

2012

The Cygnus Donor Survey

...where philanthropy is headed in 2012

CANADIAN EDITION

Penelope Burk

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The Cygnus Donor Survey...Where Philanthropy is Headed in 2012

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We are a generation of “I want” but I think that is slowly changing. People are beginning to realize that giving helps those who give just as much as those who receive.

- 2012 Cygnus Donor Survey Respondent

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Executive Summary

The 2012 Cygnus Donor Survey is the third annual research study of Canadian donors by Cygnus Applied Research, Inc., a Hamilton-based company headed by author and fundraising expert, Penelope Burk. The Cygnus Donor Survey charts the recent giving experiences and future philanthropic intentions of thousands of active donors. Each edition of the survey also includes an investigation of select issues important to professional fundraisers and/or donors. For the 2012 study, donors' views were solicited on these topics:

- Monthly Giving, including its effectiveness in readying donors for major gifts;
- Sponsoring (pledging) and participating in athletic-based Fundraising Events, including whether those experiences inspire sponsors to become philanthropic donors to the charities that run these events;
- Charities' websites and the degree to which they further donors' giving intentions;
- How donors manage their philanthropic giving.

A companion survey posed the same questions to American donors.

Survey Methodology

708,000 Canadians and Americans were invited to participate in an anonymous, online survey between February 6th and March 2nd, 2012. Due to the length of the questionnaire, which consisted of 88 questions, respondents were provided with a list of possible answers for most questions. However, they also had the option of offering a response not on the prescribed list, with ample space for their opinions. In addition, several questions were open-ended (no suggested responses) which generated over 15,000 comments.

The survey questionnaire was pre-tested with 3,000 respondents from Cygnus' internal research file of active donors. The response rate for the survey (respondents completing some or all questions) was 5.1% or 11,309 Canadian donors. The completion rate (respondents answering all questions) was 81%, or 9,907. Margin of error for the survey is +/- 0.98%, nineteen times out of twenty.

Cygnus enjoys a robust participation in its national and international surveys thanks to the kind assistance of prominent charities who reach out to their active donors (those with a giving history within the previous 24 months) on Cygnus' behalf. This year, 57 Canadian and American charities partnered with Cygnus on this project (Appendix i).

Respondents' Characteristics

These are the characteristics of respondents in the 2012 Canadian donor survey: 54% female; 10% under 35 years of age, 54% between 35 and 64 years of age and 35% 65 or older; household incomes varied widely given the age and employment differences in the respondent group. Of note, employed donors under 35 years of age enjoy household incomes at a level that fundraisers may not be anticipating. Again reflective of the wide age range among respondents, 42% of respondents are retired. Among employed respondents, 26% classify themselves as "professional", including 41% of respondents under the age of 35. In keeping with the profile of respondents in web-based studies, the

I have worked all my life and have lived modestly. I feel donating to causes or institutions I care about makes my life worth more than just my pay cheque

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It is very rewarding to see what has been accomplished by philanthropy in our country. It is my hope that our Legislators will continue to encourage donors to give to organizations that are worthy, and give tax breaks to people who spend their money wisely through philanthropy.

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In the shadow of darkness we still have the right to be happy and live life with as much light as everyone else. I'm a happy person and I intend on spreading smiles or doing something worthy of a smile to make the world a better place.

respondent group for the Cygnus Study is highly educated with 66% having earned at least an undergraduate degree from a college or university.

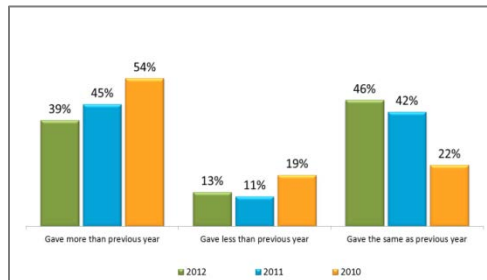
Regarding religious conviction, 26% of respondents referenced themselves as "actively religious", 30% "not at all religious" and 44% "spiritual" or "somewhere in between actively religious and not at all religious". As has been found in every Cygnus study, religious conviction is one of two characteristics that produce the most dramatic differences in philanthropic behaviour and opinion, the other being age.

Each of Canada's provinces and territories is well represented in the 2012 Cygnus Donor Survey, except for Quebec as the survey questionnaire was available in English only.

How Donors Gave in 2011

57% of respondents supported the same number of causes in 2011 as they had in 2010; but among those who gave to more or fewer causes, respondents were almost twice as likely to have increased the number of charities they supported. Young donors expanding their philanthropic interests are largely responsible for the upward trend in causes supported. However, when middle-age and older donors are compared on volume of charities supported, the trend towards giving to fewer causes overall remains strong. Among donors over 65 years of age, 45% supported eleven or more causes in 2011 versus only 19% of middle-age donors.

The 2011 Cygnus Survey found an improved giving performance last year with 39% of respondents indicating they gave more in 2011 than in 2010 while only 13% gave less. Even though the actual average value of their contributions in the year was more modest than for their older counterparts, young donors (under the age of 35) were more likely to have increased their giving in 2011.



Changes in Value of Gifts Made - 2010 to 2012

Looking at results by the value of gifts they contributed in 2011, donors who gave \$10,000 or more to charitable causes last year were also more likely to have increased (53%) than decreased (10%) their overall support.

Donors who gave more last year than the year before attributed their generosity to three notable factors -- improvement in their own personal financial situation, responding to disaster relief or emergency appeals, and increasing contributions to charities' whose work they deemed impressive. The survey's oldest donors were the most altruistic, responding in greater numbers to appeals from charities that focused on need and economic uncertainty.

I would give even more if I knew more about how I could help at the community level. Even though our income has declined in the past 3 years, we've managed to keep giving at the same level so, in fact, on a percentage basis, our philanthropy has increased. However, our perspective has changed. While there are so many needs on a global scale, charitable work still happens at the community level.

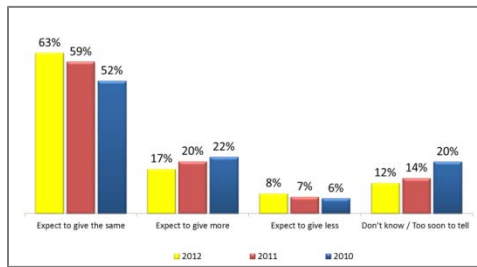
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I believe people are always willing to give. Mostly, I think they need to see results. They need to know their money went right to work at helping those they are wishing to help.

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I feel it necessary to help as much as I can for as long as I can. Support is extremely important to keep these charities' efforts afloat. All donations matter to those who receive them.

Canadian Donors' Giving Intentions for 2012



How Canadian Donors Intend to Give in 2012

Cygnus Survey (giving \$10,000 or more last year) are also predicting a rise in their contributions. 20% said they plan to give more while only 11% plan to give less.

How Donors Manage Their Philanthropy

44% of Canadian respondents budget for philanthropy, but how they do it and who is most likely to do what is quite varied. Donors who identify some causes they plan to support at the start of the year while adopting other philanthropic interests as the year progresses, tend to support more causes in the end than either donors with no set plan for giving or donors whose plans are quite strict. As well, budget-setting by donors appears to advantage charitable causes. 91% of donors who set a budget for their philanthropy at the start of the year either dispersed it in full or gave more than they had planned. Only 5% dispersed less than they had planned to give.

82% of respondents said they conduct research on non-profits that they are considering for support and the most common way they do this is by spending time on the websites of charities in which they are interested. Some donors go to non-profit websites with the specific intention of making a gift online (46%); but others visit primarily to update themselves on news and recent activities of charities they favour. This latter group is definitely open to the possibility of giving, though, if they are satisfied with what they find. 30% of donors not intending to give when they visited a non-profit website most recently actually followed through and made a gift as a result of what they learned.

In keeping with Cygnus' past research that defined the tenets of "Donor-Centred Fundraising", donors who visit charities' websites want to know:

- what would be accomplished with their gifts should donors choose to contribute;
- what has been accomplished recently with gifts that donors have made;
- what is the latest news and currently developments concerning the organization and its activities

Improvement in giving is, once again, predicted for donors in 2012 with 18% expecting to give more this year than they contributed in 2011 and only 8% feeling they will give less. Again, young donors were more likely to say they will give more (37%).

Because Canada's most generous donors have such a substantial impact on philanthropy overall, fundraisers will be pleased to learn that donors in the top giving category in the

We plan our giving deliberately. We set a minimum percentage of our income that we intend to give, and then we try to go beyond that. Giving is fun, and it is very rewarding when the charities we support accomplish much with the money that their donors contribute. It's teamwork as far as I'm concerned -- donors and not-for-profits doing great things together.

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I start with a budget; but it is not inflexible. I know that I wish to give a minimum percentage at least. However, I am not necessarily compelled to stop at that percentage if I'm able to do more. Neither do I feel obligated to give anything at all. I simply try to live a generous life.

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One of the most important things is to receive enjoyment from the giving while you can and to not wait until you die for the monies to be distributed by others.

How Donors Are Changing the Ways in Which They Give

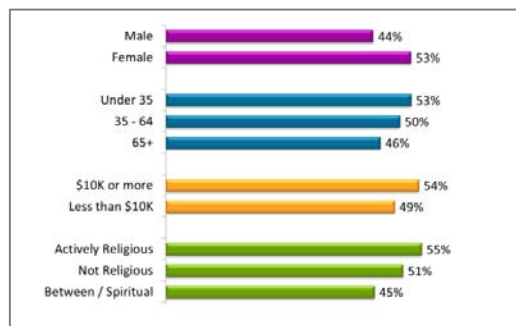
In attempting to manage their philanthropy efficiently, donors' primary frustration is over-solicitation. Among donors who have tried to take action directly with charities that over-solicit, only one in four said they were satisfied with how the organization(s) responded. 42% said that no charity they contacted has ever reduced the number of appeals they send. On a related question concerning how donors have changed the ways in which they give over the last five years, "reducing or eliminating support to charities that over-solicit" was the number one response among Canadian respondents, especially donors over the age of 65.

Willingness is increasing among donors to provide their email addresses to non-profits they support. 45% of Canadians we surveyed said they already download at least some of their charitable gift receipts from the websites of charities they support. Among all other respondents who have not had this experience, 39% said they would actually prefer to download charitable receipts for gifts from non-profit websites and would be willing to provide their email addresses in order to get access to gift confirmation receipts in this manner. Only 33% were wholly reluctant to provide charities with their email addresses.

34% of survey donors have, in the last five years, shifted more of their support to charities working locally to benefit their own communities, and 36% now give more generously to non-profit organizations that communicate measurable accomplishments with donated funds.

Monthly Giving

94% of Canadian respondents have been asked at some time to join a monthly giving programme, a figure considerably higher than for respondents in the American study. 51% of survey respondents are active monthly contributors currently and 8% are lapsed. More women than men give monthly but the value of monthly contributions by men is somewhat more generous. Satisfaction among donors who give monthly is quite high with 74% offering a rating of 6 or 7 on a 7-point scale.



Profile of Active Monthly Donors

Among monthly donors who have been giving long enough to have been asked to consider an upgrade in gift value, 52% felt that the increased gift amount requested was appropriate. 43% of this group agreed to the suggested increase. Retention of monthly donors is high, with only 24% having cancelled out of a monthly gift commitment after giving this way for some time.

In almost every way, monthly giving is a boon to fundraising. However, as a prospect source for major gift donors, it appears to be no more effective than other fundraising programmes. Other than trusting in the security provisions inherent in making automatic regular gifts, monthly donors say they are no more trusting of charities to which they

To expand my horizons this year, I will make a donation each week to a different charity. I am hoping the exercise of giving to 52 charities will help me become more focused on supporting various causes that are important to me.

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Choosing two charities that I feel the strongest about and entering in to some form of pledge (monthly giving, etc.) is a great way to continuously support the charities I want to without being over-solicited by them.

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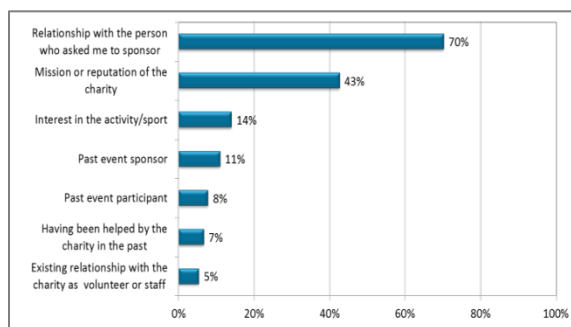
I have been giving through automatic monthly donations which is convenient but which also diminishes the feeling of being philanthropic. Money is simply taken from my account. I would give more if I had that feeling back again that you get from giving.

contribute monthly than they are of non-profit organizations they support through single gifts. As well, they report being no more likely to offer either a major (cash) gift or a planned gift to a charity because they are monthly supporters. This study is not suggesting that monthly donors are poorer prospects for higher level giving, just that they are not automatically better prospects simply because their average annual is more generous than that of single gift donors.

Recommendations on monthly giving suggest that the technical advantages of the programme may be being showcased to donors over the philanthropic objectives of giving more generously. The report includes recommendations for remedying this situation.

Pledge-Based Fundraising Events

75% of respondents have sponsored (pledged a gift to) a participant in at least one athletic-type fundraising event within the last two years.



Factors Influencing Decision to Sponsor

Relationship to the participant is the most influential reason to sponsor (70%) and, therefore, it is not surprising that the most common reason why sponsors stop giving this way is because the person they sponsored stopped participating in the event. However, 43% of sponsors said that the mission of the host charity was highly influential in their decision to sponsor, implying that there are things charities can do to

keep their sponsors onside, even when participants fall away.

18% of event sponsors have been asked to make a direct philanthropic gift since becoming a sponsor, considerably less than found in the US Study where 32% had been asked. Among Canadian sponsors who were asked to make a gift, 17% of them did follow through and contribute (somewhat higher among older donors at 22%). 49% of all sponsors who went on to give philanthropically agreed that their willingness to make direct charitable donations was positively connected to having been an event sponsor.

23% of Cygnus Survey respondents have had the experience (within the past two years) of being a registered participant in one or more athletic-type fundraising events. Satisfaction is high among event participants with only 8% indicating that they would definitely or likely not participate next year in the event in which they most recently took part. Recommendations on this section of the report include testing the conversion of sponsors to philanthropic donors through several approaches as well as increasing willingness among participants to reach out to more sponsors by testing a targeted appeal.

Monthly contributions are extremely helpful and allow me to make more significant gifts over the year.

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I don't think I've stopped sponsoring an event purposely, but I have stopped giving to certain organizations as I've decided their missions and goals aren't things I value.

--

I enjoy participating in an event that spreads knowledge and awareness while raising money.

Are Fundraisers Leaving Money on the Table?

44% of Cygnus Donor Survey respondents (55% of the survey's youngest donors) said they could have given more last year than they actually contributed. Almost 2,700 Canadian respondents who said they could have given more went on to describe the circumstances under which their giving could have been more generous. Eliminating over-solicitation and being more transparent about what is being accomplished with donors' contributions were referenced most often as things charities could do to position themselves for greater fundraising success.

Report Recommendations

This report includes forty observations and recommendations for how charities can improve fundraising performance by taking advantage of the findings of the 2012 Cygnus Donor Survey. There is also a special focus on younger donors (under 35) who appear to represent a particular opportunity for fundraising growth in every area covered by this year's survey. This report makes several recommendations on acquiring young donors and capitalizing on their willingness to give more generously.

As someone who has given loyally to certain organizations for many years, I would give even more if I were reminded about my cumulative giving. Often donors who make big, one-time gifts are featured and thanked, but other donors like myself who give what we can but do so year after year are not appreciated in the same way. Being reminded of how long I have been giving and what that has added up to over time would, in itself, be a new incentive to giving more.

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Keep asking. The economy will eventually get better and the purse strings will loosen up.