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CHARITABLE GIVING

REPORT

How Nonprofit Fundraising Performed in 2015

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The Charitable Giving Report has leveraged findings from The Blackbaud Index for many years now to provide the largest analysis of overall and online giving data anywhere in the nonprofit sector. Our goal with this Report is to provide a benchmark for giving and help inform nonprofits’ fundraising strategies in 2016.

The 2015 Charitable Giving Report includes overall giving data from 5,379 nonprofit organizations representing \$18.2 billion in total fundraising from 2015. The Report also includes online giving data from 3,983 nonprofits representing \$2.2 billion in online fundraising from 2015.

As in the past, significant work has gone into building the analysis model and making sure the data meets strict requirements. This includes collecting giving data on a monthly basis over a period of 24 months, checking and rechecking for anomalies, classifying each organization by sector using the National Taxonomy of Exempt Entities (NTEE) code,

matching and retrieving reported total revenue information, and applying statistical expertise to the data.

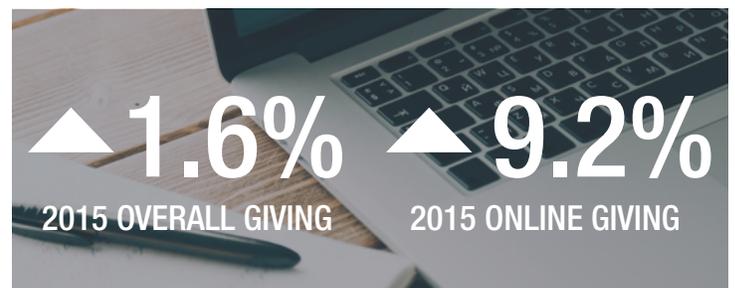
In addition to this year-in-review Report, The Blackbaud Index is updated on a monthly basis to showcase the latest charitable giving trends. Visit www.blackbaud.com/blackbaudindex for additional insight, to chart your organization’s performance against the Index, and to sign up for free monthly fundraising alerts.

For more, see “About the 2015 Charitable Giving Report” on page 10.

SUMMARY OF RESEARCH FINDINGS

In 2015, overall charitable giving in the United States increased 1.6% on a year-over-year basis. Large organizations grew by 1.4%, medium organizations declined 0.7%, and small nonprofits grew 5.5% compared to the same time period in 2014.

Online giving grew 9.2% in 2015 compared to 2014. Large organizations grew by 9.6%, medium sized organizations grew 9.1%, and small nonprofits grew 8.3% on a year-over-year basis.



Overall giving was up 1.6% in 2015, compared to the online giving increase of 9.2%.

Overall giving to International Affairs organizations grew the most in 2015 compared to 2014. Higher Education institutions had the largest increase in online giving for the second consecutive year. Several sectors, including Human Services and Public and Society Benefit, had a decrease in year-over-year fundraising performance.

The percentage of total fundraising that came from online giving continued to grow in 2015. About 7.1% of overall fundraising revenue, excluding grants, was raised online. This increase was due to increases in episodic giving and continued digital adoption by donors.

Mobile giving reached a tipping point in 2015 with nearly 14% of online transactions made using a mobile device. This continues to demonstrate the key role that emerging digital technology plays in engaging donors.

OVERALL 2015 GIVING TRENDS

2015 Overall Giving Trends by Size	
Size	YOY % Change
Small (Less than \$1M)	5.5%
Medium (\$1M–\$10M)	-0.7%
Large (\$10M+)	1.4%
Total	1.6%

Overall giving in 2015 grew 1.6% on a year-over-year basis for the 5,379 nonprofit organizations in the analysis. This is the fourth consecutive year where the Charitable Giving Report has found an increase in giving.

Fundraising by large organizations, with annual total fundraising of more than \$10 million, was up by 1.4%. Medium-sized organizations, with annual total fundraising between \$1 million and \$10 million, had a decline of 0.7% on a year-over-year basis. Small nonprofits, with annual total fundraising of less than \$1 million, grew their fundraising 5.5% compared to 2014. Since 2011, small nonprofits have had significantly better fundraising growth rates than both large and medium-sized organizations.

Online giving in 2015 grew 9.2% year-over-year for the 3,983 nonprofit organizations in the analysis. Stronger performance by larger nonprofits and increased focus on digital fundraising have helped fuel this growth.

Nonprofit organizations of all sizes grew their online giving in 2015 compared to 2014. Large organizations grew their online fundraising by 9.6% in 2015 compared to 2014. Medium-sized nonprofits had

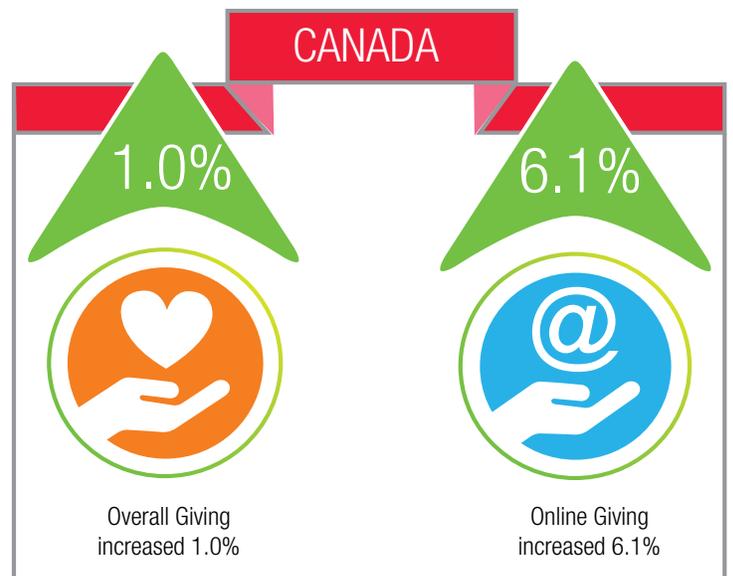
In addition, #GivingTuesday continues to grow in size with a 52% year-over-year increase in online donations.

“Charitable giving has recovered from the recession, but year-over-year growth rates are showing signs of slowing.”

There were certainly some macroeconomic effects on giving in 2015. This combined with very small increases in disposable personal income should bring renewed focus on donor engagement and retention.

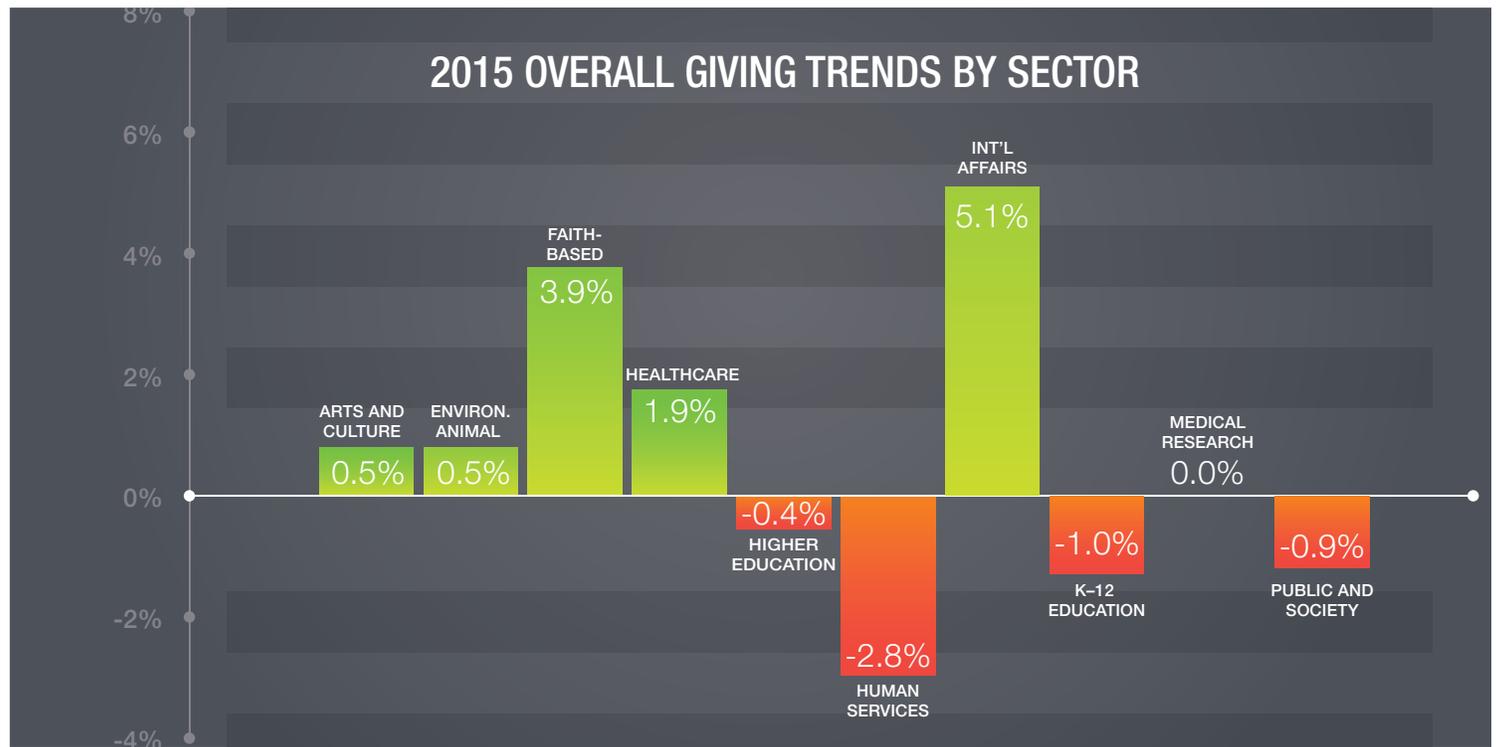
2015 Online Giving Trends by Size	
Size	YOY % Change
Small (Less than \$1M)	8.3%
Medium (\$1M–\$10M)	9.1%
Large (\$10M+)	9.6%
Total	9.2%

a year-over-year increase of 9.1% in their online fundraising. Small nonprofits grew their online fundraising 8.3% compared to 2014.



The Blackbaud Index was expanded in 2014 to begin tracking overall and online giving for Canadian nonprofits. The Canadian Index includes giving data from 453 nonprofits with more than \$1.2 billion in charitable giving.

GIVING TRENDS BY NONPROFIT SECTOR



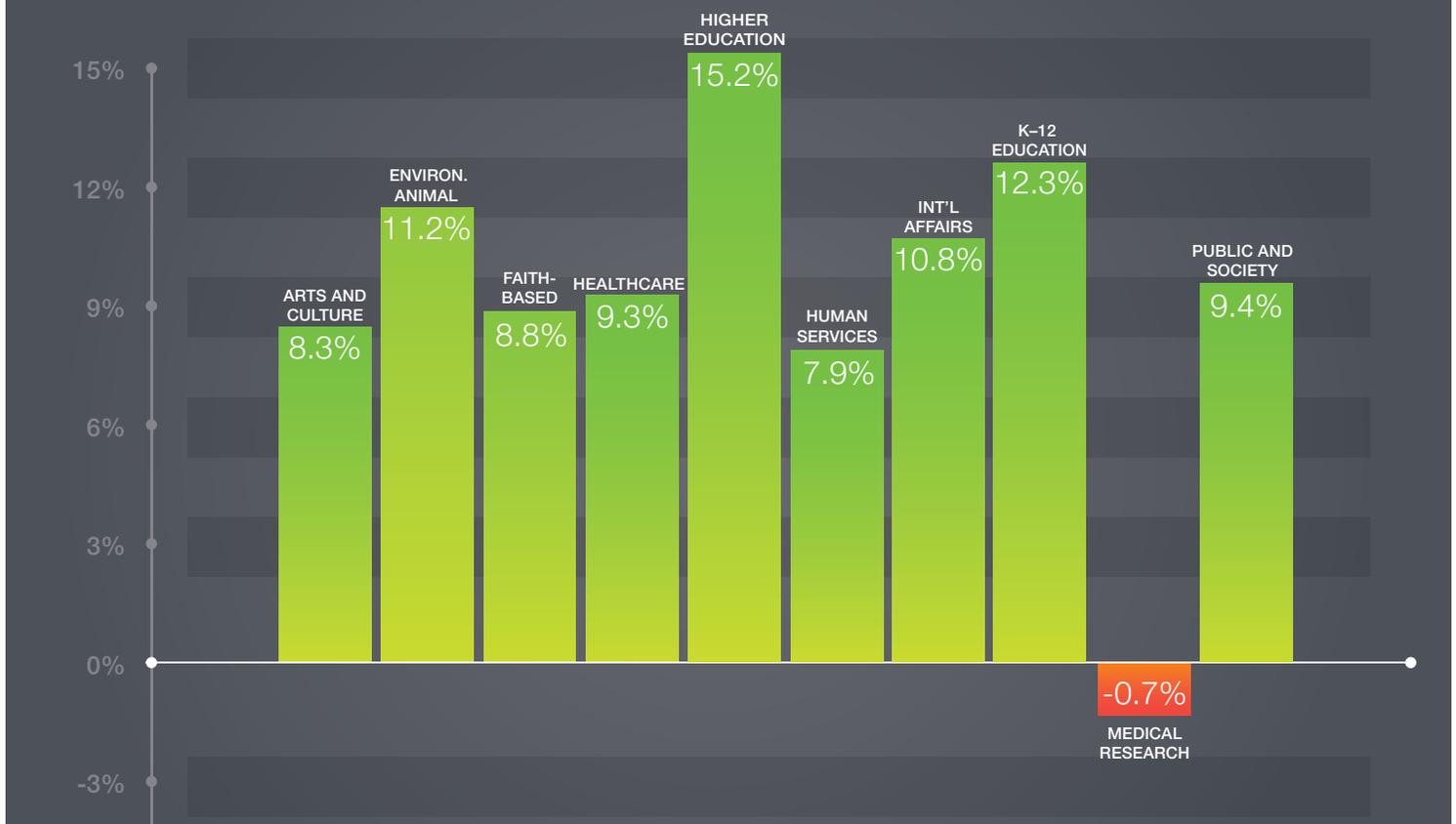
Each organization in The Blackbaud Index is categorized by one of ten sectors using its National Taxonomy of Exempt Entities (NTEE code) as reported on its 990 tax return. These sectors are Arts and Culture, Environment and Animal Welfare, Faith-based, Healthcare, Higher Education, Human Services, International Affairs, K-12 Education, Medical Research, and Public and Society Benefit. Each sector is weighted based on Giving USA data to ensure that no individual organization or sector is overrepresented in the analysis.

International Affairs organizations had the largest increase in year-over-year fundraising with 5.1% growth. This was followed by Faith-based nonprofits with a growth rate of 3.9%. Healthcare organizations grew 1.9% on a year-over-year basis. Both Arts and Culture and Environment and Animal Welfare sectors grew 0.5% compared to 2015.

There were four sectors (Human Services, Higher Education, Public and Society, and K-12 Education) that experienced year-over-year declines in overall fundraising. Nonprofits in the Medical Research sector had flat performance compared to 2014.

Giving to International Affairs organizations went from a decline in 2014 to the largest growth percentage in 2015. This is primarily driven by the episodic giving pattern with donors who support these types of nonprofits. In particular, the Gorkha earthquake in Nepal on April 25, 2015, drove significant overall and online giving to these organizations. Typhoon Komen impacted Myanmar, Bangladesh, and India and prompted larger giving in 2015. Disaster relief giving was also significant in response to flooding in India, Malawi, and Mozambique.

2015 ONLINE GIVING TRENDS BY SECTOR



For the second consecutive year online giving to Higher Education institutions grew the most with a 15.2% year-over-year increase. K-12 Education schools also had a 12.3% increase in online giving during 2015. Both Environment and Animal Welfare nonprofits and International Affairs organizations experienced double digit online fundraising growth in 2015.

Nine out of the ten sectors covered by The Blackbaud Index experienced digital fundraising growth in 2015. Only the Medical

Research sector experienced a slight decline in online giving compared to 2014. Those organizations experienced 9.1% year-over-year growth in 2014.

Online giving to International Affairs organizations went from a decrease of 0.4% in 2014 to a growth rate of 10.8% in 2015. This is because online giving is the first-response channel of choice for donors, especially for disaster relief. For many years now these organizations have been susceptible to spikes and troughs in online giving.

For an in-depth perspective on the Arts and Culture sector's 2015 performance, check out a profile on [The National World War II Museum](#), available on npENGAGE. ➤

GIVING TRENDS BY MONTH

2015 Overall Giving Distribution by Month by Sector

Sector	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Arts and Culture	7.0%	6.8%	10.1%	7.5%	6.9%	9.2%	7.6%	6.6%	6.1%	7.7%	7.1%	17.6%
Environment and Animal Welfare	6.7%	6.5%	9.7%	6.5%	6.6%	11.2%	7.6%	7.0%	6.5%	6.8%	7.4%	17.6%
Faith-Based	6.3%	6.6%	8.5%	7.5%	8.8%	9.1%	7.9%	7.3%	6.6%	7.3%	7.0%	17.1%
Healthcare	7.2%	5.2%	8.4%	7.3%	6.4%	8.4%	5.7%	7.8%	8.6%	8.9%	7.5%	18.5%
Higher Education	5.9%	6.2%	7.1%	7.3%	6.9%	11.2%	6.4%	6.9%	7.9%	8.7%	7.9%	17.7%
Human Services	6.4%	6.2%	7.9%	7.7%	7.7%	10.7%	7.2%	6.2%	6.7%	7.5%	7.8%	17.9%
International Affairs	6.0%	7.5%	5.1%	6.1%	14.1%	10.3%	5.4%	4.8%	5.6%	10.8%	10.0%	14.4%
K-12 Education	5.7%	5.5%	7.0%	5.8%	7.6%	10.5%	4.7%	18.0%	4.9%	6.3%	7.0%	17.0%
Medical Research	6.2%	7.5%	6.9%	7.2%	8.0%	12.7%	6.3%	4.7%	7.6%	7.7%	7.2%	18.0%
Public and Society Benefit	7.4%	6.9%	8.0%	7.8%	6.9%	8.0%	7.0%	6.0%	7.2%	9.7%	8.6%	16.7%
All Sectors	6.4%	6.3%	7.7%	7.1%	8.0%	10.2%	6.5%	7.6%	6.9%	8.2%	7.8%	17.4%

The analysis looked at the distribution of giving across all of 2015. The percentage of giving that happened in December held steady for the second straight year at 17.4%. June remains the second largest charitable giving month of the year as many nonprofit organizations focus on end-of-fiscal-year giving.

2015 Online Giving Distribution by Month by Sector

Sector	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Arts and Cultural	6.1%	6.6%	10.1%	8.0%	6.6%	7.2%	5.4%	6.7%	5.9%	8.1%	7.8%	21.5%
Environment and Animal Welfare	5.6%	6.0%	7.5%	8.4%	7.3%	6.7%	6.1%	6.0%	6.4%	6.3%	7.2%	26.2%
Faith-based	5.8%	6.5%	8.1%	9.6%	8.4%	6.6%	6.2%	6.2%	7.3%	7.1%	7.4%	20.8%
Healthcare	6.8%	8.4%	8.1%	7.6%	6.6%	5.5%	5.3%	5.4%	8.3%	8.4%	6.5%	23.2%
Higher Education	5.5%	7.5%	9.1%	8.3%	6.9%	9.8%	4.3%	5.0%	6.1%	6.4%	7.0%	24.1%
Human Services	5.0%	5.4%	6.5%	8.0%	7.1%	6.0%	5.3%	5.2%	6.6%	6.6%	9.5%	28.7%
International Affairs	4.4%	4.6%	6.6%	16.1%	7.7%	5.3%	7.4%	4.4%	7.9%	5.8%	6.9%	22.9%
K-12 Education	7.7%	9.9%	10.0%	8.2%	7.2%	10.1%	4.3%	4.9%	5.5%	7.3%	6.8%	18.2%
Medical Research	3.2%	5.6%	10.2%	13.7%	9.8%	7.2%	5.3%	9.1%	13.9%	11.1%	4.1%	6.9%
Public and Society Benefit	5.0%	6.1%	8.0%	7.4%	6.6%	5.9%	5.5%	6.0%	7.1%	6.5%	8.1%	27.8%
All Sectors	4.9%	6.3%	8.5%	11.0%	8.0%	7.0%	5.6%	6.4%	9.0%	8.0%	6.5%	19.0%

Online giving in December increased from 17.8% in 2014 to 19% in 2015. This potentially shows the influence of #GivingTuesday on digital donations. April was the second biggest month for online giving in 2015. The continued volatility in online giving patterns means data may continue shifting for the foreseeable future.

#GIVINGTUESDAY

The fourth annual #GivingTuesday was held on December 1, 2015, and the results continue to be extremely positive.

- Blackbaud processed more than \$39.6 million in US online donations on #GivingTuesday 2015
- Online donations on #GivingTuesday 2015 were up 52% compared to 2014
- 17% of digital donations were made on mobile devices on #GivingTuesday 2015

PERCENTAGE OF FUNDRAISING FROM ONLINE GIVING

Blackbaud has been closely monitoring the shift towards digital giving for many years now. The key metric for this transition is the percentage of total fundraising that comes from online giving. This metric can be used by nonprofit organizations to benchmark their online giving performance against peer organizations within each sector or of a similar size.

Percentage of Fundraising from Online Giving

Size	%
Small (Less than \$1M)	8.1%
Medium (\$1M–\$10M)	5.8%
Large (\$10M+)	7.7%
Total	7.1%

Blackbaud used data over the past year to examine the percentage of total fundraising that came from online giving. In 2015, 7.1% of total fundraising came from online giving. This was an increase from 6.7% in 2014 and marks the highest recorded level with the exception of online giving in 2010. This is based on an analysis of data from 3,786 organizations with \$14.5 billion in total fundraising in 2015.

Percentage of Fundraising from Online Giving by Sector

Sector	%
Arts and Culture	5.9%
Environment and Animal Welfare	9.0%
Faith-based	10.4%
Healthcare	3.4%
Higher Education	3.8%
Human Services	5.6%
International Affairs	7.6%
K–12 Education	7.6%
Medical Research	17.0%
Public and Society Benefit	7.6%

Small organizations continue to lead the way with 8.1%, followed by large nonprofits with 7.7%, and medium-sized organizations with 5.8% of total fundraising coming from online giving.

Medical Research groups raise 17% of their total fundraising from online giving, followed by 10.4% for Faith-based organizations. Arts and Culture, Environment and Animal Welfare, Higher Education, Human Services, and International Affairs had a year-over-year increase in the percentage of overall giving that came from online donations.

Healthcare nonprofits saw a slight decrease compared to 2014 with just 3.4% of overall giving coming from online donations. This is a sharp contrast between Medical Research organizations raising a significant

amount of funds from online peer-to-peer programs and the more traditional fundraising focus in Healthcare.

Higher Education and K-12 Education schools continue to experience double-digit online giving growth, but it remains a small percentage of their overall giving. Considering the higher-than-average online gift amounts these nonprofits receive, there is a tremendous future upside, especially with younger donors.

Online giving has existed in one form or another for nearly 20 years and is still less than 10% of total fundraising. As a point of comparison, the US Department of Commerce estimates that e-commerce sales in the third quarter of 2015 accounted for 7.4% of total sales.



The US Department of Commerce estimates that e-commerce sales in the third quarter of 2015 accounted for 7.4% of total sales. And in 2015, 7.1% of total fundraising came from online giving.

PERCENTAGE OF ONLINE TRANSACTIONS FROM MOBILE DEVICES



Blackbaud has expanded its research into digital giving trends by measuring the growth of mobile giving. In 2015, Blackbaud measured online donations made on mobile devices for more than 1,190 nonprofit organizations. Nearly 14% of all online donations in 2015 were made using a mobile device.

The data shows that 43% of mobile transactions are made on an iPad®, 42% using an iPhone®, 14% on Android® devices, and less than 1% using other devices, like Blackberry® and Windows® Phone.

Online transactions made on a mobile device peaked at 17.1% in May 2015 with rates dropping slightly during end-of-year giving. This trend should be expected as overall online transaction volumes increase significantly at year-end.

We are now past the mobile tipping point when it comes to digital giving. Consumer behavior and donor behavior are inextricably linked as we move into the future of giving. Nonprofits must continue to invest and perfect how they engage donors using the right channel on the right device at the right time.

2015 Online Giving via Mobile Device by Device Type

Device Type	% of Mobile Giving
iPhone®	42%
iPad®	43%
Android®	14%
Other	0.5%

2015 Online Giving via Mobile Device Distribution by Month

Device Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
iPhone	35.6%	41.5%	34.1%	43.2%	45.4%	52.2%	42.0%	42.7%	48.0%	43.5%	43.6%	39.0%
iPad	48.0%	39.9%	50.5%	37.0%	36.6%	36.3%	42.2%	42.5%	37.8%	39.9%	41.0%	49.0%
Android	15.8%	18.3%	15.3%	19.5%	17.7%	11.4%	15.8%	14.9%	14.2%	16.7%	15.3%	12.1%
Other	0.6%	0.3%	0.1%	0.3%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All Mobile Giving	10.7%	12.5%	11.8%	14.8%	17.1%	14.6%	15.7%	15.7%	15.2%	14.1%	14.5%	13.7%

KEY FINDINGS

The Charitable Giving Report analyzes trends from over \$18.2 billion in fundraising revenue from 2015. Here are some key findings:

- 1 Overall giving grew approximately 1.6% in 2015
- 2 Online giving grew 9.2% in 2015 compared to 2014
- 3 Online donations were 7.1% of all fundraising in 2015
- 4 #GivingTuesday online donations were up 52% in 2015
- 5 Nearly 14% of online donations were made on a mobile device in 2015

ABOUT THE 2015 CHARITABLE GIVING REPORT

The findings in this Report are based on giving data from 5,379 nonprofit organizations and more than \$18.2 billion in fundraising revenue. The online fundraising findings are based on data from 3,983 nonprofit organizations and more than \$2.2 billion in online fundraising revenue.

To be included in the analysis, these organizations needed to have 24 months of complete giving data with no gaps or missing information. Each organization was then classified by sector using their NTEE code as reported on its 990 tax return. If you are not sure what sector your organization is classified as, you may refer to your 990 to find your NTEE code. Visit <http://nccs.urban.org/classification/NTEE.cfm> for a complete listing of sectors.

Organizations were then grouped into three size categories: total annual fundraising less than \$1 million (small), total annual fundraising between \$1 million and \$10 million (medium), and total annual fundraising exceeding \$10 million (large). This is based on recorded giving in their fundraising systems, reported fundraising in IRS Form 990 data, and matching done through the National Center for Charitable Statistics.

Organizations without all the research criteria were not included in this analysis. Organizations based outside the United States were excluded from this analysis, with the exception of the Canadian Index results. We do not include the unfulfilled portion of pledge gifts or recurring gifts that are processed offline. Giving USA data is used to weight the data to ensure that no individual organization or sector is overrepresented in the analysis.

The percentage of total fundraising trends research is based on 3,785 nonprofits in The Blackbaud Index. These organizations represent \$14.5 billion in total fundraising in 2015. The mobile giving research is based on data from 1,193 nonprofit organizations and more than 344,000 mobile transactions made in 2015.

This report would not be possible without Jim O'Shaughnessy's data know-how and Chuck Longfield's leadership. Special thanks to Brandon Granger for his ongoing mobile giving research, Ashley Thompson for compiling the data, Carrie Andress for helping drive the creation of the Report, Sam Stone for designing the cover art and charts, Rachel Croyle for proofing the Report, and Melissa Evans and Heather Davis for laying out the report.

ABOUT THE BLACKBAUD INDEX

Economic conditions, natural disasters, and market fluctuations have made it extremely difficult for nonprofits to make fundraising decisions informed by the latest donor behavior. That is why we created The Blackbaud Index of Charitable Giving in 2010—to provide insight into what happened in the prior few weeks and valuable analysis by leaders in the sector into what fundraisers can learn from it.

The Blackbaud Index brings you the most up-to-date information on charitable giving today. Tracking approximately \$18.2 billion in US-based charitable giving, the Index is updated on the first of each month and is based on year-over-year percent changes. Featuring overall and online giving, the Index can be viewed by size and sub-sectors of the nonprofit industry.

BENCHMARK YOUR ORGANIZATION

Visit www.blackbaud.com/blackbaudindex to experience the recently enhanced interactive Index charts where you can easily compare by size or sector.

Sign up for free monthly fundraising alerts via email, so you'll be among the first to know when the Index has been updated.

About Blackbaud

Serving the nonprofit, charitable giving and education communities for more than 30 years, Blackbaud (NASDAQ:BLKB) combines technology solutions and expertise to help organizations achieve their missions. Blackbaud works in over 60 countries to support more than 30,000 customers, including nonprofits, K–12 private and higher education institutions, healthcare organizations, foundations and other charitable giving entities, and corporations. The company offers a full spectrum of cloud and on-premise solutions, and related services for organizations of all sizes, including nonprofit [fundraising and relationship management](#), [eMarketing](#), [advocacy](#), [accounting](#), [payment](#) and [analytics](#), as well as [grant management](#), [corporate social responsibility](#), [education](#) and other solutions. Using Blackbaud technology, these organizations raise, invest, manage and award more than \$100 billion each year. [Recognized as a top company](#), Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit www.blackbaud.com.

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