The Blackbaud Index

What is the Blackbaud Index?

It can be difficult for non-profits to make fundraising decisions informed by the latest donor behaviour. Economic conditions, political changes, market fluctuations and a host of other factors can all affect fundraising. That is why we created The Blackbaud Index—to provide actionable insight into donor trends as well as valuable analysis by leaders in the sector as to what fundraisers can alearn from it.

Blackbaud is the largest provider of software and services to non-profits in the world. Our software is used by more than 35,000 organisations in 60 countries. Each day, we work with non-profits of all sizes and sectors, from charities working locally with their communities to NGOs operating all over the world. The Index was devised by Blackbaud's Chief Scientist, Chuck Longfield, who launched the first Blackbaud Index in the United States in 2010. The Index has gone on to provide valuable insight to thousands of organisations and many more fundraising professionals. Now it's launching in the UK, and to put it mildly, we're really quite excited.

This sounds great—can I have some more information?

Yes, yes you can. We report the Index as a three-month moving median of year-over-year percent changes in giving. What exactly does this mean? Each month, we add up all of the giving for the prior three months and compare this total to the same three months one year earlier. Then, we calculate the annual percentage change for each organisation in our Index. Why do we do it like this? Well, many organisations have big campaigns that occur at roughly the same time each year. However, if an event was in late April one year but early May the next, the change in monthly giving might be significant while the change in giving over a three-month period might actually be the same. An index based on a moving median is less sensitive to these small timing issues and will serve as a more practical decision-making tool.

What data is included in the Blackbaud Index?

Each month, we use the actual giving statistics of hundreds of UK organisations to determine how much revenue was raised in the prior month. We include giving from all sources of fundraising activities: direct mail, telemarketing, face-to-face fundraising, email, online, mobile giving, events, and major giving. We do not include the unfulfilled portion of pledge gifts, but we do include the donated value of in-kind gifts. We include giving from individuals, corporations and foundations, but do not include gifts to private and community foundations or other intermediaries. To include these gifts would double-count the revenue when those organisations subsequently make grants to other non-profits. Lastly, we do include adjustments made to gifts (e.g., bounced cheques) to provide a more accurate accounting of real revenues. As a result, you may find that previous months' values change slightly with each release, as we obtain newly adjusted data from each organisation.

Contents

2 What Is the Blackbaud Index?

2 What data is included in the Blackbaud Index?

3 How will the Blackbaud Index change over time?

3 What will the Blackbaud Index tell us?

4 How does your fundraising measure up?

4 Want some historical fundraising perspective?

4 Subscribe to our mailing list!

How will the Blackbaud Index change over time?

We continually assess our Blackbaud Index dataset and review our potential to produce new indices—either by sector or channel—in an overall effort to provide the fundraising community with more specific and meaningful benchmarks. Knowing how an organisation compares to similar cohorts by size, mission, techniques or other shared attributes can be invaluable when trying to determine if it was strategy, implementation, economies of scale, or donor behaviour that drove results.

We're sure many of you who share our passion for the non-profit sector will have great ideas for other directions in which we can take these indices. We hope you find these initial indices useful, but if you have suggestions please do let us know at bbindex@blackbaud.co.uk.

What will the Blackbaud Index tell us?

"There is a movement out there called Quantified Self. You may or may not be familiar with it, but many of you will be part of it. It is the collection or tracking of information about one's self— whether it be through fitness apps that measure your steps, runs or bike rides, or tools that monitor your sleep, your weight or daily calories burned. The evolution and growth of the movement is a reflection of the range of technology available to us. And in a world where we are bombarded with data and statistics daily, it shows that we have the desire to have more thrown at us. It is probably reasonable to assume that when data and statistics relate to ourselves, it makes them all the more interesting. Who cares how many iPhone® users there are? I want to know how many hours I have slept this week—not least because I have an impact on that data, and that data can impact and inform my future actions.

This is why I hope the UK launch of the Blackbaud Giving Index is of interest to you. It's not quite a measure of you personally, but it is of the sector we work in—and, to some extent, the numbers that make up the index are something that you can influence. The data is drawn from a large array of non-profit organisations and collated into two simple numbers: the year-on-year change in total giving and the year-on-year change in online giving. We will build on this Index. We'll build it based on your feedback and add other metrics over time. But for now, watch the graph move month-on-month, and do your bit to keep it going upwards!"

—John Bird,
General Manager of Blackbaud Europe

"The UK Giving Index is a fantastic new tool based on historical and most recent giving data collected and anonymised from a large range of organisations. With a data set this large and rich at our disposal, the potential of this tool is enormous and I look forward to seeing it develop based on the feedback we receive. Let us know what you think!"

—Rob Gethen-Smith,
Director of Customer Engagement – Charities

"Not every new initiative has a clear intended outcome at the outset. Sometimes we don't know where the data will take us, and that is what I find most interesting about the UK Blackbaud Giving Index. I see this very much as the beginning of a process to better understand what is happening around us and a useful supplement to existing annual giving benchmarks. Many of our donors don't necessarily think in terms of annual cycles, so we risk losing some trends or insight within the twelve-month groupings that we create. My hope is that these regular data points from the Index will now offer us an additional measure of what might be happening on a more fluid basis.

As the Index evolves, I hope that we may better understand not only the trends occurring within verticals of the non-profit sector (such as schools, universities, hospices or arts organisations), but also between them—to help bridge a gap for the more sector-specific benchmarking already excellently executed by a number of leading UK consultancies and membership organisations (such as CASE or IDPE in the education space). In time, I hope that we may also be able to layer a series of international indices over one another so that we can recognise—and predict—local and global trends better, which is of especial importance to many educational institutions. Additionally, I believe this new Index will help us more deeply explore the relationship between online giving, an area of rapidly growing importance as the digital experience becomes central for all of us, and the many other forms of giving available to our supporters. Here, and in other places, there is much opportunity for us to continue to refine and enhance our understanding of the social good space we live and work in."

—Dan Keyworth,
Director for Customer Engagement – Education

How does your fundraising measure up?

Plug your overall or online fundraising revenue (or both) into our interactive calculator to see how your organisation is trending against the Blackbaud Index. Are you outperforming the sector or is your online fundraising falling behind the norm?

Want some historical fundraising perspective?

Coming very soon, the Blackbaud Index will be going back to November 2014 to provide greater context. It'll be a great way to track long-term fundraising trends and get a broader perspective on charitable giving in the UK. Sign up to the mailing list, and receive the update as soon as it's released!

And finally, subscribe to our mailing list!

We're constantly adding data and looking for new and unique ways to benchmark the Index to give the most insight possible.

About Blackbaud

Serving the worldwide philanthropic community for 35 years, Blackbaud (NASDAQ: BLKB) combines innovative software, services, and expertise to help organizations achieve their missions. Blackbaud works in over 60 countries to power the passion of approximately 35,000 customers, including nonprofits, K-12 private and higher education institutions, healthcare organizations, corporations, foundations, and other charitable giving entities. The company offers a full spectrum of cloud and on-premise solutions, as well as a resource network that empowers and connects organizations of all sizes. Blackbaud's portfolio of software and services supports nonprofit fundraising and relationship management, digital marketing, advocacy, accounting, payments and analytics, as well as grant management, corporate social responsibility, and education. Organizations that use Blackbaud technology raise, invest, manage, and award more than $100 billion each year. Recognized as a top company, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit www.blackbaud.com.

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