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Giving in Florida Study Reveals Fundraising Insights and Trends that Nonprofits Everywhere Can Use

By: Sabeen Perwaiz

Publisher's note: While this article focuses on emerging fundraising trends in Florida, we believe nonprofits across the country will benefit from reading the keen insights that apply far beyond that state.



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Last year, in partnership with Jessie Ball duPont Fund and Indiana University Lilly Family School of Philanthropy, Florida Nonprofit Alliance (FNA) released the results of the first-of-its-kind survey of giving patterns and practices of Florida households.

The research debunks long-held myths about Floridians not giving of their time and treasure. Floridians of all ages and backgrounds are generous and that generosity is wide-ranging. Almost 70% of responding households in the state reported giving to charity in 2021, with the majority of funds going to nonprofits located in Florida. The top three priorities for statewide donors were poverty and income inequality, health, and climate change and environment/animals.

In addition to posting the results online, we disseminated the research findings through a statewide tour during the second half of 2022, holding in-person presentations followed by discussions in nearly 30 different communities. That way, we simultaneously spread the information to help more nonprofits make informed, strategic decisions about how to best engage their donors, and learned how the findings resonated with nonprofits. As you can imagine, some recurring themes began to emerge.

One dominant theme was that even now, nearly three years after the COVID-19 pandemic first hit and forced nonprofits to drastically adapt, the nonprofit sector is still navigating how best to move forward in the face of severe economic hardship.

We also learned a lot about why some donors stop giving to an organization. Sixty percent of responding donors reported that when they stopped donating to a nonprofit it was because they thought too much of their donation was going to overhead. For donors aged 65 and older, 75 percent reported they had stopped donating to nonprofits that they believed were spending too much on overhead. But clearly there is a disconnect between what donors believe versus what nonprofits need to do to be effective. Study after study proves that "the highest performing nonprofits spend more on administrative overhead than their less effective peers." While it's long past time for donors to "see overhead as core mission support," we can't expect them to do their own research. Nonprofits need to find ways to have honest conversations to end common misunderstandings about overhead and why funding this important cost is fundamental to advancing our missions.

Another important theme we heard: If nonprofits want to attract new, younger donors and keep them engaged over the long term, they need to invest now in technological tools to meet these donors where they are. Indeed, the study showed that Floridians under 40 are significantly more likely to give through online mechanisms such as an app, a nonprofit's website, or a crowdfunding campaign organized by a nonprofit. That is the next generation's preferred form of giving.

However, most nonprofits are not currently equipped to fundraise with two different strategies for two different age groups. Interestingly, this change requires investments that would count as overhead costs.

Some policymakers and potential donors may not realize that Florida's nonprofits are six percent of the state's workforce and employ over 600,000 people. But now, the sector is dealing with burnout, a wave of resignations, and an inability to hire qualified staff because we are competing with a national job market and higher wages at for-profit employers. Our staff are our heart and soul: their passion is what fuels the work. They are often underpaid without adequate benefits and deserve the ability to provide for their families.

During the worst of the pandemic, <u>Florida Trend</u> named <u>Florida's nonprofits as</u> <u>"Floridian of the Year"</u> for all their contributions to our communities. Now, when people still remember the extent to which they rely on nonprofits every day, not just during a crisis, we need to have these honest conversations with donors, policymakers, and the public.

Nonprofits need to talk openly about how demands for nonprofit services continue to rise. The Great Resignation has impacted us all, adding to the nonprofit workforce shortage crisis. The decline in volunteerism adds further strains. New investments must be made for items like cybersecurity. Meanwhile, inflation is eating away our budgets, and the number of people donating to nonprofits is declining. Too many nonprofits have exceeded their limits, having been constantly expected to do so much more with so little for so long. We as nonprofits need to join together to advocate with donors about the strategic need for funding overhead costs. Ask them, "can you imagine what our communities would look like without nonprofits?" We can't afford to find out.