

# Philanthropie Aktuell

## EDITORIAL

Dear readers,



As always, the time before Christmas is the most important time of the year for giving. The last few years have been characterised by rising donations - mainly due to the various crises such as the coronavirus or the war in Ukraine, which have stimulated people's willingness to donate. At the same time, there is great uncertainty in fundraising. Demographic changes in society are changing the demands on fundraising. The younger generations need to be addressed differently, as they use different media and are interested in different topics than the 'golden' donor generations: from the post-war period and of babyboomers.

If you want to continue to be successful at fundraising, you need to be more flexible in your planning, using traditional advertising as well as reaching out to younger generations through social media, playful campaigns or participatory programmes. However, recent years in particular have shown that the younger generations also give generously and that the proportion of regular donors is steadily increasing. This means that NPO can continue counting on society giving generously in the future - regardless of crises.

Wishing you a pleasant read,  
Georg von Schnurbein

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## Fundraising & impact – A field of tension

**Fundraising and impact reporting are closely linked, yet the relationship between the two is often fraught with tension. How can NPO and funding organisations shape their collaboration so that enables both to optimally utilise the potential of impact management?**

By Regula Wolf

### Observation 1: NPO are ahead of grant-making foundations

Grant-making foundations and non-profit organisations (NPO) often operate at different levels of orientation towards impact - with consequences for both sides. According to the latest CEPS survey, 56% of NPO align their work with the desired social change. Even if not all of them measure their impact, this focus on impact is nevertheless pleasing: impact goals define which positive developments in society or among target groups are to be achieved. They enable NPO to agree on a common goal that goes beyond visible results and focuses on the big picture. Measuring impact also helps NPO to review the success of their work, make adjustments and communicate successes with stakeholders. Evidence of impact turns vague promises of success into clear proof. Impact management is therefore, one would think, an essential basis for successful fundraising. But is this statement true?

Let's take a look at grantmaking foundations. There is still no reliable data on impact management for this group, so we can only make assumptions here. According to the 2019 CEPS Grantee Review Report, 93% of grantmaking

foundations rely on traditional project funding. The fact that the overwhelming majority of grantmakers funds one-off projects suggests that they are still underutilising the potential of impact-driven approaches, which often lead to multi-year funding for the entire organisation (core funding).

In our consulting work at Con-Sense, we have also noticed that, in spite of long-standing recommendations such as those in the Swiss Foundation Code, only a minority of funding organisations provides funding on the basis of impact objectives.

What are the implications of this lag for NPO that pursue impact objectives? Two key issues emerge: firstly, funding organisations that do not provide impact-oriented funding primarily demand quantitative outputs and show little interest in outcomes; and secondly, there is a lack of interest in impact measurement. NPO must submit a single project proposal, when they apply for larger, cross-organizational funding instead of project-specific ones. Thus, NPO are required to invest their scarce resources in time-consuming fundraising, with the consequence that their impact management does not yield the desired results in terms of fundraising.

**Observation 2: Legitimation at the expense of further development**

However, the opposite is no less problematic: funding organisations that are impact-driven, i.e. that only award funding if the applicant organisation has the same impact objectives, sometimes require such detailed demands on impact that NPO are forced to create impact models specifically for that one application. Instead of using impact measurement as a strategic management tool for their own organisation, it becomes a means of meeting the individual requirements of funders. To make matters worse, working with impact measurement requires an attitude that recognises mistakes as a valuable source of development. Not all funders live this culture of failure. And even if they do: Who wants to admit that their objectives have not been fully met? Especially in a highly competitive funding environment, there is often a fear of negative consequences if honest insights of failures are



given. Not surprisingly, the learning potential of impact measurement often comes at the expense of legitimacy. As a result, impact management not only ties up valuable resources, but also deteriorates into a mere alibi exercise.

**Dialogue is the key**

What does it take to constructively combine fundraising and impact management? Increased dialogue between funders and NPO and as well as the development of a relationship of trust and a strong

learning culture are crucial. Jointly formulated impact goals and more flexible approaches from grantmaking foundations create space for long-term social change. To realise the potential of impact management, fundraising and measuring impact must go hand in hand.

Regula Wolf

She is an expert on questions relating to funding and co-founder of Con-Sense, a consulting service for nonprofit organisations, public offices, and companies in strategic and operational matters. She has supported numerous foundations in the development and implementation of their funding strategies.

**Digital innovation in fundraising**

**How crowdfunding and digital tools are revolutionising fundraising**

The fundraising landscape has changed fundamentally in recent years. While traditional forms of donation such as direct mail remain important, digital innovations are opening up new opportunities for NPO.

**Shift to digital giving**

According to Zewo's 2023 donation statistics, the total amount of digital giving more than doubled between 2021 and 2023 from CHF 65 million to CHF 143 million. Although this is still a small percentage of the total volume, it shows the growing importance of digital giving. However, it is not only giving but also fundraising itself that is becoming increasingly digital thanks to crowdfunding and peer-to-peer fundraising.

**The rise of crowdfunding**

Crowdfunding has also developed from a niche solution into an established fundraising instrument, partly due to the coronavirus. However, according to the Crowdfunding Monitor Switzerland (2024), the amount donated through crowdfunding fell from CHF 44.6 million in 2020 to CHF 29.2 million in 2023. NPO

therefore do not yet appear to be fully utilising crowdfunding channels, despite the advantages of fundraising via crowdfunding.

For example, direct digital connection between project initiators and supporters enables transparent communication about progress, as the campaign can be constantly updated. Furthermore, the low barriers of entry lowers the inhibition threshold for small donations. The peer-to-peer principle is particularly interesting in crowdfunding, where supporters become fundraisers themselves by launching their own mini-campaigns for a specific cause or NPO. The key to success usually lies in the personal connection: People donate more frequently, when they receive requests from their close environment.

**AI as an opportunity**

Artificial Intelligence (AI) can open up opportunities for NPO to enter the crowdfunding market on a large scale. By using large language models such as ChatGPT, campaign texts can be personalised and target groups better

addressed, which increases the chances of success. However, the use of AI requires clear ethical guidelines, as dishonest use could jeopardise trust towards the NPO.

**Hybrid approaches as a future model**

The future of fundraising does not lie in exclusive digitalisation, but in the clever combination of analogue and digital channels.

**Successful NPO:**

- combine online and offline fundraising to reach a broad target group; and
- create seamless transitions between different donation channels to maximise user-friendliness.

In the long term, the digital transformation in fundraising is probably not only an option, but also a necessity. It is not about replacing tried and tested methods, but about combining the best of both worlds. NPO that master this balance will continue to receive the necessary funds for their important work in the future.

Dominik Meier

## «Appealing to the intellect and opening one's heart »

**What makes a fundraising campaign successful? Two fundraising professionals give an insight into their day-to-day work.**

**CEPS:** You specialise in the field of fundraising campaigns. For which institutions are campaigns suitable?

**U.E.:** For all those who want to realise a forward-looking, socially relevant project and can credibly demonstrate that they are urgently dependent on donations for its implementation.

**Mario Tonet** has launched and supported as an external consultant 35 fundraising campaigns over the past 24 years, raising a total of CHF 180 million. For the past 17 years, Mario Tonet has worked closely with **Ursula Eichenberger**, a former editor for newspapers such as the NZZ and Tages-Anzeiger, who has written the information material for many projects. She has also worked as a campaign consultant for many years.



**CEPS:** What prerequisites must institutions fulfill?

**M.T.:** A fundraising campaign usually lasts three years - regardless of whether the fundraising target is three million or 50 million. A campaign must be completed within three years, which is crucial in order to pool resources and funds. Institutions often start the preparatory work for a fundraising campaign too late or focus on donations that are too small (letterbox drops, direct mail), but it is not usually possible to achieve high, one-off targets in this way.

**U.E.:** The campaign period is an exceptional time for everyone involved: at peak times, the management has to devote up to 30 per cent of its working hours to fundraising and site visits, meetings with the patronage committee or external consulting. There also needs to be an internal project management team that works solely for the campaign. It makes sense to rely on internal employees who know the organisation well and who are intensively familiarised with the topic and supported by external consultants in

daily exchanges during the campaign. In previous campaigns, for example, social pedagogues, accountants, a nun or a former bank advisor have been part of the project management team. It is important that these people enjoy being in contact with people and know how to keep the administrative threads of the campaign together.

**CEPS:** What is the core of a successful fundraising campaign?

**M.T.:** It's not about begging, it's about inviting people to get involved in a meaningful cause by appealing to them on an intellectual level as well as opening their hearts. All people have a deep basic need to make the world a little better. People don't just want to give money, they want to be part of something meaningful. Creative outreach is the key. It often leads to deep relationships that last long after the campaign is over.

**CEPS:** What are the two most important success factors of a fundraising campaign?

**U.E.:** Firstly, a high-quality patronage committee with a convincing person at the helm. The most important point is to put together a patronage committee of people who are so convinced of the project that they open up their networks of contacts and approach wealthy people personally. Secondly, the top-down approach. For a campaign worth millions to be successful, it is essential to focus on large donations - especially at the beginning. The first donation must account for at least ten per cent of the targeted donation goal. Therein lies a tremendous opportunity: None of the institutions accompanied so far has ever received a donation of this magnitude before.

**CEPS:** Isn't it enough to buy the „Bilanz“ and write to the 300 richest people in Switzerland?

**M.T.:** These people are asked for a donation up to ten times a week. In most cases, these requests end up directly in the trash can. Moreover, it is often not just the well-known, very rich people who make large donations. A very elderly couple recently donated CHF 500,000 to a disability organization.

Nobody in the village knew that they had such funds.

**CEPS:** How important is it to involve employees?

**U.E.:** Very important. The primary goal is to invite potential donors to the institution and show them the project on site. This allows direct contact with the employees and people on site, and the atmosphere of the institution becomes tangible. It is also important that the employees are involved in the campaign. They may also have relationships with wealthy people: In one institution, the caretaker's godfather made the first donation of CHF 200,000. He said to the caretaker: «You have been working at this institution for seven years now and I only hear good things. That impresses me, so I would like to be the first donor.»

**CEPS:** Many thanks!

### CEPS INSIGHT

#### Changes in the CEPS Team

At the beginning of December, Carlo Tschopp joined CEPS as a research assistant and doctoral student and Wouter Janssen started as an external doctoral student. Muriel Grassmann and Anja Rogenmoser left CEPS at the end of November.

<https://ceps.unibas.ch/en/about-us/team/>

#### Jahrbuch der Hilfswerke

The yearbook contains important key financial figures of charitable, fundraising NPO. It analyses the publicly available annual financial statements of 547 organisations in the year of 2023.

<https://ceps.unibas.ch/de/publikationen/#c1163>

#### 2024 ARNOVA Data & Analytics Section Award

We are happy to announce that our assistant professor Dominik Meier and the team behind text2sdg have been honoured with the 2024 ARNOVA Data & Analytics Section Award in Washington DC. The R package supports the analysis of text data on the SDGs.

<https://www.text2sdg.io>

## Communicating better about impact

Many Swiss NPO do not report their impact clearly enough. Systematic impact management helps to make social benefits visible and to strengthen trust towards organisations. The CAS Impact Management for NPO at CEPS shows how this can be achieved.

In a recent survey by the Centre for Philanthropy Studies (CEPS), the annual reports of 476 Swiss NPO were analysed in terms of their impact content (<https://ceps.unibas.ch/de/praxistransfer/wirkungsorientierung/>). One of the key findings is that impact is usually reported implicitly, but clear and comprehensible concepts and indicators are often lacking. This leaves it up to the readers of the annual reports to form their own judgement about the effectiveness of the NPO.

### Representing impact is complex

There may be many reasons for that. Impact relationships are complex, measurement is time-consuming and expensive and many readers are satisfied with simple information on output. At the same time, the NPO loses control of how its own impact is perceived. It is, therefore, much better to attempt to create your own impact model in such a way that it can be reported on and the social benefits of your own activities can be clearly communicated.

### Comprehensive impact management

This is not a task to be undertaken lightly. A strong impact model starts with the organisational requirements within your own organisation. Only if there is the

same impact orientation from the board down to the individual projects, will the necessary resources will be mobilised to plan, measure and report on impact. The CEPS CAS Impact Management for NPO provides a comprehensive approach to impact management. From the strategic level to impact planning and measurement, it provides a fundamental understanding of impact. This makes it easier to report on your own performance with facts and figures as well as with an easy-to-understand impact model.

Georg von Schnurbein

## NUMBER OF THE QUARTER

90

Zewo specifies ranges for the level of reserve ratios to ensure that nonprofit organisations have appropriate reserves and are sufficiently efficient. According to the Jahrbuch der Hilfswerke, around 90% of the nonprofit organisations surveyed have reserves that exceed the minimum reserve ratio of 3 months.

<https://ceps.unibas.ch/de/publikationen/#c1163>

## CALENDAR

### Executive Education

#### CAS Nonprofit & Public Management

4 Modules – Gunten & Basel  
Start: 6. Januar 2025

#### Info Event Executive Education MAS/DAS

15. January 2025 at 5 pm (1h online)  
19. March 2025 at 5 pm (1h online)

#### CAS Nonprofit Governance & Leadership

3 Modules – Sigriswil & Basel  
Start: 24. February 2025

#### CAS Wirkungsmanagement in NPO

3 Modules – Sarnen & Basel  
Start: 18. August 2025

#### MAS/DAS in Nonprofit Management & Law

Start at any time

[Register Now -> CEPS Executive Education](#)

### FURTHER DATES

7. Zürcher Stiftungsrechtstag  
Zentrum für Stiftungsrecht UZH  
30. January 2025, Zürich

2. ZEFFF Tagung  
Umbruch, Druck, Transformation? -  
Gegenwart und Zukunft des Engagements  
6. - 7. March 2025, Berlin

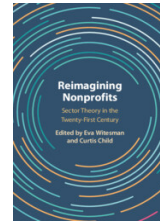
Master Class in Philanthropy 2025  
Master Class en Philanthropie  
26. - 28. March 2025, Château de Bossey

Deutscher Stiftungstag 2025  
Bundesverband deutscher Stiftungen  
21. - 22. May 2025, Wiesbaden

Global Philanthropy Workshop 2025  
Workshop Global Philanthropy  
22. - 23. September 2025

## Reimagining Nonprofits

Reimagining Nonprofits explores NPO's evolving roles and purposes by revisiting sector theories and offering new directions.



Reimagining Nonprofits: Sector Theory in the Twenty-First Century revisits foundational sector theories that have defined nonprofit research. Edited by Eva Witesman and Curtis Child, the book compiles essays on what the nonprofit sector is and why does it exist.

Seven essays refine existing sector theories, including for instance Steinberg et al. essay on expanding the three-failures theory to include the family sector. Additionally, nine essays present new directions for NPO. For example, Skokova and Krasnopolskaya explore how NPO can stabilize authoritarian regimes and they challenge the common assumption regarding the relationship between democratic values and NPO.

This book is recommended for scholars and practitioners seeking to understand the sector and redefine the evolving roles of NPO in today's rapidly changing environment.

Kinga Zsofia Horvath

## LEGAL NOTICE

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