The Burk Donor Survey

Where Philanthropy is Headed in 2016

Penelope Burk

August 2016
What would inspire me to give more?...

...being made aware of specific areas of need (not just 'wants' but 'needs'); knowing that my gift - large or small - actually makes a difference to someone; being assured that even though I may not be a mega-dollar donor, my gifts are accepted with sincere appreciation, and that someone somewhere actually tells me so; knowing I am connected to the institution in more ways than simply as a means (or partial means) to a financial end; receiving some assurance that my gifts will be used in the way I requested, and that they will never be used in a way that does not line up with the institution's mission...

That would do it!
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... where philanthropy is headed in 2016

Executive Summary

The 2016 Burk Donor Survey is the seventh annual research project studying Americans’ philanthropy and, specifically, how fundraising practices and beliefs affect the financial wellbeing of not-for-profit organizations. The study is designed by author, researcher and fundraising expert, Penelope Burk, and published by her Chicago-based company, Cygnus Applied Research, Inc. The Burk Donor Survey charts changes in giving year-to-year as well as how donors intend to give in the coming twelve-month period. Most important, each edition of the Survey features an investigation of donors’ opinions about certain fundraising themes and issues that impact philanthropy so that Development professionals and not-for-profit leaders can adjust their practices to meet donors’ changing needs and preferences.

In addition to charting how respondents gave in 2015 and what their giving intentions are for this year, The 2016 Burk Donor Survey explored several issues of interest to fundraisers and not-for-profit organizations:

- how donors are changing the ways in which they transact gifts;
- whether and how donors conduct research on not-for-profits under consideration for charitable gifts (first-time or renewing);
- the role that social media plays in prospect and donor cultivation and giving (comparing findings in 2016 with those from the 2011 Burk Donor Survey);
- the attributes of highly satisfying volunteer experiences for front-line and Board volunteer positions;
- characteristics and experiences that distinguish alumni who give to their alma mater from those who do not.

A simultaneous survey was conducted on the same topics with Canadian donors and is published separately. The full 2016 Burk Donor Survey Report is available at www.cygresearch.com.

Survey Methodology

1,881,848 American donors (known to have made at least one charitable gift in 2015 and/or 2014) were invited to participate anonymously in an online survey consisting of 146 questions. The survey was deployed between February 15 and March 31, 2016.

The survey questionnaire was pretested with 810 respondents from Cygnus’ internal file of active donors. The response rate for the survey (respondents completing some or all questions) was 1.14%, representing 28,295 donors. The completion rate (the number of respondents answering all questions) was 76% or 21,472 donors. The
Cygnus enjoys a robust participation in its national and international research studies thanks to the kind assistance of prominent not-for-profits whose leaders reach out to their active donors on Cygnus’ behalf. This year, 104 not-for-profit organizations and institutions partnered with Cygnus Applied Research on this project.

**Respondents’ Characteristics**

53% of American respondents in The Burk Donor Survey were female; 9% were under the age of 35, 49% were between 35 and 64, and 42% were 65 or older. Among all characteristics, age was the most revealing when respondents’ opinions, preferences and philanthropic behavior were studied.

![Graph showing religious conviction among different age groups](image)

Religious conviction is a strong motivator for giving to all types of charitable organizations, not just to religious causes. Since 2009, each edition of *The Burk Donor Survey* has noted that actively religious donors give more than those who are less or not at all religious. In the 2016 Survey, young donors were the least likely to refer to themselves as actively religious (31%) when compared with middle age donors age 35-64 (39%) and donors 65 years or older (43%).

83% of respondents have volunteered sometime in the past and 46% are volunteering currently or have done so within the last two years. By comparison, only 24.9% of the adult population of the United States volunteers.

**How Donors Gave in 2015**

79% of respondents supported the same number of causes in 2015 as they did in 2014. However, among those who gave to more or fewer causes, respondents were twice as likely to have increased (12%) than decreased (6%) the number of charities they supported last year. The long term trend continues to move towards giving to fewer causes, however, with the survey’s oldest donors supporting, on average, fourteen charities last year versus only nine for middle age donors.
40% of respondents said they gave more money to charitable causes in 2015 than in the year before (down from 47% in the 2014 Survey.) The survey’s youngest donors were more likely to have increased their giving last year (55%) compared with either middle age donors (41%) or donors over the age of 64 (37%). However, the financial impact of this energetic participation among young donors was not strongly felt in Development Departments due to the significantly less generous gifts they contributed when compared with older donors.

Only 11% of respondents gave less money last year than the year before (the same as in our 2014 Survey) while 47% gave approximately the same in 2015 as they did in 2014.

Among donors who gave more in 2015 than in 2014, their own financial stability was the main reason behind their more generous giving. But, 41% were impressed with the performance of some or all causes they supported in 2014 and that inspired them to give more, a credit to not-for-profits that have improved their communication and stewardship practices.

Change in their personal financial situation was the leading cause among donors who gave less in 2015 than in 2014 (58% of the 11% of respondents who decreased their giving). The economy was still a factor but only for 18% of respondents, down from 34% two years ago. It appears that the biggest opportunity for fundraisers is with donors whose giving is remaining the same year-to-year. Their own financial stability and their tendency to budget the same for philanthropy one year to the next far outshine all other reasons for giving the same. This means that charities are failing to influence a greater desire to give among donors in this group.

Donors’ Giving Intentions for 2016

A majority of respondents (59%) expect to give about the same in 2016 as they contributed in 2015. The ratio is 3:1 for donors who plan to give more (22%) than less (7%), a good sign but not as positive as in the previous Burk Donor Survey when the number
of donors planning to give more was four times the number planning to give less. Once again, respondents’ personal financial ability to give more generously is the main driver of their positive intentions this year (54%). 20% referenced satisfaction with the performance of not-for-profits they supported last year, down from 34% in the 2014 Burk Donor Survey.

Young donors are particularly optimistic with 42% planning to give more versus 27% of middle age and 15% of older donors. The giving expectations of the survey’s most generous donors are also positive with 24% planning to give more (though this is down from 28% in the previous survey) while only 13% plan to give less (slightly poorer than two years ago at 12%).

While only 7% of all respondents plan to give less in 2016, the most generous donors in the study and those earning $200,000 or more were more likely than other groups to say they would be giving less. This could have a disproportionate, negative impact on gross and net revenue raised in Development operations.

The majority of respondents (59%) intend to give approximately the same this year as last. This, in itself, is not unusual but why they plan to hold the line suggests a failure of not-for-profits to offer donors a compelling reason to make a more substantial commitment to philanthropy. A significant opportunity for growth could be realized from this contingent with a different approach to communication and stewardship. Most important, raising restricted funds is the key to more generous giving among 22% of this group.

Eliminating negative fundraising practices, especially over-soliciting and sending donors unwanted trinkets (both hallmarks of direct mail), will also have a beneficial impact on retention and gift value.

**How Donors and Fundraising Are Changing**

Among the ways in which donors transacted gifts in 2015, direct mail remained the most common choice, though the rate of giving through the mail is down from 48% five years ago to 44% today. Online giving has held steady over the past two years (29%) as has giving through social media (10%) and donating through fundraising events (24%). Not surprising, age is a differentiating factor. Only 23% of donors under the age of 35 gave through the mail last year versus 56% of donors 65 years of age or older. In some cases, older donors are catching up to trends first adopted by young supporters. In 2015, 38% of respondents under 35 years of age responded to at least one online appeal but so did 31% of middle age and 29% of senior respondents.

**The Growing Influence of Social Media on Communication and Giving**

Over the last five years, the number of respondents with one or more social media accounts has leveled off but the percentage who now follow charitable organizations has increased significantly as has the number of causes they follow.
Why donors follow not-for-profits through their social media channels is completely aligned with why they pay attention to mainstream communications. Two out of three respondents who follow not-for-profits do so because those organizations post relevant updates on their work. Timeliness and refreshing content plus effective use of images are especially important.

Donors who follow expressed concerns regarding over-communication on social media platforms, much the same as they have done for years regarding mainstream communication.

Followers do not appear to be exerting as much influence on their own networks as not-for-profits might wish. Respondents rated social media friends’ ability to influence giving to a cause at a poor 3.1/7.0, down from 3.8 five years ago. That said, there has been a small increase (3%) in donor acquisition via social media over the same period of time.

Social media appears to be better at facilitating engagement than giving and its influence here is growing. Followers are more likely today than they were five years ago to attend an event promoted on social media and/or offer to volunteer.

**How Donors Investigate Causes Before Giving**

The percentage of *Burk Donor Survey* respondents who conduct more or more in-depth research before giving for the first time or renewing their support has risen from 59% to 78% in seven years. As before, the number one way they research not-for-profits is by spending time on their websites.

Donors are seeking specific information on not-for-profits’ websites and they are more influenced to give when they can find that information quickly and when it is evidence-based. Past *Burk Donor Survey* research has found that it is possible to both improve follow-through rates in giving among donors as well as influence higher gift values by adjusting website content to meet donors’ needs.
Insufficient, hard-to-find or ineffective information on websites can also cause donors who were originally inclined to give to back off. 41% of donors in The 2015 Burk Donor Survey who spent time on not-for-profit websites said they did this at least once last year.

Online ratings agencies are increasing in popularity as a means of researching not-for-profits. 42% of donors who researched at least one cause consulted an online ratings agency before making giving decisions, up from 32% five years ago.

Volunteering Among Burk Donor Survey Respondents

“To give back” is the strongest motivation for volunteering by far among all survey respondents, but other factors resonate more or less strongly with different age groups. Younger volunteers tend to appreciate the personal (social) and work experience benefits of volunteering more than do either middle age or older volunteers, while older respondents who volunteer connect their satisfaction with the not-for-profit’s reputation and with having their opinions valued.

Only a minority of Survey respondents has never volunteered (14%) but it is not because they are not interested. Having enough time keeps them from volunteering or, more accurate, perceiving that the time they do have available is insufficient. In fact, most respondents who feel this way are willing to give more time per week than is currently recorded by the US Bureau of Labor Statistics, which measures how much volunteer time Americans give to charitable causes.

Job descriptions for volunteer assignments should showcase their rewarding nature and be prominently marketed, especially on not-for-profit websites. They should also be structured to deliver the benefits preferred by younger and older volunteers.
Serving on Boards of Directors is an especially important volunteer job, especially when it comes to fundraising. Young respondents are under-represented on Boards which is a weakness for organizations attempting to steward the next generation of donors.

Most volunteers with experience on Boards of Directors rated their current or most recent position as highly fulfilling (86%), a credit to the not-for-profit organizations they serve. Convincing highly sought after community members and business leaders to stand for election to the Board is challenging for all but the largest and most prestigious institutions. 23% of respondents targeted for Board positions have turned down at least one request in the recent past, almost always for lack of time and/or timing of the request. But, not-for-profits may have missed an opportunity. Only one in three of these valuable volunteers was asked to consider serving at a later date.

**Why Alumni Do and Do Not Give to Their Alma Mater**

67% of respondents who have graduated from or attended college have made at least one gift to an institution where they studied. Alumni/donors with degrees from two or more institutions tend to be generous across all colleges they attended, but they reserve their priority support (62%) for the institution at which they earned their undergraduate degree.

In spite of the success that universities and colleges have in raising money, there is still considerable room for growth. Only 20% of alumni/donors said that their most generous gift is awarded to their alma mater; 31% reported that their most generous gift to their college falls in the bottom third by gift value when compared with contributions to other not-for-profits they support. 36% of giving alumni said their most recent gift was “unrestricted” which likely contributes to why they give more generously elsewhere.
68% of giving alumni but only 36% of alumni with no giving history say they were engaged in campus life apart from academic study when they were at college. After graduating or leaving, 80% of giving alumni say they have remained connected while only 29% of non-giving alumni have remained or become connected to their college since leaving.

The Survey explored the issues of student debt, career progression, and perception of education as “good value for money” to determine whether there were differences in opinion between giving and non-giving alumni that might make the latter group reluctant to give. While it has taken/is taking longer for non-giving alumni to retire it, student debt, on its own, is not a statistically meaningful issue that holds this group back from supporting their alma mater. Similarly, career progression seems to be on track for both giving and non-giving alumni. There is, however, a statistical difference in opinion about whether their education was good value for money. 34% of giving alumni acknowledged that their education cost more than they paid, thanks to scholarships, endowments and other contributions from donors, while 23% of non-giving alumni acknowledged the importance of other donors in controlling the cost of their education.

Why alumni choose not to give to their alma mater is an interesting question. 39% admit they can afford to give while only 12% feel they cannot. The most prevalent reason why they do not contribute is a perceptual one – they feel that their college does not need their donations as much as do other not-for-profits (47%).

Fundraising methodology likely plays a role in furthering this assumption. Most respondents with no giving history to their college could not recall the purpose of the most recent appeal (54%) they received and another 20% said the ask was unrestricted. Unrestricted asks are not compelling because they are not focused on a priority program or initiative. In addition to being unrestricted, asks to non-giving alumni are more likely to be made by a staff member in the Advancement Office rather than coming from someone of influence. Furthermore, non-giving alumni were most likely to have received a direct mail appeal or email solicitation as their most recent ask, methodologies that are the least personal and least effective in converting non-donors to donors.
Recommendations

The 2016 Burk Donor Survey Report includes 73 graphs and tables illustrating statistical findings from the Survey plus 47 recommendations on how fundraisers can use this information to raise more money, plus over 100 thought provoking quotes from donors.