

The Growing Importance of Charity Websites to Philanthropy



Dunham+Company[®]

CAUSE+EFFECT

Background

In 2010, as charitable organizations were seeing a general increase in online donations, Dunham+Company commissioned a study* to try to understand what was driving this increase. Specifically, the study wanted to uncover:

1. How many donors were using charity websites to give?
2. What was the difference in online giving among various demographics of donors?
3. What prompted the gift to the website?
4. When a donor gets a direct mail letter in the mail, how do they choose to fulfill their gift?

To then understand the trends around online giving, this study was repeated in 2012 and again in 2013. Following is what we uncovered over the last three studies including the trending of online giving since 2010 and how that differs by demographic and by marketing channel.

** The 2010 study was part of a Campbell Rinker Donor Confidence Survey of 510 adults nationwide who had given at least \$20 to charity in the previous year. All respondents were contacted via the internet Aug. 24-Sept. 8, 2010. A sample of 510 has a margin of error of +/-4.4 percent at the 95 percent confidence level.*

The 2012 study was part of a Campbell Rinker Donor Confidence Survey conducted April 22-28, 2012 online among 494 adult donors who gave at least \$20 in 2011. The 2010 and 2012 results were weighted by age to reflect the general U.S. population. The margin of error is +/-4.4 percent at the 95 percent confidence level.

The 2013 Dunham+Company study was part of a Campbell Rinker Donor Confidence Survey conducted online July 15-23, 2013 among 514 adult donors who gave at least \$20 in the previous 12 months. Respondents were weighted by age to reflect the general U.S. population per the 2010 census. The margin of error is +/-4.4 percent at the 95 percent confidence level.

Findings

What Percentage of Donors Are Giving Online?

The first, and most important, question to answer is just how many donors have given online. In October 2011, 61% of donors reported giving online, and in April 2012, 63% reported the same behavior. Giving through a charity website is slightly lower (some donors have given through shared sites, crowd funding, etc.). The chart below notes the proportion of donors giving on charity sites has stayed fairly stable from 2010 to 2013, at 48% in 2010, 57% in 2012, and 50% in 2013.

While fewer donors said they gave on charity websites in 2013, what is consistent from 2010 to 2013 is that about 1 out of 2 donors indicates they have given in this way. Obviously, it is imperative for charitable organizations to pay attention to this channel.

PERCENTAGE OF DONORS GIVING VIA CHARITY WEBSITES

” 1 OUT OF 2 DONORS GIVES THROUGH
CHARITY WEBSITES. ”

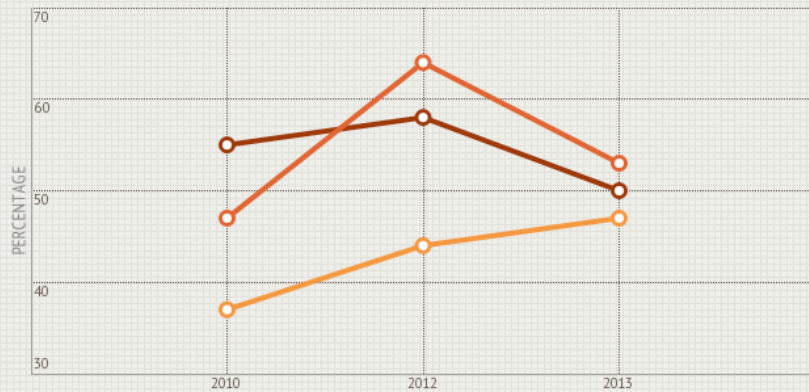


2010-2013

Who Is Giving via Charity Websites?

When we dig deeper into the data, what emerges is some important trending around who is giving through charity websites. The first thing to note is this type of giving by age demographic. What is most important to focus on is the shift from 2010 to 2013.

DONATIONS TO CHARITY WEBSITES BY AGE



■ % <40 Year-old Donors Giving to Charity Websites

■ % 40-59 Year-old Donors Giving to Charity Websites

■ % 60+ Year-old Donors Giving to Charity Websites

” GIVING TO CHARITY WEBSITES IS NO LONGER THE REALM OF THE YOUNG. ”

Note that the only demographic where there is consistent growth in giving through charity websites is donors age 60+. Even more enlightening is the shift in the spread between the under-40s and those 60+. From 2010 to 2013, this type of online giving among donors 60+ grew from 37% to 47%. That represents 27% growth from this age group that is so vital to charitable giving.

Note, in particular, the decreasing spread between age groups from 2010 to 2013. In 2010 there was a spread of 18 basis points between the under-40s and the 60+ (55% v 37%, respectively) whereas in 2013 that spread dropped to just 3 basis points (50% v 47%, respectively).

This is a critical finding for two reasons. First, this indicates that giving via charity websites is no longer the realm of the under-40s but is also the world of the over-60s. So when you think of the person giving through your website, you should no longer only think of someone who is young or in mid-life, but also think of someone 60+.

Second, those who are 60+ are an age group that is at the core of philanthropy in America. According

to the Bank of America Study on High Net-Worth Philanthropy, those 60 years old and older give more to charity than any other age group.

Another interesting finding is the increase in the number of donors who are 65 years old and older now giving through charity websites. From 2010 to 2013, the number has increased from about 1 out of 3 to now nearly 1 out of 2 who are giving in this way.

Consistently, each study showed that female donors are more likely to give on a charity website than males (in 2013, 53% of females said they had given online compared to 44% of males). In addition, while the gap has narrowed between higher- income households and those with lower income, it still holds true that the higher the income, the greater the likelihood of a gift via your website.

What Is Driving Giving to Charity Websites?

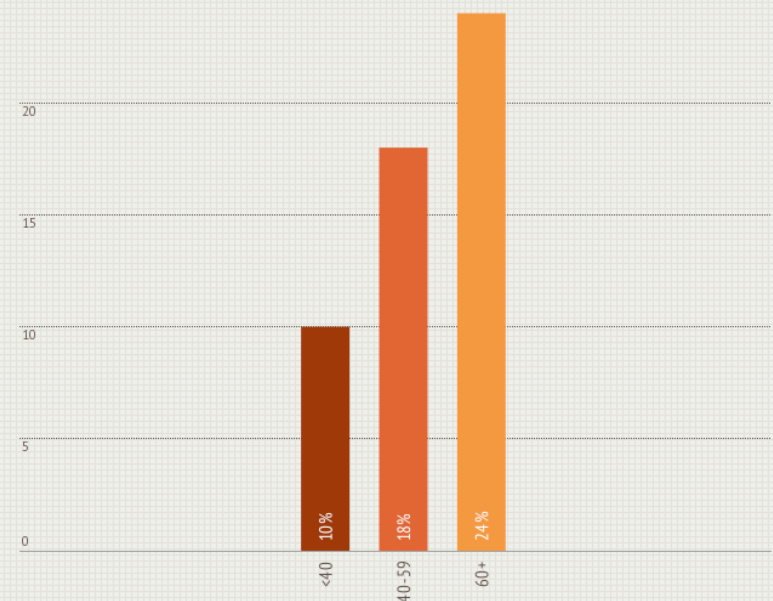
When asked what prompted their donation through a charity's website, the top five reasons donors cited in each study were:

1. Someone asking in person.
2. Nothing in particular.
3. Someone asking through social media.
4. An appeal letter received in the mail.
5. Something the donor saw on the charity's website.

As the chart to the right shows, an in-person solicitation to support a charity is, by far, the strongest motivator for someone to give a gift through your website. The number of donors who have been driven to give in this manner, as a result of such a solicitation, is about 1 in 3.

It is also instructive that 1 out of 5 donors says that when they want to give a gift that isn't motivated by any particular communication from a charity, they decide to fulfill that gift by going directly to the charity's website. Looking deeper into the data, we find this is strongest among donors under 60, with about 1 in 3 (31%) citing this. Among donors 60+, 20% said the same, or about 1 in 5.

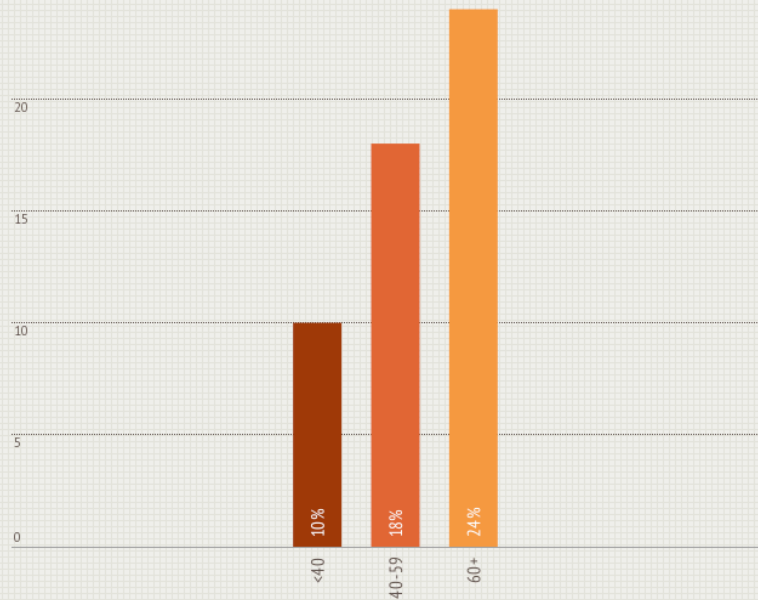
PERCENTAGE OF DONORS BY AGE GIVING THROUGH A CHARITY WEBSITE BECAUSE OF DIRECT MAIL



IN 2013, 1 IN 4 DONORS 60+ WAS INFLUENCED BY DIRECT MAIL TO GIVE THROUGH A CHARITY WEBSITE.



PERCENTAGE OF DONORS BY AGE GIVING THROUGH A CHARITY WEBSITE BECAUSE OF DIRECT MAIL



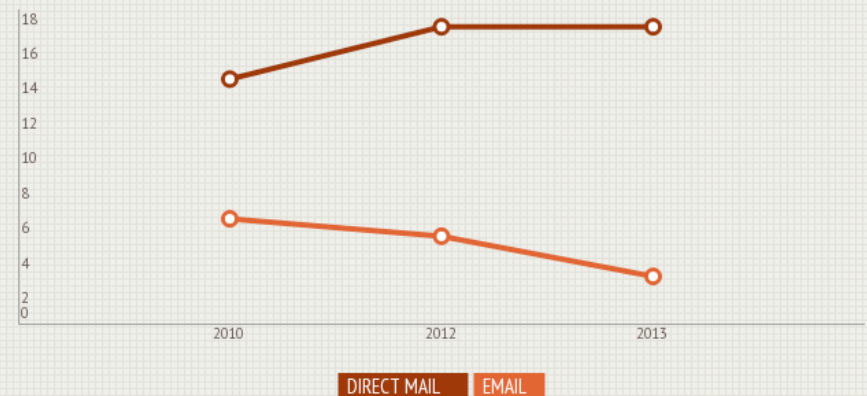
” IN 2013, 1 IN 4 DONORS 60+ WAS INFLUENCED BY DIRECT MAIL TO GIVE THROUGH A CHARITY WEBSITE. ”

The study also reveals the relative importance of someone asking via social media, as 18% of donors now say they have given through a charity's website as a result of such a request. What is vital to note however, is that the donors did not respond to the charity asking for support through that medium, but rather, someone the donors know asking for their support through social media.

What is interesting is the fact that 17% of donors say that as a result of receiving an appeal letter through the mail from a charity, they have fulfilled their gift by going to the organization's website to give. The older the donor, the more likely she is to give this way in response to direct mail. In fact, 1 out of 4 donors 60 years old or more say they have responded to a direct mail appeal by going to the charity's website to make a donation. And it is instructive that 1 out of 5 donors in the 40–59-year-old range say the same.

About one in six donors (17% in 2013) gave through a charity's website because they were influenced to do so by direct mail. This is in stark contrast to the proportion of donors influenced to give this way due to an email message, which in 2013 was just 2.7%. Notably, the amount of online giving driven by email messages has dropped by more than half since 2010.

DIRECT MAIL VS. EMAIL



”

THE AMOUNT OF ONLINE GIVING
DRIVEN BY EMAIL HAS DROPPED BY
MORE THAN HALF SINCE 2010.

”

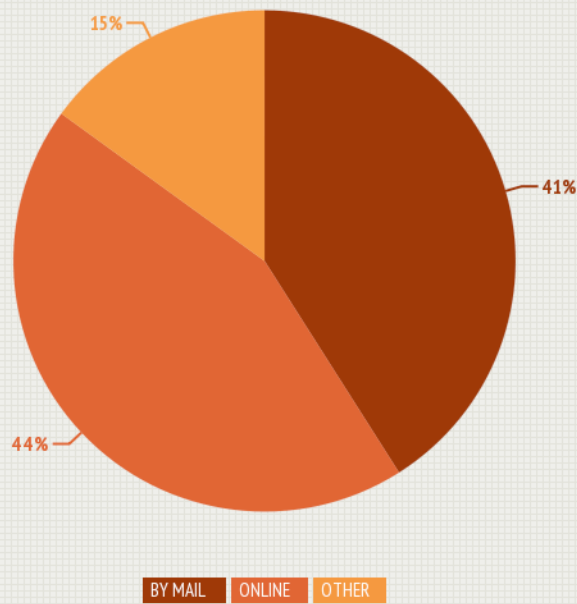
HOW DIRECT MAIL RECIPIENTS PREFER TO GIVE A GIFT

”

ALMOST HALF OF DIRECT MAIL RECIPIENTS GIVE A GIFT THROUGH A CHARITY WEBSITE.

”

2013



When we isolate those donors who say they receive direct mail solicitations and ask them their preferred way of responding to a letter if they want to give a gift, the importance of giving via a charity's website becomes even more pronounced.

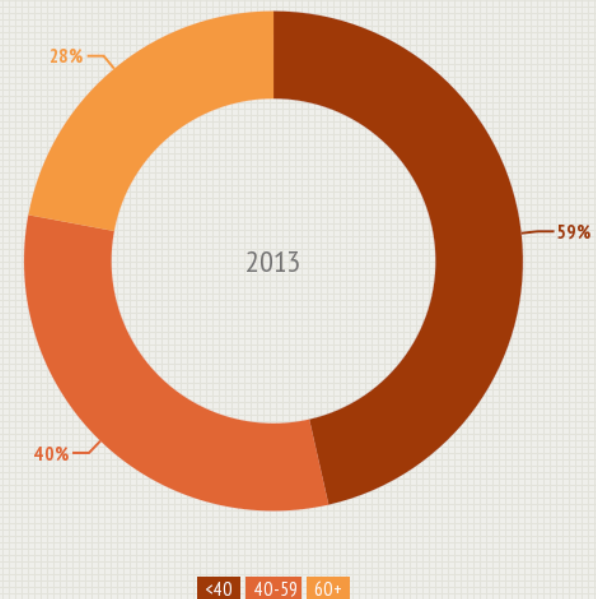
What is even more telling is the demographic breakout of this preference to give online. While gender and income levels saw no significant variations, age did.

Once again, while there is overall growth in the preference to give online, the greatest growth is among the 60+-year-old demographic. This demographic has increased their online giving in response to a direct mail appeal by 10 basis points, or 55%, since 2010. Today, nearly 1 in 3 prefer to give online.

PREFERENCE TO GIVE ONLINE IN RESPONSE TO AN APPEAL LETTER BY AGE

” 60+ DONORS HAVE INCREASED THEIR
ONLINE GIVING BY 55% SINCE 2010. ”

2013



Conclusions

Overall, the data demonstrates that donors are increasing their preference to give through a charity's website. And while face-to-face solicitation ranks highest in what motivates people to give online, being asked to give by someone on social media and direct mail are two key motivators. As mentioned above, however, the solicitation on social media did not come from an organization, but through an individual.

It is also important to note that direct mail has grown, not declined, as a motivator for online giving. And it influences such a gift at more than 6 times the rate than an email. Most importantly, when we look at the key giving demographic, an increasing number of 60+-year-old donors are going online to charity websites to give in response to direct mail. So, multi-channel communication is more important than ever.

Perhaps the single most important take-away from this study is that it is vital for charitable organizations to ensure they have created an easy and effective online giving experience for donors because they are increasingly giving through a charity's website. Nothing will reduce the potential income from this source more than a difficult or frustrating process to give an online gift.