

Donor Confidence Report

Issue 5, June 2009

The results in this Report are drawn from an ongoing survey of donor attitudes about giving by Campbell Rinker. The Donor Confidence 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 sample size for the June poll is 508. Details about the study methodology, audience may be found on page 9.

Donor Confidence Keeps Rising

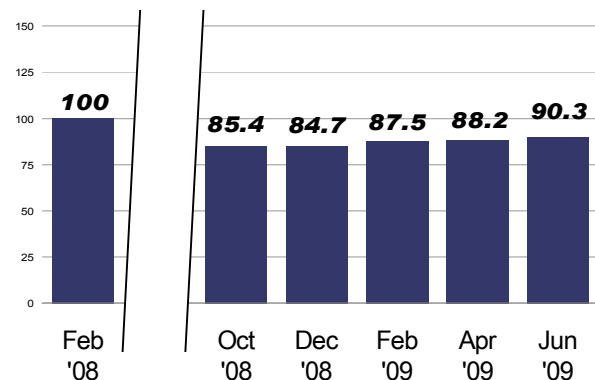
Donor Confidence continues to increase incrementally, reflecting the slow process toward economic recovery.

The DCI for June 2009 is up by 2.1 points to 90.3, rising over 90 for the first time since beginning the poll in February '08. The performance of the Index within various sectors is shown in the following table, ranked by the change since April '09.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Chg
Overall	100.0	85.4	84.7	87.5	88.2	90.3	▲ 2.1
Animal Rights	96.5	88.7	90.7	86.7	85.3	91.9	▲ 6.6
Health and Medical	101.7	91.6	89.5	86.1	86.4	91.0	▲ 4.6
Arts, Culture and Humanities	100.1	85.9	92.3	84.8	89.1	93.2	▲ 4.1
Environmental	98.9	89.7	92.7	84.1	88.3	90.9	▲ 2.6
Education	99.1	91.4	89.6	86.8	88.9	91.2	▲ 2.3
Political and Advocacy	104.5	90.5	89.6	84.9	90.8	93.0	▲ 2.2
Hospitals, Hosp. Foundations	99.7	89.3	88.0	89.4	87.8	89.7	▲ 1.9
Int'l Relief and Development	99.9	86.6	97.4	89.2	88.9	90.3	▲ 1.4
Place of Worship	101.6	91.4	91.6	90.1	89.4	90.4	▲ 1.0
Social Service	99.6	87.3	90.0	86.8	90.0	89.1	▼ -0.9
Faith-based	104.2	95.9	93.0	90.5	92.9	87.0	▼ -5.9

Due to the nature of the scoring algorithm, positive or negative opinions from a donor

have an impact on the index for any sectors they support.



Within individual nonprofit sectors, a remarkable nine Index scores have moved higher in the past two months. In the following table, the strongest increases are noted in dark green, the sharpest decreases in red, and moderate decreases appear in orange.

Analysis

US Donor Confidence continues to rise, with the overall Index posting modest gains for the third consecutive issue and posting its highest level since its inception. This is certainly good news, although in our view it is likely to foreshadow minimal increases in donor giving.

To be sure, consumer confidence continues to rise sharply, based on a new report from the NY-based Conference Board.

A quarterly poll by Theresa Welbourne of the USC Marshall School of Business shows rising confidence among 660 global business leaders.

Consumer spending grew by 2.2% in April, the biggest gain in two years.

Though unemployment continues to rise, the rate of growth in unemployment slowed in May. However, the nation's employers report

2.5 million available jobs according to the Bureau of Labor Statistics.

The US Bureau of Economic Analysis reports that real disposable personal income rose by 1% in April, after posting losses in February and March.

In a May 2009 cover story describing a “not-for-profit surge,” Christianity Today reported on their poll of 1,800 active Christians stating that 34% of these donors expect to give more in 2009 than they did in 2008, with 44% saying they would give the same, 5% less, and 17% unsure. (These figures are more positive than the figures from Campbell Rinker’s Donor Confidence tracking poll, which includes religious and non-religious donors).

The best scenario would be to see a decline among donors who intend to give less and an increase among those who say they plan to give the same or more. Instead, the proportion of donors in Campbell Rinker’s ongoing poll that expects to give the same or more has dropped slightly over time, despite some positive economic news.

Perhaps the reason for the apparent reluctance among donors to relax and give more is found in a leading Consumer Spending Index from Big 3 accounting firm Deloitte. (The Index attempts to track consumer cash flow as an indicator of future consumer spending). The Deloitte Index declined in April because – using their analysis – falling housing prices and rising unemployment claims offset gains from real wage growth, reduced tax burden, and lower energy prices.

In short, it declined because an abundance of negative economic pressures still outweigh the positives that emerge from time to time.

In contrast to the May Christianity Today cover story, a recent poll among the non-profit members of the Evangelical Council for Financial Accountability show that 56% had not met contribution goals during the vital fourth quarter of 2008, with 28% of them falling 10% or more below expectations.

The U.S. public is apparently becoming more edgy about economic stimulus. A just-released Pew Institute survey shows an eight-point drop in public approval for President Obama’s handling of the economy — falling from 60 percent to 52 percent between mid-April and June, with a corresponding seven-point increase in disapproval ratings.

At press time, stock market indexes are slipping on news that the World Bank expects the world economy to stay stuck in recession this year.

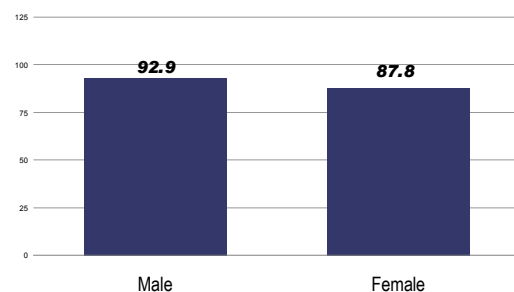
These items throw cold water on the near-term hope that developing countries would spur a global economic recovery.

This is a time of decidedly mixed economic signals. Donors will be influenced toward hope at one moment and in favor of caution the next. In this type of environment, we expect that caution will nearly always win. Accordingly, very few nonprofit sectors should expect year-over-year income growth this year, and the lucky few in that category will probably see only modest gains compared to previous years.

DCI by Demographic Segments

For the first time in this Report, Campbell Rinker calculates our Confidence Index by gender, household income, and donor age.

Men exhibit slightly higher levels of donor confidence compared to women. This may be attributable to higher income among males.

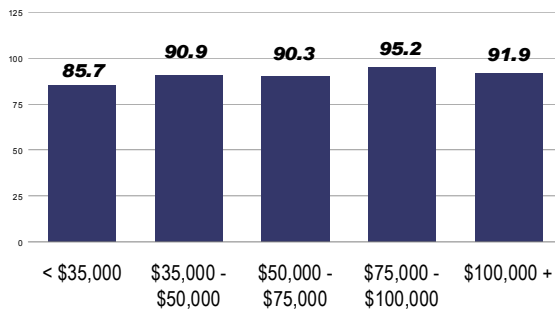


Upper middle-class households earning \$75,000 - \$100,000 annually have the highest confidence level of any income band. This

exceeds the DCI for households earning \$100,000 or more by several points.

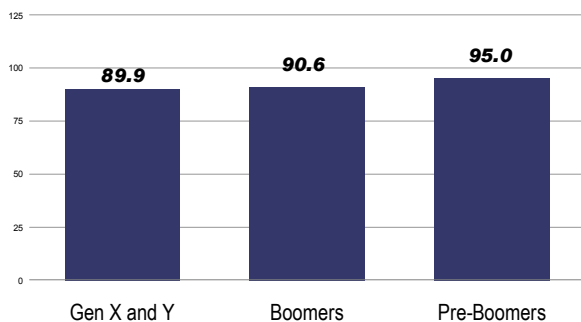
Households earning the U.S. median income of \$50,000 up to \$75,000 post a confidence index that is a full five points lower than upper-middle class households. (Not shown in the chart below are several donors with incomes of \$250,000 or more. The aggregate rating for this small group exceeds 125.)

The lowest confidence levels are for donors with household income less than \$35,000 annually. This undoubtedly reflects the harsh realities of surviving on a smaller household income.



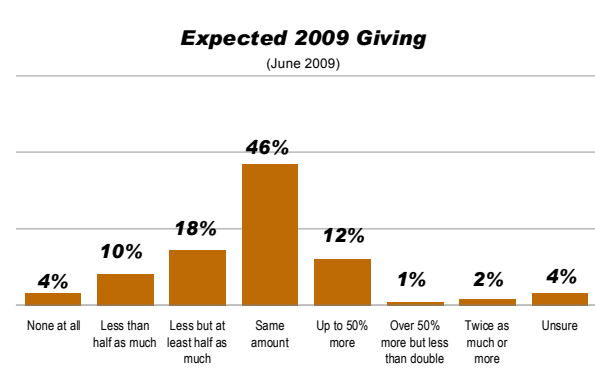
Pre-Boomers have apparently managed to stay most confident through economic hardships, possibly due to their age and experience with previous difficult economic times.

It is telling that hardly any confidence level gap exists between younger Gen X and Gen Y donors and their Boomer forebears, perhaps suggesting that the two groups are fairly similar in their reactions to positive and negative economic realities.



Proportion Likely to Give Same Continues to Hold Steady in 2009

Campbell Rinker asked U.S. donors whether they expected to give the same amount, more or less in 2009 compared to their 2008 giving.



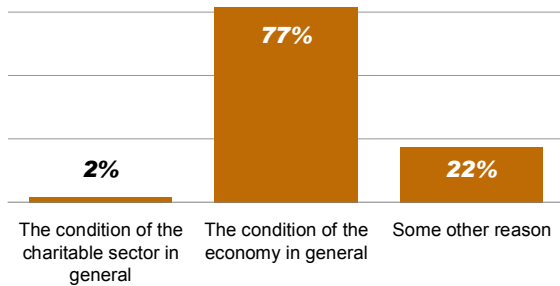
Similar to results in February and April, 46% of donors reported plans to give the same amount to charity in 2009. The proportion of donors saying they will give more, at 15% combined for those three choices, has remained constant since December – despite gains in the overall Donor Confidence Index.

Economy Still Cited as Barrier

Just two percent of donors say that issues with the nonprofit sector in general are the reason they have decided to give less in the coming year. This proportion has held consistent in the four Donor Confidence polls conducted since October 2008, and signals continued high trust in the overall nonprofit sector. In contrast, more than three in four donors (77%) report the “condition of the economy in general” as the reason for giving less in 2009. The number of donors citing “some other reason” continues to rise, up to 22% in June.

In the next issue, Campbell Rinker plans to ask what reasons – other than the economy, their opinion of nonprofits in general or issues with some specific nonprofit – donors might cite as cause for giving less.

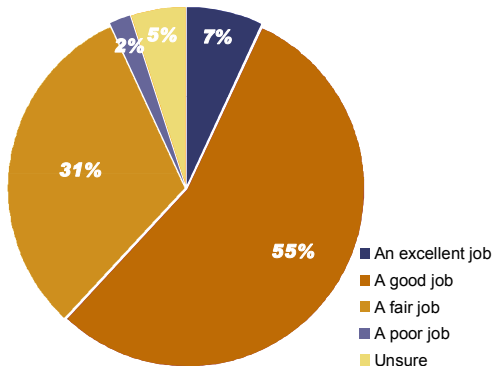
Reasons for Donating Less in 2009



Nonprofit Approval Remains High

A majority of respondents, 62%, continue to rate U.S. charities as doing either an excellent or good job. Consistent with every issue of the DCR, one in three (31%) characterize nonprofit performance as “fair.”

Satisfaction with U.S. Charities
(June 2009)

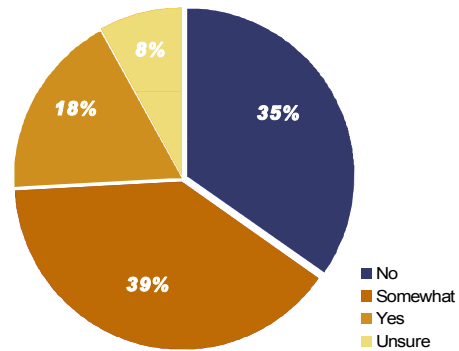


Less Happy with Country's Direction

In June, the percentage of donors who express dissatisfaction with the country's direction rose from 31% in April to 35% in June.

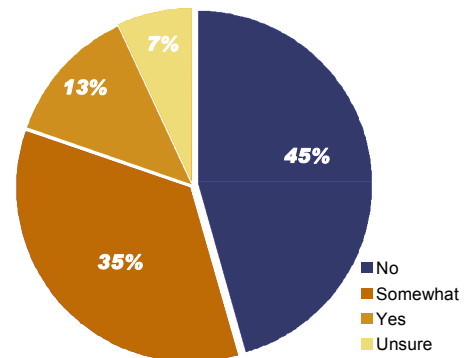
Currently 57% of American donors are either ‘somewhat’ or ‘completely’ satisfied with the country's direction.

Satisfied with Country's Direction
(June 2009)



With regard to national politics, donors are still more dissatisfied than they are satisfied with “the political system at the Federal level.” The percentage of donors expressing dissatisfaction has held steady since February, at around 45%. Nearly half of all donors (48%) say they are satisfied or ‘somewhat’ satisfied with national politics.

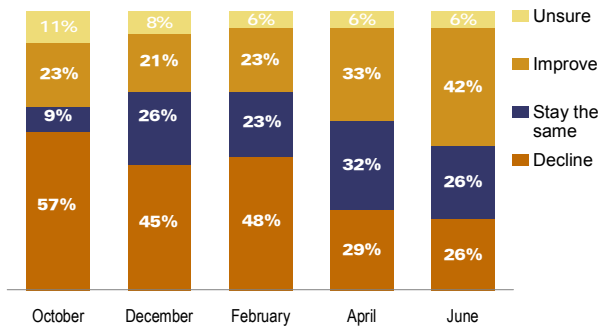
Satisfied with National Politics
(June 2009)



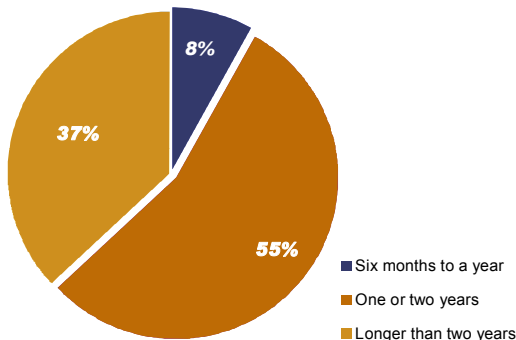
Donors Expect Further Economic Improvement

More donors continue to expect the economy to improve in the next year. The number of donors who expect improvement has risen to 42%. Twenty-six percent expect the economy to stay the same, and another 26% still believe the economy will decline further.

Economy Expected In Next Twelve Months



When Will Economy Improve?
(June 2009)



Over half of all donors surveyed, 55%, say economic recovery will occur within one to two years.

Financial Factors Impacting Giving

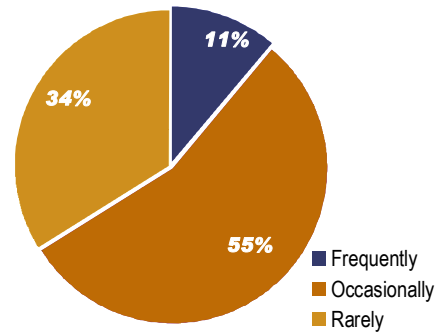
According to donors, unexpected changes in personal expenses continue to have the greatest negative effect on nonprofit support, and remain a struggle for American donors. Posting similar numbers since February '09, 47% say that unexpected personal expenses have negatively impacted their giving.

The impact of expenses outstrips changes in the value of investments (44% negative in June and falling), household income (40% negative effect in June and falling), and home values (26% negative in June and steady).

Two in Three Recommend Charities

The percentage of donors willing to recommend one of their favorite charities has remained constant. Two in three, 66%, frequently or occasionally recommend charities to family and friends, a sign of continued trust in the nonprofit sector.

Recommend a Charity
(June 2009)



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 June poll counted 508 respondents.

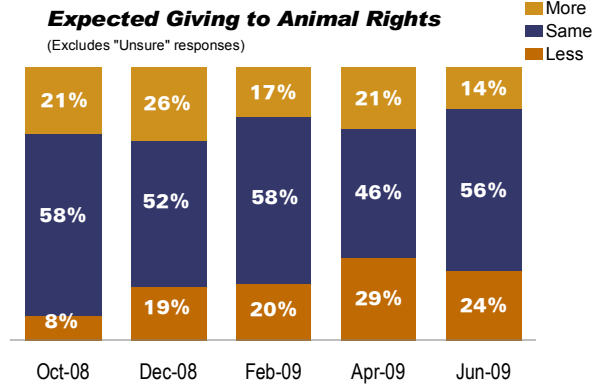
The sections below highlight the stated plans donor express for giving in each of the following nonprofit categories:

- > 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 June '09, the DCI among donors who contribute to animal rights charities rose by a vigorous 6.6 points.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Animal Rights	96.5	88.7	90.7	86.7	85.3	91.9



Part of the increase may be attributed to the 10% increase in those who say they plan to continue their 2008 giving levels into 2009. Typically, over 50% of animal rights donors have pledged similar support as in the past and the April results were uncharacteristically low.

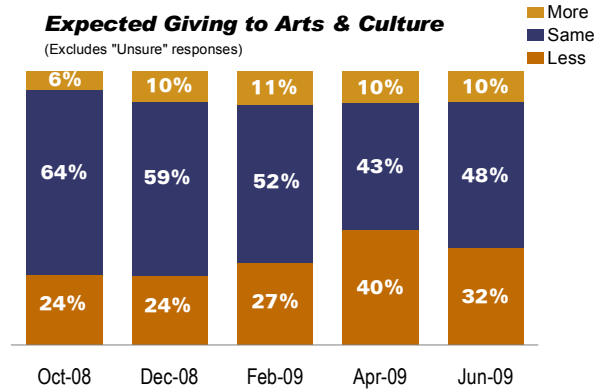
Arts, Culture, and Humanities

The DCI among donors to Arts, Culture, and Humanities has trended upward since February '09. The DCI is currently up a strong 4.1 points to 93.2, the highest score on record since December '08.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Arts & Culture	100.1	85.9	92.3	84.8	89.1	93.2

Expected Giving to Arts & Culture

(Excludes "Unsure" responses)



The proportion of Arts, Culture, and Humanities donors who plan to give the same in 2009 as in 2008 rose five percent since April, while the proportion planning to give less to this sector as decreased by eight percent during the same time period. The unsure percentage (not shown) has increased slightly.

Education Institutions & Programs

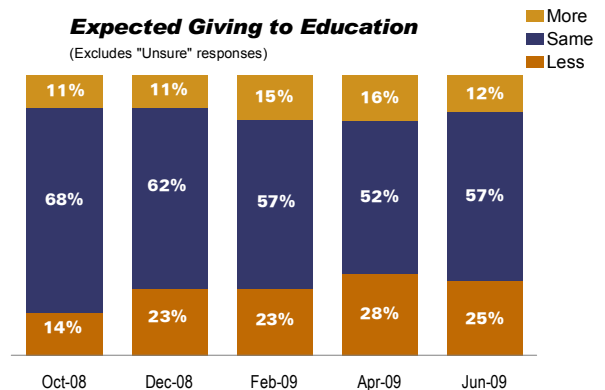
The DCI for Educational Institutions and Programs continues an upward trend, settling in at 91.2 – an increase of 2.3 points in June.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Education	99.1	91.4	89.6	86.8	88.9	91.2

The percentage of donors planning to give less or more to education has decreased, while the percentage planning to give the same has increased by five percent. In June 2009, 57% say they will give the same amount to this sector.

Expected Giving to Education

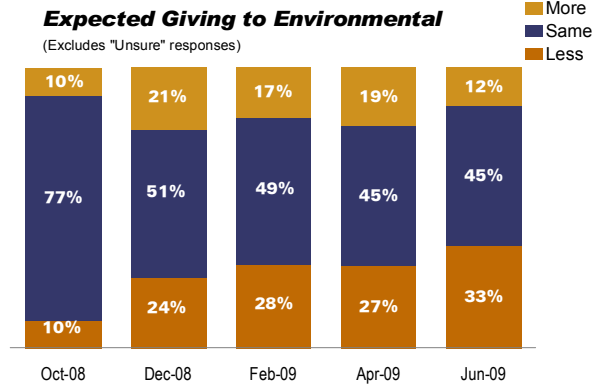
(Excludes "Unsure" responses)



Environmental Protection

The DCI for Environmental organizations has also increased, up 2.6 points to 90.9 in June.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Environmental	98.9	89.7	92.7	84.1	88.3	90.9



Although a rising proportion of donors say they plan to give less to environmental preservation and protection, other factors – such as satisfaction with the nonprofit sector in general and a feeling that the country and the political system are headed in the right direction contribute to the rising confidence.

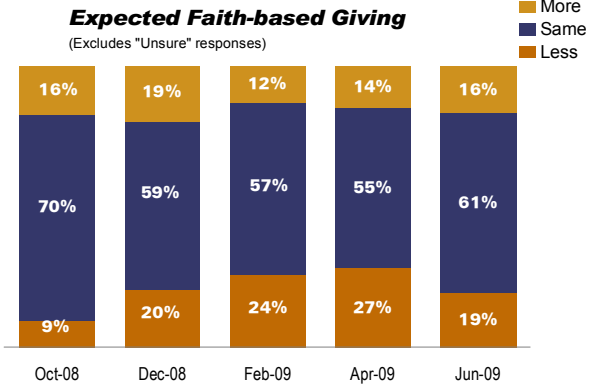
Donors to this sector might feel like the amounts they could give are meager compared to the federal stimulus funds headed toward environmental protection.

Faith-based Charities

The DCI for Faith-based charities has dropped sharply, to 87.0 in June. This marks the first time that the Index for this sector has ever dipped below 90. This is one of just two sectors that experienced a decrease in June (the other is Social Services).

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Faith-based	104.2	95.9	93.0	90.5	92.9	87.0

Yet, a rising majority of faith-based donors still plan to give the same or more to faith-based charities, and the percentage who expects to give less in 2009 than they did in 2008 has dropped from 27% in April to 19% now.



This certainly suggests that that the drop in donor confidence among faith-based donors is due to factors other than willingness to give. For this sector, the drop in confidence likely reflects rising dissatisfaction with political systems, with the country's direction, with their willingness to recommend charities, or other elements of influence.

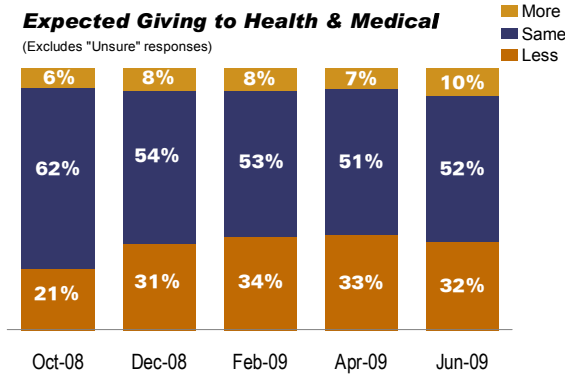
Health and Medical Charities in US

The Index for Health and Medical charities continues to rebound, up 4.6 points in June. The DCI for Health and Medical charities now stands at 91.0 points.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Health and Medical	101.7	91.6	89.5	86.1	86.4	91.0

The percentage of donors planning to give more, less, or the same to Medical charities has held steady since December of last year. More than half, 52%, plan to give the same amount, while one in three (32%) say they will give less.

Expected Giving to Health & Medical
(Excludes "Unsure" responses)



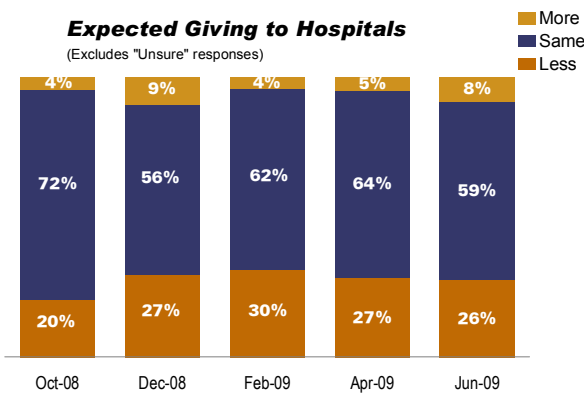
Hospitals & Hospital Foundations

The DCI for Hospitals and their Foundations has increased, up 1.9 points in the past two months. The DCI for hospitals still hovers predictably between 88 and 90 points: At its lowest it settled at 87.8, and its highest was 89.7 where it stands currently.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Hospitals	99.7	89.3	88.0	89.4	87.8	89.7

Approximately six in ten donors to Hospitals and Hospital Foundations (59%) plan to give the same as in 2008 during 2009. One in four (26%) plan to give less.

Expected Giving to Hospitals
(Excludes "Unsure" responses)



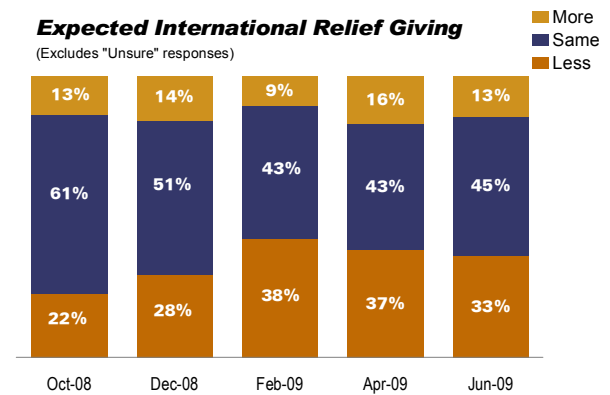
Int'l Relief, Education & Sponsorship

In June, the DCI for International Relief, Education, and Child Sponsorship rose by 1.4 points to a level of 90.3.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Int'l Relief and Development	99.9	86.6	97.4	89.2	88.9	90.3

Expectations for giving to International Relief charities have held mostly steady for the past two months. Currently, 45% plan to give the same amount and 33% plan to give less.

Expected International Relief Giving
(Excludes "Unsure" responses)



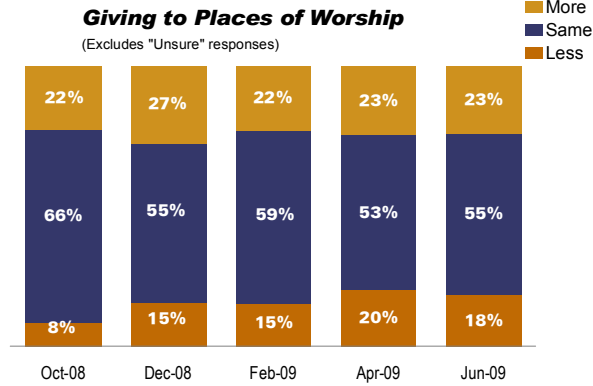
Places of Worship

The DCI for Places of Worship has remained consistent over the past few months. The Index rose moderately by one point in June, certainly less aggressive than the overall index. The DCI for Places of Worship does not exhibit the same threats to donor confidence seen among donors to faith-based nonprofits; Place of Worship donors encompass a range of political convictions, while the donors who support faith-based ministries are typically the more conservative group.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Places of Worship	101.6	91.4	91.6	90.1	89.4	90.4

Giving to Places of Worship continues to post some of the most robust giving expectations compared to other sectors. One in four donors

to Places of Worship (23%) plan to donate more this year than last. Just 18% plan to give less.

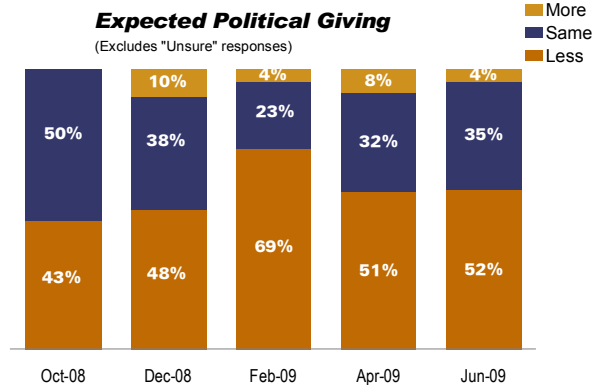


Political & Advocacy

The DCI for Political and Advocacy organizations has increased by 2.2 points to 93.0, the highest level seen in the DCI since polling began in October.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Political and Advocacy	104.5	90.5	89.6	84.9	90.8	93.0

Fifty-two percent of political donors plan to give less in 2009. This proportion will likely hold steady until the next political fundraising cycle begins in late 2009 in preparation for May 2010 senatorial and gubernatorial primaries.



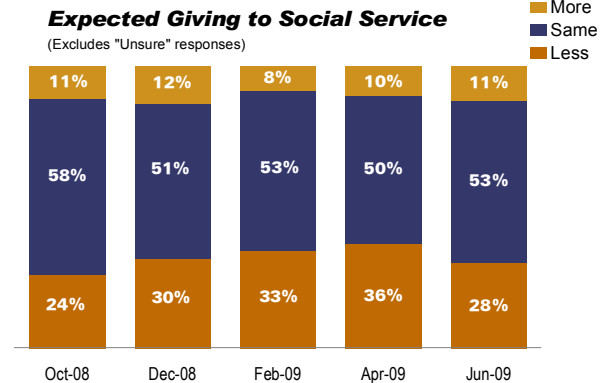
Social Service

The DCI for Social Service organizations has decreased by a slim .9 points and stands at 89.1 as of June '09.

Sector	Feb '08	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09
Social Service	99.6	87.3	90.0	86.8	90.0	89.1

Despite this downward movement, positive dynamics exist within giving expectations among social service donors. The percentage of donors planning to decrease their giving went down by eight points (from 36% in April to 28% in June). At the same time, the percent of donors expecting to give the same increased slightly.

The improvements in giving expectations among social service donors are countered by a decrease in other areas, driving confidence lower within this sector. Social service donors tend to move in patterns similar to the faith-based sector.



Methodology

This June's Donor Confidence Report poll was conducted on June 15, 2009 as a tracking study among 508 Internet respondents who had responded to a benchmark survey effort in February 2008.

The February 2008 DonorPulse survey consisted of 3,312 US donors. The survey effort 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.

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

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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