Campbell Rinker

Marketing Research for the Nonprofit World

Donor Confidence Report

Issue 23, August 2012

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 August 2012 poll is 454. Details about the study methodology and audience are found on the final page of this report.

Donor Confidence Pushes Higher

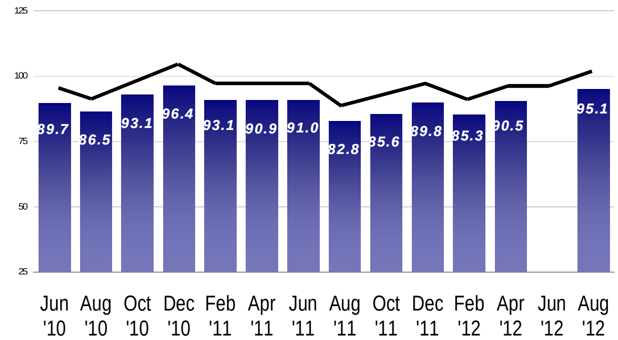
The Donor Confidence Index (DCI) has again grown, increasing 4.6 points from 90.5 in April to 95.1 in August. This marks the first time in DCI history the Index has risen, rather than declined, during the month of August.

(The poll was not conducted in June 2012).

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	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12	4-Mo Chg
Overall	82.8	85.6	89.8	85.3	90.5	95.1	▲ 4.6
Faith-based	84.6	90.1	94.0	88.0	92.2	100.7	▲ 8.5
Political and Advocacy	84.3	91.3	93.5	85.4	94.0	101.1	▲ 7.1
Environmental	85.1	88.2	89.6	83.3	90.3	95.8	▲ 5.5
Health and Medical	84.7	87.1	90.7	84.1	90.5	94.7	▲ 4.2
Hospitals & Hosp. Fnd.	81.5	85.9	94.9	90.8	92.2	95.8	▲ 3.6
Arts, Culture & Humanities	85.2	90.1	92.1	87.8	97.7	101.2	▲ 3.5
Place of Worship	83.5	87.7	92.5	88.4	92.5	96.0	▲ 3.5
Social Service	85.1	88.2	95.5	91.2	95.8	99.1	▲ 3.3
Education	84.6	87.4	94.4	90.8	94.9	98.1	▲ 3.2
Int'l Relief and Development	90.2	94.2	97.4	90.3	97.4	98.8	▲ 1.4
Animal Rights	80.0	83.2	83.9	83.5	90.8	90.9	▲ 0.1

The performance of the Index has increased in every charitable sector since April '12. Opinions from any single donor will alter the Index for any sector they say they have supported.



Trends Could Point to Stronger 2013

Mimicking the trends seen in other measurements of US consumer confidence, donor confidence rose to 95.1 in early September 2012, a four-year high.

In September, the Conference Board announced that its consumer sentiment index rose nine points from 61.3 to 70.3 from August to September. Consumer willingness to spend appears to be at the root of the recent gains.

Other reports in those months show home values and new housing starts beginning to finally crawl out of a long-lasting trough.

The national unemployment rate dropped from 8.1 percent to 7.8 percent from August to September, even though the nation added just over 100,000 jobs since the previous report. (Most economists see adding 250,000 jobs every month as essential just to keep up with U.S. population growth).

The Index is at 96.5 among women, 96.2 among pre-Boomers, and about 95.0 among households with income over $50,000.

While these positive impacts may have spurred the Donor Confidence Index to its highest recession-era mark, other factors suggest that confidence is still tepid.

For instance, while the proportion of donors who intend to give the same amounts next year as they did this year remains a majority, just 10% say they plan to give more and 25% say they'll give less, a net loss of 15%.

The proportion of donors who are unsure of what the economy will do mushroomed from 7% in April to 17% in September, while the percent who believes the economy will improve soon has barely budged.

Gasoline prices posted record highs around the country in September. More than a third of donors in this poll (35%) say that high gas prices reduce their likelihood to give as much in the coming year. Nearly as many donors say the same about the prospect of losing the tax deduction for charitable giving.

In the final analysis, it appears that high unemployment rates and persistent uncertainty about the future still exert a tremendous impact on the ability to give in 2013, despite donors' increasing willingness.

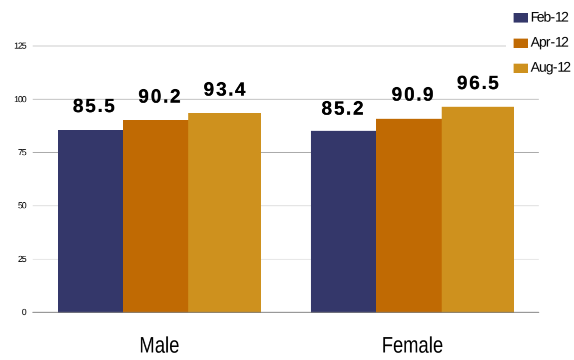
Authored by Dirk Rinker

Donor Confidence in key Demos

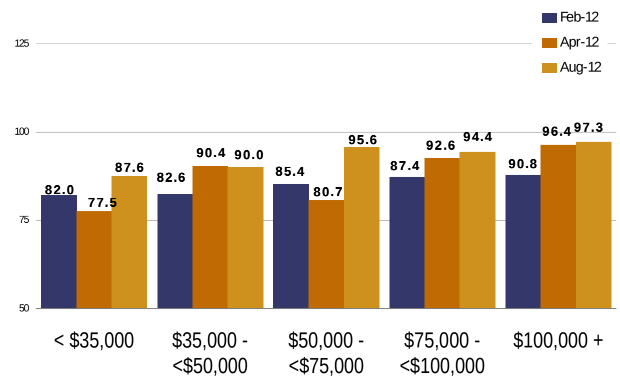
An analysis of Donor Confidence Index trends among key demographic groups shows that middle-income boomers continue to feel the pinch of a tough economy. In fact, confidence among donors who earn between $35K-<$50K (on just at or below the national median income) has actually slipped a bit. Boomers and men remain less confident than non-Boomers and women.

The biggest gains in donor confidence are seen among women, older and younger donors, and donors who earn less than or slightly more than the national median income of $48,000.

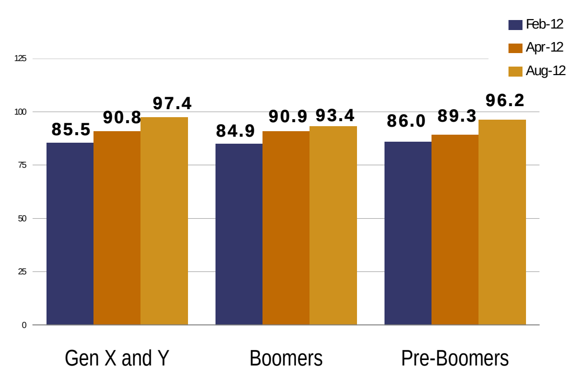
While the Index for women increased by 5.6 points to 96.5, the Index for men gained only about half as much, up 3.2 points to 93.4 over the last four months.



The DCI has risen in every income category, with the exception of the $35,000 to less than $50,000 range. Confidence remains highest among households with $100,000+ annual income.



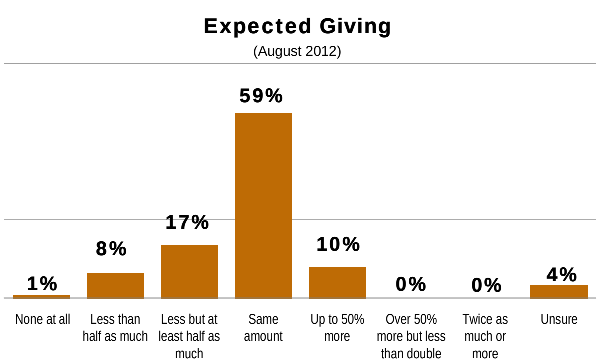
In August, the Gen X and Y group posted the highest DCI scores at 97.4. The DCI among older Pre-Boomers surged to 96.2, the biggest overall gain among any age group at 6.9 points. The Index did not increase nearly as much for Boomers, with an increase of 2.5 points.



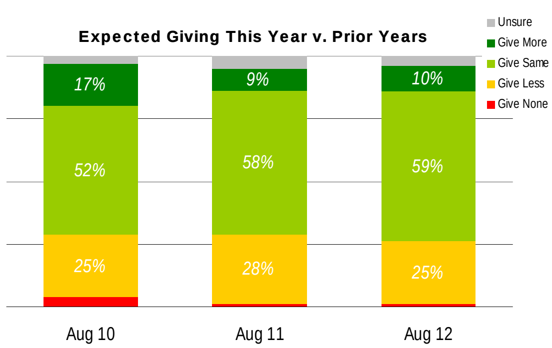
Expectations for Giving in 2012

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

In this issue of the Donor Confidence Report, the proportion of donors who plan to give less money in the coming year compared to 2012 increased, while the proportion planning to give more has decreased.



This result means that while confidence about future giving may be growing, those gifts are likely to be smaller than in the past.

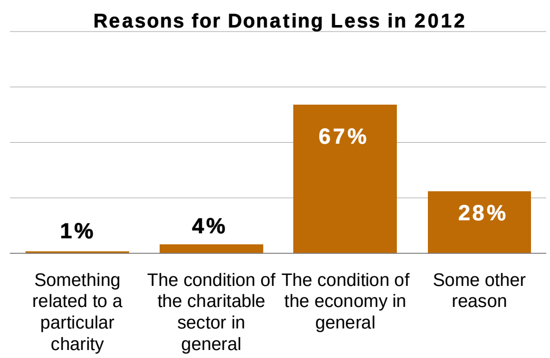


The proportion of donors in August 2012 who plan to Give More or Give Less is consistent with August of 2011, while the last two years reflect a far more negative mood than existed in August of 2010.

Today, 25% expect to give less or none at all, 59% expect to give the same amount, and 10% expect to give more throughout 2012.

Reasons for Giving Less

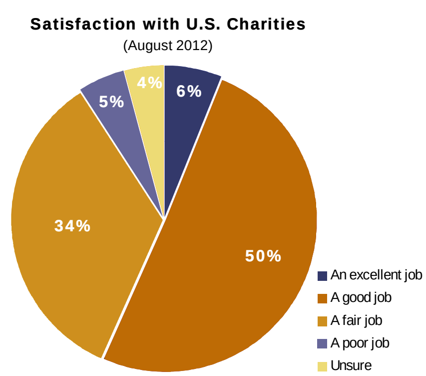
Two in three donors (67%) who plan to give less cite the condition of the economy as their reason. More than one in four (28%) cite reasons unrelated to the economy or charitable sector.



This represents quite a shift from April 2012, when 54% of donors cited the economy and 42% cited some other reason.

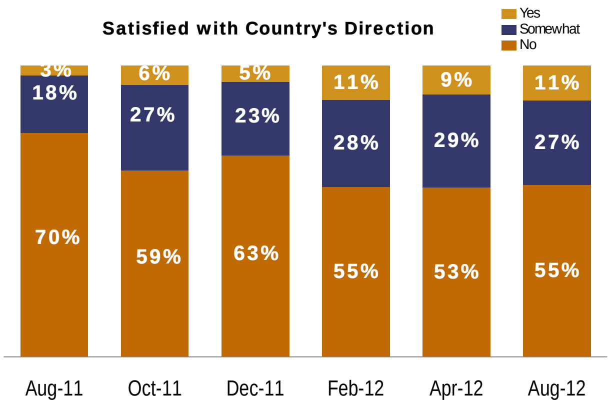
U.S. Nonprofit Approval Ratings

Consistent with findings from last April, half of all donors still consider U.S. charities to be doing "a good job." The proportion of donors who see charities as doing an 'excellent' job edged slightly higher.

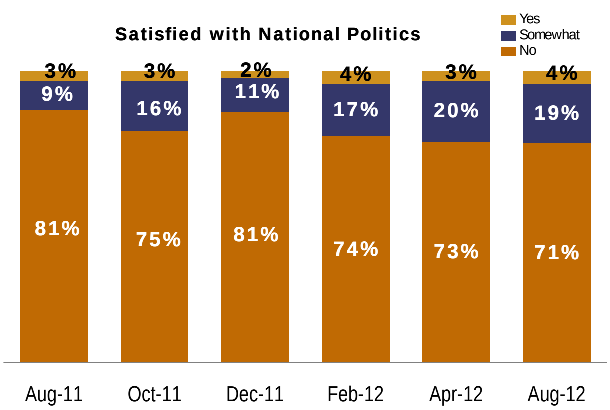


Dissatisfaction with Government Persists

This month, 55% of responding donors express complete dissatisfaction with the country's direction. Since August 2011 about 27% of Americans have been somewhat satisfied with the country's direction, while the small minority of satisfied Americans has risen threefold, from three to 11%.

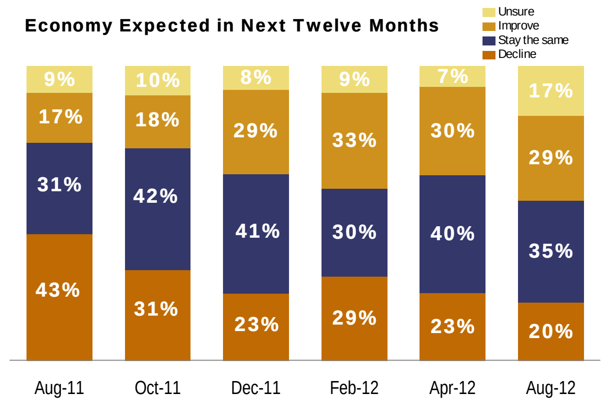


At present, about seven in ten (71%) are dissatisfied with politics at the national level, a proportion which has dropped 10% over the last year. Only four percent are satisfied.

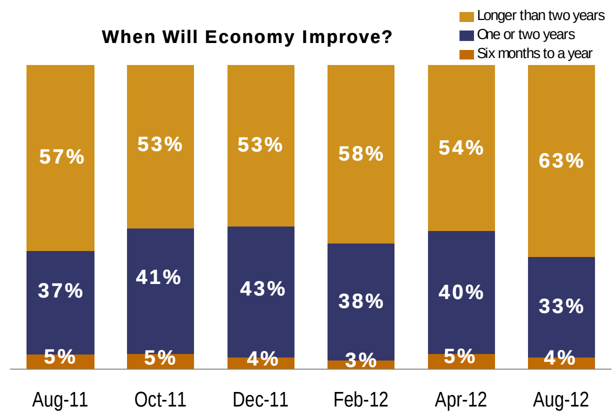


Economic Outlook

The proportion of donors expecting the economy to decline over the next year has decreased by three percent since April, from 23% to 20%. Approximately one in six (17%) say they are unsure what to expect. Campbell Rinker speculates that such a high level of uncertainty may be attributed to the November presidential election.

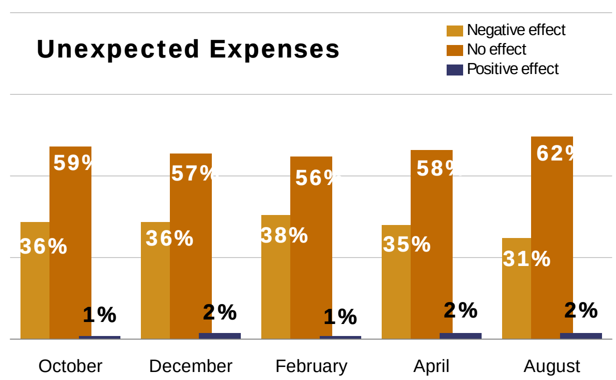


Overall, 63% of donors believe the economy will take more than two years to fully recover.

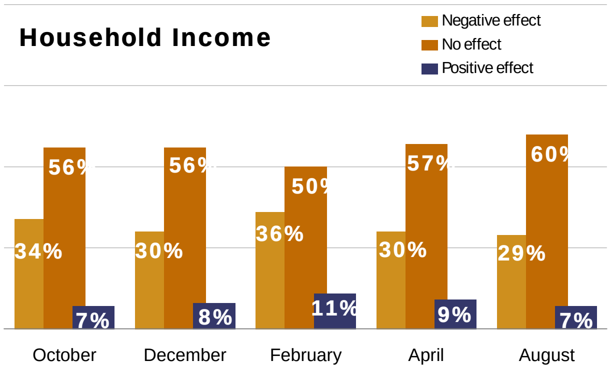


Changes in Income and Unexpected Expenses Burden Donors Most

One in three donors (31%) says unexpected expenses currently hamper their giving. While this factor has the greatest impact on giving, it is also a decrease of four percent since April.



Approximately three in ten donors (29%) report changes in their household income as having a negative effect on their ability to give. Campbell Rinker expects these proportions to improve along with national employment.



Sector Spotlights

Campbell Rinker asked donors to indicate which of 11 nonprofit sectors they had supported in the last year. Ratings from a single donor may impact the Confidence Index for each nonprofit sector they support.

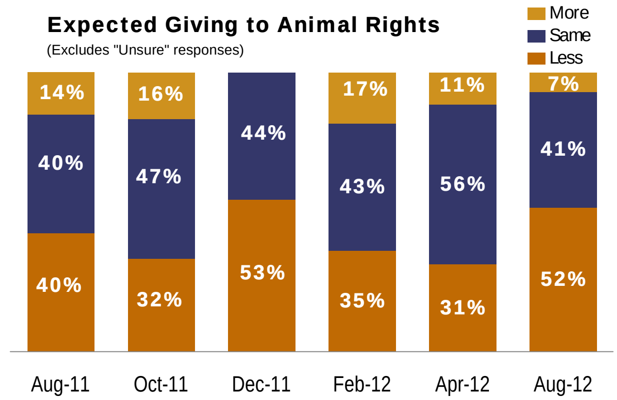
The sections below highlight the outlook for giving to the following nonprofit categories:

- 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

The DCI for Animal Rights organizations has held mostly steady since April, increasing by just 0.1 point this issue.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Animal Rights	80.0	83.2	83.9	83.5	90.8	90.9
6-mo Avg.	82.9	82.4	82.4	83.5	86.1	88.4



Donors to this sector expect to give less next year to Animal Rights and Protection than they had reported earlier this year.

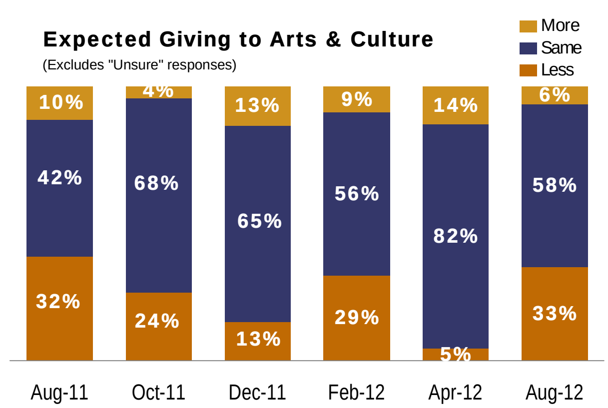
Arts, Culture, and Humanities

At 101.2, the Index for Arts and Culture charities has grown by 3.5 points over four months.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Arts & Culture	85.2	90.1	92.1	87.8	97.7	101.2
6-mo Avg.	87.8	88.2	89.1	90.0	92.5	95.6

Volatility in expected giving to Arts charities continues, with 33% of donors now saying they plan to give less and 58% saying they plan to give the same amount to the sector this year.

Confidence ratings from Arts and Culture donors tend to track closely with those of Political and Advocacy donors.

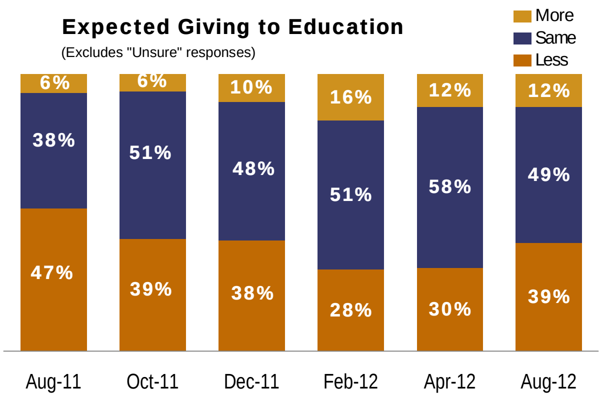


Educational Institutions & Programs

Since April, the Index for Educational Institutions has risen by 3.2 points to 98.1.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Education	84.6	87.4	94.4	90.8	94.9	98.1
6-mo Avg.	89.6	87.5	88.8	90.9	93.4	94.6

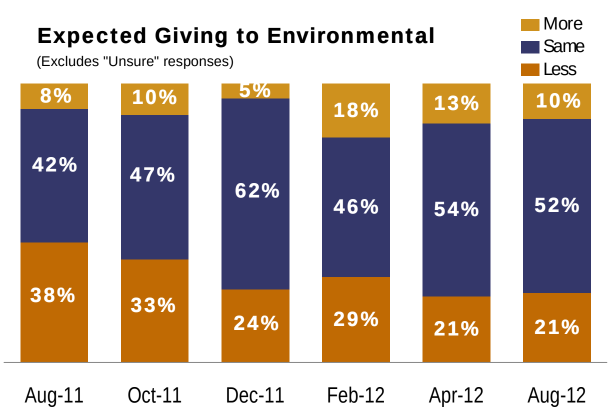
Education donors appear to exhibit a seasonal interest in supporting the sector, with slightly greater interest in the winter months. This seasonal interest coincides with the timing of many University annual giving campaigns.



Environmental Protection

Up 5.5 points, the DCI for Environmental organizations stands at 95.8.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Environmental	85.1	88.2	89.6	83.3	90.3	95.8
6-mo Avg.	88.6	86.8	87.6	87.0	87.7	89.8



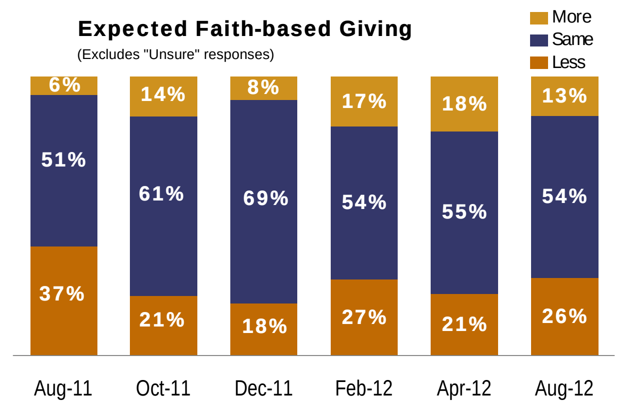
One in five donors to Environmental organizations (21%) still plan to give less to this sector in 2012. Approximately half (52%) report plans to give the same amount.

Faith-based Charities

From April to August, the Index for Faith-based organizations jumped from 92.2 to 100.7 (an increase of 8.5 points).

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Faith-based	84.6	90.1	94.0	88.0	92.2	100.7
6-mo. Avg.	90.0	89.5	89.6	90.7	91.4	93.6

As of September 54% of donors to faith-based charities plan to give the same amount this year, while 26% plan to give less and 13% plan to give more.

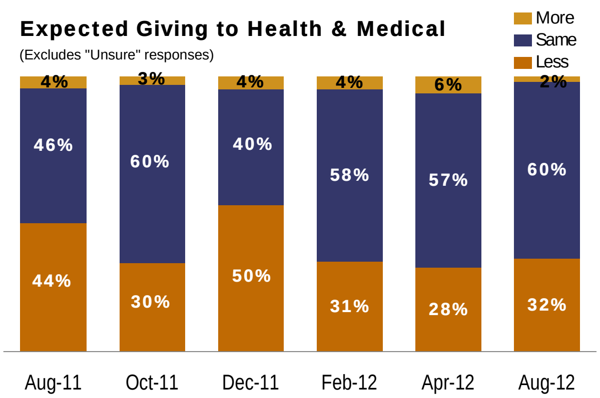


Health and Medical Charities

Rising by 4.2 points since April, confidence among donors to Health and Medical charities has reached 94.7 points.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Health & Med.	84.7	87.1	90.7	84.1	90.5	94.7
6-mo. Avg.	88.5	87.2	87.5	87.3	88.4	89.8

Currently, three in five donors (60%) to the sector plan to give the same amount this year as last. One in three plan to give less. Hardly any donors plan to give more.

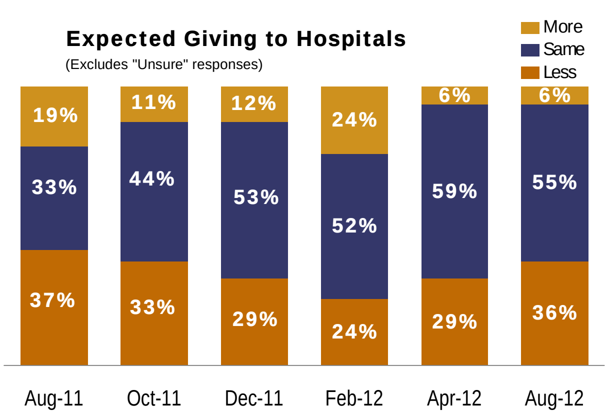


Hospitals & Hospital Foundations

The DCI for Hospitals and their Foundations has increased by 3.6 points since last issue, from 92.2 to 95.8.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Hospitals	81.5	85.9	94.9	90.8	92.2	95.8
6-mo. Avg.	87.6	85.9	87.4	90.5	92.6	92.9

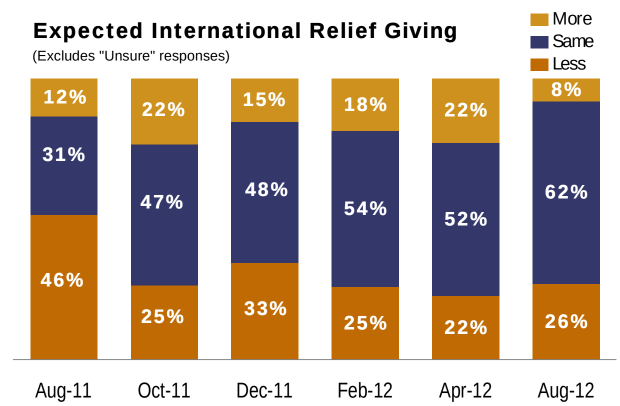
During August, 55% of donors reported plans to give the same amount to Hospitals this year, while 36% reported plans to give less.



Int'l Relief & Sponsorship

Up 1.4 points, the Index for International Relief charities stands at 98.8. The sector's six-month average is among the highest for any sector at 95.5.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Int'l Relief and Development	90.2	94.2	97.4	90.3	97.4	98.8
6-mo. Avg.	91.7	92.4	93.9	94.0	95.0	95.5



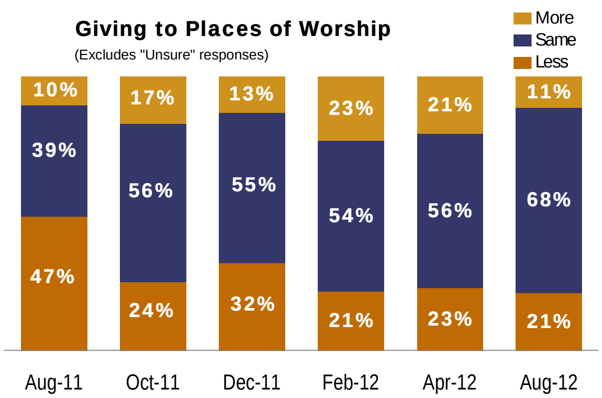
This month, 62% plan to give the same amount to International Relief throughout 2012. One in four (26%) plan to give less and eight percent plan to give more.

Places of Worship

The Index for Places of Worship has grown by 3.5 points since April, to 96.0.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Places of Worship	83.5	87.7	92.5	88.4	92.5	96.0
6-mo. Avg.	88.8	87.3	87.9	89.5	91.1	92.3

Down from 21% since April, 11% of donors now plan to give more to their place of worship next year. Two in three (68%) plan to give the same amount, up from 56% in April; figures which suggest a shift toward 'more of the same' in congregational giving.

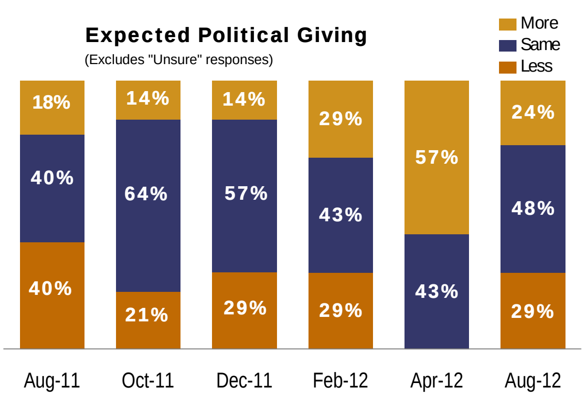


Political & Advocacy

The DCI for the Political sector is a high 101.1, representing a 7.1 point increase over four months. This sector sees some of the most volatile shifts in Confidence.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Political and Advocacy	84.3	91.3	93.5	85.4	94.0	101.1
6-mo. Avg.	90.0	91.9	89.7	90.1	91.0	93.5

The wholesale shift in expectations from the Give More to the Give Same category among donors to this sector clearly demonstrates the election-driven nature of giving to this sector.

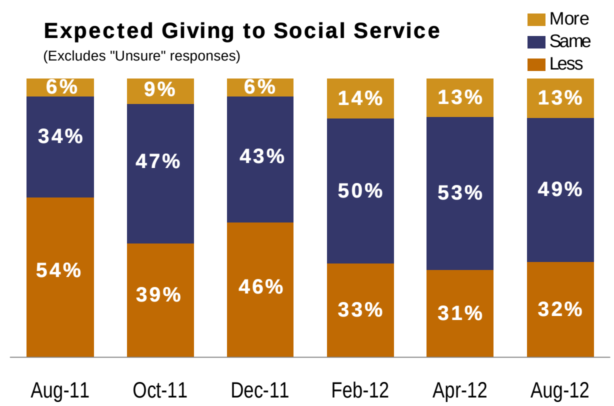


Social Service

Confidence among donors to Social Service organizations has grown by 3.3 points since April, from 95.8 to 99.1.

Sector	Aug '11	Oct '11	Dec '11	Feb '12	Apr '12	Aug '12
Social Svcs	85.1	88.2	95.5	91.2	95.8	99.1
6-mo. Avg.	89.1	88.1	89.6	91.6	94.2	95.4

Approximately half the sector's donors (49%) plan to give the same dollar amount this year as last, while 32% plan to donate less and 13% plan to donate more.



Methodology

This Donor Confidence Report poll was conducted September 7-10 and 18, 2012 among 454 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 August 2012 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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