

Key Trends for Development Professionals in 2021

How to drive donor engagement during times of disruption

Nonprofits and university development offices know how to adapt. After all, many charitable organizations and foundations make it their mission to tackle the fall-out from disruptive events—from providing aid in response to a natural disaster to addressing economic, social, or environmental challenges within their own communities and around the world. This resilience became even more important as development professionals adjusted to a world without in-person fundraising events. Unsurprisingly, the disruption of 2020 has influenced the trends expected for 2021. ***What do you need to consider in the coming year?***

Trends set to impact the fundraising landscape:

More private sector collaboration Trend 1

Consumers and investors increasingly look for companies that have a purpose beyond profits. As a result, nonprofits and university foundations will have more opportunities to engage with the private sector when their missions align.

Consolidation on the rise Trend 2

2020 has been a tough year, particularly for smaller organizations that have less “wiggle room” during economic downturns. As belts tighten, teaming up with other small nonprofits within the same community will help organizations compete and serve more effectively.

Recurrent giving adds up to positive returns Trend 3

Subscription services have been growing. People can—and do—sign up for monthly deliveries of dog toys, kids’ crafts, or meal boxes. They subscribe to services for streaming videos, audio books, or music. Nonprofits and university foundations can tap into this mind-set too.

Virtual events and volunteers expand Trend 4

Fundraisers shifted to virtual events due to the COVID-19 pandemic and found they could still engage donors—without the time and expense of gala events. As a result, more organizations will continue to reimagine how they approach prospects and engage volunteers.

Technology as an enabler Trend 5

Like organizations across many industries, nonprofits have felt the pressure to embrace technology. This year, the pressures of a pandemic accelerated technology adoption. As a result, nonprofits and university foundations will need to home in on the right tools to compete effectively.

Take a closer look at each of these trends and find out how Nexis® for Development Professionals can help you identify prospects that have the most potential to become philanthropic partners.

TREND 1: More private sector collaboration

Cross sector partnerships grew this year, as companies and nonprofits teamed up to address some of the challenges the world faced in 2020. Scot Chisholm, CEO and Co-founder of online fundraising tech company Classy, points to a partnership between a popular restaurant, Sweetgreen, and a charity that services meals in the wake of natural disasters, World Central Kitchen. The two have been working together to deliver meals to frontline medical workers and vulnerable communities during the pandemic. Chisholm notes, “And while this trend has been developing for the past few decades, the convergence of COVID-19 and the global social justice movement provided a tipping point.”¹

Such partnerships don’t just benefit nonprofits. Many nonprofits have extensive experience dealing with “the logistical and relational challenges that make disaster response so difficult in underserved settings such as developing countries,” says an article on the University of Pennsylvania’s Knowledge@Wharton blog.² These insights can help companies navigate unfamiliar waters when they engage in efforts in support of ESG or social responsibility commitments. The article notes, “Leaders who can pull together and work across the private, nonprofit and public sector to forge collective solutions will ultimately come out ahead.”³

Nexis® for Development Professionals makes it easy to [conduct research into companies and the executives that run them](#), allowing you to identify those organizations that have missions that align with your own.

TREND 2: Consolidation on the rise

The nonprofit industry has expanded at 10 times the rate of the for-profit industry in the past decade—20% growth compared to 2-3% growth.⁴ But the economic fall-out of 2020 may cause one-third of nonprofits to close.⁵

As a result, experts expect smaller organizations to join forces. In addition to improving financial viability, mergers or strategic partnerships help nonprofits meet the needs of their community members. This allows organizations to expand operations strategically by teaming up with others that can enhance or add to their core strengths.



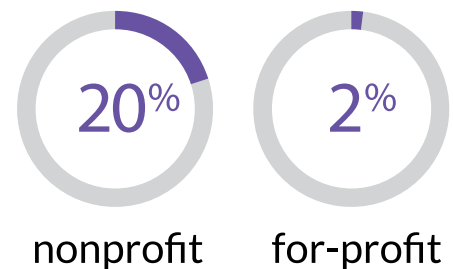
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Emily Eakin

Nonprofit strategist

Industry expansion in the past 10 years:



Before considering these types of partnerships, however, nonprofits need to do their research. Does a target organization have a history of legal entanglements or negative news that could become a financial or reputational liability? A solution like Nexis for Development Professionals makes it easy to conduct due diligence on potential partners across news, business, and legal sources—all in one place.

TREND 3: Recurrent giving adds up to positive returns

Nonprofits and university foundations may love a big fish but cultivating more small fish can deliver real value too. As consumers embrace digital payment systems, nonprofits and university foundations can benefit from seeking out smaller, monthly payments. Gifts set up to automatically renew offer a convenient, manageable way for donors to support their favorite organizations without breaking the bank.

Plus, research shows that monthly givers donate 5 times more valuable than one-time gifts, says Nonprofit Tech for Good.⁶ “What’s more,” the article notes, “... recurring donors typically make an additional gift within one year of their first donation. *The State of Modern Philanthropy 2020* reinforced similar trends, revealing that organizations who raise over \$50 million in total revenue had a healthy 26% of their online revenue coming from recurring gifts.”⁷

It’s a win-win for donors and charitable organizations alike. Less work to win repeat support, donors feel connected into day-to-day impact for the nonprofit or university foundations, and the organizations benefit from a steady, predictable revenue stream.

TREND 4: Virtual events and volunteers expand

The pandemic forced many fundraisers to think on their feet when social distancing measure shut down face-to-face meetings and gala events that typically bring in big donors. Nonprofit Tech for Good reports that “Upaya Social Ventures, for instance, shifted from an in-person gala to a virtual event in less than a week and raised 142% of their \$200,000 goal, ultimately raising \$283,000. Considering events typically have a 12-month planning cycle, this is a very big deal!”⁸

Nonprofits that take advantage of virtual events can realize measurable benefits:

- Break through geographic boundaries to engage new donor prospects, sponsors, and speakers—wherever they are.
- Convenience makes participation easier—no travel arrangements to make, less time spent on travel.
- Budget-friendly virtual events come without some of the hefty costs associated with galas—from catering and wait staff to venue rental and decorating.
- Virtual events allow fundraisers to easily shift attendees to digital engagement campaigns to keep conversations going.

But it’s not just events that will be virtual. Volunteering from home is a flexible alternative for busy schedules and it’s a great way to get younger, tech-savvy generations involved.

Of course, when you’re meeting virtually, it’s critical that you understand your donor prospects’ motivation and propensity to give. [Nexis for Development Professionals](#) connects you to details on individuals—from memberships and associations to key wealth indicators—so you can make personal connections without meeting in person.



TREND 5: Technology as an enabler

Like organizations across industries, nonprofits and university foundations have accelerated technology adoption in response to the challenges of 2021. Nonprofit strategist Emily Eakin notes, “Digital transformation is all about constituent centricity and creating a personalized and customized engagement experience.”⁹ She goes on to say, “Now is our time to up our game and develop creative ways to leverage content expansion, including online fundraising opportunities, social media, tools like SMS texting and gamification, to attract not just your current donors and supporters, but also engage Millennials that are now stepping into significant wealth and influence across our industry.”¹⁰

Technology like Nexis for Development Professionals is a powerful enabler as well. Looking for corporate sponsors? You can quickly create prospect lists with industry-leading data on companies and the executives who run them. Need to build out more robust donor profiles? Quickly identify assets, education, interests and more to build lasting relationships with your existing donors. Want to keep tabs on alumni and donor activities? Create alerts to receive notifications when a person or organization of interest is mentioned in the news and use these moments as door openers for your next conversation.



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Offering powerful search technology and a source universe that spans public records*, news, company, and executive information, and more, Nexis® for Development Professionals can help you discover the best donor prospects to move your mission forward—whether you’re raising funds for a nonprofit or a university development office.

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