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2019 STATE OF THE ENVIRONMENTAL SECTOR

Researched and reported by Campbell & Company with input from
environmental organizations across the United States


TABLE OF CONTENTS

Introduction	3
Methodology	4
Participant Snapshot: Key Survey Findings	5
Interview Themes: Challenges and Opportunities	7
Conclusion: What's Next	15
About Campbell & Company's Environmental Team	15
Appendix: List of Interview Participants	16





INTRODUCTION

The past three years have brought significant change to the environmental sector. From 2016 to 2018, giving to environment/animals organizations increased at a higher rate than total charitable giving in the United States: 13.5 percent versus 7.9 percent in current dollars, respectively.¹

Following the 2016 presidential election, many high-profile organizations in this space experienced elevated levels of giving and an influx of new donors—a phenomenon popularly termed the “Trump bump.” Other environmental nonprofits that were not direct recipients of this giving surge have contended with regulatory rollbacks and a heightened sense of urgency around their missions. Beyond the political climate, organizations are grappling with how they stand out and remain relevant in a crowded, ever-changing landscape, build relationships with the next generation of donors, and communicate the outcomes of their work.

As part of our dedicated service to environmental nonprofits, Campbell & Company developed a report chronicling this unique chapter in the sector. Through a nationwide survey and in-depth interviews, we sought to understand what matters most to leaders at this moment and what trends have cropped up over the past three years. We explored the trends, opportunities, and challenges present in this diverse field. The following report shares our findings, including a set of key themes that emerged during our interviews. Our hope is that this research contributes to the sector’s continuous learning and launches a meaningful dialogue among environmental leaders.

Organizations are grappling with how they stand out and remain relevant in a crowded, ever-changing landscape, build relationships with the next generation of donors, and communicate the outcomes of their work.

¹ Giving USA 2019: The Annual Report on Philanthropy for the Year 2018. Researched and written by Indiana University Lilly Family School of Philanthropy. Sponsored by Giving USA Foundation, a public service initiative of The Giving Institute.

METHODOLOGY

We conducted our research in two phases: an electronic survey and one-on-one phone interviews. In January 2019, we launched the survey, sharing it with approximately 300 organizations in the environmental sector. We would like to recognize and thank the Emerging Wildlife Conservation Leaders for its help in distributing this survey.

We collected benchmarking information, including:

- Organizational and development budget
- Contributed revenue
- Market value of endowment, if applicable
- Change in the number of first-time donors (and impact of the 2016 presidential election on this)
- Campaign plans
- Recent executive transitions
- Change in size of development staff

Our sector definition was broad by design, encompassing large chapter-based organizations and smaller regional organizations: land trusts, park foundations, zoos, and aquaria, as well as organizations focused on environmental policy. We did not include animal welfare organizations in our research; we find that the opportunities and challenges they face are often distinct from other environmental organizations. 24 organizations participated in the survey—a response rate of roughly 8 percent. While these results are not statistically significant, the information collected provides useful context for our more in-depth interview data, which comprised the second phase of our research.

In all, we interviewed 18 of the leaders who completed our survey, covering the following topics:

- Recent fundraising successes, challenges, opportunities, and threats
- Fundraising trends around current needs, long-term sustainability, and restricted/unrestricted giving
- Donor responses to tax law changes
- Challenges of capturing the sector's urgency and scale
- Tactics for deepening donor engagement
- Preparations and responses to the 2016 presidential election
- Recent development staff changes
- Recent changes in donor base demographics
- Succession plans for senior-level leaders
- Priorities the sector should focus on in the future, fundraising-related or otherwise
- Advice for peers in environmental philanthropy

In sum, we sought to develop a comprehensive picture of the trends each organization has observed in their fundraising over the past three years, along with related priorities and concerns. From these interviews, our team uncovered a set of common themes presented later in this report.

PARTICIPANT SNAPSHOT: KEY SURVEY FINDINGS

Below, we organized the key findings from our survey of 24 environmental leaders. Taken together, this contextual information provides a more comprehensive profile of the organizations that participated in this study.

The participating organizations range greatly in size and scope, as displayed in the following key metrics.

ORGANIZATIONAL BUDGET: LAST COMPLETED FISCAL YEAR (FY)	
Largest	\$206,867,726
Smallest	\$150,000
Median	\$4,792,500
Mean	\$30,546,243

DEVELOPMENT BUDGET: LAST COMPLETED FY	
Largest	\$40,000,000
Smallest	\$10,000
Median	\$900,000
Mean	\$5,011,309

CONTRIBUTED REVENUE: LAST COMPLETED FY	
Largest	\$215,957,597
Smallest	\$265,000
Median	\$3,940,000
Mean	\$27,588,031

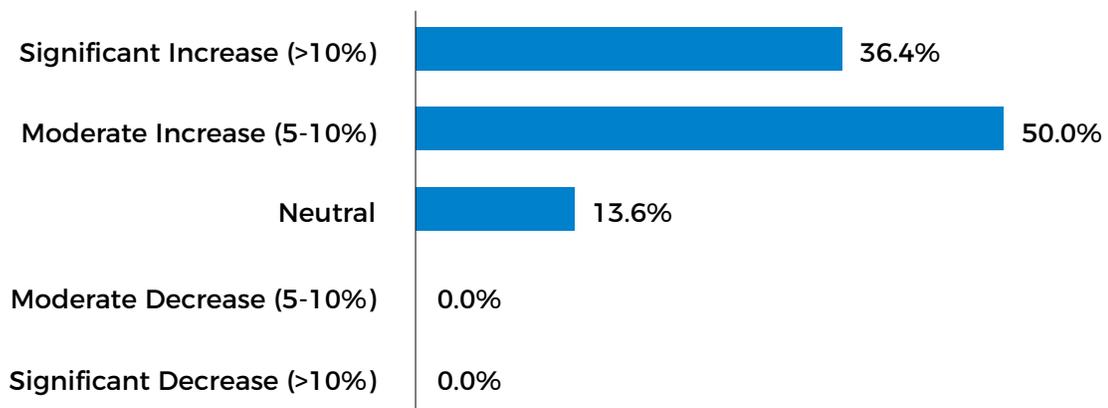
2/3 of the organizations surveyed have an endowment:

ENDOWMENT: CURRENT MARKET VALUE	
Largest	\$192,565,000
Smallest	\$300,000
Median	\$1,350,000
Mean	\$14,894,162

Over the past three years, many of the organizations surveyed experienced changes in staffing, leadership, and number of first-time donors.

- Nearly half of the organizations (45.8 percent) went through a staff leadership transition (e.g. CEO or Executive Director).
- Over half of the organizations (54.2 percent) experienced an increase in development staff positions.
 - 41.2 percent of the organizations experienced no change
 - 4.2 percent of the organizations experienced a decrease
- 86.4 percent of the organizations saw their number of first-time donors/members increase by 5 percent or more:

Change in the Number of First-Time Donors/Members Over the Last Three Completed Fiscal Years



- 38.1 percent of leaders surveyed think that the 2016 presidential election had an impact on their trend change in first-time donors/members.
 - 33.3 percent are unsure, and 28.6 percent do not think it had an impact.

Looking ahead, 62.5 percent of organizations surveyed are either planning to launch a campaign in the next one to three years or considering a launch—and 25 percent are already in campaign.



INTERVIEW THEMES: CHALLENGES AND OPPORTUNITIES

In the interviews we conducted with 18 leaders who completed our survey, a series of themes emerged that illuminated the challenges and opportunities facing environmental organizations, large and small:

- The desire—and need—to act quickly in response to a fast-moving political environment
- Concerns around demographic shifts, staying relevant, and remaining donor-centric
- An emphasis on tailored engagement strategies driven by donors' desire for deeper involvement, connection to the work, and focus on tangible outcomes
- The fundraising opportunities and challenges that climate change and other key issues bring
- Increased interest in storytelling, mid-level giving, and a nuanced approach to restricted giving
- Uncertain impact from tax law changes (so far) alongside a rise in giving from donor-advised funds
- A recognition that succession planning matters, but a lack of dedicated resources at many organizations

The desire—and need—to act quickly in response to a fast-moving political environment

When we asked interviewees to reflect on their fundraising strategy following the 2016 presidential election, the answers varied greatly. Organizations such as Environmental Defense Fund (EDF) and Earthjustice experienced significant giving spikes in the wake of the election. Some recipients of the popularly termed “Trump bump” worked to accommodate this growth by adjusting strategy, adding new development staff, or a combination of both approaches. Some organizations gained new donors and supporters on a smaller scale, not requiring internal restructuring, while others experienced no change attributable to the political climate.

Many of the leaders we spoke with reflected on the shock their staff felt in the days and weeks following the 2016 presidential election and wished their organizations had mounted a faster response.

The need to be nimble in the face of unforeseen events emerged as a common thread throughout these disparate experiences. Many of the leaders we spoke with reflected on the shock their staff felt in the days and weeks following the 2016 presidential election and wished their organizations had mounted a faster response. This could have included preparing a clear plan for either outcome before the election, securing leadership buy-in, and crafting a clear, persuasive messaging strategy to rally existing supporters and engage first-time donors.

Deputy Director Erin Miller of Seattle Parks Foundation summed it up in this way: “The 2016 presidential election and the rapid-fire change that resulted affected our staff on a personal level. At the same time, it brought our organizational values and commitment to racial equity to the forefront. In retrospect, had we been prepared for the outcome, we would have more proactively communicated our values during that time and attracted more and deepened support for our work in the process.”

We also heard from organizations with large segments of conservative donors that had to navigate a complicated communications environment and did not use the resistance narrative in their appeals. Regardless of donors’ political leanings, some organizations saw the post-election landscape as a strategic opportunity for unrelated fundraising campaigns, capitalizing on the heightened attention afforded the environmental sector.

Concerns around demographic shifts, staying relevant, and remaining donor-centric

Nearly all the environmental leaders we interviewed shared a desire to effectively engage younger generations and people of color. Many also described how their organizations are striving to advance diversity, equity, and inclusion in their program work. At the same time, development departments are working to tailor messaging and outreach to engage an aging donor base.

ADDRESSING AN AGING DONOR BASE AND DOUBLING DOWN ON PLANNED GIVING

At organizations like Pheasants Forever Inc., where the average member is 61 years old, the transfer of wealth is top of mind. Its legacy society is growing and has become an even more important engagement tool in recent years. Across the environmental sector, many organizations are similarly investing more in planned giving, and this focus emerged as a key theme throughout our conversations.



APPEALING TO A MORE REPRESENTATIVE AUDIENCE AND VIEWING WORK THROUGH A DIVERSITY, EQUITY, AND INCLUSION LENS

Meanwhile, organizations are also striving to build a donor base that better reflects the communities they serve and develop a strong pipeline for future major giving. Oregon Environmental Council created an emerging leaders board to bring younger perspectives into the organization while Earthjustice is working to formulate and test engagement plans for young professional, diverse audiences.

This is an ongoing challenge that many organizations are just beginning to confront. We heard several leaders express the desire to engage a more representative audience while acknowledging that they did not yet have fully formed plans. For other organizations, expanding their audience also extends into new geographic areas: Mountains to Sound Greenway Trust is working to segment messaging for urban and rural supporters, and the Wetlands Initiative is now reaching donors beyond its traditional Chicago funder base.

Many leaders also pointed to their organizations' growing commitment to diversity, equity, and inclusion outside of their development work, from their hiring practices to their on-the-ground work in communities. Spokane Parks Foundation has begun to focus more heavily on equity and accessibility, a natural fit for an organization that supports public spaces. "Make-A-Splash in a Kid's Life," a program that removes financial barriers so more children can enjoy swimming, is one such outcome of this focus.

RAMPING UP ONLINE ENGAGEMENT EFFORTS

Throughout the nonprofit sector, online fundraising continues to gain steam, and online engagement and fundraising came up many times as we discussed the need to reach a more diverse audience. According to the 2019 M+R Benchmarks Study, online revenue for reporting nonprofits rose 1 percent in 2018 after 23 percent growth in 2017.² Environmental leaders we spoke with understand they must meet potential supporters where they are. This often means following the lead of younger donors by experimenting with tactics such as social media and crowdfunding, as well as marrying the old and new by integrating direct mail and online efforts.

An emphasis on tailored engagement strategies driven by donors' desire for deeper involvement, connection to the work, and focus on tangible outcomes

Throughout our conversations, we heard many examples of creative engagement strategies, often customized for a donor base looking to get closer to environmental work and understand its impact. Several leaders discussed interest-driven and educational programming designed to engage millennials and other donor segments. By and large, these events were focused on the long term: building relationships rather than raising money.

² "2019 Benchmarks," M+R, 2019. <https://mrbenchmarks.com/>



INTEREST-DRIVEN PROGRAMMING

The Lands Council routinely brings major donors into the field. If they know a supporter is interested in their ecology lab, they will extend a personal invite, offering a tailored tour that connects the donor to their area of interest. This “field trip” does not involve an ask—but often results in a gift. The organization also holds engagement events, such as a beer and taco gathering geared toward millennials. This event has been a resounding success, and it is now supported by corporate sponsors that see it as a talent acquisition opportunity.

Our interviews were filled with discussions of similar engagement opportunities, thoughtfully organized to reach a specific group of donors. This programming was marked by authentic connection between the donors’ interest and the organization’s mission. Port Townsend Marine Science Center holds a lecture series with speakers from the University of Washington and a citizen science program on ocean acidification. Cleveland Metroparks hosts hiking and birding donor stewardship events, as well as get-togethers at a local brewery. Wood River Land Trust brings in expert speakers to give talks in its community. All this programming strives to provide donors with a value-add, whether through education, recreation, or just the space to socialize over a beer.

DESIRE FOR DEEPER INVOLVEMENT

Embedded in this trend of interest-driven programming is donors’ desire to connect more fully with the work of organizations they support financially. Leaders spoke of donors wanting to understand where the money goes, stay informed about new developments, and sometimes participate in the work. For some organizations, donors who want to volunteer can be both a blessing and a challenge. Principal Giving Director Karen Kannenberg of Cleveland Metroparks explained that facilitating one-off volunteer opportunities can be near impossible—between scheduling, safety, and weather—but she sees the growth in the donors’ passion as a net positive.

EMPHASIS ON OUTCOMES

Donors who are deeply invested in environmental work often look for the tangible results of that work. We heard a great deal about donors’ focus on both measurable outcomes and outcomes they can see and experience. That could mean a tract of land preserved or metrics that buoy a case for support. Earthjustice has positioned itself as the “warriors holding back the tide”—and they are able to back up this positioning

with a victory rate of over 90 percent for cases their attorneys have led. At the same time, we also heard about donor excitement around new and innovative approaches. President and Executive Director Paul Botts of The Wetlands Initiative has observed an elevated interest in new concepts that are high risk, high reward and a willingness to accept more uncertainty across all segments of donors.

The fundraising opportunities and challenges that climate change and other big issues bring

Climate change came up again and again in our interviews: both as a rallying point for donors and as a nuanced obstacle. Several organizations we spoke with referenced the urgency summoned when they tied their work to climate change, while others are still figuring out how to connect their work to broader issues. Since American Forests introduced language about the organization's impact on climate change into direct marketing materials, it has seen significant growth.

We also heard about the challenges that arise when trying to demonstrate progress on global or large-scale problems while operating at the local or regional level. For some organizations, the solution includes working in coalition to amplify impact and relevance. When mobilizing to support a recent ballot initiative, Climate Solutions joined a broad coalition of organizations and individuals, and Oregon Environmental Council has seen success through collaborating with other organizations, rather than competing.

Local and regional organizations have the opportunity to lean into their on-the-ground impact. Many of the leaders we spoke to referenced their highly localized messaging that mirrors their targeted focus. Alliance for the Great Lakes made a conscious decision three years ago to work in several cities on local initiatives. In terms of fundraising, it can now point to what clean water looks like in practice in a specific place. "As an environmental organization, we need to conduct work to address the day-to-day lives and concerns of people—if we don't, our movement will shrivel," explained Alliance for the Great Lakes President and CEO Joel Brammeier.

Beyond climate change, several interviewees also referenced competing donor priorities outside of the environmental sector, including basic human needs and causes threatened in the current political climate, from refugee to reproductive rights. Glacier National Park Conservancy recognizes this challenge and strives to demonstrate the importance of the long game to its donors.

"As an environmental organization, we need to conduct work to address the day-to-day lives and concerns of people—if we don't, our movement will shrivel."



Increased interest in storytelling and mid-level giving and a nuanced approach to restricted giving

Director of Foundation and Corporate Giving Kevin Kasowski of Oregon Environmental Council is concerned with the wealth gap in our society and its impact on fundraising, especially for grassroots, membership-based organizations. In recent years, Director of Development Chelsea Updegrave of The Lands Council has seen fewer people interested in the concept of membership and fewer lower-level donors overall.

The Indiana University's Lilly Family School of Philanthropy has documented the decline in broad-based philanthropy through its Philanthropy Panel Study. Between 2000 and 2014, the share of Americans giving to charity decreased from 66.2 percent to more than 55.5 percent.³ As philanthropic participation shrinks, there has been greater focus on shoring up individual giving support and building a strong pipeline of major donors across the nonprofit sector. In addition to the engagement strategies discussed above, interviewees spoke of a greater focus on storytelling and mid-level giving. Several organizations are also experimenting with restricted giving opportunities designed to pull in transformational gifts.

STORYTELLING

The power of messaging—and storytelling in particular—came up in many of our conversations with environmental leaders. Interviewees spoke about using stories to foster emotional connections, instill hope, and create compelling calls to action. Development Director Courtney Jelaco of Wood River Land Trust also discussed the educational value of storytelling: through stories, her organization is able to communicate facts and terminology in a way supporters can understand and share with others.

MID-LEVEL GIVING

Earthjustice is working to create and EDF is working to enhance customized programs for mid-level donors between the membership/annual fund and major giving programs. At both organizations, this means higher levels of cultivation, including tailored communications and events.

³ "In Search of...America's Missing Donors," The Chronicle of Philanthropy. By Nicole Wallace and Ben Myers. <https://www.philanthropy.com/interactives/Disappearing>

RESTRICTED GIVING

While many leaders spoke about the need for unrestricted funds, others discussed the benefits of restricted giving. Director of Development Michael Woodsum of Mountains to Sound Greenway Trust shared that his organization has worked to secure restricted gifts during its current campaign, finding that it is easier to pull in large contributions if they are tied to a specific vision. Vice President of Development Mollie Marsh-Heine of Earthjustice echoed this sentiment. She explained that Earthjustice is experimenting with offering more restricted giving opportunities to inspire major donors and certain foundations, giving them a closer connection to their gift.

Uncertain impact from tax law changes (so far) alongside a rise in giving from donor-advised funds

The majority of interviewees did not see significant changes in fundraising outcomes that they attributed to tax reform. Most had not received questions from donors, which was surprising for those who had braced for a more substantial response. Several leaders mentioned that the public will be better informed after completing taxes under the new code, so it may take more than one year for the full effects to materialize—if at all. Chief Development Officer Sean O'Connor of the National Audubon Society shared this perspective: “We haven’t seen the effects of tax reform yet; it’s too soon to tell, and I’m not positive there will be a big impact. Tax reasons are not the first reason people give. They’re usually eighth on the list.”



For the leaders we spoke with who did notice a change, the impact was modest. American Forests saw a slight negative impact among major donors who itemize, while Cleveland Metroparks and Glacier National Park Conservancy saw some donors bundling gifts to reach the higher itemization threshold. Along with bundling, Glacier National Park Conservancy has also observed major donors using donor-advised funds to pass the itemization limit.

In many of our interviews, we heard about a rise in grants from donor-advised funds—a trend that could be partially attributable to tax law changes. By giving a large gift in one year to their donor-advised fund (DAF), a donor can surpass the increased itemization threshold, taking the charitable giving deduction in that year and parceling out DAF grants over an extended period. The trend of greater donor-advised fund activity cut across organization size: there were both national and regional organizations—from Earthjustice to Mountains to Sound Greenway Trust—that experienced increased DAF giving. Additionally, The Lands Council and Port Townsend Marine Science Center both reported increases in contributions from IRAs.

A recognition that succession planning matters, but a lack of dedicated resources at many organizations

When we broached the subject of leadership development, interviewees shared stories of current and anticipated transitions, of succession plans in progress or fully mapped out. Vice President of Development Mollie Marsh-Heine of Earthjustice has a clear successor, and the organization successfully completed a president transition in 2018, following its detailed succession plan. Alliance for the Great Lakes regularly reviews talent and roles of staff and supports specific team members for training to take on additional responsibilities.

We also heard many frustrations: lean organizations without the bandwidth to fully address succession planning, competing priorities that push succession planning to the bottom of the list, and resistance from current leadership. Campbell & Company conducted a series of interviews with environmental organizations on the topic of succession planning in 2018. We strongly believe this subject deserves increased attention, both within environmental organizations and across the nonprofit sector. To learn more, read our succession planning blog series: bit.ly/CC-Succession-Planning

CONCLUSION: WHAT'S NEXT?

In 2019, environmental philanthropy is faced with compelling opportunities and very real challenges: from engaging a more diverse group of constituents to grappling with a political environment in flux, navigating big picture issues to strengthening leadership succession. In the coming months, we look forward to continuing this conversation and providing a platform for environmental leaders to learn from one another. Campbell & Company is exploring opportunities to share these findings widely, through webinars, conferences, and local forums. We also plan to replicate this research on a regular basis, examining the prevailing trends, opportunities, and challenges facing the environmental sector every two to three years. If you are interested in participating in a webinar, conference presentation, or forum or you would like to be included in our next report, please reach out to Executive Vice President Kate Roosevelt at kate.roosevelt@campbellcompany.com.

ABOUT CAMPBELL & COMPANY'S ENVIRONMENTAL TEAM

For 43 years, the Campbell & Company Environmental team has worked with organizations across the sector to build philanthropic support, craft compelling cases for support, leverage donor analytics, and find visionary leaders. With a deep bench of team members based in communities across the country, our team understands the issues facing environmental organizations nationwide, and we draw from this broad experience in every partnership.

APPENDIX: LIST OF INTERVIEW PARTICIPANTS

A special thanks to everyone who contributed to this report, including all survey participants and the 18 environmental leaders who shared their perspective, challenges, and successes through in-depth interviews:

Paul Botts

President and Executive Director
The Wetlands Initiative

Joel Brammeier

President & CEO
Alliance for the Great Lakes

Jennifer Broome

Vice President of Philanthropy
American Forests

David Bue

Vice President of Development
Pheasants Forever Inc.

Terri Fortner

Executive Director
Spokane Parks Foundation

Philip Hough

Executive Director
Friends of Scotchman Peaks Wilderness

Courtney Jelaco

Development Director
Wood River Land Trust

Karen Kannenberg

Principal Giving Director
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Kevin Kasowski

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Oregon Environmental Council

Mollie Marsh-Heine

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Erin Miller

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Seattle Parks Foundation

Doug Mitchell

Executive Director
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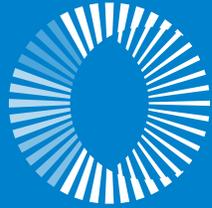
Development and Marketing Director
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