Quarterly Fundraising Report™

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Total dollars fundraised are up 4.7%
- Smaller donors are contributing fewer dollars in 2022 than they did in 2021
- Donors are down -7.1% from 2022 compared to 2021.
- Donors being down in the third quarter is a pattern that continues from 2021.
- There are large decreases in overall donor counts
- Decreases in overall donor counts are driven by weaker acquisition rates as well as lower retention of new donors.

DONORS	DOLLARS	RETENTION
-7.1%	4.7%	-3.1%
(+/- 2.0%)	(+/- 2.0%)	(+/- 1.0%)
YOY change	YOY change	YOY change

- Visit https://data.givingtuesday.org/fep-report/ for the most detailed version of this report, which includes additional data splits and organization-focused insights.
- In this report, we compare data compiled from the first three quarters of previous years to data from the first three quarters of 2022.

Current Dataset

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Limitations

- Data in our panel is limited to organizations with >=3 years of data, with $5K - $25M received in the prior year, via the Growth in Giving database.
- Organizations in our panel are also analyzed to include limited growth/loss constraints.
- Data is weighted across size of organization as determined by amount fundraised - including organizations raising between $5,000 and $25,000,000.
- Data is also sorted by NTEE (National Taxonomy of Exempt Entities) codes utilized by the IRS to determine organization type and/or cause.
- A significant amount of data arrives late, so we estimate the difference for top-line metrics by reviewing historical patterns of delayed data ("data drift"). Throughout this report, ranges for each metric express uncertainty in the estimates.

DONORS	DOLLARS	ORGANIZATIONS
11.2M	$6.1B	8,800
in 2022	in 2022	in 2022

- Revenue and retention metrics report on year-to-date (YTD) performance compared against the prior year total, based on a panel* of organizations selected from the Growth in Giving Database of 241 million transactions from more than 20,000 organizations since 2005.
- *Note: A significant amount of data arrives late, so we estimate the difference for top-line metrics by reviewing historical patterns of delayed data ('data drift'). Throughout this report, ranges for each metric express uncertainty in the estimates. The panel for each year differs based on panel criteria, described on Page 2.

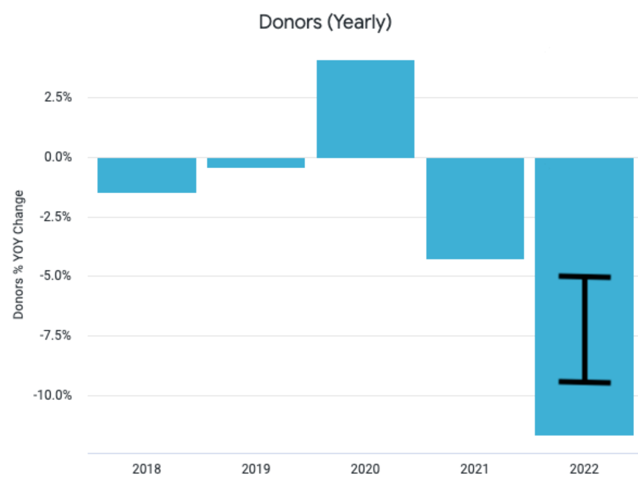
Donors: Time Series

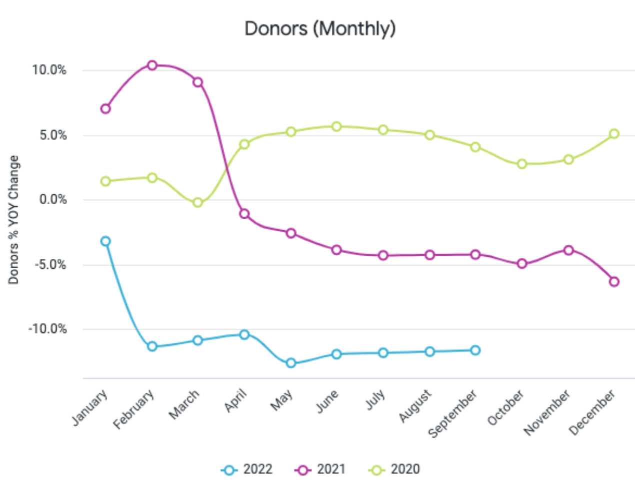
Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Donors appear to be down -11.6%, when we take the data at face value. But after adjusting for delays in data reporting ("data drift"), we estimate the actual decrease is -7.1%.





- Overall donors are significantly lower than last year.
- 2021 donor rates were also lower than 2020 by comparison.
- Donor participation rates driven down because of lower donor acquisition rates.
- Small donor participation rates also contributed to lower donor participation numbers overall.

NOTE: The panel for each year differs based on our panel rules (stable organizations over the past 3 years w/ $5K - $25M received in the prior year, via the Growth in Giving database). This ensures consistent historical data & avoids biasing past results by filtering on future data.

Donors by Life Cycle

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- New donors are down by -19.2%
- Newly Retained donors are down by -24.7%
- These decreases in New and Newly Retained donors account nearly all of the change.

NEW DONORS	NEW RETAINED DONORS	REPEAT RETAINED DONORS	RECAPTURED DONORS
-19.2% YTD Change	-24.7% YTD Change	-2.0% YTD Change	-3.3% YTD Change
37.2% % of total donors	9.3% % of total donors	40.0% % of total donors	13.5% % of total donors

NEW DONORS - never gave to this organization before.
NEW RETAINED DONORS - gave last year to the organization, but never before.
REPEAT RETAINED DONORS - gave last year to the organization, but not for the first time.
RECAPTURED DONORS - did not give last year to the organization, but had given in the past.

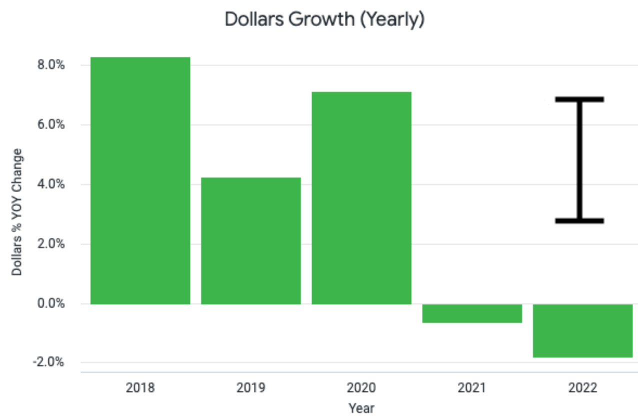
Dollars: Time Series

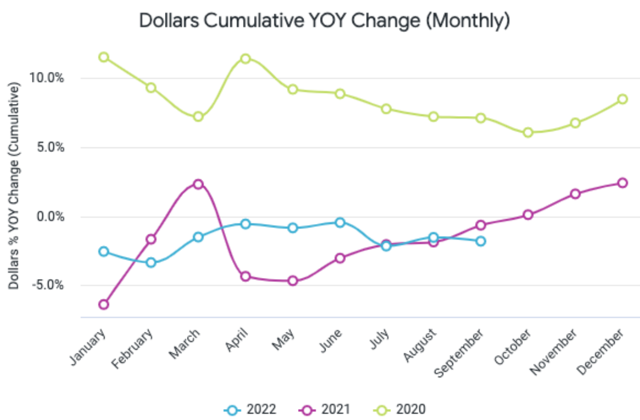
Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Fundraising dollars appears to have decreased by -1.8%, but after adjusting for delays in data reporting ("data drift"), we estimate dollars increased by +4.7%, compared to 2021.





- Stability in large donors keeps fundraising figures consistent in the face of unstable donor participation
- Dollars from recaptured donors is also a contributor to fundraising growth

Dollars by Donor Size

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Numbers of Micro and Small donors (donating less than $500) have fallen much more than larger donor categories
- Micro donors have dropped 13.2%
- Small donors have dropped 7.0%
- Funds from "Small" and "Micro" donors make up only 9.3% of funds raised

MICRO (Under $100)	SMALL ($101 - $500)	MIDSIZE ($500 - $5K)	MAJOR ($5K - $50K)	SUPERSIZE ($50K+)
-13.2% YOY Change	-7.0% YOY Change	-2.0% YOY Change	-1.4% YOY Change	-0.4% YOY Change
2.9% % of total dollars	6.4% % of total dollars	16.3% % of total dollars	25.4% % of total dollars	49.0% % of total dollars

Donor size is computed on a donor's total year-to-date dollars given.

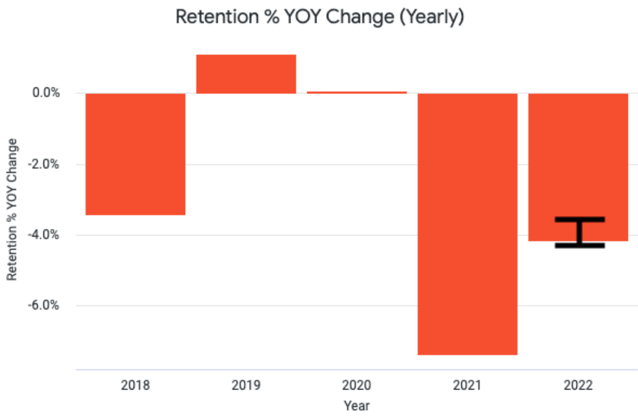
Retention Rate: Time Series

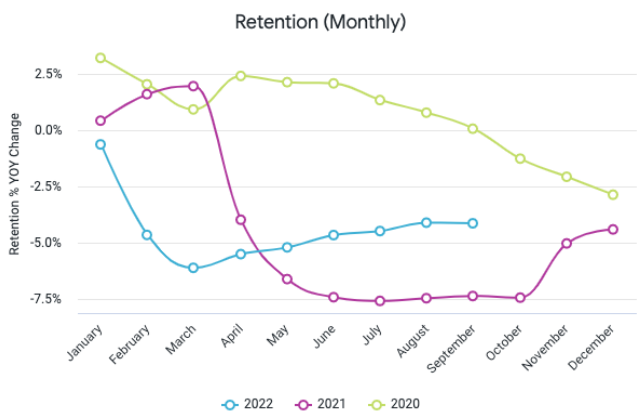
Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Retention is expected to decrease by -4.1% year-over-year, following last year's -7.4% decrease
- Year-to-date retention of donors from last year stands at 29.9% in Q3





- Year-over-year retention rates have been steadily increasing throughout the year, but they remain negative
- These year-over-year drops are significant, especially given last year's significant decrease

Retention Rate: Donor Type

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Retention rates have decreased across all types of donors

NEW DONOR RETENTION RATE	REPEAT DONOR RETENTION RATE	RECAPTURE RATE
-14.8% YOY Change	-5.4% YOY Change	-15.0% YOY Change
13.7% retained YTD	41.5% retained YTD	2.7% retained YTD

NEW DONORS - never gave to this organization before.
REPEAT DONORS - donors who gave last year to the organization, and were not new last year.
RECAPTURED DONORS - donors who did not give last year to the organization, but had given in the past

Organizations

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Organization size (based on amount raised) factored much more significantly into fundraising than last year
- Organization cause explained little of the variance in fundraising amounts.
- The proportion of organizations not reporting data continues to exceed pre-covid (2019) rates. In 2022, 10.4% of organizations provided no fundraising information.

Organization Size Impact

152%

YOY Change

Size matters more than in 2021

Organization Cause Impact

-40.0%

YOY Change

Cause matters less than in 2021

Organizations Not Reporting

10.4%

Not Reported

More orgs did not report in 2022

Our 'impact' metrics measure the importance of size and cause on organization results. These are meant to be more directional than quantitative, but numbers help track these trends year-over-year.

Organization Size Impact: Splits

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- All organization sizes, except organizations raising $5M+, grew in the mean but shrank in the median amount of fundraising
- The data suggest that a handful of organizations account for most of the growth

	ORGANIZATION SIZE	% 2022 DOLLARS	% GROWTH (MEAN)	% GROWTH (MEDIAN)
1	1. <=$100k	1.4%	6.8%	-8.3%
2	2. $100k-$250k	5.0%	5.9%	-3.5%
3	3. $250k-$1M	16.1%	5.8%	-0.4%
4	4. $1M-$5M	35.8%	1.1%	-1.1%
5	5. $5M-$25	41.7%	-7.7%	-2.8%

% DOLLAR GROWTH (MEAN) - Year-over-year dollar growth for organizations, grouped by an organization's budget size. Trends in the mean are more informative of the sector as a whole.

% DOLLAR GROWTH (MEDIAN) - The median year-over-year dollar growth for organizations, grouped by an organization's budget size. Trends in the median are more indicative of a typical organization's fundraising experience.

Organization Cause: Split

Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Religious organizations fundraised 4.9% more than last year
- International and foreign affairs causes decreased -20.2% on average in our study
- Public & societal benefits (-7.8%) also raised less funds than last year

ORGANIZATIONAL CAUSE	% 2022 DOLLARS	% DOLLAR GROWTH (MEAN)	% DOLLAR GROWTH (MEDIAN)
I. Arts, Culture, and Humanities	3.8%	1.0%	-2.9%
II. Education	15.2%	-3.1%	-1.4%
III. Environment and Animals	5.2%	3.3%	4.2%
IV. Health	12.6%	0.4%	-1.2%
V. Human Services	29.8%	-3.9%	-2.5%
VIII. Religion Related	9.0%	4.9%	-0.6%
VI. International, Foreign Affairs	2.7%	-20.2%	-10.4%
VII. Public, Societal Benefit	6.0%	-7.8%	3.3%
X. Unknown, Unclassified	15.7%	2.4%	-3.2%

% DOLLAR GROWTH (MEAN) - Year-over-year dollar growth for all organizations of this NTEE major group. More informative about the sector as a whole.

% DOLLAR GROWTH (MEDIAN) - The median year-over-year dollar growth across each organization of this NTEE major group. More indicative of a typical organization's fundraising experience.

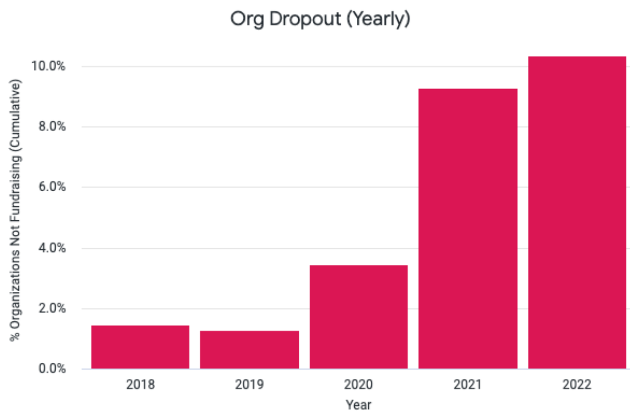
Organizations Not Reporting: Time Series

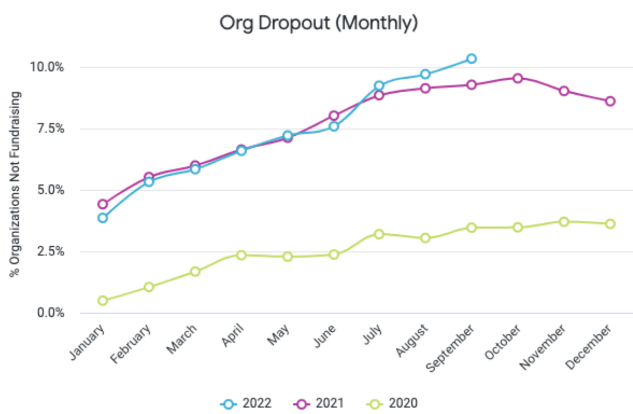
Year-to-Date Nonprofit Sector Trends

Q3 2022 (JAN 1, 2022 - Sep 30, 2022)

Key Insights

- Organization dropout has stayed at its unprecedented rates
- 10.4% of the organizations we expected to report data have not yet done so





FUNDRAISING EFFECTIVENESS PROJECT

The Fundraising Effectiveness Project (FEP) - first established in 2006 - and the Growth in Giving database - created in 2012 - are both administered jointly by the Association of Fundraising Professionals and GivingTuesday. The Growth in Giving database is the world's largest public record of donation activity, with more than 241 million donation transactions, and is continuously updated by top fundraising software partners (in alphabetical order) Bloomerang, DonorPerfect, Keela, and NeonCRM. Additional partners include the 7th Day Adventists, The Biedermann Group, DataLake Nonprofit Research, and DonorTrends (a division of EveryAction). For more information and how you or your fundraising software provider can participate, please visit www.afpfep.org

METHODOLOGY

We removed organizations that did not have a minimum of 25 donors and $5,000 in revenue in each of the previous three years. We removed organizations at either tail of the revenue growth curve. If revenue growth was more than 300% or less than -66% in any of the past three years, organizations were removed. We also excluded individual contributions above $10M. We weighted our data by organization size and NTEE major group to make it reflective of 2018 IRS filers in the $5K - $25M range of contributions. In 2018, there were 222K IRS filers in this contributions range and passing our growth and size filters, making this report representative of 3.9% of the total relevant filers. Details regarding estimation methodology for data drift (late reported data) can be found here.

DATA PROVIDERS

The FEP wouldn't be possible without data. These software providers make the collection of data for this analysis possible.

DATA REPORTING

The Quarterly Report wouldn't be possible without the data processing and analytics provided by these firms.