



European Fundraising Association

FUNDRAISING IN EUROPE

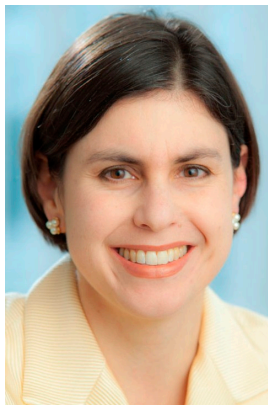
2013/14

A survey report of fundraising in 17 European nations, addressing:

- ★ National Fundraising Environments
- ★ Fundraising Performance in 2013
- ★ Predictions for 2014
- ★ Influencing Factors

MARCH 2014

FOREWORD



As European markets show signs of a recovery, fundraising associations report a positive year of growth during 2013 and an optimistic outlook for the year ahead.

The positive impact of widespread commitment to high standards of practice and growing professionalism cannot be underestimated in contributing to this growth.

Although there is an expectation that public trust and confidence will remain stable, concern in this area remains high. The charity sector understands the damage that can be caused by a fundraising scandal, often prompted by a single, isolated case, but influencing public opinion about the sector as whole.

Europe's nonprofits have welcomed regulation, which provides clarity around what can and can't be done when fundraising, offers protection against rogue operators and builds public trust. The forthcoming harmonisation of data protection and VAT law, together with better facilitation of cross-border giving, will bring a more unified approach across the EU.

EFA will closely monitor these developments and the EU parliamentary elections in May, identifying key changes that are likely to impact nonprofits and co-ordinating a central European response where appropriate. Together with our national member associations, we will continue to work with partners for the charitable sector to foster a climate of donor trust, based on professional, ethical and accountable fundraising.

Thank you to all survey participants, particularly to EFA's President Günther Lutschinger (Fundraising Verband Austria), EFA's Board of Directors, and TurnerPR for their significant contribution to this project.

Becky Gilbert, Vice President and Treasurer

European Fundraising Association

Member of the Board of Directors, Deutscher Fundraising Verband (DFRV), Germany

National Delegate to the European Fundraising Association

EXECUTIVE SUMMARY – KEY FINDINGS

Voluntary income levels show signs of recovery

As the European economy shows signs of a recovery, so too does the nonprofit sector. The fundraising community is positive about voluntary income, with the large majority of European nations reporting increased or stable donation levels over the past year.

In last year's European Fundraising survey, one quarter of EFA's members predicted that national voluntary income levels would rise in 2013. This year, 41% of members say voluntary income did rise during 2013.

Fundraising organisations are optimistic about future voluntary income growth

Having outperformed their own expectations, the non-profit sector is more positive about performance going forward, with more than half of national representatives saying voluntary income will rise in 2014. At the same time, nonprofits are realistic that the impact of the global economic downturn will continue to be felt during the years ahead. Respondents fear that the poor economic climate will be the most negative factor to impact fundraising in 2014.

Public trust and confidence levels stable, but concerns remain

The general consensus is that public trust and confidence is fairly stable across Europe and will remain so during the year ahead, but there is less optimism about this factor than voluntary income. Fundraising organisations are concerned about a lack of public confidence, which was the most common barrier to have restricted fundraising in 2013. When asked to rank the current concerns of fundraising charities, public trust is the lead concern.

Greater professionalism is the most positive influencer for fundraising

Advances in professionalism (reflecting developments in fundraising practices and professional standards) are identified as the most positive influencer for fundraising, both when looking back over 2013 and in making predictions for the year ahead. At the same time, respondents cite a shortage of fundraising skills as a key barrier that may hamper future growth and fundraising developments.

Nonprofits seek better tax breaks for charitable giving

When asked to identify one improvement that national governments could make to support nonprofits, European nations most commonly said they wanted better tax breaks for charitable giving as a means to help encourage donations from the public.

METHODOLOGY

EFA undertook a survey of its members from November 2013 to January 2014, asking a representative from each fundraising association to respond on behalf of their national fundraising sector. 17 national fundraising associations completed the survey, giving a clear picture of fundraising trends from the past year and their predictions for 2014. These associations collectively represent 1,471 fundraising organisations and 8,793 individual fundraisers.

EFA's membership survey collates the views of fundraising associations in the following nations (also highlighted in the map below):

Austria

Czech Republic

Denmark

Finland

France

Germany

Italy

Netherlands

Norway

Poland

Slovakia

Slovenia

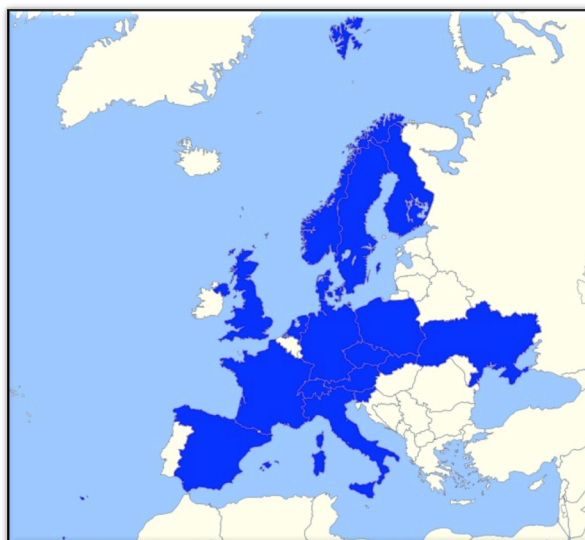
Spain

Sweden

Switzerland

Ukraine

United Kingdom



The survey established members' views across four core areas:

- ★ The National Fundraising Environment
- ★ Fundraising in 2013
- ★ Predictions for fundraising in 2014
- ★ Influencing factors

This survey report also cross-references data from EFA's first European Fundraising survey report ['Fundraising in Europe: A Decade of Change'](#), published in March 2013.

SURVEY RESULTS

NATIONAL FUNDRAISING ENVIRONMENT

Popularity of Charitable Causes

The European nonprofit sector is diverse, bridging many cultures and benefiting a wide array of charitable causes. And yet, there is commonality in the popularity of causes amongst the European public. When national fundraising representatives were asked to identify the top three most popular causes in their nation, seven in ten selected children / young people and almost two thirds chose healthcare / medical research charities.

The top five charitable causes

What are the three most popular causes in your nation?

Children and young people	71%
Healthcare and medical research	65%
Poverty	47%
International	35%
Religion	29%

Fundraising Methods

Although nonprofits are investing in online and new media fundraising techniques, there is much progress to be made before the newer methods compete with traditional fundraising methods for voluntary income. More than half of European associations stated that public collections were one of the top three fundraising methods in their nation and 47% chose direct mail.

What three fundraising methods are the largest sources of voluntary income in your nation?

Public Collections (cash and direct debit)	53%
Direct mail	47%
Corporate fundraising	29%
Membership income	29%
Legacy giving (gifts made in a will)	24%
Trust fundraising / Statutory grants	24%
Online / Email fundraising	18%
Mobile / SMS fundraising	12%
Telephone fundraising	12%
Event fundraising	12%
Major donor fundraising	12%
Advertising (print, radio, TV)	12%

Fundraising Regulation

With this survey, EFA collates the views of 17 of the most active fundraising nations in Europe. 12 of these participating nations have some specific regulations in place for fundraising, comprising either statutory or self-regulatory schemes, or a combination of the two.

The regulatory approach to fundraising differs from country to country. Although there are general laws for data protection, advertising and marketing in most nations, setting out whether certain fundraising approaches are lawful, the detail of that legislation varies.

Increasingly, specific regulations are being developed for fundraising and this trend is broadly welcomed by nonprofits and national governments alike.

On the whole, a predominantly self-regulatory approach is most common, where recommended standards for fundraising are established by the sector, with an expectation of adherence by practitioners. Self-regulatory schemes enable the sector to make changes to standards relatively quickly and easily, adapting to new fundraising techniques and innovations, while enabling nonprofit organisations to differentiate themselves from any unscrupulous or bogus fundraising activity.

Statutory regulations for fundraising are also in place. The large majority of such schemes address public collections alone, with collection licenses issued by the police or other national authorities.

Only five nations report that there are no specific regulations for charity fundraising in their nation, beyond any general data protection, advertising and marketing laws. Several participants proactively noted that controls are imposed on charities' expenditure on fundraising and administration through the national tax code. In practice, this means that expenditure must be kept low or charities may fail to qualify for relevant tax deductions or tax-effective giving schemes.



71% of nations
questioned have
specific regulations
for fundraising

FUNDRAISING IN 2013

The fundraising community reports a positive picture of fundraising in Europe during 2013, with the large majority of associations saying that voluntary income has risen or remained stable over the year.

How did voluntary income levels in your nation change during 2013?		Predictions for 2013*
Voluntary income has risen	41%	25%
Voluntary income was stable	47%	44%
Voluntary income has fallen	6%	19%
Don't know	6%	13%

*Data from EFA European Fundraising Survey, March 2012. Respondents were asked to predict whether voluntary income would rise, fall or remain stable during 2013.

Voluntary income has performed better than predicted. Although, just one quarter of associations said that voluntary income would rise during 2013 in last year's EFA survey, this year, 41% of members report that voluntary income did rise in 2013.

While 7 nations say that voluntary income has increased over the past year, only three report growth in public trust and confidence. Around half of nations questioned said that the level of public trust and confidence had remained stable throughout the year.

How did public trust and confidence levels in your nation change during 2013?	
Public trust and confidence has risen	18%
Public trust and confidence has remained stable	47%
Public trust and confidence has fallen	18%
Don't know	18%

Positive Influencing Factors for Fundraising

Fundraising associations identify three dominant factors that have most positively impacted giving in Europe over the past year: increasing professionalism of fundraising; technological developments (online, SMS and mobile giving channels) and better use of social media. Growing professionalism reflects the sector's increasing commitment to ethical standards of fundraising practice and the growing availability and accessibility of fundraising training across Europe.

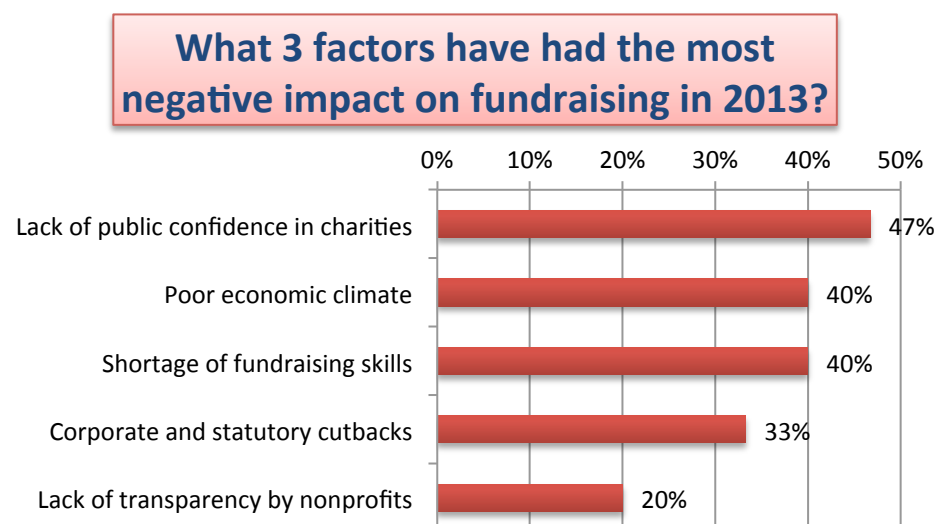
The Top Three Influencing Factors:

What 3 factors have had the most positive impact on fundraising in your nation during 2013? [The three most common factors are listed below]

Greater professionalism in fundraising	77%
Technological developments (advancement in mobile, SMS and online fundraising technology)	71%
Better use of social media (Facebook, twitter etc.)	65%

Fundraising Barriers

The European fundraising community reports that a lack of public confidence is the most common restriction to have impacted fundraising. Just under half of nations questioned selected a lack of confidence as one of the top three barriers to fundraising in 2013. This is closely followed by a shortage of fundraising skills and the poor economic climate.



Current Concerns

Public trust replaces global economic instability as the perceived lead concern in 2013 for nonprofits, likely reflecting signs of an economic recovery. The top three concerns remain the same as in last year's survey, albeit in a different order of priority.

How concerned are charities in your nation about these factors? (Ranked 1-3 on a scale of not at all concerned to very concerned)	Rating Average (2013)	Rating Average (2012)*
Public trust in charities	2.41	2.29
Continued global economic instability	2.24	2.47
Donor demands for greater transparency and accountability from charities	1.94	2.41
The cost of VAT for charities	1.82	1.88
Restrictive fundraising regulation at a national level	1.76	2.00
Likely changes to EU data protection legislation	1.75	1.94
Restrictive fundraising regulation at a central EU level	1.53	1.71
Average Concern Rating	1.92	2.10

*Data from EFA European Fundraising Survey, March 2012

On the whole, European nonprofits seem to be less concerned than they were in 2012, with the average concern rating falling from 2.10 to 1.92 in 2013.

PREDICTIONS FOR FUNDRAISING IN 2014

Voluntary Income

The level of optimism for fundraising is high with more than half of EFA members predicting that voluntary income will rise during 2014. When asked to make predictions for 2013 in last year's survey, just one quarter predicted a rise. Having achieved stronger performance than anticipated during 2013, the European fundraising community is positive in its projections for the coming year.

How will voluntary income levels change during 2014?	Predictions for 2014	Predictions for 2013*
Voluntary income levels will rise	53%	25%
Voluntary income will stay the same	41%	43%
Voluntary income levels will fall	6%	19%
Don't know	0%	13%

*Data from EFA European Fundraising Survey, March 2012

Public Trust and Confidence

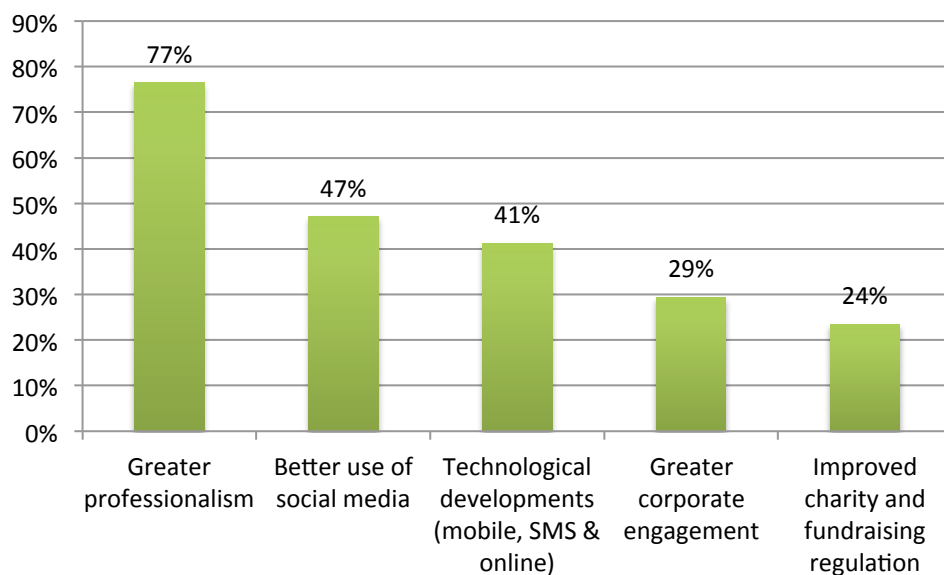
Fundraising associations are less optimistic for growth in public trust and confidence than they are for voluntary income. Still, the overarching picture remains positive as almost six in ten nations predict that public trust and confidence will remain stable during 2014.

How will public trust and confidence levels change during 2014?	Predictions for 2014
Public trust and confidence will rise	29%
Public trust and confidence will stay the same	59%
Public trust and confidence will fall	6%
Don't know	6%

Influencing Factors

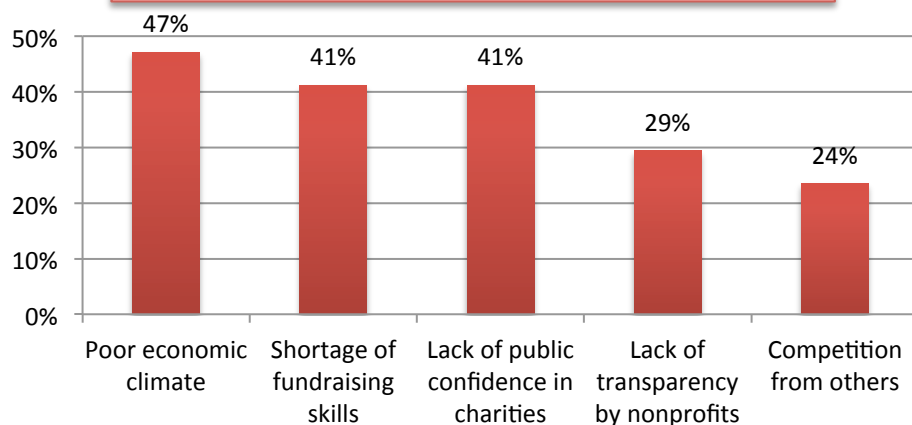
When asked to predict the factors that will positively impact fundraising in 2014, greater professionalism was the most common factor, followed by developments linked to social media, mobile, SMS and online giving.

What 3 factors will have the most positive impact on fundraising in 2014?



Respondents were less united about the likely negative influencers that may hold fundraising back. Concerns about the poor economic climate top the chart, closely followed by a shortage of fundraising skills and lack of public confidence in charities.

What 3 factors will have the most negative impact on fundraising in 2014?



Support from the State

European fundraising associations look to Government to provide a more favourable fundraising environment. When asked to identify one improvement that national Government could make to support nonprofits, little under half of the associations surveyed said they wanted better tax breaks for charitable giving, encouraging donations from the public. Tax relief is now available for those that give to charity in almost all countries represented in this survey, but EFA members are seeking improvements to the current system.

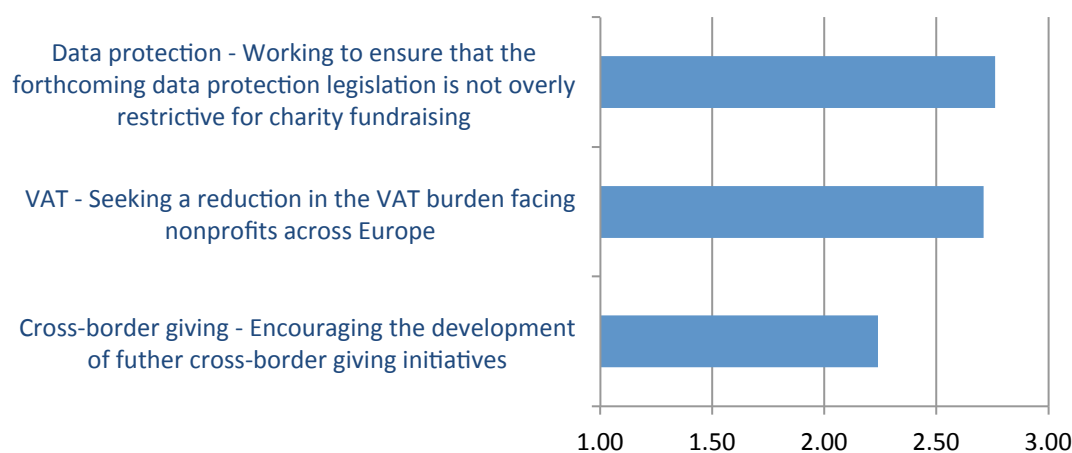
Over one quarter of EFA members are seeking better fundraising regulation (some states seek the introduction of new regulations, others require less burdensome regulation).

If your national Government could make just one change to help nonprofits, what would it be?

Better tax breaks for charitable giving	47%
Improved regulation of charities / fundraising	27%
Investment in voluntary sector infrastructure / fundraising profession	20%

When it comes to central EU Government, fundraising associations seek EFA's support in advocacy. When asked to prioritise the three current strands of EFA's advocacy programme by importance, national representatives ranked the forthcoming data protection legislation as most important, followed by VAT costs for nonprofits.

How important are the following EU issues?



¹Participants were asked to rank these areas of work on a scale of 1-3 where 1 is not at all important and 3 is very important.

ABOUT EFA

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

The network of members spans 20 European countries. EFA also works with observer nations and other international partners including fundraising associations in the US, Israel and Japan.

EFA is governed by a General Assembly made up of a representative from each country and its programme of work is directed by EFA's Board.

The Board is led by President, Günther Lutschinger of the Austrian Fundraising Association ([Fundraising Verband Austria](#)) and Vice President and Treasurer, Becky Gilbert of the German Fundraising Association ([DFRV](#)). Board directors also include Andrea Caracciolo di Feroletto ([ASSIF](#), Italy), Maria Ros Jernberg ([Swedish Fundraising Council](#), Sweden), Svitlana Kuts ([Institute of Professional Fundraising](#), Ukraine) and Paul Marvell ([Institute of Fundraising](#), UK). Denise Dawes serves as EFA's Executive Officer.

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