

80 Nonprofit Trends for 2016



By Sean Norris

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The nonprofit sector is changing. That's hardly a groundbreaking observation—of course it's changing, as it does every year—but this time, something feels different.

Maybe it's the already-begun exodus of Baby Boomers in nonprofit leadership positions.

Maybe it's the scramble to understand shifting giving habits as younger donors enter the philanthropic discussion in greater numbers. Maybe it's the dip in donor retention rates after a few years of solid gains. Whatever it is, there's a feeling of added urgency. The pace of change, it seems, is accelerating. And for continued success in 2016 and beyond, nonprofits need to keep up.

So, NonProfit PRO reached out to some of the sector's brightest minds and biggest innovators for predictions on what's in store for the coming year—everything from leadership issues to giving trends to big ideas. In all, we received 80 trends from 44 leaders at 34 nonprofits, agencies and consulting groups.

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Big Ideas

Social ROI

Mr. Zuckerberg's latest foray into philanthropy should not be surprising. There are already tens of billions of dollars held by the nation's donor-advised funds, "invested" by the nation's wealthy. In fact, an analysis of the top charities by size demonstrates the incredible growth in these entities' assets since 2006. This trend for the sector is a challenge and an opportunity. The donor investing community is attracted to what the funds offer: current charitable contribution tax treatment coupled with the ability to "invest" the charitable distribution over time. However, the ultimate end-user—the mission-based organization creating the desired impact—may not receive the funding for an extended period of time.

The challenge and the opportunity, as I see it, is to bridge the divide between the donor-investor and the mission he or she wants to fund. And in 2016 charitable organizations will have to sharpen their focus on the social return on investment their organizations deliver, so they can provide donor-investors with meaningful impact statements that will accelerate charitable investments in their missions.

—*Timothy Phillips, general counsel, American Cancer Society*

Addressing the Digital Divide

With roughly 60 million Americans not using the Internet at home (or, for most of those Americans, not using it at all), we can't assume as nonprofits that our tweets and blog posts and new websites will reach all those we want to serve. 2016 is the year when we need to consider all of our missions connected to addressing the digital divide. Regardless of your mission or your location, we all can play a critical part in helping everyone in our community understand how they may be able to use the Internet in their

lives and helping them get online. With more of your supporters and community members online with you, your voice in activating change will be stronger.

—Amy Sample Ward, CEO, NTEN: *The Nonprofit Technology Enterprise Network*

Consumerization

The notion of consumerization—that technology and business models are originating in the consumer space versus the enterprise—is a driving force in the nonprofit sector, and will accelerate 2016. Just as they do in the commercial arena, today's constituents expect you to "know" them. Therefore nonprofits must continue to segment their engagement strategies and provide a more personalized and rewarding experience—powered by technology—in order to attract and retain donors and volunteers. The capability to truly understand your constituent from a "360" view, build lasting relationships and effectively communicate mission impact that is important to them will set many nonprofits apart.

—Jay Ferro, chief information officer, American Cancer Society

Cultivation and Stewardship of Social Investors

We're watching philanthropists, such as Jeff Skoll, Sean Parker and T. Denny Sanford, hold fundraising professionals to new, rigorous standards for creativity, cultivation and stewardship. More philanthropists, particularly those with very high net worth, increasingly approach causes and giving like true venture capitalists. They are less inclined to make multiple gifts to several causes over time, or establish legacy vehicles to fund causes into perpetuity. Their motivations are deeply personal and they are increasingly ready and willing to leverage the bulk of their wealth to social innovation to generate transformative results that they can experience in their lifetimes. The onus is on fundraisers to think like these entrepreneurs and pay attention to the big issues.

Going forward, fundraisers will propose funding opportunities that show big vision and arouse donors' specific philanthropic passions. Fundraisers will spend less time investigating potential to give, and focus instead on relating to donors' propensity to fund initiatives that will cure disease, reform educational systems, eradicate poverty, etc. From our perspective, there's never been a time where professional development, critical thinking and innovation in problem-solving have been more necessary in the fundraising profession. There is tremendous wealth and potential to resolve perennial social issues if we are prepared to be better, more enterprising partners to social visionaries.

—Andrew Watt, *FlnstF*, president and CEO, Association of Fundraising Professionals

More Social-Change Engagement and Less "Slacktivism"

With the maturing of social media and Millennials, we are seeing renewed energy for social change and protests. This moves beyond the "slacktivism" of recent years where people took part in spreading the word about a cause, but there was little movement

toward actual change and progress. The “Black Lives Matter” movement is the most prominent example of the forces in society demanding social change and action.

—Wayne Elsey, CEO, Elsey Enterprises

Measuring and Reporting Impact: Finding a Better Way

Nonprofits are realizing that it’s no longer enough to say, “We do a good job; trust us.”

We’ll see a growing need for fundraisers to learn to tell stories that excite donors, regularly take (or have taken) photos that show impact, use social media more effectively to continually demonstrate impact and make interviews with beneficiaries a priority.

Social media will become more about showing impact than simply providing content, and donor reporting will balance “head” and “heart” to engage funders. Fundraisers will need to use almost everything they get to tell the story and show impact, realizing impact isn’t something you demonstrate once in a while—instead it must be continual.

—Pamela Barden, consultant and founder, PJ Barden Inc.

Changing Priorities for Global Donors

Moving into 2016, the development/donor world has (at least) two game-changers on the horizon that nonprofits and NGOs need to be aware of in order to adapt and succeed as priorities for donor money shifts. As hundreds of thousands of refugees are fleeing their homelands, bilateral and multilateral donors in the European Union have begun to re-evaluate funds previously allocated for development, in order to prioritize a response to the influx of refugees. Additionally, the COP21 agreement signed in Paris in early December 2015 committed many of these same bilateral and multilateral donors to shift their priorities towards tangible and effective responses to the effects of climate change, in ways the development world has yet to see.

Nonprofits and NGOs that have in previous years relied on these funds being available will now need to adjust their own priorities in order to identify new opportunities related to the integration of the growing and diversifying communities in the EU, as well as the resiliency and mitigation of climate change. Or, alternatively, NGOs will need to diversify their funding sources in order to absorb the decrease in EU funding available for their causes.

—Brandy Wood, senior manager of business development, International Potato Center (CIP)

Blurred Lines Between Nonprofit and For-Profit

As more private sector businesses engage in charitable activities (Amazon Smile and similar programs; the Chan-Zuckerberg Initiative; donor advised funds offered by financial services firms; etc.) and nonprofits look for ways to monetize their activities—hospitals and universities engaging in technology transfer and other entrepreneurship activities, nonprofits forming alliances with for-profit entities—it may become more

difficult to differentiate between what is charitable and what isn't. This may have implications on regulation and the sector's reputation with the public. Those in the nonprofit sector need to continue to maintain the highest ethical standards and transparent practices so the public is not confused.

—Mark Hefter, president, Association of Fundraising Professionals, New York City Chapter

“Brandraising”

Somewhat counter-intuitive to many of the data-driven, individual-based modeling used in some channels is the growing trend toward building awareness of an organization to lift its fundraising performance. “Brandraising” works to break through the clutter of millions of charitable organizations to make yours top-of-mind when donors are prepared to give. In days gone by, this was not as necessary, since there were fewer organizations asking for donations, and one direct contact might be enough to convince someone to give a gift. Now, donors and potential donors must be reminded of not only what your organization stands for (brand), but must also see you more visibly/constantly (awareness), and understand how those messages link to giving (fundraising).

This is not new for some organizations, and is definitely not a short-term play, but a longer-term investment that can frequently be difficult to quantify and validate. Still, both local and national organizations that have made the investment have experienced higher second gift and retention rates, better acquisition and cultivation/renewal efforts, and seen more web revenue. Brandraising also paves the way for more corporate partnerships, more major-donor gifts and long-term sustainability of an organization.

—Kevin White, senior vice president of media insights and integration, Russ Reid

Collaboration

I think 2016 will be the year that the nonprofit world enters the sharing/collaboration economy. Organizations will begin to tap into existing, underutilized resources. This can include the sharing of interns, employees and office/event space, and the formation of umbrella organizations guiding and funding groups of charities in related fields. I believe (and hope!) we will see some significant creativity in this regard.

—Dave Linn, chief operating officer, The Generosity Series

Fundraising and Marketing

Back to Basics

While this may seem like a “tried and true” strategy, 2016 will be the year that many

fundraisers and development officers go back to some marketing basics—telling a good story, having a strong call to action and learning through testing. While the last few years may have seen more of a focus on keeping pace with new technologies, new audiences on various social platforms and an increasing variety of screens and resolutions, less focus has been placed on the right ask, at the right time, to the right audience. The industry has been racing to gather, integrate and organize data, and may now finally be poised to leverage that data in a way that impacts outcomes and drives campaigns.

—*Miriam Kagan, senior principal, Kimbia*

Metrics: Re-evaluating File Size

We will hopefully see the beginning of the end for retention rate and file size as metrics. The Fundraising Effectiveness Project reports that retention rates are up from a 2012 trough. However, this is likely masking that donor files have fewer new donors on file as a percentage of the overall file. Thus, they are retaining better only because they are working to keep easier-to-retain donors. Overall retention rate masks these changes of file demographics—it would be better to look at retention rates by lifecycle segment (in basic new, second gift, lapsed reactivated, and multiyear buckets to start).

Similarly, file size masks the value of donors in the file. Would you rather have a person who 11 months ago gave \$5 for the first time or a person who gives \$100 every year, but last gave 13 months ago? A traditional 12-month file size will include the former and exclude the latter. A new look at file size will start with how many people can be profitably communicated to and continue into realms of cross/multi/omnichannel value of a donor.

—*Nick Ellinger, vice president of strategic outreach, Mothers Against Drunk Driving*

Retention Over Acquisition

Donor retention has been terrible for years. But nonprofits have largely been ignoring the data. With so much competition for donors today, and so much competition just for attention, it's never been more important to make authentic connections with your supporters that will cement your relationships with them. This is perhaps the topic about which I'm most passionate. I just hate to see nonprofits wasting their limited resources running on a treadmill. We're all about the work ethic in this country. We need to shift to a "work smart" ethic. And it's not smart to be doing a lot of expensive donor acquisition, then losing eight out of 10 new donors. It's more cost-effective to retain a donor than to acquire one. So nonprofits must know their retention rates, establish specific goals for improvement and invest in personal, authentic, gratitude-filled cultivation and stewardship.

—*Claire Axelrad, J.D., CFRE, principal, Clairification*

Email Marketing for Bequests

Did you know bequests account for as much as one third of fundraising revenues in the U.K. and Australia, but only 8 percent of fundraising revenues in the U.S.? Few nonprofits are utilizing the cost-effective method of email to promote bequests, even though a prime target for bequests, Baby Boomers, are highly digitally connected. A recent survey showed that the No. 1 reason Boomers arranged for a bequest to an organization was that they received “a communication from a charity.” We think nonprofits have the opportunity to use low-cost email marketing techniques to expand this proven source of revenue within their organization.

—*Jett Winders, vice president of strategic services, Charity Dynamics*

Emphasis on Monthly Giving

Europe is way ahead of us. They've been concentrating on sustainer programs as a primary fundraising vehicle for years. Some U.S.-based charities have followed suit and see the long-term value in this reliable revenue stream. It can be an expensive undertaking, usually done with telemarketing and more recently DRTV. Digital is also quickly becoming a huge driver of monthly sustainers as organizations leverage technology for enabling on-the-spot asks. In 2016, more nonprofits will be making the investment in sustainer programs and will build out the case in support of monthly giving. DRTV will also grow as a sustainer channel, as barriers to entry continue to decrease.

—*Angela Struebing, president, CDR Fundraising Group*

The Complex Fundraising Portfolio

In response to organizational demands for continued fundraising revenue growth, nonprofits roll out more programs. Assemble the integrated (360 degree) donor-data view (CRM or integrated marketing database) and leverage it to evaluate historical cross-program success, and selectively cross-market at scale across programs. Test into the right media mix (online and offline marketing) what works for each program combination.

—*Jeff Patrick, chief strategy officer and vice president, nonprofit, Merkle*

Multichannel Versus Integrated Marketing

There is a common misconception that if you fundraise through multiple channels (email, mail, TV, phone, social) you have an integrated program. Not so much. A program is only integrated if you have coordinated images, messages and offers on various platforms. In 2016 nonprofits will become more truly integrated, coordinating more campaigns in multiple places—and they'll in turn experience the positive results. Technology and data collection is paving the way for this, as we can knowingly target people on multiple platforms.

—*Angela Struebing, president, CDR Fundraising Group*

Addressable Media

Nonprofits will be able to add advertising to their direct marketing mix. This had started with Facebook's Custom Audience, but with the advent of Google's addressability solution, nonprofits will be able to not only upload, target and get value from their own lists, but also use lookalike lists as an acquisition strategy across multiple platforms (and thus get around the concern of being dependent on an unreliable source). While interruption marketing isn't anything new, the ability to use it to lift other channels while paying for only the leads you want is, and puts this opportunity now within the reach of the nonprofit budget. As providers like DirecTV and Hulu expand their addressability solutions, this trend will only expand.

—*Nick Ellinger, vice president of strategic outreach, Mothers Against Drunk Driving*

One-to-One Major-Gift Fundraising

This is the most traditional, tried-and-true strategy, and it works like gangbusters! Eighty percent of all giving in the U.S. comes from individuals. And of these folks, roughly 20 percent will provide 80 percent of a nonprofit's annual fundraising, on average. So this shouldn't be controversial. Yet many nonprofits think major-gift fundraising isn't for them. A 2015 survey by Bloomerang, a donor software provider, shows we're losing money and/or building shaky foundations with these strategies. Two-thirds of all household charity in the U.S. comes from the top 3 percent of U.S. households. It simply makes sense to follow the money. Commit this year to getting your piece of the pie!

—*Claire Axelrad, J.D., CFRE, principal, Clairification*

List Management

Email is still the workhorse of any digital program. However, in 2016, getting into your constituents' inboxes will be more difficult than ever before. The largest email client providers are working diligently to ensure that their customers are only receiving email that their customers are actively interested in and engaged with. All other email is being delivered to junk folders, clutter files, promotion tabs or not at all.

Organizations that don't proactively clean their lists will and keep their constituents engaged through relevant content will continue to see decreasing engagement rates. Much has been made about the death of email. However, in 2016, email revenue growth is possible if you can conquer the email deliverability issue through strong list hygiene; micro-segmentation; and personalized, dynamic content.

—*Adam Ruff, chief digital strategist, The Harrington Agency*

Content Marketing

Marketing is how you deliver content. In our digitally revolutionized world, you must include a robust online (email, Internet and social media) strategy. Content marketing will become the primary way folks become aware of you—it should be oriented to create

and keep customers (buyers, subscribers, donors, volunteers, etc.) and also to create customers who create other customers—advocates, ambassadors and influencers. For this to happen, you must give folks something they really want or need; solve their problems. And you must make it easy for them to share your content with others.

—*Claire Axelrad, J.D., CFRE, principal, Clairification*

Micro Campaigns

In 2016, organizations will run hyper-focused micro-campaigns. As the long arms of crowdfunding are stretching even deeper into the nonprofit sector, smart organizations will use the model to move activists to donors, generate upgraded gifts and re-engage donors who have become tired of the universal annual appeal. These small, targeted campaigns will allow organizations to illustrate specifically what donors are funding and be precise in the donors' impact—especially in a time when donors have become weary of general pleas for money. In addition, it also allows lower-dollar donors to feel that they have contributed more to an organization. Organizations who can move past the fear of restricted giving and into this new model will unlock a new revenue source.

—*Jessica Harrington, president, The Harrington Agency*

More Access and Reporting

Expect increased demand for online access to activity and balances in named endowment funds. They are getting this from their brokers and expect the same for the funds entrusted to foundations. Also, expect increased performance reporting requirements for grants, not just how much money we spent but what is the measurable impact achieved.

—*Peter Stam, president, AccuFund*

Working Smarter

The trend of needing to work smarter, rather than harder, will continue, requiring organizations to do more with the donors they have, rather than relying on filling attrition, or filling the top of the funnel, yet failing to fix holes in the leaky bucket below. Fewer, higher-value donors can easily surpass the long-term net revenue of a larger volume of lower-value donors without constantly churning a file, or requiring the larger acquisition investments to mail more. Part of this is using data to isolate and cherry-pick individual donors to communicate with, rather than using broad strokes.

Another imperative is understanding that donors garnered from different channels/response mechanisms do, in fact, have different values. A large file of direct mail donors driving smaller gifts complements a smaller file of digital or TV donors giving larger gifts. Quickly identifying those who can be upgraded to middle- or major-donors, or those who can become monthly sustainers, will drive more revenue sooner, as opposed to waiting for our own in-house data to tell us an individual has fallen into a

qualified “bucket” in two or three years.

—Kevin White, senior vice president of media insights and integration, Russ Reid

Tech, Online And Digital

Digital Storytelling

The ability to tell compelling stories both quickly and efficiently in our increasingly digital world will be crucial to effective fundraising in 2016. Leveraging useful, relevant and, most importantly, engaging content to tell stories is essential. In today’s digital environment you only have a few seconds to capture someone’s attention, if that; so lead with emotion and remember to be human. Your most powerful storytellers are the people benefiting from your programs—empowering these people to tell their own stories makes a difference. As we look to the future, capturing these firsthand accounts of impact on film and sharing these stories of hope across multiple channels such as email, the Web, mobile and social media is key to communicating long-term success and inspiring action.

—Shari Mason, vice president of marketing and communications, Smile Train

The Single Hub: Mobile and Multichannel Data

With the rise in technologies that connect various channels to each other, nonprofits will have the ability to get their hands on more data points. This is specifically due to the plethora of data we humans push and pull to and from our mobile devices these days. Nonprofits are now able to start answering questions like: How socially influential are my event participants on tech channels? Which channels are performing best? And, how are various generations connecting with my organization (i.e., through which tech channels)? Mobile devices provide the ability to connect social, email and online fundraising channels all in one little pocket-sized computer. With that technology mix, the doors will open up to whole new ways of looking at data by creating opportunities to connect the dots between how constituents are interacting with your organization across channels from a single hub.

—Taylor Shanklin, chief operations officer, Raisemore

Cyber-Defense

Think your nonprofit is safe from cyber-attacks? Think again: The threat of these attacks will only loom larger in 2016. No longer relegated to the cubicle-dwellers of your IT department, cybersecurity is evolving as a serious matter for all nonprofit executives and board members. In 2016 and beyond, savvy nonprofit leaders will invest more time,

treasure and talent in their IT departments to institutionalize top-to-bottom alignment around the twin objectives of becoming properly and securely digital.

—Bruce Mendelsohn, executive director, *New England Friends of the Israel Defense Forces (FIDF)*

Digital Adoption

In 2015, we did our first digital adoption survey and found that a majority of the respondents do not track whether all of their digital initiatives are used by the community. For many organizations, the Internet is a place not only for marketing and communications but also program and service delivery, reaching people in ways they may not be able to offline. If we are invested in tracking adoption and usage by our community, how can we position our programs and services, as well as our community engagement, for real success? 2016 should be a year to invest in adoption analysis in your organization!

—Amy Sample Ward, CEO, *NTEN: The Nonprofit Technology Enterprise Network*

Personal Interactions Through Social Media

With three quarters of all Internet users on social media, it has become an increasingly competitive space. Many nonprofits were early adopters years ago and are now fully harnessing the power of paid promotion, but most are missing out on the most impactful moments with their followers—personal interactions. When you engage with your followers by commenting, liking, retweeting their content, and messaging them, you have the ability to directly communicate with them through in-app and push notifications.

Usually reserved for missed phone calls, text messages and social interactions with friends, the lock screen of a mobile device is currently the most underutilized marketing real estate. By investing in the time and resources to communicate with your supporters this way, you have the opportunity to appear right alongside of those personal interactions and motivate your social followers to not only “like” you, but really like you.

—Kevin Scally, director of digital marketing, *marketing Smile Train*

Data Security

Security will continue to be a key concern for donors and nonprofits. They must lead with visual and effective proof-of-use of solutions offered by companies that are committed to online security, which is a top priority at Kimbia. As data breaches continue to keep online security at the forefront of people’s minds, donors will be increasingly more vigilant when asked for personal and payment information. Nonprofits cannot simply rely on a “hope nothing happens” mindset when it comes to data. From donation-processing to security around constituent information and storage, nonprofits must lead with a

commitment to privacy and data security.

—*Miriam Kagan, senior principal, Kimbia*

Proactive Website Support

Commercial websites increasingly deliver high-quality support experiences for customers at key moments during a transaction process. A few examples we see a lot are a chat box popping up and offering support or personal phone calls to individuals when credit card processing has failed. In both of these cases, providing support is not simply a cost of doing business—it is a source of additional revenue from increases in conversion rates on transactions. Nonprofits should be making similar investments for their own donation and registration forms in 2016 to maximize revenue.

—*Jett Winders, vice president of strategic services, Charity Dynamics*

Social Media and the Future of Fundraising

As Millennials and younger generations become a growing part of the donor base, fast, easy and innovative ways to give will be an increasingly integral part of nonprofit fundraising. We've already seen social media's potential to rally online communities around causes through hashtags, and many nonprofits are already doing a great job of using their social media channels to successfully tell stories and communicate with donors. Smart nonprofits will use tools like #Donate to tap into existing social media campaigns as another fundraising channel, requiring little to no extra resources. Key elements to successful campaigns will include in-stream donation options and shareability.

—*Dale Nirvani Pfeifer, founder and CEO, GoodWorld*

Data/Systems Integration

Historically, nonprofit data and software integration has been laborious and expensive. Separate systems have often been used for CRM, social media, email marketing, volunteer management, crowdfunding, events and other needs. But now, with today's new holistic platforms, built for the cloud, with cutting-edge technology, nonprofits can streamline operations, improve donor targeting and reduce costs. Today's nonprofit software platforms act as the central nerve system for operations. The migration to these new platforms—for nonprofits large and small—has begun in earnest over the past couple of years and will surely increase in 2016.

—*Don McKenzie, president and chief growth officer, Innovairre*

Mobile and Digital Donations

Consumers began using personal technology to transform the shopping experience long before businesses themselves caught on, and the trend toward mobile payments is growing. For fundraisers, introducing more mobile donation options is critical in effectively engaging donors, especially the coveted Millennial generation. In an

increasingly tech-driven world, email, phone calls and other traditional fundraising strategies are no longer enough. If organizations are not keeping pace with their donors' digital path to purchase (e.g., e-wallets, Apple Pay, Bitcoin), they risk missing out on major dollars and donors.

—*Dr. Con O'Connell, chief technology officer, Kimbia*

The Mobile Engagement Boom

With the ever-expanding penetration of smartphones around the world, and increased time-spend on mobile devices, mobile engagement will continue its expansion and importance in the nonprofit sector. In 2016, it won't just be about the growth of responsive design, more use of text messaging and increased video consumed on mobile phones—also look for additional nonprofit organizations to develop apps that take donor involvement to brand new levels.

—*Don McKenzie, president and chief growth officer, Innovairre*

Dedicated Fundraising Pages

Last year it seemed everyone was talking about Twitter and Facebook adding “buy” buttons to their platforms, and by the end of 2015 all of the major players have implemented this feature. It's been a slow process and it'll take a while for consumers to use the buttons, but Facebook is fascinating to watch as it creates new ways and reasons why you should add your debit/credit card.

One example is the new fundraiser pages for nonprofit organizations (BKV had the honor of implementing this with our client, Wounded Warrior Project). Upon eligibility, an organization will be able to create a “cause” or fundraising page that is an extension of its primary Facebook page. This fundraising page allows you to submit posts with text, photos or video related to the specific cause, shows a persistent and dedicated donate button, and has a progress bar showcasing how close to goal your organization is. These pages will be able to be promoted as advertisements on users' News Feeds, and our early experience with this is very promising.

—*James Kiss, social media strategist, BKV*

Prospect Research Data

Prospect research data will be used in real-time. A large part of prospect research focuses on big picture planning and on securing gifts as part of large campaigns. What 2016 will bring more of, I'm certain, is a greater focus on the day-to-day and immediately available giving data. Nonprofits will want access to donor data in real time. It will be an exciting and challenging year for prospect management.

—*Bill Tedesco, CEO, DonorSearch*

Greater Integration and Centralization

There's a lot of competition in the nonprofit software industry. 2016 will continue to see more integration of services between software providers. Nonprofits are just looking for the easiest ways to grow their donor bases, and if that means using two separate software subscriptions that are able to communicate with one another, then so be it! In addition to seeing more software integrations, we're going to see more software providers providing a holistic nonprofit solution that serves the bulk of a nonprofit's needs. What nonprofits are beginning to expect, and what 2016 will deliver is software that encompasses all of their needs all in one place.

—Blake Groves, vice president of strategy and business development, Salsa Labs

More Accessible Donation Buttons for All

2016 is really set to be the year that online and mobile giving experience tremendous overhauls. For the longest time, online donation forms and buttons have remained stagnant, un-customizable, and frankly, boring. This year, all of that changes for the better. Donation forms and their requisite buttons will be infinitely customizable, personable and downright enticing for donors. Nonprofits, rejoice! Creativity is on its way.

—Abby Jarvis, marketing and outreach, Qgiv

Text-to-Give

In 2016, mobile giving of all kinds will be on the rise. We saw the monumental increase last year when, across the board, people donated 13 percent more on mobile than they had the previous year. My prediction for 2016, though, is that text-to-give will see the most major surge. Churches are an instrumental factor in this coming wave; they have already integrated this technology into their weekly services all over the nation. It can only grow from here.

—John Killoran, president and CEO, @Pay

Killing the Online Form

Amazon is clearly a leader in making purchasing easy. What if the same leading usability practices were applied to donations? Presidential candidates have already done this to some extent by tokenizing a donor's payment information and getting people to repeatedly make donations of as little as \$3. This can add up quickly. In 2016, there will be a similar movement on the nonprofit side with organizations removing barriers to making a gift. This includes one-click renewal forms and storing donor information as personally non-identifiable tokens for easy repeat donations. If we really know our donors, why are we continually asking them to fill out their name and address information on every form?

—Angela Struebing, president, CDR Fundraising Group

Focus on Digital Advertising

Consumers are increasingly turning to digital media, more so than traditional print, for their daily media use. Within digital we are seeing more use via mobile and more generally via multiple devices. Similarly, nonprofits are seeing amplified engagement via digital (mobile), with 53 percent of consumers opening nonprofit email on a mobile device, and online giving picking up. The big recommendations here are a focus on digital advertising—paid search, paid social and paid display/video advertising—that nicely complement existing email and website programs, and collectively offer the route to a scalable digital donor acquisition and renewal program.

—*Jeff Patrick, chief strategy officer and vice president, nonprofit, Merkle*

Mobile Giving

We know mobile is big, and will get bigger in 2016. One of the areas of mobile that has been simmering for a few years is apps. 2016 will be a year for many nonprofits to invest in apps, since the price point has come down dramatically. Also the ability to market new apps, via Facebook and Google, has matured so that it's easier to get downloads. Think of mobile apps as extensions of your website at first, just more convenient and faster.

—*Philip King, founder, Donation Funnel Project*

Social Advertising

This was the year we realized we no longer have to make a case for the effectiveness of paid social media advertising. Many nonprofits are discovering that promoted posts or tweets allow them to efficiently target their typical online donor. Your organization can go beyond age, gender or location to find your supporters by interest, behavior, and so many other unique characteristics. You can target a powerful call-to-action to your existing supporters using information from your own CRM, or focus on acquiring new donors and volunteers. If you have multiple donor personas, social advertising is a fast and inexpensive way to help you reach different audiences in the same campaign.

—*Claire Kerr, director of digital philanthropy, FrontStream*

Virtual Reality

Thanks to Google and The New York Times, we're all talking about it, and in 2015 we saw large organizations debuting virtual tours of Syrian refugee camps, for starters. In 2016, we'll see more nonprofits using virtual reality to simulate program experiences, and in particular, to connect donors to the mission more deeply.

—*Sarah Durham, president, Big Duck*

Giving Trends and Donor Relations

Strategic Philanthropy

While a lot has been made of “disruptors” coming into philanthropy—Sean Parker’s “Hacker Philanthropy” op-ed in *The Wall Street Journal* and the Chan Zuckerberg Initiative—that’s really just the tip of the proverbial iceberg. Below the surface we’re seeing a disruption of the entire philanthropic iceberg. Donors of all sizes are focusing their giving, asking metrics-focused questions about impact and are contemplating the return on their philanthropic investment.

Donors are becoming philanthropists and investors, and will require different types of information, greater transparency and access to leadership. As their needs evolve so must our approach to meeting them. In 2016, we’ll continue to see individuals giving larger gifts to fewer organizations.

—*Craig H. Shelley, CFRE, vice president, board of directors, Association of Fundraising Professionals, New York City Chapter; and vice president, Orr Associates Inc. (OAI)*

Fewer Donors

The consolidation of wealth in the U.S. continues. According to some reliable sources, more than 95 percent of the charitable gifts given in the U.S. will be made by fewer than 5 percent of all Americans. This fact will not only increase the competition among nonprofits for charitable donations—it will also change who charities market to and how they market to/engage them. At the same time, growth in new economies overseas may send some U.S. charities abroad looking for donors. Wherever they go, fundraisers will need to understand the needs and desires of wealthy donors and treat gifts to charity as though they are a luxury good.

—*Mark Hefter, president, Association of Fundraising Professionals, New York City Chapter*

Investment in Nonprofit Operations

For a very long time, there has been resistance to support operational and administrative costs for nonprofits. Donors have preferred to restrict their support to programs. This created what has been coined as the “nonprofit starvation cycle.” Nonprofits have been rewarded for spending as little as possible on operation costs, hence starving many organizations of necessary funds for research and development, talent acquisition and infrastructure building. With increased business practices entering the nonprofit space, donors are increasingly investing in operations to help ensure sustainability and scale.

—*Wayne Elsey, CEO, Elsey Enterprises*

Community Giving

Organizations will see more collaboration on the local level as donors have an increased

desire to make an impact in their local communities. We have seen huge success when communities and nonprofits come together with corporate sponsors in large community-based giving days. These programs—Give Local America, North Texas Giving Day, Give to the Max Day and many others—benefit many organizations, both small and large, under one unified umbrella.

—*Miriam Kagan, senior principal, Kimbia*

Donor-Centric Is the New Standard

If “donor-centric” was the buzz term of 2015, 2016 will be the year of making good on the donor-centric promise. Organizations will invest in cultivating these critical relationships. How? They will mail or call donors just to say thank you, with no ask. They will segment and personalize copy to like-minded groups of donors. Organizations will also test the long-term value of such treatment. 2016 is where forward-thinking organizations will implement strategies that are truly donor-centric.

—*Angela Struebing, president, CDR Fundraising Group*

More Reporting Back to Donors

Nonprofits are learning that the best way to cultivate their donors is to let them know how the donations are being used. This also enables donors to rely on the organizations for this information and not turn to third party watchdog groups—which is great news! Charities are starting to do more of this type of “self-reporting,” but this is going to be a continuing need. Every nonprofit needs to develop clear methods of showing donors how their giving is making a difference in the world.

—*Tiffany Neill, CFRE, partner; and Amy Sukol, CFRE, executive vice president, Lautman Maska Neill & Company*

Online Is On-the-Rise

As I’m sure my fellow experts are also, I’m predicting that online giving is going to be on-the-rise in 2016. This may not be the most groundbreaking prediction, but it’s a pretty solid bet. The way the industry has been headed for the past three or four years, we’re looking at exponential online giving growth. #GivingTuesday 2015 marked the highest level of online donation and nonprofit engagement in recent memory. I predict 2016 will blow that number out of the water.

—*Abby Jarvis, marketing and outreach, Qgiv*

Impact Investing

In 2016, nonprofits will tell donors not just what their money was used for, but how it made a difference to others. Infographics are an easy way to quickly relay stats in an efficient manner, but donors also crave compelling stories with measurable results. It’s not just mid- and high-level donors that want more specifics on their contributions. Lower-level \$25 donors care as well. In 2016, donors will value organizations that can

demonstrate true social return and also steward their donations wisely. This will have little to do with overhead figures and more to do with the real difference the charity is making with people's gifts.

—*Angela Struebing, president, CDR Fundraising Group*

Changes in Donor Giving Patterns

The ongoing changes in the distribution of wealth and demographic changes in society will continue to change patterns in giving. Large foundations and wealthy donors will continue to give much larger multi-million gifts, but to fewer organizations. The beneficiaries of these gifts will be larger institutions. The decline of the middle class will make it more challenging for nonprofits to receive gifts from this particular population. There will be fewer middle class people giving less money for charity

—*Wayne Elsey, CEO, Elsey Enterprises*

Election-Year Opportunities

The 2016 election received unprecedented press coverage in 2015, and that news cycle will only heat up going into the election year. Nonprofit organizations whose missions align with key election-year issues (immigration, economy, employment, etc.) have an opportunity to insert themselves into national conversations and gain positive attention by providing a voice of reason and perspective on key issues.

—*Rich Dietz, director of fundraising strategy, Abila*

More Focus on the Donor

Nonprofits are (direct) mailing less, and consumers are reading and responding less to direct mail. My recommendation is for nonprofits to focus in on the donor, leveraging new best practices such as persona development and donor journey mapping to craft the right marketing program providing the best donor experience that maximizes value to the organization across all channels—offline and online.

—*Jeff Patrick, chief strategy officer and vice president, nonprofit, Merkle*

Shifting Giving Models

Recent data show that the number of actual donors (as a percentage) giving to nonprofit organizations is on the decline, even with actual dollar amounts continuing to rise. Nonprofits will need to explore new giving models and look at ways to capitalize on opportunities to both engage donors and solicit funds. One example is to look more closely at foundations as a giving source. Per Giving USA's most recent report, giving by foundations (as a percentage) is on the rise.

—*Rich Dietz, director of fundraising strategy, Abila*

The Donor Pyramid

Nonprofits will start to realize they can raise more money with fewer donors. There's

more and more focus at the top of the donor pyramid—where the biggest potential is for transformative giving. When nonprofit staffers focus on fewer donor prospects, they are able to spend more thoughtful time with each donor. Then they can take the time to be more careful, be more donor-centered, and listen closely to the donor’s dreams and vision. That’s how big gifts develop.

—*Gail Perry, founder, Fired-Up Fundraising*

Gamification of Philanthropy

Believe it or not, philanthropy can be fun. The Internet Age gives nonprofits the ability to connect with donors in unprecedented ways—including the opportunity to create interactive, engaging experiences that help build a community of passionate people. Integrating activities, rewards and (friendly) competitions into fundraising can help donors see the giving experience as an enjoyable, even everyday activity. Whether it’s creating teams or challenges—think the tip-jar “voting” effect—gamifying the donor experience will help build meaningful relationships and help campaigns rise above the noise.

—*Dale Nirvani Pfeifer, founder and CEO, GoodWorld*

Meaningful Engagement

Personalization is the new mantra for any organization looking to engage with consumers in meaningful ways—this is no different for nonprofits. With the likes of Amazon, Netflix and eBay providing a highly customized, segmented, personal experience that keeps individuals engaged and retained, nonprofits will need to explore a very similar strategy to secure the most fundraising dollars from individuals. A focus on tracking, conversation optimization and segmentation will be essential to fundraising success in 2016.

—*Rich Dietz, director of fundraising strategy, Abila*

Cause Marketing and Corporate Relations

Increased Corporate Collaboration

Rather than just writing a check, corporations are increasingly interested in getting involved with hands-on social good and corporate citizenship programs. Corporate relations departments are quickly becoming the status quo at organizations of all sizes. As competition for corporate support and innovative engagement models grow, so will the ways that nonprofits build relationships with corporate foundation wings and social good officers.

Toolsets that are easy for corporations to engage in and support their nonprofit partners with—especially corporate-friendly DIY and peer-to-peer solutions—will create points of differentiation that nonprofits can use to build those relationships. For example, Prudential produced the Race for Retirement event in 2015 to promote retirement savings for its customers and employees. Kimbia’s event registration solution powered the free registration for more than 28,000 people who pledged to save 1 percent more of their annual income to their retirement.

—*Miriam Kagan, senior principal, Kimbia*

Corporate Competition (Part One)

In 2016, more and more corporations will continue to illustrate their social good as a way to win over consumers and increase brand loyalty. And with billions of dollars at their disposal, they have the opportunity to illustrate their case (whether you agree with it or not) more frequently, more prominently and, oftentimes, more effectively. In 2016, for-profit brands will be trying to position themselves as sharing consumers’ values and beliefs, all while making the consumer feel good about themselves.

—*Jessica Harrington, president, The Harrington Agency*

Corporate Competition (Part Two)

Nonprofits increasingly will face competition from for-profits for cause-related marketing dollars. It used to be that the choice in charitable giving was between sponsorship and cause-related marketing, and if a for-profit had a nonprofit wing, it was a foundation set up to fund existing nonprofits. Increasingly, however, for-profit companies will see the benefit of setting up their own nonprofit arms—or quasi-nonprofit arms—to own a cause.

Take, for example, AT&T’s entry into the distracted driving space with their It Can Wait campaign. They are doing many things a nonprofit would normally do—collecting petition signatures and pledges, distributing awareness materials, and providing programmatic toolkits—without the nonprofit. An alternate model is PetSmart Charities, which is a separate nonprofit supported by the corporate structure, including with cause-related marketing at register. In both cases, the for-profit branding is prominent, and AT&T is even able to use the cause sign-ups as a for-profit lead generation tool.

—*Nick Ellinger, vice president of strategic outreach, Mothers Against Drunk Driving*

Matching Gift Programs

A major shift towards easier and more readily available matching gift programs will help nonprofits increase the percentage of donors who are matching-gift eligible. Historically, matching gift programs were benefits offered by only the largest corporations. Over the last 12 to 24 months, we’ve seen an increasingly fast transition from corporations managing their programs internally with paper forms to outsourcing their matching-gift administration to companies that specialize in providing software and tools to

corporations. As this approach has grown, new and easy-to-set-up software has popped up for small- to medium-sized businesses to offer streamlined matching gift programs for their employees.

At Double the Donation, we've grown our database of companies that match donations by more than 25 percent in just the last 12 months. And all signs point toward matching gifts becoming more and more prevalent at both the largest corporations in the country as well, as small- to medium-sized businesses in the U.S., Canada and Western Europe. Currently, more than 15 million individuals in the U.S. work for companies with matching-gift programs, and we expect this number to continue increasing, making more and more donors eligible to have their donations matched.

—Adam Weinger, president, Double the Donation

Workplace Giving

Corporate social responsibility (CSR) has never been a hotter topic. It's thrilling to see so many companies building philanthropic activities into their corporate mandates. In the past, workplace-giving programs struggled with the perception that giving to your company's campaign meant you would have no control over where your individual donation went. Now, innovative online platforms provide customizable options so employees themselves can create and track their own giving campaigns. The Committee Encouraging Corporate Philanthropy's "Giving in Numbers" survey found that nine out of 10 companies also offer an employee gift-matching program. Many of these programs match dollar-for-dollar.

Just talking about employee giving has a measurable effect on online donations. The Chronicle of Philanthropy reported that when nonprofit organizations ask about matching gifts on their donation pages, the result is a 71 percent increase in response and a 51 percent increase in the average donation amount!

These stats are impressive, but even more incredible is how much money could be left on the table because charities fail to talk about matching gifts when appealing to their donors. Employees often forget it's even an option, so just a mere mention might be all it takes to trigger a response.

—Claire Kerr, director of digital philanthropy, FrontStream

The For-Profit Partnership

More and more, organizations will seek out for-profit partnerships as corporations look to raise their social profile and nonprofits look for new revenue streams. One such program that may be more broadly explored by nonprofits is the "Pay for Success" program, where investors front money to a nonprofit organization for a particular

initiative and are repaid by the U.S. government if the initiative is deemed a success.
—Dan Murphy, product manager for MIP Fund Accounting, Abila

Leadership, Boards and Executive Issues

The Fundraising Talent Gap Is Approaching Crisis

The need for skilled fundraisers is increasingly outstripping the available supply. Turnover is rampant, and the number of nonprofits underfunding their missions increases. For the sector, 2016 will necessarily see the acceleration of creative approaches to addressing this challenge. Outsourcing, flexible work options, performance bonuses and other tactics long used by our for-profit peers will continue to grow within the nonprofit sector. That's a good thing, and coupled with a long-term commitment to attracting, training and retaining new talent in our field, it will stall and eventually reverse this crisis.

—Craig H. Shelley, CFRE, vice president, board of directors, Association of Fundraising Professionals, New York City Chapter; and vice president, Orr Associates Inc. (OAI)

Amping Up Advocacy and Engaging Legislators

We had a lot of good news in 2015: record levels of giving, more organizations achieving or surpassing their fundraising goals and a firm 10 percent of Americans employed in the nonprofit sector. We're all struck, and perhaps a little giddy, by how quickly our sector was able to recover from the 2008 recession. However, regardless of what last year's giving tallies lead us to believe about the tradition of giving in the U.S., the portion of the gross domestic product attributed to charitable giving has been stagnant since the 1970s.

We predict much more collaborative work within the sector to engage government in sustaining philanthropy through responsible policy. Consider our scalability as a sector; we present a formidable network of community-based, community-minded solution providers. Active and effective advocacy among sector leaders is as imperative in the current environment as are professional and ethically minded fundraisers. At the Association of Fundraising Professionals, we'll be stretching beyond our comfort zones to contribute more research and targeted data to inspire policies that recognize philanthropy as a coveted freedom—one that returns vital services and programs at an average value of \$2.50 for every \$1 of investment.

—Andrew Watt, FInstF, president and CEO, Association of Fundraising Professionals

Engaged Boards

Harnessing the power of volunteers is a perpetual challenge for many organizations and I expect 2016 to be a turning point for many. Even with a recovering economy, resources remain tight for most nonprofits and investing time (and perhaps some financial resources) in developing volunteer leadership will help bring the mission closer to those we aim to serve. An engaged board can not only evangelize your work—through speaking events, social media and water cooler conversations—but also impact the bottom line by contributing a larger share of their own wallets to the cause. That may require rethinking how we operate, but public recognition, genuine appreciation, accountability and empowerment may help tap this influential group and support success in 2016.

—Karin Kirchoff, deputy executive director, National PTA

Changing the Overhead Discussion

Overhead is a fact of life, but we have been too focused on reducing it at the expense of effectiveness. With more public attention on overhead because of both negative and positive media coverage, organizations will look for better ways to explain overhead, moving behind merely showing it as a wedge on the pie chart. Nonprofits will be learning to show the positive impact of overhead on results, instead of just apologizing for it. Being able to explain the importance of investing in infrastructure in a way that makes sense to the donor and demonstrates to him or her that this is essential for impact will separate nonprofits—not on the basis of who raises the most, but instead on the basis of who does the best job helping their donors understand the reality of operating in a way that makes donations more effective long-term.

—Pamela Barden, consultant and founder, PJ Barden Inc.

Turnover

Unfortunately, I believe we will continue to see rampant nonprofit employee turnover. This will be on both ends of the spectrum, with more experienced employees aging or maxing out and younger employees feeling that their energy and passion are underappreciated and/or undervalued.

—Dave Linn, chief operating officer, *The Generosity Series*

Consistent Branding and Messaging

With the presidential elections coming up in 2016, Americans will have their emotions tugged from every different angle. However, despite the uncertainties from the candidates, what people really want is consistency. People want to relate to a brand and feel comfort with the brands they interact with—the same goes for nonprofits. In the nonprofit world, we need to continue to avoid mission drift at all costs and show donors, both current and potential, that our message and cause are strong and unwavering. Having this consistent design and brand representation of graphics across all

communication channels will be in high demand.

—Phillip Johnson, creative director, marketing, Smile Train

Requirements and Regulations at Every Corner

Even if the IRS proposal to make nonprofits collect and share Social Security numbers “voluntarily” does not come to pass, it’s clear there is going to be increasing regulation on charitable activities. Be it the FCC and telemarketing, the states and solicitation requirements, or the IRS on tax reporting, there are going to be more outside forces at play. What it will mean: higher costs.

—Tiffany Neill, CFRE, partner; and Amy Sukol, CFRE, executive vice president, Lautman Maska Neill & Company

Instant-Access Accounting

With more Millennials achieving mid-level and upper-level management positions in nonprofits, they are expecting instant access to accurate data from wherever they may be. With instant gratification from their hand-held technology, they are not willing to wait one to two weeks after the end of the month for data.

—Peter Stam, president, AccuFund

The Rise of the Gen X Board

Gen Xers will begin to take their place not just as coveted donors, but as the new generation of nonprofit shepherds looking to make change far beyond their pocketbooks.

—Dave Linn, chief operating officer, The Generosity Series

Boards Are Embracing Their Philanthropic Roles

The past decade has seen remarkable strides in nonprofit boards understanding and stepping into their fiduciary and governance responsibilities. That’s made for a sector that is better managed and more accountable. Next up: boards taking philanthropy more seriously, resulting in a better-funded sector. Board members are now taking the time to educate themselves about how philanthropy works and understanding their important role in giving generously, advocating and actively participating in the fundraising program. As this trend continues we’ll see a philanthropic tide that raises all boats.

—Craig H. Shelley, CFRE, vice president, board of directors, Association of Fundraising Professionals, New York City Chapter; and vice president, Orr Associates Inc. (OAI)

Peer To Peer and Crowdfunding

DIY Fundraising Reaches a Tipping Point

DIY or personal event fundraising is not new, but we think it is making its way through the five steps of the “Diffusion of Innovations” model. 2016 will be the year that the early adopters no longer have an advantage from launching these programs as the early majority launch programs of their own, enticed by the growing revenue in this area of peer-to-peer fundraising. That means organizations will need to get smarter about branding and marketing these programs. The days of “set it and forget it” for DIY fundraising are over.

—*Jett Winders, vice president of strategic services, Charity Dynamics*

The Social Growth of P2P

Peer-to-peer fundraising is still a viable source of revenue and has the potential to grow bigger. We are finding this out because of social networks like Facebook, Twitter and Instagram—it’s making it much easier for the fundraiser to reach broader audiences. With options like sharing a post, we are seeing people who are reached outside of their networks and seeing their fundraising goals achieved much quicker. The days of calling Grandma to support your efforts or collecting donations outside of a grocery store are no longer the main ways to execute peer-to-peer fundraising. However, community fundraisers geared toward children, such as lemonade stands and bake sales, are still just as good as they were years ago. It’s refreshing to know that kids today continue to be inspired to help and make others feel good.

—*Troy Reinhart, vice president of development, Smile Train*

Expanding Avenues

This is the walk-a-thon on steroids, and no fundraising operation seems to be complete without giving its donors ways to raise money from their peers. Nonprofits are finding new and creative ways to offer people this opportunity—birthdays, weddings, anniversaries—and it seems the sky is the limit. This is not a new fundraising approach by any means, but as a result of social networking, it is really ramping up. Why it matters? Because it’s a small world out there, and if nonprofit A isn’t asking its donors to do it on its behalf, the same donor will be asked to do it for nonprofit B.

—*Tiffany Neill, CFRE, partner; and Amy Sukol, CFRE, executive vice president, Lautman Maska Neill & Company*

“Uber-All” Fundraising

Futurists believe we are just about to enter the “Uber-All” economy—the on-demand, channel agnostic economy that leads to the creation of the “prosumer” (one who simultaneously produces and consumes a product). In 2016, donors will begin to embrace the Uber-All economy and apply it to fundraising. Charities that will benefit from this shift in thinking will be those that give their supporters the tools and assistance to raise money in unique and personal ways. Key to making Uber-All fundraising a

success is ensuring that the charity gives affirmation and acknowledgement to the fundraiser.

—Adam Ruff, chief digital strategist, *The Harrington Agency*