THE IMPACT OF COVID-19 ON NONPROFITS IN EUROPE

SUMMARY REPORT

DECEMBER 2020

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EFA European Fundraising Association

FOREWORD

By Eduard Marček, President of the European Fundraising Association (EFA) and Chair of the Slovak Fundraising Centre

2020 has surely been the most challenging year for nonprofit fundraising across Europe that many of us have ever seen.

Nonprofits have had to downscale their income projections at a time when services are urgently needed, and the ability to raise enough funds to continue their vital work is an immense concern.

And yet, this survey shows us that nonprofits have not stood still. They have worked hard to innovate, identifying new ways to fundraise, to build supporter engagement and to deliver frontline services. This demonstrates the resilience and vibrancy of the fundraising community and of European philanthropy more widely.

The pandemic remains a major threat and, as such, the work of the nonprofit sector will be all the more important as we work together to aid Europe's recovery.

See more about EFA at www.efa-net.eu

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INTRODUCTION

In 2020, lives and livelihoods worldwide were transformed by the **Covid-19 pandemic**. Many fundraising channels were closed off and nonprofits had to find new ways of delivering vital services.

Salesforce.org and the **European Fundraising Association (EFA)** came together to take the 'pulse' on what the pandemic has meant for nonprofits in Europe.

Surveying **797 nonprofit representatives** from **26 nations** across Europe and in **7 languages** during July to October 2020, this report summarises the headline findings from that survey.

This is not an in-depth report into the undoubtedly devastating impact of the pandemic, but a **summary of nonprofit trends**, which we hope will offer greater insight into how fundraising, service delivery and the broader nonprofit environment is changing.

26 NATIONS REPRESENTED IN THE SURVEY

Austria
Belgium
Croatia
Czech Republic
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Luxembourg
Moldova
Netherlands
Norway
Poland
Portugal
Romania
Russia
Slovakia
Slovenia
Spain
Sweden
Switzerland
Ukraine
United Kingdom

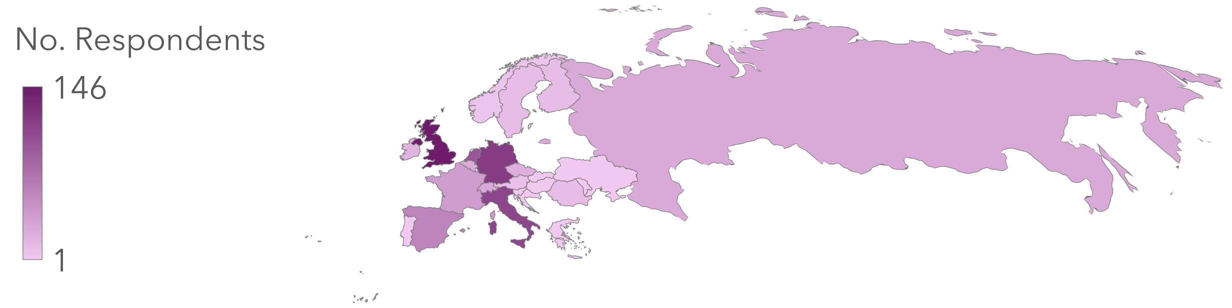
SURVEY SAMPLE

The online survey attracted 797 responses, with the highest participation in 6 nations - **UK (146)**, **Germany (119), Italy (111), Netherlands (97), Spain (58)** and **France (39)**. This enabled comparisons across these 6 markets, and the full data set.

Respondents most commonly identified themselves as **fundraisers, communications, marketing** or **policy officials** (38%), but over a quarter were in senior leadership roles as **CEOs** or **trustees / board members**.

One in five (20%) representatives worked with organisations with over **100 full time members of staff**, but almost two in five (38%) represented the **smallest nonprofits** with up to 10 staff members.

Respondents worked across a **broad range of charitable causes**, with a bias towards health and youth organisations.



KEY FINDINGS

Nonprofits have been hit hard by the pandemic. The majority of respondents have had to cancel fundraising activities and around half have struggled to reach beneficiaries or deliver services in lockdown.

More than **six in ten respondents** predict their **revenue during 2020 will be lower than expected** at the start of the year, and this is particularly prominent for smaller nonprofits.

Over a third report that income from individual donations and services fell during the pandemic, and that their capacity was reduced (with a drop in staff or volunteers).

Since the pandemic struck, **nonprofits have ramped up their use of digital** to raise funds, engage with supporters and deliver services.

More than half of respondents have found **new ways to deliver services**, with an increase in those being offered online.

The most common challenge facing respondents is **the ability to raise sufficient funds**.

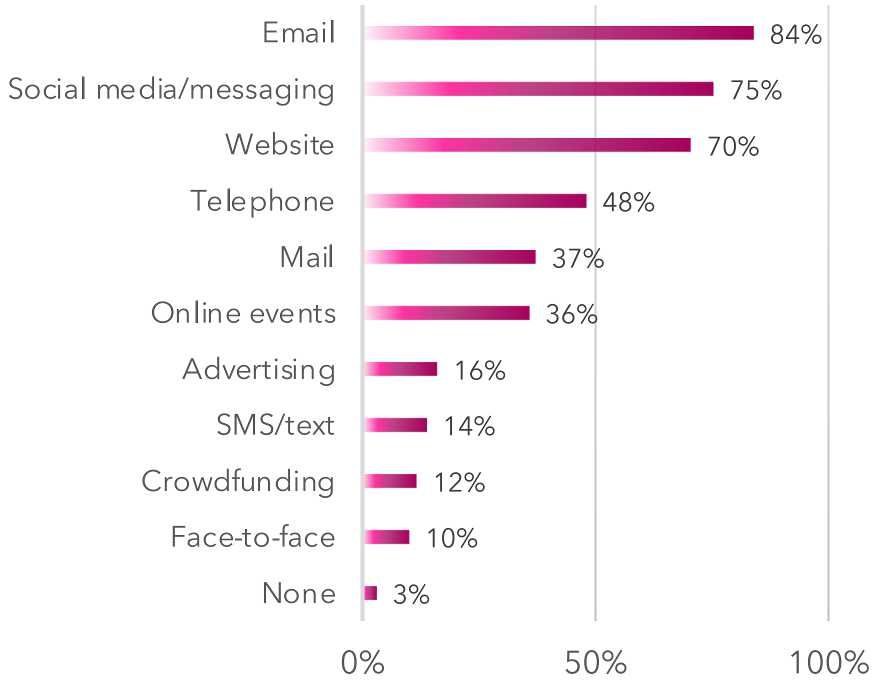
Nonprofits are transforming their future fundraising strategies, embracing digital and diversifying their approach to use a broader range of channels.

PANDEMIC IMPACT

FUNDRAISING CHANNELS USED DURING THE PANDEMIC

With social distancing restrictions in place, many traditional fundraising routes were inaccessible during the height of the pandemic. Unsurprisingly perhaps, digital channels were vital for fundraising.

- Email (84%), social media/messaging (75%) and nonprofit websites (70%) were most widely used to fundraise and build supporter engagement
- The telephone (48%) was also commonly used
- Mail (37%) and online/virtual events (36%) were used by over a third of respondents



USE OF DIGITAL CHANNELS

While the large majority of respondents used digital channels for fundraising, there were notable differences across the six biggest national data sets; UK, Germany, Italy, Netherlands, Spain and France.

- Email was widely used in all nations, particularly in France - by 92% of respondents vs 84% across the full sample base
- Social media use was highest in the Netherlands (87% vs 75% overall)
- Web-based (online) fundraising was most popular in Germany (82%) and the Netherlands (81%) and significantly less common in Italy (53%)
- Use of virtual (online) events for fundraising was much more widespread in the UK (58%) than elsewhere
- Crowdfunding was most widely used in Spain (28%) and Italy (19%), but rarely by nonprofits in France (5%) and the UK (6%)
- SMS/text was used by just over one in five respondents in Italy (21%), but only 8% of those in France

TRADITIONAL CHANNELS

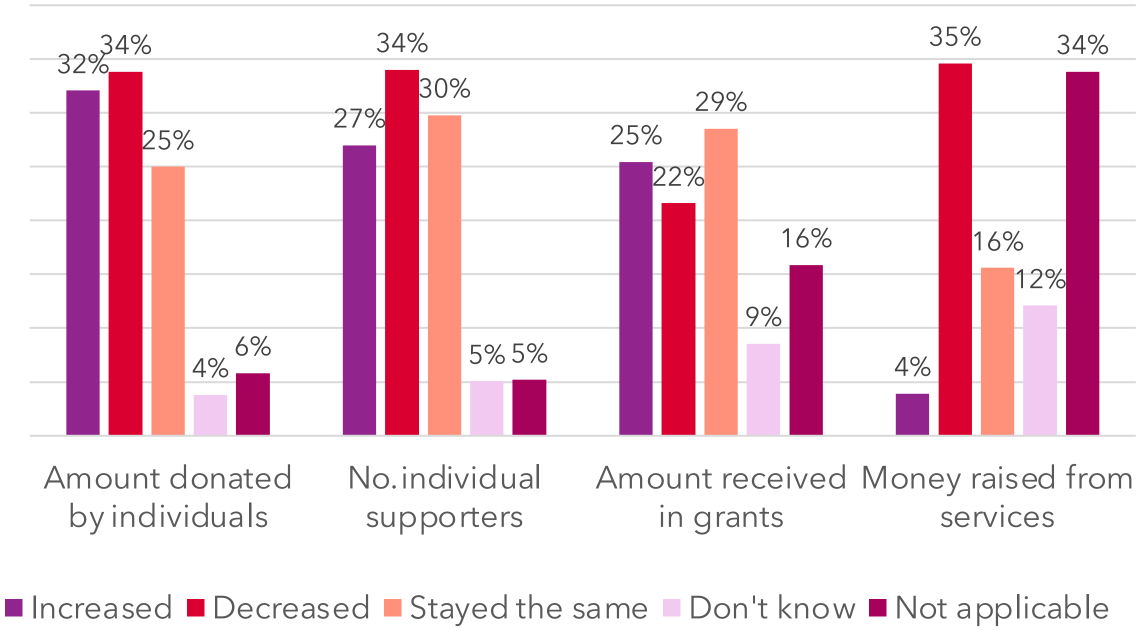
The use of more traditional fundraising channels also varied widely across these six nations.

- Mail was much more widely used in Germany and Italy than other nations (71% vs 37% overall), and rarely used in France (21%)
- The telephone was also widely used in Germany by two thirds of respondents (67%) vs 48% overall, and dropping down to 37% in the Netherlands
- Advertising and face-to-face fundraising were used by less than one in five respondents in all nations.

DONATIONS & SERVICES

Asked how the pandemic has affected three income sources (individual donations, grants and money raised from services) together with individual donor numbers, respondents compared income and donor numbers with the same period from 2019, reporting a mixed picture.

- Respondents were most likely to say there had been a fall in money raised from services (35%) the amount donated by individuals (34%), and donor numbers (34%)
- Notably, only 4% said there had been an increase in income from services
- However, 32% reported an increase in the amount donated by individuals, with a further 25% saying donation levels were stable
- Grant income was more likely to have remained stable (29%), although there was considerable national variation



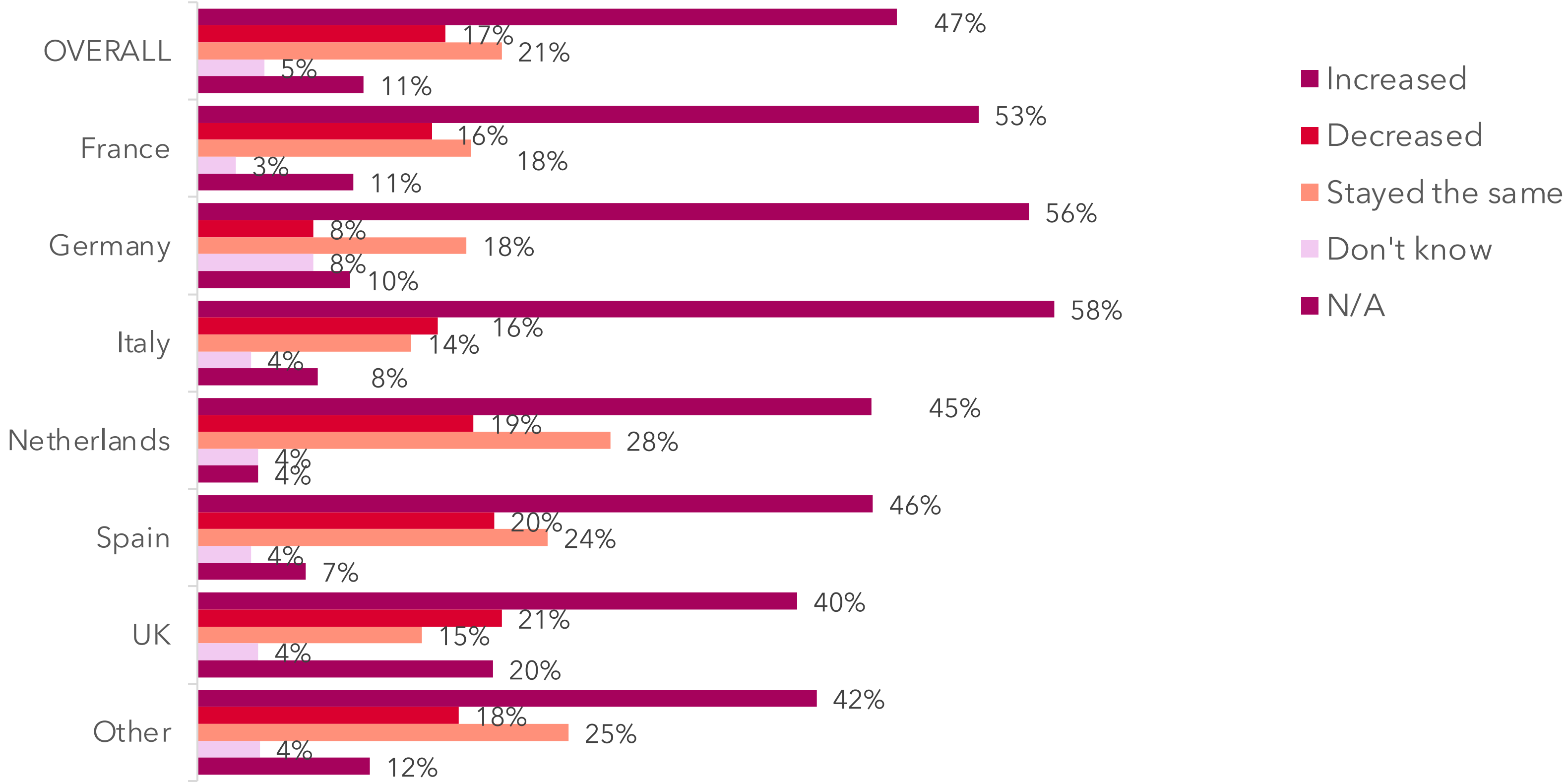
INCOME TRENDS BY NATION

Nonprofits in Italy, Spain and the UK were most likely to have experienced a fall in individual donations (by value and number), while those in Germany were most likely have seen an increase.

- A fall in the value of individual donations was most widely reported by respondents in Italy (53%), followed by Spain (38%) and the UK (37%)
- Donor numbers were also more likely to have fallen in the same three nations – most widely reported by respondents in Italy (48%)
- In contrast, respondents in Germany and France were more likely to say that the amount donated increased during the pandemic, at 45% and 37% respectively. Those in Germany were also most likely to say that donor numbers had increased (39%)
- Individual giving appears to have been more stable in the Netherlands, with more than half (53%) of respondents saying donor numbers remained the same and 40% for the amount donated
- Respondents were most likely to see an increase in income from grants in the UK (35%) and to see a fall in Spain (32%)
- A decline in income from charitable services was most widely reported in Spain (55%) and the UK (39%). Very few respondents (4% overall) reported an increase in income from services

ONLINE DONATION GROWTH

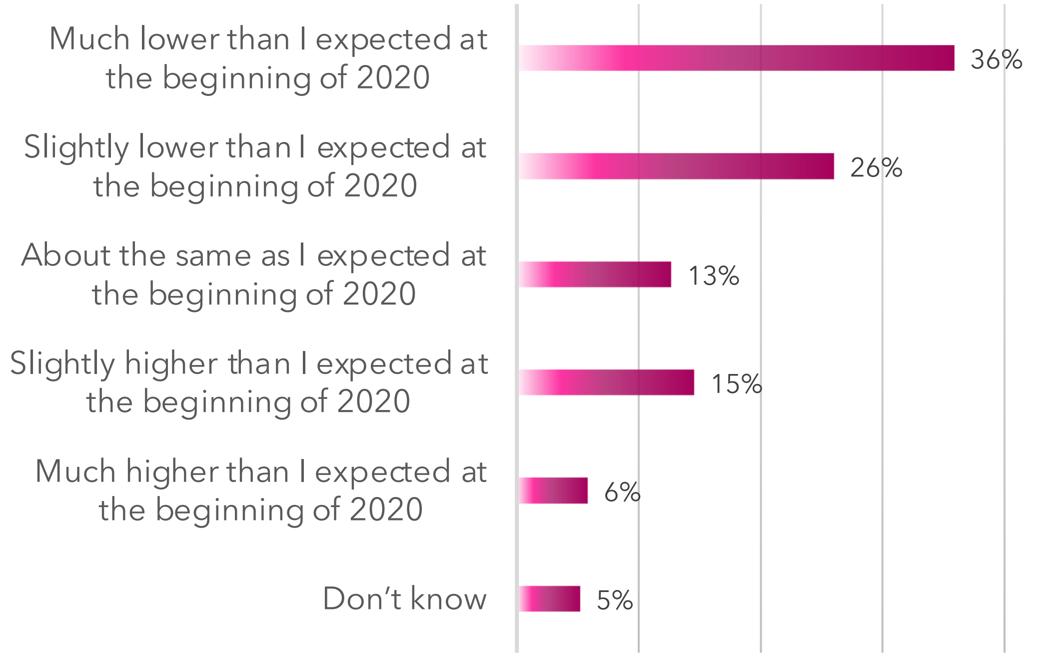
Almost half of respondents (47%) reported an increase in money donated online - this was particularly notable in Italy, Germany and France.



IMPACT ON TOTAL REVENUE

When asked whether nonprofits thought their total revenue for the remainder of this year would be higher or lower than expected at the beginning of 2020, more than six in ten (62%) thought it would be lower. Responses differed across the nations and by organisation size.

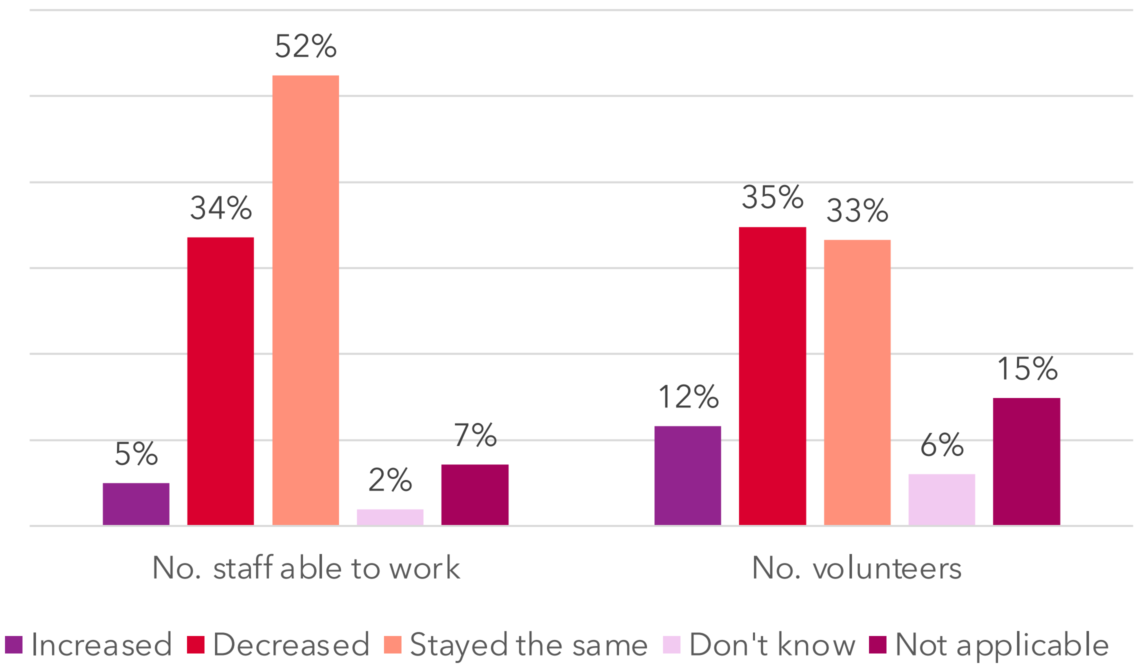
- While the majority anticipated an income fall, one in five (20%) of respondents said their revenue was likely to rise above predictions at the start of the year
- Respondents in the UK (71%), Spain (71%) and Italy (70%) were most likely to say their revenue will be lower than expected
- Almost four in ten respondents (37%) in Germany thought their revenue would be higher than expected
- One quarter (26%) of those in France thought their revenue would be broadly the same as expected
- The smallest organisations (1-10 employees) were most likely to say their revenue will have dropped (68%)



IMPACT ON CAPACITY

We asked respondents about how their staff and volunteer levels have been impacted by the pandemic, finding that staff and volunteer numbers have been significantly reduced in over a third of cases.

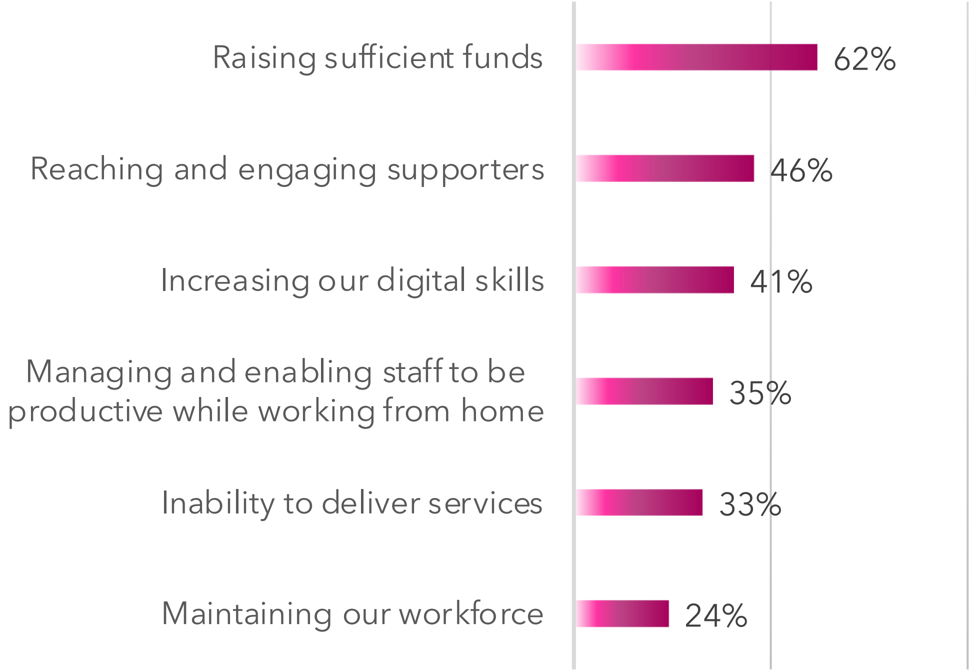
- While half (52%) of respondents said their staff levels had remained the same, over a third of respondents indicated that staff (34%) and volunteers (35%) had been reduced
- In the UK, where the government introduced a furlough scheme, more than half of respondents (56%) reported a drop in staff capacity and 48% a decline in volunteers
- Respondents in Spain also reported a higher than average fall in volunteer numbers (46%)



MOST CHALLENGING ISSUES

When asked to identify the top three most challenging issues, the ability to raise sufficient funds topped the charts, followed by reaching and engaging supporters.

- The only nation where raising sufficient funds was not the most prominent challenge was Germany where the need to increase digital skills (53%) was paramount.
- For respondents in Spain, reaching and engaging supporters equalled the need for funds as the top concern (60%), closely followed by digital skills (59%)
- Reaching and engaging supporters was widely cited in the Netherlands (56%) and the UK (53%)
- The challenge of managing and enabling staff to be productive as home-workers was more evident in Germany (45%) than elsewhere
- Inability to deliver services was widely cited in the Netherlands (43%)

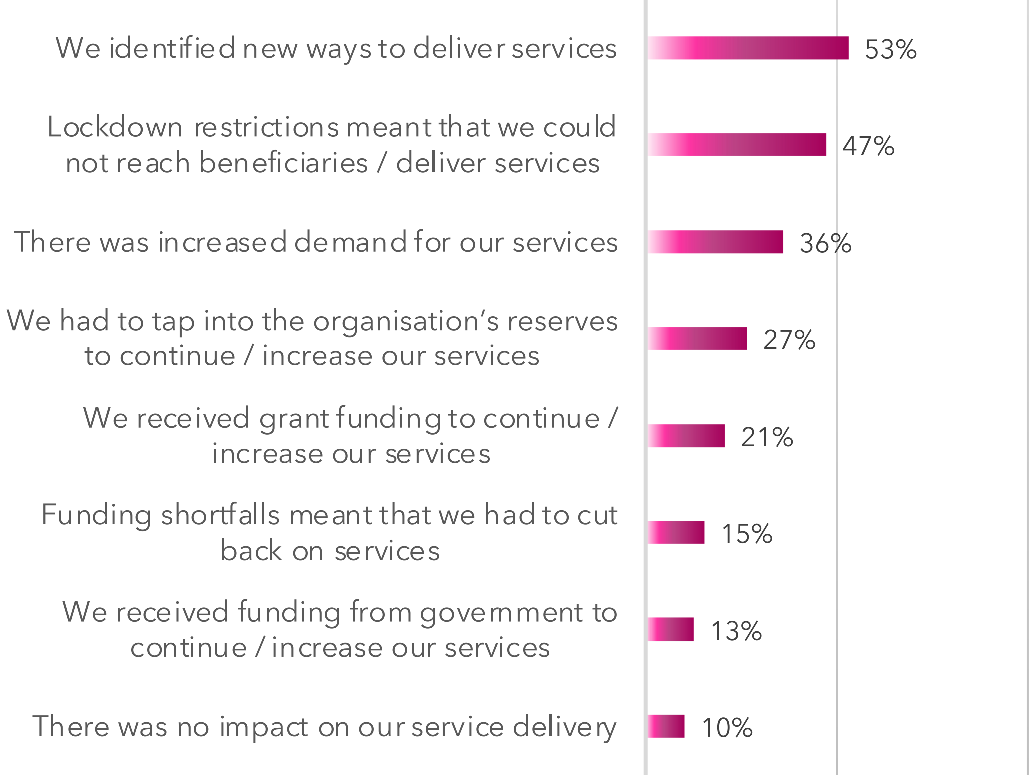


CHARITABLE SERVICES

IMPACT ON SERVICE DELIVERY

When asked about the impact of the pandemic on service delivery, nonprofit respondents identified a range of issues impacting their service provision.

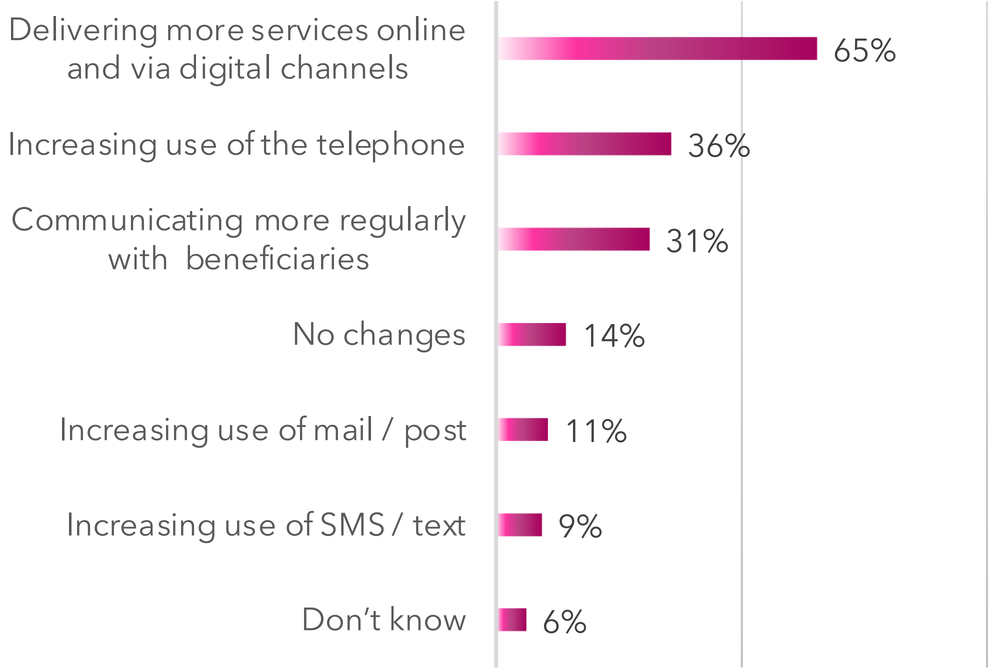
- More than half of respondents (53%) identified new ways to deliver their services, with 47% saying that lockdown restrictions prevented them from reaching beneficiaries or delivering services
- Over a third (36%) reported increased demand for their services
- More than one quarter (27%) had to tap into the organisation's reserves to continue or increase their service provision
- The impact on services was more widely cited in the UK than other nations and by those working with the largest nonprofits (500+ full-time employees)
- 72% of respondents in the UK and 62% in Spain said they were identifying new ways to deliver services



CHANGES TO SERVICE DELIVERY

When asked how they have changed their approach to service delivery, respondents indicated that they were delivering more services online and via digital channels, with only 14% saying they had made no changes to their service provision.

- The shift to digital was particularly prominent in the UK (83%) and Spain (79%)
- Respondents in Spain were also most likely to say they were increasing their use of the telephone at 51% (vs 18% in the Netherlands) and mail at 32% (vs just 2% in Italy)
- Almost half of respondents in France (49%) and Spain (47%) said they were communicating more regularly with beneficiaries
- Respondents in the Netherlands were most likely to say they were making no changes to their service delivery (30%)

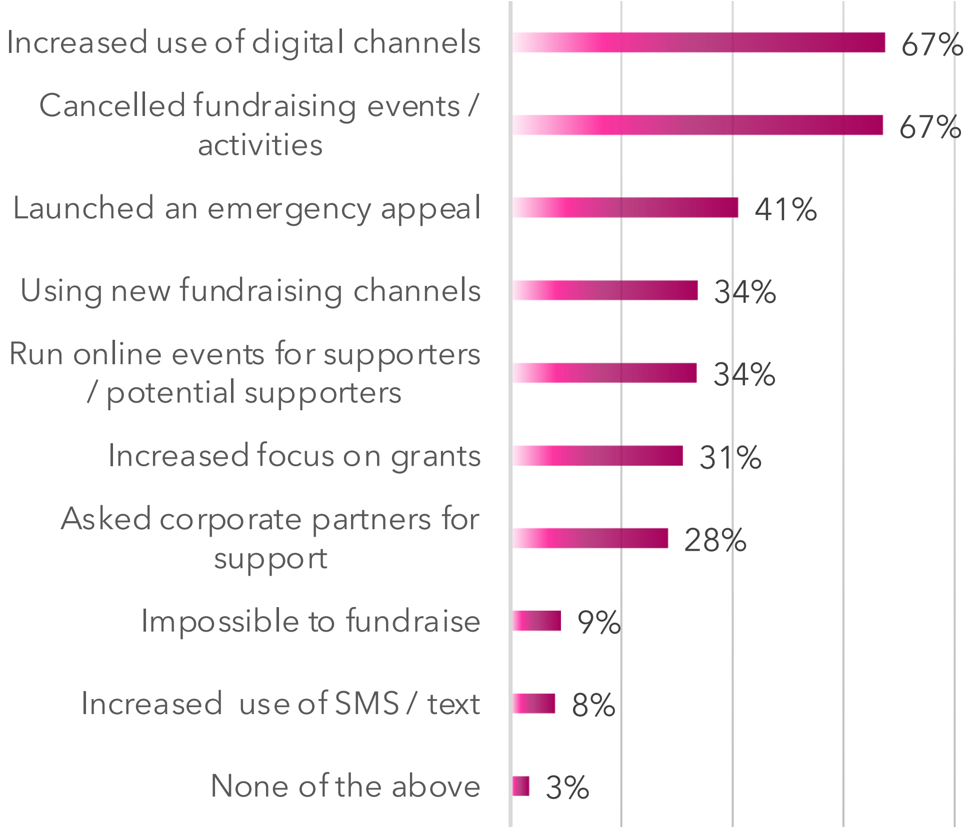


FUNDRAISING

IMPACT ON FUNDRAISING

Nonprofit fundraising changed in a matter of weeks in response to Covid-19. We asked respondents how the pandemic had impacted their fundraising.

- Over two thirds of respondents said they had to cancel fundraising events/activities
- The same proportion increased their use of digital channels
- Four in ten (41%) launched an emergency appeal
- Around one third (34%) started using fundraising channels that were new to them
- 34% also ran online events for supporters / potential supporters
- Less than one in ten respondents said it was impossible to fundraise during that time



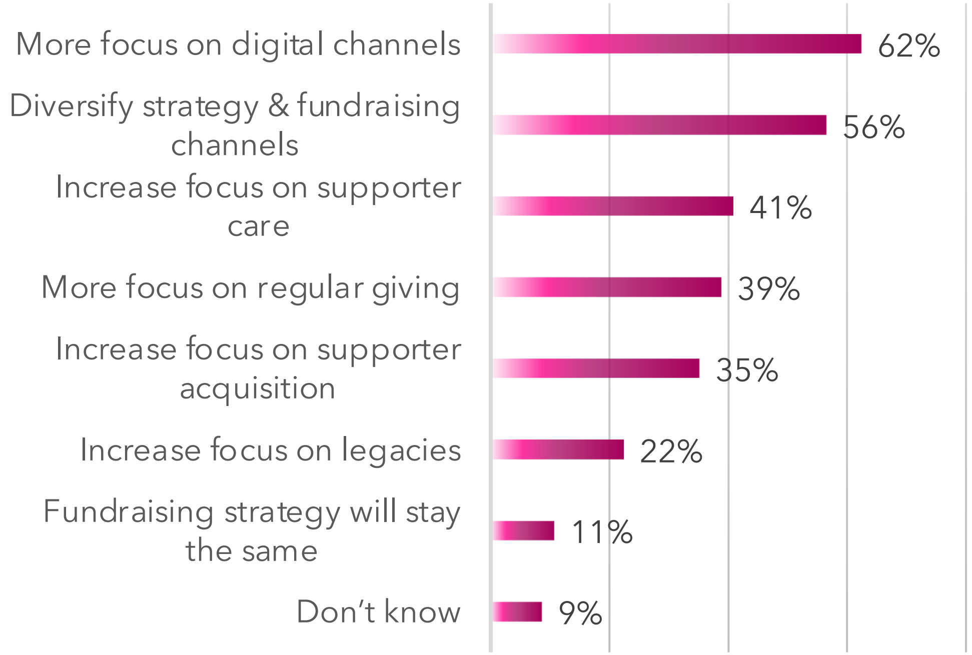
FUNDRAISING CHANGES BY NATION

- While respondents in every nation increased their use of digital, this was particularly notable in Spain (78%)
- Three quarters of those in Spain (76%) and the UK (75%) said they had to cancel fundraising activities or events
- Half of respondents in Italy (53%), Spain (53%) and France (50%) launched an emergency appeal
- Almost four in ten UK respondents (38%) said they had started using fundraising channels that were new to the organisation, with more UK respondents saying they had increased their focus on grants (48%), run virtual events (45%) and asked corporate partners (41%) for support than any other nation
- Those in Germany (17%) and France (19%) were considerably less likely to ask corporate partners for support than other nations (28% overall)
- Respondents in France were twice as likely to say it was impossible for them to fundraise (18% vs 9% overall)

FUTURE CHANGES TO FUNDRAISING STRATEGIES

Asked how the pandemic was likely to impact future fundraising, only one in ten respondents (11%) thought their strategy was likely to stay the same.

- Respondents most commonly said they would be driving up their use of digital, diversifying their strategy and fundraising channels (particularly in Spain at 76% and 72% respectively)
- Increasing the focus on supporter care was particularly prominent in Germany at 47% vs 21% in France
- Supporter acquisition was a focal point for those in Spain (47%) and lowest in Italy (22%)
- Around three in ten respondents in Germany (33%), Spain (31%) and the UK (28%) said they would increase their focus on legacies, compared with only 10% in the Netherlands



ABOUT US

The **European Fundraising Association** 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, 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
Twitter: @EFAFundAssn
Email: info@efa-net.eu

Salesforce.org is a social impact centre of Salesforce. We build powerful technology for, and with, our community of nonprofit, educational and philanthropic organisations to help them operate effectively, raise funds and connect.

In a world where digital-first is no longer a choice, our Nonprofit, Education and Philanthropy Clouds enable organisations to increase digital engagement, create a single source of truth, and generate actionable insights. Technology helps build resilience, maximise societal impact, and build a better world. Together, we can close the gap between the impact created today, and the potential for impact in the future.

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