

Donor Confidence Report

Issue 7, October 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 October poll is 303. Details about the study methodology, audience may be found on page 9.

Donor Confidence Stabilizes

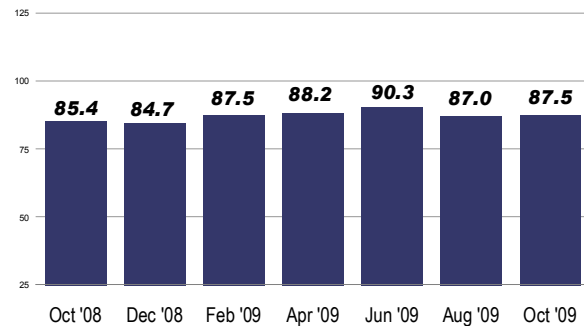
Campbell Rinker's overall Donor Confidence Index (DCI) moved slightly upward in October after falling by several points between June and August. In so doing, the Index maintains a position roughly midway between the low and high points charted during the last year.

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	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09	2-Mo Chg
Overall	84.7	87.5	88.2	90.3	87.0	87.5	▲ 0.5
Arts, Culture and Humanities	92.3	84.8	89.1	93.2	83.3	91.9	▲ 8.6
Political and Advocacy	89.6	84.9	90.8	93.0	85.6	91.5	▲ 5.9
Place of Worship	91.6	90.1	89.4	90.4	88.6	91.6	▲ 3.0
Education	89.6	86.8	88.9	91.2	87.9	90.9	▲ 3.0
Health and Medical	89.5	86.1	86.4	91.0	86.2	88.5	▲ 2.3
Faith-based	93.0	90.5	92.9	87.0	90.1	92.2	▲ 2.1
Animal Rights	90.7	86.7	85.3	91.9	87.2	87.0	▼ -0.2
Social Service	90.0	86.8	90.0	89.1	87.9	86.7	▼ -1.2
Hospitals & Hosp. Fnd.	88.0	89.4	87.8	89.7	87.9	85.6	▼ -2.3
Int'l Relief and Development	97.4	89.2	88.9	90.3	92.2	88.7	▼ -3.5
Environmental	92.7	84.1	88.3	90.9	82.9	79.2	▼ -3.7

The performance of the Index within various sectors is shown in the table above, ranked by the change since August '09 with the overall Index listed first. Within individual nonprofit sectors, six scores have risen and five have fallen. 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

Heading into the crucial fall giving season without any dramatic increase in donor confidence, Campbell Rinker projects that the nation's nonprofit community will see overall individual giving from 2008 to 2009 remain relatively flat.

Overall donor confidence has essentially held steady, rising a scant half-point on the Donor Confidence Index since August. For the year since October 2008, the Index has gained 2.8 points.

The Donor Confidence Index peaked in June 2009, when it reached a level of 90.3.

Events in the news during September and October 2009 have most certainly impacted donor confidence – though to an unknown degree. For instance:

- The Dow Jones Industrial Average of bellwether stocks rose above 10,000 in October for the first time in more than a year. The stock average had bottomed at just over 6,500 in early March.
- USA Today reported on October 26 that the share of companies planning to add

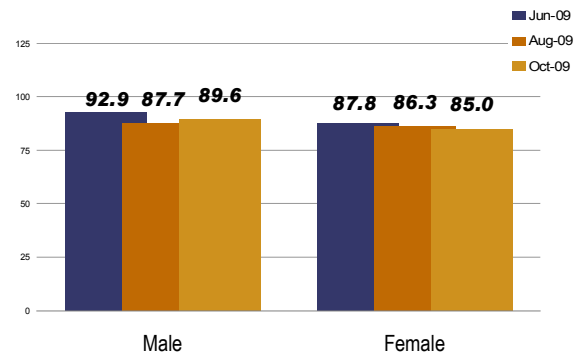
employees in the next six months outpaced those expecting to cut jobs for the first time since the recession began. This according to this month's quarterly survey of 78 corporate economists by the National Association of Business Economists.

- Notably, *all* 78 economists polled in the NABE survey expect real gross domestic product to be positive in 2010, and they reported the best results in their respective companies in five or six quarters.
- Home resale reached record numbers as first-time buyers scrambled to beat a deadline guaranteeing them thousands of dollars each in Federal aid.
- Though new housing starts continue to rise, so do foreclosures and unemployment rates.
- The Senate Finance Committee voted to send a Health Care Reform bill to the Senate floor with a ten-year cost of \$829 billion according to the independent Congressional Budget Office.
- Associated Press reports that the federal budget deficit tripled as of September 30, 2009 to an all-time high of \$1.42 trillion. Federal spending increased by 18.2% over 2008 while tax revenues fell by 16.6%.

Interpreting the results of the latest Donor Confidence poll, it appears that a kind of stasis is in play, where negative factors keep the positive factors from improving donor perceptions. On the positive side, while donors still plan to give the same or less on average in 2009, they now say they'll give a little bit more than they intended to over the summer. They expect an economic recovery to come about sooner than in the past, although they're still skittish about the nation's leadership and the country's direction.

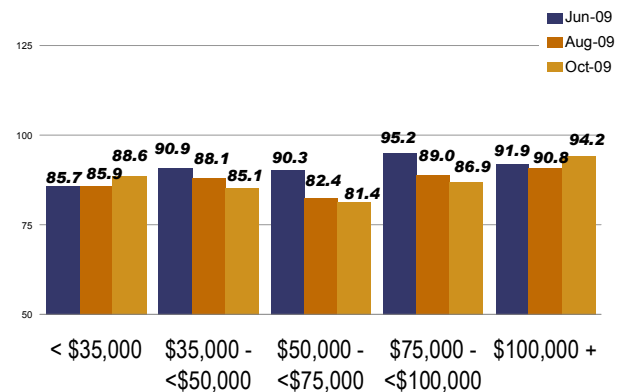
DCI by Demographics

Men have consistently charted higher donor confidence compared to women. At the same time, the confidence men express appears to waver more freely. In contrast, women seem less confident than men, with their confidence overall waning for the last six months.

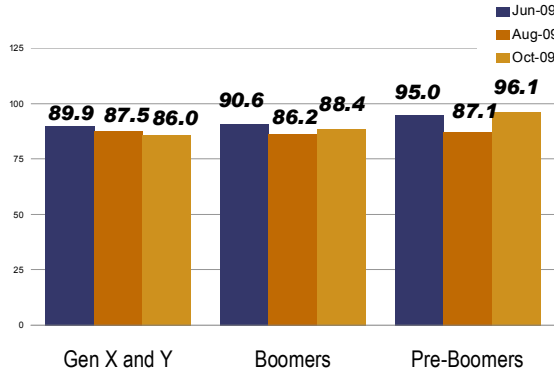


Over the past four months, Donor Confidence scores have consistently fallen among those with incomes in the middle ranges –\$35,000 - \$99,999. Donor confidence has risen among those earning less than \$35,000 per year and those earning greater than \$100,000.

Currently, donors in \$100,000+ households are significantly more confident than those with lower income.



Similar to results last seen in June, Pre-Boomers exhibit the highest level of confidence at 96.1. The Index among Generation X and Y donors is the lowest of any age group and is trending lower.

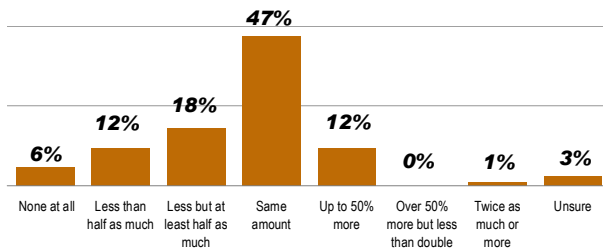


Giving Likelihood Steady in 2009

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

Consistent with previous results, 47% of donors reported plans to give the same amount to charity in 2009. Similarly, the proportion of donors who say they will give more in 2009 has remained constant since December of last year.

Expected 2009 Giving
(October 2009)

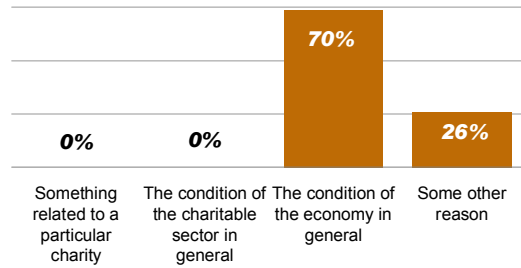


Though it is too early to know whether it is a burgeoning trend, a growing proportion of donors now report they expect to “give less but at least half as much” compared to other categories that indicate reduced giving.

Economy Hampers Donations

Similar to earlier polling, seven in ten donors report giving less due to the “condition of the economy in general” instead of other factors.

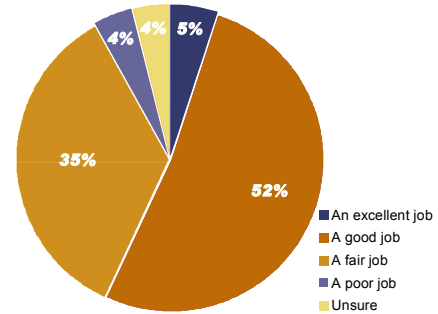
Reasons for Donating Less in 2009



Positive Nonprofit Approval Ratings

Nearly six in ten respondents, 57%, rate U.S. charities as doing either an excellent or good job. Just over one in three characterize nonprofit performance as “fair.”

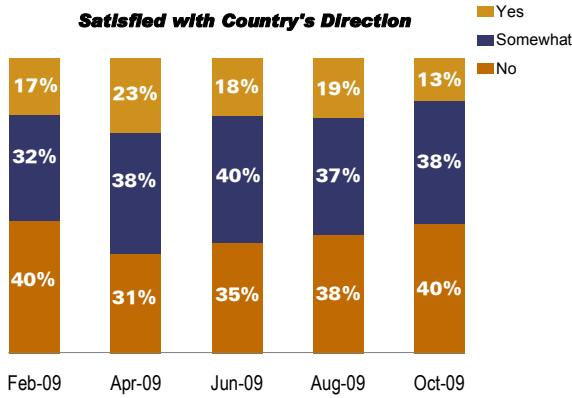
Satisfaction with U.S. Charities
(October 2009)



Dissatisfaction with the Country's Direction Grows

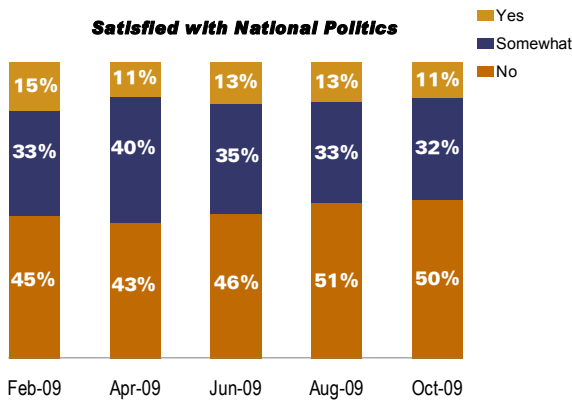
The percentage of donors dissatisfied with the country’s direction rose to 40% in October, representing a nine percent increase in the past six months. At the same time, the proportion of donors satisfied with the country’s direction fell to 13% in October, the lowest percentage this year. At press time, 52% of Americans approve of the President’s performance and Congressional job approval is 25%.

Satisfied with Country's Direction



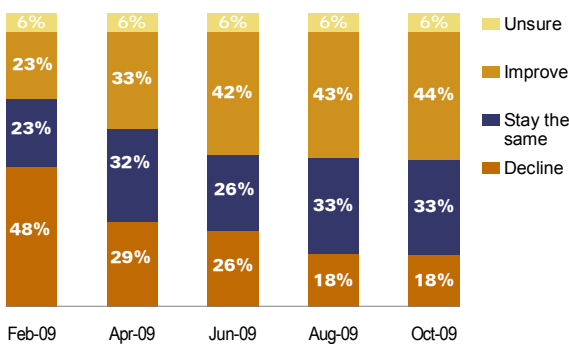
Half of all donors (50%), are dissatisfied with “the political system at the federal level”, posting results similar to the August issue of the DCR. (A RealClearPolitics.com average of national polls conducted during late October shows that 56% of Americans believe the country is headed in the wrong direction, while 40% say it is on the right track.)

Satisfied with National Politics



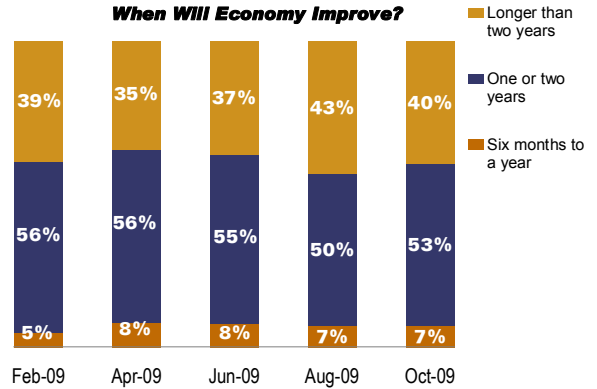
Economic Forecast Unchanged

Economy Expected In Next Twelve Months



Since August, the percent of donors expecting the economy to improve has risen by one percentage point. All other categories – decline, stay the same, unsure – remain the same.

When Will Economy Improve?

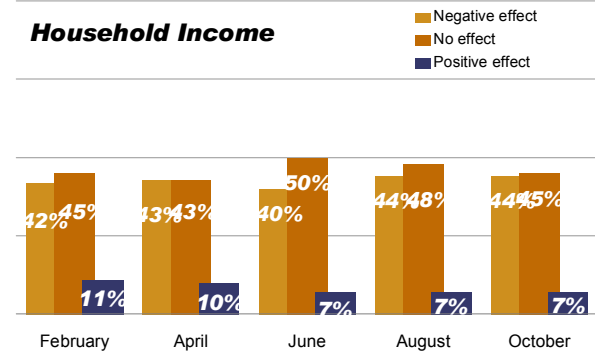


A majority of donors expect the economy to improve within one to two years (53%). In the past two months, three percent appear to have shifted from the 2+ years category to 1-2 years.

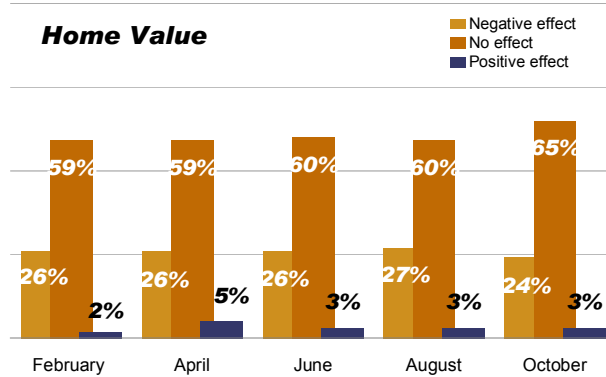
Lower Income Hits Giving

For the first time this year, a change in household income is cited by American donors as having the greatest negative effect on giving.

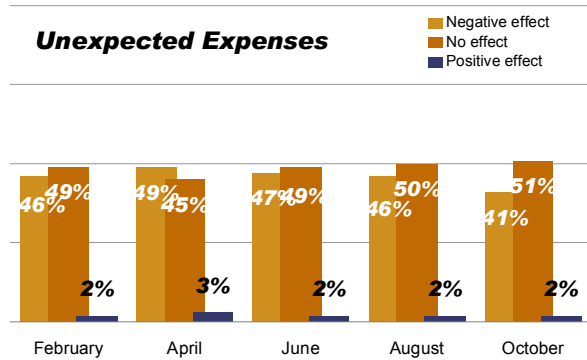
Household Income



Conversely, a rising percentage of donors say that changes in the value of their home have had no impact on their giving.



Also, the proportion of donors who say unexpected expenses have negatively impacted their giving dropped by 5% since August.



Sector Spotlights

Campbell Rinker asked donors to indicate which of 11 nonprofit sectors they had supported in the last year. Within these results, ratings from one donor may contribute to the DCI in more than one nonprofit sector.

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

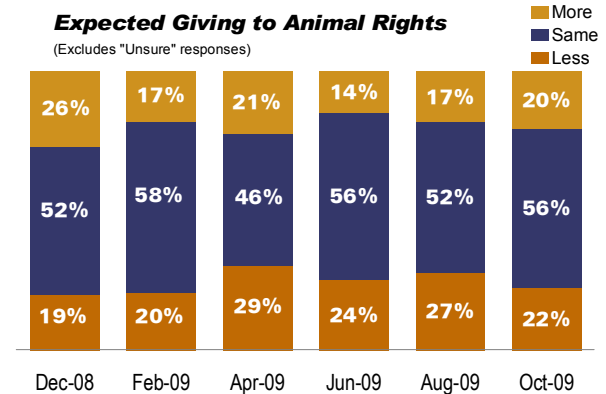
- Animal rights, protection, and training
- Arts, culture, and humanities
- Educational institutions and programs
- Environmental protection and preservation
- Faith-based charities, excluding places of worship
- Health and medical charities
- International relief, education, and sponsorship
- Not-for-profit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

In this issue we introduce a six-month rolling average to our Sector Spotlight. This figure consolidates the Index within each sector over six months, providing an alternate view of trends in each sector's Index over time.

Animal Rights & Protection

In October '09, the DCI among donors who contribute to Animal Rights charities fell by just 0.2 points.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Animal Rights	90.7	86.7	85.3	91.9	87.2	87.0
6-mo Avg.	--	88.7	87.6	88.0	88.1	88.7



The percentage of Animal Rights donors planning to give less has fallen to 22%, the lowest percent in the past six months, with corresponding increases in the proportion who expect to give more or give the same amount.

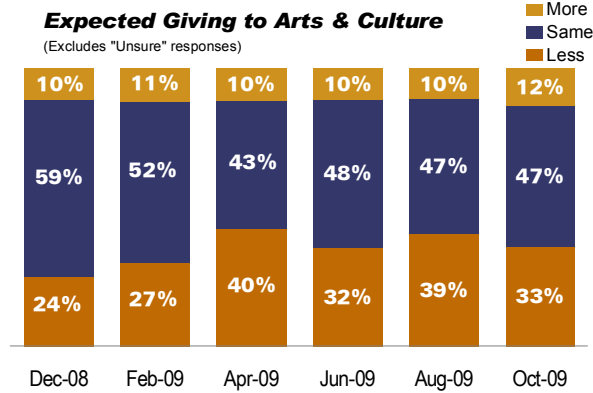
Arts, Culture, and Humanities

The Donor Confidence Index among Arts donors appears to have rebounded in October to 91.9. Donors to this sector appear less consistent in their giving expectations.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Arts & Culture	92.3	84.8	89.1	93.2	83.3	91.9
6-mo Avg.	--	87.7	88.7	89.0	88.5	89.5

The proportion of Arts, Culture, and Humanities donors who plan to give less in 2009 continues to fluctuate between 32% and 40%. In October, 33% plan to donate less to Arts and Culture charities.

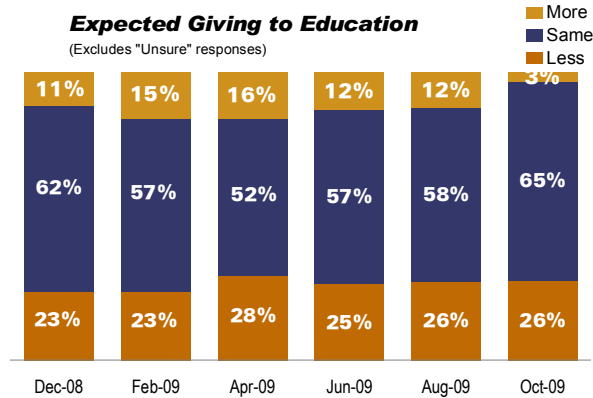
Still, the proportion expecting to give more in the coming year has remained fairly constant.



Educational Institutions & Programs

The DCI for Educational Institutions and Programs rose 3.0 points in October to 90.9, the second highest score posted for this sector in 2009.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Education	89.6	86.8	88.9	91.2	87.9	90.9
6-mo Avg.	--	89.3	88.4	89.0	89.3	90.0



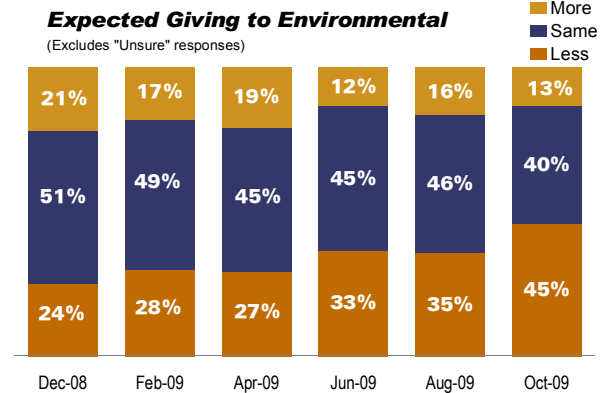
A strong proportion of donors have shifted from the "more" category to the "same" category, while the percentage planning to give less has held steady since June '09.

Environmental Protection

The Index for donors to Environmental organizations has experienced another decrease, dropping 3.7 points since August and a total of 11.7 points since June. This continues to mark a notable decline in confidence.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Environmental	92.7	84.1	88.3	90.9	82.9	79.2
6-mo Avg.	--	88.8	88.4	87.8	87.4	84.3

Compared to 35% in August, a sharply higher 45% of donors to environmental and animal rights causes now say they plan to give less to this sector throughout 2009.

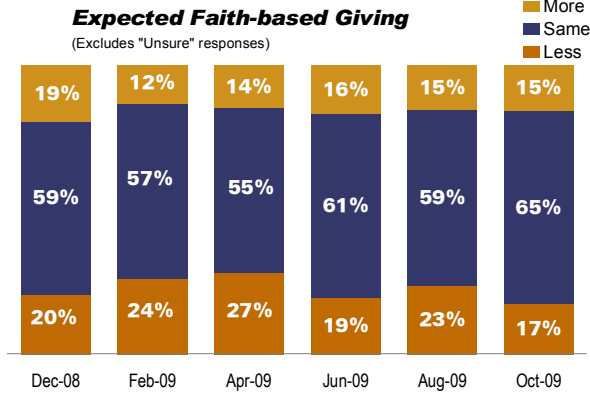


Faith-based Charities

The DCI for Faith-based charities has increased by 2.1 points since August. In October, this score stands at 92.2.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Faith-based	93.0	90.5	92.9	87.0	90.1	92.2
6-mo Avg.	--	93.1	92.1	90.1	90.0	89.8

Nearly two in three donors to Faith-based charities (65%), plan to donate the same amount as they did last year. These are the strongest expectations in more than a year for this sector.



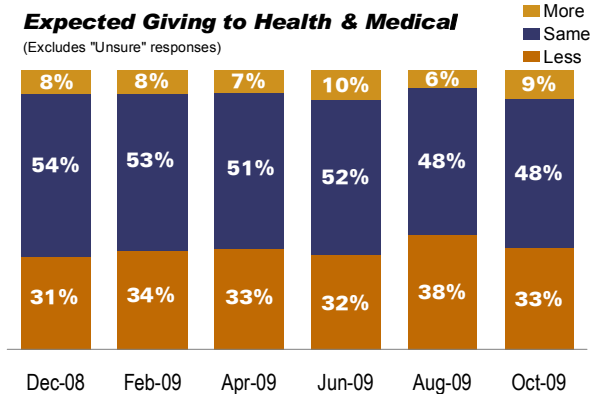
This sector, along with places of worship, sets a high point for the proportion of givers who expect to contribute the same or more in 2009 compared to 2008.

Health and Medical Charities

The Index for Health and Medical charities has risen 2.3 points since August to 88.5. Yet, the score for this sector still trails most others.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Health and Medical	89.5	86.1	86.4	91.0	86.2	88.5
6-mo. Avg.	--	89.1	87.3	87.8	87.9	88.6

Similar to results for much of this year, 33% plan to give less to these charities in 2009.

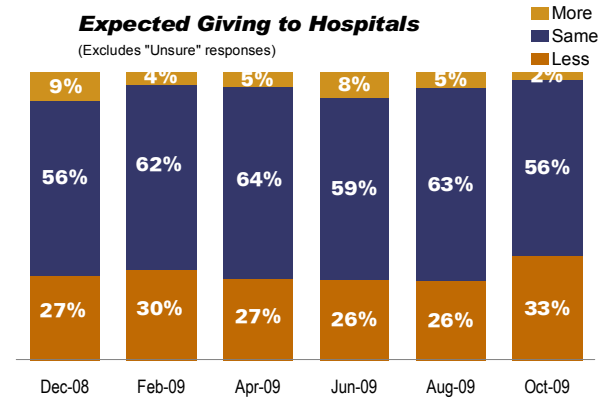


Hospitals & Hospital Foundations

In October, the DCI for Hospitals and their Foundations has decreased to its lowest score posted this year, 85.6. Confidence has typically lagged among donors to this sector.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Hospitals	88.0	89.4	87.8	89.7	87.9	85.6
6-mo. Avg.	--	88.9	88.4	89.0	88.5	87.7

The percentage of donors planning to give less to Hospitals and their Foundations has risen to 33%, a seven percent increase since August. Just 2% of donors plan to give more to Hospitals and their foundations in 2009 over 2008.



Int'l Relief, Development & Sponsorship

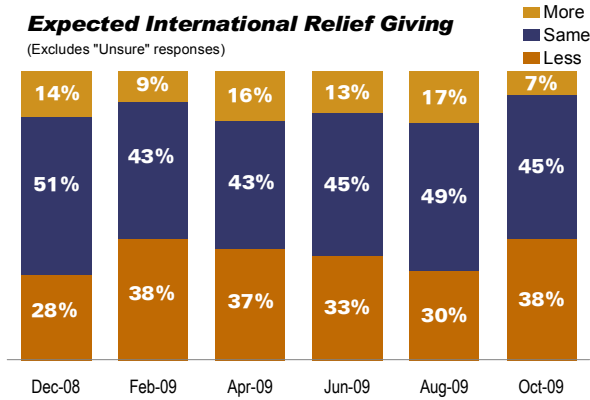
The DCI posted by donors to International Relief and Development decreased by 3.5 points in October 2009. Confidence among donors to this sector appears to vary more month-to-month than donors to other sectors. Why? It seems incongruous, as we expect a higher proportion of donors in this category are child sponsors on a monthly plan. Perhaps this is not the case.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Int'l Relief and Development	97.4	89.2	88.9	90.3	92.2	88.7
6-mo. Avg.	--	91.1	91.8	89.5	90.5	90.4

Since August, the percentage planning to give less to International Relief has increased by eight percent to 38% currently.

Expected International Relief Giving

(Excludes "Unsure" responses)



Places of Worship

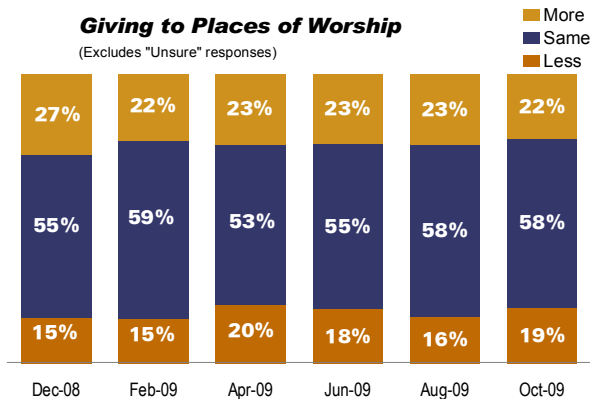
The donor confidence score for Places of Worship has rebounded from its August low. The DCI now stands at 91.6 points.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Places of Worship	91.6	90.1	89.4	90.4	88.6	91.6
6-mo. Avg.	--	91.0	90.4	90.0	89.5	90.2

Giving to Places of Worship continues to post some of the best giving expectations figures compared to other sectors. Since February, approximately one in four donors to Places of Worship (22%) plan to donate more this year than last.

Giving to Places of Worship

(Excludes "Unsure" responses)



Political & Advocacy

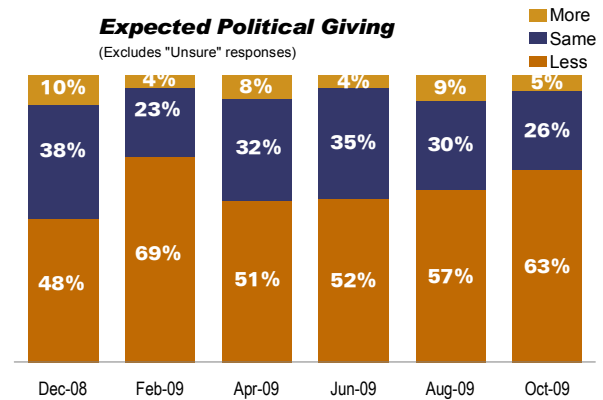
The DCI for Political and Advocacy groups is one that also seems to fluctuate, experiencing a low of 84.9 in February and a high of 91.5 in October. This lift may be attributable to local election cycles.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Political and Advocacy	89.6	84.9	90.8	93.0	85.6	91.5
6-mo. Avg.	--	88.3	88.4	89.6	89.8	90.0

Still, a large majority (63%) of political donors plan to give less to this sector in 2009. Just five percent plan to give more and 26% plan to donate the same amount in 2009 as in 2008.

Expected Political Giving

(Excludes "Unsure" responses)

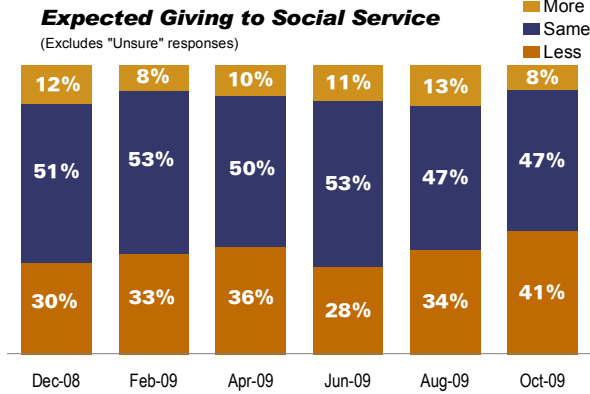


Social Service

Donor confidence among Social Service donors has dropped to its lowest point this year, with a DCI of 86.7. This is a 1.2 point decline since August.

Sector	Dec '08	Feb '09	Apr '09	Jun '09	Aug '09	Oct '09
Social Svcs	90.0	86.8	90.0	89.1	87.9	86.7
6-mo. Avg.	--	88.0	88.9	88.6	89.0	87.9

The percentage of donors planning to give less continues to grow. Currently, 41% of donors say they will give less to Social Service in 2009.



Methodology

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 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 Donor Confidence Report poll was conducted October 8-10, 2009 as a tracking study among 303 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 October 2009 compared to the same 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
85	±10.6%
100	±9.8%
200	±6.9%
300	±5.7%
400	±4.9%
500	±4.4%

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