



Guide to 2021 Fundraising Trends

Tips, Strategies & Checklists
to Prime Your Organization for Success



INTRODUCTION

2020 was a doozy. A year we would rather not dwell on. Beneath the foggy gloom however, the nonprofit sector shone bright, illuminating its heart, grace, and scrappiness that makes it so resilient to the tribulations of time.

As the impact of COVID-19 spread, so too did the resources to combat it. NPO's rallied together to secure resources when the government was unable. Folks from every corner offered their respective knowledge and expertise in online events that had planned to be live just weeks if not days before. The jump to adopting new technologies and increasing data literacy seemed to occur overnight. Still, more avenues of exploration remain for communicating effectively and utilizing advances in Artificial Intelligence.

Despite the tide washing away tens of thousands of jobs in the sector, the work continued to be done.

Despite national tragedies, the work continued to be done - so much so as to spark civil engagement on a scale not seen since the 1960's. A resurgence of interest and investment poured into the nonprofit sector, especially amongst those that had far less to give.

A new administration and new vaccine give further cause for hope moving forward in 2021. However, now is not the time for complacency, but for renewed action and for renewed strategies so as to take advantage of the following fundraising trends of 2021.

2021 FUNDRAISING TRENDS

The Digitization of the Sector

1. Embracing New Technologies
2. Reinventing Cultivation Using AI

Looking Back, Looking Ahead

3. Post-Election Swing
4. Post Election Rebound

The Digitization of the Sector

We're two decades into the '21st century' but it has taken some otherworldly events to propel charities and nonprofits online. Still, the rate at which the sector is adapting to new technologies and opportunities is striking considering its reputation for making do, and even thriving, with limited resources.

As challenging as it can be for our social lives and mental health to greatly reduce the number of faces we see in person day to day, that interaction is critical to the health of nonprofits to not just the United States, but the world over. So much of the fundraiser and donor journey hinges upon that connection that without it, nonprofits are up against even greater odds to stay afloat.

1. Embracing New Technologies

As in the past with the advent of radio and television, the boon to barriers faced during periods of social strife are rapid advancements in technology. Now, face-to-face meetings happen over phone, tablet, and computer screens. Video conferences and virtual events may strain our eyeballs, but lift our spirits.

54% have transitioned in-person programs online and 42% have developed completely new programs in response to need.

Virtual galas, auctions, marathons, impact stories, and more all serve to connect donors to a nonprofit's mission and facilitate a transition to the next stage of fundraising, online giving. As a method for giving, [online donations are overwhelmingly preferred by donors by 80%](#), and it's not hard to see why. It's physically distanced, it's safe, it's convenient.

And if nonprofits take proper advantage, it can be the gateway to even more technological forms of fundraising as well as improved donor stewardship and retention.



Pro Tip: Optimize your mobile website. You only have 3 seconds for your site to load on mobile devices, otherwise, 53% of visitors are likely to leave.

How to take advantage

Even though fewer people were "on the go" in 2020, traffic to nonprofit websites [exploded on mobile](#) (as it did for most websites) giving new meaning to the term couch-surfing. Mobile traffic saw a growth of 11% to account for 50% of all internet traffic, and 21% growth to account for 25% of all revenue. This falls in line with a 2019 trend of folks [browsing on their mobile devices](#) but making final buying decisions on desktop.



Come 2021, we suspect that even more financial decisions will be made with the use of mobile. Nonprofits that tap into text-to-give technology may find themselves at the forefront of a fundraising trend.

With [75% of everyday consumers comfortable receiving SMS messages](#) that they have opted into, text-to-give initiatives are a fantastic way to reach your constituents directly. Email still has its place, but with a Click-Through-Rate on fundraising messages of [4.2% with SMS](#) compared to 0.56% with email, this channel is ripe for further exploration in 2021.



🔍 Things to keep in mind

How often do you pick up your cell phone? In 2019, Americans [picked up their phones 96 times a day](#), nearly once every 10 minutes. That's a lot of opportunities to be seen instantly on a notification screen.

75% of your donors may be unreachable by email due to inactive, unsubscribed, or undelivered emails. Yet, SMS can help you reach every donor who opts into messaging at any time of the day (with great power comes great responsibility).

📋 Checklist to leverage mobile

To make the most out of your 2021 mobile engagement strategy use this checklist to ensure you're set up for success.

- ✓ Make sure you have a **responsive website** that loads properly across desktop, tablet and mobile.
- ✓ Ensure your **donation forms are formatted correctly** for mobile or you'll see your conversion rates drop.
- ✓ To grow your mobile list, **add a mobile opt-in field** to your advocacy, newsletter sign-up, or donation forms.
 - Your action pages can drive sign-ups for your most engaged supporters.
 - You can also add mobile opt-ins on email footers.
- ✓ Once you have a list of mobile donors, you can **embrace a text-to-give tool**. Start your mobile platform research [here](#).

2. Reinventing Cultivation Using AI

An astronomical loss has been recorded in the nonprofit sector this year as job losses soared, decimating the nonprofit workforce with more than [1.64 million](#) people without jobs, and scores of nonprofits with reduced capacity. With stimulus cheques few and far between, nonprofits need to turn to non-human powered resources to continue their missions.

Artificial Intelligence has been buzzing around the sector for over a year, but circumstances have seen its adoption go mainstream.

AI-powered nonprofit tools are able to complement the human element (intuition and emotional understanding) to quickly sift through donor demographics, donation history, event records, and volunteer hours to provide a holistic view of your donor database and nonprofit organization's health.

And that's just the CRM. Factor in fundraising insights and recommendations and your organization's ability to attract, cultivate, and retain donors will weather any storm.

Benefits of AI-Driven Fundraising

Advanced fundraising tools prove themselves with quantifiable value and a high [ROI](#). Start off 2021 by taking advantage of these AI benefits!

- **Leave the numbers to the machines.** Your AI-empowered CRM can quickly analyze huge data sets. With reduced human hours available to sift through spreadsheets, use that time instead to make personal phone calls to valued donors, create artful messaging, and critically evaluate upcoming strategies and initiatives.

- **Know your donors better than ever.** Historical donation data, communication preferences, and overall engagement scores factor into your AI's analysis of how, when, and how much to ask for from your donors. With more data comes improved accuracy, so the longer these tools have with your donors better.
- **Streamline your communications.** There is a primal power to words, and how we respond to language is evolving every day. AI-powered tools like chatbots, personalized email drafters, and website copy generators can free up creative brain space by creating and then testing variants on messaging to determine which truly performs best with your audience. The marketing tool Presado helped Charity:Water [increase their engagement by 147%](#) using data-driven messaging to convert visitors into donors.

How to take advantage

Asking for donations is a melding of art and science, of intuition and data. There will always be a place for the human element, but even the slightest strain there can be buffered by reliable technology.

The realm of nonprofit CRMs to establish customer relationships is varied, but Keela has intricately woven Artificial intelligence and machine learning into every component of its CRM, changing the way you work to be smarter, more intuitive, and ultimately revolutionary for fundraising professionals.

For Example! Any data stored in Keela, your Donor Management Software (CRM) platform, is used to streamline your fundraising effectiveness through AI-built intelligence tools.

Amidst seas of uncertainty, resource reallocations, and pivots in direction, Keela's AI is the tool to charter your course through any storm. [Try Keela's AI-driven fundraising tools free for 15 days](#) and see firsthand the ways it can change how you engage with and steward your donors.



Pro Tip: Nonprofits using Keela's Intelligent Fundraising tools saw an average increase in revenue of 30% in their first year.

<p>Campaign Recommendations Automatically predict which donors are likely to give to your next campaign</p>	<p>Donor Readiness Know how likely your donor is to donate within the next two weeks</p>
<p>Smart Ask Automatically tells you the ideal amount to ask for from each donor</p>	<p>Time of Year Know exactly when a donor is more likely to give</p>
<p>Smart Ask Forms Embed Smart Ask Forms in emails to ensure you ask for the right amount.</p>	<p>Donor Score Automatically rank donors according to giving behavior and categorizes them</p>
<p>Best Way to Reach Out Know exactly how your donor prefers to be contacted</p>	<p>Engagement Score Automatically rank donors according to whether they're socially or financially engaged with your organization</p>

🔍 Things to keep in mind

There is not yet, nor will there likely ever be, a tool that could ever fully replace you as a nonprofit professional. So is it true about slow cookers replacing the chef. Quality ingredients, taste, technique, measurements, and direction are still needed. AI is simply your new favorite knife, the most versatile and trusted tool in the kitchen. Keep it sharp with data.

📌 Checklist for implementing AI

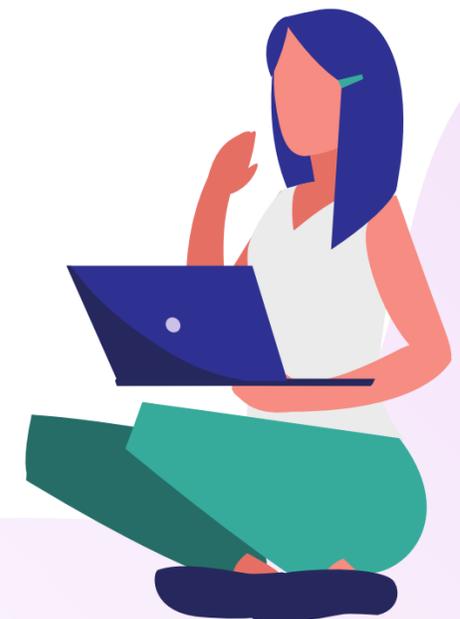
If you want a 360-degree view of your efforts, you're going to need to become data-literate. Track what worked, note what didn't. Pool your resources into a campaign based on historical data rather than a hunch. This can all be expedited by AI.

- ✔ Nonprofit AI solutions are reaching [less than 23%](#) of nonprofits today. In order to compete in this new era, push yourself outside of your comfort zone and focus on innovation. **Start with these [AI-driven fundraising tools](#).**
- ✔ **Implement a chatbot on Facebook or your website** to help automate conversations with supporters who have basic questions or want details about a campaign. In a world where users expect answers in seconds, being able to hold conversations 24/7 through a chatbot can be a true asset for your organization.
- ✔ Once implemented, **make sure there is a dedicated staff member** who monitors the chatbot and fields any questions that are handed off! You don't want your supporters to think they're being ignored.

The Bottom Line

It's never too late to learn a new trick, adopt a new habit, or embrace new technology. Even with a vaccine on the way and "return to normal" on the horizon, communication fundamentals have been forever altered.

Digital Stewardship will continue to take center stage in 2021. This past year has forced many of us to become more tech-savvy and data literate. Continue to push your boundaries and charter yourself closer to the edge of the map where AI is making leaps and bounds in discovering new regions of donor cultivation, engagement, and stewardship.



Looking Back, Looking Ahead

This year has strife and turmoil on a scale not seen in lifetimes. It has also seen a collective outpouring of renewed convictions in our fellow human beings, a fervent lust for righteousness, and many, many donations to those in need.

The cyclical nature of trouble and triumph is well documented. We need only look to the past to find evidence of where our future lies. Nonprofit organizations have been here before and persevered. So too will they again in 2021 and beyond by looking at the Post Election Swing and the Post Recession Rebound.

1. Post Election Swing

The two recent presidential elections have seen a widening in political and ideological differences, and a deepening of out-of-pocket donations. In 2016, the phenomenon known as the Trump Bump saw a [massive influx of dollars](#) to organizations whose missions appeared to be at odds with, or even at risk from, the incoming Trump Administration.

Civil liberties, reproductive rights, environmental conservation, and more nonprofit organizations from every corner of the sector had people show up to defend their services and missions with the dollars to back them up.

2020 was no different. In the run-up to the election, politically inclined organizations and those who made themselves aligned with certain values, morals, and ethics on either side of the aisle saw donations pour in. An unfortunate side effect was the [commercialization of social justice, environmental, and political movements](#) that swept the nation and the world.

Still, there is reason to suspect that this trend will continue as civil engagement is on the rise. Despite a call for unity in 2021, the inauguration of Joe Biden will still see a country divided.

Our elected officials make administrative decisions that impact the availability of public services, grant money, and countless other resources nonprofits depend on. Make it known what you want, who you need, and the donors that truly believe in you will come to your aid.



Pro Tip: Join forces with organizations that are similarly focused on purpose and profit. Keela is a certified B. Corporation, meaning we are legally required to consider the impact of our decisions on our staff, community, and environment.

How to take advantage

Take a stand. While circumstances may prevent you from endorsing a certain candidate or political party, making your values crystal clear can help you align yourself with the donors you want to attract, and keep.

[Those recurring donors are more valuable than you may realize, with 50% of donors more likely to give within the next 18 months.](#)

Flexibility is for communications, marketing, and engagement tactics, not moral or ethical stances. Keep the pressure on by advocating for the community you serve in every possible arena. With historic election turnout being driven by nonprofit organizations, you have the power, the voice, and the reach to instill much positive change.

Take heed from NCON, get involved, and [get to know your local representatives](#). Take heart that a new administration may indeed further serve the nonprofit sector.



🔍 Things to keep in mind

There is no right or wrong way to be active in your local, state, or federal elections. As long as you are true to what you believe, and seek to serve the betterment of humankind, you are doing enough. Just be clear about your initiatives with your donors.

Checklist for navigating the post election swing

- ✔ Meet with your organization and determine your core values.
- ✔ Try telling an impact story that communicates your efforts and engages your constituents.
- ✔ Align your messaging around your values and mission while being sensitive to not alienate potential donors.
- ✔ If you feel your organization is too disparate from any election ties - reiterate why you are still valid and worthy of donations. Focus on tangible results that see effects on real lives.

2. Post-Recession Rebound

The [US recession of 2020](#) was, by and large, a result of the COVID-19 epidemic that forced lockdowns and ground to halt many cogs in the economic wheel. Mass unemployment compounded with limited funding for small businesses and a paltry Payment Protection Plan made for extreme resource scarcity. Yet, [56% of US households engaged in charitable giving!](#)

Not everyone is able to give in the same way as the recession widens the divide between socio-economic status levels, and many charitable organizations are still struggling. **However hope is on the horizon, and history illuminates that the giving downturn is primed to bounce back in 2021.**

The theory goes that the FDA approved vaccines will begin to alleviate many of the burdens on our economy. While not at all indicative of everyday life, the markets are hopeful and reflect this sentiment with [record-breaking highs](#).

[Total giving has continued to trend rising](#), even after the financial collapse of 2008. The bounce-back took time, but there wasn't a vaccine for a burst housing bubble.

How to take advantage

Be hopeful, but also prepare. The cloud of a cold winter to come still has a silver lining. Re-engagement campaigns serve to simultaneously solidify donor relationships, or sadly cut ties and resources with those who have lost touch.

Pay special attention to high-value donors. Many working-class folks are under financial pressure to just pay bills and put food on the table. Many upper-class households are in a more secure situation and can be called upon for their good fortune and lend a helping hand. Digging into real estate holdings, Stock Equity Value, and even neighborhood housing prices can all better inform you of a major donor's capacity to give.

🔍 Things to keep in mind

While hope is on the horizon, we still have a ways to go before we're in the clear. Keep a steady course of action. The tried and true fundamentals of donor stewardship are your best friend for uncharted waters. Make your gift replies timely, personable, and demonstrable of their direct impact.

Checklist for leveraging the post-recession rebound

- ✓ Reaffirm your mission and communicate it in your branding and communications.
- ✓ Re-engage with previous donors. Hyper specific segmentation in your CRM can yield a list of contacts who donated last year but not this year (LYBUNT), or other parameters you may feel are justified.
- ✓ Recurring donors are [between four and 11 times](#) more valuable than one-off donors. Focus efforts on donor stewardship to see increased returns.
- ✓ Target Major Donors. This advice from the [SSRI](#) rings true still today. Read more about the [latest integration between DonorSearch and Keela](#).

The Bottom Line

May the winters of our discontent be behind us.
Made glorious summer by this vaccine of health and administration of equity.

The historical upticks in giving after our most recent presidential elections and financial crises points to a fruitful 2021 for nonprofit fundraising professionals.

Keeping true to your core values and clearly communicating your commitments will resonate with the recurring donors you have built up relationships with. That resonance is vital as recurring donors are far more valuable to your organization than one time donors, even proving to be among the most efficient proponents of your mission.

As economic hardships fall hardest on those who are already disenfranchised or have less to give, focusing efforts on high value, or major donors, can provide the much needed injection of funds to carry you through dry periods.

Above all, the fundamentals of donor stewardship are what have been keeping nonprofits thriving, even through the worst of it.



CONCLUSION

The relationships you forge during times of upheaval are valid and vital. They can characterize your values, your agility, and your future. Working smarter will ensure that even when the going gets tough, the bonds between you and your donors are strong enough to not only last, but extend ever outwards.

New technologies that bind us together, whether it be via video conferencing, pre-recorded events, or SMS fundraising initiatives are here to stay. No matter what the future holds, nonprofits have lurched into a new realm of tech-savviness and data literacy that will only continue to grow.

So too is AI being welcomed into the nonprofit fold with gusto. AI tools that reduce friction and human work hours allow for agility to re-allocate valuable resources directly to donor stewardship. That stewardship is vital in reaffirming messages of positivity and perseverance.

Despite being a year we'd all rather forget, hope lies ahead. A progressive administration that values the nonprofit sector, and a vaccine that will help usher in a stalled economy spell good fortune for the nonprofit sector.

It only takes a little insight and intuition to make the most of what is available to and alter the course of philanthropy.

