

# The Blackbaud Index

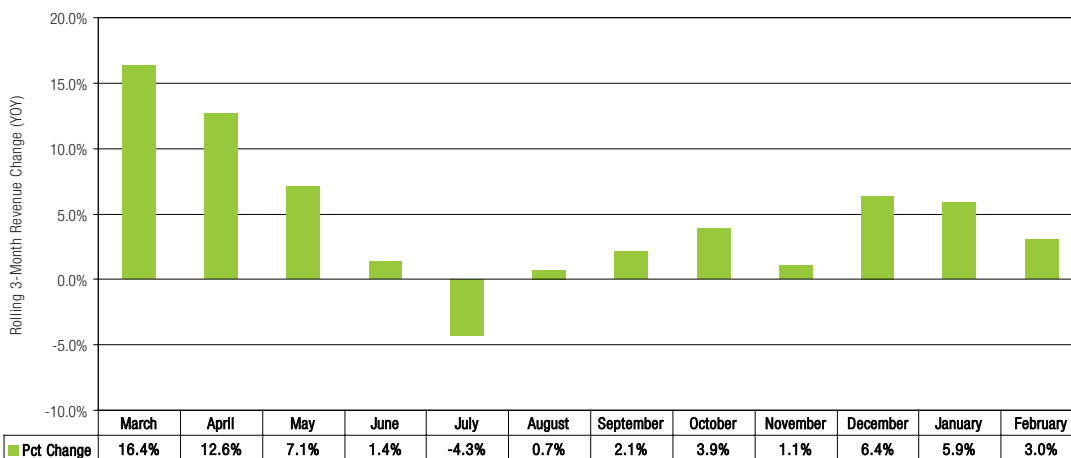
April 2011

This quarter's report focuses on data through February, 2011 and features the introduction of a new specialty index focused on arts, culture, and humanities organizations with guest analysis from Ford W. Bell, president, American Association of Museums. Be sure to visit [www.blackbaud.com/blackbaudindex](http://www.blackbaud.com/blackbaudindex) on the 15th of each month for updates to The Blackbaud Index of Charitable Giving and The Blackbaud Index of Online Giving and to subscribe to monthly email or text alerts.

## The Blackbaud Index of Charitable Giving

The Blackbaud Index of Charitable Giving reports that overall charitable revenue increased 3% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$2.2 billion in 12 months' revenue from 1,430 nonprofit organizations.

The Blackbaud Index of Charitable Giving



The Blackbaud Index of Charitable Giving represents 1,430 organizations with \$2.2 billion in 12-month combined revenue. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

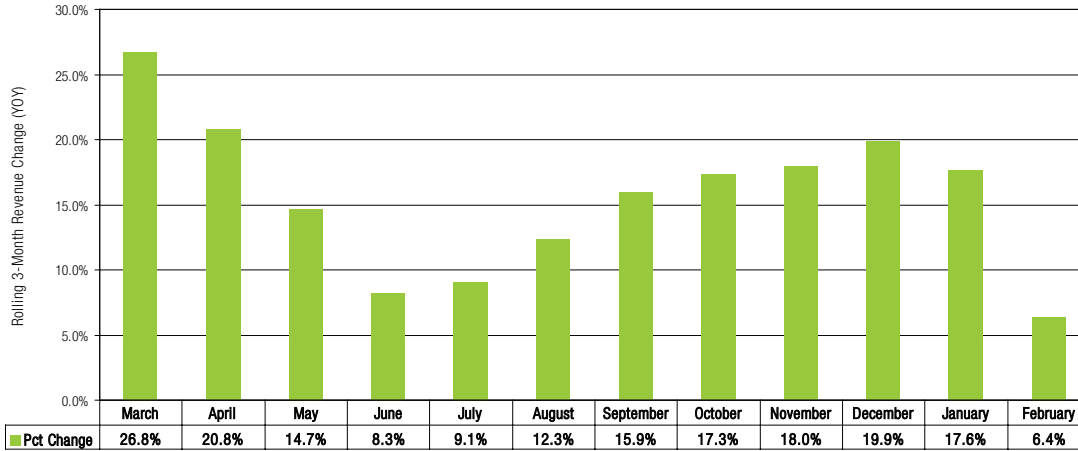
## Contents

- The Blackbaud Index of Charitable Giving . . . . . 1
- The Blackbaud Index of Online Giving . . . . . 3
- The Blackbaud Index – Environment and Animal Welfare . . . . . 5
- The Blackbaud Index – Human Services. . . . . 5
- The Blackbaud Index – Arts, Culture, and Humanities . . . . 6
- Q&A with Ford W. Bell, President, American Association of Museums (AAM) . . . . . 6

Continued on following page

Blackbaud also releases additional data and analysis that reports on organizations by size. The Index found that three-month overall charitable revenue for small organizations (prior 12-month revenue of < \$1 million) increased 6.4 % in February, while overall charitable revenue at medium-sized organizations (prior 12-month revenue of \$1 – 10 million) increased 4.8 %, and overall charitable revenue at large organizations (prior 12-month revenue > \$10 million) increased 1.1 %.

The Blackbaud Index of Charitable Giving - Small Organizations

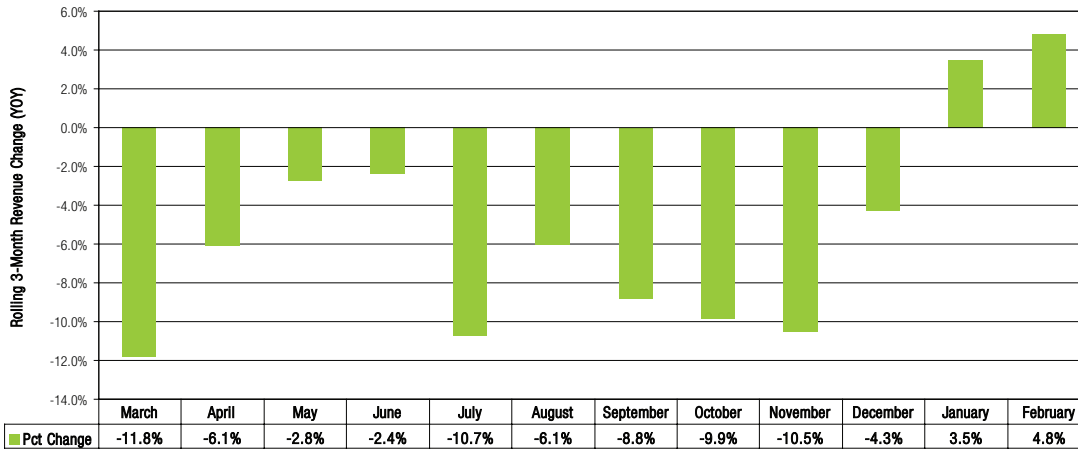


The Blackbaud Index of Charitable Giving — Small Organizations represents 1,164 organizations with combined revenue of \$405 million. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

“Overall charitable giving once again increased in the latest three-month period, rising 3% over the prior year. This result represents the seventh consecutive period of increased giving, and though overall giving is still roughly 5% below pre-recession levels, shows that we are into a recovery in charitable giving. This increase is especially noteworthy considering the substantial giving to Haiti in the prior year period.”

— Chuck Longfield  
Blackbaud’s Chief Scientist and  
Creator of the Blackbaud Index

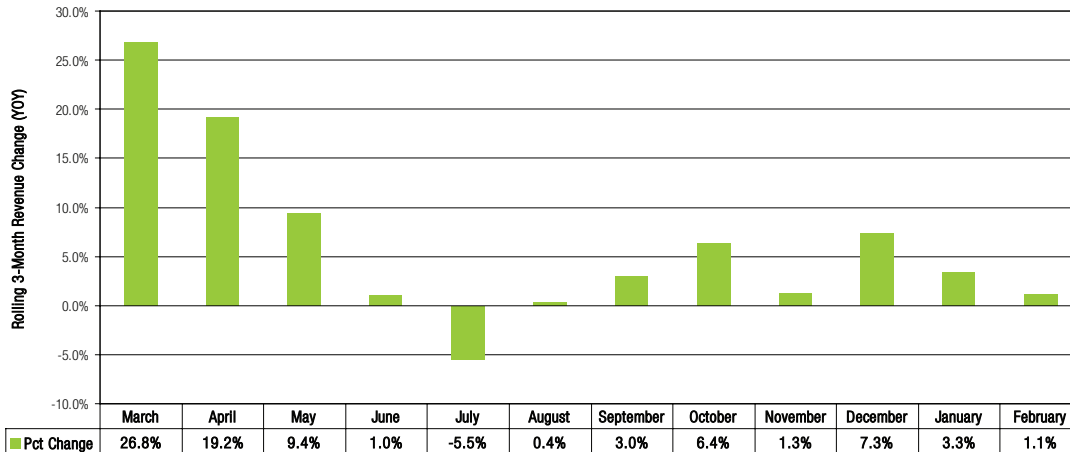
The Blackbaud Index of Charitable Giving - Medium Organizations



The Blackbaud Index of Charitable Giving — Medium Organizations represents 244 organizations with combined revenue of \$ 529 million. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

Continued on following page

The Blackbaud Index of Charitable Giving - Large Organizations

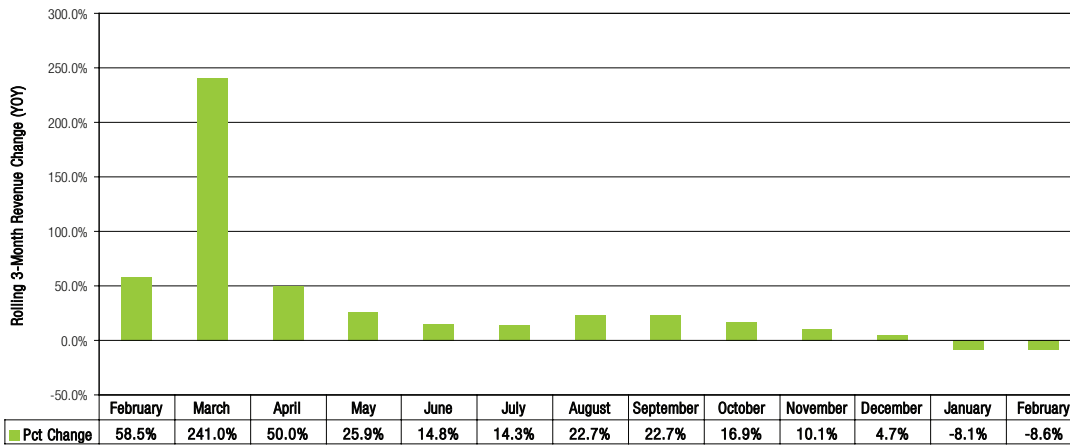


The Blackbaud Index of Charitable Giving — Large Organizations represents 22 organizations with combined revenue of \$1.3 billion. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

The Blackbaud Index of Online Giving

The Blackbaud Index of Online Giving reports that online revenue decreased by 8.6% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$427 million in 12-months' online revenue from 1,837 organizations.

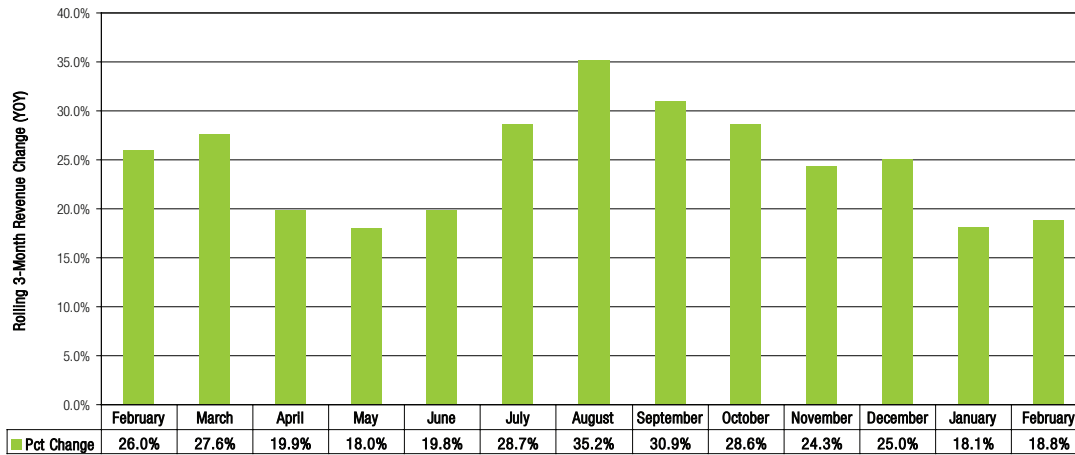
The Blackbaud Index of Online Giving



The Blackbaud Index of Online Giving represents 1,837 organizations with \$427 million in 12-month combined online revenue. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

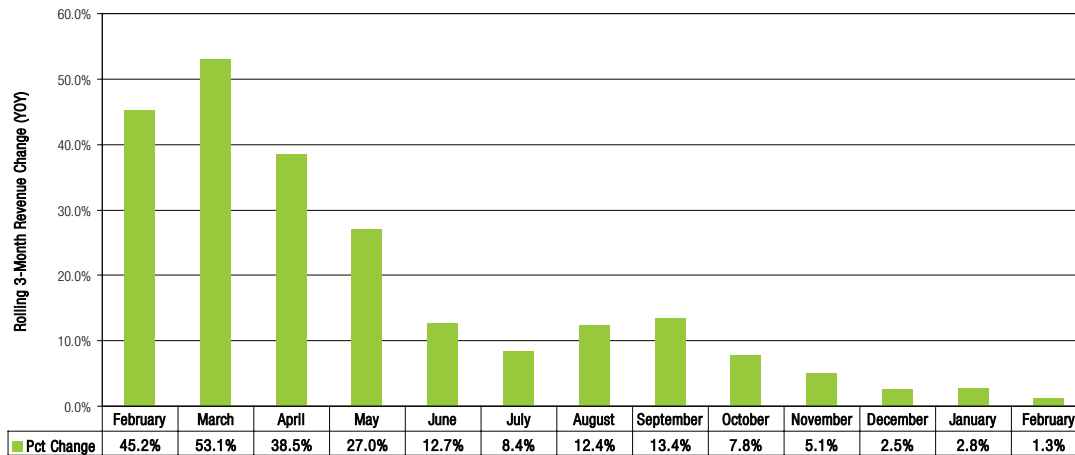
The Index found that three-month online revenue for small organizations (prior 12-month revenue of < \$1 million) increased 18.8% in February, while online revenue at medium-sized organizations (prior 12-month revenue of \$1 – 10 million) increased 1.3%, and online revenue at large organizations (prior 12-month revenue > \$10 million) decreased 27%.

The Blackbaud Index of Online Giving - Small Organizations



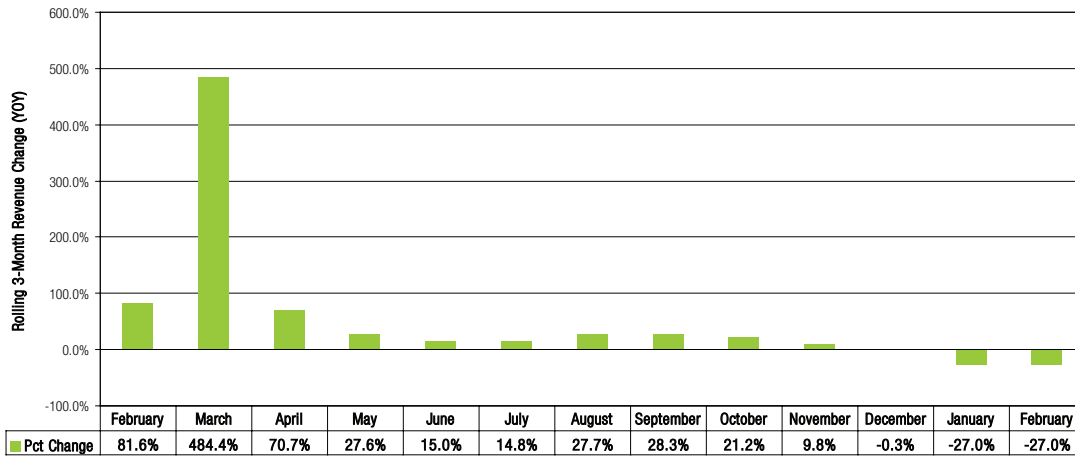
The Blackbaud Index of Online Giving – Small Organizations represents 728 organizations with \$31 million in 12-month combined online revenue. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

The Blackbaud Index of Online Giving - Medium Organizations



The Blackbaud Index of Online Giving – Medium Organizations represents 702 organizations with \$101 million in 12-month combined online revenue. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

The Blackbaud Index of Online Giving - Large Organizations



The Blackbaud Index of Online Giving – Large Organizations represents 407 organizations with \$295 million in 12-month combined online revenue. The chart represents the % change in three-month revenue as compared with the same period in the prior year.

### The Blackbaud Index – Environmental and Animal Welfare

Environmental and animal welfare organizations are defined by Giving USA as zoos and aquariums; botanical gardens and horticultural programs; humane societies and other animal rescue organizations; wildlife and habitat preservation groups; and organizations working for pollution abatement and control. The sub-sector also includes programs for environmental education, outdoor survival, and beautification of open spaces. Blackbaud used these organizations’ National Taxonomy of Exempt Entities (NTEE) codes as reported on their 990 tax returns for grouping purposes.

The Blackbaud Index of Charitable Giving reports that environmental and animal welfare organizations had an overall charitable revenue decrease of 3.8% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$258 million in 12-month revenue from 90 organizations.

The Blackbaud Index of Online Giving reports that environmental and animal welfare organizations had an online revenue increase of 22% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$19 million in 12-month revenue from 108 organizations.

- For historical charts, visit [www.blackbaud.com/blackbaudindex](http://www.blackbaud.com/blackbaudindex).

### The Blackbaud Index - Human Services

Human services organizations are defined by Giving USA as charities focused on courts and legal services; employment and vocational training; food and nutrition; long-term housing and temporary shelter; public safety and community disaster relief; recreation and sports; youth development; family and children’s services; emergency assistance for families; and independent living and self-sufficiency for women, seniors, veterans, and individuals with disabilities.

“Do not cease to think big. Funders are eager to support a genuine, clear vision. What funders and supporters respond to is a positive outlook and a long-term vision that sees well beyond the current troubled economy.”

— Ford W. Bell  
President  
American Association of Museums

The Blackbaud Index of Charitable Giving reports that human services organizations had an overall charitable revenue decrease of 7.9% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$619 million in 12-month revenue from 457 human services organizations.

The Blackbaud Index of Online Giving reports that human services organizations had an online revenue decrease of 5.8% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$63 million in 12-month revenue from 594 human services organizations.

- For historical charts, visit [www.blackbaud.com/blackbaudindex](http://www.blackbaud.com/blackbaudindex).

## The Blackbaud Index – Arts, Culture, and Humanities

We are introducing a new specialty index this month, focused on the arts, culture and humanities sub-sector, which will be updated monthly going forward. These organizations are defined by Giving USA as museums of all kinds, historical societies, humanities organizations; and media and communication charities, including public broadcasting. Blackbaud used these organizations' National Taxonomy of Exempt Entities (NTEE) codes as reported on their 990 tax returns for grouping purposes.

The Blackbaud Index of Charitable Giving reports that arts, culture, and humanities organizations had an overall charitable revenue decrease of 3.1% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$221 million in 12-month revenue from 163 organizations.

The Blackbaud Index of Online Giving reports that arts, culture, and humanities organizations had an online revenue increase of 9% for the three months ending February 2011, as compared to the same period in 2010. This trend is based on \$19 million in 12-month revenue from 153 organizations.

- For historical charts, visit [www.blackbaud.com/blackbaudindex](http://www.blackbaud.com/blackbaudindex).

## Q&A with Ford W. Bell, President, American Association of Museums (AAM)

**Blackbaud:** In comparing the arts and culture data with the overall Index, the arts and culture organizations seemed to track at a lower rate for most of the year but increase significantly in September and October. Do you have any insight into this?

**Bell:** One important reason why this is true is that, for many arts and cultural organizations, September marks the beginning of the new season. It's a long-standing tradition. I know I look forward to the special section in the Sunday New York Times, which covers the highlights of the new arts season, published each September.

This convention holds true for museums, but also for orchestras, opera companies, dance companies and theater groups. The excitement around a new exhibition or performance calendar generates contributions. Likewise, many arts organizations coordinate fundraising efforts at this time of year to best capitalize on the new excitement.

## The Blackbaud Index



## About the Contributor

Ford W. Bell began his tenure as president of the American Association of Museums in June 2007. He brings to AAM a lifelong passion for museums, and a clear understanding of the important role which museums play as places of learning and inspiration. Bell has a longstanding relationship with the museum community. He helped raise \$103 million as co-chair of the Minneapolis Institute of Arts' "Bring Art to Life" capital campaign, completed in 2006 and he served as chair of the organization's board from 2003 to 2005. His grandfather, James Ford Bell, was a leading supporter of the Institute, and also of the Museum of Natural History at the University of Minnesota, renamed in his honor in 1966. Ford Bell served on the Advisory Board of the Bell Museum from 1983 to 2007. A candidate for the U.S. Senate in 2006, Bell has more than 30 years experience as a nonprofit executive, board chair, trustee, and educator.

**Blackbaud:** In terms of the online index, arts and cultural organizations saw a steady increase in online giving. Why do you think these organizations are leveraging this channel so successfully? What specifically can or should arts and cultural organizations do to increase effectiveness in this area?

**Bell:** I suspect that, for many organizations, online fundraising is somewhat on a par with “found money.” The emergence of online fundraising has made the entire process much easier, much more cost-effective, much more efficient and much simpler for the donor, not to mention much more environmentally friendly. This last point seems to resonate with donors in our field.

I think one area that can be classified as “online” that holds great potential for cultural organizations is mobile contributions. AAM recently did a study – in partnership with Fusion Research + Analytics and Guide by Cell – to determine the overall mobile technology landscape in the museum field. We found that 10% of museums plan to initiate mobile giving programs in the coming year, and we look for many more of our member institutions to implement mobile fundraising efforts in the years ahead.

This approach can also be critical to museums engaging more fully with younger audiences. Young people gave to the Haitian relief effort by the thousands through this method. There’s no reason museums cannot utilize this simple, green method to bolster their fundraising efforts.

**Blackbaud:** What trends or economic issues have had the most impact on arts and culture organizations?

**Bell:** The overall economic downturn is issue one, two, and three for museums and cultural organizations. All nonprofits have been hit hard by the recession, and museums are no exception.

For many museums, this recession has proven to be the perfect storm. The Wall Street crash affected endowments. It affected the portfolios of major donors as well, making it more of a strain for these donors to maintain their levels of support. It has affected tax revenues, thereby shrinking government budgets and, as we know, public funding of nonprofits are normally the first places to be cut when money is tight.

In our field, museums have been forced to postpone exhibitions, make cuts in hours and staff, and eliminate educational programs. A recent AAM survey found that more than 60% of museums experienced moderate to severe financial stress in 2010. This comes after the same survey found two-thirds of museums experienced similar financial stress in 2009. Yet the same surveys found that attendance is up at the majority of museums, meaning that museums are providing more service despite these financial challenges.

**Blackbaud:** What are the most successful organizations doing to combat these issues?

**Bell:** Some of the most successful approaches emanate from those same creative, flexible nonprofits. Some museums are creating incentives to retain and attract new donors, such as extending a museum membership for 18 months if they renew for a year. Generous donors are receiving more special access, such as dinners with curators or scholars.

And nonprofits are being flexible, enabling donors to give over a longer term than usual. And with corporate fundraising, nonprofits must be extremely creative in designing value-added promotions for corporate supporters, such as grassroots events or other publicity opportunities.

### About AAM

The American Association of Museums has been bringing museums together since 1906, helping to develop standards and best practices, gathering and sharing knowledge, and providing advocacy on issues of concern to the entire museum community. With more than 17,000 individual, 3,000 institutional and 300 corporate members, AAM is dedicated to ensuring that museums remain a vital part of the American landscape, connecting people with the greatest achievements of the human experience, past, present and future.

For more information, visit [www.aam-us.org](http://www.aam-us.org).

**Blackbaud:** What advice do you have for organizations that are facing major cuts in funding or that have not fared well in the recent year?

**Bell:** To my mind, fundraising success goes well beyond the tools or the tactics. It comes down to what you're selling. Despite the way nonprofits in the arts and culture fields have been battered by this recession, it's important that the field's leaders keep their eyes on the prize. That is, maintain your vision. While visions and long-term plans may need to be temporarily scaled back, do not cease to think big. Funders are eager to support a genuine, clear vision. What funders and supporters respond to is a positive outlook and a long-term vision that sees well beyond the current troubled economy.

### About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud's sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom.

For more information about Blackbaud solutions, contact a Blackbaud account representative. In the United States and Canada, call toll-free 800.443.9441. In Europe, call +44 (0) 141 575 0000. Visit us on the web at [www.blackbaud.com](http://www.blackbaud.com).

> For more information about the Blackbaud Indices, including methodology, please visit [www.blackbaud.com/blackbaudindex](http://www.blackbaud.com/blackbaudindex). Please share your feedback at [bbindex@blackbaud.com](mailto:bbindex@blackbaud.com).

© April 2011, Blackbaud, Inc.

This white paper is for informational purposes only. Blackbaud makes no warranties, expressed or implied, in this summary. The information contained in this document represents the current view of Blackbaud, Inc., on the items discussed as of the date of this publication.

All Blackbaud product names appearing herein are trademarks or registered trademarks of Blackbaud, Inc. The names of actual companies and products mentioned herein may be the trademarks of their respective owners.