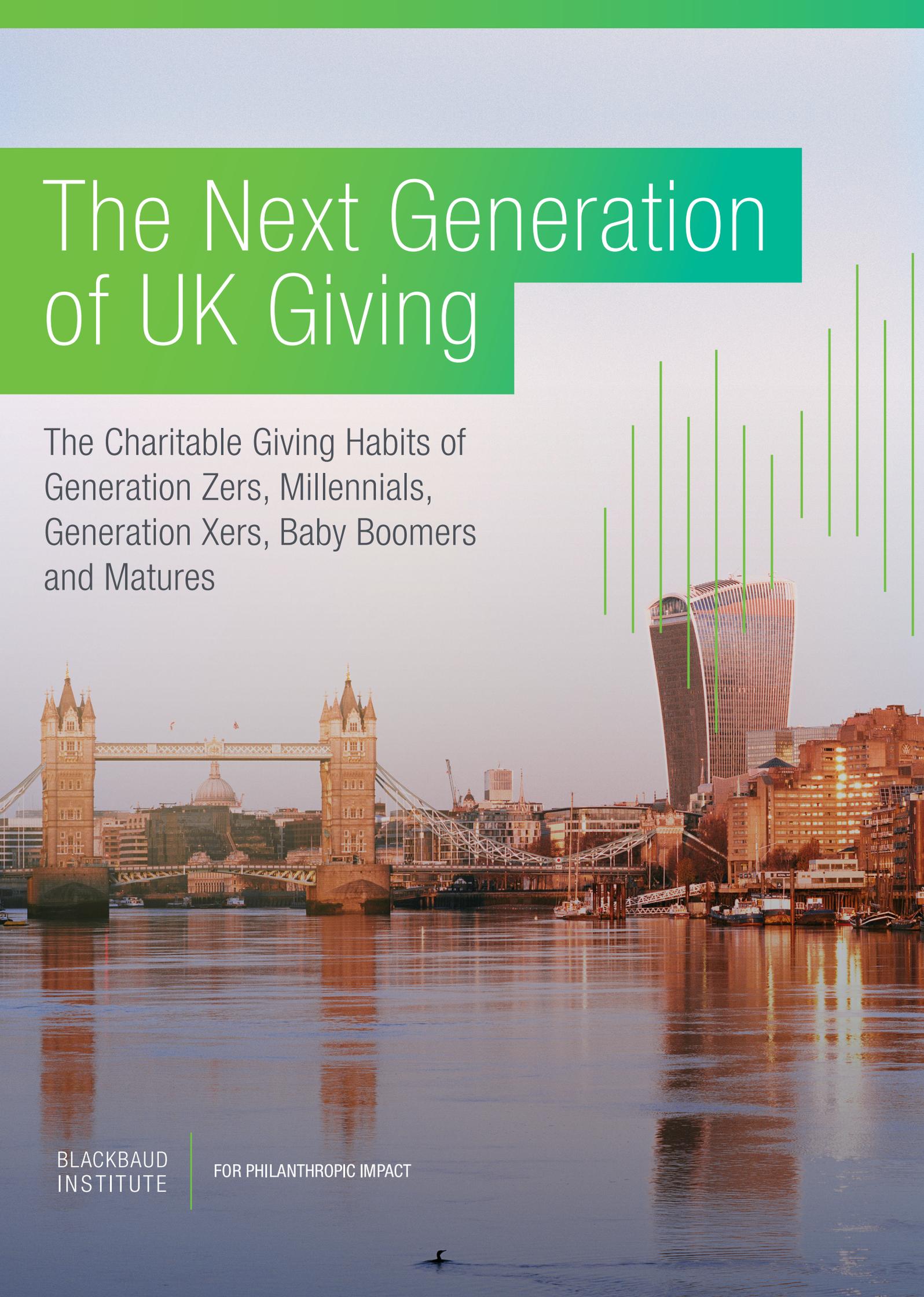


The Next Generation of UK Giving

The Charitable Giving Habits of
Generation Zers, Millennials,
Generation Xers, Baby Boomers
and Matures

BLACKBAUD
INSTITUTE

FOR PHILANTHROPIC IMPACT





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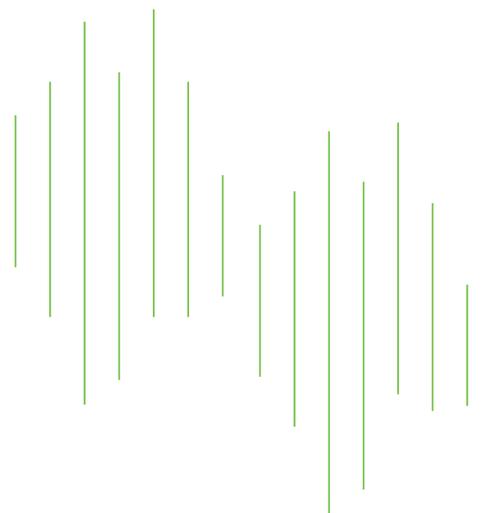
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INTRODUCTION

Generational change influences decisions that are made on a daily basis. Things like eating habits, the company people keep, exercise regimes and style choices are all results of generational differences. And philanthropic decisions are no exception. In a society that is so diversified by age groups, how can organisations establish strong and impactful relationships with a varied supporter base?

Ask yourself these questions: How can you engage your passionate young Millennials (born 1981–1995) and new-to-the-scene Gen Zers (born 1996 and beyond)? What about your loyal Baby Boomers (born 1946–1964) and Matures (born before 1946)? Let's not forget about your Gen Xers (born 1965–1980). While each generation may share the desire to give back, the ways in which they do this vary between each cohort. The benefit of this, however, is that in a world where trends change so quickly, generational change is, for the most part, predictable.

While life stages play a prominent role in the decisions that people make—especially when it comes to those that involve finances—the generational environment that people grow up in also inevitably plays a role in their choices. Another factor that plays a role in philanthropic change is the accessibility and proliferation of multichannel giving. This concept goes hand-in-hand with generational change and the comfort level of each generation with the channels they're accustomed to using. For example, mobile giving is increasingly attractive to digital native, younger donors but sparks less interest among older Matures. Understanding which giving channels your supporters actually prefer vs. which channels are up and coming is key to a strong fundraising strategy.

This report is presented by the Blackbaud Institute and conducted by Edge Research. Previous editions published in 2010, 2013 and 2018 have explored these same trends in the United Kingdom, United States, Canada and



Australia and New Zealand. The previously conducted studies have provided trend information that speaks to donors' ever-changing attitudes, beliefs and expectations that guide their philanthropic practices. This study allows readers to weigh supporters' intentions and behaviours against what they actually do, shedding light on the inner workings of your donors' minds. When it comes to fundraising, that's an incredible place to be.

About This Study

Commissioned by the Blackbaud Institute for Philanthropic Impact, Edge Research conducted an online survey of 985 UK donors. A non-probability sample of adults aged 18+ was drawn from a national survey panel. The deployed and incoming sample was controlled to be representative based on population estimates from the Office of National Statistics. Qualifying participants reported that they had made a monetary donation to at least one non-profit organisation/charitable cause within the last 12 months (excluding trades unions, children's schools, alma maters and places of worship). The survey was in the field February 9–28, 2018.

This study was conducted in conjunction with a similar study in the United States. The initial drafts of this study and much of the final content are based on the U.S. version, authored by Mark Rovner of Sea Change Strategies. Many of the research questions were framed by Edge Research and used for the UK analysis. The Blackbaud Institute for Philanthropic Impact published this report and provided a key editorship role, ensuring integrity of the research and analysis.



KEY FINDINGS

① Generation Zers and Millennials are the most generous givers.

In the United Kingdom, the youngest donors are giving the most to charity. While similar percentages of each generational cohort are donors, Gen Zers and Millennials contribute the largest amount of money, giving £2.7 billion this year and making up 30% of the total donated (Figure 1). Part of this has to do with the sheer size of this generation. At over 17 million residents, they are more than twice the size of the

Mature generation. And this generous group doesn't show signs of stopping anytime soon. In fact, 40% of Gen Zers and Millennials say they plan to increase the amount they give to charity in the next year—more than double any other generation (Figure 2). If your organisation isn't focusing on this group, now is the time to recognise just how important Gen Zers and Millennials are and will continue to be.

FIGURE 1

PERCENTAGE OF GIVING BY GENERATION IN 2018

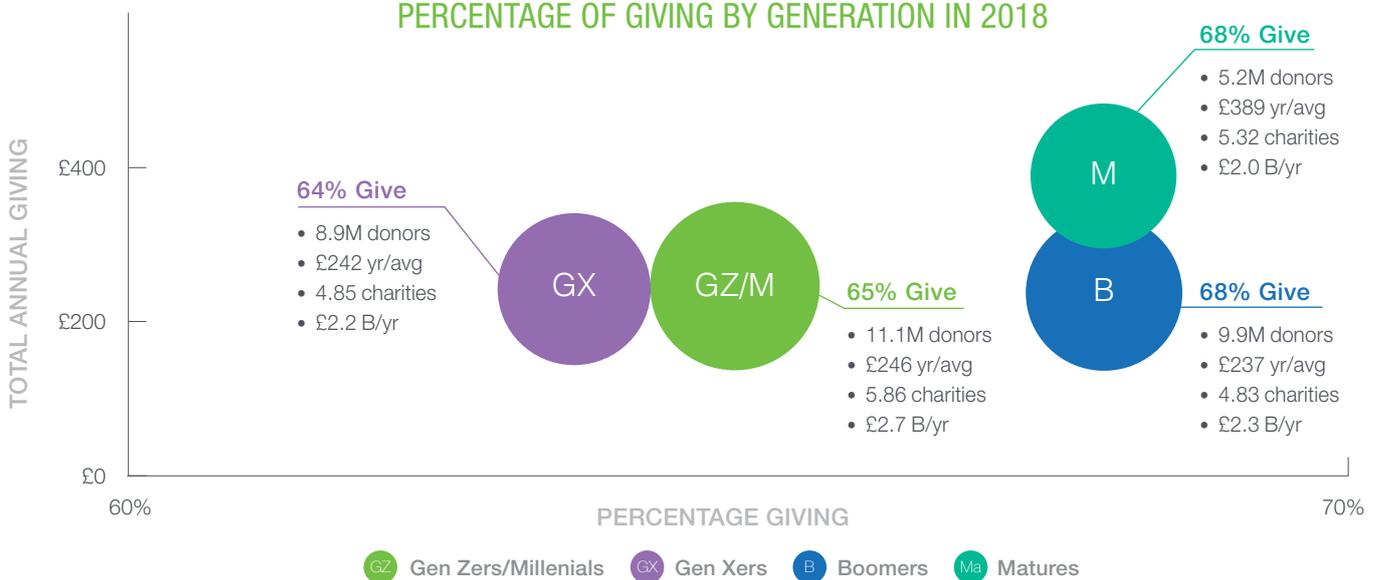
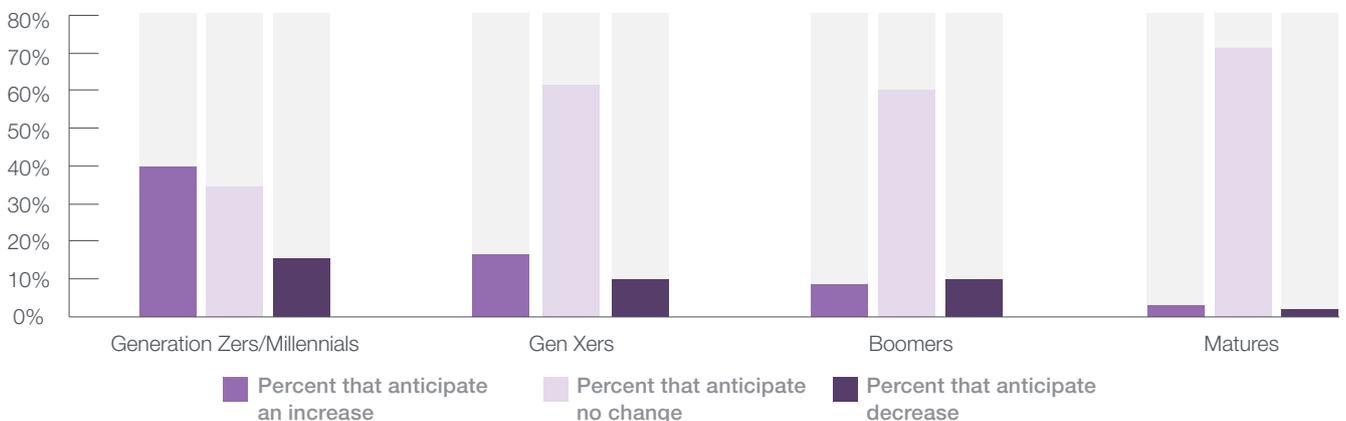


FIGURE 2

ANTICIPATED CHANGE IN 2018 GIVING AMOUNT BY GENERATION



② Matures are still a force to be reckoned with.

Matures continue to hold their own as a giving generation. They are still tied with Baby Boomers for the highest percentage that gives (68%) and they contribute to the second highest number of charities, at over five charities per person. This oldest generation contributes 22% of total pounds donated (Figure 3). However, most Matures have set their giving patterns and don't show signs of changing their habits—73% of Matures do not anticipate any change in the amount they give to charity in the next year.

③ Channel proliferation continues, confounding strategy and attribution.

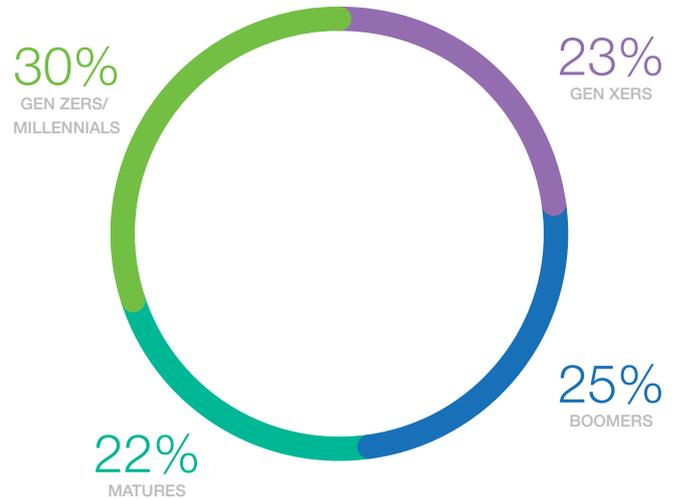
As explored later in this paper, giving is distributed across more channels than ever. Only a few channels—street canvassing, monthly giving and websites—reach usage levels near a quarter of donors, and the remaining giving is spread across multiple channels in small percentages. There is some speculation that the proliferation of giving channels may be causing 'choice anxiety,' the tendency to do nothing when confronted with too many options. That could be influencing the overall decline in giving behaviour.

And, as this study shows, the digital environment is also important to late adopters. It should be a part of their engagement and cultivation, even in the twilight of their giving lives.

④ Concern about overhead is high.

Despite its shortcomings, one metric of choice for many donors is the percentage of donated funds that go to programme as opposed to fundraising or administration. Donors express concern about financial efficiency. See the Donor Attitudes and Values section below for more.

FIGURE 3
CONTRIBUTION TO TOTAL GIVING
(PERCENT OF TOTAL POUNDS)



Donor Attitudes and Values

FIGURE 4
TOP GIVING PRIORITIES BY GENERATION

MOST FREQUENT GIVING CHOICES BY GENERATION			
GEN ZERS/MILLENNIALS	GEN XERS	BOOMERS	MATURES
Health	Health	Health	Health
Children	Children	Animal	Animal
Animal	Animal	Children	Children
Emergency Relief	Emergency Relief	Emergency Relief	Worship
Local Social Service	Elderly	Elderly	Emergency Relief
Victims of Crime/Abuse	Local Social Service	Military	Military

1 Giving priorities are similar across generations.

As Figure 4 shows, all generations share the top three priority causes: health, children and animals. Matures are the only group to place animal causes slightly higher than children. Older generations are also more likely to prioritise giving to elderly causes. Some small differences among generations do exist. For example, Gen Zers/Millennials prioritise victims of crime/abuse, while Matures prioritise military.

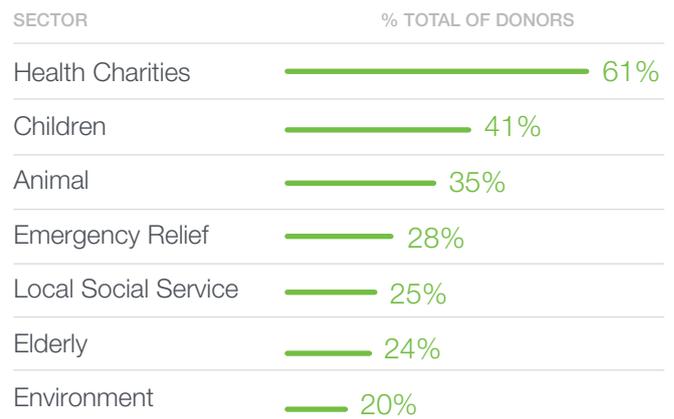
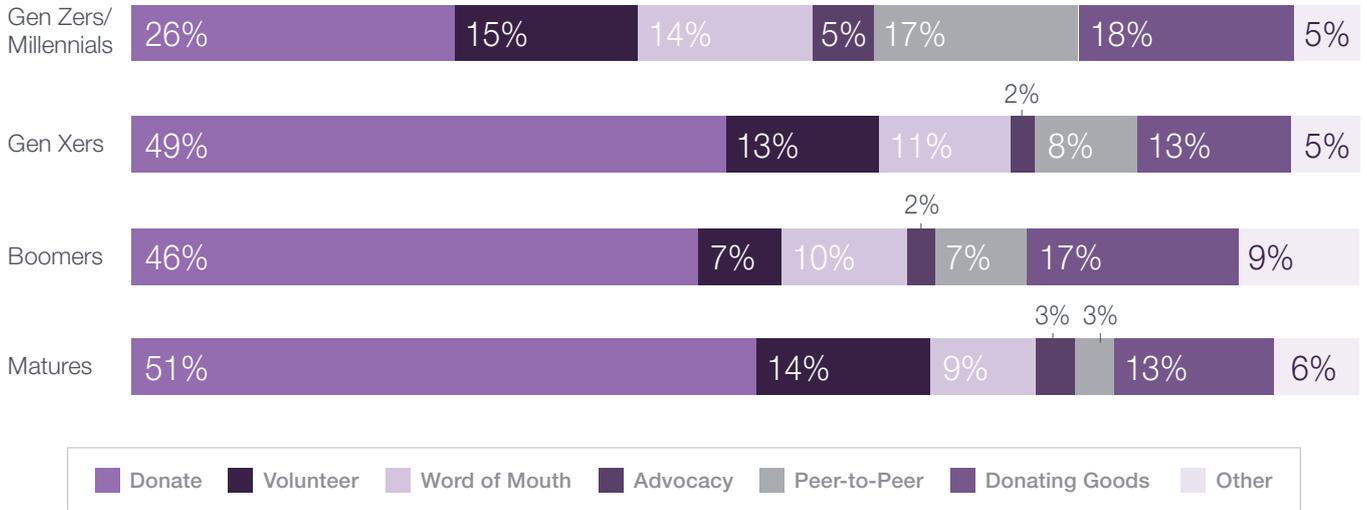


FIGURE 5
MAKING AN IMPACT



2 Older donors prioritise money as their greatest form of impact.

We asked survey participants how they could make the biggest difference with causes and charities. Choices included giving money, volunteering, activism and spreading the word, among others.

The older you are, the more likely you are to prioritise monetary contributions as making the biggest difference. See Figure 5. Similar numbers of Gen Zers/Millennials, Gen Xers and Matures choose volunteering as their contribution of choice. Gen Zers/Millennials are much more likely to say they can make a difference through peer-to-peer fundraising (17%).

3 Peer-to-peer fundraising: A perfect generational partnership?

Peer-to-peer fundraising—including runs, walk-a-thons and bike-a-thons that are especially popular in the health sector—draws upon all generations in different ways. As Figure 6 suggests, the actual walkers, bikers and other participants are most likely to be Gen Zers/Millennials. Conversely, similar numbers across all generations have sponsored said athletes.

Some organisations have struggled to retain peer-to-peer event donors, because the donor is initially brought in by a friend or relative instead of directly through passion for the cause. Making the most of an investment in peer-to-peer fundraising requires a strong focus on welcoming and nurturing these new donors who may be less familiar with the cause. The same goes for crowdfunding, peer-to-peer’s digital first cousin discussed later in this report.

FIGURE 6
PARTICIPATED VS. SPONSORED AN INDIVIDUAL IN A WALK, RUN OR RIDE EVENT

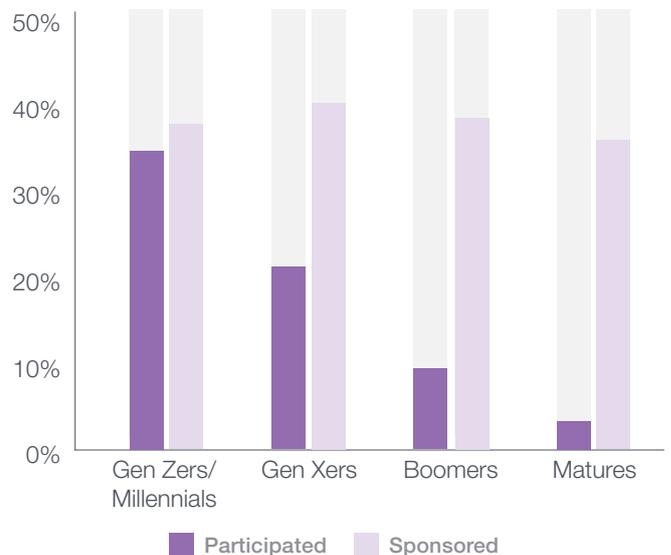
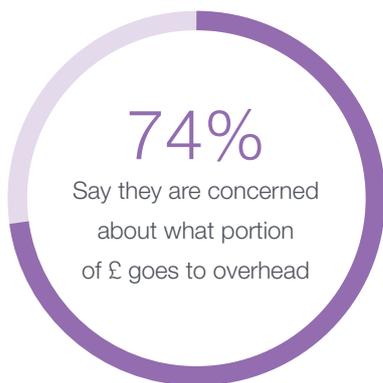
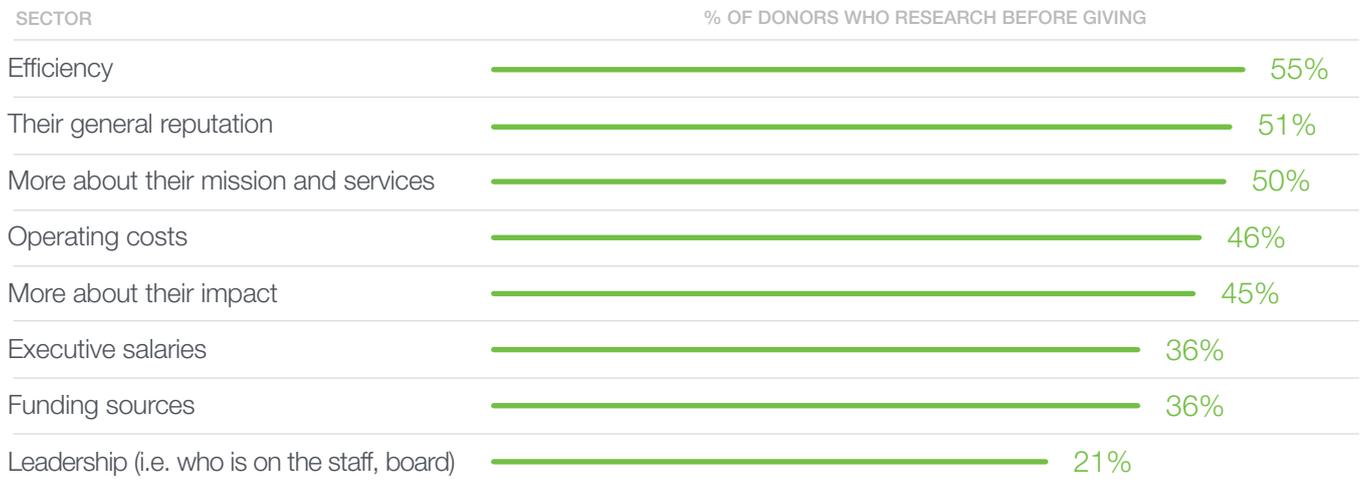


FIGURE 7

WHAT DONORS WHO ARE RESEARCHING FINANCIAL INFORMATION LOOK FOR



④ Consider the overhead conundrum.

A wise survey researcher once said the hardest part of analysing your data is knowing when to ignore it. This aphorism comes to mind in the realm of attitudes toward an organisation's overhead numbers.

As Figure 7 depicts, a whopping 74% of donors say they are concerned about a charity's overhead expenses. But only 39% say they actually do the research to ascertain how a cause they support or plan to support is performing. In our experience working with donors in focus groups, we would guess that the 39% number is overstated. In other words, we suspect the number of people who actually do the research is far lower. It may be an example of respondents giving what they believe to be the correct answer rather than the honest answer.

Overhead is a sticky issue. As fundraisers, we know it's a misleading metric that may not shed light on whether a charity is doing its job well. That said, the metric remains deeply embedded in the mind of donors and cannot be ignored.

Whether overhead is a myth or not, donors also express concern about a much more qualitative measure—the impact of their donation. Without a doubt, the Internet has rendered the inner workings of all institutions (charities included) more transparent than ever. So, even though overhead may not

significantly influence giving behaviour, it is incumbent on non-profits to make the case that they are well-managed and yield great impact with those funds.

There is some evidence suggesting that donors who actually do carry out research appear to accept 'proxy indicators' that indirectly speak to an organisation's financial stewardship. Among all generations, the main source of due diligence information is an organisation's website. That gives fundraisers some measure of control over the financial stewardship message.

Older generations are much more likely to pay attention to information about charities in the news. Meanwhile, Gen Zers/Millennials are significantly more likely to use social media for their due diligence than their elders—hardly a surprise. See Figure 8.



FIGURE 8

PREFERRED INFORMATION SOURCES BY GENERATION

(Where Each Generation's Researching Donors Find Their Information)

WHERE DO YOU FIND INFO?	GEN ZERS/MILLENIALS	GEN XERS	BOOMERS	MATURES
Organisation's website	51%	63%	70%	79%
Google search	49%	47%	55%	45%
Social media	39%	23%	9%	5%
Word-of-mouth	38%	23%	21%	32%
Information in the news	36%	37%	55%	57%
Charity review site	35%	30%	28%	29%
Financial statements	25%	8%	5%	23%
Annual report	21%	18%	29%	39%

Bolding shows statistical significance between generations at a 90% confidence interval. Percentages shown reflect only donors who say they research causes before giving.



Transaction and Engagement Channels

As giving and engagement channels continue to proliferate, donors and fundraisers alike have a harder job staying connected, and fundraisers struggle to measure the real impact of various efforts.

FIGURE 9
GIVING CHANNELS USED BY EACH GENERATION

	OVERALL	GEN ZERS/ MILLENNIALS	GEN XERS	BOOMERS	MATURES
Street canvassing	33%	22%	35%	41%	33%
Monthly giving	24%	16%	24%	29%	33%
Website	23%	24%	27%	22%	20%
Event	20%	23%	27%	15%	11%
Text/SMS	15%	20%	16%	11%	7%
Mailing	12%	9%	9%	13%	23%
Social media	10%	14%	15%	6%	3%
Email	8%	11%	6%	7%	8%
Phone	4%	8%	4%	1%	1%

Bolding shows statistical significance between generations at a 90% confidence interval.

① Donation Channels

Reported use of giving channels is fragmented across the board. Is the proliferation of giving options causing donor confusion and uncertainty? That is certainly plausible. An equally plausible explanation is that organisations have yet to harness the potential of newer channels. See Figure 9.



Online giving still matters. While online giving growth has been incremental but steady, it could reach an inflection point in the coming years as the online consumer market continues to develop. If that happens, we could see online (in all its forms) drive a significantly larger chunk of the giving pie.

And here's a direct mail anomaly: Even as the world becomes more and more digitally driven, younger generations say that a letter in

the mail is an acceptable way to be asked. Baby Boomers and Matures are much less likely to say the same, even though they are more likely to report giving in this way. See Figure 10.

In general, according to the data in Figure 10, the younger you are, the more open you are to a wide range of solicitation channels. Younger generations are also particularly open to being asked to give via radio/TV programmes and cinema advertisements.

FIGURE 10
ACCEPTABLE GIVING CHANNELS BY GENERATION

	GEN ZERS/ MILLENNIALS	GEN XERS	BOOMERS	MATURES
Friend or their family member	77%	71%	65%	62%
A radio/TV programme	73%	64%	54%	38%
Cinema advertisement	70%	59%	41%	19%
Letter in the mail	62%	44%	30%	26%
Email	62%	36%	23%	15%
Social network message	60%	35%	11%	4%
Request to leave a gift in your will	57%	32%	17%	14%
Call to update you on current activities	57%	26%	10%	8%
Text/SMS message	56%	22%	12%	5%
Street canvasser	51%	33%	21%	16%
Representative at your door	50%	22%	9%	7%
Phone call	45%	19%	4%	2%

Bolding shows statistical significance between generations at a 90% confidence interval.



2 Online Engagement

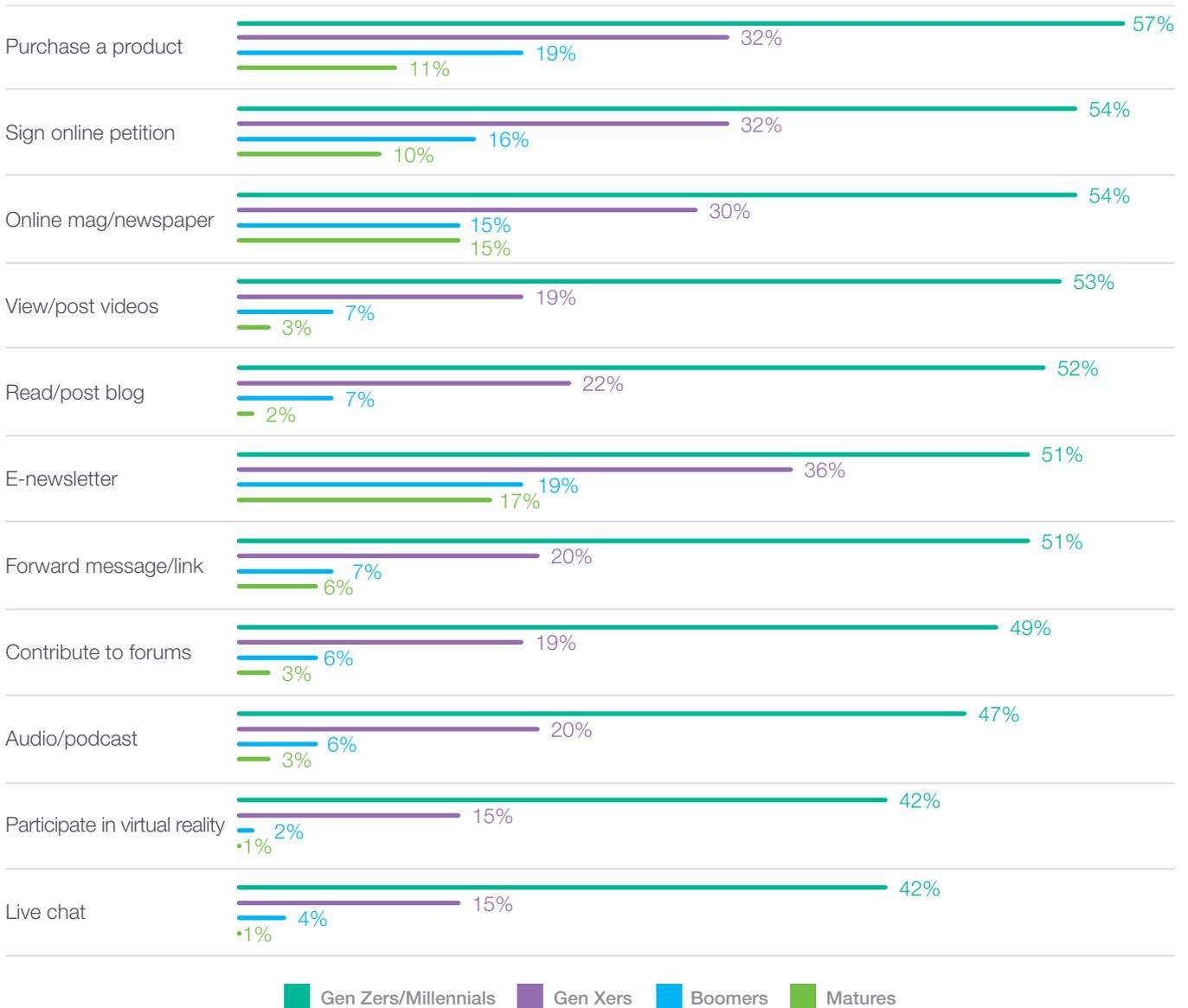
It wasn't long ago that we could speak of online and offline as a way of dividing the communications universe. Less than a decade ago, online meant giving via email or through a website. Today, online is a constellation all its own, ranging from these older digital channels to more established platforms like Youtube® and Facebook® to newcomers like Pinterest®, Snapchat® and Instagram®.

The bewildering and fast-changing array of online channels may be one reason digital engagement with non-profits is still a work in

progress. Gen Zers/Millennials are the only cohort with a majority engaging with charities through any single digital channel, and even among those using the most popular channel—purchasing a cause-related product—is only used by 57% of Gen Zers/Millennials. Gen Xers say they engage in a variety of ways, including reading email newsletters, purchasing cause-related products or signing an online petition. Most Baby Boomers and Matures report minimal online contact with charities. See Figure 11.

FIGURE 11

ONLINE CHANNELS USED BY GENERATIONAL DONORS TO CONNECT WITH CHARITIES AT LEAST MONTHLY



3 Social Media

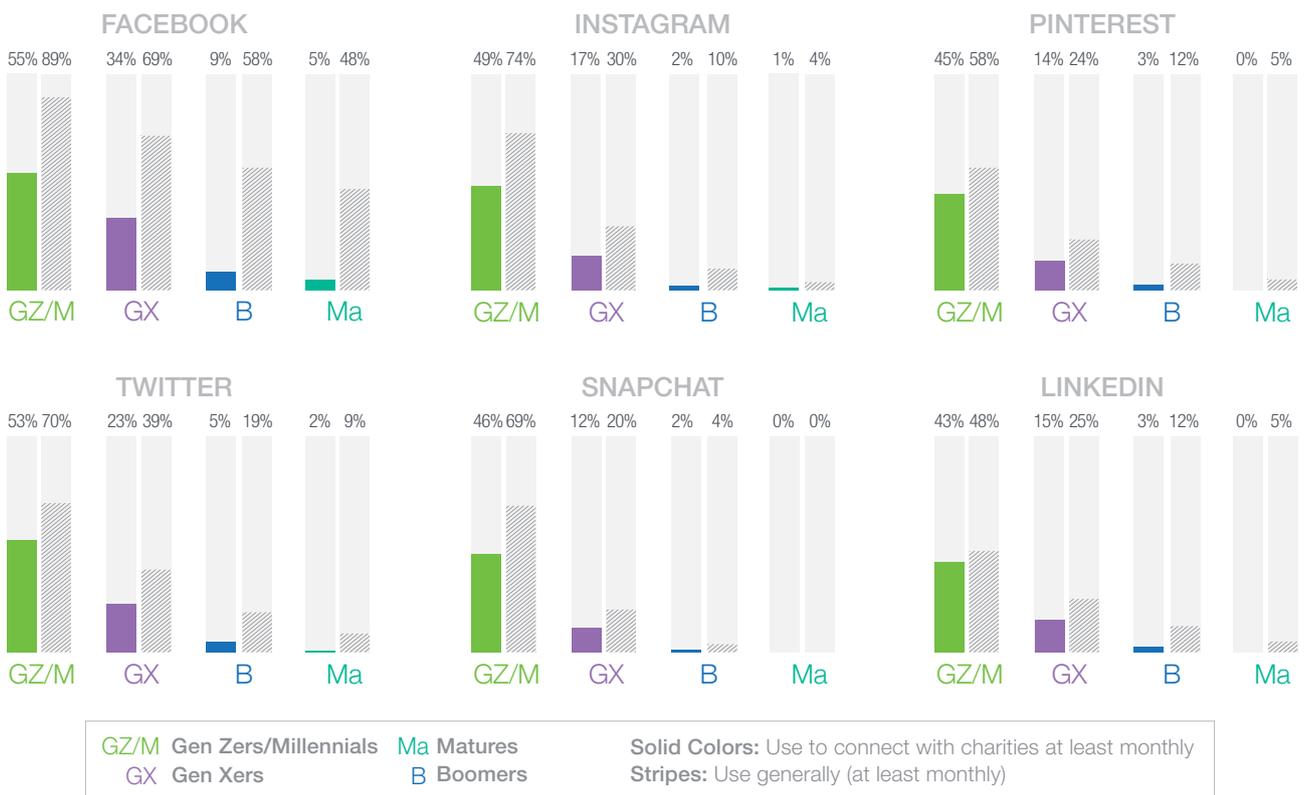
The high-water mark for social media giving are Gen Xers and even their numbers are still low—15% of Gen Xers who have given at all say they have given via a social channel (see Figure 9). The trajectory of social media donations could accelerate with the 2017 release of the fundraising feature on Facebook®, though it's too early to tell.

One way to view the potential of social media in fundraising is to compare the percentage of survey respondents who engage with social networks with the percentage who engage with charities on those same networks. As Figure 12 suggests, smaller

percentages of active social media users use their screen time to interact with causes.

The same chart also shows the disparity of overall use among the generations. While close to half of Baby Boomers and Matures use Facebook on a regular basis, that's about it. At the other end of the spectrum are Gen Zers/Millennials, who are heavier users of Instagram®, Pinterest®, Twitter®, Snapchat® and LinkedIn®. Gen Xers falls somewhere in the middle.

FIGURE 12
GENERAL SOCIAL MEDIA USE COMPARED WITH CAUSE-BASED SOCIAL MEDIA USE, BY GENERATION



4 Mobile Engagement and Giving

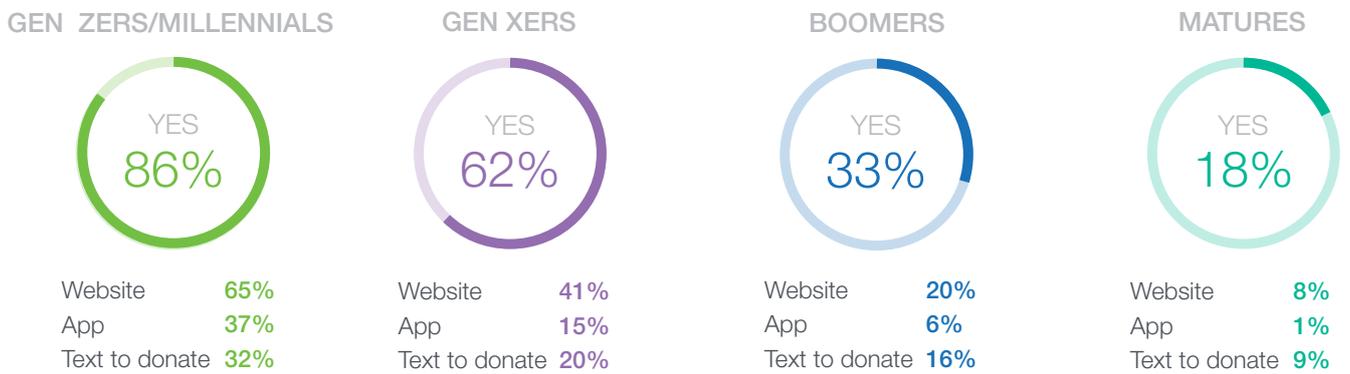
Smartphones are rising stars with Gen Zers/Millennials—68% of these younger donors say they engage with causes and charities through these devices. See Figure 13.

The mobile space has evolved dramatically since we began tracking it. Not that long ago, mobile simply meant giving by

text. As smartphones have put the power of a laptop computer in everyone’s pocket, giving behaviour by mobile is much more like website giving. And even though donations by SMS are becoming increasingly rare, the text channel is emerging as a key tool in the arsenal of organisers and political campaigners.

FIGURE 13

PERCENTAGE OF GENERATIONAL DONORS WILLING TO GIVE VIA MOBILE DEVICE



DEVICES USED TO ENGAGE	GEN ZERS/MILLENNIALS	GEN XERS	BOOMERS	MATURES
Computer	68%	53%	57%	59%
Tablet	33%	31%	29%	22%
Smartphone	68%	43%	19%	6%



5 Crowdfunding

Crowdfunding has grown dramatically over the past decade. Among Gen Zers/Millennials, 56% have participated in a crowdfunding campaign. See Figure 14.

When crowdfunding first came on the scene, the thought was that its use for non-profits would be akin to Kickstarter® campaigns to launch mini-capital campaigns.

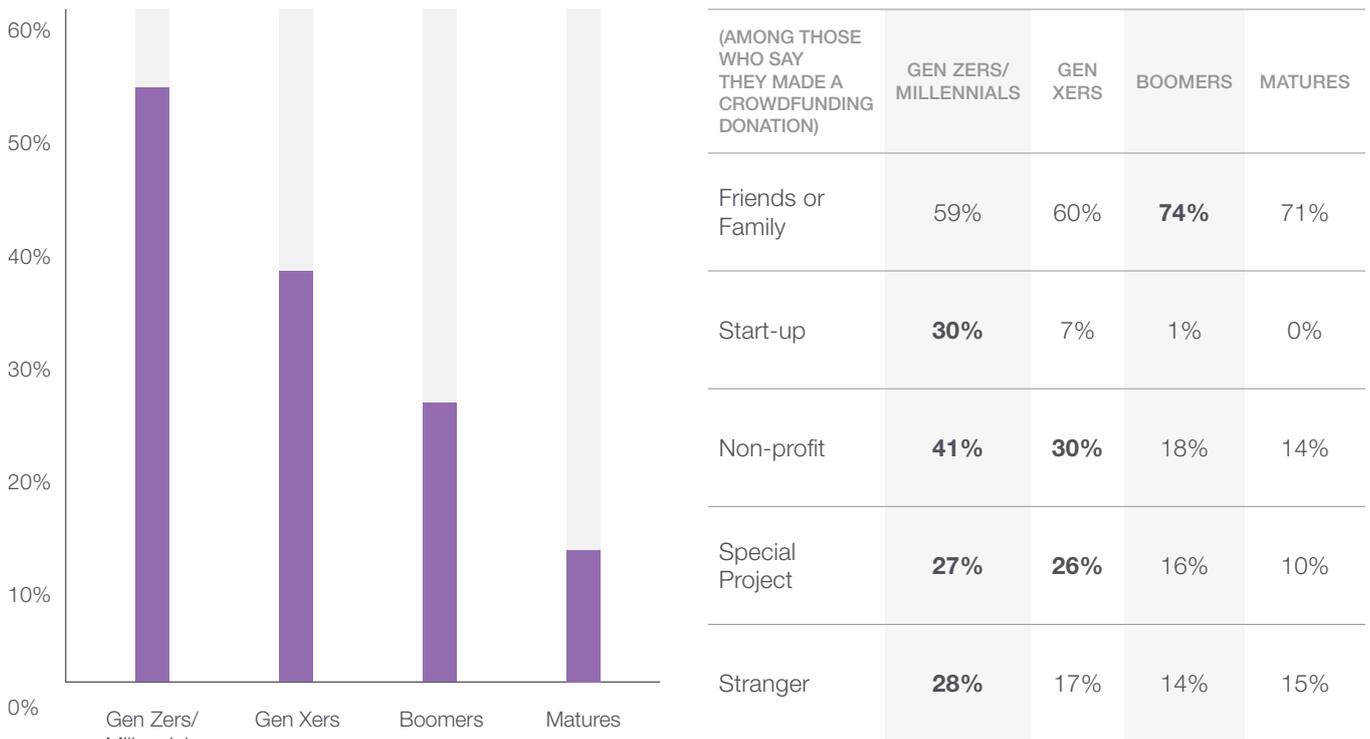
However, as things have evolved, we are seeing that those who say they have given to crowdfunding have done so primarily to

support friends or family. Large uplifts are also often noted in the wake of natural disasters.

As of 2018, crowdfunding appears to be morphing into a first cousin of peer-to-peer fundraising. But it remains an embryonic phenomenon for charities and causes. While commercial use of crowdfunding has mushroomed into a multibillion-dollar enterprise and a source of cutting-edge technology¹, its long-term role in professional fundraising remains to be seen.

FIGURE 14

PERCENTAGE OF EACH GENERATION THAT HAS GIVEN VIA CROWDFUNDING



Bolding shows statistical significance between generations at a 90% confidence interval.

¹ "The Unique Value of Crowdfunding is Not Money—It's Community," Harvard Business Review



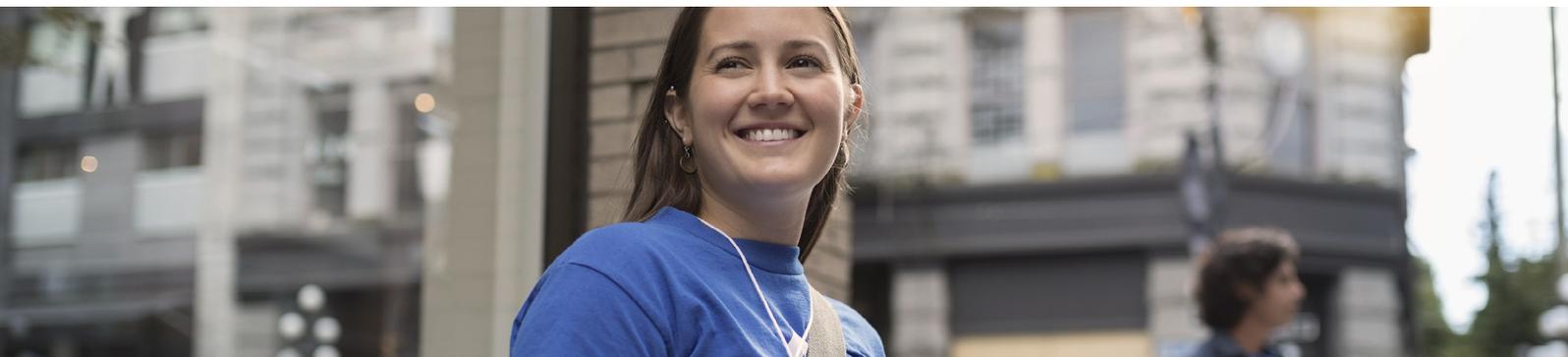
FIGURE 15
**PERCENTAGE OF WORKING DONORS WHO ARE INTERESTED OR
 WHO HAVE PARTICIPATED IN WORKPLACE GIVING**

	GEN ZERS/MILLENNIALS		GEN XERS		BOOMERS	
	PARTICIPATED	INTERESTED	PARTICIPATED	INTERESTED	PARTICIPATED	INTERESTED
AMONG ALL DONORS						
Participated in a workplace fundraiser	48%	83%	47%	75%	33%	47%
Participated in a workplace walk, run, challenge, or team event	41%	78%	34%	69%	20%	37%
Made a one-time donation through your workplace	46%	73%	30%	61%	21%	37%
Volunteered through your workplace	42%	81%	28%	63%	14%	31%
Made a donation through payroll deduction	36%	62%	15%	38%	11%	20%
Made a donation where your employer matched the gift	40%	76%	22%	65%	12%	41%

⑥ Workplace Giving

With Millennials now in the workforce, employers have had to up their game by providing greater and more diverse opportunities for workers to connect with one another and the larger community. Workplace giving falls within the larger constellation of employee engagement. As Figure 15 shows, a substantial percentage of working donors across generations say they have either participated in workplace giving or are interested in doing so.

As one might expect, interest in workplace giving is higher among Gen Zers/Millennials and Gen Xers. This may speak to an emerging opportunity to reach present and future donors where they are.



RECOMMENDATIONS

Here are some of our main takeaways from this research. Our recommendations are also informed by other research and by our experience as fundraisers and researchers.

① Focus on the generations that matter today.

Gen Zers/Millennials have arrived on the scene as a force to be reckoned with. Yet many charities are still operating with strategies designed to meet the needs and preferences of Baby Boomers and Matures. To embrace this eager cohort, charities must continue to evolve their practices to meet these savvy young donors where they are.

② Redouble your focus on the fundamentals.

Fundraising is not mining or hunting; it's farming. You are in a relationship with your donors and understanding their needs and expectations has never been more important. What do they want? What do they expect will happen when they donate to your organisation? If you treat them right, you can look forward to many years of loyal support.

③ Get serious about retention.

There are few subjects that receive more lip service and less meaningful attention than retaining donors from one year to the next. With a changing donor population and growing uncertainty about the stability of the primary donation channels, this is the time to get serious about keeping the donors you have.

*Fundraising is not mining or hunting;
it's farming.*

④ Get your house in order.

Evidence is growing that internal organisational issues—including unsupportive culture, silos, lack of resources, access to actionable data and other factors—are having a significant impact on fundraising effectiveness.² Ignoring internal issues is not a luxury any organisation can afford. And in the incredibly data-rich world of 2018, there is no good reason why any fundraiser should be flying blind. And yet too many report that they are.

⑤ Stay agile.

Be prepared to change and adapt when you can. And when you cannot, stay zen. View projections with humility; there are too many unknown variables to make completely bankable predictions. See recommendation number three above.

⑥ Get serious about testing.

You know that thing you tried a few years ago that failed? Maybe try it again. Channel behaviour is in flux. Don't assume past tactics will continue to work.

⑦ Listen to your donors.

Relationship fundraising is a two-way street. If you want to retain and upgrade donors, it will be more than a matter of broadcasting content. Learn to listen using multichannel surveys, focus groups, phone calls and other tools for hearing from your donors on a regular basis.

² Inside Out Fundraising: How to Create a Culture of Philanthropy By Treating Systems Instead of Symptoms, Sea Change Strategies, 2017.



Acknowledgements

We are indebted to the colleagues who supported this work: Mark Rovner who penned the original report, Pam Loeb and Lisa Dropkin who led the research, and Ashley Thompson, Erin Duff, Louise Sparks and Casper Harratt who guided the direction and editing. Thank you to Sarah Rodgers and Erin Wagner who, as our data gurus, contributed their great expertise to the design, analysis and interpretation of the findings, and Dennis McCarthy and Mike Johnston, who contributed their perspectives on the survey. Finally, we'd like to extend our thanks to Nicole Gear, Lisa Bayne, Meredith Jones, Jamie Rusenko and Anna Key for managing the design and editing of the report.

About the Blackbaud Institute for Philanthropic Impact

The Blackbaud Institute drives research and insight to accelerate the impact of the social good community. It convenes expert partners from across the philanthropic sector to foster diverse perspectives, collective thinking, and collaborative solutions to the world's greatest challenges. Using the most comprehensive data set in the social good community, the Blackbaud Institute and its partners conduct research, uncover strategic insight, and share results broadly, all in order to drive effective philanthropy at every stage, from fundraising to outcomes. Knowledge is powering the future of social good, and the Blackbaud Institute is an engine of that progress. Learn more, sign up for our newsletter, and check out our latest resources at www.blackbaudinstitute.com.

About Edge Research

Edge Research is a premier marketing research firm servicing non-profits, associations, and corporations. Over the past 20 years, Edge has helped dozens of non-profits move to a donor-centric mindset. Research insight guides clients on how to communicate with their audiences more effectively, retain and grow their donor bases, and make the changes needed to cultivate the next generation of supporters.

About Sea Change Strategies

Sea Change Strategies is a boutique consulting practice recognised for helping remarkable causes raise more money by building better donor relationships. The Sea Change Strategies team has been honoured to serve causes including the National Audubon Society®, Defenders of Wildlife®, Population Services International®, Share our Strength®, International Rescue Committee®, Monterey Bay Aquarium®, Southern Poverty Law Center®, and Amnesty International USA®.





About Blackbaud

Blackbaud (NASDAQ: [BLKB](#)) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, corporations, education institutions, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for [fundraising and relationship management](#), [digital marketing](#), [advocacy](#), [accounting](#), [payments](#), [analytics](#), [school management](#), [grant management](#), [corporate social responsibility](#), and [volunteerism](#). Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina, and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit www.blackbaud.com.

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