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# DONOR CONFIDENCE 2023

DONOR CONFIDENCE CONTINUES TO  
DECLINE AS ECONOMY TAKES TOLL



**Dunham+Company**<sup>®</sup>  
Cause+Effect



# EXECUTIVE OVERVIEW

In this latest update of our Donor Confidence Study commissioned in January by Dunham+Company and conducted by Campbell Rinker, donors indicate they are pulling back on giving even more than last year, primarily because of the toll the economy has taken on their personal financial situation. They also express the most significant degree of pessimism about their giving in the future since 2020.

In our study last year, inflation was the greatest culprit in negatively impacting giving. This year, while inflation is still an issue, donors are overwhelmingly saying they are pulling back on giving because of their personal financial situation. And the volatility of the stock market has also negatively impacted giving, more so than any time in the last four years.

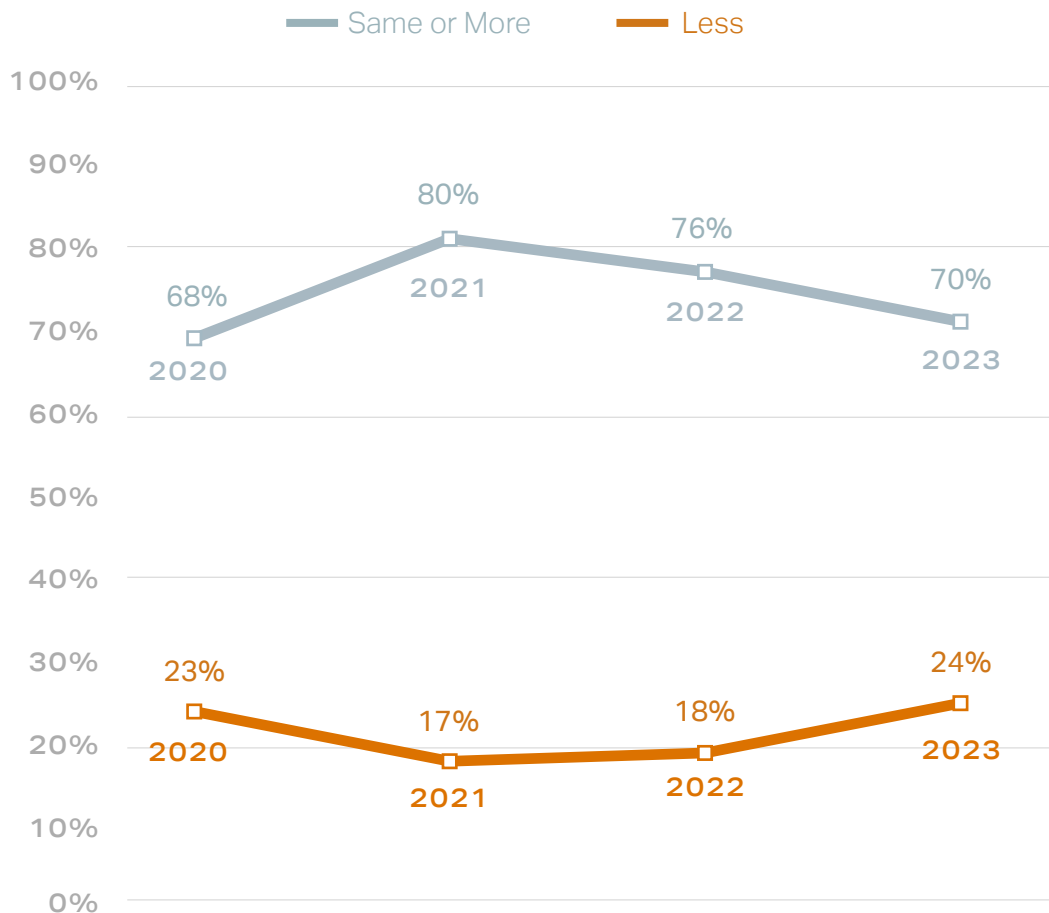
A majority of the donors surveyed still believe the economy will decline in the coming twelve months, or they are uncertain about the economy. However, one bright spot is their view of the future of the economy, which they believe will improve more quickly than then they did last year.

“  
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## DONORS CONTINUE TO PULL BACK ON GIVING

In each Donor Confidence Study, donors overwhelmingly express their intent to continue giving. For example, over the last four surveys (2020-2023) 95 percent or greater said they intended to continue to give. Last year 98 percent expressed this intent, and this year 96 percent said the same thing.

However, there are shifts that are statistically significant when it comes to whether they will give the same or more, or if they intend to give less. As you can see from the chart nearby, since 2021, the percentage of donors who say they plan to give the same or more in the current year compared to the previous year has consistently dropped. And since 2021, the percentage saying they plan to give less has steadily increased.



But there is some doubt as to whether this donor intent to continue giving will be realized as when asked how their household is reacting to the current economy when it comes to giving, 16 percent of donors say they will not give again until the economy is back on track. This compares to just 9 percent who said this last year.



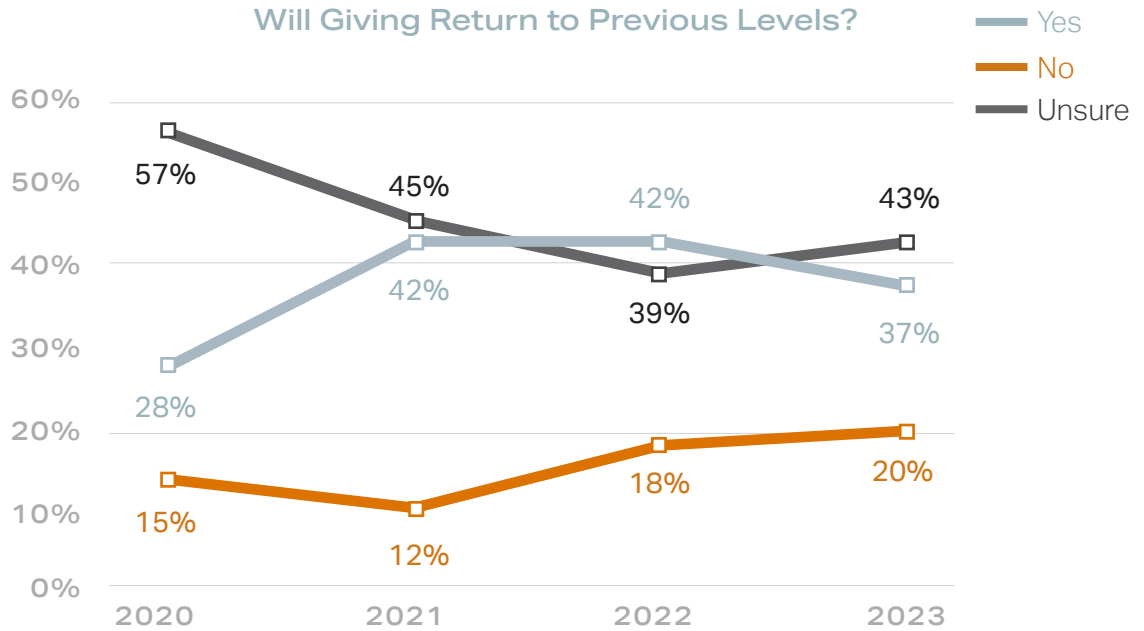
In addition, as the nearby chart shows, there is a decrease in households who say that giving would be among the last of their expenses to go, with just 11 percent saying this, which is the lowest percentage in the last four years.

### Giving as Last Expense to Go

2020	2021	2022	2023
13%	14%	15%	11%

Finally, when the donors who indicated they were planning to give less were asked if they expect their giving levels to return to previous levels, the response showed a higher level of pessimism, with "no" also being at a four-year high.

### Will Giving Return to Previous Levels?



Overall, donor sentiment this year has definitely weakened compared to last year.



## PERSONAL FINANCES, ECONOMY, AND INFLATION PUT DRAG ON GIVING

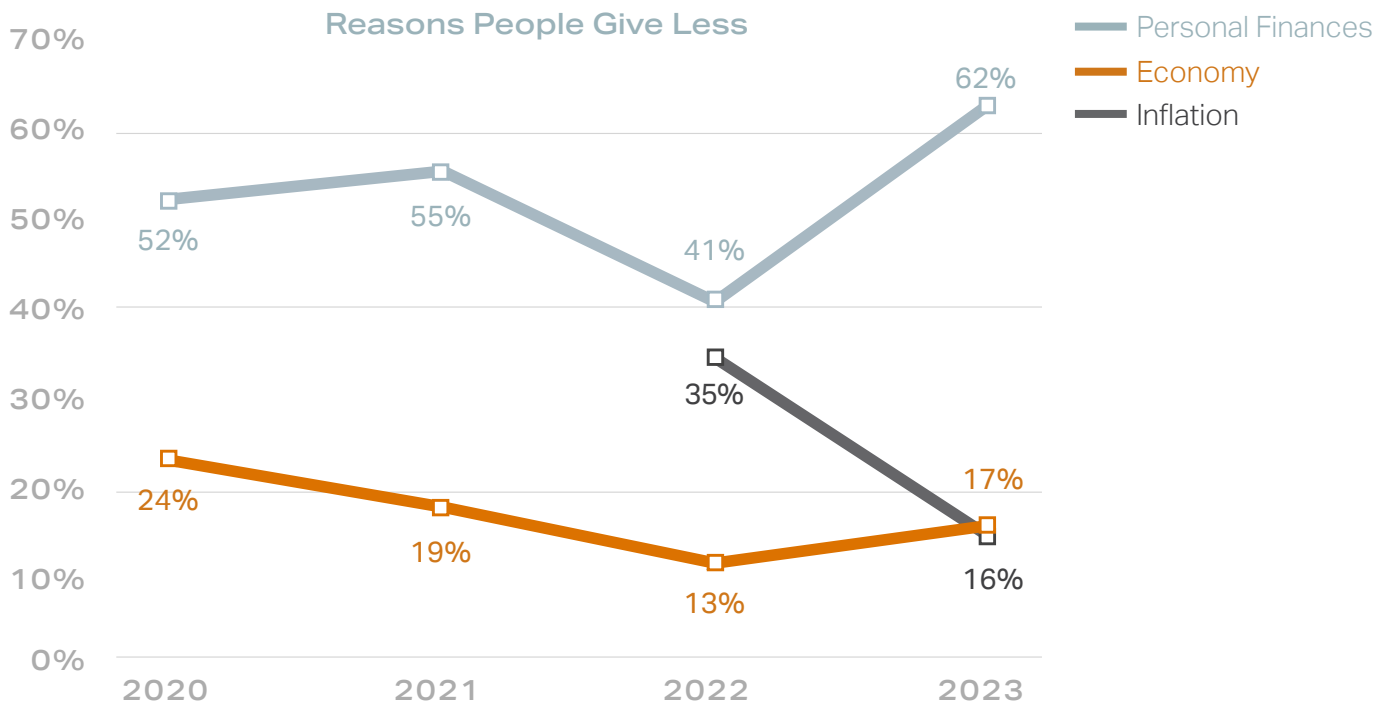
Nearly 1 in 4 donors (24 percent) now indicate they plan to give less in 2023 compared to what they gave in 2022. This is up from 18 percent last year and is the highest percentage in the last four surveys. The adjacent chart shows that this sentiment is at a four-year high.

Percentage of Donors Who Plan to Give Less

2020	2021	2022	2023
23%	17%	18%	24%

Of those who say they plan to give less, an overwhelming majority (62 percent) indicate they will do so because of their personal financial situation. Another 17 percent say it's because of the economy and 16 percent say it's because of inflation.

As the accompanying chart illustrates, people's personal finances consistently top the list of reasons why they give less in any given year, but this survey has the highest percentage of donors saying that compared to the last four surveys.



What's important to note is 35 percent of donors last year indicated that inflation was the reason their household intended to give less. This year that has dropped to 16 percent while personal finances has jumped from 41 percent last year to 62 percent this year. It seems that the inflation concerns from last year have materialized in damaging donors' personal finances.

Digging more deeply into the data, it's clear the increased volatility of the stock market is also negatively impacting donors. The adjacent chart shows the degree to which the stock market performance has impacted household giving over the last four years.

### Percentage of Donors Who Say the Stock Market Has Negatively Impacted Giving



Note that in the midst of the pandemic in July 2020, when the stock market had dropped dramatically and there was real uncertainty about when it would fully recover, 18 percent of donors said the performance of the stock market had a negative impact on their giving. In 2021 just 7 percent said this, but that percentage jumped to 19 percent in 2022 and is now at a four-year high of 26 percent.

Higher-income households are feeling this even more acutely with 33 percent of households earning \$100,000 or more saying the stock market performance is negatively impacting their giving. And of particular note, Gen X and Boomers are feeling this impact more than last year as the percentage of those indicating the performance of the stock market has negatively impacted their giving has jumped from 23 percent in 2022 to 29 percent for Gen X donors and from 23 percent to 31 percent for Boomer donors.

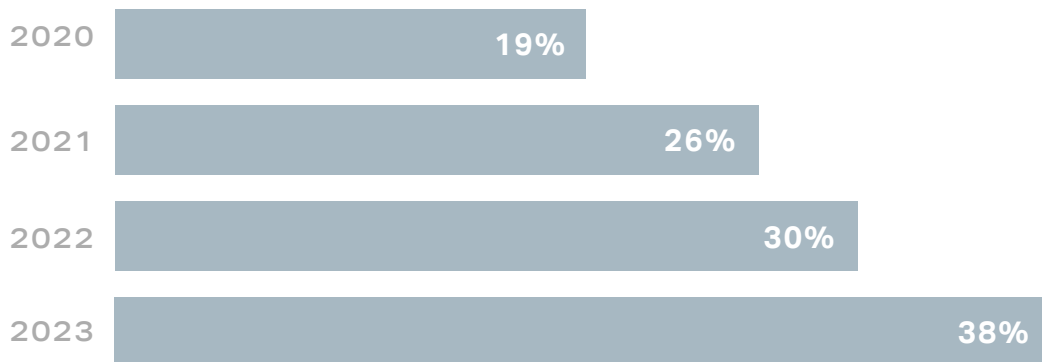
Another factor that has grown in negatively impacting household giving is the change, or lack of change, in household income. As you can see, this issue has grown year-over-year in hurting household giving, with nearly 1 out of 3 donors now saying this. The households feeling this most acutely are those making \$50,000-<\$100,000 per year as 38 percent are saying income is negatively impacting giving.

### Percentage of Donors Who Say Household Income Has Negatively Impacted Giving

2020	2021	2022	2023
18%	22%	26%	32%

Finally, unexpected household expenses have also played an increased role in reducing household giving. This factor has doubled since 2020 when just 19 percent of donors indicated unexpected expenses negatively impacted their giving. That percentage now sits at 38 percent of donors.

### Percentage of Donors Who Say Unexpected Expenses Have Negatively Impacted Giving





## DONORS CONTINUE TO BE PESSIMISTIC ABOUT THE ECONOMY AND DIRECTION OF THE COUNTRY

Donor confidence is also weakening when it comes to how donors feel about the economy. Over half of donors (51 percent) continue to be either unsure of the coming economy or they believe it will decline in the coming year, compared to 53 percent saying the same last year and 36 percent two years ago. Just 20 percent believe it will improve over the next year, which is down slightly from 22 percent a year ago. Two years ago, in 2021, 33 percent of donors believed the economy would improve in the coming year.

### Donors View of the Economy in the Coming 12 Months

	2020	2021	2022	2023
Decline	41%	26%	46%	40%
Stay the Same	30%	30%	26%	29%
Improve	22%	33%	22%	20%
Unsure	7%	10%	7%	11%



Last year, 92 percent of donors who expected the economy to stay the same or decline believed it would take more than a year for the economy to improve. This year that percentage sits at 74 percent, which is more reflective of the studies in 2020 and 2021 which had 72 percent of these donors saying that. And it's important to note that the percentage of these donors who think it will take longer than two years for the economy to improve has dropped significantly from 54 percent last year to 37 percent this year.

### How Long Donors Believe it Will Take for the Economy to Improve

	2020	2021	2022	2023
A Few Months	3%	5%	1%	3%
6–12 Months	25%	22%	7%	23%
12–24 Months	45%	32%	38%	37%
More than 24 Months	27%	40%	54%	37%

Beyond the inclination to give less and not feeling good about the economy and its future direction, a majority of donors (51 percent) continue to have a negative outlook on the direction of the country. This stood at 54 percent a year ago.



## METHODOLOGY

Campbell Rinker conducted this 15-minute online survey January 19–27, 2023 among 650 online U.S. donors giving at least \$20 to charity in the prior year. The respondents were double opt-in members of a panel run by Dynata. This panel and its inclusion policies have remained consistent since 2008. This study has a +/-3.9% margin of error at the 95% confidence level.



## ABOUT DUNHAM+COMPANY

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We don't believe in syndicated fundraising programs built on a "rinse and repeat" philosophy.

It's why we've created our carefully honed five-step Cause+Effect approach:

- + A biblical foundation to fundraising
- + Holistic thinking that builds sustainable growth in income
- + Integration that connects on multiple levels through multiple channels
- + Trusted advisor partnerships that bring the highest level of expertise
- + Proprietary data and research tools

Just like the law of cause and effect, we join forces with our client's cause to create a catalytic effect that not only transforms their organization, but also touches more lives all around the world.

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