

# UNDERSTANDING GIVING

BELIEFS & BEHAVIORS OF COLORADO'S DONORS

A REPORT OF THE COLORADO GENEROSITY PROJECT



Colorado  
**NONPROFIT**  
Association

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## BACKGROUND AND CONTEXT

In 2007, the Colorado Nonprofit Association launched the Colorado Generosity Project, an initiative aimed at building expertise within and awareness of the state's charitable sector, with the ultimate goal of increasing Coloradans' generosity. Various data sets have shown that Colorado lags behind other states in terms of giving. When compared to other states, Coloradans have relatively high incomes but do not support nonprofits as strongly. The Generosity Project seeks to increase the rate and total amount of giving to Colorado's nonprofits by:

- 1. conducting research about giving trends in Colorado;**
- 2. helping nonprofits fundraise more effectively through technical assistance and training; and**
- 3. teaching the public about the value of giving to charitable organizations.**

In 2010, the Colorado Nonprofit Association wanted to determine whether charitable giving in Colorado could be increased by influencing Coloradans' values, attitudes and behaviors. The Association engaged SE2, a Colorado-based mass communications firm, to help determine why and how Coloradans give to charities and what can be done to encourage and increase charitable giving.

The Association originally began with the premise that the Colorado Generosity Project's goals can be accomplished through a comprehensive campaign that integrates two core strategies: strengthening and supporting the fundraising efforts of on-the-ground nonprofits; and communicating directly with the public to change values and drive an increase in charitable giving. This integrated approach could potentially spread a consistent and focused message through nonprofits' internal channels (donors, friends and advocates) and external media so as to increase giving across Colorado.

# BACKGROUND AND CONTEXT

## Research Design

We conducted extensive research to better understanding public attitudes and behaviors. This research also establishes benchmarks against which to measure the progress of future efforts to increase giving.

**The Association and SE2 designed a research strategy to achieve the following goals:**

1. Identify strategies for changing the attitudes and values of Coloradans to increase giving, encouraging them to see charitable contributions as a valuable part of their lives.
2. Identify barriers to giving by learning about the reasons why donors and potential donors choose not to give.
3. Understand whether the economic challenges since 2008 have shifted how Coloradans perceive nonprofits and giving, as well as their own willingness and ability to give.
4. Gather data about possible messages, messengers and methods to change attitudes and behaviors about giving.

**The comprehensive research effort included four parts:**

First, *we conducted a review of communications campaigns* that other groups had conducted to increase charitable giving in a city, state or region (all with significant paid advertising components). The purpose was to identify what seems to work—or not—in affecting donor behavior.

Second, *we reviewed existing research* about donor behavior. A number of studies and research efforts in the last five years have examined broad giving trends and widely accepted best practices about increasing philanthropy. We used key findings to supplement and lend perspective to our Colorado-specific research.

Third, *we conducted a statewide telephone survey* to gather quantitative opinion research from a random, statistically significant sampling of Colorado residents. The poll oversampled rural geographic regions to identify geographic differences. SE2 worked with Corona Insights to conduct the poll and analyze its results. The survey includes original data specific to this research, as well as data comparisons with Colorado Nonprofit Association's 2008 survey and The Denver Foundation's 2005 and 2000 research, to study how donors' perceptions have changed over time.

Finally, *we conducted a series of six focus groups* to gather qualitative opinion research. Collectively the participants in these groups represent a statewide sampling of Colorado's demographic groups (i.e. demographic groups with a diverse mix across age, income, race and gender). Conducted by SE2, focus groups took place in metro Denver, Colorado Springs, Pueblo, Grand Junction and Fort Collins.

This report shares key highlights and findings of this comprehensive research project by exploring Coloradans' beliefs and behaviors about giving to help nonprofits more effectively reach donors to increase their awareness, commitment and support. Much of this research correlates directly to the goals we established. However, as with any extensive research effort, we learned many things that we did not anticipate. We begin this report with a discussion about Coloradans' core beliefs about giving and perceptions of the nonprofit sector. We then analyze factors that are typically involved in an individual's decision to give, and look at how various outreach methods by nonprofits may prompt a decision. Finally, we explore how Coloradans actually make their gift. Each section is built around rich data from the survey, focus groups and meta-analysis, and includes notable demographic differences and quotes from participants in the survey or focus groups.

## METHODOLOGY

The phone survey instrument for this project was designed via a collaboration of key staff from Corona Insights, SE2, and Colorado Nonprofit Association; staff from SE2 and Colorado Nonprofit Association developed the focus group discussion guide. Key Association stakeholders were involved in initial planning of the research and the major topic areas that could be investigated.

The phone survey targeted 700 adults (age 18 and older) living in Colorado. Quotas were applied to ensure a diversity of respondents in terms of gender, ethnicity, and region of Colorado; corrective weightings were applied based on region of Colorado and on the age of respondents. A map of the Colorado regions used is on page 32 of this report. For more information on the methodology of the phone survey, please see the detailed survey report developed by Corona Insights available at [ColoradoNonprofits.org](http://ColoradoNonprofits.org).

The focus groups also targeted Colorado adults (age 18 and older), and involved a total of 67 participants. Groups were held in metro Denver, Colorado Springs, Pueblo, Grand Junction and Fort Collins. Participants were recruited to ensure a diverse sampling by age, income level, education level, political affiliation, race and gender. Participants were unaware of the purpose and topic of the focus group in advance of the session. Groups were conducted and facilitated by SE2, using a standard discussion guide and questionnaire.



# EXECUTIVE SUMMARY

Most Coloradans believe in the value of charitable giving. Nine out of ten Coloradans acted on this belief in the last year by making financial or in-kind donations. While many donors expressed a desire to help people or support a cause, many other factors influence a person's decision to give.

Our research found that the predominant factor is a donor's personal connection to an issue, belief or charitable organization. These connections form in highly individual and personal ways, such as benefitting from the nonprofit's services, family members' or friends' involvement with the nonprofit, and sometimes through an unexpected giving opportunity.

In addition to personal connection, the donor often considers many other factors to determine whether and how much to give, such as the cause the organization supports and the donor's own financial situation. While some giving is emotional or personal, it can also involve a rational decision-making process based on how effectively and efficiently a nonprofit will use the donation. In some other cases, the decision to give is simply a transaction of convenience.

Because deciding and doing are two different things, our research also explored what prompted donors to actually make their gift and the method they used for doing so – including how donors responded to outreach strategies such as mail, email, special events, and news stories. While giving is individual and personal, our research did find relationships between some demographic characteristics (such as gender, age, income and regions of the state) and people's values, beliefs, and actions.

Many giving attitudes, beliefs, and behaviors have remained largely unchanged since our 2008 giving survey and The Denver Foundation's research in 2005 and 2000. Our 2011 phone survey results provide an up-to-date, post-recession look at giving in Colorado. The review of existing research and communications campaigns add background and context to our findings, and the focus groups offer more nuanced insights into how and why Coloradans give.

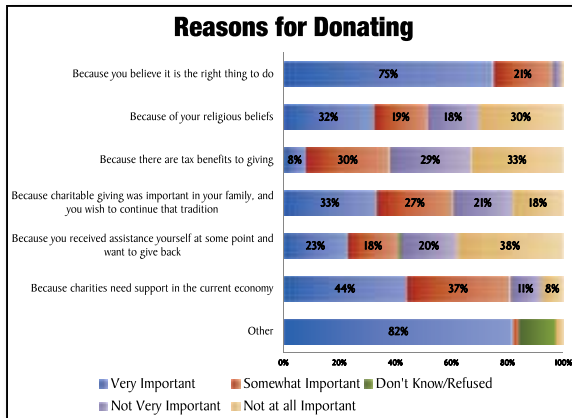
## KEY FINDINGS

1. A critical factor in donating is a personal connection between donor and nonprofit. Direct connections (such as benefitting from a nonprofit's services or volunteering there) are no more important than indirect connections (such as having friends or family who have benefitted from a nonprofit's services, or simply being asked to give by someone a donor knows).
2. Word of mouth can be a powerful way to connect donors with nonprofits, but the message itself matters. Donors prefer to hear about actual experiences people have had with an organization; they don't respond nearly as well to a simple recommendation.
3. For most donors, the decision to give is not a strategic one, but a personal and emotional one. However, practical considerations such as overhead ratios, transparency, and accountability are important to some, and most particularly to higher-income donors.
4. Convenience is key. Donors are looking for options that fit into their busy lives, that don't require a lot of thought and planning, or that can provide a benefit to them. Convenience is particularly important among younger donors and those giving in-kind donations such as household items.
5. Large, national, "name brand" nonprofits have several advantages over other organizations. When donors want to support a cause, many choose to support organizations they've heard of, rather than looking for alternatives. In general, people also tend to associate an organization's size and name recognition with its trustworthiness.
6. While the decision to give is highly personal, some general demographic trends do emerge in relation to donors' beliefs, the ways in which they give, and the kinds of messages that most appeal to them. For instance, women are much more likely than men to say that an important reason to give is because the organization "helped you or someone you know." In looking at regional differences, we found that Front Range Coloradans place less importance on a nonprofit's local impact than those in south, north and west Colorado. And when asked what prompted a donation, younger people were more than twice as likely as older people to report making a donation after being asked by someone they did not know.
7. Overall, people do not have a strong sense of a "nonprofit sector," and most do not view nonprofits as members of a larger group or community. Instead, they identify with particular nonprofits and causes in a personal way.

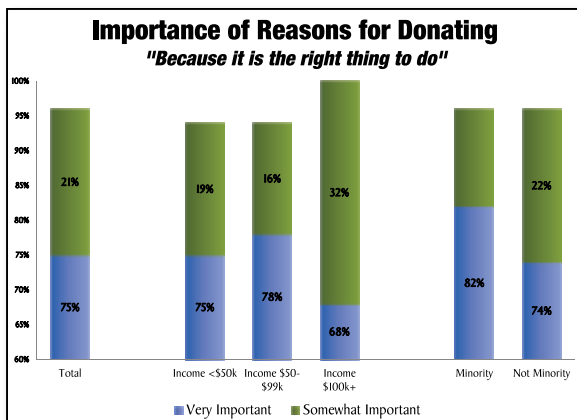
# BELIEFS

## Beliefs about Giving

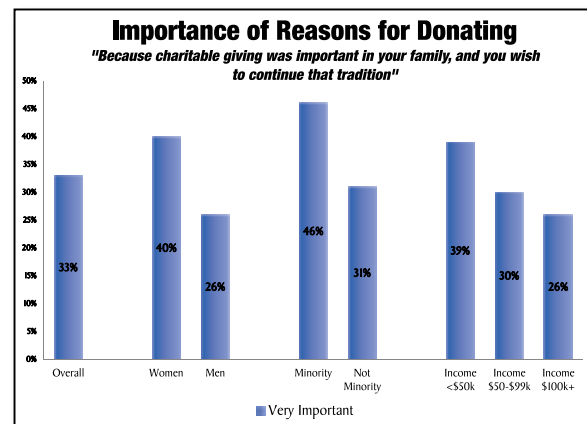
Most Coloradans believe that giving should be a part of one's life. Eighty-five percent of survey respondents agreed that "every person should support charitable causes in some way, either financially, or by donating time" (51 percent strongly agreed; 34 percent somewhat agreed). The answer did not vary significantly among various demographic groupings, such as gender, age, income, education or region of the state, indicating that support for charitable causes is a broadly held value.



Nearly all respondents (96 percent) believe that donating "because it is the right thing to do" is a very (75 percent) or somewhat (21 percent) important reason for choosing to make a donation. This is also a broadly-held value, although those with incomes over \$100,000 are less likely to say this is very important (69 percent), compared to those with annual incomes between \$50,000 and \$99,999 (78 percent) or those with annual incomes below \$50,000 (75 percent). Minorities were slightly more likely than non-minorities to say that the "right thing to do" is an important reason to give (82 percent to 74 percent.)



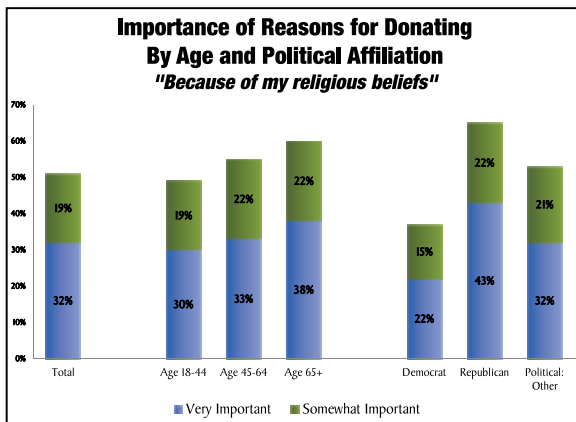
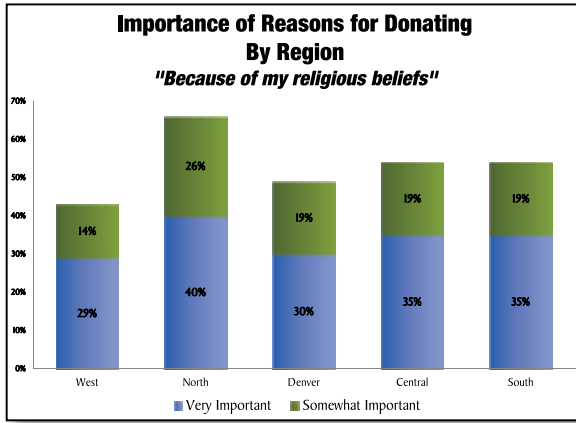
The value of giving may come from family. Sixty percent agreed that an important reason to give was "because charitable giving was important in your family, and you wish to continue that tradition" (33 percent said this was very important, 27 percent said it was somewhat important). Women were more likely than men (40 percent to 26 percent), minorities were more likely than non-minorities (46 percent to 31 percent) and lower income were more likely than the upper incomes (39 percent to 26 percent) to state that family tradition was a very important reason for giving.



Religious beliefs were cited as an important reason for giving by a majority of survey respondents (51 percent). But there was considerable variation in this response from different regions of the state:

- Northern Colorado, including Fort Collins and Greeley, had the highest rate of response, with 66 percent of respondents saying religious beliefs were a very or somewhat important reason for giving;
- Western Colorado, including Grand Junction, had the lowest rate of response to this question, with only 43 percent citing religious belief as a very or somewhat important reason to give.
- Older donors were also much more likely to cite religious belief as an important reason to give, with 60 percent saying it was a very or somewhat important reason to give. (Only 49 percent of donors under the age of 45 said religious belief was a very or somewhat important reason to give.)
- Republicans were also much more likely to cite religious belief as an important reason to give, with 65 percent saying it was a very or somewhat important reason to give. (Only 37 percent of Democrats cited religious belief as a very or somewhat important reason to give.)

# BELIEFS



On average, donors value giving in general more than they value giving to a specific organization. When asked about their most recent charitable donation, 68 percent of those surveyed said they would have donated to another organization if they had not made their original donation, while only 26 percent would have not made any donation at all.

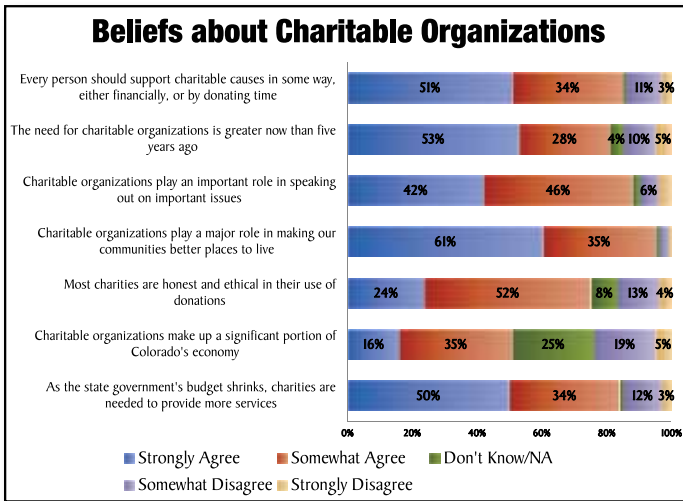
In focus groups, participants spoke of giving to charity as being aligned with their own values. Laura from Fort Collins said, "When you give, you are giving from the heart. I think people give to what they feel in the moment.... The point is that you are helping someone achieve a better life." Several participants explained that when they give to charity, they are doing so because it is the right thing to do rather than because of any expected outcome or result of their donation. For example, in one of the Denver focus groups, Geoffrey said, "I think that we come from a society where we've learned to share. That's within us. I'm moved from the heart" while Elisabeth said, "I think it has to do with being raised to be a giver, a volunteer. My parents taught me to give and give time too." In another Denver focus group, Sarah said she believes people give because, "it's about how they feel when they're giving. My aunt had breast cancer. It makes me feel good that even though we couldn't save her, we can save someone."

The survey asked respondents to identify reasons why they chose to give to a particular organization when they last made a charitable donation. Here too, many identified their belief in giving to help other people as the primary reason. "I know that people are out of work now, and since I am not, I thought it would be a good way to help," said one respondent. "I come home to a hot meal every day and I think others should too," another said. Another put it this way, "It was an emotional thing. It involved homeless children and it was Christmas time. I just felt that children should be taken care of." One stated simply, "I think everybody on the planet should reach out and help each other."

<sup>1</sup> Throughout this report, the names of focus group participants have been changed. All of the focus group quotes used in this report are from real people who were paid to participate in the groups.

# BELIEFS

## Perceptions of Charities and Nonprofit Organizations

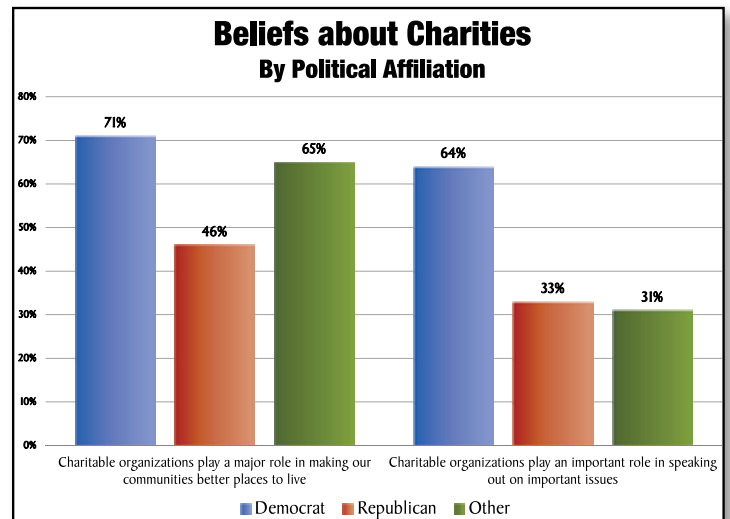


Nearly all Coloradans also believe that charitable organizations are a critical component of their communities. Ninety-six percent agreed that “charitable organizations play a major role in making our communities better places to live.” In fact, more than three-quarters of Coloradans agreed that “the need for charitable organizations is greater now than five years ago” (53 percent strongly agree; 28 percent somewhat agree), and that “charitable organizations play an important role in speaking out on important issues” (42 percent strongly agree; 46 percent somewhat agree).

Women were almost twice as likely as men to strongly agree with the statement that charitable organizations play an important role in speaking out on important issues (52 percent of women strongly agreed, compared to 28 percent of men).

Political affiliation correlates with Coloradans’ views on the role that nonprofits play in their communities. Democrats are far more likely to believe that charitable organizations play an important role in speaking out on issues, with 64 percent of Democrats agreeing to this statement compared to 33 percent of Republicans and 31 percent of others. Also, Republicans are far less likely to believe that charitable organizations play a role in making our communities better places to live, with 71 percent of Democrats and 65 percent of independents and others agreeing with that statement, compared to only 46 percent of Republicans.

Those who live in Southern Colorado were less likely to agree with the statement “charitable organizations play an important role in speaking out on important issues” (only 34 percent strongly agreed compared to 42 percent of all respondents). Residents of Southern and Western Colorado were also less likely to agree that charitable organizations play a major role in making our communities better places to live (in both regions only 88 percent strongly or somewhat agreed compared to 96 percent statewide).





# BELIEFS

## *The Role of Charities & the Role of Government*

Coloradans believe that “as state government budgets shrink, charities are needed to provide more services” (50 percent strongly agreed and 34 percent somewhat agreed). However, survey respondents in Western Colorado were more skeptical of the balance between government and charity, with only 37 percent strongly agreeing. In contrast, 60 percent of Southern Colorado residents strongly agreed that charities need to fill in for government services, and at least 50 percent of the residents of other regions also agreed.

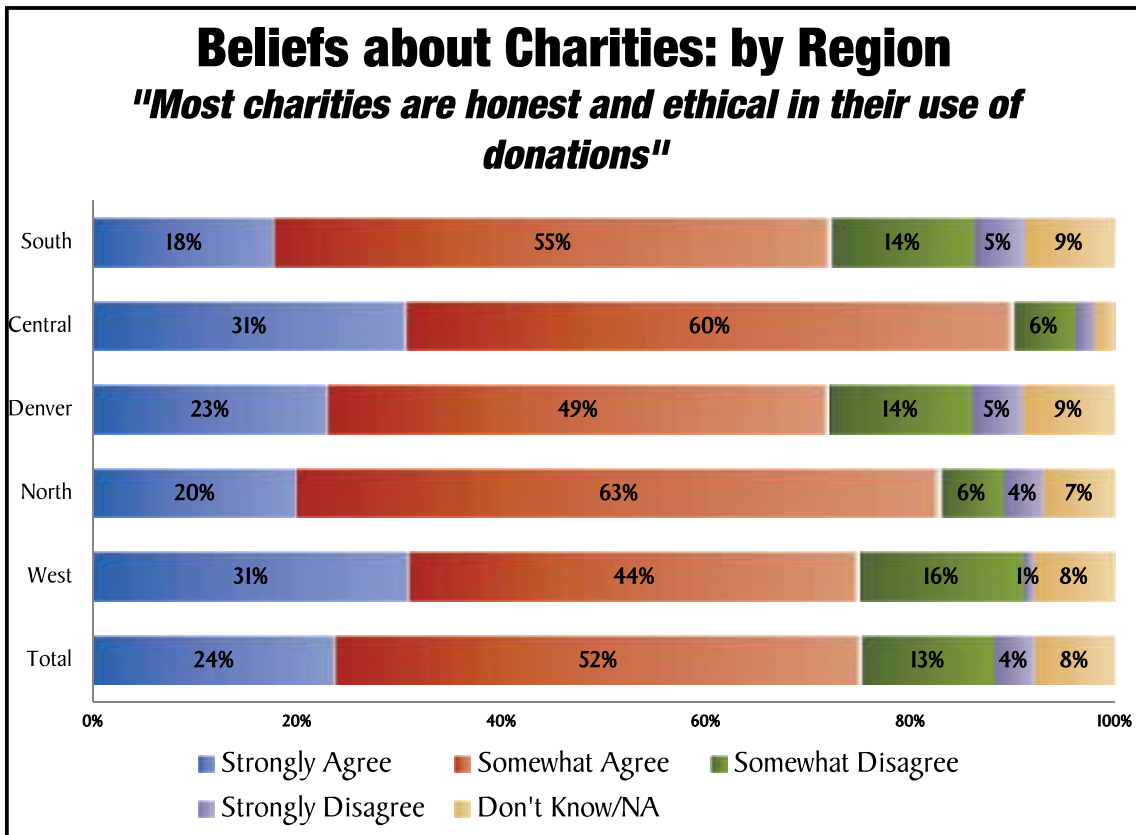
Participants in focus groups had a far more negative reaction to the idea of charities taking on the role of traditional government services. A prevailing negative perception of government did not mix well with the relatively positive view of Colorado’s charities held by participants. Suggesting that nonprofits provide services usually performed by government did not increase support for charities.

# BELIEFS

## *Skepticism of Charities*

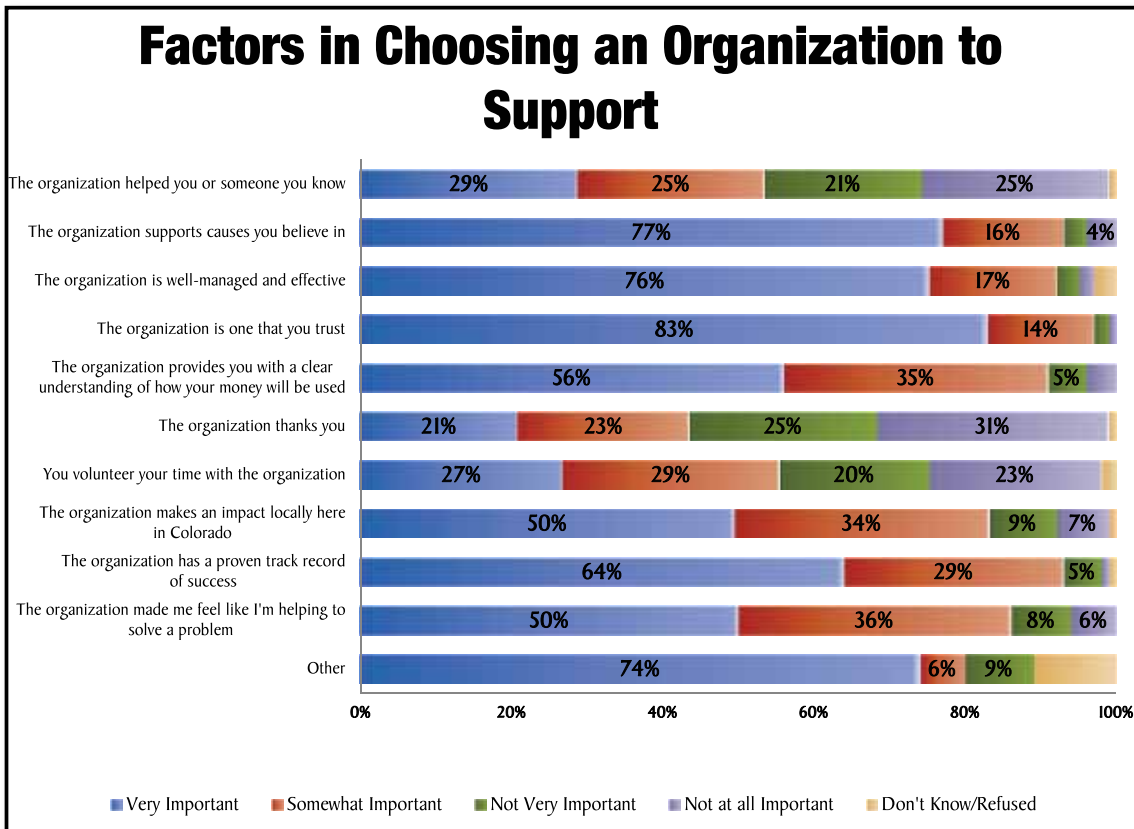
Even though the vast majority of Coloradans believe in the value of charitable giving and the role that charities play in their communities, there is an undercurrent of skepticism. Survey respondents overall agreed with the statement “most charities are honest and ethical in their use of donations” (24 percent strongly agreed and 52 percent somewhat agreed), but it is important to note that far fewer respondents strongly agreed with this statement compared to other positive perceptions of charities in the community. While only a very small portion (17 percent) actually disagreed with the statement, the overall

lower positive response indicates that Coloradans have some skepticism about the operations of nonprofits. Respondents in the central part of the state were notably less concerned about charities, with 91 percent agreeing they are honest and ethical, compared to 76 percent of all respondents. In contrast, residents of Denver Metro (72 percent), Southern Colorado (73 percent) and Western Colorado (75 percent) had lower rates of agreement. Showing the highest rates of skepticism, 19 percent of Denver Metro and Southern Colorado residents disagreed that most charities are honest and ethical in their use of donations. In our discussion of factors influencing a donor’s decision to give, we will revisit this overall skepticism and examine how trust factors into giving decisions.



# THE DECISION TO GIVE

While many Coloradans value the act of charitable giving and value nonprofits in the abstract, their decisions to give to particular nonprofit organizations are complex. At the core of the decision is usually a personal connection to a nonprofit. However, that personal connection alone is not always sufficient to spur a donation, and many other factors come into play.



# THE DECISION TO GIVE

## Donors' Personal Connections to Nonprofits

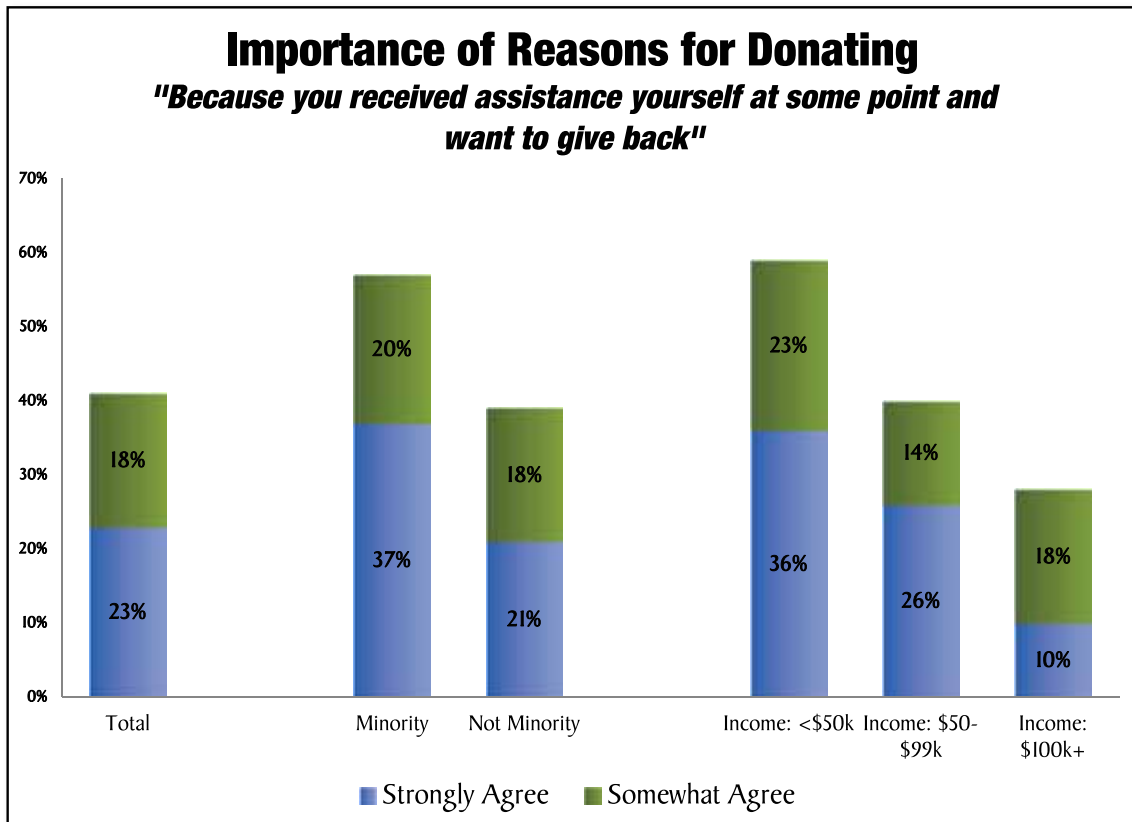
Research participants clearly articulated the importance of personal connections when deciding whether to give. Bruce in Denver said, "My first choice is always the personal. There are so many different charities, that if you have a personal connection you feel better about putting your money toward it." Denise in Pueblo echoed the same thoughts: "There are so many worthwhile organizations out there. My husband and I sit down and decide which are the most personal for us, or which cause is the most personal for us. We research and find out which has a personal connection — someone we know is involved — or which has most of the dollar going to the cause."

Personal connections occur in many ways. A donor may have a fleeting but impressionable direct experience with a nonprofit, such as a Denver focus group participant who recounted, "I saw the people outside the Denver Rescue Mission when we were driving [in the neighborhood] to see my mother in the hospital. So we decided to donate."

In other instances, the donor has directly benefitted from the nonprofit's services. In describing why she gave to a Christian radio station, one Denver Metro focus group participant said, "We were going through a hard time financially and I found the radio station. It helped me get through so I wanted to help someone else. I knew that it would be used to keep the station on the air. In reality, I don't know where the money went. But I felt in my heart, I trusted it. .... In my heart I know that I did good."

When asked about reasons for donating, 41 percent of survey respondents said "because you received assistance yourself at some point and want give back" was important (23 percent very important, 18 percent somewhat important). A significant minority (38 percent) of respondents said this was not at all an important reason, but racial and ethnic minorities and lower-income respondents found this a particularly important reason for donating:

- A strong majority (57 percent) of racial or ethnic minorities said that "you received assistance yourself at some point and want to give back" was a very or somewhat important reason for giving to charities.





# THE DECISION TO GIVE

- This was also very or somewhat important to a majority of those with incomes under \$50,000 (59 percent) but much less so for those with incomes over \$100,000 (28 percent).

For survey respondents, another important reason to give is because the organization “helped you or someone you know” (29 percent very important, 25 percent somewhat important). Women were much more likely to cite this as an important reason than men (40 percent compared to 16 percent), as were minorities compared to non-minorities (52 percent versus 25 percent.) When asked about their most recent charitable donation, 72 percent of respondents overall reported that they or someone they know “had a good experience with that organization.” This “good experience” was more likely to be cited by women, households with incomes exceeding \$100,000, people between 18 and 44 years of age, and residents in Western Colorado.

Beyond directly receiving benefits from an organization, many donors give to organizations or causes that have some connection to family members or friends. When asked how they chose the organization for their most recent donation, 13 percent said a friend or family member had been or could be benefitted by the organization.

Jennifer from Grand Junction echoed these findings in this way: “I have had family and friends who have battled cancer and lost.... I usually donate to organizations which support issues my family or friends have been affected by.” Angela from Pueblo said, “We’re swamped with people coming to us [for money] — I didn’t go searching for charities. When my nephews were diagnosed with diabetes, their family approached us on behalf of the Juvenile Diabetes Fund...” Chuck, also from Pueblo, said he gave to “Ronald McDonald house because a friend of mine really benefitted from that when she had a sick baby. People on my mom’s side have had breast cancer, so I donate to that.” In the Denver focus group, Maggie said, “I give to the Lance Armstrong Foundation because I have a few family members and friends who have had cancer and my son is into bikes.”

The telephone survey found that many donors gave based on connections with friends or family, such as giving to a veterans’ organization because “it helps our veterans and I have a brother who is a disabled veteran. He gets much of his assistance from them.” Many reported giving to a cancer research organization because a relative or friend was afflicted with that particular form of cancer. A personal connection may occur through an indirect family experience. As Sarah in the Denver focus group said, “... we donate directly to the JeffCo Action Center — things like peanut butter and diapers. Quite a few years ago when my son was in school, the JeffCo Action Center helped get his peers the supplies they needed for school.”

## A PERSONAL CONNECTION MAY BEGIN WITH A VOLUNTEER EXPERIENCE

Donors also report that volunteering time with an organization is an important factor in deciding to give (27 percent very important, 29 percent somewhat important). Independent research has identified similar findings. In its *Study of High Net Worth Philanthropy*, The Center on Philanthropy reports that higher levels of volunteering by high net-worth households are associated with higher total giving levels.

When a donor does not have a personal connection with a nonprofit, a personal relationship with a person acting on behalf of the nonprofit may be enough to spur a donation. In the survey, nearly three in four respondents (71 percent) said that they had made a donation as a result of being asked by someone they knew — far more than any other reason given. Women were more inclined than men (79 percent to 62 percent) to give as a result of being asked by someone they knew; respondents in central Colorado, as well as those age 65 and older, were less likely (55 percent and 63 percent, respectively).

People also reported attending a fundraising event because a friend or co-worker asked them, even if the respondent did not know about the nonprofit initially. The donor was motivated to give not by the cause or programs of the nonprofit, but because of the social bond with the person who introduced the donor to the nonprofit.

# THE DECISION TO GIVE

## *Alignment with a Cause*

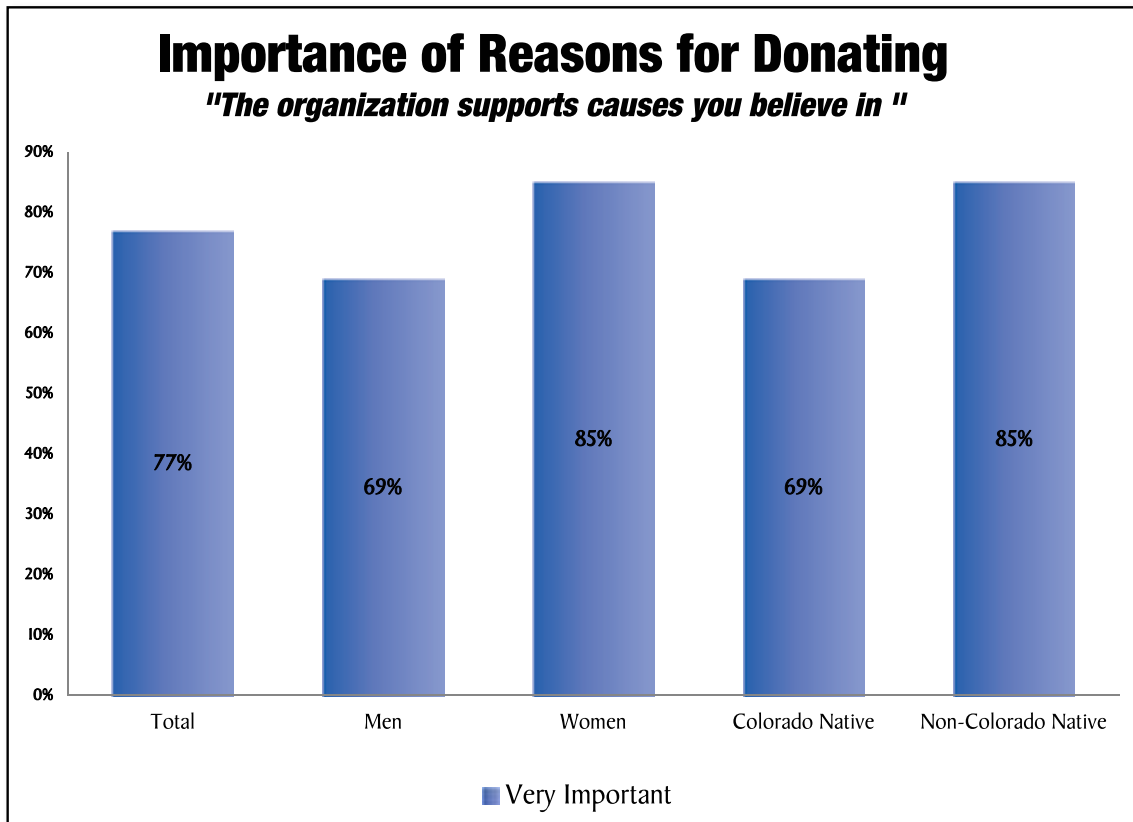
Although many donors described giving based on general values and personal connections, the research results illustrated the importance to donors of connecting with nonprofits based on causes and issues.

Nearly all survey respondents said it is important that an "organization supports causes I believe in" (77 percent said this was "very important" while an additional 16 percent said it was "somewhat important"). Women were more likely than men to state that the organization's cause was very important (85 percent to 69 percent), as were non-Colorado natives to compared to native Coloradans (coincidentally the same split of 85 percent to 69 percent).

When asked how they chose an organization to receive their donation, 20 percent of survey respondents said it was a belief in the mission of the organization and 12 percent said there was a need for the services being provided by the organization.

In the focus groups and survey, when asked why they chose to give to a particular organization, many respondents simply said, "I believe in their mission" or "I believe in what they do." Others drew a specific connection between their own belief and the organization's mission. One survey respondent donated to a land trust whose mission is to preserve land for environmental purposes instead of being developed because "I have green in my heart." People reported giving to the local humane society because they love animals or they lost their own pet. Some were even more precise and gave to a particular animal shelter because "they are a non-euthanizing shelter and they find homes for them."

Not surprisingly, respondents who gave to advocacy organizations stated an alignment with that organization's cause. One person gave to the American Civil Liberties Union because of "their interpretation of the law" while another gave to the National Rifle Association because of their "defense of the Second Amendment." Donors to Right to Life or similar organizations said, "I agree with their values" often stemming from the donor's religious beliefs.



# THE DECISION TO GIVE

## Reasons for Not Donating More

Even with a personal connection or belief in a cause, donors evaluate whether they can afford the donation compared to other household expenditures or competing personal priorities for their funds.

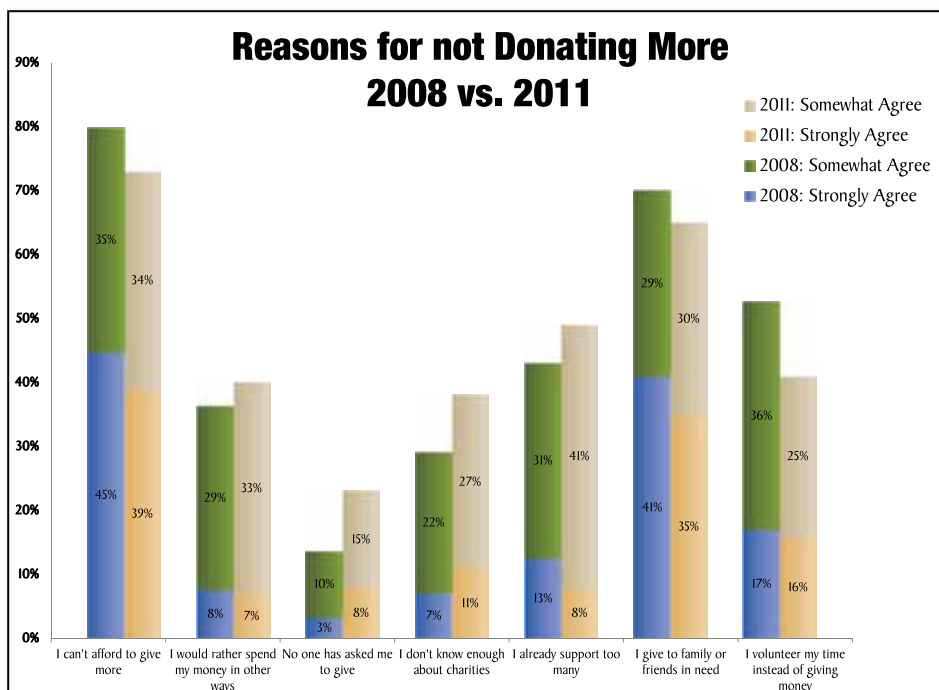
When asked why they do not give more to charity, *a significant majority agreed that they could not afford to give more* (39 percent strongly agreed and 34 percent somewhat agreed.) The inability to give more was cited more frequently by those with lower income levels, lower educational attainment and those residing in predominantly rural areas of Colorado (north, south and west regions). When asked what she would do if she inherited \$100, one Colorado Springs focus group participant said “Pay my credit cards. I am struggling now too. I’ve given to Red Cross a few years ago. But you gotta take care of yourself first.” According to Independent Sector’s *Giving and Volunteering*, Americans who report that they are worried about money give substantially less than those who are not. Even high income households weigh affordability. The *2010 Study of High Net Worth Philanthropy* reports that wealthy households base gifts in part on whether they are feeling financially secure (71 percent agreed).

A potential donor may give directly to family or friends in need, rather than to charity. A majority of survey respondents reported that they don’t give more to charity because they “give to family and friends who are in need” (35 percent strongly agreed and 30 percent somewhat agreed). Older respondents, minorities, Colorado natives, those with lower income levels and those residents of Southern Colorado were especially likely to cite giving to friends or family as a reason they could not give more to charity.

In 2008 – just before the onset of the recession – Colorado Nonprofit Association conducted a telephone survey and asked similar questions. In 2011, with higher unemployment and more concern about economic security, we expected that donors would more frequently name financial factors as part of their giving decisions. Yet, compared to 2008, the 2011 results show the opposite:

- In 2011, 73 percent agreed to the statement “I can’t afford to give more” compared to 80 in 2008;
- In 2011, 65 percent agreed to the statement “I give to family or friends in need” compared to 69 in 2008;
- In 2011, 31 percent agreed to the statement “I volunteer my time instead of giving money” compared to 43 in 2008.

In the open-ended responses and in the focus groups, people recognized that the recession significantly impacted many of their friends, neighbors and community members. It is possible that relative to others, the respondents felt they did have the means to donate even though they may have felt insecure about their own financial situation.



# THE DECISION TO GIVE

## Importance of Impact and Measurable Results

Results of the survey and focus groups, as well as research from other organizations, point to donors' desire to see the results of their donations.

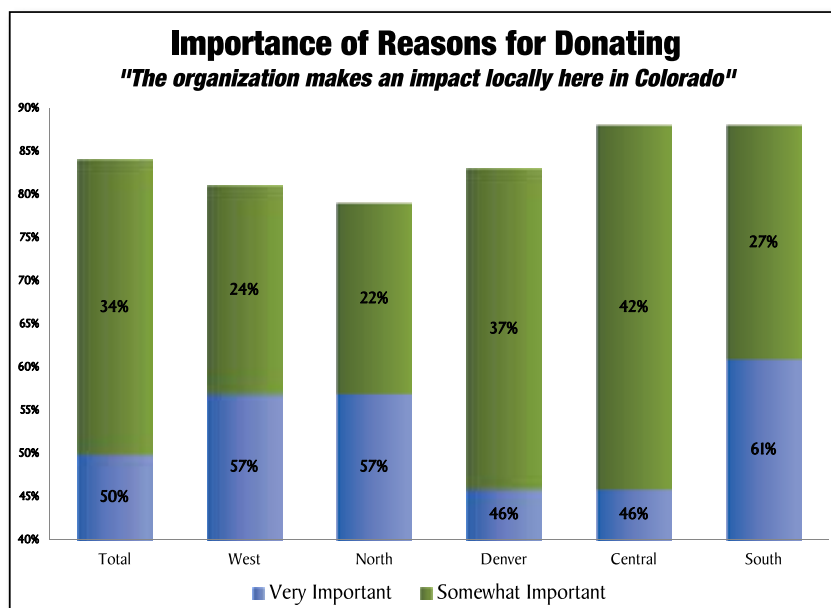
Eighty-four percent of survey respondents reported that it was important to them for an organization to make "an impact locally here in Colorado" (50 percent said this was very important and 34 percent said it was somewhat important). Those we classified as Colorado natives considered this even more important than those who moved here from other states (57 percent of Colorado natives compared to 43 percent of non-natives). Rural Coloradans also tended to believe that local impact was very important (61 percent in south Colorado, 57 percent in north and west Colorado) compared to the more urban Front Range (Denver and Central, 46 percent). Older, minority and lower and middle-income respondents also tended to value local impact more than other demographic groups.

Focus group participants illustrated the importance of local impact. A Denver Metro attendee said, "A lot of people want to see a local connection. If they're giving to a big group, they can't see what it's really doing. But if it's local, they can sort of see it." A woman in Grand Junction said, "I like to donate to organizations in which I can see the results at home."

Survey respondents made similar comments. One person donated to Care & Share Food Bank because, "I think they do a good job in this community. Since I donate a significant amount, I looked for a good place for my money where it would be put to good use." Another gave to a local food bank because, "I know the food I donate goes straight to people who need it."

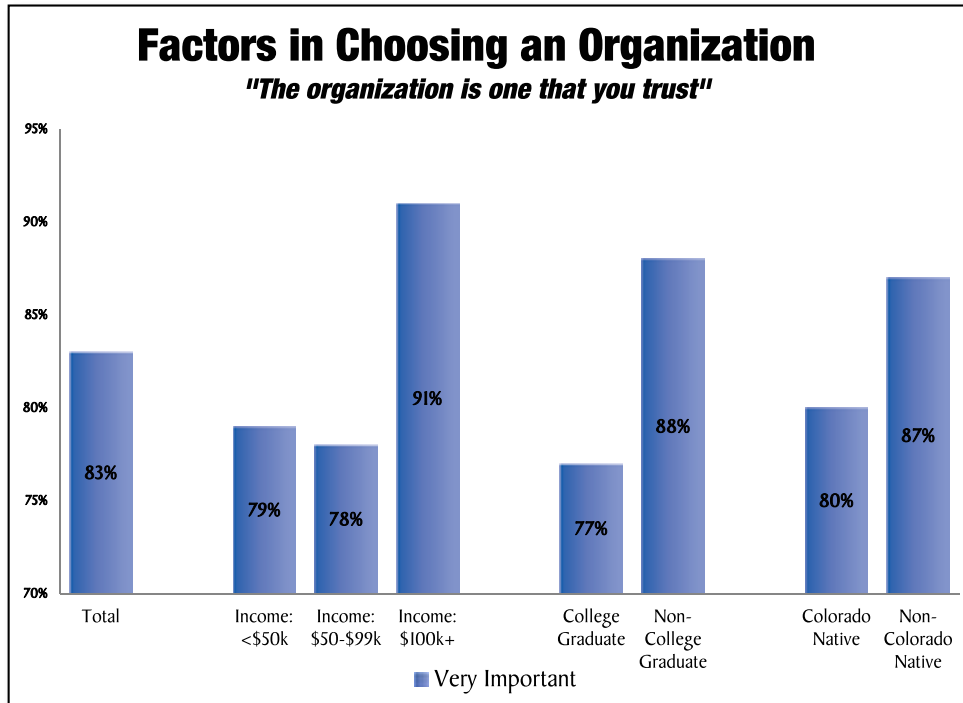
Along with seeing a direct impact from their donations, donors want to see clear, measurable results.

- The vast majority of respondents considered it very (56 percent) or somewhat (35 percent) important that an "organization provides you with a clear understanding of how your money will be used."
- The *Cygnus Donor Study: Where Philanthropy is Headed in 2010*, which has documented and analyzed donor behavior over the last ten years, has found that donors want to support charities that provide measurable results. For donors, this translates into assigning specific purposes to gifts in order for an organization to measure (and report back on) a gift's tangible impact. According to a survey of donors in 2010, of those who indicated they would increase the value of their contributions to charity, 35 percent reported that it was because they were "satisfied with the performance of the charities they support."
- In the same study, donors under 35 years of age reported that they would be inspired to increase their contributions if the organization "explains what you intend to do with the money (not just that it will benefit the charity as a whole) when asking me to give."
- A study of wealthy donors found that they, too, value that their charitable donations have significant impact. According to the 2010 *Study of High Net Worth Philanthropy*, 72 percent of donors classified as "wealthy" agreed with the statement that they believe their gift will make a difference.





# THE DECISION TO GIVE



## Trustworthiness of Charitable Organizations

Confirming findings in past research, the 2011 survey and the focus groups both identified trust as a critical factor in the decision to give. A vast majority of survey respondents (83 percent) said that trusting an organization was a “very important” factor in their decision to give and an additional 13 percent said that it was “somewhat important.”

While all demographic groups believed trust was important, those with incomes over \$100,000 (91 percent), women (89 percent), college graduates (88 percent), and non-Colorado natives were more likely to say that trust was a very important factor in their decision to give.

Nearly as important was that an organization is well-managed and effective (76 percent said this was “very important” and 17 percent said it was “somewhat important”). Republicans (83 percent), minorities (82 percent), women and non-Colorado natives (80 percent for both) felt that this factor was very important. An organization having a proven track record of success was “very important” to 64 percent of respondents and “somewhat important” to 29 percent of respondents. This factor was particularly important to Republicans (71 percent said it was very important) and to respondents over 65 years of age (70 percent).

**WHILE ALL DEMOGRAPHIC GROUPS BELIEVED TRUST WAS IMPORTANT, THOSE WITH INCOMES OVER \$100,000 (91 PERCENT), WOMEN (89 PERCENT), COLLEGE GRADUATES (88 PERCENT), AND NON-COLORADO NATIVES WERE MORE LIKELY TO SAY THAT TRUST WAS A VERY IMPORTANT FACTOR IN THEIR DECISION TO GIVE.**

While most donors report that trustworthiness and efficiency are key factors in choosing an organization to support, our research also found that trust – like giving – can be rational or emotional. Nearly three in four respondents said that they knew someone who had a good experience with the organization. This personal experience with the organization, either directly or indirectly, appears to be a strong driver of donations.

# THE DECISION TO GIVE

## *Trustworthiness of charitable organizations continued...*

When asked about researching organizations, Theresa in Fort Collins said, "I do a lot of Googling. I've found good and bad results. I think you have to look at who's reporting it and trust yourself and how you feel about it." Angela from Pueblo said of giving to Susan G. Komen for the Cure, "I haven't researched them. I assumed that my best friend who asked me to participate had done that research." In the phone survey, one person explained that they chose to give to March of Dimes because "they have been around a long time and I trust they will do the right thing." In the survey's open-ended question about why the respondent gave to a specific charity, one person explained: "it just seemed like the biggest, most honest organization. When someone makes a donation to Red Cross, you feel like you don't get scammed."

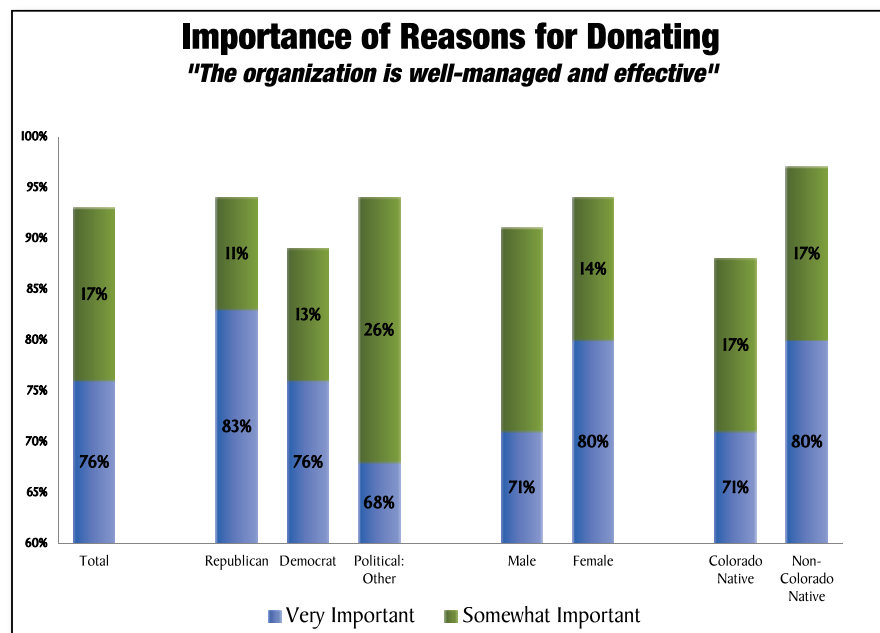
Other donors define trust in more rational or objective ways. One phone survey respondent provided a specific reason for giving to Compassion International: "They have low administrative costs. Eighty-five percent of every dollar goes to the purpose of the charity."

According to *Money for Good: The US Market for Impact Investments and Charitable Gifts*, high-income donors report that they are most interested in the ratio of overhead expenses compared to the overall budget of an organization that will receive their donation, even more than information on the problem that the donation is intended to solve.

Just as donors have their own reasons for deciding which nonprofits they trust, they also have a diverse range of views when it comes to distrust. Although our survey did not ask respondents to elaborate on

issues of distrust, we did find that focus groups participants expressed concern about nonprofits misusing funds. A Pueblo participant said, "... after Katrina [sic], the Red Cross was in trouble because they couldn't account for it. Even as big as they were, there was some scandal there. For the larger, nation-wide charities, they have to account for what percentage of dollar goes where." Several participants expressed distrust of organizations that devote too much funding – or in some cases, any funding at all – to employee salaries. Angela from Denver said that she considers whether her donation "is directly helping or paying someone's salary." In the Colorado Springs focus group, John said, "There's a website called Charities.com or something like that, [and] they evaluate charities. I'm very interested to see what they pay the head guy. The Salvation Army sets the standard for me—they don't pay their top dogs that much. Even in this town, some of the head guys make a lot; the newspapers have published it. Even the Red Cross... I remember that when Bob Dole's wife was running it, she was making \$250,000." Patricia, also in Colorado Springs, said, "I donate to a church who doesn't pay anyone on their staff...I wouldn't at all feel comfortable donating to [an organization that had] someone sitting at the top making all the money."

These discussions suggest that there are opportunities for nonprofits to build trust – and combat distrust – by educating donors. Although some participants did discuss distrust as a result of a nonprofit scandal or a true mismanagement of funds, many expressed suspicion of nonprofits' use of funds for overhead or employee salaries. Nonprofits may be able to shift public opinion on these issues by educating their donors, explaining the role that overhead expense plays in nonprofit operations, and communicating the importance of paying competitive salaries.



# THE DECISION TO GIVE

## *Tax Benefits for Donors*

At the state and federal level, tax incentives motivate charitable giving, although it's often difficult to quantify the effect. Our survey found that tax benefits are a very or somewhat important reason for giving for only 38 percent of respondents overall –but are important for 59 percent of those with annual incomes over \$100,000 (9 percent of high-income donors said very important while 50 percent said somewhat important).

Not surprisingly, *49 percent of those who itemize deductions on their federal tax return said tax benefits were important*, compared to only 18 percent of those who do not itemize. College graduates (47 percent), males (45 percent), middle-aged respondents (43 percent), Colorado natives (41 percent), and non-minorities (40 percent) were more likely to place importance on tax benefits than other demographic groups. In the Pueblo focus group, one participant said, “I track all my donations, keep receipts, and take a spreadsheet to my tax lady. You don't realize how much you're donating sometimes. It's a nice thing to add to those taxes. It's a benefit at the end of the year.” Another in that same group responded, “I'm aware that donations are tax deductible and I pull out receipts at tax time. But it's not the main motivation.”

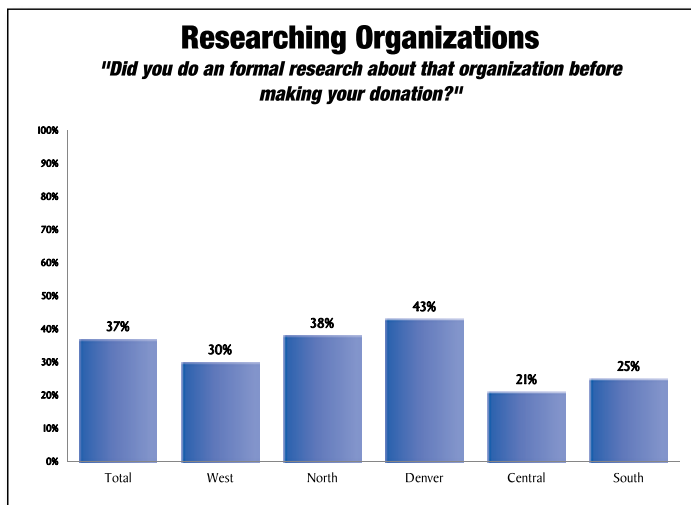
**“I'M AWARE THAT DONATIONS ARE TAX DEDUCTIBLE AND I PULL OUT RECEIPTS AT TAX TIME. BUT IT'S NOT THE MAIN MOTIVATION.”**

Affluent donors also report that they look to financial advisors and accountants for trusted information and advice about where to give, according to *Money for Good: The U.S. Market for Impact Investments and Charitable Gifts*. The *2010 Study of High Net Worth Philanthropy* found that nearly 70 percent of wealthy donors sought advice from accountants when making giving decisions; of these, 73 percent received assistance with tax and legal issues. For years, state and federal policy makers have weighed the incentives of tax benefits against the need for government revenue. Our research supports the conclusions of previous research: although tax incentives may be unimportant for most donors, they are a critical factor for higher-income donors and high-value donations.

# THE DECISION TO GIVE

## Making Information Available to Donors and Potential Donors

Most donors do not conduct research about nonprofits; only 37 percent reported doing any formal research when making their decision to give. Those in Denver and the northern Front Range were more likely to do research than others (30 percent in the western part of the state, 21 percent in the central region, and 25 percent in the south). Donors with incomes of \$100,000 or more were the group most likely to conduct research (51 percent).



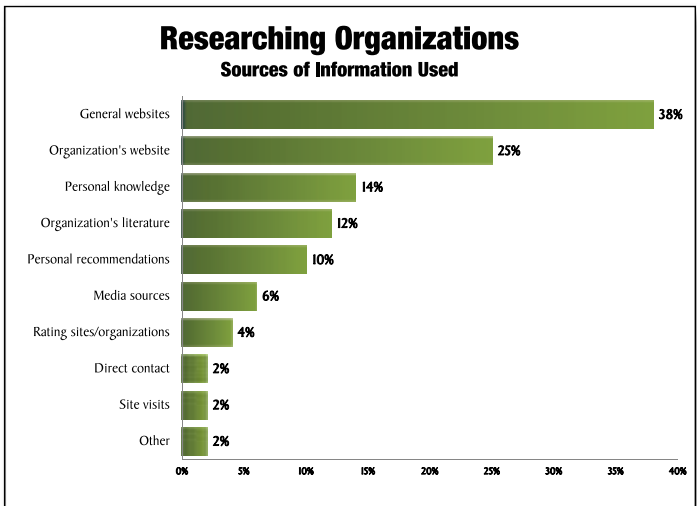
As we've discussed, most donations are a result of a personal connection to a nonprofit or a recommendation from a family member or friend. In these cases, a donor's trust in that relationship appears to outweigh the need to do research. Even 10 percent of the survey respondents who said they did research included "personal recommendation" as a form of research.

Of those who did do formal research, 67 percent used the internet to conduct that research, with many (38 percent) doing general web searches (via Google, for example). Only 4 percent used rating sites such as Charity Navigator or Guidestar when conducting their research. Focus group participants generally followed this same pattern, with several specifically mentioning visiting an organization's website to find the cost per dollar raised, and very few participants naming Charity Navigator or other sites that rate nonprofits.

In research of high-income households, *Money for Good: The US Market for Impact Investments and Charitable Gifts* similarly found that most donors do not do formal research (of the donors they studied, only 35 percent reported doing research on any donation made in 2009).

**WHEN DONORS DO RESEARCH, THEY ARE LOOKING FOR EASILY DIGESTIBLE BITS OF INFORMATION.**

When donors do research, they are looking for easily digestible bits of information. When asked what information would be useful from nonprofits, 62 percent said "facts and figures" as opposed to "detailed reports" (only 15 percent); "stories" (just 13 percent) and "quotes/testimonials" (only 10 percent). Simple and broad messages show that an organization has "high impact" and that donations are, effectively, investments in the work an organization will perform.





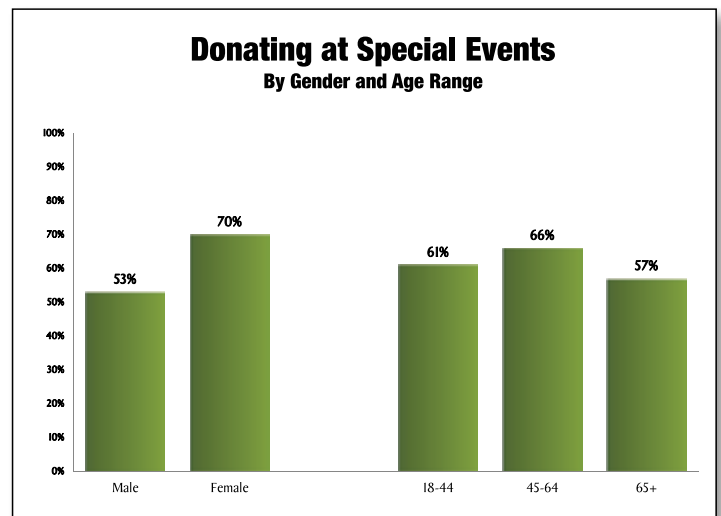
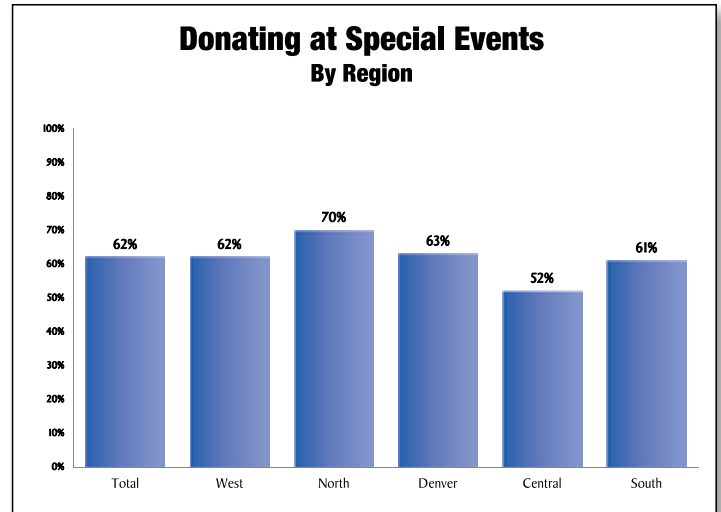
# CONNECTING WITH DONORS

*While a donor's personal connection to a nonprofit is the vital link that results in a donation, even those donors often need a prompt to give – or to give again. Our research demonstrates that some outreach methods are more likely to be successful if targeted based on demographic characteristics, such as age, education, income and region of residence.*

## Special Events

Aside from being asked by family or friends, attending an event was the most common factor prompting a donation. Sixty-two percent of the survey respondents reported donating at a special event in the past 12 months. The economic downturn seems to have spurred greater attendance at events – or perhaps more effective efforts by nonprofits to attract donors to events. When we asked this same question in 2008, only 48 percent said they donated at a special event.

Women are more likely than men to donate at events (70 percent compared to 53 percent), as are those with incomes between \$50,000 and \$99,999 (72 percent), those between the ages of 44 and 64 (66 percent) and those who itemize deductions on their tax return (66 percent.) Residents in Northern Colorado were the most likely to donate at an event (70 percent) with residents of the Central region the least likely (52 percent.)



# CONNECTING WITH DONORS

## *Direct Solicitations*

***Direct appeals are clearly a major driver of donations.*** Over half of respondents (56 percent) said that they received an appeal before actually making their donation. Overall, 42 percent responded to a request they received in the mail. This traditional form of solicitation received a greater response from those over 65 years of age (62 percent), those with incomes over \$100,000 (51 percent), Democrats (52 percent), and college graduates (47 percent, compared with 36 percent of non-college graduates). Mail solicitation was also more successful with residents of the Denver Metro area (47 percent) and the Western Slope (46 percent), compared with north or south Colorado (both 35 percent) and the central region (31 percent).

***Only 21 percent of all survey respondents gave in response to an email appeal.*** People aged 18-44 were more than twice as likely to respond to an email request as people over age 65 (26 percent compared to 12 percent). Email was also more likely to net a donation

from people with incomes over \$100,000 (36 percent), Democrats (32 percent), college graduates (25 percent) and those residing in the Denver Metro (24 percent) and on the Western Slope (22 percent).

***Twenty-nine percent of survey respondents said they pledged as a result of a phone solicitation.*** The data did not reveal significant differences based on demographic characteristics, except that people with higher incomes were more likely to respond to telephone requests than those with lower incomes (38 percent compared to 23 percent).

***Overall, 31 percent of respondents said they made a donation after being asked by someone they did not know.*** Younger people were more than twice as likely as older people to respond to this form of contact (39 percent compared to 16 percent).

## *Traditional Media and Social Media*

Although in-person or direct appeals are more effective, many donors report giving in response to media outreach – whether in the form of media coverage, advertising, or social media. In the survey, 34 percent said they gave as a result of a news story they saw or heard, and 27 percent said they donated as a result of a media advertising campaign.

While relatively few of the respondents (14 percent overall) donated as a result of a social media post, such as one on Facebook or Twitter, there were some significant differences among demographic groups. People in the 18-44 age group (22 percent) are much more likely to respond to social media than other ages groups. Only five percent of the 45 to 64 age group and two percent of those over 65 years of age donated as a result of a social media post. College graduates are twice as likely to respond to social media as non-college graduates (19 percent compared to 8 percent). Among political affiliations, Democrats (21 percent) and those not identifying with a major political party (18 percent) were much more likely than Republicans (3 percent) to give as a result of a social media post.

According to Passing the Torch, ***“the new philanthropists” (those born 1965-1994) in particular are looking to see where their friends are giving and seeking information online.*** Passing the Torch draws this conclusion: “Attractive, highly searchable websites with interactive capability, blogs and links to statistics, results and other similar sites are key to attracting the attention of younger donors. A presence on Facebook... is a must.”

# CONNECTING WITH DONORS

## Name Recognition

One of the themes that emerged from our research is the apparent fundraising advantage of very large, well-known nonprofits.

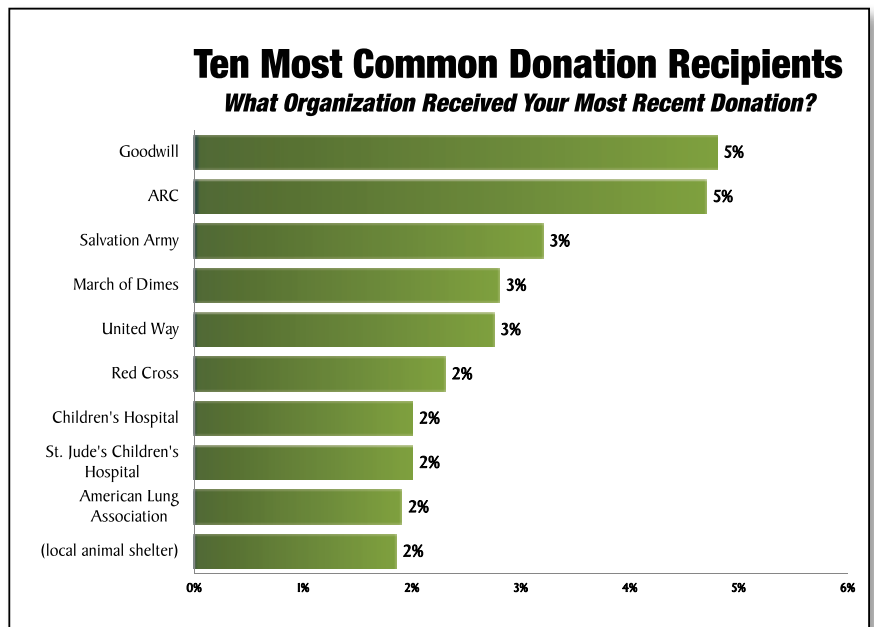
In the survey, respondents were asked to identify where they had most recently made a charitable donation. Goodwill and ARC were the most frequent responses, with five percent of all respondents having given to one of these two organizations most recently. The Salvation Army, March of Dimes and the United Way made up the rest of the top five organizations listed.

Focus group participants followed this trend as well. At the beginning of the discussion, participants were asked to make a list of all nonprofits that came to mind, beginning first with those in their local communities and then thinking about any organization in Colorado. Collectively, participants from the six groups listed 317 charities. On average, a charity was mentioned two times. However, a handful of organizations were mentioned ten times or more, with Goodwill and the Red Cross in the lead.

- Goodwill — 42 mentions
- Red Cross — 39 mentions
- Salvation Army — 33 mentions
- ARC — 24 mentions
- Habitat for Humanity — 18 mentions
- United Way — 18 mentions
- Churches, collectively — 15 mentions
- Catholic Charities — 14 mentions
- Girl Scouts — 12 mentions
- Boy Scouts — 10 mentions
- St. Jude’s Children’s Hospital — 10 mentions

Our research suggests that, when inspired to support a cause, many donors choose the first – or the largest – organization that comes to mind. When asked why they chose to support a particular organization, many survey respondents talked about that organization’s cause in general, rather than what might set it apart from other nonprofits with similar missions. One donor reporting giving to Goodwill because, “it is the most known.” Another said they gave to Children’s Hospital because “it is involved in helping children.”

This trend continues in health-related organizations. Overwhelmingly, survey respondents who gave to organizations such as American Cancer Society, American Heart Association, or Muscular Dystrophy Association explained their choice with responses like, “because I believe in their mission,” or “cancer affects a lot of people I know.”



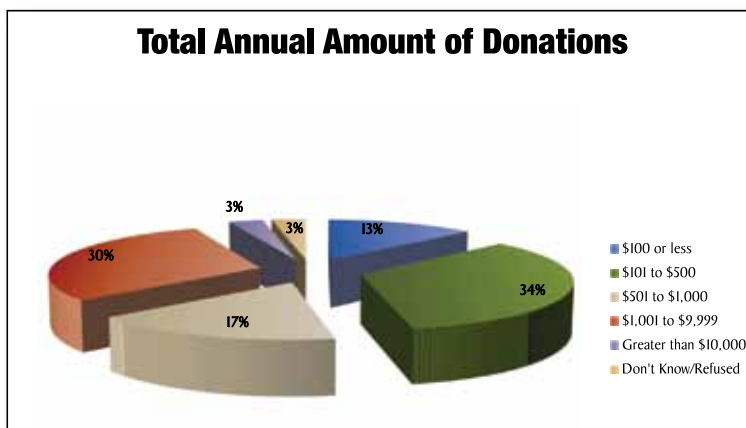
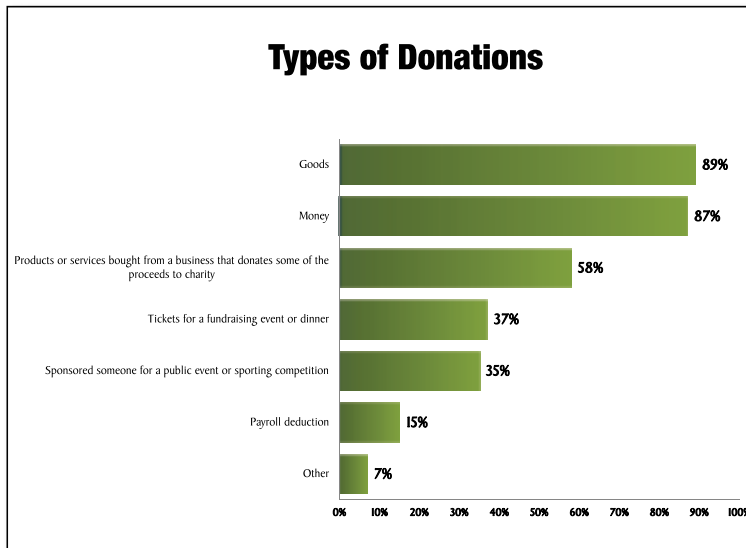
# ACTING ON THE DECISION TO GIVE COLORADANS' GIVING PATTERNS

Most Coloradans believe that every person should support charitable causes (85 percent), and even more actually make donations. Nine out of ten respondents reported donating goods (such as clothing or household items) sometime in the last 12 months and 87 percent reported donating money.

A total of 50 percent of donors gave more than \$500 in the past 12 months, and 33 percent gave \$1,000 or more. These figures are quite similar to our 2008 survey, when 52 percent gave more than \$500 and 27 percent said they gave more than \$1,000 in the last 12 months. In 2011, male respondents reported that their households give higher-value donations than female respondents, as did college graduates, individuals with higher household incomes, and those who itemize deductions on their tax returns. Republican respondents were more likely to report giving slightly higher total amounts of donations than Democrats.

When asked about the last time they made a donation, two-thirds of the respondents reported that their gift was less than \$100. A small portion (about 10 percent), reported giving \$1,000 or more. Men tended to report giving higher-value donations more frequently than women, as did college graduates, individuals with higher household incomes, and those who itemize deductions on their tax returns. In addition, Democrats tended to report having given higher-value donations more frequently than Republicans or other respondents.

Three in four respondents said that they had made another donation to the same organization in the past two years, indicating that many donors choose to give repeatedly to organizations they support rather than simply a one-time donation. Some donors had a break in their giving pattern but returned to make a donation last year. Sixty-three percent said their last donation to the organization was more than two years ago.



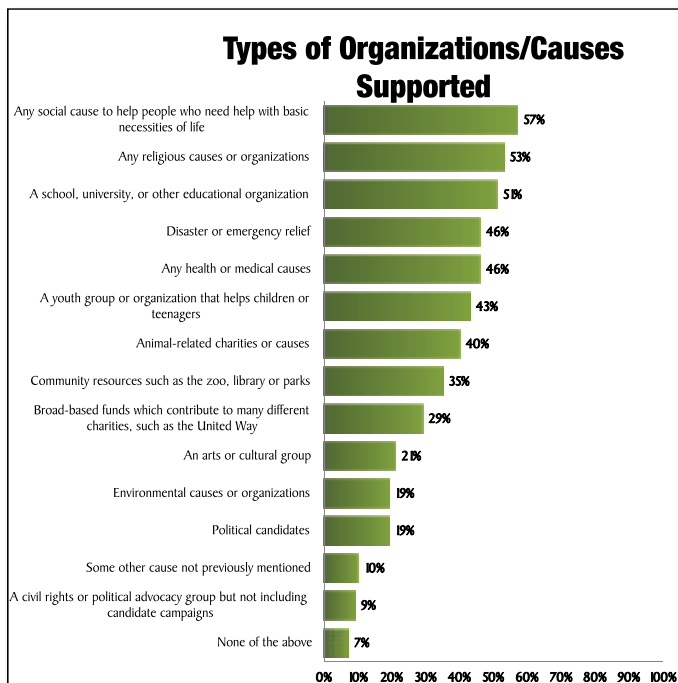


# ACTING ON THE DECISION TO GIVE

## COLORADANS' GIVING PATTERNS

### Donations by Organization Mission or Cause

The survey also asked respondents to identify the types of charities they had donated to in the past twelve months. Human services, religious causes and schools or universities received donations from a majority of respondents, with “disaster or emergency relief” and “health or medical causes” also in the top five categories. **A total of 93 percent of respondents said that they had donated to at least one type of organization in the past year.**



Across nearly all types of organizations mentioned, women, non-Colorado natives, college graduates, and individuals with higher household incomes were more likely than their counterparts to report having given. Democrats were also more likely to report having given to most organizational types than Republicans, with the notable exceptions being religious organizations and youth organizations.

The support for types of missions and causes varied significantly among the different regions of the state.

	WEST	NORTH	DENVER	CENTRAL	SOUTH
Basic Necessities	59%	68%	55%	60%	54%
Religious Cause	46%	55%	52%	57%	58%
Education	49%	46%	53%	48%	55%
Disaster/Emergency Relief	33%	43%	51%	41%	40%
Health/Medical	44%	36%	48%	53%	33%
Youth	48%	57%	38%	46%	45%
Animal Related	34%	31%	44%	38%	31%
Community Resources (zoos, libraries, parks)	25%	28%	40%	36%	27%
Broad-based funds (United Ways)	28%	28%	30%	31%	20%
Arts/Cultural	21%	13%	24%	18%	16%
Environmental	24%	16%	19%	19%	14%
Political Candidates*	15%	21%	20%	15%	17%
Civil Rights/Advocacy Group*	11%	16%	8%	9%	7%
Other	6%	9%	11%	12%	9%

*\*Although the goal of our research was to learn about charitable giving specifically, we did ask about political giving in order to identify those donors who may be reporting on this survey about their political contributions, and because we wanted to learn about the range of causes people support with their voluntary contributions.*

In 2008, we also asked respondents to identify the types of causes or organizations that received their donations. We found some significant shifts of support in the last three years. In 2011, more people reported giving to schools or universities and health or medical organizations. Fewer people reported donating to social causes to help people who need help with basic necessities of life, broad-based funds which contribute to many charities like United Way, and environmental causes.

	2008	2011
Religious Cause	49%	53%
Education	42%	51%
Health/Medical	42%	46%
Basic Necessities	64%	57%
Youth	42%	43%
Arts/Cultural	22%	21%
Environmental	26%	19%
Animal Related	35%	40%
Disaster/Emergency Relief	36%	50%
Community Resources (zoos, libraries, parks)	34%	35%
Broad-based funds (United Ways)	41%	29%
Political Candidates	n/a	19%
Civil Rights/Advocacy Group	n/a	9%
Other		10%

# ACTING ON THE DECISION TO GIVE COLORADANS' GIVING PATTERNS

## *Support of Multiple Organizations*

A total of 48 percent of donors only donated to between one and four organizations in the past year, while **52 percent said they donated to five or more nonprofits**. One in five donors (20 percent) gave to ten or more organizations in the past year. Respondents from Denver tended to be more likely to donate to large numbers of organizations compared to respondents from the other four regions of the state. Older respondents tended to donate to more organizations than younger respondents, and non-Colorado natives, college graduates and individuals with higher household incomes tended to donate to more organizations than their counterparts.

Research from the *The Cygnus Donor Study: Where Philanthropy is Headed in 2010* has found that, while all donors tend to support an increasing number of organizations as they age, today's youngest adults are not increasing their giving at a pace that they will ever reach their grandparents' support of many more organizations. However, this does not necessarily mean that we face a fundraising crisis in the coming years. Our research suggests that younger donors, although they support fewer organizations, make larger single contributions; we found no surprising differences among age groups in the total amount they give each year.

## *Methods of Giving*

Our research not only looked at ways in which nonprofits connect with donors and how they prompt donation (discussed beginning on page 20), but also at ways that donors actually make their contributions.

### **SPECIAL EVENTS**

When asked about the way they made donations in the last 12 months, 37 percent of survey respondents said they purchased tickets to a fundraising event or dinner and 35 percent said they sponsored someone for a public event or sporting competition. These percentages track closely with our 2008 survey, when 40 percent said they purchased tickets and 30 percent said they sponsored someone else.

Participants in all of the focus groups described their own participation in fundraising events, especially those events that combined an interest of the donor with the cause of the organization sponsoring the event. For example, many mentioned participating in running or walking events that raised money for community organizations. One Colorado Springs attendee said, "I've done the [Susan G.] Komen. My grandmother and mom had breast cancer." A Colorado Springs attendee gave an example with a world-wide connection, "I've done the run for Rwanda that's put on by a church, Anglican churches of America headquartered in Rwanda. People run at the same time in Rwanda."

### **OTHER METHODS OF DONATING**

A small portion (16 percent) gave through a payroll deduction at their workplace. For men, donating through payroll deductions was particularly important, with 23 percent making a contribution through

payroll deduction in the last twelve months, compared to only 9 percent of women.

We also asked Colorado donors about using technology to make a gift. Overall, roughly one-third of respondents had made a donation to a charity through a website. Those with incomes over \$100,000 (51 percent), Denver Metro residents (44 percent), those between the ages of 18 and 44 (43 percent), Democrats (43 percent) and college graduates (42 percent) were more likely than others to donate through a website.

Only 8 percent of all survey respondents made a donation via a cell phone text message, with Democrats (16 percent), college graduates (13 percent), those with incomes over \$100,000 (11 percent), those between the ages of 18-44 (11 percent) and residents of the Denver metro area (11 percent) all more likely than others to have donated this way.

# ACTING ON THE DECISION TO GIVE

## COLORADANS' GIVING PATTERNS

### *Convenience is Important*

Throughout our research, we found again and again that the most convenient methods of giving seem to be the most popular among donors. Focus group participants repeatedly emphasized that they live busy lives and they are already stretched thin in both time and resources, so giving happens when it fits easily into their lifestyle. Survey responses supported this view.

When survey respondents were asked what prompted them to make their most recent donation, the most common answer (16 percent) was that “a recurring donation was set up,” which removes the barrier of remembering to give or finding time to complete the transaction.

***Fifty-eight percent of respondents reported making a donation over the past year by purchasing products or services from a business that donated part of the proceeds to charity.*** As Anne in the Denver Metro focus group said, “I think it’s about convenience. There are so many ‘asks,’ so it’s like, whatever is convenient. Do you want us to round up on your bill to donate? That’s easy.” Similarly, Deborah in the Ft. Collins group said, “I have seen something like that where you go to the website and you can purchase and the company will give a percentage back. Whatever you buy online, you can accumulate your money, and give it back....Online I can spend 2 seconds still get what I want and give back.”

For some survey and focus group participants, ***convenience was about location.*** This was especially true for those donors who had in-kind items to give, such as used furniture and clothing. Survey respondents who donate to Goodwill said that they did so because, “it was easy to drop off my donation,” because “they had a truck that picked things up,” and most succinctly, because “it was convenient.”

In fact, more than half of Goodwill donors in the survey specifically mentioned convenience when asked why they chose to donate to that particular organization. Focus group participants echoed the need for giving to be convenient. As one Denver Metro focus group attendee put it, “What’s easy for us to do is just donate clothing. We donate to the vets because they come to your doorstep. Kid Foundation does something similar—come through the neighborhood and pick up things.”

For some focus group participants, the mechanisms offered to them for giving were inconvenient: “I tried to donate, but they didn’t take [credit] cards, only cash and check. Do people ever carry cash and checks?” Regardless of whether the donation was money or goods, survey and focus group participants ultimately settled on a simple definition for convenience: easy transactions. The research indicates that, although Coloradans almost universally agree that charitable giving is important, the process of turning those beliefs into action requires removing as many barriers as possible between the givers and the act of giving.

# ACTING ON THE DECISION TO GIVE COLORADANS' GIVING PATTERNS

## YOUNGER DONORS ESPECIALLY VALUE CONVENIENCE

It is not surprising that *younger donors are far more likely to make financial donations through websites* as compared to older donors (43 percent of donors between age 18 and 44 compared to 15 percent of donors age 65 and over). Younger donors are also far less likely to respond to appeals that come in the mail (28 percent of younger donors compared to 62 percent of older donors). But younger donors are also more likely to purchase goods from businesses that donate a portion of their proceeds to charitable causes; 65 percent of donors between the ages of 18 to 44 had donated this way over the past year, compared to only 35 percent of donors age 65 or older. This suggests that younger donors approach the transaction of giving differently than older generations, seeing giving as something that fits into their lives – the purchases they are already making – but that still has value.

According to the *The Cygnus Donor Study: Where Philanthropy is Headed in 2010*, more than 90 percent of donors under age 35 plan to make future charitable donations online and more than half (51 percent) of all donors planned to make an online gift sometime in the next year.

**YOUNGER DONORS APPROACH THE TRANSACTION OF GIVING DIFFERENTLY THAN OLDER GENERATIONS, SEEING GIVING AS SOMETHING THAT FITS INTO THEIR LIVES – THE PURCHASES THEY ARE ALREADY MAKING – BUT THAT STILL HAS VALUE.**

# MESSAGING TO PROMPT DONATIONS

One primary goal of our research was to determine whether certain messages and messengers would motivate people to donate. In the survey and especially in the focus groups, we tested specific themes or messages that could be used as a part of a broad-based mass communications campaign to raise awareness of the nonprofit sector, with the objective of motivating more giving.

We found that, while some messages may help persuade people to donate, broad-based messaging alone is not very likely to effectively prompt donations. In particular, the focus group discussions revealed that most Coloradans do not have a clear concept of a “nonprofit sector” and therefore, broad-based messages about the importance of the sector and giving were not very persuasive.

Despite the obstacles to developing broad-based, sector-wide messaging to increase giving, our research on messaging can provide valuable data for nonprofits to use when developing their own communications.

## Survey Findings in Response to Specific Messages

Overall, survey respondents had a mixed reaction to whether various themes and messages would affect their decision to donate. Very few respondents said that any of the messages would make them “much more likely” to donate.

*“You hear that someone in your community had a good experience with the organization”* resonated the most with respondents (71 percent said they would be more likely to donate) perhaps because it ties to the personal connection that donors want to have with a nonprofit, and implies the effectiveness of the nonprofit’s services or program.

About 64 percent said that they would be more likely to donate upon hearing *“that an organization is stepping up to replace cuts in government-provided services.”* Those who resided in Northern Colorado (70 percent), women (70 percent), and Democrats (71 percent) were more likely than others to state this opinion. This positive response from survey respondents is at odds with the focus group participants’ negative reactions to the same concept – which suggests primarily that this message should be used with caution. Although only 15 percent of survey respondents said they would be less likely to give in response to this message, the reaction was most negative in western Colorado (22 percent said they would be less likely to give).

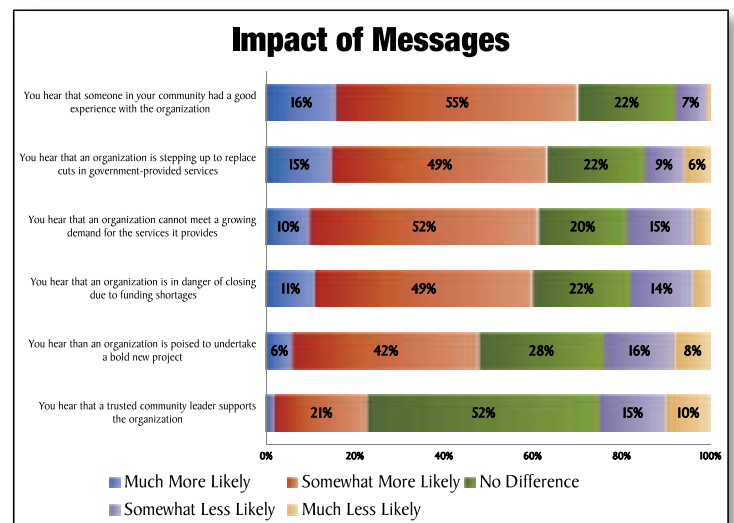
*“You hear that an organization cannot meet a growing demand for the services it provides”* appealed to 62 percent of total respondents, with 10 percent saying they would be much more likely to donate. This statement was most successful with northern Coloradans, people aged 45-64, those with incomes between \$50,000

and \$100,000, Democrats, and women (67 percent each). On the other hand, 24 percent of minority respondents and 25 percent of Republicans said they would be less likely to give.

The idea that *“an organization is in danger of closing due to funding shortages”* generated similar reactions overall, with a total of 60 percent saying they would be more likely to give, and 11 percent much more likely. Minority respondents, far more often than any other demographic group we measured, said they would be more likely to give in response to this statement (76 percent). Respondents aged 65 and up had the most negative reactions; only 49 percent said they would be more likely to give, and 29 percent said they would be less likely, compared with 18 percent overall.

Less than half (48 percent) said that a message about an organization undertaking a *“bold new project”* would make them more likely to donate, with higher-income respondents expressing more support (55 percent of those with incomes between \$50,000 and \$100,000 said they would be more likely to donate, and 54 percent of those with incomes over \$100,000). Although there was only a small difference between men (51 percent) compared with women (46 percent), this message was the only one that men responded to more positively than women.

The idea of hearing *“that a trusted community leader supports the organization”* was surprisingly unsuccessful. More than half of survey respondents (52 percent) said that it would make no difference in their decision to give, and this was the only message we tested that generated more negative responses (25 percent said they would be less likely to give) than positive (23 percent more likely). Of the demographic groups we measured, those who most frequently said this statement would make no difference include minority respondents (67 percent), men (60 percent), people between the ages of 18 and 44 (57 percent), and residents of the southern Colorado region (59 percent).





# MESSAGING TO PROMPT DONATIONS

## Focus Group Response to Specific Messages

In each of the community focus groups we tested 17 different messages designed to motivate people to support nonprofits, many drawn from SE2's earlier research into other communications campaigns around the country. In contrast with the survey and the six messages tested there, the focus groups allowed participants to discuss what they liked – and didn't like – about the messages.

When focus group participants were asked to identify the statements they found particularly convincing, one message emerged as the favorite, selected by about one-fifth of all participants: *“Even if my contribution is small, by giving to local nonprofits, I can have a large impact.”* When they explained why they preferred this message, they talked about their desire to do good, balanced against their own financial means, saying, “I liked [it] because whatever I can give helps,” “You don't have to be rich to help,” and “I think it appeals to people across financial lines.”

A similar message took a rather distant second as participants' favorite: *“Nonprofits can only do their work if we all do our part to support them. My donation is one small part of making our nonprofit system strong.”* Like the first message, this reflects donors' desires to make an impact with their donations, regardless of the amount they are able to give.

In contrast, participants' *two least favorite messages* were ones they described as guilt-based:

- *“Colorado has one of the highest average incomes in the country, but one of the lowest rates of giving to nonprofits and charities. When it comes to charitable giving, Colorado could do better.”* Several said this message “feels like a guilt trip” (and one called it “a serious guilt trip”). A few participants did select this message as a favorite; one of them described it as “shocking” and another said he thought that “it might work on rich people.”
- *“Good intentions aren't enough for Colorado's nonprofits. We have to put our money where our mouth is and donate to Colorado nonprofits.”* One participant found this message “rude” and another found it “confusing.” Tracy from Pueblo said, “I don't like being told what to do.” Clarke from Colorado Springs summed up his reaction this way: “I love Colorado and I feel like I'm letting Colorado down and like Colorado hates me right now.”

In general, participants responded positively – with some detractors – to messages relating to personal beliefs, experiences, and identity, and which appealed to a sense of community.

- *“Donating to charity is an important part of my value system. I support Colorado nonprofits because it is what I believe.”*
- *“Charities and nonprofits are an important part of my community. To support my community, I support our nonprofits.”*
- *“I know people personally who have been helped by Colorado charities. And I have my own causes that I support. By donating to Colorado charities, we keep the nonprofit sector strong and ensure that wherever our needs and interests lie, a nonprofit will be there.”*
- *“Giving to nonprofits is a part of who I am. I support the causes that I believe in – I want to give how I live.”*

Although messages perceived as guilt-based draw the most criticism, participants identified other messages they found unconvincing:

- *“My friends and family all give to nonprofits, and it's important to me to give too.”* Ruth from Fort Collins explained, “I am a leader, not a follower.”
- *“A robust nonprofit sector fills in the gaps where government programs fall short. Supporting Colorado nonprofits ensures that our state's needs are met.”* A few Front Range participants selected this message as one of their favorites, saying, “I agree with it...Nonprofits do better than the local government.” However, many more people objected to this message, particularly in more conservative and less urban areas of the state. Melissa from Pueblo captured the sentiment concisely: “Leave the government out of it.”

The predominant theme of this message testing was that *people were drawn to ideas that relate to the positive aspects of giving* – strengthening their communities and making a difference – while alleviating a sense of guilt about not giving more.

In both the survey and the focus groups, some messages involving personal connections were more successful than others. In general, many people rejected the idea of giving simply because someone tells them to; the more popular messages were ones that involve learning about another person's experience. Finally, it's not surprising that people in focus groups throughout Colorado tended to favor messages with a distinctly independent tone, which encourage people to give because it is “what I believe” and “a part of who I am.”

# KEY FINDINGS AND IMPLICATIONS

Much of our research is consistent with the findings of previous research, and confirms the importance of many long-standing best practices in fundraising – although we did find a few surprising results. This research also provides an up-to-date, in-depth look at Coloradans and charitable giving, and features several new themes in donor research.

Coloradans believe in the work that nonprofits do, and they believe that it's important for everyone to give in support of that work. But to turn those general beliefs into a decision to give, there are several important factors – and opportunities for nonprofits to prompt the act of giving.

**Personal connections are critical.** People most often give because they, a friend, or a family member has a connection to a nonprofit as a member of the board or staff, as a donor or volunteer, or as a beneficiary of the nonprofit's services or programs.

What you can do:

- Every person touched by a nonprofit is a **potential ambassador**. Whether they're a supporter or took part in your programs or services, they believe in your work. Encourage them to share their story with others, and to allow you to share their story.
- **Word of mouth recommendations** may be informal, but you can make sure your supporters have something to say when they're talking about the organization. Ensure that you're sharing key messages – the mission, important facts, and success stories – with everyone in the nonprofit's network.
- Build a **broad-based, diverse network** in your community by seeking connections with schools, businesses, civic clubs, community leaders and government officials. The wider your network, the more you will connect with potential donors and generate community awareness.

**Fast, simple, convenient giving** appeals to many donors; younger donors are especially drawn to ultra-convenient giving methods. The most successful strategies for convenient giving require innovation, creativity, and a plan for building a personal relationship with the donor.

What you can do:

- Consider what your supporters are doing when they're not making donations. Look for **ways to accept donations that fit into their lifestyles and schedules**, such as through partnerships with local schools, businesses or churches.
- When donating to your organization, **what steps must a donor take?** Can you eliminate any of those steps? Offer to set up recurring gifts, or to pick up in-kind donations from a location that's convenient for donors.
- **Use technology** – particularly if your goal is to reach supporters who are high-income, who live in more urban areas, or who are younger. Most importantly, ensure that they can visit your website and make a gift online. Consider fundraising campaigns that encourage people to give through social media sites or via text message, but keep in mind that, in general, these tools are not yet as effective as other fundraising strategies.

Small- and mid-sized organizations face additional fundraising challenges. **For nonprofits without widespread name recognition**, it may be especially hard to reach new donors, to teach people about your work, and to build a sense of trust.

What you can do:

- **Build trust.** Your supporters can do this for you, in large part, when they tell their friends and family about your work.
- Because some donors prefer to research a nonprofit before giving, **ensure that your operations are transparent and accountable.** Distill financial information about the cost and expenses of your programs and fundraising efforts and make this readily accessible to potential donors.
- Reach out to find new donors who share your belief in your mission – but do it strategically. Whether you reach out through media coverage or advertising, public events or mailings, **identify who your most likely donors are** and how you can specifically target them.

Because giving is personal and emotional, so is the conversation between a donor and a nonprofit. People support various causes for many different reasons, based on many different values and beliefs. By **identifying who supports your organization and why**, you can more effectively connect with donors and potential donors. Your conversation would be completely different, for example, with a donor who received help in the past and now wants to give back, compared with one who wants to donate in large part because of tax benefits.

- **Find ways to learn more about your donors** – and why they are your donors. Ask why they care about the cause, or why they chose to support your organization in particular. Identify themes in their responses and tailor messages for different groups, so your donors can hear from you about the things that are most important to them.
- When communicating with donors and potential donors, **avoid messages that may be perceived as demanding**, or that may make them feel guilty.
- **Let donors and prospective donors know that every gift counts!** People want to give, and they want to feel good about giving. Help them understand how even a small gift makes a difference.

# REFERENCES

The meta-analysis of existing research reviewed 13 studies focusing on charitable giving. The research publications cited in this report are listed below.

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## ACKNOWLEDGEMENTS

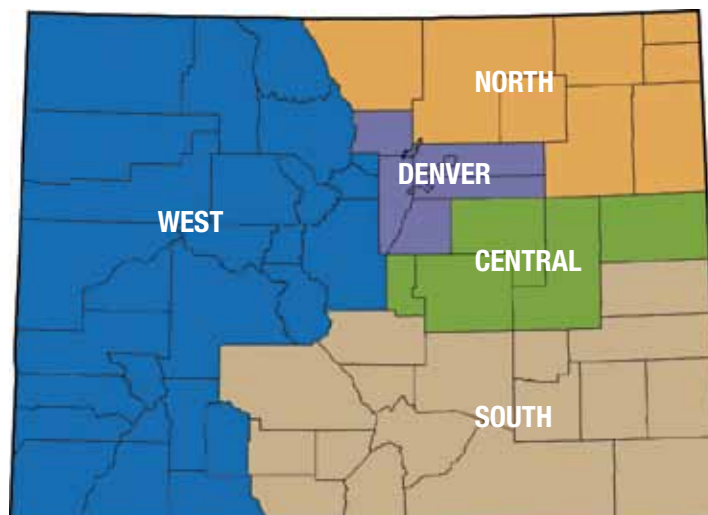


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## MAP OF REGIONS USED FOR PHONE SURVEY















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The Gill Foundation has invested more than \$197 million to support programs and nonprofits striving to secure equal opportunity for all Americans, regardless of sexual orientation or gender expression. Through financial support of lesbian, gay, bisexual, transgender (LGBT), and allied organizations at the local, state, and national levels, the foundation builds greater public awareness and advances equality throughout the country.