



More to Give

Donor sentiment toward 2020 year-end fundraising



Executive Summary

What happens next?

Throughout 2020, we've all asked this question over and over.

We've certainly pondered this thought about our personal lives, our careers, our organizations and our industry as a whole, all of which were thrown into disarray in early March by the COVID-19 pandemic. Now – as we journey into the critical year-end fundraising season in the midst of a global pandemic – what happens next? How do you predict what's to come when there is no precedent?

The Nonprofit Alliance and RKD Group have teamed up to provide the nonprofit industry with much-needed insights about the charitable giving landscape this December. Rather than gaze into a crystal ball for answers, we decided to go right to the source. We asked donors.

Together, we commissioned donor sentiment research in late August to obtain a better understanding of what year-end giving will look like and who will likely be donating this holiday season.

So, what happens next?

As it turns out, the answer is complicated.

In the last decade, we've witnessed the donor pyramid steadily narrow. The total donor base has been shrinking, and donors have reduced the number of charities they support. However, those who are still donating are giving even more.

Based on the responses in the survey, it's clear that the COVID-19 pandemic has increased this gulf, with 39% of respondents accounting for 97% of all individual donations. The results show that larger donors truly have *more to give*.

Throughout 2020, we've also seen a surge in online donations as younger generations have stepped up to help their communities. And they're not done yet – Millennials and the younger members of Generation X say they still have *more to give*.

Finally, we wanted to know whether donors felt “tapped out” from COVID giving in the spring and summer and whether they still planned to donate in December. Those who have already increased their giving this year feel they still have *more to give*.

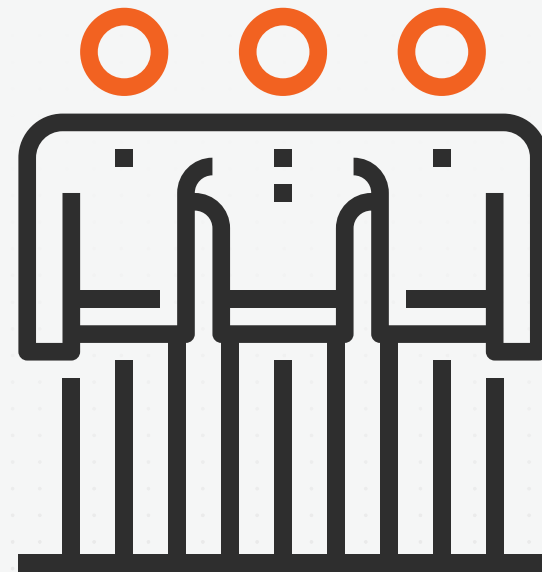
One final thought.

The reasons behind these trends are varied and complex, and the personal impact of COVID on donors plays a key role. We hope you find the detailed results in this report beneficial as you make your year-end plans and projections.

However, we did want to end with one more observation that stuck with us: The majority of donors surveyed expect that the COVID-19 pandemic will be better by the end of 2020. And these optimistic donors make up the majority of those who plan to give more in December.

This outlook reinforces the notion that people who donate to charities have an innate need to do good. They want to help make the world better.

We should all share in that spirit of positivity, so let's hope they have *more to give*.



Key Findings

- **Donor behavior and future giving**
- **The driving forces behind donor behavior**
- **Understanding donor demographics**

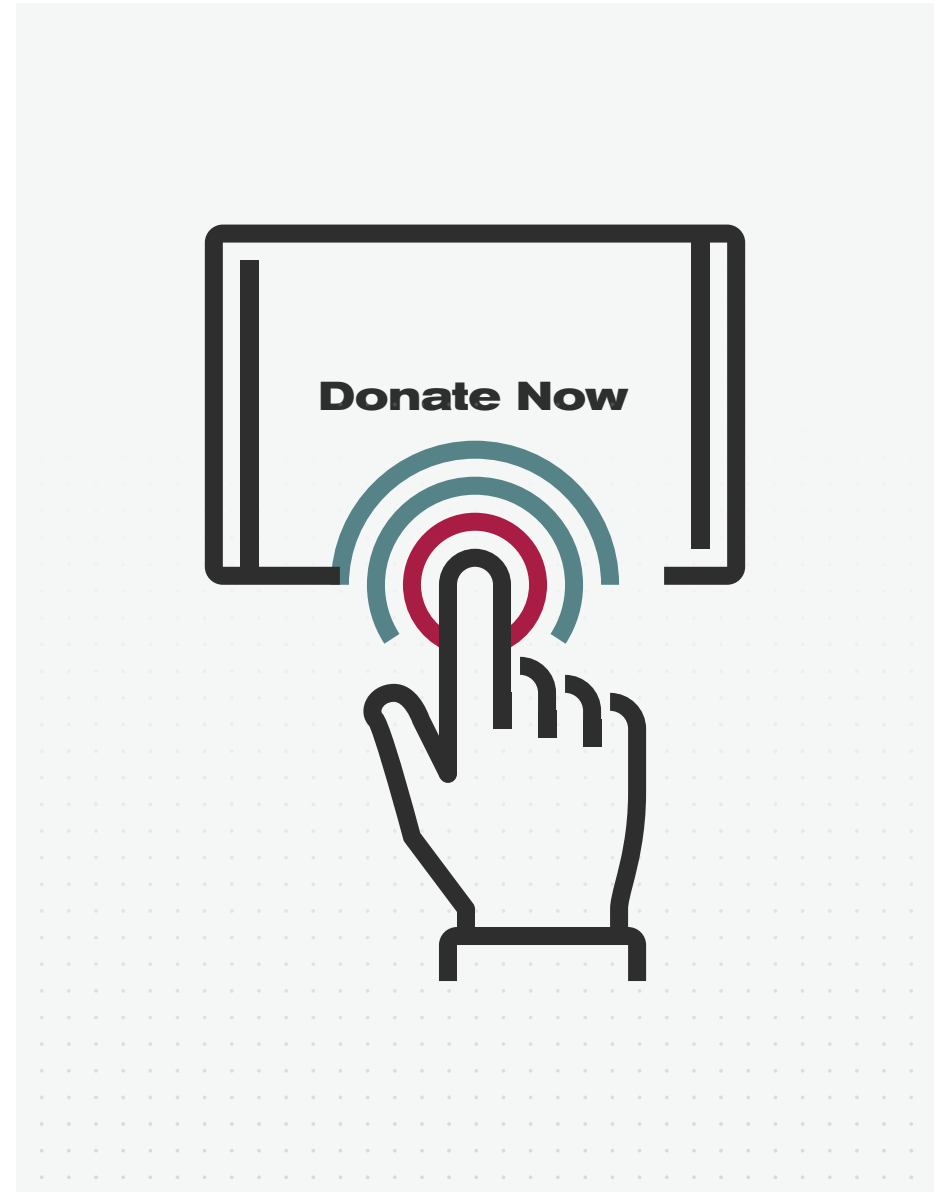
1. Donor behavior and future giving

In the wake of all the challenges the pandemic has brought, nonprofit organizations on the front lines of the response have seen a remarkable wave of generosity from donors. Despite the growth in revenue, the need for their services has also reached record levels in many cases.

Other groups have experienced financial struggles due to the cancellation of in-person events and the challenge of their message breaking through the constant churn of extraordinary news. Some organizations sit in dire financial situations, having cut both staff and services to survive.

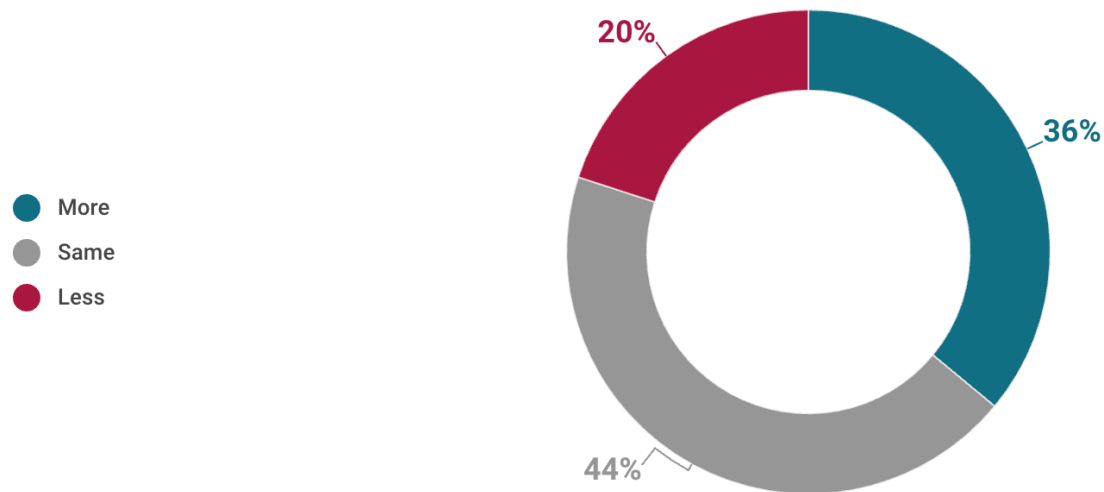
Thus, no matter the situation, this year-end fundraising season is critical. And one of the big concerns that nonprofits have right now is donor fatigue – the idea that people are emotionally spent, exhausted by the pandemic and uninterested in donating again.

In this area, the data suggests quite the opposite.



80% of donors say they plan to give the same as or more than last December. Only 20% will reportedly reduce their giving.

Compared to 2019, how much do you expect to give this December?

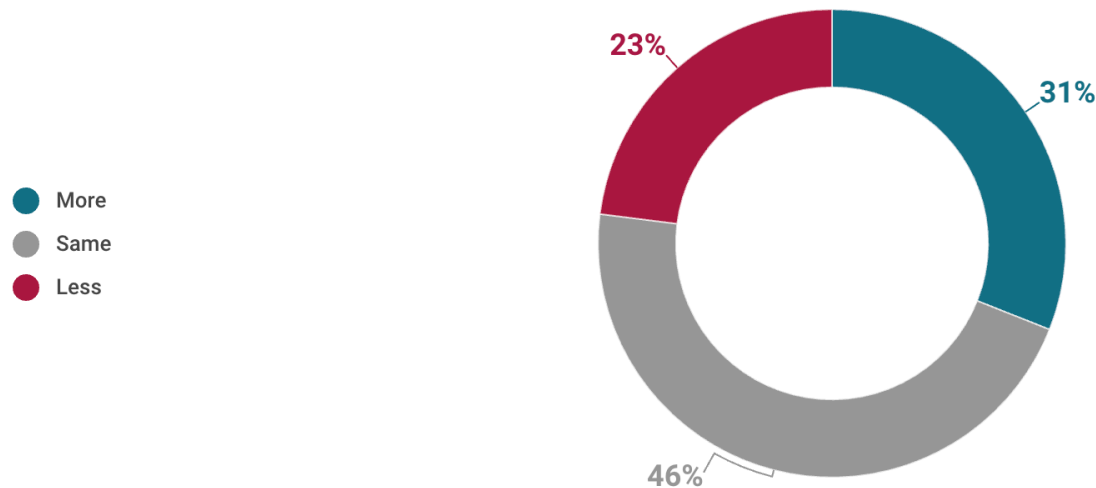


Determining which donors fall into which categories of this response is key to understanding what to expect ahead. The past behavior of donors is often the best predictor of future behavior, so let's look at what donors have already given in 2020.

When asked how COVID has impacted their giving this year, 31% of donors said they have given more in 2020 than in 2019, while 46% have given the same and 23% have given less.

77% of donors have given the same as or more than 2019.

Compared to 2019, how much have you given already in 2020?



Cross-referencing these answers with whether donors plan to give more this December shows clear lines of demarcation.

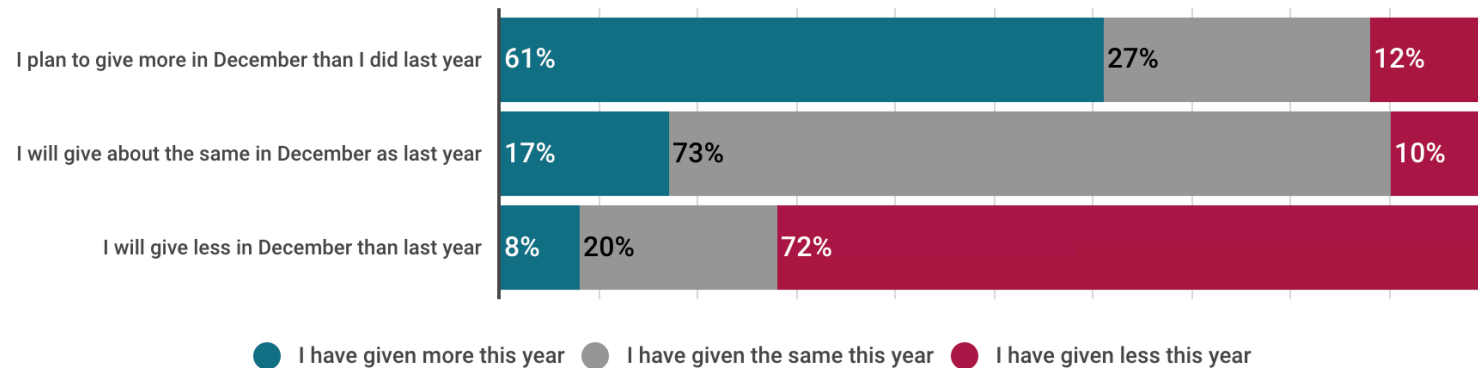
61% of donors who say they will give more in December are the donors who have already given more in 2020. On the opposite end of the spectrum, 72% of donors who say they will give less in December have already given less in 2020.

Using segmentation, nonprofits can create strategies to address these groups in different ways with messaging, ask arrays, offers and more.

61% of donors who plan to give more in December have already given more in 2020.

On the opposite end of the spectrum, 72% of donors who say they will give less in December have already given less in 2020. Using segmentation, nonprofits can create strategies to address these groups in different ways with messaging, ask arrays, offers and more.

Correlation between December giving expectations and 2020 giving record



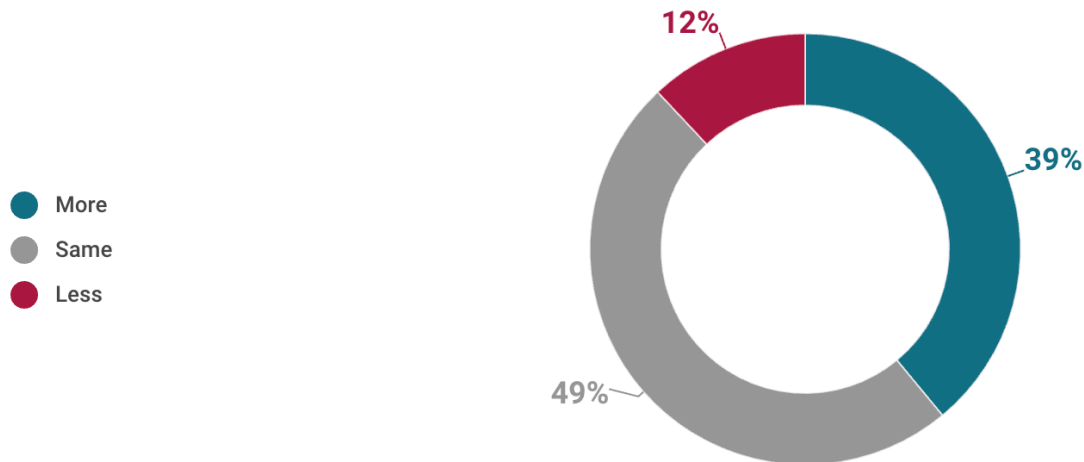
According to McKinsey Digital, the pandemic has advanced digital transformation forward by five years thanks to the sudden shift online. Across industries, organizations that were digitally ready have reaped the rewards – from streaming, stay-at-home services like Netflix and Peloton to grocery stores and restaurants that featured online ordering.

Nonprofits who have leaned into their digital channels have seen the growth of online gifts since March.

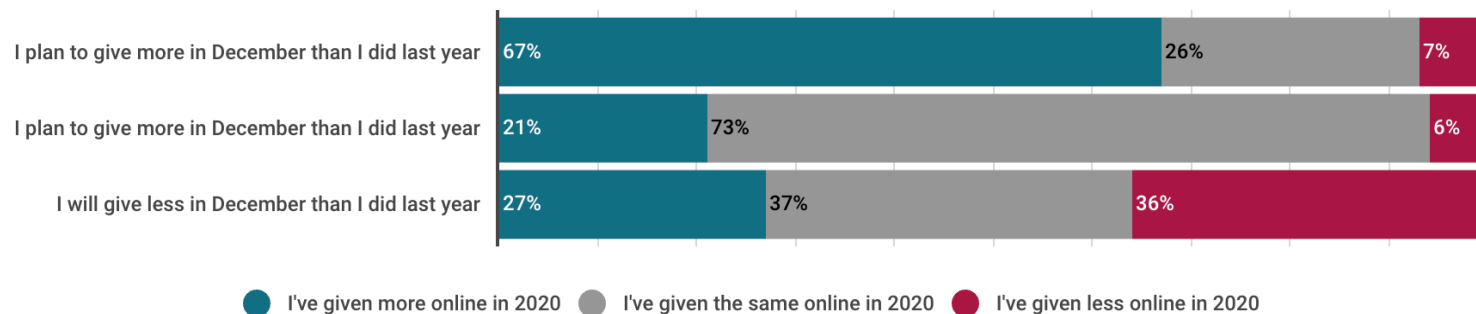
39% of donors have increased online donations in 2020.

Only 12% say they have given less online. And 67% of the donors who plan to give more in December have given more online in 2020.

Compared to 2019, how much have you given online in 2020?

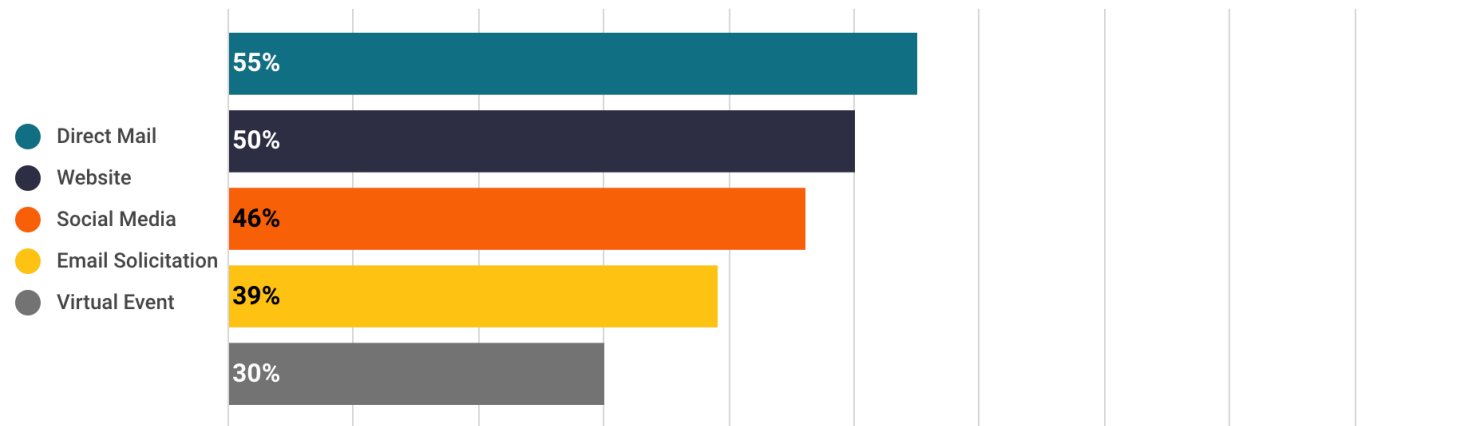


Correlation between December giving expectations and 2020 online giving



However, reaching donors will continue to require a multichannel approach. Donors reported giving through a variety of channels in 2020.

In which of the following channels have you responded to appeals in 2020?



2. The driving forces behind donor behavior

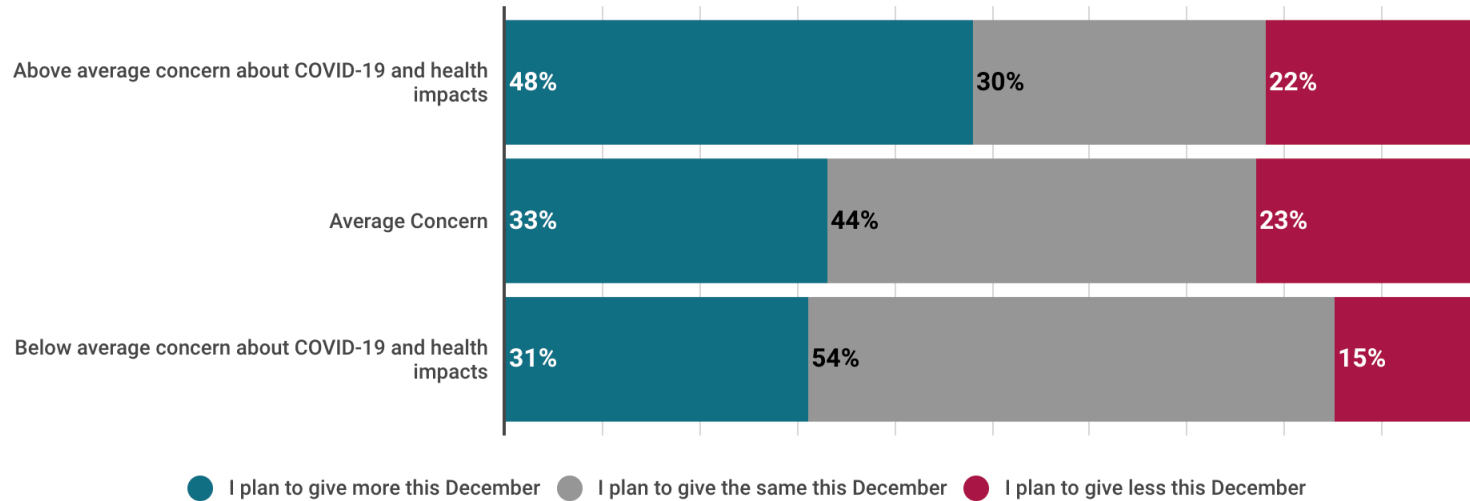
Now that we've broken down some donor behavior to see what nonprofits can expect this December, let's dig into how the pandemic is driving this behavior.

Overall, concern about the health impact of COVID made a bigger difference in giving than concern about the economic aspect did. In fact, the more concerned donors were about the health impact of COVID, the more likely they were to give more to make a difference.

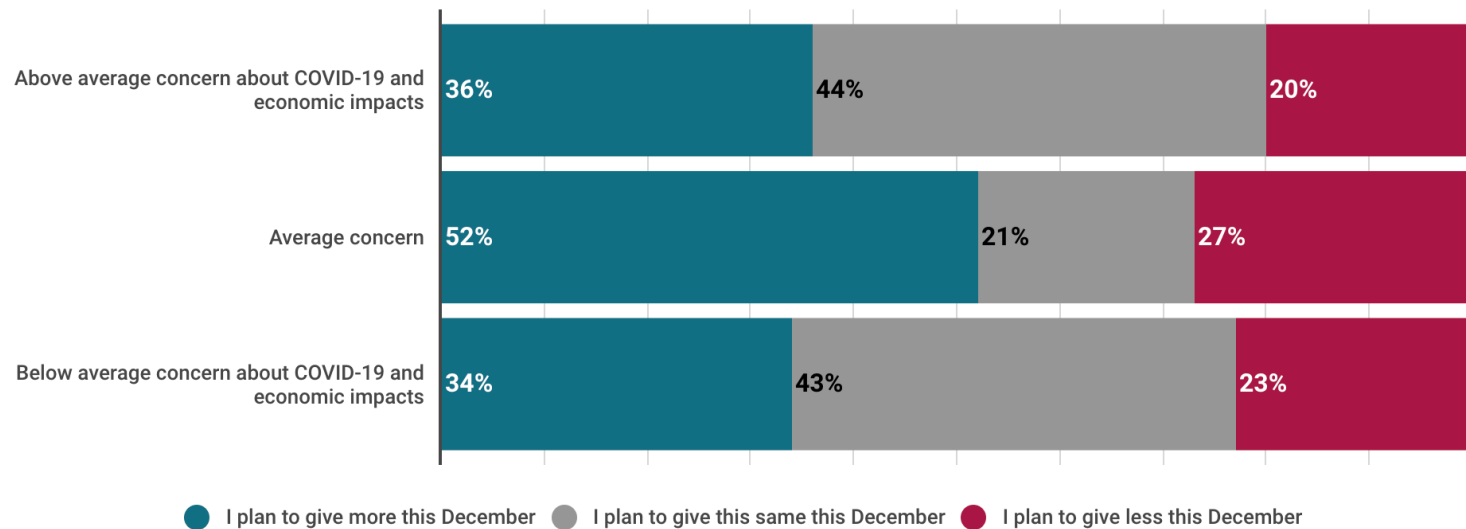
48% of donors with “above average” concern for the health impact of COVID-19 plan to give more in December, while 31% of donors with “below average” concern said they would give more.



Donor concern about the health impact of COVID aligns with likelihood to give more.



Yet donor concern about the overall economic impact of COVID-19 did not have a measurable correlation with giving.

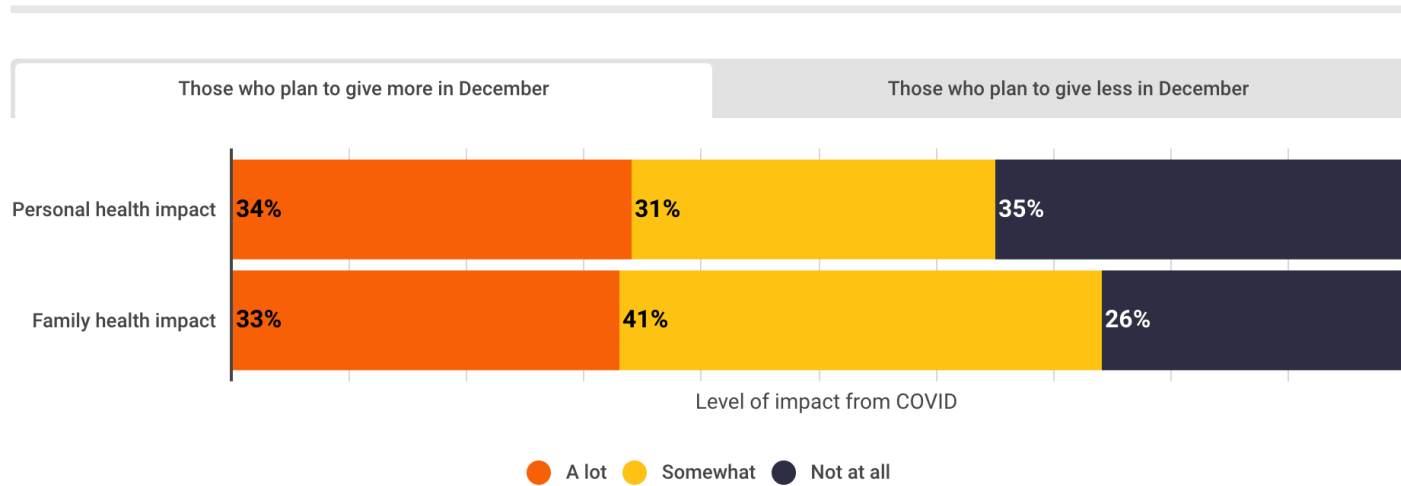


However, in order to truly understand the drivers of behavior, it comes down to the personal impact of COVID. The data shows a clear effect on donor sentiment for those who have felt the effects directly in some way:

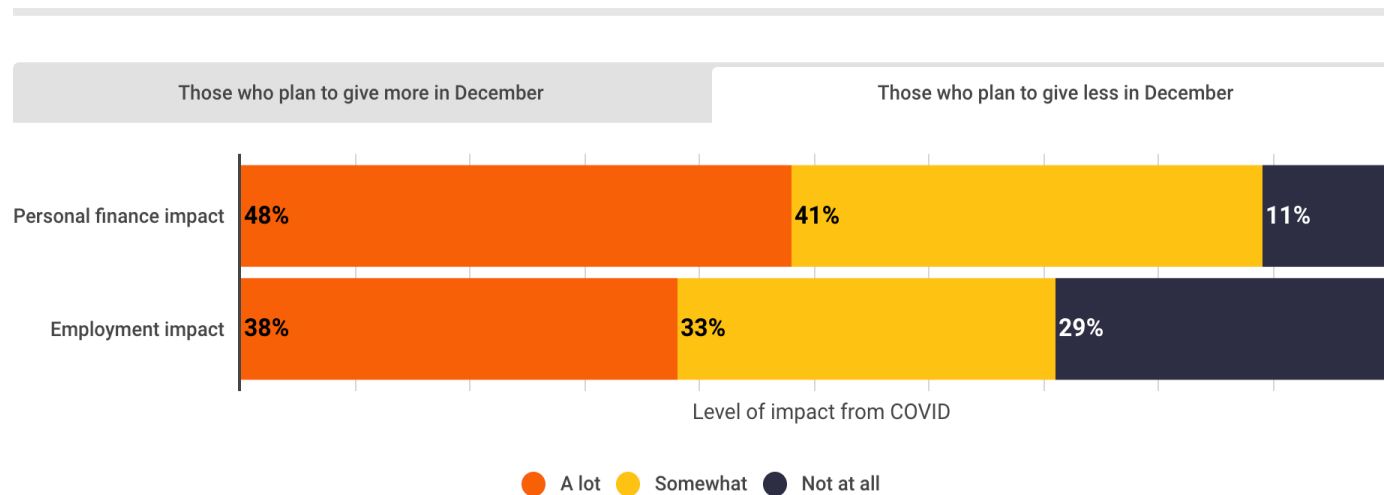
- **65%** of donors who plan to give more in December had their personal health impacted “somewhat” or “a lot” by COVID
- **74%** of donors who plan to give more in December had their family’s or a friend’s health impacted “somewhat” or “a lot” by COVID
- **88%** of donors who plan to give less in December had their personal financial situation impacted “somewhat” or “a lot” by COVID
- **71%** of donors who plan to give less in December had their employment status impacted “somewhat” or “a lot” by COVID

The personal impact of COVID makes a big difference.

To what degree is COVID-19 impacting you today?



To what degree is COVID-19 impacting you today?



The conclusion is not surprising, but it is noteworthy: Donors who saw their finances or employment affected during COVID plan to give less this year. Those who have felt the health impact of COVID on a personal level want to step up to donate more.

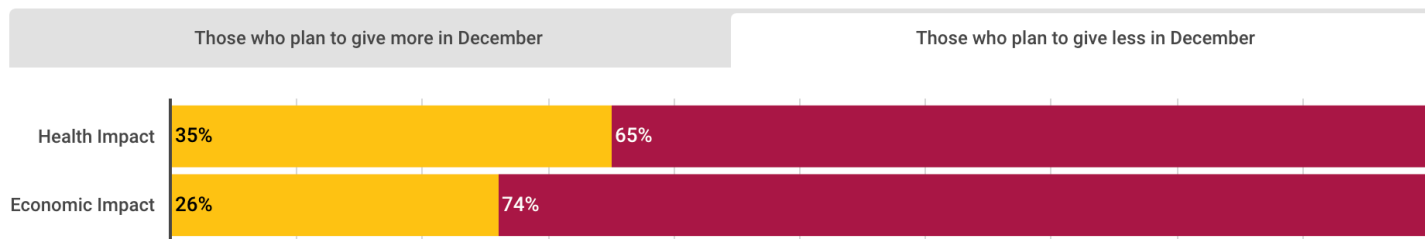
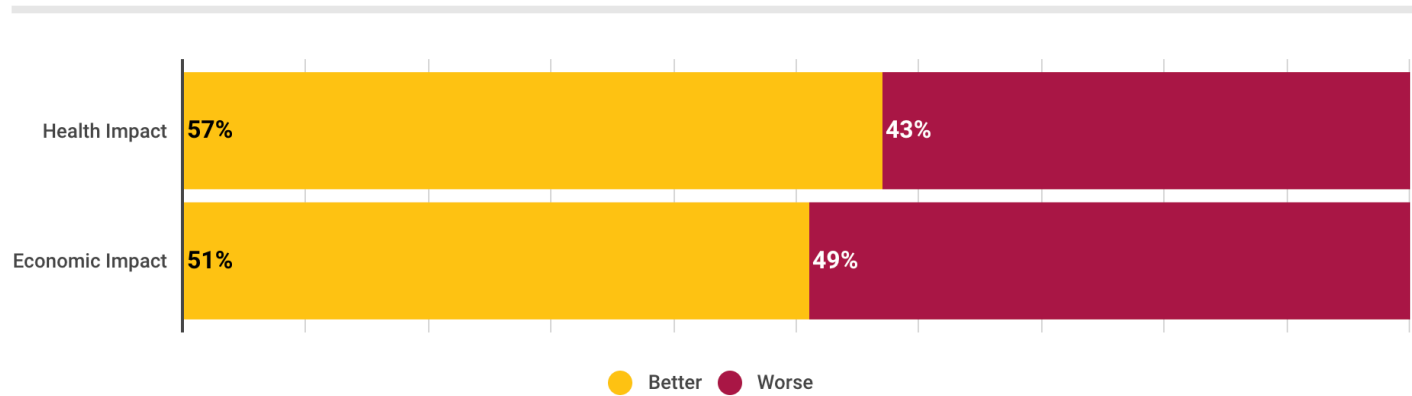
Finally, as mentioned in the opening, donors leaned toward optimism when looking ahead to close out 2020.

57% of donors expect the health impact of COVID to improve in the next four months, and 51% expect the economic impact to improve as well. They make up 75% and 68% of donors who plan to give more in December, respectively.

Those who expect COVID to get worse – 43% on health and 49% on the economy – are also less likely to give. They make up 65% and 74% of donors who plan to give less in December, respectively.

COVID optimists plan to give more.

Will COVID impacts be better or worse in the next 4 months?



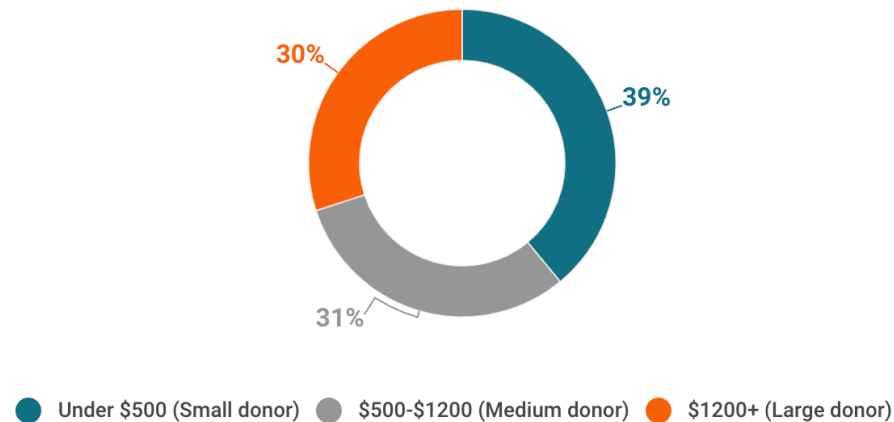
While optimism from donors is great to see, it could prove to be negative factor by December. If the spread of the COVID-19 pandemic intensifies throughout the fall, this positive outlook could shift and affect charitable giving. It's also important to note that the pandemic's impact on donors could change based on personal factors mentioned above (employment, family health, etc.)

3. Understanding donor demographics

The identification of key donor behaviors and the reasons behind them will go a long way toward building an effective year-end strategy. Understanding donor demographics also plays an important role.

The donors surveyed were divided into three groups based on their level of giving in 2019.

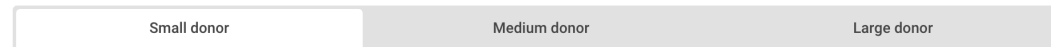
How much did you give to charity in 2019?



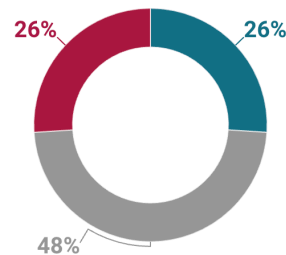
When the giving levels for 2019 are compared to what these donors intend for year-end donations, we see that prior behavior makes a difference.

The larger the donor, the more likely to give more.

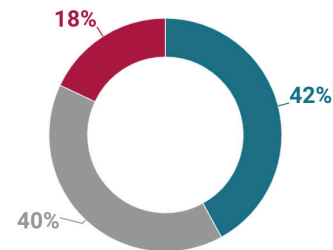
December giving expectations by donor group



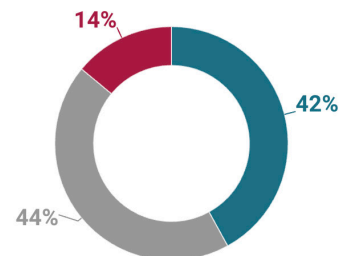
- More
- Same
- Less



- More
- Same
- Less

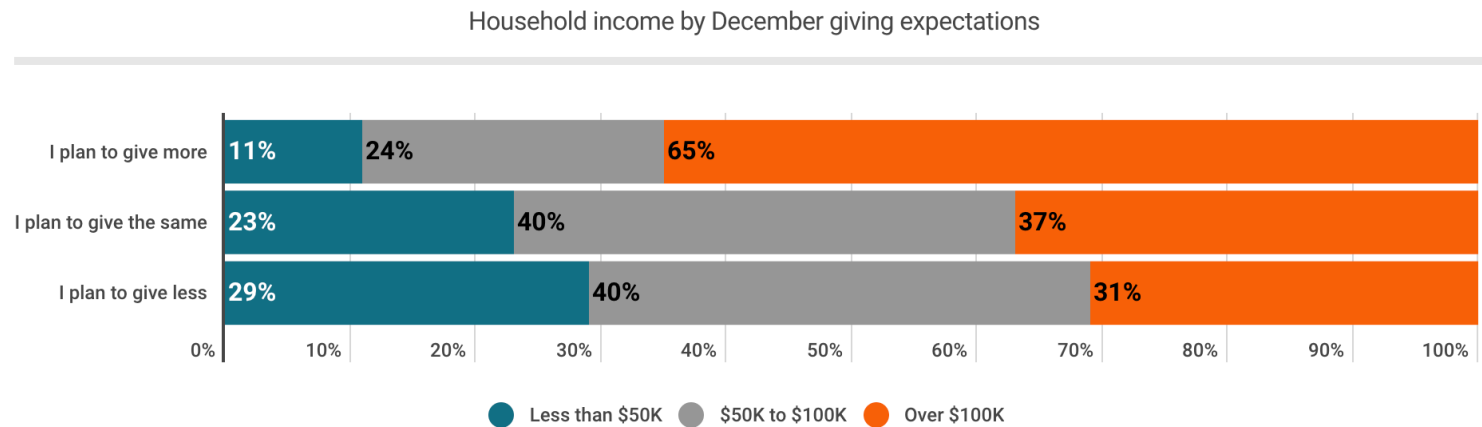


- More
- Same
- Less



Looking at reported household income levels, the breakdown is similar. 65% of donors who make over \$100,000 said they expect to give more in December, compared to 25% of donors with incomes from \$50,000 to \$100,000 and 11% of donors who make less than \$50,000.

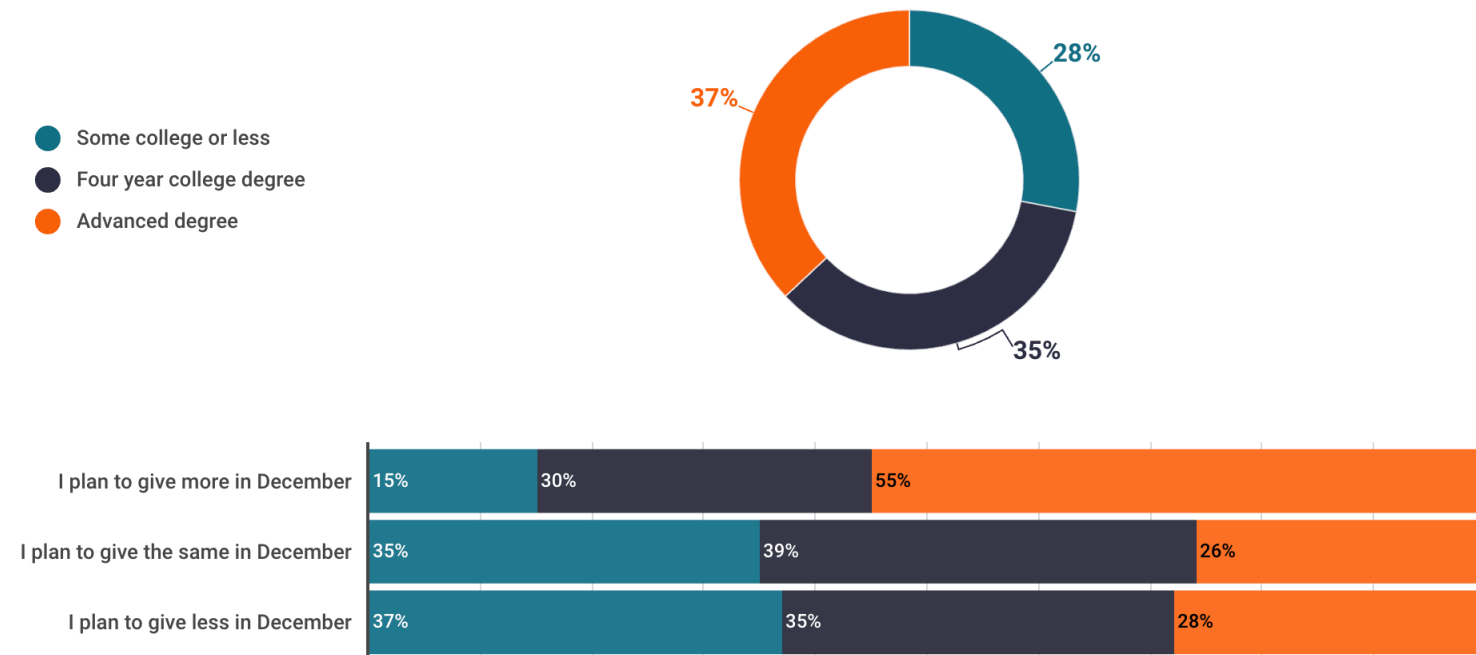
The higher the income, the more likely to give.



In parallel with wealth, those with higher levels of education also report a greater willingness to donate more. Donors with advanced degrees make up 55% of those who say they plan to give more in December.

The higher the education level, the more likely to give.

What is the highest degree or level of school you have completed?

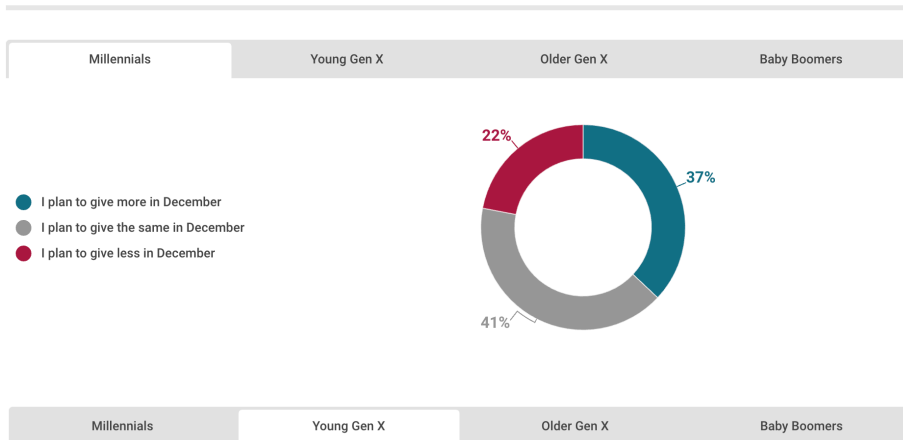


Nonprofits have already seen younger donors step up throughout 2020, and this year-end season may also have a younger, more urban profile.

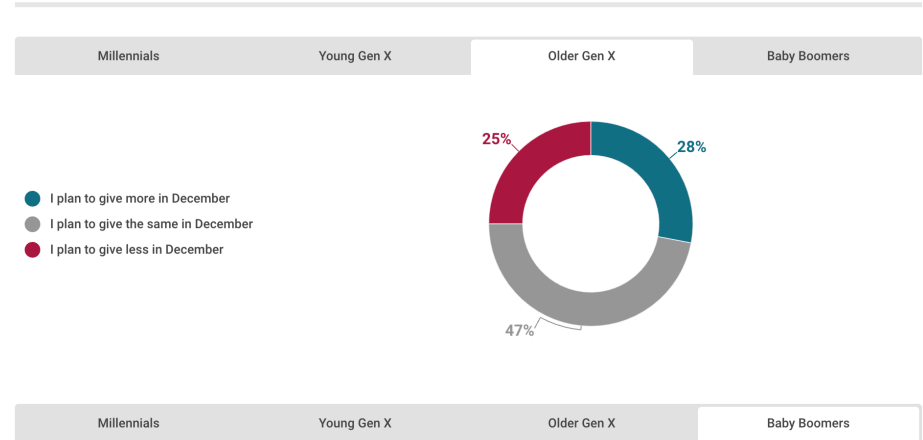
Millennials and the younger half of Generation X (those “Xennials” who grew up with an analog childhood and a digital adulthood) said they were more likely to give more this December. Older Gen Xers and Baby Boomers were more likely to give the same or less.

The larger the donor, the more likely to give more.

December giving expectations by generation



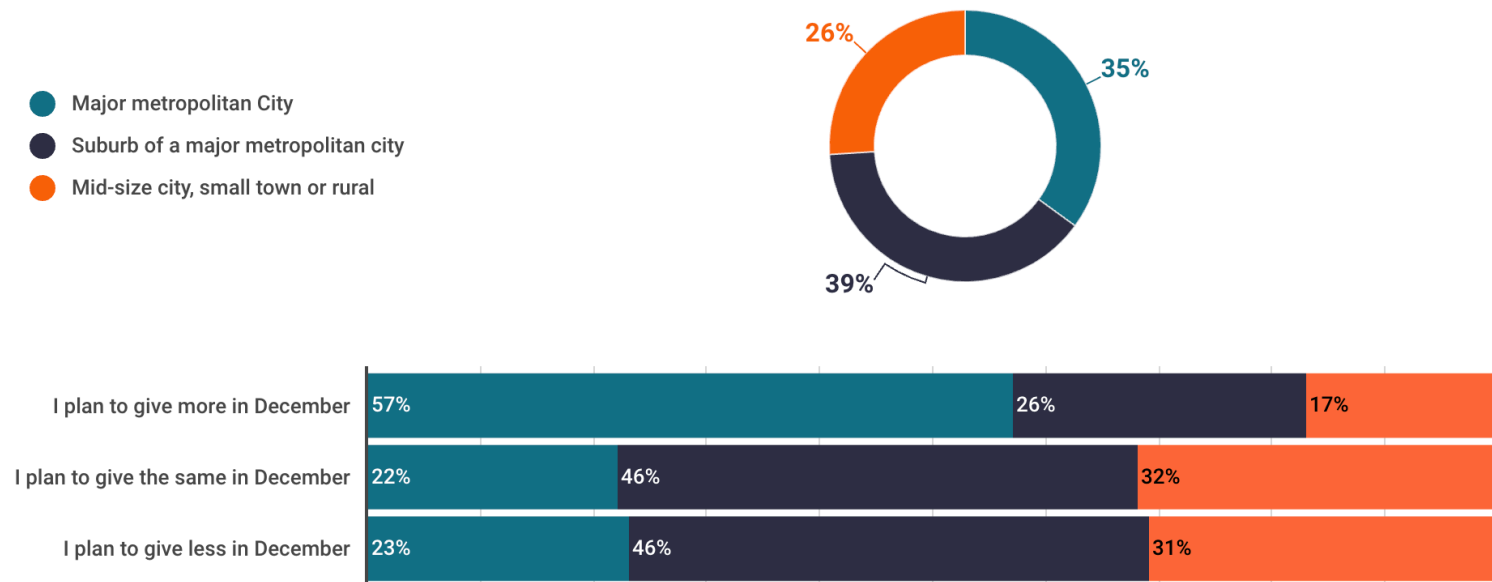
December giving expectations by generation



Those in more densely populated areas are also more likely to give. Those who live in the suburbs, smaller cities or rural areas are less likely to give more.

57% of donors who plan to give more at year end come from large cities.

Which of the following best describes the place where you live?

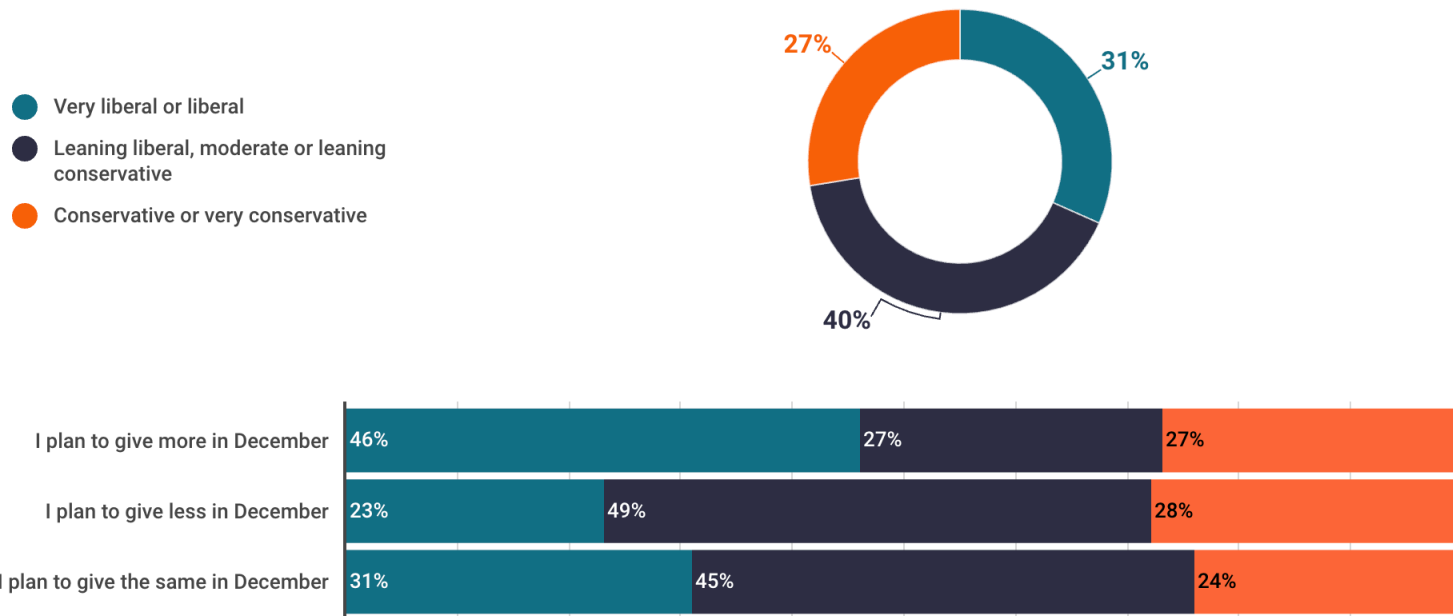


Due to the ever-changing climate of a contentious presidential election, we chose not to delve into the political factors that might affect year-end giving. However, we did take a quick pulse on how respondents' political leanings affected their intent to give.

Those who report being “very liberal” or “liberal” made up 47% of donors who say they plan to give more in December. Those in the middle – “leaning liberal,” “moderate” or “leaning conservative” – were the least likely to say they will give more at 27%.

Liberals are more likely to increase their giving level.

Overall, what do you consider yourself to be?



Background

About the research

The data in this report comes from an online survey of 1,050 U.S. donors, co-commissioned by RKD Group and The Nonprofit Alliance. This study was conducted in August 2020 by McQueen Mackin & Associates, a market research firm that is dedicated to helping nonprofit organizations do more good and make a greater impact.

The results were limited to donors who gave at least \$100 in 2019. The survey was controlled for sex (50% men, 50% women) and age (33% each of Millennials, Generation X and Baby Boomers). Additional controls were put in place to ensure that inaccurate and repeat responses were excluded.

Donors were asked a series of questions about their sentiments on aspects of the COVID-19 pandemic, online giving and their intentions to give in December. Findings were written and prepared by RKD Group.





About The Nonprofit Alliance

The Nonprofit Alliance (TNPA) exists to foster the development and growth of nonprofit organizations and to protect the vital services they provide, as well as the donors, members, partners and volunteers who support them. Members represent a diverse landscape of causes and include industry experts who help nonprofits in their public outreach, fundraising and resource development. For more information, visit tnpa.org.



About RKD

RKD Group is a leading fundraising and marketing services provider to hundreds of nonprofit organizations. RKD Group's multichannel approach leverages technology, advanced data science and award-winning strategic and creative leadership to accelerate net revenue growth, build long-term donor relationships and drive online and offline engagements and donations. With a growing team of professionals, RKD Group creates breakthroughs never thought possible. For additional information, visit rkdgroup.com