

Beyond *the* Offering

Energizing Congregational Giving



Alexander-Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things *First*



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www.fundraisingcounsel.com



from the Carolina office of
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No We Can't...Yes We Can

The parishioner was pretty emphatic when she said, *We can't begin a capital campaign now! We should wait until we all gather back together as a community of faith before we begin raising the first dollar!*

Just 30 minutes earlier, I had spoken with another parishioner participating in our feasibility study who said, *We need to get moving on this campaign right now! We can't wait until we're back to normal. After all, who knows when that will be...if ever!!!*

Both offered good reasoning for their opinions. One emphasized the importance of personal contact and spoke about "Zoom fatigue." The other spoke about the strong stock market that is benefiting some and that we don't know how long that is going to last. One spoke about her desire to gather in the worship space again and experience the rituals that are deeply meaningful whereas the other spoke about the benefits of being able to worship virtually from home in one's pajamas and, importantly, on one's personal schedule rather than at the same hour on the sabbath.

Isn't this the dichotomy our houses of faith are facing today on so many fronts? Move forward with something new or wait on the "return to normal."

I sense many church leaders are wedged between these views as they look for a way forward, especially with major capital fundraising.

When looking to address capital needs through a major campaign, I maintain that we must look to the oft-proven rationale for building strong cases for support. But in today's environment, we must view our cases for support through the lens of the pandemic that is reshaping human behavior. Ask yourself three questions:

1. Is our case still **compelling**? If you are looking to expand your physical plant footprint, be prepared to answer the question "Will our members return to

- worship and study together when the pandemic is over?"
2. Do we still have a **sense of urgency**? Be prepared to answer the questions, "We've waited for the past year due to the pandemic, can we afford to wait another year...or two? Why must we move forward now?" **And maybe, most importantly...**
 3. Does our case have the **passion and emotion** to overcome a feeling of malaise (figurative as well as literal) that we are living through right now? Be prepared to answer the question, "What impact will this campaign really have on changing lives for the better?" As we all know, in order to encourage people to think meaningfully about giving financially, there has to be an emotional attachment. And during the pandemic, many fundraising efforts have focused on supporting those who are most in need. Your case must show how your plans impact people in a positive manner.

By the way, the feasibility study mentioned at the beginning has led to the launch of a very exciting campaign. The leadership planning that campaign could answer all three of the questions as well as all of the other questions these with ease.

We may be dealing with "pandemic fatigue," but our missions and ministries do not stop! The fundraising should not stop either.

News You Should Know

Online Giving Exploded While Overall Giving Ticked Up Slightly

Donations to charities increased 2% in 2020, while gifts made online grew 21% over 2019, according to **Blackbaud Institute's** latest annual report on charitable giving, released Tuesday.

Donations to big organizations, those that raise \$10 million or more a year, were up 5.3% in 2020. Medium-size nonprofits, those with total annual donations of \$1 million to \$10 million, saw a 1.2% increase. But small nonprofits, those that raise less than \$1 million, saw a 7.2% decrease in contributions.

The picture was rosier for digital giving, with small groups faring far better than other nonprofits. Large organizations saw a 15% increase in online fundraising hauls in 2020 compared with the year before. Midsize nonprofits saw online fundraising increase nearly 25%. Small groups expanded their online fundraising by 22.3%.

As donors turned to digital donations, the share of total charitable revenue from online giving jumped sharply, from less than 10% in 2019 to roughly 13% in 2020. In another sign of how digital fundraising is shifting, more donors are using their smartphones to make gifts. The report estimates 28% of all contributions made online were from mobile devices.

Faith-Based Organizations Data

- The **average donation** amount to Faith-based organizations was **\$298**.
- Faith-based sector received **17.7%** of their total fundraising from **online giving**.
- In the past 12 months ending in December 2020, Faith-based institutions experienced a **3.1% increase** in **overall fundraising** and a **26.9% increase** in **online fundraising**.
- K-12 had the largest average online donation amount of all sectors at **\$1640**. The next largest was \$403 to Healthcare.
- The largest months for gifts to faith-based organizations: **19.1% of gifts in December**, followed by 8.5% in June.

Go [here to read the report.](#)

Tech Savvy Churches Prospering

The above item about giving in 2020, highlights that the faith-based sector experienced a **26.9% increase in online giving**. That is an incredible increase, and helps illustrate that while many churches were forced to close their doors for in-person service, those that took their services on-line profited both financially and spiritually.

Some churches found themselves well prepared, with the resources and technical savvy to keep attendance and alms steady throughout the year. Other churches found themselves in trouble, struggling to reach worshippers virtually while facing budget cuts, layoffs, and the threat of bankruptcy or even permanent closure. Nearly one year into the pandemic, its effects on religious life, like other aspects of American society, appears unevenly distributed, with large, successful churches continuing to do well and struggling churches falling further behind.

How tech savvy is your church? How tech savvy are your congregants? Do you use a digital tithing service? Savvy or not, [read this article](#) and share it.

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Encouraging Giving News

More Plan to Give in 2021

The first survey of its kind to be released this year indicates that more donors plan to give in 2021 than in 2020. DealAid.org, a discount shopping website that donates a portion of sales to nonprofits, surveyed more than 1,100 people and reports that nearly 72% — plan to donate to charity this year. What's more, they expect to increase the amount they give by nearly 14%, upping it to a total of \$396, on average. Respondents say they're most likely to continue giving to health causes. More than 70% of respondents said they made a charitable contribution last year, compared with roughly 62% who said they did in 2019 — increasing the donor population by nearly 15%.

Among the other findings:

Nearly 88% of respondents who did not give to charity in 2020 said they didn't contribute because they couldn't spare the cash.

- The temporary changes to the charitable tax deduction — which allows single people to deduct up to \$300 even if they don't itemize — did little to incentivize giving, the survey found. Just over 16% of respondents said the change, which was extended for the 2021 tax year, encouraged them to give more.

Read the entire report [here](#).

Early Reports Indicate 4th Quarter Growth in Giving

As we await more detailed fourth quarter philanthropic-giving data, let's look at what we know so far, including the optimistic third quarter numbers from the Fundraising Effectiveness Project's 2020 Third Quarter Report (FEP), which is administered by the Association of Fundraising Professionals (AFP) Foundation for Philanthropy in collaboration with GivingTuesday.

Donors in the U.S donated an estimated **\$2.47 billion dollars on GivingTuesday 2020**. This was a 25% increase over the previous year's total and represented a similar increase in participation.

Even in the midst of the ongoing impact of the COVID-19 pandemic, charitable giving grew by 7.6% during the first nine months of 2020 compared to the same time period in 2019; the second consecutive quarter of strong growth in giving. The FEP 2nd Quarter Report found giving at the halfway point in 2020 ahead of the 2019 pace by 7.5%, so the growth in the third quarter continues the upward trend. The increases are especially notable given that at the close of the first quarter, 2020 giving was down by 6% compared to 2019.

The increase in giving and number of donors for the first three quarters of 2020, compared to 2019, sets up nonprofits for a potentially very successful final three months of the year. There may be a sense of optimism among donors with the COVID-19 vaccine beginning to be distributed.

Nonprofits Would Be Eligible for New Federal Aid Under Biden Stimulus Plan

When President Biden took the oath of office on January 20, he brought with him a new \$1.9 trillion stimulus proposal that would allow nonprofits to participate in a new loan program and draw from a \$3 billion economic development fund. The plan also contains multiple measures that might relieve the stress on nonprofits and foundations to provide aid to Americans in need.

Grants from the economic development fund could be used for "initiatives that support bottoms-up economic development and enable good-paying jobs." The plan says that "state and local government entities, tribal institutions, institutions of higher education, and nonprofits" would be eligible to draw on the \$3 trillion fund.

The stimulus bill enacted in December provided nonprofits a one-year extension of the temporary charitable deduction available to people who don't itemize their taxes and another round of forgivable Paycheck Protection Program loans. *COP, 1-15*

We Want You to Know....

Transforming Institutions



St. Mark's Episcopal Church in New Canaan, CT is a continuing Client Partner.

For more than 30 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with both large and small faith-based organizations, helping soe the seeds of compassion, hope and charity.

[See a list of our faith-based client partners...](#)

Our Transformational Services

Raising the funds to meet the mission and ministry needs of churches is becoming increasingly challenging. At Alexander Haas, we understand the challenges that congregations face in raising the funds to support their mission. More importantly, we understand how to overcome those challenges. We offer a variety of stewardship services for the unique needs of faith-based organizations.

[What can we help you with?](#)

