

Blackbaud Luminate Online™ **Benchmark Report 2017**



Overview

We're happy to bring you the *Blackbaud Luminate Online™ Benchmark Report* for the 11th straight year. We do this work to help detect and surface trends within nonprofit fundraising and engagement programs. These email list (housefile), engagement, and fundraising benchmarks can help you evaluate the health of your program and discover potential areas for growth.

We include insight into performance metrics from over 700 nonprofits to help organizations gauge how they're performing relative to their peers.

Ultimately the best benchmarks are your own. We hope this information inspires you to benchmark your own year-over-year performance and use this information to grow support for your mission.

About this Study

This report includes aggregate data from July 1, 2016–June 30, 2017, from 707 mature Blackbaud Luminate Online customers—all with at least 3 years of consecutive usage data. Collectively over this one-year period, these organizations raised over \$1.7 billion dollars, handled almost 25 million transactions, and sent over 6.4 billion emails.

This large data sample comes directly from our Blackbaud Luminate Online cloud-based platform, giving us a unique view of the nonprofit industry's online engagement.

We base each year-over-year measurement on a consistent set of clients in each metric to ensure that we're comparing apples-to-apples. Metrics found in this report cannot be compared with the same metrics found in prior reports as the specific organizations included will differ. Although we include some commentary with the statistics, we prefer to primarily cover "what is" rather than "why." We try to spotlight the trends and where things are moving.

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Organization Classification

We use self-classified National Taxonomy of Exempt Entity (NTEE) verticals as our categorization guideline. Canadian organizations have been included directly in the mix with their U.S. counterparts. Organizations that raise 90% of their reported funds through peer-to-peer events using Blackbaud TeamRaiser® have been excluded from this study. The vertical categories are as follows:

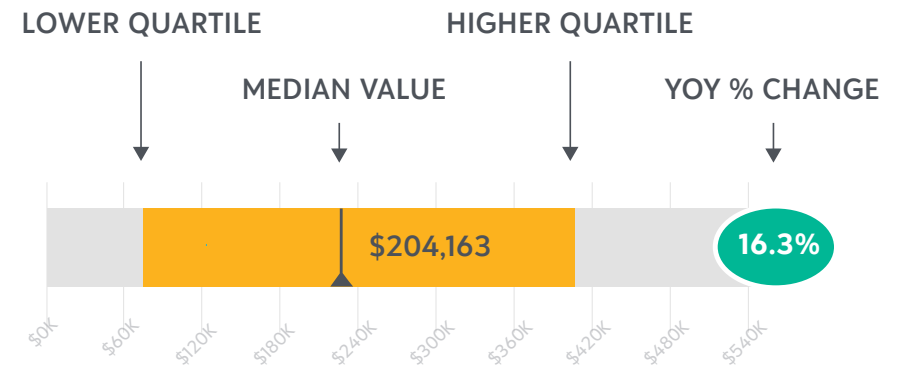
- Animal Welfare
- Arts and Culture
- Disaster and International Aid
- Environment and Wildlife
- Faith-Based
- Food Banks
- Health Services and Research
- Hospital Foundations and Hospitals
- Human and Social Services
- Public Affairs
- Public Broadcasting Stations

Medians and Quartiles

All values in this report are expressed as medians. We use medians instead of averages to provide a more accurate view of the benchmarks. This method helps de-emphasize outliers. Medians represent the middle value between the largest and smallest in a set of numbers, so they are less likely to be influenced by extremely high or low results for some organizations.

For some results, we also show quartiles. A quartile is the data point halfway between the bottom and median or median and top. They're not averages; they're the metrics that fall on the dividing line between quarters of the list.

Quartile Chart Legend



Important note: On tables and charts where you see an industry median, this number represents an aggregate median of all organizations in the study for that metric. We never report on the median of the vertical medians. If you see an industry median, it's the median of all the hundreds of organizations that we report on for that statistic, not the median of the vertical medians.

Key Findings

- Expanding relationships with existing supporters was the name of the game this year as we saw a **20.4% growth in sustainer revenue**.
- Viewing online revenue as one great big pie, **we saw a larger slice of the pie—8.4% more—coming from sustainer gifts** in 2017.
- **Organizations received 61.5% of their revenue from established donors** this past year, with repeat giving up slightly (1.3%) from the prior year.
- It was a year for energetic email activity. While email lists grew by 10.2% this year, **you hit send a lot, increasing the number of emails sent by 15.4%**.
- The short-term gain was more gifts. **Organizations grew online revenue by 10.2%**.
- **Nonprofits inspired 15% of their email lists to donate (up 2% from 2016)**. Some verticals got even more financial backing from their lists, with 42% of Health Services and Research supporters donating, and Food Banks and Public Broadcasting both securing gifts from 27% of their lists.
- Did people get tired of hearing from you? Some might say yes, **as open and click rates went down, often by double digits**, depending on the type of email sent.
- Happily, **conversion rates on donation emails stayed absolutely unchanged at .04%**. When people opened an email and clicked a link, they were more inclined to donate this year.
- The value of your email list went up last year; **each usable email on your list was worth \$13.24 in annual revenue**. This stat can help justify investments in organically growing your list and programs to nurture and grow relationships with existing supporters.

Vertical Highlights

How to Use this Information

In the **Vertical Trends** section, we look mainly at the **year-over-year (YOY) movement in important benchmarks**. We line up performance of this vertical (a group of similar nonprofits) next to results for the overall nonprofit industry.

- **“Directional” information (YOY percent change) often proves more useful** to organizations than the absolute numbers. While one organization might grow online fundraising from \$100,000 to \$120,000 and another from \$1,000,000 to \$1,200,000, the gain for both represents 20%.
- **Giving Trends** calls out growth in a few key financial metrics for this vertical compared to nonprofits as a whole.
- We selected the stats for **Email Engagement Trends** to highlight possible relationships between email list growth, changes in number of emails sent, and the response of supporters to these emails (in terms of opens, clicks, and conversions).

Additional Vertical Benchmarks represent the actual figures (not a percent change). We included some we thought were most useful. You can see more vertical measurements in the benchmark tables throughout the rest of this report.

- **Revenue per Usable Email** shows the value of each valid email address in your list. This stat can help justify investments in organically growing your list and programs to nurture and grow relationships with existing supporters.
- **Percent of Housefile that Donates** measures the proportion of people on your email list who donated in the last year. It's one gauge of how engaged your email list is.
- Similarly, **Sustainer Revenue as a Percent of Total** measures what proportion of your total revenue comes from monthly sustainer gifts. This is a nice steady revenue stream.

Animal Welfare

Organizations in the Animal Welfare vertical generally focus on the protection and well-being of companion animals. National issues drove some urgency on advocacy and fundraising efforts after the 2016 elections, which may have contributed to strong online fundraising growth in fiscal year (FY) 2017.

Giving Trends:

- Total online revenue grew by 12.4% in 2017, slightly higher than the 10.2% median growth for all nonprofits.
- Almost 20% of the people on Animal Welfare email lists donated last year, well above the industry median of 14.9%.
- Repeat and sustained giving tend to be very strong in this vertical. Organizations received 22.5% of their total fundraising revenue from sustainer gifts (compared to 11.6% for the industry as a whole).
- Sustainer revenue grew by 16.3% in FY 2017.

Email Engagement Trends

- Revenue per email address was below the median (\$10.81 vs. \$13.24). However, we saw more of a focus in this vertical on building a strong, loyal supporter base that gives more often, if smaller, gifts. This was reflected in the strong sustainer performance.
- Email lists grew at 10.5%, right on par with the industry.
- Animal welfare organizations sent 16.8% more emails and saw falling open and click rates; however, email conversion rates remained unchanged. This seems to indicate that people are less likely to read your emails, unless they're inclined to take action.

Revenue

Total Online Revenue % Change	12.4%
Revenue per Usable Email	\$10.81
Industry Median	\$13.24
Percent of Housefile that Donates	19.9%
Industry Median	14.9%

Sustainers

Sustainer Revenue % Change	16.3%
Sustainer Revenue as a % of Total	22.5%
Industry Median	11.6%

Email

Email Housefile % Change	10.5%
Number of Emails Sent % Change	16.8%
Donation Email Open Rate % Change	-4.6%
Donation Email Click Rate % Change	-17.7%
Donation Email Conversion Rate % Change	0%

Arts and Culture

In this vertical, we find foundations that support museums, libraries, parks and gardens, centers for the arts, historical preservation societies, and similar organizations. Larger arts and cultural organizations have a broader, often national fundraising footprint. Smaller organizations draw on the local or regional community for their support.

To fully understand performance in this sector, review the large charts later in this report that show performance by organizations at the 25th and 75th quartiles. We saw a wide spread in the performance of organizations in this sector.

Giving Trends:

- Sustainer giving boomed, with 26.5% growth this past year.
- While “give monthly” hasn’t been a traditional call to action for this sector, it’s gaining traction. **Sustainer donations represented 9.5% of annual fundraising revenue for arts and cultural organizations** compared to 11.6% of revenue for the industry.
- Online fundraising grew at a modest yet healthy rate of 6.9% compared with the industry median of 10.2%.

Email Engagement Trends

- Email messaging programs seem to be on point. Even though more donation emails were sent last year, we saw very healthy (and growing) open and click rates, and conversion rates stayed steady.
- Email lists grew at a rate of 9.2%, slightly slower than the industry average of 10.2%.
- We also saw healthy growth in the percentage of the email list that donate, with 2.2% growth over last year’s rates.

Revenue

Total Online Revenue % Change	6.9%
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Sustainers

Sustainer Revenue % Change	26.5%
Sustainer Revenue as a % of Total	9.5%
Industry Median	11.6%

Email

Email Housefile % Change	9.2%
Number of Donation Emails Sent % Change	5.1%
Donation Email Open Rate % Change	3%
Donation Email Click Rate % Change	1.3%

Disaster and International Aid

This vertical, comprised of organizations that provide domestic and international humanitarian relief and development assistance, can run hot and cold. Some years the intensity and/or frequency of natural disasters and humanitarian crises puts these organizations on the national and international stage and creates dramatic spikes in fundraising activity. By contrast, years without quite as many urgent calls to action can make year-over-year growth seem less robust, but that's just by comparison to the go-go-go years. The timing of this study and the data show that it was a quieter year.

Giving Trends:

- Total online revenue grew by 8%.
- Organizations in this vertical have built robust sustainer programs with almost 20% of total fundraising coming from monthly gifts.
- This group has a high value email list with each usable email address worth \$22.66 (vs. the median of \$13.24).

Email Engagement Trends

- Email lists grew at a moderate rate of 8.6%.
- A very strong 20.1% of the housefile donated (a 1.8% increase over 2016), well ahead of the industry median of 14.9%.
- This group sent 18% more emails this year. Interestingly, while open and click rates declined sharply, conversion rates for donation emails stayed rock steady at 0.04%.

Revenue

Total Online Revenue % Change	8%
Revenue per Usable Email	\$22.66
Industry Median	\$13.24
Percent of Housefile that Donates	20.1%
Industry Median	14.9%

Sustainers

Sustainer Revenue as a % of Total	19.9%
Industry Median	11.6%

Email

Number of Emails Sent % Change	18%
Donation Email Open Rate % Change	-10.9%
Donation Email Click Rate % Change	-20.7%
Donation Email Conversion Rate % Change	0%

Environment and Wildlife

Environmental and wildlife organizations range from global to local with missions to preserve and protect natural places, parks and reserves, and wildlife. This year was one of high action for this vertical following the 2016 elections as organizations ramped up swiftly to address issues like legislative rollbacks and deregulation.

Giving Trends:

- Online giving shot up 21% in this vertical this year. We saw the number of gifts from new donors grow 13.3% (twice the industry rate of 6.7%). The number of repeat donations grew at 24.1% (twice the industry growth rate of 11.7%).
- Sustainer revenue grew at a jaw-dropping 42%, which was more than double the industry rate of growth—and the sharpest increase of any vertical.
- Revenue per usable email address was a low \$5.49; this may reflect a preference in this vertical to encourage sustainers to join at any level, even \$5/month, creating a relationship that can be cultivated toward greater lifetime value.

Email Engagement Trends

- Housefiles grew by 12.3%, a good bit faster than the industry rate of 10.2%.
- The number of emails sent grew by 14.1%, while open, click, and conversion rates dropped for all email types.
- The combination of dropping email conversion rates together with steep increases in fundraising suggests that to fully understand fundraising in this sector, we'd need to look at other factors like social media, crowdfunding, websites, and news coverage that are beyond the scope of this study.

Revenue

Total Online Revenue % Change	21.1%
Number of First-Time Gifts % Change	13.3%
Number of Repeat Gifts % Change	24.1%
Revenue per Usable Email	\$5.49
Industry Median	\$13.24

Sustainers

Sustainer Revenue % Change	42%
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Email

Email Housefile % Change	12.3%
Number of Emails Sent % Change	14.1%
Donation Email Open Rate % Change	-3.7%
Donation Email Click Rate % Change	-5.7%
Donation Email Conversion Rate % Change	-8.9%

Faith-Based

Within the faith-based vertical, we include organizations with missions arising out of their faith and religious identity. Most fall within a spectrum of social benefit organizations and communities of faith.

Giving Trends:

- Faith-based organizations received a robust \$32.72 in revenue for each usable email, the highest return of any vertical.
- Sustainer revenue represented 25% of online fundraising revenue for this vertical. Many faith communities have a strong tradition of giving a portion of ones' income to the church and/or for the common good, which aligns well with the concept of monthly giving.
- Online giving grew by a modest 5.9%, just over half the industry growth rate of 10.2%.

Email Engagement Trends

- Email lists grew by 11.2%, just above the industry growth rate of 10.2%.
- While organizations in this vertical sent only slightly more emails than in 2016 (a 1.32% increase), we saw double-digit drops in email engagement rates, measured by open, click, and conversion rates.

Revenue

Total Online Revenue % Change	5.9%
Revenue per Usable Email	\$32.72
Industry Median	\$13.24

Sustainers

Sustainer Revenue as a % of Total	25.1%
Industry Median	11.6%

Email

Email Housefile % Change	11.2%
Number of Emails Sent % Change	1.3%
Donation Email Open Rate % Change	-11.5%
Donation Email Click Rate % Change	-19.2%
Donation Email Conversion Rate % Change	-31.7%

Food Banks

This vertical is comprised of food banks and food distribution centers throughout the United States and Canada. Supporters can develop close relationships with food banks as volunteers and advocates in addition to financial contributions. With federal FY 2018 budget proposals calling for deep cuts to food assistance, outreach strategies for this vertical have shifted to focus on advocacy as well as fundraising.

Giving Trends:

- Food banks had strong sustainer programs in FY 2017. They received 16.7% of online revenue from monthly donations (the industry median is 11.6%).
- Sustainer revenue grew by a healthy 20% in FY 2017.
- Online fundraising revenue grew by 8.36%.

Email Engagement Trends

- Email lists grew by 15.58%, compared to an industry growth rate of 10.2%.
- Email lists turned in strong performances with 27.86% supporters donating in 2017.
- The annual revenue received for each usable email address was \$31.46, the second highest amount for any vertical.
- This vertical sent 30.8% more emails in 2017 — double the rate of increase for the industry. Email engagement rates, measured in opens, clicks, and conversions, dropped sharply.

Revenue

Total Online Revenue % Change	8.4%
Revenue per Usable Email	\$31.46
Percent of Housefile that Donates	27.9%

Sustainers

Sustainer Revenue % Change	20.1%
Sustainer Revenue as a % of Total	16.7%

Email

Email Housefile % Change	15.6%
Number of Emails Sent % Change	30.8%
Donation Email Open Rate % Change	-7.6%
Donation Email Click Rate % Change	-19.1%
Donation Email Conversion Rate % Change	-14.3%

Health Services and Research

This vertical includes organizations dedicated to medical research, patient care and assistance, and political advocacy for a broad spectrum of diseases and disorders. It's the largest group of nonprofits within this study.

Giving Trends:

- While we exclude organizations that raise 90% or more of their revenue through peer-to-peer fundraising, it's still a big part of fundraising for most of these organizations. Revenue for many types of traditional peer-to-peer events declined last year (see the *2016 Blackbaud Peer-to-Peer Fundraising Study*) as independent fundraising increases in popularity. This effect could have impacted the 0.6% decrease in online fundraising revenue we saw for this vertical.
- Sustainer revenue grew by 12.1% in FY 2017.
- Only 2.1% of total annual fundraising came from monthly gifts, compared to the industry average of 11.6%.

Email Engagement Trends

- A gigantic 41.7% of people on these email lists donated in 2017. That's almost three times the industry average of 14.9%.
- The annual revenue received for each usable email address was \$16.06, compared to an industry average of \$13.24.
- Email lists grew by 9.46% in 2017, and the number of emails sent increased by 16.24%.
- While email open and click rates dropped sharply, donation email conversion rates remained unchanged.

Revenue

Revenue per Usable Email	\$16.06
Percent of Housefile that Donates	41.7%

Sustainers

Sustainer Revenue % Change	12.1%
Sustainer Revenue as a % of Total	2.1%

Email

Email Housefile % Change	9.5%
Donation Email Open Rate % Change	-2.8%
Donation Email Click Rate % Change	-10.5%
Donation Email Conversion Rate % Change	0%

Hospital Foundations and Hospitals

Within the hospital foundations and hospitals vertical, we find organizations that range from children's hospitals and general medical centers to specialized cancer centers in the United States and Canada.

Changes in the healthcare landscape such as reduced payments for services, higher deductibles and default rates, and an aging population have created a need to raise more donated funds to offset declining revenues on the clinical side. Long focused on "hunting" for very large gifts, this vertical has shifted its approach relatively recently to fundraising strategies inclusive of individual and sustainer giving.

Giving Trends:

- This vertical had a very good fundraising year, with 14% growth in online transaction revenue.
- Hospitals saw a 32.4% increase in sustainer revenue, the strongest of any vertical.
- With only 3.95% of total fundraising revenue coming from sustainer gifts, this vertical has plenty of potential to expand in this area.
- Hospitals have a very active donor base, with 22.4% of all constituents donating last year. That's 5.4% growth!

Email Engagement Trends

- Email lists grew by 14.8%, a good bit faster than the industry rate of 10.2%.
- Hospitals saw annual revenue of \$24.59 for every usable email address in their housefile. That's the highest rate of return of all verticals.

Revenue

Total Online Revenue % Change	14.1%
Industry Median % Change	10.2%
Percent of Housefile that Donates % Change	5.4%
Industry Median % Change	1.9%
Percent of Housefile that Donates	22.4%
Revenue per Usable Email	\$24.59

Sustainers

Sustainer Revenue % Change	32.4%
Industry Median % Change	20.4%
Sustainer Revenue as a % of Total	4%

Email

Email Housefile % Change	14.8%
Industry Median % Change	10.2%

Human and Social Services

In the human and social services vertical, we find social benefit organizations for children, youth, families, the elderly, and disabled. Also included are home-building programs, homeless shelters, and community centers.

Giving Trends:

- Online transaction revenue grew by 7.4%, a good growth rate that is consistent with performance in this vertical for the past several years.
- Sustainer revenue performance is a highlight for this vertical. Sustainer revenue grew by 17.2%, a rather exciting increase. Past reports have shown that organizations in this vertical tended to have relatively small sustainer programs. We like to see growth in this steady, reliable revenue stream.
- Sustainer revenue as a percentage of total fundraising increased by a vigorous 11.2% (compared to the industry growth rate of 8.4%).

Email Engagement Trends

- Email lists grew by 10.5%, and organizations sent 12.8% more emails than the prior year.
- Email engagement rates, measured in opens and clicks, declined at a rate consistent with the industry.
- While donation email conversion rates declined by 16.7%, 11% of all supporters donated last year, an increase of 1.9% over FY 2016.

Revenue

Total Online Revenue % Change	7.4%
Percent of Housefile that Donates	11.1%

Sustainers

Sustainer Revenue % Change	17.2%
Sustainer Revenue as a % of Total	6.9%

Email

Email Housefile % Change	10.5%
Number of Emails Sent % Change	12.8%
Donation Email Open Rate % Change	-4.8%
Donation Email Click Rate % Change	-16.1%
Donation Email Conversion Rate % Change	-16.7%

Public Affairs

In the public affairs vertical, we find a wide variety of organizations with the chief aim of impacting laws, regulations, and social norms within their mission area.

It's been a busy year for public affairs organizations with the United States elections in 2016. Organizations with missions involving legislative and policy change or current events experienced rocketing growth, while organizations less impacted by this activity showed more modest growth. To fully understand performance in this sector, review the large charts later in this report that show performance by organizations at the 25th and 75th quartile.

Giving Trends:

- Online revenue grew 21.2%, double the industry rate of growth.
- Revenue from first-time donors grew by over 30%, while revenue from established donors grew by 18.45%—both figures well beyond the median for all nonprofits.
- While the percentage of the email list that donates grew by 3% this past year, at 3.9% it's still relatively low. Public policy supporters often volunteer and advocate; the value of their contribution is not strictly monetary.

Email Engagement Trends

- Email lists grew at a relatively modest 8.3% compared to the industry average of 10.2%.
- Supporters responded to calls to action they saw as relevant and urgent. While organizations sent an average of 20% more emails, unlike most verticals, we didn't see a dramatic falloff in engagement. Open, click, and conversion rates for donation emails either increased or stayed steady.
- Revenue per usable email address grew by a huge 11.6%!

Revenue

Total Online Revenue % Change	21.2%
Revenue from First-Time Donors % Change	30.7%
Revenue from Repeat Donors % Change	18.5%
Revenue per Usable Email % Change	11.6%
Percent of Housefile that Donates	3.9%

Sustainers

Sustainer Revenue % Change	26.8%
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Email

Email Housefile % Change	8.3%
Number of Emails Sent % Change	19.8%
Donation Email Open Rate % Change	2.7%
Donation Email Click Rate % Change	0%
Donation Email Conversion Rate % Change	0%

Public Broadcasting Stations

This vertical is comprised of publicly supported television and radio stations in the United States. Most public broadcasting stations have a strong tradition of “membership” development, and as a result, many have industry-leading sustainer programs. There is an art to growing a strong base of recurring revenue; clearly, we might study techniques used by these public broadcasting stations for managing and expanding relationships with sustaining donors.

Giving Trends:

- Online giving grew by 18.1%, well ahead of the industry average of 10.2% growth.
- Sustainer revenue was up by 32% over the prior year.
- Public broadcasting stations received 46% of their online revenue from sustainer gifts (compared to an industry average of 11.6%).

Email Engagement Trends

- A huge 27.2% of the email list donated in 2017, and each email address was worth \$24.00 annually. The industry average is \$13.24. These are some valuable email lists!
- Email list size grew by a modest 9% over the prior year.
- Number of emails sent grew by 28%. With housefile growth at only 9%, this means supporters received a lot more emails.
- Email engagement saw declines, with donation email click rates going down 18.3% and conversions down 26.4%.

Revenue

Total Online Revenue % Change	18.1%
Revenue per Usable Email	\$24.00
Percent of Housefile that Donates	27.3%

Sustainers

Sustainer Revenue % Change	31.8%
Sustainer Revenue as a % of Total	46.1%

Email

Email Housefile % Change	9.1%
# of Emails Sent % Change	27.6%
Donation Email Open Rate % Change	-3.8%
Donation Email Click Rate % Change	-18.3%
Donation Email Conversion Rate % Change	-26.4%

Giving

An abstract graphic design featuring a series of overlapping, layered geometric shapes in various shades of teal and green. The shapes are arranged in a way that creates a sense of depth and movement, resembling a stylized mountain range or a series of steps. The colors transition from a light, pale green at the bottom to a darker, more saturated teal at the top. The overall composition is clean and modern, with a focus on geometric forms and color gradients.

Giving

We saw online fundraising rise by a healthy 10.2% last year. The big headline is that sustainer giving grew by more than 20% over the prior year. While one-time gifts and annual gifts are still important sources of revenue, we love to see this growth in sustainer programs. It means you're doing a great job nurturing relationships to build a steady, predictable base of support for your mission.

The trend toward double-digit growth in sustainer revenue mirrors growth in the for-profit sector of the subscription economy (think businesses like Netflix® and Spotify®). People are becoming more inclined to “subscribe” to services (and causes) they prefer. According to Zuora's *The Subscription Economy Index* (2nd Edition, June 2017), **“Subscription businesses grew revenues about 8 times faster than S&P 500 company revenues (15.2% vs. 2.0%) and about 5 times faster than U.S. retail sales (15.2% vs. 3.4%) from January 1, 2012, to March 30, 2017.”**

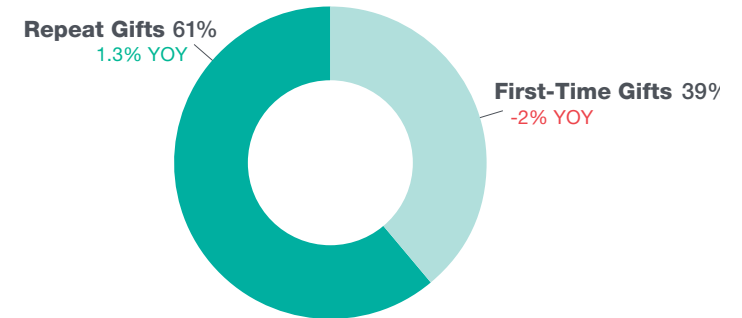
You're 100% on trend if you're encouraging people to become sustainers. This lets them support your cause in a way that's consistent and easy for them. And sustainer programs provide steady, reliable revenue for your organization. With new technology available that helps you track giving and update credit cards automatically when gifts fail, these programs are easier than ever to maintain over the long haul.

In these pie charts, we look at the type of gifts that make up the overall online giving mix. Each online gift is either first time or repeat, and each gift is also either sustainer or non-sustainer. First-time transactions are from new constituents, while repeat gifts are from established constituents. Sustainer transactions are from recurring (monthly) gifts that might be from new or established (repeat) donors.

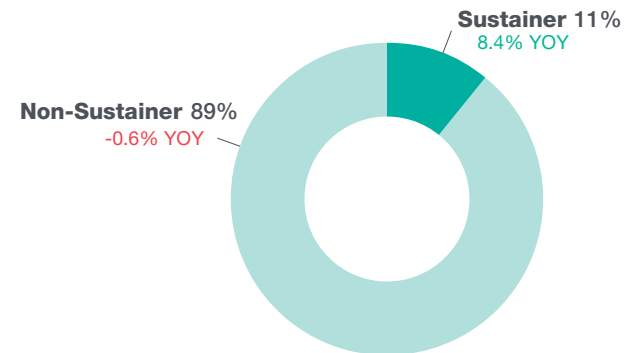
The percent change metrics refer to how the balance has shifted over the last year.

Online Fundraising Revenue Mix by Gift Type

First-Time vs. Repeat Transactions

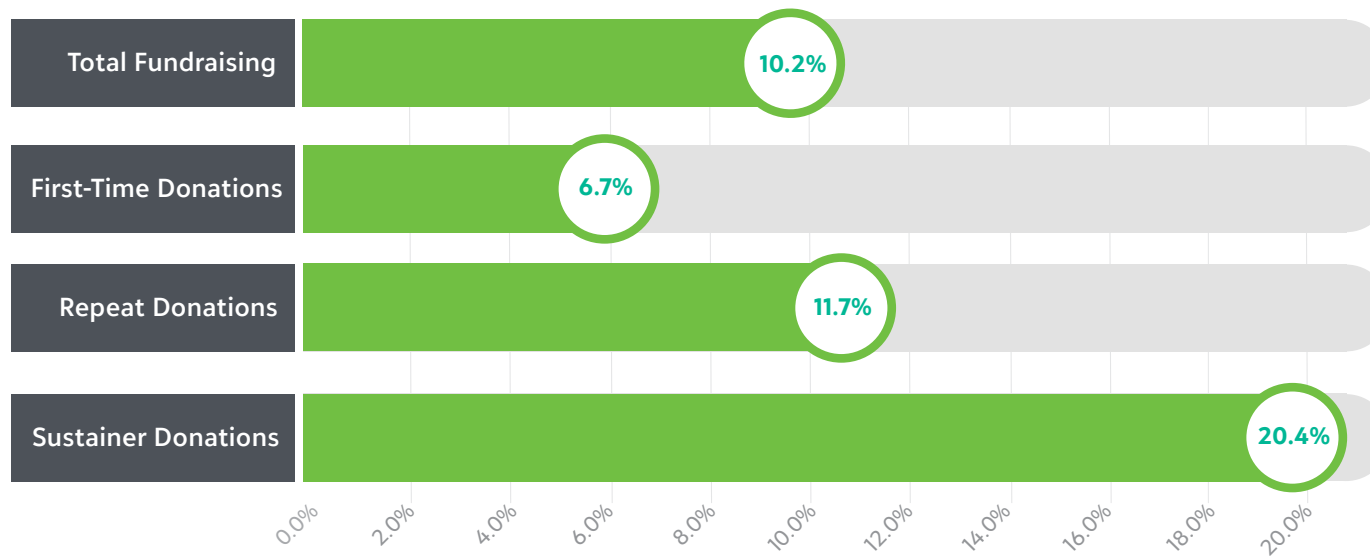


Sustainer vs. Non-Sustainer



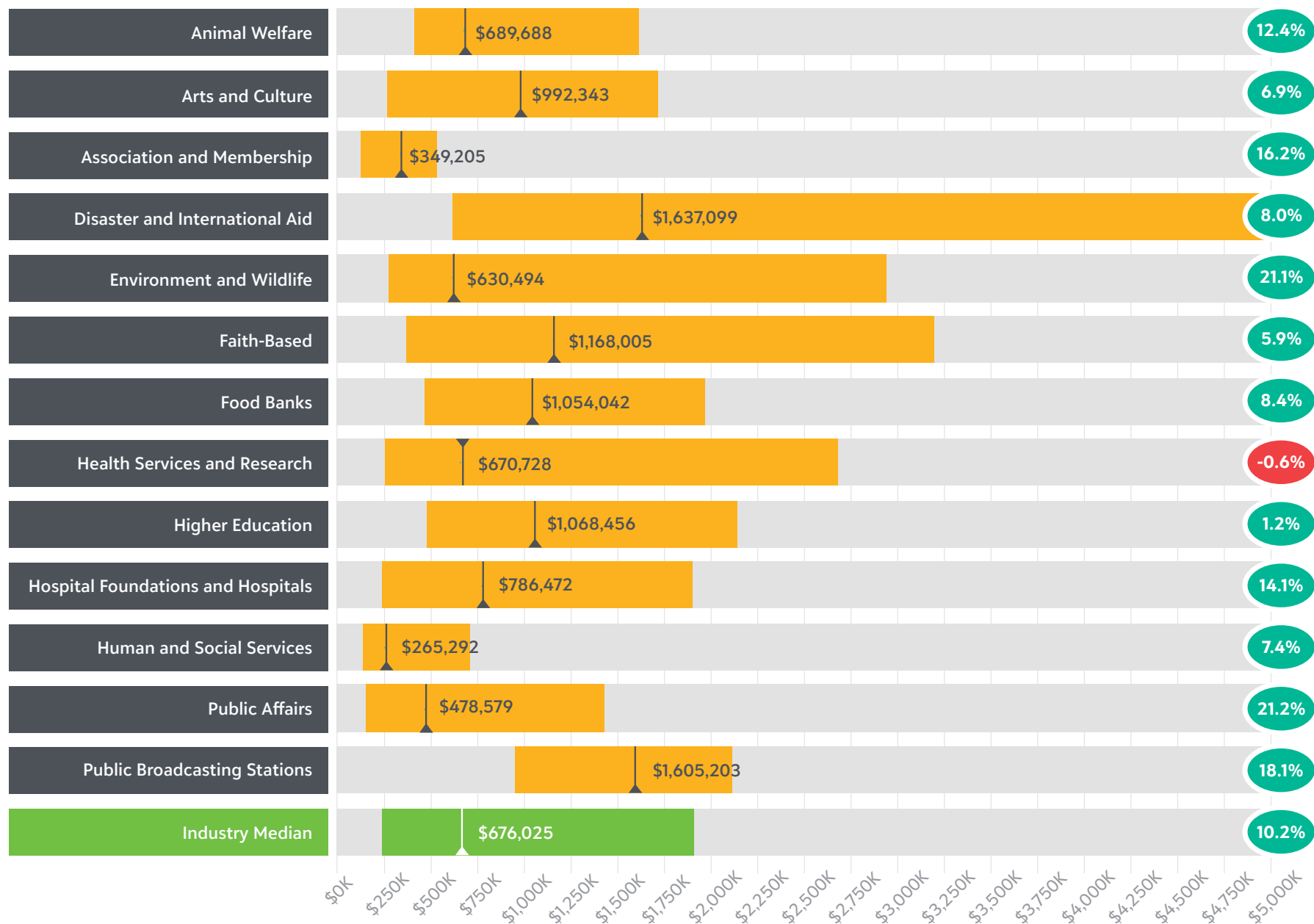
Online Fundraising Revenue Growth by Transaction Type

(Total Online Transaction Revenue Year-Over-Year Change)



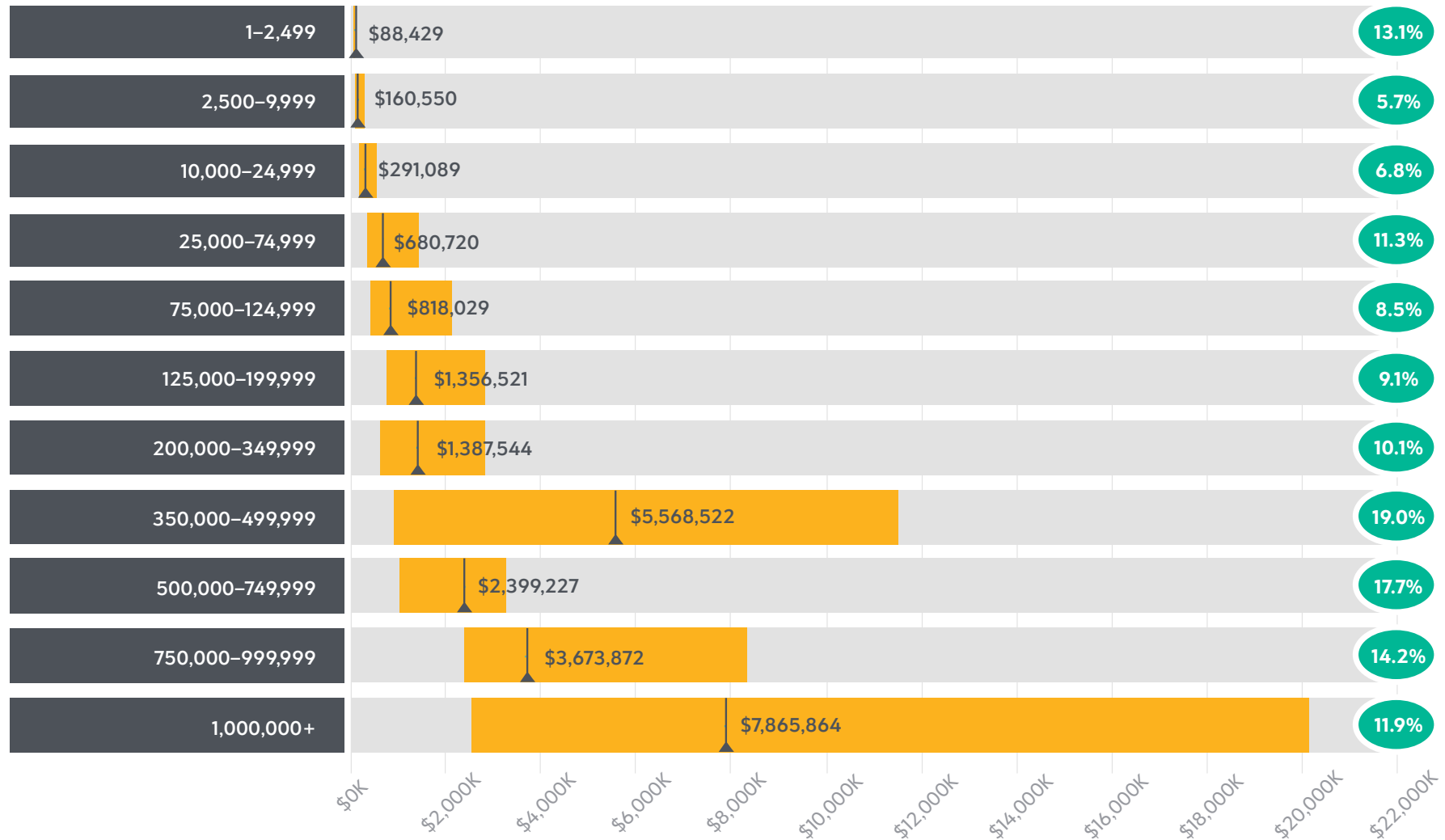
Fundraising Revenue by Vertical

(Total Online Transaction Revenue)



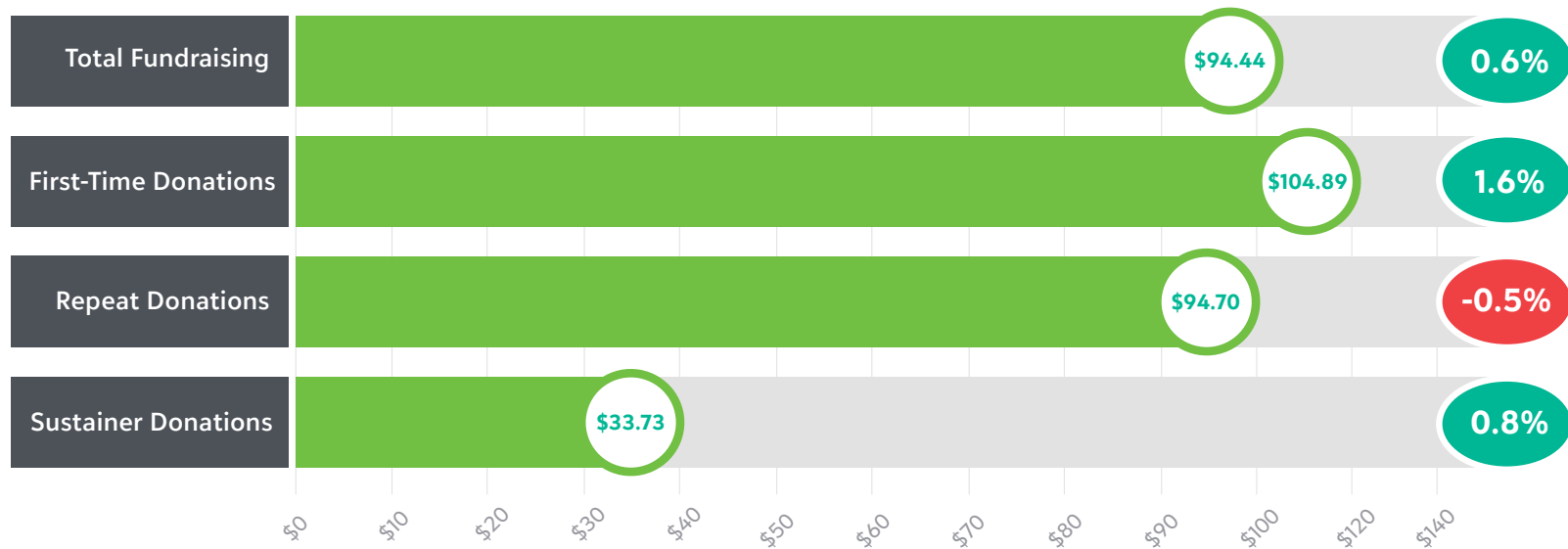
Fundraising Revenue by Housefile Size

(Total Online Transaction Revenue)



Average Transaction

(Online Transaction Revenue/Count of Online Transactions)



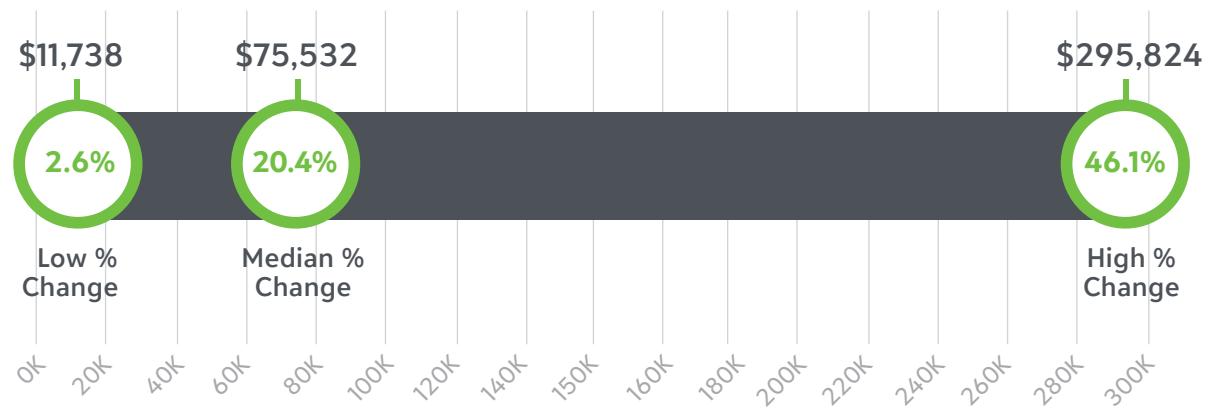
Average Transaction by Vertical and Transaction Type

(Online Transaction Revenue/Count of Online Transactions)

	Median Transaction	First-Time Donations	Repeat Donations	Sustainer Donations
Animal Welfare	\$64.23	\$74.52	\$61.38	\$28.19
Arts and Culture	\$90.54	\$95.49	\$84.46	\$25.82
Association and Membership	\$115.38	\$104.00	\$123.46	\$49.78
Disaster and International Aid	\$102.22	\$152.23	\$93.80	\$38.02
Environment and Wildlife	\$71.40	\$81.18	\$59.84	\$21.44
Faith-Based	\$102.23	\$134.73	\$95.83	\$54.04
Food Banks	\$108.59	\$119.94	\$107.20	\$43.17
Health Services and Research	\$91.47	\$82.30	\$96.69	\$33.85
Higher Education	\$215.05	\$201.39	\$192.01	\$58.98
Hospital Foundations and Hospitals	\$130.78	\$130.39	\$143.98	\$35.63
Human and Social Services	\$151.34	\$143.06	\$154.86	\$40.68
Public Affairs	\$84.84	\$109.67	\$80.35	\$28.98
Public Broadcasting Stations	\$27.33	\$67.83	\$22.95	\$13.23
Industry Median	\$94.44	\$104.89	\$94.70	\$33.73

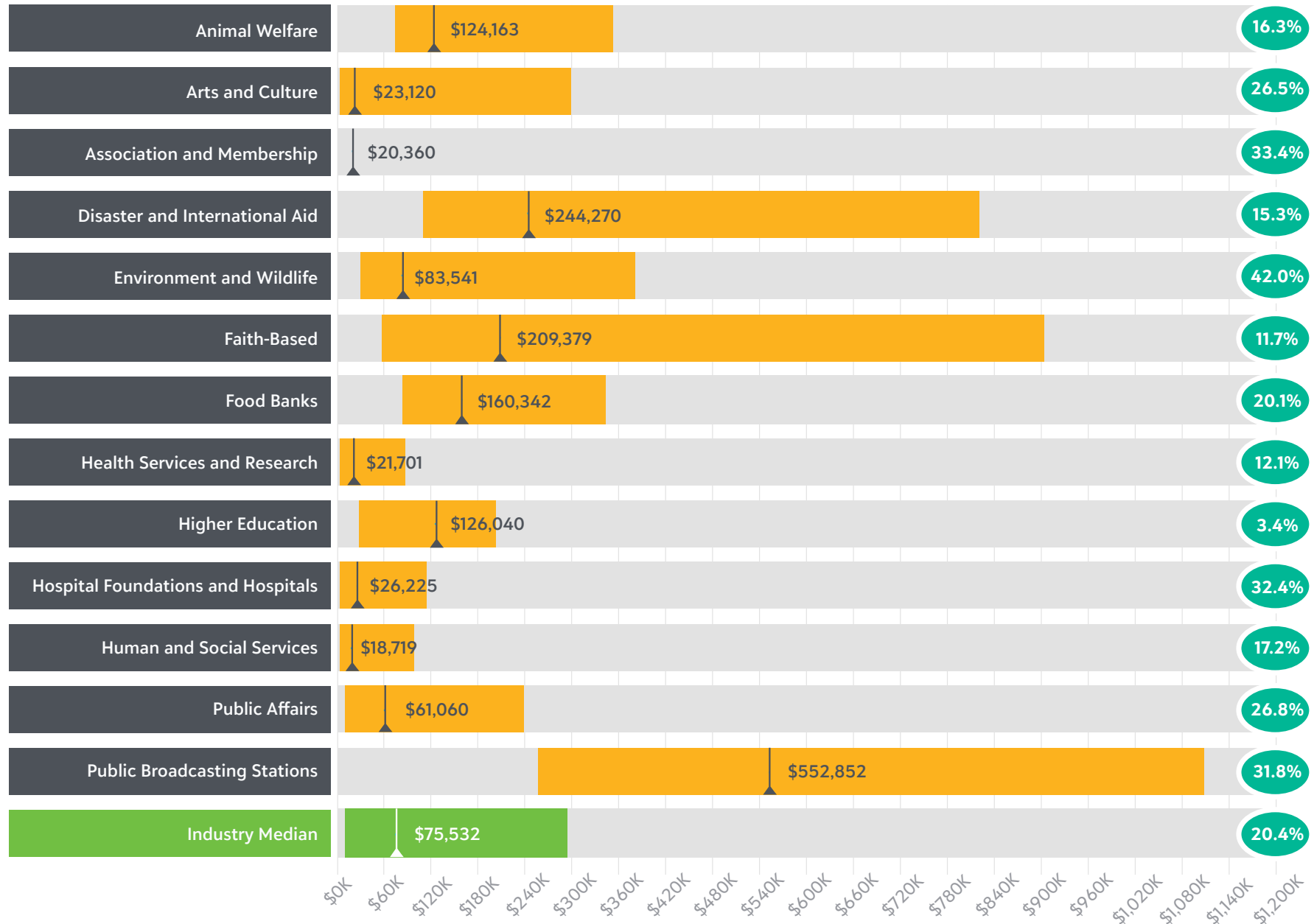
Sustainer Revenue: Year-Over-Year Change

(Total Online Revenue from Transactions that Are Recurring)



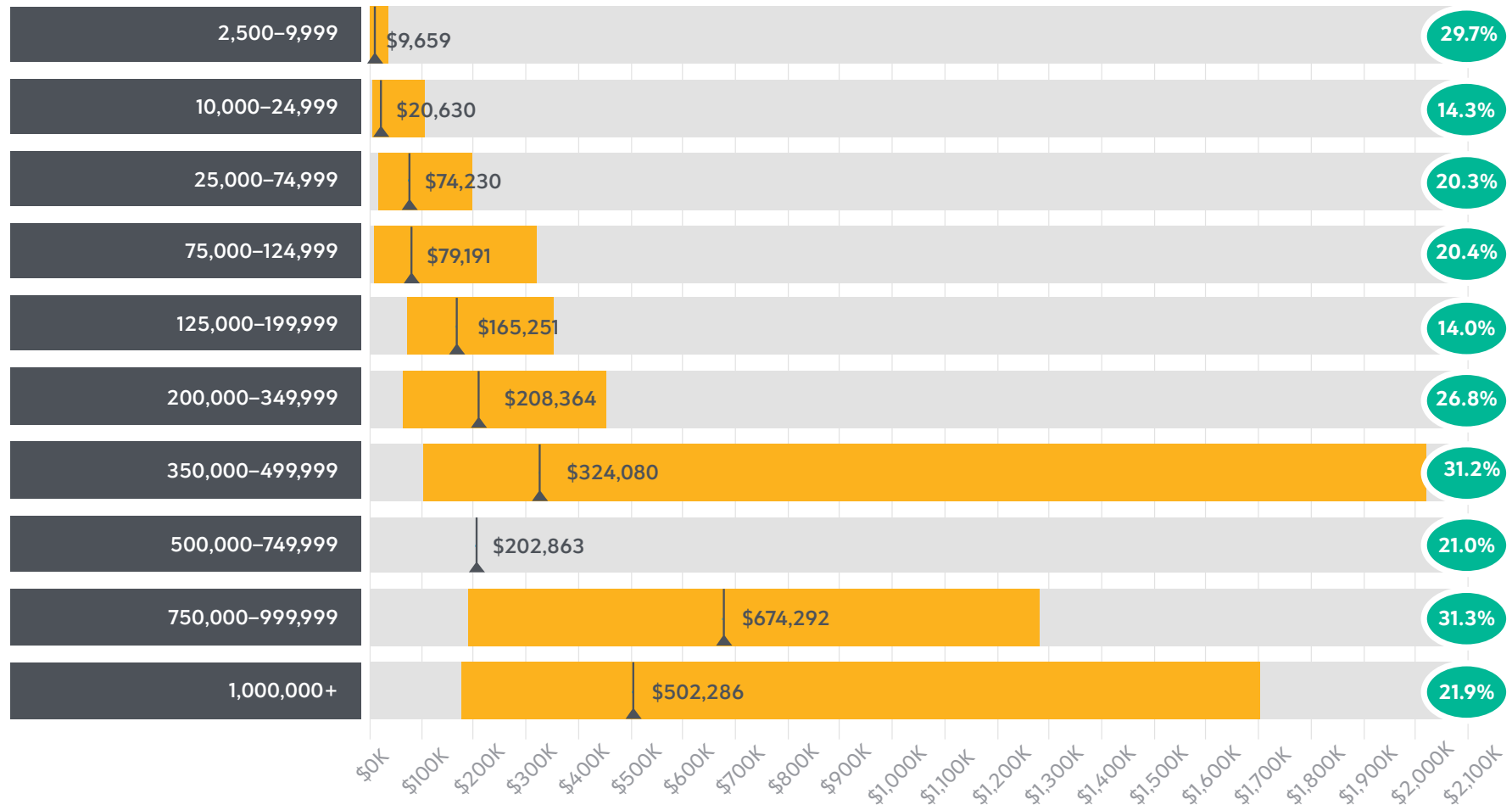
Sustainer Revenue by Vertical

(Total Online Revenue from Transactions that Are Recurring)



Sustainer Revenue by Housefile Size

(Total Online Revenue from Transactions that Are Recurring)



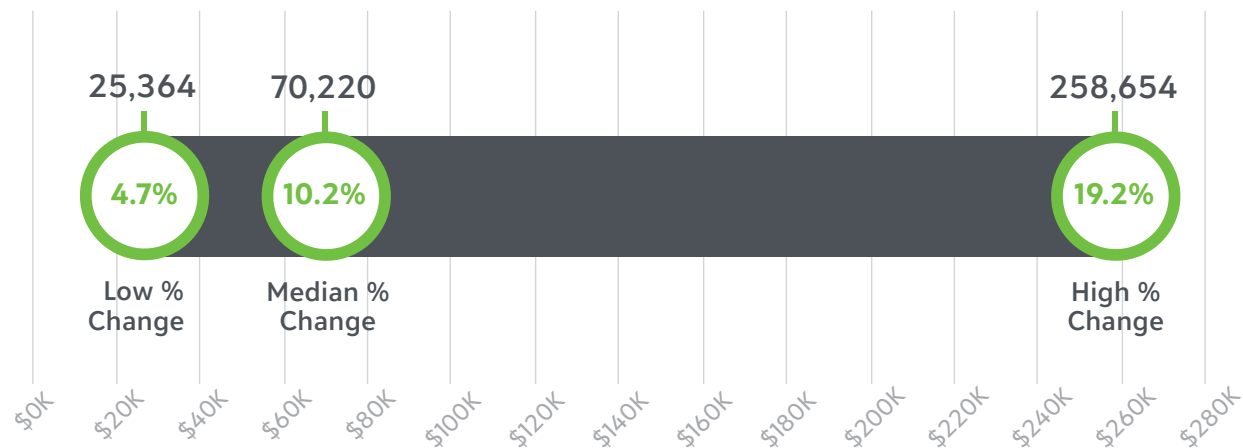
Email Housefile



Email Housefile

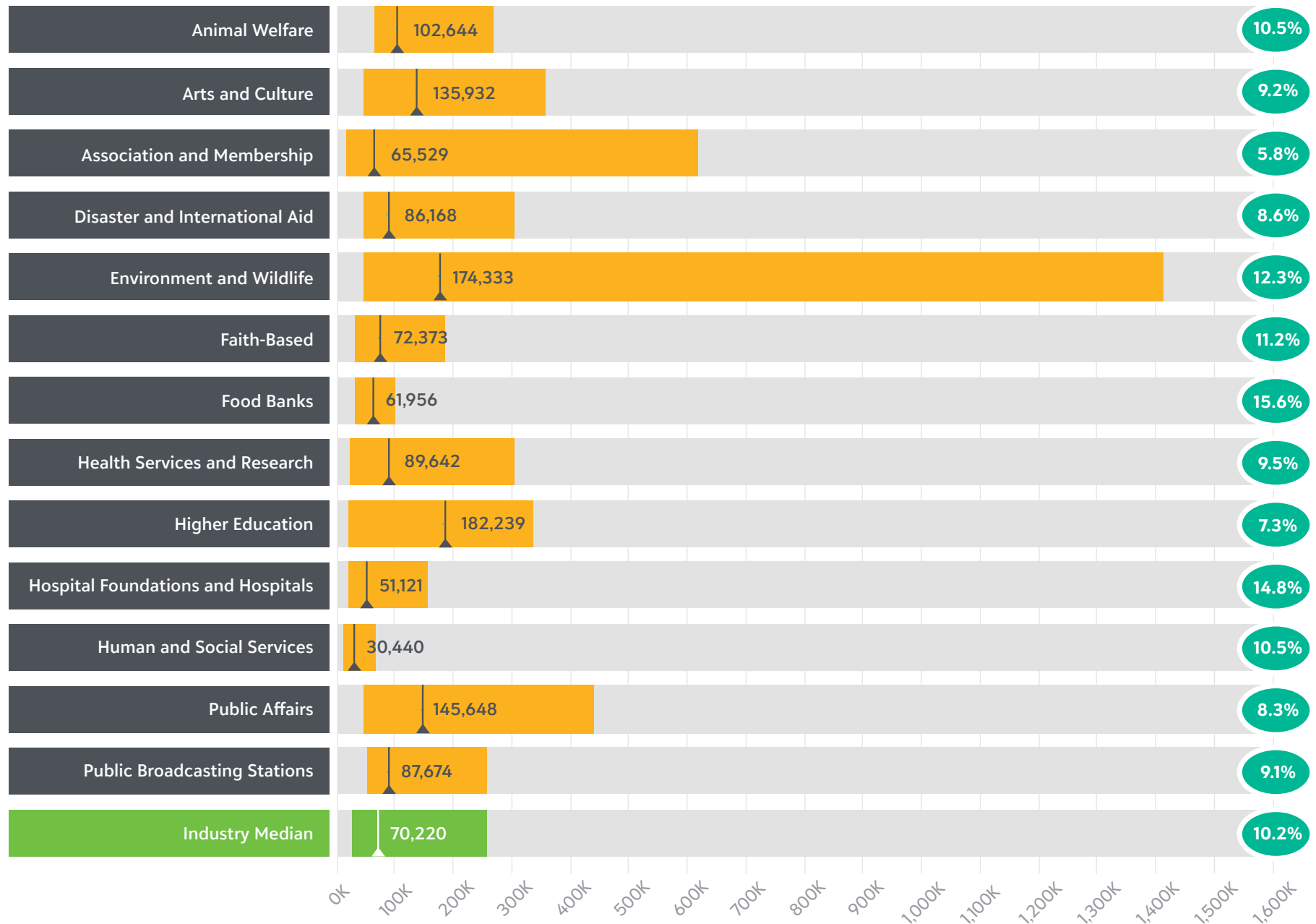
This year we saw a 10.21% increase in housefile size. The number of email addresses generally impacts your ability to communicate, cultivate, and engage with your constituents. File size often correlates to fundraising success; however, it's not the sole factor. Good stewardship ensures that more people within the housefile donate. In FY 2017, we saw 14.94% of supporters donate, which is a 1.91% increase over the prior year. We also saw the mix of funding support shift by 8.41% toward more sustainer giving, which means organizations were doing a great job of messaging the importance of committing to stable monthly funding of the mission.

Constituents with Email Addresses: Year-Over-Year Change (Size of Housefile Based on Number of Constituents with Email Addresses as of Fiscal Year-End)



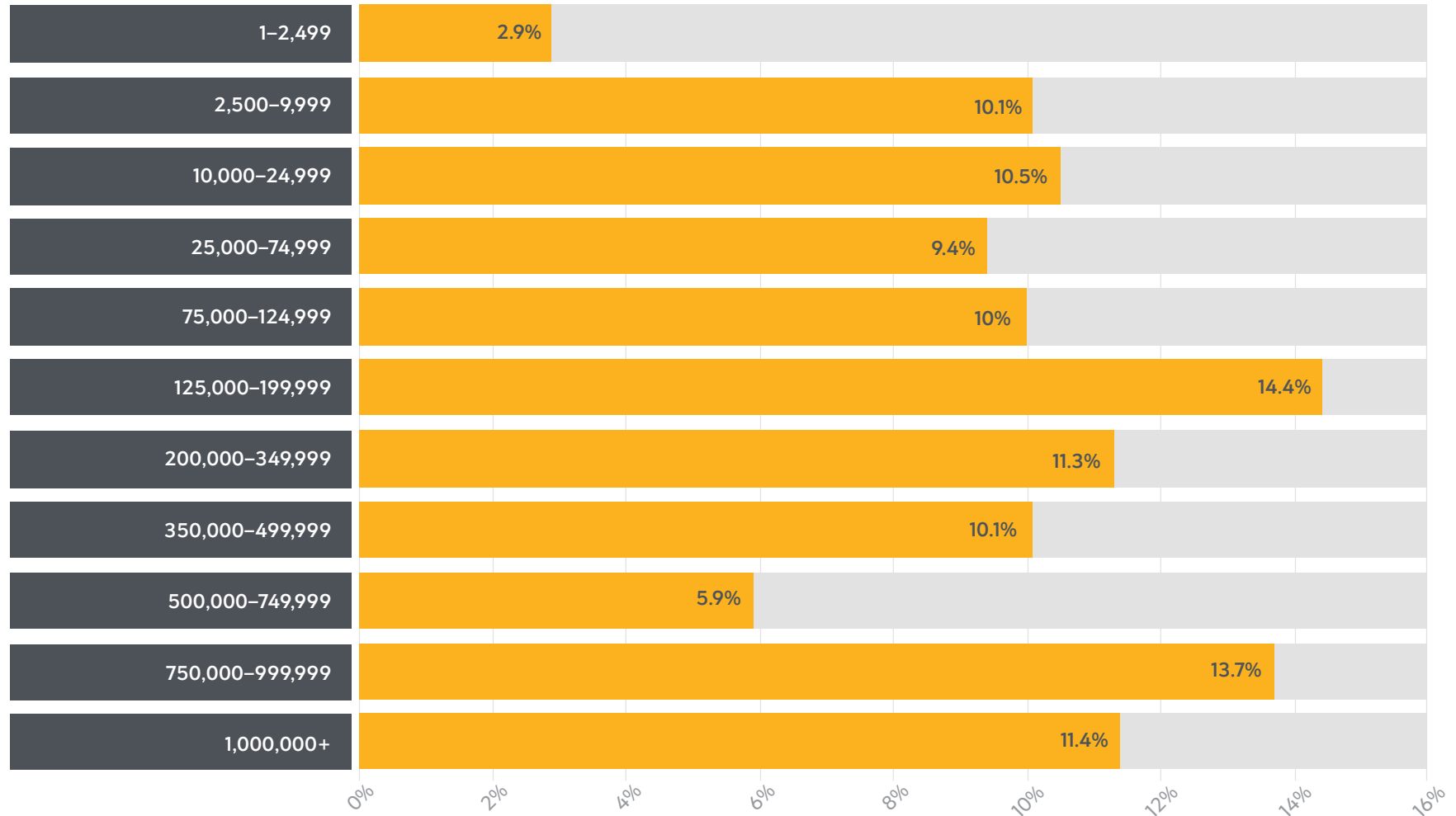
Constituents with Email Addresses by Vertical

(Number of Constituents with Email Addresses as of Fiscal Year-End)



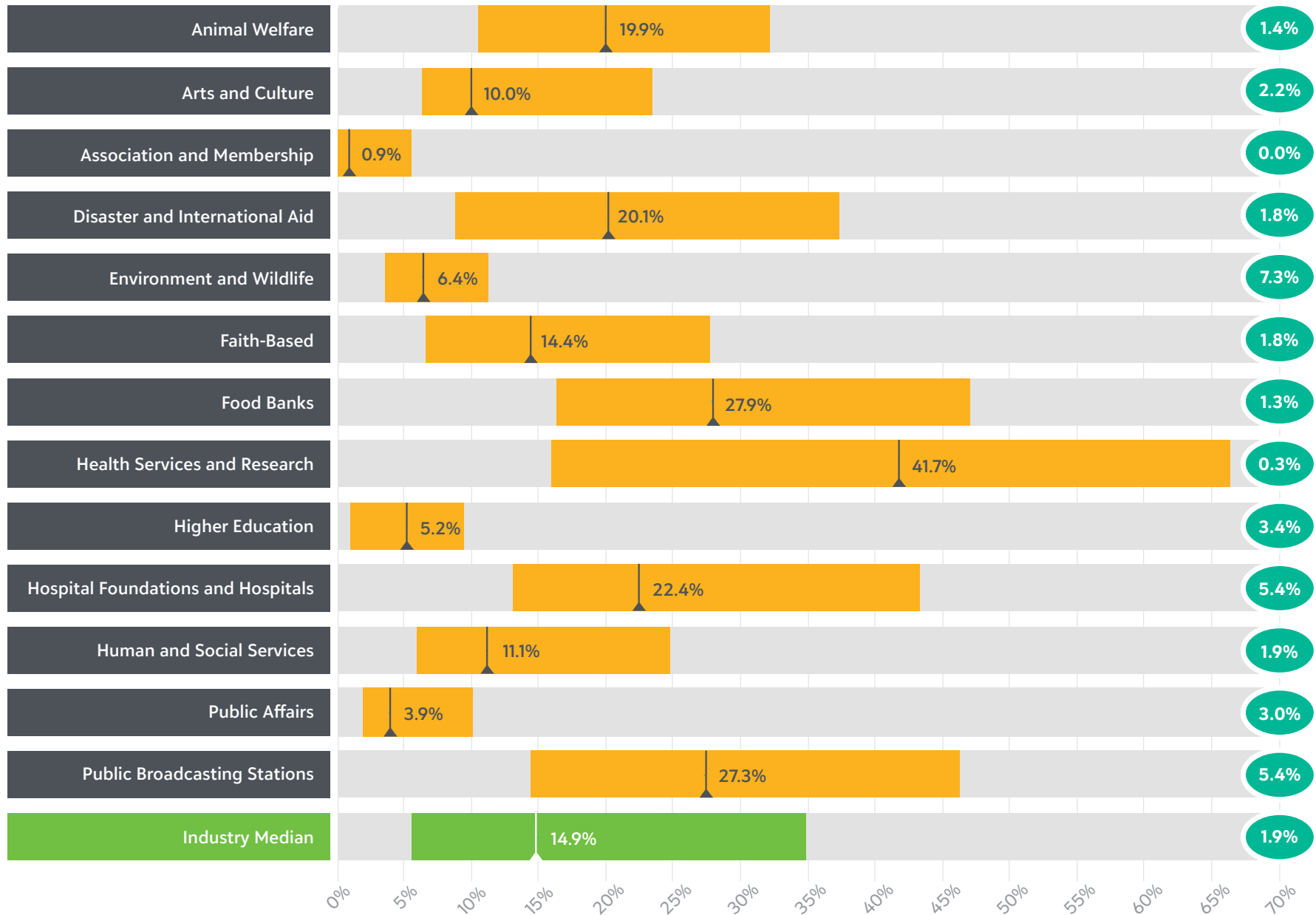
Housefile Growth by Housefile Size

(Number of Constituents with Email Addresses by Email List Size)



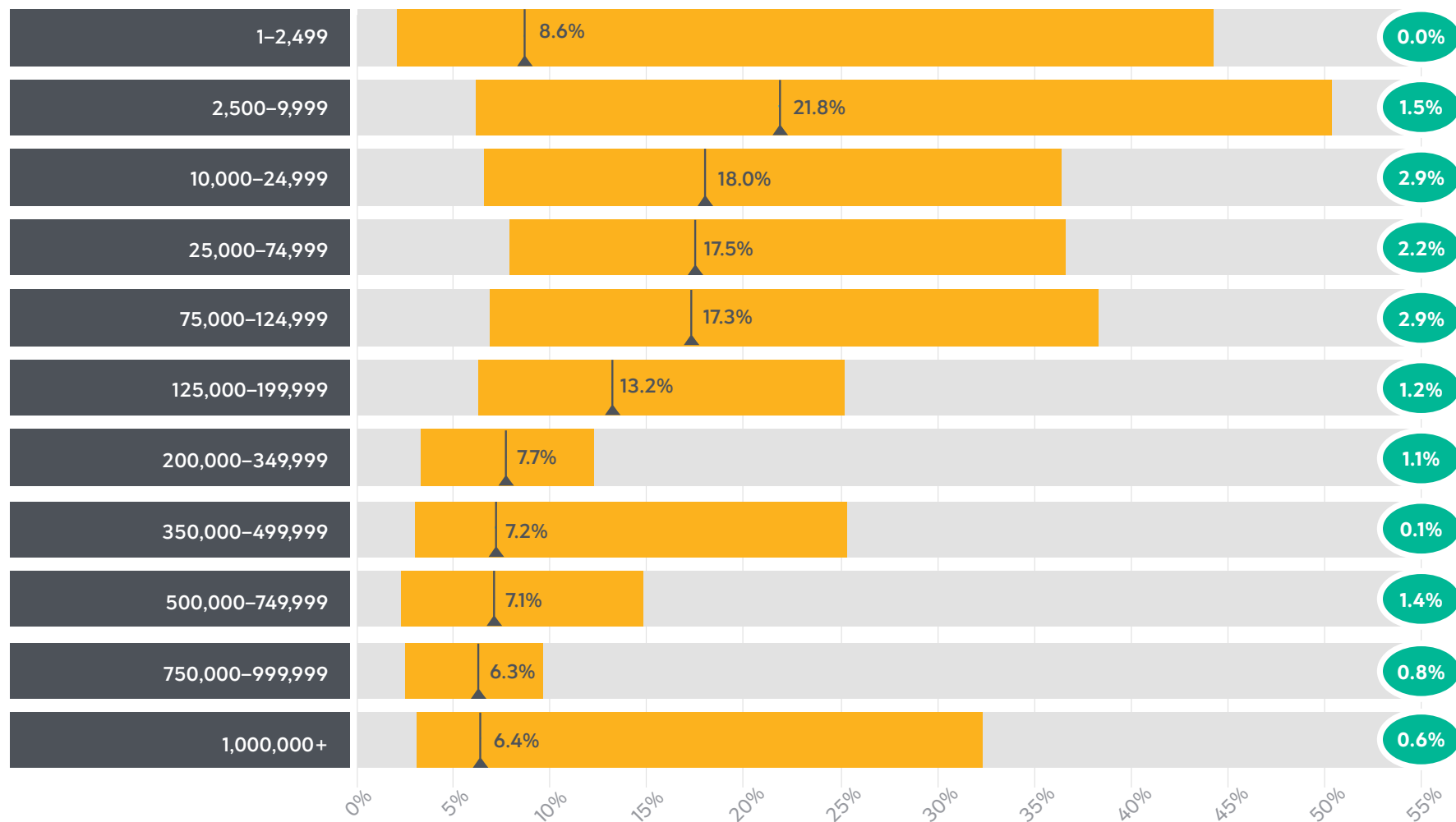
Percent of Housefile that Donates

(Constituents Who Donate/Constituents with Email)

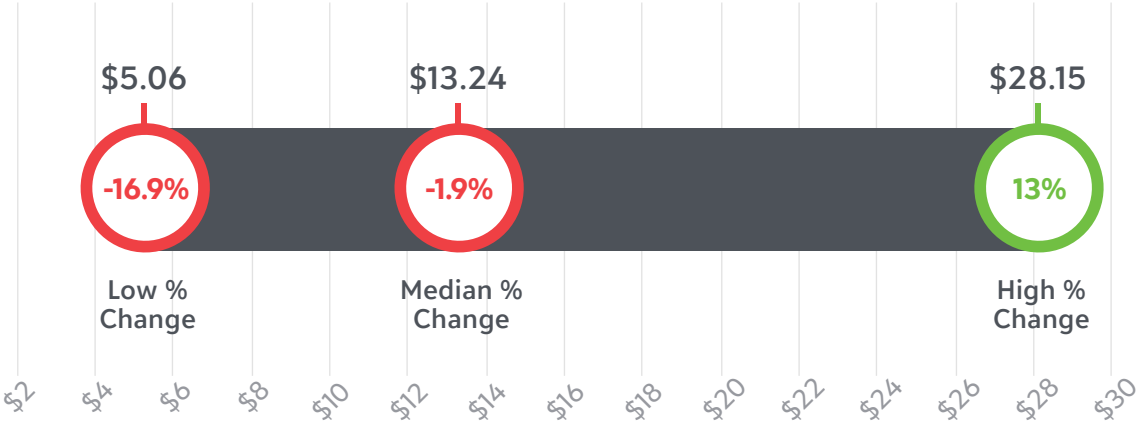


Percent of Housefile that Donates by Organization Size

(Constituents Who Donate/Constituents with Email)

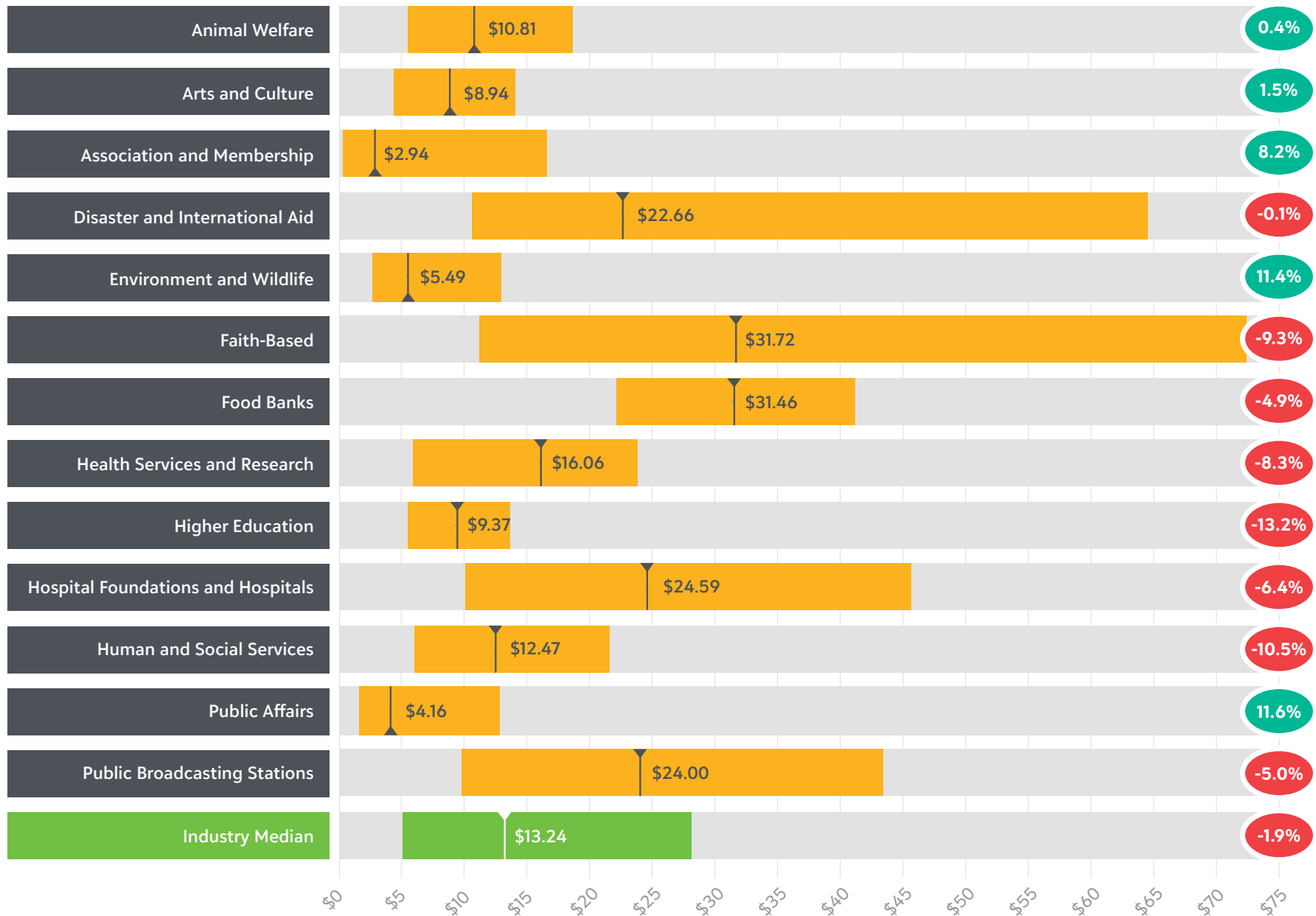


Revenue Per Usable Email: Year-Over-Year Change
(Total Online Revenue/Constituents with Usable Email Address)



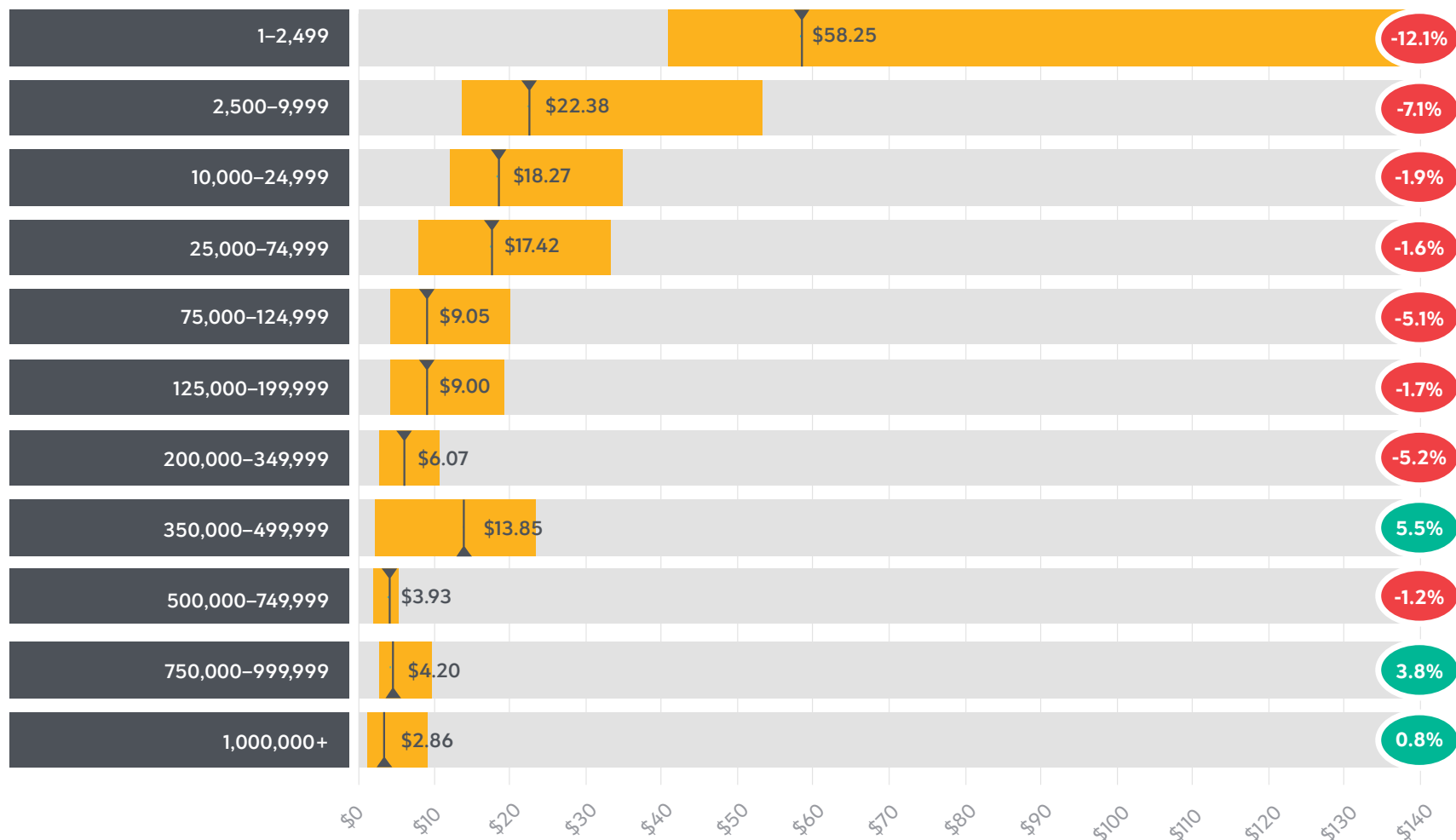
Revenue Per Usable Email Address by Vertical

(Total Online Revenue/Constituents with Usable Email Address)

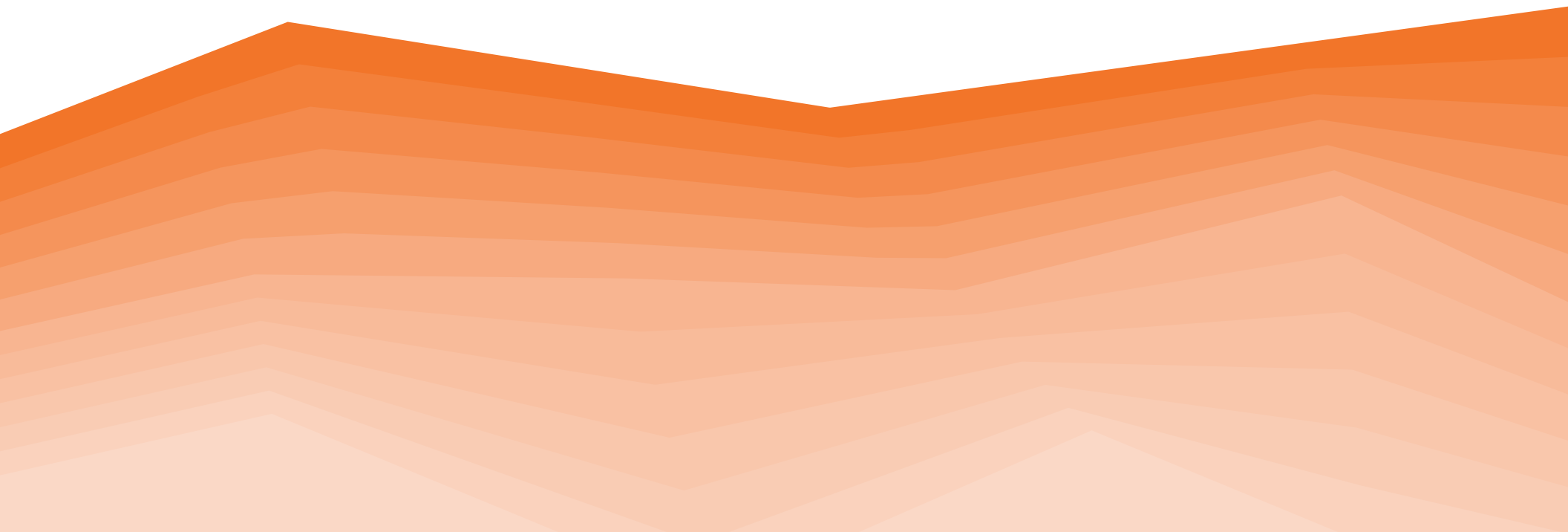


Revenue Per Usable Email Address by Housefile Size

(Total Online Revenue/Constituents with Usable Email Address)



Email Performance



Email Performance

This year we saw big increases in the number of emails sent, along with many email-related stats. More people read and opened emails, and more people clicked and donated. Yay? Unfortunately, the news is not all good. Because while the volume of clicks and opens increased along with the number of emails, the rate of engagement (measured in click and open rates) took a steep dive in many cases.

In part, this reflects the email universe we live in, where we all get too many emails from too many sources and we tune them out. It may also speak to a deeper issue of increasing quantity without paying enough attention to differentiated messaging and selective targeting. Without digging deep into the messaging segmentation strategy and content of individual organizations, we can only show a correlation—that click and open rates tend to fall off when the number of emails sent increases. One thing is for sure: if you increase the frequency you email supporters, you better make sure the messages are timely, relevant, and personal.

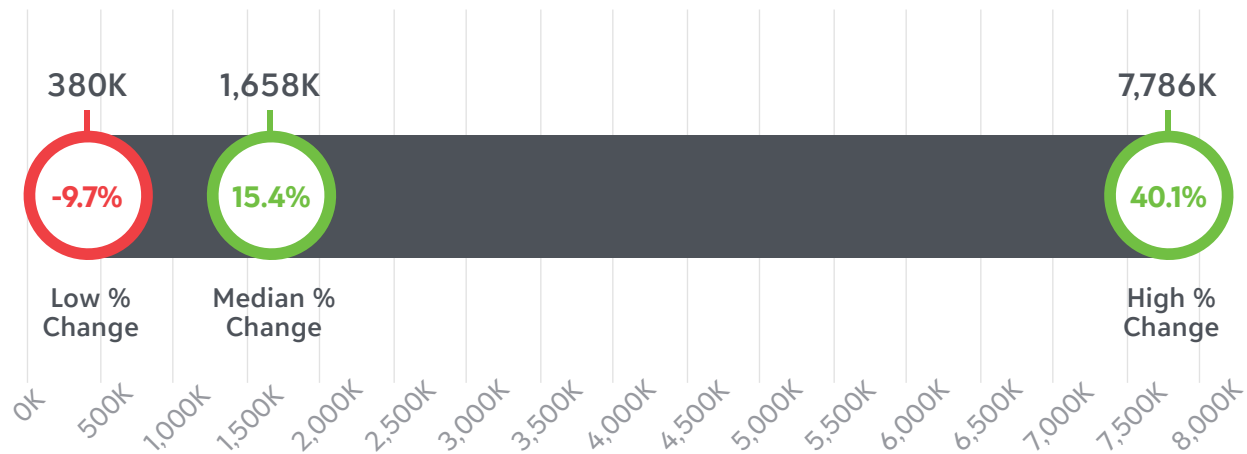
Email conversion rates stayed at the same levels as in 2016. And online giving increased in all but one vertical. Factors not measured within this report, like news cycles, website and blog updates, and nonprofits' social media activity, could also impact conversion and donation rates. It appears that when people open and click on an email, they're much more inclined to donate than in the past.

We invite you to review the email performance benchmarks from this last year and draw your own conclusions.

(Note that “email campaign type” (donation, newsletter, advocacy, and other) is self-classified by organizations as they set up email messages.)

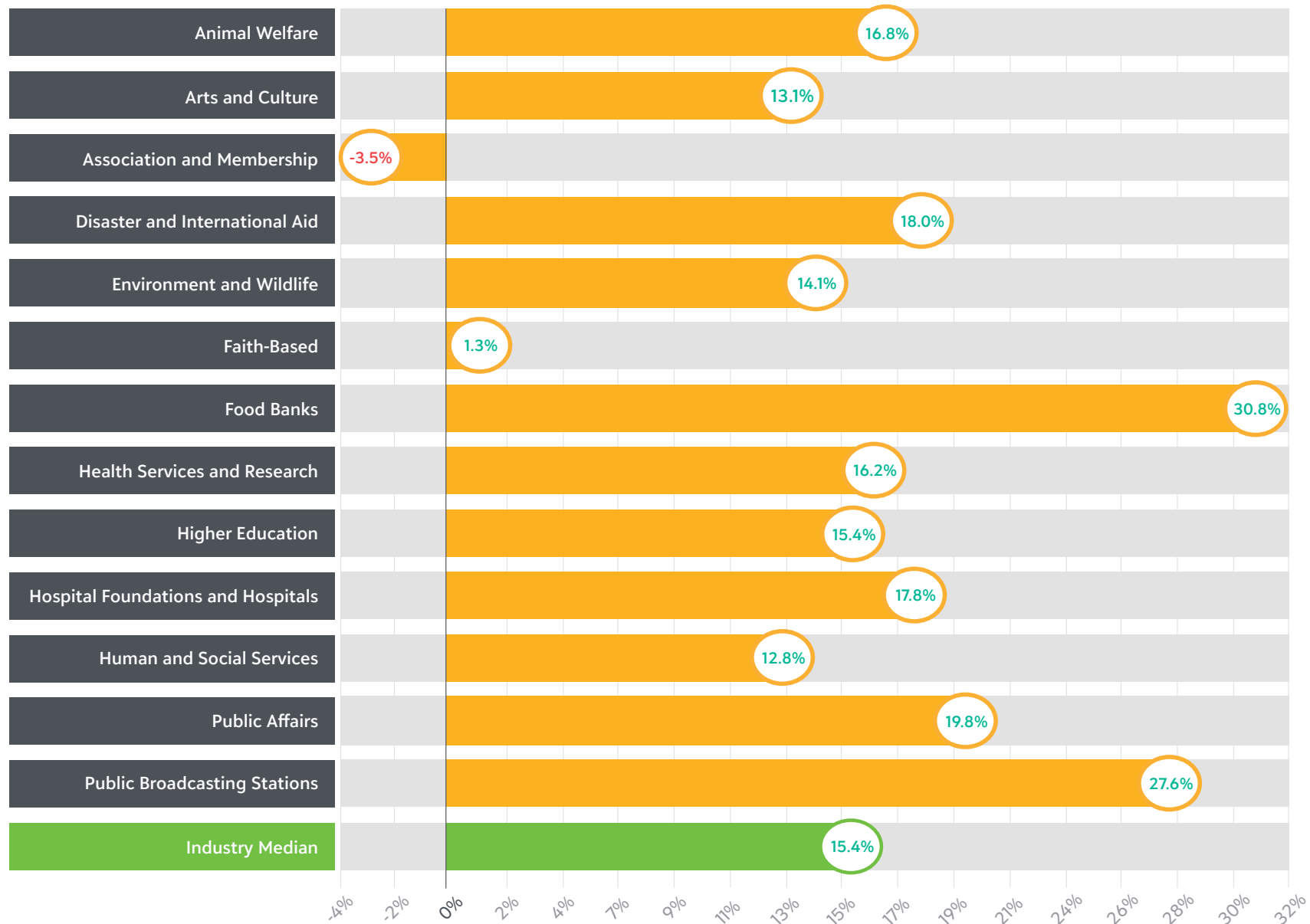
Total Emails Sent

(Total Number of Emails Delivered to Recipients)



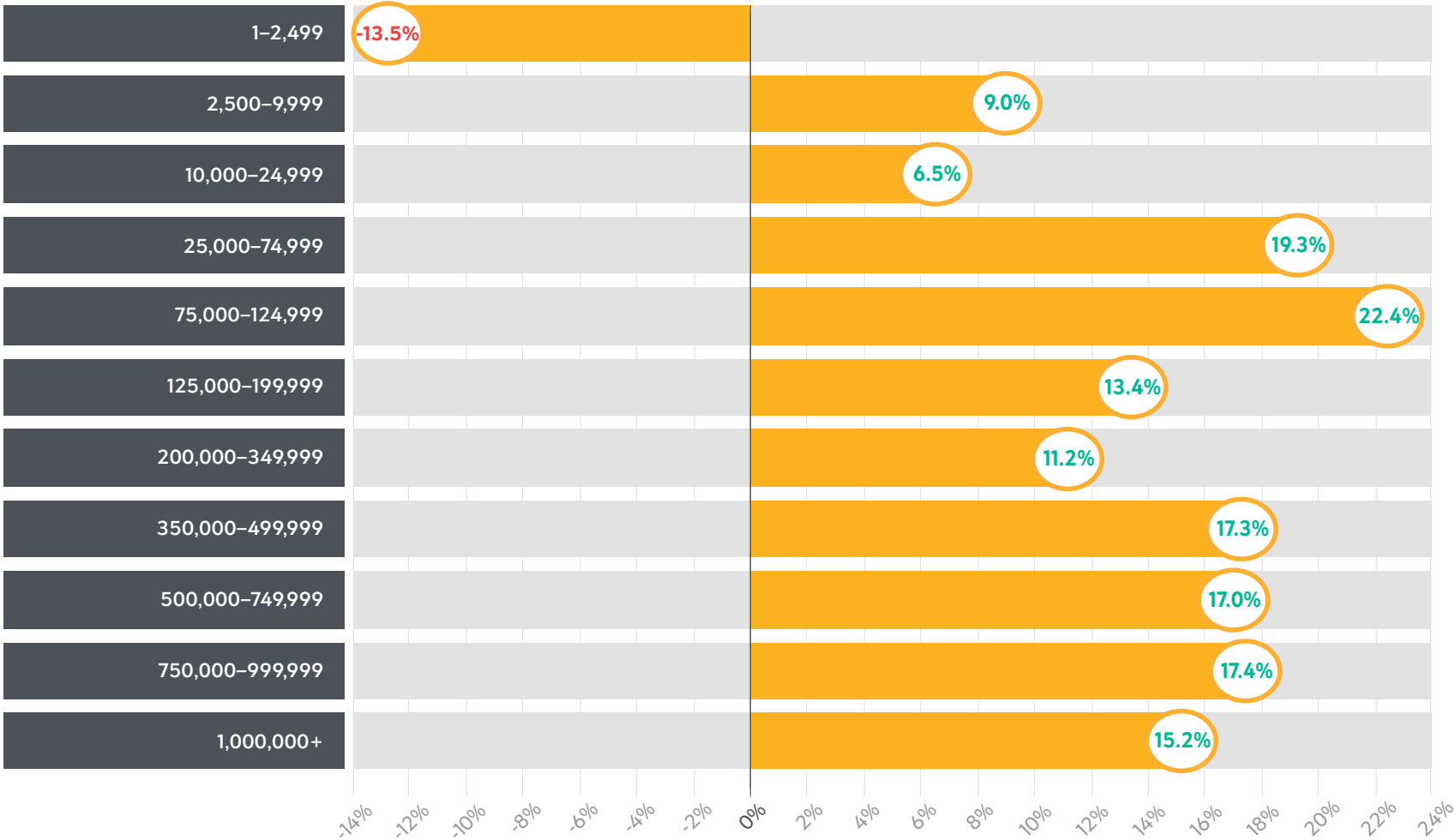
Total Emails Sent: Median Percent Change by Vertical

(Total Number of Emails Delivered to Recipients, Year-Over-Year Change, Median)



Total Emails Sent: Median Percent Change by Vertical by Housefile Size

(Total Number of Emails Delivered to Recipients, Year-Over-Year Change, Median)



Fundraising Email Engagement Rates: Year-Over-Year Change

(Based on Emails Delivered Where Email Campaign Type="Fundraising Appeal")

	Total Emails Sent % Change	Open Rate % Change	Click Rate % Change	Conversion Rate % Change
Animal Welfare	17.8%	-4.6%	-17.7%	0.00%
Arts and Culture	5.1%	3.0%	1.3%	0.0%
Association and Membership	-0.7%	-9.2%	-15.9%	0.0%
Disaster and International Aid	16.7%	-10.9%	-20.7%	0.0%
Environment and Wildlife	12.9%	-3.7%	-5.7%	-8.9%
Faith-Based	15.7%	-11.5%	-19.2%	-31.7%
Food Banks	31.8%	-7.6%	-19.1%	-14.3%
Health Services and Research	-1.6%	-2.8%	-10.5%	0.0%
Higher Education	14.5%	-1.9%	-14.5%	0.0%
Hospital Foundations and Hospitals	9.6%	-10.0%	-18.5%	-15.2%
Human and Social Services	10.9%	-4.8%	-16.1%	-16.7%
Public Affairs	2.1%	2.7%	0.0%	0.0%
Public Broadcasting Stations	49.6%	-3.8%	-18.3%	-26.4%
Industry Median	12.5%	-3.8%	-15.5%	0.0%

Fundraising Email Engagement Rates by Vertical

	Open Rate	Click Rate	Conversion Rate
Animal Welfare	13.0%	0.57%	0.04%
Arts and Culture	19.8%	0.63%	0.04%
Association and Membership	19.2%	0.49%	0.02%
Disaster and International Aid	11.8%	0.45%	0.04%
Environment and Wildlife	14.0%	0.47%	0.04%
Faith-Based	13.0%	0.60%	0.03%
Food Banks	14.5%	0.58%	0.08%
Health Services and Research	13.8%	0.49%	0.02%
Higher Education	20.4%	0.56%	0.01%
Hospital Foundations and Hospitals	21.4%	0.63%	0.06%
Human and Social Services	14.9%	0.65%	0.04%
Public Affairs	14.2%	0.53%	0.03%
Public Broadcasting Stations	16.7%	0.58%	0.05%
Industry Median	14.8%	0.55%	0.04%

Email Newsletter Engagement Rates: Year-Over-Year Change

(Based on Emails Delivered Where Email Campaign Type="Newsletter")

	Total Emails Sent % Change	Open Rate % Change	Click Rate % Change
Animal Welfare	7.3%	-3.6%	-20.2%
Arts and Culture	16.8%	-0.1%	-8.2%
Association and Membership	0.1%	4.4%	-11.8%
Disaster and International Aid	3.6%	-4.0%	-9.8%
Environment and Wildlife	10.6%	-0.2%	-6.4%
Faith-Based	11.9%	-6.1%	-16.2%
Food Banks	1.0%	-3.8%	-20.6%
Health Services and Research	9.7%	-4.4%	-19.6%
Higher Education	-3.0%	3.4%	-6.3%
Hospital Foundations and Hospitals	-7.5%	-3.0%	-14.5%
Human and Social Services	1.0%	-2.4%	-17.7%
Public Affairs	4.9%	0.1%	-13.5%
Public Broadcasting Stations	18.9%	-4.1%	-12.6%
Industry Median	7.1%	-2.8%	-14.8%

Email Newsletter Engagement Rates by Vertical

	Open Rate	Click Rate
Animal Welfare	15.55%	1.30%
Arts and Culture	20.41%	1.68%
Association and Membership	22.40%	2.11%
Disaster and International Aid	13.93%	0.64%
Environment and Wildlife	15.47%	1.54%
Faith-Based	15.23%	1.44%
Food Banks	13.72%	0.93%
Health Services and Research	14.34%	1.14%
Higher Education	23.48%	2.00%
Hospital Foundations and Hospitals	22.07%	1.61%
Human and Social Services	13.36%	0.95%
Public Affairs	15.44%	1.58%
Public Broadcasting Stations	17.35%	1.03%
Industry Median	15.62%	1.25%

Email Newsletter Engagement Rates by Housefile Size

	Open Rate	Click Rate
2,500–9,999	21.35%	2.01%
10,000–24,999	16.99%	1.38%
25,000–74,999	15.91%	1.20%
75,000–124,999	13.21%	1.50%
125,000–199,999	16.31%	1.17%
200,000–349,999	12.99%	0.80%
350,000–499,999	10.58%	0.91%
500,000–749,999	14.27%	0.92%
750,000–999,999	12.96%	0.80%
1,000,000+	11.80%	1.01%

“Other” Email Engagement Rates: Year-Over-Year Change

(Based on Emails Delivered Where Email Campaign Type

Not “Advocacy Appeal” or “Fundraising Appeal” or “Newsletter”)

	Total Emails Sent % Change	Open Rate % Change	Click Rate % Change
Animal Welfare	15.7%	-5.5%	-21.9%
Arts and Culture	14.8%	-2.9%	-19.0%
Association and Membership	-3.9%	-3.4%	-20.9%
Disaster and International Aid	18.6%	-5.0%	-4.0%
Environment and Wildlife	9.0%	-0.2%	-13.5%
Faith-Based	3.2%	-1.3%	-10.0%
Food Banks	9.1%	-10.1%	-26.6%
Health Services and Research	7.9%	-5.8%	-16.4%
Higher Education	1.4%	-2.5%	-13.9%
Hospital Foundations and Hospitals	34.4%	-7.7%	-21.5%
Human and Social Services	4.4%	-2.6%	-19.1%
Public Affairs	39.8%	-9.6%	-18.5%
Public Broadcasting Stations	-30.3%	-4.6%	-9.8%
Industry Median	13.6%	-5.2%	-17.7%

“Other” Email Engagement Rates by Vertical

*(Based on Emails Delivered Where Email Campaign Type
Not “Advocacy Appeal” or “Fundraising Appeal” or “Newsletter”)*

	Open Rate	Click Rate
Animal Welfare	14.95%	0.90%
Arts and Culture	20.73%	1.78%
Association and Membership	17.05%	1.03%
Disaster and International Aid	14.10%	0.84%
Environment and Wildlife	16.54%	1.00%
Faith-Based	17.69%	0.80%
Food Banks	14.12%	0.93%
Health Services and Research	13.50%	0.93%
Higher Education	22.92%	1.35%
Hospital Foundations and Hospitals	19.66%	1.14%
Human and Social Services	16.37%	1.05%
Public Affairs	14.80%	1.06%
Public Broadcasting Stations	16.71%	0.85%
Industry Median	16.12%	1.01%

“Other” Email Engagement Rates by Housefile Size

(Based on Emails Delivered Where Email Campaign Type

Not “Advocacy Appeal” or “Fundraising Appeal” or “Newsletter”)

	Open Rate	Click Rate
2,500–9,999	23.57%	1.78%
10,000–24,999	19.62%	1.21%
25,000–74,999	17.19%	1.08%
75,000–124,999	15.33%	0.93%
125,000–199,999	16.99%	0.95%
200,000–349,999	14.46%	0.82%
350,000–499,999	12.00%	0.54%
500,000–749,999	10.90%	0.63%
750,000–999,999	12.16%	0.50%
1,000,000+	12.78%	0.77%

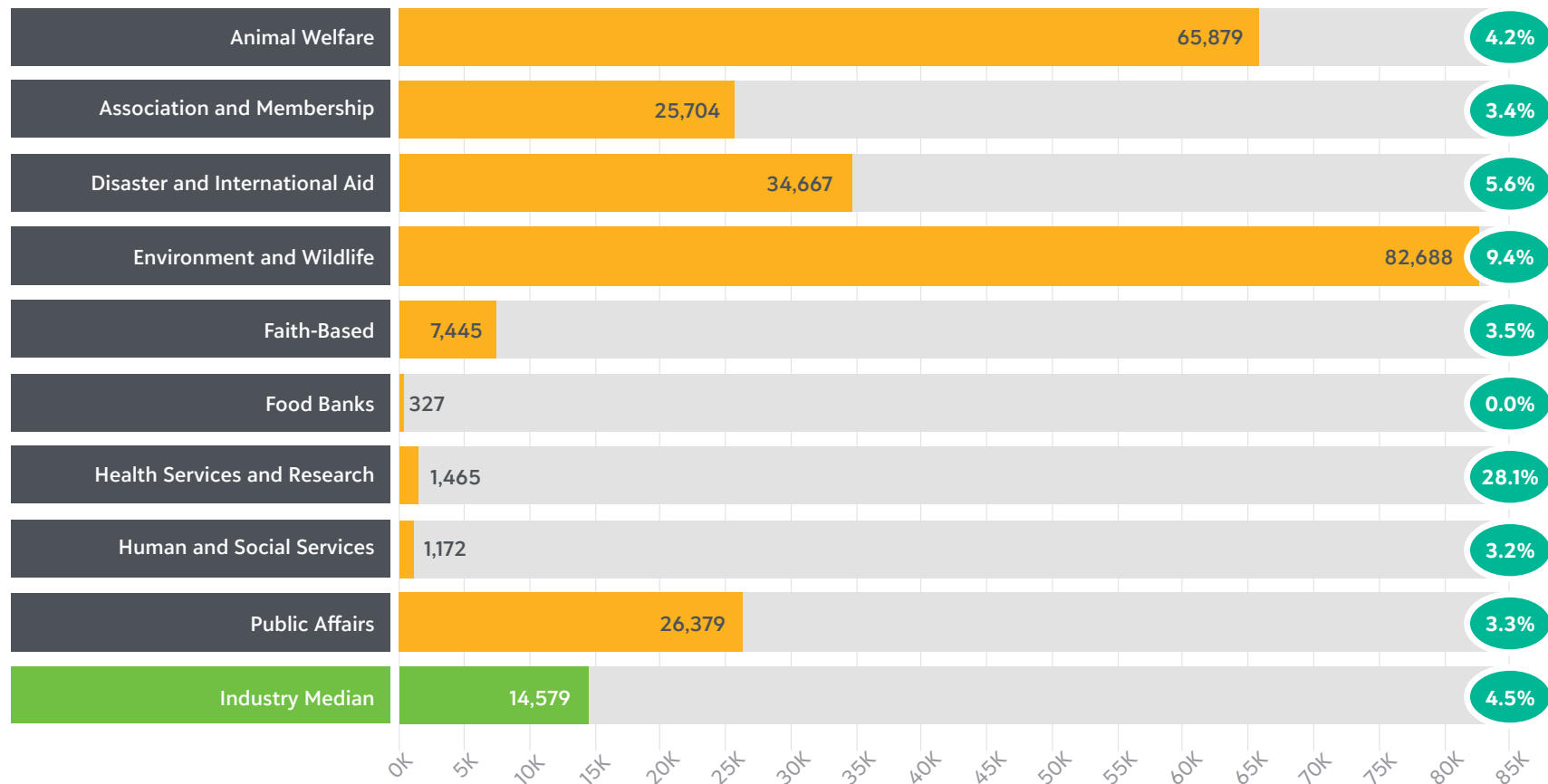
Advocacy

The image features a white background with a large, abstract blue shape at the bottom. This shape has a jagged, mountain-like top edge and is filled with horizontal stripes of varying shades of blue, creating a layered, water-like effect. The word "Advocacy" is centered in a bold, dark grey font within the white space above the blue shape.

Advocacy

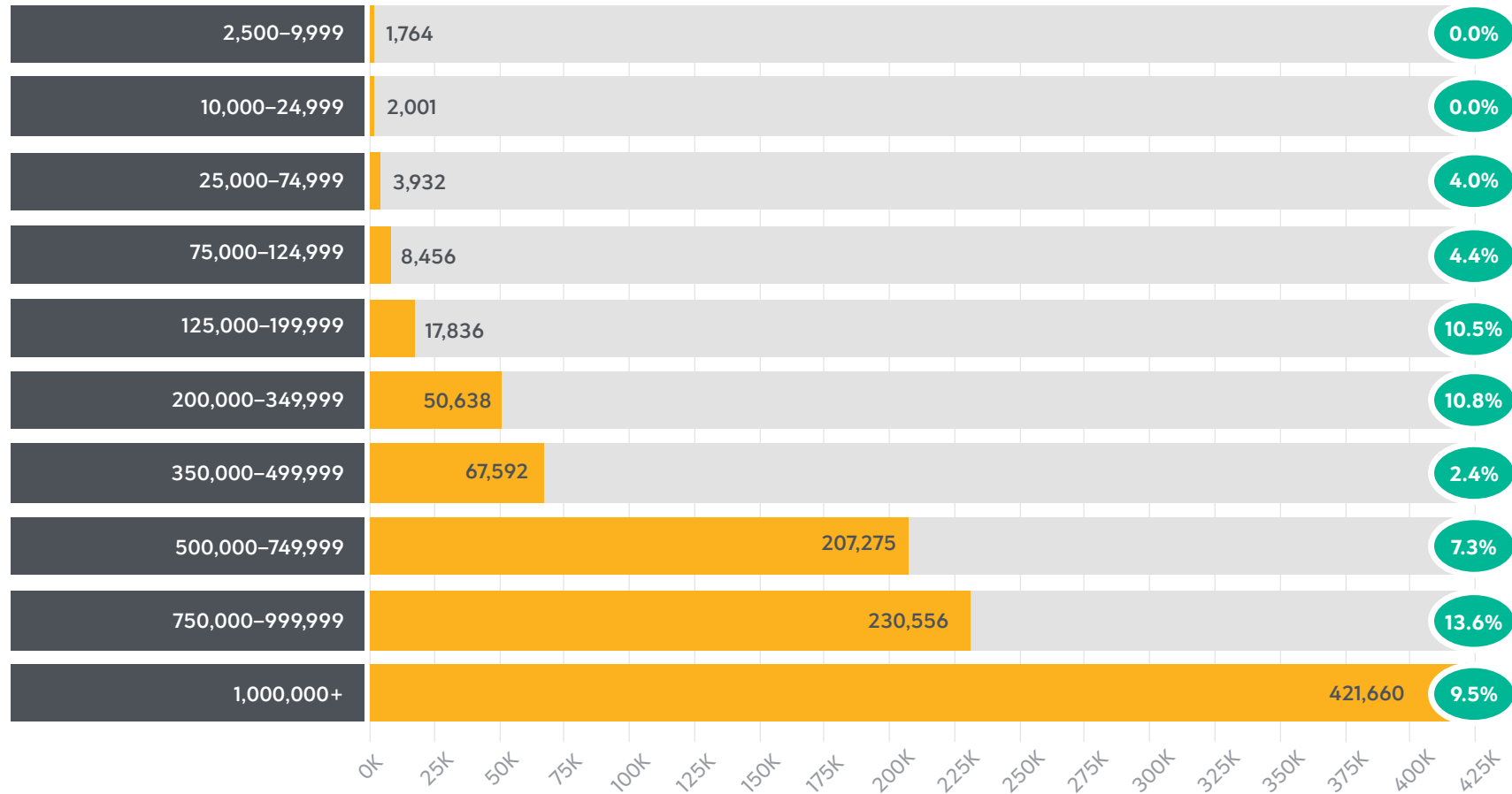
It was a busy year for advocacy organizations with the United States elections in 2016. We saw some nonprofits whose missions involve legislative and policy change or current events experience rocketing growth. To fully understand performance in this sector, review the large charts earlier in this report that show performance by organizations at the 25th and 75th quartile.

Number of Constituents Who Advocate by Vertical (Constituents Who Advocate as of Fiscal Year-End)



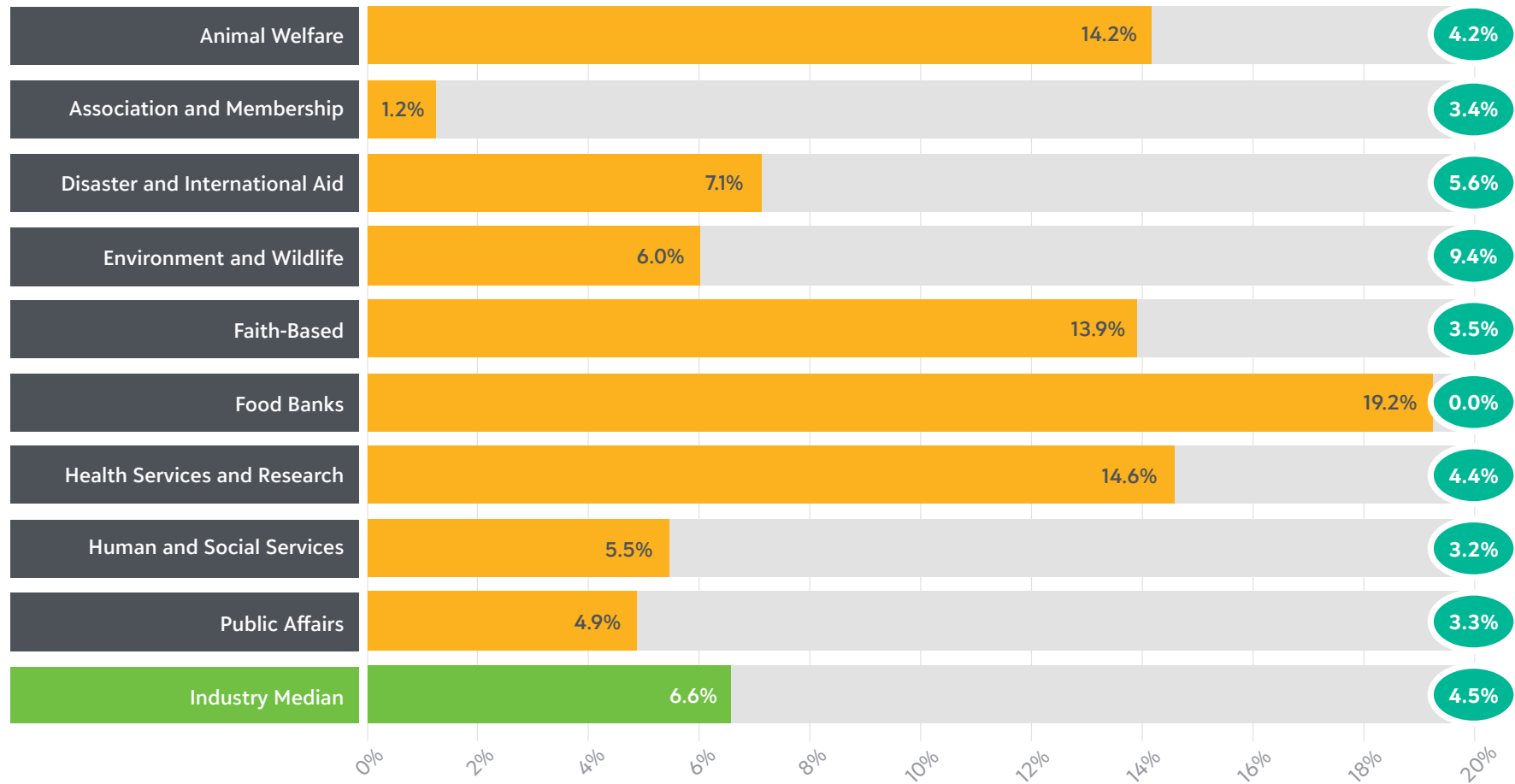
Number of Constituents Who Advocate by Housefile Size

(Constituents Who Advocate as of Fiscal Year-End)



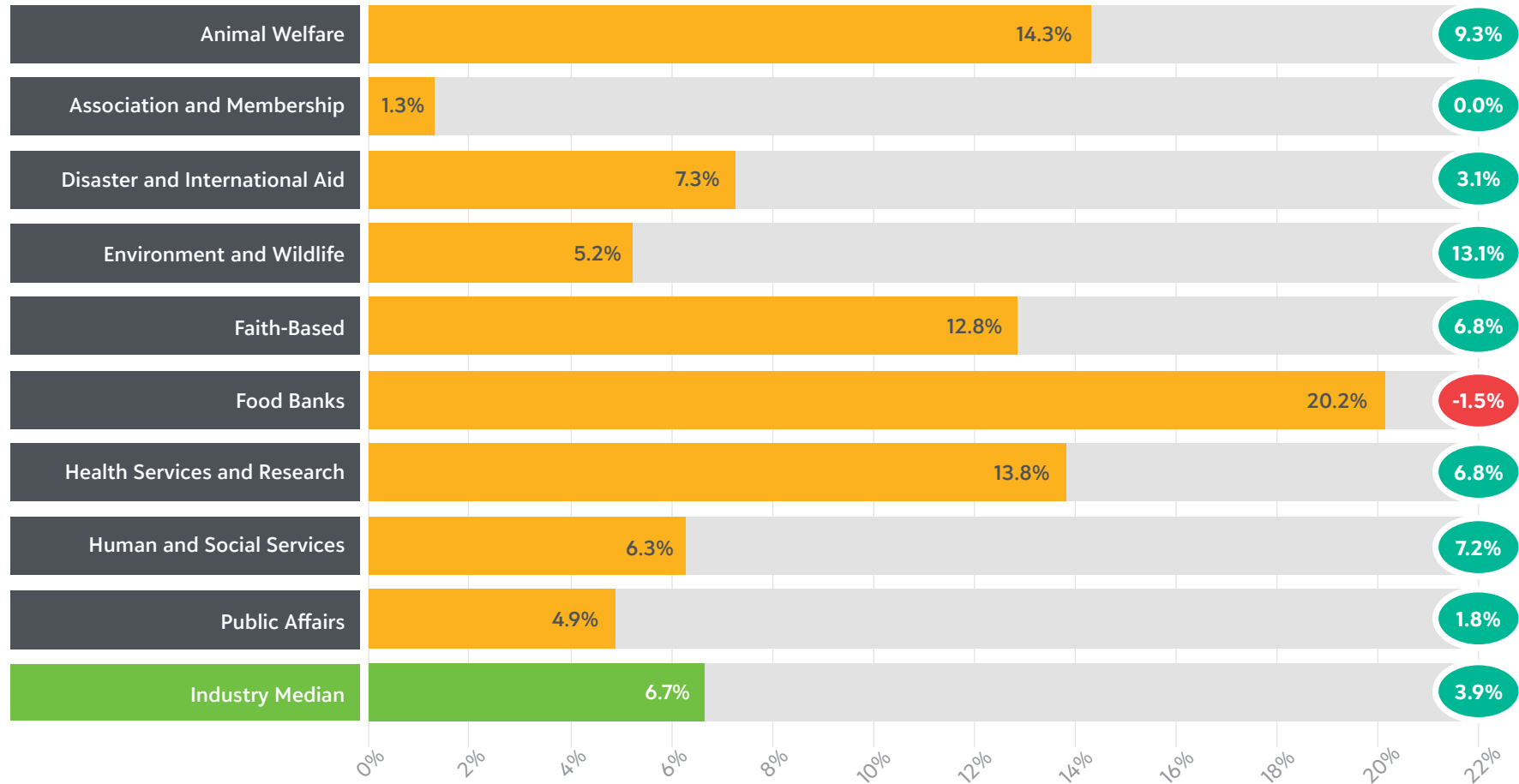
Percent of All Constituents Who Advocate by Vertical

(Constituents Who Advocate/Constituents with Email)



Percent of Advocates Who Also Donate by Vertical

(Number of Constituents Who Advocate and Donate as of Fiscal Year-End)



Conclusion

Conclusion

It's a busy, crowded world out there with lots of other organizations jostling for the attention of your supporters in their email inboxes and online. We hope this report can help by arming you with the information you need to benchmark your performance and guide your fundraising strategies this year and beyond.

Methodology

Study Participants

As in prior years, to be included in the reported data, organizations must have used the Blackbaud Luminate® platform consistently for a minimum of three years through June 2017. Data from other Blackbaud online fundraising tools was not included in this analysis.

Using the housefile and transaction data from 707 nonprofit organizations using the Blackbaud Luminate Online™ platform allows us to avoid two major sources of research bias common in many studies.

The first, called referral bias, occurs when groups that volunteer to participate in a study often perform differently than non-volunteers. The second, called measurement bias, occurs when comparing organizations' results from different sources and measuring them in different ways. This is commonly seen when different organizations selectively include or exclude various sources of online fundraising data, such as ecommerce, ticket sales, event registration fees, and donation form giving when defining their online revenue. Making valid comparisons is difficult when the data is volunteered or when sources are self-selected or normalized to look better.

As much as we would have liked to include every Blackbaud customer in this year's study, our objective is to provide nonprofits with the best and most accurate insight into how the industry fared in fiscal year 2016–2017.

As such, we excluded organizations that did not have at least 36 months of data on the Blackbaud Luminate Online platform, as organizations migrating to a new platform tend to perform differently than those with an established program. Because of this exclusion, the number and composition of organizations in our study will always vary slightly depending on when they join Blackbaud and when they deploy additional solutions.

Some Useful Definitions

Email Housefile: The full list of supporters with email addresses

Usable Email: A valid email address that accepts messages

Total Fundraising: Every online financial transaction

First-Time Donations: Donations flagged as a person's first online transaction with the respective organization

Sustainer Donations: Monthly recurring transactions

Repeat Donations: Donations not flagged as a person's first online transaction with the respective organization

In this year's report, we prepared a summary of metrics by the following views:

NTEE Assigned Vertical (with some consolidation): Shows how organizations with similar missions compare to one another

Organization Size–Valid Email Address Bands: Allows us to see if growth or contraction is being led by large or small organizations based on the size of the email file

Industry Verticals

Organizations with at least 36 complete months of data on the Blackbaud Luminate platform were combined into groups that we believed to be similar based on a common organizational mission or vertical within the nonprofit sector. We grouped organizations by their self-selected NTEE verticals. In the case of Canadian organizations, we classified by the closest vertical fit. We used this methodology to create cohorts of organizations that are believed to perform similarly. Verticals that did not have at least 10 similar organizations with a common mission were excluded from this study.

We did not include all verticals in all metrics. A vertical would be excluded if a very small sample size of customers in that vertical met the criteria. For example, advocacy is a metric that is not as relevant for a public broadcasting station as it might be for an environmental organization. As a result, none of the advocacy-related metrics in this study include results for public broadcasting stations or hospitals.

Study Universe

This study observes mature Blackbaud Luminate Online™ users who showed consistent activity for a full three years (July 2013 through June 2016). We apply this three-year rule for each type of activity within Blackbaud Luminate Online. For example, to be included, fundraising organizations must have had at least three full years of monthly fundraising revenue to represent mature fundraisers on the Blackbaud Luminate Online product.

Measure Group	Definition of "Mature"
House File	Organization with operating Blackbaud Luminate Online™ site for 36 months, July 2014–June 2017
Advocacy	Organization with advocates on file in each fiscal year period, July 2014–June 2017
Total Transactions	Organization with online transaction activity within each month for the 36 months, July 2014–June 2017
First Transactions	Organization with first-time donors giving within each month for the 36 months, July 2014–June 2017
Repeat Transactions	Organization with repeat donors giving within each month for the 36 months, July 2014–June 2017
Sustainer Transactions	Organization with sustainer donations within each month for the 36 months, July 2014–June 2017
All Email	Organization with any emails sent in each fiscal year period, July 2014–June 2017
Advocacy Email	Organization with advocacy email activity in each fiscal year period, July 2014–June 2017
Donation Email	Organization with donation emails sent in each fiscal year period, July 2014–June 2017
eNews Email	Organization with eNewsletters sent in each fiscal year period, July 2013–June 2016
Other Email	Organization with unclassified emails sent in each fiscal year period, July 2013–June 2016

Where to Go from Here

Talk data with us! Our team of experts can work with you to create your own personalized benchmark review that provides a more in-depth analysis of your program's performance. Talk to your customer success manager, or email us at solutions@Blackbaud.com.

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About Blackbaud

Blackbaud (NASDAQ: [BLKB](#)) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, corporations, education institutions, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for fundraising and CRM, marketing, advocacy, peer-to-peer fundraising, corporate social responsibility, school management, ticketing, grantmaking, financial management, payment processing, and analytics. Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom.

For more information, visit www.blackbaud.com.