

## **New Gifts Don't Offset Loss of Donors, Study Says**

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By Holly Hall

Charities are barely raising enough money from new and repeat donors to keep up with the losses from people who have stopped giving, according to a new study of donor records for 2,377 charities.

In total, the charities in the study raised more than \$1.6-billion last year. But for every \$5.35 that they received in donations, they lost \$5.54 from donors who gave less or stopped giving altogether.

As a result, contributions fell by an average of 1.9%.

That finding, however, shows improvement over the previous two years, when the charities fell even further behind in contributions.

The charities in the study lost an average of 17.7% in contributions during 2009 after flat returns the year before.

The charities in the study also did better in increasing the number of people who support their organizations, with an average 1.7% increase in supporters, compared with a 2.2% loss in 2009.

“Charities are not paying enough attention to retaining the donors that they worked so hard to get in previous years,” said Elizabeth Boris, director of the Urban Institute’s Center on Nonprofits and Philanthropy, which released the study with the Association of Fundraising Professionals. “Nonprofits have to get better at telling current donors what they’ve accomplished and building that connection that will last.”

The annual analysis, conducted under the Fundraising Effectiveness Project, is based on computerized donor transactions provided by charities that raised, on average, \$692,247 last year.

Large organizations did better in fundraising than small ones.

Charities that raised at least \$500,000 last year had an 8% gain in donations, and those that raised \$100,000 to \$499,999 had a 2.3% gain.

But charities that raised less than \$100,000 reported a loss of 12.2%.

A full copy of the “2011 Fundraising Effectiveness Survey Report” is available free on the Association of Fundraising Professionals’ web site at <http://www.afpnet.org>.