

Grizzard's 2009 Donor Survey

May 2009

What motivates a donor to pledge their loyalty to a particular organization?

Numerous studies and hours of research have been devoted to answering this question and, while there is no definitive answer, a recent study by the Grizzard Communications Group offers new insights.

This national study of donors and non-donors (N=399) was conducted to gain an understanding of a donor's emotional and spiritual values, and to discover the predictive markers for giving preferences.*

To accomplish this, we compared and contrasted the social, psychological and demographic differences between those who have given to a charity and those who did not. This identified donors who are likely to remain loyal to a particular organization and what measures should be taken to help acquire and retain this important group.

This survey clearly illuminated one major reason why people are likely to remain loyal lifetime donors: *They experienced a personal connection with a particular nonprofit at an early age and developed a philanthropic giving pattern that grew stronger as they grew older.*

Below are the survey findings that support this premise and offer suggestions to keep this discerning donor group engaged and committed to your mission.

KEY RESEARCH FINDINGS

- 18- to 44-year olds and donors aged 45+ are more similar than dissimilar in giving patterns. The biggest difference is that the frequency of gifts is greater among younger donors—40% of 18 to 44-year old donors give 3 to 5 times per year versus 29% of donors aged 45+.

Giving patterns are established at a young age. Though it may be true that reaching younger donors is not as profitable for your short-term ROFI (Return on Fundraising Investment), their propensity to give more frequently can yield impressive results as they age and have more readily available income for charitable giving.

This survey also indicates that, if an individual is not a donor by age 44, they will continue to be a non-donor no matter what their socio-economic classification is. You may raise the awareness of your organization with non-donors in this age group, but you cannot cultivate them enough to become donors.

- 17% of 18-44 year olds indicated a likeliness to switch their donations to another cause. The top reason given for switching was that another organization made giving more of an experience, rather than a transaction.

To remain loyal, donors must feel connected with a cause. To combat the threat of switching, you must create innovative and personal ways to engage younger donors. Reaching donors through the mail and the web is no longer innovative, it is now mandatory.

Another good way to garner support is to survey donors to find out what they think is most important. 75% of those considering switching their support to another charitable cause want to do so because they feel that a specific need is not being addressed.

- 52% of active donors are involved in social media. This indicates that, while this may not be the best method for fundraising (only 12% of active donors indicated that family and friends influence them about their giving), it is still a powerful way to connect donors with other donors to further enhance their experience with your brand.

The primary goal is to build a solid, lasting relationship. Though these donors may not become high value until later in life, using resources to acquire young donors now will help prevent your organization from being confined to a small portion of the giving population in the future.

FOCUS GROUP FINDINGS

These findings also support learnings that were obtained at recent focus groups. In order to gain a better understanding of donor loyalty, separate focus groups were asked the question, "When did you first start giving to charity?"

In most instances, a positive connection with a charity was established at a young age, as the stories below demonstrate. The two donors featured give to approximately 5 different charities an average of 3 to 5 times per year. While they may not be the typical average donors, they certainly demonstrate the ideal charitable giving pattern to a nonprofit organization.

Example 1:

Claude Johnson
Beverly Hills, CA

Mr. Johnson shared a childhood memory of walking through downtown Los Angeles during the Christmas season. When his family came up some Salvation Army bell ringers, his father put a coin in his hand as a child and encouraged him to go drop it in the kettle. Mr. Johnson said, "I have been giving to the Salvation Army ever since."

Example 2:

Maureen Wood
Buffalo, NY

Ms. Wood shared a similar story about how her childhood memories—and her later giving trends—were shaped by the generosity of her parents. "We didn't have much when I was a child, but it was enough," she said. "My father worked at the Wackawanna steel mill. And though we didn't have much, we were taught there were always people less fortunate than us and we should always be mindful to do our part to help. Every year my mother and father would gather up a couple of blankets and coats, and put them in our hands to give away at the Rescue Mission. To this day, I still give to the Rescue Mission."

While each of the stories involves different charities on opposite sides of the country, the message is unmistakable: **Engage a donor while he or she is still young and you are likely to cultivate a loyal donor for life.**

These findings clearly indicate that if you want to have long-term, high-value donors, it is imperative to reach out now and cultivate a relationship with these discerning donors.

ADDITIONAL SURVEY FINDINGS

We've also included the remainder of the responses from our online survey in order to help you better understand donor behavior and strengthen your fundraising efforts.

Intent to keep their donation amounts consistent year over year:

Men – 71%

Women – 59%

Intent to scale back contributions:

Female donors are notably more likely to plan cutbacks in giving this year versus last year (29% vs. 18%).

Likelihood to give on impulse:

Women – 36%

Men – 25%

Likelihood to become long-term donors:

Women – 41%

Men – 33%

Likelihood to send bigger checks to charity when in charge of the checkbook:

Men – Gave between \$250 - \$499 in 2008

Women – Gave between \$150 - \$249 in 2008

Personal affinity:

Only 10% of donors give to a charity because they have a personal affinity for the mission.

How length of stay in home affects propensity to give:

Active donors are 2 ½ times more likely to have lived in their home for 20 years or more. This is particularly useful knowledge if you have a limited budget and need to minimize your risk in direct response.

Propensity to plan charitable giving:

27% of all active donors establish an annual plan and budget for giving

16% give on impulse or only when they are asked

25% give only to disaster type of offerings

Only 9% of active donors indicate they would consider switching their loyalties to a different charity than the one they are presently supporting. The driving reasons for switching to support a different charity are:

- The new organization more effectively communicates how a donation reaches the end user
- The preferred organization does not address a specific need that the donor thinks is important
- The new organization is more focused on reaching the donor's immediate community.

Preferred method for communication:

59% of active donors prefer direct mail

23% of active donors prefer church

19% of active donors prefer to hear through family

15% prefer the web

25% of non-donors prefer direct mail

Affiliation with a local church or house of worship:

42% of donors are actively involved in a local church or house of worship vs. 25% of non-donors.

Community involvement:

16% of donors serve in some capacity in a community/civic group vs. 6% of non-donors.

** There is no one personality type that is stereotypical of a donor. Donors and non-donors are nearly equally represented across the personality profile metrics. This survey was executed online in association with Survey Sampling Incorporated.*