

Donor Confidence Report

Issue 15, February 2011

The results in this Donor Confidence Report are drawn from an ongoing Campbell Rinker survey of donor attitudes on giving. The sample size for the February 2011 poll is 483. Details about the study methodology and audience are found on the final page of this report.

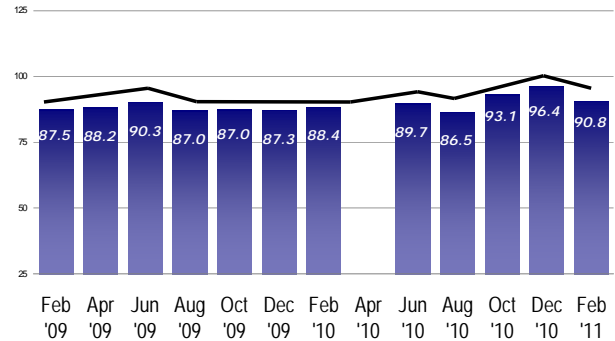
Growing Donor Optimism Halted

After rising by nearly 10 index points in the waning months of last year, the overall Donor Confidence Index (DCI) dropped by 5.6 points to 90.8 in February '11. However, though this Index score represents a decline from October and December 2010, the Index still remains stronger than at any point since February 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.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11	2-Mo Chg
Overall	88.4	89.7	86.5	93.1	96.4	90.8	▼ -5.6
Hospitals & Hosp. Fnd.	89.3	88.4	87.2	94.3	94.4	92.6	▼ -1.8
Environmental	89.1	89.7	87.3	92.4	92.9	90.8	▼ -2.1
Animal Rights	86.8	88.9	85.3	93.0	92.0	89.7	▼ -2.3
Education	88.5	88.5	87.0	93.4	97.7	93.8	▼ -3.9
Faith-based	94.9	94.1	88.9	91.2	97.3	92.8	▼ -4.5
Place of Worship	91.1	88.9	87.6	93.0	94.6	90.0	▼ -4.6
Health and Medical	87.8	89.0	85.5	93.1	93.8	88.4	▼ -5.4
Int'l Relief and Development	93.7	95.0	88.9	95.7	102.1	95.7	▼ -6.4
Social Service	89.3	88.4	84.6	90.0	95.6	88.6	▼ -7.0
Political and Advocacy	90.1	88.9	82.5	92.7	98.7	91.3	▼ -7.4
Arts, Culture and Humanities	91.7	87.7	82.9	95.6	103.1	88.0	▼ -15.1

The performance of the Index within various sectors is shown in the table above, ranked by the change since December '10. Since last issue, the Index has declined in every category. Opinions from any single donor impact the Index for each sector they support.



Upward Trend Reverses Course

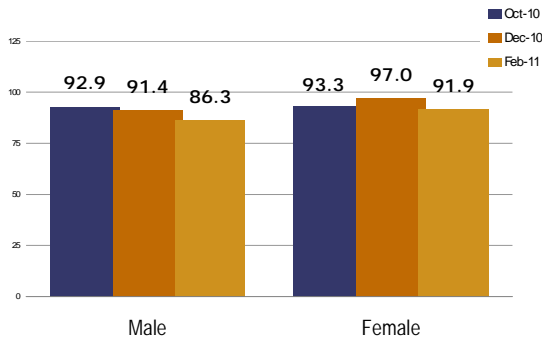
This turnaround in the Donor Confidence Index might have been predicted, given the unsettling headlines at the time this poll was conducted in late February. For example,

- † The US Congress continued to negotiate ways to fund the government and reduce spending at the same time.
- † The Federal Reserve maintained interest rates at historic lows and continued to pursue a policy of infusing the economy with \$600 billion in new money.
- † Union members had occupied the Wisconsin statehouse around the clock for two weeks, protesting legislation that would require them to pay for benefits and relinquish bargaining rights.
- † In a major policy reversal, the Obama administration said on February 23 it would cease to defend a federal law banning the recognition of same-sex marriage.
- † The price of food and fuel continued to rise around the world.
- † News media reported on ongoing political unrest in the Middle East: The president of Egypt had been ousted through civilian revolt, opposition forces in Libya had taken control of most of that country, and civilian protests raged on in Syria, Bahrain, and Saudi Arabia.

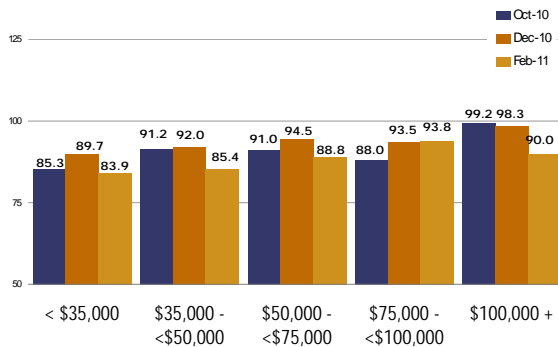
† The earthquake, tsunami, and nuclear crisis that hit Japan on March 11 had yet to occur.

Donor Confidence by Demographics

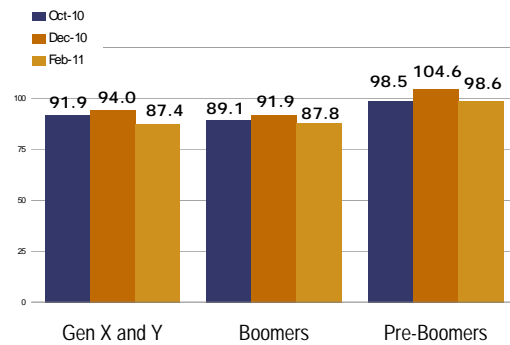
In line with the drop in overall donor confidence, confidence has fallen among both men and women. Women who give once again exhibit substantially higher confidence than male donors.



The February Index shows a decline in confidence among all income levels, with the exception of households earning \$75,000 to \$99,999. Households with annual income of \$75,000 or more continue to post confidence scores in the 90s; lower income households demonstrate significantly less confidence, posting scores in the 80s.



Though Boomers typically display the lowest level of optimism, Gen X and Y currently exhibit similarly low levels. Pre-boomers remain the most confident of all generations.

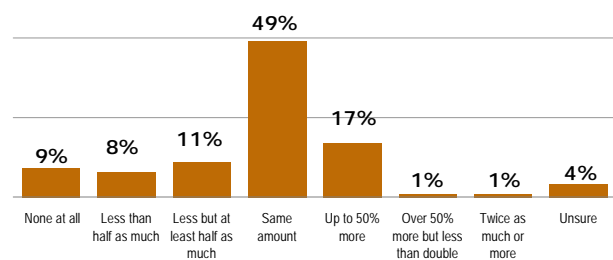


Donors Anticipate Giving Less in '11

In each poll, Campbell Rinker asks U.S. donors whether they expect to give the same, more, or less in the present year compared with the last year.

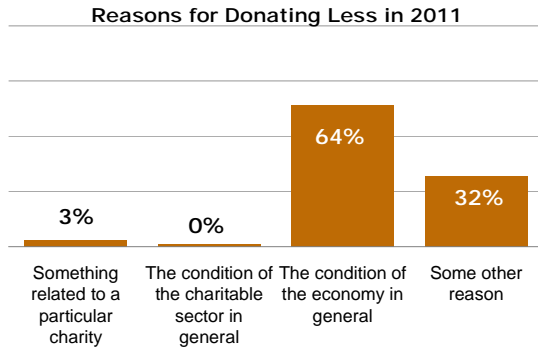
In February 2011, 17% of donors say they will give *none at all* or *less than half as much*, nearly three times more than the six percent who gave these answers just two months ago. Down five percent from December, 49% expect to give the “same amount” as in 2010. One in five (19%) continue to plan to give more.

Expected Giving (February 2011)



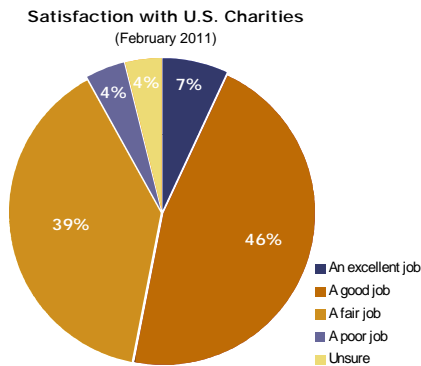
Economic Impact Holds Steady

Two in three donors now cite the economy as their reason for donating less to charity – about the same level as reported this answer in December and holding steady from previous editions. One in three donors (32%) says they will donate less for reasons unrelated to the economy or charitable sector.



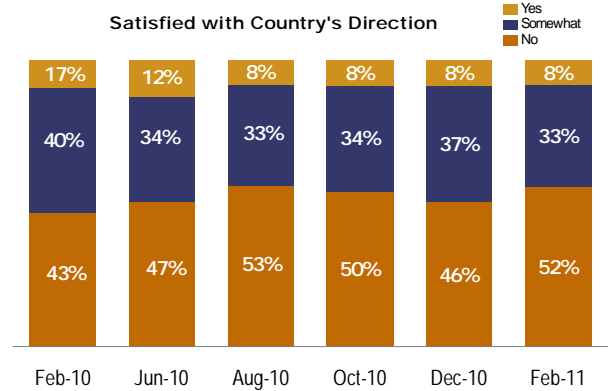
Nonprofit Sector Approval Ratings

More than half of all American donors (53%) are highly satisfied with U.S. charities. Just four percent feel charities are doing a poor job.

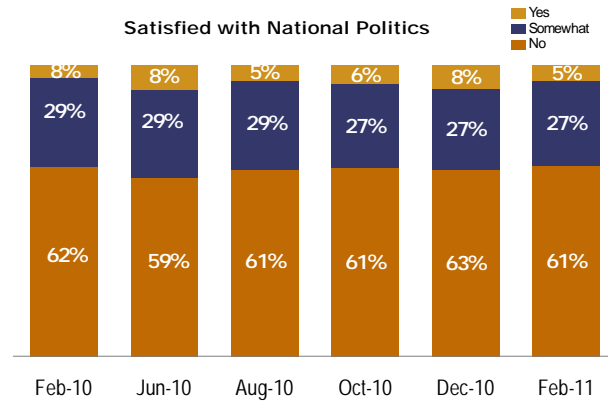


Donors Dissatisfied with Government

The proportion of donors dissatisfied with the country's direction has risen by six percent since December to 52%. The proportion that reports being dissatisfied with the direction of the country is nearly 10% higher than it was in the poll taken one year ago.

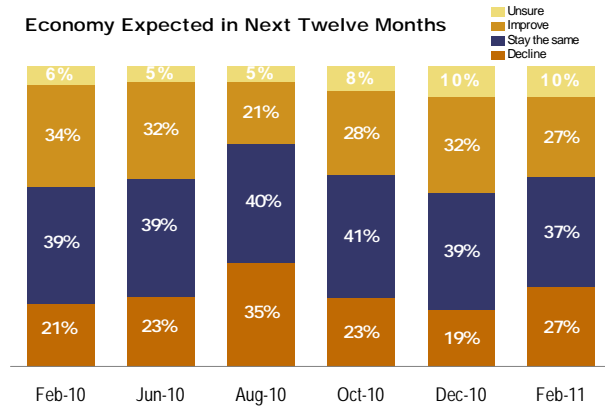


While dissatisfaction with the country's direction is rising, a majority of donors are dissatisfied with the politics they see at the national level. The rate of donors who say they are satisfied with politics at the national level has never peaked above 10%.

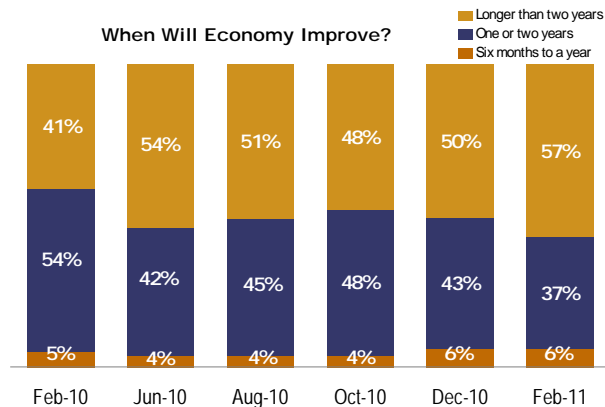


Expectations for the Economy

Up eight percent from December, 27% of donors now expect the economy to decline further, equal to the proportion that expects the economy to improve over the next year. More than one-third expects things to stay the same.



Donors are becoming increasingly pessimistic about how quickly the economy might recover. In February 2010, 41% of respondents thought the economy would require more than two years to recover, a figure which has jumped to 57% in this poll. Fewer than two in five (37%) believe the economy will recover in one to two years. Just six percent are optimistic enough to project recovery in under a year.

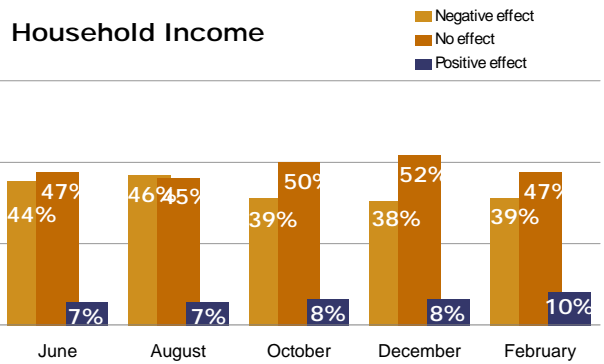


Income and Expenses Pose Greatest Burden

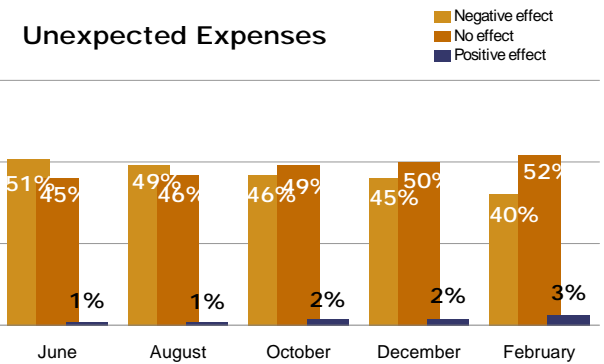
Unexpected expenses and changes in household income negatively impact giving for approximately four in ten U.S. donors.

According to donors, these factors impact their giving to a greater degree than does the value of their homes or investments.

Household Income



Unexpected Expenses



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 donors have for giving to each of the following nonprofit categories:

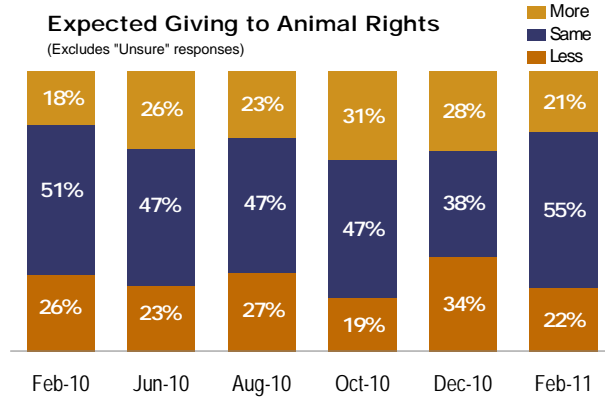
- † Animal rights, protection, and training
- † Arts, culture, and humanities
- † Educational institutions and programs
- † Environmental protection and preservation
- † Faith-based charities, excluding places of worship
- † Health and medical charities
- † International relief, education, and sponsorship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

Though the DCI fell significantly February from its December 2010 peak, the strong confidence levels seen last fall carry over into the 6-month rolling averages reported in this issue for many nonprofit sectors.

Animal Rights & Protection

The DCI for Animal Rights organizations has decreased by only 2.3 points since December.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Animal Rights	86.8	88.9	85.3	93.0	92.0	89.7
6-mo Avg.	86.3	87.0	87.0	89.1	90.1	91.6



More than half the donors to Animal Rights charities (55%) plan to give the same amount in 2011 as they did in 2010. Since last issue, fewer donors plan to donate either less or more to Animal-related causes.

Arts, Culture, and Humanities

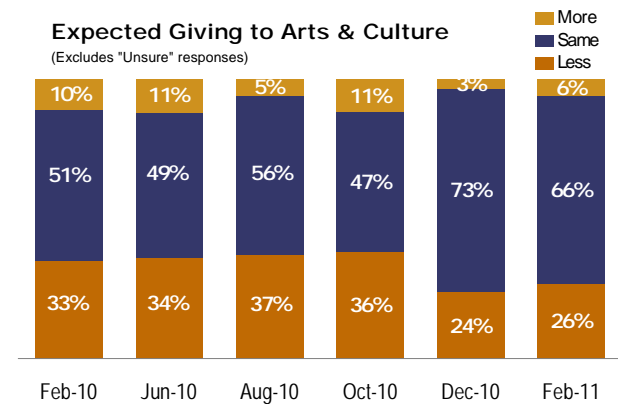
The Index for Arts and Culture plummeted 15.1 points to 88.0 this month from a high-water mark of 103.1 set in December.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Arts & Culture	91.7	87.7	82.9	95.6	103.1	88.0
6-mo Avg.	91.6	90.2	87.4	88.7	93.9	95.6

DCI scores in Arts, Culture, and Humanities have been more volatile than other sectors. Still, this decrease is significant due to the

pessimism about the length needed for economic recovery and about the direction of the country, which undoubtedly contributed heavily to this decline.

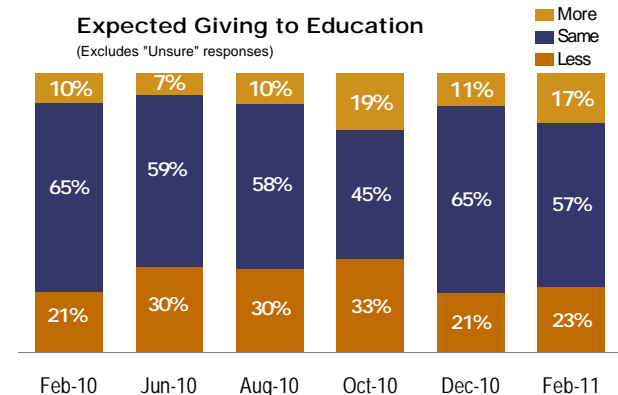
The fact that two in three Arts donors (66%, down from 73% in December) still plan to give the same amount as they did last year provides a glimmer of hope that this decline will be short-lived.



Educational Institutions & Programs

The Confidence Index for Educational Institutions has dropped 3.9 points to 93.8 this month.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Education	88.5	88.5	87.0	93.4	97.7	93.8
6-mo Avg.	89.7	88.9	88.0	89.6	92.7	95.0



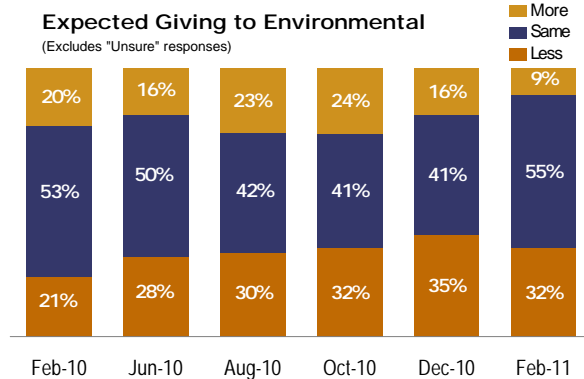
One in six donors (17%) plan to give more to Educational Institutions in 2011, an increase of

six percent since December. Fifty-seven percent plan to give the same amount, while 23% plan to give less.

Environmental Protection

Confidence among Environmental donors has decreased 2.1 points to 90.8.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Environmental	89.1	89.7	87.3	92.4	92.9	90.8
6-mo Avg.	84.9	88.4	88.7	89.8	90.9	92.0



The February poll tracks a steady decline in the proportion of donors willing to increase their giving to Environmental causes – from 24% in October to 9% now, compared with a growing percentage that says they will simply maintain their giving to this sector.

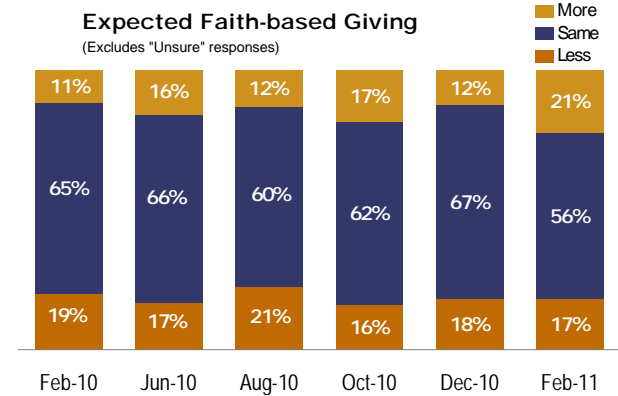
Faith-based Charities

Confidence among donors to Faith-based charities has fallen 4.5 points since December to 92.8. Still, this score remains 1.6 points higher than it was in October.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Faith-based	94.9	94.1	88.9	91.2	97.3	92.8
6-mo. Avg.	93.4	94.0	92.6	91.4	92.5	93.8

One in five Faith-based donors (21%) plan to give more to religious organizations this year, the highest proportion observed to date. Well

over half (56%) plan to donate the same dollar amount.

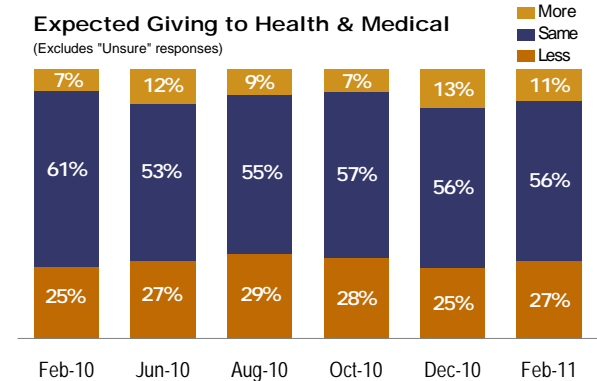


Health and Medical Charities

Down 5.4 points since last issue, the DCI for Health and Medical charities stands at 88.4.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Health and Medical	87.8	89.0	85.5	93.1	93.8	88.4
6-mo. Avg.	89.2	89.4	87.4	89.2	90.8	91.8

Varying little from late last year, 27% of Health and Medical donors currently plan to donate less. About one in ten plan to give more and 56% plan to give the same.

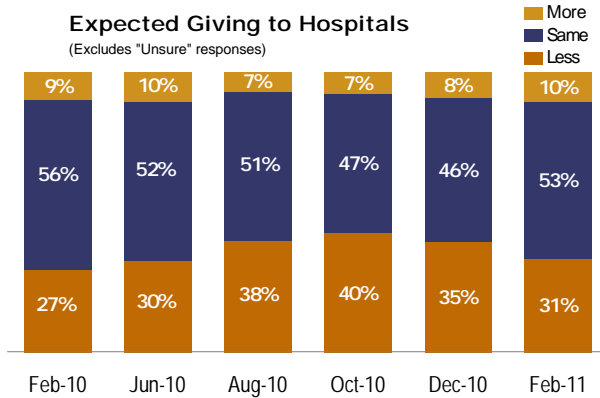


Hospitals & Hospital Foundations

Since December, the Index for Hospitals and their Foundations has decreased 1.8 points, the smallest decline across sectors, to 92.6.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Hospitals	89.3	88.4	87.2	94.3	94.4	92.6
6-mo. Avg.	88.0	88.9	88.3	90.0	92.0	93.8

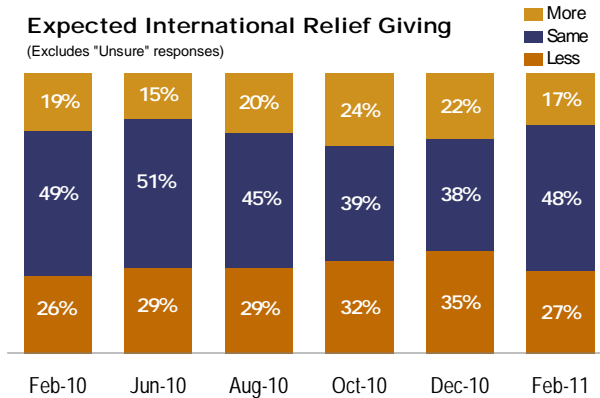
The percentage of donors planning to give less to Hospitals dropped further in February, from 35% to 31%. A higher percentage of donors (53%) now plan to donate the same amount as they did in the past year.



Int'l Relief & Sponsorship

This issue, the Index for International Relief and Sponsorship charities is 95.7, a drop of 6.4 Index points since December but identical to the score measured in October.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Int'l Relief and Development	93.7	95.0	88.9	95.7	102.1	95.7
6-mo. Avg.	90.9	93.0	92.5	93.2	95.6	97.8



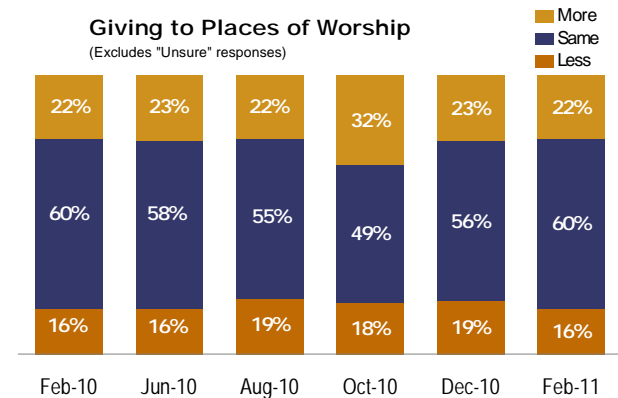
Fewer Int'l Relief donors (27%) now say they expect to give either more or less to this sector than they did in the past year, suggesting a 'wait and see' attitude in keeping with the economic uncertainty many donors face.

Places of Worship

Falling 4.6 points in the past two months, the Confidence Index for those who give to Places of Worship is now 90.0.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Places of Worship	91.1	88.9	87.6	93.0	94.6	90.0
6-mo. Avg.	91.1	90.2	89.2	89.8	91.7	92.5

Three in five donors (60%) plan to give the same amount to Places of Worship in 2011 as in 2010. More than one in five (22%) plan to give more, while 16% plan to give less.

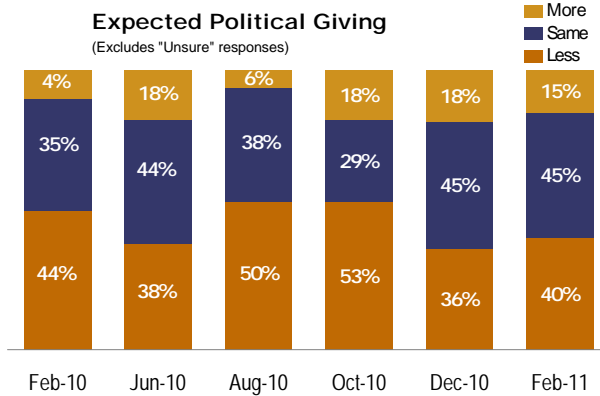


Political & Advocacy

The DCI for Political and Advocacy organizations has dropped 7.4 points since December. Scores for this sector have proven to be significantly less stable than those for any other sector, generally posting gains immediately prior to – and declines following – local and national elections.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Political and Advocacy	90.1	88.9	82.5	92.7	98.7	91.3
6-mo. Avg.	89.8	88.9	87.2	88.0	91.3	94.2

Presently, two in five Political donors (40%) plan to give less to this sector throughout 2011.

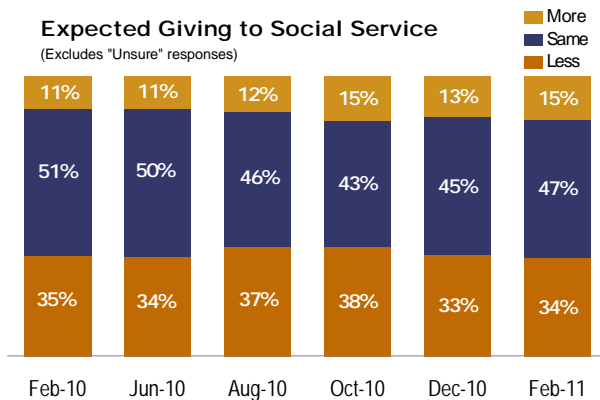


Social Service

In February, the Index for Social Service organizations fell to 88.6, a decrease of seven points.

Sector	Feb '10	Jun '10	Aug '10	Oct '10	Dec '10	Feb '11
Social Svcs	89.3	88.4	84.6	90.0	95.6	88.6
6-mo. Avg.	88.9	89.5	87.4	87.7	90.1	91.4

Expected giving among Social Service donors continues to hold steady, with 34% planning to give less and 47% planning to give the same dollar amount.



Methodology

This Donor Confidence Report poll was conducted February 25 - March 2, 2011 among 483 Internet respondents who either responded to our original February 2008 study or who have demonstrated 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 February 2011 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
100	±9.8%
200	±6.9%
300	±5.7%
400	±4.9%
500	±4.4%

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