

The 2023 Fundraising Outlook

Insights for Nonprofit
Planning & Prioritization



onecause[®]
POWERFUL FUNDRAISING SOLUTIONS



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INTRODUCTION

With the arrival of 2022 came a sense of relief: there was the expectation that fundraising would soon turn the corner, and the year was marked by the excitement of a steady return to in-person fundraising.

Nonprofits began reallocating their budgets to support in-person fundraising in 2022, and that trend continues as they plan for the future. As frenzied, pandemic-related upheaval starts to recede in the rear view mirror, organizations are beginning to shift their focus back to long-term donor engagement and retention.

Wisely taking a cue from supporters, many organizations are keeping hybrid or virtual options on their calendars to appeal to varying preferences, broaden their reach, and showcase versatile giving options.

In September of 2022, we conducted a survey to better understand how event and online fundraising have evolved this past year and how nonprofit priorities are shifting. This report looks at some of the year's biggest challenges, where nonprofits are finding success, and the outlook for 2023. Results are based on an online survey of 890 nonprofit professionals* representing a wide cross section of nonprofit sizes, budgets, and industries.

Let's look at the data!

*The sample of 890 nonprofit professionals surveyed represents a cross section of nonprofits (details on page 19) and was not limited to users of OneCause fundraising solutions.

KEY FINDINGS

Event and online fundraising revenue remain vital to nonprofit success, which varies by organization size.

Similar to 2021's findings, over half of nonprofits reported generating 21% or more of their annual operating budget from their event and online fundraising efforts in 2022. A quarter of nonprofits reported raising 41% or more of their annual operating revenue (AOR) through event and online fundraising. However, organizations with annual operating revenues over \$5 million are seeing greater success with event and online fundraising than their smaller counterparts.

In-person events will make a strong showing in 2023, and nonprofits remain mindful of donor preferences by keeping hybrid events on the calendar.

As donor comfort levels with in-person events continue to grow, 83% of organizations plan to hold at least one in-person event in 2023. To meet varying preferences, and to continue to reach a more geographically dispersed donor base, many nonprofits are keeping a diverse mix of event formats on their calendars. Close to half (45%) of organizations plan to hold at least one hybrid event (having both in-person and virtual supporters) in 2023. Technology spending shifts also reflect the focus on in-person events, with more nonprofits putting more money toward planning for in-person events. Technology support for hybrid events is clear in budget planning, with 79% of organizations either maintaining or increasing their budget for virtual software to support hybrid experiences.

Donor engagement, fatigue, and retention all fall within the top challenges for nonprofits.

There was a marked decrease in the number of nonprofits who reported pandemic-related planning as a major challenge. Other top challenges impacting nonprofits this year include recurring giving, sponsors, and year-over-year (YoY) growth. Staff turnover is also emerging as a trend affecting many organizations.

Organizations have inconsistent access to data useful in data-driven fundraising and storytelling.

Time, the ability to gain actionable insights, and disorganized data present challenges to approximately two-thirds of nonprofits. Only 18% of nonprofits reported having all the data and insights they need and that they use them in nearly every decision they make. The lack of access and/or resources to interpret and apply data insights presents an obstacle to fundraising effectiveness and organizational efficiency.



2022 FUNDRAISING SNAPSHOT

In 2022, nonprofits continued to employ a diverse set of fundraising methods to meet their goals. The dramatic shift to online giving necessitated by the pandemic has resulted in most nonprofits maintaining some level of their online fundraising programs, with 95% of those surveyed reporting they held at least one online fundraiser.

Figure 1 shows the distinct types of fundraising surveyed nonprofits employed or planned to employ in 2022. Online giving campaigns and events with auctions were again the two fundraising styles employed by most nonprofits, and events with auctions saw an uptick of 6 points over last year's findings. Donation-only events also saw a boost, with 70% of nonprofits reporting they held this type of event compared to 62% in 2021.

2022 Nonprofit Fundraising Snapshot

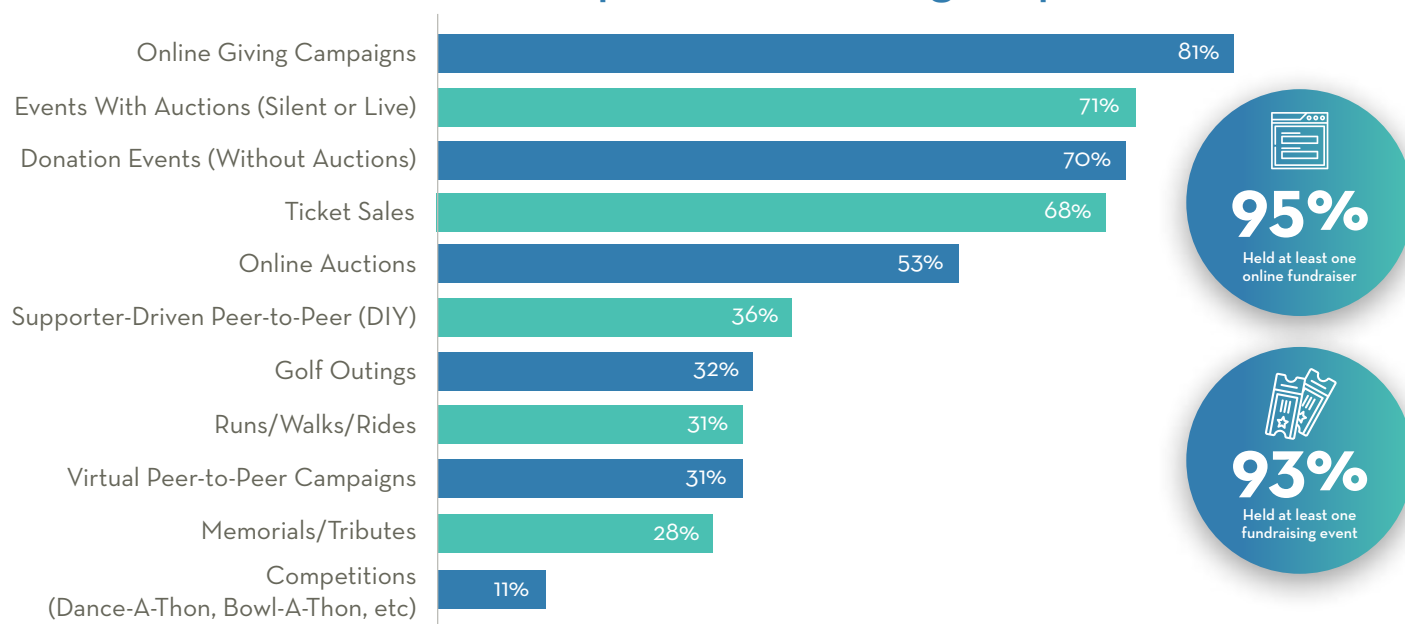


Figure 1: How many of the following online fundraisers/fundraising events did you or will you hold in 2022? (% who held at least 1)

2022 marked a significant shift back to the in-person fundraising experience, with 3x more nonprofits reporting they held an in-person event – a 22-point increase over 2021 (**Figure 2**). Hybrid event experiences with both in-person and virtual audiences remained steady, with 56% of nonprofit supporters participating in a hybrid event in 2022 compared to 57% in 2021. Nonprofits who reported they held all of their events virtually dropped from 28% to 9% this year, a 19-point decrease.

How Supporters Participated in 2022 Fundraising Events

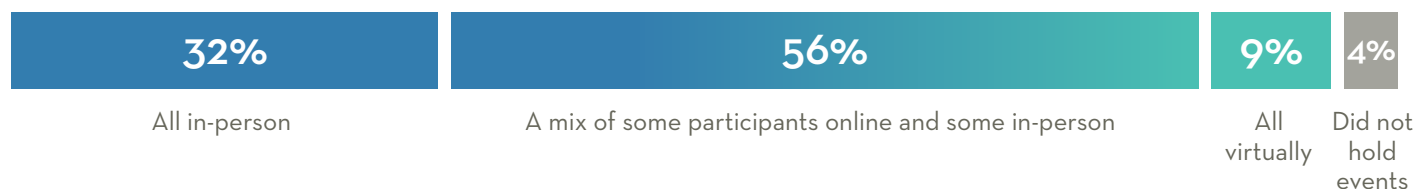


Figure 2: How did supporters participate in your 2022 events?

2022 FUNDRAISING SUCCESS

The success of event and online fundraising is critical to sustain many nonprofit organizations. In 2022, over half of the nonprofits surveyed (56%) generated 21% or more of their annual operating revenue (AOR) from their event and online fundraising efforts (**Figure 3**). Smaller organizations relied most heavily on these types of fundraising. Sixty-eight percent of nonprofits with an annual operating revenue of up to \$350,000 and 75% of those with AORs between \$350,000-\$1 million reported they raised 21% or more of their AOR through event and online fundraising.

Event and Online Fundraising

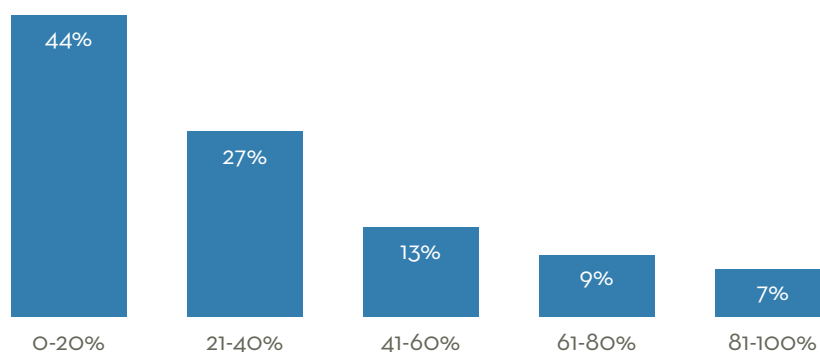


Figure 3: What percentage of your annual operating revenue comes from your event and/or online fundraising?

Overall, fundraising performance against goals remained nearly identical to 2021 (**Figure 4**). Approximately 52% of those surveyed reported raising in line with their 2022 budgets, 26% reported surpassing their budgets, and 22% reported raising less than budgeted.

Fundraising Budget Performance

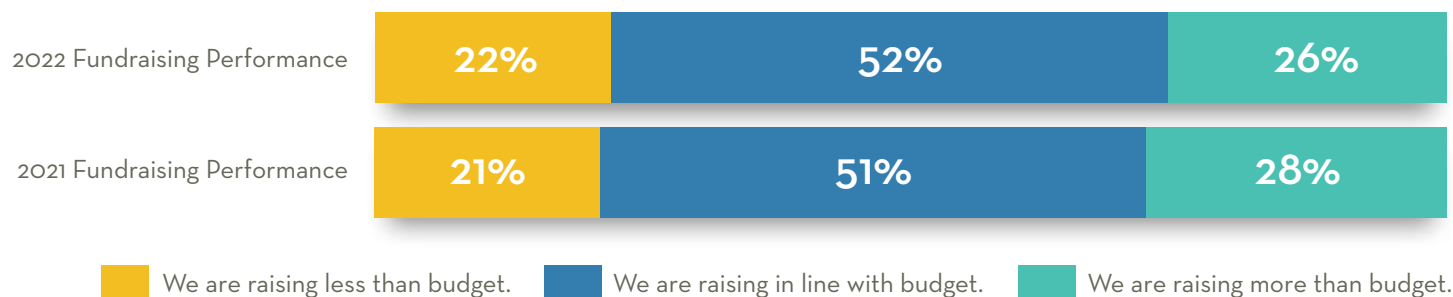


Figure 4: Considering both ONLINE and IN-PERSON fundraising, how are you performing against your 2022 event fundraising goals?

2022 FUNDRAISING SUCCESS

However, when success rates are viewed at the revenue level, many more small organizations reported mediocre performance against their 2022 fundraising goals than their larger counterparts. A third (33%) of organizations with an AOR of less than \$350,000 reported not performing well against their budget, and 25% of organizations with an AOR of \$350,000-\$1 million said they were raising less than anticipated (**Figure 5**). For organizations with AORs over \$5 million, approximately 9 out of 10 reported being in line with or raising more than their 2022 fundraising goals.

Fundraising Budget Performance By Revenue

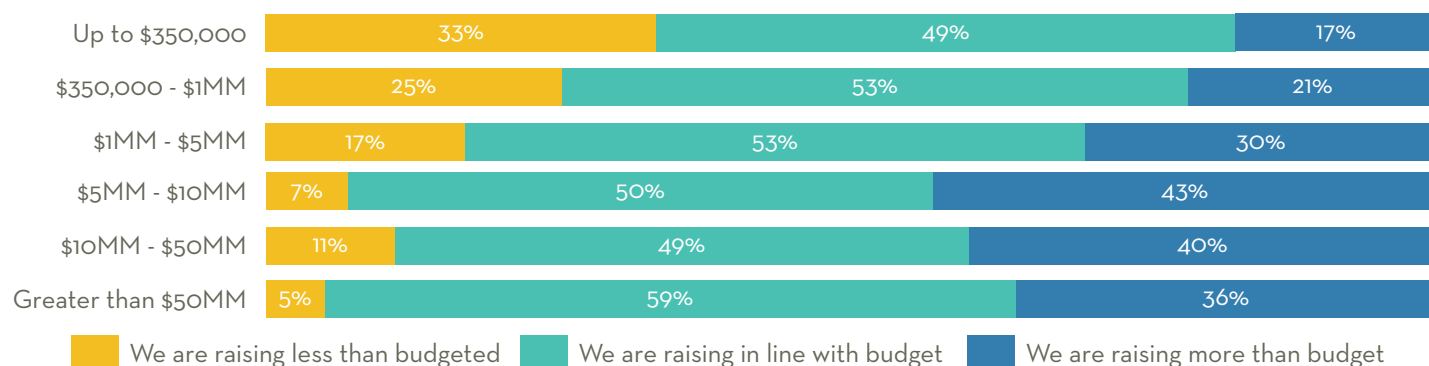


Figure 5: Considering both ONLINE and IN-PERSON fundraising, how are you performing against your 2022 event fundraising goals? (By org annual revenue; excludes "not sure")

When comparing budget performance against event formats, organizations who employed all in-person or a mix of in-person and virtual fundraising saw the greatest success rates, with approximately 80% in each category reporting they were in line with or raising more than their 2022 event fundraising goals (**Figure 6**). The similar success of hybrid events compared to in-person events appears to support the effectiveness of hybrid events as a way to provide optionality and to engage dual audiences.

Fundraising Budget Performance By Event Format

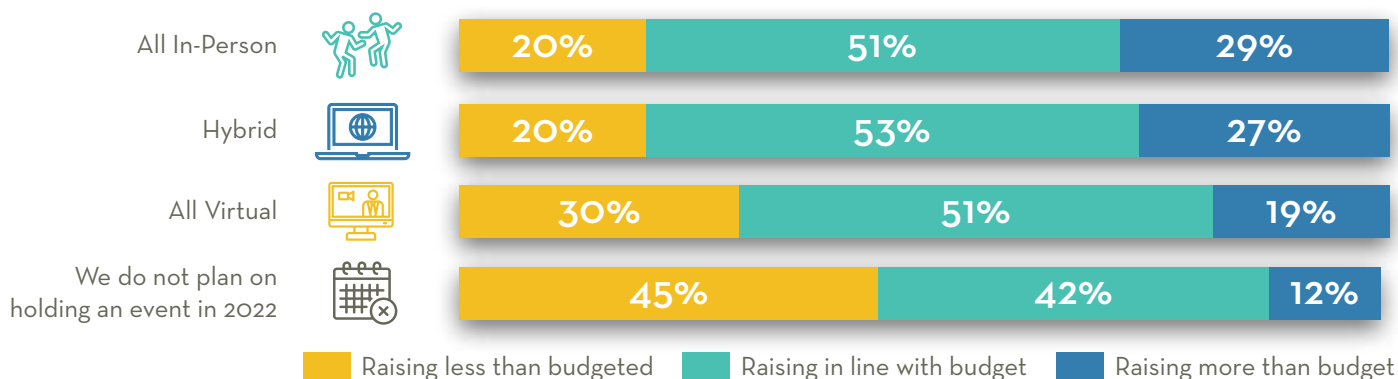


Figure 6: Considering both ONLINE and IN-PERSON fundraising, how are you performing against your 2022 event fundraising goals (viewed by organizations' chosen event formats)?

2022 FUNDRAISING SUCCESS

By fundraising type, in-person auction events and golf outings were the strongest performers in 2022 (**Figure 7**). Overall success rates remained stable, with results looking very similar to 2021 across the board with the exception of virtual events. Success with virtual events saw a significant decrease, with those reporting they were “very successful” seeing a 14-point drop from 2021. Online giving remained a strong option for nonprofits, with 57% reporting they were somewhat or very successful with their online campaigns.

2022 Fundraising Success

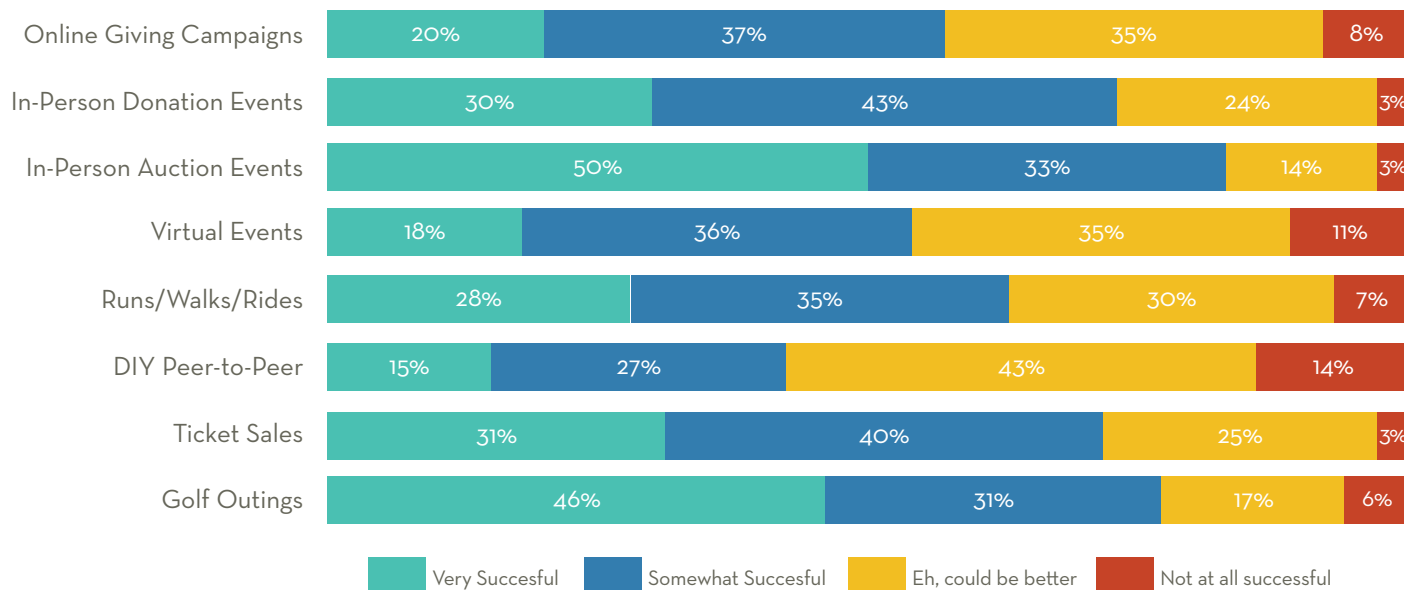


Figure 7: How successful do you feel your org has been with the following fundraising campaigns? (Percentages based on those that did this type of fundraising)

2022 FUNDRAISING CHALLENGES

Pressure from the pandemic continued to ease in 2022, with planning related to the pandemic as a challenge for nonprofits dropping from the number one spot in 2021 to number ten this year (down 19 points) **(Figure 8)**. Other top challenges impacting nonprofits this year included donor engagement, donor fatigue, and recurring giving. Fundraising technology remained a challenge for approximately 3 in 4 organizations, the same as in 2021. In an increasingly saturated fundraising technology market, nonprofits are looking for differentiators that make giving fast, easy, and personalized.

Top Fundraising Challenges

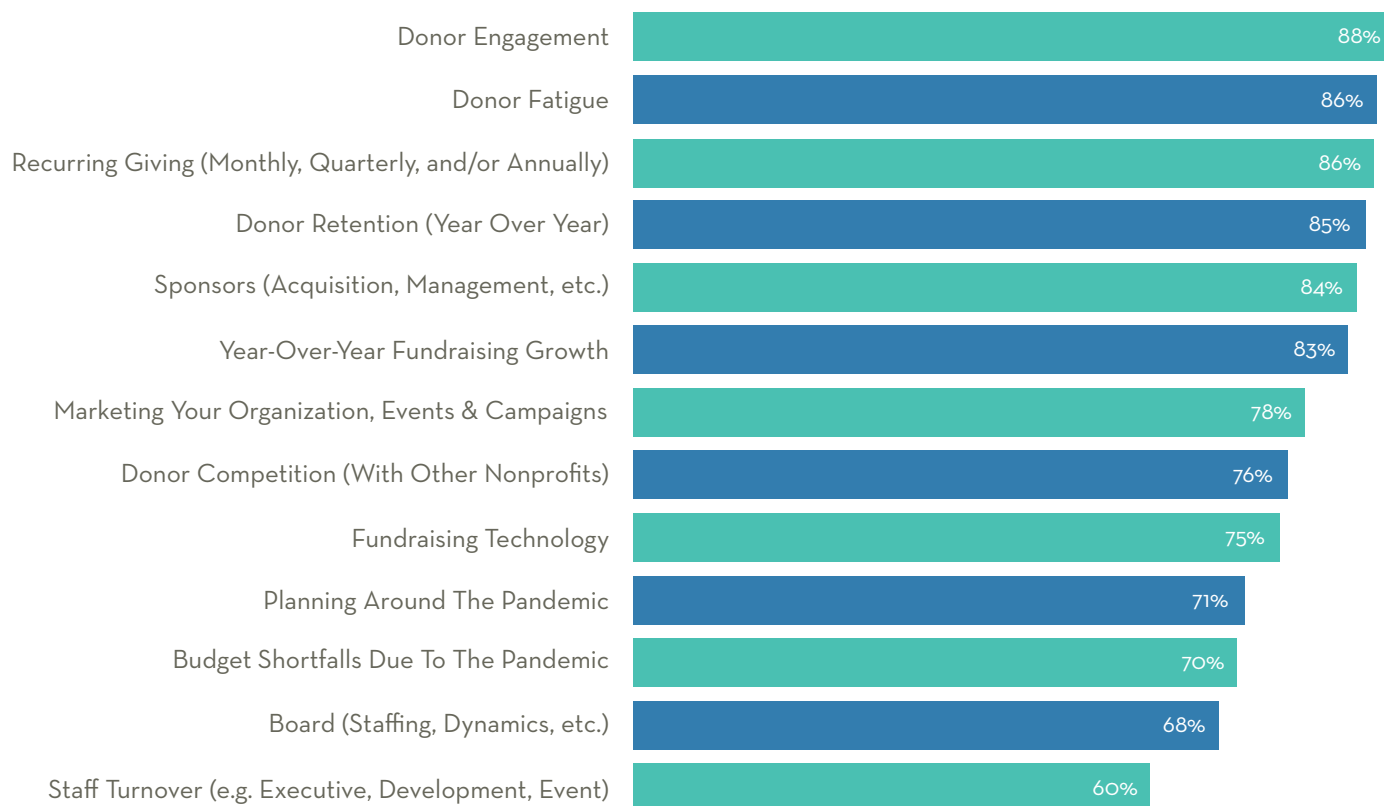


Figure 8: Rate the following fundraising challenges your org could be facing. (Percentage that said critical concern, definitely concern, or somewhat a problem)

2022 FUNDRAISING CHALLENGES

When viewed at the revenue level, it's clear that donor-related challenges take top billing for organizations of all sizes. Staff turnover made an appearance in the top five challenges this year for nonprofits with an AOR over \$50 million (**Figure 9**). Those same organizations were also the only segment to rate planning around the pandemic as a top challenge. For nonprofits with AORs below \$1 million, donor engagement was reported as the top challenge. Many organizations indicated sponsor acquisition and management was a challenge. Another common challenge for nonprofits is how to increase their recurring giving revenue.

Top 5 Nonprofit Challenges by Revenue

	1	2	3	4	5
Up to \$350,000	Donor Engagement	Donor Retention	Recurring Giving	Marketing	YoY Growth
\$350,000 - \$1MM	Donor Engagement	Recurring Giving	YoY Growth	Donor Fatigue	Sponsors
\$1MM - \$5MM	Donor Fatigue	Recurring Giving	Donor Engagement	Donor Retention	Sponsors
\$5MM - \$10MM	Donor Retention	Donor Engagement	Sponsors	Donor Fatigue	Recurring Giving
\$10MM - \$50MM	Donor Retention	Donor Fatigue	Recurring Giving	Donor Engagement	Sponsors
Greater than \$50MM	Planning Around Pandemic	Donor Engagement	Donor Retention	Donor Fatigue	Staff Turnover

Figure 9: Rate the following fundraising challenges your nonprofit could be facing. (Percentage that said critical concern, definitely concern, or somewhat a problem)

When focusing only on ratings of "critical" and "definitely a concern," staff turnover lands in the top 5 for organizations with AORs over \$5 million (**Figure 9a**). Many organizations saw a great deal of staff turnover and reorganization as a direct result of the pandemic, and those changes are still being felt. For organizations with an AOR below \$350,000, marketing and growth were of great concern. For nonprofits with an AOR between \$350k to \$1 million, budget shortfalls due to the pandemic rank in the top five.

Ratings of "Critical" and "Definitely a Concern"

	1	2	3	4	5
Up to \$350,000	Donor Engagement	Donor Fatigue	Marketing	YoY Growth	Recurring Giving
\$350,000 - \$1MM	Donor Fatigue	Recurring Giving	Donor Engagement	Budget Shortfalls: Pandemic	Sponsors
\$1MM - \$5MM	Recurring Giving	Donor Retention	Donor Fatigue	Donor Engagement	Staff Turnover
\$5MM - \$10MM	Donor Fatigue	Donor Retention	Recurring Giving	Donor Engagement	YoY Growth
\$10MM - \$50MM	Donor Retention	Staff Turnover	Recurring Giving	YoY Growth	Donor Engagement
Greater than \$50MM	Donor Fatigue	Donor Retention	Donor Engagement	Staff Turnover	Sponsors

Figure 9a: Rate the following fundraising challenges your nonprofit could be facing. (Percentage that said critical concern or definitely a concern)

2023 FUNDRAISING OUTLOOK

Nonprofits are feeling much more confident about in-person events, with 83% saying they'll hold at least one in 2023 (**Figure 10**). That's a 14-point increase from last year's *Fundraising Outlook*. This rising confidence may be why the percentage of organizations who reported being undecided about holding in-person events for 2023 dropped to 8% from approximately 20% last year.

Organizations who said they'll hold at least one virtual event dropped 7 points from last year. It appears nonprofits are keeping donor preferences in mind when it comes to offering virtual elements during events, with nearly half reporting they plan to hold at least one hybrid event in 2023. In the [2022 Giving Experience Study](#), 56% of event donors stated they prefer to have virtual engagement options, whether those options are all virtual, mostly virtual, or a balance of in-person and virtual.

2023 Fundraising Event Formats

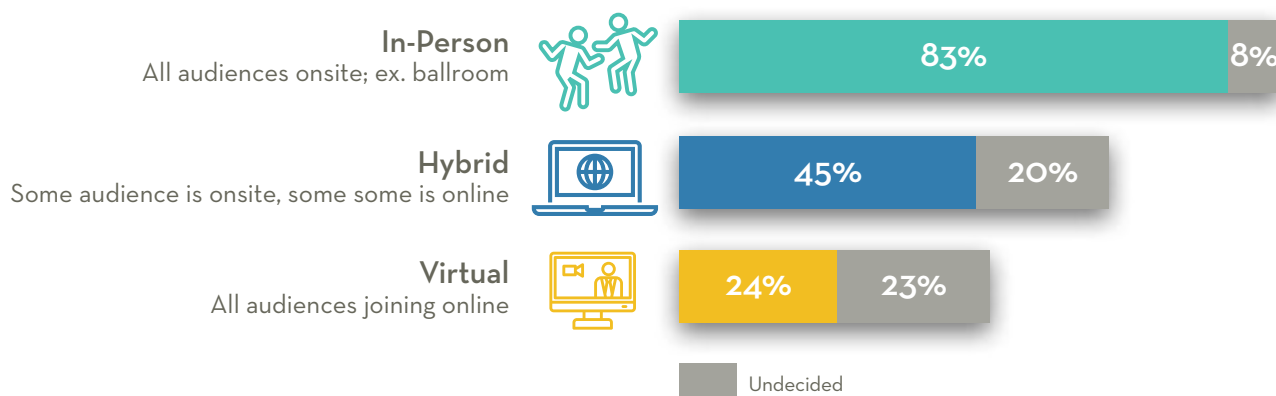


Figure 10: How many of the following fundraising events do you plan to hold in 2023? (% at least one in 2023)

TECHNOLOGY INVESTMENT

The digital transformation necessitated by the pandemic can still be seen in continued investment in fundraising technology to support accessible, immediate giving experiences. There was a 6-point upward shift to 35% in the number of nonprofits who reported they spend zero to five percent of their budget on fundraising technology (**Figure 11**). One explanation for this shift could be that many nonprofits are becoming less reliant on having a year-round solution for virtual fundraising technology as more donors become comfortable returning to in-person events.

The number of nonprofits allocating ten percent or less of their annual budget to technology grew 5 points this year to 54%. Only 6% of those surveyed allocate more than fifteen percent of their budget to technology, which is consistent with 2021's findings.

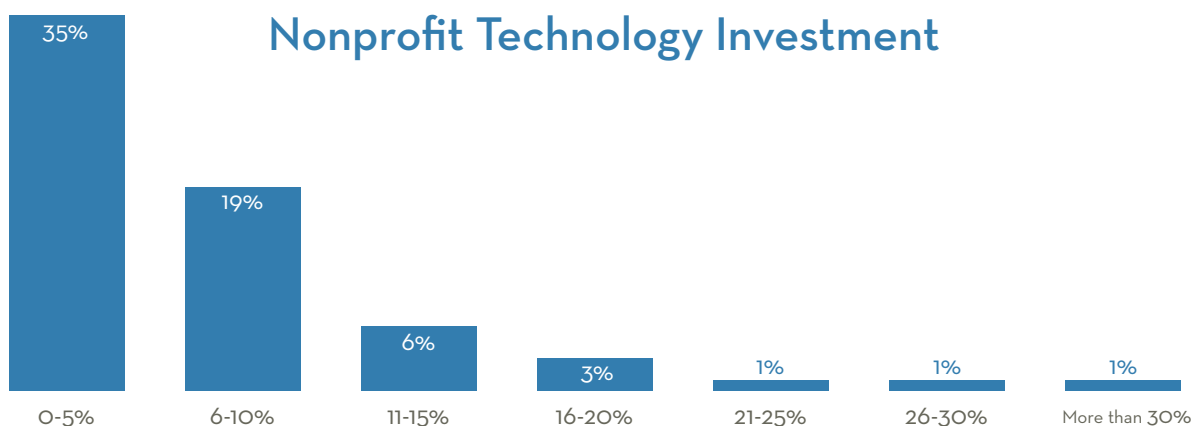


Figure 11: What percentage of your overall budget goes to TECHNOLOGY? (Note: 34% of respondents were not sure)

Figure 12 shows the breakdown of technology investment by organization annual operating revenue. For organizations with AORs up to \$350,000 and between \$350,000 and \$1 million, 16% in each category reported spending more than ten percent of their budget on fundraising technology.

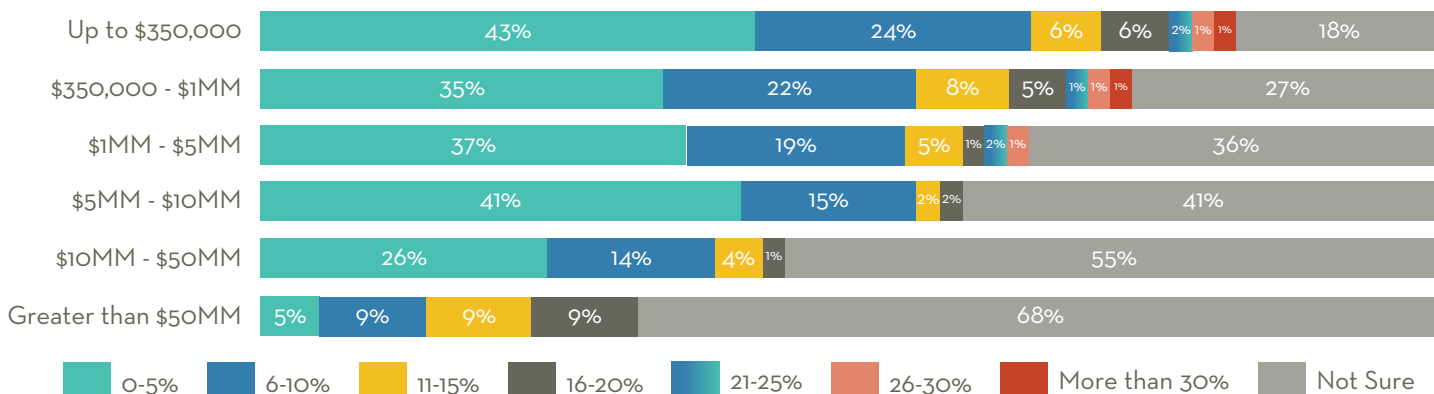


Figure 12: What percentage of your overall budget goes to TECHNOLOGY? (By org. annual revenue)

TECHNOLOGY INVESTMENT

It's no surprise that investment in virtual event fundraising saw a 9-point drop from last year, with approximately 22% of nonprofits saying they plan to decrease budget in this area for 2023 (**Figure 13**). However, 79% of organizations will either maintain or increase their budget for virtual tech in 2023, which may point to the role of virtual fundraising technology in supporting hybrid events with dual audiences. Anticipated investment for in-person event fundraising technology saw a 4-point gain, with 41% of organizations saying they will increase their budgets in this area.

Approximately 23% of organizations plan to increase their budget for peer-to-peer/social fundraising, perhaps responding to donors' increased desire for more social connection and engagement in fundraising experiences. Approximately one third (31%) of organizations of all sizes anticipate increasing their budget in online giving technology.

Very few organizations said they would decrease spending on CRM/donor management and marketing automation – 30% said they would increase budget allocated for CRM/donor management software, and 36% said they would increase investment in marketing automation.

Anticipated Shifts in Nonprofit Technology Investment

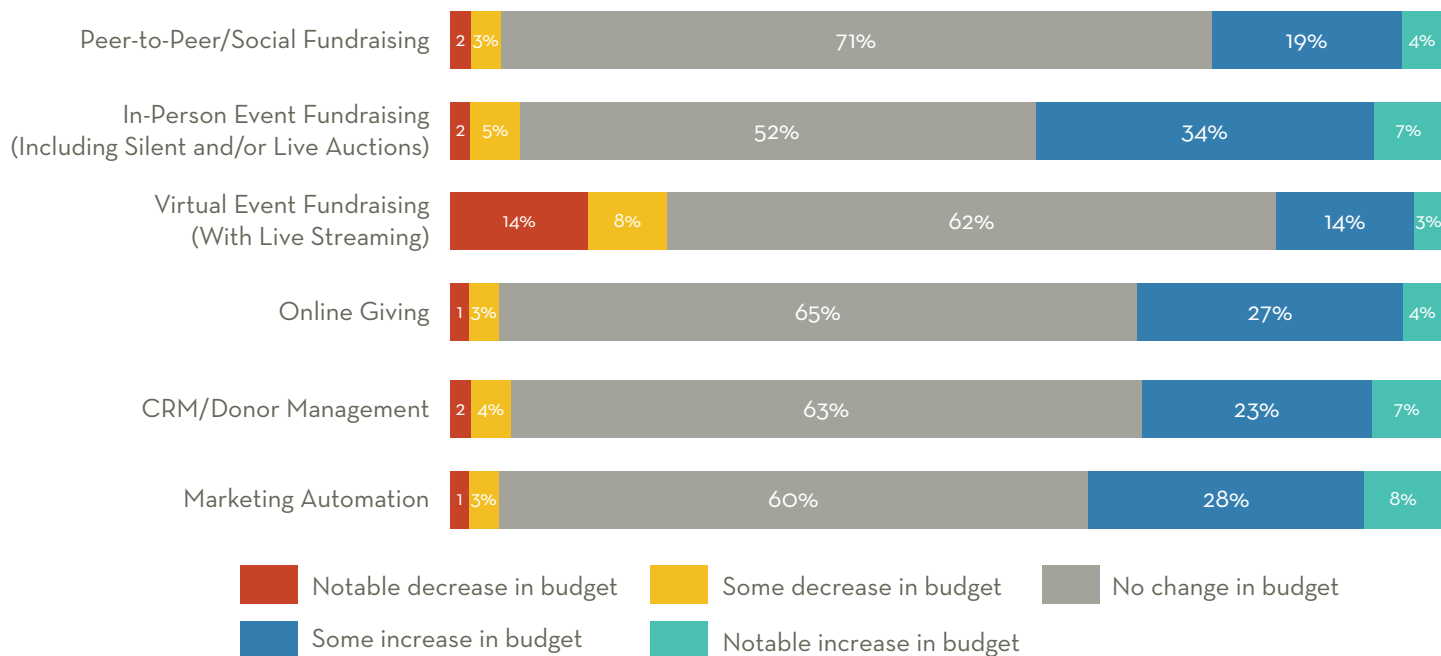


Figure 13: What shifts do you anticipate in your tech budget for the following types of fundraising software?

PRIORITIES

With much of the burden of pandemic-related planning and the scramble to overhaul fundraising plans on short notice behind us, most nonprofits anticipate prioritizing growing their donor base, strengthening relationships with existing donors, and increasing funds raised from existing campaigns in 2023 (**Figure 14**). In the [2022 Giving Experience Study](#), we found that social giving has grown 6 points since 2018 and has expanded access – especially through virtual and hybrid programming – to new donor bases. To acquire new donors, organizations who have not typically relied on formats like DIY, hybrid peer-to-peer events, and/or auctions with a virtual component may want to consider experimenting with these wide-reaching formats.



Figure 14: Percentage of nonprofits who ranked items as “critical” or “important.”

While new ways to fundraise and operational efficiency/effectiveness were valued, there was less concern around these priorities, and far fewer nonprofits rated them as “critical.” There was a 13-point difference between nonprofits that ranked “new ways to fundraise” and “increasing funds from existing campaigns” as critical, and a 15-point difference between the latter and “operational efficiency/effectiveness” (**Figure 15**).

Nonprofit Priorities: A Full View

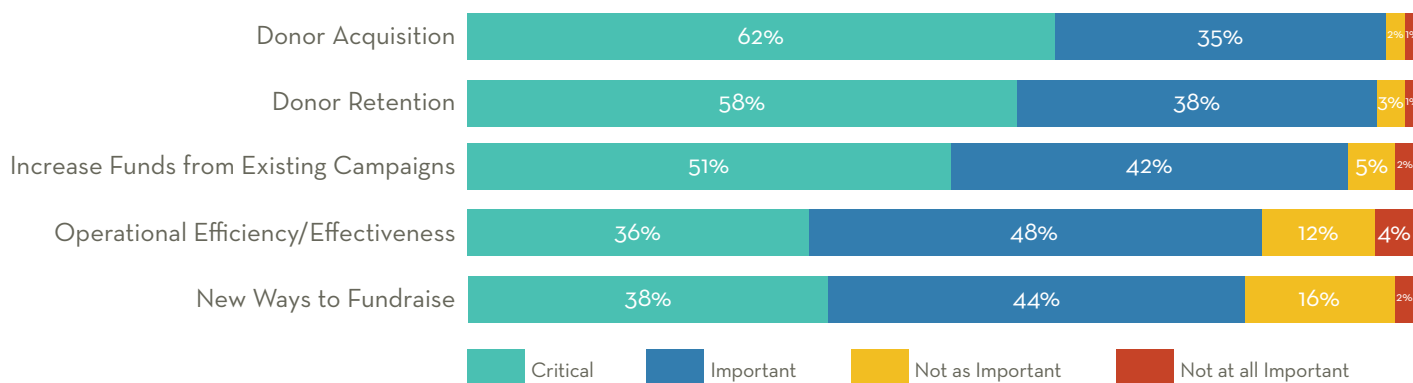


Figure 15: Considering the next 12 months, rank the following in order of priority for your organization.

DATA CHALLENGES

A major challenge for nonprofits as they determine priorities and plan their fundraising strategies for 2023 is access to data and the ability to form actionable insights based on fundraising analytics. Data-driven fundraising and storytelling with data have been hot topics in the nonprofit world in recent years. But do organizations have access to the data they need to make decisions that will drive success in 2023? If they do have data, do they know how to form actionable insights or even have time to do so?

Less than a quarter (18%) of nonprofits surveyed said they have all the data they need and use it in most of their decision-making (**Figure 16**). Nearly half of nonprofits reported having a lot of data, but they either don't have the time to form actionable insights (26%) or they have difficulties interpreting the data to inform their fundraising practices (22%). A quarter of nonprofits said they have some data, but it's "all over the place" and not useful in making decisions. Eight percent of nonprofits reported they don't have the data they need.

Nonprofit Data Insights

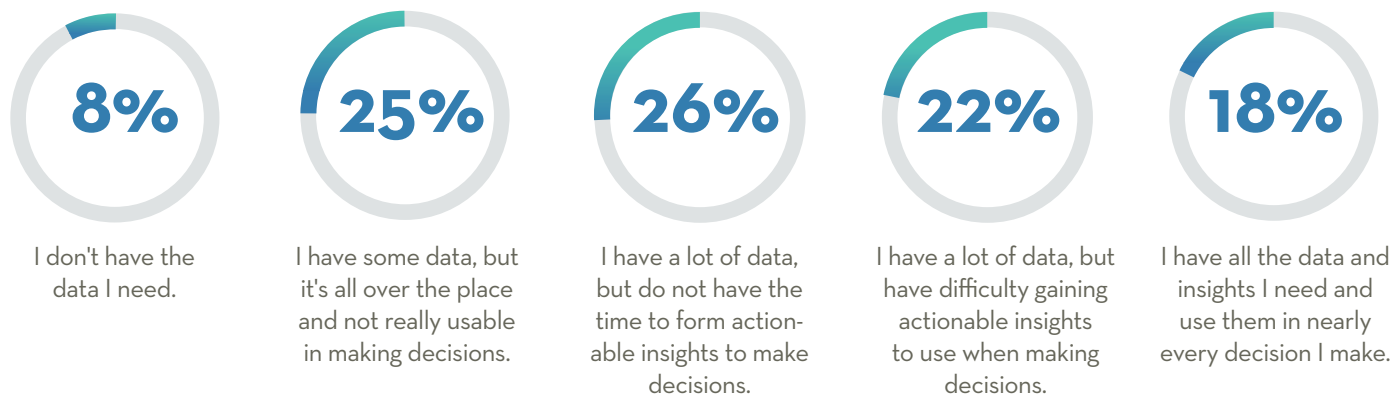


Figure 16: How successful are you at using data to make data-driven fundraising decisions?

DATA CHALLENGES

Smaller nonprofits with AORs below \$350,000 reported having less access to data, with 16% saying they don't have access to the data they need and 30% saying they have some, but it's disorganized and not useful in decision-making (**Figure 17**). Very large organizations reported having all the data they need at higher rates, with 27% of nonprofits with an AOR of greater than \$50 million saying they use their ample data in nearly every decision. Time was a common struggle across nonprofits of all sizes, with anywhere from 21% to 33% in varying AOR categories reporting they have a lot of data, but no time to form actionable insights.

Nonprofit Data Insights by Revenue

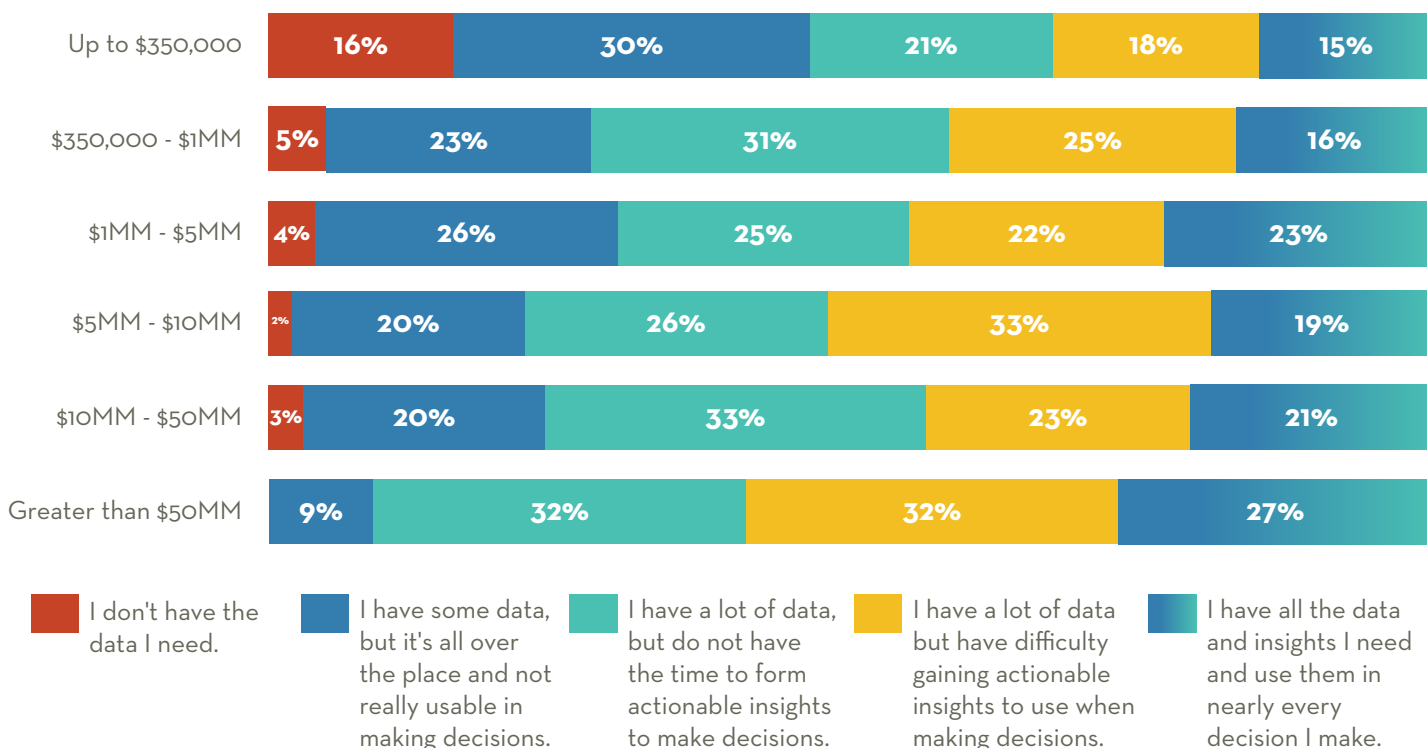


Figure 17: How successful are you at using data to make data-driven fundraising decisions? (By org annual revenue)

CONCLUSION

Nonprofits have proven they see the value in providing a mix of both in-person, online, and hybrid fundraising formats to expand access and provide options for supporters to participate in ways that appeal to them.

As organizations begin planning for the future, they're looking to bring donors back together at in-person events while finding a balance of programming with virtual options. And as fundraisers refresh their strategies, they're once again able to devote the lion's share of their attention to creating more engaging, versatile, and personalized giving experiences to attract and retain donors.

In the 2022 Giving Experience Study, over 40% of donors reported it had been a year or more since their last social giving donation. This points to the addition of social giving experiences, such as peer-to-peer events, as a way to re-engage lapsed donors and offer a way for supporters to connect with each other and their networks in support of nonprofits they love.

The next challenge comes down to engaging dual audiences, fostering connection, and converting supporters to recurring donors to help overcome this top challenge area for nonprofits. 96% of nonprofits reported either maintaining or increasing their budgets for online giving, further proof that the massive shift online during the pandemic is here to stay, especially as organizations look to boost their recurring giving revenue.

Benchmark your success and identify opportunities to improve.

This report provides a great snapshot of where nonprofits are finding success, as well as the biggest challenges they're facing. Take this opportunity to evaluate your own fundraising strategies and event calendar. Identify areas to improve your existing activities and look for opportunities to expand your fundraising mix.

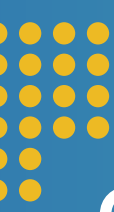
With donor acquisition and retention as top priorities, it's time to review your tech stack.

Your donors interact with your organization through marketing automation, they're cultivated according to records kept in your CRM, and they're either delighted or disappointed based on their experience with your fundraising tools. Make sure you're using technology that helps you identify and communicate in accordance with donors' unique preferences, so they experience satisfying interactions at every touchpoint.

Take small steps toward using your data to drive fundraising success.

While most organizations reported having access to a lot of data, the majority either didn't have the time or a way to form actionable insights.





CONCLUSION

The seemingly unlimited number of metrics can be overwhelming, so start small by choosing a set of data that is useful to your organization's strategy and will help you reach your goals. For example, if you hope to increase recurring giving, start by focusing on recurring-relating metrics. Evaluate your tech stack to be sure you're getting sufficient data analytics and insights, and audit how your organization is using data in fundraising practices across teams and according to roles.

Look for new ways to wow donors throughout the giving experience.

After you benchmark your nonprofit against the findings of *The 2023 Fundraising Outlook*, take a deeper dive into your donor experience. Overlay your Fundraising Outlook findings with [what today's donors say is important in their giving experience](#). Explore the donor perspective to determine if your fundraising strategies align with the needs of today's donors.

ABOUT THE SURVEY

The survey of 890 nonprofit professionals was conducted online between September 12 – October 14, 2022. Survey respondents represent a wide spectrum of organization sizes and verticals. Most respondents identify their roles within executive, development, and event leadership. The nonprofits surveyed use a wide range of technology solutions and vendors to power their fundraising, not limited to OneCause. All data is self-reported, not transactional.

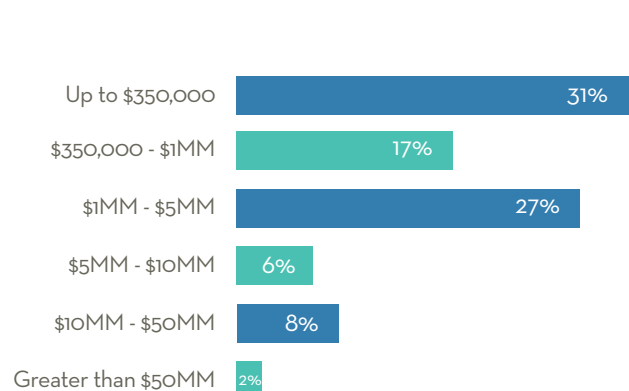


Figure 18: What is your organization's annual operating revenue? (Excluding "Not sure")

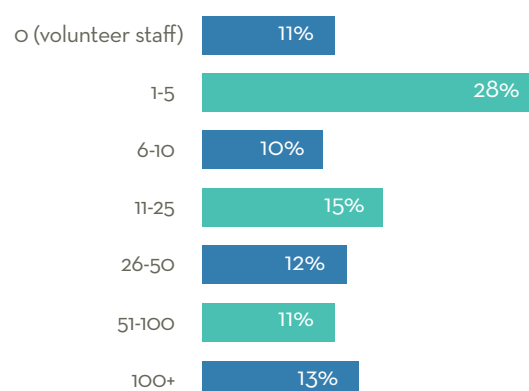


Figure 19: How many FULL-TIME EMPLOYEES are in your organization?



Figure 20: Which of the following most closely aligns with your role (Select one)?

Additional Resources

[2022 Giving Experience Study](#)

[The Fundraising Outlook: 2021 Insights & Planning for Post-Pandemic Engagement](#)

[Online Fundraising Resource Center](#)

[In-Person Events are Back: 4 Tips to Engage Social Donors](#)

About OneCause

OneCause is driving the future of fundraising with easy-to-use event and online fundraising solutions that help nonprofits improve the giving experience and raise more money. OneCause builds technology that optimizes everyday generosity, making it easier for nonprofit organizations to fundraise and for nonprofit supporters to give. Since 2008, OneCause has helped over 10,000 nonprofits raise more than \$4.9 billion for their missions. Headquartered in Indianapolis, OneCause is committed to driving innovation in the charitable sector, bringing together nonprofit professionals across the world for the annual Raise Conference to exchange ideas that further fundraising. For more information, visit www.onecause.com or follow us on [LinkedIn](#), [Twitter](#), [Instagram](#), and [Facebook](#).

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