



Investing in the Donors of Our Future

AHP ANNUAL
International
CONFERENCE



Today's Speakers



Greg Hagin
PRINCIPAL & MANAGING DIRECTOR
CCS FUNDRAISING



Ted Garrard
SENIOR CONSULTANT
CCS FUNDRAISING



About CCS



76 Years

Founded in 1947, we are the most widely recommended firm in the field.



90% Repeat or Referrals

Ninety percent of our business comes from repeat business or referrals.



18 Offices

Our offices are located in New York, London, Dublin, Sydney, Toronto, Baltimore, Boston, Chicago, Dallas, Denver, Houston, Miami, Philadelphia, San Francisco, St. Louis, Seattle, Southern California, and Washington DC.



7 Core Services

Our core services include campaigns, assessments, feasibility studies, strategic planning, research and data analytics, major gifts, and endowments.



500 Fundraising Professionals

Our staff of over 500 philanthropic experts includes 25 partners with a minimum of 20 years of executive experience each.



10,000 Satisfied Clients

We have worked closely with 40% of the 100 best-performing charities.



Today's agenda

1. The Current Giving Landscape
2. Case Study: SickKids Foundation
3. Open Discussion



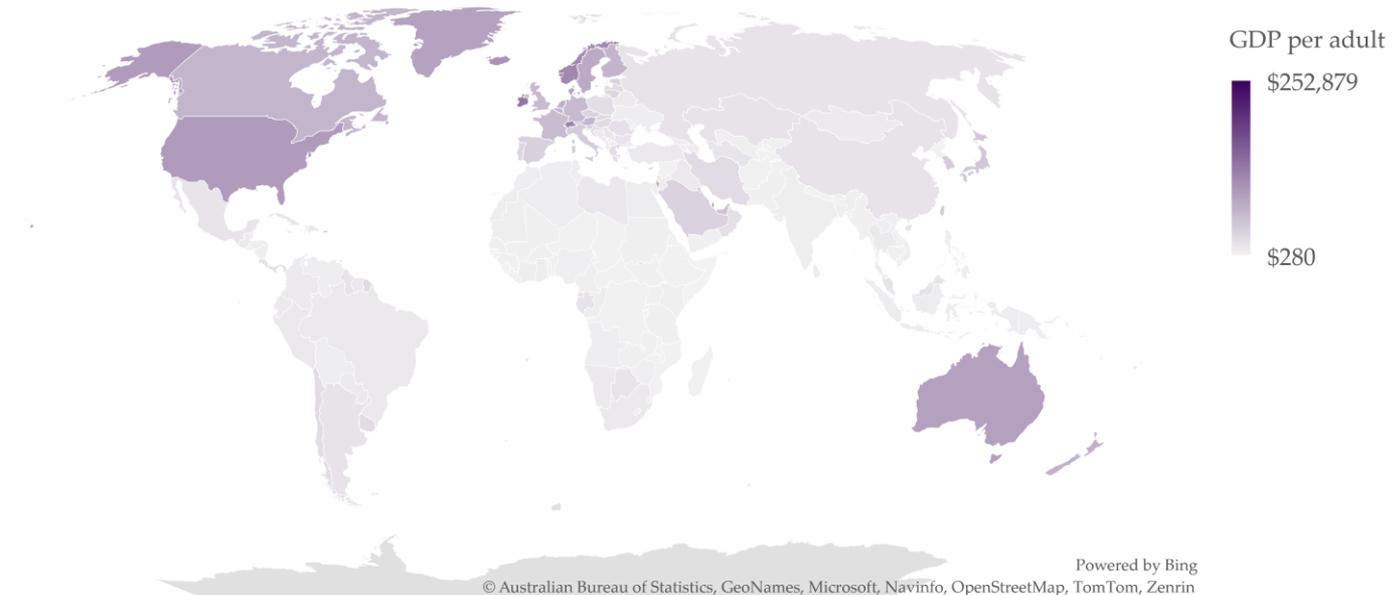
1. The Current Giving Landscape



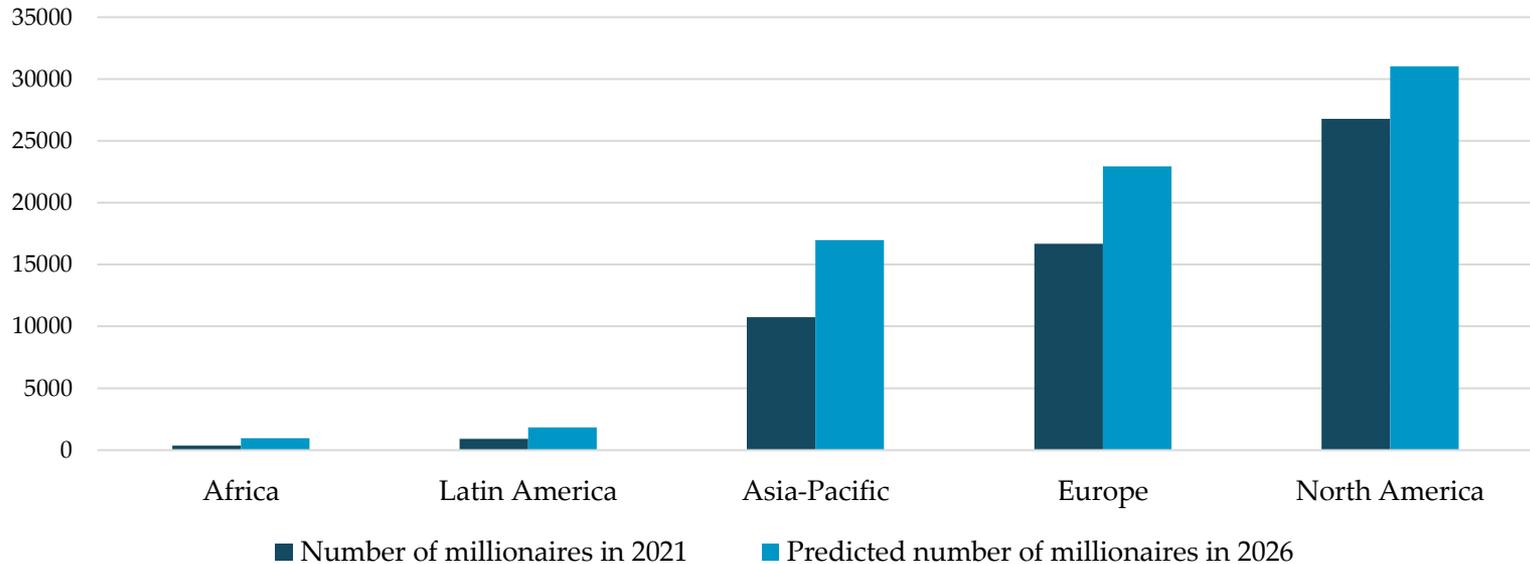
AHP ANNUAL
International
CONFERENCE



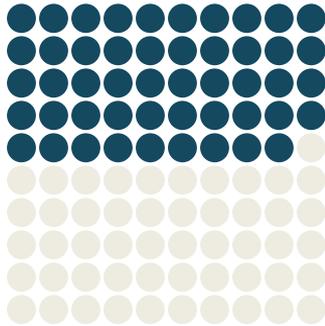
Wealth is highly concentrated



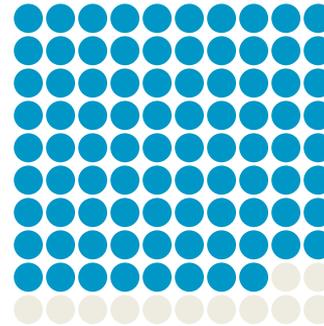
The count of millionaires worldwide is expected to accelerate over the next 5 years



Wealthy households are more likely to give, and give more



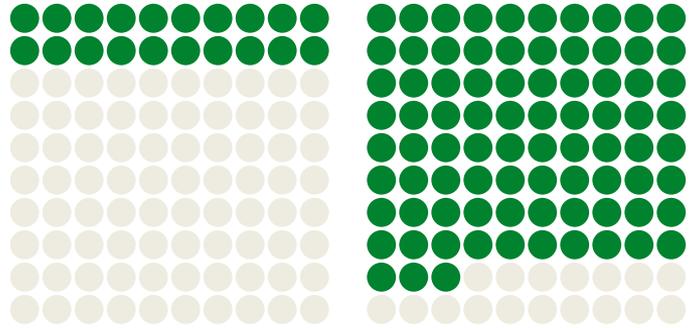
49%
of the general US
population give an
annual average of
\$5,000



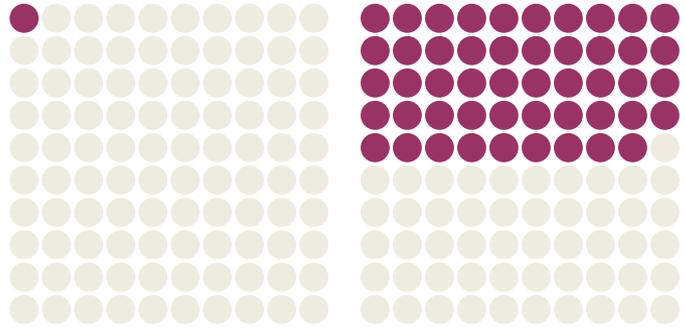
88%
of wealthy
households give an
annual average of
\$40,000



The majority of individual philanthropy comes from a small concentration of households

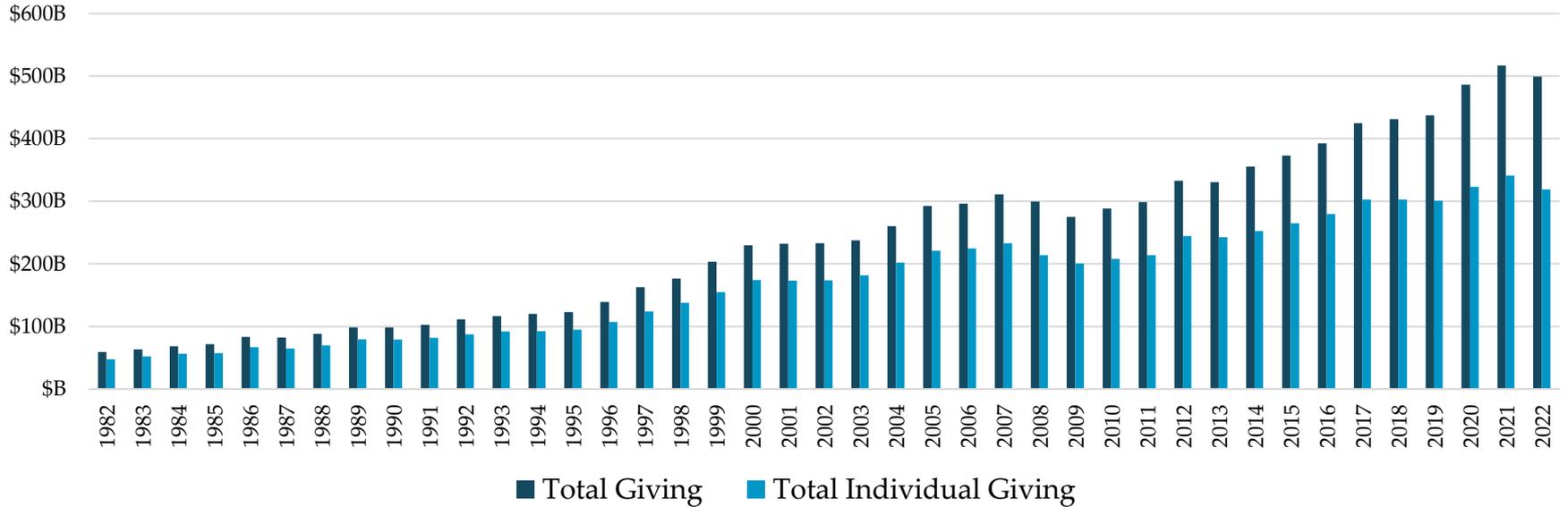


20%
of households
provided 83% of all
donations



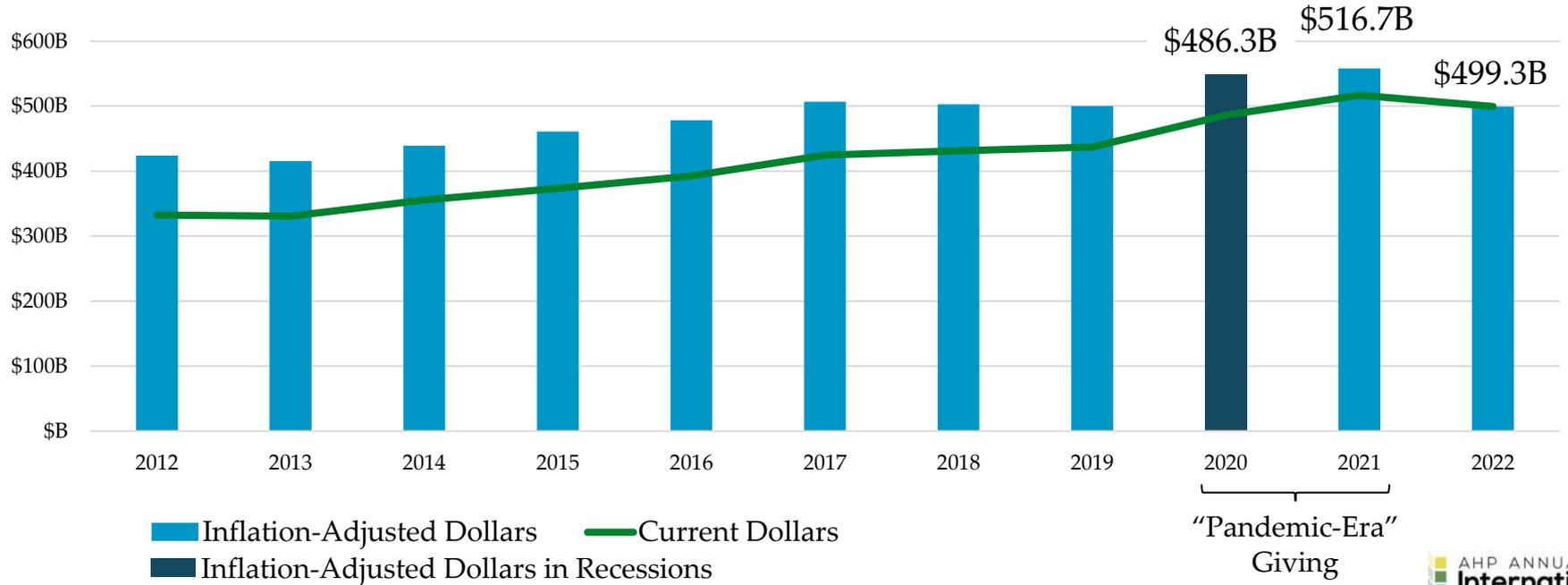
1%
of households
provided 49% of all
donations

Individual giving is the major driver of philanthropy

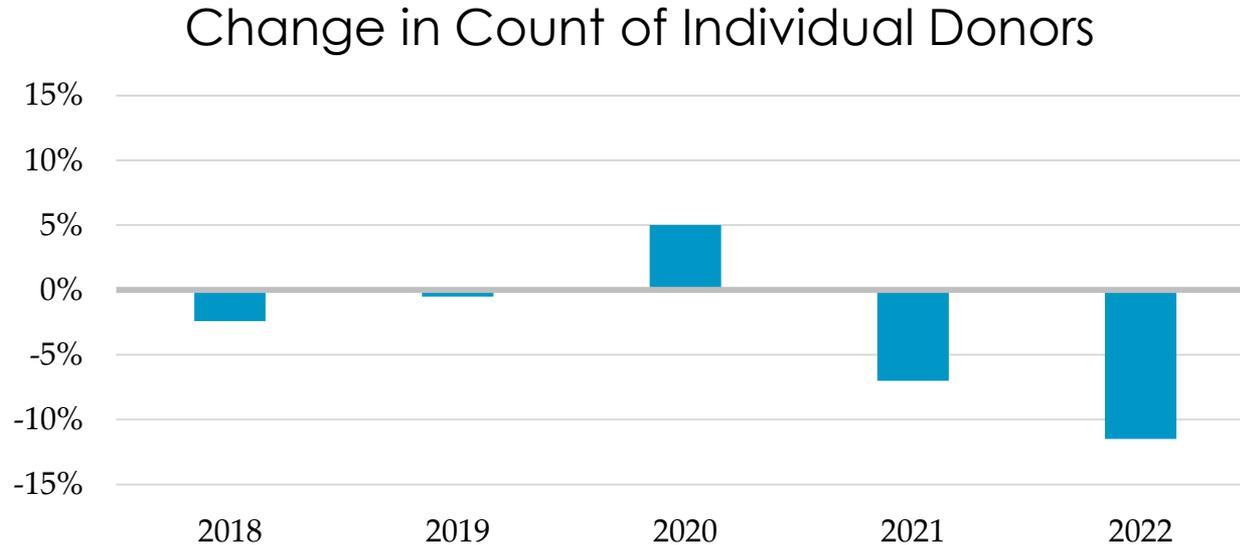


Giving USA Foundation, *Giving USA 2023* (2023).

Both donors and dollars were down in 2022

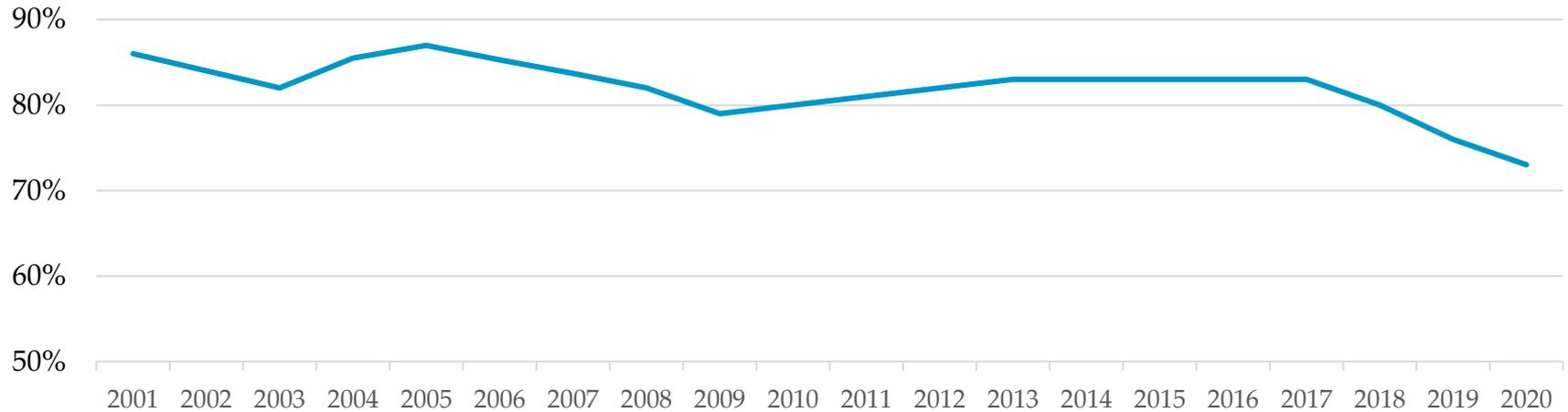


Individual donors are decreasing year over year



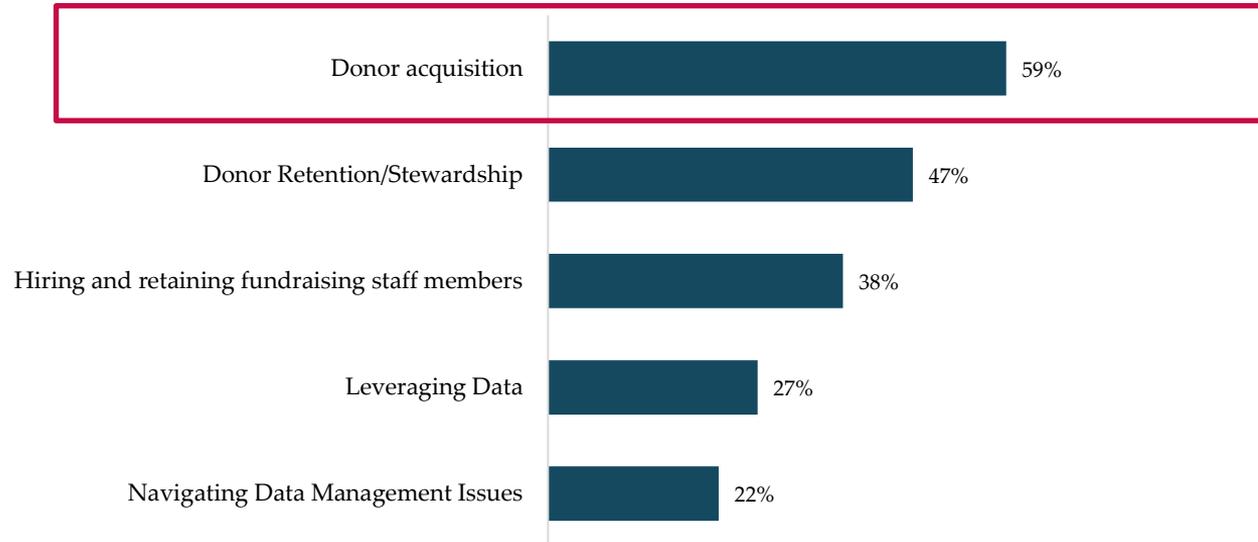
Donors have declined over the last twenty years

Giving Participation Rate



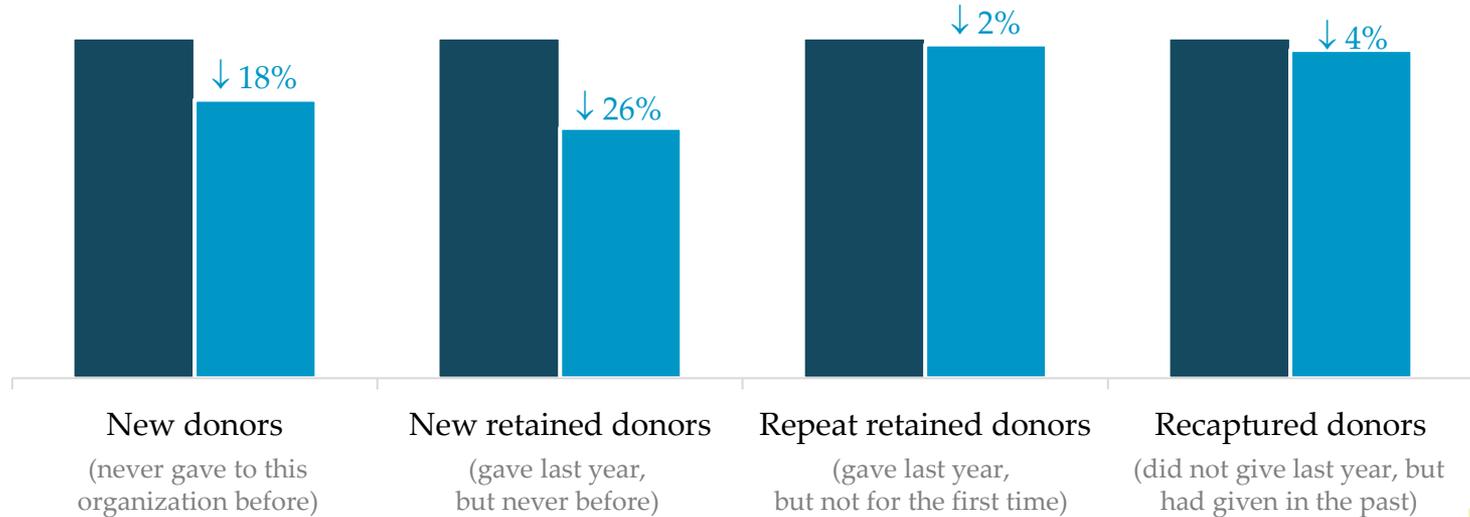
Nonprofits are feeling the challenge of donor acquisition and retention

Top Fundraising Challenges as Reported by Healthcare Organizations



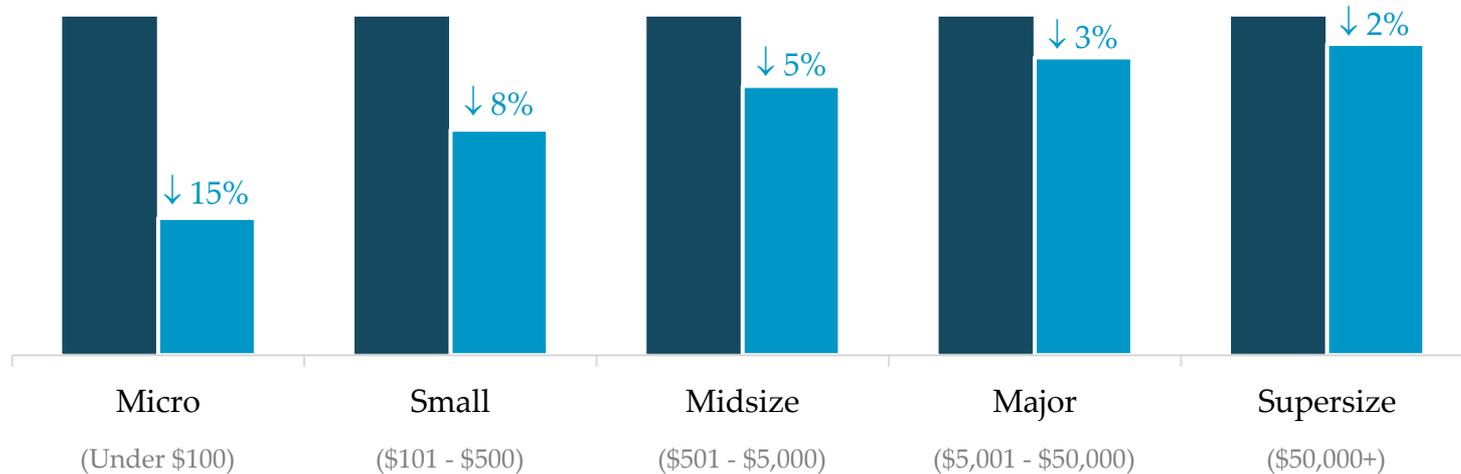
Specifically, retaining new donors is difficult

YTD Change in Donor Segments



Smaller donors are declining the most

YOY Change in Donor Segments





Looking to the Donors of Our Future



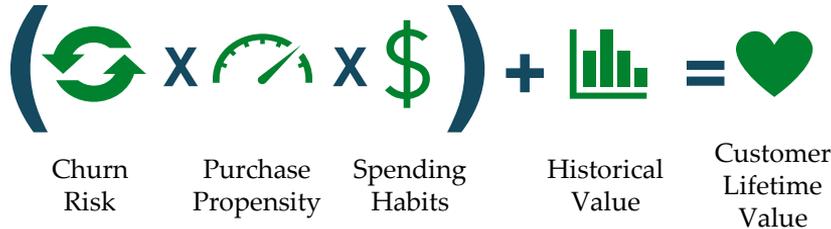
AHP ANNUAL
International
CONFERENCE



Donor longevity is crucial

Customer Lifetime Value

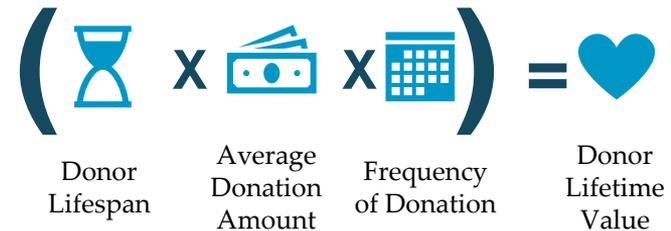
An estimate of the present value of a customer's future cash flows during the entire relationship with a company.



*"It's incredible how this simple math can be broadly applied to so many other domains."
Peter Fader*

Donor Lifetime Value

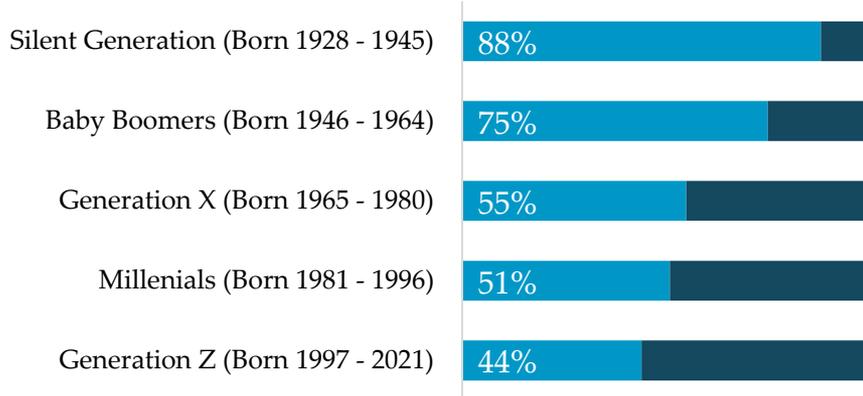
An estimate of the value of a donor's contributions during the entire relationship with an organization.



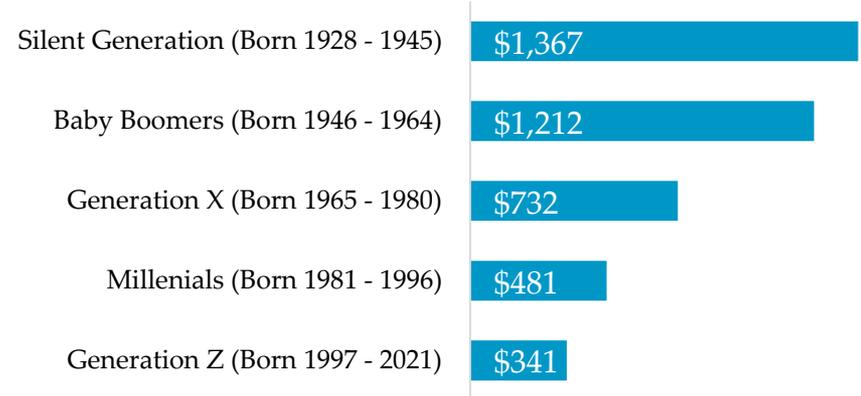
Concentrations of wealth are shifting

Between **\$30 - \$68 trillion** is expected to be transferred over the course of the next several decades, increasing charitable giving from younger generations.

Percent Of Giving By Generation



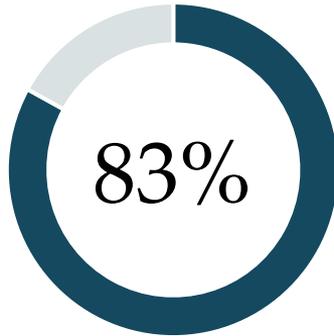
Average Donation Amount Each Year Per Generation



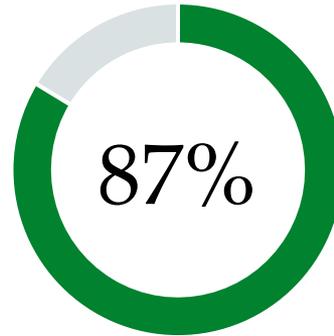
Donors of the future are prepared to give

In a survey of high-net-worth individuals, 87% of respondents aged 21-42 (spanning Gen Z and Millennials) indicated they are prepared to support philanthropy.

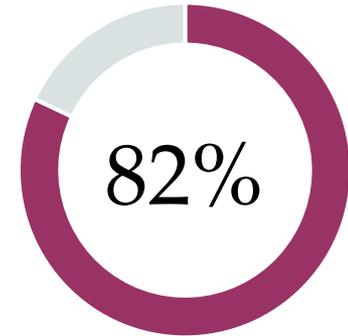
Total



Gen Z & Millennials



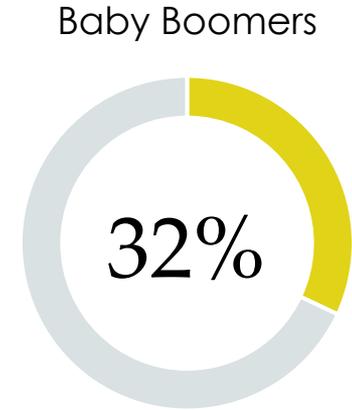
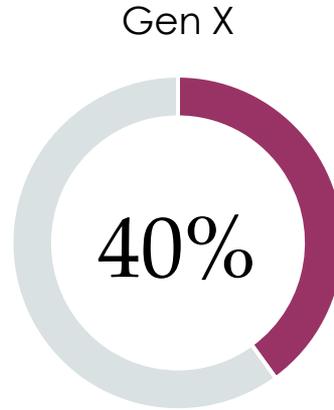
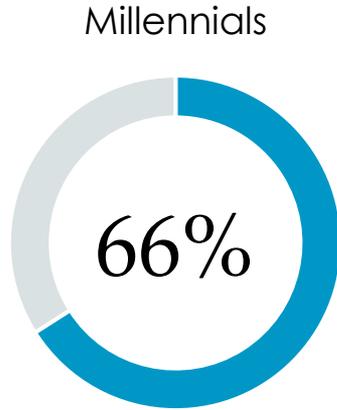
Gen X & Baby Boomers



Donors of the future are driven by impact

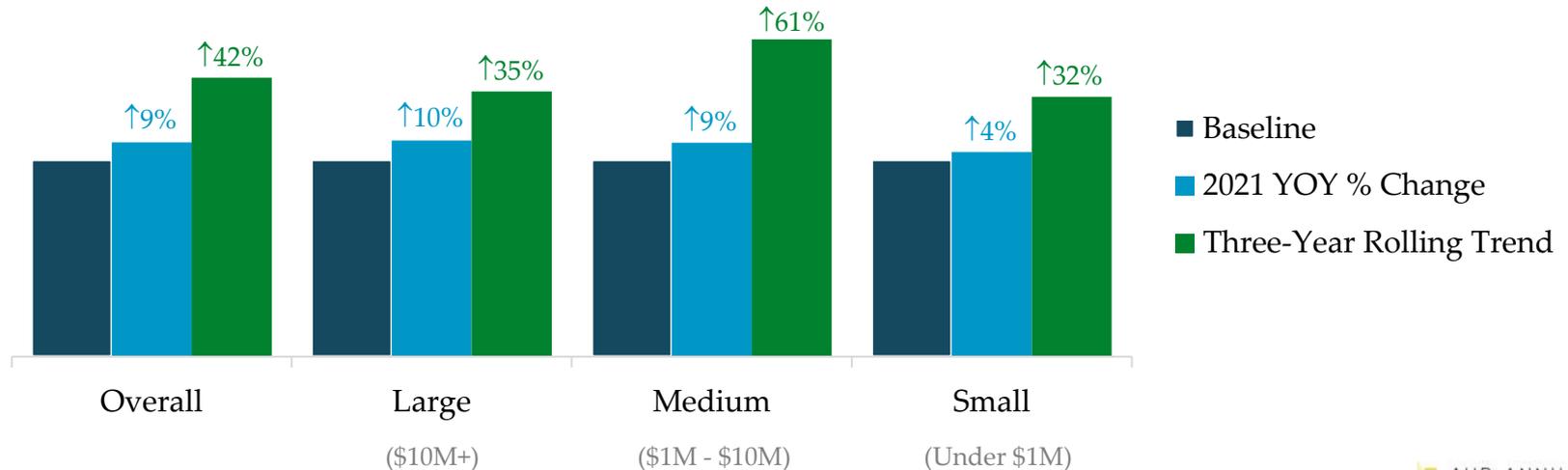
"I track results for most or all nonprofits I support."

Agreement with this statement by generation:



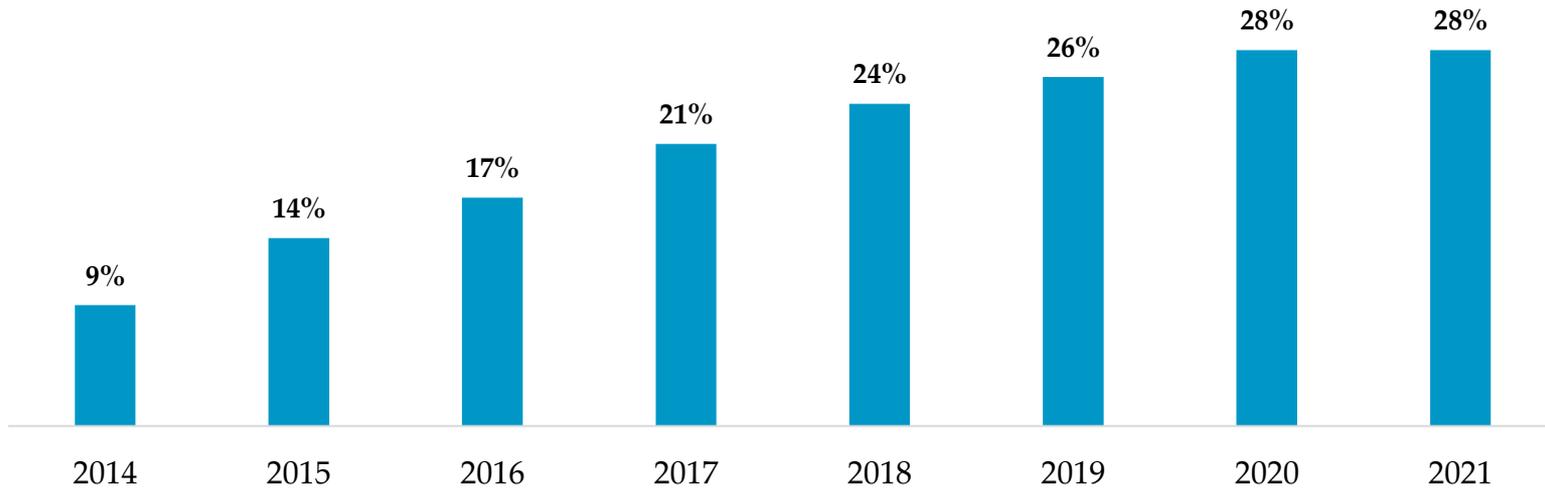
Online giving has grown by 42% over the past three years

Online Giving Trends by Organization Size



Mobile giving is climbing every year

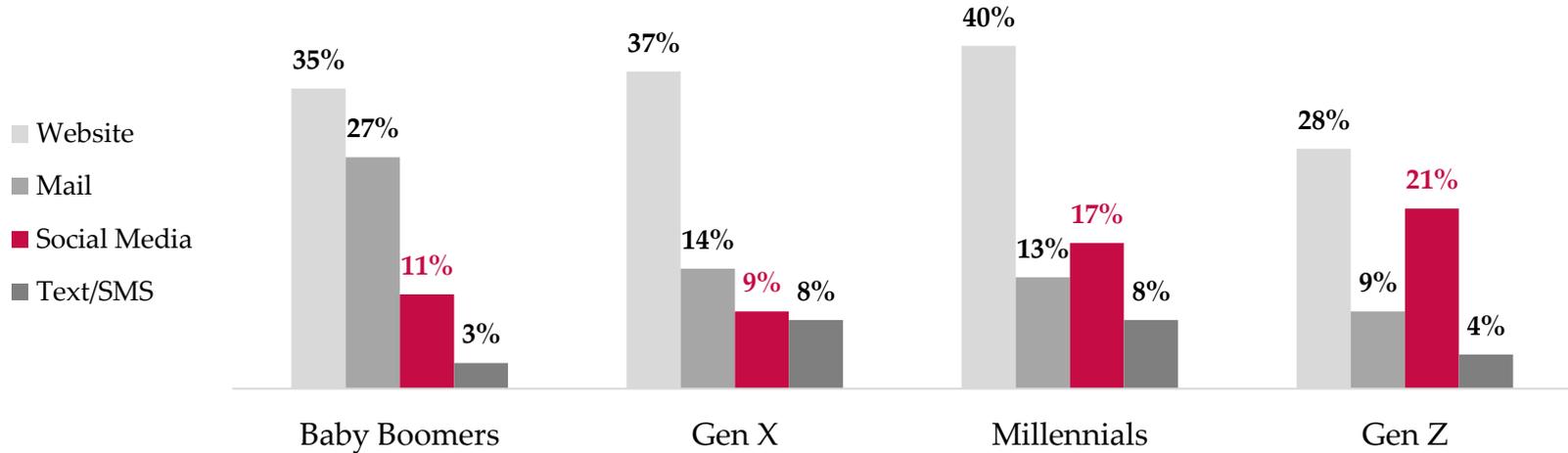
Percentage of Online Transactions Made Using a Mobile Device



Blackbaud, *Online Giving Trends* (2021).

Social media is rising as a channel of giving

Giving Channels by Generation





How do we invest in our donors of the future?



2. Case Study: SickKids Foundation



AHP ANNUAL
International
CONFERENCE





About SickKids

SickKids®

Established in 1972
as the fundraising
arm of the Hospital
for Sick Children

Largest charitable
funder of child
health research,
learning, and care
in Canada

Third largest foundation
by total assets in Canada
and the second largest
foundation in granting

Largest hospital
foundation
endowment in
Canada (\$1 billion)



Canadian Donorship has also declined

- Percentage of Canadian tax filers claiming donations has dropped from a high of **29.5% in 1990** to **23.4% in 2010** to **18.5% today**
- Surprisingly, the participation rate dropped by **5% across all age groups** and by **6.3% in people over the age of 55 years**, who are usually our prime donor prospects
- The participation rate declined by **8% across all household income groups** with the largest declines in **households earning \$250K+** (down 18%) and **households earning between \$150K and \$249K** (down 14%)
- Still, **total claimed giving increased** from \$8.3 billion in 2010 to \$10.6 billion in 2020



The implication, of course, is that fewer donors are giving higher average gifts.

Many charities were complacent with the trend of fewer donors. **We were not.**



How did we buck the trend at SickKids?

Our starting point in 2015 was **220,000 annual donors.**

By 2023, this had grown to **330,000 annual donors.**

Why and how?

Communications & Marketing

- Aggressive brand campaign to make us the charity of choice
 - Goal of attracting new donors by presenting the brand differently and attracting donors sitting on the sidelines (men and millennials)
- Made extensive use of social media and geotargeting with integrated campaigns in select markets
- Developed new giving programs to commemorate milestones (Mother's Day, Father's Day, Hannukah, Christmas, Last Day of School)

Pipeline Development

- Investment in donor acquisition across all channels through direct, digital, event, and mass solicitation strategies
 - More staff for traditional relationship-building channels
 - Doubled down on monthly giving programs (door-to-door canvassing, mall and public venue outreach)
 - Developed signature event programs that could be executed in person or online
 - Significant investment in digital capabilities and analytics to determine where we could cross sell, upgrade, and channel donors to specific pipelines
- Engaged with non-traditional and under-represented communities



Why and how?

Stewardship

- Relentless pursuit of retention strategies with very specific KPIs to which the organization, programs, and individuals would be held accountable
- Used our campaign to drive more donors to give and to give more than once

Staffing

- Hired people from the private sector who had skillsets we couldn't find in the non-profit sector
- Established compensation framework at the 75th percentile across private, public, and non-profit sectors
- Introduced retention bonuses for senior leaders



The Campaign

\$1 billion initial goal which grew to **\$1.5 billion**, making this the largest healthcare campaign in Canadian history

- 7 years in length with a 2-year quiet phase
- Well-established priorities that tied in well with the re-branding
- 3 co-Chairs, 65-person Cabinet; half Foundation and Hospital Board
- 1 meeting per year; 8 calls per year



**WE'RE GOING
TO TRANSFORM
CHILD HEALTH.
JOIN US.**

SickKids **VS** The Greatest Challenges In Child Health

**RE-IMAGINE
OUR CAMPUS**

VS

**CONTINUE
BREAKTHROUGH
RESEARCH**

VS



Campaign Pillars & Goals

Re-Imagine our Campus \$600 million

- **Core project**
 - Project Horizon
- **Targeted additional priorities**
 - Operating Suites
 - Precision Medicine
 - Immunotherapy
 - Big Data
 - Technology/CIGITI
 - Garron Family Cancer Centre
 - Labatt Family Heart Centre
 - Brain & Mental Health Centre
 - Directorship, Clinical Effectiveness
 - Directorship, Patient Safety Program in Patient Safety

Continue Breakthrough Research \$600 million

- **Core project**
 - Annual core commitments to RI & PGCL
- **Targeted additional priorities**
 - Chair – IGT
 - Chair – Biomedical Informatics
 - Catalyst Scholar Genetics
 - Clinical Research Support Unit/Trials
 - Program for Individualized CF Therapy
 - Entrepreneur in Residence
 - Allergy and Anaphylaxis Program

Partner for Better Care \$100 million

- **Core project**
 - Kids Health Alliance
 - International projects:
 - Caribbean Paediatric Oncology – Phase 2
 - Ukrainian Fellowships
 - Ghana Nursing Initiative
 - Nelson Mandela Partnership
 - China Partnership
 - Herbie Fund
- **Targeted additional priorities**
 - AboutKidsHealth
 - Medical Psychiatry Alliance
 - Directorship, Education
 - Directorship, Rehab
 - Innovator, Policy

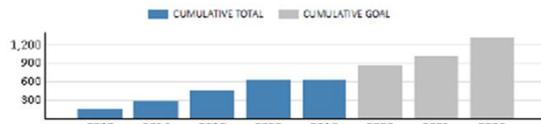
Care with Compassion

SickKids[®] No Limits Campaign - Fundraising Dashboard

FOUNDATION

Campaign 627,426,038	% Goal 48%	Re-Imagine Our Campus 210,921,526	% Goal 35%	Breakthrough Research 355,676,432	% Goal 59%	Partner for Better Care 60,828,080	% Goal 61%	Donors 601,854	Gifts 4,777,701
FY_2019 838,474	1%	Re-Imagine Our Campus 329,478	39%	Breakthrough Research 144,070	17%	Partner for Better Care 364,925	44%	Donors 4,237	Gifts 4,355

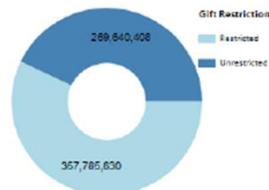
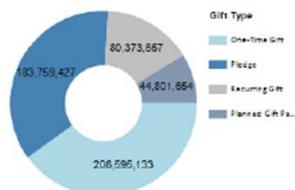
Campaign Progress Cumulative



Campaign Progress by Fiscal Year



Campaign	Major Gifts 268,341,831	% Campaign 43%	Corporate Partnerships 123,309,683	% Campaign 20%	Direct & Digital Marketing 134,777,190	% Campaign 21%	Events 99,354,797	% Campaign 16%
FY_2019	Major Gifts 159,380	19%	Corporate Partnerships 377,403	45%	Direct & Digital Marketing 77,358	9%	Events 219,332	26%



Gift Level	Total	Gifts
10,000,000+	35,252,744	3
5,000,000-9,999,999	55,494,574	9
1,000,000-4,999,999	137,237,087	83
750,000-999,999	16,987,586	21
500,000-749,999	31,271,020	55
250,000-499,999	33,585,896	108
100,000-249,999	40,388,360	286
50,000-99,999	27,602,578	441
25,000-49,999	22,876,469	710
10,000-24,999	31,269,398	2,286
5,000-9,999	18,800,581	3,142
1,000-4,999	28,461,641	16,773
1-999	148,198,105	4,753,784

Where We Ended Up

\$1.7 billion raised. All metrics met or exceeded.

1.3 million total annual donors

12 million total gifts

Ranked Top Charity Brand in Canada

Garnered international awards

Attracted support from new communities

120,000 monthly donors

Industry-leading annual attrition rate of 10%

200+ gifts of over \$1 million

\$100 million lead gift

\$70 million gift

3x \$50 million gifts

50% of funding unrestricted

Online events brought in tens of thousands of new donors

3. Open Discussion



1. Are you experiencing the highlighted trends in donor decline, or are you seeing triumphs in attracting new donors?
2. What methods has your organization tried to attract new donors?
3. What new methods are you anticipating implementing at your organization?
4. How is your organization approaching stewarding current donors while also engaging new donors?



Thank you!

Greg Hagin

(215) 567-6760

ghagin@ccsfundraising.org

Ted Garrard

(416) 803-4341

tgarrard@ccsfundraising.org