



STATE OF CENTRAL IOWA

# Philanthropic Giving Report

A STUDY CONDUCTED IN COLLABORATION BY:

ISAACSON//SYVERSON  
CONSULTING

 **compendium**  
marketing insights with a twist

JANUARY 2023

# About the Study

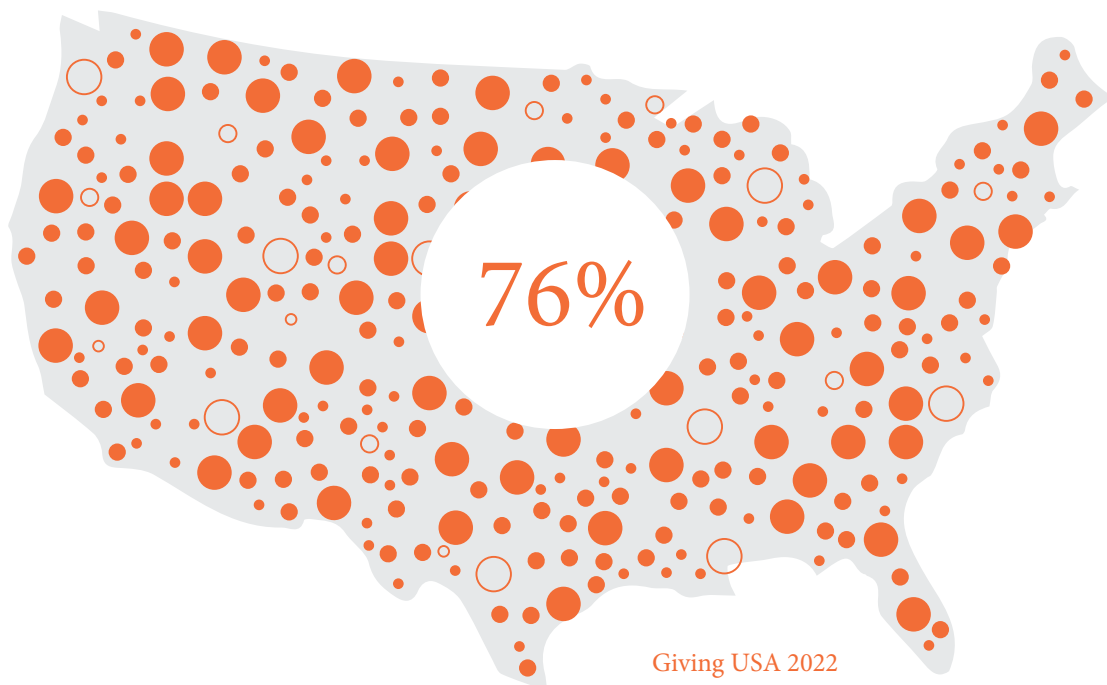
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The nonprofit landscape has changed dramatically over the last three years. From an increase in basic needs to workforce challenges, it's now more important than ever for nonprofits to understand what drives today's donors. The first annual State of Central Iowa Philanthropic Giving Study was conducted to help inform the nonprofit community on giving trends, donor preferences, and giving motivation.

The State of Central Iowa Philanthropic Giving Study was conducted by local fundraising professionals, Isaacson-Syverson Consulting, and market research experts, Compendium Partners. The survey was sent to 170 philanthropic individuals, corporate donors and foundation representatives located in central Iowa. The survey garnered a 44% response rate, a very high rate which signals strong engagement. Data was collected from October 25 – November 15, 2022.

Nationally, 76% of charitable giving dollars come from individuals, 19% from charitable foundations, and 4% from corporations. The motivation behind individual giving decisions is oftentimes different from corporate and foundation giving decisions, thus the survey was crafted to reflect these differences and the data below represents responses from each unique giving group – individual, corporate and foundation.

Nationally, more than  $\frac{3}{4}$  of charitable giving comes from individuals.



# Influences on Giving

It's important for nonprofits to understand what inspires donors to give. The number one influence in giving for individuals, corporations, and foundations is belief in the nonprofit organization's mission. For individual donors, 93% of gifts are influenced by belief in the mission, followed by the belief that their donation can make a difference.

Alignment with a corporation's or foundation's strategic objectives is important for nonprofits to be aware of. 77% of corporate and foundation representatives stated that their giving is always influenced by alignment of the nonprofit mission with their overall objectives.

**It's also important to note that who makes the ask has an impact on a charitable contribution.**

For 86% of individuals their decision is sometimes influenced by a relationship with a board member or nonprofit employee. Similarly, 79% of corporate respondents stated that a contribution is sometimes influenced by a relationship.

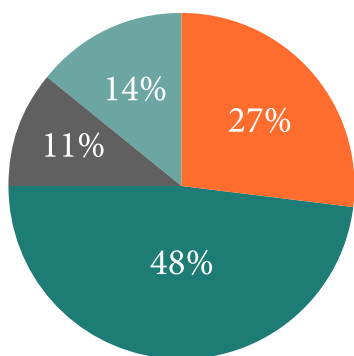


# Philanthropic Focus & Level of Support

The study also sought to understand the focus area within the nonprofit sector where donors are choosing to direct their charitable dollars. Individuals who responded to the survey most often focus their giving on arts & culture, followed by community betterment and education. Corporations, however, have more of a focus on basic needs: food insecurity, poverty/ income equality, housing. Similarly, foundations are directing their funding mainly toward basic needs and education.

Overall, 81% of all donors sampled indicate their areas of focus have not changed from 2021 to 2022. For those who have shifted their focus, corporations have moved dollars from arts & culture to human services.

## 2023 INDIVIDUAL GIVING INTENT

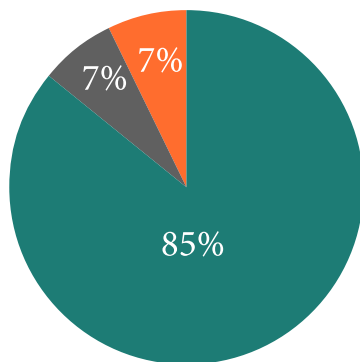


- intend to increasing giving
- intend to stay the same
- intend to decrease giving
- unsure of giving amount

The amount of philanthropic support remains strong in Central Iowa. 54% of individual donors increased their giving from 2021 to 2022, and 75% plan to either keep their giving the same or increase their giving in 2023.

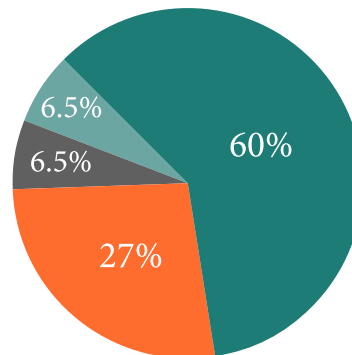
Corporate support also looks stable for the coming year with 85% of companies keeping their overall funding levels consistent in 2023. Likewise, foundations are forecasting a positive year for philanthropic support with 86% predicting consistent or increased funding levels.

## 2023 CORPORATE GIVING INTENT



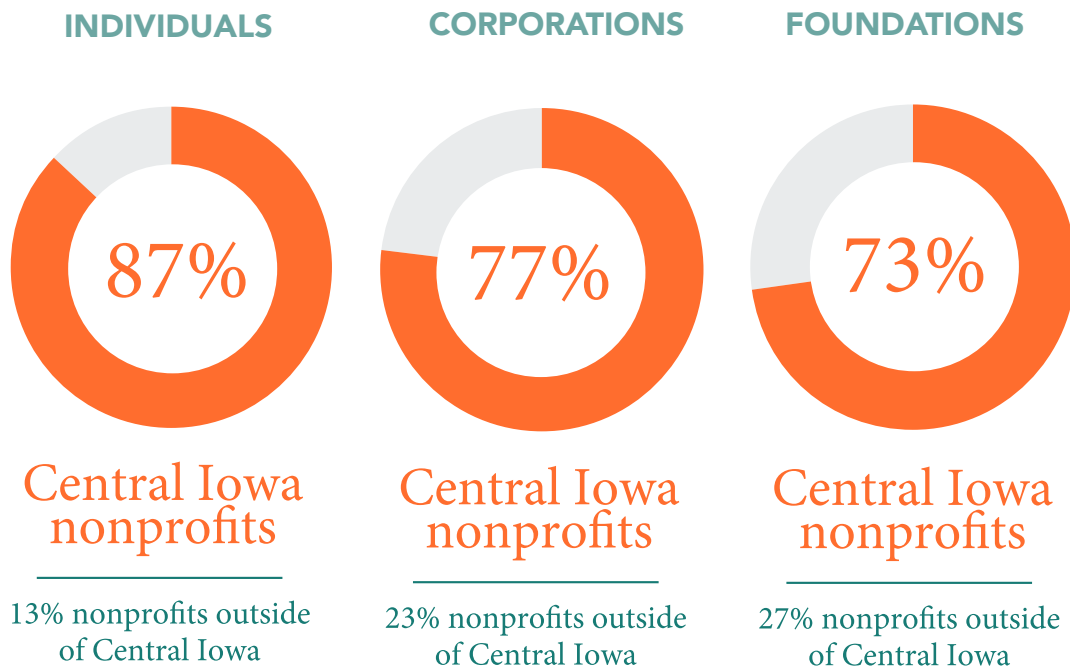
- intend to increasing giving
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## 2023 FOUNDATION GIVING INTENT



- intend to increasing giving
- intend to stay the same
- intend to decrease giving
- unsure of giving amount

# Giving to Central Iowa v. National Nonprofits



A local focus in charitable support is significant amongst Central Iowa donors. Of the nonprofits that individuals supported in 2022, 87% were in Central Iowa. Similarly, 77% of corporate support was distributed in Central Iowa and foundations focused 73% of their charitable efforts locally.



## Central Iowans are giving locally.

January - December 2022

# Communications & Recognition

Knowing how donors like to be communicated with is critical for nonprofit organizations. The preferred methods for contact vary between individuals and corporations/foundations.

Study results indicate that nonprofits should not waste time and money sending mail to their corporate and foundation donors, as 90% prefer email communications.

However, it is important to note that 62% of individual donors like receiving communications in the mail. The study also reinforces that nonprofits should not be afraid to pick up the phone with individual donors and foundations.

Recognition and donor stewardship continue to be vitally important and vary between individuals, corporate, and foundation donors. A personalized, timely thank-you letter is most important to individuals. Many individuals indicate they stop giving to the nonprofit organization if they do not receive a prompt acknowledgement.

Recognition in the nonprofit organization's newsletter, social media, and/or email communications is the number one desire of corporations and foundations, followed closely by naming recognition and signage.

## Donor Communication Preferences

### INDIVIDUALS



*email, mail, and phone*



*personal visit for larger gift request*

### CORPORATIONS



*email or virtual meeting*

### FOUNDATIONS



*email or phone*

# Confidence in the Nonprofit Community

Donors have strong confidence in Central Iowa's nonprofit sector. Organizations are meeting community needs, have strong staff and volunteer leadership, and show fiscal responsibility.

The biggest overarching theme from all three funding sources is collaboration. Donors want to see organizations working together to solve problems. There is currently a sense of duplication and inefficiency. Donors would like nonprofits to think about merging or working together to streamline processes. The number one response from corporate funders as advice to the nonprofit community was to collaborate. This could mean merging organizations or just partnering on projects. A key theme expressed was minimizing redundancy in the sector.

**“I feel that we have very strong nonprofits, but do feel that there is opportunity to increase the amount of collaboration we see within nonprofits.”**

– corporate funder

**“There are a lot of nonprofits right now and it is stretching the landscape of donors and volunteers very thin. I think opportunities for collaboration, shared services and possibly consolidation are important.”**

– foundation funder

From an individual donor perspective, concerns were shared about the stability of corporate funding. As mergers and acquisitions occur, individuals are uncertain about continued funding in Central Iowa. Similarly, individual donors worry about philanthropic support from the next generation. A number of individuals commented on an aging donor base, many of whom are choosing to support charities in the community of their second homes. In summary, as corporate ownership shifts and as individual wealth transitions, it is critical for nonprofits to cultivate new donors, especially the next generation of philanthropic leaders.



# Advice to the Nonprofit Sector

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When asked what advice donors had to share with the nonprofit sector, there were five key takeaways:

1 Partner & collaborate

2 Build relationships

4 Express donor appreciation

3 Show the impact

5 Be transparent in mission & actions

It is becoming increasingly important for organizations to clearly articulate their mission and impact. When 90% of all donors say that belief in the mission is what influences their gift, organizations need to ensure that mission clearly articulates who they are, what they do, and who they serve.

Additionally, nonprofits should consider how their mission differentiates them from others.

Building relationships and properly thanking donors remains of the utmost importance. Donors – individual, corporate and foundation – must hear

from nonprofit organizations about the impact their donation is making and more often than just when making another request for support. Additionally, organizations should not lose sight of stewarding the next generation of donors to ensure long-term sustainability.



# What Donors are Saying



## INDIVIDUALS

“I believe our community in Central Iowa is strong and relational. People who have relationships can get things done.”

“We are fortunate to have quality leadership in the majority of our nonprofits.”

“At every opportunity, look for ways to collaborate with other nonprofits.”

“Tell a very clear story of your impact. Have a clear strategic plan that is readily available to share.”

“Need to get the next couple of generations involved in giving so not always the same people.”

## FOUNDATIONS

“Our nonprofit leaders are successful, knowledgeable leaders. Our community understands the importance of supporting our nonprofit partners. The only thing holding us back from being best in class is collaboration. Once we solve that puzzle, we will be unstoppable!”

“We have an extremely competent and committed nonprofit sector. However, I have concern for the increasing pressures on the nonprofit sector to meet growing needs that are a result of underinvestment of public funds in health, housing, public education, and nutrition security.”

“Burnout of staff and leadership, and low wages in the nonprofit sector, combined with increasing pressure to serve more and more people in need is a major concern. And this is a concern that the philanthropic sector alone cannot address.”

“Leverage partnerships, both public and private. Look outside the typical players for leadership, Work with one another! Together, we are better!”

## CORPORATIONS

“Don’t over ask, don’t duplicate mission, collaborate with like organizations.”

“We love to see collaboration whenever possible. Outcomes and metrics are becoming more important to our company.”

“Be more strategic and collaborative so projects can work together.”

“We are in a transition of leadership and I’m not sure the upcoming generation understands the value of philanthropic giving.”

# About

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## ISAACSON-SYVERSON CONSULTING



Isaacson-Syverson Consulting (ISC) is a nonprofit consulting firm committed to helping nonprofit organizations develop the resources needed to advance their missions. ISC provides counsel and guidance to strengthen annual giving, capital campaigns, special projects and major donor programs. ISC also offers guidance related to strategic planning, volunteer engagement, relationship building and board performance.

### Nikki Syverson – Principal

nikki@isaacsonsyversonconsulting.com  
515.480.4966

### Connie Isaacson – Of Counsel

connie@isaacsonsyversonconsulting.com  
515.229.3667

## COMPENDIUM PARTNERS



Compendium Partners is a marketing research and insights consulting firm, focused on collaborating with clients to uncover answers and translate those discoveries into meaningful, actionable insights that make a difference. Compendium specializes in conducting custom research – utilizing fresh and goal-oriented approaches for local, regional and national organizations.

### Lauren Holderness – Principal

lauren@compendiumpartners.com  
612.360.3067  
Des Moines IA Office

### Steva Sazama – Partner

steva@compendiumpartners.com  
704.770.8997  
Charlotte NC Office