

The Future of Success in the Social Sector

Advice From Top Nonprofit Leaders



Our focus often lies on the next week, day, or hour, tactically making it through any logistical challenges. While it's necessary to work through the week's to-do list, it's just as important to step out of the day-to-day and consider the big picture. Where is the social sector going? What should each organization prioritize in the years ahead? What challenges should organizations anticipate?

Classy reached out to our [Leadership Council](#), an esteemed group of social sector executives, for their thoughts and advice on what to prioritize in 2022.

In this commentary on the future of the social sector, you'll hear directly from these leaders. They'll share their priorities in the coming year with a focus on technology adoption, fundraising, and social and behavioral initiatives at an organizational level. You'll glean tips on how to address the major challenges facing nonprofits today and leave with advice from some of the sector's brightest minds.

The Classy Awards & Leadership Council

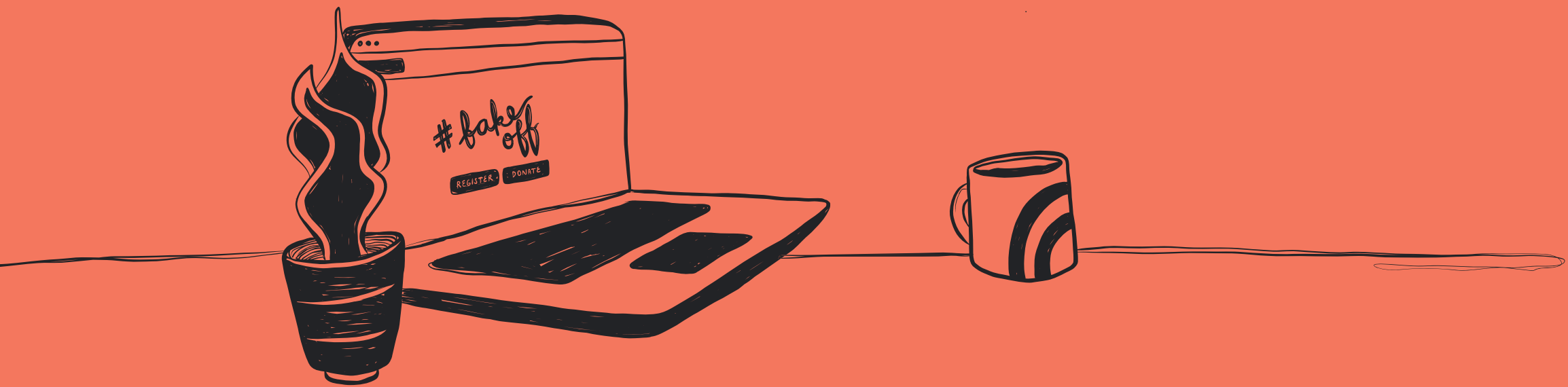
Classy hosts The Classy Awards to recognize the lasting impact of innovative nonprofits driving change in the world and the social sector. The Leadership Council is an honorary board of social sector executives who collectively select the Classy Awards Winners. Learn more about [The Classy Awards](#).





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Prioritize Investment in Analytics and Tools

Over half of social sector executives we surveyed shared that the **#1 priority for a nonprofit's digital transformation is the investment in analytics and digital tools to improve the donor experience.**

A common theme throughout our discussions was the need to adopt analytics and digital tools that organize, segment, and personalize the donor experience. Donor data allows organizations to hone in on each supporter's journey to conversion and the communication channels that keep them engaged along the way.



Invest in Tools that Improve the Donor Experience

1. Choose Fundraising Tools That Integrate Into Your Tech Stack

When evaluating fundraising tools and technology, ensure that the systems can talk to one another. Data in silos is challenging to dissect and isn't nearly as valuable as data that provides a comprehensive picture of your donors' journeys. You can then use this data to save your team time, automate where possible, inform your fundraising strategy, and [build personalized donor pathways](#).

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We need to be more efficient and targeted in our digital organizing, list segmentation, and user experience; and I believe integrating tech stacks—strong CRM, CMS, and personalized customer support journeys that are automated—are a clear and important piece of our foundation.



Lara Peng

Founder and CEO at Just Fund

“

Invest in technology and let the data guide the fundraising strategy.



Dale Bannon

National Community Relations and Development Director & National Spokesperson at The Salvation Army USA

2. Individualize the Donor Experience Through Choice of Communication

Consumers of for-profit companies can customize their communications with different brands based on personal preferences. To evolve the donor experience, organizations need to adopt technology at all stages of the donor journey.

For example, donors expect giving experiences to be consumer-grade. Our 2021 [Why America Gives](#) report found that 20% of donors reconsider giving when their preferred payment method is unavailable. Provide a seamless path to digital donations by giving them the choice of their preferred checkout experience, such as [ACH, digital wallets, PayPal, or Venmo](#).

Flexible Giving Unlocks Generosity

Providing additional payment options is not only preferred by donors, but also leads to higher conversion rates. When digital wallets are enabled on Classy, organizations see an [11-14% lift in mobile conversion rates](#). Meanwhile, organizations that adopted [PayPal and Classy Pay](#) during the giving season saw 30% larger one-time donations compared to credit cards.



Engaging people in ways that are personally relevant, and giving them multiple ways to show their support of your cause, is critical to inspiring action. Engage in a relationship, rather than a transaction.



Woodrow Rosenbaum
Chief Data Officer at Giving Tuesday



Fundraising is starting to shift—not just digital with crypto and other payment types, but with expectations of donors. We need to understand what our audience and prospective donors are engaging with through the use of better analytics and digital tools.

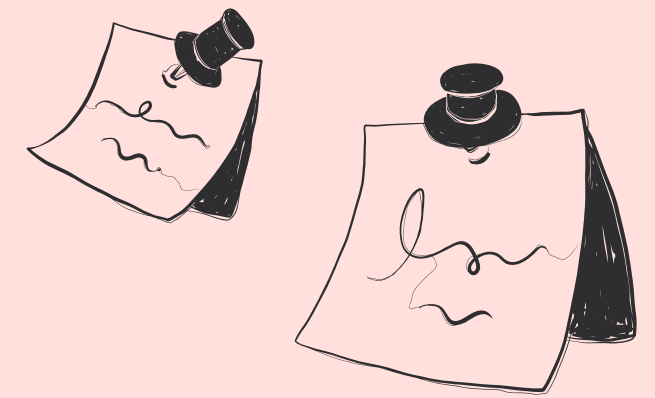


Nate Mook
CEO at World Central Kitchen

3. Craft a Custom Digital Adoption Plan

What works for one organization, won't necessarily work for another. Back into a plan to evolve your digital systems by first outlining your goals and the audience you support.

If your goal focuses on creating a seamless donor checkout experience, support it with an updated payment processor. Or, perhaps you've seen a lot of success through virtual events. Your digital adoption plan could incorporate [an enhanced online venue or hybrid event functionality](#). Determine what is most valuable to your organization and outline your tools from there.



There is no silver bullet or one-size-fits-all solution for embracing digital in your organization. Know your goals, identify your stakeholders (those served and those supporting), understand the best ways to reach them, and then create a custom plan. Resources for digital are unfortunately still all too scarce and shouldn't be deployed in a scattershot pattern.



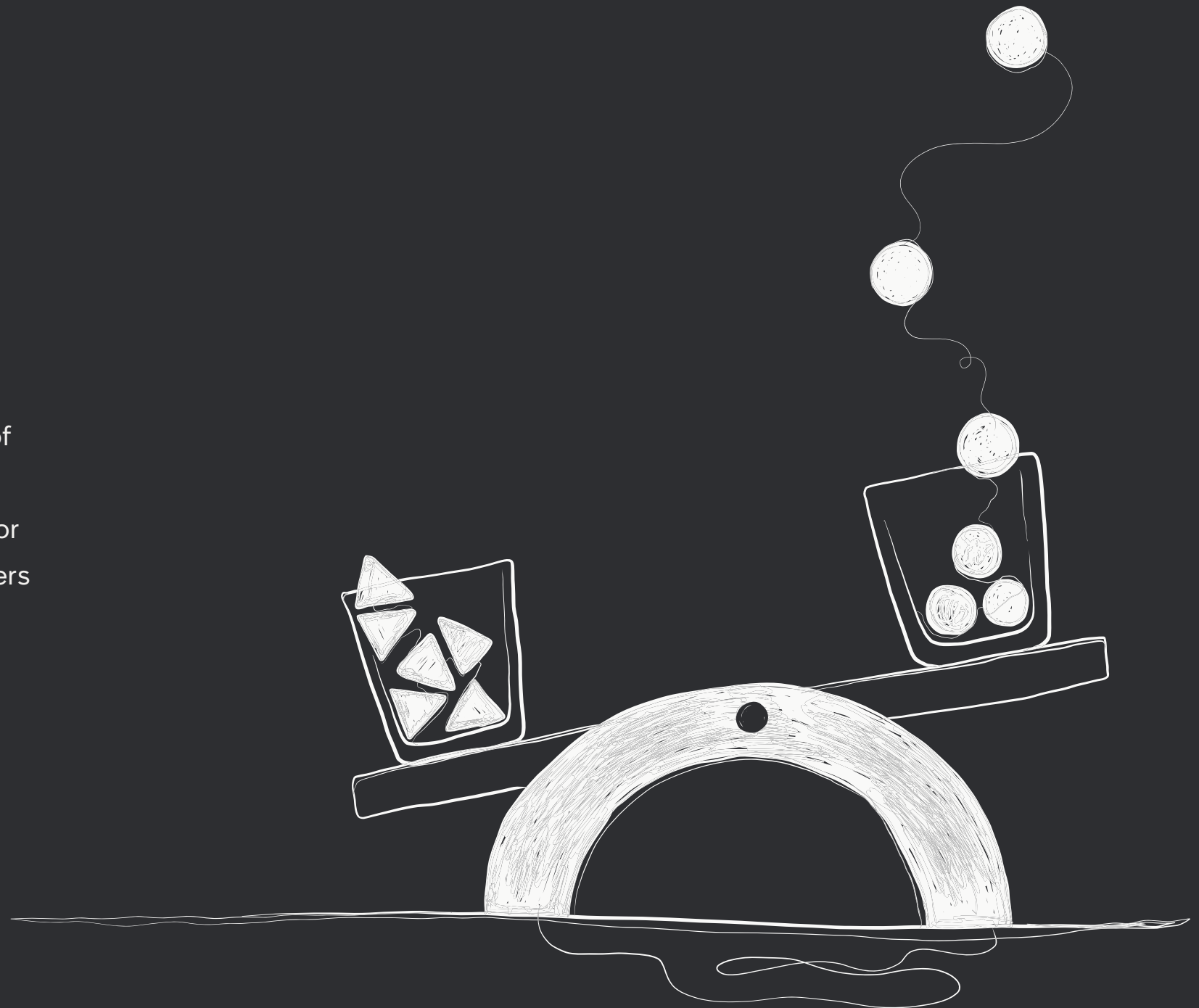
Victoria Vrana

Deputy Director, Philanthropic Partnerships
at Bill and Melinda Gates Foundation

Find Balance With a Diversified Fundraising Strategy

Over half of the social sector executives we spoke with consider the **#1 priority for fundraising to be a diversified fundraising strategy.**

A [well-rounded fundraising strategy](#) should pull from a variety of campaigns and sources of income. This prevents organizations from running lean (or dry) when there are dips in the economy or unforeseen events, such as the COVID-19 pandemic. It also offers your organization the independence to use resources at your discretion and choose how to best support your unique cause.



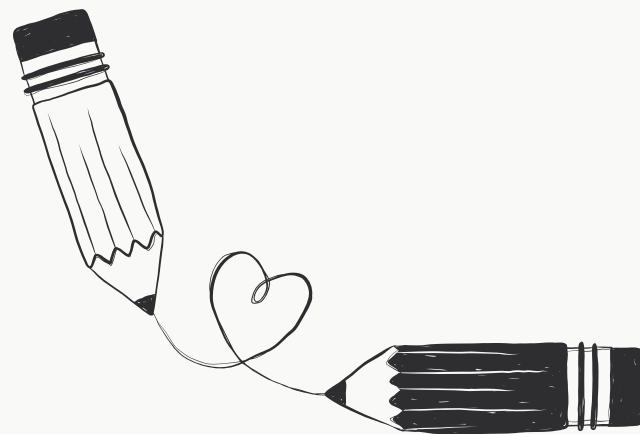
Diversify Your Fundraising Through Partnerships

1. Collaborate With Other Nonprofit Organizations

Partner with other organizations to help you expand your reach and resources by co-hosting events or combining fundraising initiatives.

Before reaching out to organizations for potential partnerships, do some research. Evaluate considerations like, what organizations have you worked with in the past? What type of partnership would be most valuable to your organization? What nonprofits would benefit from a partnership with your organization?

Once you have a list of potential organizations, reach out with your goals for the partner initiative and highlight how it will benefit both parties.



Creating a diversified fundraising strategy builds sustainability into your organization, as well as independence from any unique binds a particular strategy or funder may directly or indirectly impose.



Michael Thatcher

President and CEO at Charity Navigator



Put a large focus on how you can set up strategic partnerships with other organizations that allow you to play to your strengths while filling a gap for other groups in your space.



Bernard Mauricio

CEO at Oncology and Kids

2. Expand Your Horizon With Corporate Partnerships

One avenue to create a sustainable source of fundraising is to foster partnerships with for-profit companies. From [donation matching](#) to grants and employee volunteer time, corporations can provide a number of untapped fundraising opportunities.

Workplace Giving Drives Donations

Campaigns that offer donors the ability to get their donation matched by an employer at checkout raise 3 to 5 times more than campaigns that do not. Learn more in our report, [The State of Modern Philanthropy](#).



Cultivate long-term partnerships with corporations that will both make grants and encourage their employees to volunteer.



Jan D'Alessandro

President at Blue J Strategies and Head of Equity Initiative at Pledge 1%



Make the Time and Space to Learn New Technologies

The majority of social sector executives in our sample group shared that the **#1 barrier to digital transformation is an organization's inability to adapt and adopt new technology.**

Change can be challenging, but the inability to adapt and adopt new technology does not stem from a lack of willingness or a fear of trying something new. In fact, the biggest hurdle to adopting new technology is a deficit of time and resources to learn a new system.

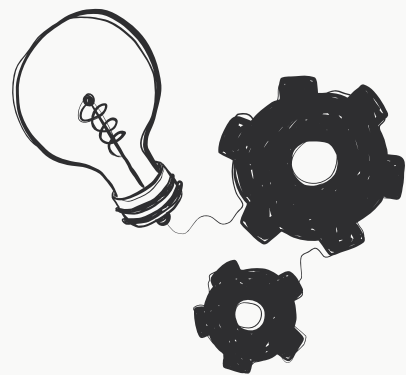
The social sector proved it could quickly adapt to digital and virtual norms between 2020 and 2021. Now that society is returning to traditional in-person events and activities, it's important to continue to prioritize your digital engagement strategy. Use all of the knowledge you gained from engaging your donors digitally throughout the pandemic to help you build out a hybrid communication plan.



Ease the Adoption of New Technologies

1. Provide the Space and Time to Learn New Tools

When adopting new technology, plan for a learning curve and bake in time to adjust to the new tools and system updates. Set your team up for success by giving them the space they need to learn something new and set realistic expectations during the ramp-up period.



It's important to clear space, relax deliverables, and properly onboard new systems... We are challenged by the fact that new systems are harder and slower to work with at first, so first impressions often aren't great. Compounding this with the need to get things done often leads to staff reverting to old systems and adoption of the new [tools] taking twice as long as expected.



Michael Thatcher
President and CEO of Charity Navigator



Too often, I see nonprofits fail to invest in the people and processes needed to effectively use modern digital technology. When modernizing fundraising, make sure to treat it as an organizational transformation project with proper funding and executive support.



Erik Arnold
Global CTO, Tech for Social Impact at Microsoft

2. Use Your Learnings From COVID-19

In many ways, COVID-19 transformed the digital landscape, forcing us all to reconsider how we engage with donors when in-person interactions are not an option. The pandemic was the catalyst to many organizations' digital engagement journeys, so keep up the momentum. Put your learnings from a virtual-only world into practice and consider how you can bridge the gap between in-person and virtual donor engagement.

To learn how the pandemic influenced donor behavior and preferences, take a look at Classy's annual ***Why America Gives Report***.

[Download the 2021 Report](#)



As we go into the third year of a pandemic, we need to deepen our analysis of how we reach out and connect with supporters. We now have two years of learnings from a hybrid world that we can apply to strengthen and improve how we both attract and retain our donor and supporter base.



Abby Maxman

President and CEO at Oxfam America

Integrate Social Initiatives Into Day-to-Day Life

Over half of the social sector leaders surveyed believe the **#1 barrier to an organization's social growth is a lack of bandwidth** to prioritize social and behavioral initiatives.

Social and behavioral initiatives within an organization, like creating a diverse and equitable workforce, offering greater transparency and accountability, and building next-generation leadership, are often put on the back burner due to a lack of bandwidth. But, each item can be elevated in priority if it is integrated into the day-to-day of your organization's operations and engrained in the hearts and minds of the people pushing the initiatives forward.



Move the Needle on Social and Behavioral Priorities

1. Provide a Roadmap

You can't achieve change without a plan to get you there. Outline a realistic roadmap for social change in your organization to start moving toward your goals. Assign specific roles and responsibilities to individuals that help incrementally move the needle on larger social initiatives.

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Everything starts with having a diverse, committed team that's focused on true impact, with a roadmap to get there, and each person clearly contributing to the overall goals of the organization.



Christopher Helfrich

CEO at Eat. Learn. Play. Foundation

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Nonprofit leaders must clearly articulate their organization's impact and should build a culture around results. It will drive organizational behaviors toward outcomes, rather than focusing on problems, which leaves one powerless.

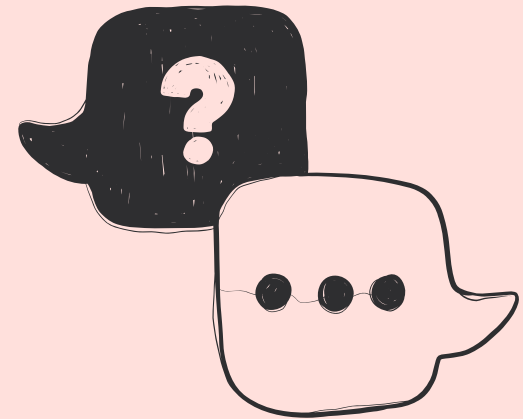


Michael Thatcher

President and CEO at Charity Navigator

2. Secure Buy-In Across the Board

Bring in board members and advisors who share your vision, not only for the organization's cause but also for its team and people.



Be adaptable and flexible. Bring key folks onto boards and advisory positions who are influencers in various spaces where the organization needs expertise—financial, legal, etc. Be willing to change with the environment, and be open and transparent. Bring in people with lived experiences in the area that your organization is specifically trying to assist.



Kimberly Mitchell

Senior Vice President for Military, Veteran and Government Affairs
at National University

3. Support Your Team

Above all else, remember to take care of yourself and your team. If you can create a well-supported, sustainable work environment, you can much more easily prioritize social initiatives that drive impact.



We must care for our teams, our workforce, and ourselves in order to sustain energy for this critical work. If that means changing expectations, goals, and programs, that's what needs to happen. Tell your funders exactly what you are facing and what kind of support you need. Dig deep for the optimism and purpose that led you to try and change the world in the first place. It can be a tremendous source of energy.



Victoria Vrana

Deputy Director, Philanthropic Partnerships
at Bill and Melinda Gates Foundation



Stay connected and bring empathy and care for staff and supporters. These are hard times as we enter the third year of living in a pandemic, and it's hard for activists, staff, and supporters to care for their families, loved ones, and work.



Abby Maxman

President and CEO at Oxfam America

Parting Words of Wisdom From Top Nonprofit Leaders

The future of success in the social sector depends on our ability to move forward, beyond the status quo, and toward a generation of giving that leverages all of the tools at our disposal, from data ecosystems to corporate sponsorships. While there is no silver bullet to push the sector forward, your organization can evaluate the best approach based on existing data, emerging trends, and expert advice, and tailor your strategy to best align with your unique mission.

When in doubt, ask yourself how each decision will impact your team, donors, and larger mission. And, remember to look up from the day-to-day and check in. Is your organization making progress toward your larger goals and initiatives? If not, how can you course correct?

To wrap up this commentary on the future of the sector, here are a few parting pieces of advice from top leaders in the space.

Ready for more? For more thoughts on what should be top of mind in 2022, take a look at Classy CEO Chris Himes' article on the [*5 Fundraising Trends to Watch in 2022*](#).



Take this moment to “leave behind” programs and services that do not continue to serve your organization and your donors. Re-imagine the donor experience!

Kristin Bertell, Chief Philanthropy Officer at City of Hope



Activities don't equal action. Hold yourself, your board, and your supporters accountable to moving the needle and changing the narrative in service of the social issue you represent.

Amy George, Vice President of Programs at Armed Services YMCA



Look forward, not back. Don't look at what's worked in the past and make decisions based on that. Look at where things are headed, and build for the future.

Nate Mook, CEO at World Central Kitchen



Continue to deepen your relationships across your sector of work in a consistent and patient way. Avoid the flashy and go for the meaningful. Stay focused on the mission, do what matters most and will make the biggest difference, and know why.

Holly Gordon, Chief Impact Officer at Participant

Join Us at Collaborative

For more insight from top leaders in the social sector, join us in Philadelphia for Collaborative, the leading nonprofit conference of the year.

On June 15-16, 2022, nonprofit professionals will gather to participate in forward-thinking conversations, collaborate in hands-on workshops, hear from notable speakers, and network with peers. Fundraising and technology will be at the forefront of our conversations as we discuss best practices and how to raise more using technology. [Learn more](#) about the Collaborative experience.

Register Today

