

MONEY FOR GOOD UK

Understanding donor motivation and behaviour

Sally Bagwell, Lucy de Las Casas, Matt van Poortvliet, Rob Abercrombie

March 2013

Acknowledgements

We would like to thank our partners for their support and contributions to this research:

- Ipsos MORI worked with NPC on survey design, conducted all qualitative and quantitative research, provided initial analysis of results, and created the seven donor segments based on survey findings.
- Hope Consulting provided advice and access to materials from the original *Money for Good* research conducted in the US, and offered valuable support from survey design through to analysis of the results and segmentation.

This research was supported at all stages by the input of an advisory group, made up of experts in this field, who provided invaluable guidance through scoping and survey design; important insights and context for interpretation of findings; and feedback on outputs from the research. The advisory group comprised:

- Dr Beth Breeze, Researcher, Centre for the Study of Philanthropy, Humanitarianism and Social Justice, University of Kent
- Richard Harrison, Director of Research, Charities Aid Foundation
- Jen Lexmond, Learning Lead, Nesta
- Cathy Pharoah, Co-Director, Centre for Charitable Giving and Philanthropy
- Nick Mason, Head of Fundraising, Strategy and Development, Royal National Institute of Blind People (RNIB)
- Hugo Middlemass, Director of Fundraising, Leonard Cheshire Disability
- Amanda Shepard, Director of Organisational Membership, Institute of Fundraising
- Sarah Smith, Professor of Economics, Bristol University.

We would also like to thank Sarah Stachowiak, Senior Vice President at Organizational Research Services, and Victoria Vrana, Senior Program Officer at the Bill & Melinda Gates Foundation.

We are particularly grateful to the funders of this research for their generosity and flexibility. The report is funded by the Bill & Melinda Gates Foundation, Nesta, Oak Foundation and Pears Foundation.

Funded by:

BILL & MELINDA
GATES *foundation*

Nesta...

pears
foundation

OAK
FOUNDATION

FOREWORD

Using money to do more good

Charities are being asked to perform an ever-expanding role as the state withdraws financial support from a whole set of areas and activities, leaving the voluntary and community sector to pick up the slack. At the same time, many are receiving less income from government contracts and grants.

In this climate, funding from individual donors plays a particularly valuable role. Nearly half of UK voluntary organisations receive the majority of their funding from individuals¹; last year donors gave £9.3bn.² This funding tends to be flexible and unrestricted—it allows charities to innovate, invest in new approaches and explore better ways of doing things.

That makes a focus on who is donating, why they are doing so, and how we might get them to donate more, absolutely essential. So we are very pleased to produce *Money for Good UK* to help the sector think about these issues. We are grateful to our collaborators at Ipsos MORI and Hope Consulting, our advisory board, and of course our funders: the Bill & Melinda Gates Foundation, Nesta, Oak Foundation and Pears Foundation.

This major research by NPC suggests that tax incentives are not the key here. Nor does ease of donating seem to be the main issue. Much more important is the lack of a culture of giving in the UK that says if you can afford to, you give. One outcome of this study should be a major push by government, academics, and the sector itself to consider why this is and to see if we can change it. ‘Nudge’ approaches and behavioural economics are bound to have a role to play here.

A key finding from our research is that donors find it hard to understand where their money goes, and if the charities they support really make a difference. The figures in the report are striking. If charities improved the way they communicate impact and explain how donations are used, they could potentially attract around £665m more in donations. And equally important, donations might flow to better places. The evidence in this report suggests that £1.7bn might move to better-performing charities if donors could more easily find and understand information about their impact.

Of course people donate based on cause and emotion—a picture of a child in need trumps a whole lot of analysis, whatever impact geeks might hope. But there is a call here to charities, their advisors and supporters, to bring the measurement and communication of the difference they really make closer to the heart of what they do.



Dan Corry

Chief Executive, NPC

¹ Clark, J. et al (2012) *The UK Civil Society Almanac 2012*. National Council for Voluntary Organisations.

² NCVO and CAF (2012) *UK Giving 2012: An overview of charitable giving in the UK, 2011/12*.

KEY MESSAGES

Money for Good UK aims to:

- Increase understanding of high-income donors.
- Understand donors' underlying motivations and create a segmentation to help understand their behaviour.
- Investigate what donors think about impact, and the process they go through before making a donation.
- Use the results from the research to consider how giving levels can be increased, and how donors can be influenced to consider where their giving can have the most impact.

1. Donor behaviour

- Less than half of donors think people should donate if they have the means.
- Average annual donation increases with household income, from £228 given by donors with an income under £20,000, to £3,322 given by donors with an income of £1m or above.
- Donors who give both time and money to a charity give a higher average donation than those who give only money.

2. Influences on giving: information and research

- Donors respond to personalised communications from charities that they have a relationship with, and prompts from family, friends or colleagues.
- Donors care about impact—three in five pay close attention to impact, but only a small proportion use this information to choose between charities.
- 38% of donors do research before making their largest donation.

3. Donor segmentation

- The *Money for Good UK* segmentation is the first large-scale attitudinal segmentation of both mainstream and high-income donors in the UK.
- Cause is a strong motivating factor for a majority of donors.
- Donors care about impact for different reasons: concern for the cause, personal involvement in the organisation, and concerns about how a charity could reflect on the donor.

4. Increasing giving

- Charities underperform in the areas donors care most about: explaining how donations are used and providing evidence of impact.
- If charities did a better job in the areas they care about, donors could give up to £665m more, and donors giving £1,740m might be persuaded to switch their donations.
- Financial reasons and distrust of charities were the two biggest reasons for non-donation.

5. Increasing the impact of giving

- Charities could benefit by responding to donors' interest in impact
- Encouraging donors to think about what charities achieve could help ensure funds are directed to where they will make the biggest difference.

CONTENTS

Introduction	5
Methodology	7
1. Donor behaviour	11
Duty to give	12
Amount given	13
Method of giving	19
Loyalty	21
Giving time	22
Cause	27
Comparing mainstream and high-income donors	29
2. Influences on giving: Information and research	31
Information sources leading to a donation	32
Factors donors pay attention to	34
Donor research	35
3. Donor segmentation	38
Segment profiles	41
Loyal supporter	42
Ad hoc giver	43
Good citizen	44
Faith-based donor	45
Engaged champion	46
Benefactor	47
Thoughtful philanthropist	48
Key themes	49
4. Increasing giving	52
Encouraging donors to give more	53
Encouraging non-donors to give	58
Encouraging volunteering	61
5. Increasing the impact of giving	64
Implications	65
6. Conclusion	68
Recommendations	68
What next?	70
Appendices	72

INTRODUCTION

Charities face a tough financial environment in the UK: public funding cuts come at a time of increased demand for their support, as public services are scaled back. In this context donations from individuals are extremely important, and becoming more so. But recent research suggests that these donations may be decreasing³—a worrying prospect for many charities and those they work to help.

In this environment, charities need to understand what can encourage donors to give more. Available resources need to find their way to the areas of greatest need, and to the organisations which will make the greatest difference with these funds. Funders—particularly government—increasingly require charities to demonstrate their impact, and many are therefore embracing performance measurement.⁴ But we still don't understand how donors feel about charity performance and impact, and whether this influences their giving.

Money for Good UK aims to increase the volume of donations in the UK, and to encourage donors to make well-informed decisions about their giving so they give their money and time where it can make the biggest difference. In this report, we combine data on charitable giving with information about donor motivations to produce an attitudinal segmentation. We hope the findings will help to give charities an insight into the preferences of their donors and to develop more effective fundraising relationships. We also hope to provide insight for policymakers, charity sector infrastructure bodies, and others who seek to encourage donors to give generously and effectively.

Money for Good UK is a New Philanthropy Capital (NPC) research project funded by the Bill & Melinda Gates Foundation, Nesta, Oak Foundation and Pears Foundation. Ipsos MORI conducted the quantitative and qualitative research for this report, including the segmentation analysis. The findings are based on a survey of over 3,000 respondents from the UK donor population, and build on the original *Money for Good* research conducted in the US by Hope Consulting, which was a partner in this project. We drew heavily on the advice and expertise of an advisory group throughout the research, and we are very grateful for the input of all those involved—full details of this group can be found in the methodology section. The opinions expressed in this report are those of NPC, and not of the *Money for Good UK* funders, partners or advisory group.

This report draws on a body of previous research by individuals and organisations, many of whom were represented on our advisory group. Large-scale studies of giving and volunteering already exist in the UK, as do in-depth qualitative investigations into the motivations and preferences of high-net-worth donors. To our knowledge, this is the first large-scale study with a substantial sample of higher-income donors that investigates both giving behaviour and motivation.

Aims

Money for Good UK aims to increase the quantity and quality of giving in the UK. It aims to enhance our understanding of how donors give, what they want from their giving and what drives them. For the purpose of his research, a donor is defined as an individual who has donated at least £50 in the last year.

In particular, *Money for Good UK* aims to:

³ NCVO and CAF (2012) UK Giving 2012: An overview of charitable giving in the UK, 2011/12.

⁴ Ni Ogain, E., Pritchard, D. and Lumley, T. (2012) Making an impact: Impact measurement among charities and social enterprises in the UK. New Philanthropy Capital.

- **Increase understanding of high-income donors** (those with a household income of over £150,000 a year). Most existing research focuses on mainstream donors, or is qualitative research exploring the attitudes of small numbers of high-net-worth donors (usually defined as having investable assets greater than US\$1m). This research aims to provide information to facilitate charities' engagement with the important high-income donor group.
- **Understand donors' underlying motivations and create a segmentation to help understand their behaviour.** Many charities already segment their donors based on information they collect about demographics and donation history. This type of segmentation is useful, but only feasible for large fundraising charities. These segmentations can be limited because they are based on existing behaviour, rather than looking at underlying motivations, making it difficult to use them to assess the potential to change behaviour. *Money for Good UK* seeks to help charities of all sizes understand not just how and when donors give, but why. Charities can build on this to inspire more giving.
- **Investigate what donors think about impact, and the process they go through before making a donation.** This report examines the different factors that donors say influence their decisions on giving, whether they do research, what they look for, and how they use this information. It aims to help charities understand what to communicate to donors to influence their giving.
- **Use the results from the research to consider how giving levels can be increased, and how donors can be influenced to consider where their giving can have the most impact.** This report is a starting point for further discussion about how the findings can be used in practice—a process which must be done in collaboration with experts in the field and those with practical experience of fundraising.

Audience

Charities are a key audience for this research. For fundraisers it provides a useful and practical segmentation of donors, and a greater understanding of high-income donors. For charity directors and managers, it offers a clear message that understanding how donations are used and the impact a charity achieves are a priority for donors, and that equipping fundraisers with information on a charity's results can help them meet donor needs.

Policymakers and those trying to influence giving behaviour more broadly will be interested in findings about societal attitudes to giving, giving methods, what donors think charities do well and less well, incentives for giving, and the opportunity to increase giving.

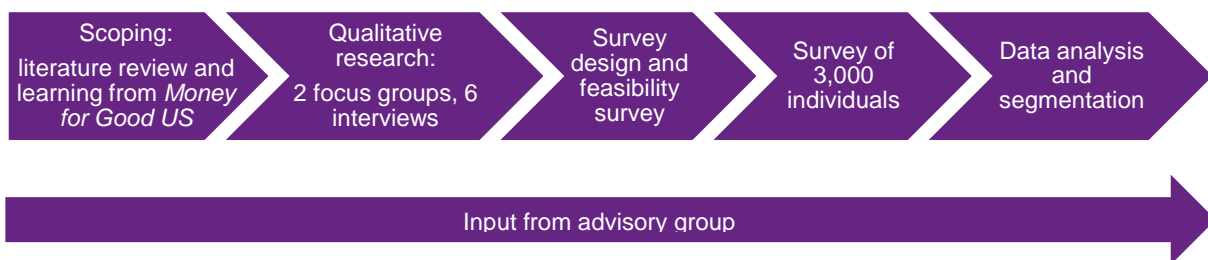
Charity sector infrastructure bodies, including those for fundraising and volunteering, will be interested to hear how they can best support charities to meet donor needs, and learn about opportunities to encourage donors to think about impact and charity performance.

This research is also of interest to donors, intermediaries and advisors to donors, and engaged funders with an interest in impact.

We also hope that the raw data from the research presents opportunities for further analysis from researchers to reveal additional insights. We welcome expressions of interest from anyone who would like to work with us to explore the data further—please get in touch by emailing moneyforgoodUK@thinkNPC.org.

METHODOLOGY

This section outlines the methodology for the *Money for Good UK* research. It also lists sources of further information on this research, and offers readers some notes on the research to help with interpretation of the data presented in the report.



The core of *Money for Good UK* was an online survey of 3,000 respondents. We surveyed:

- Mainstream donors: people with a household income under £150,000 donating at least £50 in the last 12 months.
- High-income donors: people with a household income above £150,000 donating at least £50 in the last 12 months.
- Non-donors: people who donated less than £50 in the last 12 months (covering all income levels).

The full survey comprised the following populations:

Mainstream donors (household income under £150,000):	1,699	High-income donors (household income over £150,000):	861
Mainstream non-donors:	302	High-income non-donors:	143

Initial scoping

This work is based on research conducted by Hope Consulting into the donor population in the US. Hope Consulting shared its survey and materials with NPC, which provided a starting point for the development of our research aims, survey population, and questionnaire design.

NPC conducted a literature review including studies of giving behaviour in the UK and internationally, experimental research on generosity, and research into philanthropy among high-net-worth individuals.

Qualitative research

An initial qualitative phase of research was used to inform survey design. Two focus groups were conducted with participants earning between £50,000 and £150,000. One group comprised donors who gave through committed methods, and the other those who gave in non-committed ways.

In addition, in-depth interviews were conducted with six high-income participants (earning more than £150,000 per year). This qualitative research was conducted in late July and early August 2012.

Survey design and feasibility

Ipsos MORI conducted a scoping study to identify the incidence and profile of the two survey target groups: mainstream donors and high-income donors. The scoping study for mainstream donors was conducted using Ipsos MORI's Online Access Panel (which was also the sample source for this survey)⁵ using the WebCruiser screening tool⁶. The scoping study for high-income donors was conducted via a specialist high-net-worth panel (the sample source for this group), due to low penetration of the target group. This panel had a pre-defined criteria for inclusion of *personal* income over £150,000, in comparison to the survey criteria of *household* income over £150,000 a year. In both cases respondents were asked whether they had donated £50 to charity in the last 12 months.

For mainstream donors, 39% of respondents had given at least £50 to charity in the past 12 months. For high-income donors, 94% of people with a personal income over £150,000 had given at least £50 to charity in the past 12 months.

For mainstream donors, the results of the scoping study were used to inform the quotas and weighting scheme for the main survey (see below). For high-income donors there is not an accurate profile available, so no weighting or quotas were applied to the main survey.

Survey

The survey was conducted during October 2012.

The survey population was split into three income groups, with donors and non-donors, making six survey sample groups in all, with a total of 3,000 respondents. Sample sizes were not intended to be representative of the population, they were designed to focus on donors, particularly high-income donors.

<£50,000 donor	850	£50,000-£149,999 donor	849	£150,000+ donor	861
<£50,000 non-donor	150	£50,000-£149,999 non-donor	152	£150,000+ non-donor	143

For mainstream donors (with a household income up to £150,000), survey responses were collected according to demographic quotas (age, gender, region, income, social grade and working status) to ensure responses were representative of the population. In the middle-income group, quota numbers for donor respondents with an income of £100,000-£149,999 were increased to ensure a sufficient sample size for analysis. The natural fallout of respondents in this income group would have been 12% (102 in a population of 850), and this quota was increased to 250 respondents.

The data for all mainstream donor respondents was weighted based on population data to account for non-response, and for sample increases (ie, the increased quota for the household income level £100,000-£149,999 described above). Data for mainstream non-donors was also weighted. We have combined the weighted data of the two lower-income groups into one population for analysis in this report.

For high-income donors (£150,000+ household income) quotas were not applied, due to the difficulties of reaching sufficient respondents to fulfil overall targets. The data was not weighted because of the lack of an accurate population profile to use.

⁵ The Ipsos MORI Online Access Panel consists of individuals who have opted in to being included in research. The panel is actively managed, recruiting new panellists and updating their information.

⁶ The WebCruiser is used to screen Ipsos MORI's Online Access Panel to identify the incidence of a particular target group prior to setting fieldwork targets. The WebCruiser ran from 5th to 25th July, during which time 28,628 panellists answered the screening question 'Have you donated at least £50 to charity in the last 12 months?' (Yes, No).

Segmentation

Specific questions throughout the questionnaire were identified in advance to drive the segmentation, with other questions used to understand the profile of the segments in more detail. The segmentation was reached in two main ways:

- A **max-diff exercise**, based on a single question with 12 responses, forced participants to trade off different factors relating to their charitable giving, which allowed us to rank them by importance.
- **Factor analysis**, based on 40 responses from seven questions occurring throughout the survey, covered attitudes, beliefs, and charity donation behaviours. Fourteen factors or underlying dimensions, which were answered in similar ways by respondents, were created to use as input variables for the segmentation.

Using these inputs, a number of different segment solutions were produced, and the seven-segment solution was felt to be the most useful and robust. Segments are not defined by a single variable; often two or more segments rank highly on certain variables. The seven-segment solution produced segments that were distinctive in important aspects of their attitude or behaviour, even where similar to other segments in certain respects. All donor respondents were allocated to a single segment.

The segmentation analysis was conducted on un-weighted data, and the reporting of segment characteristics is based on un-weighted data. However, reporting on the *proportions* of different segments in the population was done using *weighted* mainstream donor data, to offer an accurate representation of their fall-out in the UK population as a whole.

Partners

Ipsos MORI was the research partner for *Money for Good UK*. NPC and Ipsos MORI worked together on survey design, and Ipsos MORI conducted all qualitative and quantitative research, provided initial analysis of results, and created the seven donor segments based on survey findings. All data presented in this report comes from the survey, which Ipsos MORI conducted.

Hope Consulting has provided advice and access to materials from the original *Money for Good* research conducted in the US and offered valuable support, from survey design to analysis and segmentation.

This research was supported at all stages by the input of an advisory group, made up of experts in this field. NPC extends grateful thanks to the *Money for Good UK* advisory group for its involvement throughout the project: invaluable guidance through scoping and survey design; important insights and context for interpretation of findings; and feedback on outputs from the research. The advisory group comprised:

- Dr Beth Breeze, Researcher, Centre for the Study of Philanthropy, Humanitarianism and Social Justice, University of Kent
- Richard Harrison, Director of Research, Charities Aid Foundation
- Jen Lexmond, Learning Lead, Nesta
- Cathy Pharoah, Co-Director, Centre for Charitable Giving and Philanthropy
- Nick Mason, Head of Fundraising, Strategy and Development, Royal National Institute of Blind People (RNIB)
- Hugo Middlemass, Director of Fundraising, Leonard Cheshire Disability
- Amanda Shepard, Director of Organisational Membership, Institute of Fundraising
- Sarah Smith, Professor of Economics, University of Bristol.

Notes on the research

These notes highlight key points about definitions, analysis and presentation of the data, which are useful for understanding and interpreting the data presented later in the report.

- Non-donors have been defined as those who gave less than £50 in the last year. Many are in fact low-donors. This definition is set intentionally high as those giving at a lower level would be unable to answer many of the questions in the survey. Non-donors answered a much shorter questionnaire, and were not included in the segmentation.
- Where we have relatively few responses from high-income donors, demographic groups have been combined for analysis. The highest age bracket for high-income donors is 55+ (for mainstream donors this splits further into 55-64, and 65+). Some regions have also been grouped in the geographical analysis for high-income donors.
- Respondent numbers are indicated on all graphs. Where respondent numbers differ to those stated above, some respondents will have been filtered out by their answers to previous questions.
- Where an average is stated, we are using an adjusted mean, which excludes outlier values.
- All the data for mainstream respondents (donors and non-donors) has been weighted according to demographic factors: gender, region, social grade, age and income.
- Differences in donor behaviour by demographic may be partly explained by other factors, such as income, which have not been controlled for in the analysis.
- Throughout the report, some survey responses have been shortened for display on graphs. The survey questions and response options are available in appendix A.
- Percentages have been rounded, and in some cases this leads to totals of more or less than 100%.
- For some questions, respondents were invited to select multiple responses. This has been indicated in notes to the graphs.
- Several questions included responses related to impact, by which we mean the effectiveness or performance of charities. The nature of the online questionnaire made it impractical to include a detailed definition of terms, and we cannot assume that all respondents understand impact in the same way. While recognising this limitation, we believe that the inclusion of impact responses alongside other factors provides interesting information on the level of donor interest in impact.

Further information

Further information exists, should readers wish to explore any aspect of the research in more depth.

- The full survey is available in appendix A. Details of how the additional giving calculations were reached is available in appendix C.
- NPC would like the data from this research to be a resource for the sector. Detailed data tables, along with the full data set, are available on request. Please email moneyforgoodUK@thinkNPC.org to request these.
- Ipsos MORI's research findings present the results of the research in some detail, and contain appendices with the data tables from the survey. The full document can be downloaded from the NPC website.
- Ipsos MORI's technical report provides more detail on the methodology. It can be downloaded from the NPC website.
- Hope Consulting's original report on the US donor market can be downloaded from the Hope Consulting website.

1. DONOR BEHAVIOUR

In this section, we discuss data relating to giving levels of donors, the causes they give to, and how they give. *Money for Good UK* adds to the substantial body of evidence already in this area, and in some places provides interesting comparisons to existing work.⁷ This section analyses donor behaviour according to demographic factors, and gives a new insight into the similarities and differences between mainstream and high-income donors.

The donor population for this survey is those who donated at least £50 to charity in the past year. This is 39% of those with a household income of less than £150,000, and 94% of those with a personal income over £150,000. Because the primary focus of this research is individuals who have donated more than £50 in the last year, it is not designed to provide information on the giving of the general population.

In this section we answer the questions:

- **Do people feel a duty to give to charity?**
- **How much do people give?**
- **What methods do people use to give?**
- **How loyal are donors?**
- **Do people give time?**
- **What do people give to?**
- **What are the key differences between mainstream and high-income donors?**

Key findings

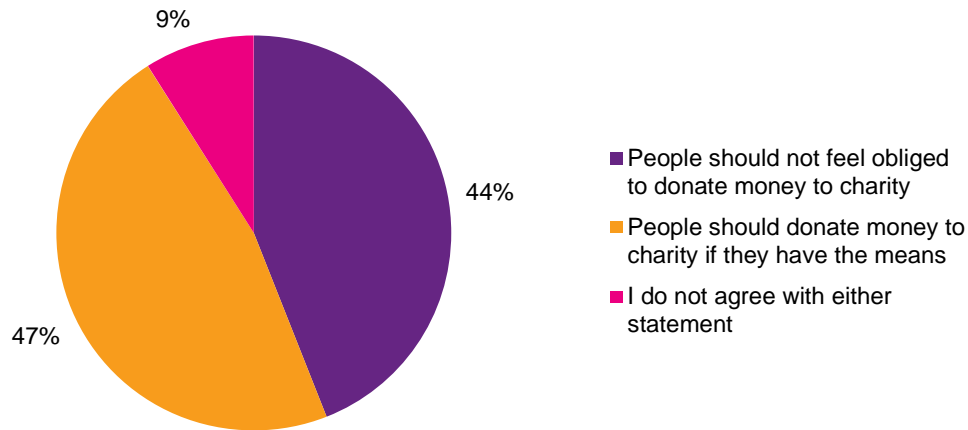
- Less than half of donors think people should donate to charity if they have the means.
- Average annual donation increases with household income, from £228 given by donors with an income under £20,000, to £3,322 given by donors with an income of £1m or above.
- Level of giving increases with age for mainstream donors, but among high-income donors the young have the highest average donation.
- Ad hoc methods of giving are the most commonly used, but the preferred method is direct debit.
- Donors are loyal in their key charity relationships.
- Nearly half of all donors also volunteer.
- Donors who give both time and money to a charity give a higher average donation than those who give only money.

⁷ For example, NCVO and CAF's UK Giving (2012), CGAP's The new state of donation: Three decades of household giving to charity (2011), and the Cabinet Office's Helping Out: A national survey of volunteering and charitable giving (2007).

Duty to give

The survey tested perceived obligation to give to charity and whether donors should aim to give a proportion of income.

Figure 1: Should people feel obliged to donate to charity?



'Which of the following statements do you most agree with?' Mainstream N=1699

Less than half of donors think people should donate to charity if they have the means.

- Figure 1 shows 47% of mainstream donors agree that 'people should donate money to charity if they have the means.' An almost equal percentage (44%) think that 'people should not feel obliged to donate money to charity'.
- The results do not differ significantly between the mainstream and high-income populations (In the high-income group: 'People should not feel obliged to donate money to charity', 44%; 'People should donate money to charity if they have the means', 46%; 'I do not agree with either statement', 10%)

Mainstream donors suggest giving 6.5% of income compared to the high-income population, which suggests 4.7%.

- Only 15% of mainstream donors are willing to indicate a proportion they feel people should aim to give. A total of 72% say they don't think people should aim to donate a proportion of their income, and 13% don't know.
- A very similar pattern emerges for high-income donors; only 14% indicate a target proportion, leaving 76% declining to state a percentage, and 10% who don't know (under 100% due to rounding).

It is striking that almost half of donors do not think people should feel obliged to donate, given that this figure is based on a sample of those who donated over £50 to charity in the last year. The sense of duty to donate may be even weaker in those who donate at a lower level or not at all. We have not found directly comparable research about donors' views of obligation to give either in the UK or internationally. Estimates of giving levels in the UK

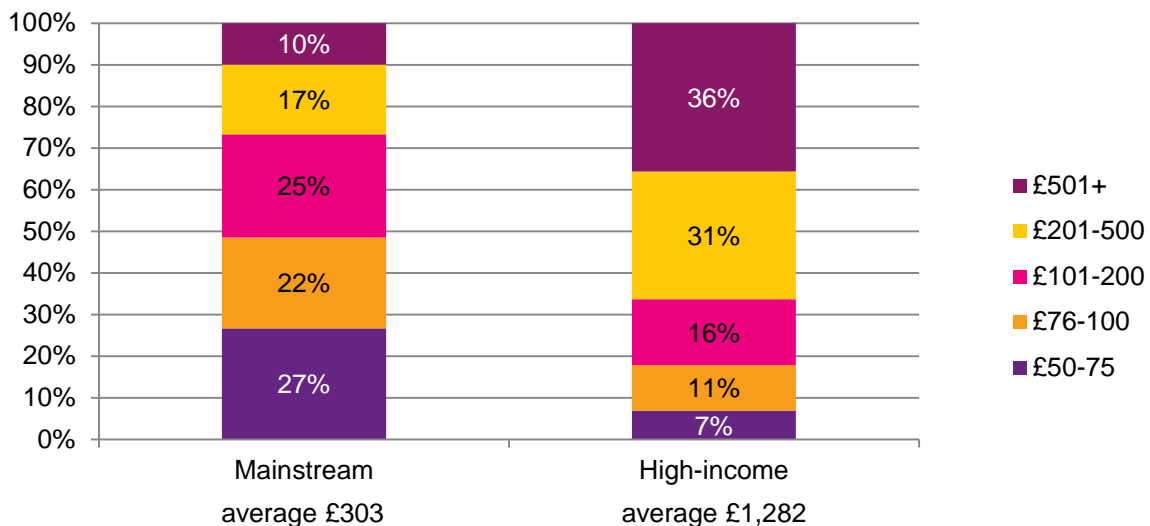
vary between 55%⁸ and 72% of the population.⁹ In addition, very few donors are willing to suggest a giving level for society as a whole. Those who do suggest a proportion of income suggest figures far higher than those we see in practice.

It is interesting that donors do not feel a stronger social duty to give as income increases; high-income donors are equally likely to think people should donate, and suggest giving a lower proportion of annual income, mirroring the pattern for actual giving levels. This has important implications for policymakers and those eager to increase giving; it may prove difficult to shift these perceptions or to foster a sense of duty to give.

Amount given

The survey asked how much respondents had donated to charity in the past 12 months. We are able to analyse this data by a range of demographic factors. Differences are likely to be explained to some extent by other factors, such as income.

Figure 2: Donation level and average donation by income bracket



Mainstream N=1699, high-income N=861. Totals exceed 100% due to rounding.

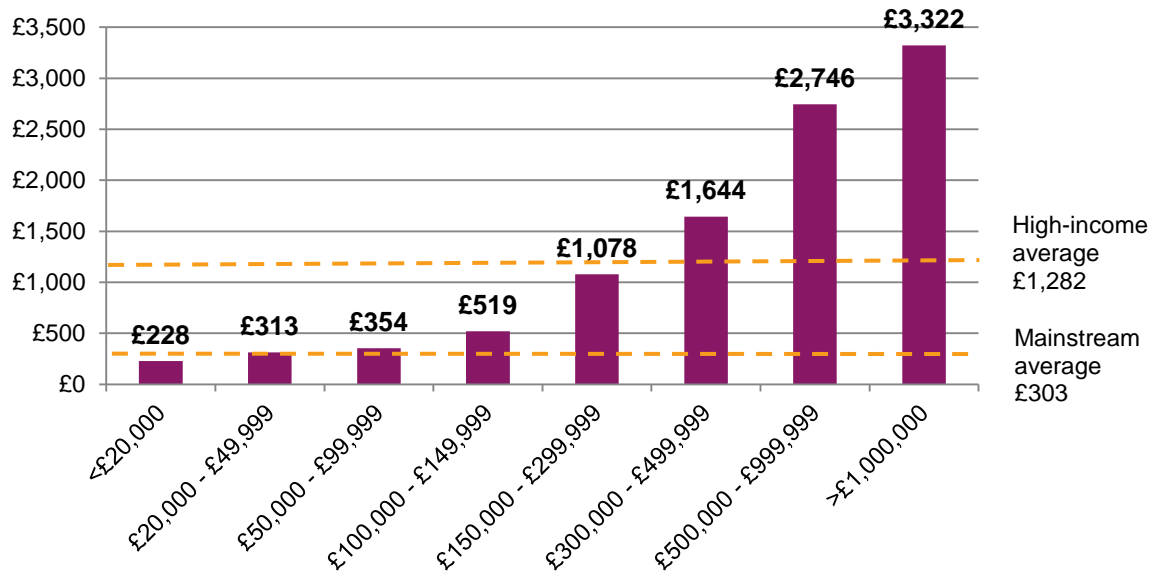
High-income donors give four times more per year than mainstream donors.

- Figure 2 shows that almost half of mainstream donors gave between £50 and £100 in the past year. A further 25% gave between £101 and £200 and 10% gave over £500 annually.
- Of high-income donors, the largest proportion (36%) gave over £500 in the last year. A further 31% gave between £201 and £500, and 33% gave £200 or less (numbers on figure 2 total 34% due to rounding).

⁸ NCVO and CAF (2012) UK Giving 2012: An overview of charitable giving in the UK, 2011/12

⁹ CAF (2012) World Giving Index 2012: A global view of giving trends

Figure 3: Average annual donation, split by household income band



Mainstream N=1699, High-income N=861

Average annual donation increases with household income, from £228 given by donors with an income under £20,000, to £3,322 given by donors with an income of £1m and over.

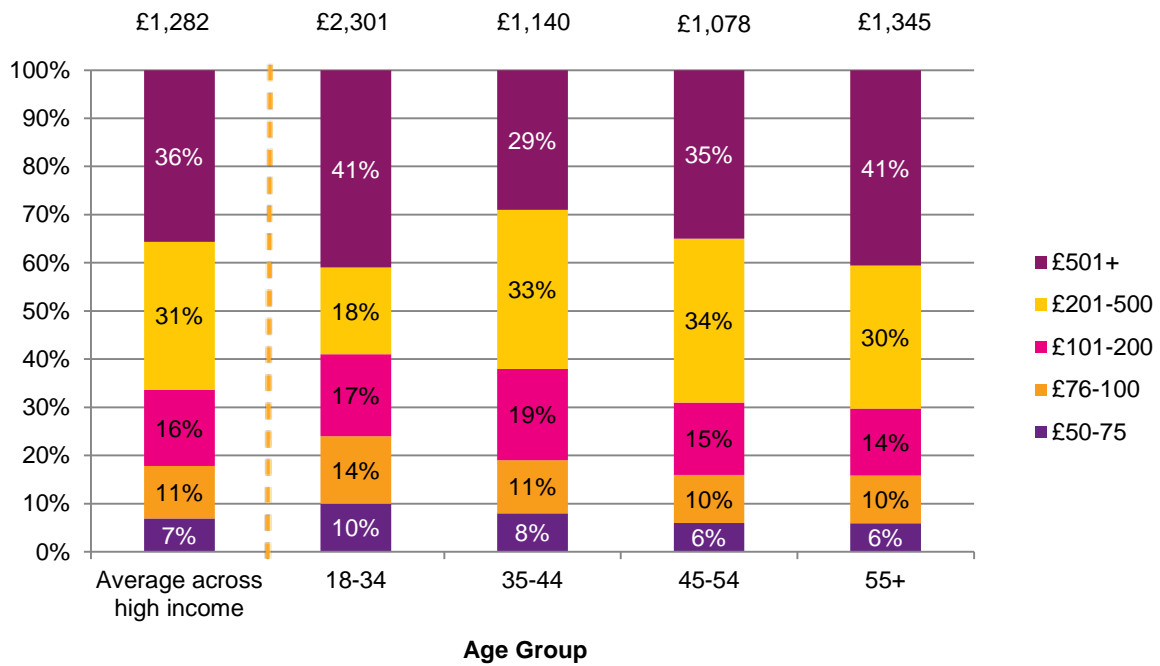
Age

Figure 4: Donation level and average donation by age (mainstream donors)



Mainstream N=1699. Figures above columns show mean donation for each age group. Some totals exceed 100% due to rounding.

Figure 5: Donation level and average donation by age (high-income donors)



High-income N=861. Figures above columns show mean donation for each age group.

Level of giving increases with age for mainstream donors, but among high-income donors the young have the highest average donation.

- Figure 4 shows that in the mainstream bracket, the average donation varies between £270 for those aged 18-34, and £349 for those over 65.
- Figure 5 shows that in the high-income population, young donors aged 18-34 give the highest average donation, with older donors aged over 55 giving the second highest amount.
- Equal proportions of high-income donors in the 18-34 and 55+ age groups give over £500 a year. The higher average in the 18-34 age group is driven by a few donations in the sample, which are considerably above the £500 upper bracket.

Gender

Figure 6: Donation level and average donation by gender

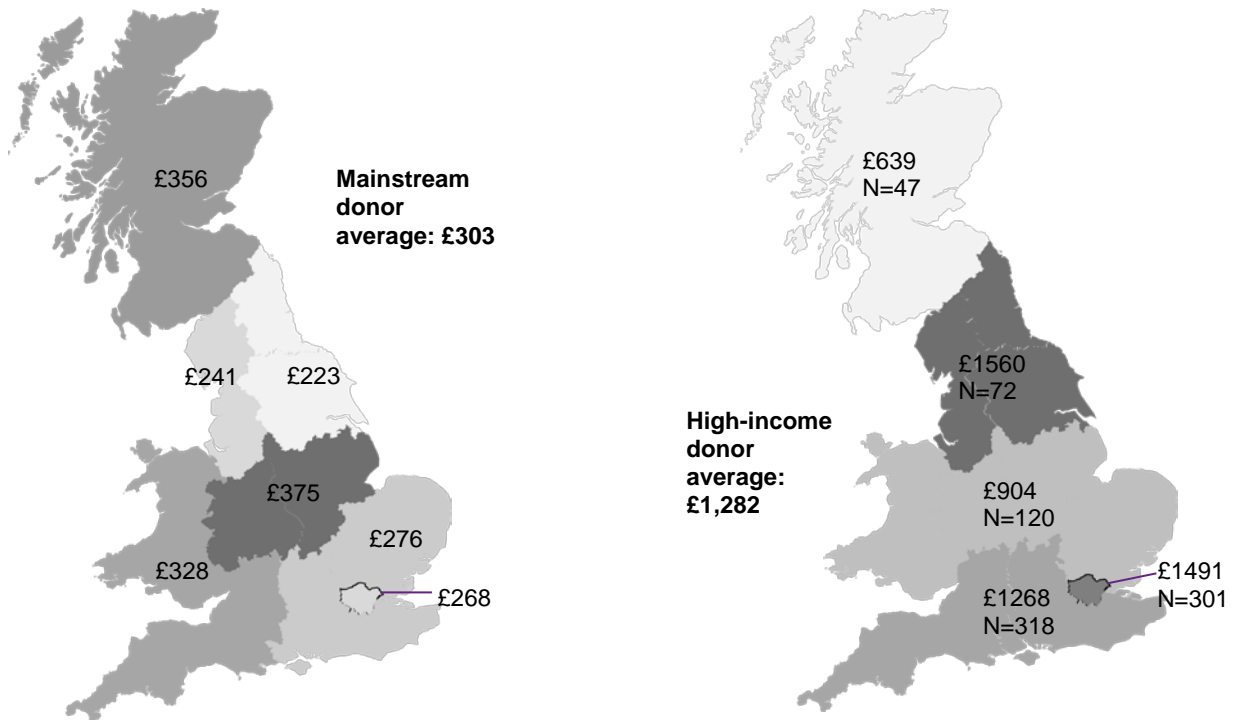


Mainstream N=1699, high-income N=861. Figures above columns show mean donation for each group. Some totals exceed 100% due to rounding.

- As figure 6 demonstrates, giving varies by gender, with men giving more in both income brackets. Male mainstream donors give an average of £349 per year compared to £260 for women.
- In the high-income bracket men give an average of £1,417, whereas women give an average of £979.
- These findings may reflect gender differences in personal (rather than household) income and the methodology used, as discussed below.

Region

Figure 7: Average donation by region



Regions are shaded dark (high average gift) to light (low average gift). High-income sample sizes are small, so the number of respondents has been included. Some regions have been combined in the high-income map, due to low response numbers. For both income groups, Northern Ireland has been omitted due to the low number of respondents.

- Figure 7 shows that mainstream donors give most in Scotland, the Midlands, the South West and Wales. Areas giving less are the North and Yorkshire, and the North West.
- For high-income donors, the geographical picture is a little different. The survey indicates that London and the North give most, whilst the Midlands gives less.
- Mainstream donors in Scotland give among the highest amounts, but high-income donors give comparatively lower donations. The high-income result is based on a small sample size of 47 respondents, and therefore may not be representative.
- These differences in giving levels may reflect other regional differences, such as income.

Mainstream donors give an average of £303 per year, and this level of giving is comparable with that found in previous research: *UK Giving 2012* found an average annual gift of £324.¹⁰ Analysis of the proportion of income donors give suggests that those in the lower household income brackets give a higher proportion of their income to charity. However the £50 threshold used to define a donor in this research will have influenced this finding, as this figure is already a greater proportion of income for lower-income donors than those in higher-income bands. Previous research has found that among donating households, donation as a proportion of spending decreases, as spending increases, but when non-donors are included in analysis (thereby taking into account the likelihood of

¹⁰ NCVO and CAF (2012) *UK Giving 2012: An overview of charitable giving in the UK, 2011/12.*

donating) the rate of donation is around 0.4% of household budget across all income ranges.¹¹ Nonetheless it is clear that no income brackets approach the suggested donation levels of 6.5%, or 4.7% of income which were identified in our earlier analysis.

The findings concerning age are particularly interesting in light of recent research, which has identified a generation giving gap.¹² Our research found high-income donors in the 18-34 age group gave high average donations. One interpretation of this could be that low levels of donations by younger people reflect a lack of disposable income, rather than a lack of charitable sentiment. This echoes recent research which found that wealthy young people were often engaged and enthusiastic donors.¹³

The finding that male donors give a higher average donation than female donors stands in contrast to previous research, which has found that women give more.¹⁴ This may reflect the £50 threshold used to define a donor. In addition, respondents are categorised according to *household* income, but were surveyed about their *personal* donations.

Similarly, regional findings may reflect differences in income profiles of the regions. For example, the lowest average donation is seen in the North and Yorkshire region, which has lower than average income levels. However it is interesting to see that the relatively high levels of giving in Scotland and the Midlands, and low giving in London and the South East, run counter to patterns of income in these areas. Controlling for income would increase and not decrease these differences.

¹¹ McKenzie, T. and Pharoah, C (2011) How generous is the UK? Charitable giving in the context of household spending. Centre for Charitable Giving and Philanthropy.

¹² CAF (2012) Mind the gap: The growing generational divide in charitable giving.

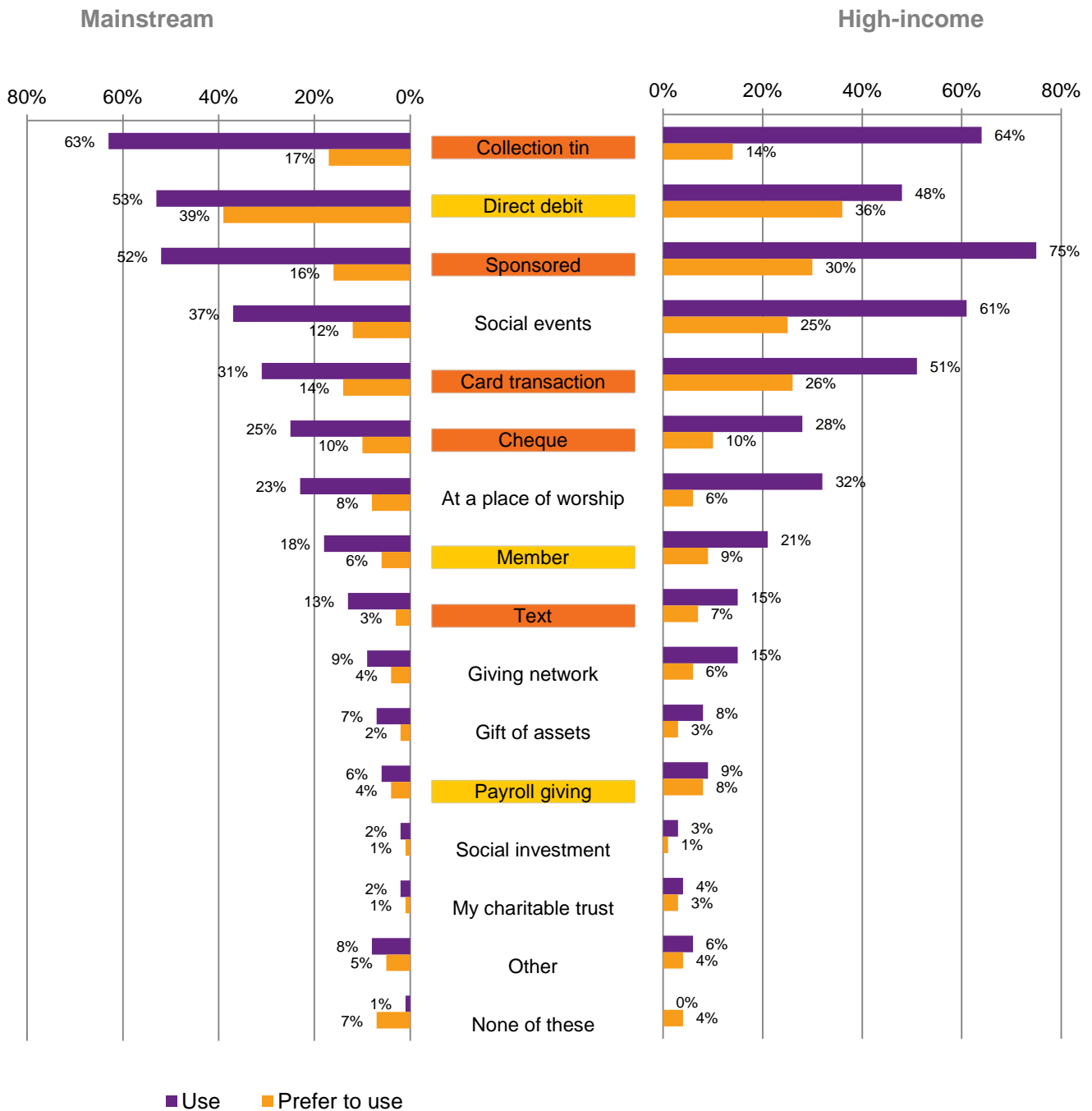
¹³ Next Gen Donors (2013) Respecting legacy, revolutionising philanthropy.

¹⁴ NCVO and CAF (2012) UK Giving 2012: An overview of charitable giving in the UK, 2011/12.

Method of giving

Donors were asked about the methods they use to give. Methods have been grouped to allow for an analysis of committed giving compared with ad hoc giving. Ad hoc methods include putting money in a collection tin, sponsoring someone, giving an occasional donation by credit or debit card, or sending money by cheque or text message. Committed methods include direct debit or standing order, joining a charity as a member, and payroll giving. Respondents were invited to choose up to three preferred methods of giving.

Figure 8: Preferred methods of giving



'Which if any of the following methods... a) have you used to make a donation to any charity in the past 12 months (multiple response question); b) do you most prefer to use to make a donation to charity (up to three responses)?' Mainstream N=1699, high-income N=861. Red shading behind graph legends indicates ad hoc giving methods, yellow indicates committed giving methods.

Ad hoc methods of giving are the most commonly used, but the preferred method is direct debit.

- Figure 8 shows that the methods most commonly used by both income groups are ad hoc: for mainstream donors, putting money in a collection tin (63%), and for high-income donors, sponsoring someone (75%).
- Both income groups prefer the committed method of direct debit or standing order, chosen by 39% of mainstream donors and 36% of high-income donors.

High-income donors show a greater preference for ad hoc giving.

- High-income donors use a greater variety of methods to give to charity: a mean of 4.4 methods compared to 3.5 for mainstream donors. This is because they give more ad hoc donations alongside their committed giving.
- Social events are more important for high-income donors (37% mainstream, 61% high-income).
- High-income donors favour occasional credit or debit card donations (51% have used it, 26% prefer it) compared to mainstream donors (31% have used it, 14% prefer it).
- High-income donors are more likely to have sponsored someone (75%, mainstream 52%), and are more likely to prefer giving in this way (30%, mainstream 16%).

Analysis of giving methods by age highlights some interesting differences:

- Mainstream donors aged 65+ are more likely to have a direct debit (60%) than the average for the population (53%) or younger donors (49%). They also have a stronger preference for direct debit (44% say it is their preferred method of giving).
- 23% of 18-34 year olds have donated via text, compared to a population average of 13%, and 8% of those aged over 65. Similarly 18-34 year olds are more likely to prefer sponsorship (25% against 16% average).

The preference for direct debit indicates that donors are prepared to give in a committed way. This is a positive finding for the sector, and suggests that continued efforts to promote other forms of committed giving, such as payroll giving, may yield results, despite low uptake at present.¹⁵

For fundraisers, the demographic differences in methods of donation are interesting. Charities with high-income donors should find ways to tap into their tendency to give in an ad hoc way, and all fundraising charities can explore how to match the giving preferences of their supporters in different age groups.

¹⁵ HM Treasury (2013) Consultation on Payroll Giving.

Loyalty

Table 1: Donor loyalty

	Given for last 3 years	Likely to give next year
Mainstream	70%	90%
High-income	62%	87%

'Including 2012, in how many of the last three years have you given to this organisation (All three years)?'

'How likely, if at all, are you to give to this organisation again in 2013 (very likely and fairly likely)?'

Mainstream N=1699, high-income N=861.

Donors are loyal in their key charity relationships.

- 70% of mainstream donors and 62% of high-income donors have given for the last three years to the organisation where they made their largest donation.
- 90% of mainstream donors and 87% of high-income donors intend to give to the same organisation next year.

Donors are loyal in their key charity relationships—at least when it comes to their largest donation. Other research has indicated that charities lose up to 50% of donors between their first and second donation, and up to 30% each year after that.¹⁶ This research is based on charity records, rather than donor recall, and this different methodology will affect results. One interpretation may be that charities struggle to convert ad hoc donors into committed donors, but once they succeed in securing a repeat donation it is likely to continue.

This finding may reassure charities. But it also suggests that even high-performing charities may find it difficult to tempt donors away from their existing charity relationships. We should be wary of equating loyalty with commitment to an organisation, however, as previous research has shown that apparent commitment may simply be inertia.¹⁷ This is an interesting area for further research: it may be that those who are loyal out of commitment rather than inertia are more likely to respond to other charities demonstrating the good work they do in a field.

In section 4 we look in more detail at opportunities to shift donations to other charities.

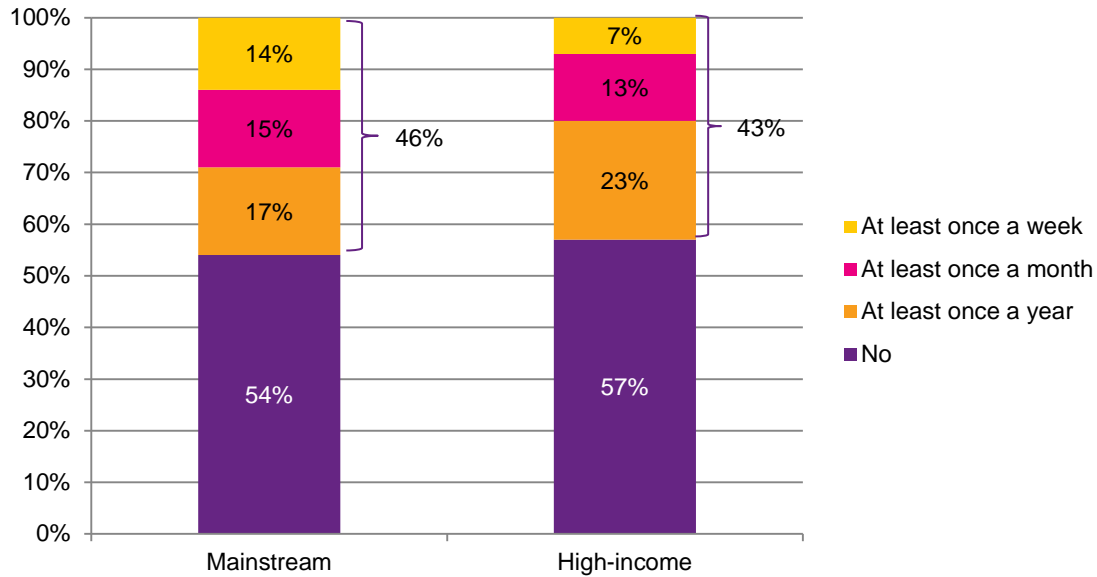
¹⁶ Sargeant, A. and Jay, E. (2004) Reasons for lapse: The case of face-to-face donors. *International Journal of Nonprofit and Voluntary Sector Marketing*.

¹⁷ Sargeant, A. and Woodliffe, L. (2005) The antecedents of donor commitment to voluntary organizations. *Nonprofit Management and Leadership*.

Giving time

Donors were asked whether they had volunteered in the past 12 months, how frequently, what type of activity they did, what causes they gave time to, and how their habits around giving time relate to their financial donations.

Figure 9: Frequency of volunteering



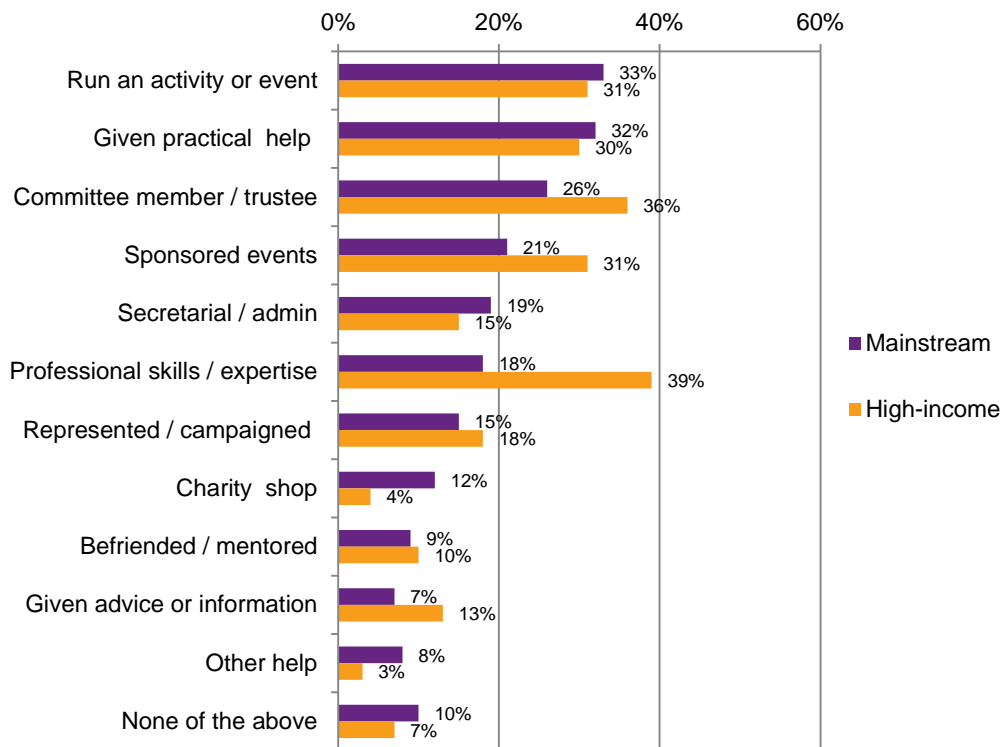
'Have you volunteered or donated time to a charitable cause in the past 12 months, or not?' Mainstream N=1699, high-income N=861

Nearly half of all donors also volunteer.

- As figure 9 shows, 46% of mainstream donors and 43% of high-income donors gave time in the last 12 months; in both income brackets more than half of donors did not give time at all.
- Within the mainstream group there was a fairly even split between giving weekly, monthly and annually (14%, 15%, and 17% respectively). High-income donors are more likely to give time on an annual basis (over half of those that give time), and less likely to give time with greater frequency.

Volunteering activity

Figure 10: Types of volunteering



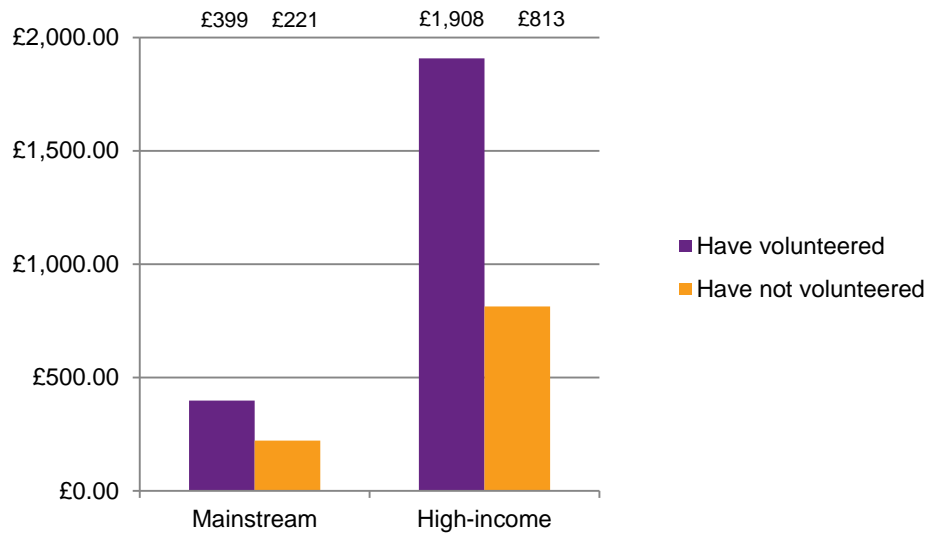
'Which, if any, of the following types of activity have you done for this cause/ these causes in the past 12 months (multiple response)?' Mainstream N=784, high-income N=372

High-income donors are more likely to engage in skilled volunteering than mainstream donors.

- Figure 10 demonstrates that around a third of both high-income and mainstream donors have run an activity or event, and a similar proportion has provided practical help.
- The most common volunteering activity for high-income donors is offering professional skills (39%), followed by being a committee member (36%). These are much less common for mainstream donors.
- Taking part in sponsored events is a relatively common activity for both groups—21% of mainstream donors and 31% of high-income donors.

Giving time and money

Figure 11: Volunteering and average donation



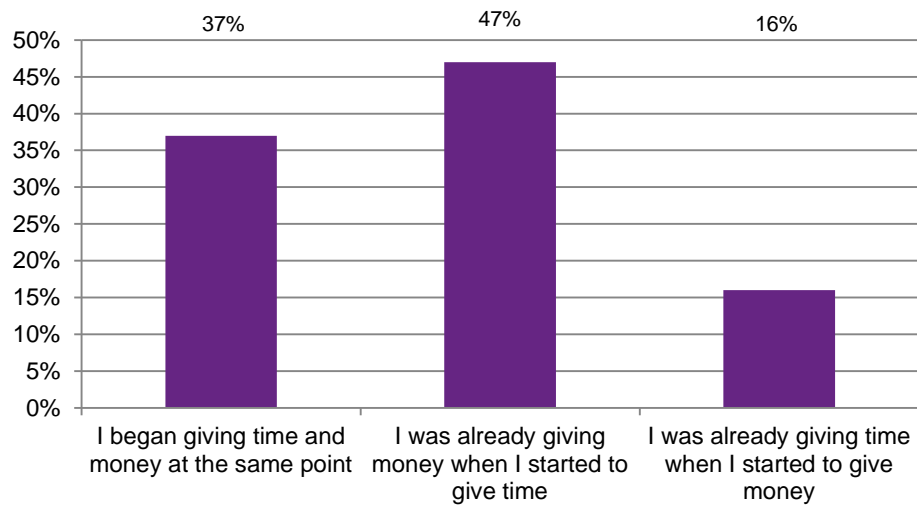
Mainstream volunteers N=784, mainstream non-volunteers N=915, high-income volunteers N=372, high-income non-volunteers N=489. Figures above columns show mean donation for each group.

Donors who give both time and money to a charity give a higher average donation than those who give only money.

- Figure 11 demonstrates that mainstream volunteers gave almost twice as much as mainstream non-volunteers in the past year.
- High-income volunteers gave more than twice as much as high-income non-volunteers.
- 71% of mainstream donors giving over £500 volunteered, and 55% did so regularly (at least once a month). By comparison, 39% of those giving £50-£75 volunteered, and 23% did so regularly.
- A similar pattern is seen in the high-income bracket; 54% of those giving over £500 volunteered, 28% did so regularly. For those giving £50-£75, 33% volunteered, 18% regularly.

Across all donors who volunteer, 72% give money to the same organisation that they give time to and 28% do not. For those who donate and volunteer with the same organisation, the survey looked at the sequence for those activities.

Figure 12: Sequence for giving time and money (mainstream donors)



'Thinking about the main charity to which you give time, how does this link to the money you donate to it?'
Mainstream N=567.

Donors most often give money and then start giving time.

- Figure 12 shows that giving money most often precedes giving time, although a substantial proportion of donors begin giving time and money at the same point.
- For 16% of volunteers, giving time leads to financial giving.
- For high-income donors the figures are very similar; 36% of volunteers began giving time and money at the same point, 47% were already giving money when they started to give time, and 17% were already giving time when they started to give money.

The *Money for Good UK* volunteering rate of 46% among mainstream donors compares with other research, which has found levels from 26% to 71%.¹⁸ Differing definitions and methodologies will affect these figures; for example this study looks only at those donating more than £50 per year. However this research echoes previous findings around volunteers' activities, and the high levels of people giving both time and money to the same organisation. The level of skilled volunteering by high-income donors is heartening; individuals recognise that they can offer more than money to support charities, and charities are making use of their skills. Previous NPC research¹⁹ found that half of all charities have a vacancy on their board, so this willingness to share professional skills presents an opportunity for charities to encourage volunteers to become trustees.

The relationship between giving time and money is interesting: there is a correlation between volunteering and higher rates of giving, and between higher levels of volunteering and higher financial donations. Previous research has found that those donating time and money to the same organisation are more likely to give money to

¹⁸ CAF's Giving World Index found 26% (CAF (2012) World Giving Index 2012: A global view of giving trends), Helping out found 59% (Cabinet Office (2007) Helping out: A national survey of volunteering and charitable giving), and the recent Community Life survey found 71% (Cabinet Office, 2013, Community Life Survey).

¹⁹ Vernon, B. and Stringer, E. (2009) Board matters: A review of charity trusteeship in the UK. New Philanthropy Capital.

an organisation where they have been involved as volunteers. It also found that donors tend not to believe that volunteering and donating money can be used to substitute each other.²⁰

It is still unclear whether one leads to the other. *Money for Good UK* research shows that often donors give money before they give time, indicating that volunteering deepens a relationship rather than creating one. Our research showed that volunteering preceded a donation for 16% of respondents, while 37% of respondents gave both time and money at the same point. Volunteering arguably requires greater effort than a financial donation: if donors choose to give time and money simultaneously, the volunteering relationship could be the motivating factor. Whichever way round they occur, financial giving and volunteering are both positive outcomes for a charity.

High-income donors tend to volunteer less frequently, but engage in a greater variety of activities, while mainstream donors are more likely to regularly volunteer at the same activity. This difference may have implications for the depth of the relationship charities can build with high-income donors. The important link between giving time and giving money indicates that charities might benefit from greater integration between their fundraising and programme functions, ensuring that supporters who both donate and volunteer, or have the potential to, have a rewarding and joined-up relationship with the charity.

Section 4 explores the potential to increase volunteering in more detail.

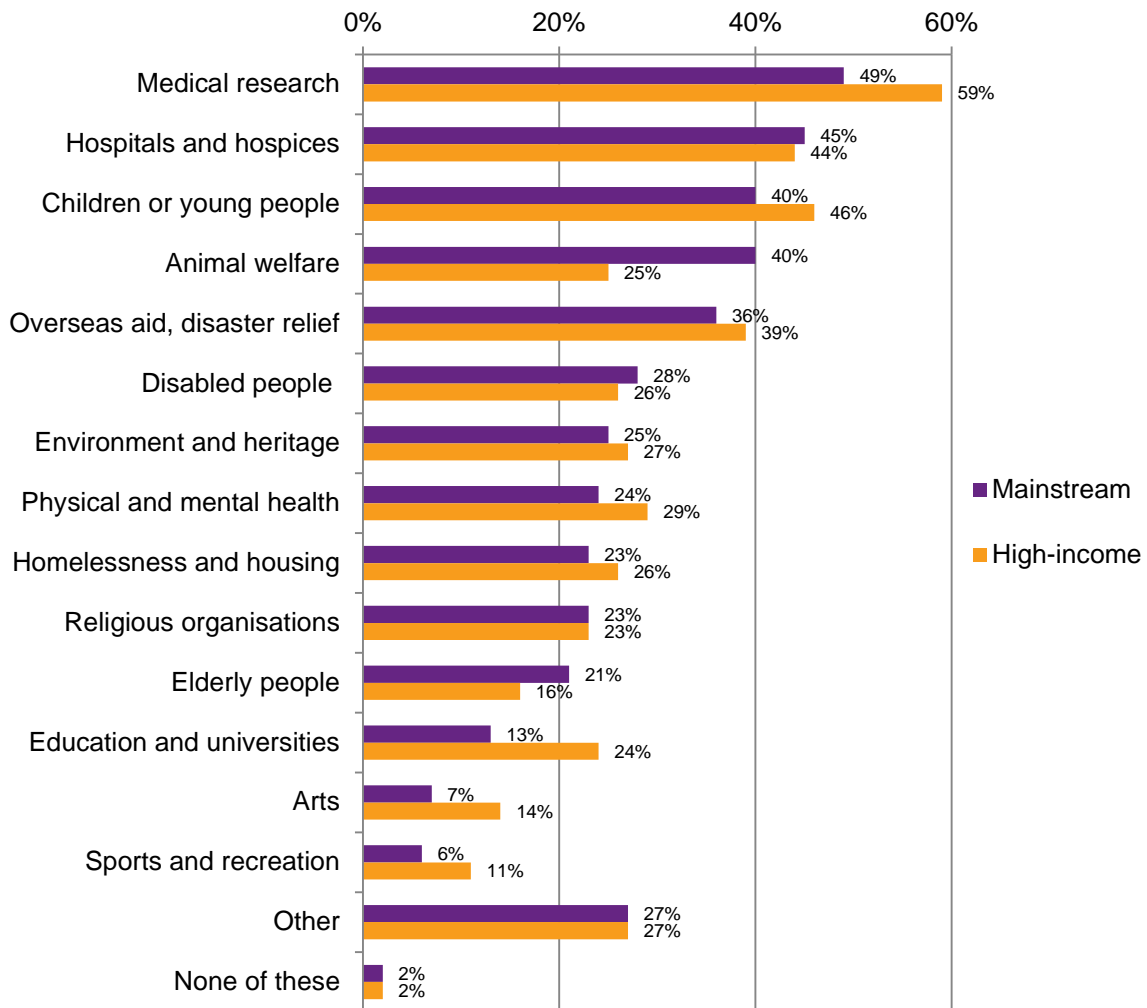
²⁰ Cabinet Office (2007) *Helping out: A national survey of volunteering and charitable giving*.

Cause

Giving money

The survey asked donors which causes they had donated money to in the past year and which causes they had given time to.

Figure 13: Causes to which donors give money



'Which, if any, of the following causes have you donated money to in the past year (multiple response)?'
Mainstream N=1699, high-income N=861

Medical research, children or young people, and hospitals or hospices are the three most popular causes for donors to give to.

- Figure 13 shows that 40% of mainstream donors give to animal welfare, compared with 25% of high-income.
- The proportion of high-income donors giving to education and universities, arts, and sports and recreation is almost double the proportion of mainstream donors giving to those causes.

Giving time

Table 2: Causes to which donors have given time

Mainstream donors		High-income donors	
Religious organisations	12%	Children or young people	13%
Children or young people	9%	Schools, colleges, universities/other education	11%
Medical research	7%	Medical research	9%
Hospitals and hospices	7%	Religious organisations	8%
Schools, colleges, universities/other education	6%	Hospitals and hospices	7%

'Which, if any, of the following causes have you given time to in the past year (multiple response)?' Mainstream N=1699, high-income N=861

- The top five causes to which mainstream and high-income donors give their time are shown above. These causes are followed by a long tail of low levels of giving time to a wide range of causes.
- Donors are less likely to give time to medical causes, and more likely to give money. They are more likely to volunteer with organisations working with children and young people.
- For mainstream donors in particular, religious causes are an important focus of volunteering.

Our survey showed that high-income donors give to more charities overall; an average of 5.5 charities supported per year compared with the mainstream donor average of 4.8. This is consistent with previous studies, which have looked at the causes donors give their time and money to.²¹ In section 3 we look in more detail at the cause preferences of donors in different segments.

²¹ NCVO and CAF (2012) UK Giving 2012: An overview of charitable giving in the UK, 2011/12; Cabinet Office (2007) Helping out: A national survey of volunteering and charitable giving.

Comparing mainstream and high-income donors

Analysis of the findings in this section allows us to draw some interesting comparisons between high-income and mainstream donors. The finding that high-income donors give more on average is unsurprising, but this is the first time information has been gathered from a sufficiently large sample to quantify that difference. There are several interesting distinctions between the mainstream and high-income donor populations: different levels of giving by region, and different preferences for cause and giving methods. Two differences particularly stand out.

First, although giving levels increase with age amongst mainstream donors, amongst high-income donors the younger group give the highest average donation. An interpretation could be that the trend for younger donors giving less may be a function of lower disposable income, rather than a lower level of charitable commitment.

Second, when we split the donor population into mainstream and high-income populations, we can see fascinating differences in volunteering behaviour. There is a real preference from high-income donors to give professional skills and act as trustees. This indicates that a substantial proportion of high-income donors want to use their time and skills as well as money to make the maximum impact with their giving.

Table 3: Similarities and differences between mainstream and high-income donors

Similarities	Differences
Low obligation to give: only 47% of donors think people should donate.	Mean donation £303 (mainstream) vs £1,282 (high-income).
High donor loyalty: around two thirds of donors have given to the charity that received their largest donation in the last 12 months, for each of the three previous years.	Amongst high-income the 18-34 age group gives the highest average donation, followed by the 55+ age group. Amongst mainstream donors, giving increases with age.
The preferred method of giving is committed: via a direct debit or standing order.	High-income donors are more likely to use ad hoc methods of giving, for instance they like to sponsor, give via social events, and give via occasional credit or debit card donations.
Children or young people, medical research, and hospitals are the three most popular causes.	High-income donors are more likely to give to education, arts and sports causes, and less likely to give to animal causes.
Around 45% of donors give time.	High-income donors are more likely to give their time on an annual basis rather than weekly or monthly, and to give professional skills or sit on a committee.
Volunteers donate more: comparing non-volunteer to volunteer mean donation: £813 vs £1,908 for high-income donors, £221 vs £399 for mainstream donors.	

Implications

1. There is a low sense of duty to give among the donor population. This implies that fundraising based on duty will not resonate with a large proportion of the UK population.
2. The high average donation among younger high-income donors suggest that lower-level giving among young people could be due to lower disposable income, and not a lack of charitable conviction.
3. A clear preference for direct debit implies that donors are open to giving by committed means. There may be opportunities to encourage more donors to give in a committed way, and to use methods other than direct debit, such as payroll giving.
4. High-income donors give in an ad hoc way *alongside* their committed giving; charities should look to take advantage of this opportunity.
5. A high level of loyalty in donors' most significant charity relationship is good news for charities, but may mean that other charities find it difficult to persuade donors with existing relationships to switch.
6. The link between giving time and giving money suggests that charities may benefit by developing stronger links between fundraising and volunteering programmes.

In the following section we continue to explore donor behaviour and the differences between mainstream and high-income donors, focusing on what influences giving and the steps donors take before donating.

2. INFLUENCES ON GIVING: INFORMATION AND RESEARCH

Information provided by charities can influence donors' decisions about giving. In this section we provide a new perspective on whether donors research charities before donating, what they look at, and to what extent they consider impact. The findings can help charities think about what and how to communicate with donors.

In this section we answer the questions:

- **What information sources do donors use?**
- **What factors do donors pay attention to when deciding to donate?**
- **Do donors research, and what type of research do they do?**

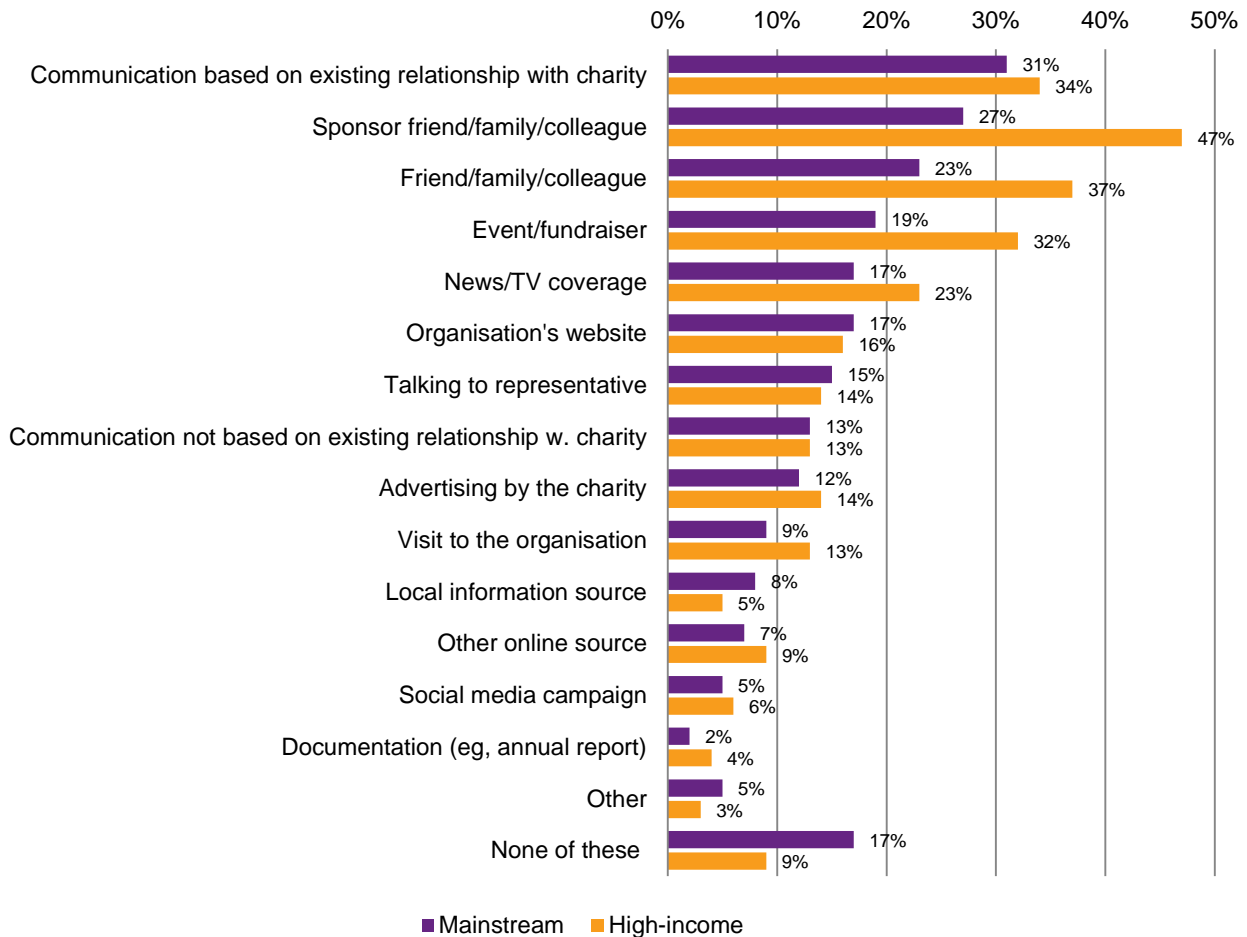
Key findings

- Donors respond to personalised communications from charities that they have a relationship with, and asks or prompts from family, friends or colleagues.
- Donors care about impact—two thirds pay attention to impact when giving to a charity, but only a small proportion use this information to choose between charities.
- 38% of donors do research before making their largest donation. Most use it to help them to decide whether to donate, but almost a fifth (18%) of those who do research are looking for information to help them decide between multiple charities (7% of all donors).

Information sources leading to a donation

Donors were asked which information sources directly led to them making a donation to charity in the past 12 months.

Figure 14: Information sources leading to a donation



'Which, if any, of the following information sources have directly led to you making a donation to charity in the past 12 months (multiple response)?' Mainstream N=1699, high-income N=861

Donors respond to personalised communications from charities that they have a relationship with, and to asks or prompts from family, friends or colleagues.

- Figure 14 indicates that approximately a third of donors donate in response to information that they receive through an existing charity relationship.
- Personal ties are also important, especially for high-income donors. In contrast to mainstream donors, for high-income donors *'being asked to sponsor a friend/family/colleague'* (47%) and receiving information *'through a friend/family/colleague'* (37%) are the most common information sources leading to a donation.

Age and income influence how donors respond to information sources.

- Younger mainstream donors aged 18–34 are more likely to respond to online prompts, such as an organisation’s website (23% against an average of 17%), social media campaigns (11% against an average of 5%), and other online sources (12% against an average of 7%).
- Younger high-income donors are particularly influenced to give as a result of visiting an organisation: 23% against a mean of 13%.
- Older mainstream donors (aged 65+) are more likely to respond to information not based on an existing charity relationship (such as unsolicited approaches) than average: 18% have done so, against an average of 13%. Older high-income donors do not share this willingness to respond to unsolicited approaches; 14% have responded to such prompts against an average of 13%.
- In both income groups, middle-aged and particularly older donors responded strongly to information based on an existing relationship with the charity. For high-income donors, 43% of those aged over 55 responded to this prompt (average 34%), and for mainstream donors 40% of those aged between 55 and 64, and the same proportion of those aged over 65 responded (average 31%).

It is striking how important relationships are as a prompt to giving. The three prompts that most strongly influence donations arise from relationships: an existing relationship with a charity, or the influence of family, friends and colleagues. Interestingly, the most important prompt—personalised communication from a charity based on an existing relationship—is also the one that charities worry can have a negative impact on a relationship if used too often. The *Consumer Attitudes Report*²² found that more than 50% of donors would stop giving if a charity contacted them too often. This is clearly a balance that charities need to strike.

Whilst an organisation’s website is a relatively important prompt, leading 17% of mainstream donors to make a donation, other online and social media sources rate very low (influencing only 7% and 5% of donors respectively). However the openness of the younger age group to respond to online and social media prompts may mean that, in terms of building a donor base for the future, they are an important investment.

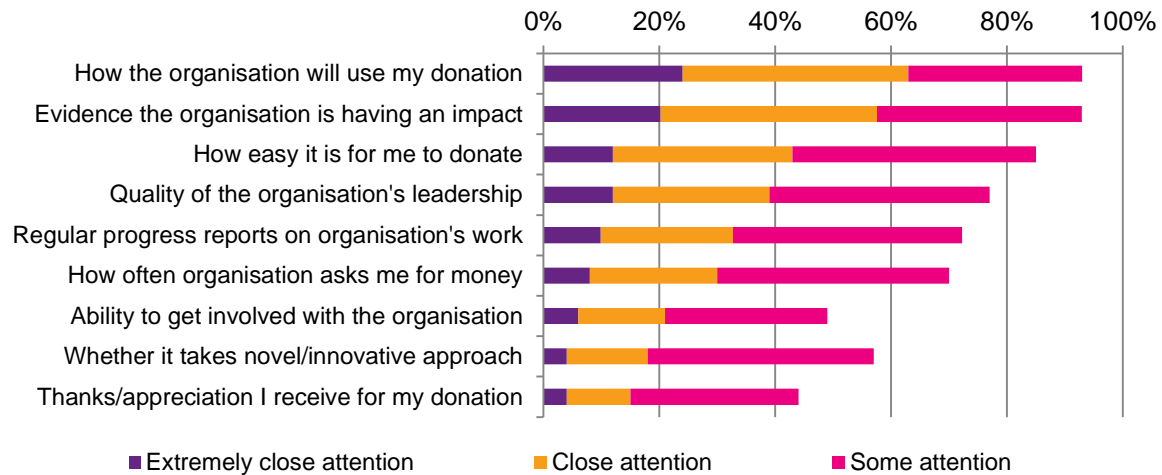
The exaggerated importance of family, friends and colleagues to the high-income population shows how these donors are more open to such appeals, and tallies with the high incidence of giving through sponsorship and social events, identified in section 1.

²² The REaD Group PLC (2012) *Consumer Attitudes Report 2012: Direct Marketing from the Third Sector*.

Factors donors pay attention to

Donors were asked how much attention they paid to a range of factors when giving to charity. These factors were designed to reflect a range of different concerns, including interest in the effectiveness of the charity, interest in communications, and interest in operations.

Figure 15: Factors influencing donation (mainstream)



'How much attention, if any, do you pay to the following factors when giving to charity?' Mainstream N=1699

Donors care about impact—three in five pay close attention to what their donation will achieve.

- Figure 15 shows that 63% of donors pay close or extremely close attention to how their donation will be used. Figures for high-income donors closely mirror those of mainstream donors.
- Evidence that an organisation is having an impact is also very important, with 58% of mainstream and 61% of high-income donors paying close or extremely close attention to this.
- Donors pay least attention to the thanks and appreciation received for their donation: only 15% of mainstream donors and 10% of high-income donors said they paid close attention to this.
- 30% of mainstream donors pay attention to how often the organisation asks them for money, but this ranks low (sixth) in importance overall.

These findings show that donors care about how donations are used and what the charity achieves. 'How the organisation will use my donation' is the top response, and 'Evidence the organisation is having an impact' is second. Other high-ranking responses also show an interest in the workings of the charity and its progress: 'Quality of the organisation's leadership' ranks fourth most important, and 'Regular progress reports' is fifth.

In contrast, factors relating to the practicalities of donation or benefits to donors ranked lower, including 'Thanks and appreciation I receive for my donation', 'Ability to get involved', and 'How often the organisation asks me for money'. One practical concern, 'How easy it is for me to donate' rated high among factors donors pay attention to (ranked third: 43% mainstream and 40% high-income pay close attention).

It is interesting to reflect on the practice of charities making personalised contact with donors based on an existing or previous relationship. The previous section showed this to be an effective way to raise funds, but one with associated risks of annoying or losing donors. These results show that, compared with other factors, donors pay

relatively little attention to the frequency of contact. It seems that although charities need to be aware of the risks of over-contacting their existing donors, it remains a successful way to solicit donations, and if donors pay relatively little attention to how often they are contacted, perhaps they are not as sensitive to what constitutes 'too often' as we might imagine.

The question of thanks is also interesting. Though these findings suggest that this is not very important to donors, our segmentation work suggests that in fact recognition is important to some groups of donors—something charities must be aware of.

In section 3 we look at the different donor segments and identify which of these factors influence them, and in section 4 we assess how donors think charities perform against these factors, and the implications for donor loyalty and giving.

Donor research

Donors were asked a series of questions about their largest donation to a single charity in the last 12 months, and the research that they did before donating. Figure 16 presents the questions asked and the findings. Findings were very similar for mainstream and high-income donors.

Figure 16: Findings on the donor research process (mainstream)



Mainstream N=1,699. All figures quoted below are for mainstream donors.

- 62% of donors did no research before making their largest donation.
- Of those that did research, the majority were deciding whether or not to give.
- 7% of donors use research to choose between multiple charities.
- Of those donors that do research, 62% looked for information on impact.
- When asked to choose which factor they were most looking for, donors chose information on impact (23%).
- 38% of donors who did research did not research an organisation's impact.
- The main reason for this was because they trusted that the charity was effective and had an impact.

38% of donors do research before making a significant donation. Most use it to help them to decide whether to donate, but almost a fifth (18%) of those who research are looking for information to help them decide between multiple charities (7% of all donors).

Our findings suggest that many donors make the effort to do research to inform significant donations: 38% of mainstream donors did research before making their largest donation last year (41% of high-income donors). On the flip side, 62% of mainstream donors did not do any research to inform their largest donation (59% high-income donors). However, 38% is still a sizeable group of people who consider what it is important for them to know before they will donate, and do research to assess this. Of these donors, two thirds look at impact; for nearly a quarter this is the most important factor. This leaves a third who do research but don't look at impact.

Over half of these donors said this was because they trusted that the charity was effective and had an impact. However, a number of mainstream donors expressed doubt or cynicism about impact measurement: 15% felt it wasn't important, around one in ten felt that even if they found information on an organisation's impact they wouldn't know whether it was good or bad, and a similar proportion expressed distrust of impact and performance measures. This suggests an opportunity for education and support for those donors that are interested in understanding more about a charity's impact, but are either unconvinced of the value or unable to do so.

This research did not ask respondents explicitly about whether they research charity overheads or fundraising costs—we felt that these concerns were covered by the response *'Financial information about the organisation including where it spends its money'*. A total of 49% of mainstream donors looked for financial information when they researched (51% of high-income donors), and it was most important for 15% of mainstream donors (16% of high-income donors), making it the third most important factor behind *'Information on how much impact the organisation has'* and *'Information about the cause or level of need'*. *Money for Good* in the US found that overheads (for example, administration costs) were the main factor donors researched: 25% looked for this information.²³ This may indicate that donors in the UK are less focused on overheads than those in the US, or it may indicate that donors respond to the 'overheads' prompt when it is given. Other research²⁴ in the UK found that *'Ensuring a reasonable proportion of donations makes it to the end cause'* was the most important factor in public trust of charities, chosen by 43% of respondents.

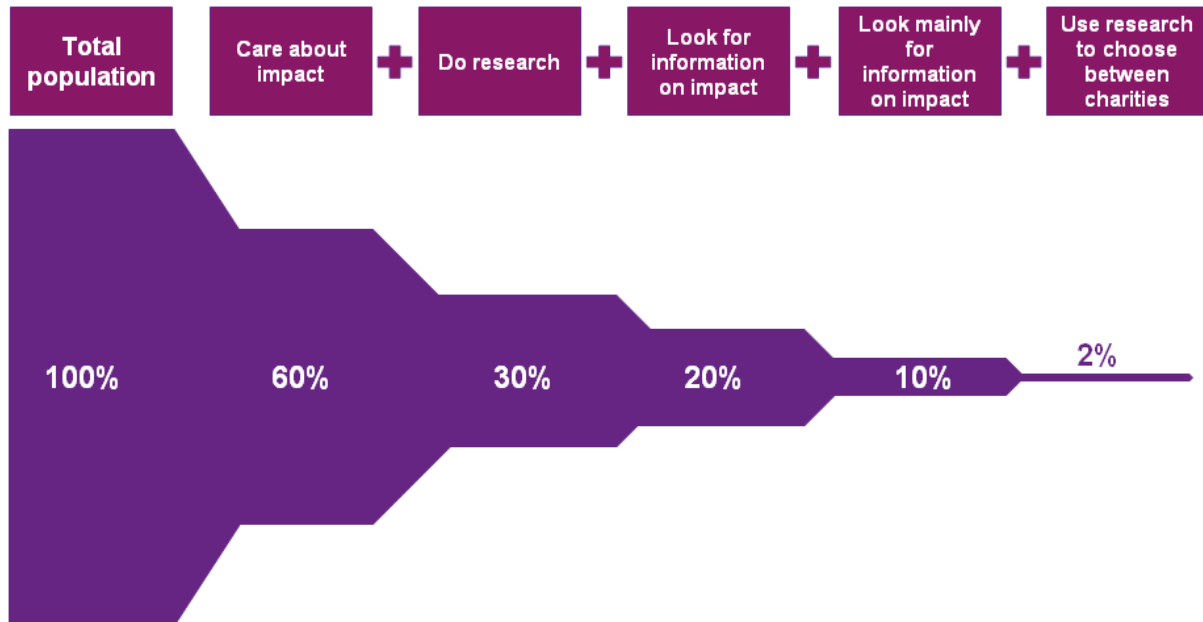
²³ Hope Consulting (2010) *Money for Good*.

²⁴ Ipsos MORI on behalf of the Charity Commission (2012) *Public trust and confidence in charities*.

Research into impact

It is clear that donors respond positively to prompts about impact, but we do need to treat these findings with some caution—it is not clear that they are making informed decisions about their donations based on the comparative impact of different charities, as figure 17 shows.

Figure 17: Analysis of donor use of information



Mainstream and high-income donors showed very similar responses at all stages. Figures have been rounded to illustrate the similar trend seen across both mainstream and high-income populations.

This analysis identifies the proportion of donors that respond positively to all of the statements listed at a particular stage. Figures have been rounded to illustrate the similar trend seen across both mainstream and high-income populations. Therefore 60% of donors responded positively to the first question, and 2% of donors responded positively to all five questions. The aim is to assess critically how much donors think about and act on information relating to impact by using an increasingly high bar.

60% of donors say they care about impact, 10% look mainly for information on impact and ultimately just 2% use an informed assessment of impact to choose between charities.

The picture this presents is that three in five donors are aware of and interested in impact across the donor population; a fifth of donors both caring about impact and making the effort to undertake research into impact; and a small number (2%) performing a critical comparison of charities based on impact.

In section 5 we use this analysis to discuss the reasons for increasing donor awareness about the impact of charities, and possible ways to achieve this. In the following section we look in more detail at what motivates donors to give, breaking the donor population down into seven distinct segments. This helps us to understand how charities individually, and the sector more generally, can respond to the challenge of encouraging donors to make the results a charity achieves a key consideration in giving.

3. DONOR SEGMENTATION

In sections 1 and 2 we have analysed giving behaviour and compared mainstream and high-income donors. In this section we take that analysis further, looking at how motivations for giving influence donor behaviour.

A key aim of the research was to produce a segmentation based on the underlying motivations of donors to help understand donor behaviour. A number of segmentations of donors have been produced in the past²⁵, and many charities have their own advanced segmentations based on demographics and past giving behaviour. To our knowledge, this segmentation is the first large-scale attitudinal segmentation of both mainstream and high-income populations in the UK.

The *Money for Good UK* segmentation is based on differences in attitude and motivation, driven by questions around giving behaviour and questions about identity independent of giving behaviour. The segmentation situates donors and their giving in a social and personal context, based on the things that matter to them.

A segmentation based on behaviour provides an understanding of why donors give, how they like to give, what they want from charities, and what they want to achieve from their giving. This enables charities to take a nuanced approach to the way they approach donors, what they communicate, the level of recognition they offer, and so on. This in turn should make for stronger and more successful donor relationships.

This type of segmentation can be used by charities in a number of ways:

- To segment existing donors and work out how best to communicate with them and recognise their support.
- To identify the segments most likely to support a cause or organisation, and target resources accordingly.
- To understand whether they are likely to be able to influence donors to give more and/or remain loyal.

In this section we answer the questions:

- **What are the sizes and profiles of the segments?**
- **What themes emerge from the analysis of segments?**
- **What does this segmentation mean for charities' engagement with donors?**

Key findings

- Cause is a defining factor for a majority of donors.
- Donors care about impact for different reasons: concern for the cause, personal involvement in the organisation, and concerns about personal reputation.
- Three segments—*Benefactors*, *Thoughtful philanthropists* and *Faith-based donors*—are disproportionately valuable compared with the segment size.

²⁵ Major segmentations have been developed in the US, all have only involved high-net-worth individuals, and most are based on interviews rather than large-scale surveys. In the UK, Beth Breeze has produced a segmentation based on profiles of 170 major philanthropists (Elizabeth Ann Breeze (2010) *More than Money: The social meaning of philanthropy in contemporary UK society*. A thesis submitted to the University of Kent)

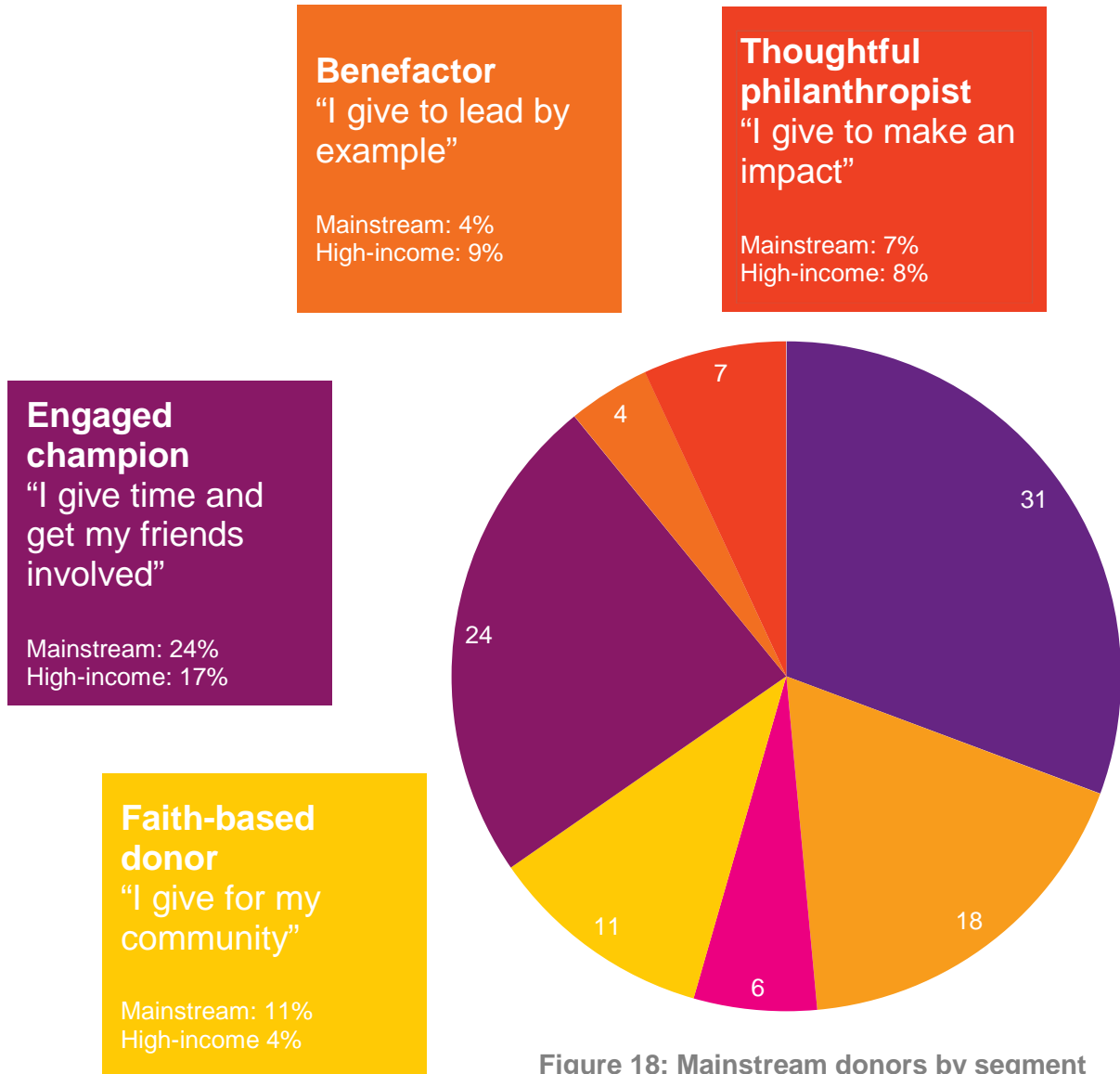


Table 4: Key giving segment details (mainstream)

Segment	% population	% donations	Average donation
Loyal supporter	31%	22%	£214
Ad hoc giver	18%	9%	£151
Good citizen	6%	6%	£311
Faith-based donor	11%	32%	£906
Engaged champion	24%	17%	£212
Benefactor	4%	7%	£582
Thoughtful philanthropist	7%	7%	£334

Figure 19: High-income donors by segment

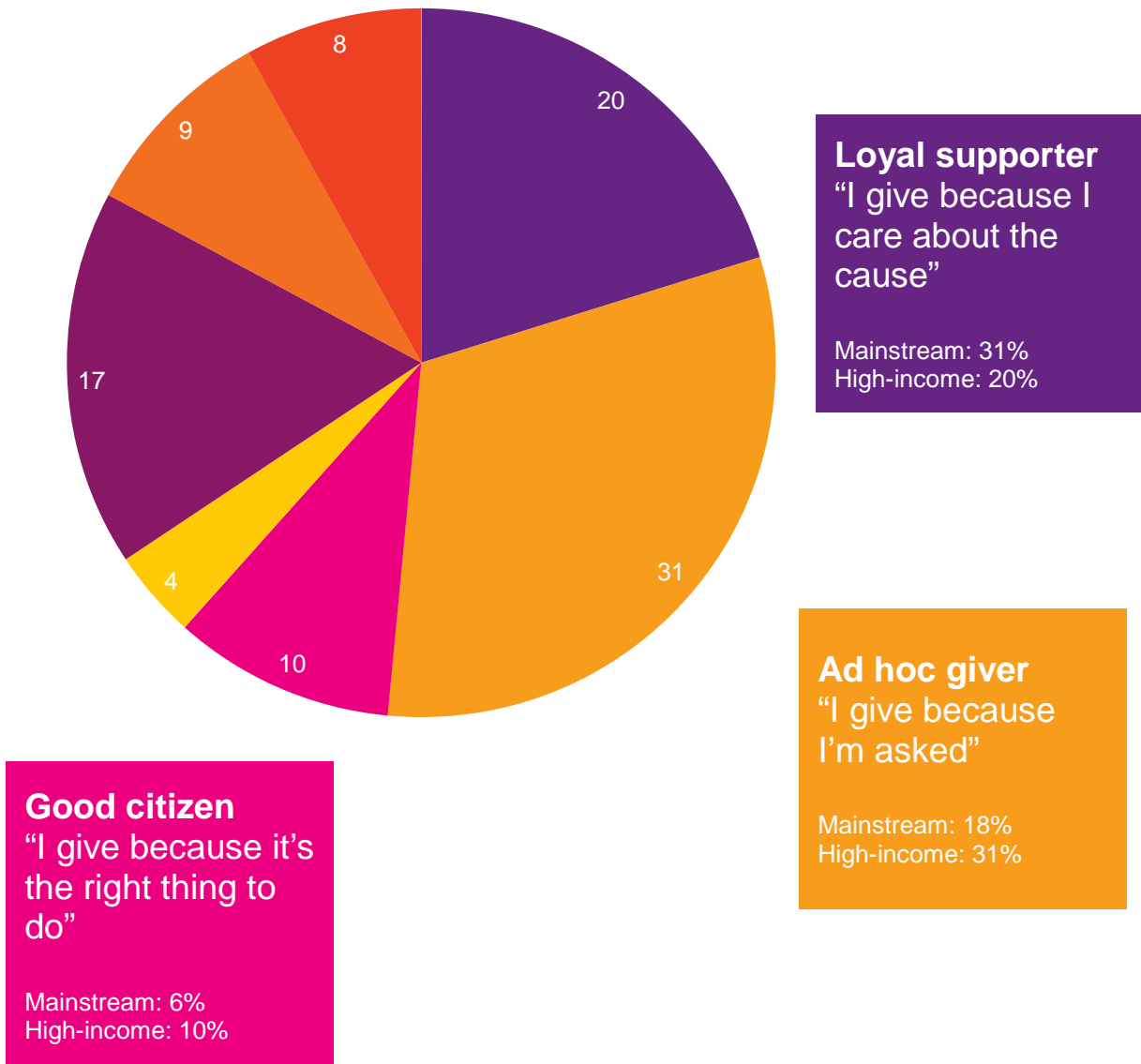


Table 5: Key segment details (high-income)

Segment	% population	% donations	Average donation
Loyal supporter	20%	19%	£1,188
Ad hoc giver	31%	14%	£570
Good citizen	10%	10%	£1,187
Faith-based donor	4%	12%	£3,687
Engaged champion	17%	14%	£1,051
Benefactor	9%	15%	£2,238
Thoughtful philanthropist	8%	17%	£2,593

Segment profiles

The following section presents a profile of each of the seven donor segments. Each profile details:

- The proportion of the segment in the mainstream and high-income donor population.
- A brief description of the segment.
- The demographic profile.
- A 'radar diagram' showing the strength of that segment's response to a number of factors that were tested through the questionnaire. These are diagrammatic representations showing the relative importance of different factors to different segments, and not statistical representations of the data.
- An analysis of segment behaviour against key characteristics, such as cause, method of giving, and volunteering.
- Insights for charities, and suggestions for interaction with these donors.

Loyal supporter

'I give because I care about the cause.'

31% of mainstream donors; 20% of high-income donors

- The kind of people who give loyally to their chosen cause over several years.
- Lower average annual donation, tend to give to fewer charities, but high levels of committed giving.
- Overriding interest in the cause, care about impact and will give as long as money is put to good use.

<p>Demographic profile:</p> <p>Bigger proportion of the mainstream donor population.</p> <p>Tend to be older donors.</p> <p>More likely to be white British.</p> <p>Less likely to be parents than population average.</p> <p>Less likely to be religious than population.</p>	
---	--

Characteristics	Discussion
Cause	Most likely to give to animal causes and overseas aid. Also interested in conservation. Lower interest in human welfare causes than other segments.
Method	High levels of committed giving; this is the segment most likely to have a direct debit or standing order, and relatively high levels of charity membership.
Duty	Recognise some obligation to give in society—about average among segments. However unlikely to feel this obligation applies to them.
Volunteering	Unlikely to give time or look for opportunities to be involved with the organisation. Those who do volunteer are less likely to give money to the same organisation.
Relationships	Very private motivations: low interest in being thanked, and very low interest in all public aspects of giving (ie, being a role model, requests from peers, attending events).
Research	Average likelihood of researching, but most likely of all segments to research impact.
Information	Will respond to news coverage.
Increasing giving	Low opportunity to increase giving: unlikely to change behaviour if charities improve, and those who say they would increase giving state a relatively low amount.

Insights

- Average likelihood of researching, but those who research are likely to look for information about impact. Cause is very important and donors are keen to receive progress reports.
- Giving is a private, rather than public activity, and donor is unlikely to seek personal involvement.
- Low opportunity to increase donation, but giving likely to be regular and loyal.

Ad hoc giver

'I give because I'm asked.'

18% of mainstream donors and 31% of high-income donors

- The kind of people who are easiest to reach through social networks.
- Lowest average annual donation; maximum donation to a single charity is relatively low.
- The motivating factor is existing relationships, requests from peers or knowing someone affected by an issue.

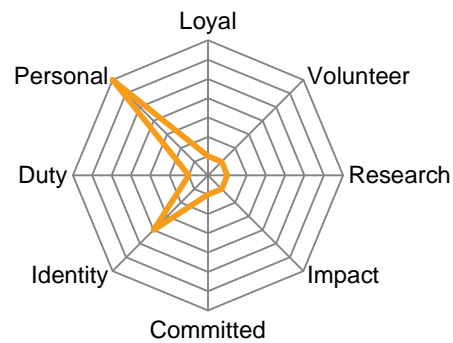
Demographic profile:

Particularly found among high-income donors.

Less likely to be older donors; more often found in the 35-44 age bracket.

Less likely to be religious than population average.

Slightly less likely to be parents than population average.



Characteristics	Discussion
Cause	Particular interest in medical causes. Cause is a relatively important factor.
Method	More likely to enjoy giving through ad hoc means, particularly sponsorship. Likely to enjoy giving through events.
Duty	Lowest of all segments in recognising a social duty to give, despite large proportion of high-income donors in this segment.
Volunteering	Least likely to donate time and do not look for opportunities to get involved with the charity. Those who do give time most likely to do sponsored events.
Relationships	Personal relationships are crucial prompts to giving and a key information source. Low interest in receiving thanks or being a role model.
Research	Least likely of all segments to undertake any research. Those who do research are more interested in endorsements than most donors.
Information	Low response to most prompts, but will attend events and listen to peers.
Increasing giving	Very unlikely to increase giving in response to changes in charity behaviour.

Insights

- A large and high-value segment, but commitment and loyalty are low.
- Difficult to engage directly unless through personal experience. Respond to requests and prompts from their peers; potentially a significant source of donation if reached through social networks.
- High interest in cause suggests they may be interested in simple performance information.

Good citizen

'I give because it's the right thing to do.'

6% of mainstream donors and 10% of high-income donors

- The kind of people who give in a traditional way, and in a community context.
- Medium level of annual donation. Give to more charities than average, but tend not to give large donations.
- This segment is most motivated by a sense of public duty and obligation due to their position in society.

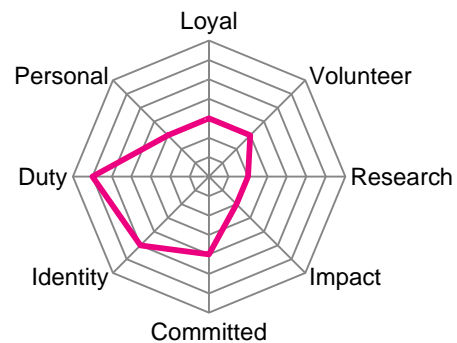
Demographic profile:

More common among high-income donors.

Less likely to be older donors.

More likely to be male.

Slightly more likely to declare religious affiliation (although religious beliefs not a big motivation).



Characteristics	Discussion
Cause	Low overall interest in cause, and no clear preference for a particular cause. Slightly more interest in children's causes, overseas aid, and homelessness.
Method	No clear preference for method of donation, although high level of text donation.
Duty	Extremely strong sense of social obligation; belief that people should donate where possible, and a firm belief that their personal position in society confers an obligation to donate.
Volunteering	Average level of volunteering; more likely than most segments to have donated professional expertise, but less likely to donate money to the same charity.
Relationships	Relatively low interest in causes that have affected peers, medium interest in requests from peers. However status is important; keen to be seen as a role model.
Research	Among the least likely to do any research, and less interested in impact.
Information	Quite likely to respond to unsolicited contact from a charity.
Increasing giving	Relatively likely to shift donations to a higher-performing organisation. Those who might give more would give substantially more.

Insights

- These donors are sensitive to their status in society and see giving as a duty. Communication should focus on this idea of duty rather than the cause, which they find less motivating.
- May be encouraged to think about impact as part of a duty to give responsibly.
- A small segment giving relatively low donations, but will shift donations to high-performing charities, and respond to unsolicited requests.

Faith-based donor

'I give for my community.'

11% of mainstream donors and just 4% of high-income donors

- The kind of people who give at their place of worship.
- An important segment, giving the highest average annual donation at £906 (mainstream donors).
- Faith and community are major motivating factors.

Demographic profile:

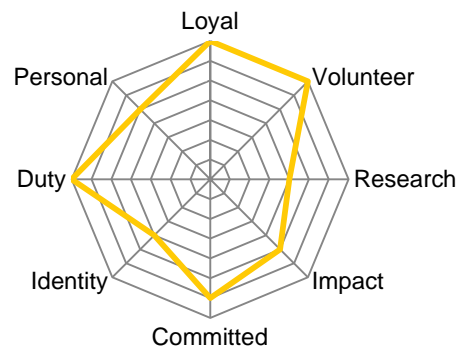
More likely to be mainstream donors.

Tend to be older donors, aged over 65, although less likely to be in the middle age bracket 45-54.

Higher incidence of BME ethnicity.

Very likely to state religious affiliation.

More likely to be parents than population average.



Characteristics	Discussion
Cause	Give to religious causes and to overseas aid but cause not a major motivating factor.
Method	The most common donation method is at a place of worship.
Duty	There is a strong expectation to give although this is not linked to status in society. This segment is more likely to believe people should donate if they have the means, and to suggest a proportion of income people should aim to donate.
Volunteering	Most likely to have given time, and to give it often. Particularly giving time to religious organisations, and to children. Very likely to donate money where volunteering.
Relationships	Unlikely to be motivated by requests from family or friends. Family, community, and charitable giving are all important to these donors' identity.
Research	Average likelihood of researching, but tend not to research impact (despite saying this is important to them) due to high levels of trust that the organisation has impact.
Information	Very unlikely to respond to advertising, but will respond to personalised requests for support from the organisation.
Increasing giving	Average likelihood of increasing giving, but those willing to increase might give a substantial amount more.

Insights

- Although these donors are often less affluent, they have a strong sense of duty to give generously.
- The overriding importance of religious affiliation means it will be difficult for many charities to appeal to these donors, unless they can work with and through places of worship.
- Although impact seems important, lack of research implies donors know and trust organisations.

Engaged champion

'I give time and get my friends involved.'

24% of mainstream donors and 17% of high-income donors

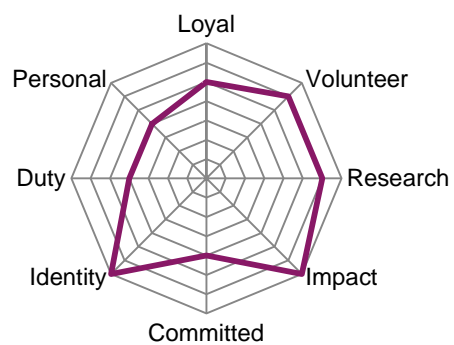
- The kind of people who raise money through Movember, Race for Life, Comic Relief and Sport Relief.
- Low average annual donation, but high single largest donation.
- High level of interest in impact.
- These donors are very likely to give time alongside money, and will choose carefully where to give.

Demographic profile:

Slightly more likely to be mainstream donors.

No clear pattern for age, although more likely to be 25-44.

More likely to be female.



Characteristics	Discussion
Cause	Cause is of real importance to these donors, who are particularly interested in animal welfare and elderly people.
Method	Amongst the lowest segments for giving via committed means, and particularly unlikely to join a charity as a member, but keen to give money through social events.
Duty	Average social responsibility, but do not feel social standing confers duty to give.
Volunteering	Highly likely to volunteer, and actively look for opportunities to get involved with an organisation. Eager to give time across a broad array of causes.
Relationships	Tend not to respond to requests or suggestions from peers, but highly image-conscious and concerned with own place in society. Very keen to be thanked.
Research	Among the most likely to research; including researching to choose between charities.
Information	Pay close attention to a number of different information sources, including an organisation's website and unsolicited contact. Interested in a wide variety of information, from evidence of impact to the quality of the organisation's leadership.
Increasing giving	This segment is the most likely to increase giving if charities met their needs better.

Insights

- This is a large segment that is keen to participate and shows willingness to give more.
- Donors are motivated by impact, are ready to research, and look for a wide array of information. Charities should provide high-quality information to meet these needs.
- Image is very important to these donors, and supporting charities a key part of their identity.

Benefactor

'I give to lead by example.'

4% of mainstream donors and 9% high-income donors

- The kind of people who sit on a number of boards and committees.
- A significant segment for high-income donors.
- Give among the highest average donations, at £582 (mainstream donors).
- Tax incentives are uniquely important for this segment. They also like to be leaders and innovators.

Demographic profile:

More likely to be high-income donors.

Less likely to be older donors (over 65).

More likely to be male.

Higher incidence of BME ethnicity.

Likely to be religious and likely to be parents.



Characteristics	Discussion
Cause	More often give to sports, education, and religion, although overall cause rates as relatively unimportant.
Method	Comparatively unlikely to give via direct debit, but a higher than average proportion give through payroll. Many like to give through one-off debit card payments.
Duty	Benefactors tend to believe that their social standing confers a personal duty to donate, but are not inclined to agree with giving norms in society more widely.
Volunteering	Average likelihood of volunteering, but those who do volunteer give time across a number of causes ranging from overseas aid to disabled people.
Relationships	Motivated by requests from peers. Like to be seen as a role model and to stand out from the crowd. Receiving thanks is important.
Research	Average likelihood of conducting research, but relatively unlikely to look for information about the level of need, or impact of the organisation.
Information	Do not respond strongly to particular information sources.
Increasing giving	Willing to switch donations to charities that better meet their needs.

Insights

- These donors want to stand out in society. Their giving is a demonstration of social standing and wealth, akin to traditional ideas of philanthropy. Tax incentives rank high among motivating factors.
- They give generously and are amenable to switching their support to charities that meet their needs.
- Impact is less important, but this segment may respond to messages that describe considered giving as best practice.

Thoughtful philanthropist

'I give to make an impact.'

7% of mainstream donors and 8% of high-income donors

- The kind of people who spend a long time thinking about decisions and weighing up options.
- Average donation and highest single donations are not particularly high, but significant capacity to give more.
- Demonstrate an interest in the impact of an organisation, and characterised by thoughtful attitude.

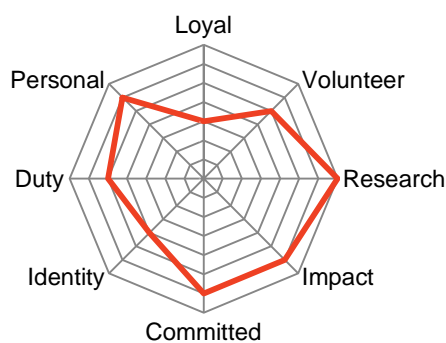
Demographic profile:

Relatively even split between the income groups.

Relatively high incidence in the 55-64 age group, but also slightly higher incidence in the younger (25-34) age group.

Slightly more likely to be female.

Likely to be religious and likely to be parents.



Characteristics	Discussion
Cause	Likely to give to arts, to education, and to the elderly.
Method	Greatest interest in high-engagement giving methods associated with larger-scale philanthropy; social investment, giving networks, and giving assets.
Duty	Low sense of social obligation; do not believe that their social standing confers an obligation to give, and not willing to say that other people should give.
Volunteering	Very likely to give time, and to volunteer regularly. Look for opportunities to get involved with the charity, and volunteer for a wide range of causes.
Relationships	Less likely to be motivated by requests from peers. However keen to be seen as a role model. Support of charities is an important part of their identity.
Research	Likely to research, looking for a wide variety of information. Those who do not research impact are likely to say this is because they don't trust measures of impact.
Information	Respond to a wide range of information sources and prompts, including advertising, websites, talking to a charity representative, and unsolicited contact from the charity.
Increasing giving	Quite likely to change behaviour if charities better met their needs, and indicate a substantial capacity to give more.

Insights

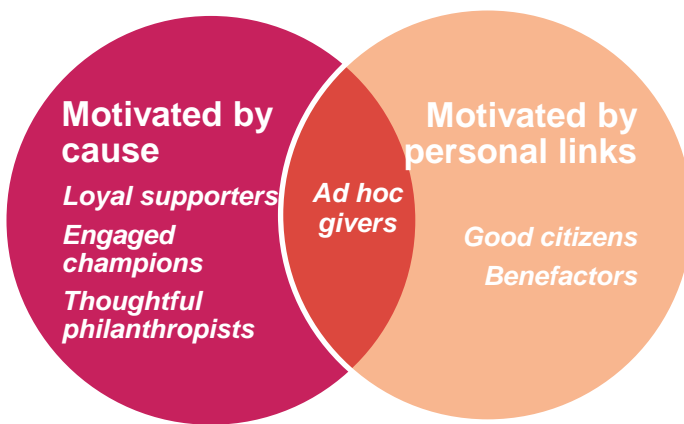
- Respond well to plans and structured thinking and look for a variety of information.
- Relatively easy to reach these donors: they respond to many information sources, give in a variety of ways, and give to numerous charities. Tend to be open to offers and amenable to being approached.
- These donors are quite high-maintenance and are motivated by impact. Charities should make relevant information accessible through a variety of channels.

Key themes

Some issues are important (or unimportant) to a number of segments. Through our analysis we have identified a number of cross-cutting themes that describe fundamental differences within the donor population. These provide insights into the population data presented in the first section, and have implications for how charities can influence their donors.

Please note, where segments are not included in the diagrams below, the segment does not show a distinctive pattern in this area.

Cause and personal links



Cause is the most significant motivation across the donor population, but it motivates different segments to varying degrees. The two segments most driven by cause are the two largest: *Loyal supporters* and *Engaged champions*. *Good citizens* and *Benefactors* are significantly less motivated by cause. Charities working in the areas they tend to favour (animals, conservation, the elderly, medical causes, the arts and education) should harness the power of personal links: these groups respond to requests from friends, family and colleagues. *Ad hoc givers* can be hard to motivate: they give because they are asked, so relationships are important, but so is cause. Combining the two may be the best approach.

Duty to give

Feel a duty to give

Faith-based donors
Good citizens
Benefactors

Reject idea of duty

Ad hoc givers

Reject duty, but want to be role models

Engaged champions
Thoughtful philanthropists

Segments differ considerably in their views on giving as a duty. *Good citizens* feel far more strongly than any other segment that people should give. *Thoughtful philanthropists* and *Benefactors* recognise a general duty in society to give, but do not feel their own position in society confers a duty to give. Other segments do not feel that their position confers an obligation to give—even those prevalent in the high-income group. *Ad hoc givers* have low feelings of duty and do not expect to be seen as a role model, but other segments do care about being a role model. For *Engaged champions* and *Thoughtful philanthropists*, status in society—income, being a role model, and standing out from the crowd—is important to their sense of identity, yet they do not feel a strong duty to give.

Another indication of duty to give is whether donors are willing to state a proportion of income people should aim to give. *Ad hoc givers* are most resistant to this, and *Faith-based donors* by far the most willing to give a figure, perhaps due to established cultures of giving at a place of worship (eg, tithing). This indicates that, aside from in a religious context, the idea of an obligation to donate a proportion of income is little recognised, even by those who acknowledge a more general obligation.

Giving privately and publicly

Public

- *Ad hoc giver*
- *Thoughtful philanthropist*
- *Benefactor*
- *Engaged champion*

Private

- *Loyal supporter*
- *Faith-based donor*

Interesting patterns emerge in public expressions of giving behaviour. We have previously discussed the importance of relationships to *Ad hoc givers*, who are highly likely to respond to prompts from peers such as invitations to events and requests for sponsorship. The high incidence of taking part in sponsored events, for a segment with low volunteering rates, indicates that the public nature of giving in this way is important to them. *Engaged champions*, *Benefactors*, and *Thoughtful philanthropists* also rank high on giving in public ways; sponsoring people, undertaking sponsored events, giving at events, and responding to thanks. Although a sense of duty is not particularly strong for these segments, their giving is a public act, and the recognition they get for it is important to them. *Loyal Supporters* and *Faith-based donors* pay low attention to all these indications of giving as a public act.

Impact



Three segments care particularly about the impact of the organisation when donating: *Loyal supporters*, *Engaged champions* and *Thoughtful philanthropists*. All three are likely to do research before donating. For *Loyal supporters*, this interest in impact is down to care for the cause: they are the segment most motivated by the statement ‘*The charity has more impact than others on the cause I care about*’. *Engaged champions* and *Thoughtful philanthropists* rank highly on motivations related to their position in society, implying that they may select organisations based on how they want to be perceived. For them, giving to organisations perceived as high-impact may be linked to a desire to be seen to be giving to organisations with a good reputation.

Faith-based donors show some interest in impact, although they do not tend to research, and tend to select charities based on religious links. For them, interest in impact links to personal involvement with a charity—they often support causes in their community and donate time as well as money.

Ad hoc givers, *Benefactors* and *Good citizens* show less interest in impact. *Benefactors* and *Good citizens* are mostly concerned with the act of giving rather than the results. Both seem more interested in the mechanics of donation than what happens once they have donated. *Ad hoc givers* do not invest heavily in their charity relationship and therefore it is not surprising that they are less motivated by impact.

Implications

We hope charities will use this segmentation as a tool to understand and respond to the needs of donors better. *Money for Good UK* is an ongoing project, and in the next stage we hope to work with charities to test how the segmentation can be best used, and how it can be developed into practical applications relevant to charities of different sizes and with different levels of fundraising expertise.

As an example, we think that charities could use the segmentation to:

Tag donors on their database with the segments they fall into. This may be done using a variety of clues, including demographic factors, for example:

- Women are more likely to be *Engaged champions*, particularly in the mainstream group.
- Older donors are more likely to be *Loyal supporters*.
- *Ad hoc givers*, *Good citizens*, and *Benefactors* are more prevalent in the high-income group than the mainstream group.
- Please note, graphs of key demographic aspects of the segmentation are presented in appendix B.

Identify types of donors more likely to be sympathetic to their cause, for example:

- *Benefactors*, more likely to be parents, tend to support education, sports and recreation charities.
- *Thoughtful philanthropists*, sensitive to their status in society, like to give to arts and education charities.
- *Ad hoc givers*, open to requests from others and causes that have personally affected them or those close to them, tend to favour medical charities.

Tailor communication relevant to different segments, for example:

- *Loyal supporters* will respond to news coverage.
- *Faith-based donors* are most likely to give in response to personal communication based on an existing relationship.
- Segments more likely to respond to communication not based on an existing relationship are *Good citizens*, *Benefactors*, and *Thoughtful philanthropists*.

4. INCREASING GIVING

Money for Good UK set out to investigate what can be done to increase giving levels of both money and time. The research looked at what would increase giving among existing donors, encourage low-level donors to increase their giving, and encourage more volunteering.

In this section we answer the questions:

- **What factors would encourage people to increase their giving?**
- **Who would increase their giving, and by how much?**
- **How can we encourage non-donors to give?**
- **How can we encourage those who don't volunteer to give time?**

Key findings

- Charities underperform in the areas donors care most about: explaining how donations are used and providing evidence of impact.
- High-income donors are less satisfied than mainstream donors.
- 37% of mainstream donors and 54% of high-income donors would change their giving behaviour if charities met their needs better.
- If charities did a better job in the areas they care about, donors could give up to £665m more, and donors giving £1,740m might be persuaded to switch their donations.
- Financial reasons and distrust of charities were the two biggest reasons for non-donation.
- Charities should tackle some of the barriers to volunteering. This is valuable in itself, and could also lead to higher donations.

Encouraging donors to give more

In section 2, figure 15, we looked at what donors think is most important when deciding to give. Donors pay most attention to two factors: 'how the organisation will use my donation' and 'evidence the organisation is having an impact'.

Factors for charities to focus on

Donors were asked to rate their satisfaction with charities' performance on these same factors. This allows us to identify where donors perceive charities are underperforming relative to their level of interest.

Figure 20: Factors donors pay attention to, and charity performance (mainstream)

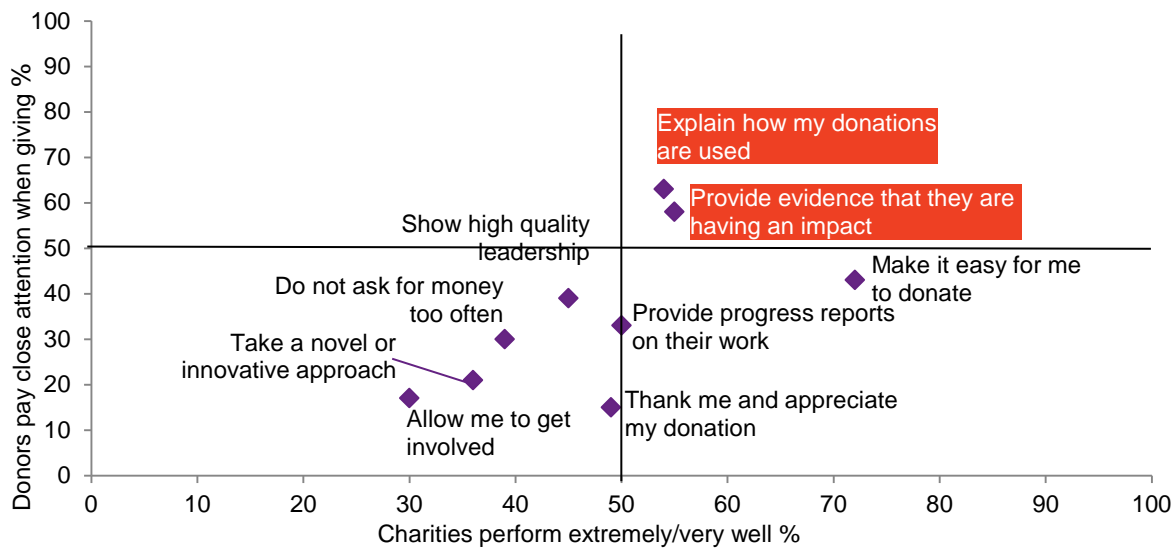
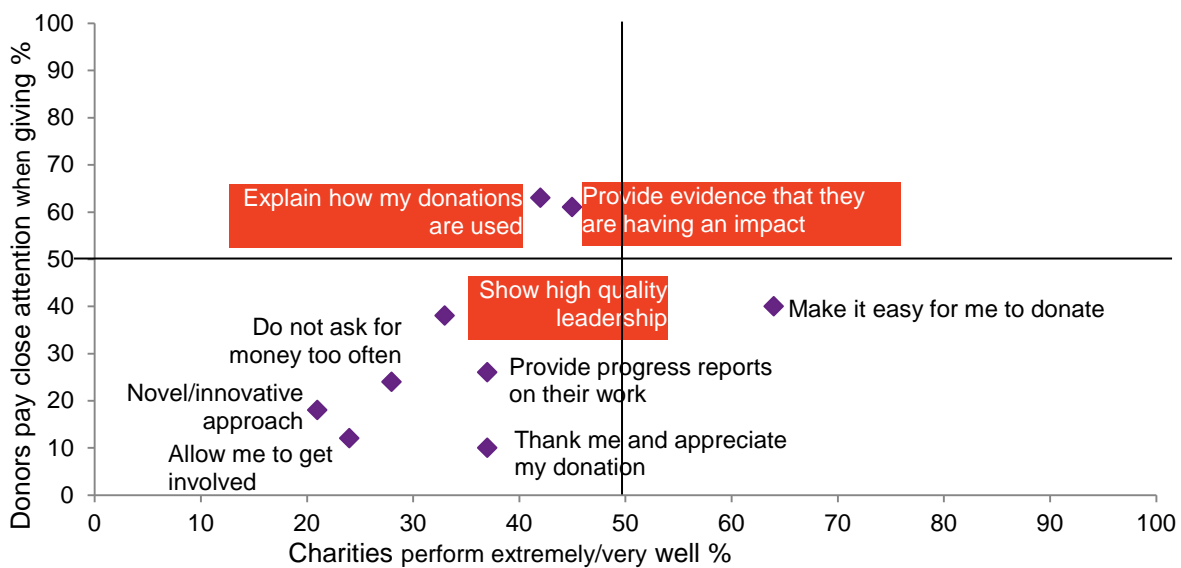


Figure 21: Factors donors pay attention to, and charity performance (high-income)



'How much attention, if any, do you pay to each of the following when giving to charity? (I pay extremely close/close attention to this). And now please could you rate how well, if at all, you think the charities to which you give generally perform on each of the following? (Extremely/very well)'. Responses shaded red indicate that level of donor attention is higher than level of satisfaction. Mainstream N=1699, high-income N=861.

Charities underperform in the areas donors pay most attention to: *'Explain how my donations are used'*, and *'Provide evidence that they are having an impact'*.

- Both donor populations rank the factors in exactly the same order on their level of interest and on charities' performance.
- Figures 20 and 21 show that levels of donor satisfaction do not match donors' levels of interest in the two areas they care most about. For mainstream donors the difference is marginal: 58% pay close attention to whether the organisation is having an impact, and 55% think the charities they donate to are doing well in this area. Meanwhile 63% pay close attention to how the organisation will use their donation, and 54% think charities are doing well in this area.

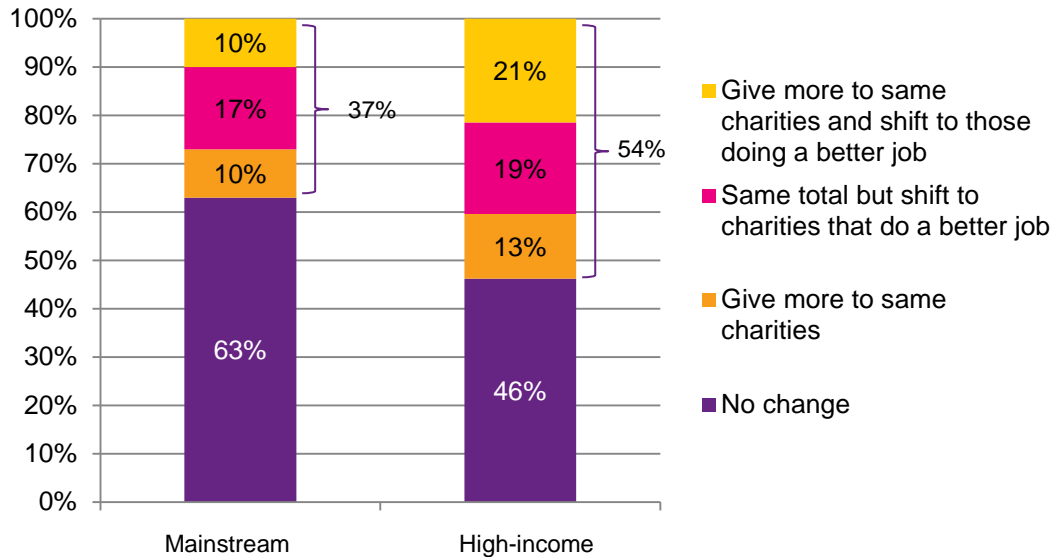
High-income donors are less satisfied than mainstream donors across a range of factors, but particularly in the areas to which they pay most attention.

- For the high-income group, the gap between donors' level of interest and charity performance is greater: 63% of high-income donors care about how their donation is used, but only 42% think charities perform well in explaining this. Meanwhile 61% of high-income donors want to see evidence that organisations are having an impact, but just 45% think charities perform well in this area.
- In two areas, donors feel that charities are outperforming their expectations; *'make it easy for me to donate'* and *'thank me and appreciate my donation'*.
- *Engaged champions* and *Thoughtful philanthropists* pay more attention than other segments across a broad array of factors, and *Ad hoc givers* pay little attention across all these factors.

Potential to increase giving

Given that donors said there were areas where charities underperform, they were also asked if they would change behaviour if charities improved in the areas they pay attention to.

Figure 22: Potential to change donation if charities did a better job in the areas donors care about



'If charitable organisations did a better job in the areas you pay attention to, would that change how you make donations, or make no difference?' Mainstream N=1699, high-income N=861. High-income proportion who would change behaviour adds up to 54% due to rounding.

37% of mainstream donors and 54% of high-income donors would change their giving behaviour if charities met their needs better.

- As figure 22 demonstrates, 63% of mainstream donors and 46% of high-income donors would not change their donation behaviour, even if charities did a better job in the areas they care about. This is particularly true of *Loyal supporters* and *Ad hoc givers*.
- 37% of mainstream donors and 54% of high-income donors would change their behaviour.
- 20% of mainstream donors and 34% of high-income donors would increase their overall giving if charities did a better job in the areas they care about. This is particularly true of *Engaged champions*.
- 27% of mainstream donors and 40% of high-income donors would redistribute their giving if charities did a better job in the areas they care about. This is particularly true of *Benefactors*.

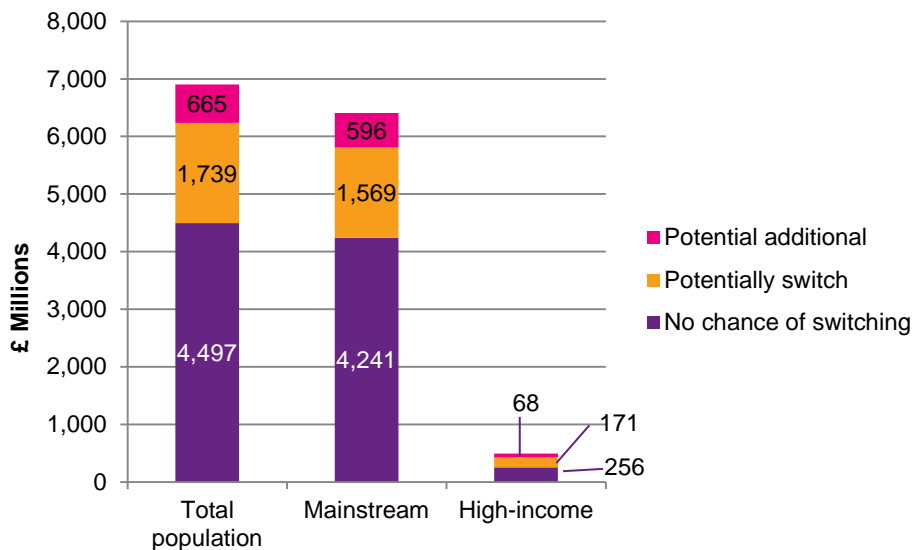
Quantifying the additional market opportunity

For those donors who indicated they could increase giving, mainstream donors said they would give an average £155 more, and high-income donors would be willing to give an average £603 more per year.

- Figure 22 demonstrates that 20% of mainstream donors indicated they would increase giving if charities did a better job in the areas they care about. These donors each would give an average of £155 more per year.
- 34% of high-income donors would increase giving if charities did a better job in the areas they care about. These donors each would give an average of £603 more per year.

These figures have been scaled up to assess implications on giving for the population. The method used to reach these figures is detailed in appendix C.

Figure 23: Quantifying the additional market opportunity



How much more would you be willing and/or able to give to charity if charitable organisations did a better job in the areas you pay attention to? (Mainstream N=335, high-income N=300). Total of high-income and mainstream does not exactly match total population due to rounding.²⁶

Donors could give up to £665m more if charities did a better job in the areas they care about.

- The total additional giving opportunity we calculate across all donors is £665m. This is an increase in total giving of about 11%.
- Mainstream donors could give £596m more, and high-income donors could give £68m more. (These figures do not add to £665m due to rounding.)

²⁶ Estimates of total giving by individuals vary according to the methodology used to calculate this figure. We do not consider the figures presented here to be directly comparable to existing estimates due to methodological differences, notably the exclusion of low donors from *Money for Good UK's* survey population.

Table 6: Potential to increase giving by segment

	% would give more	Average mainstream increase	Average high-income increase
Loyal supporter	22%	£138	£396
Engaged champion	37%	£153	£785
Good citizen	25%	£145	£738
Ad hoc giver	22%	£132	£393
Thoughtful philanthropist	33%	£155	£677
Benefactor	22%	£208	£726
Faith-based donor	20%	£217	£1,871

Engaged champions are most likely to give more, but *Faith-based donors* show the greatest potential increase.

- A high proportion of *Engaged champions* (37%) and *Thoughtful philanthropists* (33%) would give more money if charities did a better job in the areas they pay attention to.
- Far fewer *Faith-based donors* (20%), *Loyal supporters* (22%), and *Ad hoc givers* (22%) showed willingness to increase their donations.
- *Faith-based donors* indicated the greatest capacity to give more in both income brackets, and this segment is more prevalent among mainstream donors.
- *Benefactors* demonstrated the second greatest capacity to give more among mainstream donors, at an average of £208 per year.
- In the high-income population, *Engaged champions* showed the second-greatest capacity to increase giving, by an average of £785 per year.
- The segments with the lowest capacity or inclination to give more across both donor populations were *Ad hoc givers* and *Loyal supporters*.

Donors giving a total of £1,739m might be willing to switch their donations to charities that did a better job in the areas they care about.

- Figure 23 suggests that mainstream donors giving £1,569m might switch, and high-income donors giving £171m might switch.
- Donors giving a total of £4,497m would not switch their donations to charities that perform better in the areas they care about.
- *Engaged champions* and *Benefactors* were most likely to switch their donations in both income groups. In the mainstream group, *Thoughtful philanthropists* and *Good citizens* were also likely to switch.
- *Ad hoc givers* and *Loyal supporters* were least likely to switch donations.

The two things that matter most to donors are how their donations will be spent, and the impact that the organisation is having. These are the two areas where charity performance does not match up to donor levels of interest. For mainstream donors this difference is slight, but for high-income donors satisfaction is significantly below level of interest. These are areas of risk for charities seeking to meet their donors’ needs.

Charity performance exceeds donor interest levels in two major areas: thanks and ease of donation. Ease of donation ranks as the third most important factor to donors, so high levels of satisfaction are good news for charities. Donor satisfaction in this area is an interesting finding for those initiatives currently developing and trialling innovative approaches to make giving easier. Further analysis of the data might reveal particular demographics or segments that this should focus on, or other areas of donor dissatisfaction where progress could have greater potential to influence giving behaviour.

If charities better met the needs of donors, they could attract a potential £665m of extra donations. This additional giving would not come equally from all parts of the population. High-income households make up 1% of the population, but approximately 10% of the potential additional donations. The average size of high-income donors’ largest single donation is £557—many would not classify as major gift donors. Nonetheless their disproportionate value as donors means that charities need to effectively meet their requirements.

Segments differ in their likelihood of giving more, and in the scale of average potential increase. *Engaged champions* are most likely to give more, but *Faith-based donors* are willing to give the greatest potential increase.

Organisations making efforts to encourage donors to give to high-performing organisations can take heart from findings about the level of switchable donations. It suggests that there is considerable potential for charities that can show they perform well against the criteria that donors care about. However charities will have to contend with the high levels of donor loyalty shown in section 1.

Encouraging non-donors to give

Findings from the shorter non-donor survey offer insights into the barriers to donation. Non-donors were defined as those who gave less than £50 to charity in the previous year. Although classified as non-donors for this survey, many of these people do donate and would not think of themselves as non-donors. They were excluded from the donor survey on the basis that many of the survey questions would not be applicable to this level of giving.

An initial screening stage indicated that non-donors represent approximately 61% of mainstream respondents. We do not have directly comparable figures for those with a *household* income of over £150,000 (high-income donors), but we know that a small minority, approximately 6% of those with a *personal* income over £150,000 do not donate £50 per year. The £50 threshold clearly affects income levels differently, and we must be cautious in comparing these groups on a like-for-like basis.

Non-donors or low donors

Table 7: Comparison of levels of no donation and low donation for non-donors and low donors

Income	Under £20,000	£20,000-£49,900	£50,000-£999,999	£100,000-£149,999	£150,000-£299,999	Over £300,000
No donation	32%	36%	39%	63%	60%	79%
£1– £50 donation	68%	64%	61%	37%	41%	20%

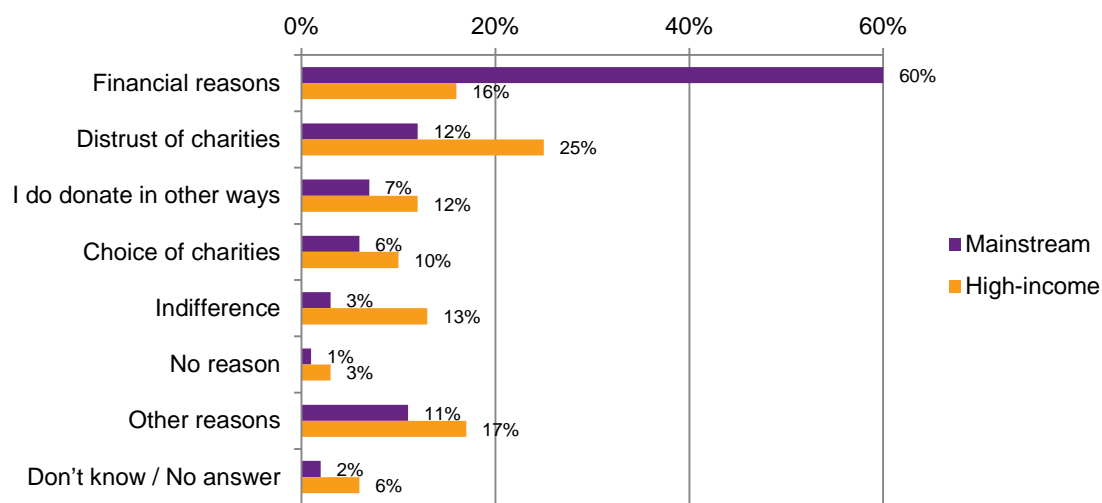
Where percentages add up to more than 100% this is due to rounding. Figures in the two highest income brackets are based on a low number of respondents.

The proportion of high-income individuals who do not donate £50 to charity in a year is small, but of this population a majority gave nothing at all to charity.

- Table 7 does not indicate that high-income donors are more likely to give nothing; far fewer people in the high-income band classify as non-donors. However we do see a core of individuals with considerable financial means who are making no donations at all.

Reasons for not giving

Figure 24: Reasons that non-donors do not give to charity



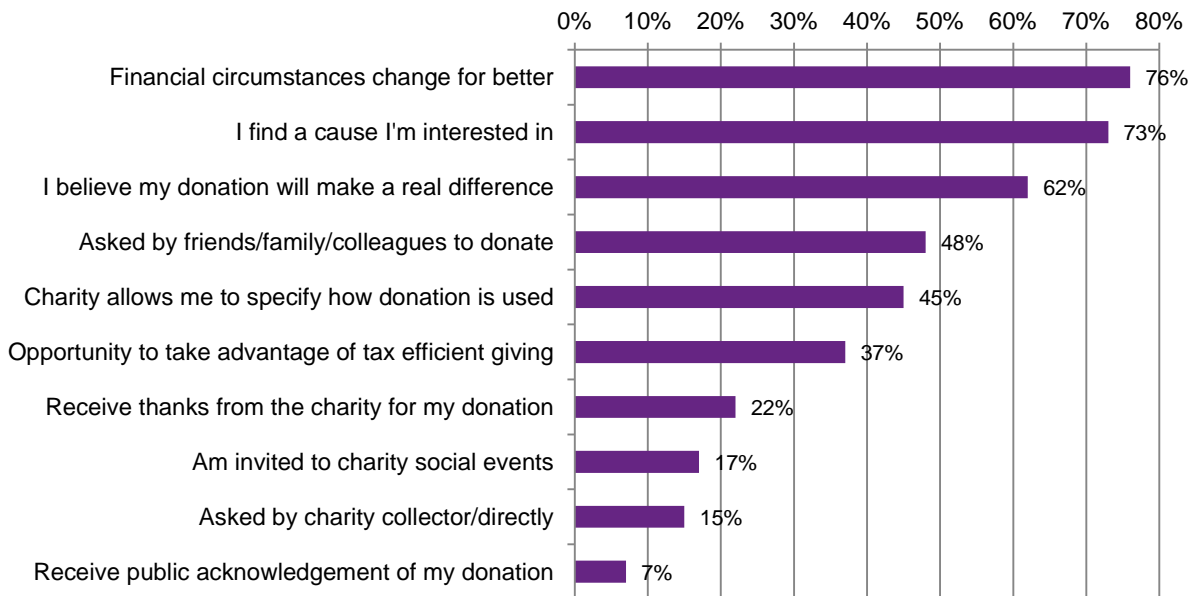
'What is the most important reason why you personally do not give more to charity (single response)?' This was an open response question only asked to those the survey identified as non-donors; responses have been grouped for analysis. Mainstream N=302, High-income N=143.

Financial reasons and distrust of charities were the two biggest reasons for non-donation.

- Figure 24 demonstrates that financial reasons are most important for 60% of mainstream non-donors, and 16% of high-income non-donors.
- Distrust of charities was the main reason for non-donation for 12% of mainstream non-donors and 25% of high-income non-donors. This included concerns about wastage, administration costs, and lack of transparency.
- For 6% of mainstream respondents and 10% of high-income donors, choice between charities was the main barrier to donation. Responses included *'too many charities'*, *'no affinity to a particular cause'* and comments about pushy fundraising practices.
- Indifference was a major barrier to giving for 3% of mainstream non-donors and for 13% of high-income non-donors. Responses included *'I don't care enough'*, *'not interested'*, *'I can't be bothered'*.

Overcoming barriers to giving

Figure 25: Factors that would encourage non-donors to give (mainstream)



'The following are reasons that some people have given that would encourage them to donate more to charity. For each to the following please could you select how likely or less likely this would be to encourage you personally to donate more to charity' (Much/a little more likely). Mainstream N=302

62% of non-donors would give if they felt their donation would make a difference.

- Figure 25 highlights the factors that would encourage mainstream non-donors to give more. The results for mainstream and high-income donors were very similar.
- The income groups differ regarding the influence financial circumstances have on giving. For mainstream non-donors financial circumstances are the most important barrier. For high-income non-donors 43% would give more if their financial circumstances changed for the better (the sixth most important response). This is something individual charities will find difficult to influence.
- 73% of mainstream non-donors and 76% of high-income non-donors would be more likely to give if they found a cause they connected with. This is an interesting finding but might be difficult for an individual charity to influence.
- The most important factor that charities could address is the third; 62% of mainstream non-donors and 64% of high-income non-donors might give more if they believe their donation will make a real difference.
- Another important factor within charities' control is being asked by peers, which would encourage 48% mainstream, and 57% of high-income non-donors to donate.
- High-income non-donors were far more interested in tax incentives than mainstream non-donors: 57% said tax incentives would encourage them to give, compared to 37% of mainstream donors.

- Three options specific to high-income non-donors—the opportunity to provide a loan or social investment, setting up a trust or foundation and the opportunity to donate in the form of assets or shares—are of relatively low interest, with a small minority (3-12%) saying these options would make them more likely to give.

As noted earlier, a total of 61% of the mainstream donor population does not give at least £50 per year. Understanding why these people do not give more, and exploring how they can be encouraged to give is important for the charity sector. This could be a valuable area for further research.

Financial concerns rank highly as a reason for non-donation, particularly for mainstream non-donors, but high-income respondents also mention this barrier. Among the high-income non-donor population, rates of absolute non-donation are higher, suggesting that the lack of donation may be ideologically motivated. In the lower-income brackets, the higher rates of low donation (rather than non-donation) suggest that affordability plays a greater role.

Charities have little control over the financial concerns of non-donors, but there are some barriers that can be overcome. A substantial proportion of donors express a general mistrust of, or specific concerns about, charity practices. Individual charities and the sector more widely must continue to demonstrate the value that charities deliver in order to challenge these beliefs.

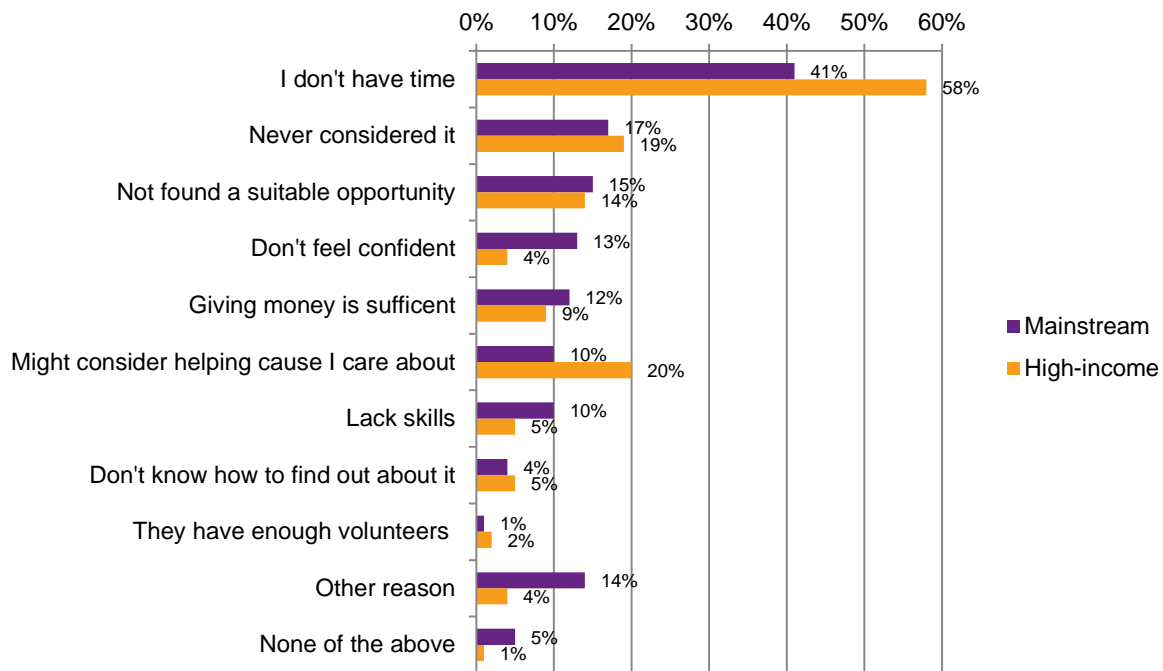
Encouraging volunteering

Faith-based donors, Engaged champions and Thoughtful philanthropists are the segments most likely to donate time.

- *Loyal supporters* and *Ad hoc givers* are the segments least likely to give time.
- *Faith-based donors* are most likely to give time and money to the same causes (86%). *Loyal supporters* and *Ad hoc givers* are the segments least likely to also give money where they volunteer, but money and time still coincide for more than 60% of donors in these segments.
- *Thoughtful philanthropists* (20%) and *Loyal supporters* (19%) are the segments most likely to give money as a result of giving time; *Ad hoc givers* are the most likely segment to give time as a result of giving money (62%).

Reasons for not volunteering

Figure 26: Barriers to giving time



Which, if any, of the following best describe why you have not given time (multiple response). Mainstream N=915, High-income N=489.

Charities should tackle some of the barriers to volunteering. This is valuable in itself, and could lead to higher donations.

- Figure 26 clearly shows that lack of time is the most common reason for not volunteering, cited by 41% of mainstream donors and 58% of high-income donors.
- 17% of mainstream and 19% of high-income donors have never considered volunteering, whilst 15% of mainstream and 14% of high-income donors have thought about it, but not found a suitable opportunity.
- A fifth of high-income donors might consider volunteering if asked to support a cause they care about.
- 13% of mainstream donors say they lack confidence to volunteer, and 10% say they feel they don't have suitable skills. Lack of confidence and skills is less of a problem for high-income donors (4% and 5% cite these reasons).

In section 1, we saw that 54% of mainstream donors and 57% of high-income donors have not volunteered in the past 12 months. For many charities volunteers are a hugely valuable resource that increases the capacity of the organisation to help beneficiaries. We also saw a link between volunteering and higher giving levels. Volunteering is not appropriate for all charities, but for many there are considerable advantages to overcoming barriers and encouraging supporters to express commitment to the cause by giving time alongside funds.

There is a challenge here for individual charities to provide suitable, flexible volunteering which suits the lifestyles of their busy donors, and supports them whatever their level of confidence or skill. There is also a challenge for volunteering infrastructure to continue to address barriers including not considering volunteering and being unable to find a suitable opportunity.

Implications

- To increase donations, charities need to meet the needs of their donors better, particularly in explaining how donations are used, and providing evidence that they are having an impact.
- Non-donors suggest they could also be persuaded to give by charities showing that a donation will make a real difference..
- A significant minority of donors pay attention to factors related to the process of giving, such as ease of donation.
- High levels of loyalty to existing charity relationships, or simply inertia (discussed in section 1) means that a high proportion of donors would not change their behaviour even if charities did a better job in the areas they care about.
- There is a challenge for the sector to tackle mistrust of charities. Individual charities can do this through effectively demonstrating the difference they make. But there is also a role for the sector to work together to ensure instances of bad practice do not unduly influence public views of charity.
- Low sense of duty to give, as discussed in section 1, may allow people to avoid donating without feeling the need to justify this as a conscious decision. This may be why we see relatively few responses citing indifference (particularly among mainstream donors), and many citing financial constraints and mistrust of charities as reasons for not giving.
- Inability to connect with a cause is a key barrier to donating and volunteering. There are no easy solutions to this, but it is an important area for investigation.
- There are a number of ways that charities and infrastructure bodies can support individuals to find suitable volunteering opportunities. This is valuable in itself, and particularly interesting in the light of findings about volunteer giving levels.

5. INCREASING THE IMPACT OF GIVING

In this section we return to consider what donors think about impact, and how this affects how they give.

For those who share NPC’s mission to encourage the charity sector to focus more on impact—the positive difference charities make to those they seek to help—this is an interesting question. If we can encourage donors to demand and use information on impact, and make it easier for donors to make decisions based on the relative performance of charities, we can increase the flow of funding to effective charities and create a strong incentive for charities to measure and communicate their impact well. This incentive is particularly important for charities reliant on donations from individuals. These charities may be insulated from the incentive to measure and communicate impact that arises from the requirements of trusts, foundations and statutory funders to see evidence of impact.

What donors think about impact is also an important concern for charities as there is a clear demand for information about what charities achieve that needs to be met. This research reveals a risk for charities that fail to adequately measure and communicate how they use donations and the impact they have. Conversely, there is an opportunity for charities that are able to clearly meet donor expectations in these areas.

Below we discuss the findings of *Money for Good UK* related to charity impact.

Most donors care about impact.

- Around three in five donors consider factors relating to how effective an organisation is, and how it will use a donation, when deciding whether to give to it. Only around two in five donors actively researches their donations, but of these, nearly two thirds look at an organisation’s impact.

Donors think that charities underperform in areas related to the availability of evidence on impact and information on the use of donations.

- Analysis of the factors donors care about when donating, against their perception of charity performance, highlights explanations of how donations are used and evidence of impact as areas of risk for charities: donors care about these things, but think charities currently underperform in these areas.
- High-income donors are particularly unsatisfied with charity performance here: around 60% pay close attention to these areas, but only around 45% think charities are doing a good job.

£665m of increased giving and £1,740m of switchable donations could be tapped into by charities that perform better against the factors that donors care about.

- 37% of mainstream donors and 54% of high-income donors indicate that they would change their donation habits if charities performed better in the areas they care about. This change would be a mixture of giving more and shifting donations to those they consider higher-performing organisations.

Some segments are particularly responsive to understanding impact, and these are valuable to charities.

- *Engaged champions*, *Loyal supporters* and *Thoughtful philanthropists* respond particularly positively to prompts around impact. Each of these segments is valuable to fundraising charities:
 - *Loyal supporters* are the biggest mainstream segment and, although they do give relatively low annual donations, are very faithful donors and tend to give through committed methods.

- *Engaged champions* tend not to give large annual donations, but are the second-largest mainstream segment and are very likely to volunteer. They are also the one of the segments most likely to give more.
- *Thoughtful philanthropists* are a relatively small segment, but a particularly generous one: they represent 17% of all donations from high-income donors despite accounting for only 8% of that population. They are among the most likely to conduct research, and the most likely to increase giving if charities better meet their needs.

Some segments are less interested in impact.

- *Ad hoc givers*, *Benefactors* and *Good citizens* will not respond strongly to messages about impact.

The translation of interest in impact into research and critical appraisal of charity impact is low.

- Whilst around 60% of donors say they care about impact, only 20% do research and look for information on impact, and ultimately just 2% use an informed assessment of impact to choose between charities.

These findings give rise to two challenges for the sector:

Charities could benefit by responding to donors' interest in impact.

Encouraging donors to think about what charities achieve could help ensure funds are directed where they will make the biggest difference.

Implications

In this section we consider how we can address the two challenges outlined above: how charities can be better at providing information on impact to donors, and how to encourage donors to take a greater and more active interest in accessing and using relevant information. The suggestions presented below are structured around the research findings of the different levels of interest that donors have in impact, as presented earlier in the report in section 2, figure 17. As explained previously, figures have been rounded to illustrate the similar trend seen across both mainstream and high-income populations.

Around four in ten donors do not pay much attention to impact:

How can we encourage these donors, and the sector more generally, to think about impact?

We need to recognise that some donors—particularly in the *Ad hoc givers*, *Benefactors* and *Good citizens* segments—will always have a low interest in impact, and that this will be difficult to change. Nonetheless we believe that it is valuable to try to shift the tone of discussions about charity performance over time to encourage greater consideration of what a charity achieves. For instance:

- Charities can consistently refer to what they achieve for their beneficiaries as a core part of their communications with donors, the press and stakeholders more widely.
- Organisations that support charities with their impact measurement should encourage and support charities with the communication of those messages to different audiences.

- By making impact measurement and communication central to the operations of charities, its importance will be transmitted to donors.

60% of donors care about impact, but only 30% do any research:

How do we encourage these donors to do research?

A majority of donors say they care about impact, but less than half of these spend time on research before making a donation. This could be for a variety of reasons: for example, trust in charities, insufficient interest in impact to move to action, a perception that information on impact is not available. The challenge is to move people from saying they care about impact to doing something about it. It will be difficult to make people who do not currently do research to take the time to do so. The challenge is to change expectations of what people do before they donate, and ensure there are not barriers to this:

- Giving campaigns, such as the *Give More* campaign, can encourage donors to not only give more, but to give thoughtfully, and provide some recommendations as to how they might do so.
- Charities can make information on impact easily available and clearly explained, so the barriers to undertaking research are low. Charities can proactively present, or push, information on impact in their interactions with donors, for instance, putting it on the homepage of a website, talking about results in personalised communications with donors, and prominently displaying information on impact in fundraising and sponsorship packs. This allows donors who care about impact but may not research it to receive this information, and may lead others to recognise its importance.

30% of donors who care about impact undertake research, but only 20% research impact (and only around 10% are most interested in impact).

How do we encourage donors to research impact?

There is a group of donors who care about impact and are willing to do some research before making a donation. But not all of them actually research impact, and even fewer primarily look for information on impact. The challenge is to get donors who are willing to make the effort to do some research to build impact into what they consider. The suggestions above about shifting the tone of discussions about charity performance towards impact are relevant here, as are some more direct actions targeted at those more engaged donors who do research.

- Charities can develop and unite behind communications and campaigns to educate donors to look at results and give thoughtfully, and not focus on simplified measures such as administration or fundraising costs. This could include providing simple recommendations on how to give with maximum impact to encourage donors to consider it in decisions about giving and to think in a more developed way about how to assess impact.
- It needs to be easy for donors who are doing research to find meaningful information on a charity's impact, for instance on its website, in the annual report, in personalised communications.
- Charities can make information on results available wherever it exists (for example, in evaluations carried out for foundations). This can develop an expectation amongst donors that this type of information is available, so that it becomes an exception when donors do not find it on a charity's website.

20% of donors research impact, but only 2% use this information to choose between different charities:

How do we encourage more donors to make their decisions about where to give based on impact?

Using information on impact to choose between different charities is the difference between choosing a 'good' charity, and identifying the 'best' place to make a donation. It is a sophisticated process and a difficult change to achieve, requiring a mind-set change for donors, standardised measures of impact and the means to compare these. In the US, tools to compare charities are more established, but research there found similarly low levels of comparative decision-making relating to charitable giving.²⁷

These discussions regarding donor views on impact, alongside implications discussed earlier in this report, begin to suggest some recommendations for action, and areas for future attention. These are discussed further in the following section.

²⁷ Hope Consulting (2010) Money for Good.

6. CONCLUSION

Money for Good UK aims to help increase the quantity and quality of giving in the UK. It does this by providing new information and insight into donor behaviour, and opportunities to influence it, whilst enriching the existing research base. It builds on work done by others in the sector and draws on the expertise of many through our advisory group.

In particular *Money for Good UK* aims to:

- Increase understanding of high-income donors and their behaviours relative to other donors.
- Investigate what donors think about impact, and the process they go through before making a donation.
- Understand donors' underlying motivations and create a segmentation to help understand donor behaviour.
- Use the findings to consider how giving levels can be increased, and how donors can be influenced to think more about where their giving can have the greatest impact.

Over the past five sections, we have presented a wealth of information on these questions. There is ample opportunity to extract more from the research data set. We have started to explore the implications of our findings, and plan to reflect on this further with others' input. We have identified a substantial opportunity to increase giving in the UK, and to support and encourage donors to consider the impact of charities' work when making a donation. We have also presented a segmentation based on donor motivation, which we hope charities will test. We hope to develop the segmentation into easily applicable, practical tools.

The findings presented in this report are a starting point. They provide a platform for further research, discussion and practical work to achieve our aim of increased quantity and quality of giving. Conclusions at this point feel premature; instead, we provide some recommendations for different audiences, and outline our plans for future work.

Recommendations

It is difficult to draw concrete recommendations at this stage: the research was designed to provide greater understanding of donor behaviour and provide a basis for future work, not to offer firm conclusions on whether any particular course of action is right or wrong. However we believe that there are interesting findings, which raise a range of questions, opportunities and challenges. Here we present some of our thoughts on these, recognising that many people will have other views and ideas. Our main objective is to start a debate about how this research can be used, and we hope that the next stage of *Money for Good UK* will include developing some of these further with other interested parties.

Charities

- Our findings suggest there is a considerable opportunity to increase donations, and if charities want to realise this they should invest in tackling the two main areas of underperformance identified by donors: providing evidence of impact and explaining how donations are used.
- The research and segmentation provides a rich resource for understanding and influencing donors. We hope that those responsible for fundraising in charities can apply findings from the segmentation to their donor

base, for instance to target communications and build relationships; and can use the findings to recognise the specific needs of high-income donors.

- Combining giving and volunteering is an opportunity to deepen a donor relationship. Where appropriate charities should provide donors and potential donors with volunteering opportunities that reflect their skills and availability, as a way to develop and deepen commitment to the organisation.
- A large number of people engage with a variety of information sources on charities in their role as potential donors—some in considerable detail. This could be an opportunity for charity leaders to reshape the place of fundraising in their wider strategy—using it as a way to educate supporters about their cause and the difference they make, as well as to elicit donations.

Charity sector bodies

- The question of why people don't give, or only do so at a low level, is key for the sector as our findings suggest approximately 60% of the population gives below £50 per year. A research initiative, perhaps in collaboration with government, to increase our understanding of the reasons behind low or non-donation and explore potential solutions could add considerable insight to this relatively unstudied area.
- This report highlights the range of factors donors consider when deciding whether to make a donation. The sector should try to ensure that donors consider the factors that it would like to be judged on, and have the information and knowledge to do this well. There are many ways to achieve this, working together and as individual charities—one example might be a campaign to build awareness among donors about the importance of understanding a charity's impact rather than focusing on fundraising costs or overheads. As donors become more discerning in their assessments of charities—which we believe will happen—there may be demand for comparable measures on charity performance and readily-available data, though to date initiatives such as Intelligent Giving have not been successful.
- We believe the outputs of this research have huge potential to help the sector fundraise more effectively. We hope that sector bodies will coordinate to consider how best to use and build on the information in this report. We would like sector organisations to lead, encourage, and support the testing and development of practical tools to enable charities to use the segmentation and other findings from the research. Continuing to encourage and support charities to measure impact and communicate it effectively to donors is also vital.

Policymakers

- The research shows that approximately 60% of the population does not give, or gives at a low level (below £50 per year), and that there is a low level of expectation for people to give to charity. Policymakers should consider what influence government and others might have over promoting an expectation to give, particularly among the affluent, for whom expectations of giving are the same as amongst mainstream donors.
- Our finding that ease of giving is not a major barrier to donating, nor tax incentives a major motivation, suggests that the current focus on giving methods as a route to higher donations may be overdone. More may be achieved by concentrating on how charities can better meet donor needs, particularly in view of communicating impact and how donations are used. The Office for Civil Society is supporting the first year of the Inspiring Impact programme, which aims to improve impact measurement and reporting in the charity sector.

Funders

- This research shows that there is a considerable demand from donors for information on what charities achieve and how well they are run, as well as on needs and causes. Trusts and foundations hold a large amount of thoroughly researched information on charities. Making some of this available to donors could be very valuable, and could also help to educate donors on how to assess a charity or a cause.

- Testing and refining the segmentation and developing practical ways to apply it are crucial to ensuring it is used by charities. Funders that are interested in developing the ability of the sector to fundraise more successfully could support further work on this.
- NPC's previous research²⁸ showed that the most important driver for charities to measure their impact is in response to the requirements of funders. Funders could encourage charities to use the information they report on impact for communication with donors as well—perhaps by being flexible about how it is reported so that it can be used for multiple audiences. The funders, commissioners and investors strand of the Inspiring Impact programme is developing thinking in this area.

Philanthropy advisors

There are a variety of sources of advice on giving and philanthropy, from websites to specialist advisors. All these sources may be able to use findings from this research to develop their offering. Here we focus on suggestions for private client and specialist advisors offering philanthropy advice to high-net-worth individuals.

- The segmentation aims to provide a better understanding of what drives donors' giving and what they want to achieve from it. Advisors could use the descriptions of segments to understand the motivations and information needs of clients better, and to tailor advice and support accordingly.
- The research shows a particular interest in charity effectiveness amongst high-income donors. Advisors can respond to this by encouraging and supporting clients to do research, asking charities about what they achieve, and interpreting the information they find.
- Our findings indicate that 14% of high-income donors who do not volunteer have considered volunteering but not found an opportunity. Advisors could use the understanding of barriers to volunteering that this research provides to help donors with an interest in volunteering to find suitable opportunities.
- The research shows low levels of expectation for people to give to charity. Advisors could suggest to donors that they act as role models to inspire others by talking about their experiences of giving, privately or publicly.

What next?

NPC's immediate priority is to disseminate and consult on the findings of the *Money for Good UK* research.

Following this, we intend to pursue a further programme of work, *Money for Good UK* Phase 2, to ensure that our objectives of increasing the quantity and quality of giving in the UK are met. Working with the fundraising community and with the sector more widely to help use the research to enhance fundraising effectiveness will be a priority.

At the same time, we will continue to promote and publicise the benefits of a focus on impact in fundraising, and how it can help to improve the quality of charities' relationships with donors. Subject to the availability of funding, and feedback from potential partners, we hope to pursue the following strands of work in the next phase of *Money for Good UK*:

- Putting research into action—working with the Institute of Fundraising and leading fundraising charities to explore ways that the research and segmentation can be tested in practice, gathering evidence on the impact of doing so;
- Practical guidance—including resources and training materials to help charities get the most out of the research;

²⁸ Ni Ogain, E., Pritchard, D. and Lumley, T. (2012) Making an impact: Impact measurement among charities and social enterprises in the UK. New Philanthropy Capital.

- Research and analysis—the *Money for Good UK* data is a rich resource, and could provide further valuable insights into giving in the UK. We will be encouraging further research and analysis, and welcome expressions of interest for collaborative work. If you are interested in working with us to explore the data further, please get in touch by emailing moneyforgoodUK@thinkNPC.org.

APPENDIX A: MONEY FOR GOOD QUESTIONNAIRE



Instructions

Sample instructions

Donor = donated at least £50 to charity in the last 12 months identified at s1

Non/low donor = did not donate at least £50 to charity in the last 12 months identified at s1

Household income identified at s2

- Quota group 1a: s1 donor + s2 household income up to £50k per year
- Quota group 1b: s1 non/low donor + s2 household income up to £50k per year

Additional demographic quotas

- Quota group 2a: s1 donor + s2 household income £50-£149k per year
- Quota group 2b: s1 non/low donor + s2 household income £50-£149k per year
- Quota group 3a: s1 donor + s2 household income £150k+ per year
- Quota group 3b: s1 non/low donor + s2 household income £150k+ per year

Segmentation instructions

Questions are identified as being included in the segmentation analysis where relevant (marked segmentation question).

Questions identified as analysis questions will be not be included in the segmentation but analysed in the report and also run against the segmentation cross-break to identify any patterns (ie, used in a descriptive manner against the segments identified in the statistical analysis).

Screening section

S1. How much, if anything, did you donate to charity in the last 12 months?

- £0 / Nothing
- £1 or more - Please type in amount £

[Type in]

S2. What is your total annual household income from all sources *before* deductions for income tax, National Insurance etc? (Single code)

A	Less than £15,000	I	£100,000-£149,999
B	£15,000-£19,999	J	£150,000-£299,999
C	£20,000-£29,999	K	£300,000-£499,999
D	£30,000-£39,999	L	£500,000-£999,999

E	£40,000-£49,999	M	£1,000,000 or above
F	£50,000-£59,999		Don't know (screen out)
G	£60,000-£69,999		Prefer not to answer (screen out)
H	£70,000-£99,999		

S3 Are you? (Single code)

A	Male	B	Female
---	------	---	--------

S4 What is your date of birth?

S5 Standard social grade classification question (*s5 not asked, taken from panel information*)

S6 In which of the following regions do you live? (Single code)

A	North	G	South West
B	North West	H	South East
C	Yorkshire / Humberside	I	London
D	West Midlands	J	Wales
E	East Midlands	K	Scotland
F	East Anglia	L	Northern Ireland

Routing instructions:

£0-£49 at S1 route to non/low-donor questionnaire

£50+ at S1 route to donor questionnaire

Non/low donor section

N1. There are many reasons why people do not donate [if £1-£49 at S1 add word MORE] to charity. Please could you tell us:

1. The most important reason why you personally do not donate [if £1-£49 at S1 add word MORE] to charity?
2. Any other reasons why you personally do not donate [if £1-£49 at S1 add word MORE] to charity? Please type in as many reasons as you can think of

[Write in]

N2. The following are reasons that some people have given that would encourage them to donate more to charity.

For each of the following please could you select how likely or less likely this would be to encourage you personally to donate more to charity?

- Much more likely
- A little more likely
- Makes no difference
- A little less likely
- Much less likely

(Rotate start single code)

A	I find a cause I'm interested in	F	My financial circumstances change for the
---	----------------------------------	---	---

			better
B	I am asked by friends/family/colleagues to donate	G	I receive thanks from the charity for my donation
C	I am asked by a charity collector / by a charity directly to donate	H	I receive a public acknowledgement of my donation
D	A charity allows me to specify exactly how my donation is used	I	I am invited to social events e.g. charity dinners / fundraisers
E	I believe my donation will make a real difference	J	I have the opportunity to take advantage of tax efficient giving, which benefits me and/or the charity

Additional codes for high income non/low donors only quota group 3b (rotate in with the rest of the list)

L	I have the opportunity to provide a loan or other form of social investment
M	I have the opportunity to donate in the form of assets or shares
N	If I can set up a trust or foundation to manage and administer a substantial donation

Ends non/low donor questionnaire. Route to final section F.

Donor questionnaire

Quota groups 1a / 2a / 3a

General attitudes and interests section

D1 = segmentation question

D1 I'd like to start by asking you to think about how important various things are to your sense of who you are. For each statement please select how important it is to your sense of who you are. (Rotate start and reverse scale 50/50 across the donor sample)

1. How important is *your ethnic or racial background* to your sense of who you are?
 - Very important
 - Fairly important
 - Neither important nor unimportant
 - Fairly unimportant
 - Very unimportant

2. How important is your occupation to your sense of who you are?
3. How important is supporting charitable causes to your sense of who you are?
4. How important is your family to your sense of who you are?
5. How important is being part of your local community to your sense of who you are?
6. How important is your level of income to your sense of who you are?

D2 = segmentation question

D2 To what extent do you agree or disagree with the following statements?

- Strongly agree
- Tend to agree
- Neither agree nor disagree

- Tend to disagree
- Strongly disagree

(Rotate start and reverse scale 50/50 across the donor sample)

1. I like to have a plan to work to
2. I like to be seen as a role model
3. It is important to continue learning new things throughout your life
4. I thoroughly research products and services before buying
5. I like to keep up with new technology
6. I often do things on the spur of the moment
7. I like to stand out from the crowd
8. I like to take risks

D3 = Segmentation question

D3 Which of the following statements do you *most* agree with? (Rotate order of statements, single code)

A	People should not feel obliged to donate money to charity
B	People should donate to charity if they have the means
	I do not agree with either of these statements

Charity donation behaviour section

D4A – Used to identify committed / ad hoc / both for segmentation:

Committed = any of codes C, K, L; Ad hoc = Any of A, B, F, H, J

D4 Which, if any, of the following methods...

1. have you used to make a donation to any charity in the past 12 months? Please select all that apply.
2. do you most prefer to use to make a donation to a charity? Please select up to three methods (even if you have not used this method in the past 12 months). (Multi code, rotate star. Part b select up to three codes only)

A	Put money in a collection tin
B	Sponsored someone
C	An ongoing direct debit or standing order
D	A loan or social investment
E	Collection at place of worship
F	An occasional donation by debit card or credit card
G	A charitable trust/ foundation that I have set up
H	Sent an occasional cheque by post / given a cheque in person
I	Through a giving network (ie, coming together in a group of people to pool your donations and collectively deciding where to donate your money)
J	Made a donation by text
K	Joined a charity as a member (i.e. paid membership fees)

L	Given through payroll giving
M	Gift of assets
N	Given money through social events (charity dinners, auctions, community fête etc.)
	Other (please type in)
	None of these

D5 To approximately how many charities did you make a financial donation in the last 12 months? Please enter the estimated number below.

[Enter number]

Include a check if respondent puts in more than a single digit

“You have said XX charities, could I just check this is what you meant to say?”

Allow to amend if necessary before continuing.

D6 = segmentation question

D6 Have you volunteered or donated time to a charitable cause in the past 12 months, or not? (Single code)

A	Yes, I gave time at least once a week to one or more causes
B	Yes I gave time at least once a month to one or more causes
C	Yes, I gave time at least once in the past 12 months
D	No, I have not given time

Ask D7 if gave time at D6 (codes A-C). All others skip to D10

D7 Which, if any, of the following types of activity have you done for this cause/ these causes in the past 12 months? (Multicode, rotate start)

A	Taken part in sponsored events (e.g. Movember, Race for life, marathon etc.)
B	Helped to run an activity or event
C	Been a committee member / trustee
D	Befriended, mentored or counselled beneficiaries
E	Provided professional skills / expertise (such as legal, financial, strategy planning, marketing)
F	Given advice or information to beneficiaries
G	Undertaken secretarial, admin or clerical work
H	Represented / campaigned on behalf of the charity
I	Volunteered at a charity shop
J	Given other practical help (e.g. helped out at school, group, shopping)
	Other help (please type in)
	None of the above

D8 And do you also donate money to the charity you give time to? (Single code)

A	Yes	B	No
---	-----	---	----

If no at D8 skip to D11, if yes at D8 ask D9

D9 Thinking about the main charity to which you give your time, how does this link to the money that you donate to it? (Single code)

A	I began giving time and money at the same point
B	I was already giving money when I started to give time
C	I was already giving time when I started to give money

Ask D10 if have not given time at D6 (code D). If have given time (code A/B/C) route to D11

D10 Which, if any, of the following best describe why you have not given time? (Multicode, rotate start)

A	I have not been asked but I might consider volunteering if asked to help a cause I care about
B	I have thought about volunteering but I have not found a suitable opportunity
C	I don't have time
D	I've never really considered it
E	I feel that giving money is sufficient
F	I don't think I'd be good at it or have the right skills
G	I don't feel confident enough to do it
H	They have enough volunteers already
I	I don't know how to find out how to do it
	Other reason (please type in)
	None of the above

D11= Max diff segmentation question

D11 For the next question, I'd like you to think about your reasons for giving money to charity.

You're going to see nine screens of four statements each. On each screen, please select the *most* important and the *least* important reason why you typically decide to make a charity donation.

A	A friend, colleague, or family member asks me to give / sponsor them
B	It makes me feel good to donate to charity
C	I'm interested in the cause the charity represents
D	Tax incentives encourage me to give
E	The charity deals with a cause that has had a direct impact on me or someone close to me
F	My giving is driven by my religious beliefs
G	The organisation works in my local community
H	The organisation has more impact than others on the cause I care about
I	The organisation is well-established and has a good reputation
J	I can see the difference my money makes
K	This organisation focuses on a neglected or under-funded issue
L	Someone in my position ought to give to charity

D12 = segmentation question

D12 How much attention, if any, do you pay to each of the following when giving to charity? (Rotate start and reverse scale 50/50 across sample)

- I pay extremely close attention to this

- I pay close attention to this
- I pay some attention to this
- I pay little attention to this
- I pay no attention to this

A	Evidence that the organisation is having an impact
B	Regular progress reports on the organisation's work
C	Ability to get involved with the organisation
D	How easy it is for me to donate
E	Whether the organisation takes a novel or innovative approach
F	How the organisation will use my donation
G	Thanks and appreciation I receive for my donation
H	Quality of the organisation's leadership
I	How often the organisation asks me for money

D13 And now please could you rate how well, if at all, you think the charities to which you give generally perform on each of the following? (Rotate start and reverse scale (aside from don't know) across sample)

- Extremely well
- Very well
- Quite well
- Not very well
- Not at all well
- Don't know

A	Provide evidence that they are having an impact
B	Provide progress reports on their work
C	Allow me to get involved
D	Make it easy for me to donate
E	Take a novel or innovative approach
F	Explain how my donations are used
G	Thank me and appreciate my donation
H	Show high quality leadership
I	Do not ask for money too often

D14 If charitable organisations did a better job in the areas you pay attention to, would that change how you make donations, or make no difference? (Single code)

A	Yes, I would give more money but only to the organisations to which I donate today
B	Yes, I would give the same total amount, but would shift some money from the organisations I give to today to other organisations that do a better job
C	Yes, I would give more to the organisations I give to today as well as organisations that do a better job
D	No, I would not make any substantial changes in my giving

Ask D15 if code A or C at D14, code B or D route to D18

D15 You indicated earlier that you gave [fill response at S1] to charity in the last 12 months. How much more would you be willing and/or able to give to charity if charitable organisations did a better job in the areas that are important to you? If you can't be sure then please estimate.

Type in £

Numeric range 0-£10 million – please include a check for any value over £10,000 for quota groups 1a/2a and a check for any value over £100,000 for quota group 3a

“You typed in £XXX, could you just confirm this is correct”

D16 How certain are you that you would give that increased amount? (Single code, reverse scale 50/50)

- Certain
- Somewhat certain
- Somewhat uncertain
- Uncertain
- I don't know

D17 Where would your increased giving come from? (Single code, rotate codes A-C)

A	Increased income – I am expecting to earn more in the next 12 months
B	Reduced savings / investments – I would put less into savings or take some money out of my investments
C	Reduced discretionary spending – I would cut down on 'fun' spending
D	Reduced day to day spending (ie, food)
E	I don't know
F	Actually I'm rethinking it – I am not likely to increase my giving

D18 Which, if any, of the following causes... (Rotate start, multicode except 'none')

1. Have you donated *money* to in the past year?
2. Have you given *time* to in the past year?
3. Do you *most prefer* to support (either by giving time or money)

A	Medical Research	I	Elderly people
B	Hospitals and hospices	J	Physical and mental health care
C	Children or young people	K	Schools, colleges, universities and other education
D	Overseas aid and disaster relief	L	Conservation, the environment and heritage
E	Animal welfare	M	Sports and recreation
F	Religious organisations (including churches, mosques and synagogues)	N	Arts
G	Disabled people (including blind and deaf people)	O	Other (including rescue services, human rights, benevolent funds and refugees)
H	Homeless people, housing and refuge		None of these/No preference

	shelters in the UK		
--	--------------------	--	--

D19 What's the most you gave to a single charity in the last 12 months? This might be in a single donation or a number of donations (or regular direct debit/standing order) over the past 12 months.

Please type in amount: £

D20 Including 2012, in how many of the last three years have you given to this organisation? (Single code)

A	All three years
B	Two of the three years
C	Just 2012
D	Don't know / can't remember

D21 How likely, if at all are you to give to this organisation again in 2013? (Single code)

- Very likely
- Fairly likely
- Not very likely
- Not at all likely
- Don't know

D22 Thinking about your donations to this organisation, did you spend time doing any research (including talking to others) before donating to this particular charity? (Multicode OK except A)

A	No, I didn't do any research
B	Yes, I did research to determine whether I would make a gift to the charity
C	Yes, I did research to help me decide how much to give
D	Yes, I did research to help me choose between multiple charities

Ask D23 if code B, C or D at D22, if code a at D22 route to D25

D23 a) What were you looking for when doing this research? (Multicode)

Ask D23b if more than one code answered at D23a – allow only codes selected at D23a. If only one code selected at D23a automatically code answer given at D23a and route to instructions at D24

b) What were you most looking for when doing this research, or what made most difference to you? (Single code, rotate start)

A	Information about the cause or level of need
B	Information on the organisation's legal status and legitimacy
C	Basic information on the organisation (e.g. mission, leadership, programmes)
D	Information on how much impact the organisation has
E	Financial information on the organisation, including where they spend their money
F	Reviews or endorsements by others

	Other (please type in)
	None of the above

Ask D24 if respondent does not code D – information on how much impact the organisation has. If option D coded at D23a skip to D25

D24 You told us earlier that you did not seek information on how much impact the organisation has before donating. What were your reasons for not seeking this information? (Rotate A-D, multicode)

A	I trust that this charity is effective and has an impact
B	I do not trust measures of performance or impact
C	I don't think this information is important to my donation
D	Even if I had data on the impact an organisation has, I would not know what is considered 'good' or 'bad'
E	I sometimes research performance or impact information on charities. It was just not relevant to this donation.
	Other (please type in)

D25 a) Which, if any, of the following information sources have directly led to you making a donation to charity in the past 12 months? (Multicode)

Ask D25b if more than one answer coded at D25a allow only codes selected at D25a. If only one answer coded at D25a automatically code answer given at D25a and route to D26

b) Which was the most important information source? (Single code, rotate start)

A	Advertising by the charity (poster, radio or television)
B	News coverage, documentary, or TV fundraising appeal
C	The organisation's website
D	Other online source (eg, internet search or third party information source)
E	A grant proposal, business plan or annual report
F	Personalised communication from the organisation based on an existing / previous relationship
G	Talking to a charity representative (executive / employee / volunteer) eg, on the street or on my doorstep
H	A charity event / fundraiser
I	Communication from the organisation not based on an existing / previous relationship (phone, email or postal)
J	Social media campaign eg, Facebook, Twitter, blogging etc.
K	Local information source (eg, community notice board or newspaper)
L	Through a friend / family / colleague
M	Being asked to sponsor a friend / family / colleague
N	Visit to the organisation
	Other (please type in)

D26 And finally on charity donations, thinking generally, what proportion, if any, of a person's income do you think they should aim to donate to charity?

Please type in ____%

(Or code)

I don't think a person should aim to donate a certain proportion of their income to charity

Don't know

Final section - additional demographics

Ask all (donors and non-donors)

F1 Which group do you consider you belong to? (Single code)

A	White - British
B	White - Any other White background
C	Mixed - White and Black Caribbean
D	Mixed - White and Black African
E	Mixed - White and Asian
F	Mixed - Any other Mixed / multiple ethnic background
G	Asian - Indian
H	Asian - Pakistani
I	Asian - Bangladeshi
J	Asian - Chinese
K	Asian - Any other Asian background
L	Black - African
M	Black - Caribbean
N	Black - Any other Black / African / Caribbean background
O	Any other ethnic group
P	Prefer not to say

F2 Which of these best describes your faith? (Single code)

A	None	F	Muslim
B	Christian	G	Sikh
C	Buddhist	H	Pagan
D	Hindu	I	Other
E	Jewish	J	Prefer not to say

F3 Do you have children? (Single code)

A	Yes		Prefer not to say
B	No		

Ask F4 if have children at F3. If no children at F3 route to instructions at F5

F4 What age(s) of children do you have? Please select all that apply (Multicode)

A	0-5 years old	D	18+ years old
B	6-10 years old		Prefer not to say
C	11-17 years old		

F5 ask quota group 3a/b only. Quota groups 1a/1b/2a/2b skip to F6

F5 A reminder that this question is purely for classification purposes and your responses will be kept confidential.

What is the approximate value of your net liquid assets? i.e. your financial assets excluding your primary residence

Please type in £

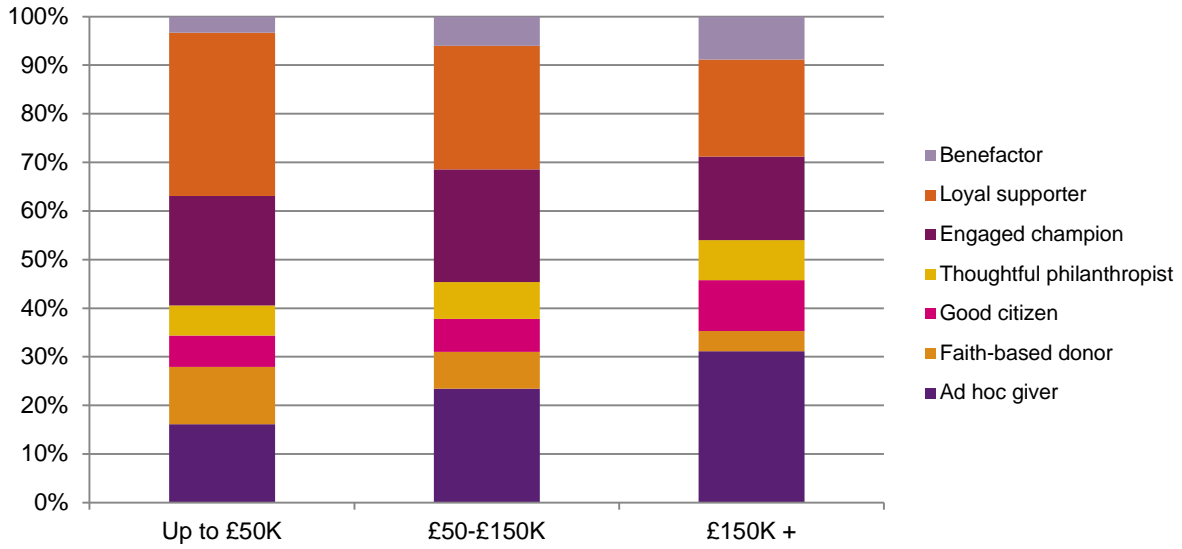
Don't know / prefer not to answer

F6 Thank you very much for taking part in this survey. Would you be willing for Ipsos MORI to possibly re-contact you for further research in this area at some time in the next 12 months?

A	Yes – would be willing	B	No – would not be willing
---	------------------------	---	---------------------------

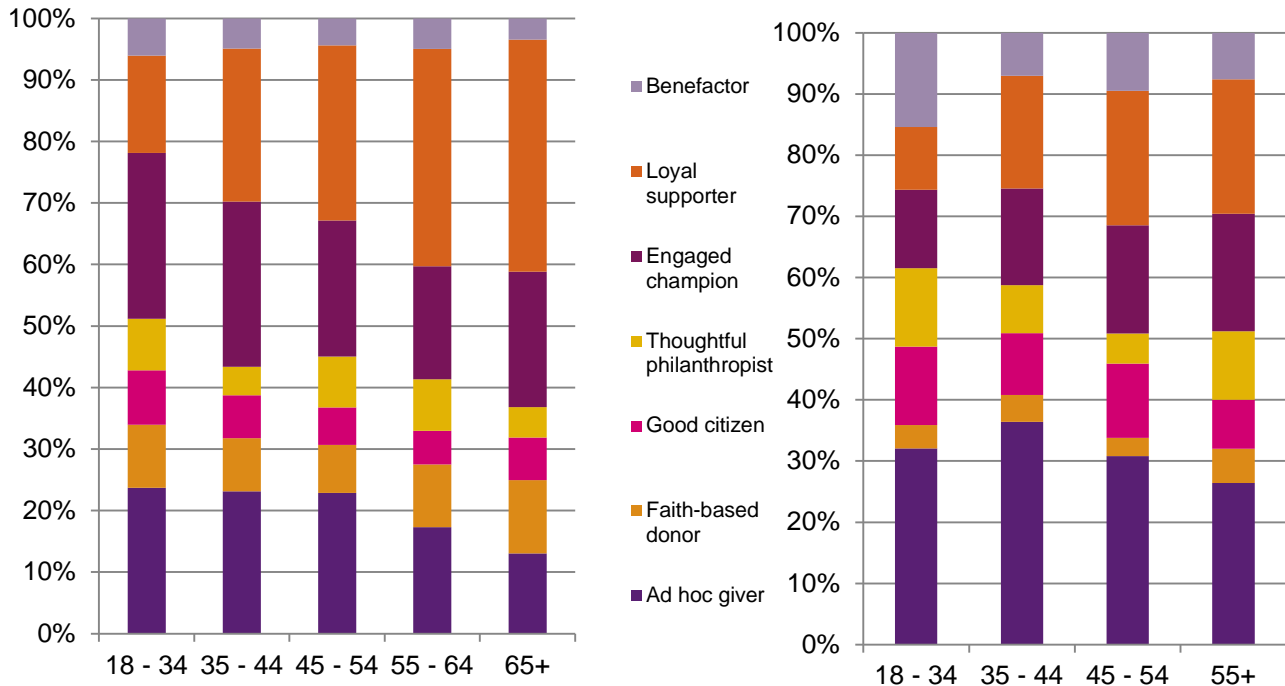
APPENDIX B: DEMOGRAPHICS OF SEGMENTS

Figure 27: Segments by income bracket



Up to £50k N=850, £50-£150k N=849, £150k+ N=861

Figure 28: Segments by age



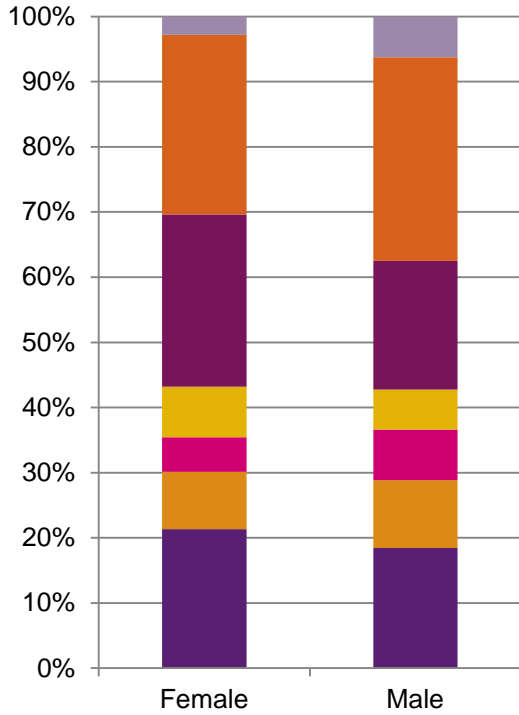
Mainstream

High income

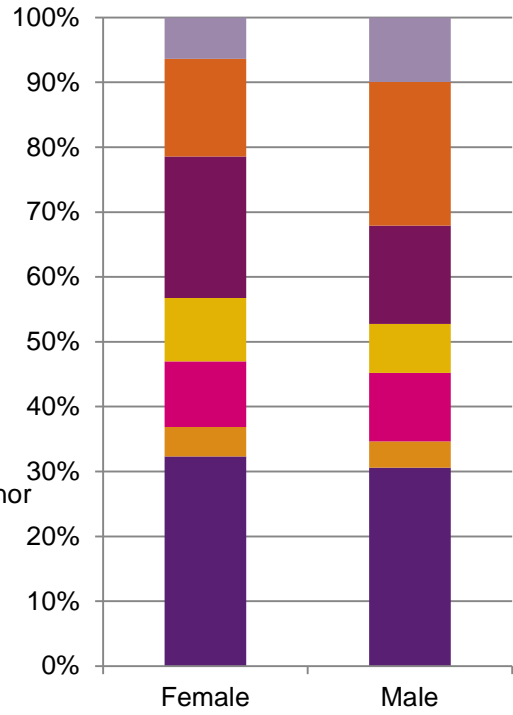
Mainstream N= 1,699, high-income N=861

Figure 29: Segments by gender

Mainstream



High-income



Mainstream N= 1,699, high-income N=861

APPENDIX C: CALCULATING ADDITIONAL AND SWITCHABLE GIVING

Donors were asked a series of questions to establish willingness to give more, and the scale of additional giving:

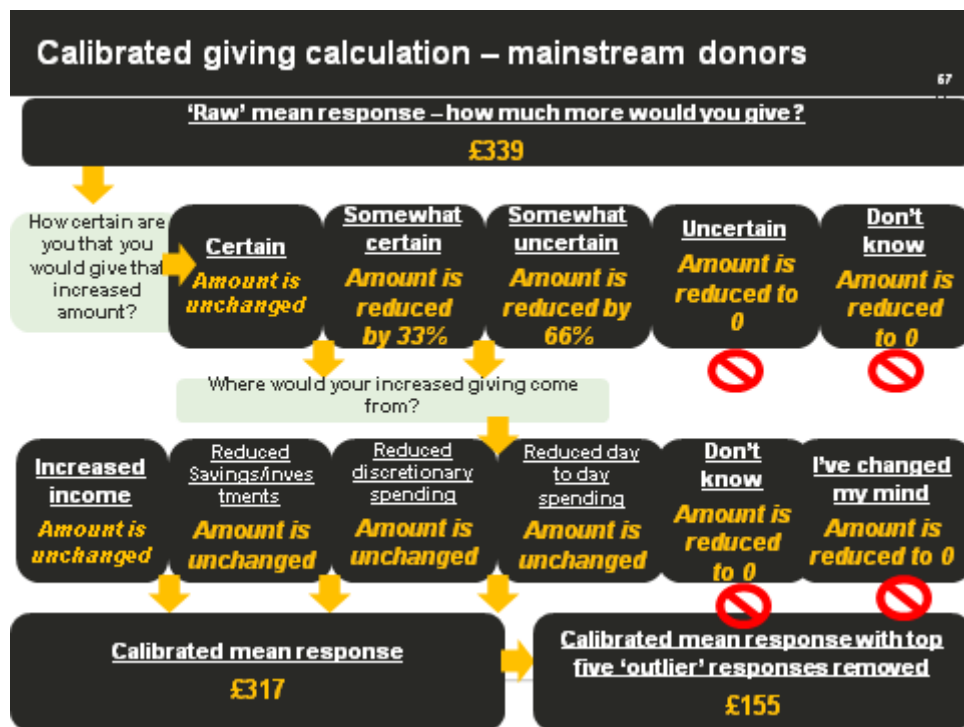
D14 If charitable organisations did a better job in the areas you pay attention to, would that change how you make donations, or make no difference? (Single code)

A	Yes, I would give more money but only to the organisations to which I donate today
B	Yes, I would give the same total amount, but would shift some money from the organisations I give to today to other organisations that do a better job
C	Yes, I would give more to the organisations I give to today as well as organisations that do a better job
D	No, I would not make any substantial changes in my giving

Ask D15 if code A or C at D14, code B or D route to D18

D15 You indicated earlier that you gave [fill response at S1] to charity in the last 12 months. How much more would you be willing and/or able to give to charity if charitable organisations did a better job in the areas that are important to you? If you can't be sure then please estimate.

This figure shows the approach to translating donors' initial responses into something more realistic. This figure shows responses for mainstream donors.



Source: Ipsos MORI

For high-income donors

- The 'raw' mean response was £2,342

- These figures were calibrated in the same way as above, giving a calibrated mean of £1,709
- Outlier values (the bottom value and the top five values) were removed, producing a calibrated mean response of £603.

Scaling up donation levels to the population

The adult population

We estimated the adult population using figures from the 2011 census²⁹:

- Adults aged over 20: 48,085,000
- Estimate of adults aged 18-19 (40% of the age bracket 15-19): 1,598,880
- Total estimated adult population: 49,683,800

Households of income under £150,000 make up between 98% and 99% of the population; those of income over £150,000 make up between 1% and 2% of the population.³⁰ Since donors in higher-income households have a greater impact on the overall additional and switchable giving in proportion to their numbers, we have taken chosen to use the 99%/1% split to produce a conservative estimate.

Number of donors

A scoping study indicated that a mean of 39% of all mainstream donors give at least £50 to charity.

Income	Population average	Under £5k	£5-10k	£10-£15k	£15-£20k	£20-25k	£25-£35k	£35-£45k	£45-£55k	£55-£100k	£100k+
% giving over £50	39%	16%	25%	31%	33%	38%	40%	47%	48%	57%	67%

A separate scoping study found that 94% of individuals with *personal* income over £150,000 gave at least £50 to charity. In the absence of a direct equivalent comparison of *household* income, we conservatively estimated that 67% of households with income over £150,000 gave at least £50 per year (ie, the same incidence of giving at this level as households of over £100,000 income a year).

To estimate the number of donors in each income bracket we calculated:

Formula	Adult population	x	Proportion of population in income group	x	Proportion of income group giving at least £50
Mainstream	49,683,800	x	99%	x	39%
High-income	49,683,800	x	1%	x	67%

- 19,182,915 mainstream donors give at this level
- 332,881 high-income donors give at this level

²⁹ Office of National Statistics 2011 Census data

³⁰ HMRC Income Tax Liabilities Statistics, 2010-11 to 2012-13, and Institute for Fiscal Studies income statistics (Inequality and poverty spreadsheet, 'Where do you fit' interactive model).

Switching donations

Figure 22 shows the proportion of donors who would be willing to switch donations, and we used these findings to calculate the total level of donations which might be switched to organisations which better meet donor needs, although we cannot be sure that each donor would be willing to switch all of their giving.

- 27% of mainstream donors could switch their donations
- 40% of high-income donors could switch their donations
- Mainstream mean donation was £303
- High-income mean donation was £1,282

Formula	N. donors in income bracket	x	Mean donation	x	% of donors would switch
Mainstream	19,182,915	x	£303	x	27%
High-income	332,881	x	£1282	x	40%

- Mainstream switchable: £1,568,525,589
- High-income switchable: £170,760,200
- Total switchable: £1,739,285,789

Additional giving

- 20% of mainstream donors could give more
- 34% of high-income donors could give more

Figure 23 shows the amount extra donors would give. We calculated this using the formula below

Formula	N. donors in income bracket	x	Average amount additional	x	% of donors would give more
Mainstream	19,182,915	x	£155	x	20%
High income	332,881	x	£603	x	34%

- Mainstream additional: £596,396,833
- High-income additional: £68,293,761
- Total additional: £664,690,594

APPENDIX D: REFERENCES

- Breeze, Elizabeth Ann (2010) More than Money: The social meaning of philanthropy in contemporary UK society. A thesis submitted to the University of Kent.
- Cabinet Office (2013) Community Life Survey.
- Charities Aid Foundation (2012) Mind the gap: The growing generational divide in charitable giving.
- Charities Aid Foundation (2012) World Giving Index 2012: A global view of giving trends.
- Clark, J. et al (2012) The UK Civil Society Almanac 2012. National Council for Voluntary Organisations.
- Cowley, E. et al (2011) The new state of donation: Three decades of household giving to charity. Centre for Charitable Giving and Philanthropy.
- HM Revenue & Customs Income Tax Liabilities Statistics, 2010-11 to 2012-13.
- HM Treasury (2013) Consultation on Payroll Giving.
- Hope consulting (2010) Money for Good.
- Institute for Fiscal Studies income statistics (Inequality and poverty spreadsheet, 'Where do you fit' interactive model). www.ifs.org.uk/fiscalFacts/povertyStats.
- Ipsos MORI on behalf of the Charity Commission (2012) Public trust and confidence in charities.
- Low, N. et al (2007) Helping Out: A national survey of volunteering and charitable giving. Cabinet Office.
- McKenzie, T. and Pharoah, C (2011) How generous is the UK? Charitable giving in the context of household spending. Centre for Charitable Giving and Philanthropy.
- National Council for Voluntary Organisations and Charities Aid Foundation (2012) UK Giving 2012: An overview of charitable giving in the UK, 2011/12.
- Ni Ogain, E., Pritchard, D. and Lumley, T. (2012) Making an impact: Impact measurement among charities and social enterprises in the UK. New Philanthropy Capital.
- Next Gen Donors (2013) Respecting legacy, revolutionising philanthropy.
- Office of National Statistics 2011 Census data. www.ons.gov.uk/ons/guide-method/census/2011/index.html.
- The REaD Group PLC (2012) Consumer Attitudes Report 2012: Direct Marketing from the Third Sector.
- Sargeant, A. and Jay, E. (2004) Reasons for lapse: The case of face-to-face donors. International Journal of Nonprofit and Voluntary Sector Marketing.
- Sargeant, A. and Woodliffe, L. (2005) The antecedents of donor commitment to voluntary organizations. Nonprofit Management and Leadership.
- Vernon, B. and Stringer, E. (2009) Board matters: A review of charity trusteeship in the UK. New Philanthropy Capital.

ABOUT THE AUTHORS

Sally Bagwell

Sally led NPC's work on *Money for Good UK*. As a consultant in NPC's Research and Consulting team, Sally supports charities, funders and commissioners to address the challenges they face in their work. Since joining NPC, she has worked on major projects including a study into the measurement of social outcomes for investors, grantee reviews and charity analysis for a family foundation, and designing a giving programme for a corporate funder. Before joining NPC, Sally worked at Community Action Southwark, and GuideStar Data Services. Sally has a Master's degree in the History of the United States from Oxford University.

Lucy de Las Casas

Lucy oversees the quality of NPC's research projects and client work, and leads selected strategic initiatives. She led NPC's Consulting team between 2007-2011, developing it from a new venture into an established consulting business. Lucy has a decade of experience of delivering consulting work, including seven years in the charitable sector. She has worked with foundations, corporates, philanthropists and government funders on a range of questions, including funding strategy, processes, programme design, and evaluation of programme success. She has also worked with charities on developing theories of change and impact measurement systems. Before NPC Lucy worked at the One World Trust and Gemini Consulting. Lucy is a trustee of Home-Start Mid Suffolk.

Matt van Poortvliet

Matt worked as a Senior Consultant at NPC for five years until December 2012, and was involved in the initial phases of *Money for Good UK*. He led research on children and young people and published reports on issues including child mental health, youth offending and early intervention. He also advised a range of funders on effective grant-making. Before NPC, he worked as an English language teacher and completed degrees at Oxford University and LSE. Matt is now a Grants Manager at the Educational Endowment Foundation.

Rob Abercrombie

Rob leads NPC's Research and Consulting team, and is responsible for bringing in new consultancy business and ensuring that research projects and client work are delivered to a high standard. He has over a decade of strategy consulting experience and has worked with clients from across the voluntary, public and private sectors. Before joining NPC Rob worked at the Shaw Trust, Tribal, and for five years as head of strategy at Which?, alongside pro bono work for Friends of the Earth and Greenpeace. He is a governor of the Cripplegate Foundation.

Read more about the authors at www.thinknpc.org/about-npc/our-staff/.

TRANSFORMING THE CHARITY SECTOR

NPC occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: Our mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact.