

2021 COMMON REPORT



In 2021, Charities Review Council (the Council) continued working to transform philanthropy by building donor and nonprofit relationships for strong, vibrant, and just communities. We are creating a culture of philanthropy where donors, funders, and nonprofits are engaged partners, working together toward stronger communities in Minnesota and beyond.

Nonprofits continued to navigate the changing landscape caused by waves of COVID-19 throughout 2021. While support from funders increased in many cases, more than three quarters of nonprofit leaders reported that the COVID-19 pandemic has had negative impacts on their organizations’ programming, revenue, demand, and costs, according to the Center for Effective Philanthropy. To make matters worse, half of nonprofit leaders say demand for their programs and services increased while 55 percent lost revenue and 39 percent reporting increased costs.

In the face of related challenges such as staffing shortages, pandemic-related strain on mental health, and calls for racial equity, the Council is here to support nonprofits and to guide them to strengthen their internal controls, policies, and Diversity, Equity, and Inclusion practices. We have seen that organizations who achieve the Council’s Meets Standards® certification are better equipped for overcoming these challenges and are better positioned to achieve their mission.

Population served

The Council serves both donors and nonprofits. In 2021, we served more than 600 nonprofits via the Accountability Wizard® (our online capacity-building tool) and the Diversity, Equity & Inclusion Toolkit, providing more than 2,400 hours of customized technical assistance along the way. Additionally, we sent 7,168 constituents our printed semiannual Smart Giver Newsletter and responded to more than 1,050 donor support calls and emails, each with the potential to lead to more confident gifts to strong nonprofits. We also continued sharing online resources with both donors and nonprofits on our website and social media platforms, including Facebook, Twitter, Instagram, and LinkedIn.



2021 strategic priorities and goals

Guided by our 2018–2021 strategic plan (available at smartgivers.org/about/strategicframework), we provided tools and gathering spaces for donors, funders, and nonprofits to come together in authentic and meaningful partnership. Due to the pandemic, we were unable to conduct many of our usual in-person trainings and social events and had to convert many of our activities to virtual formats. Despite these challenges, in 2021, we achieved the following in our five priority areas.



1. Expand our reach with donors, funders, and nonprofits

Indicator	Progress	Key Activities
Increase the number of donors using our list of Meets Standards® nonprofits by 8%.	7,168 recipients of our Smart Giver Newsletter and 48,941 sessions on our website in 2021.	Through insightful content, engaged marketing, and cleaned mail and email lists, we increased our donor engagement numbers from 2020. That means more people are consulting our resources before making gifts so they can be informed and educated around their philanthropy.

Indicator	Progress	Key Activities
Increase the number of nonprofit organizations reviewed by the Accountability Wizard® in 2020 by at least 8%.	18 new organizations compared to 32 budgeted.	Through continued outreach and the resources on our website, we enrolled 18 nonprofits. Social distancing requirements have limited conferences, workshops and other networking events. Ensuring positive learning experiences for nonprofits completing the review process resulted in word-of-mouth referrals that kept us close to our 2020 goal in a year of significant changes.
Increase the number of Diversity, Equity and Inclusion Toolkit subscriptions by 12%.	41 subscriptions compared to 27 budgeted, an increase of 187% from 2019.	41 subscriptions compared to 27 budgeted, an increase of 187% from 2019. We began offering DEI Toolkit overview webinar sessions. These proved to be very popular and resulted in increasing the maximum number of attendees allowed and enabled a waitlist.

Additional results and key learnings

Accountability Wizard®

For many nonprofits, the challenges of 2020 only increased in 2021. In this trying time, nonprofits continued to see value in looking inward with the aid of the Accountability Wizard to ensure they were working from a strong foundation. In 2021, 58% of nonprofits in the Accountability Wizard® that Met Standards® indicated the review process helped position their organization to “better/more effectively work toward its mission”, a 5% increase over 2020’s results, and 90% indicated it made their organization “more accountable and transparent.” We attribute this success to the continued development of our online resources and the care and support we give nonprofits as they undertake the review.

Our Nonprofit Services team regularly adds resources for our nonprofit partners to access during the Accountability Wizard® review process, including helpful links, key definitions, focused explanations, and sample policies. With this information, more than 49% of organizations self-identified a need in 2021 for changes related to governance before receiving the Council’s review results. Further, 48% indicated the review process increased their knowledge around governance once they met the Standards, and 80% of organizations needed to make changes to meet governance Standards according to the Council’s review.

In 2021, we made enhancements to the Wizard that made it more user friendly, with Kaizen technology partners as our software developer partner.

Diversity, Equity & Inclusion Toolkit

Sparked by the murder of George Floyd in May 2020, many nonprofits are expanding and intensifying their diversity, equity, and inclusion work to better serve their communities. As they rise to the challenge of this important and difficult undertaking, the Council offers affordable tools to evaluate progress and identify opportunities for growth.

The Council’s Diversity, Equity & Inclusion Toolkit was developed in 2017 to provide an affordable, accessible, organizationally focused, action-oriented tool for nonprofits regardless of geographic location to assess, identify gaps and opportunities, and build their knowledge and strength around diversity, equity, and inclusion. In the subsequent years, the Council has expanded and refined these tools.

In 2021, we made important investments into the toolkit to ensure that it is as user friendly as possible and provides the greatest value to nonprofits. We also used results from a recent survey to improve the questionnaire portion of the toolkit.

In 2021, 41 organizations subscribed to the Council’s DEI toolkit, an increase of 78% from 2020. Our investment in the technology included revising the survey questions and responses to better reflect respondent need as well as other administrative functionality. As we have continued to be unable to meet in person, we have maintained our bi-weekly DEI Toolkit user group sessions to give subscribers access to both technical advice and subject matter expertise.

In addition to nonprofits, we have also received interest from other types of organizations who would like to use the Toolkit to enhance and guide their work and to address diversity, equity, and inclusion internally and in their communities. We continue to explore a social enterprise business plan that expands the Toolkit to serve civic, educational, and religious institutions.

The Council’s Anniversary Celebration: Celebrating 75 years of donor-nonprofit partnerships

In 2014 we launched the FORUM event series for nonprofits, donors, and funders to build relationships. This popular event covered meaningful and timely topics in philanthropy. For the past two years, our plans to hold Forum were put on hold due to the pandemic. Despite the uncertainty caused by waves of COVID, we are looking forward to coming together again in celebration of Charities Review Council’s 75th Anniversary on September 1, 2022, at the Nicollet Island Pavilion. During the event, we will look back at the long-standing history of our organization in Minnesota and beyond and look to the future of the Council and the changing state of philanthropy, all while providing a space for the nonprofits, donors, and funders whom we serve to connect and build the relationships that all communities need thrive.

In keeping with the Council’s commitment to transforming philanthropy, the Council’s model for event sponsorship will be based on categories of giving, such as entertainment, food, and speaker hosts, rather than amounts of money donated. We believe that a donor capable of giving \$100 is no less meaningful than one who can give \$1000 or more, and we will recognize all donors with the same gratitude. Sponsorship opportunities are available, so please get in touch if you are interested!



2. Inspire and support culturally responsive giving

Indicator	Progress	Key Activities
Reference culturally specific philanthropy in at least 30% of communications.	28% on Facebook, 21% on Twitter, 30% on LinkedIn, and 55% in our email newsletters.	Throughout the year, we provided information about culturally specific philanthropy and DEI across our communications. Due to staff transition, staff time was shifted away from social media. However, on our two key platforms — LinkedIn and our email newsletters — guidance around culturally specific philanthropy and DEI was prioritized in 2021.

Additional results and key learnings

New Ways of Connecting and Giving

Guided by our strategic plan and our commitment to diversity, equity, and inclusion, we continue to share information with donors about culturally specific philanthropy and diversity, equity & inclusion since information and resources on charitable giving is so often dominated by traditional models of philanthropy. We constantly strive to improve our services to be more inclusive of and accessible for nonprofits and donors of all backgrounds and experiences. We look forward to continuing these conversations and actions in 2022.

1 3. Be recognized as a leader in advancing philanthropy

Indicator	Progress	Key Activities
Increase the click rate on Council communications.	Our 2021 email newsletter click rate was 5.14%, which is over 2% higher than the non-profit industry average according to Mailchimp (2.79%).	By continuing to clean our email newsletter list and strengthening the messaging in our e-newsletters, we increased our click rate in 2021. Our open rate also rose (to 29%), reflecting greater engagement with our communications. Both outpace the nonprofit industry average for opens and clicks.
Increase social media engagement.	Instagram: Exceeded our goal of 1,050 followers (1,073 total as of December 31) LinkedIn: 2.77% click rate, an improvement from 2020 Twitter: Almost doubled our engagement rate from 2020 (up to 2.04% from 1.08% last year)	We continue to see great engagement on Twitter when we're connecting informed donors and strong nonprofits during times like the annual Give to the Max Day fundraiser. Our mission truly comes to life online during these events.
Develop trainings and workshops centered around nonprofit governance, transparency, and diversity, equity, and inclusion and present to nonprofits at least 15 times across the state of Minnesota and the surrounding region.	Due to the COVID-19 pandemic, in-person presentations and trainings were not possible. We continued to offer our DEI Toolkit webinars: an Overview session and a User Group. We hosted a total of 41 DEI Toolkit webinars in 2021: 18 Overview sessions and 23 User Groups. Participants ranged from subscribed users to nonprofit employees across the region and country.	We continue to make improvements on our Diversity, Equity & Inclusion Toolkit webinar series, including streamlining the registration process and presentation. We will continue to offer these webinars throughout 2022.

Additional results and key learnings

Greater Online Engagement

The Council's website and social media platforms continue to be a virtual space for our donor and nonprofit partners to engage and learn. We updated many of the existing resources on our website and blog while continuing to add new content.

Though staff capacity in 2021 did shift our attention away from social media, digital communication was still important for the Council this year, as the COVID-19 pandemic continued. Our high engagement and click rates across our key platforms like our e-newsletter and LinkedIn prove the importance and relevance of the content we've shared. We also found significant success on Mailchimp, for example, meeting or exceeding industry averages. We used this platform even more frequently during online giving campaigns, like SpringForwardMN and Give to the Max Day.



4. Align internal structures and resources to meet external demands

Indicator	Progress	Key Activities
Establish strategic planning process	Launched strategic planning process in Fall 2021.	Through an RFP process the Council selected Mission Momentum as our strategic planning consultant. Our timeline kicked off meetings at the end of 2021 with a goal of approving a new plan in June 2022.

Additional results and key learnings

Diversity, Equity, and Inclusion within the Council

Each of the last three years we have used our own DEI Toolkit to assess our own diversity, equity, and inclusion, and uncovered areas where we both made progress and lost ground. We have expanded our board education agenda to include regular DEI speakers once we complete our strategic planning. Selection of our strategic planning consultant included assessment of their commitment to and ability to imbed this work during the planning process. We have again imbedded insights into our annual plan, and they will inform our strategic planning in that kicked off 2022. We will continue to discuss and implement changes to the Council’s operations to address systemic racism and our role in dismantling it.

Financial Status

Since Shelter-in-Place orders began in March 2020, the Council has conducted all our work remotely. We let the lease on our office space expire in November 2020 and have since worked from home and from The Reserve, a co-working location. We have dedicated space (a 3-person suite) that allows us to save almost 40 percent on operating expenses. Additionally, we took advantage of federal funds and credits available to nonprofits during the pandemic, including PPP and EIDL loans and the Employee Retention Credit.

In 2021, the Council experienced increased costs that influenced our financial status at year’s end. We made significant improvements to our online tools including the DEI Toolkit and Accountability Wizard, and these increased costs are an investment in our organization’s future ability to provide these valuable tools. We are excited to see how these investments bear fruit in the coming years.



5. Develop an organizational business model framed for growth

Indicator	Progress	Key Activities
Increase the average Accountability Wizard® review fee for new organizations.	Average Accountability Wizard® fee for new organizations was \$207.7, down from \$278.99 in 2020.	To keep our resources accessible to nonprofits during the continued difficulties of 2021, we did not increase the average Accountability Wizard® fee for new organizations. The inability to network in person is the most significant impact to this data point. We continue to assess our business model for sustainability while maintaining accessibility.

Additional results and key learnings

Average Accountability Wizard® Fee

Though we did not raise the fee for new organizations, we did not lose much ground, and we plan to raise it once we deem it appropriate to do so.

Changes we will make based on 2021 results

The Council knows that Diversity, Equity, and Inclusion practices must be constantly revisited—the work is never over. Using data from this year, we are planning additional Diversity, Equity & Inclusion Toolkit enhancements that will better

address DEI within culturally specific organizations. We also plan to analyze the Accountability Standards for whether or not they perpetuate white supremacy culture, and how they can be made to be more equitable, diverse, and inclusive.

Although the Toolkit is designed for organizations to self-direct DEI work, many organizations report a need for more guided support, and we are continually exploring avenues to address this need. The Council is working to aggregate the data from Toolkit subscribers to help us ascertain what trends are being uncovered by the assessment tool. We will report on our findings and use them to inform our future improvements to the Toolkit and the additional learning modules. Subscribers will be able to use those tools to further advance their cultural fluency and responsiveness.

We will also be expanding our fee-for-service offerings in 2022 to include one-on-one consulting with organizations to (a) prepare to launch the work within their organization and (b) interpret the assessment findings together as they develop their goals. We continue to research new sources of earned revenue to supplement our current ones.

From our vantage point at the end of 2021, the pandemic looks much different from how it looked a year ago. We now know that there will be no clear “end” to the pandemic. As the challenges it has caused linger on, nonprofits, donors, and the entire community must continue to reflect on how we can best support each other. The Council remains focused on how we can best facilitate donor-nonprofit partnerships to solve the pressing issues our communities face. We know that this is a moving target, but in 2022 we remain committed to learning, listening, and adapting to continue to fulfill our mission—in whatever way is required of us.