

PRESS RELEASE

Despite Global Economic Uncertainty, Nonprofits Are Optimistic Heading into 2012

New report finds that majority of organizations around the world anticipate increases in charitable income, demand for services and expenditures

Charleston, S.C. (October 19, 2011) – Blackbaud, Inc. (Nasdaq: BLKB) today announced the release of the 2011 Global State of the Nonprofit Industry report, featuring survey results from 2200 international respondents covering nonprofit general operations, fundraising, technology and Internet usage, and impact reporting and board performance. The results were also released today at the International Fundraising Congress (IFC) in the Netherlands.

- **To download the complete report, visit:**
www.blackbaud.co.uk/company/resources/research/bbe_research.aspx

Key findings include:

- **There is a growing sense of optimism in the global nonprofit sector** regarding growth in staffing and earned and charitable income in 2012. Organizations also anticipate an increased demand for services and increased expenditures.

“There is a very real sense of optimism growing in the sector,” said Andrew Watt, president and CEO, Association of Fundraising Professionals (AFP), who provided commentary in the report. “Rising giving levels are what is driving the sense of optimism and, in turn, anticipated growth in staffing. Part of that optimism is the nature of our missions—nonprofits work to create change and inspire the public. We tend to be optimists, but with a healthy dose of realism.”

- **Most organizations continue to leverage traditional channels**, even while they are increasingly using new interactive channels. More than half of the organizations surveyed raise funds online and in most countries have shown growth in percentage raised online from 2010 to 2011. While most respondents use social media tools, they are directing their efforts towards potential donors, not communications with other constituent groups.

“Direct mail fundraising is at the core of most nonprofits,” said Holly Ross, executive director of the Nonprofit Technology Network (NTEN), who provided commentary in the report. “Entire institutions, processes and support systems have been built to support the direct mail empire in our sector. It’s baked into our DNA, and changing that is tough.”

“Direct mail has been around for a century now. By comparison, this online stuff is still really new. Nonprofits are still experimenting, finding what does work, and our donors are still getting used to the idea of giving online. So at the end of the day, nonprofits aren’t replicating the success of offline fundraising, but they are defining success in a new venue.”

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- **Nonprofit organizations throughout the world feel that managing relationships with supporters, new donor recruitment, and impact reporting are critical;** however, they do not feel they are doing a great job with these practices.

“The single biggest challenge with supporter management is campaign integration,” said Adrian Sargeant, fundraising professor and consultant, who provided commentary in the report. “Nonprofits need to do more to integrate the online with their offline and their fundraising with their advocacy and campaigning. Donors want one coherent relationship with the organizations they support, not multiple relationships with half a dozen different teams.”

Regarding donor recruitment, Sargeant said that smarter acquisition is the key. “We should move away from short term measures of acquisition performance such as the cost per donor, response rate, average donation, etc. and focus on spending a little more to recruit in donors that will have a higher lifetime value.”

Lastly, when it comes to impact reporting, he advises nonprofits to look to their peer organizations to create their own dashboards of relevant performance metrics to provide stakeholders with a rounded picture of organizational impact.

About the survey

The State of the Nonprofit Industry survey is disseminated via a unique collaborative worldwide network of nonprofit country institutes, associations and NGOs including: L'Association Française des Fundraisers, Centro Studi Philanthropy, Fundraising Institute of New Zealand, The Resource Alliance, and Deutscher Fundraising Verband. This year's SONI survey was fielded in June, 2011 and reports on data from 2200 respondents in the UK, France, Germany, Holland, Italy, USA, Canada, Australia and New Zealand. Conducted annually for seven of the past eight years, the SONI Survey uncovers the degree to which nonprofits anticipate changes in their organizations this year and next. The survey report provides an overview of information that can help nonprofits assess their operations and compare their performance with that of other nonprofit organizations while offering valuable commentary from experts in the field. To download the complete report, visit: http://www.blackbaud.co.uk/company/resources/research/bbe_research.aspx

About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations — including The American Red Cross, Cancer Research UK, Earthjustice, International Fund for Animal Welfare, Lincoln Center, The Salvation Army, The Taft School, Tulsa Community Foundation, Ursinus College, the WGBH Educational Foundation, and Yale University — use one or more Blackbaud products and services for fundraising, constituent relationship management, financial

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management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud's sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom. For more information, visit www.blackbaud.com.

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Forward-looking Statements

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