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Area Nonprofits Fare Well in 2006, Expect Better Year in 2007 Marketing Looms as Challenge for the Future

ST. LOUIS, July 18, 2007..... Local nonprofit organizations report that 2006 was a good year for fundraising, and nearly three-fourths expect 2007 to be even better.

In *Philanthropic Landscape 2007*, an annual survey of St. Louis nonprofits by The Rome Group, a local consulting firm, 82 percent of respondents said their contributions from individuals increased in 2006. Fifty-seven percent saw increases in giving from corporations and businesses, while 52 percent experienced increased donations from private foundations. Major gifts, direct mail and special events were cited as the top three fundraising strategies, respectively.

Seventy-three percent of local organizations believe 2007 will be a better year for fundraising, although 80 percent believed 2006 would be better than 2005. Ten percent believe their fundraising will be worse, compared to 4 percent the year before.

“The numbers we are seeing are encouraging and demonstrate the continuing generosity of the St. Louis community,” said Amy Rome, principal of The Rome Group. “Respondents to our survey reported growth in every segment of their fundraising markets.”

Local results compared favorably with national data collected by Giving USA, which found that giving was up 4.2 percent from 2005 (one percent after adjustments for inflation). That total set a new record for charitable giving, bringing in a total of \$295.02 billion. Individuals were the most generous, donating 76 percent of the total amount.

Although 51 percent strongly agreed that their organizations had excellent reputations in the community, only 27 percent strongly agreed that they were well known by their target audiences, and only 8 percent strongly agreed that the community understands what their organizations do.

The Rome Group conducted a survey of local donors along with the survey of nonprofit organizations.

- Twenty-four percent of the donors who responded said they donated \$750,000 - \$1,499,999, while 16 percent gave over \$5 million.
- Fifty-six percent said over 90 percent of what they donate stays in the St. Louis region.
- Fifty-four percent of donors reported an increase in giving, compared to 44 percent the year before.
- Eight percent said they decreased donations, compared to 15 percent the year before. 36 percent said they stayed the same, compared to 41 percent the year before.

Nonprofits report that marketing and communications will be increasingly important in the future among an ever-increasing competition for the charitable dollar. Eighty-seven percent said improving marketing and communications would be a priority of their organizations in the next three years. Two-thirds of nonprofit organizations, however, said they do not have measurable goals for their marketing and communications activities.

Although 63 percent of donors agreed that increased competition for funding was a concern for the next year, marketing and communications does not appear to be a high priority with them. Sixty percent of donors were unfavorably inclined to support requests for marketing programs, even if the programs fit within a nonprofit's overall strategic plan. Seventy-five percent were unwilling to consider funding additional staff to implement a marketing plan, hire a marketing consultant or secure paid advertising. Only 11 percent of donors thought nonprofits' marketing themselves and their missions more aggressively was the key to promoting the need for resources and the importance of philanthropy.

"It's clear that we have more work to do to convince funders that marketing dollars are needed," added Rome.

Philanthropic Landscape 2007 marks the fifth year The Rome Group has conducted a survey of local nonprofit organizations to discover how they are doing, what challenges they are facing and what strategies they are using to be successful.

The nonprofit survey was emailed to 504 nonprofit executive directors, development directors and others in May 2007. 127 people responded, representing a 25 percent response rate. The mix of agency types and sizes among the respondents generally mirrors the nonprofit landscape in St. Louis. The donor survey was mailed to 85 individuals and 25 responded (29 percent).

The Rome Group is the St. Louis area's leading organizational development consulting firm. It specializes in helping nonprofit organizations build capacity by planning for the future, focusing their development and fundraising efforts, and identifying opportunities for leadership, growth and success.

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