



Sources of Funding Report

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Methodology

Respondents

An email invitation to participate was sent to 213 agencies nationwide that were identified as providing residential care to survivors of sexual exploitation/domestic human trafficking. Thirty-four responses were received which reflects 16 percent of the trafficking shelter agency population in the United States, according to the Institute for Shelter Care’s national landscape map.

Respondents to this survey represented the following types of programs serving victims of exploitation. It is important to note that several agencies (N=15) operate more than one type of program and were invited to reflect all program areas; therefore, the total number of responses (below) exceeds 100 percent.

- 24% Emergency Shelter – 1-30 day holding, usually in coordination with law enforcement
- 30% Stabilization Program – usually 3-6 months of residential care, goal is to determine long-term course of action
- 85% Restorative Program – usually 12 months or more, long-term care with goal of social re-entry
- 26% Independent Housing – Independent housing with support and accountability



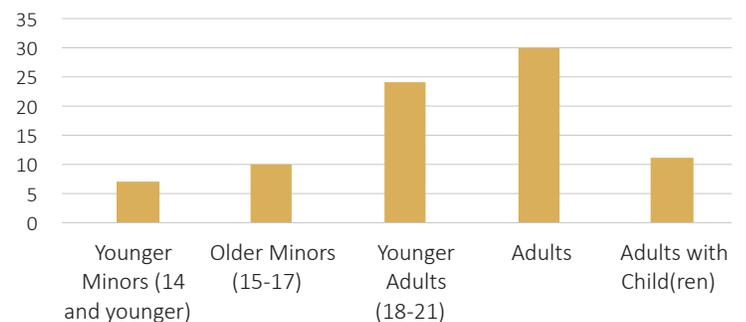
Type of Victims Served

This sample included agencies that serve human trafficking in general—or any form of human trafficking (24%); however, 6% indicated they only service victims of labor trafficking; 24% serve victims of sex trafficking only if verified as a trafficking situation; and 79% serve individuals who have experienced sex trafficking/prostitution/sexual exploitation in any form.

Ages Served

- 21% Younger minors (14 and younger)
- 29% Older minors (15-17)
- 71% Young adults (18-21)
- 88% Adults
- 32% Adults with child(ren)

Service Population



Respondent’s Role

Two-thirds of respondents were the Executive Director, and the remaining one-third were either Program Director, Development Director or Executive Assistant.

Size

Budget

2021 Annual Budgets from this Sample

Highest	Average <i>(factoring out highest and lowest)</i>	Lowest
\$7,616,062	\$1,063,084	\$155,057

Thirty-one agencies provided information about their annual budget for two consecutive years. The highest budget averaged across these two years was \$7,616,062 and lowest was \$155,057. Factoring out the highest and lowest, the average annual budget across this sample for 2021-2022 was \$1,063,084. In our 2021 study \$793,622 was the average annual budget (N=33) which suggests that this current sample represents a pool of slightly larger organizations.

Bed Count

The total number of beds provided by these 32 agencies was 535. The lowest bed count for a program was 4 and the highest is 120, with the average agency capacity at 17 beds. Factoring out that one large agency, the average bed count per agency was 13.

However, of the 535 beds total, it's worth noting that not all available beds are for trafficking survivors. From this sample, only 356 beds (or 67% of the total) were exclusively for exploited/trafficked persons. For example, the agency supporting 120 beds allocates only 8 of those beds for trafficked persons. Therefore, the average capacity for exploited/trafficked persons was 10.7 beds. These results are slightly higher than our 2022 report which contrasted large shelters (30 beds or more) to the national average, for which was 9 beds for a typical shelter home, and consistent with our 2021 report which reflected an average of 10 beds (N=33).¹

Bed Count



Fundraising Supports

Fundraising responsibilities predominantly fall on the Board and Executive Director. Eight agencies have departments of one staff, and eight agencies have departments of at least two staff.

Four respondents have a full-time grant writer on staff; nine respondents have a part-time grant writer; two have a volunteer grant writer; four contract an independent grant writer. The majority of respondents' (N=21) Executive Director or other staff is the primary grant-writer.

Systems used to store key donor information in a centralized location are utilized by many non-profit organizations. Only 6% of these respondents do *not* use a Donor Management System (DMS) at all; 9% use Excel or other homegrown systems but the majority of respondents (85%) use some type of software program. Most cited tools were Salesforce (5); Donor Perfect (4); Bloomerang (3); Kindful (3); Network for Good (3); Little Green Light (2) and Realm (1).

¹ Institute for Shelter Care (2022). *Large Capacity Shelter Programs Study*. Retrieved from: <https://thesamaritanwomen.org/research-library/>

Sources of Funding

Thirty respondents indicated their various channels of income for fiscal year 2021, equaling their 2021 annual budget. Eighty-seven percent of respondents obtained funding from Individuals and Faith/Church charitable support. What follows is a break-down of the levels of funding these agencies realized from different sources of funding.

Federal Grant Funding

Number of Agencies Realizing Federal Funding by Funding Levels

Level of Funding	\$1-99,999	\$100,000-499,999	\$500,000-999,999	\$1-2m	\$2m+
Federal Funding	4 agencies realized funding at this level	4 agencies realized funding at this level	2 agencies realized funding at this level	0 agencies realized funding at this level	1 agency realized funding at this level

Eleven agencies in this sample received over \$4.7 million in Federal grant funding in 2021 with the average grant amount of \$429,137, or roughly 25% of the agency's average total budget. The highest award was \$2.3 million to an agency supporting 120 beds (only 8 of which are for victims of trafficking), while the lowest award was \$15,000 to an agency supporting 5 beds.

It is important to note that the survey did not ask respondents to distinguish between funding sources designed to address more generalized populations (homeless, substance abuse, victims of crime, etc.), and not exclusively funding for trafficking victims. It is possible—and likely—that the government funding represented by these 11 agencies was not unique to victims of trafficking.

In terms of the agencies from which this funding was obtained, 6 recipients received funding in 2021 from the Office on Victims of Crime; 3 shelters were funded from the Office of Justice Programs; 1 shelter was funded from the Office on Violence Against Women; and 1 shelter obtained funding from Housing and Urban Development. Two shelter agencies noted that they had received COVID relief funding as well.

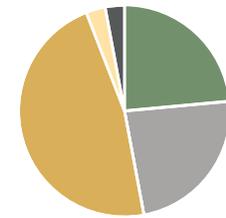
State Funding

Number of Agencies Realizing State Funding by Funding Levels

Level of Funding	\$1-99,999	\$100,000-499,999	\$500,000-999,999
State Funding	6 agencies realized funding at this level	7 agencies realized funding at this level	1 agency realized funding at this level

2021 State funding is broken down in the following chart with 14 agencies receiving a total of \$3,356,470, averaging grant awards of \$239,748. The highest award was \$1.2 million given by the Office of Victims of Crimes in Tennessee, while the lowest award was \$6,225 given by the Governor's Office in Texas.

Fundraising is primarily supported by...



- A fundraising department of at least two staff
- One staff member
- Board of Directors and Executive Director
- Hired contractors, as needed
- Volunteers

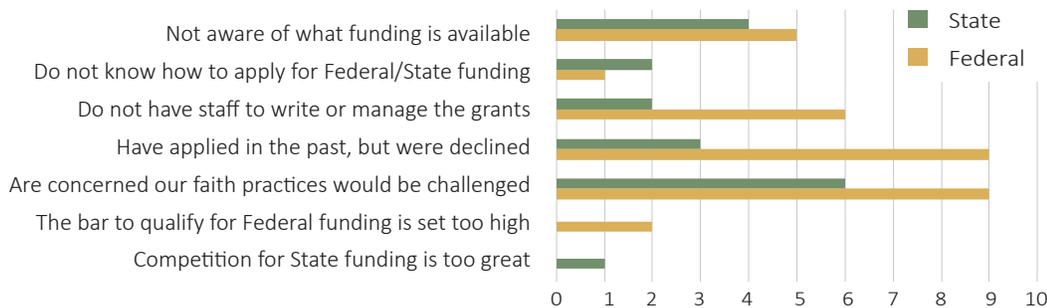


One agency said they are getting away from Federal and State funding as they don't find it "worth it." Others expressed concern about their capacity for Federal or State grants management, noting the processes to be very tedious, and they do not have the staff or time available to dedicate to the task. One respondent noted that grant reviewers don't seem to fully understand the dynamics of working with the population they serve.

Funding by State Agency	Recipients
Governor's Office	5
Office of Victims of Crime	5
Department of Social Services	4
Office of the Attorney General	1
Office of Juvenile Affairs	1
Governor's Crime Commission	1
Department of Mental Health	1

The most commonly cited reasons for not pursuing Federal funding were having tried previously and been denied and being concerned that the shelter agency's faith practices would be challenged. The latter was the most prevalent reason for not pursuing State government grants as well.

Reasons for not pursuing Government funding



Public/Private Foundation Funding

Number of Agencies Realizing Public/Private Foundation Funding by Funding Levels

Level of Funding	\$1-99,999	\$100,000-499,999	\$500,000-999,999	\$1-2m
Public/Private Foundations	18 agencies realized grants at this level	7 agencies realized grants at this level	2 agencies realized grants at this level	1 agency realized grants at this level

Ninety-three percent of agencies received some portion of their funding from Public/Private Foundations. The average funding amount from this source was \$189,185, with the highest level of funding at \$1,839,577 and lowest level of grant funding at \$18,000.

Church/Congregation Support

Number of Agencies Realizing Church/Congregational Support by Funding Levels

Level of Funding	\$1-99,999	\$100,000-499,999
Faith-Based/Congregational Support	19 agencies realized support at this level	6 agencies realized support at this level

One hundred percent of these respondents realize financial support from churches. The majority (71%) actively cultivate churches in their local area for financial support. Over half (56%) receive

regular support from at least one local church, while very few (6%) are supported by a single church/congregation. There were no agencies who realized total Church/Congregational funding in excess of \$500,000. The average amount received by 25 agencies was \$65,355. The highest amount received was \$201,844 and the lowest was \$3,850.

Individual Charitable Donations

Number of Agencies Realizing Individual Donations by Total Donation Amounts

Level of Funding	\$1-99,999	\$100,000-499,999	\$500,000-999,999	\$1-2m
Individual Charitable Donations	7 agencies realized total donations at this level	15 agencies realized total donations at this level	2 agencies realized total donations at this level	2 agencies realized total donations at this level

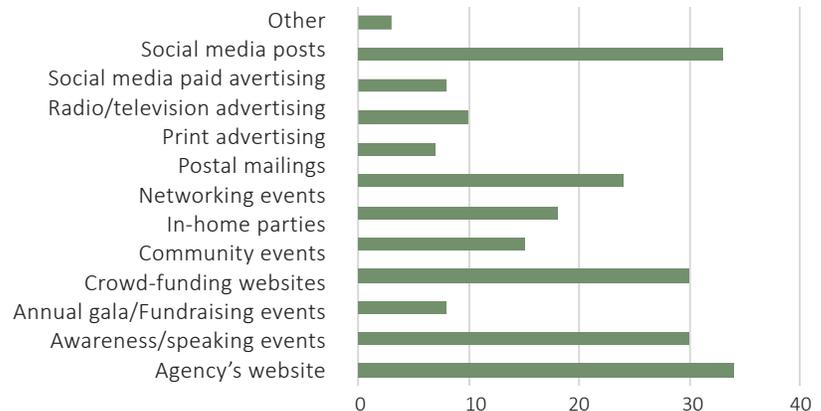


Individuals gave more than \$309.66 billion in 2019, according to NP Trust, making individual charitable contributions one of the best nonprofit funding sources. For this reason, it's wise to focus on individual donors and make them a central focus of your funding model.²

Twenty-six agencies reported their Individual Charitable Donation income which averaged \$282,819 with \$1,254,748 being the highest total and \$32,000 being the lowest.

A myriad of strategies is used to cultivate individual charitable donations. The top three strategies used by respondents were awareness/speaking events, the shelter agency's website, and social media posting.

Strategies used to cultivate individual charitable donations



Event-Based Fundraising

Number of Agencies Realizing Event Donations by Event Totals Levels

Level of Funding	\$1-99,999	\$100,000-499,999	\$1-2m
Fundraising Events	12 agencies realized donations from events at this level	11 agencies realized donations from events at this level	1 agency realized donations from events at this level

Donors are more likely to give if they can put names to faces. Events help raise an organization's visibility and brand. They help organizations meet prospective donors, as well as deepen their relationships with key donors. However, events are usually labor-intensive and require a lot of detailed planning³ and in certain communities there can be considerable competition across

² <https://donorbox.org/nonprofit-blog/nonprofit-funding-sources>

³ <https://donorbox.org/nonprofit-blog/nonprofit-funding-sources>

the nonprofit sector to attract event attendees. The average yield from a fund-raising event hosted by these agencies was \$168,991, with a high of \$1,801,000 and low of \$12,000.

Program Fees

Number of Agencies Realizing Funding from Program Fees/Per Diem by Funding Level

Level of Income	\$1-99,999
Program fees/Per Diem	3

Consistent with our 2017 Practices study, very few shelter agencies charge survivors for housing and services. In prior studies, it was noted that some shelters will “graduate” a survivor into paying a nominal fee to the program once the survivor has begun earning income from employment. This practice was less about income-generation and more about teaching the survivors the discipline of budgeting and bills.

In this study, Program Fee/Per Diem funding was pursued only by three of these agencies. One responding agency reported that they charge a program fee to survivors. This agency asks the family of the survivor to pay a nominal fee similar to what they would be paying for the child to live at home and based off of the family’s income. If the family cannot afford a fee, it is waived. Only two respondents realize a Per Diem for survivors placed in their shelter programs. One agency receives a Per Diem from the Department of Child Protective Services and the amount varied. The second agency receives \$12.50 per day from the Emergency Food and Shelter Program in their community.



Social Enterprises

Number of Agencies Realizing Funding from Social Enterprises by Funding Level

Level of Income	\$1-99,999	\$1-2m
Social Enterprise Income	10 agencies realized enterprise funding at this level	1 agency realized enterprise funding at this level

Some shelter programs utilize social enterprises or business ventures as a source of income. These can also be used to employ residents. Eleven respondents gave budget data from a social enterprise. The average annual amount realized from these enterprises is \$154,135. The highest amount brought in from these ventures is \$1,421,000 and the lowest amount is \$3,605.

Eight respondents who have business ventures gave further information about these enterprises. Seven of them engage residents in these ventures. Twenty-nine percent employ all or most of their residents; fifty-seven percent employ only those who want to work and fourteen percent provide job skills in a volunteer, unpaid capacity at the enterprise. Six shelters have business ventures that produce consumer products such as jewelry, candles, paper, etc. Two shelters operate retail thrift stores.

Fundraising Challenges

By significant measure, the most cited challenge in fundraising for these agencies was in not having either sufficient staff, or the right staff, to do fundraising effectively. Next most-cited was having challenges in crafting a compelling fund-raising message, packaging their story to communicate relevance and impact. In some cases, the size of these agencies inhibits these agencies from making big statements. As one respondent wrote: *“We often hear people say they’d rather give to organizations that serve ‘hundreds/dozens’ etc. and struggle to understand the cost of a program that ‘only’ serves 5.”*

Complimenting the primary challenges was the recurring statement of not having the time to focus on effective relationship management. *“We spend all our time doing the work.”* There were also a couple mentions about restrictions on in-person events over the past two years.

Most Reliable Sources Of Income

When queried as to the most reliable source of income, that which produces a good return on the time and energy invested, two channels were the clear favorites: Individual Donors and Foundation grants. Some respondents noted the importance of converting individual donors into recurring (sustaining) donors, but over half of respondents mentioned Individuals as the most reliable income channel.

Fourteen respondents noted that Foundation grants have proven to be reliable, particularly multi-year grant awards. Beyond those two channels, there was not much harmony. Five mentions each were offered for Churches, Fundraising events, or Federal grants.

Postlude

Based on this sample of trafficking shelters, the single greatest challenge to effective fundraising is lack of dedicated and qualified staff to build and work their development strategy. It takes a lot of individual donors and well-oiled donor management strategies to maintain the income to support an operating budget in excess of \$1million. Diversified funding streams are critical to the sustainability of shelters. *“It’s advisable for nonprofits to never receive more than 30 percent of their funding from any one source.”*⁴ As one respondent who is experiencing fund-raising success noted: *In the past 3-4 years, we have been extremely blessed by financial stability. We think that is due to the diversity of revenue streams we have fostered over the years (speaking events, meeting with churches, meeting with community groups, grant funding, foundation funding, social enterprise, internal fundraisers, external fundraisers, etc.).*

4 <https://donorbox.org/nonprofit-blog/nonprofit-funding-sources>

