

FIA 2021
Essential Member Update
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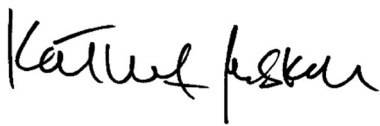
Introduction

2020 was a year we won't forget. Witnessing the amazing results that Australia's professional fundraisers achieved last year, and the incredible generosity of all our donors, in the face of adversity, we are so proud to lead and support this incredible sector.

This white paper is a supplement to the FIA 2021 Essential Member Update. A recording of the Update is also available in the FIA member portal at www.fia.org.au It provides an overview of the Australian fundraising sector, the current environment, issue and trends that will impact you and your organisation, plus information on the work FIA is undertaking on your behalf with government and regulatory bodies.

The work we do ensures the continued sustainability of the fundraising sector and helps you achieve your organisation's mission. We are committed to the reduction of fundraising regulation red tape, promoting best practice fundraising and supporting you with professional development and the sharing of skills and knowledge so you can reach your highest potential as a professional fundraiser.

A huge thanks to all FIA members for your ongoing support of FIA and for your continued passion and dedication to professional fundraising.



Katherine Raskob
Chief Executive Officer

About Fundraising Institute Australia (FIA)

FIA's roots go back to 1968 when a group of Melbourne fundraisers formed the Australasian Society of Fundraisers (ASF). Over the next few years, ASF's constitution was revised, culminating in the birth of the Australasian Institute of Fundraising (TAIF) in 1972, with fundraisers across the various states and territories (and even New Zealand for a time) joining TAIF to form a national body. TAIF became incorporated in 1988, and its name changed to Fundraising Institute Australia in 1992.

Today, FIA is the largest representative body for the \$11.8 billion fundraising sector. FIA members include charities and other fundraising not-for-profits operating domestically and internationally as well as the organisations and professionals that provide services to them. FIA advocates for the interests of the sector, administers a self-regulatory Code, educates fundraising practitioners, conducts research and creates networking forums for the exchange of knowledge and ideas. For more information visit www.fia.org.au.

2020: a year we won't forget

Between the bushfires and the pandemic, 2020 was a challenging year for fundraisers. Hard hit by the bushfire crisis, the coronavirus pandemic placed even more demands on the sector as a recession and rising unemployment walloped communities. Charities trying to respond to the situation found their efforts hampered by challenges like trying to organise contactless service delivery and a lack of volunteers due to the risks associated with COVID-19, especially among the older demographic who are most likely to volunteer for causes.

But if anything, the last year proved that fundraisers are resourceful, creative, and resilient.

COVID-19 took the Australian economy into recession, typically something that would lead to a decrease in donations. But in some areas, donations have increased. And the economy, thanks to a well-managed pandemic response, bounced back by late 2020.

Physical distancing requirements during the pandemic played havoc with events like community fun runs and gala balls, which are critical for generating funds for many programs. But fundraisers were quick to switch to virtual events and digital fundraising campaigns. With in-person meetings not possible during lockdowns, fundraisers reached out to donors via online platforms to check in with their supporters and foster those all-important relationships.

Fundraisers were quick to adopt creative solutions for their problems and bravely faced the challenges of 2020, but 2021 also promises to have its share of challenges.

The charity landscape

In 2021, there are over 58,000 registered charities in Australia. The most common activities for charities and not-for-profit organisations include religious activities, primary and secondary education, grant-making, social services and aged care services, according to the *2018 Charities Report*, produced by the Australian Charities and Not-for-profits Commission (ACNC).

For that report, the ACNC also reviewed the Annual Information Statements from 48,000 registered charities and found that charity revenue grew by over 6 per cent, significantly more than the Australian economy in the same period (1.9 per cent). The report also revealed that charitable organisations generated \$155 billion in revenue, including \$10.5 billion in donations and gifts in Wills. Registered charities currently employ more than 1.3 million people and have 3.7 million volunteers.

The charity sector is well perceived and appreciated

Trust in the charity sector has risen in Australia, according to the *2021 Edelman Trust Barometer*, which measures trust in the institutions of government, NGOs, media and business. Trust in NGOs is up 8 points on the barometer. We are perceived as both ethical *and* competent, a significant gain from last year when NGOs were viewed as ethical but not competent.

Similar findings about NGO trustworthiness were found in Nonprofit Tech for Good's *2020 Global Trends in Giving* report, which revealed that 90 per cent of respondents believe non-profits are ethical and trustworthy. Additionally, 96 per cent believe non-profit organisations are essential for creating change.

The *Australian Communities 2021* study by McCrindle Research also found a strengthened public perception of charities and not-for-profits among Australian donors. An impressive 90

per cent of givers said they were proud of how Australian charitable organisations rallied to help those in need in Australia during 2020.

Positively, more than four in five givers (85 per cent) believe the events of 2020 and the pandemic have made them more appreciative of the role charities and not-for-profits play in society.

Giving has remained steady, but there are concerns it will go down in 2021

Despite the challenges of environmental disasters and the pandemic, the rate of giving among Australians has remained steady, according to the *Australian Communities 2021* report.

McCrinkle's *Australian Communities 2021* report also revealed that in the last 12 months, three in four Australians (74 per cent) had given financially to charities/not-for-profits. While it could be expected that charitable giving would decline in times of hardship, McCrinkle reported that recent giving has stayed the same (49 per cent) or even increased (21 per cent). But it also warned that 3 in 10 Australian givers (30 per cent) have decreased their giving over the past few months.

Meanwhile, the NAB Consumer Anxiety Index fell to 55.6 points in the last quarter of 2020, down from 57.0 in the previous quarter and 57.7 at the same time in 2019. This was the best result since mid-2019, but the index is still standing below the survey average of 59.2.

With employment conditions improving, Australians worried less about their job security (down 2.2 points to 48.0, but still treading above the survey average of 46.7). The cost of living continues to add most to overall consumer stress, but it did dip to a survey low of 59.9.

The economy is rebounding, but the NAB Index suggests it may take some time to go back to pre-COVID levels. Consumers are still mindful about where they spend their disposable income, including how much they can support charitable giving.

Last year, in *Where to From Here? The outlook for philanthropy during and post COVID 19* report, wealth management experts JBWere predicted a 7 per cent drop in giving in 2020 and an 11 per cent drop in 2021, a contrast to the past trend of yearly increases of 5 per cent.

The impact of social distancing on a sector that relies heavily on fundraising events has been troublesome, with an overall decline of 72 per cent in events income since the start of the pandemic. Driven by that decline and softening of other fundraising channels, the expected decrease in revenue in the next year is more likely to be 15 per cent and more for smaller non-profit organisations, according to the *More Strategic Fundraising Futures* report, published in September 2020.

In their report, *Crisis Giving Reflections & Observations for Fundraisers*, Koda Capital predicted the impact of the bushfire donations might cushion the 2019-20 tax year, but 2020-2021 will be tougher. However, the report also indicated there were signs that in the current crisis, trusts, foundations and governments would be more willing to support overheads to help charities keep the lights on. Koda Capital noted that sophisticated funders understand the perilous situation charities find themselves in and how critical they are to society during and in the recovery from a crisis like the pandemic.

Meanwhile, the 100-plus respondents of a Perpetual report into private and public ancillary funds and charitable trusts revealed that while their corpus might have taken a hit, more than 50 per cent of respondents would maintain current giving levels.

The *More Strategic Fundraising Futures Report* found that 61 per cent of fundraisers reported better than expected income performance. The report suggested fundraisers are “resilient optimists” who had adapted quickly and felt more optimistic than they did when lockdown began.

The pandemic has amplified trends that were already on the rise in fundraising: the shift to digital channels, development of virtual events and increased focus on supporter experience management. Sixty per cent of fundraisers had created emergency-style appeals to protect their mission delivery work during the pandemic. Meanwhile, 73 per cent reported a healthy rise in supporter-centricity, with increased communication and connection with supporters.

Overall, while the pandemic decimated events, the *Fundraising Futures Report* found direct marketing held steady with total income up 11 per cent. Regular giving acquisition volumes have dropped significantly, and though digital acquisition has proven successful, it has not replaced the high volume of lost face-to-face acquisition. Appeal response rates improved in June, but average gifts were more likely to be lower than in previous years.

Income from major donors was up by 10 per cent with more organisations seeing major gift income increase than saw it decline. This report urges fundraisers to continue to engage with high-value donors and to thank them often (worryingly only 27 per cent of \$1,000 plus donors remember getting a thank-you call!) While it is still difficult to hold events or meet face to face with physical distancing still required, time should still be spent ensuring relationships are built to deliver communications that are highly personalised and tailored to deliver content that resonates with everyone’s interests and motivations.

Meanwhile, trust and foundations income were sustained and there is expectation of modest growth in the future. Corporates came to the aid for some organisations and income was strong. But this is expected to worsen by 15 per cent over the next year depending on where the economy goes. Gifts in Wills income was down 5 per cent, but charities reported a significant increase in estates inquiries and an increase in notifications. Anecdotally, estate planning lawyers were busier than ever as more people contemplated their mortality during the pandemic and decided to get their affairs in order. Positively, there were also some indications people were more likely to include a charity in their Wills.

Overall however fundraisers believe things will worsen before they improve, with 64 per cent saying the recovery would take two years or more.

Opportunity givers emerging

While the proportion of Australians giving remains consistent with previous years, the way in which people give is evolving, according to the *Australian Communities 2021* report. Australians are now more likely to be “opportunity givers” (60 per cent) than “committed givers” (40 per cent), donating when they hear about a need or issue or when they are approached for a donation or support rather than committing to regular donations throughout the year.

Generation Z (78 per cent) and Generation Y (66 per cent) are more likely to be opportunity donors compared to older givers (Builders 41 per cent). The older the giver is, the more likely they are to fall into the committed camp (59 per cent Builders vs 22 per cent Generation Z).

Medical research top cause in 2021

Unsurprising, Australians are most keen to give money to or volunteer for what is topical. With the global pandemic a key focus in 2020, researchers at McCrindle found that 45 per cent of givers are motivated to give to organisations associated with medical and cancer research, making this the number one cause to support in 2021.

McCrindle found the most notable shift in rank is domestic and family violence, moving from 11th place in 2020 to 7th in 2021. This is likely due to the pandemic lockdowns when domestic violence issues were frequently referenced in the media and through public discussion.

In Perpetual's *2020 Australian Philanthropy Insights Report*, researchers found that funding decisions were often driven by philanthropists' preferences. Social welfare and health continued to receive the largest amount of funding, in line with previous years. Perpetual predicted Australia might see this trend continue in 2021 as more support is directed to provide relief to those impacted by the financial and food security implications of an economy in recession.

Perpetual also saw a significant increase in support for conservation and environment (up 117 per cent) and animal welfare (up 177 per cent). The report suggested that the bushfires summer shone a light on the needs of not-for-profit organisations working in this area with predictions more support could move to environmental causes in future.

Meanwhile, on the technology front, the *2020 Global Trends in Giving Report* identified the top three causes for giving in Australia and New Zealand as children and youth (16 per cent), animals and wildlife (12 per cent), and health and wellness (12 per cent).

Digital fundraising grows in popularity

During the pandemic, fundraisers had to rethink how to engage with supporters when traditional events and face-to-face fundraising could not be carried out. Many turned to digital fundraising as a solution. Positively, four in five givers (81 per cent) are open to participating in online fundraising initiatives, according to the *Australian Communities 2021* report. With younger givers almost twice as likely as older Australians to be open to participating in online fundraisers (99 per cent Generation Z vs 59 per cent Baby Boomers), online fundraising is expected to be the new normal for fundraising for this generation.

Australians embraced digital fundraising and they will happily adopt newer fundraising tech

The *2020 Global Trends in Giving Report* revealed that 64 per cent of donors in Australia and New Zealand prefer to give online with a credit or a debit card, the highest in the world and up from 51 per cent in 2018.

Thirty-three per cent of Antipodean donors say that email is the communication tool that most inspires them to give, up from 30 per cent in 2018. Nearly half say email is also the most likely channel to encourage repeat donations. Both rates are higher than any other region. Australians and New Zealanders have also embraced Facebook Fundraising Tools. In 2018, only 7 per cent donated directly to a non-profit using the tools. In 2019, that number grew to 48 per cent.

Donors in Australia and New Zealand are also the most likely to adopt new fundraising technology. For example, 20 per cent say they would use facial technology to give, 18 per cent internet-connected TV, and 18 per cent swipe-giving through digital billboards.

What will happen now that JobKeeper has ended?

Charities were initially excluded from the 2020 government stimulus measures even if they were running at a loss. After fierce lobbying from the not-for-profit sector and various peak bodies (including FIA), charities were included in the JobKeeper package, having to demonstrate a 15 per cent reduction in income.

Charities are used to running on minimal resources, so it may be that many will pull through now that JobKeeper is finished because they have business models that can cope at times when less money is coming in. However, there is still concern that there will be job losses, reduced service delivery and the postponement of projects in some organisations. Worryingly, some smaller charities may close.

The irony is that charities are experiencing increased demand for their services after the JobSeeker unemployment payment was lifted by just \$3.50 a day by the Morrison government in February. This move was criticised by many charities and social services advocates. It is feared that this increase is insufficient to curb the financial stress many Australians face. This stress started increasing with the wind back of the JobSeeker supplements.

We will know more by mid-year about how charities and fundraisers are faring when the effects of the loss of JobKeeper and the limited additions to JobSeeker become even more pronounced.

Some issues currently challenging the fundraising sector

Not asking

2020 saw an incredible outpouring of generosity during the bushfires. Then came the pandemic and the recession. A significant threat currently for fundraisers is assuming their donors don't want to be asked to give again.

However, looking at past disasters in Australia and overseas (e.g. bushfires of 2020 and 2009 and the tsunami of 2004), we know that Australians are generous and often give extra when a catastrophe occurs.

After the pandemic-led recession, the Australian economy is improving. So, now is not the time to be timid. If donors cannot afford to give, they will refuse, but fundraisers should not decide for them. As always, FIA cautions members to be mindful of timing, nurture their donors, thank them often and be transparent. It is critical fundraisers report back promptly on where the money is going and what has been achieved with a giver's donation.

Not having a professional identity

In 2021, fundraising is still not perceived as a profession by the public. Nor is it viewed as an occupation for which you can be paid. Work is being undertaken by FIA to address this issue through the development of professional pathways and advocacy.

How fundraisers are feeling...not great!

Xfactor Collective's *RESET 2020 National Impact+Need Research Study* found that a considerable number of respondents felt stressed, anxious, exhausted and overwhelmed. Concerningly, 80 per cent believe that existing sector constraints exacerbate the impacts on mental health/wellbeing and 45 per cent are feeling stressed/anxious often/always (up from

13 per cent pre-pandemic). Meanwhile, 41 per cent are exhausted (up 9 per cent before the pandemic).

2020 was challenging. Many charities received less money; some had to reduce staff hours or lay off staff. There was the stress of adapting events and campaigns to digital, which worked well for some, but others had trouble with the transition. There was also the challenge of working remotely with some fundraisers' work made more difficult with the added burdens of home schooling and isolation from family and friends.

Burn out in the fundraising sector persists. Fundraisers are often faced with the challenge of unrealistic targets, set by boards and senior management teams who don't understand the constraints and realities of fundraising today (or indeed, the discipline itself). This is compounded by the added pressures of constantly bringing in more money to meet the needs of beneficiaries and keep an organisation running.

Fundraisers need to practise self-care and leaders must ensure their staff are looked after. The sector must make wellbeing and mental health a priority or the result will be fundraisers switching jobs more often or leaving the sector altogether.

Admin costs: getting a control of the narrative

The conversation around administration costs being kept low has been part of the fundraising landscape for many years. While many donors think every dollar should be spent on service delivery, this has constrained charities from the best decision making and making proper investments in technology, staff, marketing, etc. With 70 per cent of givers saying that keeping marketing and admin costs low (below 20 per cent) is important to them (*Australian Communities 2021* report) than growing overall donation revenue, there is still an opportunity for leaders to rework the conversation in their communications to show that greater investment can bring about greater returns. FIA is also taking a lead in this conversation where possible in media and advocacy opportunities.

Sector trends

Belt tightening

2021 is likely to be marked by income challenges while dealing with even greater demands for assistance. Charities will need to be mindful of costs, partner where possible and continue innovating their fundraising. It is possible that more non-profits may need to consider mergers with similar organisations to ensure the community benefits and to reduce duplication.

More charities will migrate to digital in 2021

COVID-19 accelerated the need for digital transformation across most charity activities, from service delivery to events to fundraising campaigns. Those organisations that made the transition have the best chance for success. It is pleasing to see more charities are making investments in digital and technology. We predict more non-profit organisations will migrate to digital this year.

According to the *Global Trends in Giving 2020* report, 80 per cent of all donations were made digitally. This will only increase in 2021.

With more fundraising happening online, FIA cautions fundraisers to consider governance, privacy and data collection processes to protect their donors and prevent data breaches.

More digital content and the rise of TikTok

With interaction expected to continue online this year, charities will need to be creative to cut through the digital clutter. We expect more charities to ramp up their social media use and embrace newer platforms such as TikTok, the social media platform that generates 15-second videos and hosts live streams with music and visual effects.

Some charities in Australia are now using TikTok for audience engagement. Last year, TikTok launched Donation Stickers, a feature that offers users a way to help raise funds within their video. The platform is dominated by Generation Z and millennials (Gen Y) who value authenticity above everything. You need to have a relevant story and to be informative (or funny) to obtain cut through with the audiences and get them to view your content and follow you.

There will also be more of a focus on Facebook and Instagram Stories, which can show supporters a charity's impact with a simple click of the button. Live streaming fundraising via gaming platforms like Twitch, the world's most popular gaming platform, is also likely to get a look in.

Virtual events will continue and evolve

In-person events have long been a vital source of revenue for many charities. They help charities raise much-needed funds and build strong relationships with donors and supporters.

However, due to physical distancing requirements during the pandemic, many fundraising events were cancelled for much of 2020, significantly impacting fundraising. But fundraisers were also quick to adapt to virtual events.

Events were imaginative. For example, Variety the Children's Charity Queensland created Bad Hair May, encouraging people to post pictures of their bad haircuts, bed head and dye jobs on social media. The premise? Bad hair days make good things happen. Cancer Council's popular Australia's Biggest Morning Tea event went virtual with online tea parties that raised substantial sums for their research and support programs.

The Salvation Army's Red Shield Appeal digital door knock was also an inspired campaign that engaged donors while RSPCA Victoria morphed their annual event Million Paws Walk into Walk this May – encouraging people to social distance and walk their pets in their backyards and neighbourhood streets for 30 minutes a day throughout the month of May to raise funds to combat animal cruelty.

Wild Apricot, the web-based software company, noted in a recent article *Fundraising trends: 7 modern strategies to consider for 2021*, that virtual events offer non-profits some advantages like access to a larger audience. Non-profits are no longer limited by their geographic location as people can attend a virtual event from anywhere. A great virtual event only requires enthusiastic speakers and an engaged audience.

Indeed, at FIA, we soon realised we could market our virtual state-based events to fundraisers across the country, broadening the audience for our speakers and sponsors. Critically, online events become cost-effective which allows you to keep more of what you raise for your beneficiaries.

In 2020, we also saw some non-profit organisations move to other kinds of virtual events like advocacy campaigns, panel discussions, behind-the-scenes tours, updates from the frontline

and live Q&As with CEOs. These are great ways to connect with donors and supporters outside of more traditional events like gala dinners, bike rides and community fun runs.

While we all want in-person events to return, virtual or hybrid events are here to stay, even when social distancing will no longer be required. We believe fundraisers will need to be prepared to offer at least a partial virtual event offering, or they may miss income from supporters who cannot or will not attend real-world events.

Start reaching out to Generation Z

According to Wild Apricot, many fundraisers are still focused on the older generations like builders, baby boomers and Generations X and Y. But they are neglecting an important group of upcoming supporters: Generation Z, born after 1996.

The oldest members of Gen Z turn 25 this year and are already in or just entering the workforce. They have developed a reputation for being philanthropically minded (think Sweden's climate activist, Greta Thunberg). As they represent the future, organisations should be getting ready to welcome them with the kind of engagement that they find most compelling. Areas to consider include mobile giving, donation buttons on Instagram, live streams on TikTok and fundraising gaming ops on Twitch.

Monthly giving programs might also appeal to this generation as they grew up in a world of Netflix and other subscription-based programs. But they will want value for money.

QR codes

Developed in Japan to replace bar codes on products, QR codes have been around since the early 1990s. During the pandemic, those squiggly black and white squares got a major boost as people discovered they could be used for contact tracing and much more. At restaurants, you could scan a QR code on your phone to check in and view digital menus. They were also used by shops, government offices, gyms, banks and hospitals for contact tracing. Once scanned, QR codes can be used to open web pages or log into a website and for tickets or business cards, among other applications.

What does this mean for fundraising? According to *Charity Digital*, charities are increasingly using QR codes to send people to donation forms, petitions on emails and social media. They are also being used on direct mail packs as a way for people to donate. In the UK, charities have used them as stickers on collection buckets or in the window of charity shops so that people who are not carrying cash (and that is a lot of people) can still donate.

Near Field Creative, a Queensland-based firm, has been offering QR codes linked to donation landing pages that can go on T-shirts and lanyards for several years. Guide Dogs Queensland has successfully applied Near Field Creative's technology on guide dog vests as an engaging and cashless way for people to donate.

QR codes have proven to be a convenient way to donate, a welcome alternative to germ-ridden paper money and coins in the ongoing pandemic. People don't question their use anymore. They automatically pull out their phones to check in. We predict QR codes are here to stay.

Artificial intelligence: time to consider it

Over the last few years, there has been a lot of discussion about what non-profits stand to gain from artificial intelligence, bots and machine learning. AI has transformed many industries like healthcare, financial services, e-commerce and retail. Many charities overseas have now embraced AI to automate routine tasks, boost their storytelling, build relationships and increase revenue.

Australia is lagging other countries in adopting AI. Perceived barriers include lack of time to consider, concern about budget constraints and not knowing what technology is available.

But Generations Y and Z engage with AI as part of their life and charities need to consider its application or risk losing younger supporters and revenue.

In their article, *How can nonprofits leverage AI for fundraising*, digital marketing company Visual Contenting says a lot of administrative work can be streamlined with AI, letting staff focus on other core work. AI can be used to extract information and insights from data quickly and efficiently, which is helpful for campaigns, big picture planning and decision making.

In addition, AI-based chatbots are helping charities automate their customer service. Automatic phone systems and “live” chats via a website can be programmed to recognise frequently asked/routine questions and answer them. This can speed up the process for supporters, so they don’t feel frustrated waiting for a real person to answer their query. Meanwhile, more complex questions can still be managed by staff.

Artificial intelligence-based chatbots can also enhance storytelling and build engagement. A few years ago, charity: water started using a bot to inform its supporters and potential donors about the Ethiopian water crisis. The Walk with Yeshi Facebook Messenger chatbot shows what it is like to walk two and a half hours daily to find clean water – a situation many Ethiopian girls and women experience daily. Users feel like they are on the journey with Yeshi through shared images, videos and responsive questions. It is a fantastic example of how a charity can use a chatbot to tell its story well, captivate donors and raise more funds.

Closer to home, the Shepherd Centre, a charity that provides services to deaf and hearing-impaired children, is using AI to show people who are not deaf what it is like to experience hearing loss, helping them to walk in the shoes of a deaf person. It generates empathy and understanding of the need to support organisations like the Shepherd Centre.

Similarly, WWF-Australia and Conservation International used artificial intelligence to recognise Australian animals. This was a project to track how species were recovering after the 2019-20 bushfires. They installed 600 cameras in the Blue Mountains, East Gippsland and Kangaroo Island. Then images captured were analysed by Wildlife Insights, using artificial intelligence and machine learning technology developed by Google to identify species. This gave the organisations a better understanding of what animals survived and where recovery work should be undertaken.

AI is already well entrenched in many industries and therefore not as costly or complex as people think. Moreover, charities don’t have to incorporate AI into every aspect of their organisation. But they should be considering if there is an opportunity in their charity for such innovative technology to extract information from CRMs, answer routine questions, tell their story better and raise more funds for beneficiaries.

Cryptocurrency use on the rise

An increasing number of charities are developing technology like digital wallets to accept donations through digital cryptocurrencies, according to a recent article in *Charity Digital*.

Bitcoin, the best known of the cryptocurrencies, is now the ninth most valuable asset globally. Other cryptocurrencies are Ethereum, Stellar and Cardano.

On the plus side, cryptocurrencies can provide the transparency and clarity donors want. They operate using blockchain technology, which makes it easy for those in the chain to trace currency transactions and see when changes are made. It works like an electronic ledger book. Blockchain networks use an algorithm which allows the network to verify when new information is validated before it goes into a shared ledger.

Cryptocurrencies allow for global transactions without third parties like banks (and their accompanying fees) which means they are cost-effective. Importantly, a donor making a gift can see through the blockchain how that money is being used, which can build trust in charitable organisations.

But while the transaction itself and the amount of money being donated can be viewed, cryptocurrencies can be anonymised, making it hard to see who is donating. That is where problems can occur. Charities must take care they are not accepting money from people or organisations that are criminal or not aligned with their values.

But the outlook overall on cryptocurrency is positive. Charities like Save the Children, UNICEF and Royal National Lifeboat Institution are now accepting cryptocurrency donations. It is expected other charities will follow their lead.

Job trends

On the jobs front, fundraising in Australia was rocked by the coronavirus pandemic. Lockdowns and social distancing had an enormous impact on the job sector, particularly on face-to-face, volunteer and events-based fundraising. Thankfully, demand for fundraising professionals returned and increased across the sector towards the end of 2020, as non-profit organisations adapted to the COVID-19 normal.

The demand for fundraisers is set to continue across Australia into 2021, according to NGO Recruitment's *Salary Snapshot 2021* report.

According to the *Salary Snapshot*, fundraising directors are in high demand as organisations have realised the value of investing in highly qualified senior fundraising professionals and with non-profits having to adjust salary expectations accordingly for these roles. As in previous years, major gifts experts are still high in demand and hard to come by. Candidate shortages will continue to be hampered by restrictions on international migration and a lack of qualified candidates from outside the sector for this specific skillset.

With COVID-19 forcing more charities to undertake virtual events and online direct marketing, digital marketing fundraisers who can significantly boost digital income streams are also hot property. That trend is fuelling demand for expert database managers. Digital marketing skills will continue to be highly sought after as charities look beyond the fundraising sector for these highly transferrable skills.

Remote working will continue for fundraisers

While Australia is well on the road to recovery from the pandemic economically and health wise, NGO Recruitment predicts that remote working is likely to continue for the time being.

The success of fundraisers working remotely because of the pandemic has changed expectations around workplace flexibility. Many charities are exercising caution and still have not had their staff return to the office full time. In some cases, management has also witnessed the benefits of working from home – lower overheads, more flexibility and work-life balance for staff. Some may not ever return. Others may do half time in the office.

However, while remote working offers many positives, there can be downsides like isolation. Charities must ensure that staff feel connected, part of the team and that their mental health is prioritised.

FI2021 priorities

In January, FIA announced its policy priorities for 2021, including pushing for further red tape reduction for fundraisers and the harmonisation of fundraising regulation across all states and territories.

This year, FIA's regulatory and policy team will also focus on the challenges around online fraud, data privacy, further assistance to charities through charity mail relief packages and establishing a parliamentary friend's group.

FIA's 2021 policy priorities also include plans for its Include a Charity campaign efforts, to continue the work building community engagement and awareness about the importance of gifts in Wills fundraising and what it can help charities achieve for their communities.

Continued advocacy for fundraising regulation harmonisation

While 2020 saw significant moves by the Commonwealth and state governments to harmonise state-based fundraising, the current regime still requires charitable fundraising organisations to comply with different permission and reporting requirements for every campaign they undertake, a costly and burdensome exercise. FIA has long advocated for red tape reform and will continue to press for a nationally consistent set of regulations by state and territory regulators to achieve cross-jurisdictional harmonisation.

Substantial progress has been made to date; however, much more needs to be done. FIA will continue working with government ministers, shadow ministers and backbenchers to achieve further fundraising harmonisation for the charity sector and other reforms urgently needed to improve charities' circumstances and assist struggling communities.

Work to stop online fraud

During the 2020 bushfires, fundraising was damaged by an unprecedented level of online scams. Online fraud is a growing problem which is detrimental to all legitimate fundraising organisations. FIA is advocating that the Australian Communications and Media Authority (ACMA) be given powers to shut down and take civil action against illegal fundraisers and to regulate digital fundraising in conjunction with the states and territories.

These “shut down” powers FIA is recommending are based on those already in existence for the ACMA to control and regulate illegal online gambling. ACMA shut-down powers on charity scammers would prevent these criminals from creating lookalike sites and siphoning off much-needed donations to local charities.

Data privacy

In 2021, FIA will consult with members and develop an action plan to address restrictions on data use in fundraising should more restrictive privacy and data laws become a reality in Australia.

Ongoing work with Australia Post around charity mail relief

In 2020, FIA and Australia Post successfully worked together on a temporary rebate for qualified charity mail campaigns to support fundraisers in the lead up to the busy Christmas appeal time as well as for end-of-financial-year appeals and campaigns.

Charities received a postage rebate of 10 per cent for any incremental charity mail activity undertaken from 1 October to 30 December 2020 compared to the same period in 2019. The changes were designed to assist charities with their fundraising efforts and encourage them to undertake additional mailing activity to help supplement donation income.

Regarding the increase in artwork, printing and postage costs, FIA will continue to work with Australia Post on potential charity mail relief packages for its members and the broader fundraising sector.

Parliamentary friend’s group in the works

FIA is working to establish a parliamentary friend’s group at both federal and state levels to increase knowledge of the fundraising sector and build stronger relationships with political leaders and their parties.

Working in partnership to promote gifts in Wills

Gifts in Wills data is becoming increasingly important to charities. For Include a Charity, a collaboration of over 90 charities, FIA will work closely with the Australian Charities and Not-for-profits Commission on developing solutions for the reporting of charitable bequests separate from the total number of fundraising donations in Australia. FIA will also encourage all state and territory public trust offices around Australia to have charitable gifts offered as an option within all Will documentation.

Having gifts in Wills data will help charities better plan campaigns in this specialised area of fundraising. It will also help to normalise the discussion around gifts in Wills and pave the way for legislative changes that can help create sustainable fundraising streams.

Code training and mystery shopping

Most FIA members are overwhelmingly supportive of the FIA Code, and uptake of Code training is strong. At last count, 4,615 fundraisers had enrolled in the course, of which 3,809 (82 per cent) had completed their training. There are currently 806 people undertaking the program.

In February, the Code Authority met to approve the compliance monitoring program for 2021, hear and rule on complaints against fundraisers and discuss the development and

release of new FIA Code Practice Notes. FIA is currently developing practice notes on telephone fundraising, digital channels and fundraising/marketing where children are involved.

The Code Authority also arranged five rounds of mystery shopping in 2020 to check on member compliance with the Code. The FIA Code Monitor examined how fundraisers dealt with people in vulnerable circumstances, their conduct in telephone fundraising, fundraising communications and opt outs, and honesty/accuracy around emergency appeals.

While most fundraisers were doing the right thing by donors, some need to improve their practice, especially in identifying people in vulnerable circumstances. It is also critical that communication opt-outs are easy for people to find and donors wishes regarding opt outs are respected. We also had cases where fundraisers refused to take no for an answer when a donor refused to give. Some fundraisers implied to donors that 100 per cent of donations went to service delivery or asked for detailed, unnecessary personal information without having a personal collection notice. These are all serious breaches of the Code.

FIA strongly recommends that all members ensure that they and their staff have completed Code training and are familiar with the Code Practice Notes which provide valuable supplemental information.

Overwhelming, the CEOs and heads of fundraising spoken to about the findings and breaches remain supportive of member mystery shopping, knowing it will help boost trust and confidence in the sector.

New FIA Code Practice Note for fundraising during national disasters

In October 2020, FIA released a new Code Practice Note on ethical fundraising for and during national disasters. This was a response to the Royal Commission into National Natural Disaster Arrangements.

The new guidance urges members to be accountable to donors, honest and accurate in their fundraising communications, to be extra mindful of people in vulnerable circumstances, especially in communities undergoing hardship, and to report back promptly to donors on the impact of that donation.

With last year's extreme bushfires and the Commission's recommendations, FIA has highlighted that accountability and transparency of charitable organisations to their donors is one of the most critical aspects of ethical fundraising. It cannot be stressed enough that fundraisers need to acknowledge, thank and report back to donors in a timely and transparent manner on where their donations are going and the impact they are having. FIA also recommends that governments, business, not-for-profits and the community should work together in future to fast-track recovery efforts.

However, FIA did not agree with the recommendations of a national fundraising scheme, as we believe the states and territories will not agree to relinquishing control of fundraising in their jurisdictions. Instead, FIA reiterates the recommendations of the Morrison government on the need for harmonisation of all state fundraising regulation across the country. This work is already well underway.

Fundraising for and during national disasters received supportive feedback in the fundraising community as well as positive mainstream and trade media coverage.

FIA Code review

Codes are organic documents that must be updated periodically to remain relevant. In 2020, we conducted a review of the FIA Code in consultation with the membership to ensure the four-year-old Code was still meeting its objectives around ethical best practice.

Changes will be announced later this year.

Submissions

On the advocacy front, the FIA regulatory and policy team wrote several submissions, including a first-ever federal budget submission where we asked for charity tax deduction incentives for Australian taxpayers. We also wrote to government pressing for harmonisation of fundraising regulation across Australia and argued against a private member's bill introduced by Senator Stirling Griff to remove the charity exemption from the Do Not Call Register.

So, what do we recommend you focus on for 2021?

For 2021, FIA recommends fundraisers continue to budget conservatively and regularly update forecasts as there is still too much uncertainty to be setting higher targets. It will also be critical to increase efforts around donor stewardship to ensure donors understand how much their support is still needed and appreciated.

FIA also advises investing in skills in digital fundraising to tap into the large, at-home audience and to manage donor supporter journeys for long-term success. Additionally, FIA urges fundraisers to consider ways to boost and support individual and team wellbeing in these uncertain times, especially now that the JobKeeper stimulus package has ended.

If you're a fundraiser and haven't got a seat at the management table, speak to senior management about the need to be included. Work on building your professional identity – become an FIA member, do more professional development and consider getting your CFRE (Certified Fund Raising Executive) accreditation. Hold yourself and your organisation accountable to the FIA Code. To get a seat at the table, you must show your CEO and board that fundraising is a profession that is transparent, accountable and committed to best practice.

If you are a CEO, take your fundraising leader seriously. Make your fundraising leader a member of your executive team, support their professional development and involve them in your organisation's business strategy. Make fundraising everyone's business across the organisation. This will help with improved donor experience, greater accountability and growth in fundraising.

As noted in the trends section, fundraising leaders will need to consider efficiencies and collaborations with partners and other charities. Mergers may need to be considered.

Reputations are also at stake in 2021. The bushfires put the spotlight on Australian generosity, but with it came demands for transparency and accountability (where is the money going, why is it not being spent fast enough? What are you doing with my money?).

These demands highlighted the public's lack of understanding of how charities work and caused reputation damage for some of our best-known and venerable charitable organisations. In 2021, as demand for services escalate in some communities, managing reputation and brand will be vital.

Stay agile

Charities will need to continually seek out innovative approaches in the era we are now calling the “new normal.” The landscape remains uncertain. Fundraisers need to remain agile, ready to adapt and demonstrate the value of their work.

FIA understands fundraisers will require support from all avenues in 2021. We will continue to provide tools, resources and best practice techniques for fundraisers, management teams and boards. We will also continue to advocate for the reduction of red tape and the particular purpose and license the sector has for fundraising. Importantly, we aim to help our members meet the challenges of this ‘new world of fundraising’ as the pandemic slowly recedes from our shores.

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