

5 Things That Will Change the Way Nonprofits Work in 2013

By Suzanne Perry, Caroline Preston, Cody Switzer

Raising Money From the Crowd

Tools like Catapult, Gofundme, Indiegogo, and Kickstarter have made it easy to issue online appeals for financial support. Increasingly, nonprofit workers may need to demonstrate savvy when it comes to using such “crowdfunding” networks. “This will become a key hiring question,” says Lucy Bernholz, a visiting scholar at Stanford University’s Center on Philanthropy and Civil Society, which counsels donors. She says job applicants will need to come prepared with information on how they’ve used social networks to raise money in the past.

Impact Investing

More donors are exploring ways to combine their charity and financial investments. Some foundations are putting a share of their foundation’s endowment into social enterprises, while the F.B. Heron Foundation announced last year that its entire endowment would go to such causes. Meanwhile, more cities, states, and federal-government agencies are eyeing social-impact bonds, which are loans that cover a social program’s upfront costs and pay donors or more traditional investors a profit if the program succeeds. While it remains unclear whether these new approaches will augment or cannibalize more traditional philanthropy, charities that can prove their programs work are poised to benefit the most.

Demographic Shifts

Hispanics, blacks, and Asian Americans voted heavily for President Obama, helping him shrug off the challenge from Mitt Romney, who won most of the white vote. Meanwhile, the Census Bureau announced last year that for the first time, more nonwhite babies were born in the nation than white ones. It said the non-Hispanic white population would peak in 2024, then start declining. The most successful charities of the future will be those that know how to attract donors and leaders who reflect America’s diversity.

The Mobile Web

About 17 percent of all cellphone owners say they go online mainly through those devices, according to a June study by the Pew Research Center. That figure is much higher for blacks (51 percent) and Hispanics (42 percent) with cellphones. Such findings are prompting more charities to seek ways to make sure their Web sites work well for donors and clients viewing them on screens of any size.

Data’s Growing Importance

The Nature Conservancy used Web analytics to redesign its Web site and increased online donations by 15 percent from April to September. Nurse-Family Partnerships, which arranges visiting nurses for low-income first-time mothers, tracks indicators to respond quickly to trends and offer new services. More nonprofits have shown that data collection and analysis can change the way an organization operates and improve its results in fundraising and carrying out its mission. Groups like DataKind, which matches data scientists with nonprofits, are trying to spread the practice.