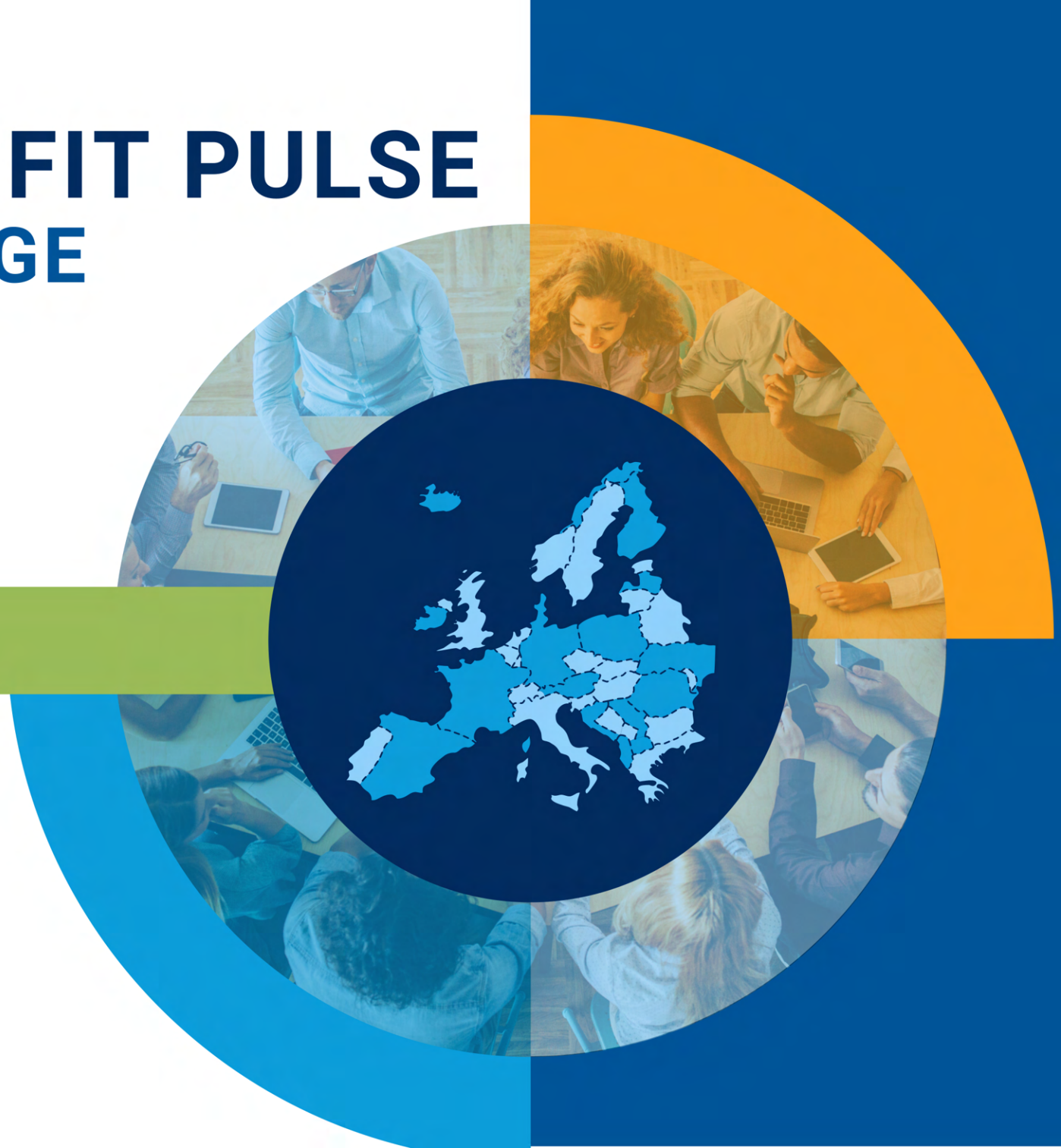


2022 NONPROFIT PULSE TRACKING CHANGE IN EUROPE

JANUARY 2023

A joint report published by:



FOREWORD

As Europe emerged from the pandemic, we all had higher hopes for the year ahead. But 2022 was certainly another challenging year for nonprofits. Alongside Covid-19's ongoing impact, the war in Ukraine and steeply rising cost of living have added to the strain. As a result, nonprofits face an ever-increasing demand for services and an urgent need to raise more funds, with no respite in sight. And it comes at the same time as many people seek ways to reduce their spending. This extra pressure and workload is unquestionably affecting staff wellbeing and confidence.

But this is a sector that doesn't stand still. Last year saw nonprofits pivoting once more to identify new ways of meeting demand and delivering crucial services. We saw more use of digital, more collaboration between organisations, increasing use of volunteers, and greater emphasis on supporter stewardship. This is undoubtedly a sector that's pushed to the limits but it's also unquestionably one that does everything it possibly can to serve its mission. Read on to find out more about Europe's nonprofit sector response to these challenges.

JOHN JENSEN

Senior Director, Nonprofit Insights, Salesforce.org



CONTENTS

Introduction	4	In Depth Findings: Survey Data and Analysis	10	Country Comparisons: Charts Showing National Trends	32
Survey Sample	5	What's Changed in the Last Year	11	Impact of the Cost of Living Crisis and Inflation by Country	33
Quick Recap: 2021	6	Biggest Challenges Facing Nonprofits	13	Responding to the Challenges Presented by Country	34
Key Findings: 2022	7	Focus on: Fundraising	14	Changes to Income and Funding by Country	35
The Challenge Now	8	Focus on: Digital and Data	20	Impact on Fundraising Strategy by Country	36
Recommendations	9	Focus on: Service Delivery	25	Digital Delivery and Engagement by Country	38
		Focus on: Staff and Workplace	30	About EFA and Salesforce.org	39



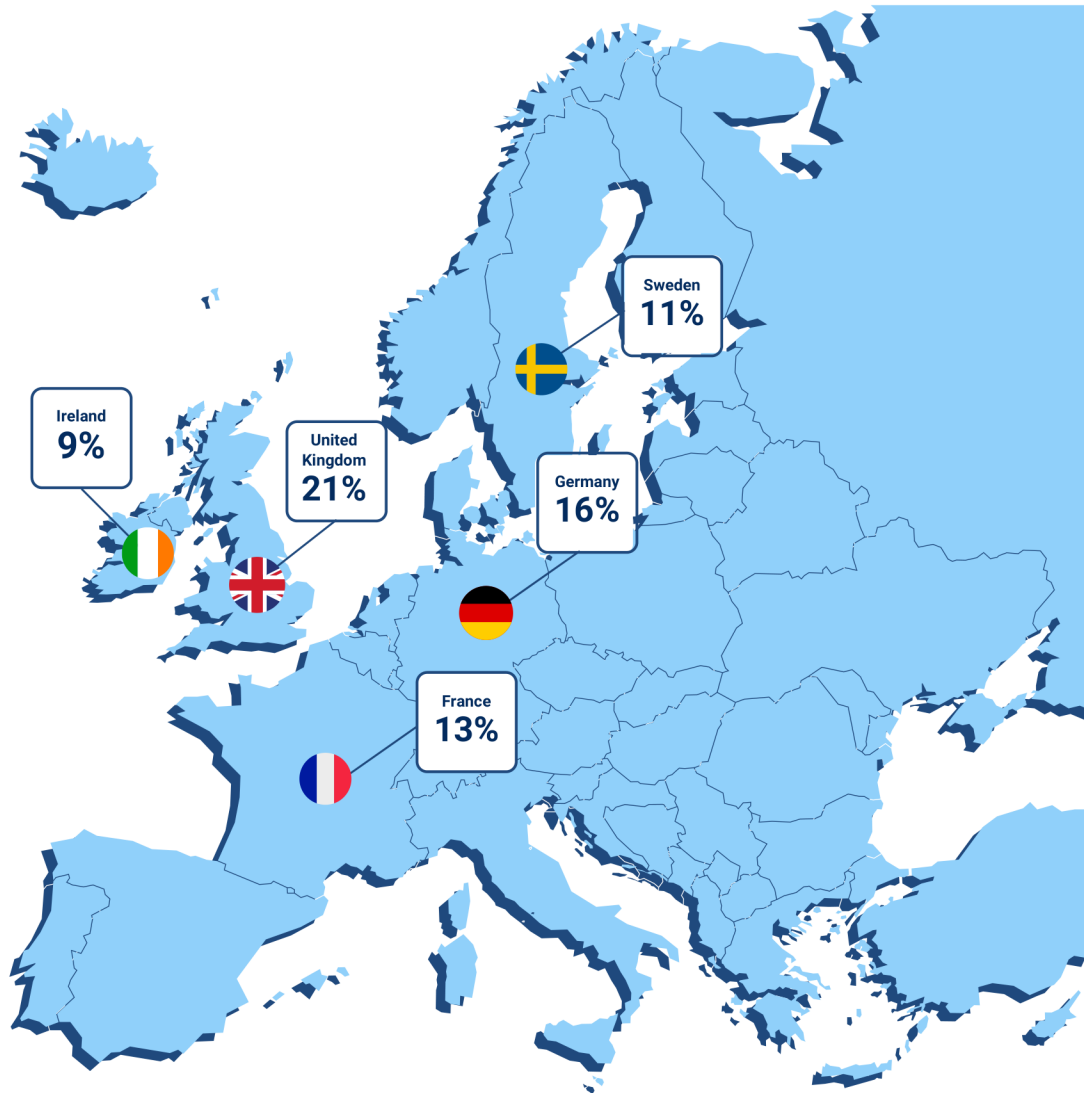
INTRODUCTION

Following the global pandemic, 2022 has been another challenging year impacted further by the Ukraine war, an escalating economic crisis and the increased cost of living. But what does this mean for nonprofits of Europe?

Now in its third year, the Nonprofit Pulse study from the European Fundraising Association (EFA) in partnership with Salesforce.org explores the current landscape, challenges, and opportunities of European nonprofits.

This report summarises the headline findings from an online survey of 658 nonprofit representatives, conducted from October to November 2022. We identify trends and offer insights into how fundraising, service delivery, and the nonprofit landscape is changing.

SURVEY SAMPLE



The 658 survey participants represent nonprofits in **30 countries across Europe**. A fifth (21%) were based in **UK**, followed by 16% in **Germany**, 13% in **France**, 11% in **Sweden**, and 9% in **Ireland**, enabling more in-depth analysis in these five nations.

The majority of survey respondents were **managers/department heads** (24%), **CEOs** (17%), or **fundraisers** (16%).

Over a quarter represented the smallest nonprofits of **up to 10 staff** (28%), and 2 in 5 (43%) were from the **largest organisations** of over 100 full time staff.

Survey participants covered a **broad range of causes**, with particularly strong representation among those supporting **children and young people, health and poverty and social welfare**.

A QUICK RECAP

WHAT NONPROFITS TOLD US IN 2021*

- **Nonprofits were optimistic**, with just over 60% expecting income to increase after a challenging 2020.
- **Digital continued to rule**. The acceleration in the use of digital for online fundraising, events and delivery, driven by the pandemic, continued. **70% increased their use of digital to reach and engage supporters**.
- Half said they were **increasing their focus on supporter retention**, after seeing relationships strengthen during the previous year at the height of the pandemic.
- There were **rising pressures of workload**, often a result of new ways of working, and compounded by **1 in 5 reporting a fall in staff numbers**.
- It was also a **mixed picture in terms of donations and supporter numbers**, with some organisations proving more resilient than others.

**A summary of key findings from last year's Nonprofit Pulse survey from EFA/Salesforce.org (2021)*



KEY FINDINGS

WHAT NONPROFITS TOLD US IN 2022



- **Nonprofits faced continued crisis conditions** with the economic downturn increasing service demand and further stretching resources, and **almost a half of respondents (48%) saying they were struggling to manage workload.**
- **Fundraising – raising sufficient funds continued to be a major challenge (47%), with 32% seeing individual giving decrease across 2022.**
- In response, **nonprofits diversified channels** (stated by 31% of respondents) and **invested more in marketing and communications** with **35% saying they increased their focus on supporter care.**
- Demonstrating resilience, **nonprofits continued to grow their use of digital (38%)** and **show agility and flexibility** in adapting to meet the needs of their service users.
- **Supporting staff and their wellbeing** was brought into focus, with **1 in 3 respondents stating this as a key challenge.**
- The survey revealed **clear regional differences**, with **UK and Ireland bearing the brunt of the cost of living crisis.**

THE CHALLENGE NOW

BY CHARLOTTE RYDH, EFA

It is hard to believe that we are again saying it has been the most difficult year yet, but the economic, political and social challenges we are facing right now are having a very real impact on nonprofits in Europe.

An increasing demand for services comes at the same time as incomes are decreasing for many, and staff themselves are being affected by the deepening cost of living crisis. Many nonprofits are now supporting Ukrainian people directly with services, at the same time as there are more people needing their help in their home countries.

But our nonprofits have not stood still and are finding new ways of fundraising and delivery that build on the digital acceleration we saw during the pandemic. They report increased agility and flexibility – something that has been needed over the last few years. As we look into 2023, staff wellbeing is a priority, and supporter care a key focus.

We continue to be proud of our fundraisers, nonprofits and European philanthropy community, who have shown resilience and vitality, even in the face of such challenges. We hope this report will give broader insights and knowledge that can be useful for nonprofits across Europe and thank everyone for taking part and contributing.



Charlotte Rydh is EFA's president and secretary general at Giva Sverige



RECOMMENDATIONS

- 1** **Continue to focus on supporter care** and harness the power of relationships to drive both short and long term giving.
- 2** **Be sensitive to people's own financial concerns** and challenges, at the same time as **stressing urgency of need**.
- 3** **Be transparent** about what donations can do and the impact that can be had.
- 4** **Look after your people** – they are your key asset.
- 5** **Seek collaborations** where appropriate and use the resources available to help ease some of the burden. **There is strength in numbers.**





IN-DEPTH FINDINGS

SURVEY DATA & ANALYSIS

WHAT'S CHANGED IN THE LAST YEAR?

After all the challenges and changes of the last few years as a result of Covid-19, nonprofits are facing ongoing crisis conditions, with an economic downturn and dramatic rise in the cost of living across Europe. In working to overcome these challenges, they are adapting and developing their strategies and approaches.

Events, supporters, volunteers, and money donated – as well as employee motivation and confidence – have all decreased in 2022 compared to 2021.

However, organisations are now demonstrating greater agility and flexibility – 48% saw this increase with just 9% seeing a decrease.

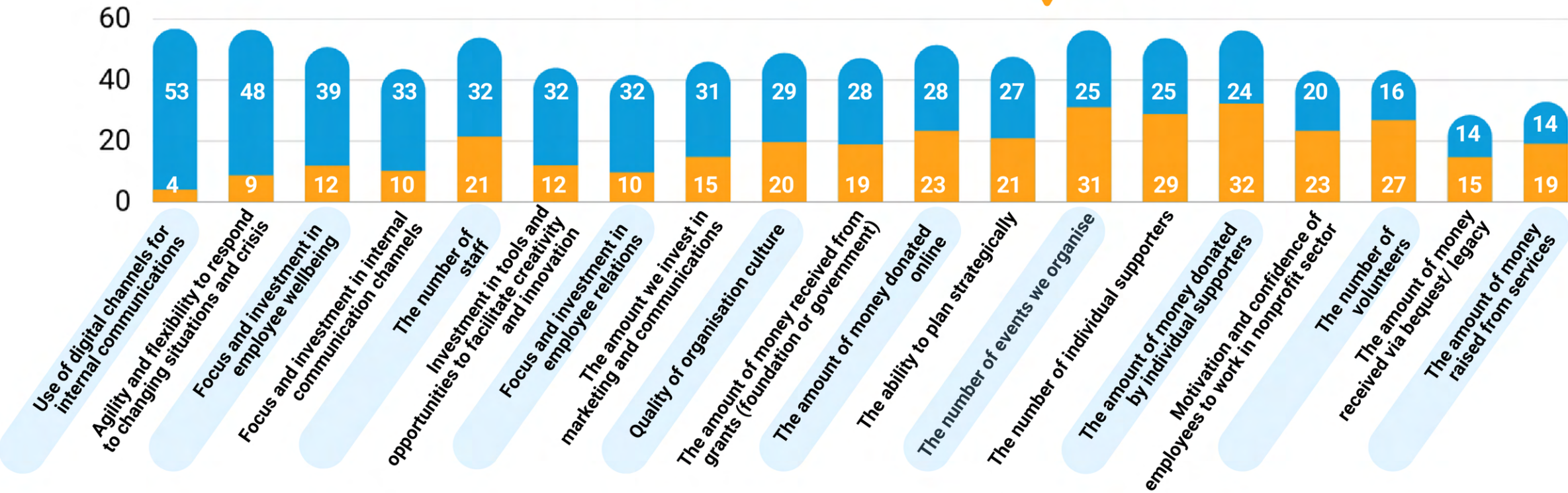
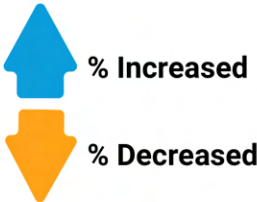
Investment in marketing and communications increased for 31% of respondents and there was also more investment in tools and opportunities to facilitate creativity and innovation.



WHAT'S CHANGED IN THE LAST YEAR?



How has your organisation changed since 2021?



BIGGEST CHALLENGES FACING NONPROFITS

Which of the following issues are most challenging your nonprofit right now?

Although nearly half are struggling to raise sufficient funds (47%), this is not as challenging as in 2020 when Covid hit (60%).

This year retaining workforce is a bigger issue – up from 15% to 26%.



A background image of a fundraising event. In the foreground, a hand holds a small plate with a cupcake and a cookie. In the background, several people are holding white mugs. The image is overlaid with a light blue filter and decorative geometric patterns in the corners.

FUNDRAISING

CURRENT FUNDRAISING FOCUS

Almost a quarter of respondents (24%) say their organisations intend to invest more in fundraising, marketing and communications in 2023.

Nonprofits are focusing on supporter retention (35%) and on creating engaging communications that inspire regular giving (31%) and long-term loyal support.

But organisations are also looking to the future for security and resilience, with 17% increasing their focus on legacy fundraising.

21% of respondents say they have seen a drop in fundraising staff numbers, and a quarter say that employee motivation is decreasing.

However, nonprofits are recognising the challenges of their employees, with 2 in 5 respondents saying their organisation has increased focus and investment on staff wellbeing. And a small percentage (12%) say they are looking to recruit more fundraising staff.



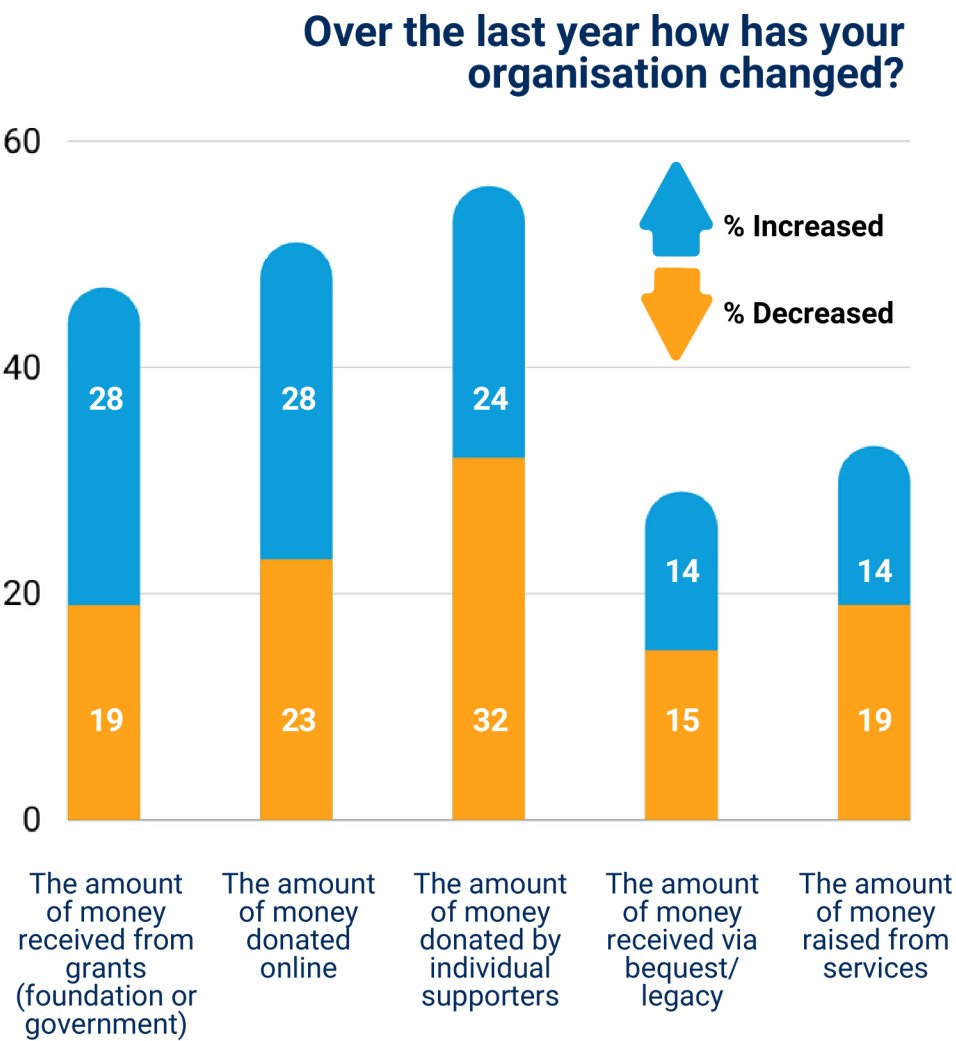
FUNDRAISING CHALLENGES

Close to a third of respondents (31%) said they had decreased the number of events they organise, with similar proportions reporting decreases in individual giving income (32%) and supporter numbers (29%).

Respondents also reported increases in funding from grants and foundations as well as income from online giving.

Nearly half (47%) said that the biggest challenge in 2022 was raising sufficient funds.

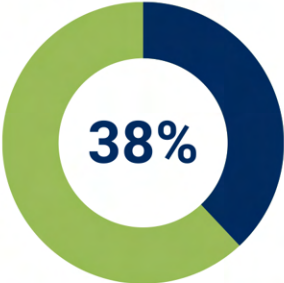
In response, 31% said they have increased investment in fundraising communications and marketing.



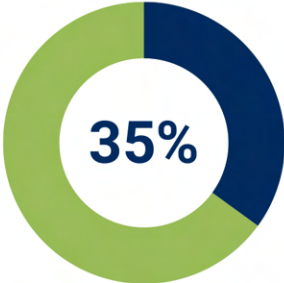
FUNDRAISING STRATEGY

How is your fundraising strategy changing in 2023?

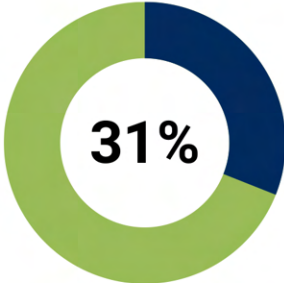
Main areas of focus are **digital development**, **supporter care**, **regular giving** and **channel diversification**.



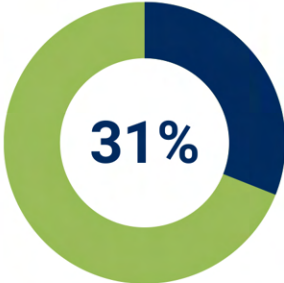
We are increasing our focus on digital channels



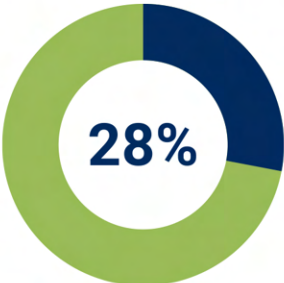
We are increasing our focus on supporter care / retention



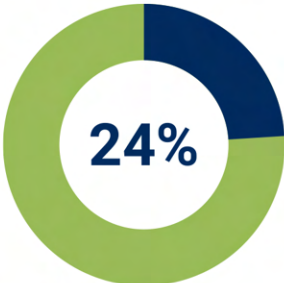
We are increasing our focus on regular giving



We are diversifying our strategy to include a wider mix of channels



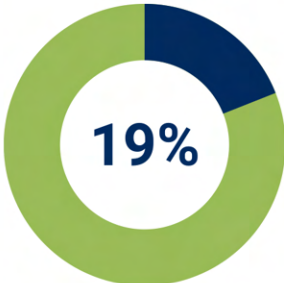
We are increasing our focus on supporter acquisition



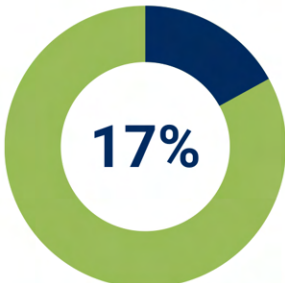
We are investing more in fundraising marketing and communications



We are increasing our focus on online and mobile payment options



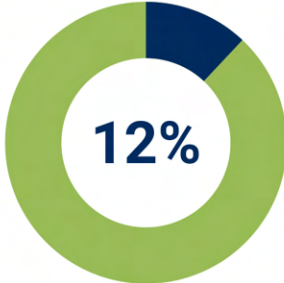
We are working more collaboratively with other nonprofits



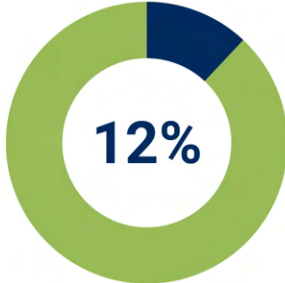
We are increasing our focus on charitable bequests / legacies



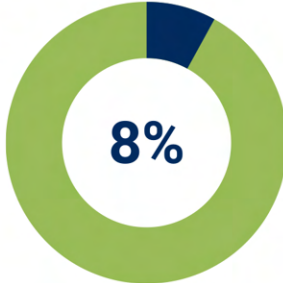
We are increasing our focus on making it easier to collect face to face donations digitally



We are recruiting more staff fundraisers



Our fundraising strategy will remain the same



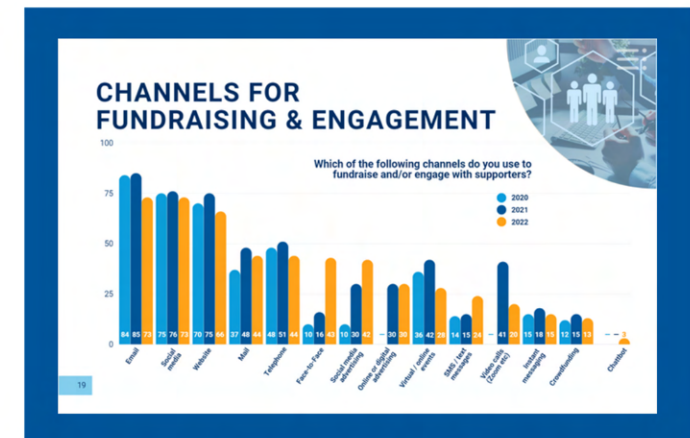
We are recruiting more volunteer fundraisers



CHANNELS FOR FUNDRAISING & ENGAGEMENT

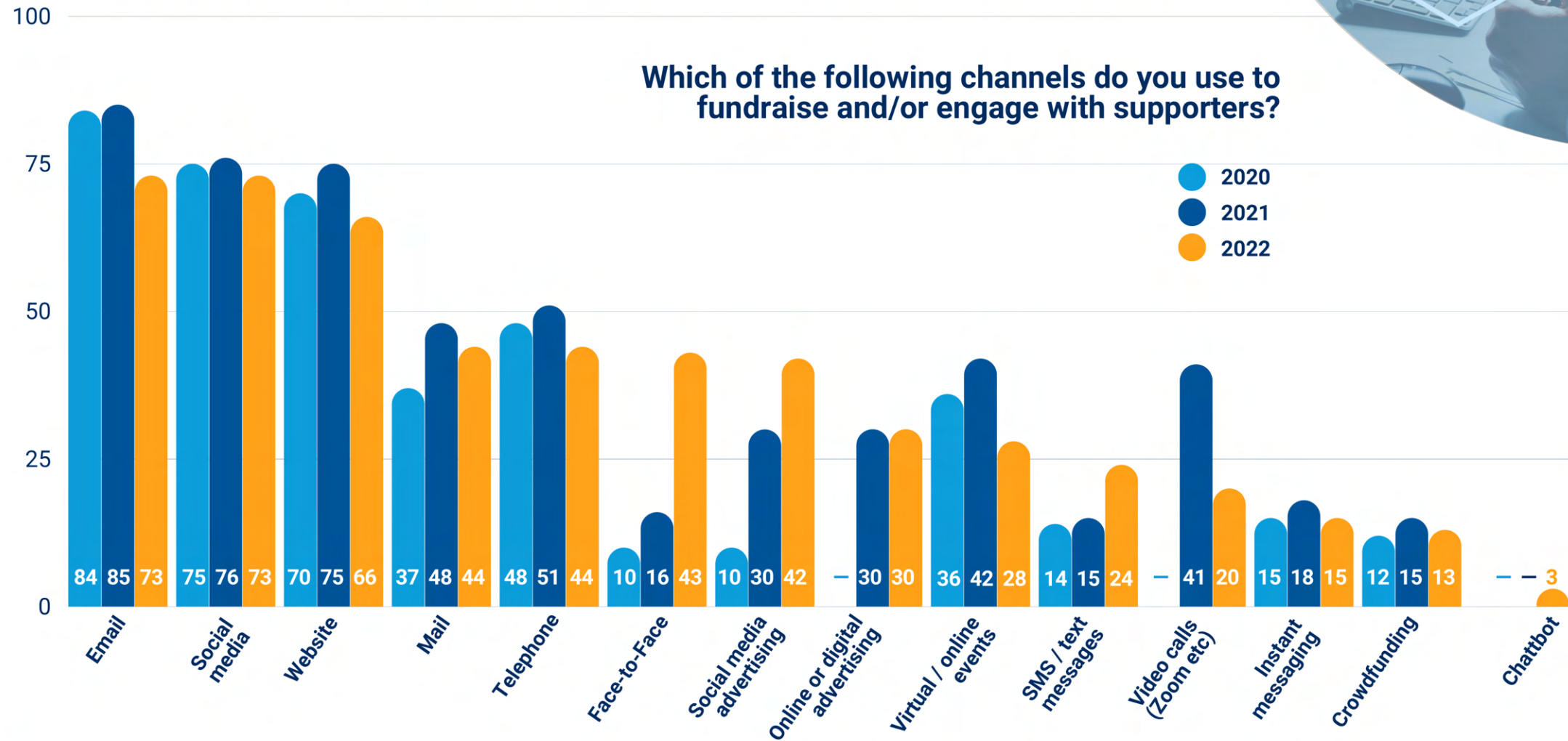


- **38% increased their focus on digital channels** (down from 67% in 2021 when there was rapid adoption and acceleration in response to the Covid-19 crisis).
- **31% diversified their channel usage.**
- **Email continues to be the most used channel.**
- **Use of social media advertising rose and face-to-face** returned after a slow restart in 2021 – **with almost three times as many respondents using it in 2022.**
- **Nearly half of nonprofits still rely on mail and telephone.**



Comparative data for 2020-2022 on next page.

CHANNELS FOR FUNDRAISING & ENGAGEMENT



The image features a person's hands typing on a laptop keyboard, which is partially visible in the foreground. The entire scene is overlaid with a semi-transparent blue filter. In the background, a laptop screen displays several white icons, including a target symbol and multiple envelope symbols representing email. To the right of the laptop, a white disposable coffee cup is visible. The image is framed by decorative geometric patterns on the left and right sides, consisting of overlapping circles and squares in shades of blue, orange, purple, and green.

DIGITAL & DATA



DEVELOPING DIGITAL

When looking at the use of digital technology for delivery and engagement, the most noticeable areas of growth were events and social media.

Nearly half of nonprofits (46%) operated a hybrid model for events in 2022. 19% said online events attract more people, with 14% saying they raise more money.

A quarter said that social media was more successful than the previous year for acquiring supporters.

However, a third of respondents said they need more training to make full use of digital delivery.

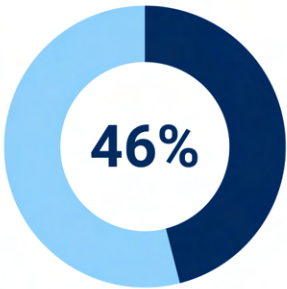
5% said their beneficiaries want digital communications but the organisation is not equipped to provide this.

There are clear country differences, with Sweden, UK and Ireland operating a hybrid model for most events, and seeing social media as a growth area. They were also more likely to report a change in donor profile as a result of digital channels.

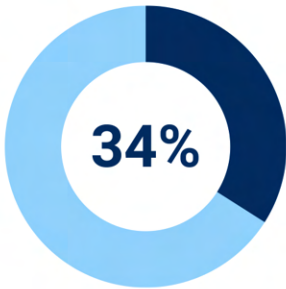


DIGITAL DELIVERY & ENGAGEMENT

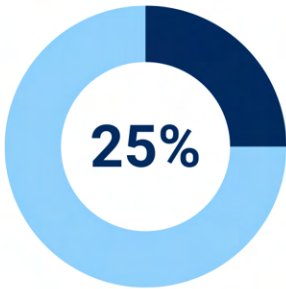
Which of the following do you agree with when it comes to digital delivery and engagement?



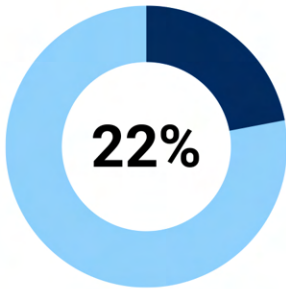
We operate a hybrid model for events



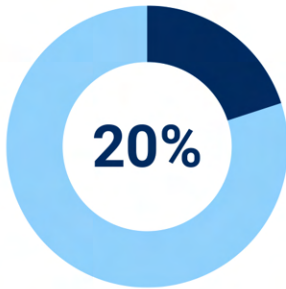
We need more training to make the most of digital delivery



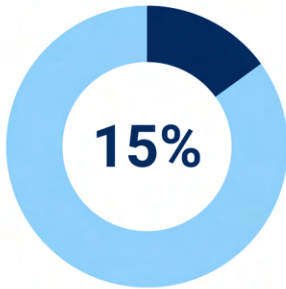
We acquire more supporters through social media than previously



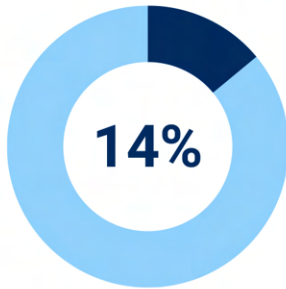
We are fully in person for events



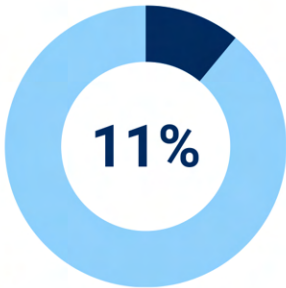
We attract more people with online events



Our donor demographic has changed as a result of digital channels



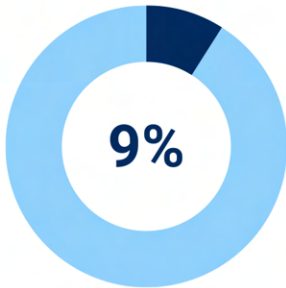
We raise more money through digital channels than non-digital channels



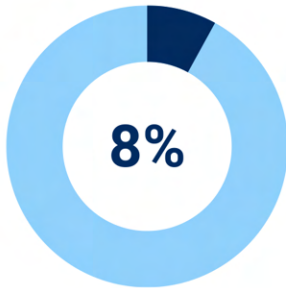
All our events and activity are online



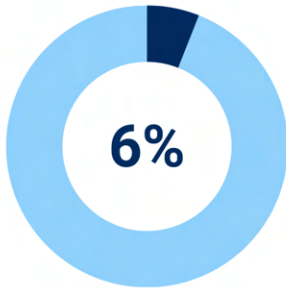
We acquire more supporters through email newsletters than previously



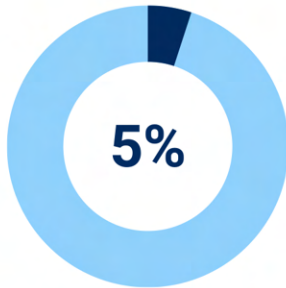
Our volunteer profile has changed as a result of digital channels



Our supporters prefer print media



Our beneficiaries don't want digital delivery



Our beneficiaries want digital delivery but we're not equipped



DATA PROTECTION

The pandemic thrust many nonprofits into the digital world before they were ready, and many are playing catch-up.

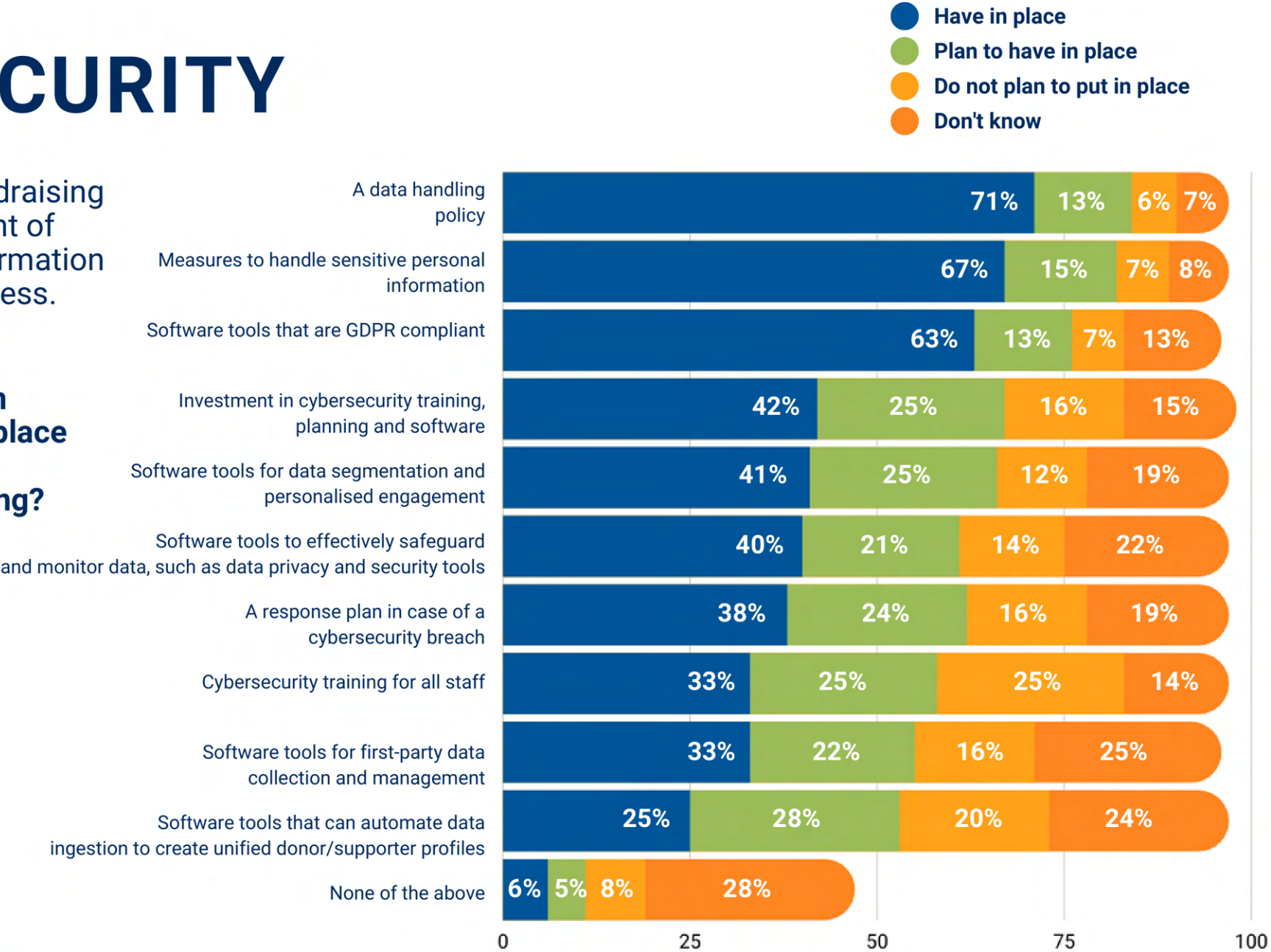
- Only 2 in 5 (41%) of respondents said they have personalised engagement software, and a further 25% are planning to invest in this.
- Just a third of nonprofits have software for first-party data collection and management or data ingestion, while 22% plan to invest in this.
- A third of nonprofits lack data handling or Personal Identifying Information (PII) policies, or a response plan for a cybersecurity breach.
- Two thirds don't provide cybersecurity training for all staff – and only a quarter say they plan to put it in place.



DATA SECURITY

The growth in online fundraising has increased the amount of Personal Identifying Information (PII) that nonprofits process.

Which of the following measures do you have in place or plan to have in place when it comes to cyber security and data handling?



A photograph of a person lying in a hospital bed, covered with a white sheet. Two hands, presumably from a caregiver or family member, are gently holding the person's hands. The image has a light blue overlay. On the left and right sides, there are decorative geometric patterns made of colored semi-circles in shades of blue, orange, purple, and green.

SERVICE DELIVERY

IMPACT OF THE COST OF LIVING CRISIS & INFLATION ON SERVICE DELIVERY

More than a third (37%) of nonprofits saw increased demand for their services. 28% said that donations decreased. 22% are tapping into organisational reserves.

Although a third (36%) were concerned for their future, only 10% said they were cutting back on services.

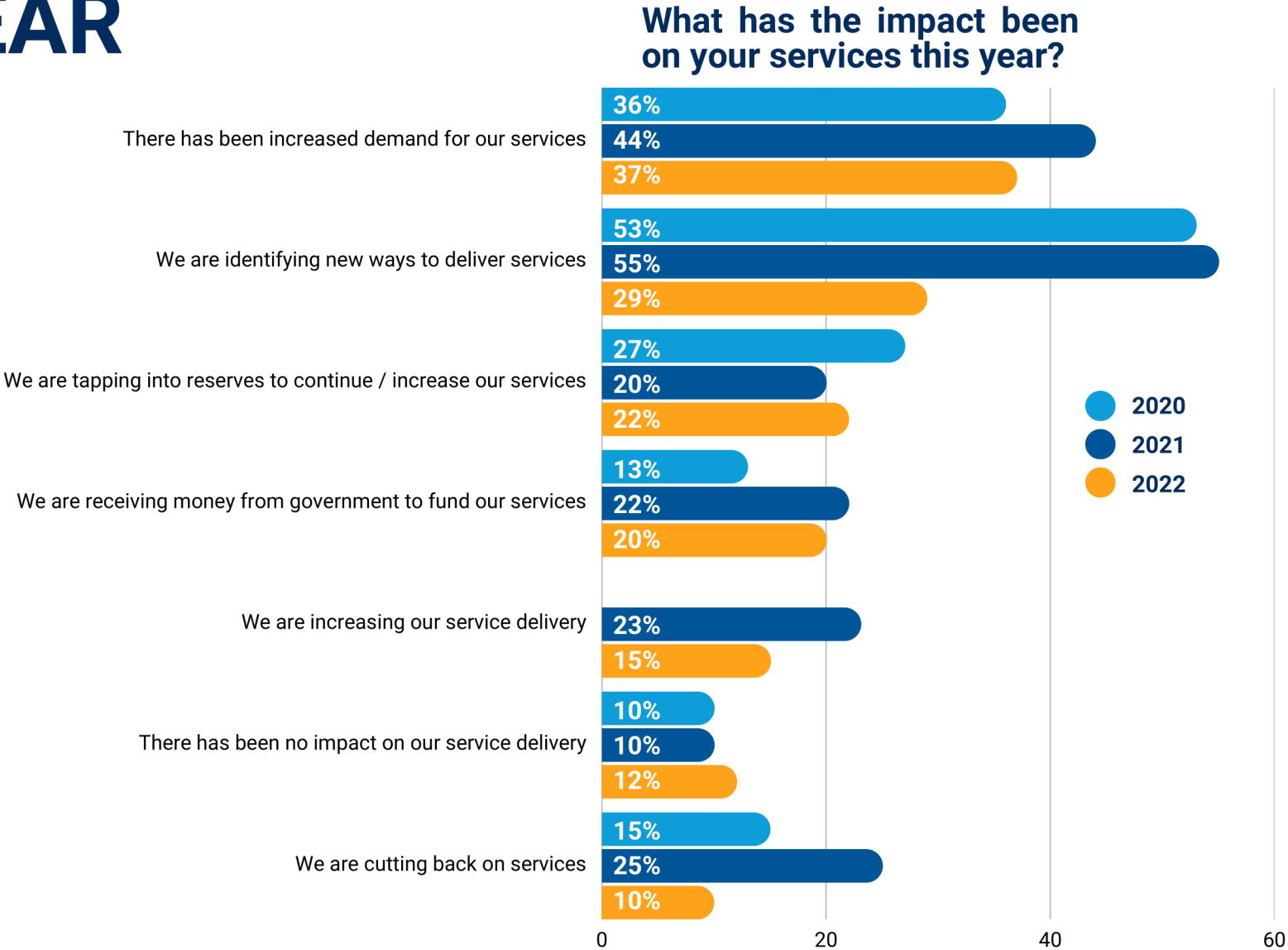
15% said they were increasing their service delivery.

How did the increasing cost of living and price rises affect service delivery in 2022?



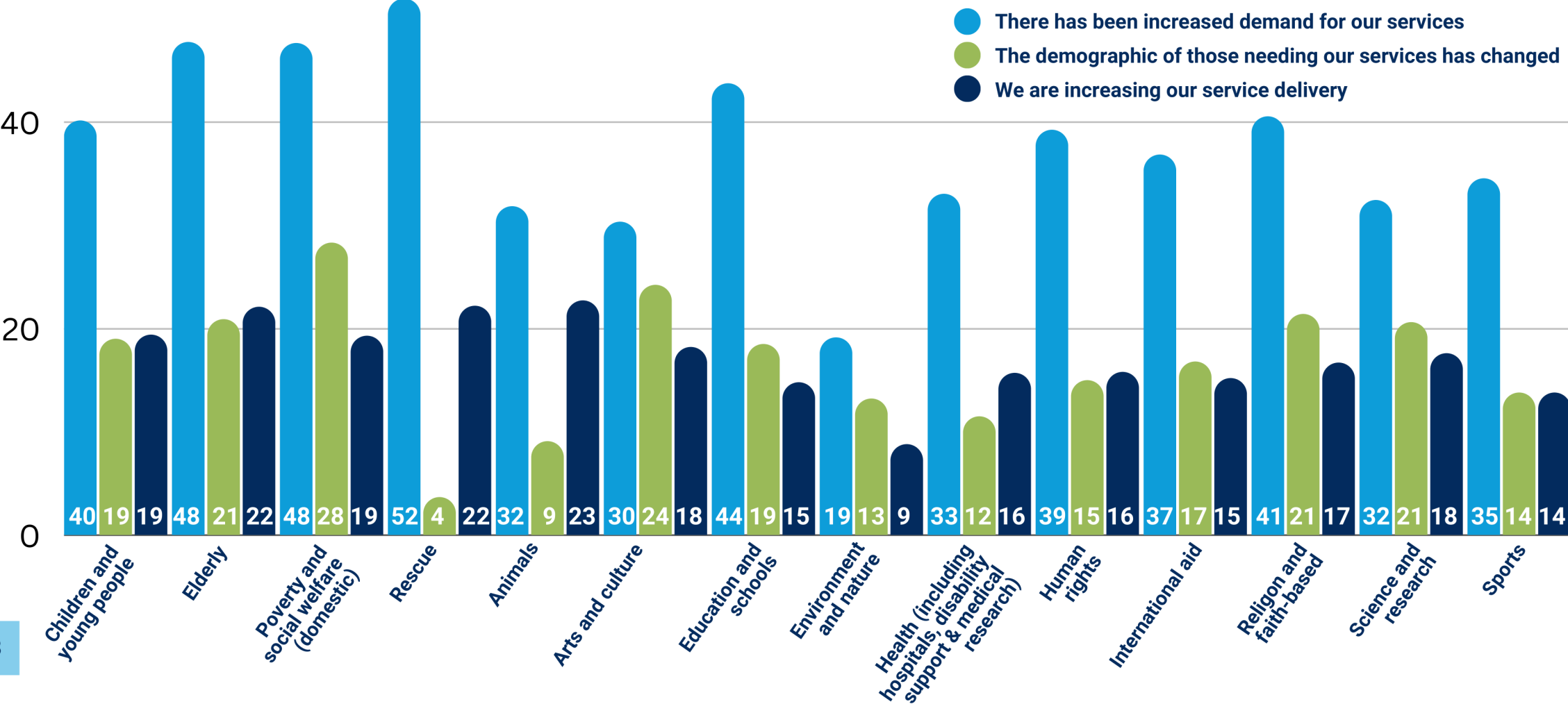
IMPACT ON SERVICE DELIVERY YEAR ON YEAR

Despite demand increasing for over a third of respondents, and nearly a quarter tapping into organisational reserves, the impact on service delivery was not as great as in 2021.



SERVICE DELIVERY IMPACT BY CAUSE

Nonprofits seeing the greatest demand for their services are those supporting **children and young people**, the **elderly**, **poverty and social care**, and **rescue**.





STAFF & WORKPLACE

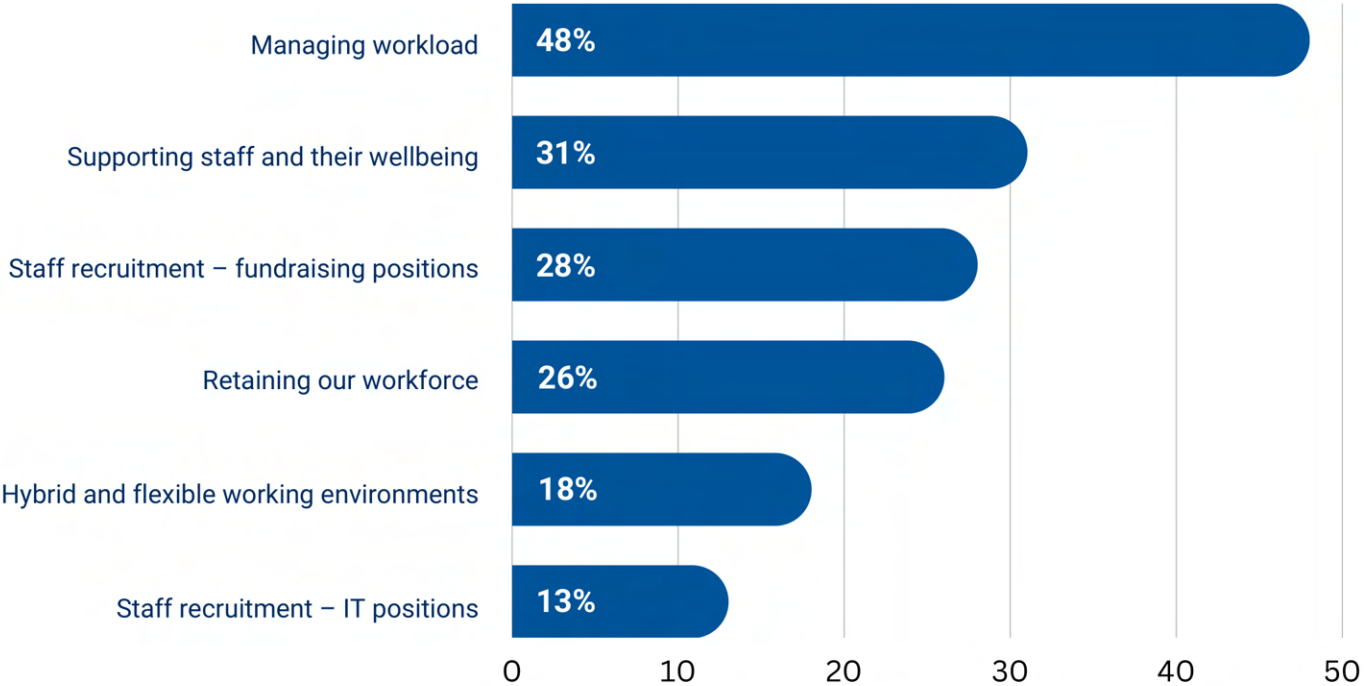
STAFF & WORKPLACE CHALLENGES

When thinking about staff and workplace challenges, **48% said managing workload was their biggest issue**, followed by **supporting staff and their wellbeing (31%)**.

28% struggled to recruit for fundraising positions.

Staff retention was problematic for 26% while 18% found managing hybrid and flexible working environments difficult.

Which of the following issues are most challenging your nonprofit right now?



ADDRESSING STAFF & WORKPLACE CHALLENGES

Following two difficult years, nonprofits are focusing more on **their people**, with a greater emphasis on employee wellbeing and relations.

Providing the right environment and tools has become increasingly important for motivation and wellbeing, and to facilitate creativity and innovation. Notably, there has been **further growth and development in digital**.





COUNTRY COMPARISONS

CHARTS SHOWING NATIONAL TRENDS

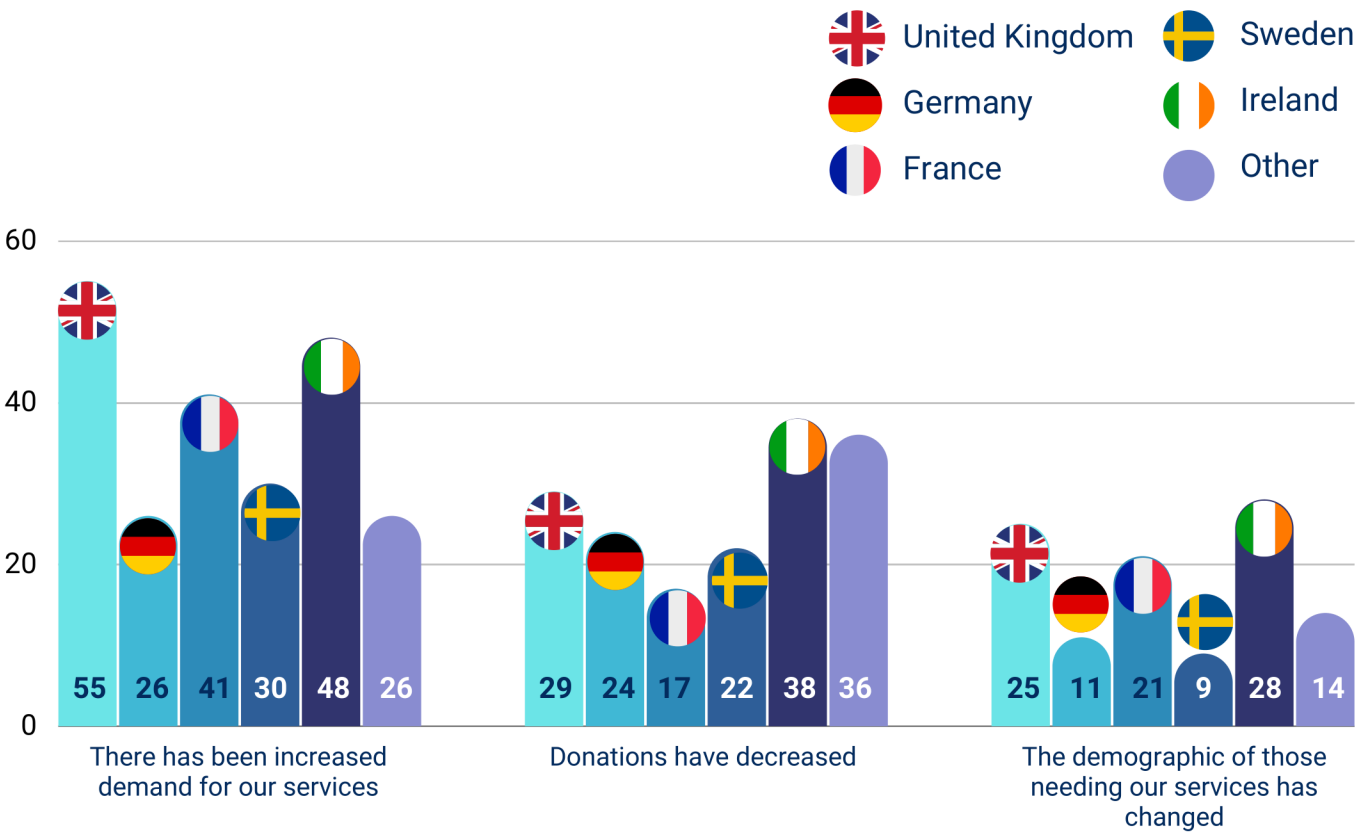
IMPACT OF THE COST OF LIVING CRISIS & INFLATION BY COUNTRY

The impact of the cost of living crisis is most severe in the UK, Ireland and France, and least of a challenge for nonprofits in Germany and Sweden.

More than half of UK nonprofits saw demand for services increase (55%), followed by Ireland (48%) and France (41%). In Germany this was much lower at 26%.

In Ireland, 28% said the demographics of those needing services changed, compared with just 9% in Sweden.

Donations decreased most in Germany (38%) and least in France (17%).

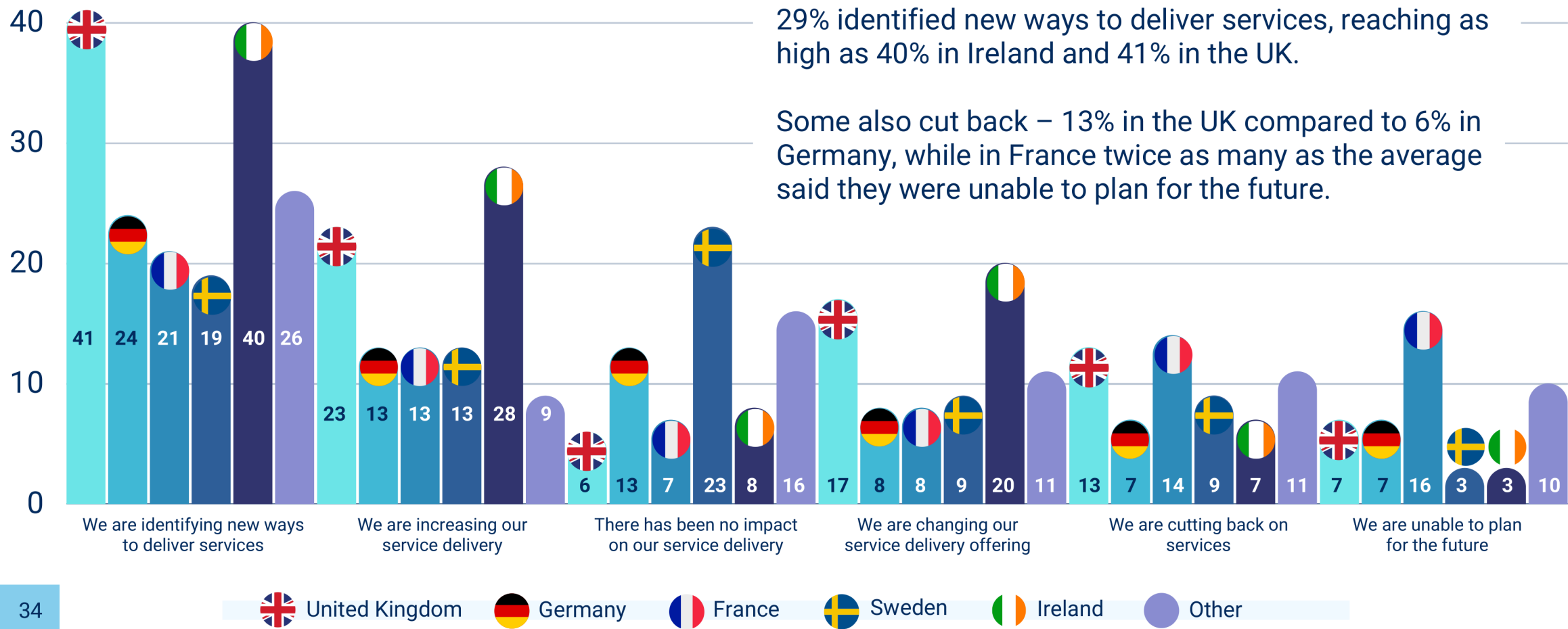


RESPONDING TO THE CHALLENGES PRESENTED

Organisations once more had to pivot to survive in 2022.

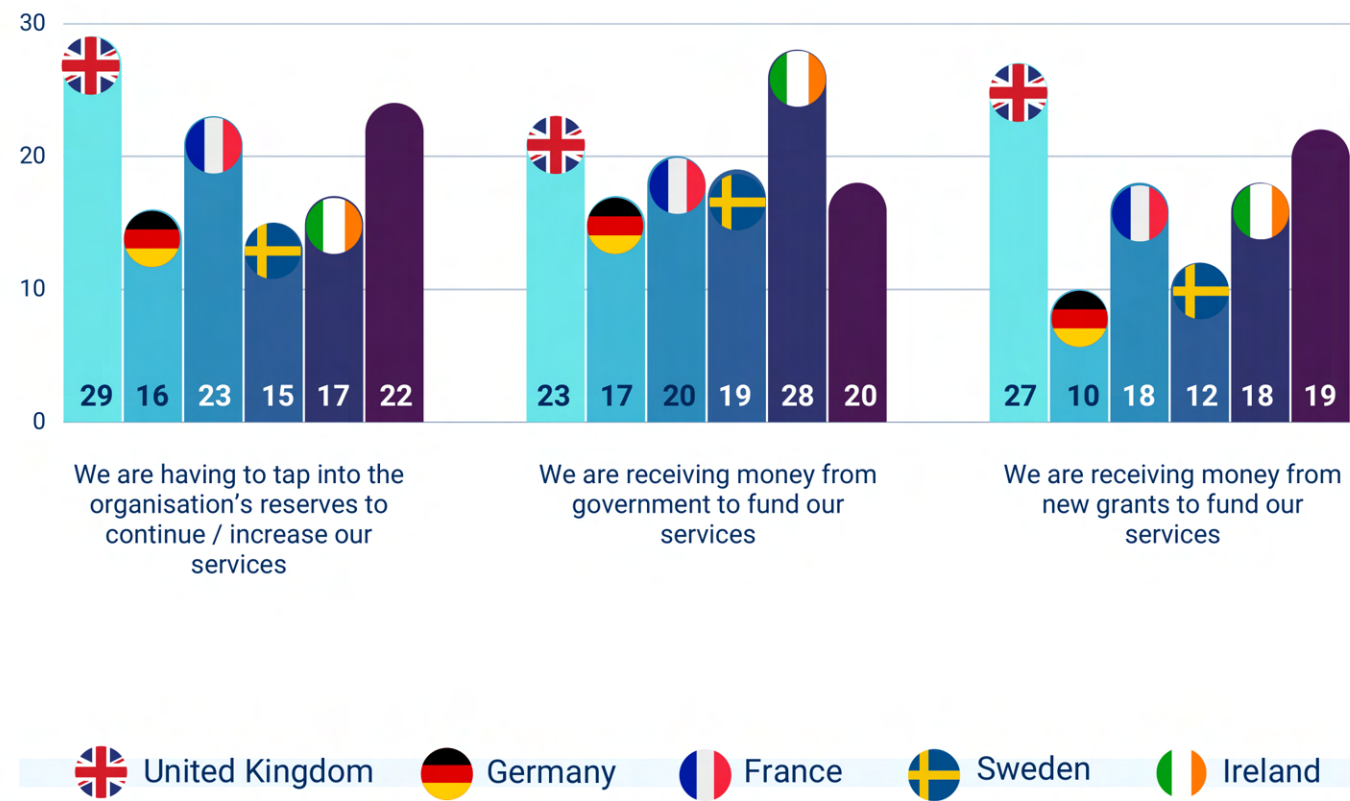
29% identified new ways to deliver services, reaching as high as 40% in Ireland and 41% in the UK.

Some also cut back – 13% in the UK compared to 6% in Germany, while in France twice as many as the average said they were unable to plan for the future.



IMPACT ON INCOME & FUNDING

Much of the money to fund the response to increased service demand came from grants, reserves and government funding.



IMPACT ON FUNDRAISING STRATEGY



Developing digital channels. 38% of European nonprofits – and over half (52%) of Swedish nonprofits – will be focused on developing their digital channels and digital fundraising methods.



Enhancing supporter care / retention. Over a third (35%) of European nonprofits will be increasing their focus on cultivating and retaining existing supporters.



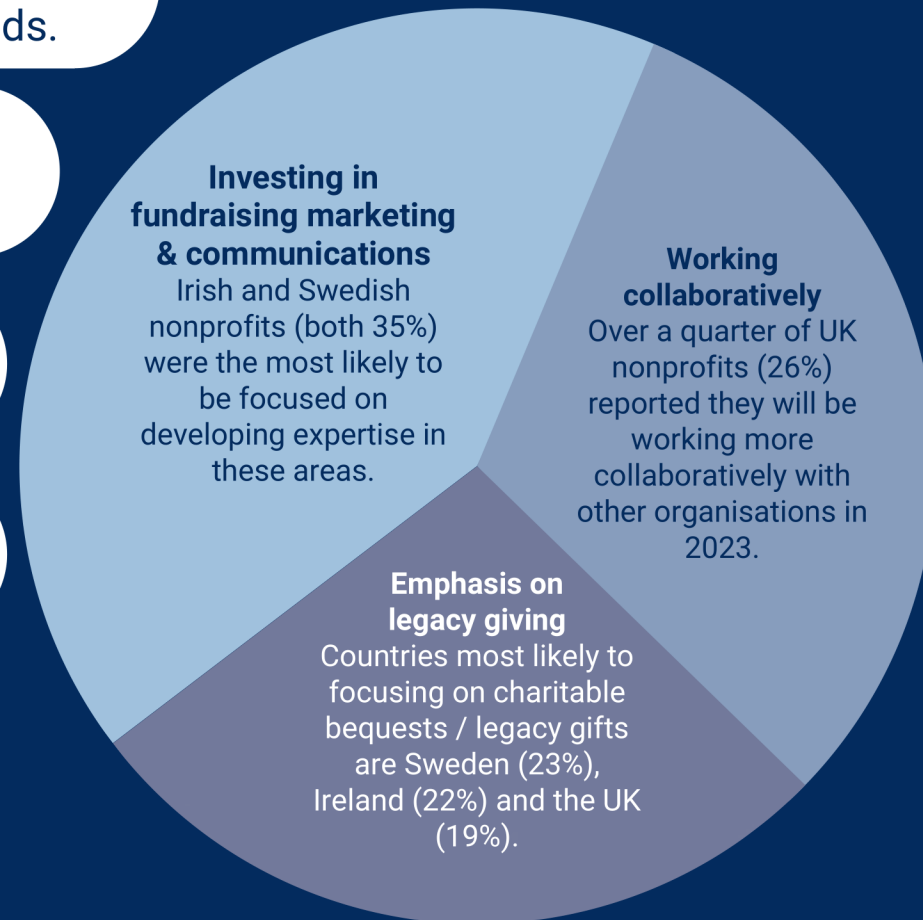
Diversifying channels for fundraising and engagement. Nonprofits are keen to enhance the mix of channels, particularly those in Sweden (42%) and Ireland (35%).



Focus on regular giving. Over 31% of European nonprofits will be working to develop their regular giving programmes.

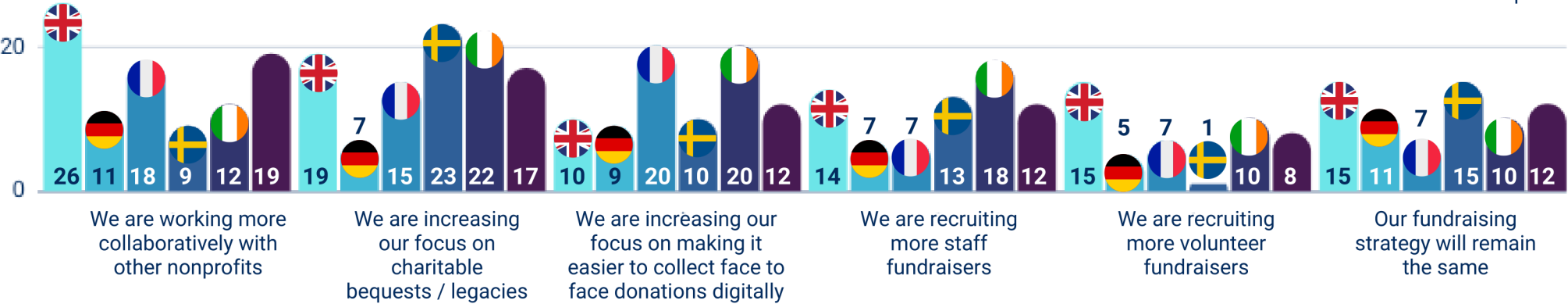
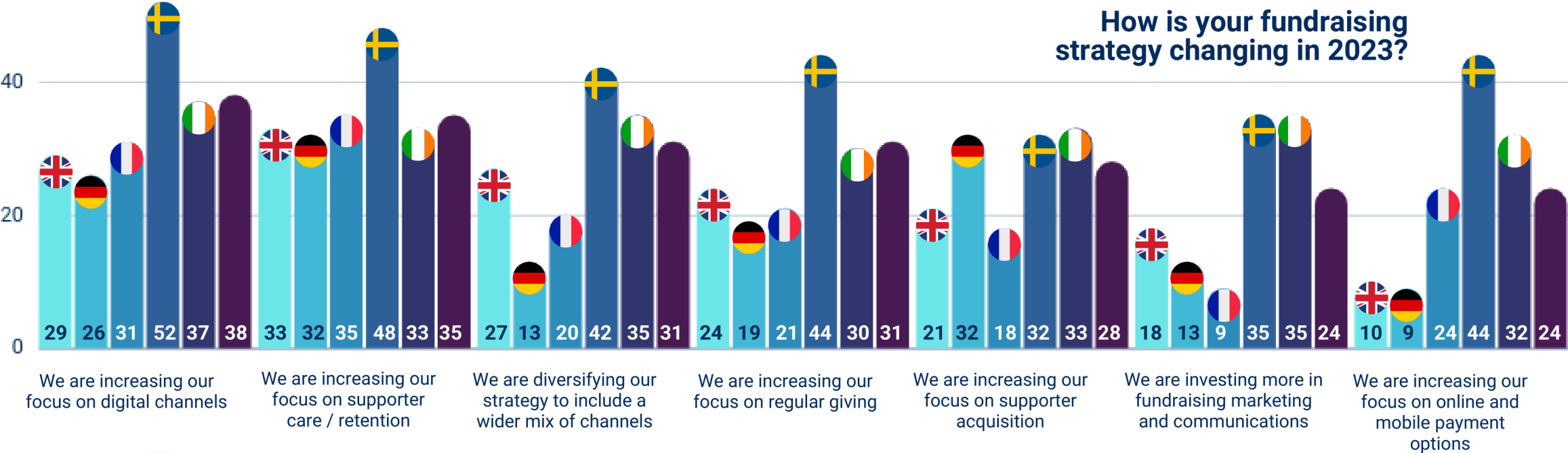


Acquiring new supporters. Supporter acquisition is a key priority for European nonprofits, especially those in Ireland (33%), Germany (32%) and Sweden (32%).



IMPACT ON FUNDRAISING STRATEGY

How is your fundraising strategy changing in 2023?

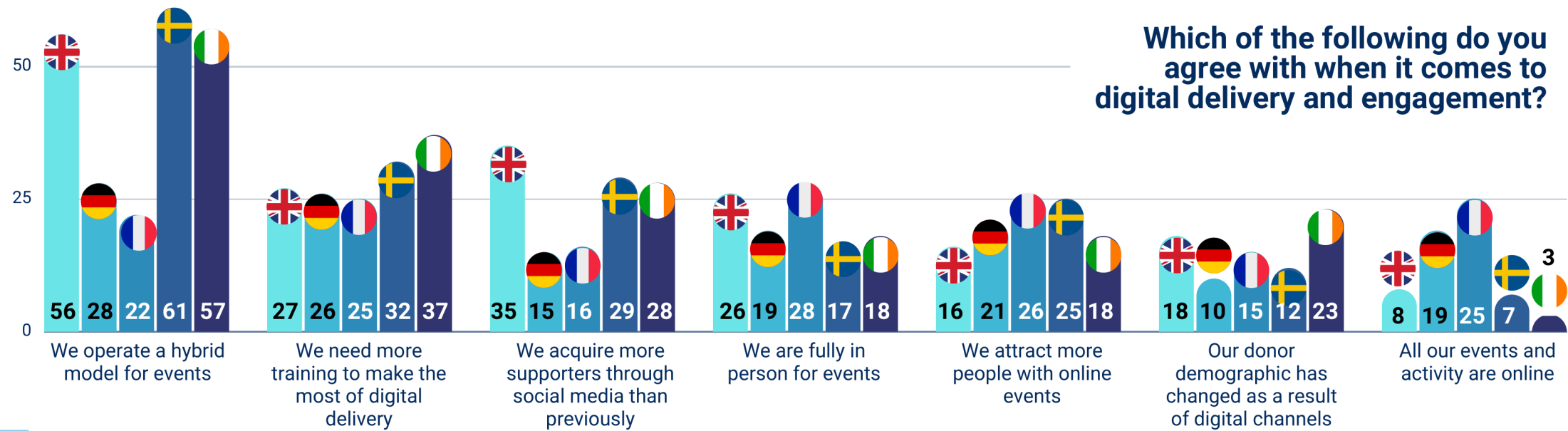


DIGITAL DELIVERY & ENGAGEMENT

There are clear country differences, with Sweden, UK and Ireland operating a hybrid model for most events, and seeing social media as a growth area. UK and Ireland are also more likely to report a change in donor profile as a result of digital channels. But Ireland and Sweden are more likely to say they need additional training to maximise digital delivery.

-  United Kingdom
-  Germany
-  France
-  Sweden
-  Ireland

17% in France say that digital channels have changed their volunteer profile, while a quarter say that all of their events and activity are now online.



ABOUT US



European Fundraising Association

The **European Fundraising Association (EFA)** is a network of national fundraising associations and other bodies working to strengthen and develop fundraising across Europe.

Together we represent the European fundraising community with one voice, one collective body and one shared goal of facilitating better fundraising.

We certify national fundraising qualifications and support their development, and, through our public affairs work, represent the European fundraising community on legal and regulatory matters at an EU level. We also deliver events, share best practice and publish news from across the continent online and in our newsletter, **Fundraising Europe**.

Please get in touch to find out more.

www.efa-net.eu
info@efa-net.eu
[@EFAFundAssn](https://twitter.com/EFAFundAssn)



Salesforce.org powers the purpose of people dedicated to solving our world's biggest problems. A global community of nonprofits and educational institutions relies on our technology to help them operate effectively, raise funds, and build more meaningful relationships with those they serve.

We believe business is the greatest platform for change. Our core values – Trust, Customer Success, Innovation and Equality – guide everything we do.

www.salesforce.org