The Next Generation of American Giving

Research Findings | March 2010

Sea Change Strategies

EDGE RESEARCH

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Project Background

- In 2007 Convio, Edge Research and Sea Change Strategies partnered with 20+ nonprofit organizations on "The Wired Wealthy, Using the Internet to Connect with Your Middle and Major Donors"

- This follow-up study was designed to look at how different generations learn about, engage with, and donate to charitable nonprofit organizations both online and off

- NGO's have a lot of experience connecting and raising money with older donors. These findings provide the sector with insights on cultivating the next generation of American donors

- The study also examines emerging trends in outreach and fundraising strategies – such as peer-to-peer and mobile philanthropy. Several additional reports will be released over the next few months.

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Methodology

Phase 1 – Focus Groups

- Three (3) focus groups among Gen Y and Gen X charitable donors, conducted in Baltimore, MD in December 2009

- Focus group feedback used to write/refine the survey instrument, and provide qualitative understanding of the survey findings
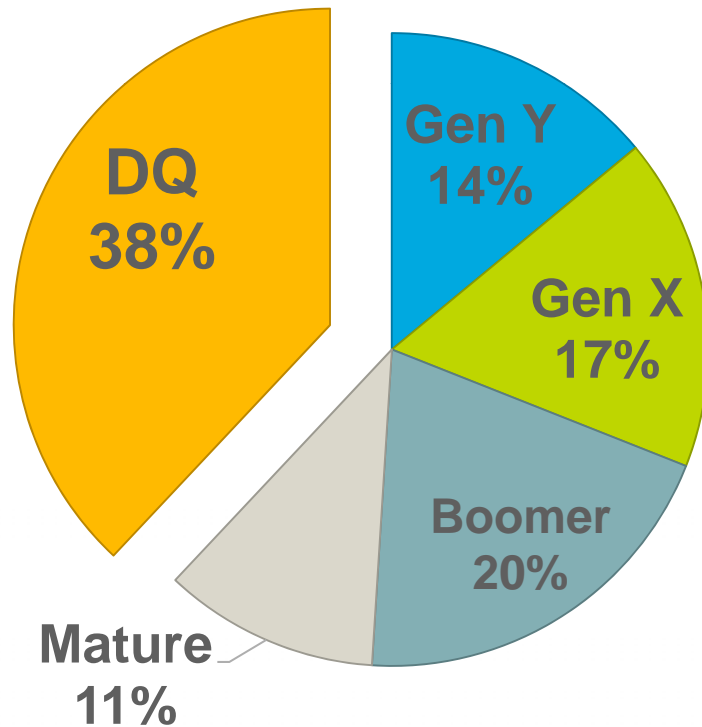
Phase 2 – Online Survey

- Online survey of 1526 donors to a charitable organization in the past 12 months (screened to ensure they donated at least $1 to charitable causes in last year)

- First 950 completes recruited from a representative sample of Americans balanced to reflect census data, in order to determine donor incidence overall and across different generations. After first 950 completes, sample was targeted to fill specific generational quotas for Gen Y, Gen X, Boomers and Matures. Data weighted to actual generational distribution among the donor population

- Average survey length approximately 20 minutes

- Survey was in the field from January 20-28, 2010

- Margin of error for sample as whole: +/-2.5% at the 95% confidence level. Margin of error for generation subgroups is +/- 5% at the 95% confidence level. Margin of error for other subgroups varies

Today's Presentation Will Cover

- Context

- Evolution of Engagement

- Generational Information

- Strategic Implications

The Donor Universe

Survey Context: Donated to Nonprofit/Charitable Cause within Year

(US Adult Population: 227.7 million)

THE GENERATIONS

Gen Y (b. 1981-1991) 31.06 million Americans; 54% give

Gen X (b.1965-1980) 39.53 million Americans; 52% give

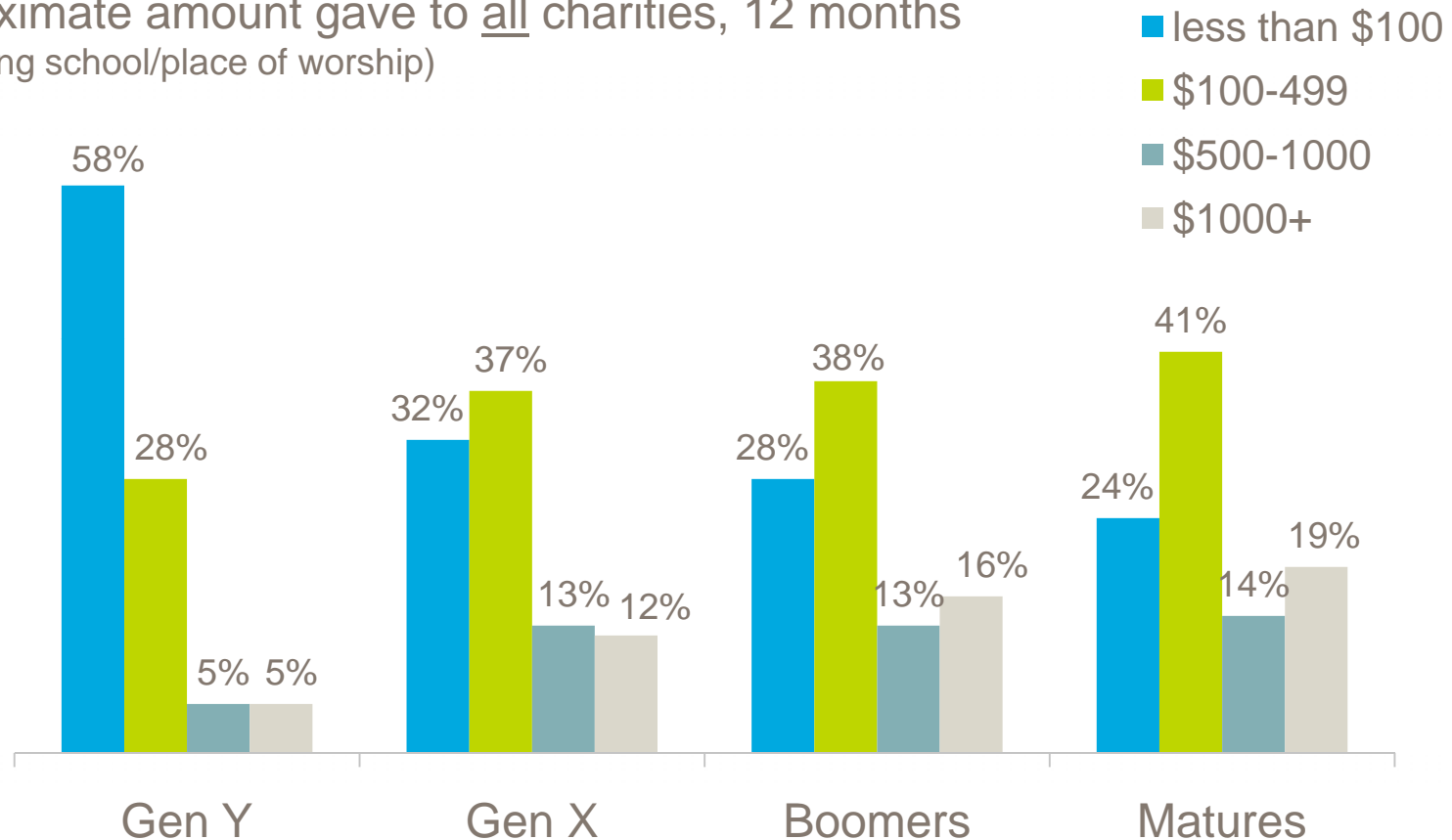**Baby Boomers (b. 1946-1964) 45.17 million Americans; 66% give**

Matures (b. 1945 or earlier) 25.41 Americans; 77% give

Pie Chart

- DQ 38%
- Gen Y 14%
- Gen X 17%
- Boomer 20%
- Mature 11%

62% qualified
141 million donors

Survey qualifications: Must donate to at least 1 charitable org/nonprofit and at least $1 within last 12 months (excluding school and place of worship)

Giving Amounts

Approximate amount gave to <u>all</u> charities, 12 months
(excluding school/place of worship)

Legend:
- ■ less than $100
- ■ $100-499
- ■ $500-1000
- ■ $1000+

Gen Y: 58%, 28%, 5%, 5%
Gen X: 32%, 37%, 13%, 12%
Boomers: 28%, 38%, 13%, 16%
Matures: 24%, 41%, 14%, 19%

	Gen Y	Gen X	Boomers	Matures
Avg $ (est):	$420	$796	$901	$1182
Avg $ top charity:	$161	$272	$211	$280
Average # charities:	3.6	4.2	5.2	6.3

Q4. Approximately how many nonprofit organizations and charitable causes have you donated to in the past 12 months?
Q6. Approximately how much do you give in *total* each year to *all* charitable or cause-oriented organizations, <u>excluding</u> your school and place of worship? Blue numbering in the table on the right indicates significance at the 95% confidence level

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Giving Channels Overall

% who say have donated in this way in last 2 years (total)
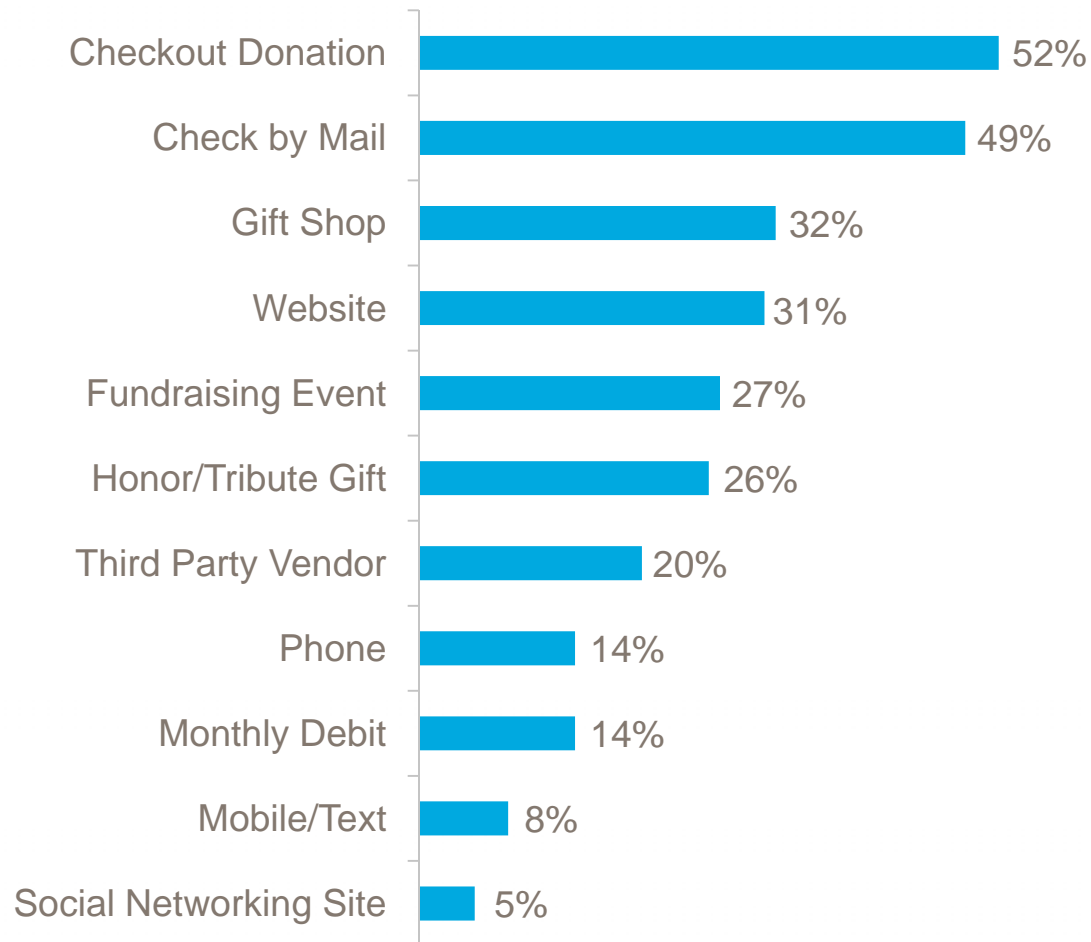
	GEN Y	GEN X	BOOMERS	MATURES
Checkout Donation — 52%	48%	**57%**	**52%**	48%
Check by Mail — 49%	26%	**43%**	**54%**	**77%**
Gift Shop — 32%	28%	**35%**	**32%**	30%
Website — 31%	29%	**35%**	31%	25%
Fundraising Event — 27%	22%	28%	28%	31%
Honor/Tribute Gift — 26%	22%	22%	27%	**35%**
Third Party Vendor — 20%	**25%**	**27%**	17%	12%
Phone — 14%	8%	10%	**16%**	**25%**
Monthly Debit — 14%	11%	**17%**	14%	11%
Mobile/Text — 8%	**14%**	**13%**	4%	2%
Social Networking Site — 5%	**9%**	**6%**	4%	2%

Q7: Which of the following giving methods have you used in the past 2 years (select all that apply).
Bold numbering in the table on the right indicates significance at the 95% confidence level

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Other Forms of Support

% done this charitable activity last 12 months (total)

	GEN Y	GEN X	BOOMERS	MATURES
Donated goods or items — 64%	55%	**67%**	**66%**	**68%**
Donated time/volunteered — 36%	38%	38%	35%	34%
Email/letter elected official — 30%	20%	27%	31%	**45%**
Attended an event — 28%	**37%**	29%	26%	21%
Joined social network — 23%	**33%**	**29%**	19%	10%
Promoted the charity online — 23%	**34%**	**33%**	16%	9%
Sponsored walk, run, etc — 21%	13%	**22%**	**25%**	**21%**
Participated in walk, run, etc — 15%	**23%**	**18%**	12%	6%
Volunteered organize event — 13%	**17%**	**19%**	9%	5%
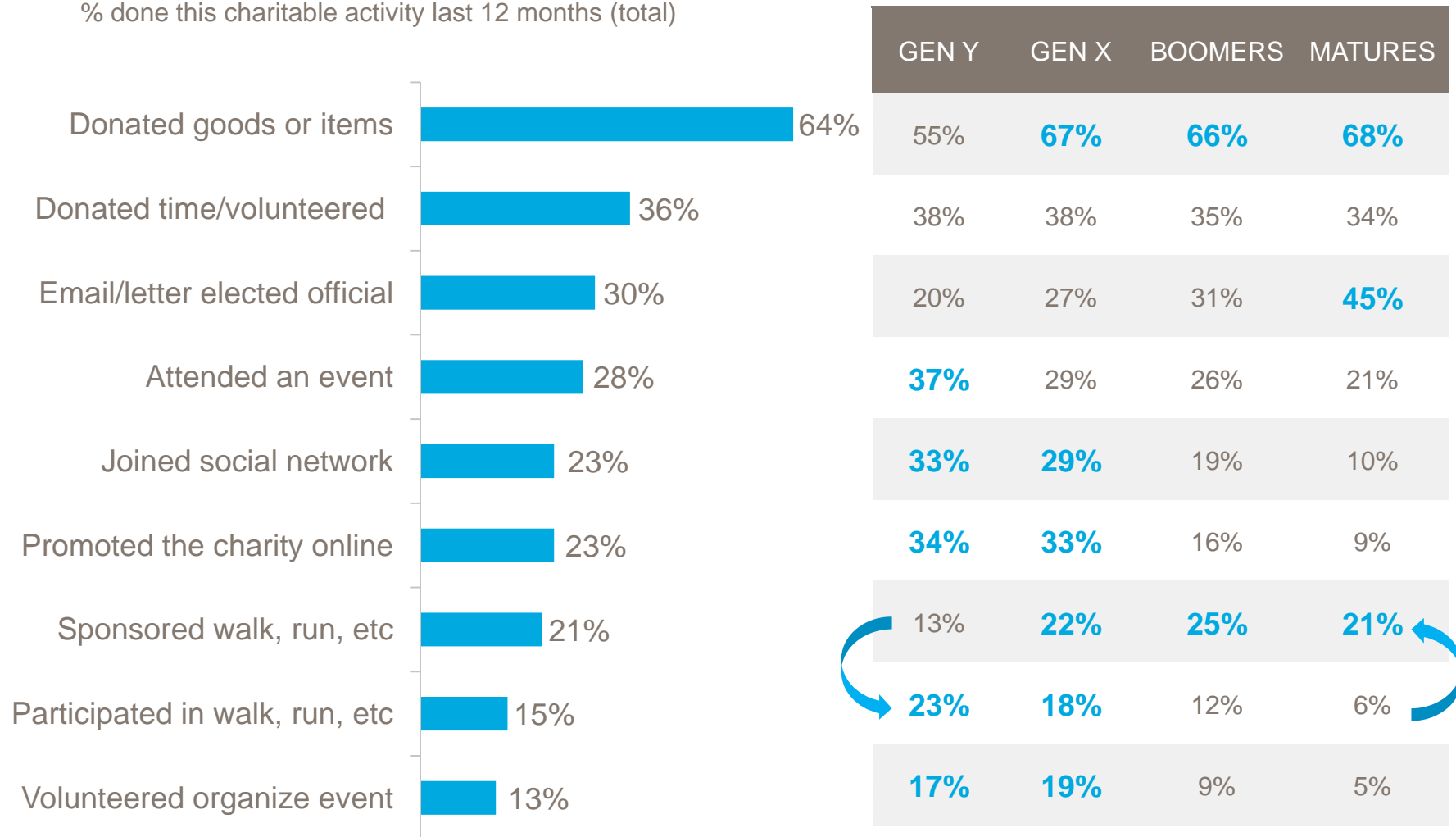
Q3: In the last 12 months, in which of the following ways have you supported nonprofit organizations/charitable causes?
Bold numbering in the table on the right indicates significance at the 95% confidence level

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Life-stage Defining Attitudes and Values

Time to Give Back

Just starting out, don't have a lot time or money to give

At point in life where would like to increase my $/time commitment to charity

What's In It For Me?

Like promotional give-aways

Like to support through social events. (i.e. parties, runs, etc)

Online Connection

Promote through social networks

Visit a website prior to supporting

Random, Peer Motivated Support

Most of the charitable giving is random (who asks, emotions)

More likely to support a charity when friends/family ask vs. the charity

Time vs. Money

Volunteering is a priority for me

Can make more of a difference volunteering my time

Can make more of a difference giving money

Pre-meditated Giving

Have a well-established commitment to charities I care about

Budget for charitable organizations each year

Know which organizations I will give to

Guarded, Scrutiny

Don't answer phone/look at mail from charities haven't supported

Will not give charities phone number/ email

Concerned about what portion going to overhead

Gen Y | Gen X | Boomers | Matures

Q35: Statement describes your current situation "perfectly" – Median age calculated for each statement.

Evolution of Engagement

Respondents were asked to list the 1-3 most important charities or causes they donate to regularly. One of the charities listed was randomly assigned, and they were then asked a series of follow-up questions to learn more about the evolution of their relationship with that charity

How/When Learned About Top Charity

Gen Y
- Mainstream media   27%
- Word of mouth   **22%**
- School   **18%**
- Peer to peer event   **14%**

Timing:
52% first learned childhood
Average time support: 4 yrs

Boomers
- Mainstream media   28%
- Mail   **19%**
- Word of mouth   16%
- Work/job   11%

Timing:
55% first learned 30's+
(24% childhood, 21% y adult)
Average time support: 13 yrs

Gen X
- Mainstream media   24%
- Word of mouth   18%
- Mail   16%
- Peer to peer event   11%
- Work/job   11%
- Product purchase   11%

Timing:
32% first learned childhood
Average time support: 7 yrs

Matures
- Mail   **35%**
- Mainstream media   24%
- Word of mouth   18%

Timing:
68% first learned 30's+
(16% childhood, 16% y adult)
Average time support: 15 yrs

Q10: How did you first learn about (top charity)? Select all that apply. [Top channels cited above]
Q11: How old were you when you first learned about (top charity)? (Best guess is fine)
Q9: For how long have you been supporting (top charity)? [Average # of years cited]

Next Step – First Form of Engagement

When you first learned about [top charity], in what ways did you first become involved? (Top forms cited)

Gen Y

Direct donation	42%	Attended event	**19%**
Visited website	**27%**	Promoted to others	**15%**
Donated goods	23%	Volunteered	**15%**

Gen X

Direct donation	51%	Attended event	18%
Donated good	28%	Volunteered	**16%**
Visited website	**19%**		

Boomers

Direct donation	**61%**
Donated goods	25%
Attended an event	13%

Matures

Direct donation	**71%**
Donated goods	26%
Attended an event	13%

Q12: When you first learned of [Top Charity], in what ways did you become involved with the charity/group?
Blue numbering indicates significance at the 95% confidence level

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Engagement Activities Today

Ways currently involved with top charity (total)

Activity		GEN Y	GEN X	BOOMERS	MATURES
Donations directly charity	68%	50%	**66%**	**76%**	**81%**
Donate goods (clothing, food)	28%	26%	30%	30%	23%
Visit their website	23%	**34%**	**23%**	20%	13%
Volunteer	13%	**14%**	**17%**	11%	7%
Support friend walk/run/etc	12%	**16%**	**13%**	11%	6%
Promote them online	12%	**19%**	**14%**	9%	5%
Fundraise	8%	**13%**	**8%**	7%	4%
Participate in walk/run/event	7%	**13%**	**9%**	5%	3%
Advocacy campaign/s	6%	**8%**	**9%**	5%	2%
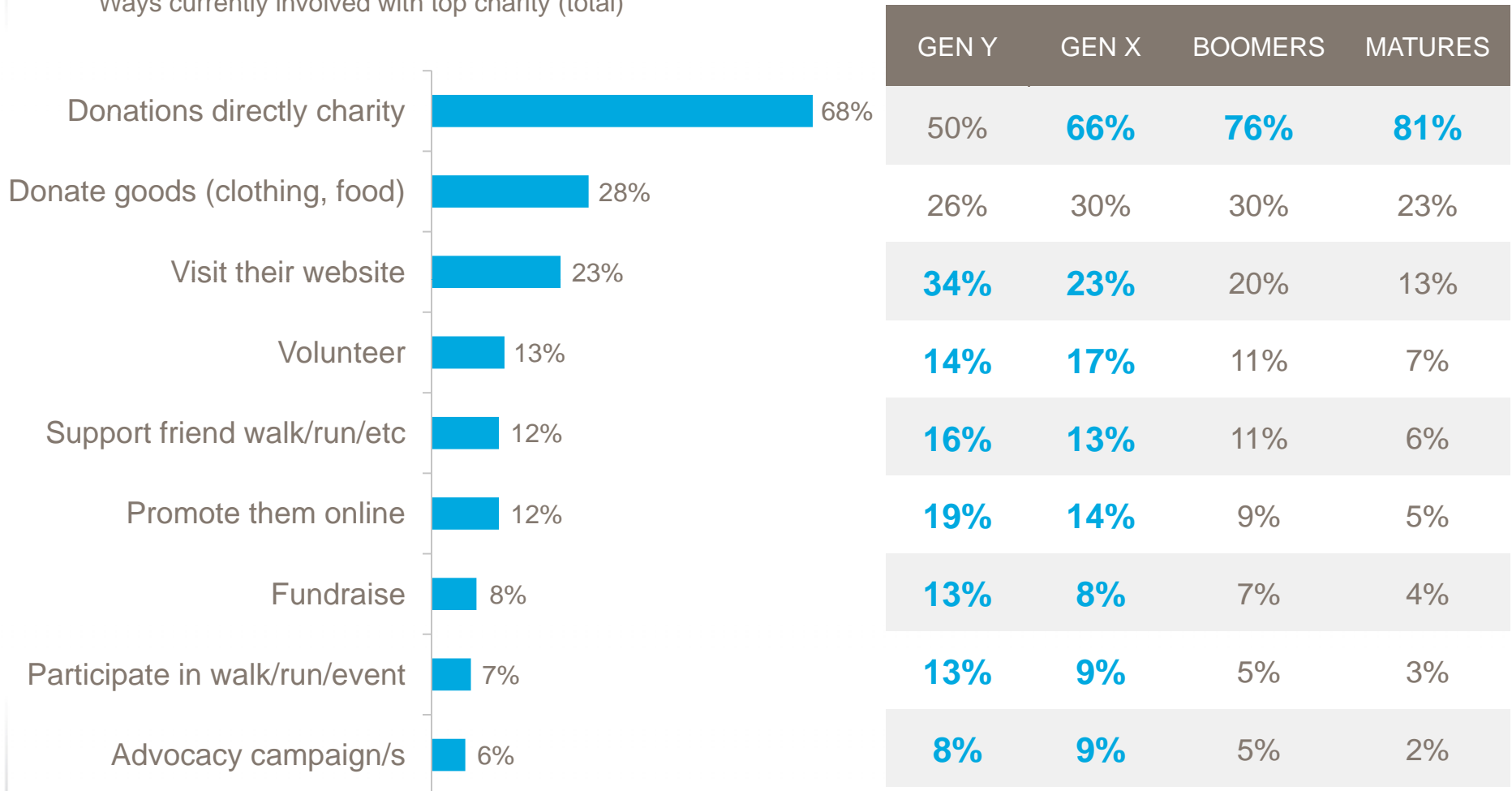
Q15: And how are you currently involved with [top charity] today? (Select items done in past 12 months)
Bold numbering in the table on the right indicates significance at the 95% confidence level

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How You "Make A Difference"

Where do you think you can make the most difference with (top charity)?

Gen Y

- Fundraise, 7%
- Spread word, 16%
- Donate goods, 18%
- Volunteer, 12%
- Money, 41%

Boomers

- Spread word, 17%
- Fundraise, 2%
- Donate goods, 13%
- Volunteer, 7%
- Money, 55%

Gen X

- Fundraise, 4%
- Spread word, 18%
- Donate goods, 13%
- Volunteer, 12%
- Money, 45%

Matures

- Spread word, 11%
- Fundraise, 1%
- Donate goods, 10%
- Volunteer, 6%
- Money, 66%
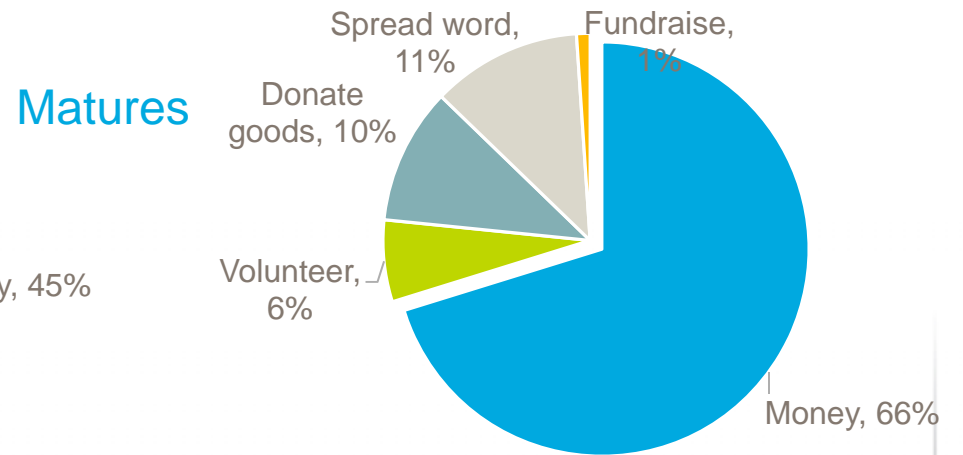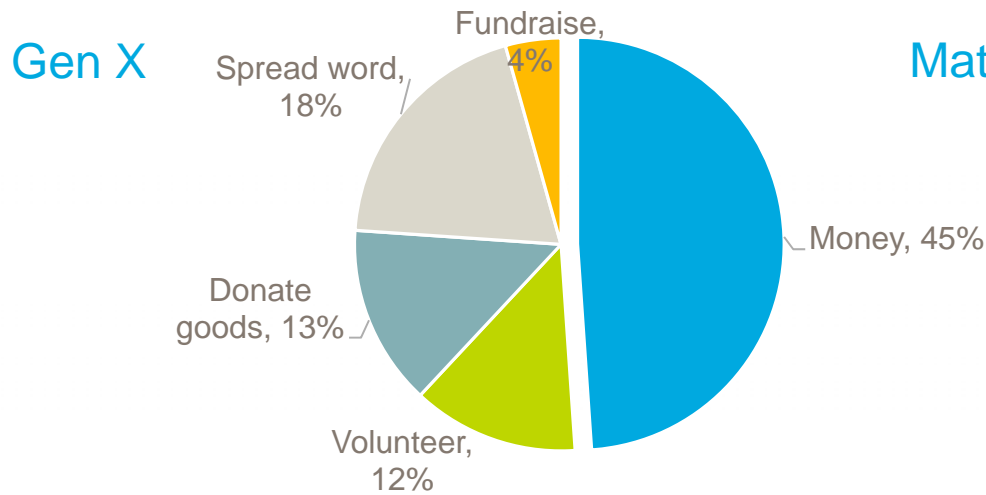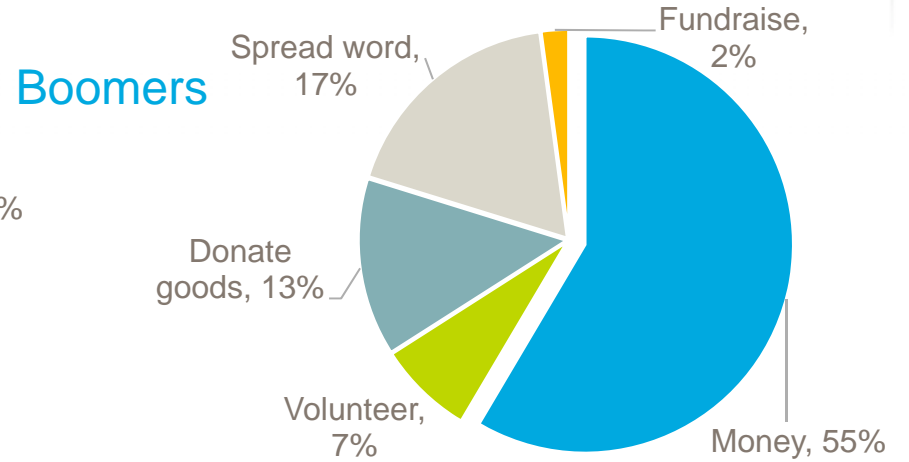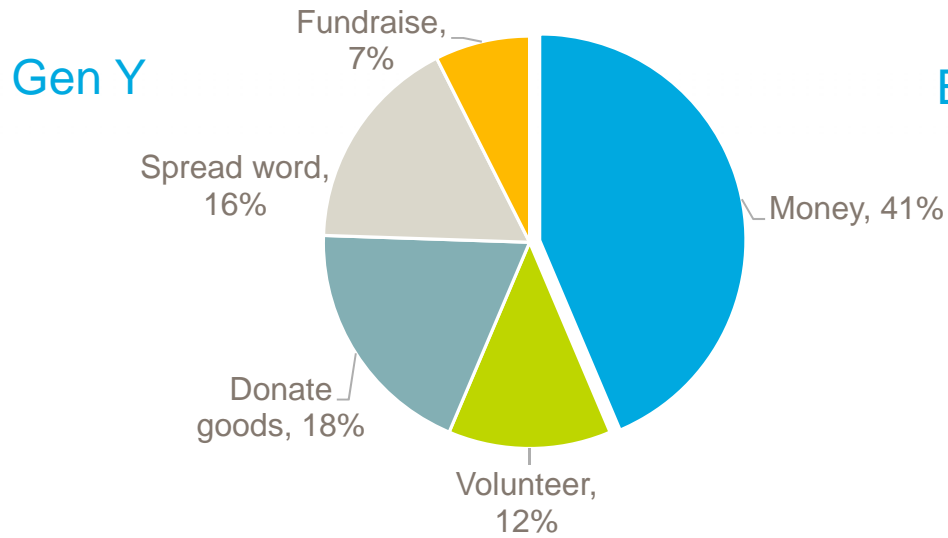
Q18: Still thinking about the present time, where do you feel you can make the most difference with (Charity).

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Giving Channels Top Charity

Gen Y
- Fundraising event **24%**
- Check by mail 23%
- Website **22%**

Boomers
- Check by mail **42%**
- Fundraising event 20%
- Website 9%
- Monthly debit 8%

Gen X
- Check by mail 33%
- Fundraising event 20%
- Website **18%**
- Monthly debit **11%**

Matures
- Check by mail **57%**
- Fundraising event 16%
- Website 8%

Q20: Which best describes how you made the donations (to top charity) in 2009?
Bold numbering indicates significance at the 95% confidence level
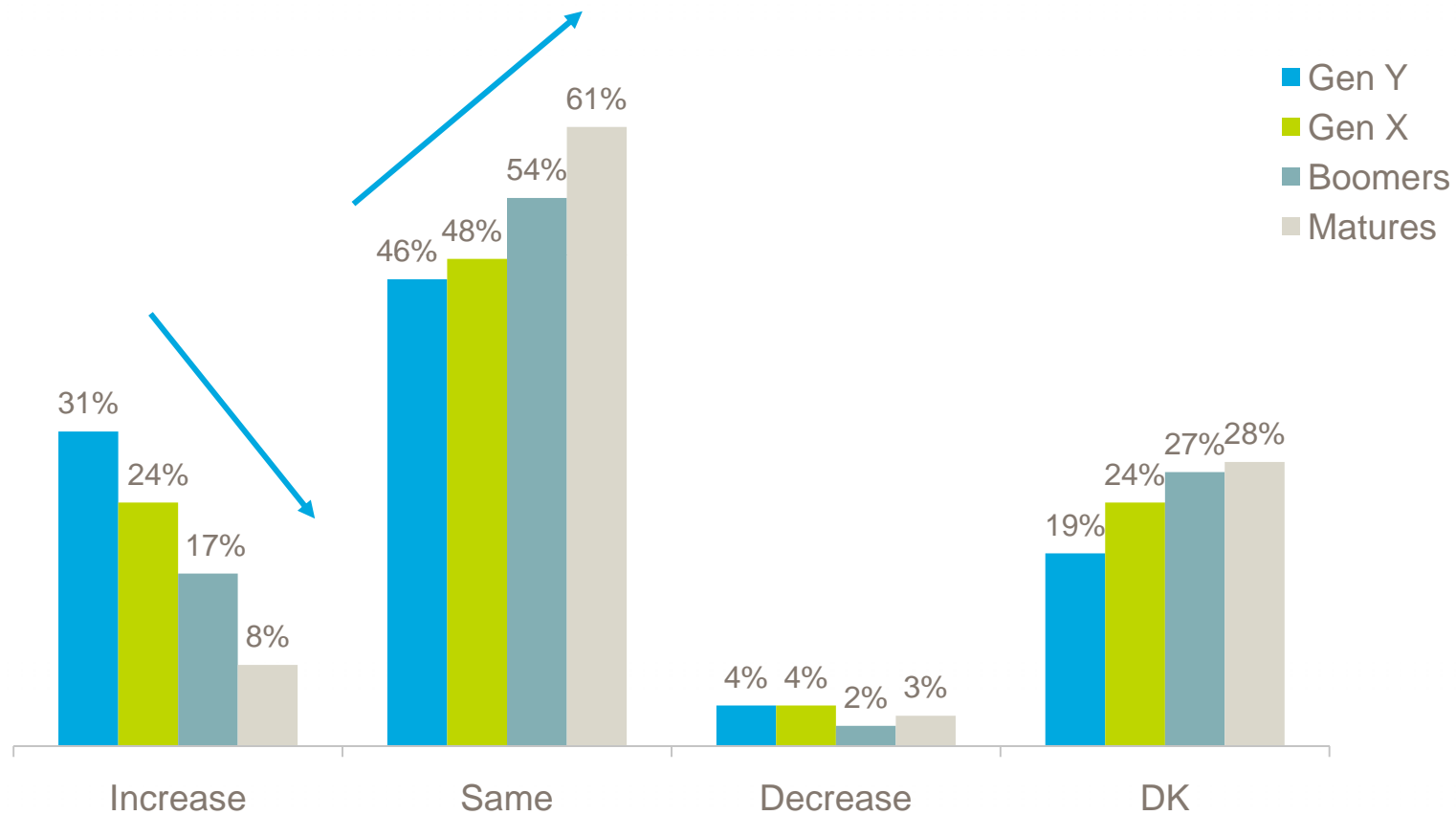
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Economic Impact on Giving Plans

Gen Y told us economy has not impacted how they give, because they didn't have a lot/give a lot before!

Gen X explained that economy has not impacted their giving to top tier groups, but has or may impact their secondary charitable giving (sponsoring friends, checkout, etc)

Respondents volunteer what charities doing right in this economy:
- Acknowledging these are hard times. *"Compassion goes a long way."*
- Letting you pick the amount
- *"Please, whatever you can give, everything is appreciated."*
- Not being bombarded with requests
- Cutting costs by using email rather than mail
- Acknowledging your gift

From focus groups of Gen Y and Gen X

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Solicitation Channel Appropriateness
(From charities/nonprofits with **established** relationship)

% say appropriate solicitation channel (top 2 box)
(rank ordered by very important –blue)

	TOTAL	GEN Y	GEN X	BOOMERS	MATURES
Friend asks for money (walk/run/race/event/etc)	84%	**87%**	**89%**	82%	76%
Mailed letter/msg from charity YOU KNOW	77%	77%	79%	74%	77%
Email charity YOU KNOW	65%	**76%**	**69%**	60%	51%
Msg to fans/ supporters on Facebook/ social network	47%	**69%**	**60%**	38%	17%
Phone call charity YOU KNOW	42%	**51%**	**42%**	39%	34%
Text/SMS charity YOU KNOW	23%	**38%**	**25%**	16%	13%

Bar chart values (very important – blue):
- Friend asks for money (walk/run/race/event/etc): 52%
- Mailed letter/msg from charity YOU KNOW: 41%
- Email charity YOU KNOW: 28%
- Msg to fans/ supporters on Facebook/ social network: 22%
- Phone call charity YOU KNOW: 15%
- Text/SMS charity YOU KNOW: 8%

Q22 :Below are a variety of different ways that a charity may approach you and ask for a monetary donation. For each, please indicate how appropriate that approach is.
Bold numbering in the table on the right indicates significance at the 95% confidence level

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Info Channels: Usage & Importance

% who get info through channel with top charity

% importance (among those who get)
(rank ordered by very important - blue)

	TOTAL	GEN Y	GEN X	BOOMERS	MATURES
Mail	37%	26%	**38%**	**36%**	**49%**
Emails/e-newsletters	29%	29%	**34%**	28%	24%
Website	27%	**36%**	**34%**	**22%**	14%
Subscribe issue updates	12%	12%	**14%**	13%	9%
Facebook, other social media	10%	**17%**	**16%**	5%	2%
Text/SMS	3%	**7%**	**4%**	1%	2%
Twitter	3%	**7%**	**5%**	1%	0

Importance bars (very important - blue / important - green):
- Mail: 45% | 83%
- Emails/e-newsletters: 53% | 87%
- Website: 55% | 88%
- Subscribe issue updates: 53% | 90%
- Facebook, other social media: 40% | 78%
- Text/SMS: 50% | 71%
- Twitter: 56% | 78%

Q16: Please indicate if you get/do the following with (top charity). Select all that apply.
Bold numbering indicates significance at the 95% confidence level

Info Channels: Social Media

Facebook and other social media work for:
- Endorsing or promoting the cause
- Inviting/informing friends about an event

But there are limitations:
- Web presence limited (only so much you can do). Actual website much more robust

I think people use it as a medium to send out fundraising invitations. That's what I get. I'll get an invite from someone that is maybe administrator of a group. They'll send it out to hundreds of people that are within that particular group.

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Charitable Online Activities

How often do you connect w/ charity in these ways? (% monthly+)

	GEN Y	GEN X	BOOMERS	MATURES
Forward message to friend — 20%	**36%**	**23%**	14%	9%
Join Facebook/social network group — 18%	**37%**	**23%**	8%	3%
Contribute to online forums/discussions — 16%	**25%**	**19%**	13%	4%
Read/ post msg to charity blog — 16%	**31%**	**19%**	9%	5%
Share articles, photos, etc of charities on Facebook — 16%	**29%**	**20%**	10%	2%
View video online posted by charity — 16%	**29%**	17%	13%	5%
View a charity's photo stream — 12%	**24%**	**15%**	7%	1%
Listen to charity audio or podcast — 11%	**23%**	**14%**	5%	4%
Follow a charity's "tweets" on Twitter — 10%	**21%**	**13%**	3%	1%
Raise money using Facebook, other sm site — 10%	**22%**	**11%**	5%	1%
Participate live chat with charity — 8%	**19%**	**9%**	4%	2%
Contribute video via YouTube — 7%	**17%**	**8%**	2%	1%

Q29 (1-3) AT LEAST MONTHLY: Following are some other ways that charities and causes have used to connect online with their supporters.   For each, please indicate how often you do that activity, if at all? If you have not taken part in that activity, please indicate if you are likely to consider that activity in the future. Bold numbering in the table on the right indicates significance at the 95% confidence level

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Awareness of Haiti Text-to-Donate

Have you seen /heard anything recently about making a donation via text message on behalf of organizations working on earthquake relief in Haiti?

77%

Heard some, 20%

Heard a lot
Gen Y: **60%**
Gen X: **64%**
Boomers: 52%
Matures: 50%

Heard a lot, 57%

23%

Yes   **No/DK**
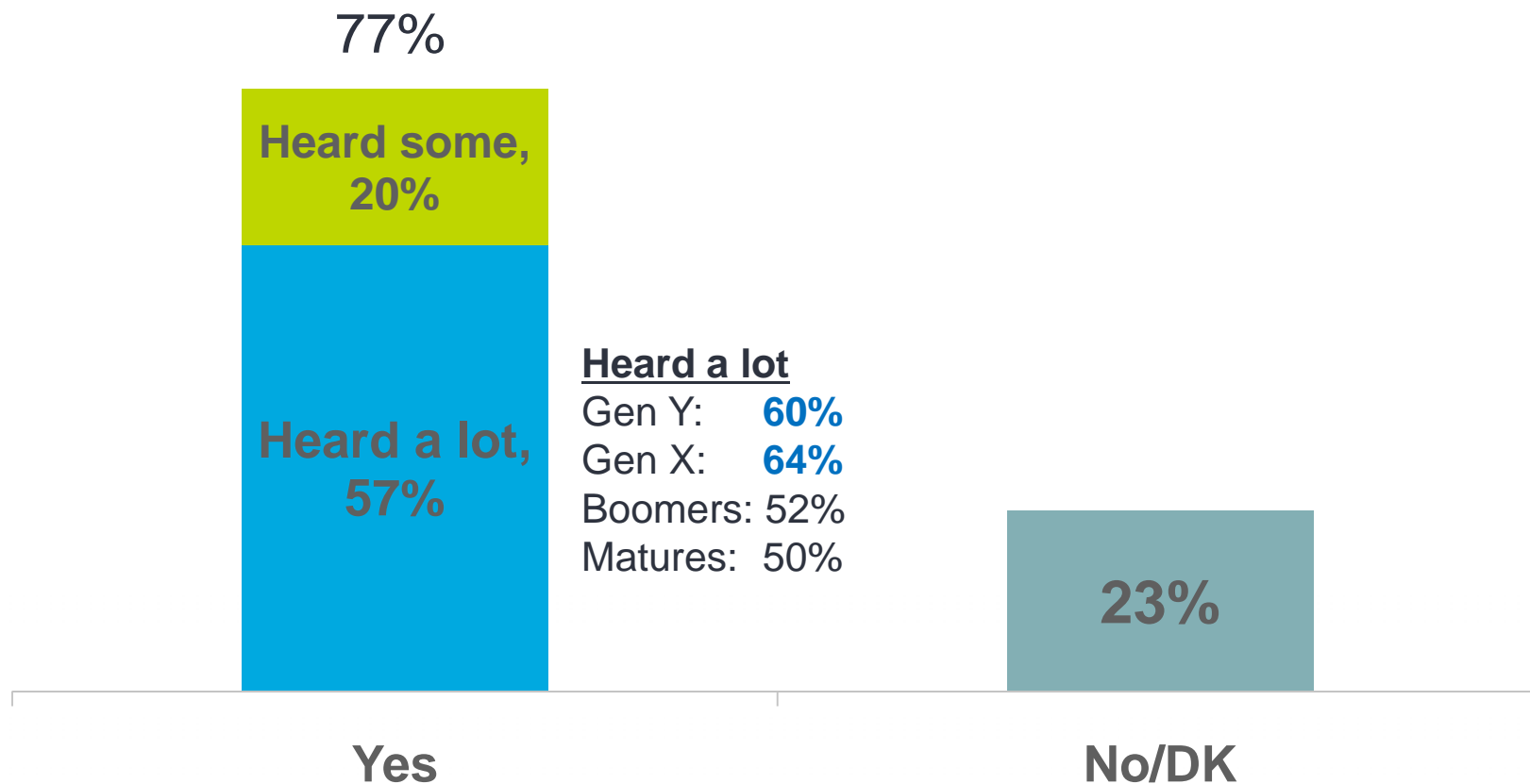
Darker shade bar = stronger intensity
Blue numbering indicates significance at the 95% confidence level

Mobile Philanthropy Scenarios

% willingness to support charity you care abt in this way (top 2 box)

	Total	Gen Y	Gen X	Boomers	Matures
Contribute to relief effort after emergency occurs — **15%**	36%	**58%**	**49%**	24%	10%
Friend is raising money — **11%**	31%	**52%**	**43%**	20%	7%
Pledge an additional amt at charitable event — **9%**	28%	**49%**	**39%**	17%	7%
Sporting event scoreboard message — **8%**	26%	**47%**	**36%**	14%	5%

Darker shade bar = stronger intensity

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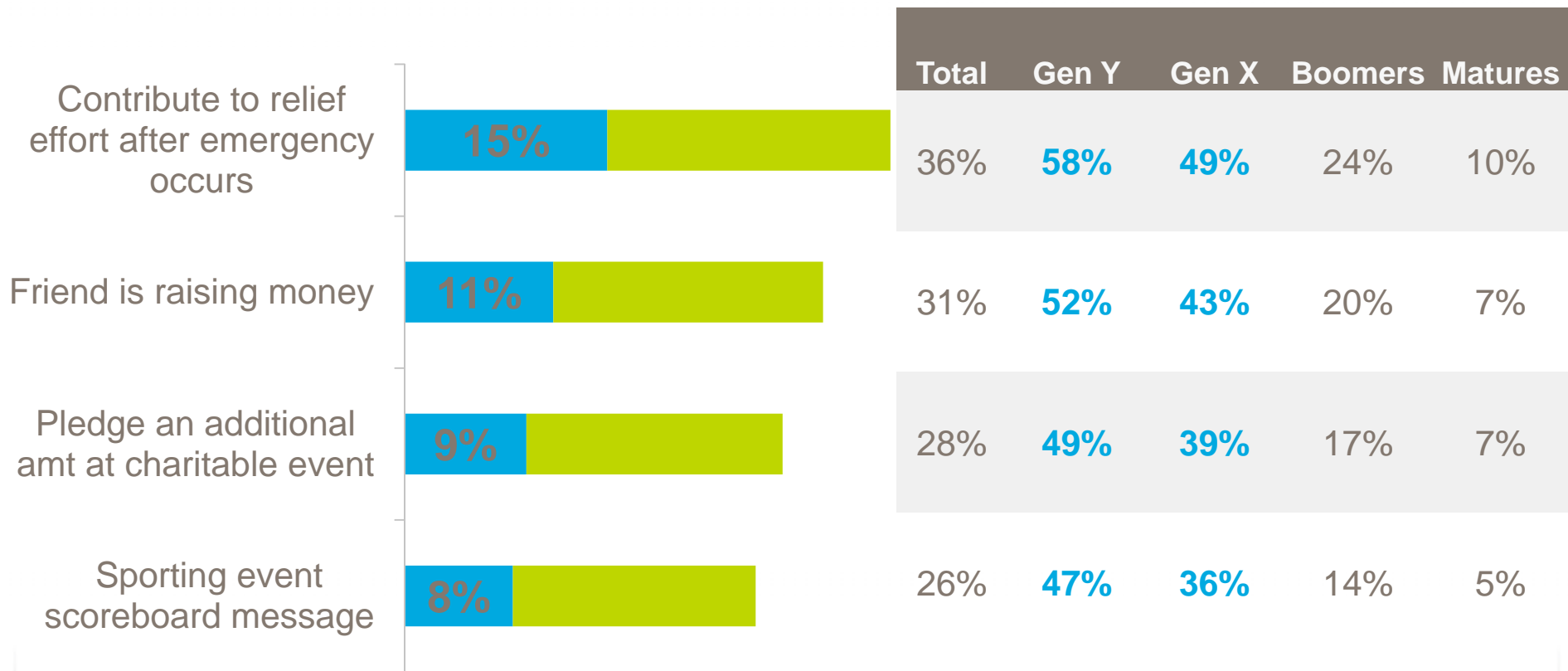
Evolution of Engagement – Younger Generations

With Top Charity

Awareness	First Engage	Engagement	Giving	Staying Connected
• Cradle to grave • P2P as or more important than direct appeals	• % who make direct donation lower • Website key touch-point • More volunteer • WIFM (Y)	• Active (vs. passive) participants • "Make a difference" beyond $ • Viral promoters	• Multi-channel donors • More open to variety of solicitation channels • Y lower, but anticipate increase • X give to fewer, but same amt to top	• Website*, mail, email • Social media, text more prevalent, but still secondary • More likely to use all online tools

More on Gen Y

Media, Technology, Demographics

Social Media Habits (% doing regularly)

70% use Facebook

49% use YouTube

25% use MySpace

16% use Twitter

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Gen Y

Media, Technology, Demographics

Mobile Habits

49% Mobile ONLY phone

32% Mobile primary phone but have landline

42% Facebook Mobile app

50% Mobile Internet

53% Texters

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Gen Y

Media, Technology, Demographics

Internet Habits

Downloading

- 57% Music
- 51% Video

Uploading

- 23% photo stream
- 15% video

Other interactions

- 44% Instant Messaging
- 20% Blogging
- 14% Podcasts

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Gen Y

Media, Technology, Demographics

Demographics

49% Income $50k/yr or less

28% Still students

62% Single

42% Renters

26% Live with parents

17% NO political affiliation

22% Attend religious services @ least 1x a wk

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More on Gen X

Media, Technology, Demographics

Social Media Habits (% doing regularly)

56% Facebook

30% use YouTube

13% use Twitter

11% use MySpace

11% use LinkedIn

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Gen X

Media, Technology, Demographics

Mobile Habits

28% Mobile ONLY phone

37% Mobile is primary phone but have landline

27% Facebook Mobile app

37% Mobile Internet

40% Texters

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Gen X

Media, Technology, Demographics

Internet Habits (% doing regularly)

Information

- 73% Web research
- 46% Subscribe e-newsletter
- 45% Read magazines, newspapers

Other interactions

- 67% Banking
- 47% e-Commerce
- 30% Instant Messaging

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Gen X

Media, Technology, Demographics

Basic Demographics

21% Earn $100k/yr or more

21% Post grad

58% Married

52% Children under 18 @ home

63% Own home

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Boomers

Media, Technology, Demographics

Social Media Habits (% doing regularly)

29% use Facebook

18% use YouTube

6% use MySpace

3% use Twitter

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Boomers

Media, Technology, Demographics

Mobile Habits

11% Mobile is ONLY phone, no landline

24% Mobile is primary phone but have landline

6% Facebook Mobile app

15% Mobile Internet

17% Texters

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Boomers

Media, Technology, Demographics

Internet Habits (% doing regularly)

Information gathering

- 62% Online research
- **47% Subscribe e-newsletters**
- 25% Read online magazines, newspapers

Other interactions

- 55% Banking
- 33% e-Commerce

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Boomers

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Basic Demographics

19% Income $100K/yr+

55% Married

20% Divorced

23% Children under 18 @ home

78% Own home

19% Retired

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Matures

Media, Technology, Demographics

Social Media Habits (% doing regularly)

17% Facebook

6% YouTube

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Matures

Media, Technology, Demographics

Mobile Habits

4% Mobile is ONLY phone, no landline

17% Mobile is primary phone but have landline

6% Mobile Internet

5% Texters

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Matures

Media, Technology, Demographics

Internet Habits (% doing regularly)

Information gathering
- 55% Online research
- 48% Subscribe e-newsletters
- 30% Online magazines, newspapers

Other interactions
- 57% Banking
- 34% e-Commerce

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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More on Matures

Media, Technology, Demographics

Basic Demographics

78% Earn $100k/yr or less

63% Married

17% Widowed

89% Own home

76% Retired

46% Attend religious service once a week or more

Brown = Statistically higher vs. other generations
Green = Statistically lower vs. other generations

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No Channel Left Behind

direct mail · email · Twitter · mobile · MySpace · Website · YouTube · television · newspaper · social media · Facebook · blogging · Community · print · LinkedIn · telemarketing

Implications for Fundraisers: Channels

- Your job just got harder…forever. No channel will dominate for the foreseeable future; all generations are showing multi-channel tendencies. You have to adapt

- The Internet in general has caught up with, and in some ways surpassed direct mail as a core fundraising channel, especially for Boomers and younger

- Word of mouth/ peer to peer remains critically important – sometime it's important to be mindful of all the communications channels but let your supporters pick which to use

- Social media is an important supporting channel for Boomers, X and Y – but not perhaps as important as some say

- Mobile giving is where online giving was in 1999

Implications for Fundraisers: Generation Focus

- Stop optimizing your marketing programs solely for seniors! Donor acquisition rates have been declining for several years for good reason.

- In the near term, Boomers are your next prime audience, but Gens X and Y are not to be ignored

- The economic value of Gen X and Y goes beyond their current giving capacity. They have a lifetime of giving ahead of them, plus demonstrate the willingness to promote their favorite causes online which is valuable

- It's time to start capturing age information/ doing overlays

- No generation is as loyal as matures – retaining boomers, X and Ys will require constant re-inspiration

Social Media

- Facebook Connect
- Clients and partners leveraging APIs
- Create social experiences
- Enabling clients to acquire new people and add to database
- Extensions

Mobile

- Integration through partners and APIs

- Registration, Advocacy, Donation via mobile devices

- Content optimized for mobile browser display

- Outbound SMS campaigns to mobile list

- *"Text To" Opportunities*

Peer-to-Peer Fundraising

New Approach to Donor Management

- Open, flexible infrastructure necessary for managing the next generation of donors

- Database should support tracking and visibility into multichannel interactions

- Ability to "hook" into other data sources

- 360° view of constituents

- Access "on-the-go"

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