

Donor Confidence Report

Issue 12, August 2010

The results in this Donor Confidence Report are drawn from an ongoing survey of donor attitudes about giving by Campbell Rinker. The sample size for the August 2010 poll is 510. Details about the study methodology, audience may be found on the final page of this report.

Donor Confidence Lowest Since '08

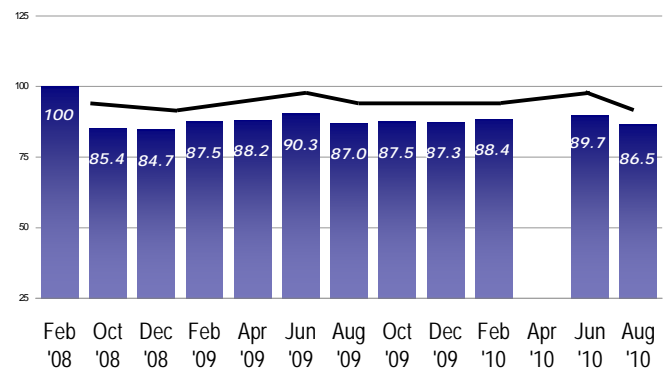
The overall Donor Confidence Index (DCI) fell 3.2 points between June and August 2010, to 86.5, a score which is lower than any point since December 2008.

The Index takes into account donors' self-reported expectations about their giving, their view of the nonprofit sector, the nation's economic health, and several other factors. No individual nonprofit sector fared well in this latest poll by Campbell Rinker.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	2-Mo Chg
Overall	87.0	87.5	87.3	88.4	89.7	86.5	▼-3.2
Political and Advocacy	85.6	91.5	87.7	90.1	88.9	82.5	▼-6.4
Int'l Relief and Development	92.2	88.7	90.3	93.7	95.0	88.9	▼-6.1
Faith-based	90.1	92.2	93.1	94.9	94.1	88.9	▼-5.2
Arts, Culture and Humanities	83.3	91.9	91.3	91.7	87.7	82.9	▼-4.8
Social Service	87.9	86.7	90.8	89.3	88.4	84.6	▼-3.8
Animal Rights	87.2	87.0	85.2	86.8	88.9	85.3	▼-3.6
Health and Medical	86.2	88.5	91.3	87.8	89.0	85.5	▼-3.5
Environmental	82.9	79.2	86.4	89.1	89.7	87.3	▼-2.4
Education	87.9	90.9	89.7	88.5	88.5	87.0	▼-1.5
Place of Worship	88.6	91.6	90.7	91.1	88.9	87.6	▼-1.3
Hospitals & Hosp. Fnd.	87.9	85.6	89.0	89.3	88.4	87.2	▼-1.2

The performance of the Index within various sectors is shown in the table above, ranked by the change since June '10 with the overall Index listed first. The Confidence Index has dropped in every sector, with the biggest declines seen among donors to Political and Advocacy causes, International Relief and Development groups, and Faith-based

charities. Donors to Hospitals, Places of Worship and Education report the least decline in their confidence levels. Positive or negative opinions from any single donor will impact the Index for all sectors they have supported. Poll results are not available for April 2010.



Lower Confidence Reflects Concerns

The Donor Confidence Index appears to show a pattern of peaking in June and falling in August, as seen in both 2009 and 2010.

While economists surveyed by the National Bureau of Economic Research in Cambridge opined that the worst U.S. recession since the Great Depression ended in June 2009, they “did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity.” NBER committee member and Reagan-era economic advisor Martin Feldman went on to describe the economy now as in a “holding pattern.”

A Gallup Poll from late August 2010 finds that 82% of Americans still think the economy is in recession. This issue of the DCI mirrors the Gallup result of a significant increase in the proportion of people who now think it will take longer for the economy to recover.

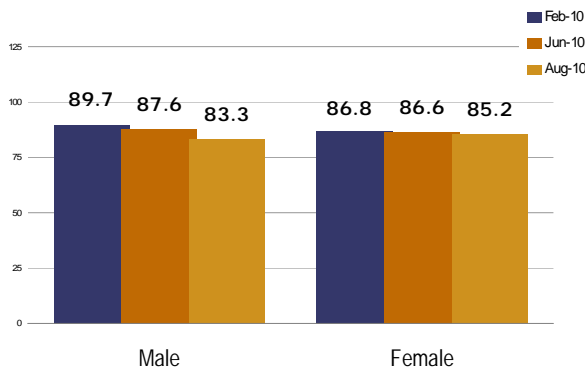
At the same time, preliminary figures from the Federal Government’s own Bureau of Economic Analysis shows a 2009 decline in real gross domestic product among 15 of 22 industries, led by durable-goods manufacturing, finance & insurance and construction.

The U.S. unemployment rate climbed to 9.6 percent in August from 9.5 percent in July, with many states and localities experiencing even higher rates. A June 2010 Gallup Poll found that 88 percent of Americans believe that now is a “bad time” to find a quality job.

These perceptions coalesce to form an environment in which donors – regardless of their preferences or demographic definition – are less sure about their economic future and less confident about charitable giving, despite the strong trust they express for nonprofits.

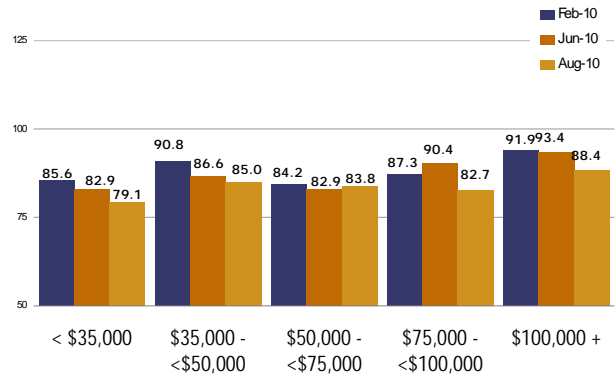
Donor Confidence by Demographics

Confidence among both men and women has dropped since June.

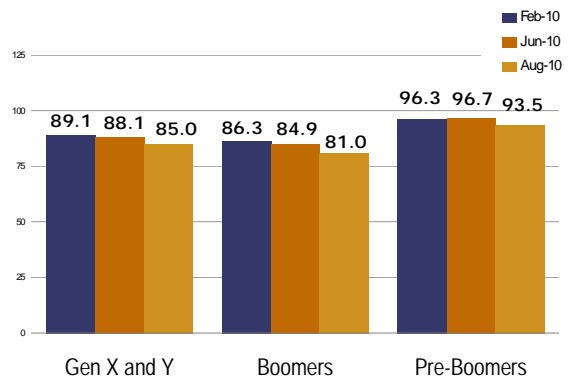


The Confidence Index declined among four out of five income levels, with the largest decreases seen in the lowest and highest income categories. Donors earning income from \$50-\$75K were the only ones to see a slight gain in confidence.

Despite the decline, the DCI among donors earning \$100,000+ remains higher than any other income category at 88.4.



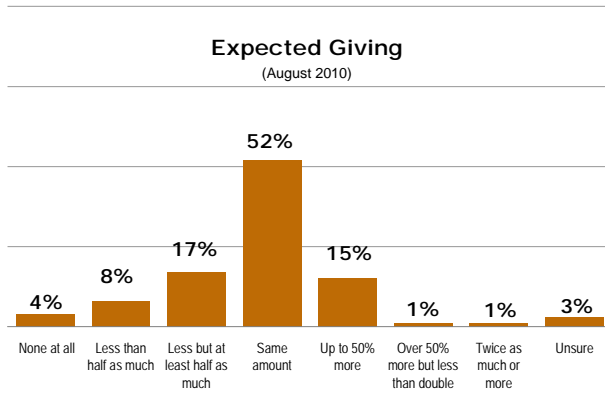
Pre-boomers continue to exhibit higher confidence levels than following generations. Boomers remain the age group with the lowest confidence level; this group’s score fell 3.9 points to 81.0 in August.



Expected Giving Remains Unchanged

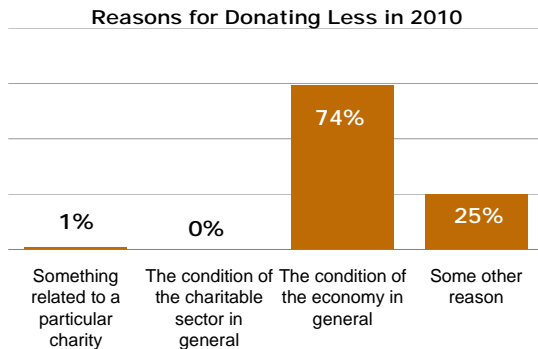
Campbell Rinker asked U.S. donors whether they expected to give the same amount, more, or less in 2010 compared with 2009.

Consistently, about half of all donors (52% in this poll), expect to give the “same amount” as in the most recent year. Another three in ten (29%) plan to give less and one in six (17%) plans to give more.



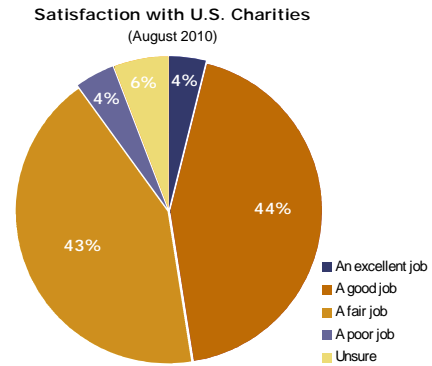
Economy Results in Donating Less

Three in four (74%) of the donors who say they plan to give less cite the continuing poor economy as the reason for doing so, increasing from 71% in June. As in previous editions, no one responded that they would donate less as a result of the charitable sector in general.



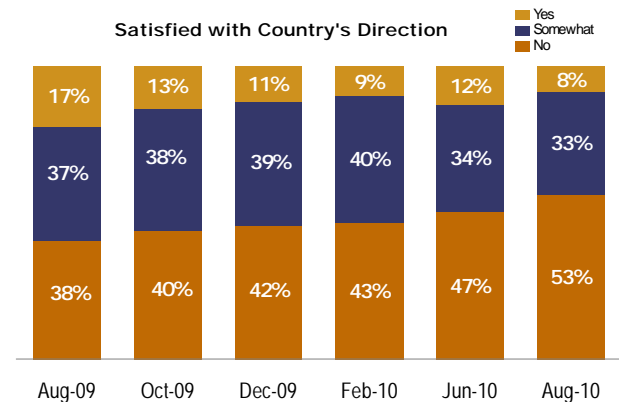
Nonprofit Approval Ratings

Donors now appear to be evenly divided on the subject of charitable performance: 44% rate U.S. charities as doing “a good job,” while 43% rate their performance as “fair.”

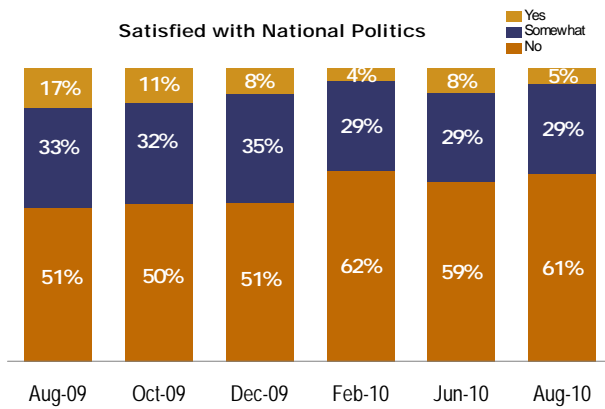


Donors Continue to be Dissatisfied with Country's Direction

The proportion of donors dissatisfied with the country's direction rose by six percent since June to 53%. In the last year, satisfaction with the country's direction has fallen by half, fewer donors are “somewhat” satisfied, and the number of unhappy donors has gone up 15%.

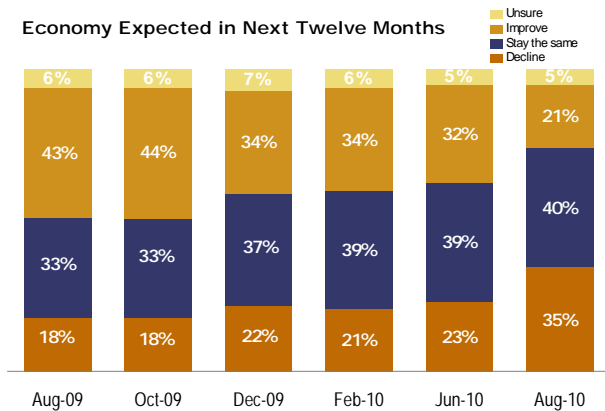


Furthermore, this issue of the Donor Confidence Report finds that 61% of donors are dissatisfied with the political system at the federal level, an increase of 10% since last year at this time. The proportion of donors who are satisfied on this measure has dropped to 5% from 17% a year ago.

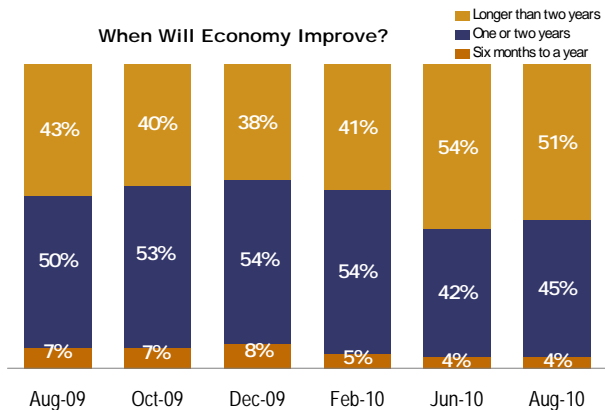


Fewer Expect Economic Gains Soon

The proportion of donors who expect the economy to decline during the next year has risen 12% since last issue to 35%, while the proportion of donors who feel it will improve has fallen by 11% to 21% overall.



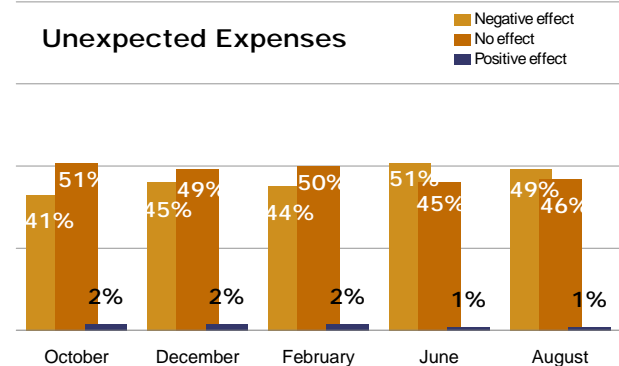
Fifty-one percent of donors expect the economy to require more than two years to see a rebound, little changed from June 2010.



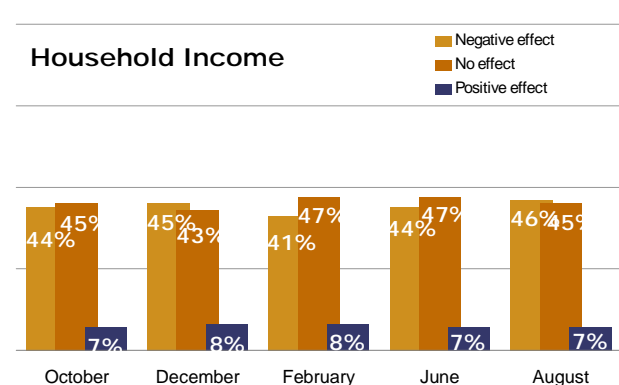
These gains have come about because donors continue to shift their expectations of recovery farther into the future.

Unexpected Expenses Significantly Impact Giving

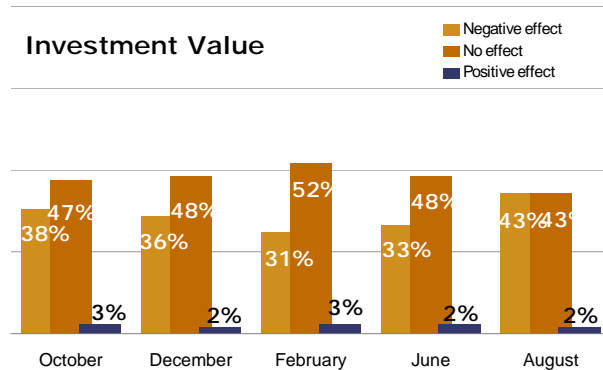
Unexpected expenses continue to have the greatest negative effect on giving. About half of all American donors, 49%, say unexpected expenses have had a negative effect on their giving. This opinion is validated by news from the U.S. Bureau of Economic Analysis, which reports that while personal income and disposable personal income both increased by 0.2 percent in July 2010, personal consumption expenditures increased by 0.4 percent.



The negative impact of household income on giving has steadily increased over the last six months, with 41% of donors citing this factor as negative in February compared to 46% who say so now.



Also seeing an increase is the negative impact of investment value on giving, which has jumped from 31% to 43% in six months.



Sector Spotlights

Campbell Rinker asked donors to indicate which of 11 nonprofit sectors they had supported in the last year. Within these results, ratings from one donor may contribute to the DCI in more than one nonprofit sector.

The sections below highlight the stated plans donor have for giving to each of the following nonprofit categories:

- † Animal rights, protection, and training
- † Arts, culture, and humanities
- † Educational institutions and programs
- † Environmental protection and preservation
- † Faith-based charities, excluding places of worship
- † Health and medical charities
- † International relief, education, and sponsorship
- † Not-for-profit hospitals and hospital foundations
- † Places of worship
- † Political organizations
- † Social service organizations

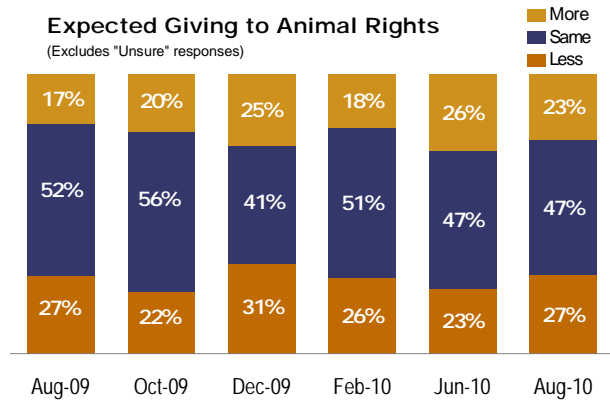
Animal Rights & Protection

Since June, the DCI among donors to Animal Rights charities has decreased by 3.6 points. This score nearly equals the low point seen for this sector last December.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Animal Rights	87.2	87.0	85.2	86.8	88.9	85.3
6-mo Avg.	88.1	88.7	86.5	86.3	87.0	87.0

Expected Giving to Animal Rights

(Excludes "Unsure" responses)



Just over a quarter of donors to Animal Rights charities (27%) now plan to donate less to this sector, an increase of 4%. The percentage planning to donate the same amount has held steady at 47%.

Arts, Culture, and Humanities

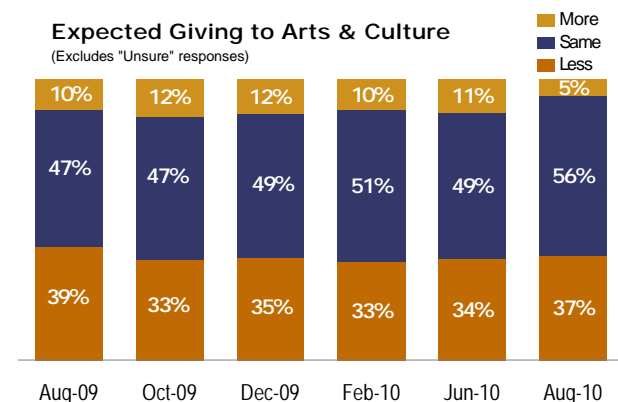
The DCI among Arts and Culture donors has fallen by an additional 4.8 points in the past two months. The Index of 82.9 gives this sector a lower score than at any time in the last year. The six-month average stands at 87.4.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Arts & Culture	83.3	91.9	91.3	91.7	87.7	82.9
6-mo Avg.	88.5	89.5	88.8	91.6	90.2	87.4

Currently, 37% of Arts and Culture donors plan to donate less to this sector. Just five percent plan to give more than they did in 2009.

Expected Giving to Arts & Culture

(Excludes "Unsure" responses)

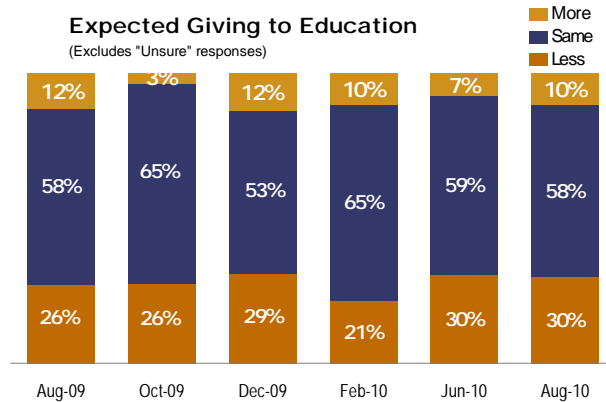


Educational Institutions & Programs

Though the Index for Educational Institutions dropped to 87, this sector remains relatively untouched by waning donor confidence in the post-summer season. The rolling average in this sector remains comparatively robust at 88.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Education	87.9	90.9	89.7	88.5	88.5	87.0
6-mo Avg.	89.3	90.0	89.5	89.7	88.9	88.0

Approximately six in ten Education donors (58%) plan to give the same amount this year as last. Unchanged since June, 30% plan to give less and one in ten plan to give more.



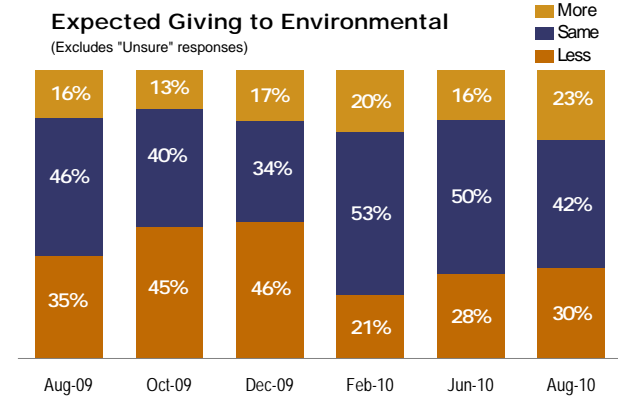
Environmental Protection

For the first time since October '09, the Index for the Environmental sector has decreased. Confidence among Environmental donors has fallen 2.4 points over the past two months.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Environmental	82.9	79.2	86.4	89.1	89.7	87.3
6-mo Avg.	87.4	84.3	82.8	84.9	88.4	88.7

This month, 30% of donors to Environmental organizations plan to donate less, while 23% plan to donate more (the highest proportion of donors wanting to give more to any sector in this issue). This represents a significant 16% reduction in the proportion of donors who

expect to give less to the environment since October and December of 2009. Donors to this sector now seem less likely to say they plan to give the same amount and more likely to say they will either give more or give less.

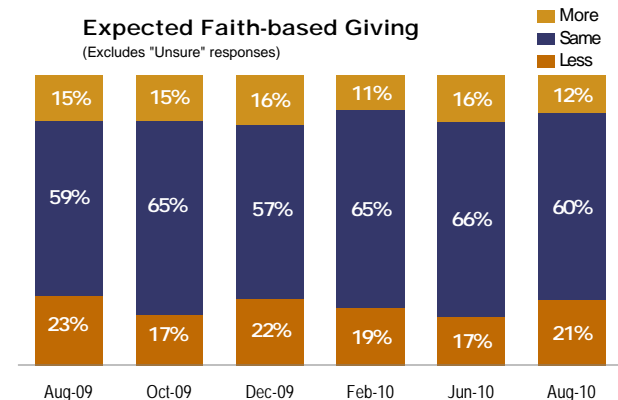


Faith-based Charities

The Confidence Index among donors to Faith-based causes drops by a significant 5.2 points in this poll to 88.9. However, even with this decline, Faith-based charities tie the International Relief sector for the highest Index score in this issue.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Faith-based	90.1	92.2	93.1	94.9	94.1	88.9
6-mo. Avg.	90.0	89.8	91.8	93.4	94.0	92.6

Currently, six in ten donors to this sector plan to give the same amount throughout 2010, a measurement that is slightly lower than previous results.

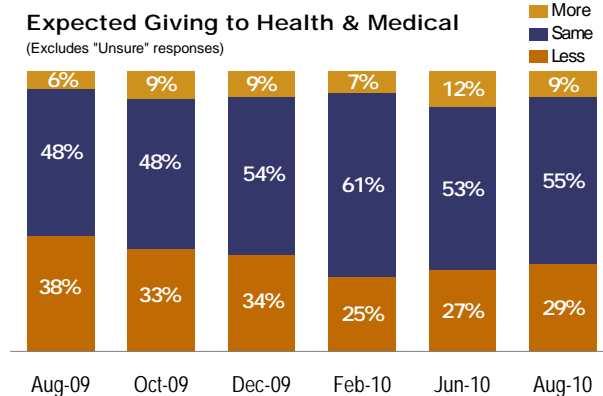


Health and Medical Charities

As is the case for several other sectors, the DCI for Health and Medical charities has fallen to its lowest point in the past year. The Confidence Index among Health and Medical donors now stands at 85.5.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Health and Medical	86.2	88.5	91.3	87.8	89.0	85.5
6-mo. Avg.	87.9	88.6	88.7	89.2	89.4	87.4

In this poll, 29% of donors to this sector plan to give less, while 55% plan to give the same amount, and nine percent plan to give more.



Hospitals & Hospital Foundations

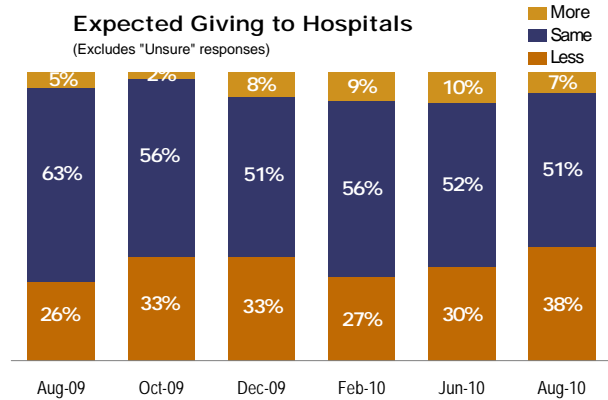
The DCI for Hospital donors has fallen 1.2 points to 87.2. The six-month average remains in the 87.5 to 89 point range.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Hospitals	87.9	85.6	89.0	89.3	88.4	87.2
6-mo. Avg.	88.5	87.7	87.5	88.0	88.9	88.3

Approximately half of all donors to Hospitals and their Foundations, 51%, expect to donate the same amount in 2010 as in 2009. Nearly four in ten, 38%, plan to donate less.

Expected Giving to Hospitals

(Excludes "Unsure" responses)



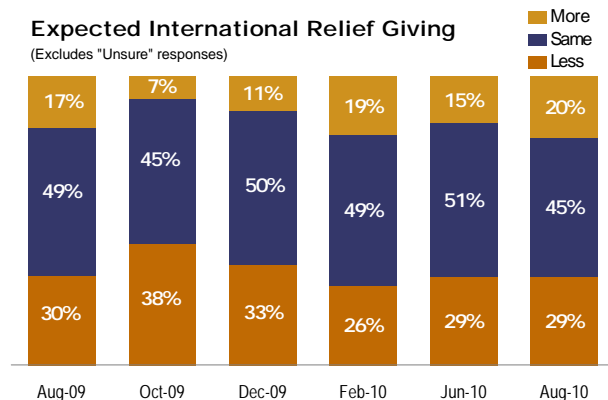
Int'l Relief & Sponsorship

Confidence has dropped 6.1 points among donors to International Relief and Sponsorship organizations. However, it is worth noting that June's 95.0 score was exceptionally high.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Int'l Relief and Development	92.2	88.7	90.3	93.7	95.0	88.9
6-mo. Avg.	90.5	90.4	90.4	90.9	93.0	92.5

Expected International Relief Giving

(Excludes "Unsure" responses)



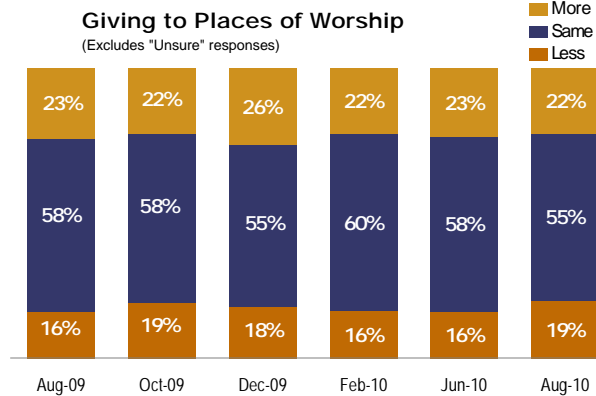
Two in ten International Relief donors plan to give more this year than in 2009. Three in ten, 30%, plan to give less.

Places of Worship

The DCI for Places of Worship has dropped 2.3 points since June. The current score, 87.6, is uncharacteristically low for this sector.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Places of Worship	88.6	91.6	90.7	91.1	88.9	87.6
6-mo. Avg.	89.5	90.2	90.3	91.1	90.2	89.2

More than one in five donors (22%), plan to give more to their church, temple or mosque this year, compared to fifty-five percent who plan to donate the same amount.



Political & Advocacy

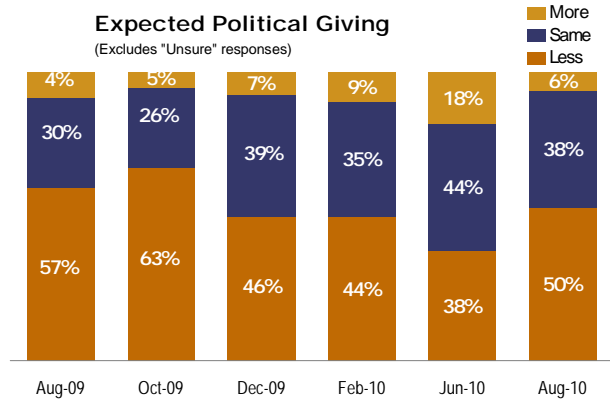
The Confidence Index among donors to Political and Advocacy causes dropped by 6.4 points in August to 82.5, the most significant decline for any sector in this study.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Political and Advocacy	85.6	91.5	87.7	90.1	88.9	82.5
6-mo. Avg.	89.8	90.0	88.3	89.8	88.9	87.2

At this point, 50% of Political donors plan to give less throughout 2010. Now just six percent report planning to give more to political and advocacy causes, a decline of 12% since the last survey was conducted in June.

Expected Political Giving

(Excludes "Unsure" responses)



Social Service

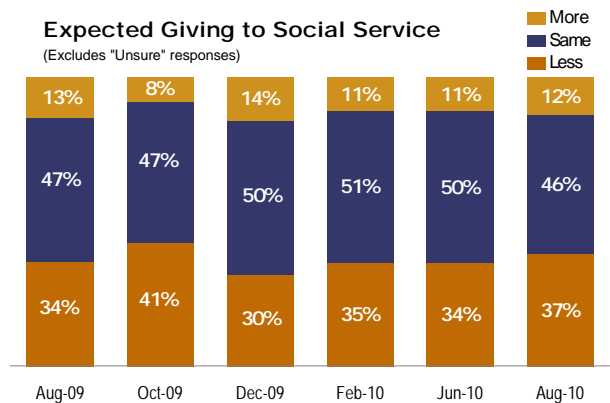
In August, the Index among Social Service donors fell 3.8 points to 84.6. The six-month average for this sector has reached a new low, as well.

Sector	Aug '09	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10
Social Svcs	87.9	86.7	90.8	89.3	88.4	84.6
6-mo. Avg.	89.0	87.9	88.5	88.9	89.5	87.4

As of this month, 37% of Social Service donors plan to donate less in 2010, while more than one in ten (12%) plan to donate more.

Expected Giving to Social Service

(Excludes "Unsure" responses)



Methodology

This Donor Confidence Report poll was conducted August 24 – September, 8 2010 among 510 Internet respondents who either responded to our original February 2008 study or who demonstrate similar habits and behaviors since then.

The Benchmark study that forms the basis for the Donor Confidence report was conducted as part of Campbell Rinker's ongoing DonorPulse survey in February 2008. This hybrid study of 3,312 US donors included 29% of respondent households from random telephone calling and the balance from an Internet panel reflecting national demographics.

To qualify to take the survey, responding households must have made a charitable contribution in the previous year and be at least 18 years old. Of the 3,312 responding donors, 726 self-identified themselves as Christian and 85 self-identified as adherents to non-Christian faiths.

The Donor Confidence Index is computed at the respondent level using an algorithm developed by Campbell Rinker that takes into account a donor's propensity to give again, their opinions and attitudes about the condition of the country, the nonprofit sector, their economic outlook and their ongoing engagement in giving. The scores presented in this report represent a true longitudinal view of donors in June 2010 compared to the same pool of donors in previous reports.

Fewer respondents answered some questions. The following table summarizes the estimate of error at the 95% confidence level at various sample sizes.

Sample Size	Estimate of Error
85	±10.6%
100	±9.8%
200	±6.9%
300	±5.7%
500	±4.4%

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