



New Survey Gets to the 'Heart of the Donor'

Fundraising Success Online - August 24, 2010 By Margaret Battistelli

New York City (Aug. 24) — A new research study was released today that may change the way many nonprofits approach their fundraising budgets. The report, *Heart of the Donor: Insights Into Donor Motivation and Behavior for the 21st Century*, uncovers valuable insights on donor behavior and preferences as well as insight into age, demographics and other factors.

The report is being unveiled this afternoon at the Direct Marketing Association Nonprofit Federation 2010 New York Nonprofit Conference at the Sheraton New York Hotel & Towers. The research was commissioned and created by Russ Reid and conducted by Grey Matter Research & Consulting. The survey took place in June of this year.

As many would expect, the study finds that today's most valuable donors — boomers and older donors — primarily give through the mail. But those in the 25-54 age range tended to give both online and through the mail.

"One thing we find interesting is this nexus in the 25-54-year-old age group," says Lisa McIntyre, Russ Reid senior vice president of strategy development, media and interactive services. The donors who will be most important to us in the coming decade seem equally facile with both mail and online."

But according to the study, older donors are more generous.

"The point is this: If the goal of a nonprofit is to effectively target today's best donors, then they should focus significant and smart attention on the donors giving the most money — seniors and boomers," McIntyre says. "For example, the number of donors in the 18-24 group and 70-plus are comparable, but the 70-plus donor gives three times as much.

"Does this mean nonprofits should turn a blind eye to the younger segment?" McIntyre continues. "Of course not. Their value will likely increase as they age. But fundraising expenditures must be weighted according to a strategy that maximizes those who are giving now."

The report suggests that fundraisers should focus their money on the channels that perform the best. While social media is an exciting means of reaching the younger community, the report indicates those who are active there don't use it for donations.

Another striking result of the survey shows that people want to give to charities that spend money on good management. Given a choice, the respondents preferred organizations that hire top-quality managers, even with higher salaries, over less experienced managers and spending fewer dollars on salaries. An even greater percentage would rather support an organization that spends more on fundraising and brings in more money to help the cause than would support an organization that spends little on fundraising but raises less money.

"Only 28 percent would opt for efficiency over effectiveness," McIntyre says.

"Nonprofits are under relentless scrutiny for their fundraising costs," she adds. "The questions on costs tell us that what donors want more than anything else is value for their money. Spending money on salaries is fine, as long as your leaders are effective. If you spend more on fundraising, it's fine as long as it effectively raises more money for the work."

The report also focuses on the impact of the disaster in Haiti on nonprofit fundraising. Thirty-eight percent of Americans gave to help Haiti. Fifty-two percent of active donors — those who regularly give to nonprofits —

donated. Very surprisingly, nearly 30 percent of Haiti donors said they did not support any nonprofits in the last year, including 16 percent of fairly determined nondonors. Most likely to give to Haiti were African-Americans (51 percent), Latinos (53 percent), Asians (59 percent) and people not born in the U.S. (59 percent).

Four out of 10 donors said that if they had not given to the Haiti disaster, the money would have gone elsewhere. Still, 58 percent of donors believe that what they gave to Haiti was unique — it was over and above what they normally give. Haiti was a first-time giving impulse for 3 percent of all Americans — 6.7 million people.

Haiti donations saw massive channel donation differences, with text-to-give having a big impact. While 32 percent of donors said they gave to nonprofits working in Haiti through places of worship, another 22 percent gave online, and 19 percent through texting. Ninety percent of text donors claim they would have donated through another channel had texting not been provided.

“The Haiti experience reminds us that emergency donors and everyday donors are different,” McIntyre says. “And the best donors will give over and above what they normally do, not instead of what they typically give.”

More than 2,000 respondents participated in the study. It was conducted both by phone and through a pre-recruited online research panel in English and Spanish.