



Fundraisers in the 21st Century

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Who are fundraisers today? How and why do individuals become fundraisers? And, what is the situation with fundraisers in the various nonprofit subsectors? *Fundraisers in the 21st Century* provides fresh insight into fundraisers' career paths, challenges, successes, and the overall growth of the field. As a comparison to a 1996 study of fundraisers, this study reveals that the profession continues to mature – more people are choosing it as a first career and tenure is up, for example – but challenges remain. The following white paper analyzes survey data from 1,826 fundraising professionals. This survey was sent to 35,747 fundraisers, members of AFP, CASE, AHP, and individuals associated with the Lilly Family School of Philanthropy. It was hoped that the Lilly Family School of Philanthropy's database would help connect to fundraisers from small nonprofits who are not members of a professional association.¹

Background

In the mid-1990s with encouragement by INDEPENDENT SECTOR, Gene Tempel and Margaret Duronio conducted the first-ever national study of the fundraising profession. The

¹ The 1,826 survey participants represents a 5% response rate. Although this represents a convenience sample, it is considered reliable because of its size. Additionally, the demographics of this survey closely mirror the membership demographics of the Association of Fundraising Professionals, suggesting that the sample is representative of most fundraisers.

results, published in *Fundraisers: Their Careers, Stories, Concerns, and Accomplishments* (Duronio & Tempel, 1997) were revealing. For example, we understood, for the first time, with evidence, that fundraising was by far not the first career choice for many individuals; only 15% entered fundraising as their first career. The average age of entry into the profession was 33.5 years for women and 33 for men. Most people learned fundraising on the job. Also for the first time, we understood that turnover is a complex issue. We saw that turnover is affected by gender, pay, organization type, and length of service in the field; those with ten or more years of experience had the most job stability with an average of five to six years in their current position (Duronio & Tempel, 1997). More recently, concerns over inverse supply and demand for qualified fundraisers (Burke, 2013) and fundraisers' intentions to leave one position for another (Bell & Cornelius, 2013) have dominated industry news of the profession (Joslyn, 2016).

During the past twenty years, there has been significant growth in college and university academic programs at the undergraduate and graduate levels (as well as a few internationally) related to fundraising, nonprofits, and philanthropy (Mirabella, 2007; Nonprofit Academic Centers Council, 2017). Additionally, professional organizations such as the Association of Fundraising Professionals, the Council for Advancement and Support of Education, the Association for Healthcare Philanthropy, and others have made concerted efforts to improve the training and education of their members through more sophisticated workshops, conferences, and training. At the same time, the nonprofit sector has grown by almost 500,000 registered 501c3 organizations, and fundraisers at some of the largest organizations earn in excess of \$500,000. Yet, the scholarly literature on the work and careers of fundraisers has not kept pace with the profession's growth as Lindahl and Conley observed in 2002.

Who are fundraisers today?

According to the United States Bureau of Labor Statistics (2016) there are approximately 77,000 fundraisers in the workforce. However, we believe this number probably does not capture all fundraisers because of the many roles nonprofit professionals typically play, especially in smaller organizations. It does not seem reasonable that 77,000 employed fundraisers work for the approximately 1.4 million nonprofits. Fundraisers comprise less than 1% of the total U.S. workforce but earn more than the national average hourly wage (\$55.48 vs. \$22.71). Beyond the BLS data and surveys conducted by the major professional associations, no other comprehensive study of the fundraising profession exists.

A noticeable shift has occurred since the original study was done in the mid-1990s. Today's fundraisers are overwhelming female. And, despite various diversity initiatives in the nonprofit sector, fundraisers continue to be mostly Caucasian (88%). Only 3.6% of respondents identified as black, 2.9% identified as Hispanic, and 3.3% chose other.

Table 1: Percentage of male and female fundraisers

	2015 %	1996 %
WOMEN	73.1%	54.6%
MEN	26.9%	45.3%

These demographic characteristics mirror the overall membership of the professional membership organization, the Association of Fundraising Professionals (AFP). The membership

organization is comprised of 75% women and 25% male. Approximately 89% of AFP members identify as Caucasian (AFP Compensation and Benefits Study, 2016).

Our findings suggest more young people are working as fundraisers today. As shown in table 2, fundraisers younger than age 40 comprise the majority of our respondents. We believe this may be related to more young people choosing fundraising as a first career, as discussed in the “Career Patterns” section.

Table 2: Fundraisers’ age

	39 and younger	40-49	50-59	Age 60+
Total	36%	21%	27%	16%

Respondents represent all subsectors as shown in table 3. Perhaps not surprisingly, the education (40%) and health (20%) sub-sectors dominate, as they did in 1996. Both the education and health subsectors are considered to be the most professionalized and historically have had the largest endowments and staffs. Additionally, both subsectors have traditionally received the most charitable contributions each year, after religion (Giving USA, 2017). It is worth noting, however, that the percentages in both subsectors have declined since 1996, suggesting that the other subsectors are growing in their staff size and professionalization. The Environment subsector is one of the fastest growing philanthropic subsectors according to *Giving USA*, and that is likely related to the growth of fundraisers working in that area. Additionally, the international subsector represents the fewest individuals with less than 1% of all respondents; but it too is a growing subsector.

Table 3: Fundraisers by subsector

Subsector	2015 Total %	1996 Total %
Arts & Culture	6.2%	5.4%
Education	40.2%	49.7%
Environment	4.0%	0.6%
Health/Medical	20.7%	23.9%
Human Services	15.1%	11.7%
Public Benefit	2.5%	1.8%
Religion	2.9%	2.5%
International	0.8%	n/a
Other	7.5%	4.2%

Fundraisers' Education and Professional Development

In general, today's fundraisers are achieving higher levels of formal education than they did in the 1996 study. Noted on the table below, graduate education for fundraisers is up from 36.6% in 1996 to 44.8% today. At the same time, fewer fundraisers have less than a bachelor's degree, only 3.2% today. Interestingly, the number of fundraisers holding doctoral degrees has declined, perhaps because doctoral-prepared fundraisers were in higher education and came to fundraising as a second or third career. In addition, fundraisers are achieving higher levels of formal education, as we would expect given the rise of nonprofit and philanthropic studies

programs in colleges and universities, especially at the graduate level. Fifty-one percent of today’s fundraisers have an advanced degree (masters or doctoral) compared to 46% in 1996.

Table 4: Fundraisers’ level of education

	2015	1996
High School/ Some College	3.2%	6.5%
College Degree / Some Graduate	46.1%	48.0%
Graduate Degree	44.8%	36.6%
Doctoral	5.4%	8.9%

Although women comprise 73% of survey respondents, male fundraisers had more formal education. 70.6% of men had degrees beyond a bachelors while 58% of women did. But, female fundraisers are more educated now than they were in 1996, when only 44% held graduate degrees.

Table 5: Fundraisers’ education level by gender (2015)

	Women	Men
High School / Some College	2.8%	0.4%
College Degree / Some Graduate	35.8%	10.7%
Graduate Degree	43.2%	49.1%
Doctoral	3.9%	9.4%

Position & Salary

Fundraisers hold a variety of organizational positions and often wear many hats in their organization. This study found that the most common title is "Director" with "Officer" a distant second. Men and women are in fairly comparable positions at the ranks most associated with earlier-career stages. Women are even more likely than men to hold the title of "Director." However, men outpace women at the Vice President and President levels by about 5%. Women are also more likely to hold coordinator and specialist titles, perhaps side stops on the way to manager and director.

Table 6: Fundraisers' Titles by Gender

	WOMEN	MEN	TOTAL
Administrator	1.1%	1.0%	1.2%
Coordinator	4.4%	1.5%	3.6%
Specialist	3.9%	0.7%	1.2%
Fundraiser	9.0%	7.4%	8.6%
Manager	6.0%	5.2%	5.9%
Officer	13.0%	14.6%	13.4%
Director	48.7%	43.7%	47%
Vice President	10.0%	15.4%	11.5%
President	3.7%	8.5%	5.0%
Other	2.5%	2.0%	2.4%

Many of the gender dynamics revealed in the 1996 study remain prevalent today. While women fundraisers have made strides in education, salary, and leadership positions, they remain at a disadvantage. Regression analysis confirms that male fundraisers still earn higher salaries than female fundraisers, even when education, age, and experience in the field are held constant.

Table 7: Fundraisers' Salary by Gender

	Mean	Median
Male	\$107,147	\$90,000
Female	\$86,900	\$70,000
Total	\$92,218	\$90,000

Compensation levels by gender are detailed below. Note that women outnumber men at the two lowest pay categories which may reflect the large number of women entering the profession today.

Table 9: Fundraisers' Salary Levels by Gender

	WOMEN	MEN
Below \$40,000	7.2%	4.0%
\$40,000 - \$60,000	21.8%	11.1%
\$60,000 - \$80,000	23.6%	21.4%
\$80,000 - \$100,000	19%	19.1%
\$100,000 - \$120,000	10.9%	11.8%
\$120,000 and above	17.6%	32.5%

At the \$60 and \$100 thousand levels women seem to be compensated roughly like men. The percentages of men are greater in the two top categories. This likely relates to the finding that men are more likely to be vice presidents and presidents than women.

Bonuses

Much attention is being paid to the use of bonuses in fundraising today. For some the rationale is to increase productivity in fundraising by rewarding fundraisers for fundraising performance. For others it relates to retention of high performing fundraisers. In the mid-1990s, Duronio and Tempel (1997) found that 13.4 percent of respondents received bonuses. . Gender did not seem to matter. But those working in healthcare were more likely to receive bonuses. Another study around the same time found that 14 percent of organizations surveyed provided bonuses. In the most recent study, the award of bonuses across subsectors has changed slightly. Fundraisers in the arts were the most likely to report being awarded bonuses. Fundraisers in health and education were slightly less likely to report receiving bonuses. Fundraisers working in other nonprofit organizations--human services, the environment, international, for example--were not likely to report bonuses.

The surprising finding is that bonuses were most likely to be reported among fundraisers working in arts organizations. It may be that large cultural organizations and museums are driving this trend in arts organizations. Healthcare organizations may have been the earliest organizations to adopt bonuses as discussed previously. We concluded that organizations are rewarding their most talented senior fundraisers with bonuses. Age, experience, and income are all statistically related in the study. Organizations may in fact be focused on both reward

and retention of top talent. However, the study also found that those with more age and experience and with higher salaries have the lowest levels of turnover. Whether or not bonuses are a factor is not clear.

Table 10: Use of Bonuses

	2014	2013	2012	2011	2010	All of These Years	Total Responses
Based on my individual achievement of specific, identified performance outcomes	9.30%	6.20%	4.80%	3.10%	2.80%	4.80%	31%
Based on a group's achievement of specific, identified performance outcomes	7.80%	5.40%	3.60%	2.60%	2.60%	3.70%	25.40%
Based on overall merit	5.80%	3.80%	2.70%	2.20%	1.80%	3.30%	20%
Based on my remaining in my job for a specific period of time or until the completion of a project	1.20%	0.70%	0.40%	0.30%	0.70%	0.50%	0.40%
Other (please specify)	1.40%	0.80%	0.50%	0.10%	0.40%	0.40%	0.40%

The largest number of those reporting bonuses cited individual achievement of specified performance goals as the basis for their bonuses. It is interesting to note that this basis for awarding bonuses is potentially in conflict with the AFP Code of Ethics. It is possible there is a changing norm on what is an acceptable reward structure in fundraising. A substantial number of respondents reported their bonuses awarded based on a group achievement on specific performance. There has been some speculation that signing bonuses are increasingly common

in the hiring of fundraisers. However, no fundraiser in this study cited signing bonus as a reason for being awarded a bonus. It is possible that fundraisers see signing bonuses as separate from other bonuses and a question focused directly on signing bonuses must be included to elicit that information in future studies.

Career Patterns

Anecdotal information suggests that more people are now choosing fundraising as a first career. Our research confirms our hypothesis that the age individuals enter their first fundraising job has come down. In 1996, the average age of entry was 33.5; today the average age is 30.5 and the median age of an individual's first fundraising job is 27. We believe the decline is related to the increased education levels of fundraisers. Twenty-one percent of respondents noted that they learned fundraising through formal education, compared with only 10% in 1996.

Another central question of the research relates to fundraisers' tenure. As was found in 1996, there is still turnover, especially in lower paid positions and in the early years of one's career, but the average years in fundraising and years per fundraising job have increased for individuals who have ten or more years' experience and for those that earn the highest levels of compensation. Fundraisers' tenure has increased since 1996. Figure 10 below shows fundraisers' tenure by gender and shows that once someone has about ten years' experience, the average number of years per job increases.

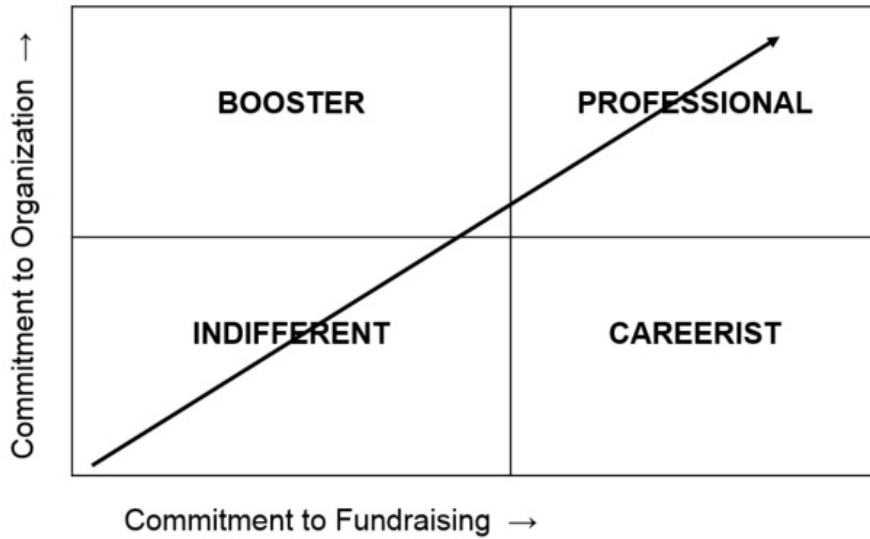
Table 10: Fundraisers' Tenure

	#	%	Average Number of Fundraising Jobs	Average Years In Present Job	Average Years in Fundraising	Average Years per Fundraising job
Females						
All	1297	100	3.59	3.64	13.99	4.00
10 or more years' experience	844	65.07	4.15	4.50	18.52	4.95
Under 10 years' experience	453	34.93	2.75	2.02	5.55	2.25
Males						
All	468	100	3.52	4.75	17.23	5.01
10 or more years' experience	332	29.06	4.04	5.82	21.90	6.08
Under 10 years' experience	136	70.94	2.76	2.15	5.82	2.42

In 1996, female fundraisers stayed an average of 3.69 years per fundraising job and men stayed 4.36 years (Duronio & Tempel, 1997, p.72). While we are encouraged that fundraisers' tenure has improved since the mid-1990s, we acknowledge that many fundraising managers still consider a four to five year tenure too short, especially for frontline fundraisers/major gift officers.

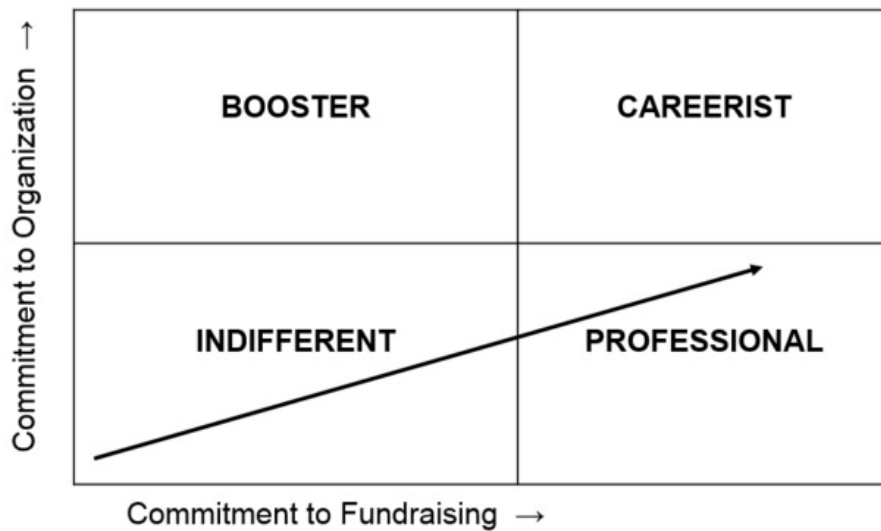
In 1997, Duronio & Temple introduced a paradigm that outlined normative career paths for fundraisers. The ideal fundraiser was identified as someone who has equal commitment to an organization and professional development as outlined by the following graphic:

Figure 1: Career Orientation



The 1997 study found a dislike of colleagues who seemed to be concerned about their careers. Perhaps reflecting a more professional approach to fundraising today the norm has shifted as reflected in a new orientation of this graphic, depicted in Figure 2.

Figure 2: Career Orientation Revisited



Perhaps the idea professional today is committed to continued career development through enhancing ethical and technical skills through undergraduate and graduate education as well as continuing education opportunities. In this model, the professional understands the case for support as essential to fundraising and has the skills to help ensure that organizations have a strong case for engaging donors, regardless of the nonprofit organization at which she is employed.

Conclusion

Since *Fund Raisers: The Careers, Stories, Concerns, and Accomplishments* was published in 1997, there have been significant changes in fundraising as a profession. In fact, fundraising might be called a profession today if we accept the definition of a profession as marked by a set of ethical and technical standards that require formal training and preparation (Caboni, 2010). The findings of this study support this conclusion.

Fundraising is a profession today. Compared to 20 years ago, there is more research and literature related to fundraising. Today there are more educational programs at the collegiate and graduate level related to nonprofit management, fundraising, and philanthropy. There is greater concern over, and clarity around, ethical behavior related to fundraisers. And professional, continuing education programs continue to grow and develop.

Today many more young people are choosing fundraising as a first career compared to 20 years ago and there appears to be clearer pathway into the profession. Fundraisers are staying in their positions longer, 4 years for women and 5 years for men compared to 3.31 and 4.42 respectively. While tenure length might not be what some board members and CEOs wish, it has gone up since the mid-1990s.

What this study found is what has been evident in a general way through observing university programs, professional conferences, and workshops. The profession has become predominantly women. This study found that 73% of fundraisers today are women. Twenty years ago it was just over half. Twenty years prior to that it was likely 25% or less women. One concern that Duronio & Tempel (1997) expressed was that increasing women in fundraising would have one negative impact of “feminization,” lowering salaries. However, that seems not to have happened as salaries for both men and women seem to have outpaced inflation and grown from averages of \$107,147 for men and \$86,900 for women. However, gender pay disparity persists. We can recommend to boards and CEOs the need to be mindful of the talent that women bring to the organization and make sure to provide equal pay for equal work.

The state of the profession is worthy of continued study on a more frequent basis to monitor the dynamics presented here. Factors such as changing educational level, turnover, career orientation, the role of women, and levels and types of pay can provide continued guidance of fundraisers and to nonprofit boards and CEOs as they continue to develop philanthropy as a source of income to support the public good.

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