Campbell Rinker

Marketing Research for the Nonprofit World

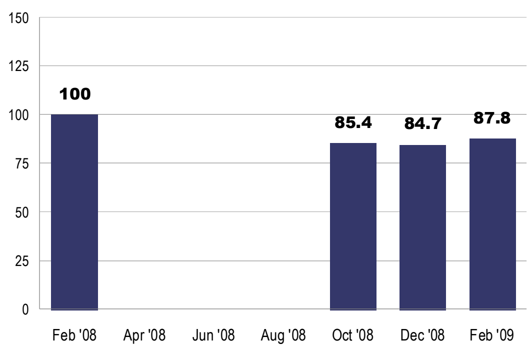
Donor Confidence Report

Issue 3, February 2009

The results in this Donor Confidence Report are drawn from an ongoing survey of donor attitudes about giving by Campbell Rinker. The sample size is 506. Details about the study methodology may be found on page 9.

Overall Confidence Index Moves Slightly Higher; Sectors Lower

Campbell Rinker's Donor Confidence Index (DCI) edged slightly higher to 87.5 in February 2009. The Index stood at 84.7 in December, compared to a baseline of 100 established in 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.



The performance of the Index within various sectors is shown in the following table, ranked by the change since February '08.

Despite the slight increase overall, the Confidence Index for every sector has moved lower. This is possible because the overall likelihood to give in 2009 is measured separately from likelihood to give in any one sector. Donors to Political and Advocacy organizations show the greatest DCI erosion.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Feb-Feb Change
Political and Advocacy	104.5	90.5	89.6	84.9	-19.6
Health and Medical	101.7	91.6	89.5	86.1	-15.6
Arts, Culture, and Humanities	100.1	85.9	92.3	84.8	-15.3
Environmental	98.9	89.7	92.7	84.1	-14.8
Faith-based	104.2	95.9	93.0	90.5	-13.7
Social Service	99.6	87.3	90.0	86.8	-12.8
Education	99.1	91.4	89.6	86.8	-12.3
Places of Worship	101.6	91.4	91.6	90.1	-11.5
Int'l Relief and Development	99.9	86.6	97.4	89.2	-10.7
Hospitals, Hospital Foundations	99.7	89.3	88.0	89.4	-10.3
Animal Rights	96.5	88.7	90.7	86.7	-9.8

Five sectors – shaded above for December '08 – saw a seasonal bump of an average 5.5 points in the index.

This spike occurs among households that support Social Service, Environmental, International and Animal Protection and Preservation. The nature of this Index is that the positive or negative opinions of a donor will have an impact on the index for any sectors they support.

It is certainly not unusual for donors who support one of these sectors to support others in this list as well. Because of this scenario, Campbell Rinker interprets this December spike as reflecting a shared increase in confidence among giving households that are predisposed to support more progressive sectors. Other sectors – perhaps more neutral or conservative in nature – saw little or no bump at all in donor confidence.

The DCI for Animal Rights and Hospitals and Hospital Foundations appears to be least impacted by economic news of the past few months.

Analysis

The February Donor Confidence Index – up from 84.7 in December to 87.8 in February – suggests that donors are gaining confidence about giving in 2009.

This figure may indicate more optimism among donors than among consumers in general. On average, donors expect to give a little less in 2009 compared to 2008 – nearly half (47%) say they expect to give the same in 2009 as in 2008, while 28% expect to give less and 18% expect to give more.

In contrast, the Consumer Confidence Index™ measured by The Conference Board (a New York nonprofit public interest group), now stands at 26.0 in March after dipping to 25.3 in February.

We should note that this is the first poll published since President Barack Obama was inaugurated in January, and that the Index has likely benefited from the optimism surrounding that event, despite continued weak economic news.

On the other hand, donors also exhibit a certain amount of realism. Half the donors we surveyed expect to see the economy get worse this year, and only 23% say they think it will stay the same through 2009. In contrast, economics professor Robert Krol of California State University at Northridge opines that "most [economic] forecasters expect the current U.S. recession to end sometime during the second half of this year [2009]," citing a survey of economists conducted by the Federal Reserve Bank of Philadelphia. Historically, Krol notes that recessions caused by a financial crisis tend to be longer and deeper than those caused by other factors.

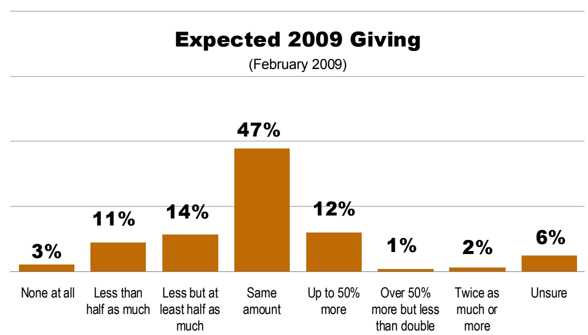
So, while confidence among donors may be growing, it appears they are still guarded in their enthusiasm for supporting causes, apt to give the same or less as in 2008, and skeptical about the economy recovering to the point where they begin to feel better. When it does, they are likely to feel much more freedom in making charitable gifts.

These trends could be seen as impacting nonprofit plans for new donor acquisition in 2009 – donors may be saying they are less willing to consider supporting charities that are new to them. Plans for new donor acquisition should receive a careful tune-up at this time.

On the other hand, the combined effects of devalued homes and investment portfolios undoubtedly have many long-term donors thinking about their financial future. This environment could benefit nonprofits that are in a position to offer estate planning services.

Proportion Likely to Give Same in '09 Holds Firm from December Poll

Campbell Rinker asked U.S. donors whether they expected to give the same amount, more or less in 2009 compared to the year before. The results are weighted by age to portray donor expectations as accurately as possible.

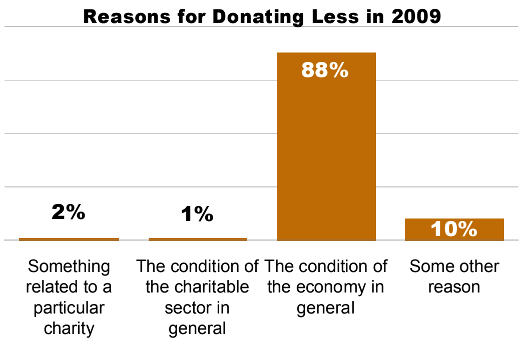


Nearly half of donors (47%) say they expect to give the same amount in 2009 compared to 2008, an increase of three percent since Campbell Rinker's December poll. The percentage who says they will give more stayed constant at 15% (three choices combined).

The percentage of donors who now say they plan to give less has risen by just one percent since the December poll. However, the percentage of donors who say they are unsure about their expectations has risen from <1% to 6% in the same timeframe.

Economy Still Drives Any Decline

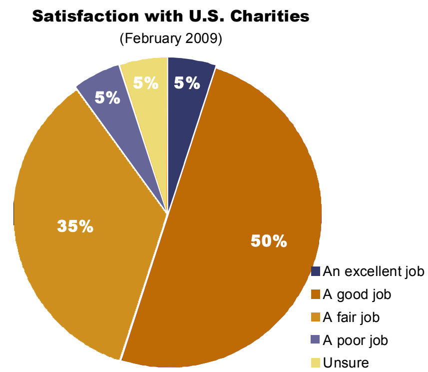
Nearly nine in ten donors who say they expect to give less in 2009 than they did in 2008 cite the "economy in general" as the reason (88%). Though 14% higher than October levels, the percentage of donors citing this reason has held steady since the December poll.



The percentages in other categories has also held steady. The persistence in the high proportion of respondents who blame "the economy" and do not blame charities is a sign that donors are likely to feel renewed confidence for giving to the charitable sector at any time they feel the economy improves.

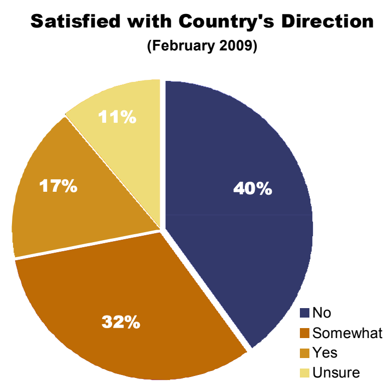
High Nonprofit Approval Holds Firm

A majority of respondents continue to see U.S. charities as doing either an excellent or good job. Another 35% characterize nonprofit performance as "fair," while just five percent indicate that they see it as "poor." These results have been consistent since October 2008.

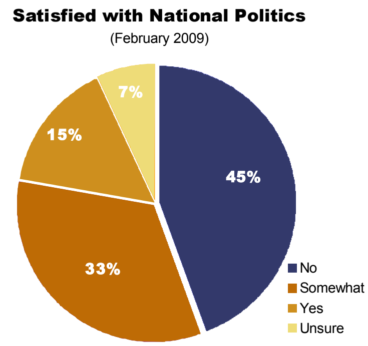


Donors Showing More Optimism

In February, the percentage of donors who expressed dissatisfaction with the country's direction dropped to 40% compared to 54% in December. This continues a remarkable shift toward satisfaction in the country's direction; the percentage of donors who are "satisfied" more than doubled from 7% in December to 17% in February. Those who say they are somewhat satisfied grew from 25% in December to 32% now.



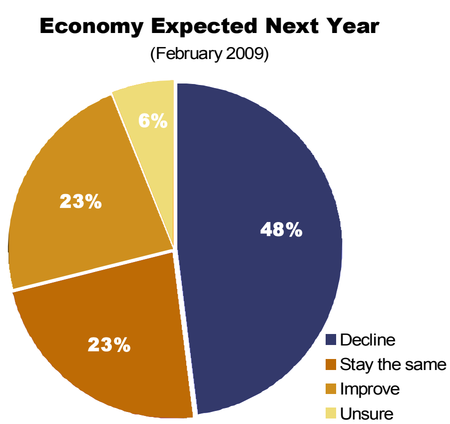
With regard to national politics, donors are still not satisfied with "the political system at the Federal level." However, the percentage of donors citing dissatisfaction has dropped from 59% in December to 45% now, a significant improvement since October and December of last year.



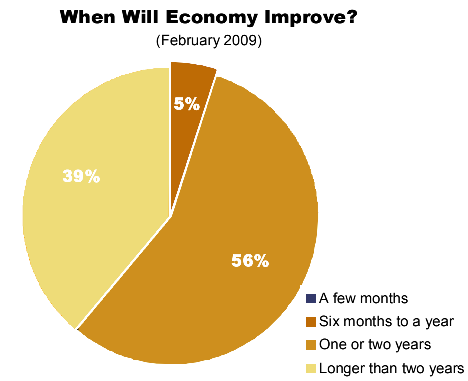
The Economy Donors Expect in 2009

Nearly half of all respondents in February '08 (48%) say they expect the economy to decline further in '09, slightly higher than the proportion in December. More important perhaps is that this percentage has dropped by nine percent since October '08.

The percentage of donors who expect economic improvement in 2009 has dropped from 23% in October 2008 to 15% now.



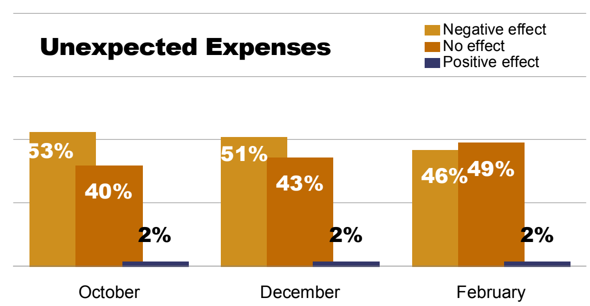
Over half of all donors surveyed (56%) foresee the economy improving within one or two years, which is less optimistic by far compared to the forecast by economists recently surveyed by the Federal Reserve Bank of Philadelphia. Another 39% of donors think it will take more than two years to see any improvement.



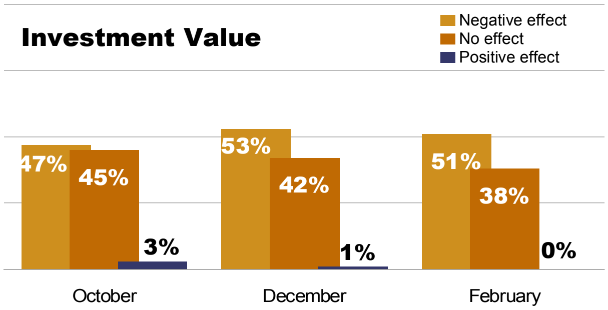
Personal Expenses Depress Giving

Fluctuating personal expenses, investment value, and changes in personal income continue to have the greatest adverse impact on nonprofit support. Yet these factors show signs of improvement, indicating more stability in household finances.

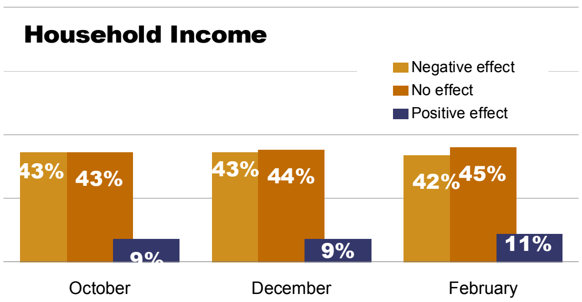
Fewer donors now cite unexpected expenses as having a negative impact on their giving. Meanwhile, the percentage that says unexpected expenses have "no effect" has risen from 43% to 49%.



The highest proportion of donors says that the declining value of their investments has had a negative effect on their personal giving – although this proportion has declined to 51% from December's poll reading of 53%.

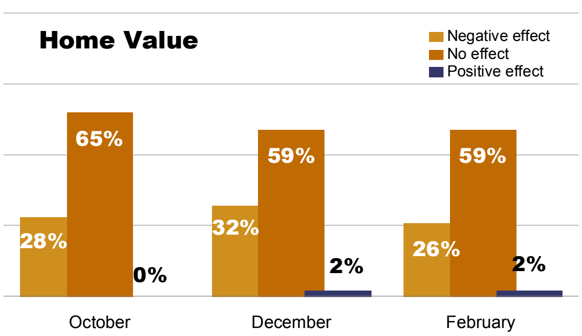


Despite rising national unemployment rates, donors are just as likely now as they were in October and December to say that changes in household income have had a negative impact on their giving plans.



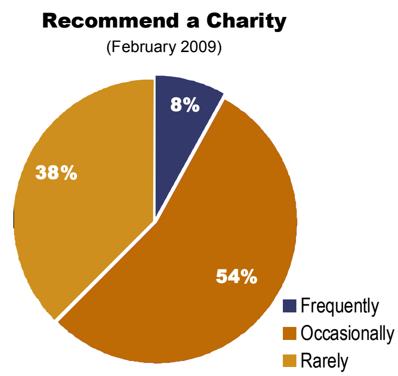
The percentage of donors who indicate that household income has had a positive effect has risen by a negligible two percent.

In contrast, six in ten donors still say that changes in the value of their home have no impact on their giving plans. This figure has also held steady since late last year.



Do you Tell Others about Charities?

The percentage of donors willing to recommend one of their favorite charities has remained constant since October 2008. Campbell Rinker sees the stability in this measurement as a sign of continued trust in the nonprofit sector.



Sector Spotlights

Campbell Rinker asked donors to indicate which sectors they had supported in the last year. Donors could indicate supporting more than one sector. As the Donor Confidence Index is calculated on a per-respondent basis and aggregated, ratings provided by one donor may contribute to more than one nonprofit sector. The February poll counted 506 respondents, similar to the 509 respondents in December. Both these polls improve upon the 300 respondents surveyed in October.

Generally, the results in each sector suggest that donors are more hesitant to commit to their giving plans for 2009 and a little more likely to say they will curtail their giving in the coming year compared to 2008.

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

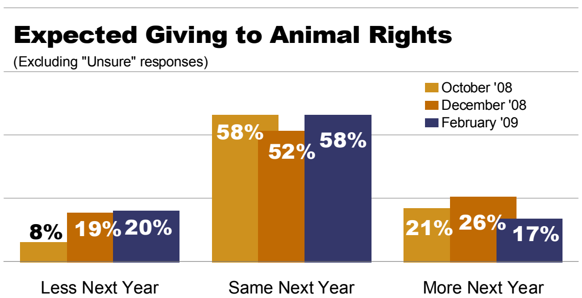
- Animal rights, protection and training
- Arts, culture, and humanities
- Educational institutions and programs
- Environmental protection and preservation
- Faith-based charities, excluding places of worship

- 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

In February ’09, expectations among donors who contribute to animal rights charities reduced the DCI for this sector to 86.7.

Sector	Feb ’08	Oct ’08	Dec ’08	Feb ’09	Change
Animal Rights	96.5	88.7	90.7	86.7	-4.0



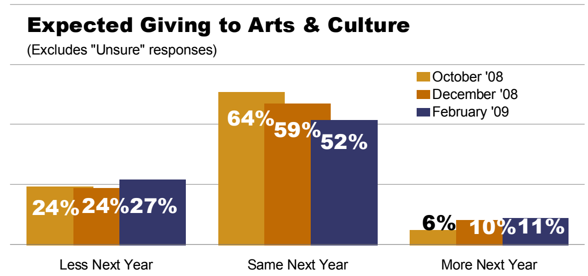
The main reason for this decline is a decrease in the proportion of donors who plan to give more overall in the coming year (26% in December, 17% now) and an increase in the proportion of donors who say they plan to give the same as in 2008 (52% in December vs. 58% now).

Arts, Culture, and Humanities

The DCI among donors to the Arts, Culture and Humanities increased to 92 in December and fell back to 85 in February, in keeping with the Index of 86 measured in October.

As noted earlier, this December increase appears to reflect a seasonal spike that possibly indicates a more hopeful mindset among donors to certain causes.

Sector	Feb ’08	Oct ’08	Dec ’08	Feb ’09	Change
Arts, Culture and Humanities	100.1	85.9	92.3	84.8	-7.5



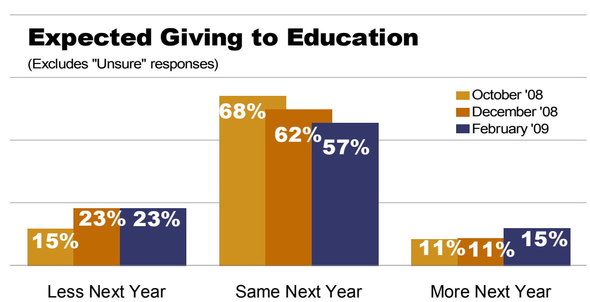
The percentage of Arts, Culture and Humanities donors planning to give the same this year compared to 2008 has fallen significantly (from 64% to 52%), with only slight increases in the proportion expecting to give less or expecting to give more. More and more donors to this segment express uncertainty in their giving plans.

Education Institutions & Programs

The DCI for Educational Institutions and Programs continues to decline, by 1.8 points from 89.6 in December to 86.8 in February.

Sector	Feb ’08	Oct ’08	Dec ’08	Feb ’09	Change
Education	99.1	91.4	89.6	86.8	-2.8

Yet, education supporters are 4% more likely now than they were in December ‘08 to say they will give more in 2009 than they did in 2008. This positive news is offset by the percentage planning to maintain their support, which has decreased by 5%.

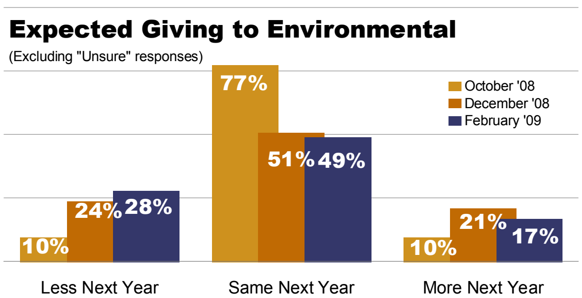


Environmental Protection

The largest DCI drop in February is seen in the environmental sector, in which the DCI dropped from 92.7 in December to 84.1 now.

Twenty-eight percent of donors now say they plan to give less to environmental charities in 2009 compared to their giving in 2008, an increase of four percent over the December poll. At the same time, fewer say they are likely to give the same or give more. These results reflect a dynamic and fluid state of confidence about giving among traditional environmental supporters.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Environmental	98.9	89.7	92.7	84.1	-8.6

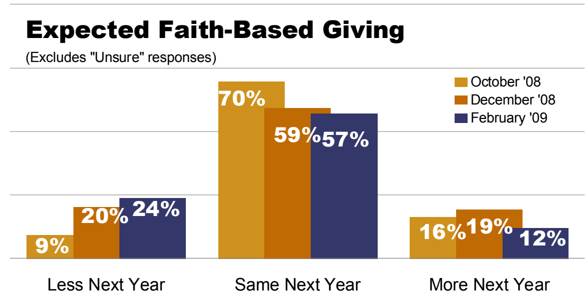


Faith-based Charities

Despite a decline from December to February, the Index for faith-based groups registers the strongest sector index in the February poll. The DCI for faith-based charities (excluding places of worship) has fallen, thought it has done so at a slower rate than most other sectors in dropping off by 2.5 points since December to 90.5.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Faith-based	104.2	95.9	93	90.5	-2.5

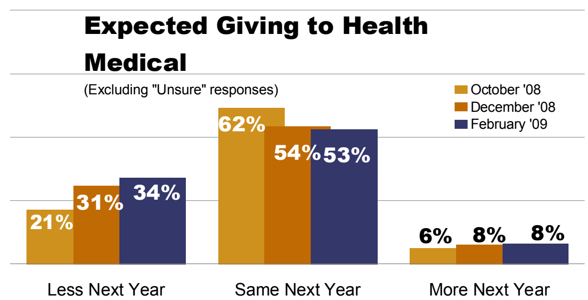
The striking aspect of these figures is that in terms of growth and decline in various categories of expected giving behavior for 2009, faith-based supporters look very similar to environmental donors. They are more likely to plan on curtailing their gifts in '09, and less likely to give the same or more. This suggests that other elements of the DCI – the donor's outlook for the future, their perception of the direction of the country, etc. – are responsible for the five-point spread difference in the DCI between these sectors.



Health and Medical Charities in US

The index for US-based Health and Medical charities decreased by 3.4 points from 89.5 in December to 86.1 in February.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Health and Medical	101.7	91.6	89.5	86.1	-3.4



The proportion of households that expects to give less in the coming year to support Health and Medical charities continues to grow, from 31% in December to 34% now.

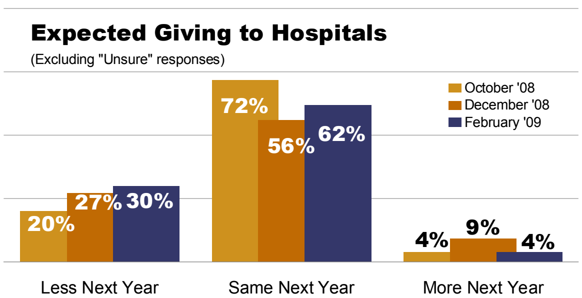
Hospitals & Hospital Foundations

The DCI for nonprofit Hospitals and Hospital Foundations has increased since October and

December. The decrease for this term is 1.4 points from 88 in December to 89.4 in February '09.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Hospitals, Hosp. Foundations	99.7	89.3	88	89.4	1.4

Donors who support hospitals and hospital foundations are more likely now to say they will give less than in 2008, or the same. In a positive move, the proportion of hospital supporters who plan to maintain their giving has increased from December to February.



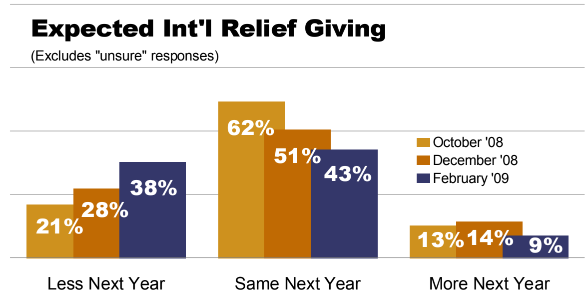
Int'l Relief, Education, & Sponsorship

The DCI for International Relief, Education and Child Sponsorship has dropped by 8.2 points since December, the second largest sector decline report in this edition.

As noted, International charities experienced a seasonal bump in December, and the very high Index of 97.4 registered then dropped to 89.2 in February.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Int'l Relief and Development	99.9	86.6	97.4	89.2	-8.2

Donors are increasingly more likely to plan to give less – this proportion was 38% in February compared to 28% in December – a precipitous ten percent increase – and similarly less likely to give the same. The proportion that expects to give more has dropped by 5%.



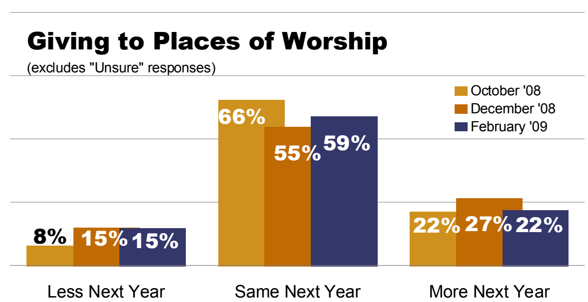
Places of Worship

For the most part, the DCI for Places of Worship has remained mostly steady since October '08 with a slight decrease of 1.5 points since December.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Places of Worship	101.6	91.4	91.6	90.1	-1.5

In projecting their annual gifts to Places of Worship, a very strong six in ten donors (59%) say they expect to give about the same in 2009.

At 22%, the proportion of donors who plan to give more to their place of worship is the highest for any sector in this edition of the DCR, and correspondingly the proportion that expects to give less is the lowest.

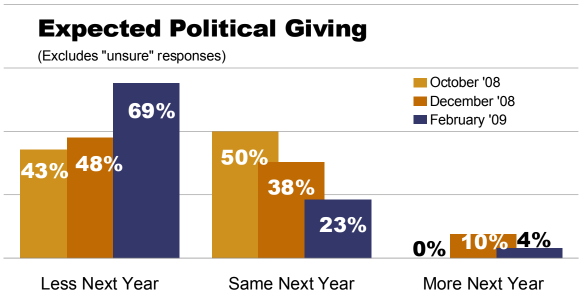


Taken together, these attitudes suggest that congregational giving will continue at close to 2008 levels.

Political & Advocacy

The DCI for Political and Advocacy Organizations has declined by 4.7 points from 89.6 in December to 84.9 in February '09.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Political and Advocacy	104.5	90.5	89.6	84.9	-4.7



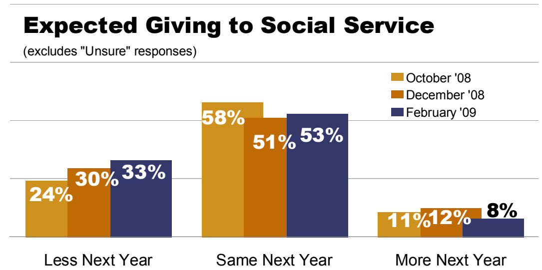
Seven in ten donors plan to give less to political organizations in 2009. Twenty-three percent of political donors plan to give the same and just 4% say they will give more. These results are to be expected in a year following an election.

Social Service

The DCI for Social Service organizations has gone down by 3.2 points in the last two months. While this sector was one of those seen to have experienced a seasonal bump during December, the impact of the bump was less dramatic here than in other sectors.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Change
Social Service	99.6	87.3	90	86.8	-3.2

The percentage of households saying they expect to give more next year has dropped from12% in December to 8% in February. The percentage expecting to give less has increased to 33%.



Methodology

The February Benchmark study was conducted as part of Campbell Rinker's ongoing DonorPulse survey of 3,312 US donors conducted in February 2008. This was a hybrid study in which 29% of respondent households came from random telephone calling and 71% of respondents were recruited from an Internet panel reflecting national demographics.

To qualify to take the survey, responding households must have made a charitable contribution in 2007. Respondents were required to be at least 18 years old. Of the 3,312 responding donors, 726 self-identified as Christian and 85 self-identified as adherents to non-Christian faiths.

This February's Donor Confidence Report poll was conducted on February 25, 2009 as a tracking study among 506 Internet respondents who had responded to the original February 2008 questionnaire.

The poll on which this report is based was conducted among 506 Internet respondents who also answered to the February 2008 DonorPulse poll. October 2008, December 2008, and February 2009 responses are 'weighted' (mathematically adjusted) by donor age, to ensure representativeness among various age categories and conform to proportions seen in the original DonorPulse telephone sample.

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 2009 compared to the same donors in February, October, and December 2008.

Fewer respondents answered some questions. The table below 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%
400	±4.9%
500	±4.4%

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