

Donor Pulse

Winter Edition: Insights from Enthuse Intelligence



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Foreword by Chester Mojay-Sinclare

Welcome to the second edition of Donor Pulse, our quarterly donor research. We originally planned this research project back in February, before the pandemic was a part of our everyday lives. We could never have imagined back then what volatile circumstances charities would be operating in today, but as a result this research has become even more relevant and insightful than we anticipated at the start of the year. We hope the data and recommendations in this report will help all those in the sector navigate this challenging time.

I founded Enthuse because I was inspired by the sector at a young age – having worked in fundraising before attending university, I saw the role charities play in improving society. To get through the pandemic, the country needs charities, medical professionals, scientists and politicians all to do their bit. Our research shows the sector and their supporters are doing their fair share in this – 37% of the public now view charities more positively than three months ago. The UK is seeing the sector's heroic work first hand – the rush to support Marcus Rashford's free school meals campaign is the most high-profile example of this. Trust and support for the whole sector is building, as the public increasingly understands the importance of the role charities will play in holding society together during this time.

We can also see this coming through in trends in people's reasons for giving – those of us lucky enough to be relatively unaffected by the

pandemic are feeling grateful and are giving back. This crisis is too close to home for anyone to ignore. Over the coming months, I hope that the sector is seen for the heroes that they have been, and continue to be during the pandemic, as their outstanding work is being more easily recognised by the public every day. After all, it is the charity sector that will continue to see our society through the hardest days of the virus and will be there to help pick up the pieces as we recover.

Finally, I hope this edition provides some useful insight for your Christmas campaigns and beyond – read on for advice around Gen Z and millennial donors, as well as the permanent shift to digital giving. Thank you for taking the time to read it and best of luck with your fundraising efforts.

Chester



Introduction

The ongoing challenges of the pandemic continue to provide the backdrop for our quarterly donor research report, Donor Pulse. In our first edition in the Autumn, the research looked at the impact the start of the pandemic and the first lockdown had on the behaviour of donors, and supporters. It also covered where donations were going, the rise of virtual events and the shift to digital giving.

This latest edition of the research will explore how the changing nature of the pandemic and its economic impact are altering the way donors and supporters interact with charities. The report will track some key donor indicators, such as the percentage of the public that have donated in the last three months; which charity sectors they have given to; public sentiment towards charities and how people are giving. It will also explore how impulse donations are on the rise and the impact of this on the sector.

The report also looks forward at how people are thinking about giving in the next three months, including the Christmas period – a critical part of almost every charity's financial year. Many familiar fundraising methods will not be viable this year, but what is the appetite for giving amongst the public? And how much are they thinking about donating to charities? The report also looks at whether there are likely to be different patterns of Christmas giving from

different age groups and will explore the rise of the 'drifting donors' – people who are happy to give, but are not aligned with any particular charity.

One significant impact of the pandemic for charities has been the increased importance of digital giving. The first edition of Donor Pulse looked at how this was growing and the challenge of 'give and forget', with many donors unable to remember the name of the last charity they donated to. This report will look into this area more deeply and look at some of the reasons behind this lack of brand recall.

Finally, the research will cover the issue of marketing consent from donors. With the rise in impulse donations and 'drifting donors', the study considers some of the obstacles to building a long term relationship with new supporters.

This report will explore all of these questions and provide insights and answers to help guide charities with their fundraising strategy and campaigns, particularly around the festive period. Donor Pulse will continue to be released on a quarterly basis to keep charities up to date with the latest views of the public towards fundraising and giving.

Methodology

A nationally representative sample of 1,042 members of the UK public were surveyed about their attitudes to charity, willingness to donate and appetite to support good causes. Interviews were completed in October 2020. Additional data from Enthuse's platform from July to October 2020 is also included.

The rise of impulse donations



The rise of impulse donations

There has been a never ending stream of headlines about the challenges the third sector is facing during the pandemic. There is no doubt that this is true and is having a significant impact on the sector, its employees, donors and supporters. However, there are positive signs from the public in how they both view charities and in their willingness to help them.

For example, in the past three months, perhaps surprisingly, the number of people donating to charity has actually increased. The first edition of this report showed that during the initial period of lockdown 59% of the public had given to charity, but as shown in Figure 1 in the last three months this has risen to 69% of UK citizens stating that they have made a donation.

Donated last three months

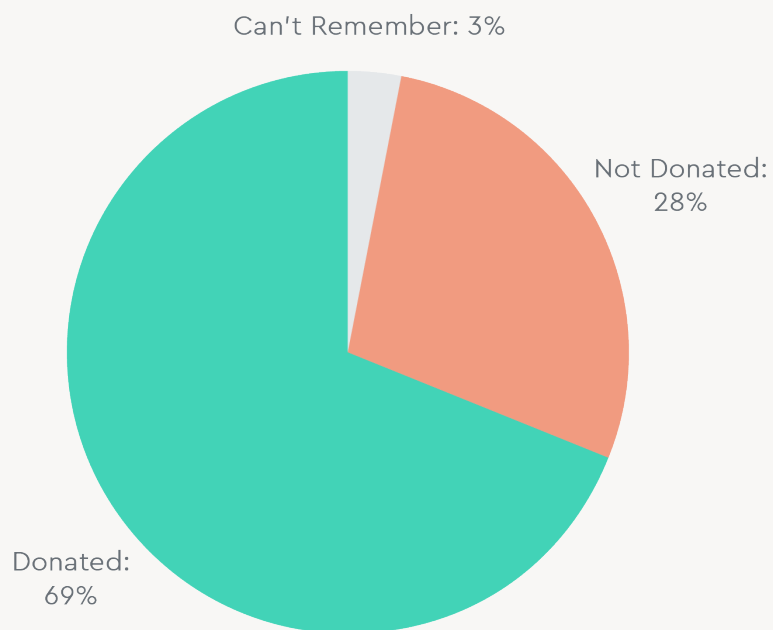


Figure 1: Percentage of the public who have donated to charity over the last three months

The rise of impulse donations

As the effects of the pandemic have changed, there have been shifts in the types of charities people are donating to. Figure 2 shows the increasing support for mental health charities in particular, with a rise over the last three months from 15% to 24% of the public donating to this sector. While the initial wave of the pandemic eased, the NHS and public health received slightly fewer donations than during lockdown as donors switched their focus to other concerns such as mental health. The public's generosity was underlined by just under half (47%) of donors giving to multiple charities.

There were also significant jumps in support for vulnerable groups. Support for children's charities rose from 21% to 26% and organisations focused on helping older people saw an increase from 10% to 14% of the public donating to them. There was also a noticeable rise in the percentage of donors giving to animal charities, with an increase from 29% to 34%, seeing it overtake the NHS and public health as the top sector. Finally with the economic challenges from the pandemic rising, support for poverty and homelessness charities increased to 21% of those who made a donation.

	% of those who made a donation	
	Wave 1 (June)	Wave 2 (October)
Animal	29%	34% ↑
NHS/public health	35%	32% ↓
Support/research into disease	27%	28%
Children	21%	26% ↑
Mental Health	15%	24% ↑
Poverty eg foodbanks, homelessness	19%	21%
Local/community causes	14%	17%
Environment	12%	14%
Older people	10%	14% ↑
Overseas aid	10%	10%
Faith	6%	7%
Education	6%	7%
Arts and Culture	4%	5%
Other (Includes: Hospices, Dementia, Armed forces/veterans; Ambulance)	4%	4%

Figure 2: Types of charities donated to in the last three months
Wave 1 is the Autumn Edition of Donor Pulse, Wave 2 is the current edition

The rise of impulse donations

Public sentiment towards charities is also continuing to rise as shown in Figure 3. Over the last three months, 37% of the public said they were feeling more positive towards charities and the work they do, compared to just 5% who felt less positive. This seems to be a trend with the public increasingly recognising the importance of the work of charities through the pandemic – 37% of the public felt more positive towards charities, compared to 28% in the previous quarter.

Change in perception of charities

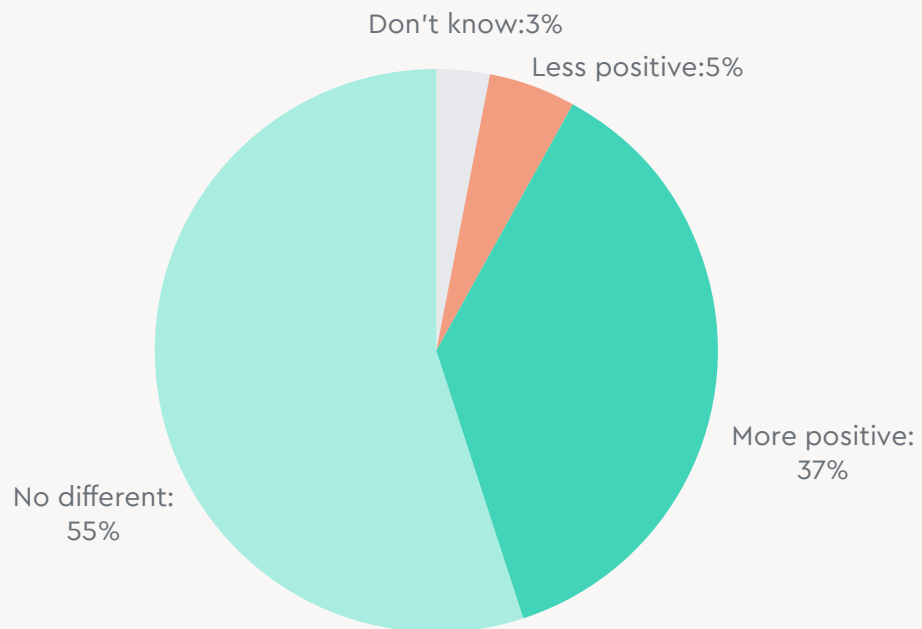


Figure 3: Change in perceptions of charities and the work they do.

The rise of impulse donations

Figure 4 shows another piece of positive news from our tracking data in that over a quarter of the public (27%) are more likely to give to charity than three months ago. Again, this represents a substantial rise from the previous report, which showed around one in five (21%) were more likely to give. Looking in more detail at the demographics, similar to the first report, a lot of this positivity is driven by 18–24 year olds, with 46% of them more likely to give than three months ago. The rise of Generation Generous continues.

Change in likelihood to give

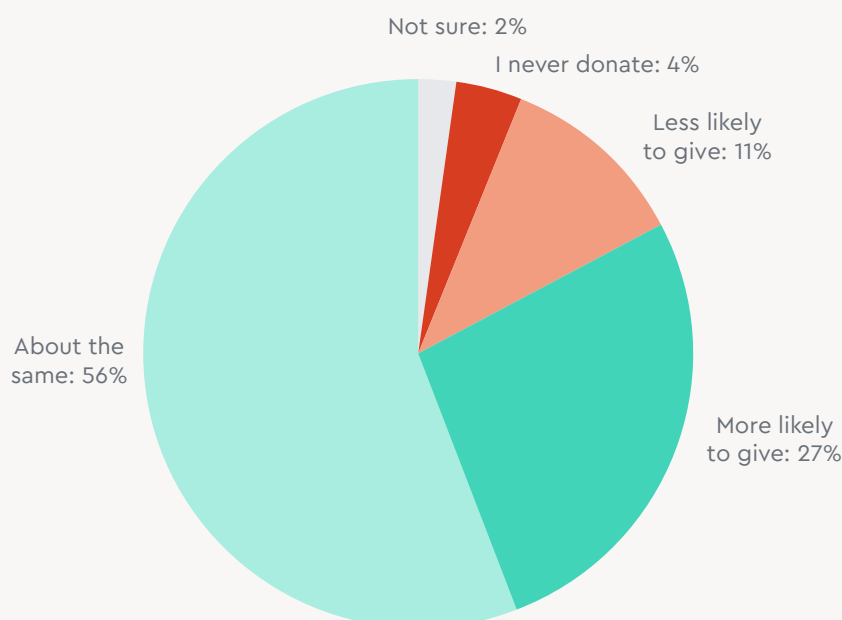


Figure 4: Change in likelihood to give in next three months

Continuing to look forward, the public is increasingly favouring one off donations as their preferred way to donate, with nearly a third (30%) stating this, as shown in Figure 5. This is an increase from the previous quarter's Figure of 27%. While the top three areas remained the same, the change in lockdown dynamics over this period can be seen in increases in the popularity of community/work events and requests from friends for sponsorship. Both these areas showed sharp rises in their net position (the difference between more likely to give and less likely to give) with community/work events up to 17% from 6% three months ago, and friend sponsorship requests up to 13% from 7% over the same period. This may be partially driven by more people taking part in runs and virtual events to raise funds. However, taken together with one off donations, the rise in these three areas points towards an increase in impulse giving, with people more likely to donate on the spur of the moment, rather than planning to donate to a particular charity.

The rise of impulse donations

Change in willingness to give (last three months)

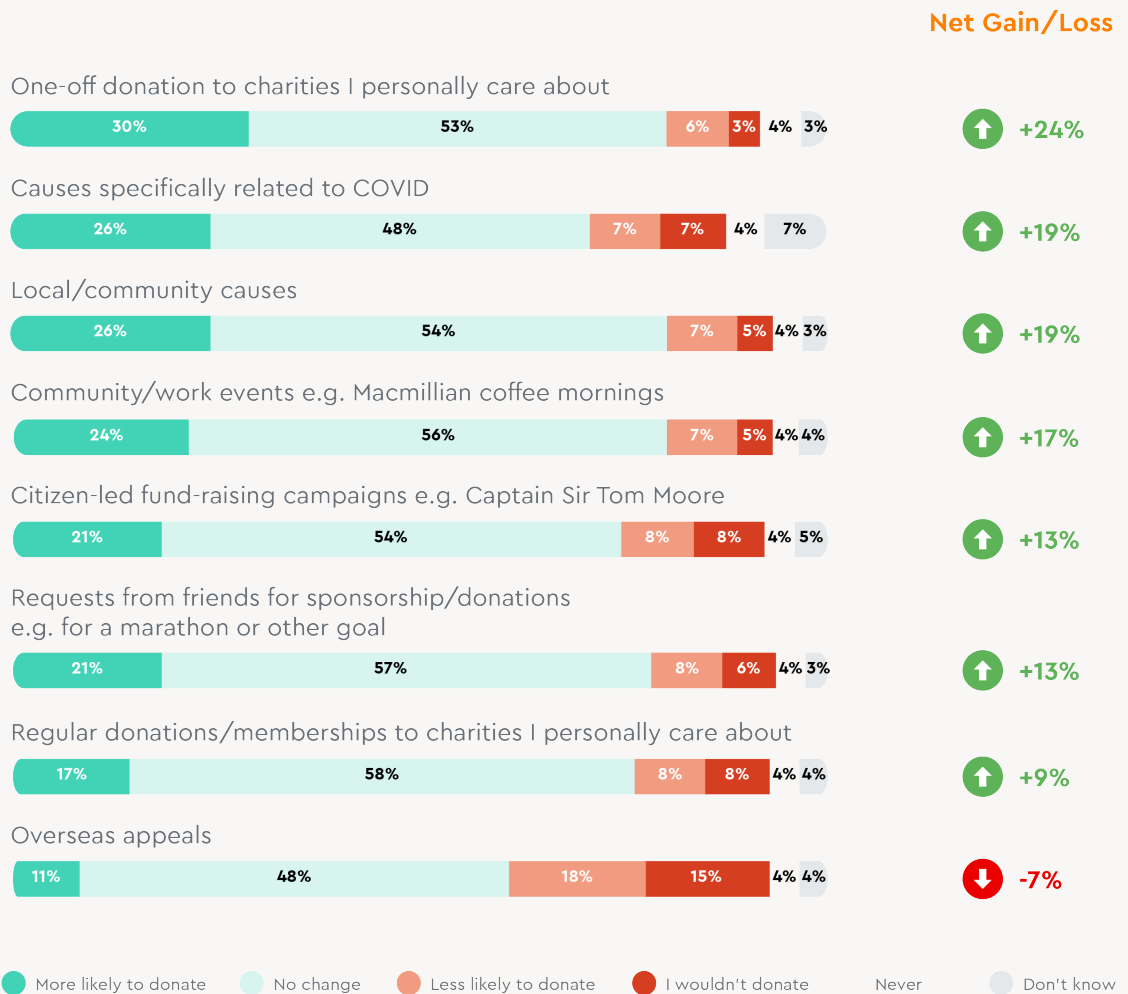


Figure 5: Change in willingness to give

Looking at the overall picture, charities need to consider the rapidly changing priorities of donors and try to map their fundraising campaigns to them. There is a willingness to help, but the public is focusing on what they feel most needs their support during the pandemic, which is one of the drivers of impulse giving. It's also worth considering that although the number of people donating is increasing, the average amount people are donating is going down. Enthuse's own data shows that in the last three months, the value of an average individual donation has dropped by 9% compared to the same period last year (July-October). This needs to be factored into fundraising plans, as the amount of donors needed to hit a target will need to be increased.

The drifting donor



The drifting donor

The festive season is a critical part of almost every charity's annual fundraising efforts. Enthuse's own data has shown that the pandemic means there are likely to be [variations in the days and times](#) that donations are made this year compared with previous Christmases. But how are donors viewing this Christmas?

In the US, Giving Tuesday has become the start of the festive giving period. Its link to the Thanksgiving holiday, Black Friday and Cyber Monday have made it a phenomenal success, raising more than [\\$511 million in the US last year](#). But in the UK, it has just not taken off in the same way. Figure 6 shows how few members of the public have heard of the event – just 13%. Of those who have heard it there is more positive news with more than three fifths (62%) planning to make some sort of donation. However, that amounts to just 8% of the public who plan to make a donation. Though it is seen as a major event in the charity sector, its lack of cut through to the public consciousness means charities need to consider how they balance their resources to campaign around this date with the rest of the festive period. It is worth noting that Giving Tuesday is the last current scheduled day of lockdown in England which may have a positive impact on its success this year.

% Aware of Giving Tuesday

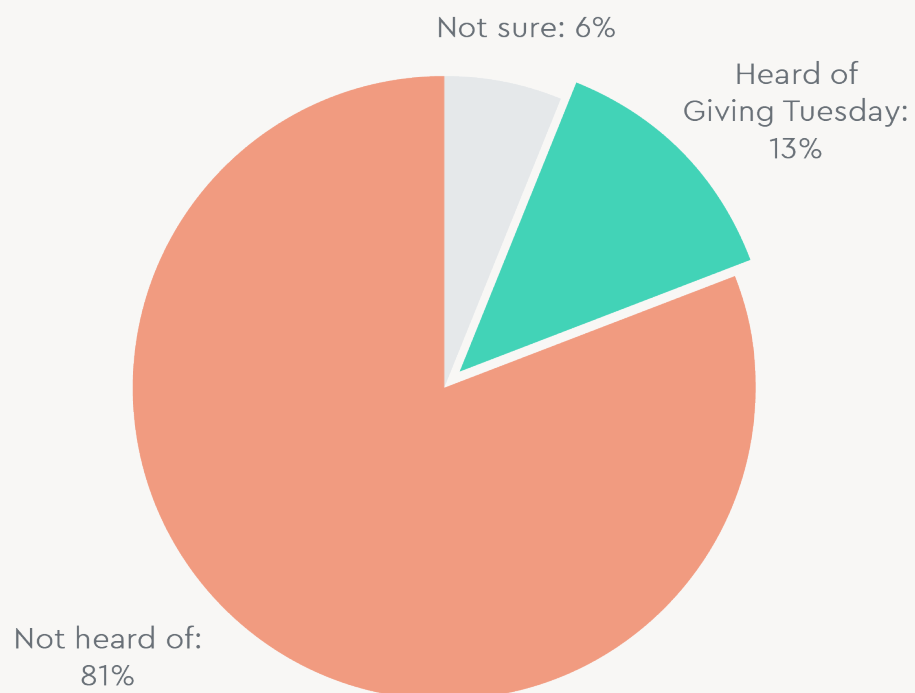


Figure 6: How many people have heard of Giving Tuesday

The drifting donor

Figure 7 shows how the public is thinking more generally about giving over the next three months, including the Christmas period. This makes for positive reading for charities with 68% of the public stating they are either somewhat likely or very likely to give. This is an increase of 4% from our previous report and is in line with the amount of people who have given over the last three months.

Likelihood to give in next three months

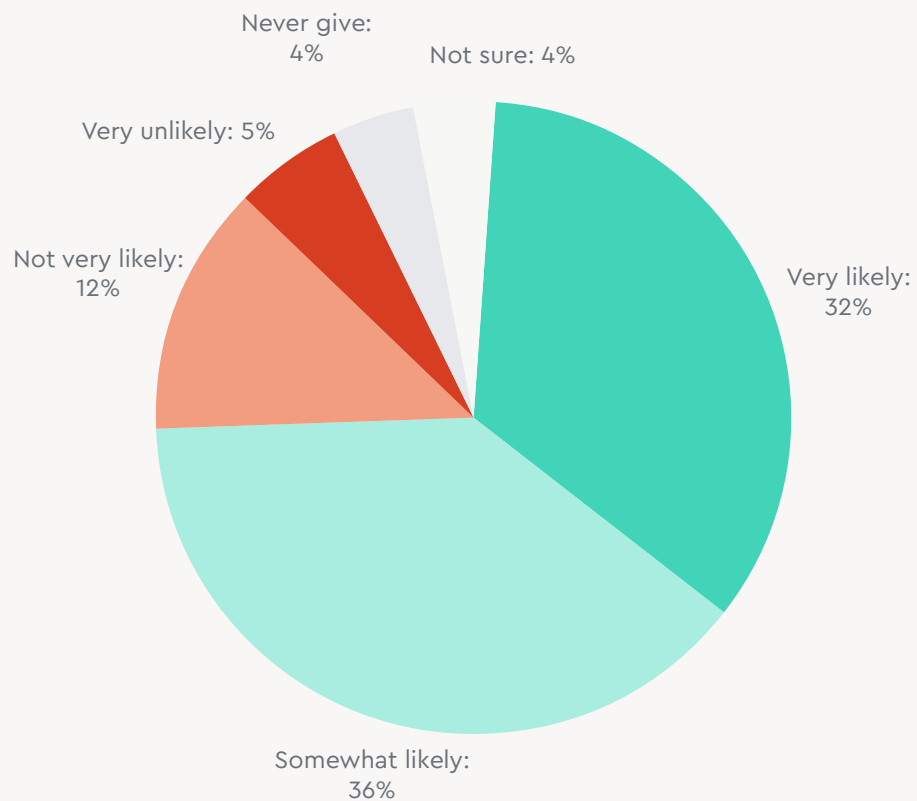


Figure 7: Likelihood to give in next three months

Looking in more detail at the demographics of those who are planning to donate in the next three months provides some interesting insights. Figure 8 breaks out likely giving by age, and this shows an important difference with younger age groups the most likely to give, but older age groups the most committed to giving. Whilst 74% of Gen Z and 76% of millennials are likely to give, only a third are very committed to donating. This contrasts with over 65s where 40% are very committed to giving, even though only 65% in total are likely to donate.

The drifting donor

One of the reasons behind this difference in certainty of giving is the level of commitment donors have to charities. With older demographics, they are more likely to already be aligned to charities they support on an ongoing basis, whereas Gen Z and millennials are more likely to be 'drifting donors' – those who may give if they see the right campaign or appeal at the right moment. The money is there for them to donate, but the challenge for charities is to convince them to donate, or that money could be left unspent.

Likelihood to give in next three months by age

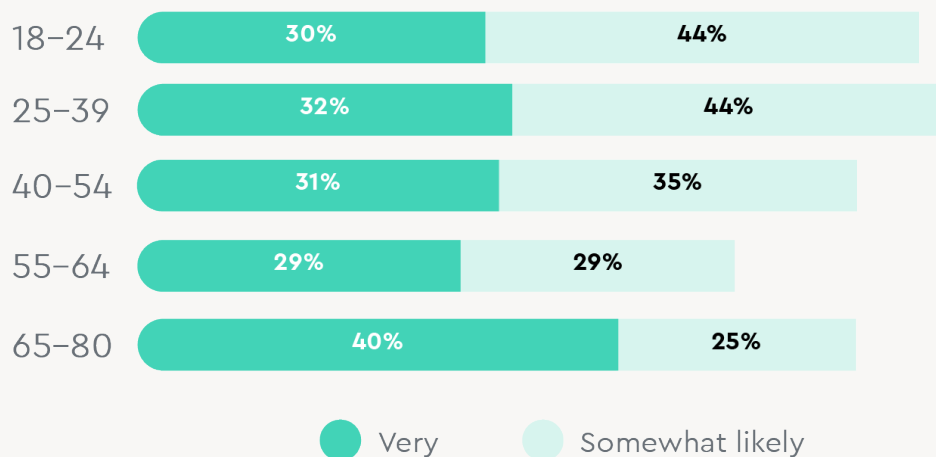


Figure 8: Likely giving by age in next three months

How much does a drifting donor give?

The value of the 'drifting donor' varies widely between different age groups as shown in Figure 9. As a whole the public would donate up to £51 on average. Gen Z are above average with a plan to donate up to £59, and millennials lead the way stating they will give as much as £68. Millennials also plan to give some of the highest value donations, with just under one in five (19%) stating they would donate more than £100. The squeezed middle will be giving the least this Christmas, with Gen X (40-54) giving £42 on average and 55-64 year olds having an average cap of just £25 on their festive donations. This may be down to concerns about the economy and jobs, or just a more cautious approach to giving during the pandemic. The high figures for 18-39 year olds follow the trend we have already seen in Donor Pulse of younger age groups being the most generous.

The drifting donor

The key point for the third sector is to factor in the different demographics when thinking about their Christmas appeals. The 'drifting donors' are most likely to be Gen Z and millennials, and they are the ones willing to make the highest value donations on average. It's crucial to ensure appeals are both targeted at these age groups and are relevant to them to convert them to donors.

Maximum donation: the next three months

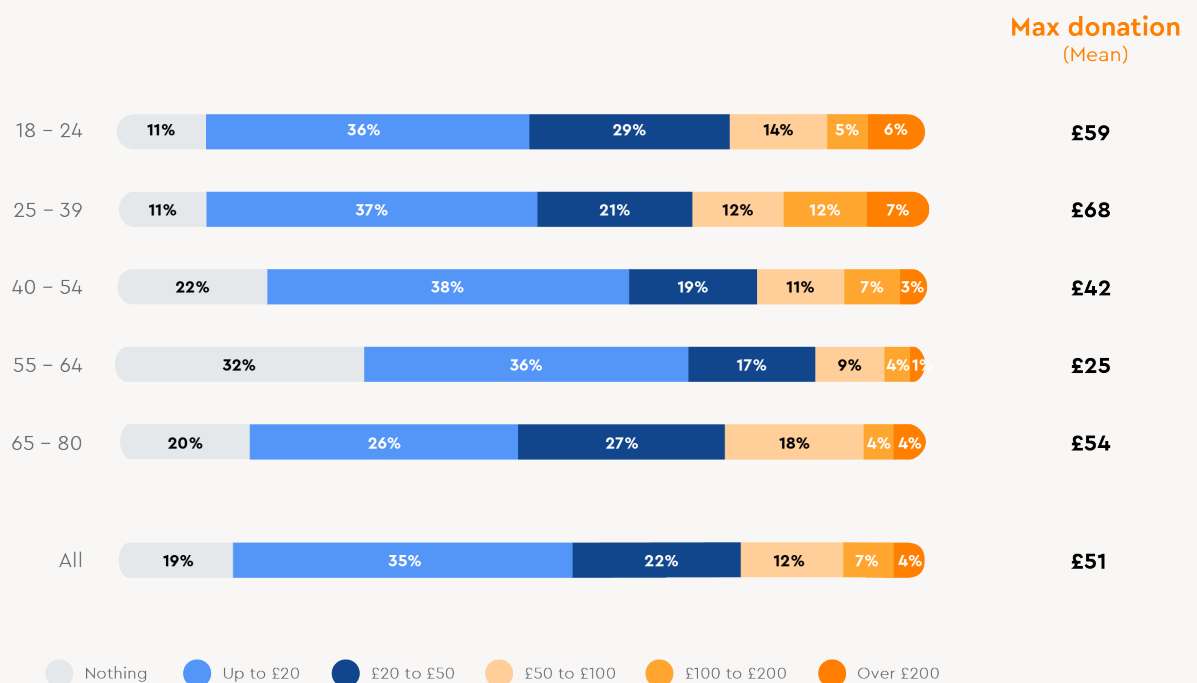


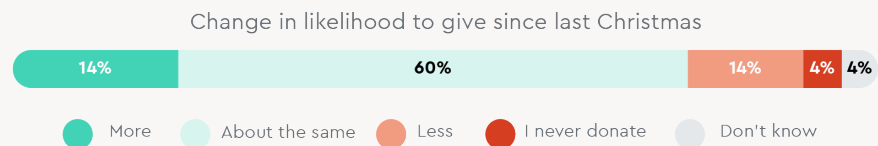
Figure 9: The maximum donation planned over the next three months.

Compared to last Christmas, Figure 10 shows there are an equal amount of people who are willing to give more than they did in 2019 and people who are likely to give less. The reasons behind this split show the impact of the pandemic. For those who intend to give more, the main drivers are that 2020 has made them feel fortunate for what they have and made them want to share that good fortune with others in the community. Some of this community feeling can be seen in the outpouring of help that Marcus Rashford's free school meals campaign is driving, with hundreds of companies offering to help both FareShare and families directly.

The drifting donor

The biggest reason for giving less than last Christmas was down to changes in employment with nearly half (46%) stating this. It is also interesting to note that one in five (20%) also felt that a lack of work fundraising events meant they would end up giving less. It is worth charities considering how they can work with corporate partners to roll out campaigns that would work well in the 'new normal' work environment – short, highly visual campaigns that work over video call would be a good area to explore.

Change in likelihood to give since last Christmas



Drivers for increased giving		Drivers for reduced giving	
	%		%
2020 has made me thankful for what I have in life	47%	Change in employment means I don't have as much money to give	46%
2020 has made me want to give more to other in need/my local community	45%	I'd rather spend my money on my family and friends or myself this year	26%
I've saved money on things like commuting, holidays and socialising this year	34%	I won't be taking part in work fundraisers like Christmas Jumper day or Christmas Box appeals	20%

Figure 10: Change in likelihood to give vs last Christmas and reasons why

Give and forget



Give and forget

Similar to the shift from retail to etail, the pandemic has accelerated the move to digital fundraising. In the first edition of Donor Pulse, 37% of the public stated they had made a digital donation during lockdown. Over the last three months, during which more stringent restrictions were mostly lifted, the percentage of the public making an online donation has in fact risen. As Figure 11 shows this figure for all ages has risen to 42%. While there has been a drop in digital giving from Gen Z, this has been offset by a rise from millennials, meaning the 18-39 year olds account for a similar proportion across the two waves of research.

There has also been an uplift in digital donations from 40-54 year olds, and this underlines how important it is for charities to see this a long term change that is accelerating, rather than being a blip during the pandemic. It's crucial for charities to have a clear route for donors to make digital donations or they'll be missing out on two fifths of the market.

% Donating online

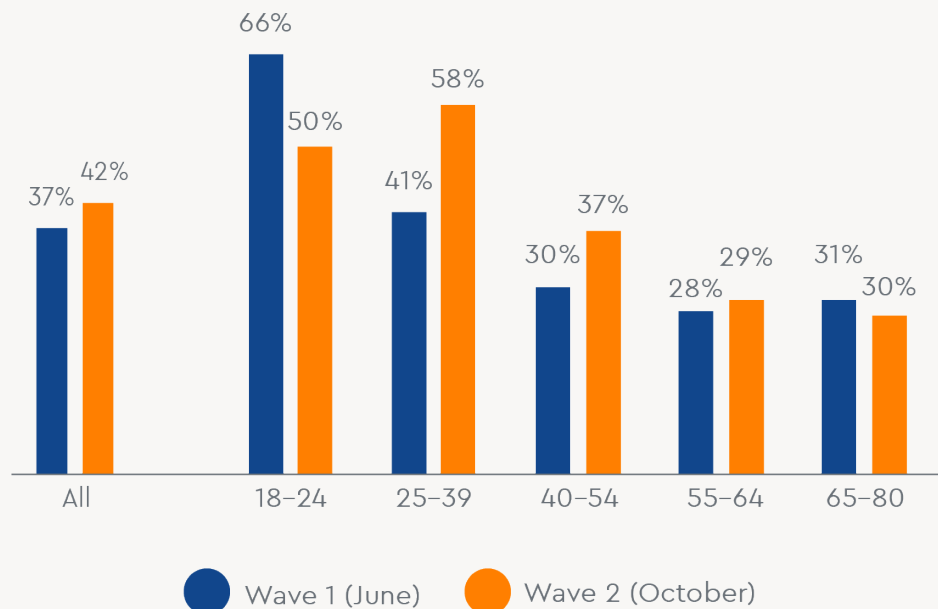


Figure 11: Percentage of the public donating online
Wave 1 is the Autumn Edition of Donor Pulse, Wave 2 is the current edition

Give and forget

While digital donations have risen, there has also been a slight rise in the number of people who remember the name of the charity they donated to over the last three months. However, there are still a concerning number of people – a third (33%) – who cannot remember the name of the charity. The demographic breakdown showed that Gen Z again had the worst level of recall, with 42% unable to remember the name of the charity.

One possible reason behind the slight improvement in recall could be down to a shift in the way people have been donating. The number of people donating directly on a charity's website rose from 40% to 46% over the last three months. Meaning there has been less use of online giving platforms that put their brand ahead of the charities – no doubt this will have helped charity brand recall as shown in Figure 12.

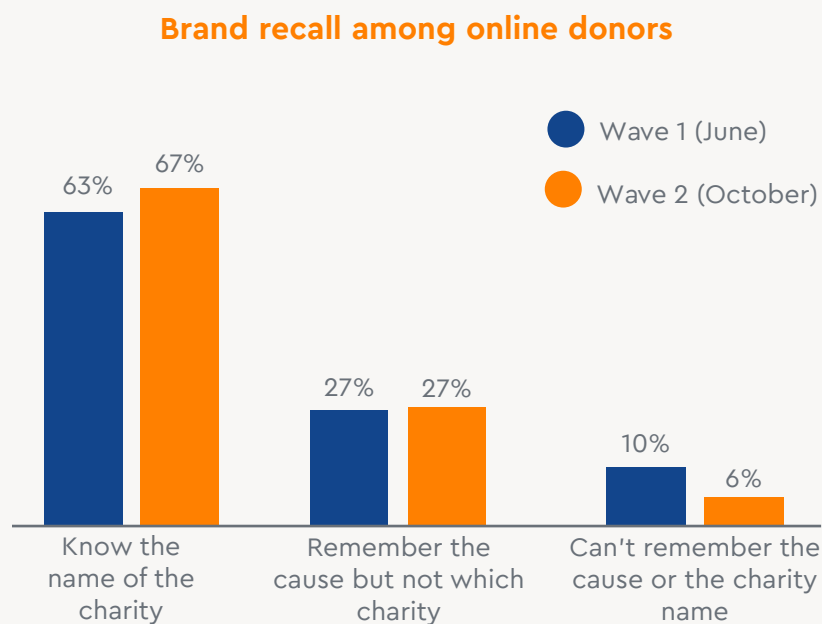


Figure 12: Brand recall among online donors
Wave 1 is the Autumn Edition of Donor Pulse, Wave 2 is the current edition

The reasons behind the poor charity name recall for online donors fall into a few different areas, as shown in Figure 13. Firstly, there is a question of the speed people do things at - just under a third (32%) of people say they do things so quickly online that they can't remember the name of the charity they donated to. Charities need to think about the layout and structure of donation pages and email receipts to help here. Their logo and branding need to be clear and prominent on both.

Give and forget

Secondly, more than a third of people (34%) are only really interested in the cause, not the charity itself. Related to this, a quarter (25%) of people state they are just supporting a friend's fundraising efforts and the charity itself isn't important to them when they donate. These are 'incidental donors', which currently charities have little control over or impact on, beyond their ability to recruit the fundraisers that engage these donors on their behalf. This is worth consideration, as these are exactly the types of donors that charities need to understand how to engage and convert into more committed supporters if they want to grow their supporter base over time. At the point of donation and as part of donation receipts, charities need to think about how to provide eye catching or memorable information or imagery about their cause, as well as specifics about their work, which will make 'incidental donors' slow down and take a moment to consider them.

The final area that provides a challenge is that nearly half of donors (46%) state that their poor brand recall is down to the branding of charities either not being distinctive enough from other charities or being overwhelmed by a giving platform's brand. More than ever, even in challenging economic circumstances, charities need to do more to make their brand and its brand codes stand out if they are to convert one off impulse donors into engaged regular givers.

Reasons for lack of recall

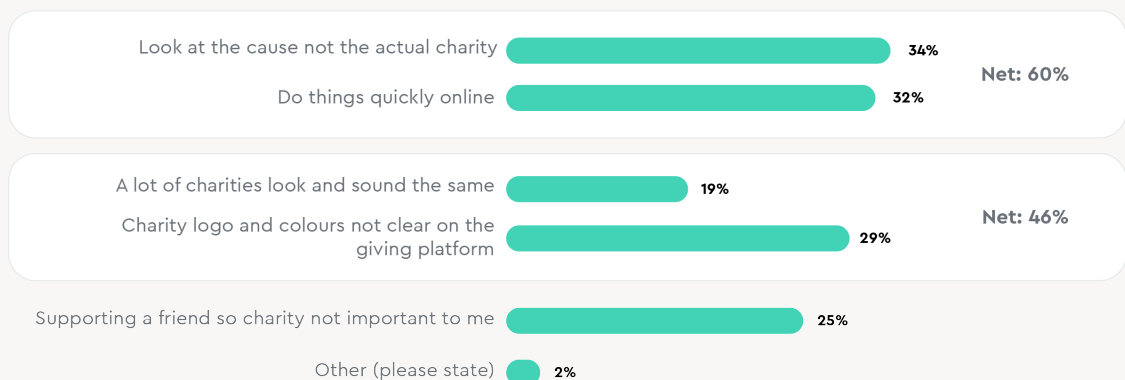


Figure 13: Reasons for lack of recall

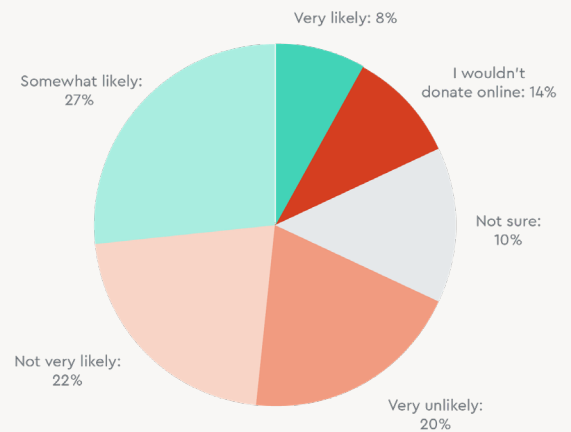
Give and forget

Donors are not just for Christmas

Donors are not just for Christmas. The challenge of building an ongoing relationship with donors is underlined by the fact that nearly half of those who donate online are averse to opting into marketing communications. There are two main reasons behind this as outlined in Figure 14. Firstly, there is a lack of commitment to the charity, so impulse donors do not want a charity emailing them asking for further donations, and perhaps more concerningly they are not interested in receiving the charity's emails in general. Again, this points to a need to provide engaging information about the charity's work at the point of donation.

The second major reason for opting out of communications is around data management with four out of ten citing concerns about how their data would be shared by the charity and worries about the potential of a data breach. Also on the subject of data, just under a third (30%) of respondents stated that they were concerned about receiving emails from the fundraising platform rather than the charity. This can be difficult and confusing for donors trying to navigate multiple opt-ins for the charity itself and the fundraising platform – so opting out of all can seem like the simplest option.

Likelihood to opt into marketing



Reasons for opt-out

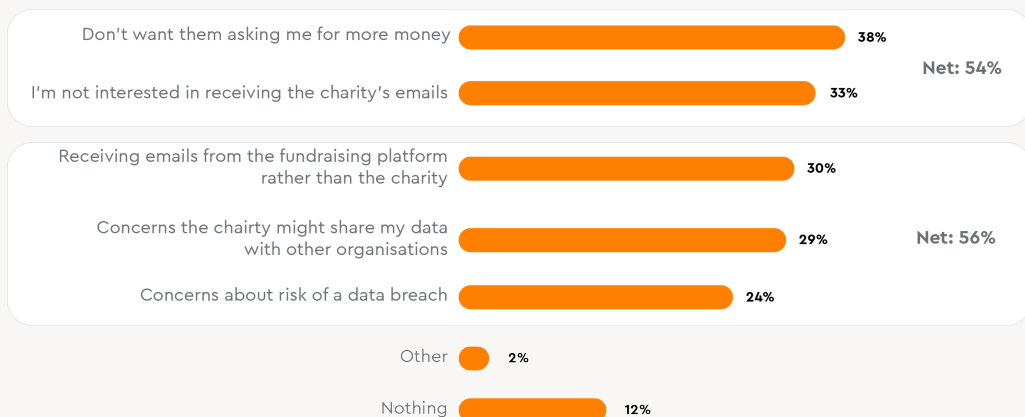


Figure 14: Opting into marketing communications

Give and forget

Overall, 56% of the reasons for opt-out are because donors are concerned their data will be used by or shared with someone other than the charity. Charities need to consider the issues around this when choosing a fundraising platform and in how they present information about their use of data, as well as their risk mitigation policies against data breaches.

Perhaps surprisingly, the desire to opt into charity communications gets less with age. Fewer than one in five of over 55s are willing to opt in, meaning charities need to look at alternative ways to keep them engaged, and perhaps need to consider more traditional routes as part of the mix. Gen Z and millennials are the most open to communication, potentially down to having grown up in the digital age and understanding more about how data is freely exchanged for information and services – and knowing how to control this. This is still under half though and a significant majority remain reluctant, perhaps because of their lack of engagement with the charity.

However, as charities are likely to have the least information about Gen Z, being able to communicate with 47% of them does provide a positive opportunity to build ongoing relationships and stewardship programmes. For the rest – again the charity needs to consider how it can make its communications relevant and engaging. Charities also need to consider carefully how much communication they do with these groups – too much could lead to more opt outs and make 'drifting donors' harder to reach.

Likelihood to opt in by age

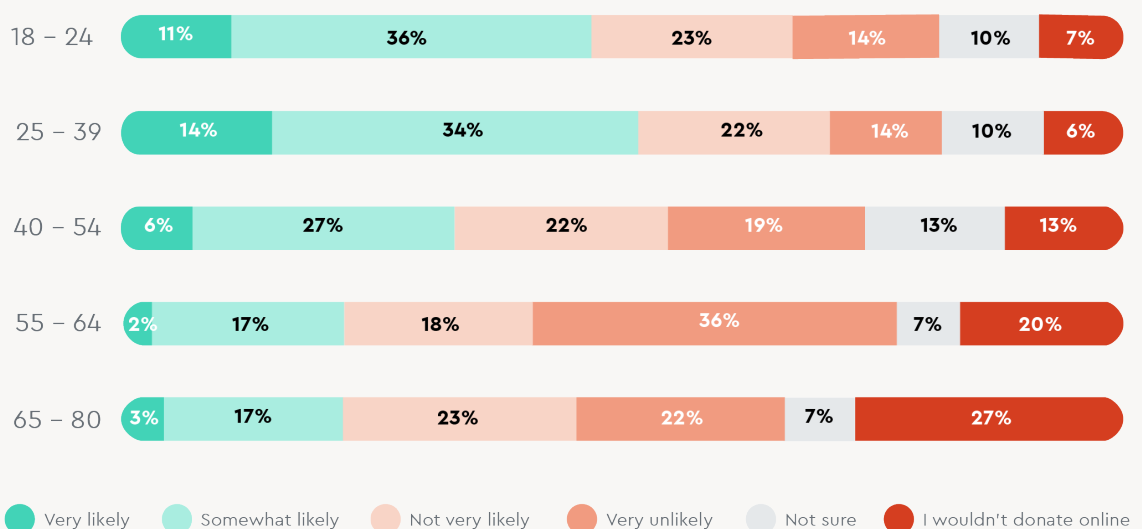
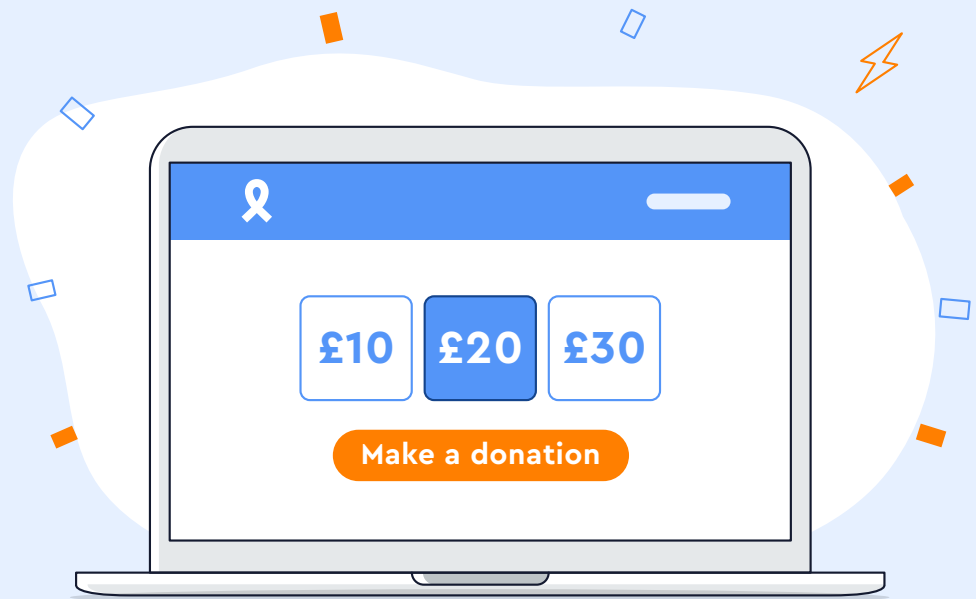


Figure 14: Opting into marketing communications (by age)

Conclusion: Long term drift to impulse donating



Conclusion: Long term drift to impulse donating?

The pandemic continues to be a fluid situation and charities need to continue to build flexibility into their fundraising plans to be able to match the changing dynamics of donors. Our research shows new trends emerging such as 'drifting donors' and impulse donations, but it also shows longer term changes like the shift to digital donations becoming permanent. Charities need to ensure they are well positioned for both the permanent changes and the dynamic trends – flexibility and agility are critical.

Here are 7 key takeaways from the study:

- 1 Donor priorities:** These are changing with the pandemic and the challenge for charities is how to demonstrate that their activities are important to the here and now – right now that is mental health, vulnerable groups and animals.
- 2 Donors up, average donation down:** The number of donors is increasing as people who have been fortunate during the pandemic look to help as best they can. However, average donations are dropping and charities need to plan for this.
- 3 Impulse donations:** Donors are increasingly acting impulsively, as shown by the rise in one off donations and donors supporting friends doing fundraising activities, and giving to local communities. Charities need to be agile and map their activation to the rapidly changing priorities of donors.
- 4 Drifting donors:** Gen Z and millennials are happy to donate the most this Christmas of any age group, but they are not committed to this – charities need to target these age groups specifically with relevant campaigns to convert these donors over the festive period.
- 5 Give and forget:** Charities need to invest in their digital brand and look to their own websites for donations to ensure better brand recall, particularly with younger demographics.
- 6 Incidental donors:** These donors give to friend's activities or are interested in the cause not the charity. Charities need to think about how to provide eye catching or memorable information or imagery about their cause at the point of donation to make these donors slow down and take a moment to think.

Conclusion: Long term drift to impulse donating?



Marketing consent: Donors should not just be for Christmas. Charities need to develop their brand stories and engage at the point of donation to build new relationships with drifting and incidental donors. And reassure donors their data is safe to avoid concerns of data sharing, data breaches, and unwanted emails from fundraising platforms.

This is the second edition of the quarterly Donor Pulse research project from the Enthuse Intelligence team, looking at how the public's opinions on supporting charities and donating are changing over time.

About Enthuse



Enthuse is a fundraising, donations and events registration platform that has helped more than 4,000 charities, including 1 in 5 of the top 100, raise over £80 million. Enthuse's solutions are customised under a cause's own brand and put the organisation in control of the data. This allows charities to build and nurture a loyal supporter base, raise more and ultimately have more impact.

Founded in 2012 and headquartered in London, Enthuse is backed by socially responsible investors and was named "Most Committed Company to the Sector" at the National Fundraising Awards.



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