and that is driving down response rates for many surveys including this one. Eleven percent is clearly

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lower than the 15% that we saw in the early years of this series but is consistent with what we have seen since 2020 and, in any event, is respectable for an online survey.

With a response rate of 11% and 17 out of 19 sample strata decently-full, we believe our 2024 results to be reliable for the specific question we asked and the issues we covered in this year's report.

III. About the Author and Firm:

Michael Montgomery is the author of this study and a principal in Montgomery Consulting, Inc., a metro Detroit-based Philanthropy and Economic Development consulting firm. He is a University of Michigan-trained political scientist and former-US diplomat. He teaches part-time in the Department of Health and Human Service at the University of Michigan-Dearborn and previously taught in MPA programs at Eastern Michigan University and Oakland University, and, earlier, in the MBA program at Lawrence Technological University.

Since 1989, Montgomery Consulting has worked with progressive non-profit organizations and communities on fundraising, strategy, project development, and economic analysis projects. The firm has advised on over \$1 billion in fundraising and project activity, including on some of this region's largest and most complex efforts.

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