



Guide to 2021 Fundraising Trends

Tips, Strategies & Checklists
to Prime Your Organization for Success



INTRODUCTION

2020 was foreseen as a pivotal year, a new decade with a host of **exciting fundraising trends** to follow. But the crux of the future is that you never know what's going to happen. The entire world has been privy to this during the ongoing developments of COVID-19.

Instead of focusing on major gifts or planning annual galas, most organizations are focused on how to sustain their operations, retain staff, and keep afloat during a global pandemic. Needless to say, priorities have changed.

COVID-19 has been the cause of some worrying conversations. Canadian organizations have reported a **30.6% decline in revenue** since the onset of the pandemic, with 69% reporting decreased revenues, and 30% of organizations having to lay off staff (compared to 23% during the 2008/2009 financial crisis). The charitable sector could experience financial losses between \$4.2 billion and \$6.3 billion.

And between the pandemic, its economic impact, and the worldwide movement for racial justice, many organizations are seeing an increased demand for services juxtaposed by a steep decline in resources.

But not all hope is lost. With the increased demand for nonprofit services, especially in health, social services, and educational **impact areas**, there has risen alongside it a surge in interest in the sector. Many philanthropists and foundations across the country are stepping up to join in the conversation and pledging their support.

Is it enough though?

While most everyone is putting a vaccine on a pedestal of the return to normalcy, one thing is for certain in this uncertain landscape: it's time to adapt. The conversation is no longer about staying the course, but about drawing a new one and shifting your strategy to align with emerging trends like these to succeed in 2021.

2021 FUNDRAISING TRENDS

The Digitization of the Sector

1. Embracing New Technologies
2. Reinventing Cultivation Using AI

Changing Demographics

3. Understanding the Effects of Multiculturalism
4. The Great Transfer of Wealth

Trust and Accountability

5. The Benefits of Financial Transparency

The Digitization of the Sector

Online fundraising is certainly nothing new, but the rate at which nonprofits and charities need to digitize is rapidly increasing the more we can connect authentically and successfully with our supporters over the internet.

One-on-one conversations are lauded as the most important way to build relationships with key supporters. And while these conversations still hold merit, they are significantly more challenging to hold. Without in-person engagements, fundraisers are feeling the pinch with one more barrier between them and their donors.

1. Embracing New Technologies

To overcome this barrier, Canadian organizations have turned to technology more than ever before. Video conferencing software like Zoom has become the norm, and coffee chats are continuing across the country. We've seen everything from virtual auctions to virtual marathons as nonprofits innovate to modify existing programs and develop new, digital-friendly initiatives.

54% have transitioned in-person programs online, and 42% have developed completely new programs in response to need.

When we consider that online giving has been on the rise year-over-year at a [rate of 10%](#), it's no wonder that more nonprofits are directing resources to digital stewardship strategies.

With COVID-19, we've not only proven that organizations can build relationships online, but this will be an essential continuation of the sector's evolution.

Now, with a foot in the door, previously lower-tech organizations are being exposed to the advances of technology.



Pro Tip: Load time is everything. 53% of mobile users leave a site that takes longer than 3 seconds to load.

How to take advantage

2020 and beyond has been championed as the mobile era. Considering [50% of all web traffic](#) comes from mobile devices (and rising), it's time for more organizations to start embracing mobile-friendly means of stewardship.

Text-to-give products, as well as mass texting services, offer both large and small organizations a way to reach people directly -- wherever they are, at whatever time of day!

This channel is becoming an increasingly common way of reaching individuals who are receiving too much email. And with a click-through rate on fundraising messages of [4.2% with SMS](#) compared to 0.56% with email, this is a great channel to explore more in-depth in 2021.



If you're a big organization, you'll likely have begun to play with text platforms that offer donation features like: **"Text the number 5555 to donate \$4 to help a family in need."**

However, mobile stewardship takes many forms, and small and medium-sized organizations can use it as a way to alleviate their supporters' inboxes and increase their chances of being heard.

🔍 Things to keep in mind

75% of your donors may be unreachable by email due to inactive, unsubscribed, or undelivered emails.

SMS can help you reach every corner of your donor database. Think about your mobile habits. Are you more likely to respond to a text message or an email?

Checklist to leverage mobile

To make the most out of your 2021 mobile engagement strategy, use this checklist to ensure you're set up for success.

- ✔ Make sure you have a **responsive website** that loads properly across desktop, tablet and mobile.
- ✔ Ensure your **donation forms are formatted correctly** for mobile, or you'll see your conversion rates drop.
- ✔ To grow your mobile list, **add a mobile opt-in field** to your advocacy, newsletter sign-up, or donation forms.
 - Your action pages can drive sign-ups for your most engaged supporters.
 - You can also add mobile opt-ins on email footers.
- ✔ Once you have a list of mobile donors, you can **embrace a text-to-give tool**. Start your mobile platform research [here](#).

2. Reinventing Cultivation Using AI

Canadian organizations have laid off an estimated 37,000 full-time and 46,400 part-time [paid staff in 2020](#). That's a lot of empty positions other employees will have to stretch to fill. With limited resources and fewer staff wearing more hats, vital things like donor stewardship can be pushed to the wayside.

So with less human power available, the natural progression is to turn to the inhuman kind. Artificial intelligence (AI) has been a buzz word in the industry for more than a year now, but it's not until COVID-19 that these tools have become increasingly normalized across the sector.

In nonprofit applications, you can use AI-powered tools to sift through donor demographics, previous donation amounts, event attendance records, and volunteer hours in order to get a true understanding of your supporters' giving history, interests, and impact.

These tools enhance an organization's ability to attract, cultivate, and retain donors in the long run.

Benefits of AI-Driven Fundraising

With these advanced fundraising tools, your nonprofit can actually see real, quantifiable value. Here are some benefits of AI you can leverage in 2021:

- **Quickly analyze vast quantities of data** that will allow staff to reallocate their time to tasks more suited to humans, like making phone calls to valued donors, doing creative work, and assessing your upcoming strategies.

- **Gain insights into your audience.** By combining and analyzing donation records, previous communications, and engagement, AI algorithms can help you understand how much to ask for from your donors, what fundraising campaigns they might be interested in, or what type of content they want to read about - all major advantages for your donor management. And as your AI spends more and more time with your donor data, it will learn and improve over time.
- **Improve and streamline your communications.** How much time do you spend answering questions that come in from your website? AI can take some of that burden off your shoulders by screening questions using a chatbot and answering the easy ones, which saves you time. But did you know that you can also use AI tools to write personalized email copy based on a donor's interests? [Persado helped charity: water](#) increase their engagement by 147% and use data-driven messaging to convert visitors into donors.

How to take advantage

The science behind asking for a donation is evolving. Having in-person meetings with your donors should intuitively let you know how much they may be willing to give. But without them, nonprofits need to turn to technology.

There are many relationship-building tools out there, but Keela has been working on sector-specific AI-tools that are built directly into your CRM, working to change the way organizations think about fundraising.

For Example! Any data stored in Keela, your Donor Management Software (CRM) platform, is used to streamline your fundraising effectiveness through AI-built intelligence tools.

Amidst layoffs, pivots, and a reallocation of resources, AI is like unleashing your fundraising secret weapon when you need it most. See how this technology can change the way you steward your donors. Test out Keela's AI-driven fundraising tools for [free for 15 days](#).



Pro Tip: Nonprofits using Keela's Intelligent Fundraising tools saw an average increase in revenue of 30% in their first year.

<p>Campaign Recommendations Automatically predict which donors are likely to give to your next campaign</p>	<p>Donor Readiness Know how likely your donor is to donate within the next two weeks</p>
<p>Smart Ask Automatically tells you the ideal amount to ask for from each donor</p>	<p>Time of Year Know exactly when a donor is more likely to give</p>
<p>Smart Ask Forms Embed Smart Ask Forms in emails to ensure you ask for the right amount.</p>	<p>Donor Score Automatically rank donors according to giving behavior and categorizes them</p>
<p>Best Way to Reach Out Know exactly how your donor prefers to be contacted</p>	<p>Engagement Score Automatically rank donors according to whether they're socially or financially engaged with your organization</p>

🔍 Things to keep in mind

Stop thinking technology will replace your job. That's like saying a slow cooker is going to replace a chef. You still need someone to pick the ingredients, measure things out, direct things. It's just a sword in your overall armoury.

Checklist for implementing AI

If you want a 360-degree view of your efforts, you're going to need to become data-literate. Track what worked, note what didn't. Pool your resources into a campaign based on historical data rather than a hunch. This can all be expedited by AI.

- ✔ Nonprofit AI solutions are reaching [less than 23%](#) of nonprofits today. To compete in this new era, push yourself outside of your comfort zone, and focus on innovation. **Start with these [AI-driven fundraising tools](#).**
- ✔ **Implement a chatbot on Facebook or your website** to help automate conversations with supporters who have basic questions or want details about a campaign. In a world where users expect answers in seconds, being able to hold conversations 24/7 through a chatbot can be a true asset for your organization.
- ✔ Once implemented, **make sure there is a dedicated staff member** who monitors the chatbot and fields any questions that are handed off! You don't want your supporters to think they're being ignored.

The Bottom Line

Impactful conversations are still happening, but the platform for hosting them has dynamically shifted. Digital donor stewardship will take centre stage in 2021, with more nonprofits relying extensively on technology to bridge the gap. If you haven't started digitizing your programs, communications, or strategies, it's now time to push past your comfort zone. Technology isn't going away. In fact, it will continue to push the evolutionary boundaries of the sector to provide a connective link to your supporters even during such an isolating period in our world.



Changing Demographics

The landscape of giving has changed. Yes, it's moved online, but the makeup of who is giving, and more importantly, who could be giving, is changing. This trend is bi-fold. The first half looks at the increasingly diverse demographic makeup of Canada. This second half focuses on the upcoming Great Transfer of Wealth.

1. Understanding the Effects of Multiculturalism

Canada is a country where roughly 1 in 5 Canadians were born in another country, and with over 320,000 newcomers arriving in Canada annually, this number is expected to rise to 1 in 3 by 2036.

Our diversity is something we celebrate as a differentiator. But for fundraisers, we're often caught in a cycle of rinse and repeat with traditional stewardship strategies. Just because your strategy worked historically does not mean it will continue to do so in the future. And by not broadening your scope, you're intentionally overlooking a large portion of generous Canadians.

A recent [Imagine Canada report](#) on multicultural Canadians and the future of giving paints a clear picture for today's nonprofit organizations. Engaging with all corners of Canada's donor landscape is no longer a luxury, it's a necessity.

Based on current levels of giving, it's predicted the giving opportunity represented by newcomers to Canada and second-generation Canadians could total approximately \$1.7 billion.



Pro Tip: A staggering 39% of multicultural Canadians would support more charities if only they were asked. When asked about reasons why they didn't donate more, 9% of respondents indicated no one asked, while 8% said that they didn't know where to give.

How to take advantage

Giving for Canada's multicultural communities is rooted in strong family and religious values, with 3/5 of respondents identifying a personal responsibility for making Canada a better place.

To tap into this under-represented donor pool, it's important that your organization acknowledges the standard lens in which you operate and begin to broaden the scope of your organization's diversity, equity, and inclusion (DEI) policies. While no one likes to admit blindspots, what this year's global stage has shown us is that we need to, first and foremost, make sure our organization's internal diversity mirrors the diverse makeup of Canadian communities.



Looking for insights on the giving and volunteering behaviours of multicultural Canadians and strategies to better engage this growing population segment? Read [Imagine Canada's report](#) and use it as a **playbook for your charity, foundation, or nonprofit.**

🔍 Things to keep in mind

Diverse teams not only make decisions 2x faster, but those decisions are often statistically better, delivering [60% better results](#). Are you ready to build more inclusive stewardship and communication strategies?

Checklist for honing more inclusive fundraising

Here are some basic tips to help you hone your fundraising efforts to encompass all Canadians in 2021.

- ✔ **Do your market research!** Reach out to members of the community you'd like to build relationships with. Treat this as any donor cultivation meeting, but instead of acquiring new donors, you're conducting these meetings to listen, learn, and adapt your existing strategies.
- ✔ **Create inclusive messaging** tailored for different ethnocultural groups as a specific segment in your communications strategy. Remember, not all messaging will be received the same way across the board, so you should always be segmenting, tweaking your message, and looking at your metrics.
- ✔ **Download Imagine Canada's latest report** and [use the findings](#) when building your 2021 fundraising plan - it provides updated and insightful information to organizations looking to maximize opportunities amongst Canada's growing newcomer and second-generation communities.

2. The Great Transfer of Wealth

While the numbers vary greatly - between \$15 trillion and \$68 trillion in the US and about [\\$1 trillion in Canada](#) - there's no denying that the Great Transfer of Wealth has begun. If you're unfamiliar with the term, it refers to the wealth transfer from Boomers to Millennials during the next few decades.

A [2019 report](#) by Coldwell Banker pinpoints that by 2030, millennials will hold 5x as much wealth as they do today.

This is important because, with this transfer, the landscape of giving will dynamically shift in 2021 and beyond, in ways your organization may not be ready for.

The implications of this are profound for the nonprofit sector. From a fundraiser's perspective, Boomers make up the lion's share of current donations. Yet, Millennials surpass them in population size as well as in [generosity mindset](#) - just perhaps not in dollar amounts. Yet.

How to take advantage

Boomer fundraising is focused on polite phone calls that don't interrupt dinner hour, glossy mailings with smiling beneficiaries, and unsolicited cheques to nonprofits offering a legacy.

Millennials, and Gen Z donors, barely answer their phones when it's someone they know calling, never mind a fundraiser. The best place to reach them is on the internet. We know online giving is rising, but more importantly, mobile giving is too.

[M+R Benchmarks show](#) that while only 9% of donation page conversions happen on mobile (compared to 21% on desktop), **45% of those conversions on desktop happened after people interacted with an organization's ads on mobile.**



Breakdown of age groups



Baby Boomer Donors

Born between 1944-1965
25% of Canada's total population

Top supporters of



Health



Social Services



Religious Causes

90%

say they donate because they believe in the organization's cause.

90%

donate because they feel compassion for those in need.



69% own a desktop computer and 61% own a laptop.

Biggest barrier: Skepticism



65% believe too many organizations are soliciting their support and are likely to limit donations because they think they won't be used efficiently.



Millennial Donors

Born between 1980-1995
27% of Canada's total population

Top supporters of



Civil Rights



Healthcare



Education



More concerned with issues rather than institutions.

72%

believe feeling connected to an organization was integral in their decision to give.

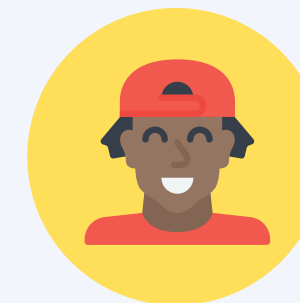


More than 25% of millennials use a smartphone as their main source of content.

Biggest barrier: Transparency



78% are very likely to stop donating if they don't know how their donation is making an impact.



Generation Z Donors

Born between 1995-2015
18% of Canada's total population

Top supporters of



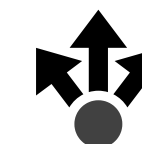
The Environment



Human Rights



Equality



Gen Z Donors tend to spread their donations across the spectrum of charitable areas.

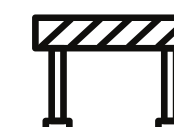


Gen Z is the most racially and ethnically diverse generation in Canada's history.



98% of Gen Z owns a smartphone.

Biggest barrier: Engagement



Younger donors are less likely than their older counterparts to feel their donations are being used efficiently or effectively.

🔍 Things to keep in mind

Make sure you don't lump the expectations and preferences of different generations into one group. For example, Millennials are statistically more interested in transparency, volunteering, and online interaction. If you're not set up to facilitate this growing segment, then you'll miss out on their growing donation dollars.

Checklist for the Great Transfer of Wealth

Ready to engage with younger donors and stay ahead of the ageing curve? Here are some simple changes you can make.

- ✔ **Be mobile-friendly.** Since so many young donors access your website via mobile devices, if your pages don't automatically resize to fit a smartphone, you've already lost the battle.
- ✔ **Make it easy.** Asking for too much personal information will have donors jumping ship faster than you can say 'But look at the impact you'll have!'
- ✔ **Make it impactful.** Younger donors generally don't give for reasons of tradition, status, tax advantage, or anything other than issues. Millennials and Gen Z know that the responsibility is on everyone to try to fix the broken and problematic things around the world. Make sure you're telling a great story. Your story is what turns someone from a casual observer into part of your team.
- ✔ **Ask for more than money.** Ask donors to share your message on social media or volunteer with your organization. It's a great way to build a bond and foster trust between you and your new supporters.



Pro Tip: While donors across the board typically give to 3-5 charities regardless of demographic, many younger donors gravitate to smaller, trending charities - especially those that are pushing the frontiers of digital or innovative programs.

The Bottom Line

As our nation's wealth changes due to the growing diversity of our donors, so do our teams need to be reflective of our audience. Whether that is in a generational capacity, a digital one, or through increased diversity.

There is [data to show](#) that the larger your organization, the more likely your Board of Directors will be white, over 40 years old, and male. But it's also important not to swing the other way and simply appoint those who meet representation criteria. The foundation needs to be laid early and with the intent to provide proper training, mentorship, and communication about fostering and empowering diverse talent.

The pay off is proven. Diverse teams are smarter and lead to better innovation across the board. A Harvard Business Review [study](#) showed exactly how diversity increased market share in the for-profit space, noting that teams with higher levels of diversity considerably outperform their non-diverse peers.

But this concept isn't purely reserved for the for-profit space. If diverse teams lead to more innovation, then in a fundraising context, innovation means the ability to meet supporters where they are in increasingly agile ways. This tends to translate to more donations. And more donations means you can push your mission forward into 2021 with confidence.

Trust and Accountability

The digital evolution of the internet has raised generations of citizen journalists, watchdogs, and whistleblowers. This ethical mindset has shaped how people view and interact with corporate, charitable, and governing bodies.

Pre-internet, a financial scandal, a back-office deal, or an off the record conversation could go by largely unnoticed. However, now with our voracious appetite for information, combined with heightened moral awareness, transparency is playing an even greater role in dictating how Canadians donate.

We can look to the recent [WE Charity Scandal](#) to see the ripple effect throughout the sector. A staggering 92% of Canadians polled said they were aware of the scandal, and 6 in 10 believe this is a significant and serious issue.

The fallout from this shows major donors are concerned about governance, transparency, and management - not just of WE Charity, but of organizations across the country. A recent [public opinion survey](#) shows that significant segments of donors now feel galvanized against charitable giving, citing the WE scandal as a major breach of trust.

How to take advantage

It's easy to overlook how one scandal can impact an entire sector. Yet, this very loud, very public outcry against WE Charity could see a trickle down to the reputations of smaller organizations as well. Reputations that are already under constant scrutiny for overhead costs, financial management, and more.

It's time to leverage the public's ability to access information and open up your organization as much as possible.



The benefits of financial transparency

- **Increased Engagement.** Transparency breeds ownership - both for you and your stakeholders, as well as your volunteers, and most importantly, donors. When the people invested in your organization understand how your finances are being used, it will work to create more engaged supporters. They'll stay involved longer and make a deeper commitment when they understand how their work impacts the big picture.



Pro Tip: Remember, your organization's financial statements must be received and approved by the Board of Directors and released within 6 months of fiscal year-end. These documents include your most recent annual financial statements, a motion from the board meeting where financial statements were approved, and the dates of these meetings.

- **Increased Contributions.** Guide Star [released a report](#) detailing much of what is common sense, but sometimes is a good wake-up call for the sector. Donors give more to transparent organizations, and those inherently tend to be stronger organizations. Their research showed nonprofits deemed trustworthy averaged 53% more in contributions than their unrecognized peers. If your organization isn't being transparent, you are giving other organizations the opportunity to attract your potential donors.
- **Improved Relationships.** Going above and beyond your audited financials and sharing more information about the health of your organization and its operations will help to improve donor stewardship and relationships. Donors will develop more trust, and it will elongate their lifetime value.

🔍 Things to keep in mind

Be transparent. Your donors and stakeholders care about transparency, fairness, and accountability. If donors are expressing concern about your overhead costs, you can flip the script and begin to help them [look beyond expense ratios](#) and prove why your impact and your overhead are directly correlated.

Checklist for Transparency

Here are a few ways you can build trust with your donors.

- ✔ **Increase your cybersecurity!** Nonprofits can be prone to hacks, and the sector is at risk from cybercriminals as charities and nonprofits increasingly use technologies to support their operations. Shore up your protective measures by following [these ten steps](#).
- ✔ Include a page on your website dedicated to explaining **how you protect your donors' most valuable assets: their data**. For a working framework, refer to AFP's [Donor Bill of Rights](#).
- ✔ **Check up on your fundraising policies.** Does your organization have specific policies for gift acceptance, restricted or designated gifts, or endowments? No? It's time to create them. Yes? Have you reviewed them recently? Your Board of Directors needs to review these policies every three years.
- ✔ **Include a page on your website which details your organization's financial history.**

The Bottom Line

The biggest concern for Canadian charities is that the WE scandal will tarnish the reputation of the charitable sector and jeopardize public sentiment. The trickle-up effect could be government cuts and a further decrease in donations, which is not exactly icing on the cake for an already tough year for Canadian fundraisers.



Increase your organization's transparency and accountability by following the guidelines set out by [Imagine Canada's Standards Program](#). The program's [free Handbook](#) outlines 73 standards your organization must meet to become accredited, everything from fundraising to management, showing donors your organization can be trusted and held accountable in its operations and governance.

To provide a failsafe, charities need to start being more transparent about their operations, activities, partnerships, pay structures, etc. Even if you're already transparent, make sure your constituents know. The results do payout.

2021 is primed to be the building block for not just increased diversity, but transparency too.



Pro Tip: This page can include:

- Your organization's registration number (BN)
- The last three years of your annual reports
- The last three years of audited financial statements
- The names of all of your Board of Directors
- A direct link to the public portion of your most recent Registered Charity Information Return (form T3010)

CONCLUSION

Relationships matter, now more than ever. Whether it's from 6-feet apart, or from either side of a screen, you need to work smarter to build better relationships with your contacts.

In a time of isolation, we are all striving towards the human interactions that connect us. We want to be seen, we want to be heard, and we want to make a difference. It doesn't matter whether you're a fundraiser or a donor; this civic thread that ties us all together is still prevalent even in the midst of an incredibly challenging time in history.

During these times, your successes will be determined by how well and how quickly you adapt.

One in four nonprofits are worried they won't be able to keep their doors open past this year, and the ramifications of this are scary. But there are just as many opportunities for those at risk to take a closer look at their programs, reinvent their strategies and pave forward ahead of the curve as we round out 2020.

There is hope. But it hinges on the ability to double down on effectively and transparently communicating your mission, taking time to foster great personal connections digitally, and making sure your organization is set up to manage a dynamic shift in giving that will define the future of philanthropy.

