



FUNDRAISING MATTERS

A National Study on Christian School Growth & Sustainability



Christian schools are entering a new era

Before the pandemic, enrollment in Christian schools across the United States was largely flat, even slowly declining. But when COVID-19 forced public schools to close and classes to move online, the difficult realities of public education came home. Large class sizes, inadequate staffing, disorganized virtual education, curriculum limitations, and rapidly changing social and moral standards – it all caused parents to take a new look at Christian schools.

The result? Interest in Christian schools is suddenly surging in every region of the country. In fact, according to a recent survey by EdChoice, 41% of parents indicated that they would now prefer a private education for their children. **For Christian schools, this represents an opportunity for unprecedented growth.**

But this great opportunity also presents some sobering challenges, particularly related to financial sustainability. *As the old saying goes, if you are losing money on every widget you make, you cannot make the shortfall up by selling more widgets.*

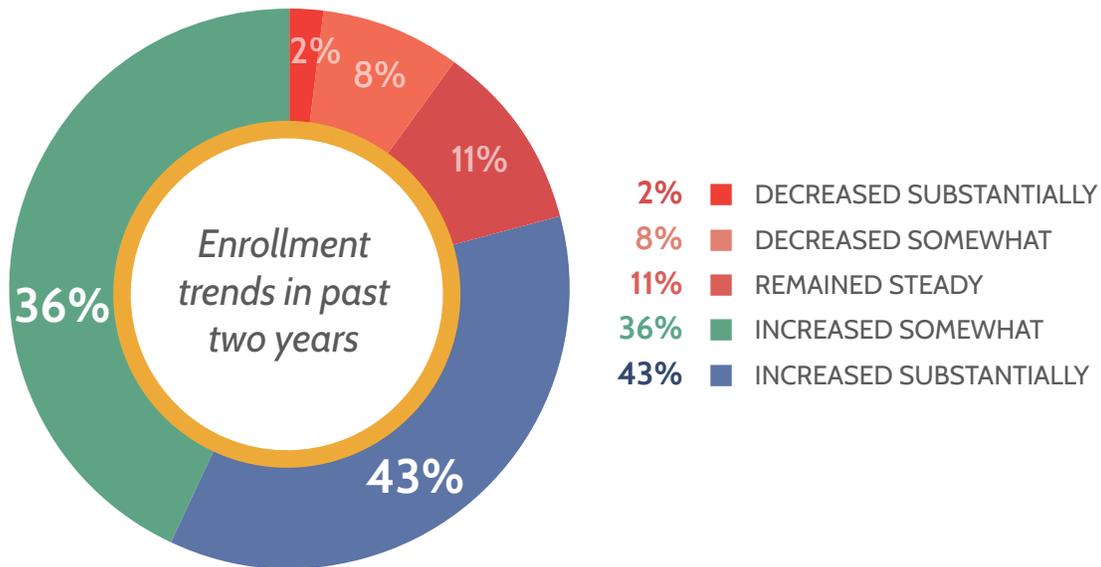
Every year, DickersonBakker conducts a *Nonprofit Leaders Insight Study*, to gain valuable insights into the attitudes and perceptions of nonprofit leaders. Our goal is to stay informed of current trends and challenges in the nonprofit space, and especially as it pertains to fundraising.

Given the timely opportunity at hand, we focused this year's study on the opportunities and challenges Christian schools are facing in today's dynamic environment. Decades of collective experience in this sector informed our inquiry and a robust survey response provided insights into the situation that school leaders are encountering. A primary focus of the study was Christian school leaders' perceptions and attitudes about fundraising.

Christian schools are experiencing enrollment increases due to heightened demand ... but this surge of growth is leading to multiple challenges

Post-pandemic, eight out of ten Christian school leaders report that they are seeing an increased demand for Christian education in their area, with more than half of those reporting a “substantial” increase. This demand has translated into increased enrollment, with 79% of Christian leaders saying that their school has grown “somewhat” (36%) or “significantly” (43%).

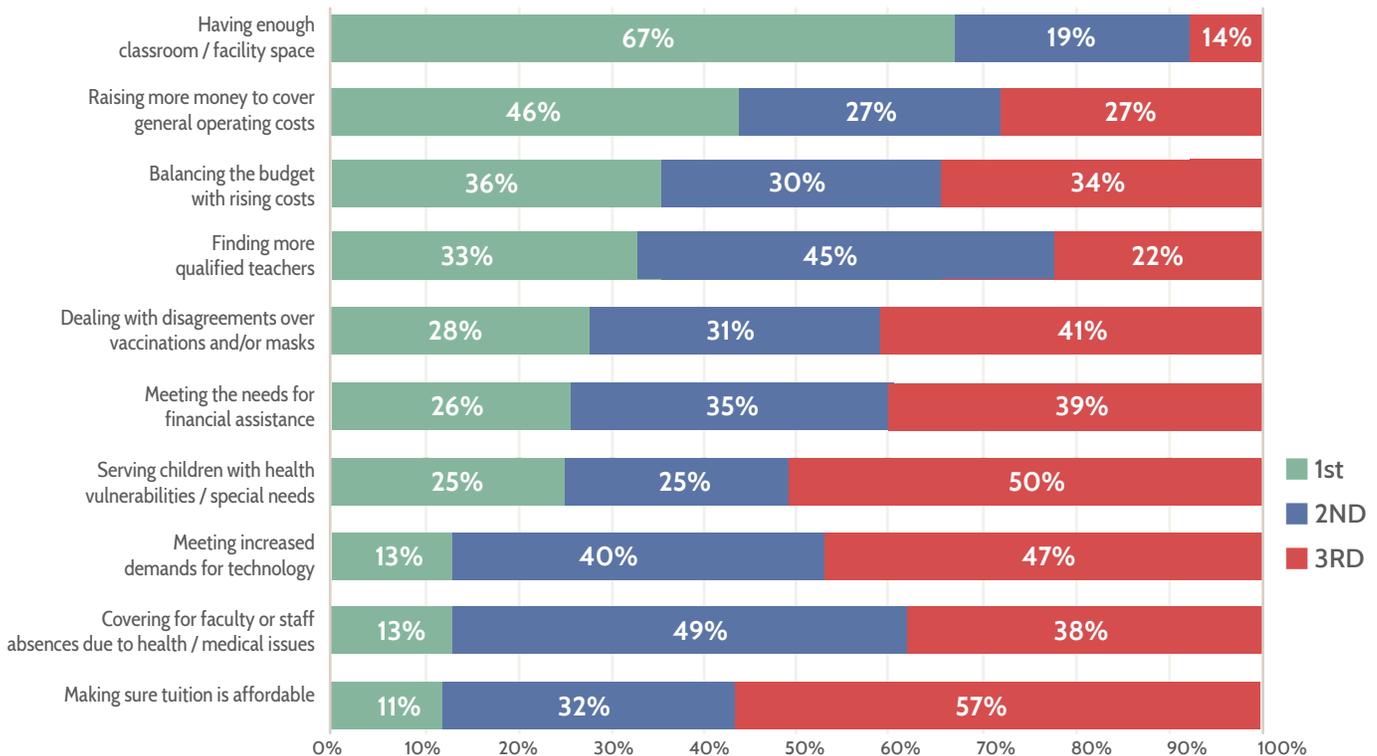
*It’s important to note that of those schools that are not seeing increased enrollment in response to increased demand, 86% reported the primary reason was because interested families were not able to afford the cost of tuition.



Nearly three in four Christian school leaders (73%) report they are struggling to hire the staff they need to meet the increased demand. More than one in three administrators are struggling to find sufficient space and/or have decided to launch a capital campaign to raise money for facility expansion. Three in ten (30%) have increased annual fundraising to address tuition assistance and other needs.

Improved fundraising is crucial to resolving the challenges Christian school leaders face in managing growth

We asked Christian school leaders to identify the top three challenges they are facing in this environment of increased demand. The top ten reported challenges in rank order are outlined in the chart below:



Remarkably, seven of the top ten challenges they reported are related to financial sustainability, and can be at least partially resolved by increasing annual fundraising.

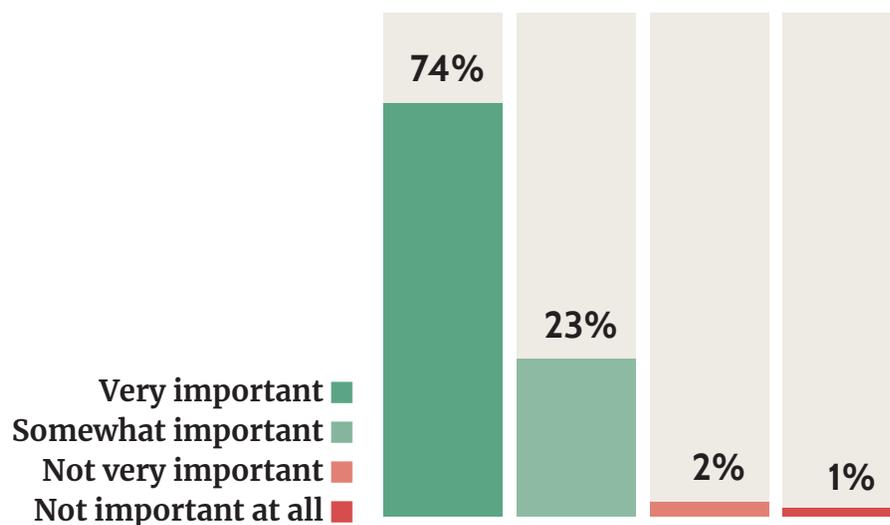
Christian school leaders view fundraising as being very important to the future of their school

Christian school leaders are nearly unanimous in recognizing that raising more money for annual operations is either “very” (74%) or “somewhat” (23%) important for the future of their school. Along the same lines, one in three administrators say that increasing fundraising is one of their top strategic priorities. Nearly 20% reported that it is their highest priority right now. Three out of four school leaders (73%) cited tuition assistance as their number one priority for fundraising.

As part of this research, we asked Christian school leaders:

Looking forward, how strategically important would you say it is for your school to raise more money to provide additional support for annual operating needs like tuition assistance, professional development, campus improvements and enhancements to students’ educational experience?

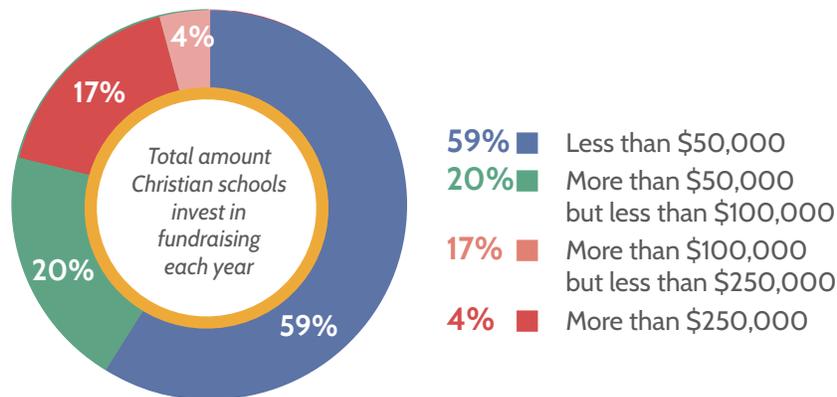
97% of Christian school leaders responded by saying that improving fundraising is crucial to ensuring the future of their school



Christian schools overall are not investing nearly enough resources and time into fundraising

Right now, nearly nine in ten Christian school leaders (87%) report that they do some fundraising to support annual operations. However, only one in six (14%) report raising a significant portion of their annual budget (i.e., 25% or more) from fundraising.

Only four in ten schools employ full-time fundraising staff, and the majority of Christian schools spend just a fraction of what nonprofits in other sectors invest in annual fundraising. In fact, accounting for all fundraising costs combined—including fundraising staff salaries, fundraising materials/media, event expenses, etc.—eight in ten schools report that they invest less than \$100,000 in fundraising per year. Six in ten invest less than \$50,000 in fundraising per year.



Based on the responses to this study, we estimate that the median Christian school invests less than 3% of annual revenues into fundraising. By contrast, according to a recent CharityWatch study, nonprofits in the USA re-invest an average of 13.8% of their annual operating budget back into fundraising.

Another way to understand this issue is through data from Charity Navigator, which found that the average “cost per dollar raised” for US nonprofits is 28.5 cents. The average school budget in this survey was approximately \$3.5M. With the typical school spending less than \$100,000 on fundraising, then the most they should expect to raise is \$285,000 - equivalent to only 8% of their annual operating budget - which is clearly not enough to meet the needs they are facing today.

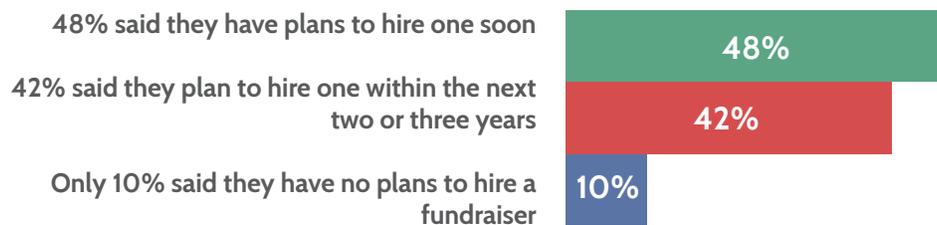
Christian school leaders recognize that fundraising needs improvement

On average, Christian school leaders reported using only five tactics in their annual fundraising programs. Low-cost online fundraising tactics such as social media (80%) and e-mail (63%) comprise two of the three most commonly used tactics. Time-intensive, large-scale events such as galas, auctions, and golf outings are the next most common fundraising tactic, reportedly used by 65% of Christian schools.

Nearly six out of ten school leaders (55%) say their annual fundraising needs “substantial” improvement. Only 20% believe their school excels in annual fundraising. **Across the board, Christian school leaders are making fundraising a bigger priority.**

Large-scale fundraising events have unsurprisingly fallen out of favor post-pandemic. Only 21% of school leaders said they plan to expand or increase efforts in this area. On the other hand, nearly three out of four (72%) Christian school leaders identified major gift fundraising as the best opportunity for future growth.

OF THE NEARLY SIX IN TEN ADMINISTRATORS WHO REPORT THEY DO NOT HAVE A FULL-TIME FUNDRAISER ON STAFF:



Unfortunately, fundraising staff positions can be very difficult to fill. In another recent study conducted by DickersonBakker, nearly half of all nonprofit leaders surveyed reported that it is extremely challenging or nearly impossible to find even one qualified candidate for fundraising position openings in today’s job market. In our experience Christian schools have an advantage in recruiting for these positions, however, as their parent community provides a built-in pool of potential candidates, and they can “sweeten” the deal by offering tuition assistance as a benefit.

Conclusion

A convergence of cultural factors, from the remote learning that took place during the pandemic to moral and social concerns, is causing increased numbers of parents to consider alternative education for their children. Christian schools across the nation appear to be benefiting from this trend, with demand increasing and enrollment growing. But increasing demand and enrollment also bring challenges.

Seven of the top ten challenges that Christian school leaders report encountering relate to financial sustainability and can be helped by improving fundraising for annual operations. In fact, Christian school leaders are almost unanimous in recognizing that raising more money for annual operations is very important to ensuring the future of their school.

Unfortunately, Christian schools on the whole are not raising money effectively. School administrators appear to recognize this, and they are prioritizing making improvements to their fundraising. However, one of the primary “laws” of fundraising is that raising money requires an investment of time and funds. One major reason that Christian schools are not fundraising effectively is simply because they are not investing sufficient time or money into fundraising efforts.

But it’s not enough just to spend money on fundraising in general. Christian school leaders need a strong, comprehensive understanding of what will be required to achieve success so that they can invest wisely and fundraise confidently.

Most Christian school leaders are not trained in fundraising and do not feel adequately supported or equipped to tackle these challenges on their own. Making matters worse, most of the associations they belong to offer very little in the way of support, training or professional development in this area. As an example, several leading Christian school associations recently held a major professional development conference for Christian school leaders attended by thousands of Christian school administrators from around the country. Yet not a single session offered at this conference offered any training or guidance on fundraising. Given how important Christian school leaders from across the nation say fundraising is to the future of their schools, we must do more to train and equip them to do it more effectively.

DickersonBakker stands ready to help

Our firm has nearly 40 years of experience helping Christian schools grow their fundraising ... which translates into classroom space created, excellent teachers hired, tuition assistance provided, and children educated with excellence.

We've developed two new innovative ways to help you and your school succeed in your fundraising efforts. First, for Christian schools just starting out in fundraising, our ► **Fund Development Kickstarter Solution** is specially designed to help you start an effective annual fund development program in just three simple steps.

For Christian schools seeking to make improvements to an existing fundraising program, our ► **Fund Development Accelerator Services** will help you make improvements and grow your fundraising effectiveness and outcomes.

Fundraising doesn't have to be difficult. **You don't have to go it alone.** Invite our team at DickersonBakker to come alongside your school to help you achieve your goals.

Research Methodology

- This study was conducted by DickersonBakker's research specialist, Dr. Paul Virts. Dr. Virts has a doctorate in communication research and over 30 years' professional experience conducting marketing and donor research.
- The *Nonprofit Leaders Insight Study* was based on responses from 825 nonprofit leaders.
- Responses to the questions specifically related to Christian schools were received from a subset of 269 Christian school leaders representing schools from all across the United States.
- The survey was in the field during January and February 2022.
- Our survey sample represented a wide range of school sizes, locations, and types.
- Based on the sample size, response rate, and methodology, the findings of these survey findings are assessed at the 95% confidence level with a margin of error of $\pm 3.5\%$.



About DickersonBakker

Founded in 1985, DickersonBakker has been providing professional fund development consulting services to nonprofit clients for over 35 years. With offices in Texas and North Carolina and full-time consultants living in several states, the firm has served hundreds of nonprofits – especially faith-based organizations – located across the USA as well as in Canada and overseas. Our team represents a unique combination of expertise across all areas of fund development, with a particular focus on mid- and major giving.

“ Too many nonprofit leaders tell me they can’t move forward because their fundraising is stuck in neutral. Our goal here at DickersonBakker is simple. We want nothing less than to help nonprofits transform the way they raise money, so they have the resources they need to unleash their potential. ”

DERRIC BAKKER
President – DickersonBakker

Additional actionable insights for fundraising are available at
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