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## **AREA NONPROFITS SEE DONATIONS RISE, ARE OPTIMISTIC ABOUT THE FUTURE 500 Philanthropic Leaders Gather to Discuss the Future of Fundraising**

ST. LOUIS..... More than two-thirds of nonprofit organizations in the St. Louis area saw their contributed income increase in 2015, and nearly an equal number expect results in 2016 to be even better. Those results mirror national trends, as reported in the 2016 Giving USA report, that found 2015 was a record year for charitable contributions across the country. Total U.S. donations from individuals, estates, foundations and corporations totaled an estimated \$373.25 billion, up four percent from 2014 when adjusted for inflation.

“Eight years after the recession, it is encouraging to see the rebound we are experiencing in the philanthropic world,” said Amy Rome, principal and founder of The Rome Group. Her organization presented the results of two local surveys at its annual Philanthropic Landscape event on August 5, held at Washington University’s Edison Theater. The results of those surveys can also be seen at [www.theromegroup.com](http://www.theromegroup.com).

“The theme of our conference is ‘The Future of Fundraising’,” Rome explained. “We are entering a world where, while the fundamentals of fundraising are still valid, a number of factors are causing nonprofits to reexamine the way they find, approach and build relationships with donors and volunteers.” Among the changes she mentioned are greater competition for dollars, cutbacks in government support at all levels, the need to develop a new corps of leaders with broader skills, requirements for more transparency and evaluation, and finding ways to communicate with and appeal to younger and more diverse donors using modern technology.

To address these issues, The Rome Group invited Dr. Una Osili, director of Research at the Indiana University Lilly Family School of Philanthropy and a contributor to the Giving USA report, to address the estimated 500 attendees at its event. Dr. Osili provided an overview of philanthropic trends, new funding mechanisms, and what they mean mean for fundraising’s future.

“Total giving is up in the U.S.,” Dr. Osili noted, “but it remains stuck at around two percent of disposable personal income. A majority of today’s donors are over age 50, so it’s important for nonprofits

to begin to engage with younger donors, women donors and others who may have very different motivations and priorities.”

As an example, she cited research showing that women tend to score higher on measures of empathy and altruism than men and are more likely to want to help others with their donations. She also noted the impact of technology on philanthropy. “Technological innovation has the potential to make philanthropy more inclusive,” she added.

### **Surveys Reveal Local Trends**

In July, The Rome Group surveys 200 local nonprofits, as well as corporate and foundation members of the Gateway Center for Giving. Overall, 62 percent of nonprofits reported that they met their fundraising goal in 2015, and 68 percent said they raised more in contributions than they did the year prior. Sixty-eight percent of nonprofits reported they increased donations from individuals. Forty-six percent received more foundation gifts, and 41 percent saw more corporate support. Twenty percent received more estate gifts. Two-thirds of nonprofits (66%) said they expect to raise more this year than in 2015, while only 13 percent expect to bring in less. That compares favorably to one year ago, when only 57 percent were as optimistic.

On the funders’ side, sixty percent said they increased their local giving last year, and another fourth stayed even with 2014 giving levels. More than half said they expect to give as much or more this year than in 2015.

To raise money, nonprofits are increasingly turning to online appeals, planned gift strategies, and major gift solicitation. Direct mail and telephone appeals are still used by most nonprofits, although with diminishing results.

In looking to the future, nonprofits said their biggest concerns were meeting fundraising goals, planning for tomorrow’s challenges, providing better data and measurements on program impact, and ramping up marketing and communications. Funders responded that competition among nonprofits for dollars, the need for more collaborative efforts, data collection, and meeting demand for services top their list of what nonprofits need to address.

Asked to name the single most important factor driving successful fundraising in the future, nonprofits listed “connecting with the ‘new’ donor and the generational shifts in giving. Funders agreed but also emphasized the need for nonprofits to demonstrate that donors’ investments support measurable outcomes.

“It is good to see that nonprofits and funders clearly recognize the challenges ahead and are focused on adapting as necessary,” Rome said. “Events such as ours help to bring these issues front and

center and provide an opportunity for all of us to share ideas and experiences on how we can better serve our community.”

#### About The Rome Group

[The Rome Group](#) is the St. Louis area’s leading consulting firm serving the nonprofit sector. It specializes in helping nonprofit organizations build capacity by planning for the future, focusing their development and fundraising efforts, and identifying opportunities for leadership, growth and success.

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