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The Status of UK Fundraising 2025

A Benchmarking Report for the AI Era

Contents

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Foreword

Welcome to the eighth edition of our annual Status of UK Fundraising research report, providing providing valuable insights on performance, tech adoption, and AI use from hundreds of nonprofit professionals across the United Kingdom. In the current challenging landscape, nonprofit organisations are grappling with heightened pressures, from finances to skills and tools. Deliberate strategies around donor cultivation and engagement, innovation, and resourcing are essential for these organisations not only to sustain their performance but to thrive.

As we navigate an era of rapid technological advancements, this research offers useful perspectives on how technology and innovation are being embraced by various organisations within the philanthropic sector. One of the remarkable trends highlighted in this year's research is the growing recognition of artificial intelligence as a tool to enhance fundraising impact and organisational efficiency. Our findings reveal a significant increase in social impact organisations exploring AI use. It is encouraging to note that tech-savvy organisations—those with high digital maturity—are recognising the substantial benefits of AI in fundraising and are embracing it as a complementary tool that enhances, rather than replaces, the indispensable human touch that defines the sector.

This AI-enhanced future requires sector-wide discussions around its use. Although AI is often underutilised for heavy-lift tasks like predictive analytics and prospecting, there is immense potential for its application. Regardless of the AI technologies used by a nonprofit, organisations should focus next on establishing clear policies to ensure each member of the organisation uses AI responsibly. By embracing this change ethically, nonprofits can harness AI's capabilities to enhance efficiency and impact, ensuring technology and human ingenuity work together to advance their missions.

As you delve into the detailed findings on the following pages, we hope this report serves as a catalyst for meaningful discussions and strategic planning within your organisations. The insights provided are aimed at empowering you to benchmark your performance, navigate the complexities of AI in the sector, and get inspired by what your peers are doing to continue the important work our sector is most passionate about: driving greater impact on the local communities we serve.

—Pascale Harvie
Senior Vice President, JustGiving

Introduction

Back for the eighth year, the annual Status of UK Fundraising Report delves into the evolving dynamics of nonprofit fundraising. These year-over-year insights give a comprehensive view of the social impact community in 2025, helping the sector understand and benchmark their performance.

This year's research reflects the perspectives of hundreds of professionals in the UK from diverse backgrounds, organisations, and career paths who participated in the research and shared their unique insights into the factors shaping the UK nonprofit sector today. We focused on recent performance and drivers of growth, digital maturity, attitudes towards AI and levels of adoption, the usage of donor management system as well as the opportunities and impact nonprofits can achieve with technology.

A collaboration between the Blackbaud Institute and Blackbaud Europe, the Status of UK Fundraising report is part of the Blackbaud Institute's global Status of Fundraising research series, surveying audiences in the United Kingdom; United States; Canada; and Australia and New Zealand.

Before diving into the results, we also want to say a massive thank you to our data analyst and market researcher, Susie Mullen, whose help has been invaluable.

Defining Digital Maturity

Survey participants were asked to self-evaluate their digital maturity across a spectrum, ranking from 1 (lowest) to 10 (highest). A digitally mature organisation is defined as one in which technologies are integrated across all areas of the organisation, from fundraising and service delivery to supporter and student experience, internal processes, and more.

On average, participants rated their digital maturity score as 5.1. Throughout this report, we will refer to organisations as below or above digitally mature depending on their score.

Survey Details

An online survey was conducted to gain a better understanding of the current nonprofit landscape and trends in the UK. The survey was fielded between 27th January and 24th February 2025, and 565 individuals took part in the research. Some questions were optional, resulting in variable sample sizes. Data is self-reported, not transactional, and all data underwent a quality check after survey close.

Research was conducted in partnership with Susie Mullen, a data analyst and market researcher with over 20 years of experience. The survey was designed in partnership between the Blackbaud Institute, Blackbaud Europe, and Susie Mullen. Participants were invited to take part in the research via email and through social media outreach. Survey completion was incentivised.

Methodology

Who Was Surveyed?

69%
FRONTLINE FUNDRAISERS

12%
IN CROSS-FUNCTIONAL ROLES

17%
EARLY CAREER PROFESSIONALS

39%
MANAGERS

19%
EXPERIENCED NON MANAGERS

16%
DIRECTORS

27%
WORK IN HEALTHCARE

26%
WORK WITH CHILDREN/ YOUNG PEOPLE

14%
WORK IN SOCIAL CARE OR SERVICES

14%
WORK IN HIGHER EDUCATION

21% *of orgs have a revenue of less than £1M (Small)*

50% *of orgs have a revenue of £1M-£10M (Mid)*

29% *of orgs have a revenue over £10M (Large)*

Key Findings

- **All sectors shared the current economic landscape as their number one fundraising concern,** and participants who experienced a decline in their revenue cited this as the main reason, followed by fewer donors and lower gift values.

- **Despite these challenges**, **more organisations reported a static or increased voluntary income rather than a decline,** and most met or exceeded their fundraising targets in the last full financial year.

- **Government grants are a vital revenue stream for those who receive them.** Only 18% of those who raise funds from government grants say the contribution of this income stream has increased over the last three year, emphasising the benefits of income source diversification.

- **AI usage in the sector is significantly increasing year over year.** 77% of participants use AI in comparison to 57% last year, and more organisations now have the resources to explore AI usage in their nonprofit. This increased use is, however, largely limited to generative AI and natural language processing, and AI policy development is still in its early stages despite increased use.

- **The levels of digital maturity impact the perceived value of AI.** Out of those who use AI:

  - *Those with low digital maturity are often nervous about AI and understand that they need to get their tech basics right before advancing AI use.*

  - *Those with average digital maturity want to realise the efficiency benefits AI can bring but are often worried that related risks are too great or unpredictable.*

  - *Those with high digital maturity not only understand the applications and benefits but also the limitations of using AI in the sector— and they are calling for sector-wide guidelines around its use.*
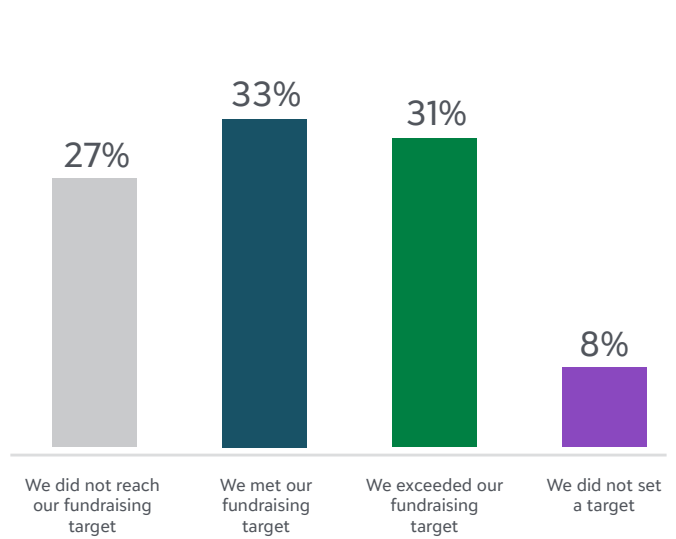
Part 1: Performance

To understand how performance is trending in the nonprofit sector in the UK, participants were asked to share more about their performance in the last full financial year.

Fundraising Targets

At 64%, most participants share their organisation achieved their recent fundraising goals; 31% exceeded their target while 33% just met their target. Under one third of respondents share they failed to reach their goals in the last full financial year. As suspected, those exceeding their targets are more likely to say their income increased, and most participants who just met their goals share their income remained static when compared to last year. In turn, participants who did not reach their targets are more likely to also say their income decreased. Like last year, 8% say they did not set a target at all.

Recent Income Performance

Income performance is trending similarly to our research last year. One fifth of participants say their income remained the same, and 46% share they experienced voluntary income growth in the last full financial year. These findings suggest that performance is trending positively despite one third sharing their organisation's voluntary income decreased.

> *Income changes are correlated with organisation size, with 61% of large organisations sharing their income grew in the last full financial year.*

Which best describes your organisation's fundraising performance over the last full financial year?

Note: This data excludes those who do not know whether they met their fundraising targets or not, and those who prefer not to answer this question.

Which best describes your organisation's fundraising performance over the last full financial year?

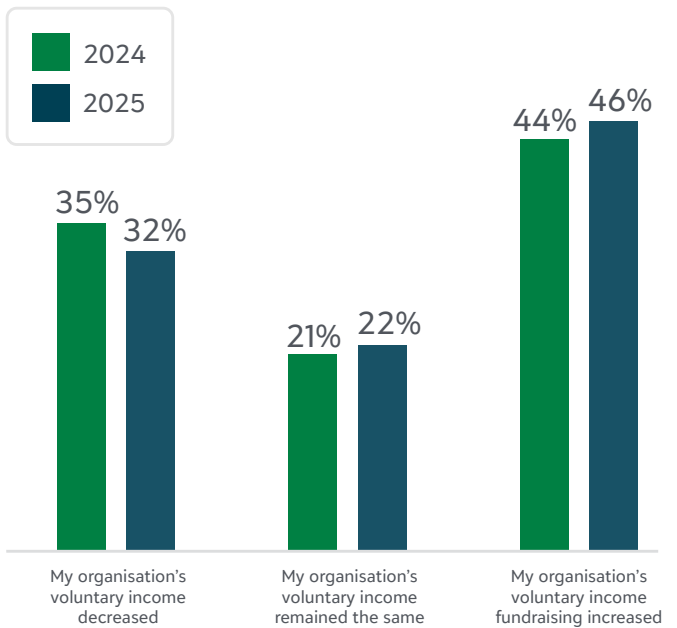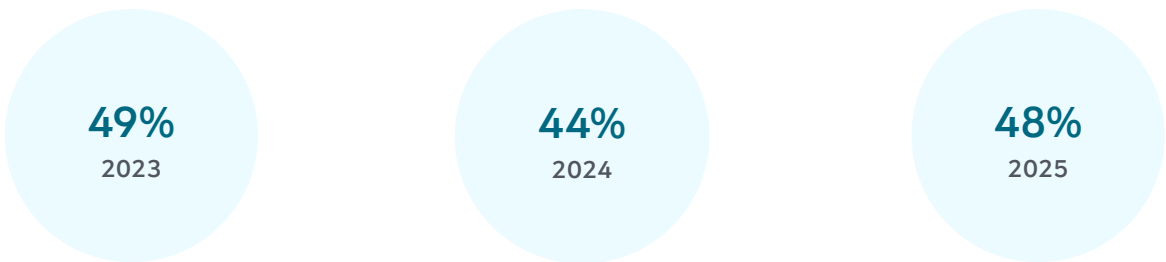Note: This data excludes those who do not know how their income changes, and those who prefer not to answer this question

> *At 46%, education providers are more likely than average to say they exceeded their fundraising targets.*

Drivers Behind Income Growth and Decline

With a focus on those 46% of organisations who shared their voluntary income increased in the last full financial year, the data highlights exceptional gifts as the main driver behind growth, at 48%. While exceptional gifts are often very large one-off or non-repeatable gifts, they are not random: they are driven by deliberate fundraising strategies that focus on cultivating and nurturing these major donor relationships. New and different activity (36%), increased donor numbers (32%), and enhanced focus on supporter experience (32%) are also key drivers of growth. Other mentions include, for example, new campaign activity, increased statutory funding, improved marketing and communications, and improvement after particularly poor year in 2024.

The percentage of participants attributing their growth to exceptional gifts:

49%
2023

44%
2024

48%
2025

Drivers of Income Growth

Driver	%
Exceptional gifts	48%
New & different activity	36%
Donor numbers increased	32%
Focused on supporter experience	32%
Team adequately resourced	27%
Investment in fundraising	26%
Supporters gave more	24%
Made the most of our tech	9%
We invested in technology	7%
Other	8%
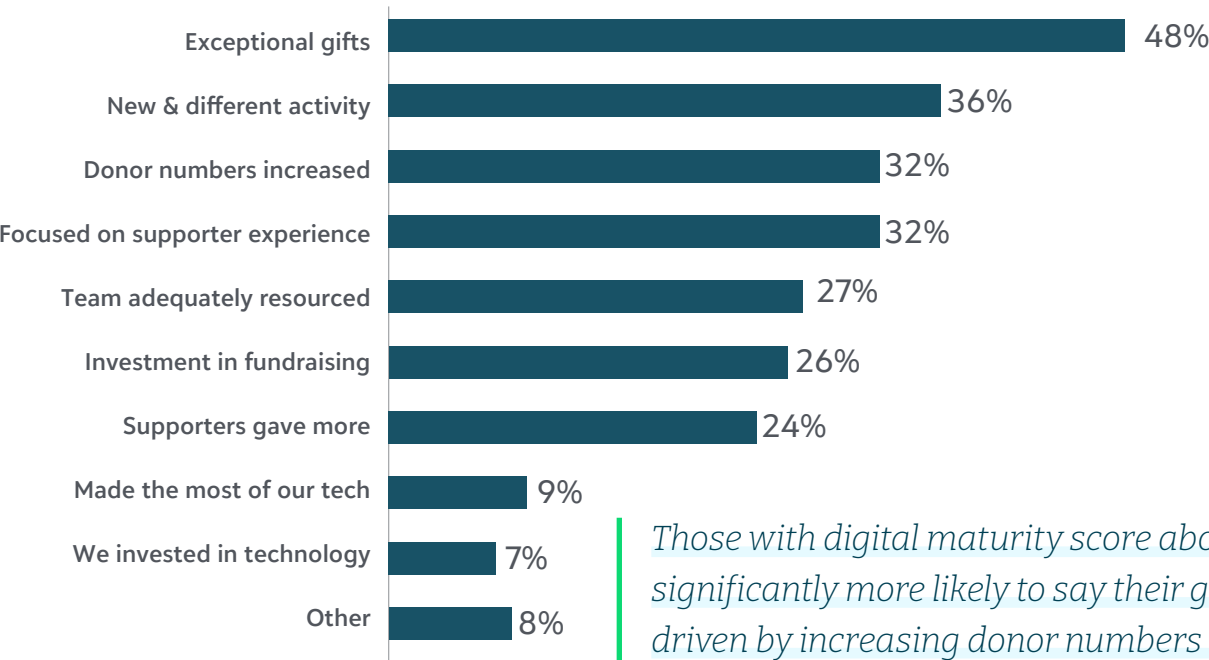
Those with digital maturity score above seven are significantly more likely to say their growth was driven by increasing donor numbers (43%).

In turn, when looking at organisations who did not meet or exceed their fundraising targets, the majority of respondents (61%) pointed to the current economic environment as the biggest factor—for the third year in a row. This followed by a drop in giving levels from existing supporters (42%) and inadequate resources (43%). At 31%, lack of investment in fundraising and

decreasing donor numbers have also increased in the frequency with which they are named the top causes at organisations who did not meet their fundraising targets. There are no significant differences across organisations depending on their size, sector, or digital maturity.

Drivers of Income Decline
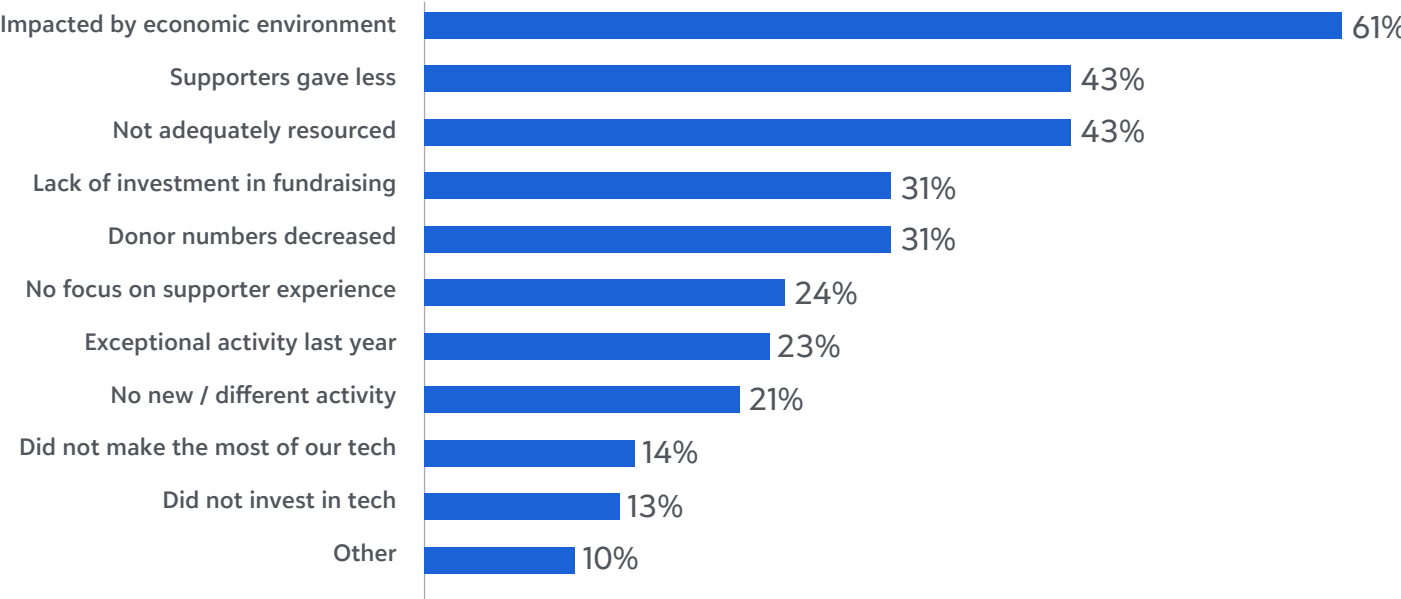
Category	Percentage
Impacted by economic environment	61%
Supporters gave less	43%
Not adequately resourced	43%
Lack of investment in fundraising	31%
Donor numbers decreased	31%
No focus on supporter experience	24%
Exceptional activity last year	23%
No new / different activity	21%
Did not make the most of our tech	14%
Did not invest in tech	13%
Other	10%

When looking at organisations who did not meet or exceed their fundraising targets, the majority of respondents (61%) pointed to the current economic environment as the biggest factor—for the third year in a row.

Current Fundraising Challenges

In line with key reasons behind income decline, the economic situation—and subsequent fewer donations—are seen as the biggest challenge facing the sector now and over the next three years. In fact, this ranks even higher today than it did in 2023 and 2024, at 84%.

Rising costs of operations has overtaken retaining and recruiting fundraising talent as the second most prominent challenge. At 62%, significantly more participants say it is a challenge, when compared to 2024 (43%) and 2023 (42%). The reasons behind these cost-related challenges are manifold, with many charities being impacted by various cost increases. For example, those with physical facilities are experiencing

Healthcare providers are significantly more likely to say they are challenged by retaining and recruiting fundraising talent (56%) and having the right tools and systems in place for fundraising (44%).

increasing electricity, gas, and water costs. While smaller charities are exempt, large nonprofits are facing higher employer national insurance contributions (NICs), impacting their overall operational budgets. Furthermore, the education sector is also encountering direct cost-related challenges due to the termination of the tax break for private schools.

Public perceptions of the sector as a challenge continue to grow in significance. In 2023, just 27% of respondents selected this option, jumping to 33% in 2024, and 37% today. Despite these public perception challenges, organisations are now less challenged by communicating the cause in relevant ways, its ranking sliding from third in 2024 to sixth in 2025.

Small organisations are less likely to say they are challenged by retaining and recruiting talent (32%), in comparison to mid-sized (50%) and large organisations (55%).

Income Streams

Fundraising is a big part of nonprofit's total revenue, with 63% sharing that over 30% of their revenue comes from fundraising. Participants from the education and social care sectors are significantly more likely to

say they get less than 10% of their revenue through fundraising, at 44% and 41%, respectively. About a third (32%) of large organisations also say they get less than 10% of their revenue through fundraising.

% of organisational income coming from fundraising

Note: Data excludes those who do not know how much fundraising contributes to their total revenue

80-100% 30%
10-29% 19%
LESS THAN 10% 18%
30-59% 15%
60-79% 18%
63% OF PARTICIPANTS
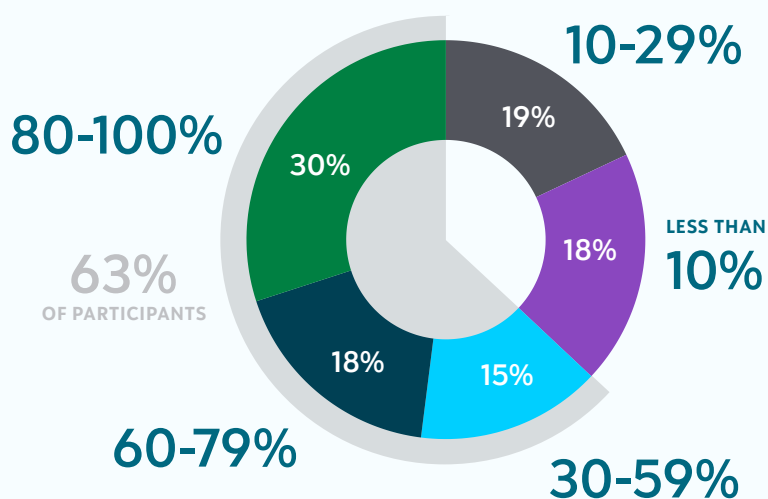
We asked respondents to estimate their revenue per income source and then rank these income streams in order of contribution. Government grants, foundations grants, and legacies are the highest source of income for the charitable sector in the UK. While 34% of organisations do not raise money through government grants, they are a critical income source for those who do, with 28% ranking it as the most important source of revenue for their nonprofit. Foundation grants are commonly utilised income stream—only 6% of participants share they don't raise money through this source—and 27% say it is their highest contributor of income.

Just 12% and 3%, respectively, share that they do not raise money through major donors and individual donations, making them important sources of income for charities. However, just one in every ten says that either major giving or individual giving are their highest source of income

Income stream ranking per contribution

■ % ranking this source as highest contributor of income

✕ % who do not raise money from this source

	% ranking as highest	% not raising
Government Grants	28%	34%
Foundation Grants	27%	6%
Legacies	23%	15%
Major Donors	12%	12%
Individual Giving	10%	3%
Events	6%	17%
Corporate Giving	5%	15%
Corporate Grants	4%	25%
Community Giving	3%	14%
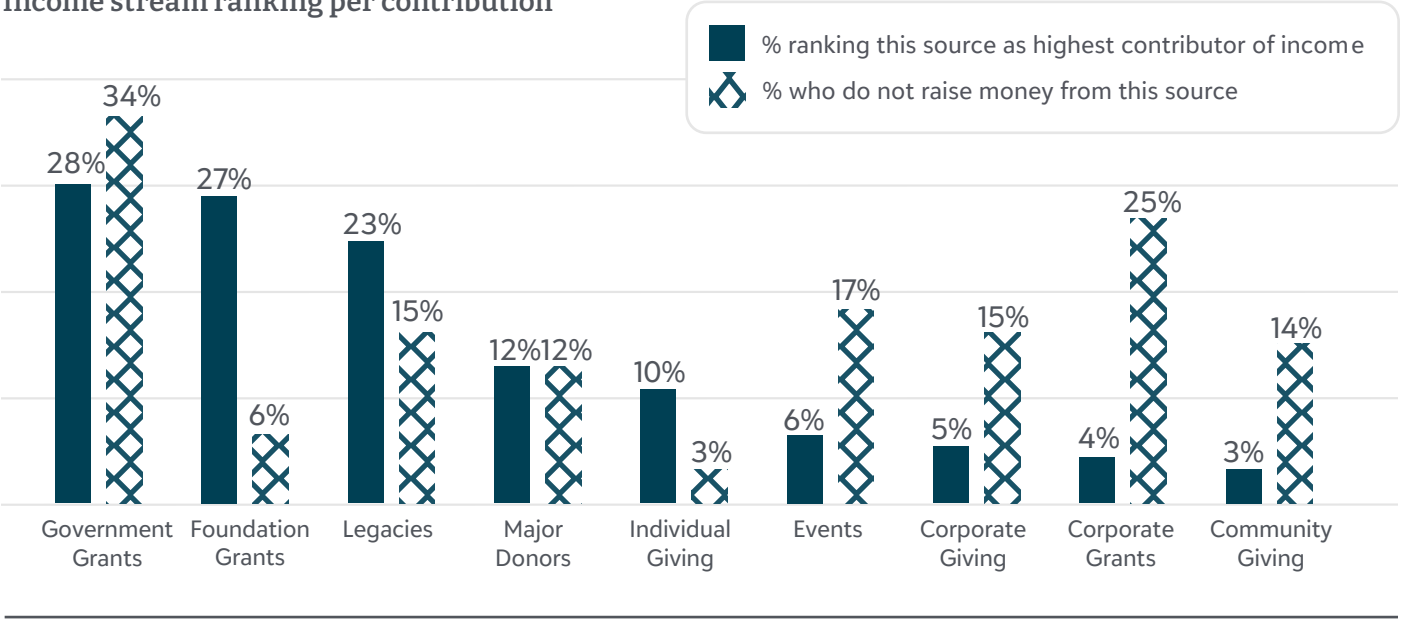
There are only minor differences in income streams between organisations who are growing and those who experienced income declined in the full financial year.

Individual giving is as important as legacies for those whose income has remained static, while both growing and declining organisations rank it lower.

Income stream ranking per recent financial performance

Legend:
- Income Growing
- Income Static
- Income Declining

	Income Declining	Income Static	Income Growing
Government Grants	28%	24%	26%
Foundation Grants	32%	25%	28%
Legacies	24%	19%	23%
Major Donors	13%	14%	13%
Individual Giving	7%	19%	7%
Events	5%	6%	7%
Corporate Giving	4%	3%	6%
Corporate Grants	5%	2%	4%
Community Giving	3%	3%	4%
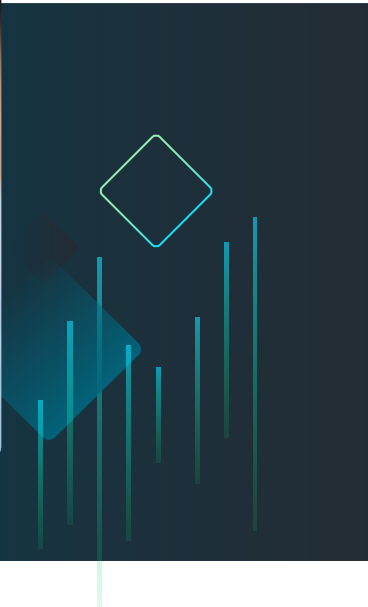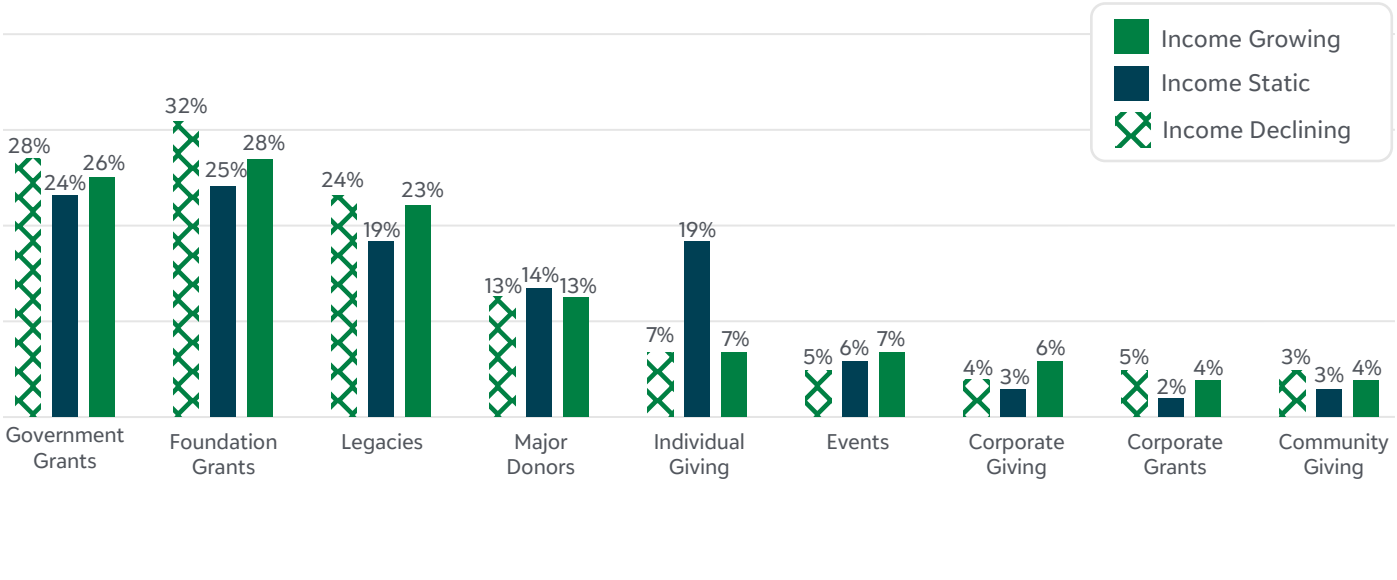
Recent Changes in Income Stream Contributions

Half of those whose income has remained static from last year say that individual giving (excluding major gifts) contributes more to their income now than it did three years ago. Those whose income grew over the last full financial year showcase a similar trend. In fact, most of these participants share that individual giving, major gifts, legacies, and foundation grants now contribute more than before. The only income stream that contributes less to the revenue of these growing organisations is government grants. Interestingly, those who have seen their income decline also say that government grants now contribute less to their income. The difference between these groups is the other four key income streams. Only a handful of those whose income declined share that foundation grants, legacies, major donors, and individual giving contribute more to their income than they did three years ago. In turn, around one third are saying they contribute less.

These findings suggest that heavy reliance on government grants and limited diversification of income streams can limit growth. The landscape is increasingly competitive as economic challenges affect organisations, and government grants are subject to political shifts and policy changes that can lead to changes in funding priorities and opportunities. There are vast benefits to income source diversification and tapping into the benefit of these other sources of revenue. For instance, the data suggests that individual giving is a noteworthy opportunity for organisations looking to stabilise or grow their revenue streams, and the same is true for major gifts. This highlights the potential for individual donations to serve as a reliable and steadily growing source of revenue, making them a key component of a balanced revenue strategy that aims to ensure long-term sustainability.

Those who report income growth say they rely less on government grants now than three years ago—but the other four key income streams contribute more to their income. In contrast, those in decline say government grants are contributing less, but without seeing other income streams grow in importance.

The data suggests that individual giving is a noteworthy opportunity for organisations looking to stabilise or grow their revenue streams, and the same is true for major gifts.

Changes in income stream contribution over the last three years

Legend (all charts):
- Government Grants
- Foundation Grants
- Legacies
- Major Donors
- Individual Giving

ORGANISATIONS WITH STATIC REVENUE

Contributes More:
- Government Grants: 18%
- Foundation Grants: 32%
- Legacies: 27%
- Major Donors: 38%
- Individual Giving: 50%

Contributes Less:
- Government Grants: 22%
- Foundation Grants: 17%
- Legacies: 22%
- Major Donors: 16%
- Individual Giving: 8%

ORGANISATIONS WITH GROWING REVENUE

Contributes More:
- Government Grants: 20%
- Foundation Grants: 44%
- Legacies: 54%
- Major Donors: 55%
- Individual Giving: 58%

Contributes Less:
- Government Grants: 39%
- Foundation Grants: 17%
- Legacies: 14%
- Major Donors: 19%
- Individual Giving: 14%

ORGANISATIONS WITH DECLINING REVENUE

Contributes More:
- Government Grants: 14%
- Foundation Grants: 21%
- Legacies: 33%
- Major Donors: 30%
- Individual Giving: 35%

Contributes Less:
- Government Grants: 49%
- Foundation Grants: 45%
- Legacies: 27%
- Major Donors: 33%
- Individual Giving: 28%

When exploring the outcomes per nonprofit size, small charities rely heavily on foundation grants (60%), while government grants rank first for mid-size and large organisations, at 31% and 30%, followed by legacies and foundation grants. In fact, these three sources of income are important to mid-size and large charities, with most participants ranking one of these sources as their primary income stream.

Income streams ranked by organisation size

|	All Organisations	Small (less than £1M)	Medium (£1M-£9.9M)	Large (£10M or more)
1	Government Grants (28%)	Foundation Grants (60%)	Government Grants (31%)	Government Grants (30%)
2	Foundation Grants (27%)	Government Grants (19%)	Legacies (24%)	Legacies (28%)
3	Legacies (23%)	Legacies (12%)	Foundation Grants (22%)	Foundation Grants (15%)
4	Major Donors (12%)	Major Donors (11%)	Major Donors (11%)	Major Donors (13%)
5	Individual Donations* (10%)	Events (10%)	Individual Donations* (9%)	Individual Donations* (11%)
6	Events (6%)	Individual Donations* (5%)	Corporate Grants (6%)	Corporate Giving (7%)
7	Corporate Giving (5%)	Corporate Grants (5%)	Events (6%)	Events (3%)
8	Corporate Grants (4%)	Corporate Giving (2%)	Corporate Giving (4%)	Corporate Grants (2%)
9	Community Giving (3%)	Community Giving (1%)	Community Giving (4%)	Community Giving (1%)

*Excluding major donors

> When exploring the outcomes per nonprofit size, small charities rely heavily on foundation grants (60%), while government grants rank first for mid-size and large organisations.

Digital Maturity and Performance

A digitally mature organisation is one in which technologies are integrated across all areas of the organisation, from fundraising and service delivery to supporter experience, internal processes, and more. Participants were asked to place their nonprofit on a digital maturity spectrum, ranging from 1 (lowest) to 10 (highest). The data reveals an average digital maturity score of 5.1. Only 9% of participants rate their organisation's digital maturity as 8 or higher, while 22% place their nonprofit between 1 and 3.

This trend is consistent with data from 2024, when the average digital maturity score was also 5.1. Before last year, the score was slightly higher with 5.4 in 2023 and 5.7 in 2022. One significant factor likely influencing these scores is the increasing presence and accessibility of AI tools, as already discussed in last year's report. AI innovations advance by the day, and this focus on new technological possibilities may be affecting how nonprofit organisations perceive and rate their digital maturity.

Digital Maturity Spectrum
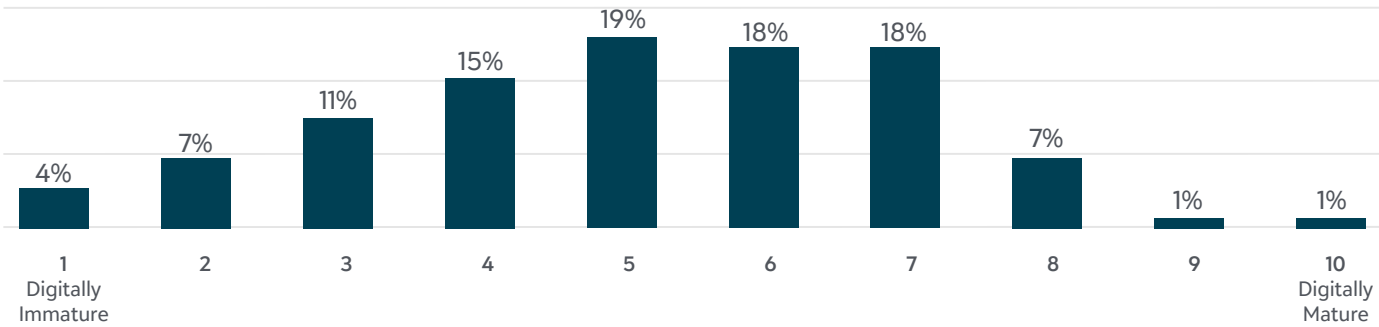
1 Digitally Immature	2	3	4	5	6	7	8	9	10 Digitally Mature
4%	7%	11%	15%	19%	18%	18%	7%	1%	1%

> *A digitally mature organisation is one in which technologies are integrated across all areas of the organisation, from fundraising and service delivery to supporter experience, internal processes, and more.*
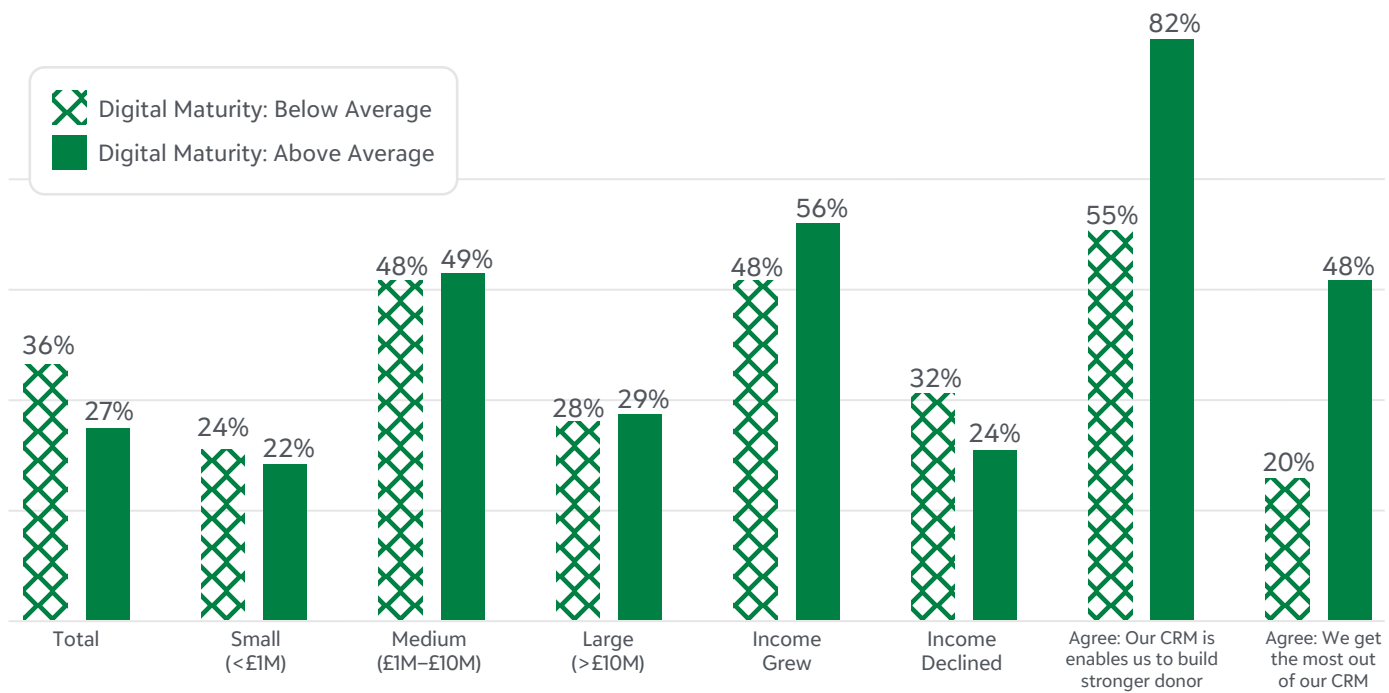
The data reveals that those with an above-average digital maturity score are more likely to agree that their donor management systems enables their organisation to build stronger relationships. These organisations are also significantly more likely to say they get the most out of their technology solution, at 48% in comparison to the 20% average.

Digitally mature organisations can be found in all size groups. In fact, the split between those digitally immature and digitally mature is relatively even in each size-based segment. These findings are encouraging—and different from last year when smaller organisations did not reach the same levels of digital maturity as in the research this year.

Albeit not significant, this year's research also continues to support a trend strong in 2024 as organisations with an above-average digital maturity score say they experienced income growth. In turn, fewer of these digitally mature organisations say their income declined. These findings continue to emphasise that organisations of all sizes can find success and capitalise opportunities for growth through building a culture around innovation and technological adoption that leaves room for testing and realising the benefits of their digital tools.

Factors impacting digital maturity

Legend:
- Digital Maturity: Below Average
- Digital Maturity: Above Average

Category	Below Average	Above Average
Total	36%	27%
Small (<£1M)	24%	22%
Medium (£1M–£10M)	48%	49%
Large (>£10M)	28%	29%
Income Grew	48%	56%
Income Declined	32%	24%
Agree: Our CRM is enables us to build stronger donor	55%	82%
Agree: We get the most out of our CRM	20%	48%

Part 2: Technology Adoption

The nonprofit sector is increasingly recognising the transformative potential of technology adoption, enhancing their capabilities to drive impact and streamline operations. In this section, we will analyse the intersections of digital maturity, adoption of innovative tools such as AI, and data health, identifying trends and challenges facing fundraisers today. Using a persona model, you can situate yourself and your organisation within this quickly changing landscape to make strategic decisions for your next tech investment.

Personas: Where Do You Fit In?

A statistical modelling technique was used to analyse individual responses to identify groups of similar participants and segments. With a strong research focus on digital maturity and the adoption of artificial intelligence, the model identified four segments that can be divided across these two main variables. These four personas are referred to throughout the rest of this report to see how their attitudes and behaviours compare in different areas compare in different areas.

OPTIMISTIC ADOPTERS
Digitally Mature AI Users

"AI is useful to our organisations, but we need to acknowledge the risks and limitations—sector-wise guidelines for this would be helpful"

- Use AI
- Digital maturity score: 7 or above

23%

OPEN-MINDED ATTEMPTERS
Digitally Average AI Users

"There is a lot of potential in AI, but also significant concerns that need to be addressed soon."

- Use AI
- Digital maturity score: 5 or 6

28%

TENTATIVE TESTERS
Digitally Limited AI Users

"AI has potential, but we do not have the resources to explore it, and we do not think it comes close to the human touch."

- Use AI
- Digital maturity score: 4 or below

26%

HESITATORS
Do Not Use AI

"We don't believe the benefits of AI— some are curious about using it, but most are worried about the risks and limitations."

- Don't Use AI
- Digital maturity score: Mixed

23%

Speed of Tech Adoption

When asked to describe their organisation's adoption of new technologies, 12% of participants share that the speed of adoption depends on the technology solution in question.

At 30%, most participants say their organisation uses new technology at the same time as other groups. Another 36% of participants say their organisation tends to use new technology after most other organisations have tried or adopted them, making them late adopters. A further 7% share that they rarely or never use new technology products or services. A slightly smaller group—24%—are early adopters. 21% of participants say they often introduce new technologies quicker than average, but just 3% consider their organisation as very early adopters, adopting new technologies or services before any other groups.

Technology adoption also correlates with digital maturity. Organisations with above-average digital maturity scores are much more likely to say they are early adopters (43%), and those with average digital maturity that they are average technology adopters (42%). In turn, those digitally immature are more likely to say they are late adopters of new innovations (46%)—likely limited by their digital capabilities.

How would you describe your organisation's adoption of new technologies?

My organisation tends to be a very early technology adopter, often using new technology products and services before other groups — 3%

EARLY ADOPTERS

My organisation tends to use new technology more quickly than average, but is not typically among the first to use new technology — 21%

My organisation uses new technology at roughly the same time as other groups — 30%

My organisation uses new technology products and services after most other organisations have tried them — 29%

LATE ADOPTERS

My organisation rarely or never uses new technology products and services — 7%

It depends on the technology — 12%

The speed of technology adoption differs per persona, with those not identifying as AI users having the most diverse speed of adoption.

Technology and Data Driving Opportunities

At 43%, most participants say their nonprofit's data health is good, while 16% rate it as very good. 19% believe their data health is average, and 20% consider it poor, with only 2% rating it as very poor. Data health also correlates with digital maturity; those scoring their digital maturity below average are more likely to say their data health is poor (35%). In turn, just 8% of those digitally mature consider their data health as poor, and 32% of these participants think theirs is very good. At 64%, education providers are also significantly more likely to say their data health is good.

OPTIMISTIC ADOPTERS
Digitally Mature AI Users

- Significantly more likely to say they are early adopters of new technology or services (53%)
- Just 13% are late adopters
- 0% say they never or rarely introduce new innovations

OPEN-MINDED ATTEMPTERS
Digitally Average AI Users

- Significantly more likely to be an average technology adopter when compared to their peers (45%)
- 17% are early adopters of new technology
- 5% rarely introduce new technology

TENTATIVE TESTERS
Digitally Limited AI Users

- At 10%, significantly less likely to be an early adopter
- Most are late adopters of new innovations, and much higher than average to say this (49%)
- 13% are very late adopters

HESITATORS
Do Not Use AI

- Most are late adopters of new technology (35%)
- 15% are early adopters, and 20% are average adopters
- Compared to other personas, most likely to say it depends on the technology (18%)

Number of participants sharing their data health is good, per persona

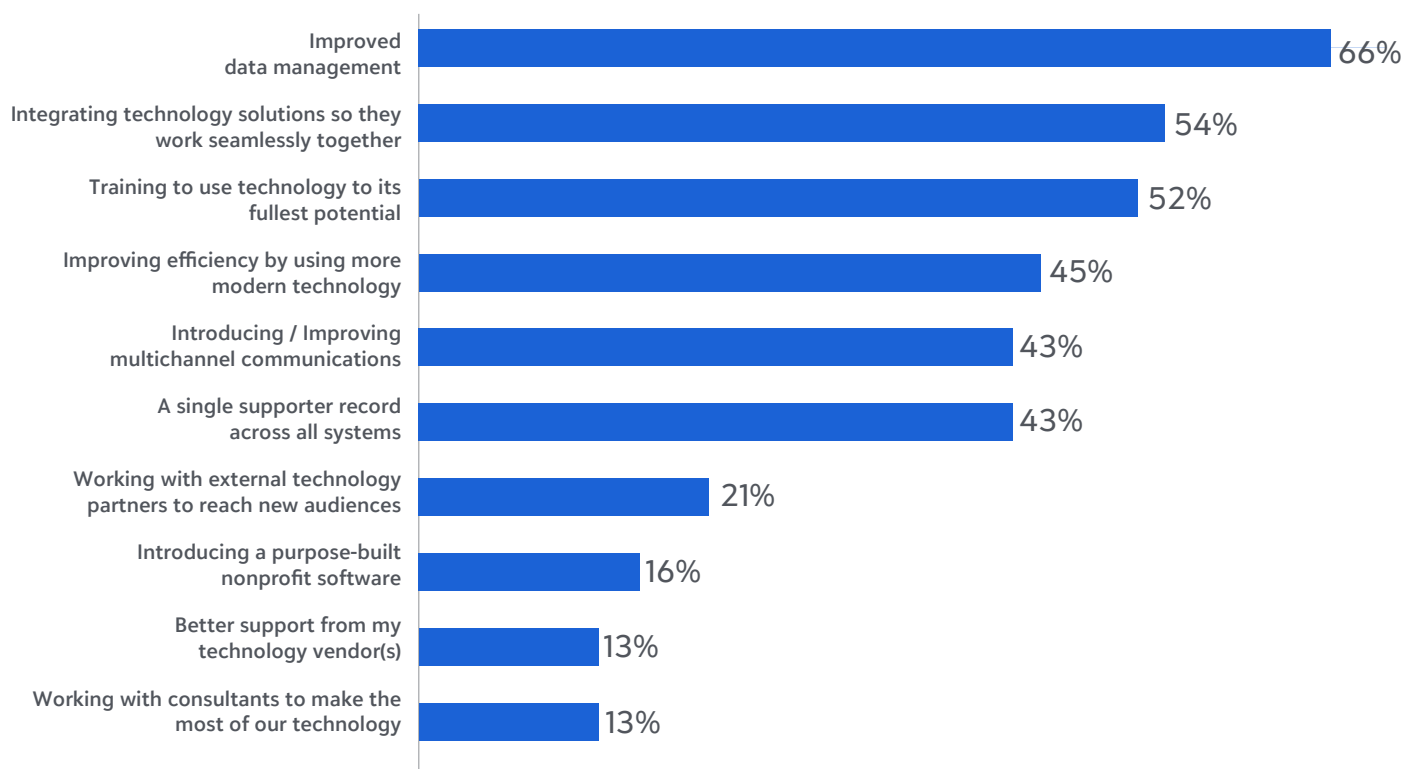| 75%	63%	37%	65%
OPTIMISTIC ADOPTERS	OPEN-MINDED ATTEMPTERS	TENTATIVE TESTERS	HESITATORS

In line with these findings, nonprofits understand the power of data. The research suggests that improved data management (66%) is the technology-related benefit that would bring the biggest value to nonprofit's current fundraising strategies and operations. This is followed by integrated technology solutions that work together seamlessly (54%) and training to use technology to its fullest potential (52%).

Those who use AI are more likely to say they would benefit from integrated technology systems (54%). These AI users also find better support from their technology vendor(s) as a significantly more valuable opportunity (15%). In addition, digitally mature organisations are less likely to find value in a single supporter record across all systems (32%), likely because these nonprofits already have a more robust system in place.

What would bring the biggest value to your organisation?

Category	Percentage
Improved data management	66%
Integrating technology solutions so they work seamlessly together	54%
Training to use technology to its fullest potential	52%
Improving efficiency by using more modern technology	45%
Introducing / Improving multichannel communications	43%
A single supporter record across all systems	43%
Working with external technology partners to reach new audiences	21%
Introducing a purpose-built nonprofit software	16%
Better support from my technology vendor(s)	13%
Working with consultants to make the most of our technology	13%

When compared to total, participants in healthcare are significantly more likely to say their organisation would find value in seamlessly integrated systems.

While data management was already the most important value opportunity in 2024 and the percentage increase has not been as great, integrated technology systems, technology training, and improved efficiency through more modern technology are all significantly more important now than last year. In turn, working with technology partners to reach new audiences, and working with consultants to make the most out of their technology rank much lower than in 2024.

What would the biggest value to your organisation?	2024	2025
Improved data management	60%	66%
Integrated technology	42%	54%
Technology training	43%	52%
Improving efficiency through more modern tech	34%	45%
Improving multichannel communications	43%	43%
A single supporter record across all systems	37%	43%
Working with partners to reach new audiences	52%	21%
Introducing a purpose-built nonprofit software	13%	16%
Better support from technology vendor(s)	8%	13%
Working with consultants to make the most of tech	22%	13%

Fundraising Challenges and Opportunities Per Persona

The current economic situation is the main fundraising challenge for each persona, followed by concerns related to rising costs, driven, for example, by higher energy bills, increases to NICs, and private school tax breaks coming to an end. Open-Minded Attempters and Tentative Testers are more challenged by retaining and recruiting fundraising talent.

Tentative Testers—being more digitally immature—also rank keeping up the pace of technology change and having the right tools and systems for fundraising higher than average Optimistic Adopters and Hesitators, on the other hand, rank public perceptions of the sector higher than the other two personas.

Each persona, however, also identifies opportunities for technology to accelerate their fundraising:

OPTIMISTIC ADOPTERS
Digitally Mature AI Users

- Improved data management is the top opportunity (65%)
- Despite being more digitally mature, they would find value in improved efficiency through more modern technology (49%)
- Less likely than other personas to say they would benefit from technology training (46%)

OPEN-MINDED ATTEMPTERS
Digitally Average AI Users

- The only group to rank integrated technology solutions as the biggest opportunity (64%), followed by improved data management and tech training
- A single supporter record across all systems is a valuable opportunity for this persona

TENTATIVE TESTERS
Digitally Limited AI Users

- This group ranks improved data management the highest of all personas (72%), followed by technology training (56%) and a single supporter record across all systems (51%)
- Improving efficiency with modern technology (47%) and introducing multichannel communications (46%) are also valuable opportunities

HESITATORS
Do Not Use AI

- Improved data management is seen as the top opportunity (67%)
- Less likely to say they would benefit from integrated technology solutions (44%) when compared to the other personas
- Technology training, more modern technology, and improved multichannel communications are also seen as valuable opportunities

Part 3: AI Deep Dive

Artificial intelligence is a broad label for tech processes where machines use data to automate, recommend, predict, generate content, and more. Despite its broad focus, 68% of participants say they could explain AI in simple terms.

Natural language processing (NLP), generative AI, and predictive AI are the types most used in the nonprofit sector:

- **Natural language processing (NLP):** A type of AI that enables computers to understand spoken and written human language. NLP enables features like text and speech recognition on devices. Examples include smart assistants, chatbots, and search engine results.

- **Predictive AI:** A type of AI that leverages predictive analytics to forecast what will happen in a specific time limit based on historical data and patterns. Examples include forecasting demand and predicting donor behaviours.

- **Generative AI:** A type of technology that uses AI to create content, including text, video, code, and images. A generative AI system is trained using large amounts of data, so that it can find patterns for generating new content. Examples include communication and content creation tools for copy, image, and video.

> *"I think we need to adopt and use AI, and I am keen to use it but so far have not had any training or guidance on what we should be doing with AI in our organisation."*

–Healthcare Organisation, Digital Maturity Score: 7

At 21%, healthcare organisations are using predictive AI significantly more than total.

AI Usage

AI usage has increased significantly from 2024—with just 23% of participants sharing they are not using AI in 2025, in comparison to 43% last year. At 79%, the vast majority are using free-to-access AI systems. 26% use paid standalone solutions, and 18% utilise AI features in their CRM or donor database. Just 3% share their organisation has developed their own in-house AI tools.

Participants who are currently using AI

57%	77%
2024	2025

> *"Our organisation is extremely cautious. We don't currently have the expertise to use it well enough to make time savings but see its huge potential to add capacity."*

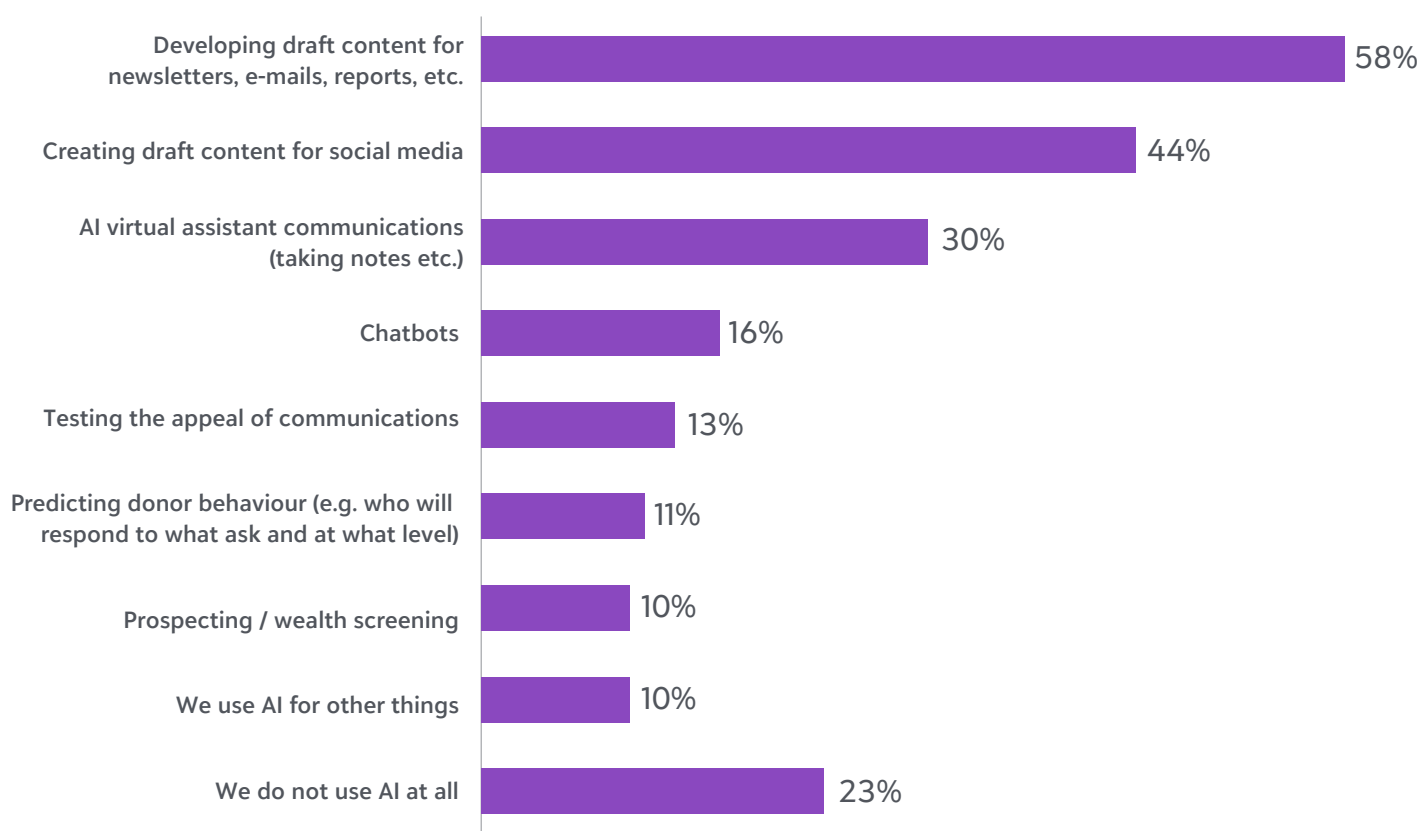**–Organisation Working with Children and Young People, Digital Maturity Score: 6**

> *"We have found our AI usage to be invaluable in improving the efficiency and quality of our fundraising activities, content production, data analysis and sector insights. We are comfortable using AI at the level we currently utilise it, whereby we maintain human oversight of all AI outputs, but would be uncomfortable 'outsourcing' activities to an AI system entirely, due to the known concerns of inaccuracy, bias, data security, etc. We are aware that a purpose-built AI system of our own would, no doubt, be a valuable resource but we do not currently have the funds or expertise to achieve this."*

–Citizens Advice Organisation, Digital Maturity Score: 7

Those who use AI are using it for an average of two functions in their workflows. Generative AI is the most utilised with 58% using it to draft content for communications such as newsletters, eblasts, and annual reports. 44% use a generative AI tool to draft content for social media. These use cases are followed by virtual assistants, inclusive of note-taking software, that are used by 30% of respondents. Using AI to test the appeal of communications and predict donor behaviour, or for prospecting and wealth screening, is still more limited. For example, only 11% of organisations share they use the technology to predict donor behaviour.

In which of the following ways is your organisation using AI?

Category	Percentage
Developing draft content for newsletters, e-mails, reports, etc.	58%
Creating draft content for social media	44%
AI virtual assistant communications (taking notes etc.)	30%
Chatbots	16%
Testing the appeal of communications	13%
Predicting donor behaviour (e.g. who will respond to what ask and at what level)	11%
Prospecting / wealth screening	10%
We use AI for other things	10%
We do not use AI at all	23%

A vast majority of organisations are using AI tools at a higher rate than the year before. This is most evident with organisations using AI to develop draft content for newsletters, emails, reports, or more— 85% of individuals using this type of AI say they are using it more now than in 2024. Similarly, nonprofits are using AI more today to test the appeal of their communications, and virtual assistants are also increasingly used in the sector. To a slightly lesser, but still significant degree, organisations are leveraging AI for prospecting and wealth screening and predicting donor behaviour more now than in 2024.

Changes in AI usage

Legend:
- More than a year ago
- No change compared to last year
- Less than a year ago

Developing draft content for newsletters, e-mails, reports, etc.
- More than a year ago: 85%
- No change compared to last year: 10%
- Less than a year ago: 5%

AI virtual assistant communications (taking notes etc.)
- More than a year ago: 82%
- No change compared to last year: 13%
- Less than a year ago: 5%

Testing the appeal of communications
- More than a year ago: 84%
- No change compared to last year: 10%
- Less than a year ago: 6%

Creating draft content for social media
- More than a year ago: 77%
- No change compared to last year: 13%
- Less than a year ago: 10%

Prospecting / Wealth screening
- More than a year ago: 74%
- No change compared to last year: 24%
- Less than a year ago: 3%

Chatbots
- More than a year ago: 76%
- No change compared to last year: 19%
- Less than a year ago: 5%

Predicting donor behaviour *(e.g. who will respond to what ask and at what level)*
- More than a year ago: 72%
- No change compared to last year: 21%
- Less than a year ago: 7%

Optimistic Adopters use AI more and for a wider range of tasks—they are more likely to be using predictive AI than the other personas.

Sector Attitudes Towards AI

Most participating nonprofit professionals feel that AI will impact the sector positively, at 77%. Within this group, most agree that the impact will be slightly or moderately positive, with only 7% feeling extremely positively about the impact AI will have. 15% say the impact will be negative, but again, very few choose the extreme (3%), with most feeling slightly negatively. The last 15% do not feel strongly either way, feeling that the impact will be neither positive nor negative. Unsurprisingly, those using AI are much more positive about the impact AI will have on the ways of working in the sector (77%) than those who do not identify as AI users (49%). In turn, 29% of non-users feel the impact will be negative, in comparison to 11% of AI users.

There have been significant changes in sentiment towards AI over the past year, with 51% feeling positively, 22% negatively, and 27% choosing neither in 2024.

> *"I feel positive about it; I think it can make us work more effectively and efficiently. However, it can feel quite inaccessible, and I would like to feel more comfortable in my understanding and use of it. I also have some concerns around data security."*

–Healthcare Organisation, Digital Maturity Score: 5

The Future of AI in Fundraising

66% of participating nonprofit professionals agree that AI will help them become a more efficient organisation—up significantly from 45% last year. Over half also believe AI will change how donors and supporters interact with their organisation and find its way into every aspect of the nonprofit. Nearly one third of participants believe they have the resources to explore AI use in their organisation. While this is relatively low considering that 77% say they use AI, just 13% agreed with the statement in 2024. Similarly, organisations are increasingly seeing AI as a priority, with 21% agreeing with the statement in comparison to 8% last year, and significantly more nonprofits now have the technical expertise to use AI effectively. These findings suggest that participants are realising the efficiency benefits AI can bring to their organisation, and the potential is seen as a useful investment despite the current economic landscape.

> *"[AI is] an interesting prospect but I feel a lot more work and refinement is needed. It will not be able to replicate/replace parts of fundraising work, particularly major giving as this is driven by relationship development. I can certainly see use case for data interrogation, prospecting applications."*
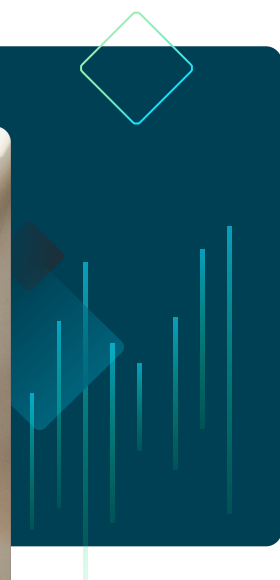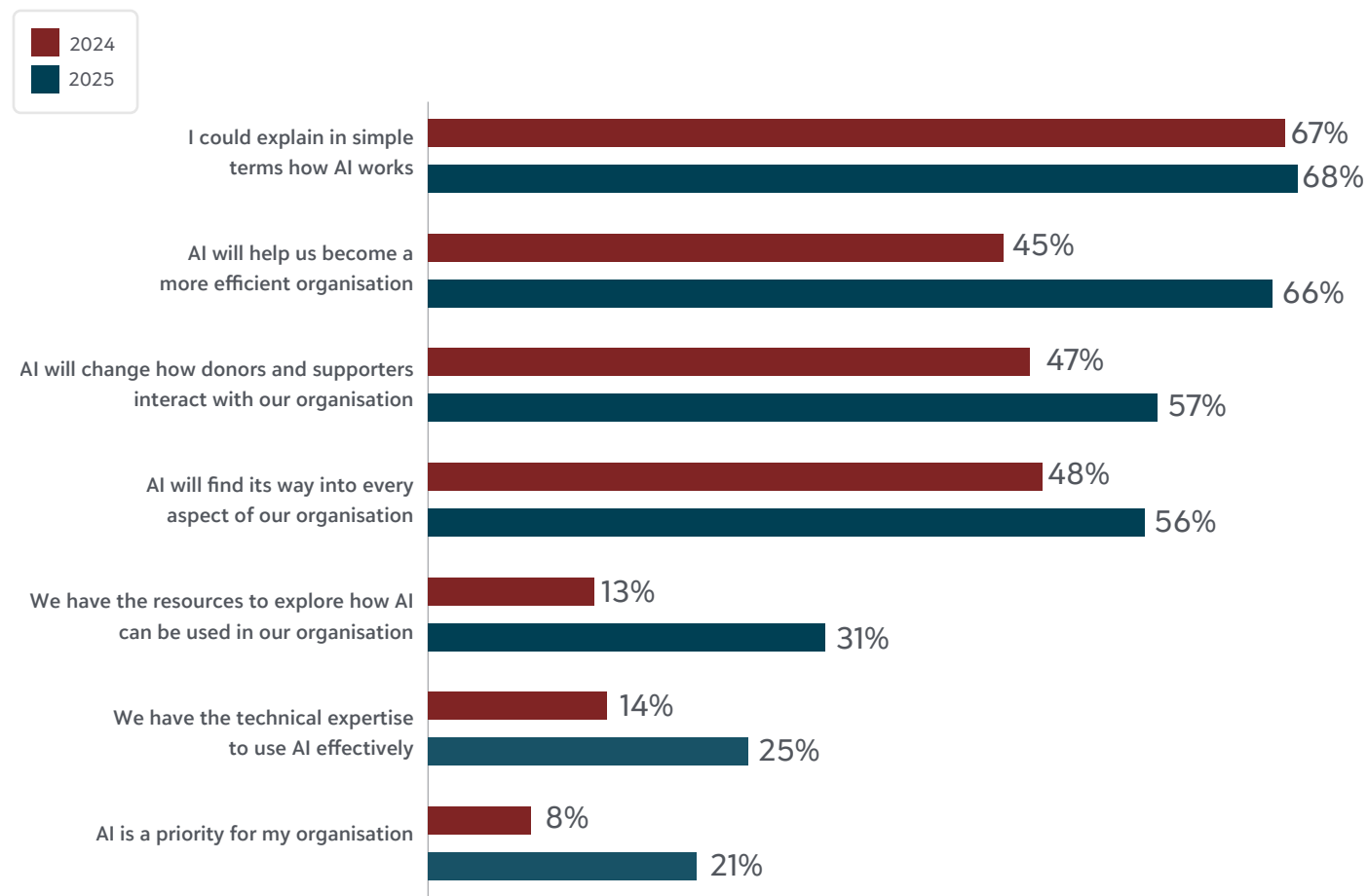
–Higher Education Organisation, Digital Maturity Score: 4

> *"I think there is great potential for AI within the sector. Our organisation is in the early stages of using AI, however it is on our roadmap for further exploration and development."*

–Organisation Working with Children and Young People, Digital Maturity Score: 8

Attitudes towards AI: To what extent do you agree or disagree with the following statements?

Legend: 2024 (dark red), 2025 (dark teal)

Statement	2024	2025
I could explain in simple terms how AI works	67%	68%
AI will help us become a more efficient organisation	45%	66%
AI will change how donors and supporters interact with our organisation	47%	57%
AI will find its way into every aspect of our organisation	48%	56%
We have the resources to explore how AI can be used in our organisation	13%	31%
We have the technical expertise to use AI effectively	14%	25%
AI is a priority for my organisation	8%	21%

Attitudes towards AI vary across personas:

OPTIMISTIC ADOPTERS
Digitally Mature AI Users

They have a good understanding of AI, with 82% sharing they could explain it in simple terms. They believe AI will help them become more efficient and are the group most likely to agree that the technology will find its way into every aspect of their organisation. They understand AI applications in the sector but are also significantly more likely to say they understand its limitations. 45% and 41% of participants in this group say they have adequate resources and technical expertise, respectively, to use AI in their organisation. Despite this, just one third agree that it is a priority.

OPEN-MINDED ATTEMPTERS
Digitally Average AI Users

71% agree that AI will help them become more efficient, and 63% believe it will change how donors interact with their organisation. This group also understand the applications of AI in the sector, at 67%, but just half of respondents say they are aware of the limitations of AI. Despite these perceived benefits, only 23% say AI is a priority for their organisation. This is likely driven by the limited resources and technical expertise these nonprofits have to explore AI effectively, with just one fourth having the adequate resources.

TENTATIVE TESTERS
Digitally Limited AI Users

In line with being more digitally immature, only 15% of this group says they have the technical expertise to use AI effectively. Despite these limitations, 72% agree AI will help them become more efficient, and 64% believe it will have a strong impact on donor interactions. They do not have as great understanding of the applications (59%) and limitations (39%) of AI, and lacking resources is a challenge, at 21%. As a result, just 11% say AI is a priority for their organisation.

HESITATORS
Do Not Use AI

Their attitudes towards AI are more negative in comparison to the others, and just 43% agree AI will help them become more efficient organisation. In fact, they rank significantly lower than total in each statement, with biggest differences being their understanding of AI applications (45%) and limitations (34%) in the sector. They are also less likely to say AI will change donor interactions, at 43%. Just 4% say it is a priority, and most agree they do not have the resources (12%) or technical expertise (9%) to explore AI use, likely impacting their current use of AI.

AI Concerns

When it comes to concerns related to AI and its usage in the sector, inaccurate output worries participants the most (75%), followed by concerns related to misinformation (73%) and data security (69%). Like last year, only a handful of participants say they do not have any concerns about AI use in the sector: 4% said this last year, and just 2% today

> *"I think AI can be a really useful time-saving tool in creating appeals, where often you have to repeat your case for support across multiple channels. I worry about AI's tendency to fill in blanks it doesn't know, and I worry that in the long run AI will make some roles in fundraising redundant."*
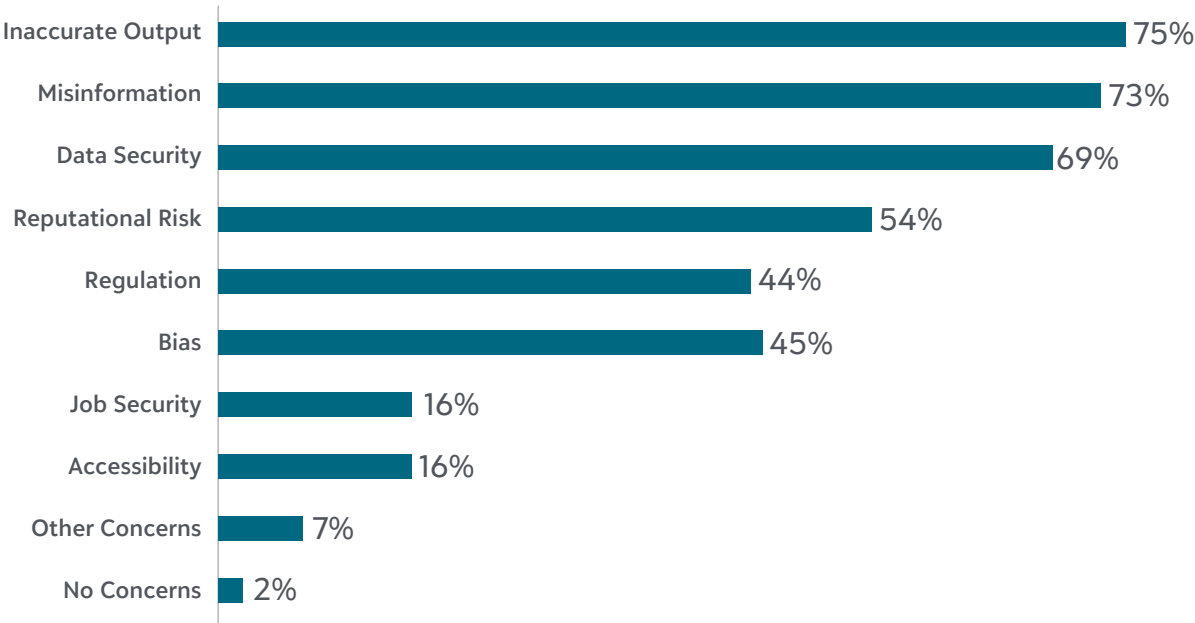
–Social Care Organisation, Digital Maturity Score: 8

Main Concerns

Main concerns are common to each persona, but when compared to other the other segments, **Tentative Testers** are more worried about misinformation and **Hesitators** about job security.

When it comes to AI in your organisation, which of these are you concerned about?

Concern	Percentage
Inaccurate Output	75%
Misinformation	73%
Data Security	69%
Reputational Risk	54%
Regulation	44%
Bias	45%
Job Security	16%
Accessibility	16%
Other Concerns	7%
No Concerns	2%

AI Policies

AI policy development is more common this year; 32% of participants share their organisation is working on an AI policy and 16% already have one. In 2024, just 6% had a policy in place, with 17% working on one. As such, policy development has doubled from last year. This is essential when a mere 2% of participants say they do not have any AI-related concerns. Considering the heightened adoption of the innovation, it is encouraging that nonprofits are simultaneously working on their AI policy. On top of identifying and pre-empting risks, AI policies set clear standards for the technology. Nonprofits track vast amounts of sensitive data making it essential to create a standardised approach for AI best practices, like what tools or inputs can be used.

Smaller organisations are significantly more likely to say they do not yet have an AI policy in place, at 70%. These findings suggest that larger organisations have more resources to dedicate to policy advancement. There are also differences depending on whether the organisation experienced income growth in the last full financial year. Those who shared their income increased are significantly less likely to say they do not have a policy. Additionally, nonprofits with an above average digital maturity score are less likely to say they do not have an AI policy, at 36%. This is also evident when exploring AI policies per the different personas; Optimistic Adopters are more likely to say they have a policy in place, at 23%, or are working on one, at 43%. In turn, significantly fewer participants from this group say their organisation does not have an AI policy. Open-Minded Attempters and Tentative Testers are similar to each other, with half of participants saying they do not have a policy, one third are working on one, and every one in six already have a policy in place. 75% of Hesitators, on the other hand, say they do not have an AI policy in place, and only a few are working on one—this group does not use AI, and likely do not see the policy creation as relevant as the other personas.

> *"It could be very helpful, but the ethical implications are huge, we need to take the time to work through a thorough policy before implementing across the organisation."*
>
> **–Animal Welfare Organisation, Digital Maturity Score: 7**

Does your organisation have an AI policy in place? (2024)

77% NO **17%** WORKING ON ONE **6%** YES

Does your organisation have an AI policy in place? (2025)

52% NO **32%** WORKING ON ONE **16%** YES
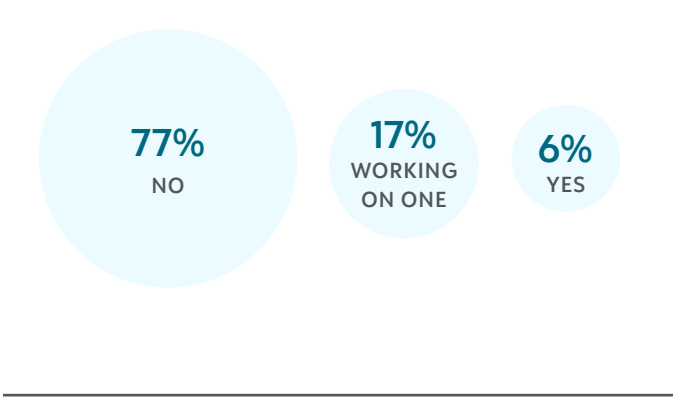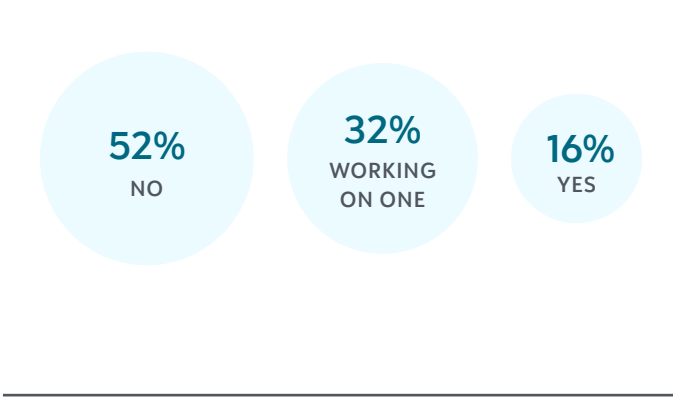
Part 4: Fundraising Software Use in the Sector

As the digital landscape continues to evolve, donor management software and customer relationship management (CRM) systems—often referred to as constituent relationship management system in the nonprofit space—have become a cornerstone for nonprofits striving to enhance their donor and prospect engagement, operational efficiency, fundraising campaigns, and more. This section delves into fundraising technology use among participating nonprofit professionals, shedding light on how organisations are currently leveraging their systems.

How Is the Sector Using Donor Management Systems?

The vast majority of participants share that their organisation uses a donor management system. At 57%, most are satisfied with their current CRM or donor management system, with a further 18% feeling neutral. These findings reflect the satisfaction of participants using fundraising systems from a variety of software vendors.

While many use a single CRM or donor management solution, it is not uncommon for organisations—especially large ones—to use multiple systems in conjunction. Respondents share various reasons for using multiple solutions. For example, some organisations prefer or require separate tools for specific needs or tasks; have cultural silos and different department preferences; or have budget considerations when building their technology ecosystems.

The vast majority of participants share that their organisation uses a donor management system.

A Snapshot of reasons shared for multiple CRMs or donor management systems:

"Different divisions who are unable to commit the time to learn a new system and transfer data."

"Different services have different CRMs."

"Two different purposes—one is not purely for donations."
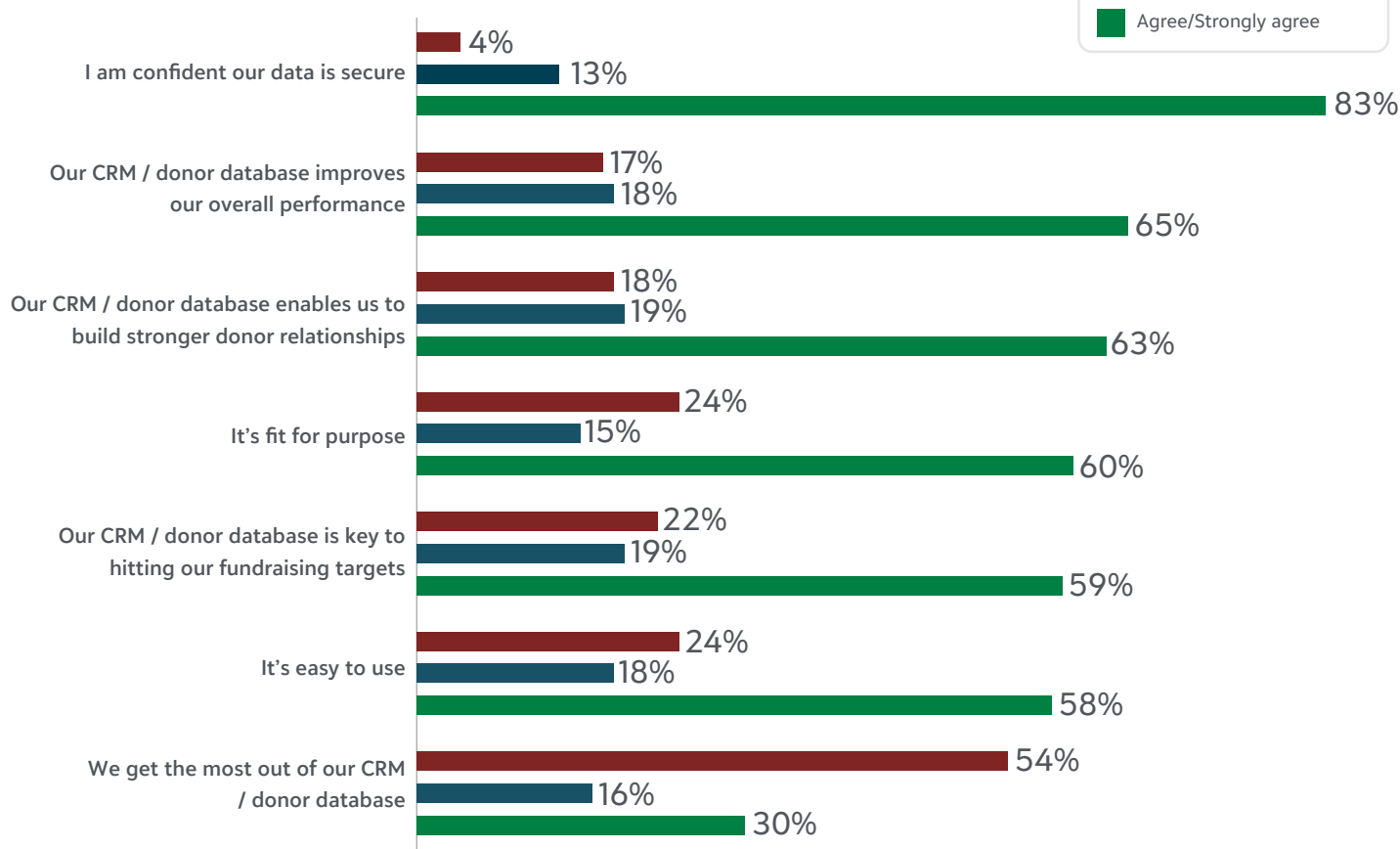
Attitudes to Donor Management Systems

In general, the charitable sector in the UK agrees that technology comes with vast benefits, like improving performance, creating opportunities for their organisation, and helping them hit their fundraising targets. At 83%, participants have a high confidence in data security regardless of the system they use—only 4% somewhat or strongly disagree with the statement. Most also see their CRM or donor management system as key to improving overall performance (65%) and building stronger donor relationships (63%), and these systems are seen fit for purpose (60%). Despite these perceived benefits, just over half of respondents say they do not get the most out of their CRM or donor

management system. In fact, just 30% agree with the statement. These findings are in line with many participants sharing that a better understanding of their CRM and its capabilities would be beneficial and drive their overall satisfaction.

Key things respondents share they find value from include vendor support, powerful fundraising functionality, user-friendly interface, reliability, customisation options, and understanding of the true capabilities of their technology through training. These insights underscore the opportunities of technology in the nonprofit sector in the UK, leveraging features to enhance operations and achieve missions more effectively.

To what extent do you agree or disagree with the following?

Responses are reflective of donor management software from a variety of vendors

Legend:
- Strongly disagree/Disagree
- Neither agree nor disagree
- Agree/Strongly agree

I am confident our data is secure
- Strongly disagree/Disagree: 4%
- Neither agree nor disagree: 13%
- Agree/Strongly agree: 83%

Our CRM / donor database improves our overall performance
- Strongly disagree/Disagree: 17%
- Neither agree nor disagree: 18%
- Agree/Strongly agree: 65%

Our CRM / donor database enables us to build stronger donor relationships
- Strongly disagree/Disagree: 18%
- Neither agree nor disagree: 19%
- Agree/Strongly agree: 63%

It's fit for purpose
- Strongly disagree/Disagree: 24%
- Neither agree nor disagree: 15%
- Agree/Strongly agree: 60%

Our CRM / donor database is key to hitting our fundraising targets
- Strongly disagree/Disagree: 22%
- Neither agree nor disagree: 19%
- Agree/Strongly agree: 59%

It's easy to use
- Strongly disagree/Disagree: 24%
- Neither agree nor disagree: 18%
- Agree/Strongly agree: 58%

We get the most out of our CRM / donor database
- Strongly disagree/Disagree: 54%
- Neither agree nor disagree: 16%
- Agree/Strongly agree: 30%

Blackbaud users are more likely to agree that their solution improves performance, enables them to build stronger donor relationships, and is key for the nonprofit to hit their fundraising targets.

Part 6: Conclusions and Recommendations

These findings reflect an agile, adaptable, and effective fundraising sector in the UK—though most report concerns about the economy, organisations are also achieving their goals, adopting new tools, and approaching innovation thoughtfully. The current economic landscape continues to impact many organisations within the UK charitable sector. Despite these challenges, most achieved their fundraising targets and either maintained or grew their voluntary income. Moreover, there is immense potential in digital transformation. Those who leverage technology effectively are not only meeting evolving donor and prospect expectations but are also paving the way for future advancements in giving. The increasing importance of AI, despite prevalent concerns and the need for clearer policies and communication, signals a transformative shift that organisations must now embrace to thrive. To navigate these changes and capitalise on emerging opportunities, a strategic approach to digital integration and AI utilisation is imperative.

> *Those who leverage technology effectively are not only meeting evolving donor and prospect expectations but are also paving the way for future advancements in giving.*

Drive Growth Through Enhanced Relationships

Exceptional gifts are a significant driver of growth—48% of those whose income increased rank major gifts as the key reason behind their recent growth, and 36% said the same about existing donors giving more. Those who saw their income decline cited lower giving values (43%) and donor numbers (31%) as some of the key reasons, on top of the current economic landscape. Nearly all participants raise money through these sources, and the findings highlight the importance of utilising these opportunities further to diversify income sources and build a reliable giving base. After all, those reporting a stable or growing income now emphasise these income sources more than they did previously, with lesser focus on government grants. The impact of successful major donor and individual donor cultivation and relationship building can be significant, as nonprofits increasingly compete for gifts.

These contributions require an intentional strategy, focused on identifying prospects, building a relationship, understanding the impact of their support, and turning one-off donations into retained support. This kind of relationship building must focus on nurturing relationships with supporters by understanding their interests and values, and tailoring communication and engagement activities to meet their expectations. The Blackbaud Institute's recent [Charitable Support Across Generations in the UK and Ireland](#) research is an excellent starting point for understanding donor behaviour and preferences today, and how different generations want to support causes that matter to them.

Diversify Your Income Stream Portfolio

Ensuring long-term financial sustainability in the face of ongoing uncertainty is essential. This research highlights the importance of diversifying revenue streams to avoid over-reliance on any single source of income. While 34% of organisations say they do not raise money through government grants, they are a crucial income source for those who do, with 28% ranking it as their most important source of income. Over-reliance on government grants can be detrimental during economic difficulties because funding may be reduced or redirected by the government in times of fiscal constraint, leaving organisations vulnerable. Diversifying revenue helps mitigate this risk by ensuring that there are multiple streams to sustain the organisation even if one source faces cutbacks.

Exploring new fundraising avenues such as corporate partnerships, online crowdfunding, and recurring giving programmes can be a great start to building a culture of innovation and digital adoption while contributing positively to your income streams. Review your current income streams, research what your peers are doing, and analyse any untapped opportunities. Create a five-year plan but start small by introducing one or two new revenue streams—this alone can have a big impact. Tracking the return on investment is essential to identify if this income source is worth exploring further.

Harness the Power of AI But Manage Risks

AI is here to say, and our year-over-year findings reveal that AI usage has increased significantly from 2024 with 77% of participants currently using AI. While the usage has boomed as AI has become more accessible, most are focusing their efforts on generative AI, likely due to easier access, lower costs, and lesser complexity. Predictive AI is used less in the sector, but the technology can hold immense potential. Nonprofits often have an abundance of data that AI can help to maximise the impact of by anticipating needs, predicting behaviours, and improving efficiency. For most, the key to this impact lies in collaboration. Strategic partnerships with technology vendors can offer a compelling route for nonprofits to leverage predictive AI. As a starting point, talk to your technology vendors to understand what their plans are regarding AI-powered features within their technology.

Despite the increasing use of AI, sector-wide AI guidance and policies are still lacking. 98% of participants have concerns about AI use, and most use AI through free-to-access systems, but only 16% have an AI policy in place. Mitigating risks related to AI and ensuring ethical use of the technology is critical. Every organisation should, at the very least, have a technology strategy that includes references to safe and responsible use of AI—detailing tools or prompts that can be used within your organisation.

The research also highlights the need for sector-wide discussions and guidance around AI use in the nonprofit sector in the UK. Many fail to understand how the innovation can be used safely, and in a way that helps the organisation experience efficiencies and return on investment. While there is much to be done as a sector regarding communication and guidelines, thoughtful and intentional conversations within your organisation are essential before further AI use to understand where the risks are and how these risks fit within the risk tolerance of your organisation.

Build on Your Tech Capabilities

Despite year-over-year increases, just 30% of participants say they get the most out of their donor management system. This underutilisation is significant, and 14% of participants who experienced income decline attribute it to insufficiently using their technology. In addition, technological understanding, skills, training, and vendor support were commonly cited as key factors influencing participants satisfaction regarding their donor database system.

Enhancing your capabilities through training, workshops, or courses presents a valuable opportunity to fully utilise your technology and build on your digital maturity. Adequate resourcing and training also ensure your staff are better prepared to harness innovations, such as AI, in an ethical and responsible manner. A comprehensive understanding of opportunities, best practices, risks, and limitations will empower your team to effectively and securely integrate AI into their operations.

How is Blackbaud approaching the use of AI in the human work of fundraising?

We believe the social impact sector can go further, faster, as we harness the rapidly-expanding potential of artificial intelligence—together, responsibly. Learn more about our Intelligence for Good® approach here.

About Blackbaud

Blackbaud unleashes the potential of the people and organisations who change the world. As the leading software provider exclusively dedicated to powering social impact, Blackbaud expands what is possible across the nonprofit and education sectors, at companies committed to social responsibility, and for individual change makers. Built specifically for fundraising, nonprofit financial management, digital giving, grantmaking, corporate social responsibility and education management, Blackbaud's essential software accelerates impact through unmatched expertise and powerful data intelligence. Millions of people across more than 100 countries connect, give, learn, and engage through Blackbaud platforms.

About Blackbaud Institute

The Blackbaud Institute develops leading-edge research and convenes expert voices to equip the social impact community knowledge, insight, and confidence. The Blackbaud Institute draws from Blackbaud's data set, the most comprehensive in the social impact community. In addition, the Institute facilitates public research studies to drive original qualitative and quantitative insight. Our research agenda is grounded in a commitment to topics that social impact organisations can apply immediately to better understand, benchmark, and improve their essential business operations. We are guided by our commitment to the social impact sector to provide timely, transparent, and well-rounded research that is free to access. From how organisations run to how donors give, we're 100% focused on research and resources for this sector.