



Trends Shaping Nonprofits in 2024

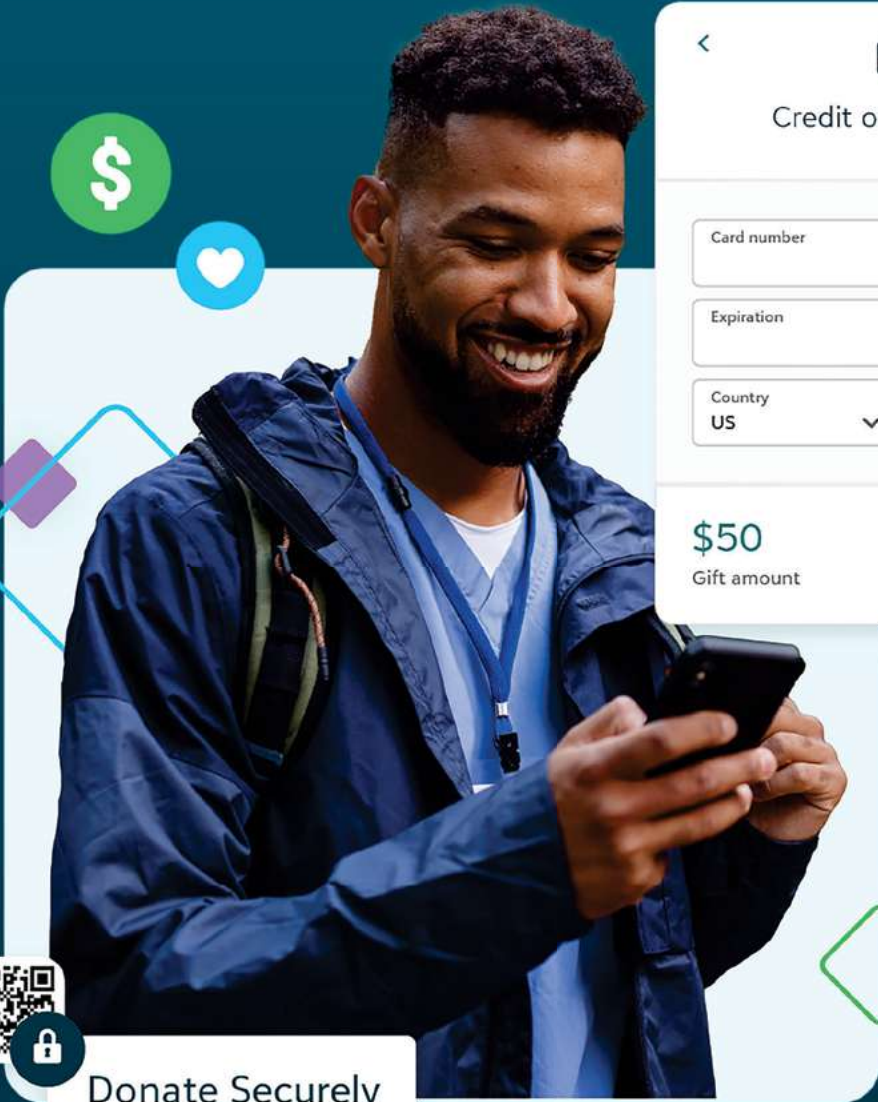
For insights into what lies ahead for nonprofits in 2024, *Chronicle of Philanthropy* CEO Stacy Palmer invited writers and editors from the newsroom to discuss their reporting on key trends shaping the philanthropic sector. The conversation was inspired by [the January issue, which examined nine trends](#). The live event highlighted four of those:

- The complexities of the fundraising outlook
- The future of trust-based philanthropy
- The impact on philanthropy of last year's Supreme Court ruling on race-based admissions at two universities
- The challenge of the ongoing nonprofit hiring and retention crisis

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The image features a man with a beard and short hair, wearing a blue jacket, smiling as he looks at his smartphone. Overlaid on the right side of the image is a mobile app interface for a donation form. The form is titled "Credit or debit card" and includes fields for "Card number", "Expiration", "CVC", "Country" (set to "US"), and "Zip code". Below these fields, the "Gift amount" is set to "\$50", and there is a "Continue" button. To the left of the man, there are several decorative icons: a green circle with a white dollar sign, a blue heart icon, and a QR code with a lock icon. The text "Donate Securely" is positioned below the QR code.

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QR Code

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Donate Securely

Mobile App Interface:

- Card number
- Expiration
- CVC
- Country: US
- Zip code
- Gift amount: \$50
- Continue

The panel includes senior editor **Rasheeda Childress**, who covers fundraising; senior reporter **Alex Daniels**, who covers foundations and government policy related to nonprofits and charitable giving; and senior writer **Jim Rendon**, who focuses on leadership, climate change, and investigations. Here are the key insights from their discussion.

To combat decline in giving, involve donors at all levels

Rasheeda Childress explains that many nonprofits are seeing a decrease in donors as well as dollars. Last year's "Giving USA" report shows that in 2022, giving from individual donors fell to its lowest share of overall giving in the past 40 years. To stem the tide, Childress points to smart ways nonprofits are doing this.

Engage donors as volunteers. Nonprofits are getting creative about engaging volunteers and donors — even if they lack physical locations. For example, [National Angels](#) asks volunteers to write letters in support to foster families, and the [National Blood Clot Alliance](#) has established an ambassador program that empowers volunteers to go out and educate friends and family about the dangers of blood clots and how to recognize the symptoms.

Build community to strengthen donor loyalty. [The Farmlink Project](#) uses a large volunteer force of college students to transfer food from waste areas to shelters and resource centers to feed hungry people. Volunteers make personal phone calls to thank donors, and CEO Ben Collier sends out personalized, behind-the-scenes videos to donors to help them feel they more connected to the mission.

Revamp fundraiser performance metrics to prioritize small gifts and donor retention. Fundraising experts such as Nathan Chappell emphasize the need to motivate fundraisers to focus on everyday donors, not just major donors. Shifting success metrics to include donor retention and involvement can encourage fundraisers to prioritize midlevel donors and expand the pool of engaged donors.



Stacy Palmer

CEO

Chronicle of Philanthropy



Rasheeda Childress

Senior Editor

Chronicle of Philanthropy

The future of trust-based and race-based philanthropy is uncertain

Many nonprofit leaders wonder if trust-based philanthropy is a fad or whether it will take hold.

Alex Daniels explains two big challenges with foundation funding: slow decision making and a power dynamic that favors grant makers. The pandemic, combined with increasing racial unrest, caused foundations to streamline many practices to respond to the twin crises, which helped trust-based philanthropy gain traction.

Some hallmarks of trust-based philanthropy include multiyear grant making, recognizing the expertise of the nonprofits working in communities, and a willingness to give general operating support.

However, it is unclear whether these trends will continue. Alex cites research by the Center for Effective Philanthropy, which found that less than half of nonprofits surveyed receive multiyear general operating grants.

Many foundations are adopting trust-based approaches piecemeal, such as streamlining applications or reducing reporting requirements, rather than providing significant, unrestricted funding. One foundation, the Walter and Elise Haas Fund, in contrast, now permits grantees to choose whether their grant will support programs or general operations, and most choose the latter.

Over all, trust-based philanthropy is poised to strengthen relationships between foundations and grantees, but the jury is still out on whether the approach will ever become the norm.

Another area of uncertainty in philanthropy is the long-term impact of last year's Supreme Court decision rendering race-based admissions at universities illegal. Many organizations are feeling the ripple effects as they await the outcome of lawsuits challenging grant-making strategies and nonprofit practices.

For example, the Fearless Fund, a venture-capital fund in Atlanta that supports Black women entrepreneurs and is linked to a foundation, faces a lawsuit claiming that its practices are exclusionary and illegal.



Alex Daniels

*Senior Reporter
Chronicle of Philanthropy*



Jim Rendon

*Senior Writer
Chronicle of Philanthropy*

Foundations are responding to these legal challenges in creative ways, such as using proxies like geography or income status for race in grant making. Others are maintaining their focus on addressing racial disparities directly, arguing they have a First Amendment right to do so, despite potential legal risks. Leaders are watching developments closely, and the *Chronicle* will report on lawsuits as they unfold.

Complex hiring and retention crisis requires multi-faceted approach

The nonprofit sector continues to experience unprecedented turnover and difficulty filling open positions. A survey conducted by the Connecticut Association of Nonprofits reveals that 90 percent of nonprofits have trouble hiring staff.

Inflation, rising housing costs, and competition for talent from the private sector, combined with employee burnout and demand for flexibility, particularly among Gen Z workers, are creating a perfect storm for nonprofit leaders and hiring managers.

Young workers also reject the “overwork and underpay” ethos that seasoned nonprofit workers endured, and they are seeking inclusive, supportive cultures.

To satisfy employee expectations, many organizations are increasing benefits, including more time off, sabbaticals, mental-health days, flexible work arrangements, and implementing diversity, equity, and inclusion training in states where it is still legal.

The National Council of Nonprofits examined innovative strategies that help retain workers. It found that about 40 percent of survey respondents increased salaries and benefits.

Interestingly, the same percentage of respondents offer high-demand skills training as a retention tool, recognizing that young professionals want to sharpen their skills to develop their careers and highly value these offerings.

For more insights, [watch the full recording](#) and [read the trends coverage](#).