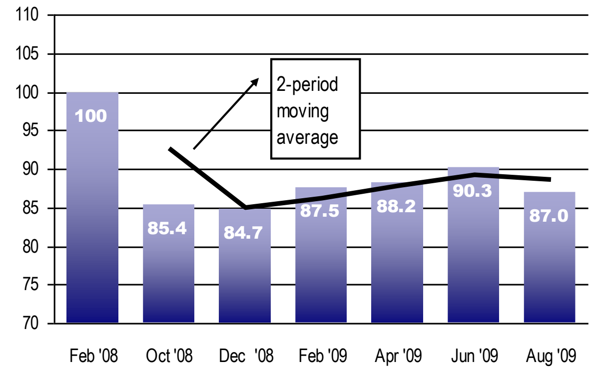
Campbell Rinker
Marketing Research for the Nonprofit World

Donor Confidence Report

Issue 6, August 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 for the August poll is 552. Details about the study methodology, audience may be found on page 10.

Donor Confidence Falls for First Time this Year

Campbell Rinker's overall Donor Confidence Index (DCI) dropped in August to a 2009 low of 87.0, marking the first time since December 2008 that the overall DCI has actually declined. The August Index is one half-point lower than the 87.5 posted in February 2009, and stands slightly higher than it did during Fall, 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	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Chg
Overall	**85.4**	**84.7**	**87.5**	**88.2**	**90.3**	**87.0**	▼ -3.3
Faith-based	95.9	93.0	90.5	92.9	87.0	90.1	▲ 3.1
Int'l Relief and Development	86.6	97.4	89.2	88.9	90.3	92.2	▲ 1.9
Social Service	87.3	90.0	86.8	90.0	89.1	87.9	▼ -1.2
Hospitals, Hosp. Foundations	89.3	88.0	89.4	87.8	89.7	87.9	▼ -1.8
Place of Worship	91.4	91.6	90.1	89.4	90.4	88.6	▼ -1.8
Education	91.4	89.6	86.8	88.9	91.2	87.9	▼ -3.3
Animal Rights	88.7	90.7	86.7	85.3	91.9	87.2	▼ -4.7
Health and Medical	91.6	89.5	86.1	86.4	91.0	86.2	▼ -4.8
Political and Advocacy	90.5	89.6	84.9	90.8	93.0	85.6	▼ -7.4
Environmental	89.7	92.7	84.1	88.3	90.9	82.9	▼ -8.0
Arts, Culture and Humanities	85.9	92.3	84.8	89.1	93.2	83.3	▼ -9.9

The performance of the Index within various sectors is shown in the table above, ranked by the change since June '09. Within individual nonprofit sectors, nine scores have fallen and two have increased. Increases are noted in green in the preceding table, and decreases in red. Positive or negative opinions from a donor have an impact on the index for any sectors they support.

Analysis

Donor confidence, measured by the Campbell Rinker DCI, fell by 14.6 points between February and October 2008, just before the fall giving season – a crucial fundraising season for hundreds of thousands of nonprofits.

Eight months later in June 2009, data from the Giving USA Foundation revealed a real decline of 5.7% in charitable donations nationwide during 2008.

The alignment of these two measurements provides anecdotal evidence of the degree to which fluctuations in the DCI might reflect actual donor giving. It is possible that a measurable relationship exists between year over year giving and the DCI. Campbell Rinker will continue to seek to establish evidence of such a relationship.

Simply using this history as a guideline – and without expecting any dramatic increase or decline in donor confidence over the next two months – it is likely that the nation's nonprofit community will see a flat year-over-year trend in individual donor gifts from 2008 to 2009.

Of course, this does not take into account corporate and foundation giving. However, the sub-par performance of equities and bonds over the last 18 months (at least measured by typical historical standards), is likely to presage some shrinkage in endowment and foundation support during the coming year.

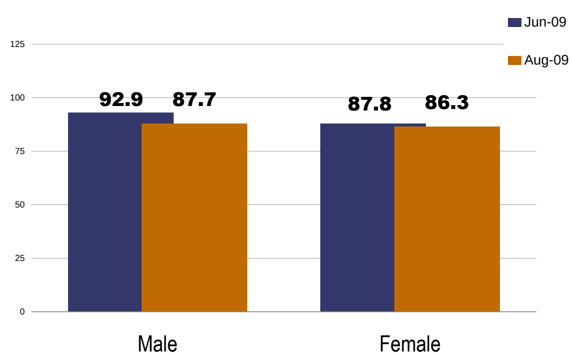
Since recording a high-water mark for the year to date in our June poll, the gains seen in the second quarter DCI were replaced by a modest retreat of 3.3 points.

According to the latest poll figures, the root causes for this waning outlook are that donors expect an economic recovery to take longer than they did before, they're less certain about the direction of the country, and they're less supportive of the nation's leadership.

By inference, it seems that the possibility that Congress will move to increase Federal responsibility for the nation's health care systems is at the root of this dissatisfaction. Health care reform has caused sharp debate, which in turn has sown public confusion and caused a record decline in early first-term presidential approval ratings. These conditions undoubtedly serve to sharpen the pessimism donors feel about the economic recovery and temper their optimism for the future.

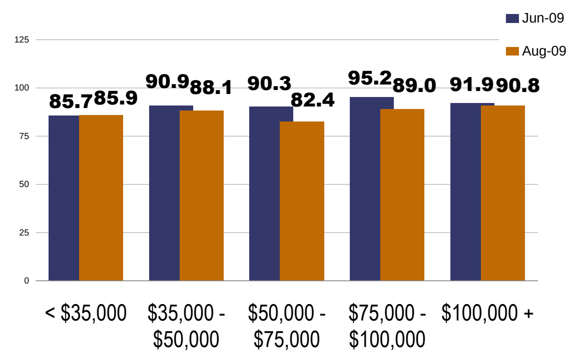
DCI by Demographic Segments

Men continue to exhibit slightly higher levels of donor confidence compared to women, and women have shown greater stability in their confidence compared to men.



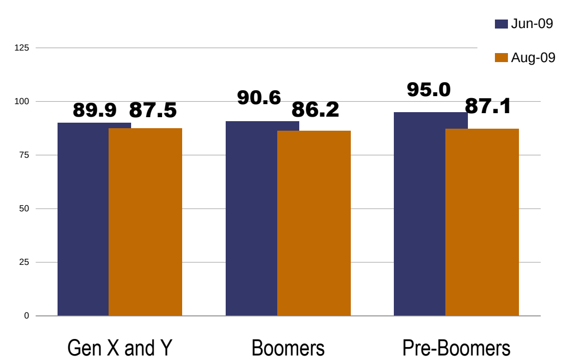
Donor Confidence Index scores across every income range have fallen in the past two months. The highest dip is among those earning $50,000 to less than $75,000 a year, which has fallen 7.9 points.

As of August, donors earning $100,000 or more per year have the highest confidence at 90.8. This is different from June, when donors in the $75,000-$100,000 household income range delivered the highest DCI.



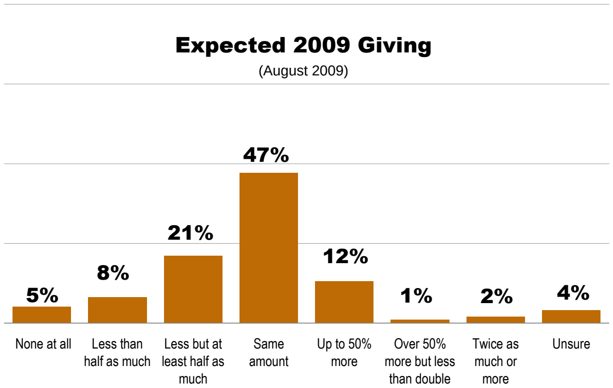
Donor Confidence among all generations has also dropped since June.

This month a very small confidence level gap exists between Gen X and Gen Y donors, Boomers, and Pre-Boomers. At the lowest confidence level are Boomers at 86.2 and at the highest are Gen X and Y at 87.5.



Giving Likelihood Holds Steady

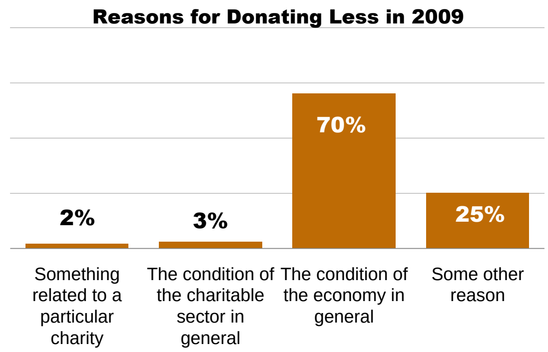
Campbell Rinker asked U.S. donors whether they expected to give the same amount, more, or less in 2009 compared to their 2008 giving.



Similar to previous results, 47% of donors reported plans to give the same amount to charity in 2009. The proportion of donors saying they will give more (at a combined15% for three choices) has remained constant since December. The percentage of people planning to give less has shifted toward the higher end of this low spectrum (e.g. less but at least half as much).

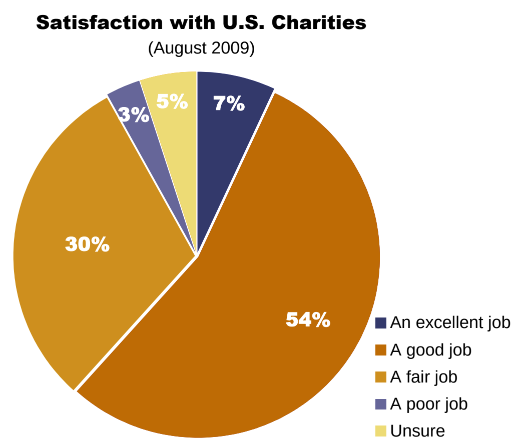
Economy Continues to Serve as a Barrier to Giving

Just three 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 signals continued high trust in the overall nonprofit sector. In contrast, approximately seven in ten donors report the "condition of the economy in general" as the reason for giving less in 2009. The number of donors citing "some other reason" is still rising, up to 25% in August from 22% in June.



Nonprofit Approval Remains High

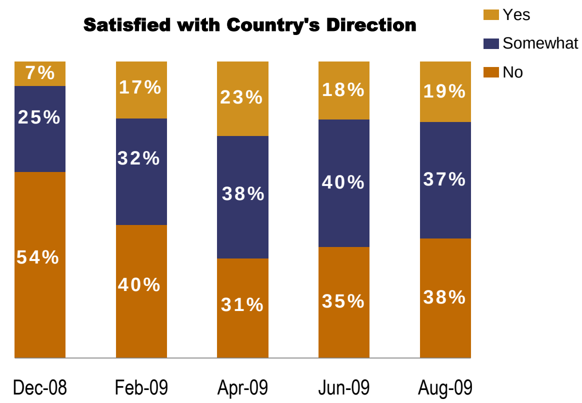
A majority of respondents, 61%, rate U.S. charities as doing either an excellent or good job. Consistent with every issue of the DCR, three in ten (30%) characterize nonprofit performance as "fair."



Donors Dissatisfied with Country's Direction

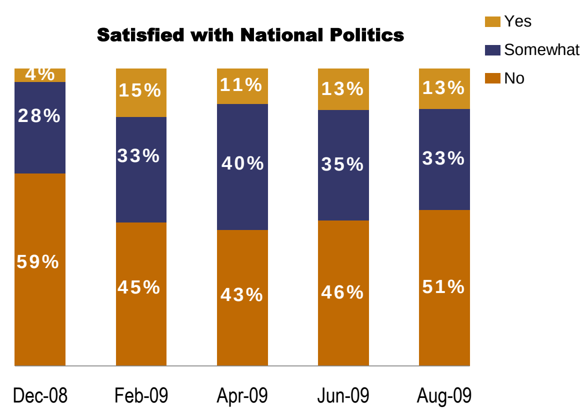
The percentage of donors who express dissatisfaction with the country's direction rose to 38% in August from 35% measured in June. This proportion of donors was 31% in April.

Since June, the percentage who is "satisfied" has grown by one percent, and the percentage that is "somewhat satisfied" has shrunk by three percent.

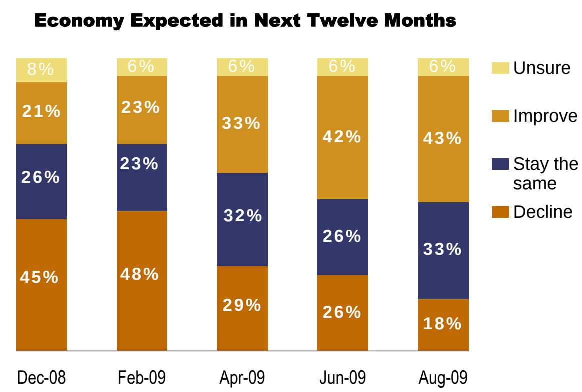


Donors are increasingly displeased by national politics. The August poll shows a simple majority of 51% of donors are dissatisfied with "the political system at the federal level," a factor that undoubtedly drives the percentage of those who express dissatisfaction with the direction of the country.

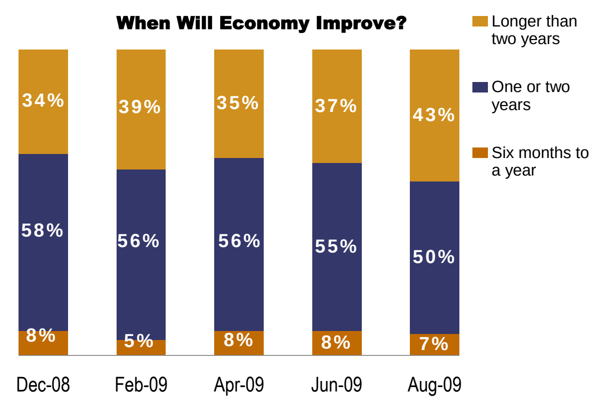
This poll marks the first time since the Bush administration that a majority of donors have reported dissatisfaction with federal politics, and is not far below the 59% high for dissatisfaction set in December 2008.



Expectations for Economy Rise



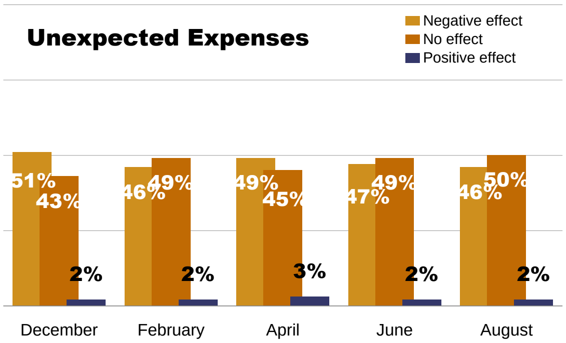
More donors now expect the economy to improve in upcoming months. In a positive sign, the percent of donors who expect the economy to decline in the coming year continues to fall. This figure is down to 18% in August, having shed 8% since June, 11% since April and 30% since February when it stood at 48%.



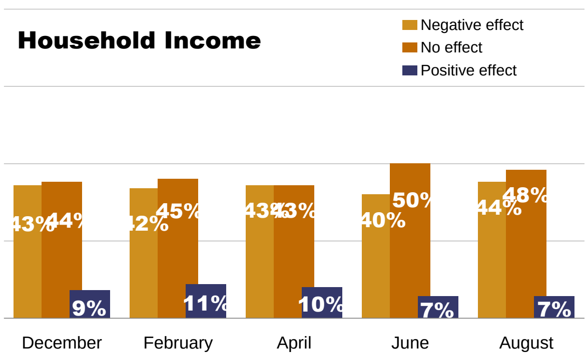
Despite these expectations, a rising percentage of donors believe economic recovery will take longer than two years. Still, the largest proportion of donors (57%), now expects the economy to improve either in the next six months (7%) or within one to two years (50%).

Financial Factors Impacting Giving

Unexpected changes in personal expenses continue to have the greatest negative effect on nonprofit support, trailed closely by changes in personal income. The 46% of donors saying unexpected personal expenses have reduced their giving has remained stable since February.



In contrast to the stable trend for personal expenses, giving in the face of reduced household income is increasingly cited as a challenge. More than four in ten donors (44%) now cite this as impacting their giving, compared to 40% in June.



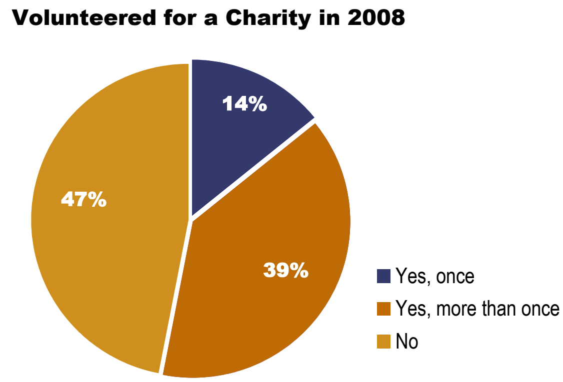
These two factors dampen giving by individuals more than other financial impediments such as home values and the value of their investments. In these last two areas, the trends for impact vs. no impact remain fairly flat.

Two in Three Donors Still Recommend Charities

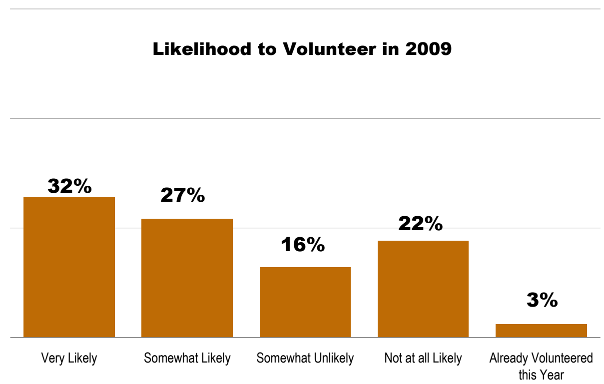
The percentage of donors willing to recommend one of their favorite charities has remained constant. Two in three, 64%, frequently or occasionally recommend charities to family and friends, a sign of consistency in the level of donor trust for nonprofits.

Volunteering in 2008 and 2009

A majority of donors (53%) indicated they had volunteered their time to a nonprofit at some



point in 2008, with the majority of these saying they had volunteered more than once. The remaining 47% had not volunteered.



Remarkably, just 3% of donors say they have already volunteered as of August, 2009. One in three said it was very likely they would still volunteer this year and about one in four (27%), said they are somewhat likely to volunteer this year. These figures demonstrate in very real terms how important the fall giving season is for volunteering as well.

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 August poll counted 552 respondents.

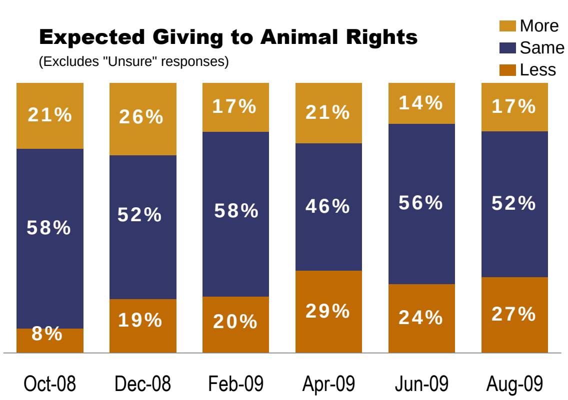
The sections below highlight the stated plans donor express for giving in each of the following nonprofit categories:

- 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 August '09, the DCI among donors who contribute to Animal Rights charities fell by 4.7 points.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Animal Rights	88.7	90.7	86.7	85.3	91.9	87.2



The percentage of Animal Rights donors planning to give the same amount contracted slightly, while the proportion of donors who are likely to either give more or give less increased by three percent.

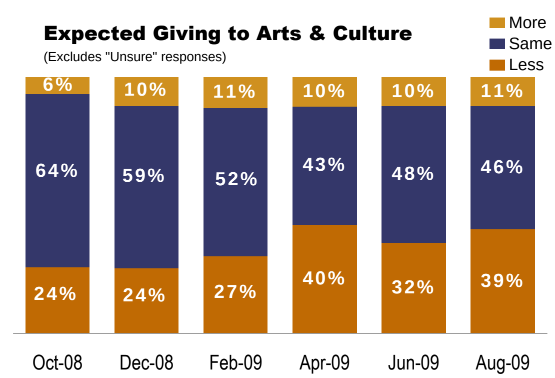
Arts, Culture, and Humanities

From the high mark established in June, the DCI for Arts, Culture, and Humanities dropped sharply by 9.9 points to a current score of 83.3 in August – lower than any previous edition of the poll.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Arts & Culture	85.9	92.3	84.8	89.1	93.2	83.3

The proportion of Arts, Culture, and Humanities donors who plan to give less in 2009 than in 2008 increased by seven percent since June. Yet this increasing proportion cannot entirely explain this dramatic drop in the confidence index for this sector.

Other factors could include the older average age of the arts and culture donor (potentially higher concern with the health care reform, leading to discontent with the country's leadership or direction), higher average income (greater risk of declining home and investment values or personal income), and possibly a higher concentration of female donors. All these impacts would contribute to a lower DCI score this month alone.

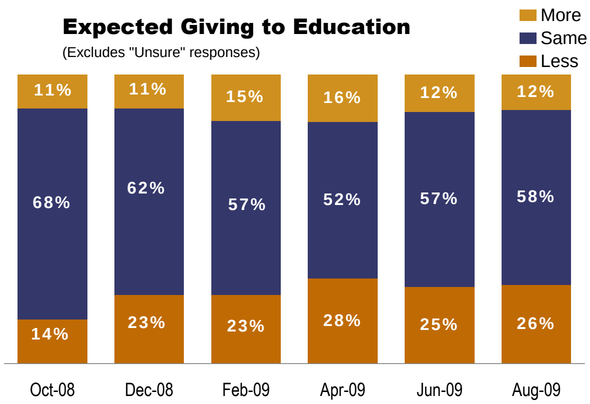


There is a good possibility that the DCI among Arts and Culture donors will normalize by the next edition of the poll. There have been other instances where a sector level DCI score has fallen only to rebound two months later.

Education Institutions & Programs

The DCI for Educational Institutions and Programs retreated by 3.3 points since June to a new level of 87.9.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Education	91.4	89.6	86.8	88.9	91.2	87.9

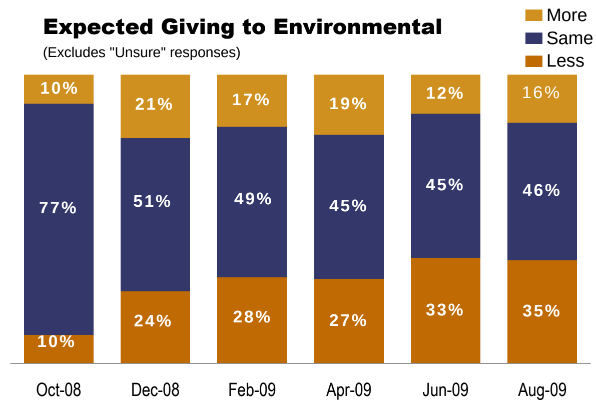


With donor giving expectations shifting only by one percent in each category, we attribute this decline to responses from donors about the economy and other issues.

Environmental Protection

The Index for donors to Environmental organizations experienced a sharp decrease since June, falling by eight points to 82.9. Though the movement of the Index in this sector has been fairly dynamic, this drop is out of the ordinary.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Environ-mental	89.7	92.7	84.1	88.3	90.9	82.9



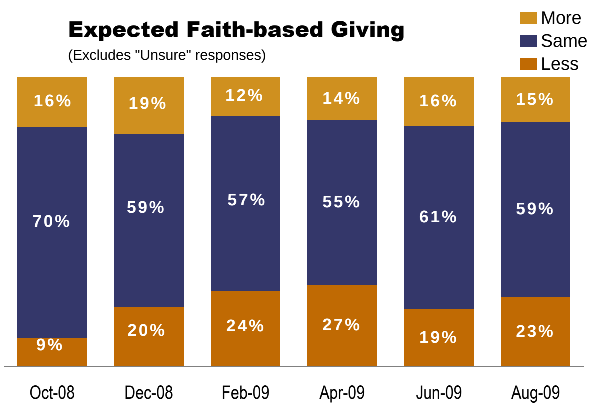
In August, 35% of environmental donors reported that they plan to give less to this sector throughout 2009, continuing the rising trend in evidence since October 2008. In contrast, the percentage of donors who say they plan to give the same amount from year to year has seen a gradual decline.

Faith-based Charities

In contrast to most other nonprofit segments, the DCI for Faith-based charities increased by 3.1 points since June to an Index of 90.1. June marked the low point for this sector, with the Index dropping below 90 for the first time.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Faith-based	95.9	93.0	90.5	92.9	87.0	90.1

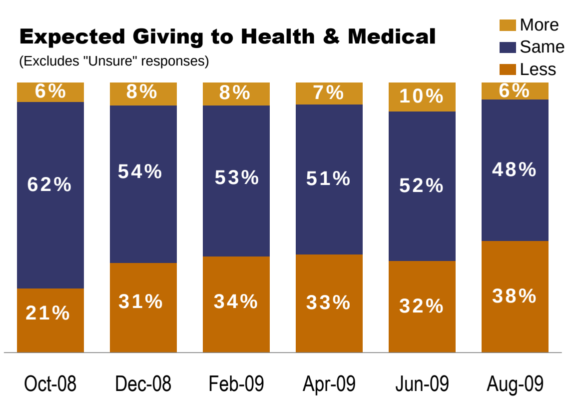
Though the percentage of donors planning to give less to Faith-based organizations rose by four percent since June (to 23%), this percentage is still lower than the proportion of this group for many other sectors. Also, donor plans for giving the same amount to faith-based non-profits appear more positive than they were in February and April.



Health and Medical Charities

The Index for Health and Medical charities has fallen to 86.2, down 4.8 points from June, reflecting a six percent increase since June for donors who expect to give less.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Health and Medical	91.6	89.5	86.1	86.4	91.0	86.2

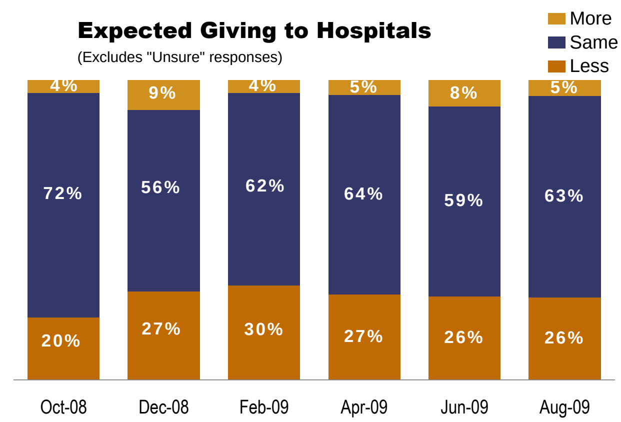


Hospitals & Hospital Foundations

The DCI for Hospitals and their Foundations has declined slightly to 87.9. This represents a 1.8 point decrease from the June poll.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Hospitals	89.3	88.0	89.4	87.8	89.7	87.9

The percentage of donors planning to give more to Hospitals and their Foundations has decreased by three percent, with those donors now feeling – for the most part – that they will give the same amount instead.

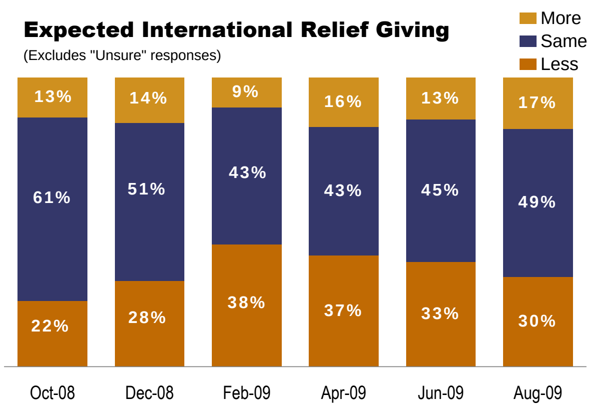


Int'l Relief, Education & Sponsorship

As one of the only sectors to experience a higher score this month, the DCI for International Relief and Development increased by nearly two points to 92.2.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Int'l Relief and Development	86.6	97.4	89.2	88.9	90.3	92.2

The positive changes in DCI score correspond to results for giving to this sector. The percentage planning to give more rose by four percent and the percentage planning to give the same also rose by four percent. The percent of donors saying they would donate less decreased by three percent.

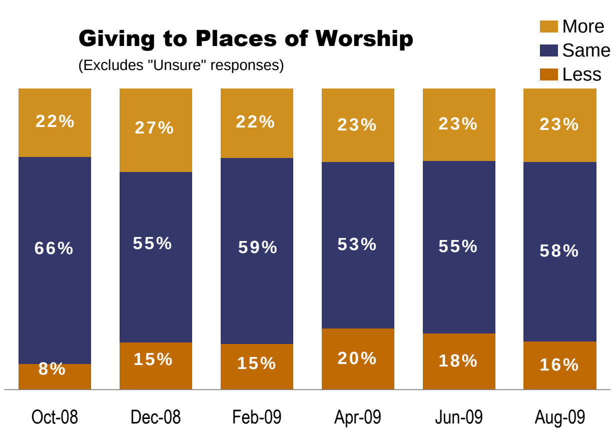


Places of Worship

The DCI for Places of Worship had remained consistent throughout 2009, hovering around 90 points. However, in August, the DCI fell 1.8 points to 88.6. This result is likely due to donor opinions on the economy, the direction of the country, or politics at the national level than it is due to changes in expected giving.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Places of Worship	91.4	91.6	90.1	89.4	90.4	88.6

Giving to Places of Worship continues to post some of the best giving expectations figures compared to other sectors. One in four donors to Places of Worship (23%) plan to donate more this year than last. These numbers have stayed consistent since April.

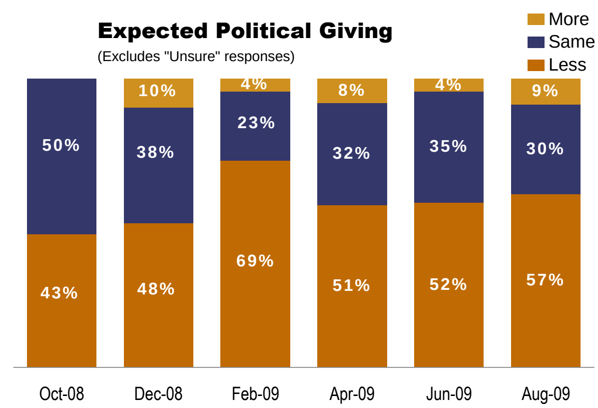


Political & Advocacy

The DCI for Political and Advocacy organizations has decreased significantly since June, a high point. The score is now 85.6, 7.4 points lower than June.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Political and Advocacy	90.5	89.6	84.9	90.8	93.0	85.6

Fifty-seven percent of political donors plan to give less in 2009. We believe this proportion is likely to hold steady until the next political fundraising cycle begins, at which point the proportion which plans to give more will grow to about 20%.

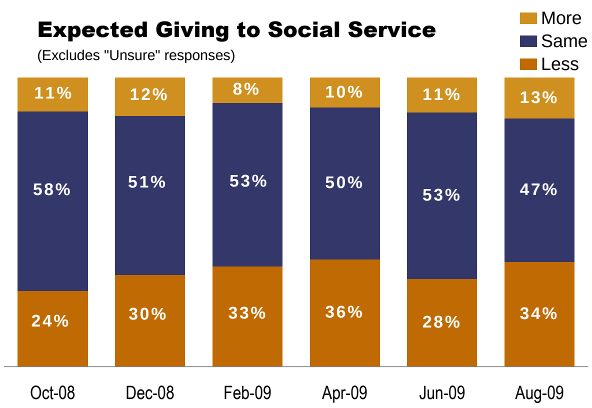


Social Service

The DCI for Social Service organizations has decreased again by a slim margin of 1.2 points. In August, the score stands at 87.9.

Sector	Oct '08	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09
Social Service	87.3	90.0	86.8	90.0	89.1	87.9

The percentage of donors planning to give less has increased considerably since June (moving from 28% to 34%), rising to proportions not seen since February and April. Currently, 60% of Social Service donors plan to give the same or more to the sector in the coming year.



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 August's Donor Confidence Report poll was conducted August 15-16, 2009 as a tracking study among 552 Internet respondents who had responded to the original February 2008 questionnaire.

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 2009 compared to the same donors in February, October, and December 2008, and February, April, June and August 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%
552	±4.2%

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