

International Fundraising: Now More Important Than Ever?

By: Ankita Suri (Intern)

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Philantropia Inc, a consultancy firm specialized in international fundraising and philanthropy, advises and supports non-profit organizations around the world on how to more effectively raise funds so that they can dedicate more time to pursue their missions. Philantropia provides strategic advice, coaching, and training to improve organizational capacity, and ensure financial support for client programs.

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“I see huge potential for international fundraising”

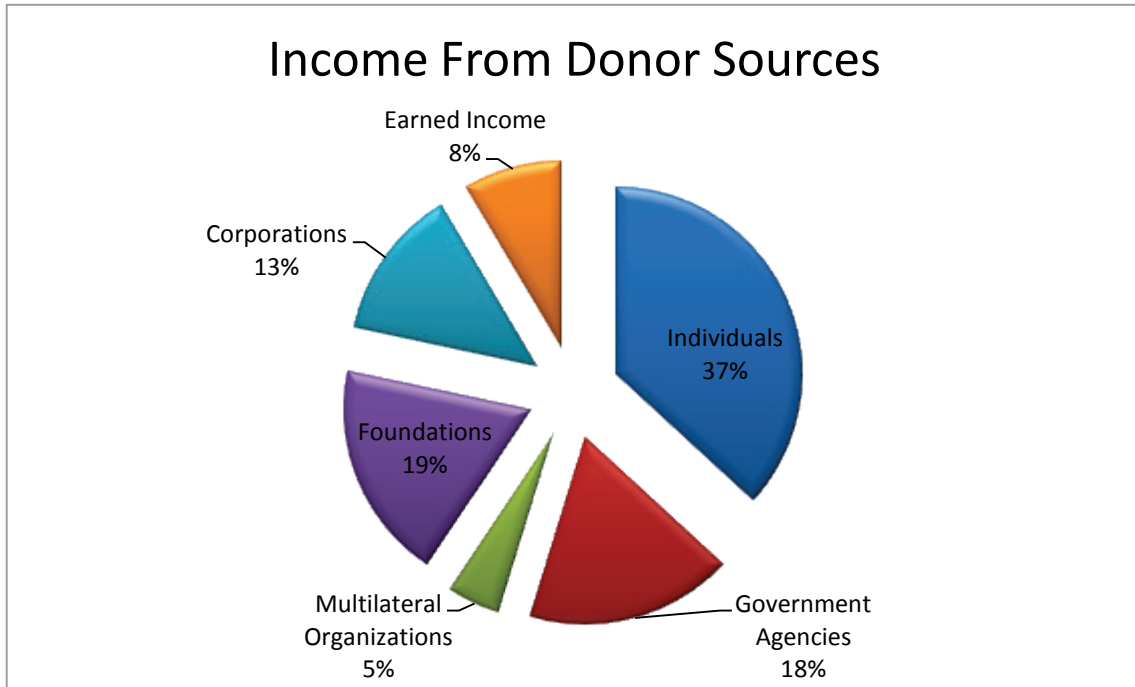
Father Ray Foundation
Thailand

This report reflects the results of a small-scale survey conducted to gain insight into whether NGOs worldwide were reaping benefits from cross-border fundraising. The survey targeted both NGOs that had received international funding, and those which had not. We asked about their future fundraising plans, and how they would allocate any additional resources to increase their fundraising capacity. Questions covered their fundraising strategy in general, their interest in or use of international donor funding, the impact of the economic crisis on their fundraising efforts, and their assessment of international fundraising opportunities in the near future. The survey shows that many NGOs turn to cross-border fundraising as a means to diversify their income streams in this difficult economic climate, and that most NGOs foresee increased opportunities from international funding sources in the future.

Due to the small sample size of NGOs surveyed (<30) the results might not be fully representative and there is some margin of error. However, the survey results provide important qualitative insights and are indicative of the importance most respondents attach to the value of cross-border fundraising.

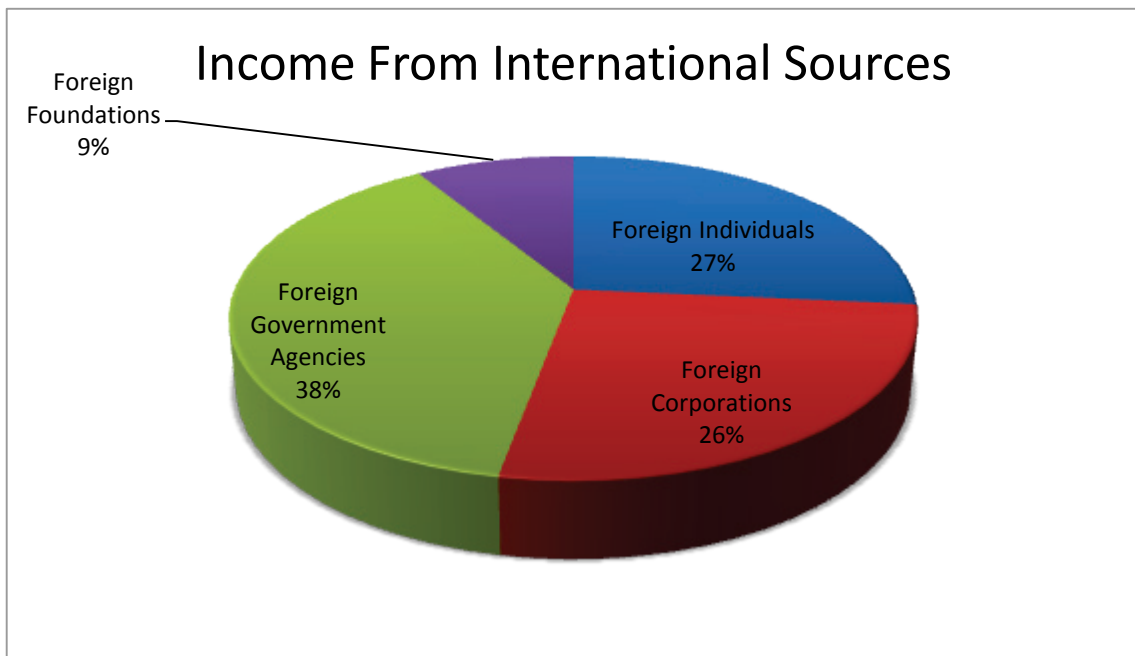
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NGO Income



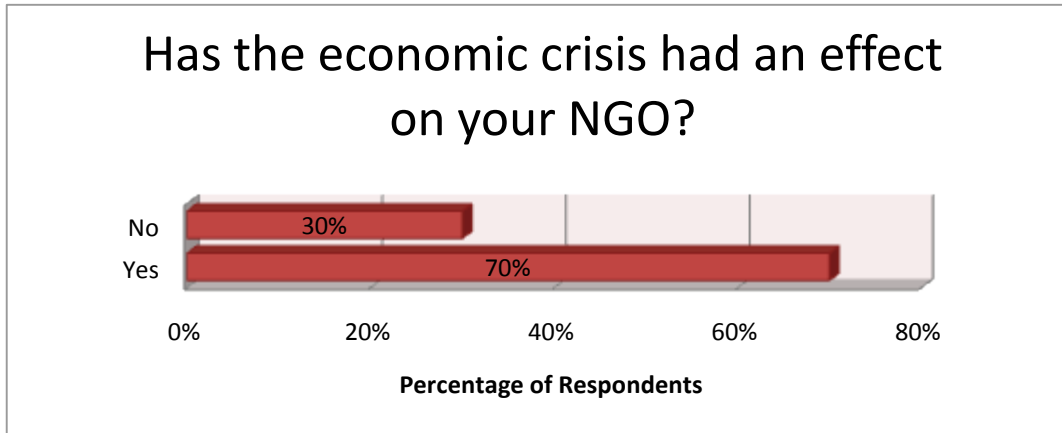
NGOs receive most of their funding from individuals, and the least from multilateral organizations.

However, of those NGOs that receive funding from international sources (73% of those who responded to the survey), a significantly higher portion receive funding from foreign government agencies.



Effects of the Global Economic Crisis on the Funding of NGOs

The recent economic crisis has had strong effects on the operations of NGOs in all regions of the world. An overwhelming 70% of NGOs say that the economic crisis has had an effect on them. It should also be noted that the 27% of NGOs surveyed that did not receive any international funding all reported that they have been adversely affected by the economic crisis.



The following chart highlights the number of NGOs who have lost funding due to the economic crisis.

It also showcases how respondents have revised their fundraising strategy in order to navigate a more difficult economic environment. Roughly 49% of respondents decided to increase their funding capacity by devoting more time/staff on fundraising and initiating new fundraising initiatives. Some 18% of respondents affected by the economic downturn stated they had decided to reduce their fundraising staff and fundraising budget.

Respondents stated that if further resources to improve their fundraising capacity could be obtained, their top two choices would be to hire additional staff and have their staff attend training sessions.

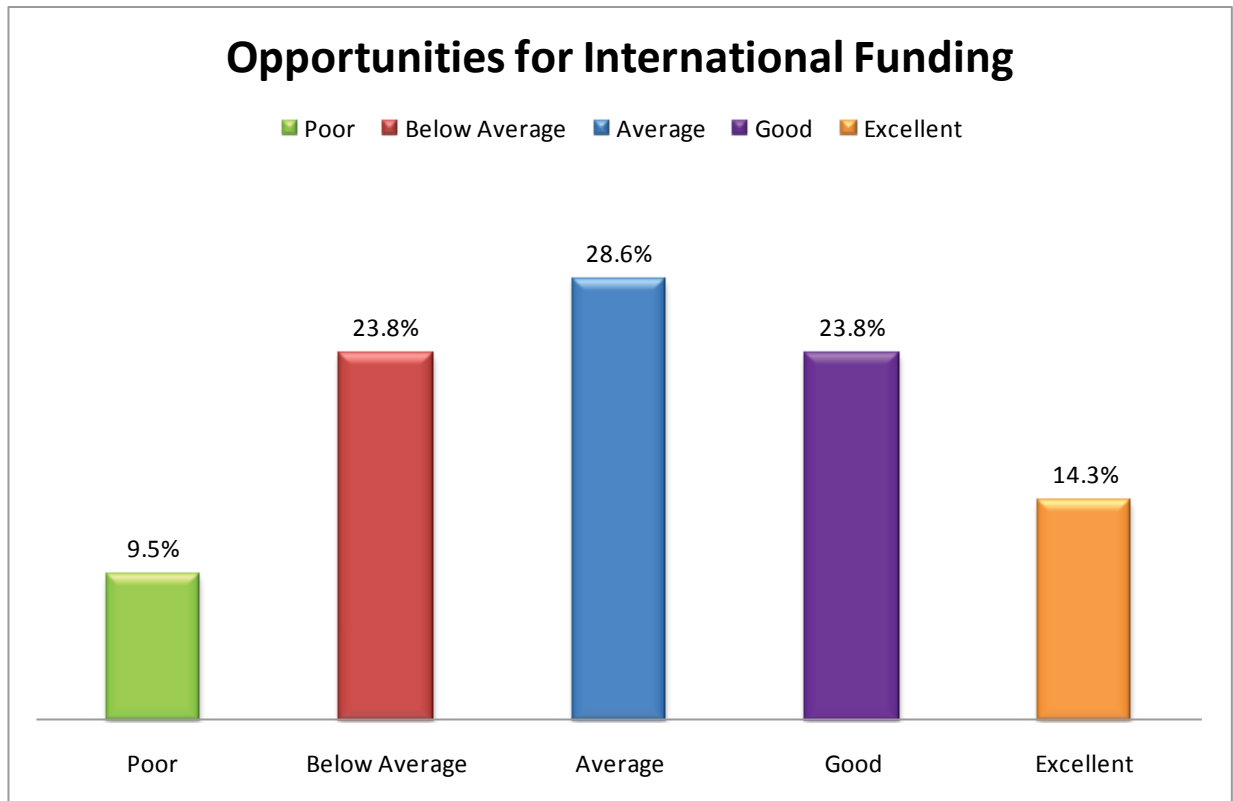
Effects of the Economic Crisis	Percentage of NGOs *
a. Loss of Donors/Sources of Funds	33.3 %
b. Devoted More Time/Staff on Fundraising	26.7 %
c. Began New Fundraising Initiatives	22.2 %
d. Reduced Fundraising Budget	13.3 %
e. Reduced Staff	4.4 %

*NGOs could select more than one category

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Current Situation of International Funding

NGOs were asked to rate the opportunity to raise funds from international sources compared to the recent past.



* Five NGOs responded that they were “Not Sure”.

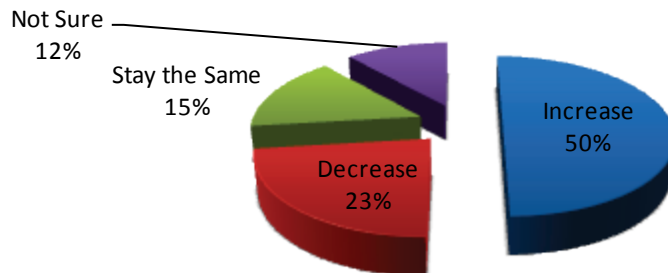
While responses to this question varied, over 65% of respondents rated it “average” or higher, compared to the recent past.

Respondents also stated that they believe the coming year will bring more opportunities for international funding for their work, and they plan to increase their capacity in order to be able to identify and pursue these opportunities.

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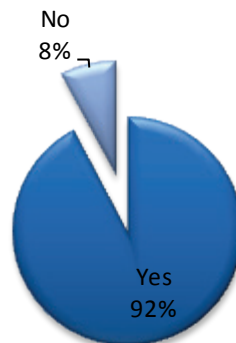
Future of International Funding

Expectations of the Availability of Funding in the Next Year



Interestingly, some 50% of NGOs believe funding availability will increase in the next year.

Funding from International Sources in the Future



In an attempt to diversify, an overwhelming 92% of respondents plan to increase their funding from international sources.

Only two NGOs surveyed are not planning to pursue international funding for their programs. The reasons stated for this decision are due to: a) No staff time/resources available; and b) lack of information.

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CONCLUSION AND RECOMMENDATIONS

CONCLUSIONS

The results of the survey clearly illustrate the importance to respondents of actively pursuing international funding sources. Over 65% of NGOs believe that compared to the recent past, opportunities from international funding sources are “average” or higher. Several respondents stated that they required more staff time/resources and information on how to approach international funders, in order to succeed. This might indicate a lack of capacity and a need for training.

The economic crisis has had a strong impact on fundraising for NGOs with 33% of respondents indicating that they have lost donors and sources of funds. Almost 50% of respondents have chosen to increase their fundraising capabilities by devoting more staff time to fundraising, as well as exploring new initiatives. They also indicate that if resources were available, they would hire more fundraising staff and initiate staff training. Interestingly, 18% of respondents who reported a significant impact of the economic crisis have reduced staff and fundraising budgets, limiting fundraising capacity which creates a challenge for program sustainability.

Highlights

- ❖ 73% of NGOs surveyed obtained funds from international sources.
- ❖ All NGOs surveyed that did not receive any international funding reported that they have been adversely affected by the economic crisis.
- ❖ 65% of NGOs surveyed believed that opportunities for international fundraising were at “average” or better.
- ❖ 92% of NGOs said that they plan to increase their focus on international donors in the future.
- ❖ Respondents indicate that if resources were available, they would hire more fundraising staff and initiate staff training.

RECOMMENDATIONS

DIVERSIFY YOUR FUNDING BASE

Diversification of funding sources is essential to increase the stability of NGO income streams. As a response to the economic crisis, tapping international funding streams might be more important than ever. In particular, funding from international governments and their respective bilateral aid agencies has provided excellent opportunities for the NGOs surveyed.

INCREASE FUNDRAISING CAPACITY

Developing a strong organizational fundraising culture is essential to an NGO’s long term sustainability. Reallocating staff responsibilities, hiring additional fundraising staff, and putting a focus on staff development and training are excellent ways to increase fundraising capacity.

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METHODOLOGY

This survey was conducted from October 30th through December 7th of 2009. It was conducted globally online. The sample represents a wide variety of geographical regions, with respondents from five continents and numerous countries. NGOs came from different classifications, including poverty alleviation/development, education, health, human rights and more. The survey was targeted to any NGO that receive funding from individuals, corporations, foundations and government agencies.

The total number of NGOs surveyed was 26. The sample size is therefore small and there is a significant margin of error, likely to be in the range of 19-20%¹. However, the survey results provide important qualitative insights and are indicative of the importance most respondents attach to the value of cross-border fundraising.

“I agree that international fundraising is more important than ever because we are part of one system.”

Parrains De L’Espoir
Kenya

¹ Margin of Error = (1/sqrt of n). N= sample size