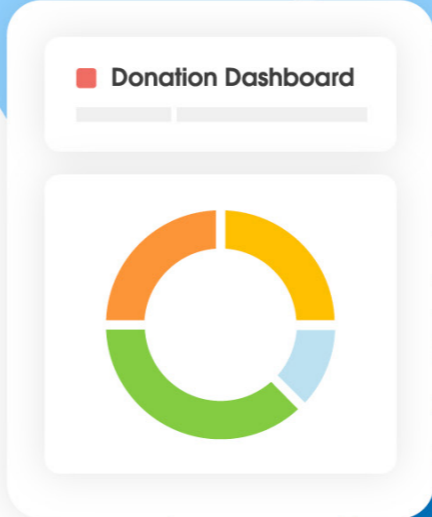




SIXTH EDITION

Nonprofit Trends Report

How nonprofits around the world are embracing change, overcoming challenges, and harnessing opportunities



Hello,

Welcome to the 6th annual Nonprofit Trends Report by Salesforce.

Let's begin with a moment of gratitude for your dedication to the nonprofit sector. And now, how about a moment of reflection?


Think of a key challenge you've faced over the last year in your organization. Jot it down and keep it in mind as you go through this trends report. You'll likely see something similar noted here – because you're not alone.

This report covers the shared experiences of nonprofits navigating change while driving impact. The terrain is rough with economic instability, rising costs, and acceleration of technological changes. Yet, organizations small and large are finding their ways. Many nonprofits are charting their course with a clear sense of mission, resolve, and optimism. They are embracing change, overcoming challenges, harnessing opportunities, and exploring what's next – including AI.

More than ever, nonprofits continue to rise to meet today's challenges. Salesforce is here to help. No matter the cause, geography, or size, we're all together on the same team. [Team Earth](#). Team Humanity. Team Equality. Let's go.

In service,

Salesforce



Many nonprofits are charting their course with a clear sense of mission, resolve, and optimism.



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Research Methodology

The trends in this report emerge from a global quantitative survey with 1,035 nonprofits across sizes, countries, and causes.

Staff sizes



Small
0-10
11-50



Medium
51-100
101-500



Large
501+

Countries



USA



Netherlands



Belgium



Australia



France



Czech Republic



United Kingdom



Spain



Norway



Germany



Poland



Slovakia

Primary causes

Animals

Health

Rescue

Arts & Culture

Human Rights

Science & Research

Children & Young People

Human/Social Services

Sports

Education & Schools

International Aid

Other

Elderly

Poverty & Social Welfare

Environment & Nature

Religion & Faith-based

Executive Summary

The nonprofit sector is navigating a complex landscape of changes, challenges, and opportunities. Nonprofits continue embracing technology to support critical work, with a cautious yet growing curiosity about AI.

Key Takeaways

1

Global shifts

Persisting economic instability, rising costs of living, faster speed of technological changes, and recognizing the dawn of AI.

2

Overall sentiments

The sector is determined, resilient, and optimistic, but smaller organizations feel more concerned about their future. Nonprofits with supportive governments tend to feel more confident and prepared than those lacking government support.

3

Top challenges

Managing workload has become the most pressing issue, surpassing fundraising and staffing concerns, even more so in larger organizations. For small nonprofits, raising enough funds remains the hardest.

4

Organizational changes

Some organizations saw decreases in staff, volunteers, and donations, while most others managed to maintain a stable footing in these key areas. A significant number of nonprofits have become more agile and flexible in responding to changing environments. Almost a third have increased their ability to plan strategically. The biggest change in the sector is the increased use of digital channels for internal communication.



Key Takeaways Cont.

5

Fundraising changes

Through higher and wider uses of digital channels, fundraising continues evolving to attract new generations of donors and deliver better donor experiences. There are also changes in channel strategies, partnerships with other nonprofits, and more collaboration across teams to address fundraising challenges together.

6

Ongoing limitations

A lack of training in digital engagement and delivery holds nonprofits back from making the most of their digital strategies and tools. Some organizations have seen a higher service demand without the capacity to increase service delivery.

7

Major risks

The broader use of digital channels for fundraising can expose some nonprofits to critical data risks without adequate measures in place for cybersecurity and data handling. There is an urgent need to improve data management and security practices.

8

AI perceptions

AI is on the nonprofit radar. The sector is cautiously optimistic and curious about AI's potential benefits in content creation and organizational efficiency. The majority of nonprofits want to learn more about AI and how it could help them.



Navigating Changes and Challenges



In 2023, the nonprofit sector faced a mix of ongoing and emerging challenges with continued resilience and optimism. It is a testament to the sector's enduring commitment and adaptability to drive missions forward.

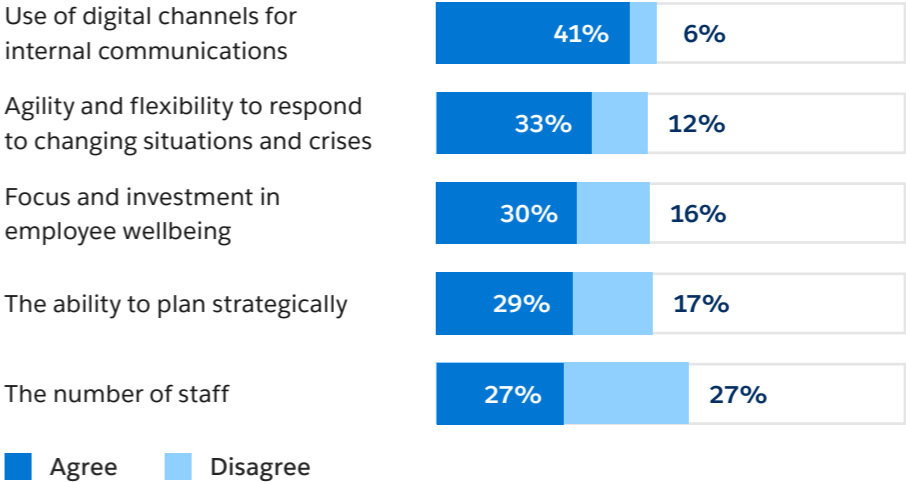
The rising cost of living has had varying impacts on future outlook, fundraising, staffing, volunteering, service delivery, and more.

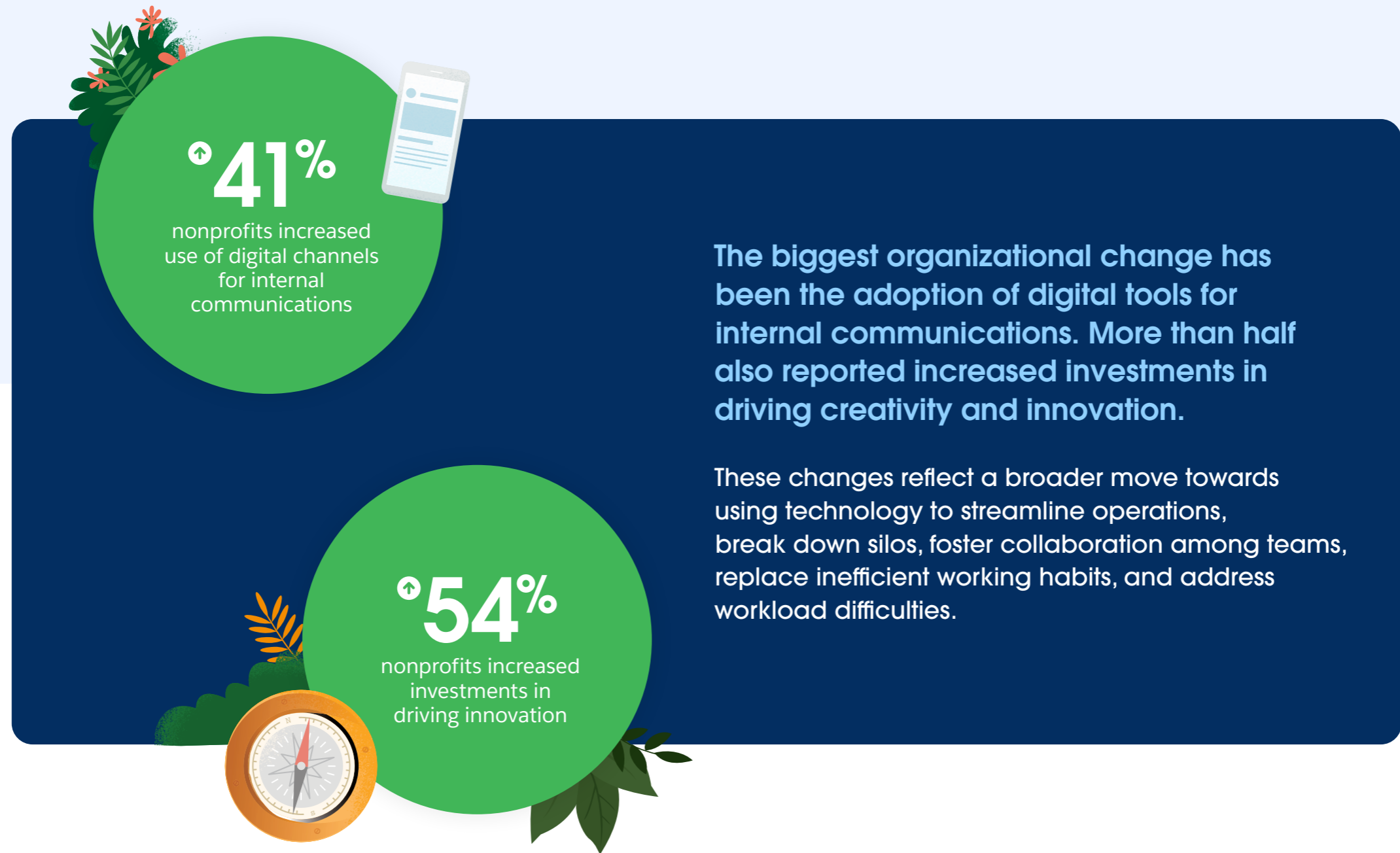
While some nonprofits dealt with reductions in staff, volunteers, and donations, the majority managed to maintain a relatively stable footing in these crucial areas, and some saw growth.

To do more with less, organizations are working to improve their approach. A third of nonprofits have become more agile and flexible in responding to change and crises. Almost a third have been enhancing strategic planning capabilities ahead of what may come.

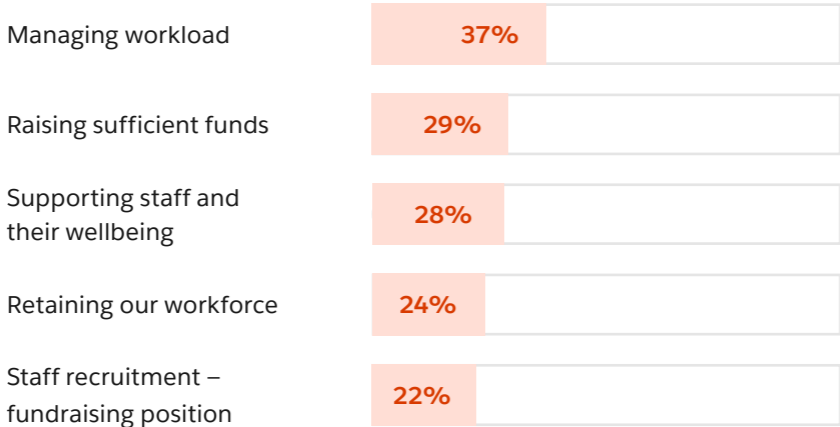


Top Organizational Changes in 2023





Top Challenges



Workload management tops the list in 2023 as the biggest challenge, surpassing traditional nonprofit obstacles like fundraising and staffing. Around half of large organizations with over 500 employees reported workload difficulties among the key challenges.

Staffing constraints are likely a large contributor to capacity issues and workload management. Across the sector, staffing-related issues — such as recruitment, retention, and support — remain among the top challenges since the pandemic and the “great resignation” movement.

Raising enough funds remains the hardest for smaller nonprofits, significantly more so in the USA than in other regions.

Harnessing Opportunities with Technology



2022 saw a clear trend among nonprofits — the prioritization of investments in technology to tackle challenges and seize opportunities. Following through on this intent, nonprofits showed strong increases in digital adoption in 2023.

This trend reflects a broader and ongoing movement toward gaining digital maturity. As shown in the previous year's trend report, there is a strong correlation between an organization's digital maturity and its ability to drive performance across the board.

“More than half (55%) of nonprofits say their organization needs to invest in technology in order to increase fundraising, and 60% say their donors expect a better experience than their current technology provides.”

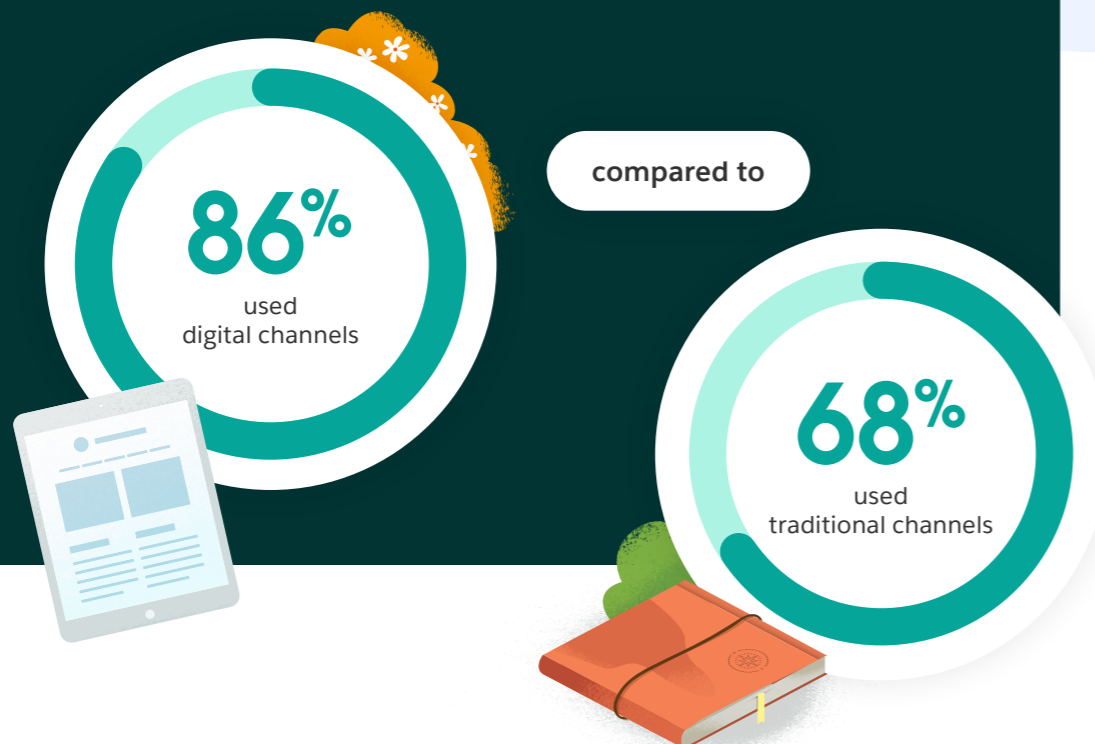


“Digitally mature nonprofits outperform their peers, regardless of their organization’s revenue, employee headcount, or geographic location. Organizations with high digital maturity are 1.9x more likely (93% vs. 50%) to have experienced improvements in organizational efficiency or mission impact. They are also 3.5x more likely (38% vs. 11%) to have achieved mission goals compared to their peers with low digital maturity.”

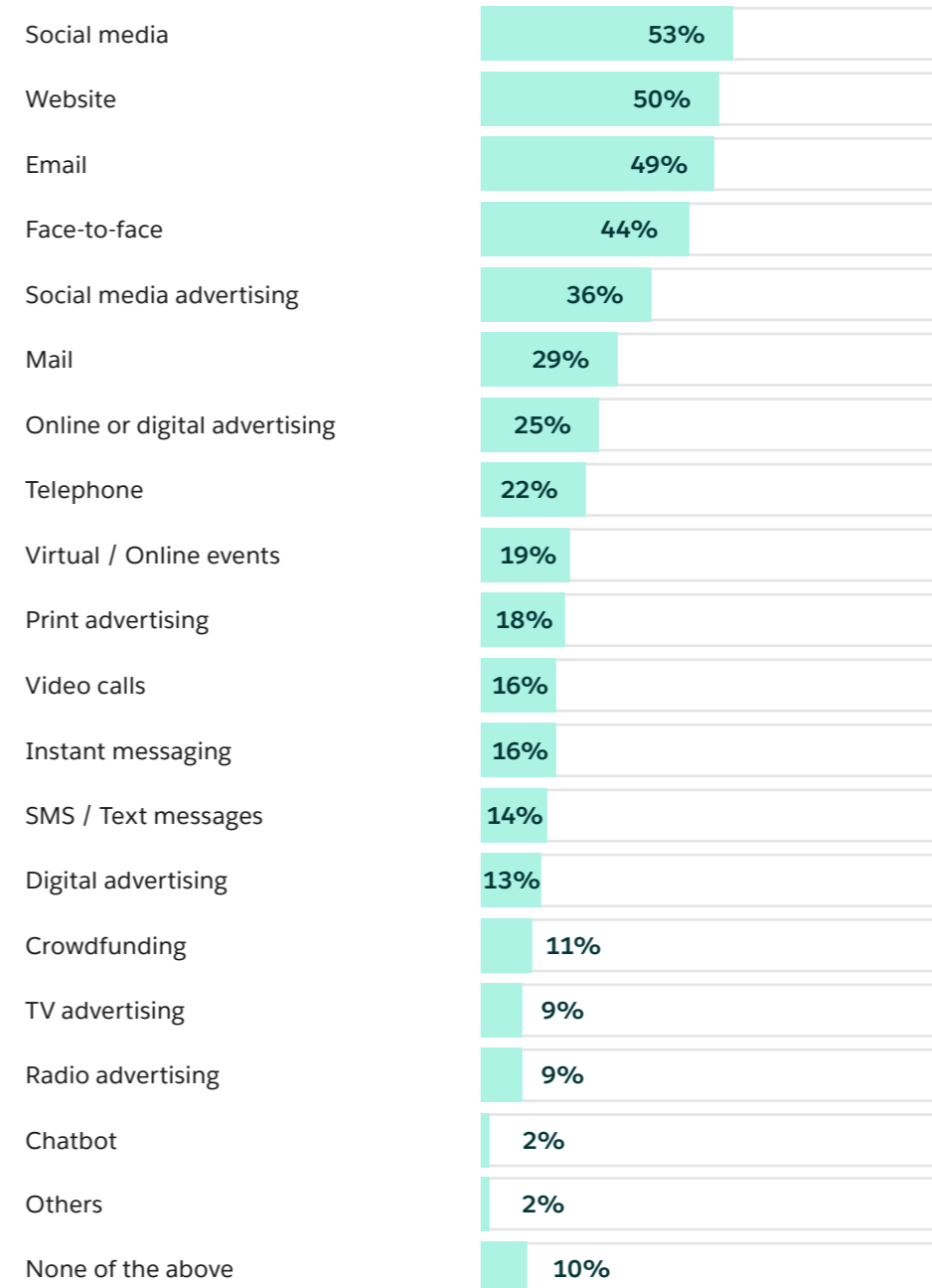
– 5th Edition of Nonprofit Trends Report (2022)


The nonprofit sector is leaning more on technology to support their most critical work, favoring digital platforms for speed, agility, ubiquity, and cost-effectiveness. The percentage of nonprofits using digital channels is much greater than those using traditional methods such as mail and telephone.

Many nonprofits have experienced engagement growth with a wider mix of channels. The hybrid approach, which is now the norm, is a smart way to cater to multi-generational audiences, find and cultivate relationships with new demographics of supporters, and meet them where they are.



Fundraising Engagement Channels in Use








74% changed their fundraising strategies.

Fundraising as the second-biggest challenge has spurred nonprofits to rethink their channel strategies to diversify both fundraising avenues and supporter demographics. A wider mix of channels enables nonprofits to attract new donors and capture more fundraising opportunities that were previously unavailable or untapped.


Social media, websites, emails, and video calls have become the primary platforms for audience engagement. Focus on online and mobile payment is on the rise.



24% added mobile payments.



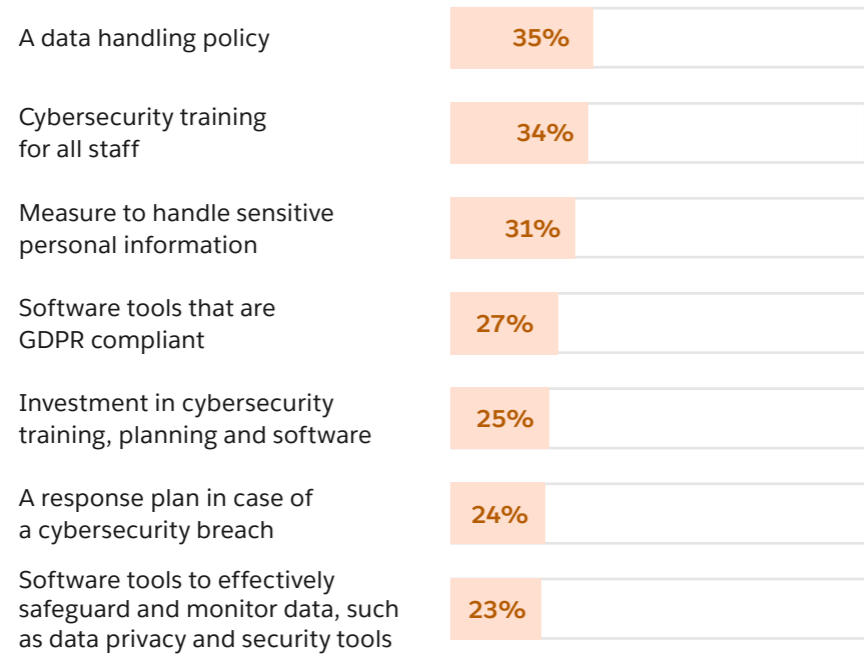
38% added more fundraising channels.



Addressing Risks and Limitations



Top Fundraising Cybersecurity Measures



35%
have a data handling policy

According to “The State of Identity Security”,¹ there has been a +667% increase in phishing attacks since 2020. Data management and protection have become a key issue for organizations across all sectors to undertake in their adoption of more digital technologies to support the most vital work.

Many nonprofit organizations have recognized the need to invest in cybersecurity and fortify their online data handling practices against potential data risks and breaches. Shockingly, only a third of surveyed nonprofits have adequate measures in place. Only one quarter have a response plan in case of a breach.

When many nonprofits hold highly sensitive personal data of vulnerable populations such as children, elders, and refugees, safe data management and protection must become an urgent priority.

34%

provide cybersecurity training for all staff

24%

have a response plan in case of a breach

¹The State of Identity Security

Resource limitations and the balancing acts of resource allocation are common in the nonprofit sector. With ongoing economic turbulence, nonprofits are facing even tighter resource constraints. According to “2022 Nonprofit Pulse in Europe”,² nearly a quarter already tapped into their organizational reserves in 2022. This number is likely higher in 2023.

The rising cost of living has put more people in need of help. About a third have seen increased demands for their services as a result. While most are not increasing their service delivery — likely due to a lack of capacity and funds — some are exploring new service delivery methods.


33%

saw increased demands
for their services


15%

faced inability to deliver
services and meet
beneficiary needs

²2022 Nonprofit Pulse in Europe

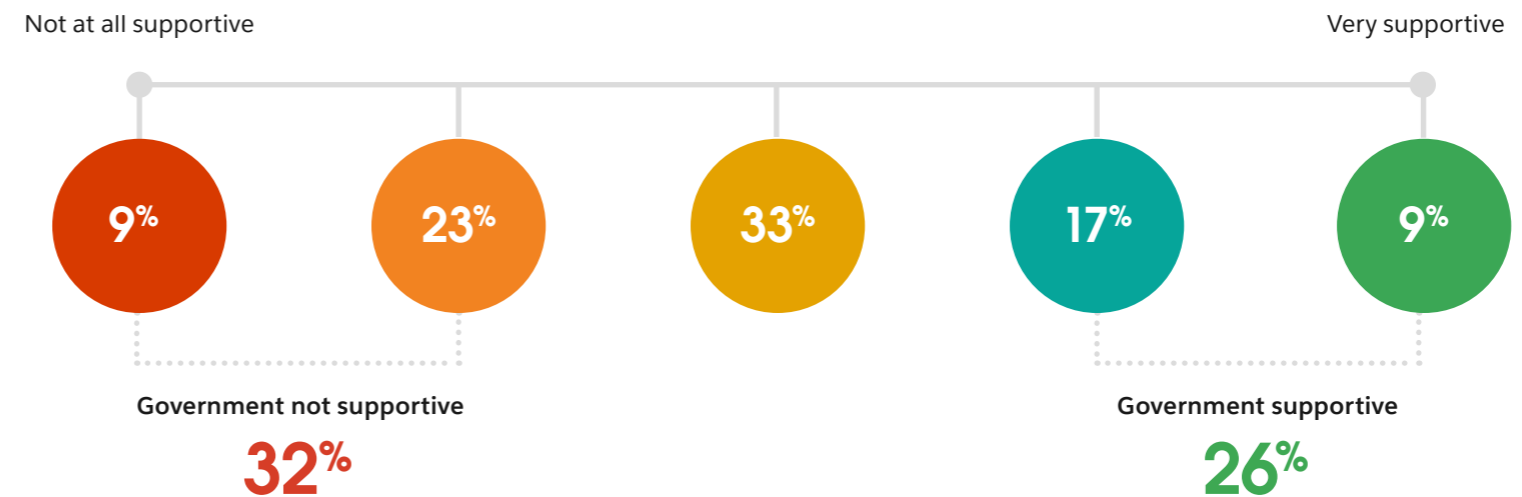
The global findings from the survey tell us that government support for fundraising has broad impacts on addressing limitations for nonprofits.

Interestingly, those with less support are more likely to express concerns about their future, report decreased donations, and experience direct staff impact from organizational challenges. Nonprofits with supportive governments demonstrate confidence, preparedness, and proactive investment in technology and innovation.

Although over one-third of nonprofits have received government support and grants to fund their services, it's not the case for all. The UK shows the highest level of dissatisfaction with government support and lack thereof.

National Government Charity Fundraising Support

How supportive do you think your national government has been of charity fundraising over the last year?



Note: 10% of respondents answered 'Don't know'





Exploring AI: Perceptions and Sentiments

The digital evolution has been underway for many decades — since the first electronic computer, and fast-forward to today, the dawn of AI. The year 2023 saw a widespread consensus about the inevitable future of AI adoption.

Many believe AI technology will be deeply woven into the fabric of human societies and economies, similar to how essential and integral web and mobile technologies have become in supporting modern work and everyday life.

In the most recent global nonprofit survey, we gauged how nonprofits are navigating these new waters. In the following pages, we'll cover what excites nonprofits about AI, what holds them back, and how they envision the role of AI in amplifying their mission without compromising their core values.

Did you know...

Generative AI

creates new things based on what it has learned from existing data.

Predictive AI

makes predictions based on what it has seen in existing data and recommends the next best actions.





65%

are open to AI and need to learn more

Nonprofits — traditionally rooted in human-centric values, practices, and relationships — are now peeking into the world of AI with a mix of optimism, curiosity, and a healthy dose of reservation.

Even though AI is not yet widespread in the nonprofit sector, there is a growing readiness among nonprofits to learn more about AI's possibilities for their operations.

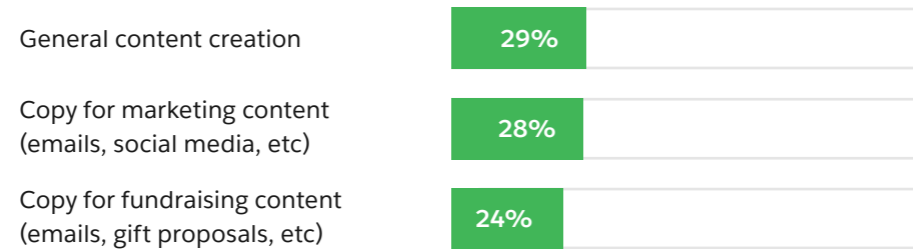
Only a small number of nonprofit trailblazers are already using AI in their organizations. More than half of nonprofits are open to adopting AI but emphasize the need to learn more.



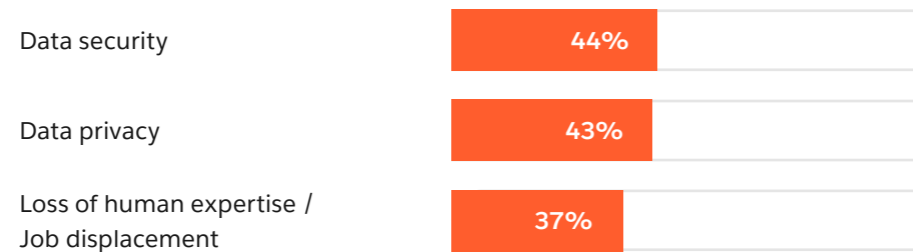
12%

already using AI in their organizations

Top 3 AI opportunities



Top 3 AI concerns



Most nonprofits perceive the greatest opportunities for AI are in the areas of content creation and organization-wide efficiency. The sector is still somewhat uncertain about other benefits and specific use cases for nonprofits.

The top concerns nonprofits have about using AI are primarily centered around data security, privacy, and the potential impact on human jobs and expertise.

Because of the critical nature of nonprofit work to so many — from education for minority groups to crisis aid for the most vulnerable — it is prudent and crucial for nonprofits to get the use of AI just right to mitigate risks.

AI is a thrilling new frontier, where technology and humanity can intersect in the service of the greater good. Many agree it's a frontier worth exploring. Yet, the perceived complexities and a lack of confidence are the two major things holding nonprofits back from AI adoption.

Being cautiously optimistic about AI, nonprofits indicate the need for comprehensive training with a focus on trust, legal, and funding considerations. They want clear examples of successful implementation with an emphasis on cost-effectiveness, ease of use, and assurances regarding data security and privacy.

This list of must-haves before getting started with AI reflects the pragmatic mindset of the nonprofit sector.

7 things nonprofits need to be confident about getting started with AI

- 1 A clear understanding of AI and its benefits for nonprofits
- 2 Practical training and workshops
- 3 Use cases and success stories
- 4 Data security and data privacy confidence
- 5 Integration with current systems
- 6 Employee trust, assurance, and ease of use
- 7 Funding and ROI for adoption and training

As AI drives big societal changes, nonprofits are playing an important role in what is to come. They want the ability to harness the biggest benefits while mitigating the highest risks.

While you and your nonprofit navigate these new waters: jot down what excites you about AI, what may be holding you back, and how you envision the role of AI in amplifying your mission without compromising your core values.



Diving deeper



Article

AI Tools Can Help Your Nonprofit CRM Work Better — Here's How

[Read article](#)



Success story

How Nonprofits Can Boost Efficiency With AI-driven Insights

[Read story](#)



Thought leadership

Empowering Nonprofits in Times of Change with Data + AI + CRM + Trust

[Watch video](#)

Recommendations

Insight

Workload management has become the top challenge.

Action

Help your teams achieve more with less manual work.

Consider investing in digital tools to automate manual repetitive work and enhance cross-functional collaboration. When teams can break out of silos to work collaboratively, it minimizes duplication of efforts and inefficiencies across the board. Resources being stretched thin is a sign to invest in modernizing operations. Such investments will improve resource allocation and utilization while enhancing the way your organization delivers impactful results.

1

Insight

Raising enough funds continues to be a key challenge.

Action

Audit your fundraising channels and experiences.

If you haven't done this recently, it's a good time to critically evaluate your channel mix and stakeholder experiences. Are you engaging donors and supporters on the channels where they love spending time and feel more open to act? Next, assess the ease of use of your donation pages and volunteer signups, as well as how easy it is for your audiences to find answers to their questions. Audit insights will help guide your optimization efforts to achieve greater fundraising outcomes.

2

Insight

Stronger donor relationships yield greater levels of giving.

Action

Make your content and communication personal.

Because giving is highly personal, personalized content is a great way to show your donors that you care. Personalization helps build stronger relationships, which significantly impacts donor engagement and retention. Personalizing can be as simple as using the recipient's name in an email subject line. When it comes to the message itself, make it more personable by speaking from a shared emotional level and avoiding marketing words. Generative AI can help personalization on a larger scale.

3

What's next

As you continue embracing change, overcoming challenges, harnessing opportunities, and exploring what's next, check out these additional resources to help you chart a clear course forward.

Insight

Data-driven insights can drive measurable mission outcomes.

Action

Get your data house in order to enhance decision-making.

Measure what matters, because what gets measured can improve. Data analysis can reveal current inefficiencies or untapped opportunities throughout your organization. Data-driven nonprofits grow 5x faster³ because they can identify where to place resources for the greatest impact. That's why getting your data in order is immensely valuable for your organization. With a strong data-driven culture, you become more proactive and adaptive in driving your mission forward.

4

³Nonprofit Trends Report, 5th Edition

Insight

Inadequate cybersecurity measures increase vulnerabilities.

Action

Protect your data to protect your stakeholders.

The volumes of data being processed and stored continue to explode from the increased use of digital tools to support critical work. Having a cybersecurity plan in place has become a main priority for organizations across sectors. This calls for upskilling your staff, but training doesn't have to be a huge financial undertaking. You can start small and get the basics right. Check out [Salesforce Trailhead](#), a free online learning platform for individuals, teams, and companies to skill up for the future with essential skills – including [Cybersecurity 101](#).

5

Building a Data Management Strategy for Your Nonprofit

Learn how to begin building a nonprofit data management plan to create more impact.

[Get the whitepaper](#)

The Nonprofit Donor Engagement Guide

Learn strategies that keep your donors interested in and involved with your organization.

[Read the guide](#)

AI Strategy Guide: Make CRM + AI + Data Your Trusted Formula

Strategize effectively, embrace new possibilities, and answer important questions about the benefits of AI.

[Read the guide](#)

Regional Snapshots



2023 Nonprofit Trends US Snapshot

All numbers below represent percentage of nonprofits

Changes & Challenges

Positive changes

- 40% Increased agility and flexibility
- 34% Increased staff
- 30% Increased investments in tools to facilitate innovation
- 27% Increased investments in marketing/comms

Negative changes

- 34% Decreased donations
- 26% Decreased supporters

Biggest challenges

- 38% Managing workload
- 37% Raising sufficient funds
- 32% Supporting staff
- 30% Retaining workforce

Given increases in cost of living

- 30% Explored new ways to deliver services
- 28% Saw service demand increases
- 25% Received new service grants
- 21% Saw staff directly affected
- 20% Saw decrease in donations
- 19% Worried about their future

US n=226

Pulse on Fundraising

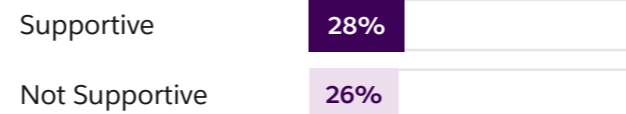
76% The majority made changes to fundraising strategies

- 26% Diversified channel mix in fundraising strategy
- 23% Increased focus on supporter retention
- 23% Invested more in marketing/comms
- 20% Increased focus on regular giving
- 20% Increased focus on online & mobile payments

Digital fundraising channels continue to increase but traditional channels are still in heavy rotation

- 63% Email
- 61% Face-to-face
- 60% Social Media
- 60% Website
- 42% Social Media Ads
- 41% Mail

Government support for charitable fundraising

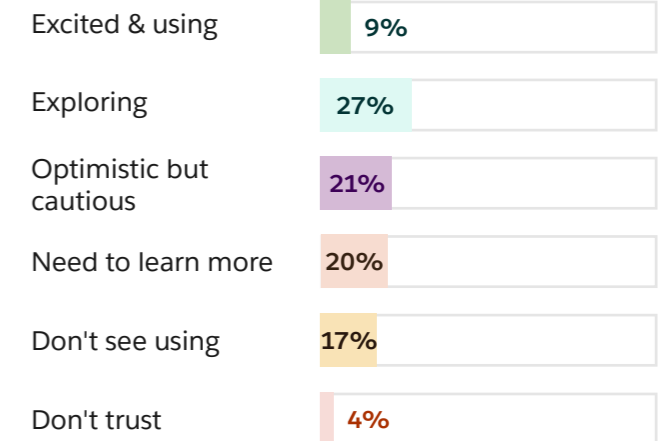


Not enough US nonprofits have robust software tools to manage cybersecurity and sensitive data

- 31% Software tools to safeguard sensitive data
- 14% Software tools for 1st party data collection & management

AI Perceptions

Most US nonprofits are in an exploratory and learning phase with AI but see a future for AI within their org.



Top Generative AI Concerns

- 50% Data Privacy
- 45% Data Security
- 40% Loss of human expertise/jobs
- 36% Accuracy

Top AI Use Cases

- 27% Content Creation
- 25% Fundraising Copy
- 23% Marketing Copy
- 23% Org wide efficiency
- 19% Program Summaries

 **2023 Nonprofit Trends**
Australia Snapshot

All numbers below represent percentage of nonprofits

Changes & Challenges

Positive changes

- 33%** Increased focus on staff wellbeing
- 31%** Increased staff
- 32%** Increased agility
- 28%** Increased investment in tools to facilitate innovation

Biggest challenges in 2023

- 38%** Managing workload
- 34%** Retaining workforce
- 34%** Supporting staff
- 21%** Raising sufficient funds

Given increases in cost of living

- 42%** Saw service demand increases
- 21%** Saw service demographics changed
- 21%** Saw increased service delivery
- 21%** Change service offerings
- 20%** New ways to deliver services
- 18%** Saw staff directly affected

Pulse on Fundraising

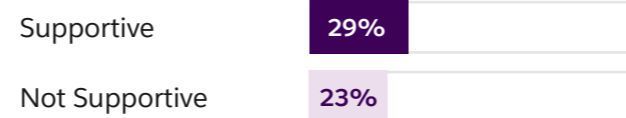
58% Over half made changes to their fundraising strategies in 2023.

- 21%** Diversified channel strategy
- 21%** Increased focus on digital channels
- 21%** Work collaboratively with other nonprofits
- 15%** Increased focus on online/mobile payment options

Digital fundraising channels continue to increase but face-to-face is still a top used channel

- 50%** Social Media
- 43%** Face-to-face
- 42%** Website
- 40%** Email
- 38%** Social Media Ads

Government support for charitable fundraising



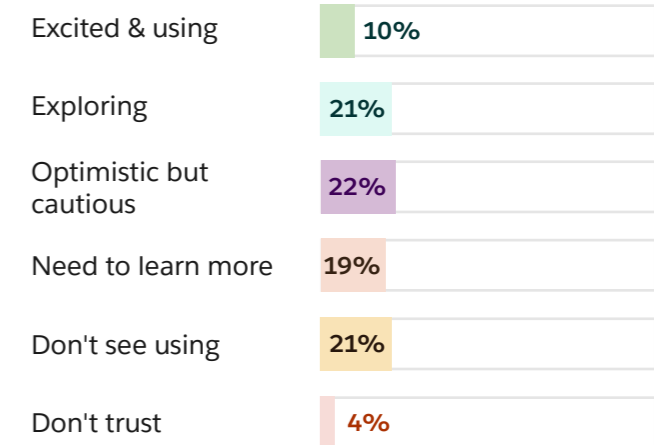
Many AUS nonprofits do not have robust software tools to manage cybersecurity and sensitive data

- 25%** Software tools to safeguard sensitive data
- 10%** Software tools for 1st party data collection & management

AI Perceptions



Most AUS nonprofits are in an exploratory and learning phase with AI but see a future for AI within their org. 1 in 5 orgs say they don't see themselves using AI.



Top Generative AI Concerns

- 50%** Data Security
- 49%** Data Privacy
- 39%** Loss of human expertise/jobs
- 32%** Accuracy

Top AI Use Cases

- 26%** Org wide efficiency
- 26%** Content Creation
- 23%** Marketing Copy
- 16%** Participant/Service user case summaries

2023 Nonprofit Trends

EMEA Snapshot

All numbers below represent percentage of nonprofits

Changes & Challenges

Positive changes

- 32% Increased agility
- 30% Increased strategic planning
- 29% Increased investments invested in employee wellbeing
- 24% Increased investments in marketing/comms

Negative changes

- 28% Decreased donations
- 26% Decreased supporters

Biggest challenges

- 37% Managing workload
- 28% Raising sufficient funds
- 26% Supporting staff
- 25% Retaining workforce

Given increases in cost of living

- 28% Saw service demand increases
- 25% Saw new ways to deliver services
- 20% Worried about their future
- 20% Tapped into org reserves
- 17% Service demographics changed
- 15% Saw decrease in donations

EMEA n=672

Pulse on Fundraising

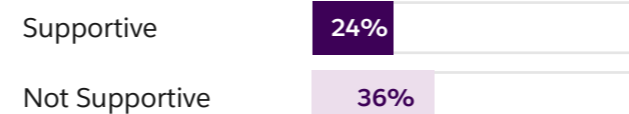
76% The majority made changes to fundraising strategies

- 23% Diversified channel mix in fundraising strategy
- 23% Increased focus on digital channels
- 23% Increased focus on supporter retention
- 22% Work collaboratively with other nonprofits
- 20% Increased focus on regular giving

Digital fundraising channels continue to increase

- 51% Social Media
- 48% Website
- 46% Email
- 39% Face-to-Face
- 33% Social Media Ads

Government support for charitable fundraising



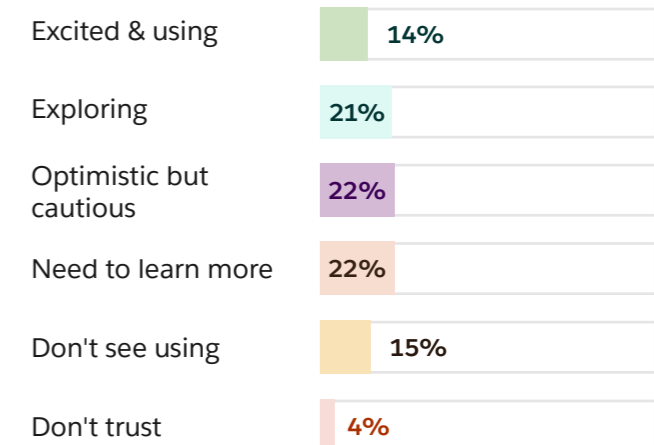
Not enough US nonprofits have robust software tools to manage cybersecurity and sensitive data

- 19% Software tools to safeguard sensitive data
- 12% Software tools for 1st party data collection & management

AI Perceptions



Most EMEA nonprofits are in an exploratory and learning phase with AI but see a future for AI within their org. EMEA as a whole has the highest rates of already using AI in their org. France has highest rates of not trusting AI (11%).



Top Generative AI Concerns

- 42% Data Security
- 39% Data Privacy
- 36% Loss of human expertise/jobs
- 38% Accuracy

Top AI Use Cases

- 31% Content Creation
- 31% Marketing Copy
- 26% Fundraising Copy
- 20% Better Journeys



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