

# Cost of Living and Giving

Baseline November 2022

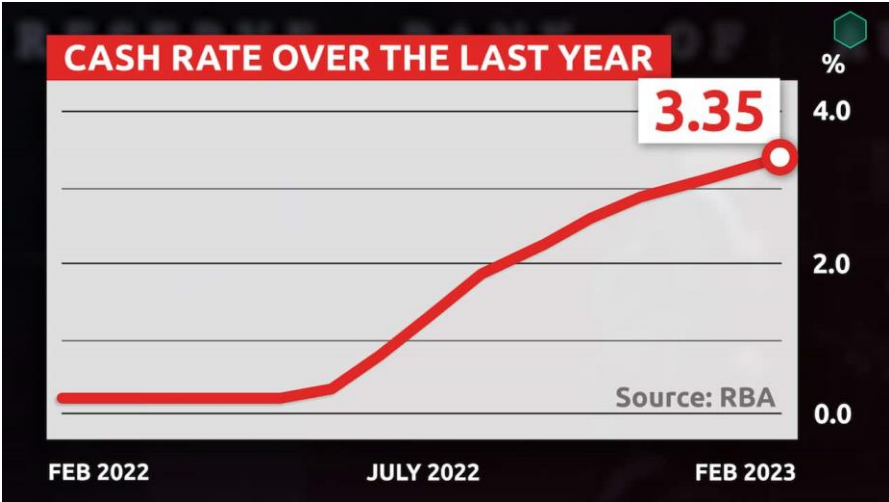
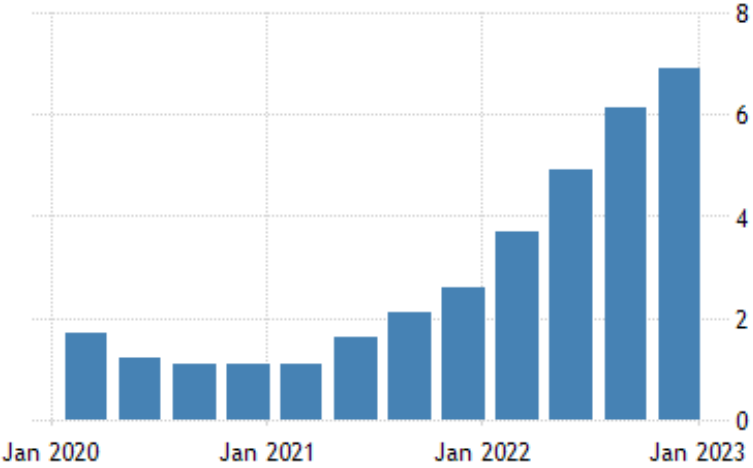
Feb 2023



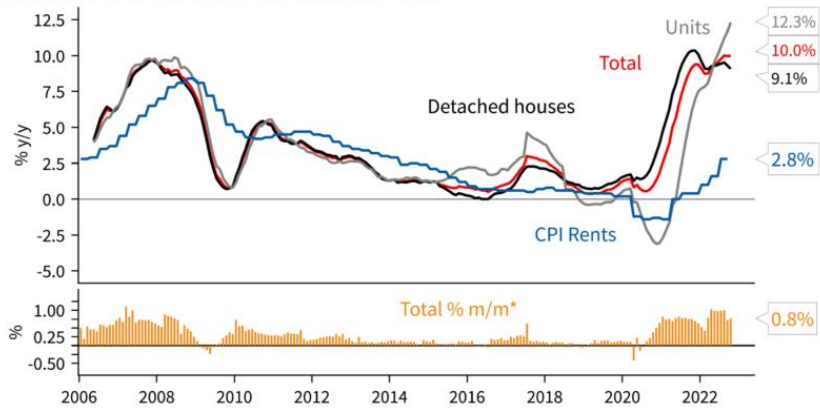
# Headline News



# Economic Woes

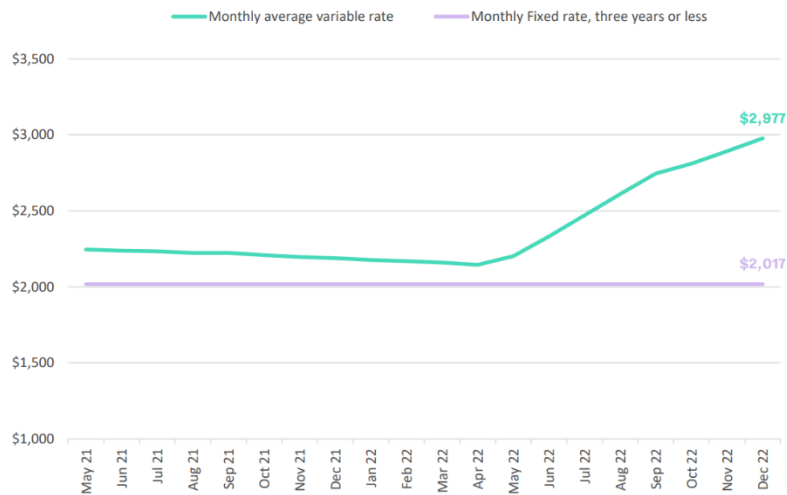


## Australian Listed Dwelling Rents



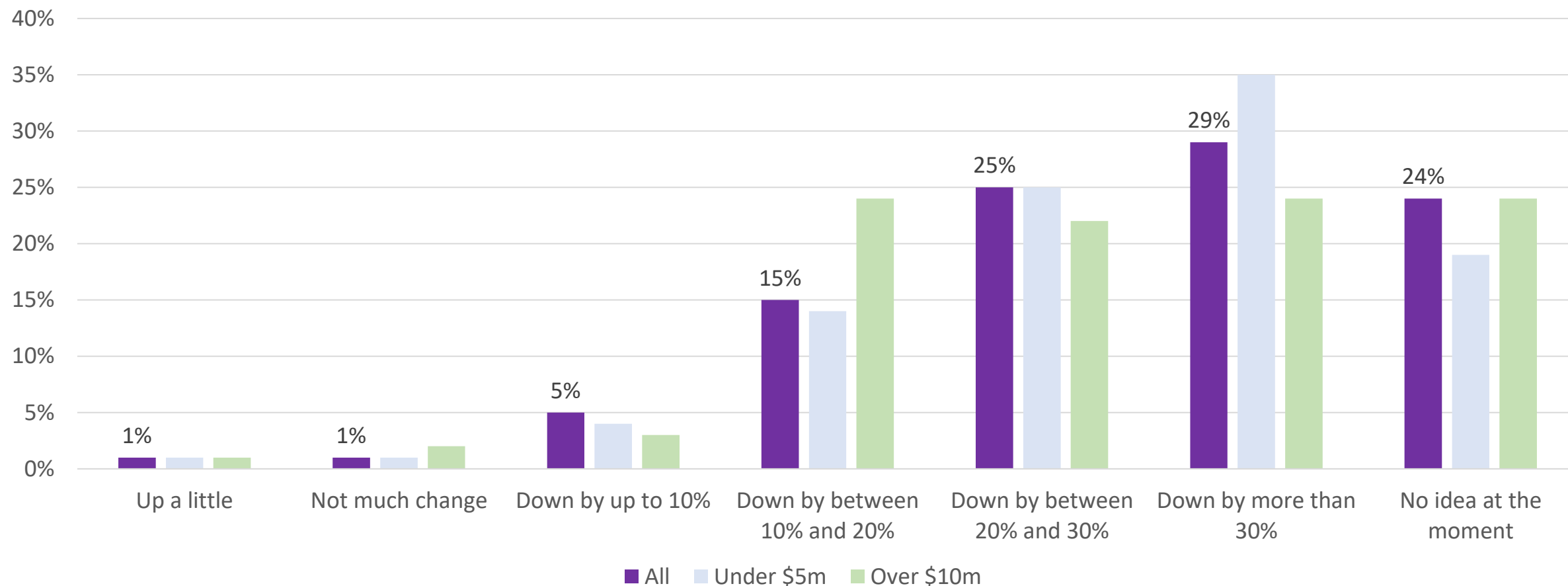
\*Seasonally adjusted by NAB  
Source: National Australia Bank, CoreLogic

Figure 4: Monthly mortgage repayments since May 2021



# Anticipated impact on Fundraising March 2020

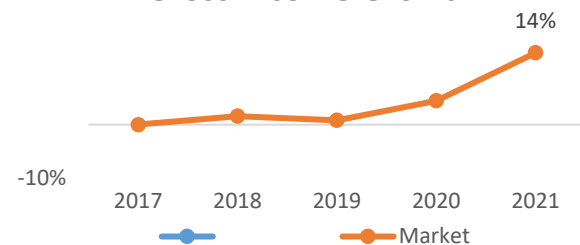
Q1.5 - What do you think the impact of COVID-19 will be on your fundraising for the remainder of this calendar year?



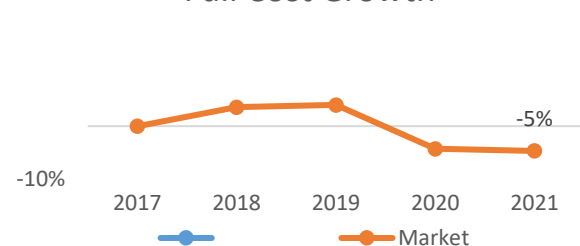


# In reality

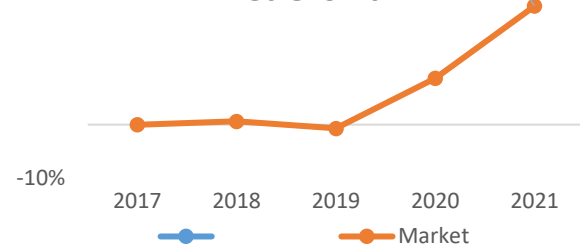
## Gross Income Growth



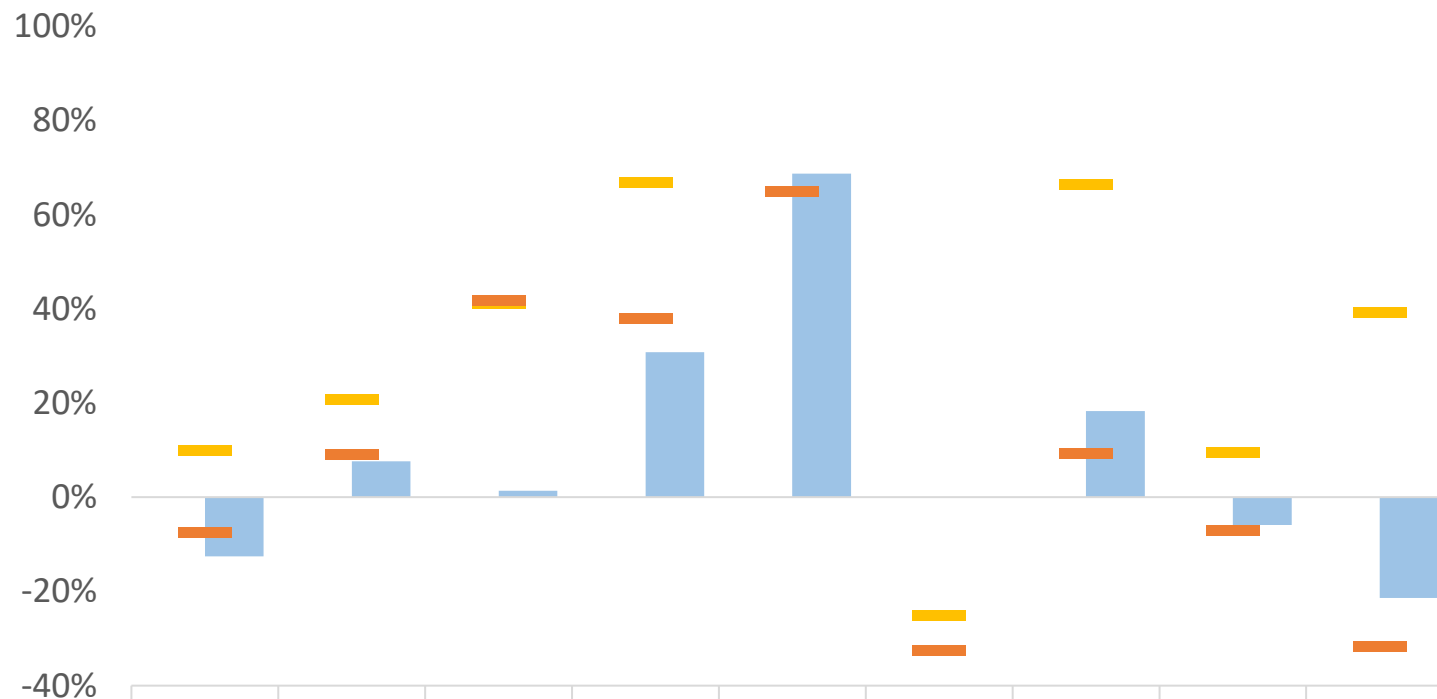
## Full Cost Growth



## Net Growth

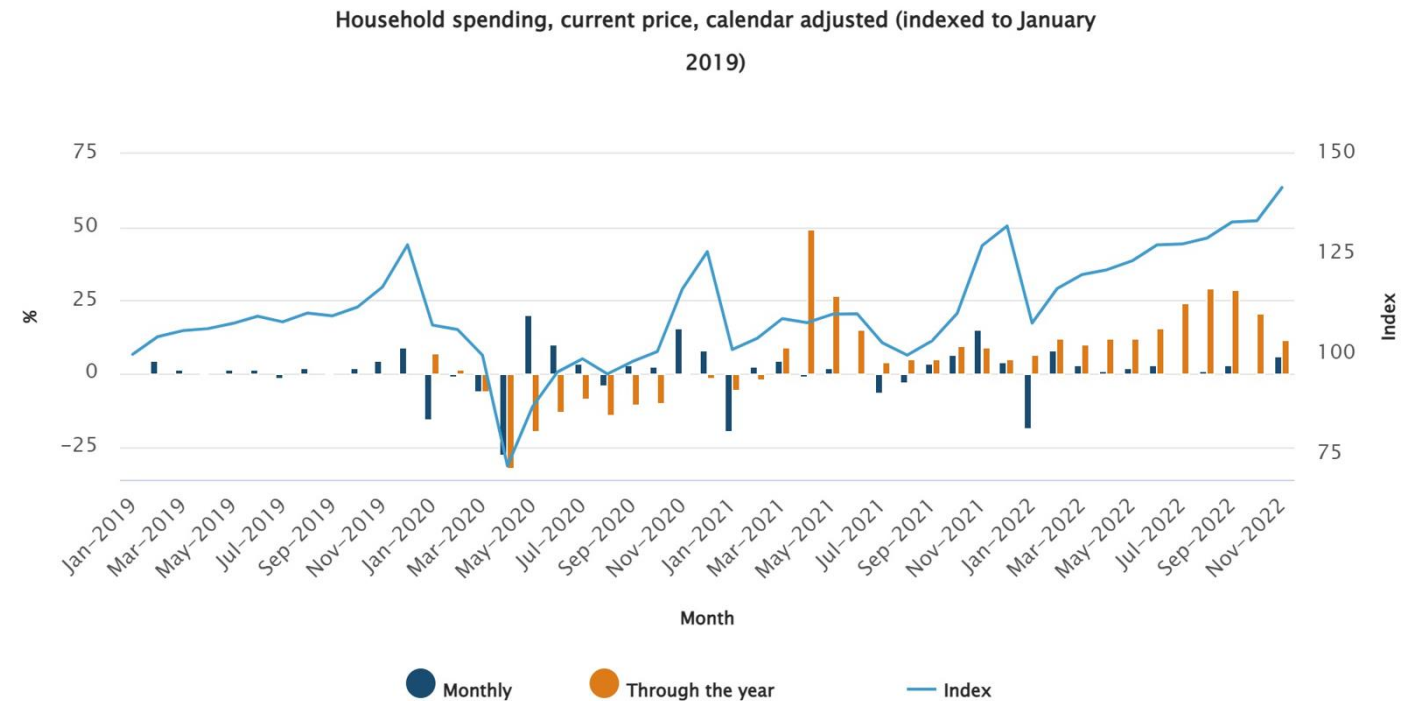
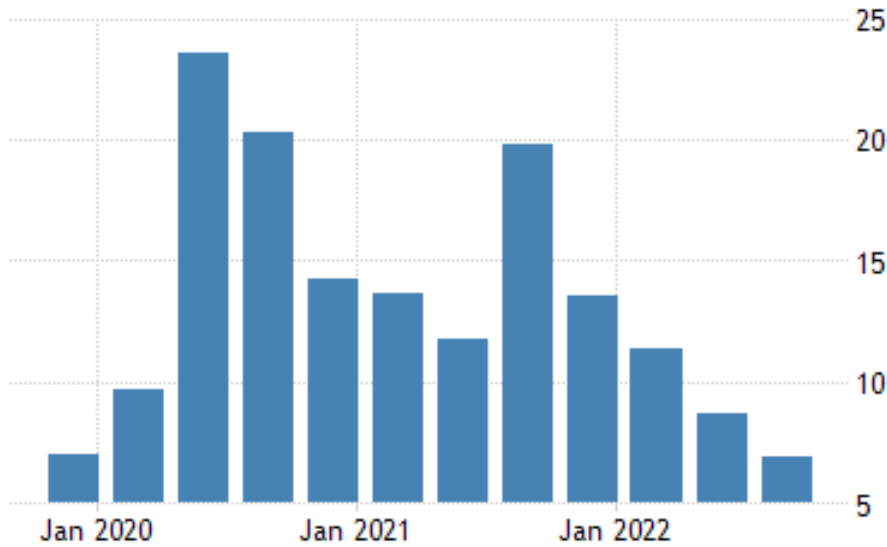


## Gross income Change 2019 to 2021



	Events	Direct Marketing	Corporate	Major Donors	Trusts and Foundations	Lotteries and art unions	Bequests	Sales	Other or General items
0									
Market Median	-13%	8%	1%	31%	69%	0%	18%	-6%	-21%
Market Mean (Individual)	10%	21%	41%	67%	113%	-25%	66%	9%	39%
Market Mean (Total)	-7%	9%	42%	38%	65%	-33%	9%	-7%	-32%

# Savings Rates



Index reference period January 2019 = 100.0

Source: Australian Bureau of Statistics, Monthly Household Spending Indicator November 2022

In Australia, Households Savings correspond to the ratio of household income saved to household net disposable income during a certain period of time. Tradingeconomics/ABS

# Consumer confidence index

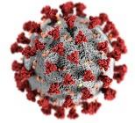
## Consumer confidence is now lower than it was when the pandemic first hit

ANZ-Roy Morgan Consumer Confidence



Chart: Greg Jericho • Source: [ANZ-Roy Morgan](#) • [Get the data](#) • Created with [Datawrapper](#)

# In Summary.....



## COVID

Inflation

Spending

Savings

House Prices

Confidence

Interest rates

Unemployment

Momentary  
Reprieve



## CoLIV

Inflation

Spending

Savings

House Prices

Confidence

Interest rates

Unemployment



# Top 5 Issues (ranked in top 5)

## Public Under 35

1. Mental Health
2. Housing Affordability
3. Climate change
4. Domestic Violence
5. Children's health and safety
6. Homelessness
7. Poverty in Aus

21. Refugee and asylum seekers
22. International disaster response
23. Overseas development

## Public 35-54

1. Housing Affordability
2. Mental Health
3. Climate change
4. Homelessness
5. COVID 19
6. Domestic Violence
7. Poverty in Aus

21. First Nations justice
22. Refugee and asylum seekers
23. Overseas development

## Public Over 55

1. Housing Affordability
2. Illness and disease
3. COVID 19
4. Climate change
5. Homelessness
6. Poverty in Aus
7. Domestic violence

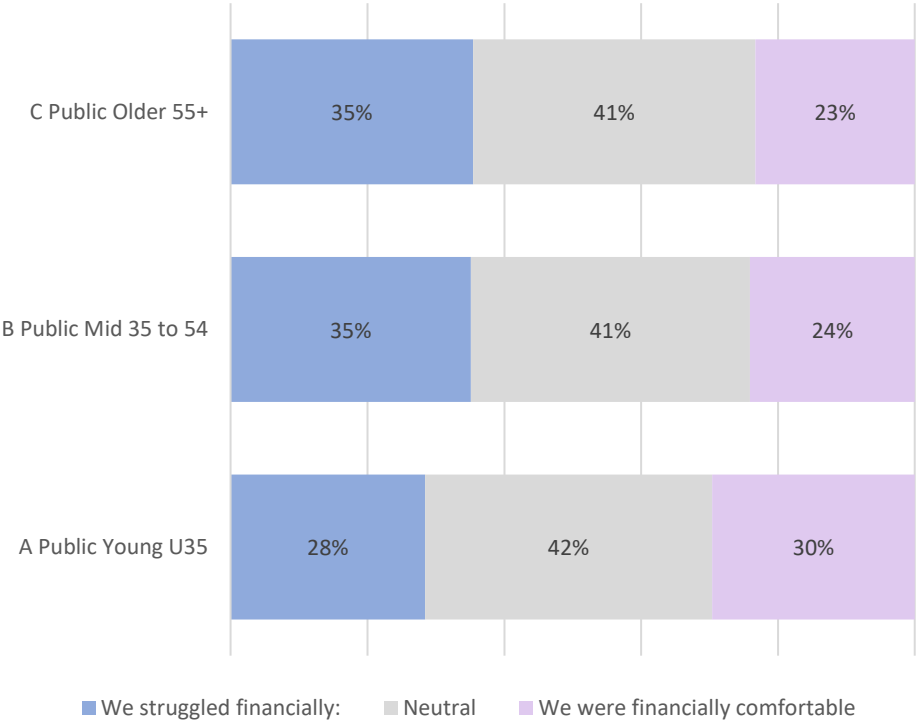
21. Overseas development
22. LGBTQI+ rights
23. International disaster response

# **The Meaning of Money**

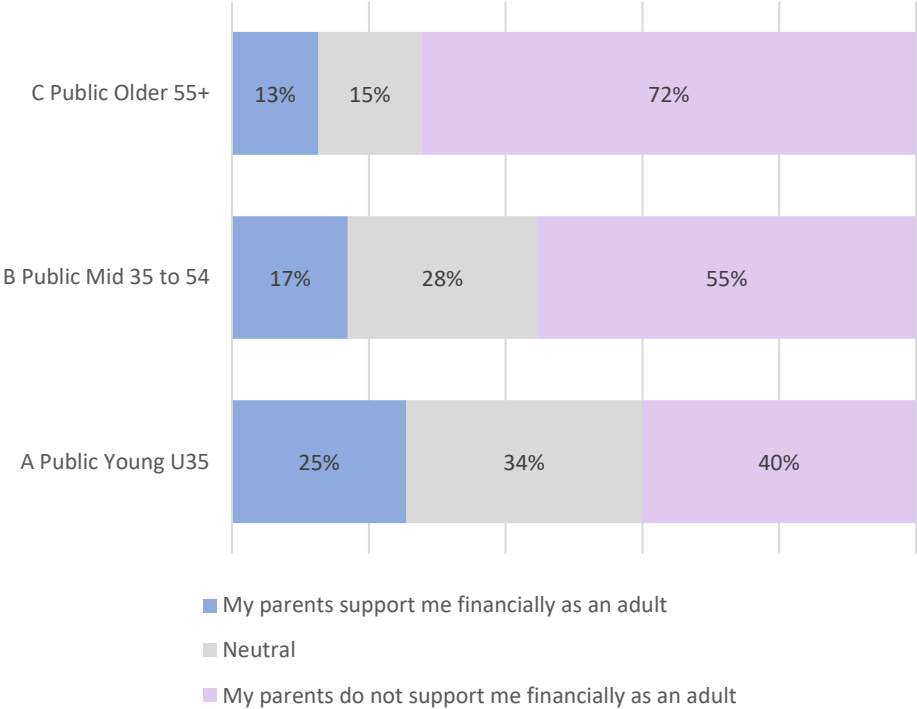
# Financial Upbringing

N=

We struggled financially:We were financially comfortable

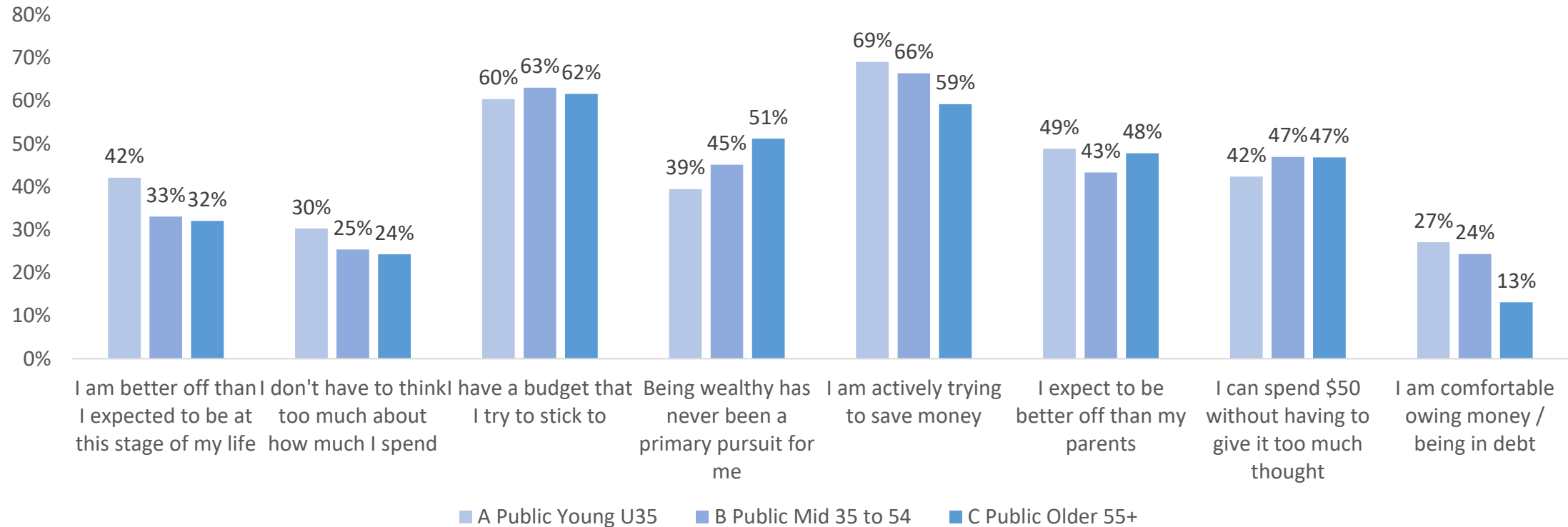


My parents support me financially as an adult:My parents do not support me financially as an adult




Young people have grown up in greater comfort and are more dependent on their parents (still).

Q5.1: To what extent do you agree or disagree with these statements about your personal finances?



Younger people are saving, optimistic, OK being in debt and nearly half of respondents can spend \$50 without thinking too much about it.

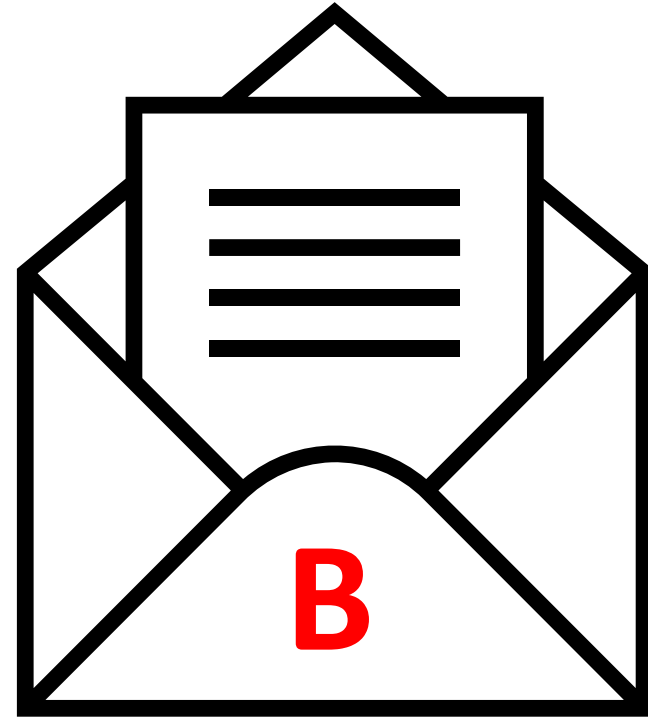
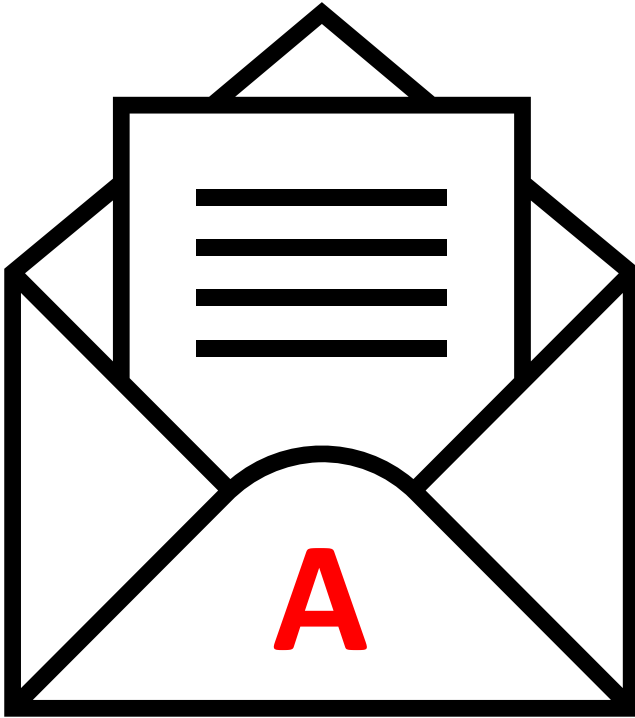




What is the purpose  
of having  
more money?



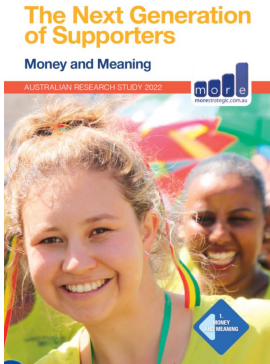
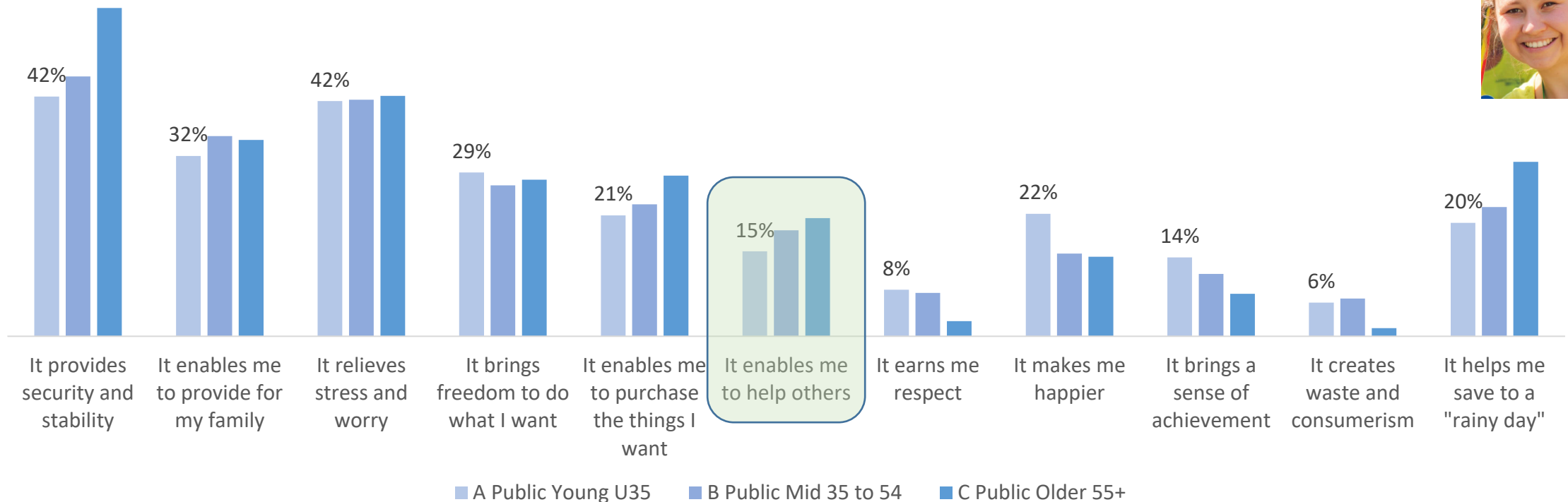
# An experiment.....



Open Envelope A

# The Purpose of Money

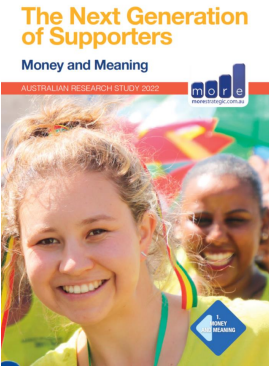
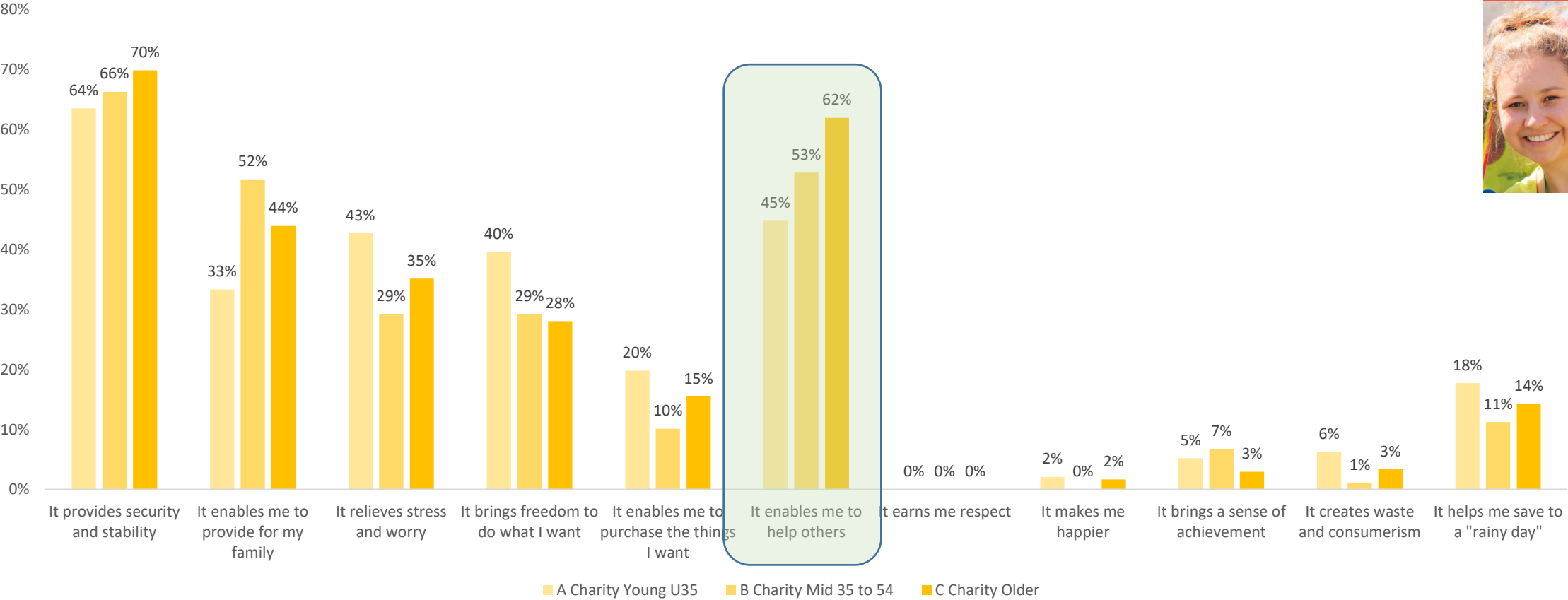
Q5.2: Which of these best describe your attitude toward having more money?



The purpose of money shifts from freedom, fun and achievement to protection, purchases and providing for others. 6% see its as consumerist waste.

# The Purpose of Money

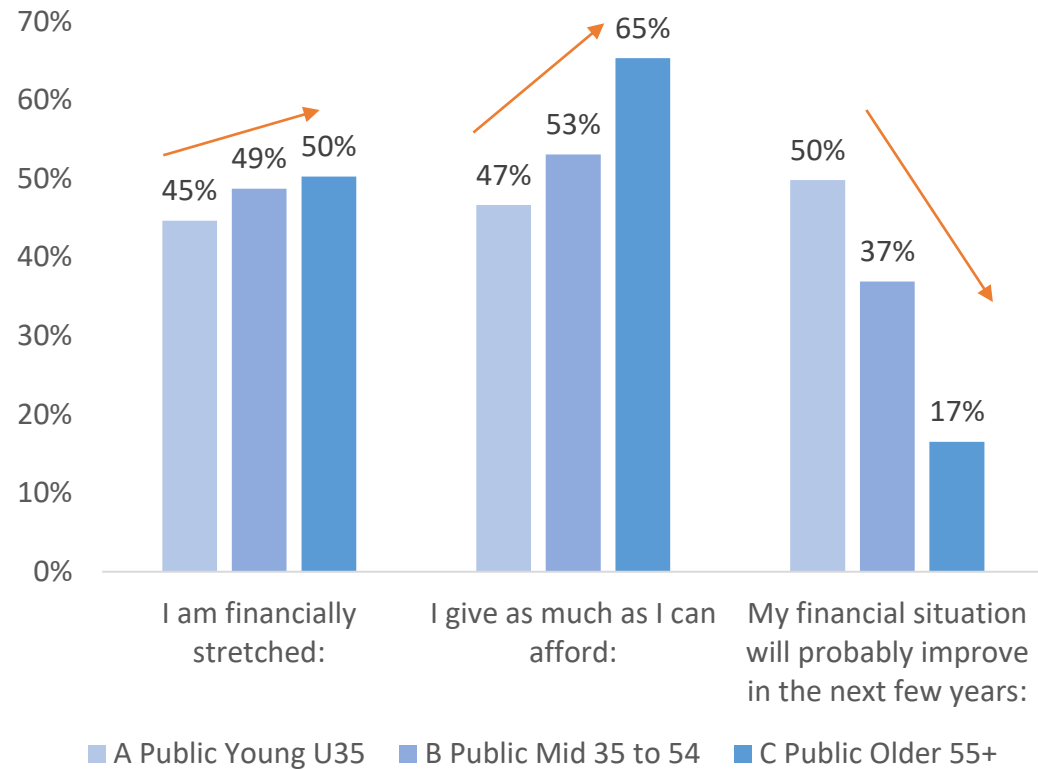
Q5.2: Which of these best describe your attitude toward having more money?



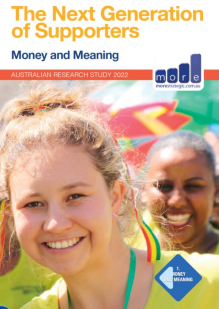
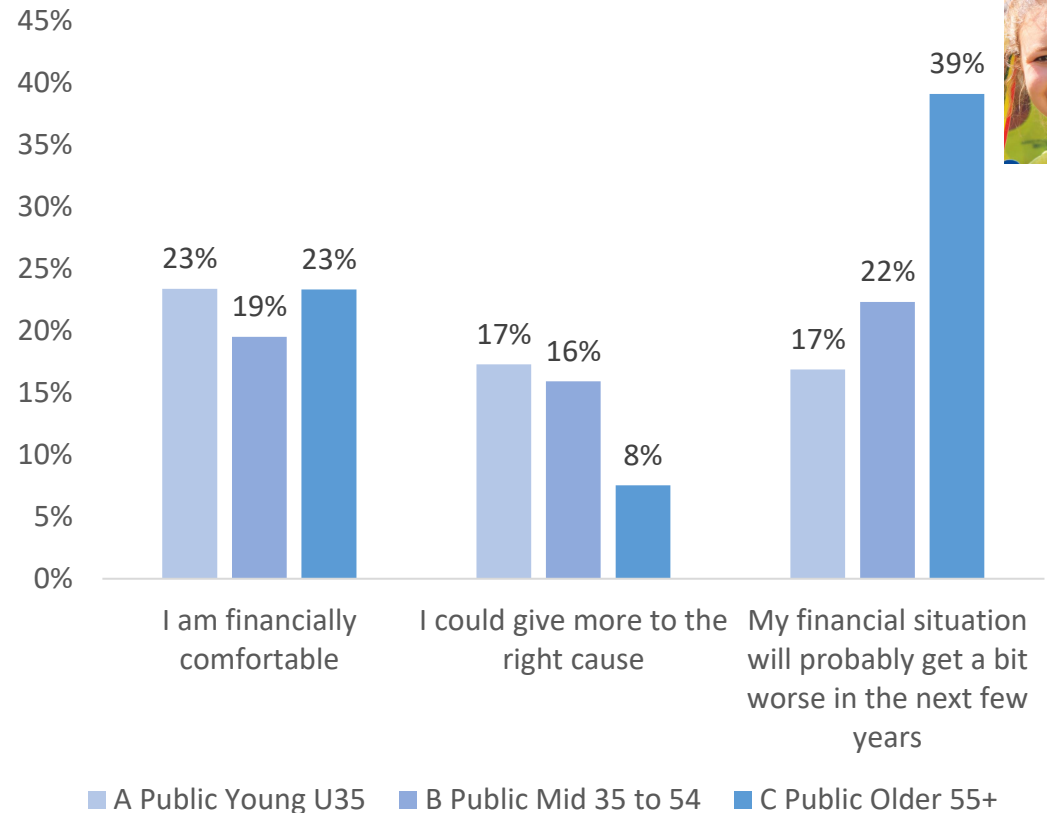
Comments

# Mid Value Prospect Identifier: Next gen

Q15.1: For each of the following pairs of statements, which best describes you and your situation?  
Statement A or statement B?



Q15.2: Thinking about your support for charities, which of these statements best describes you?



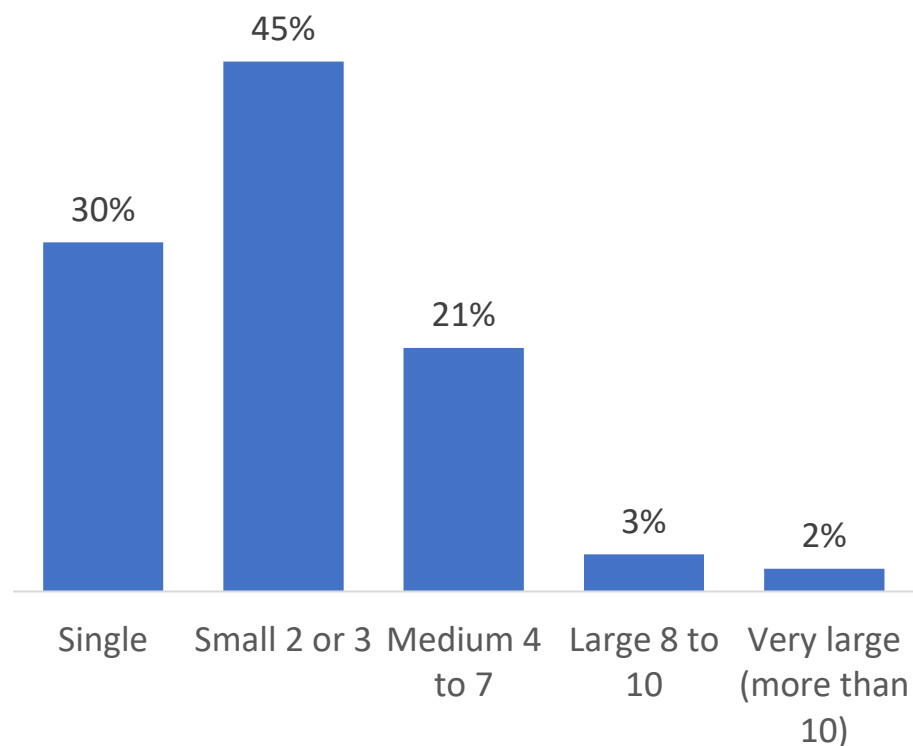
# Donation Behaviour



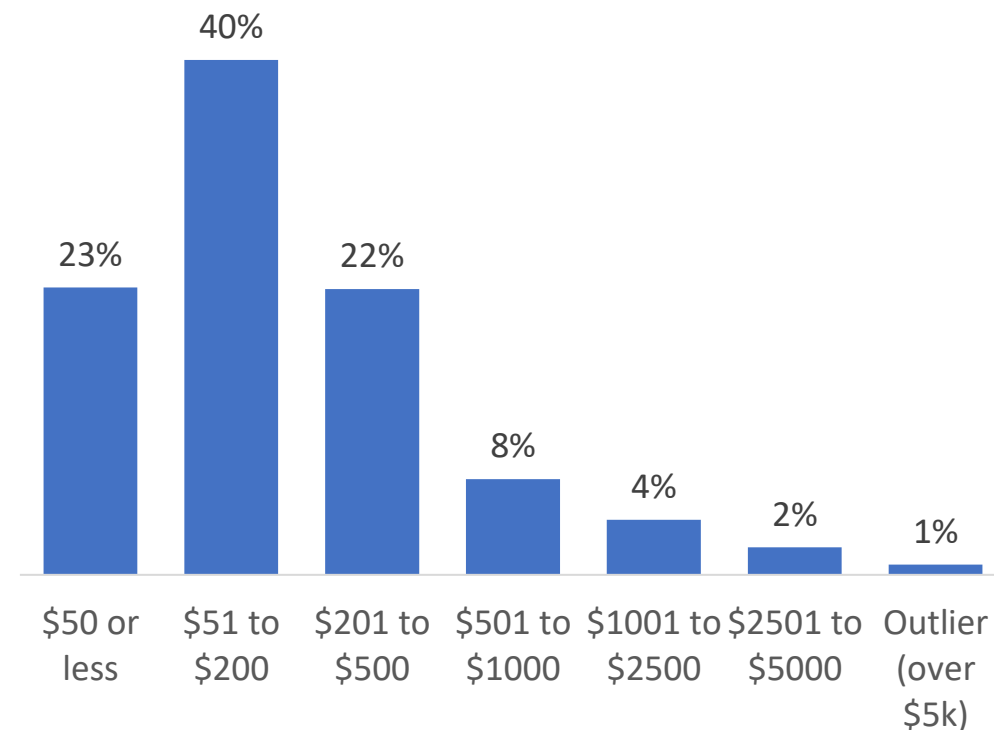
# Giving amount and portfolio

N=830

Number of charities supported



Self reported annual Giving

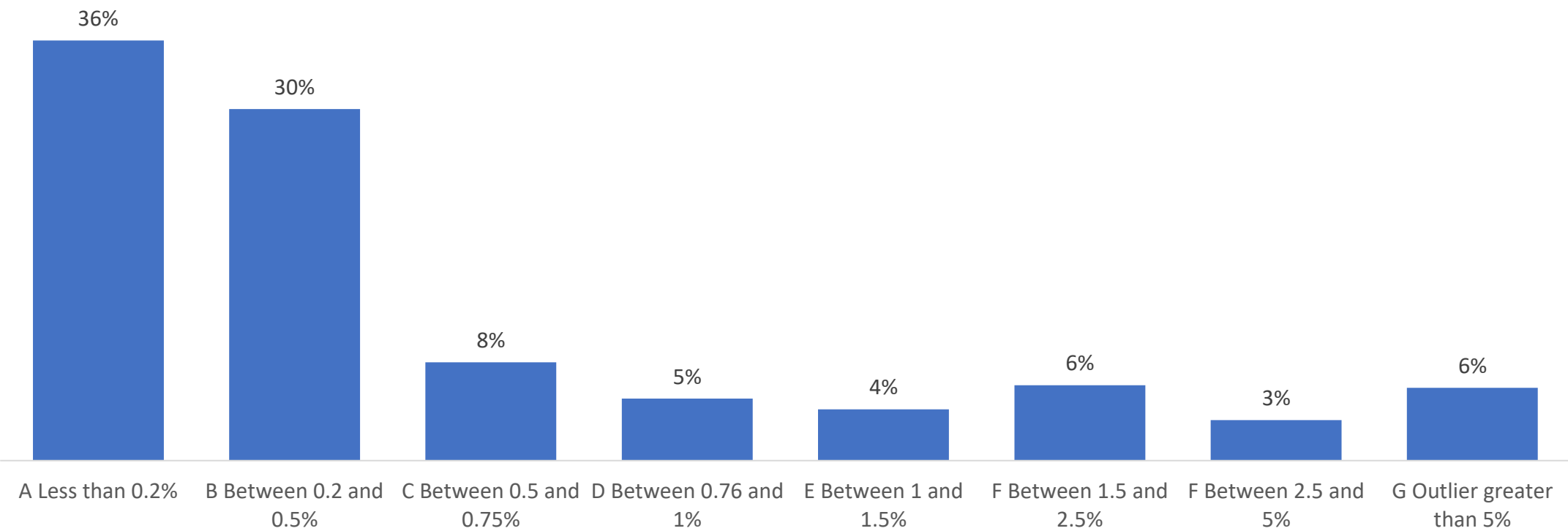


Amongst the people who say they have given the majority are only giving to less than 3 organisations with a value of under \$200. Caveat of a public panel compared to known donors who would be quite different on both counts.

# Giving proportion of income

N=

Giving Proportion Band

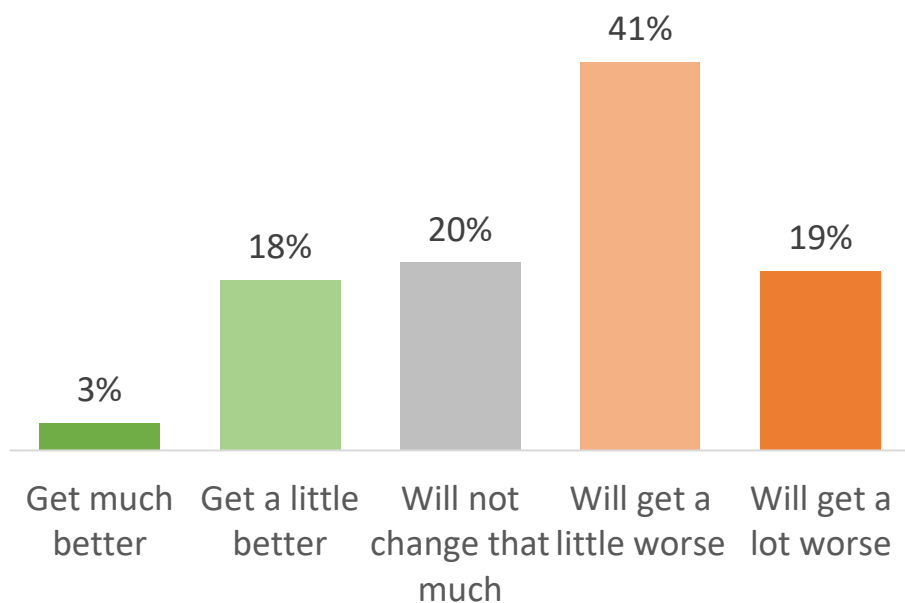


Based on a combination of self reported income and self reported giving we can find a rough indicator of the level of giving (as a % of income)



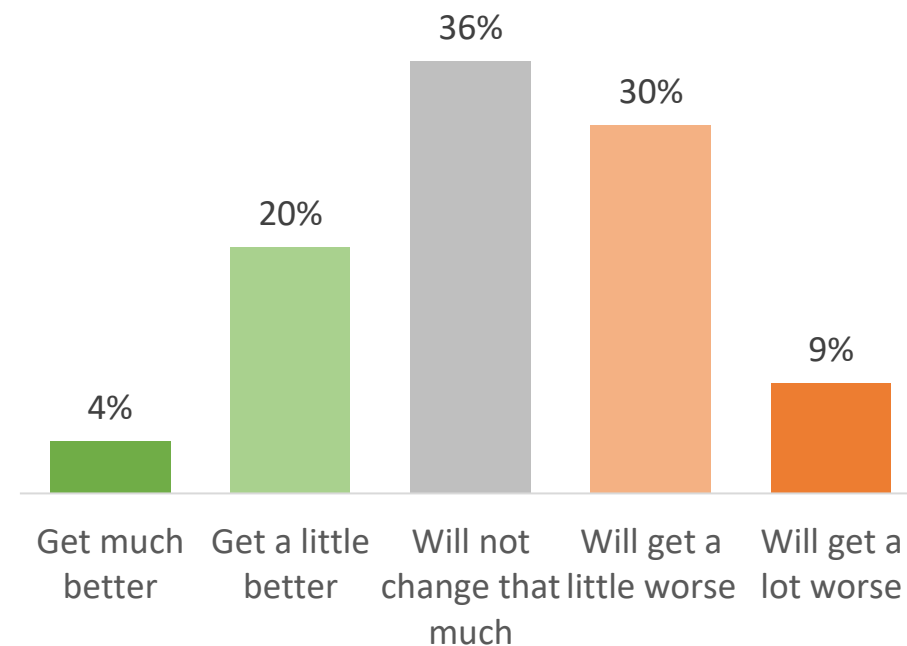
# Outlooks

Q13 - Thinking of economic conditions in Australia as a whole, how do you think the economy will fare in the next 12 months?



-49

Q14 - How do you think your financial situation may change in the next 12 months?

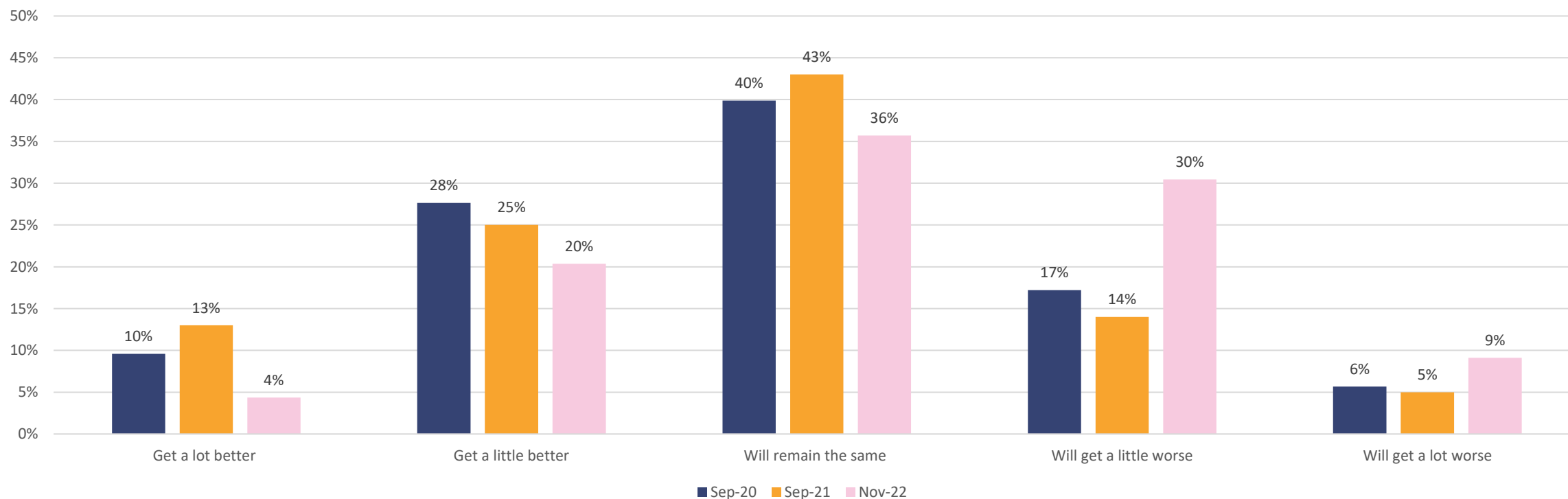


-15

People think the overall economic outlook is much worse than their own personal financial situation. But more people think their own situation will get worse than better.

# Changes in outlook

N= 1031



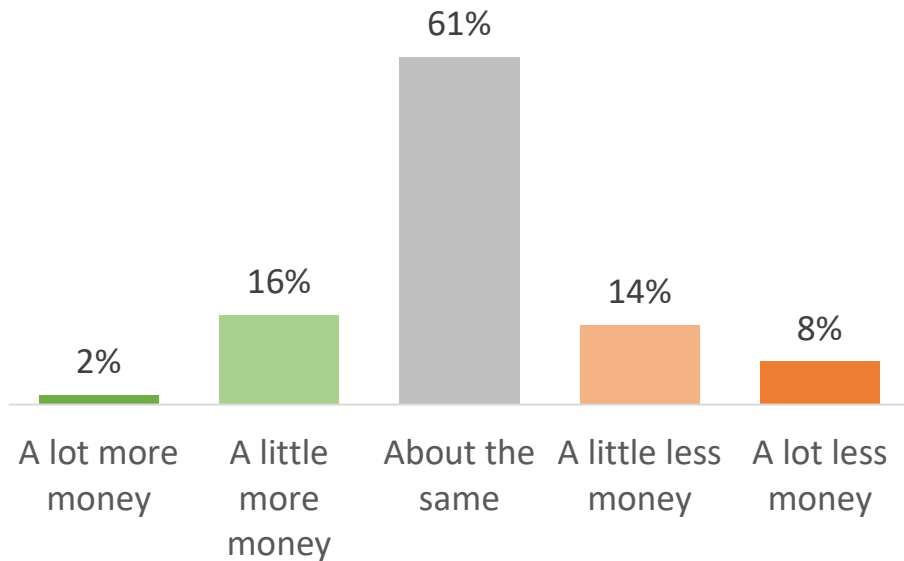
There has been a significant shift this year with almost 40% of Australians feeling they will be worse off in the coming 12 months.



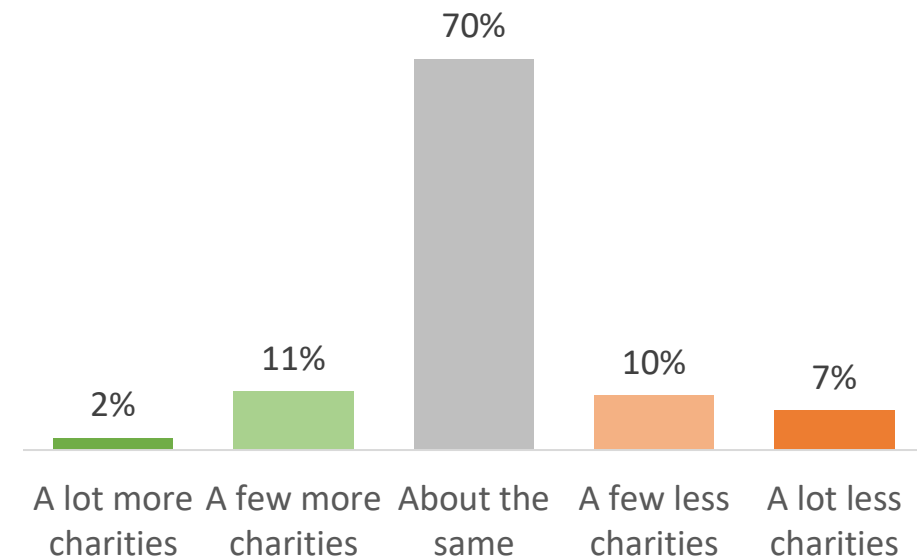
# Giving Expectations

N= 1031

Q16 - Thinking about your charitable giving in the next year. Do you expect to give more or less money than the year before?



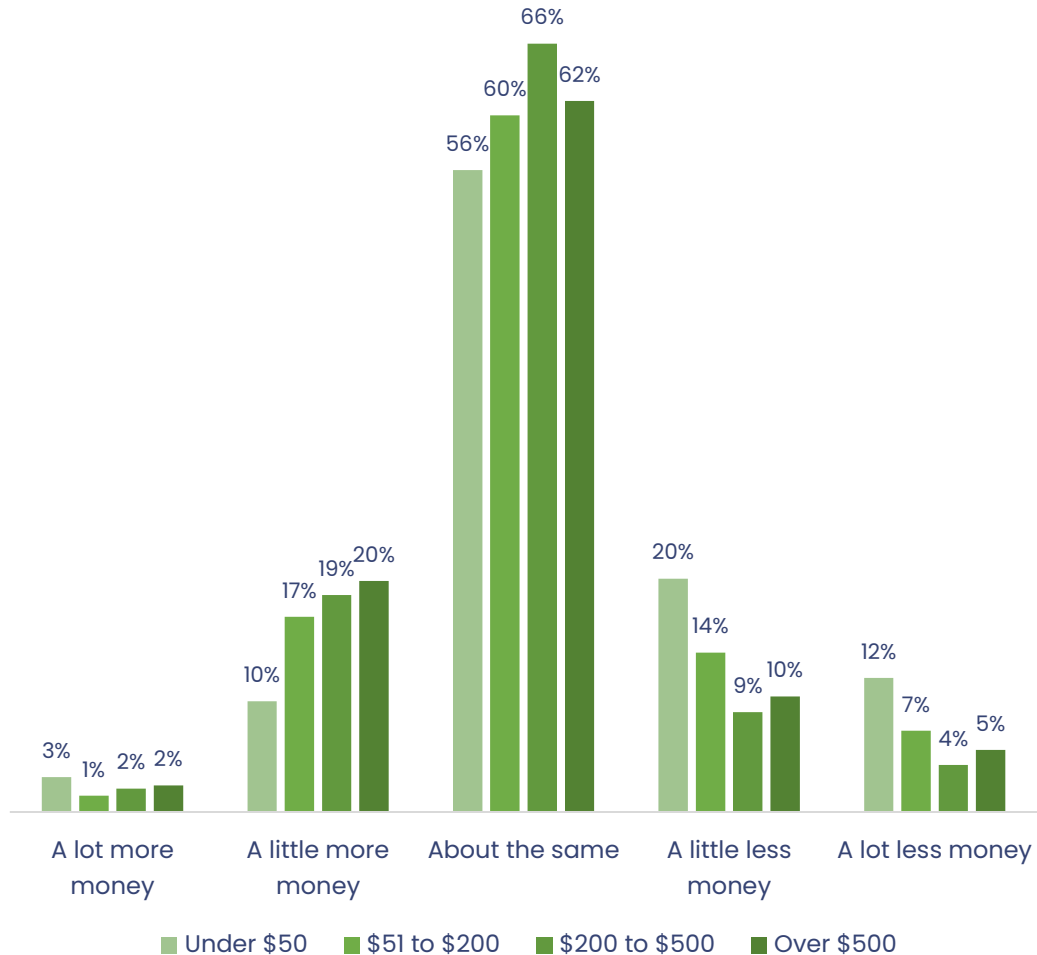
Q17 - Thinking about your charitable giving in the next year. Do you expect to give to more or less charities than the year before?



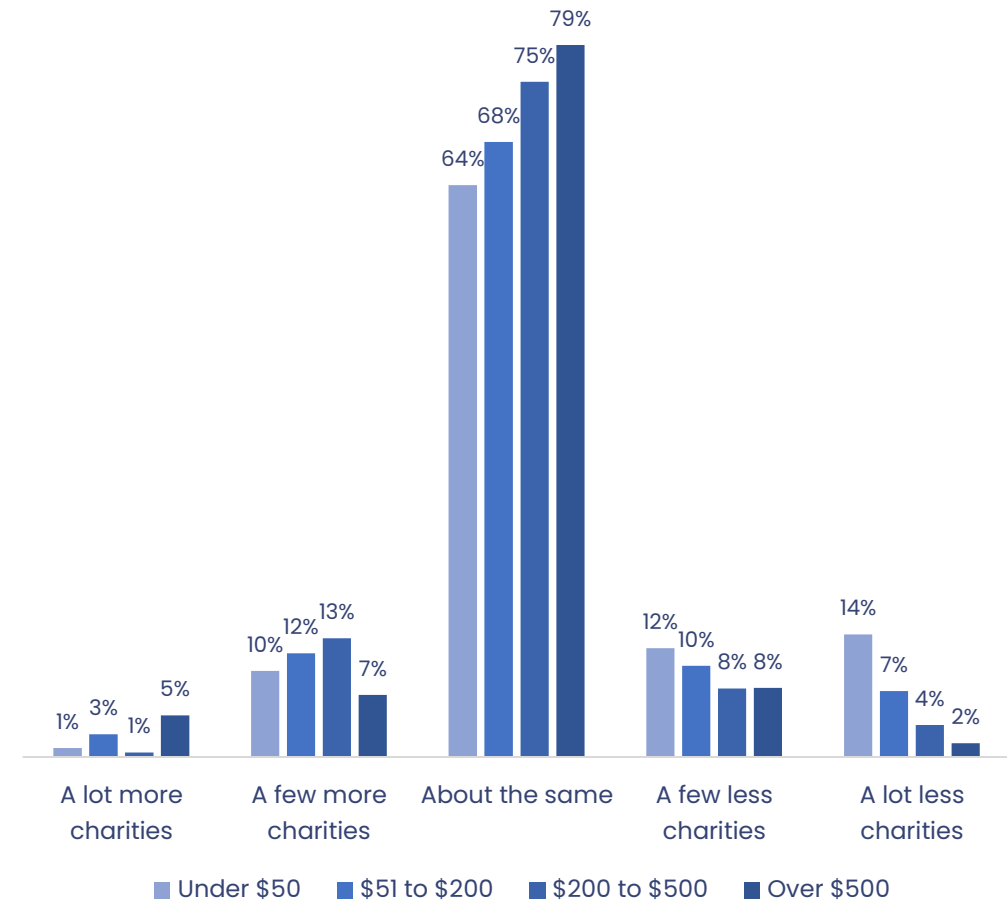
Respondents largely expect their donations to remain the same and are even less likely to reduce the number of charities. Despite the poor economic outlook and personal pessimism they don't expect to cut back on giving. Marginally more people expect to cut back than increase

# Giving intention by value

Intention by current giving \$



Intended Number by current giving

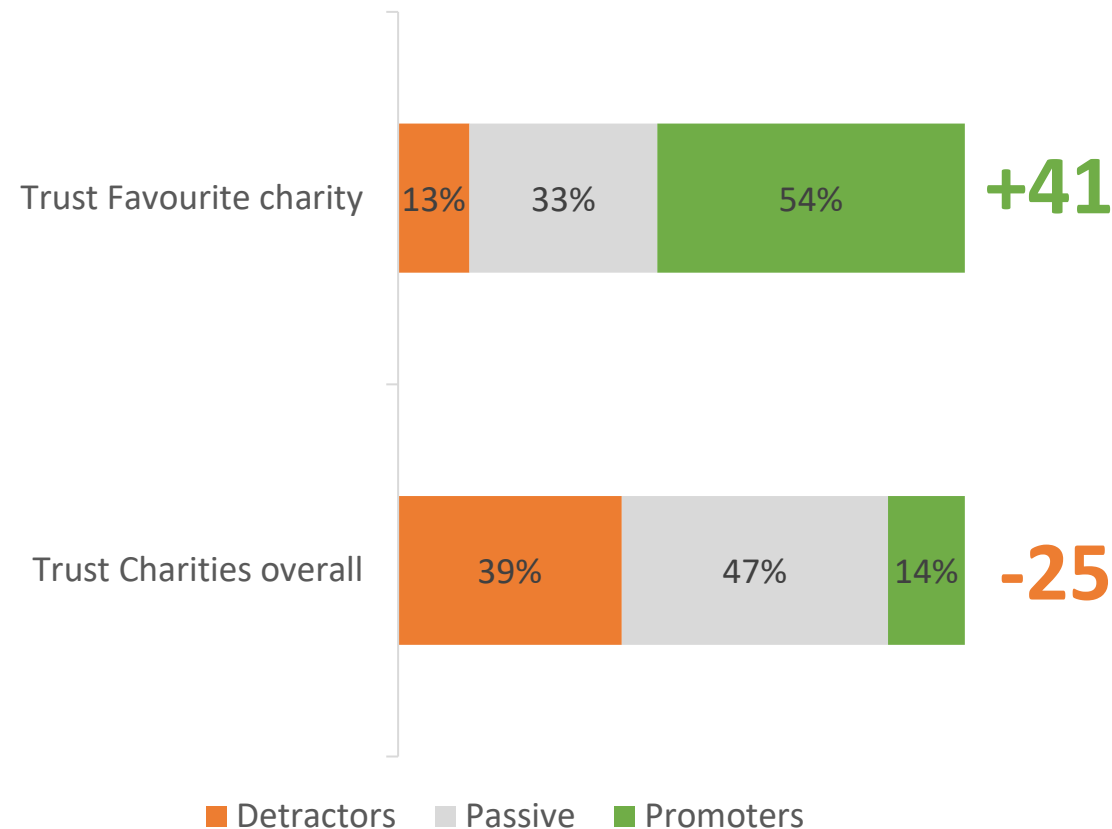
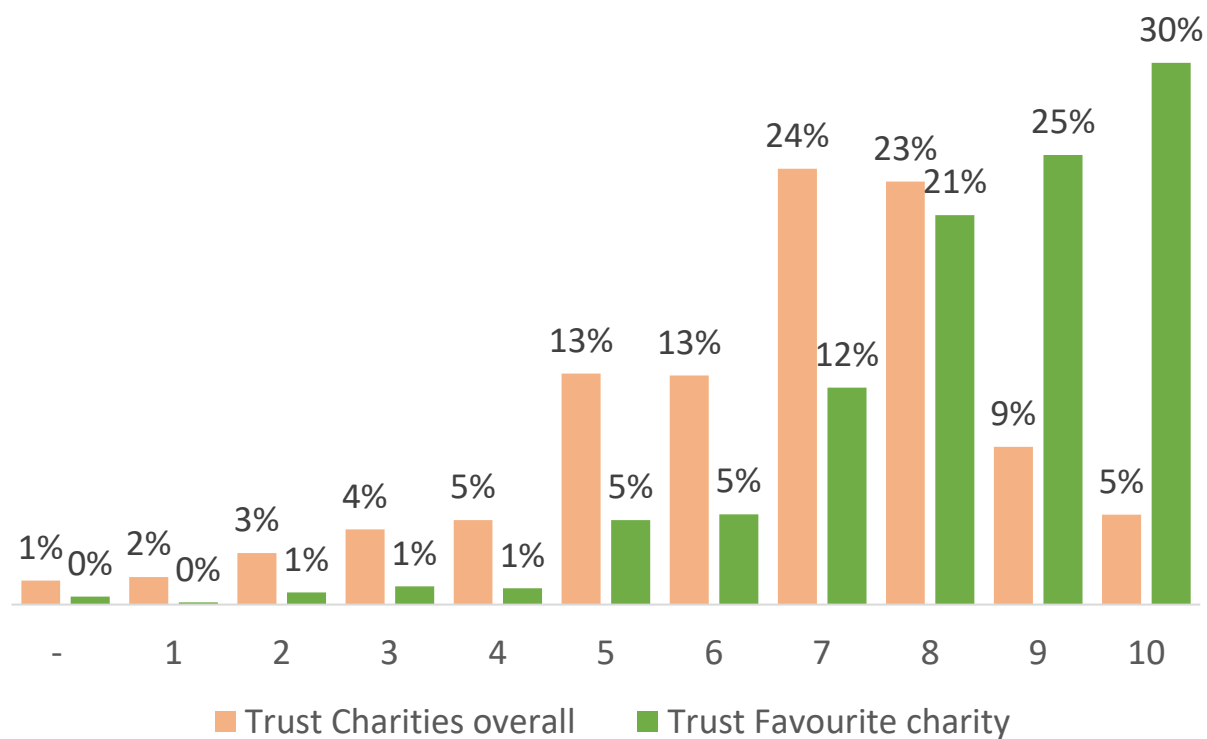


# **Trust and Satisfaction**

# Trust levels

N=

Q24 - Overall how much do you trust charities? 0 is not at all and 10 is completely. Move the slider bar left or right.

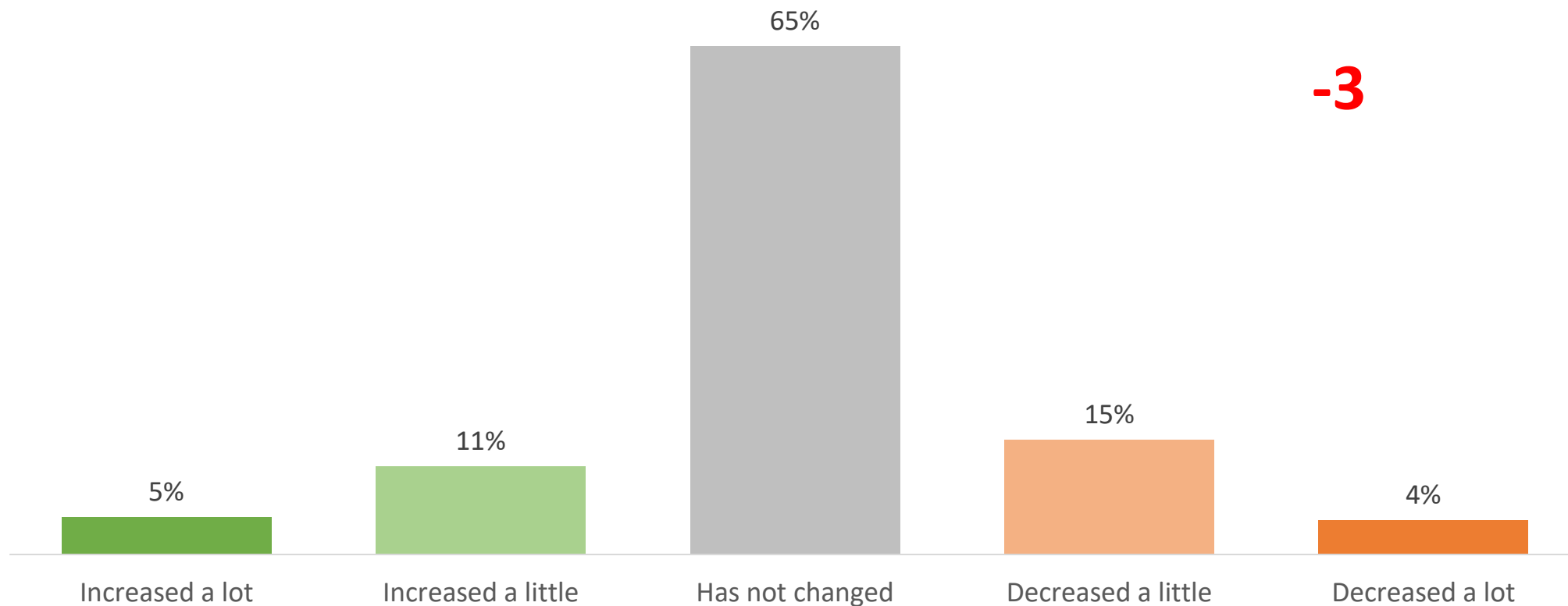


There is a significant gap between the favourite and the sector score. We have a significant category issue

# Trust changes

N=

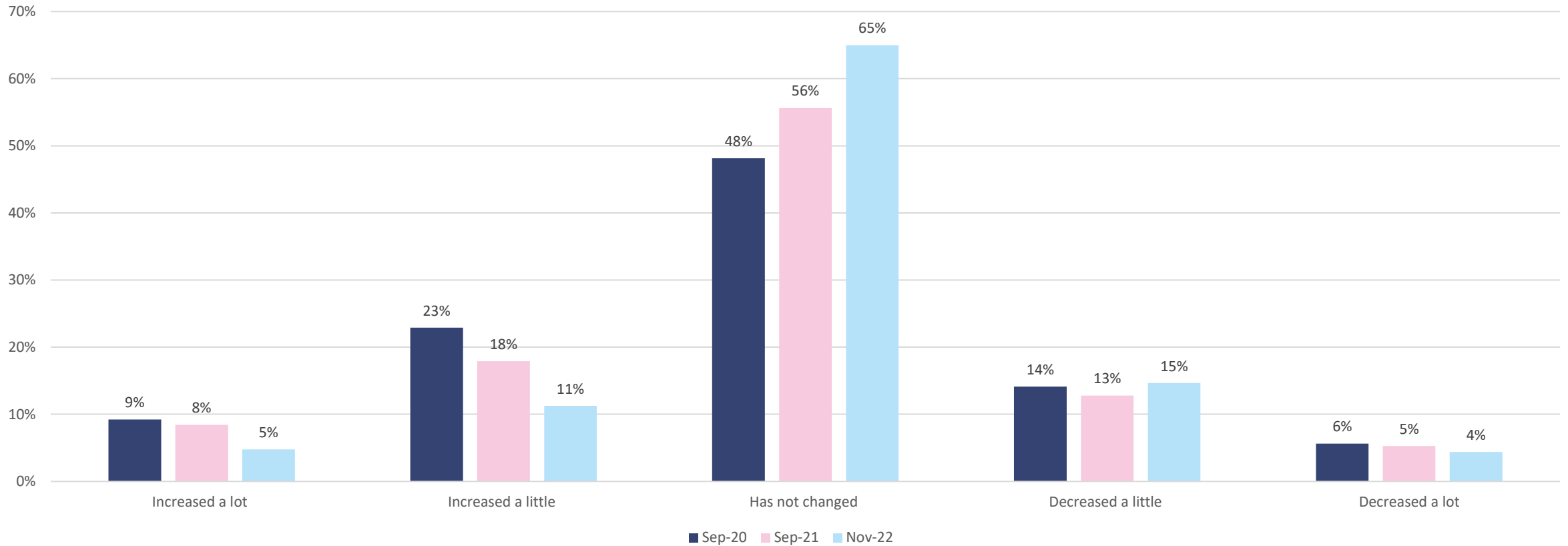
Q25 - Has your trust in charities changed over the past 3 years?



Trust has remained stable for most but it has decreased for more people than it increased.

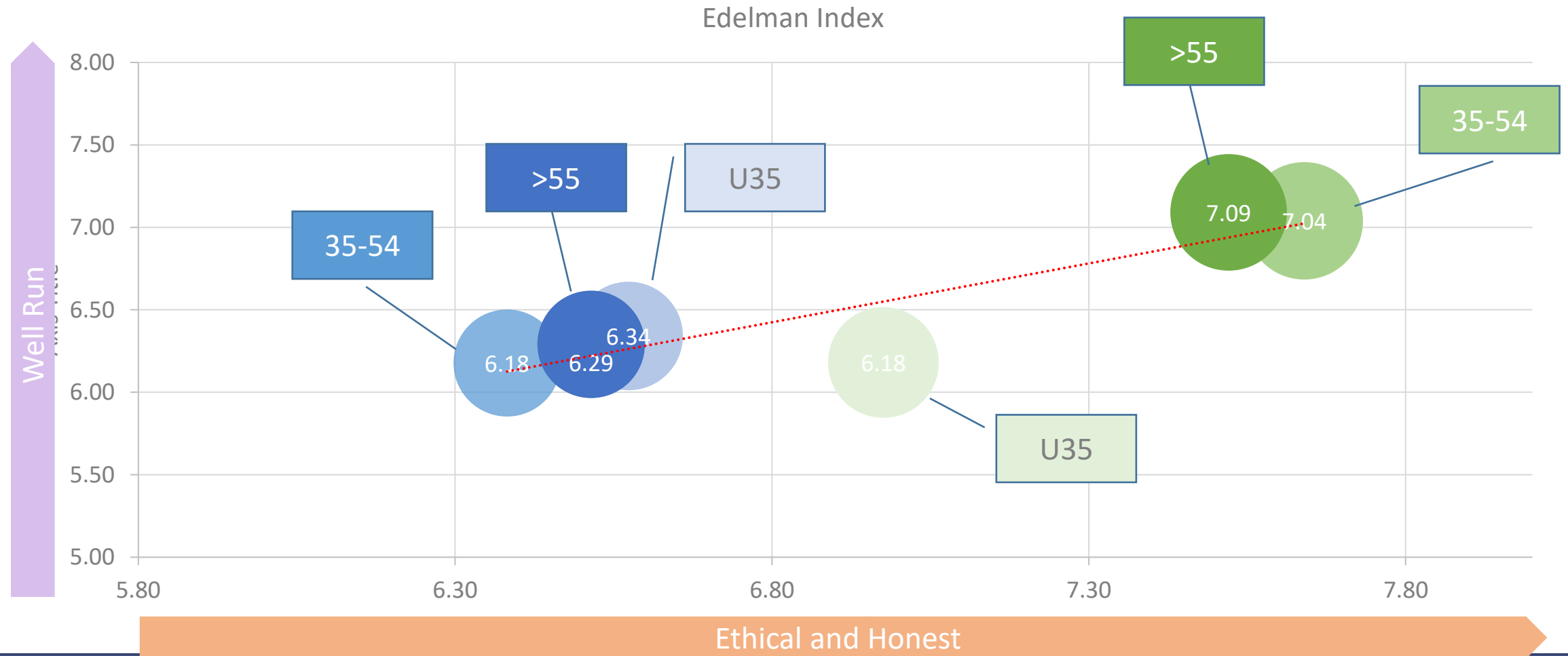


# Trust over 3yrs



**Improvements in trust have stabilized with more people saying their trust in charity has not changed in the last 3 years.**

# Audience Mapping (average scores)

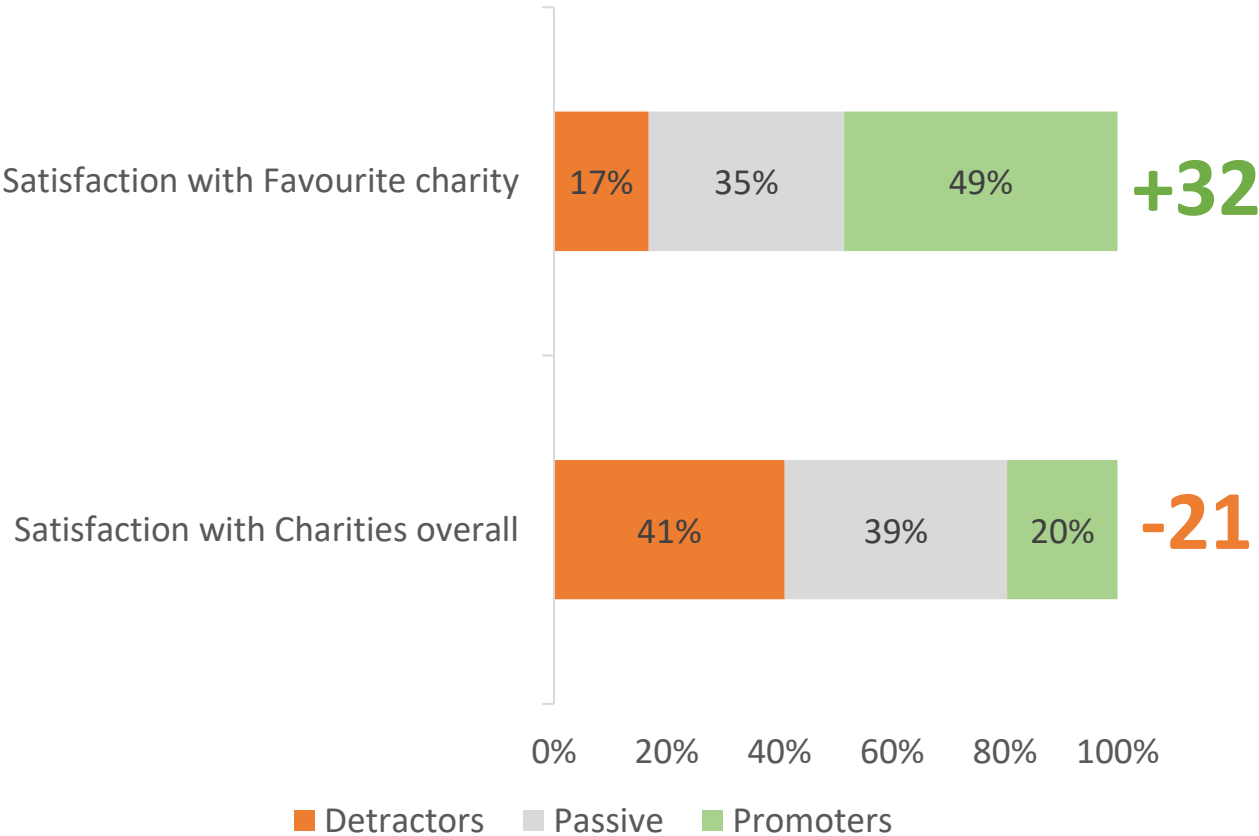
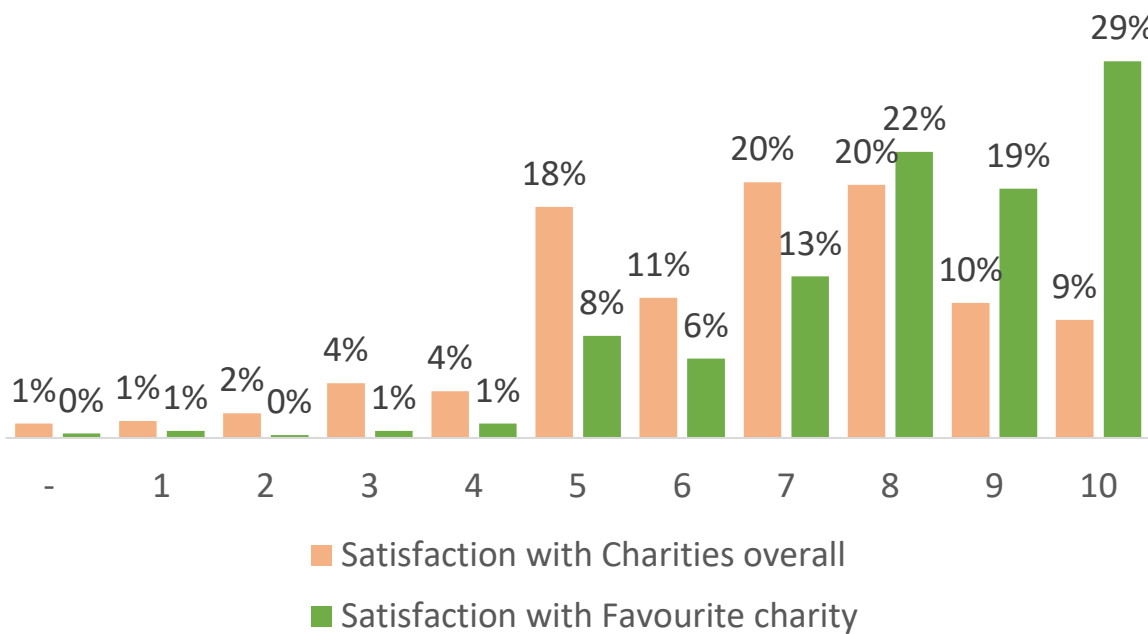


Donors have much higher scores across all 3 dimensions but the younger donors are lower than their older counterparts.

# Satisfaction Levels

N=1031

Q26 - Overall how satisfied are you with the way charities engage with you? 0 is not at all and 10 is completely. Move the slider bar left or right.

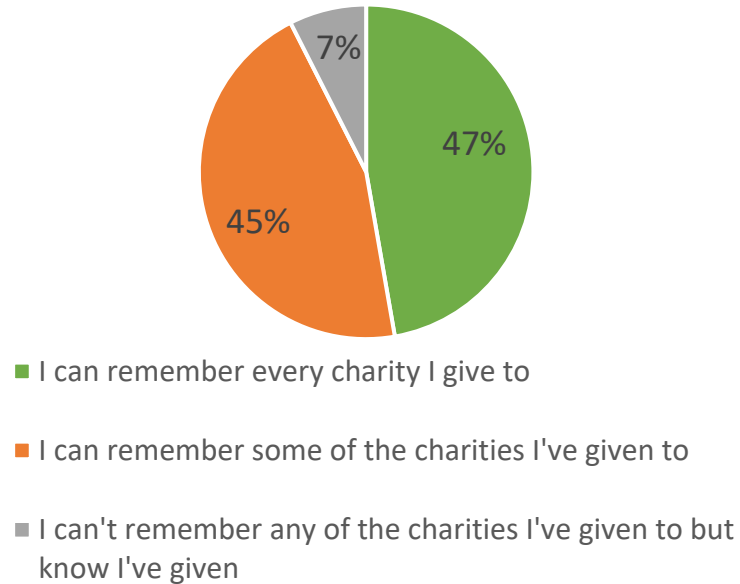


Satisfaction with a favourite charity was high but with the sector low.

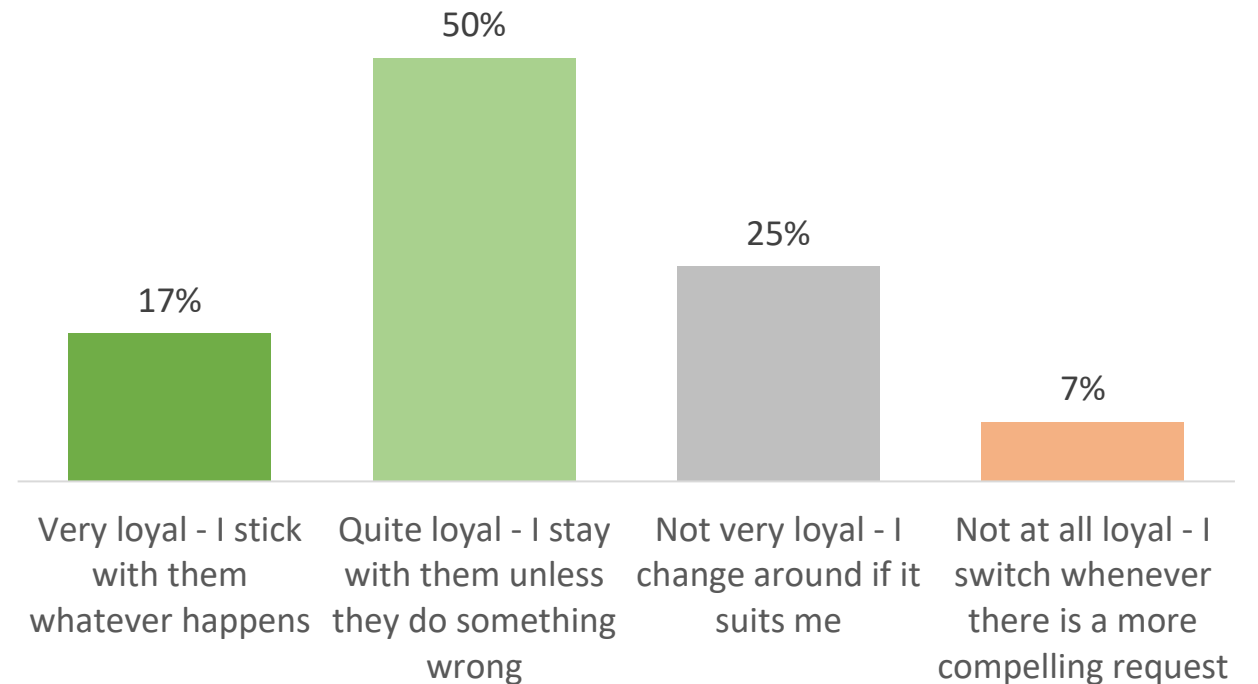
# Recall and Loyalty

N=

Q20 - When thinking about the charities you donate to would you say?



Q21 - When thinking about your relationship with the charities you support would you say you were?



Nearly half the people can't remember all the charities they support. Remembering is associated with higher value and smaller portfolios. 52% of people giving to more than 4 charities cannot remember them all.

# Staying top of mind

N=1031



Q29 - Which sorts of organisations do you most like to support with donations? Please select up to 3 that you most frequently support.



## Brand Funnel

I do not know of them

I have only heard of them

I have considered supporting them

I have supported them once ie;...

I support them occasionally ie;...

I support them regularly (ie: donate...

They are one of my very favourite...

9%

34%

17%

19%

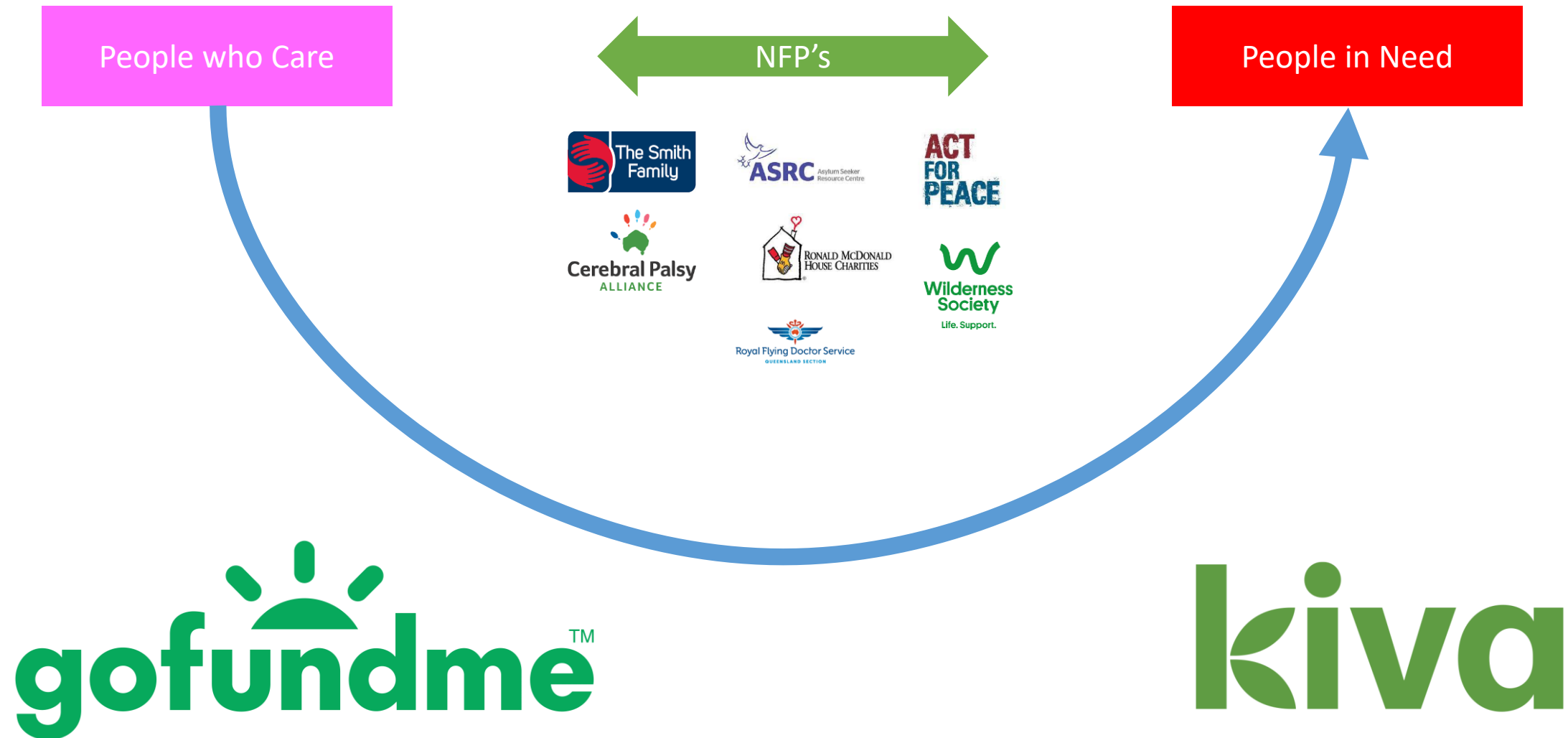
14%

4%

3%

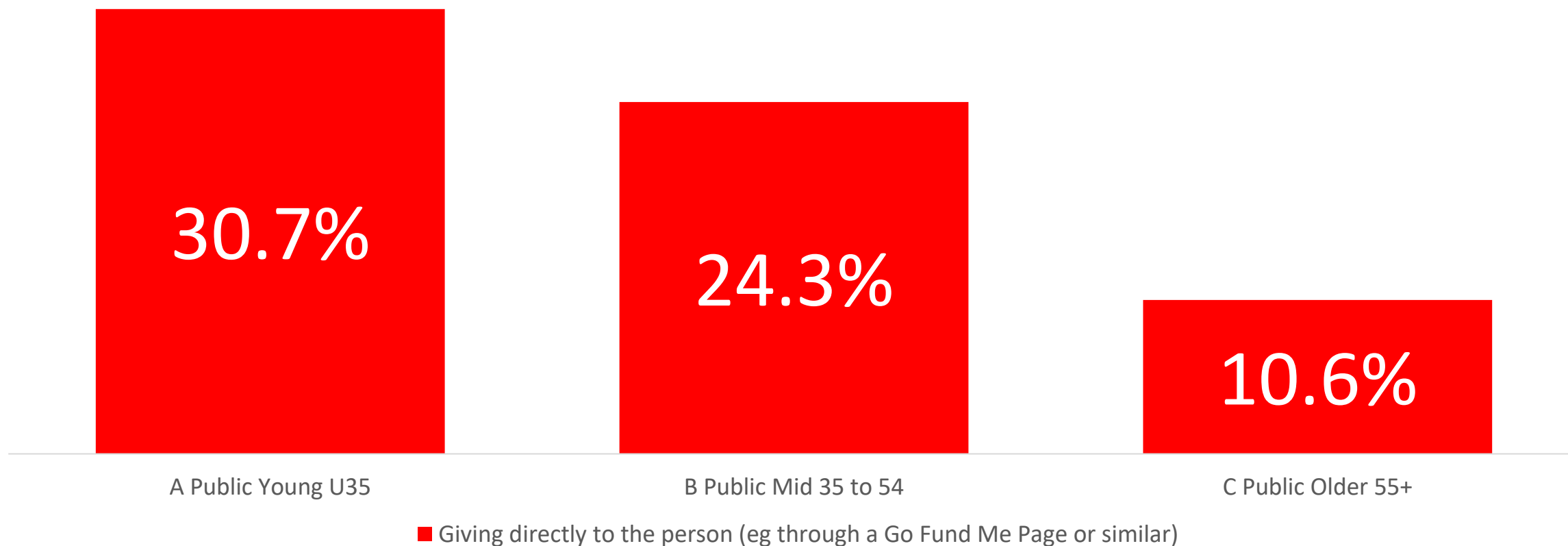
**Supporting**

# The looming threat



# Helping people in Need

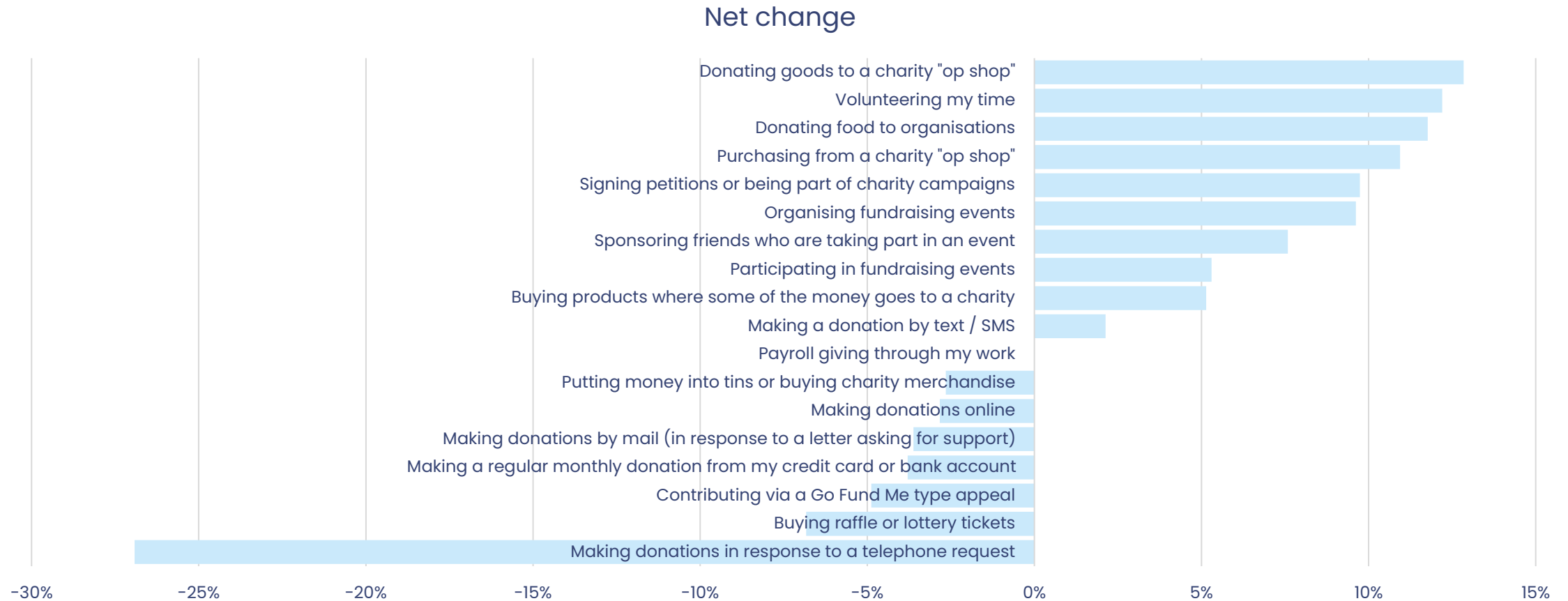
Q12.3: Which of the following do you think is the most effective way of helping people in need? Please select one answer





# Engagement: Next 12mths

N=Varied



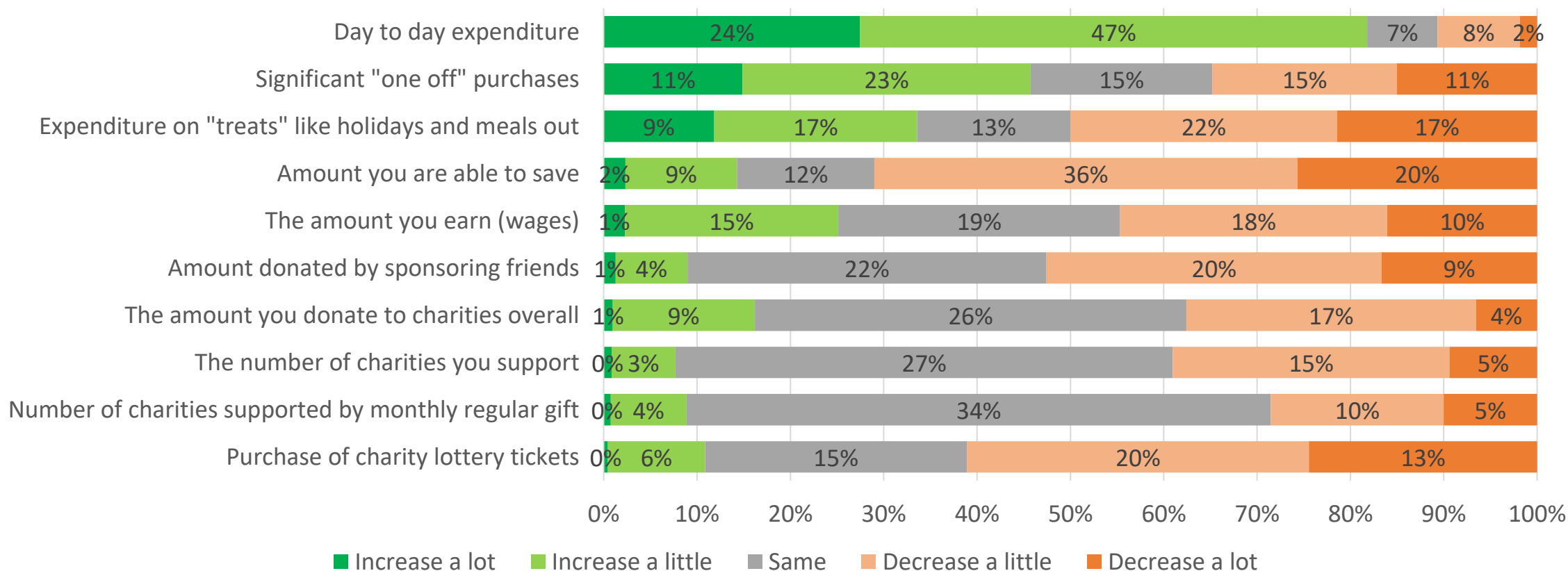
For those using each channel the greatest potential decreases is in Phone, lottery, crowdfunding.  
People expect to do more of the cheap things

# Known Donor expectations (Jan 2023)

N= 928

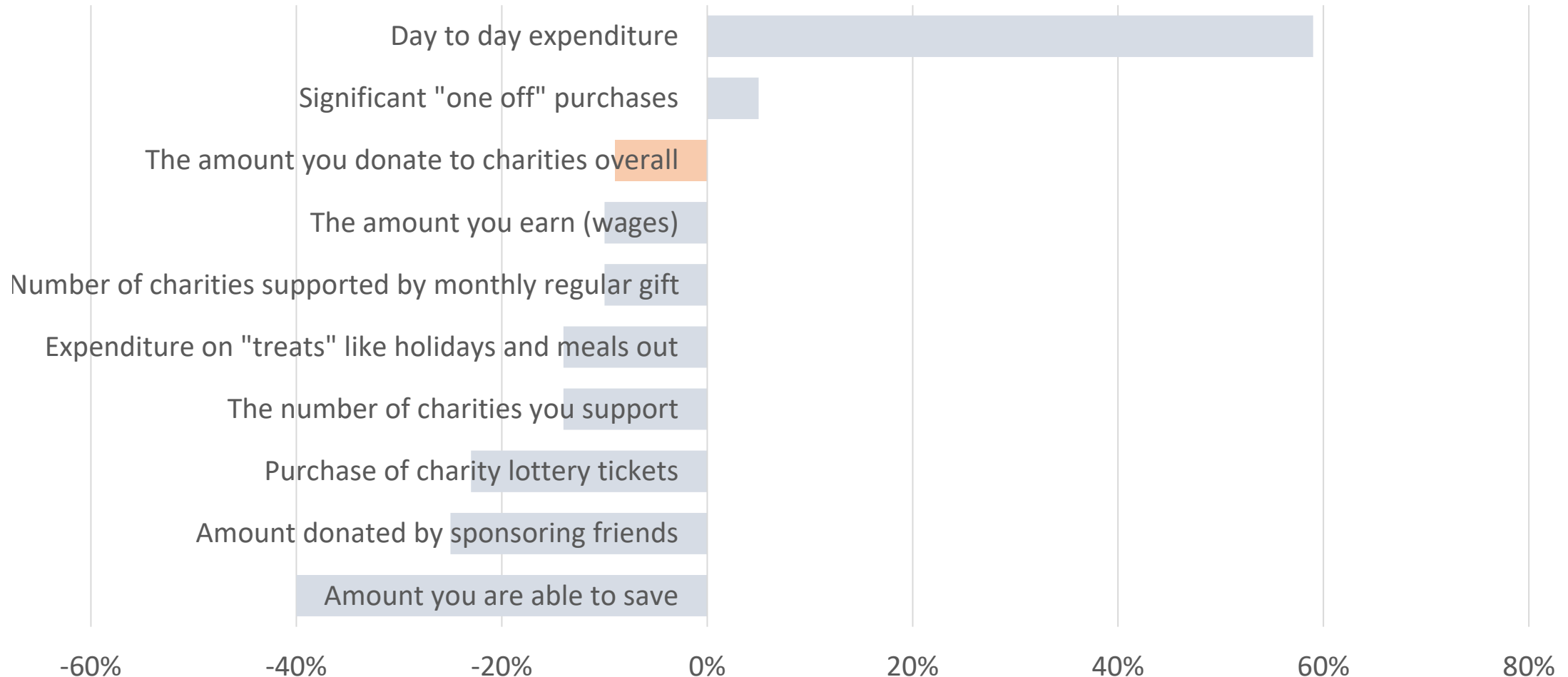


## Projected Donor Changes



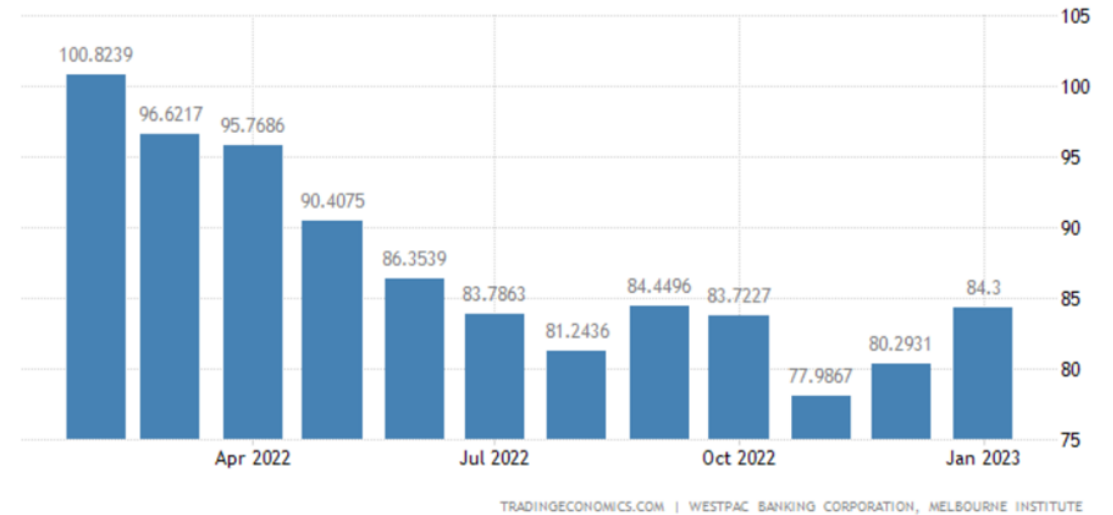
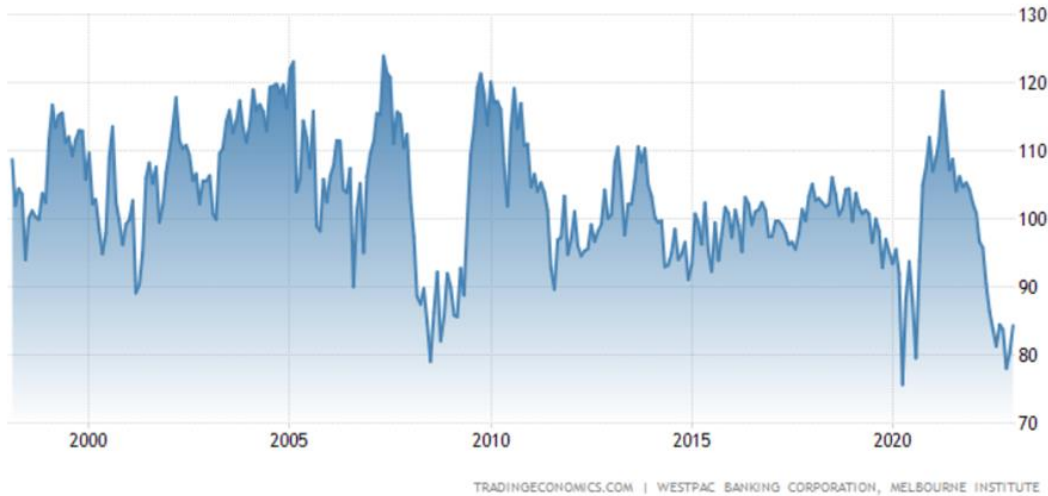
Survey conducted Jan 2023. Respondents only asked about specific channels if they donate that way (P2P, RG and Lottery)

## Expected Net Change CharityX Supporters 2023



# Aggregated Scoring

# Westpac Consumer Confidence

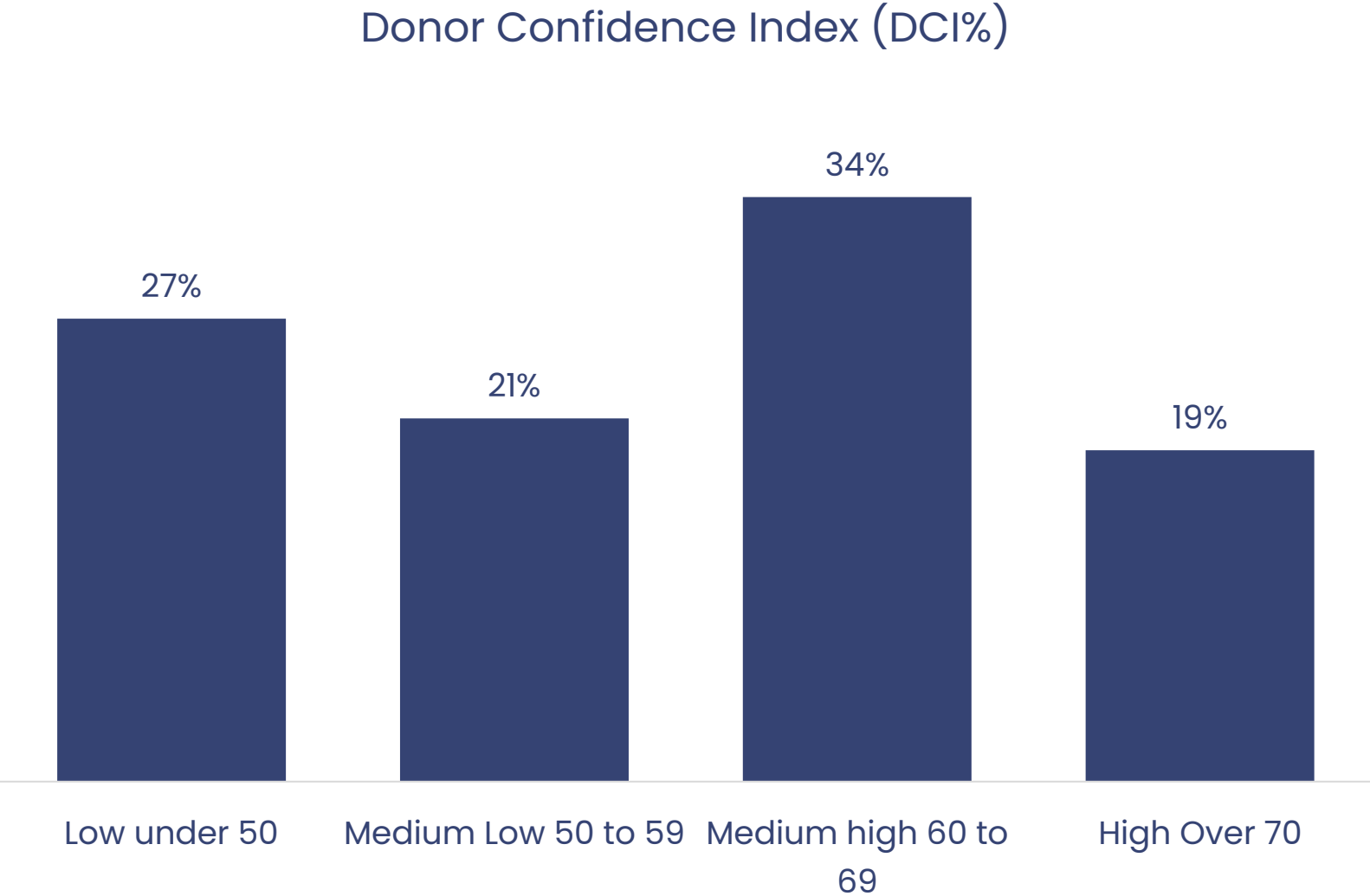


Fast post COVID bounce back – the relief – inexorable decline – minor rally

# Donor Confidence Index

N=1031

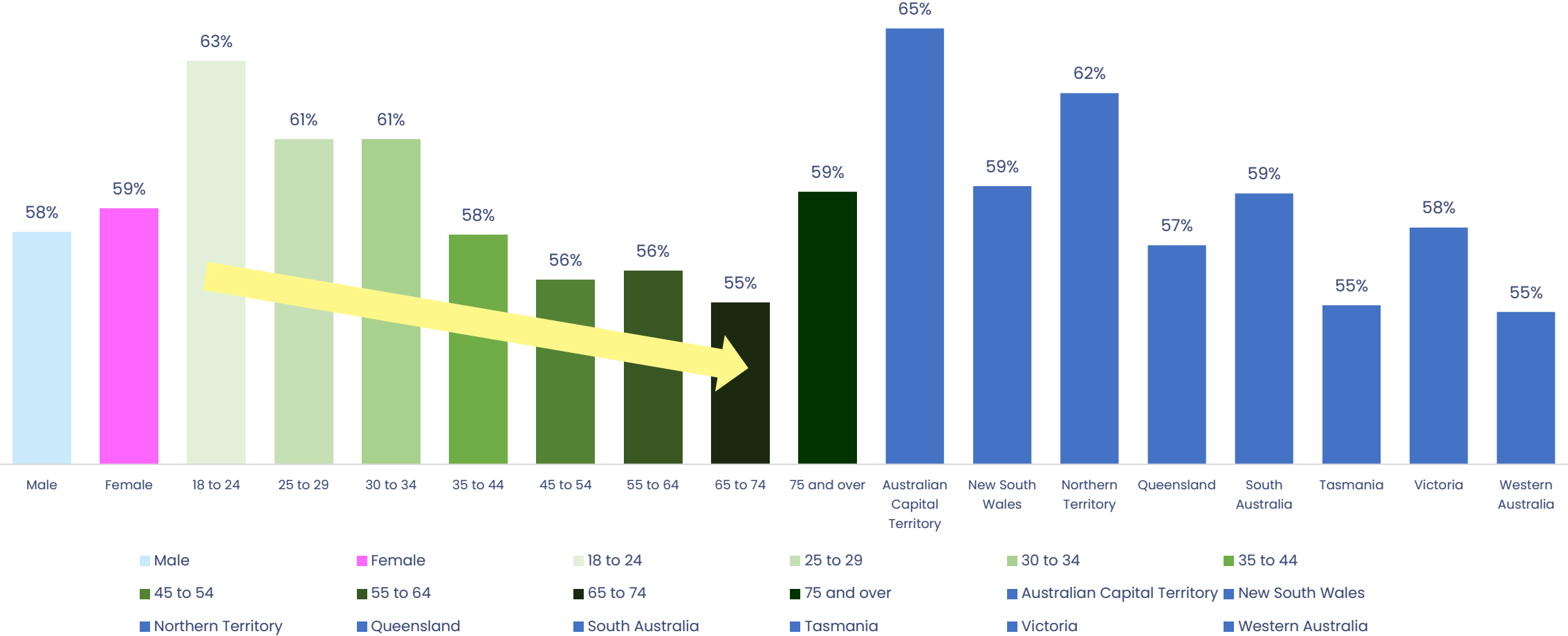
- Economic Outlook (1-5)
- Personal financial Outlook (1-5)
- Giving Intention \$(1-10)
- Giving Intention No. (1-10)
- Trust Change (1-5)
- Trust score (0-11)
- Satisfaction score (0-11)



# DCI Scores

N=1031

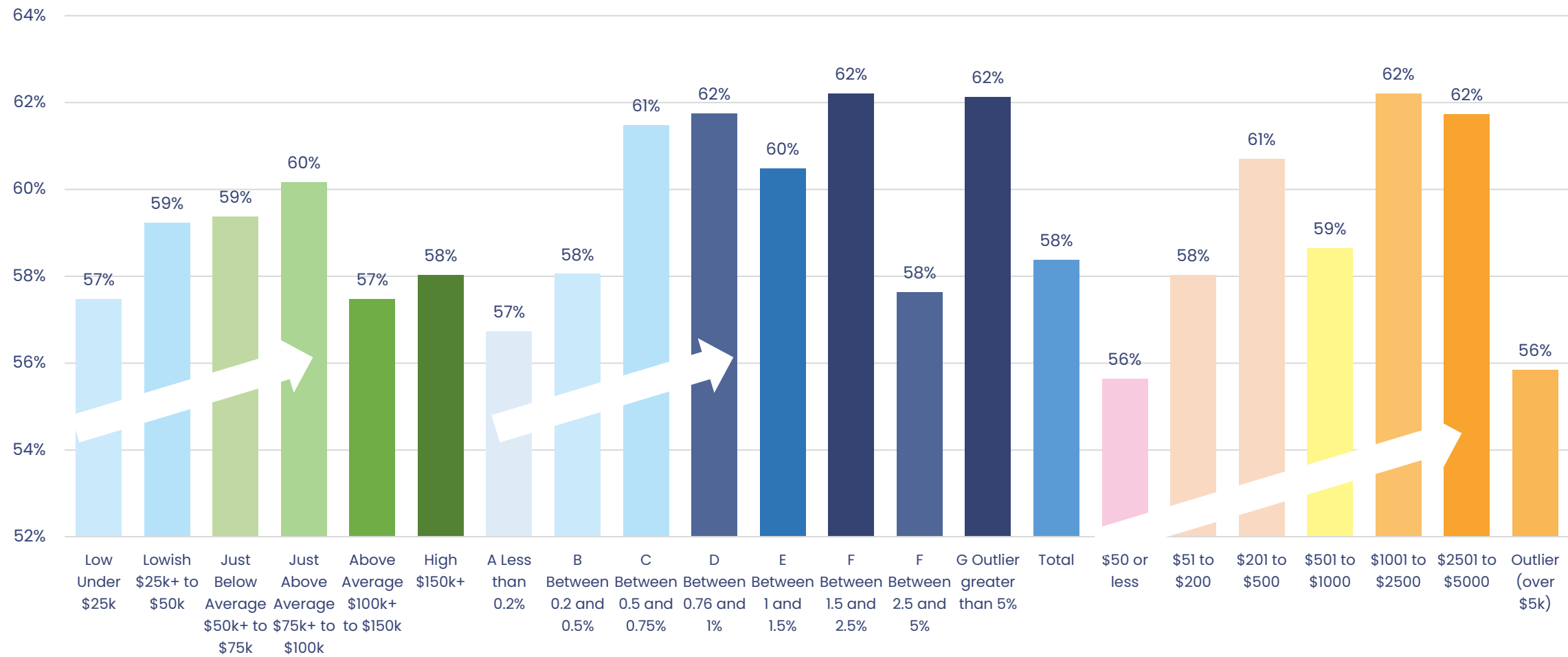
## Demographics and location



# DCI Scores

N=1031

Donor Confidence

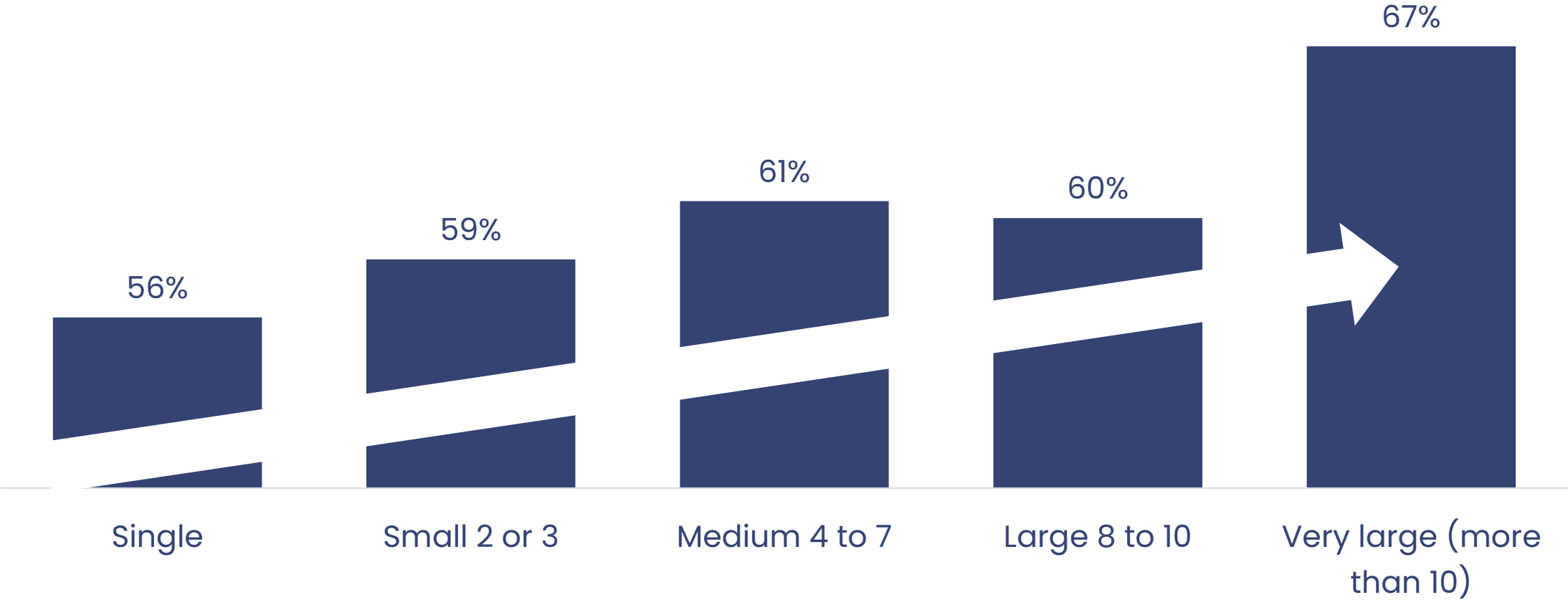




# DCI Scores

N=1031

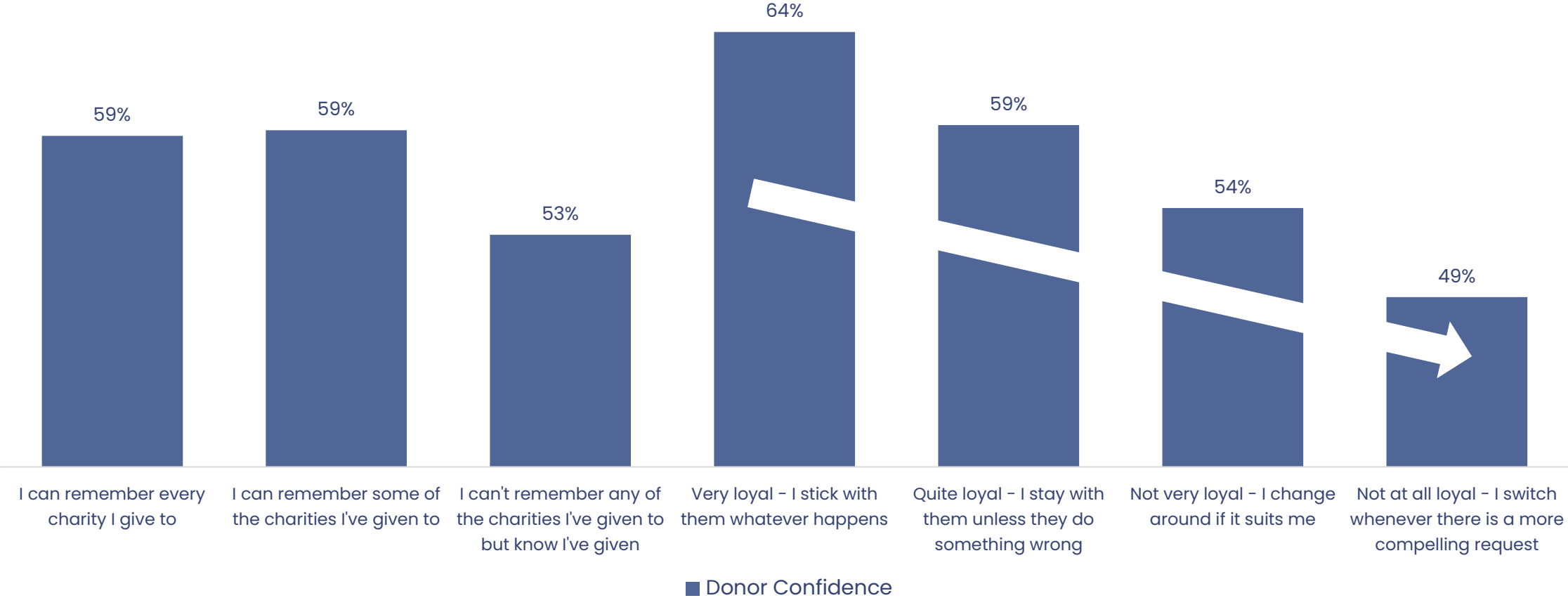
DCI and Number of charities



# Donor Confidence Index

N=1031

Donor Confidence

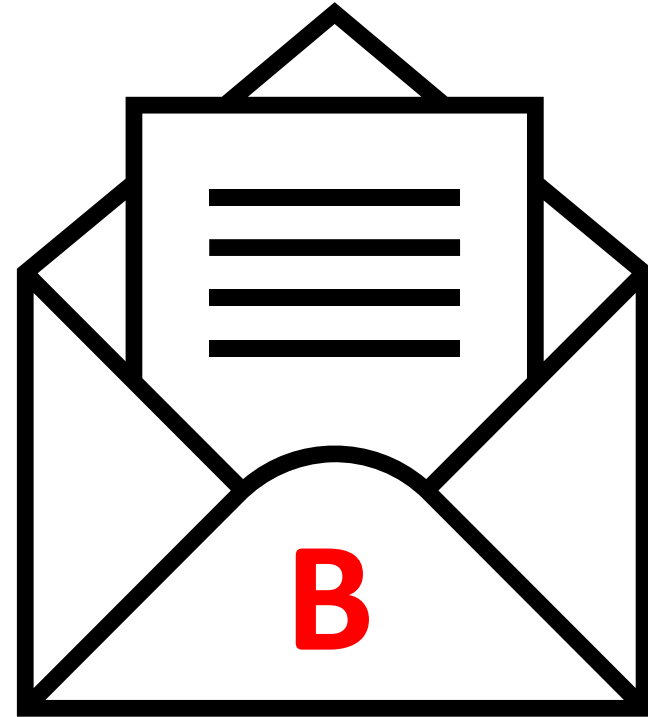
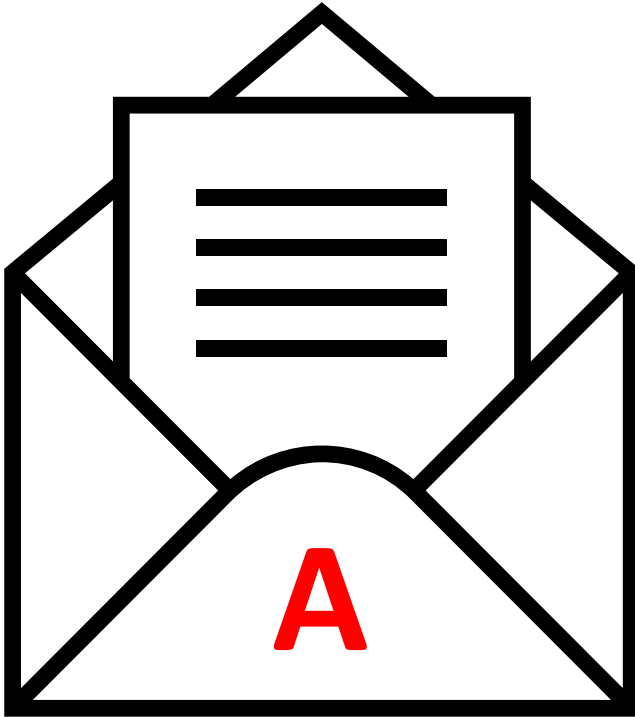


# **The Benefits of Giving**

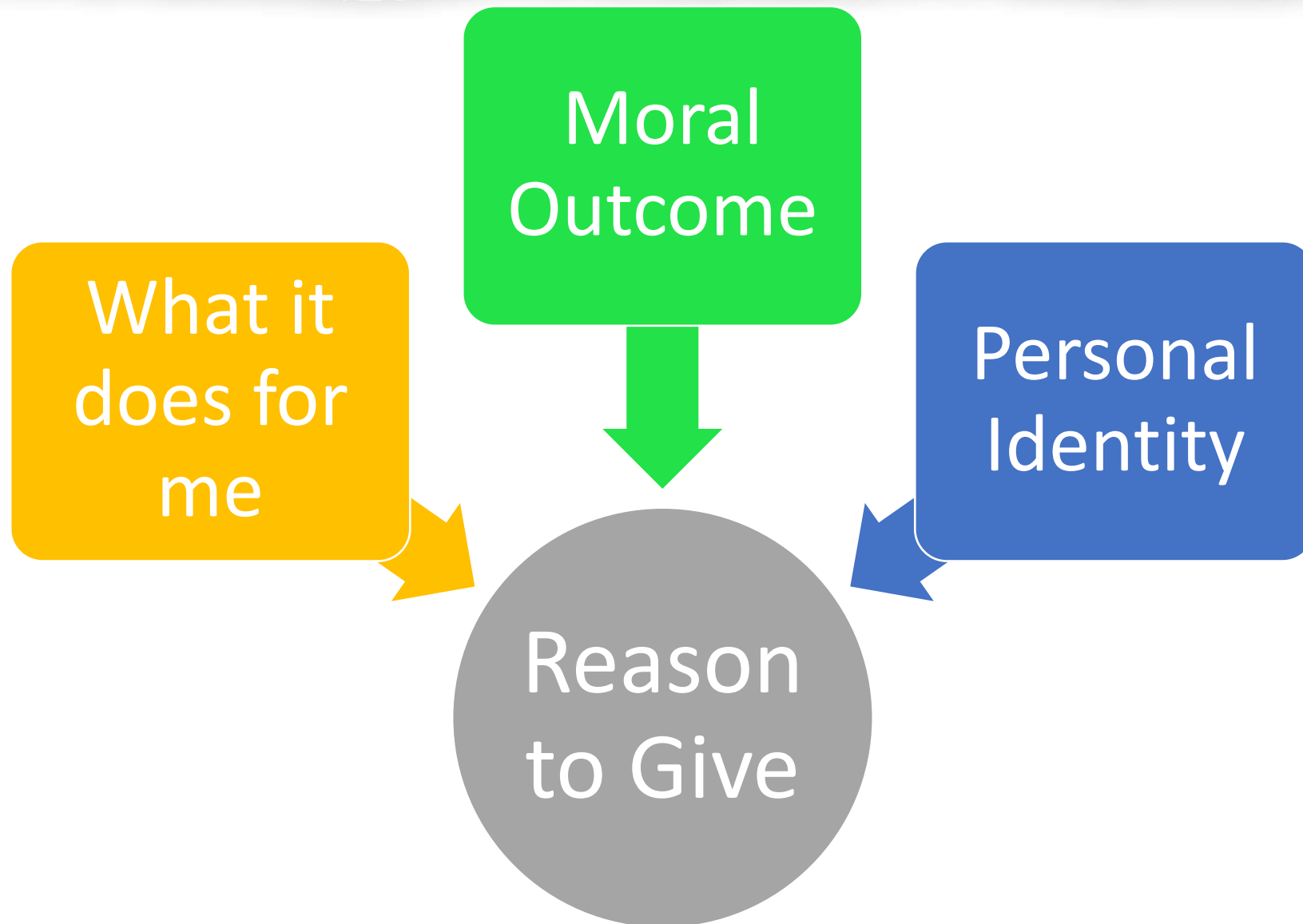


What does giving  
do for you

# An experiment.....



Open Envelope B



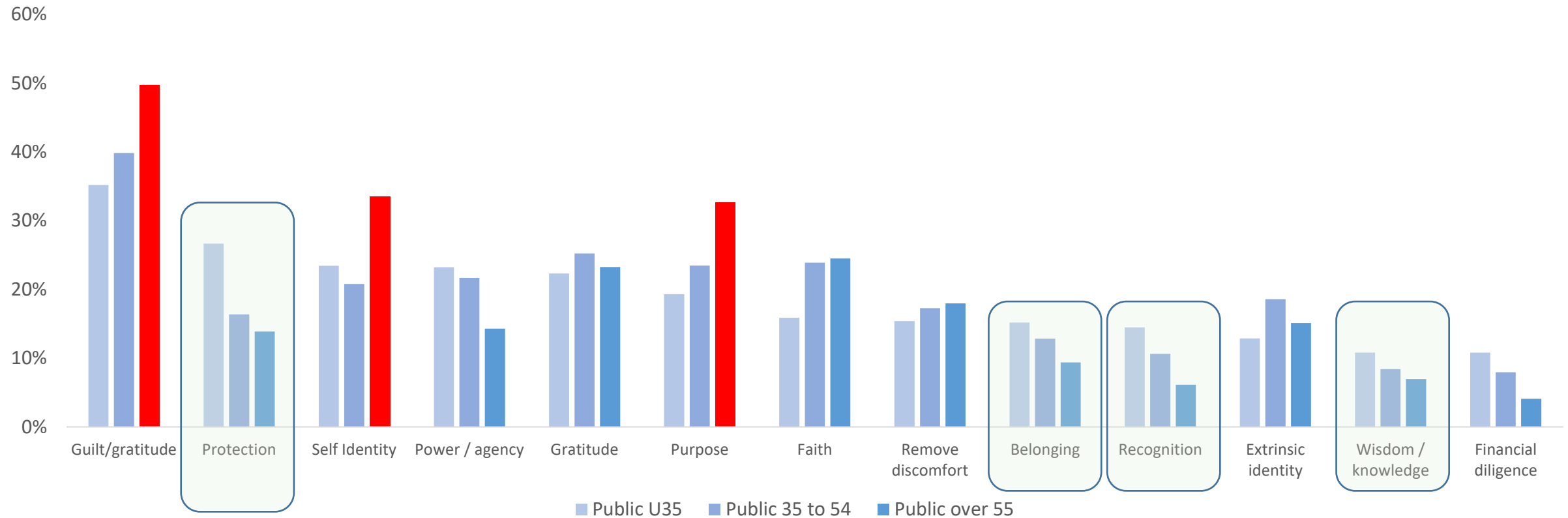
# Job To Be Done Framework for Fundraising

Abbreviation	Full statement
Self Identity	It reinforces what is important to me, what I believe in and stand for
Belonging	It strengthens a sense of connection to others, that I am part of a group, working together
Guilt/gratitude	It reminds me how fortunate I am in to be in a position to help others
Remove discomfort	It overcomes feelings of sadness or distress when I see people in need
Purpose	It provides purpose and meaning, a sense that what I do matters
Protection	It offers a better future for those I love and care about
Power / agency	It gives me a feeling of progress that I can influence change
Gratitude	It expresses my gratitude for the commitment and efforts of others to create change
Wisdom / knowledge	It helps me to feel more informed and "in the know" about issues I care about
Recognition	It makes me feel valued and appreciated by others
Extrinsic identity	It helps me to share the values that matter to me with my children, family or friends
Faith	It affirms my faith and personal values
Financial diligence	It redistributes money from taxes I would have paid to causes I care about



# Job To Be Done Framework: Selections

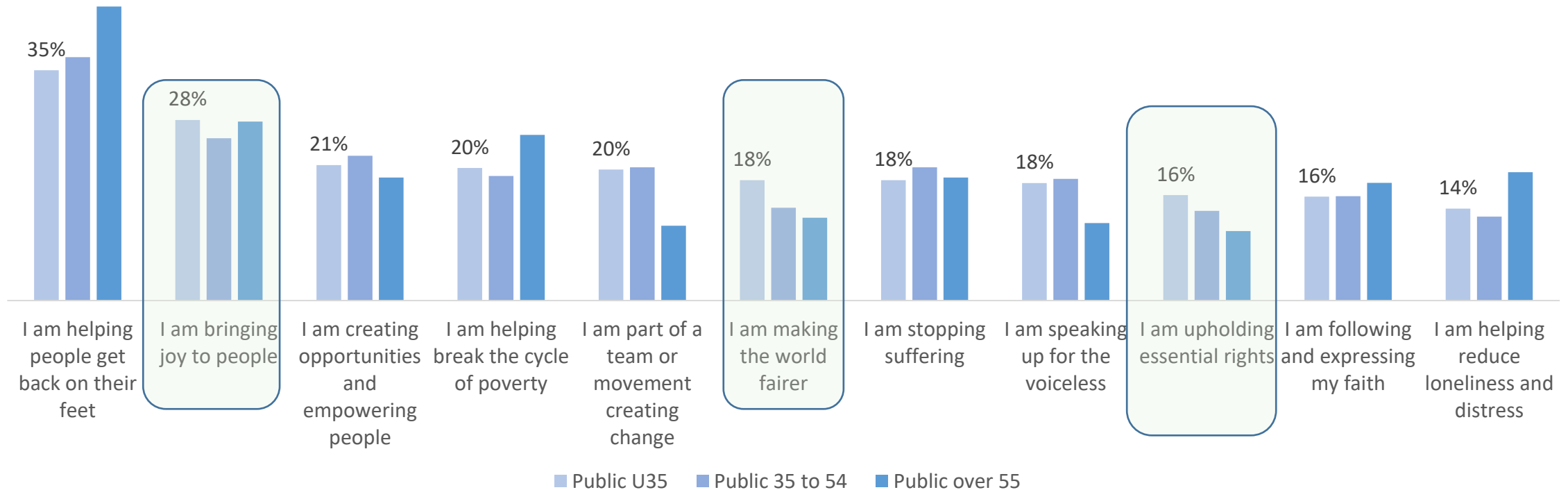
Q10.1 - People give money to charities for many different reasons. We would love to know what giving "does for you".



Younger people score more highly on protection, agency, belonging, knowledge and recognition where older respondents favour purpose self identity and primarily their own good fortune

# Moral outcomes

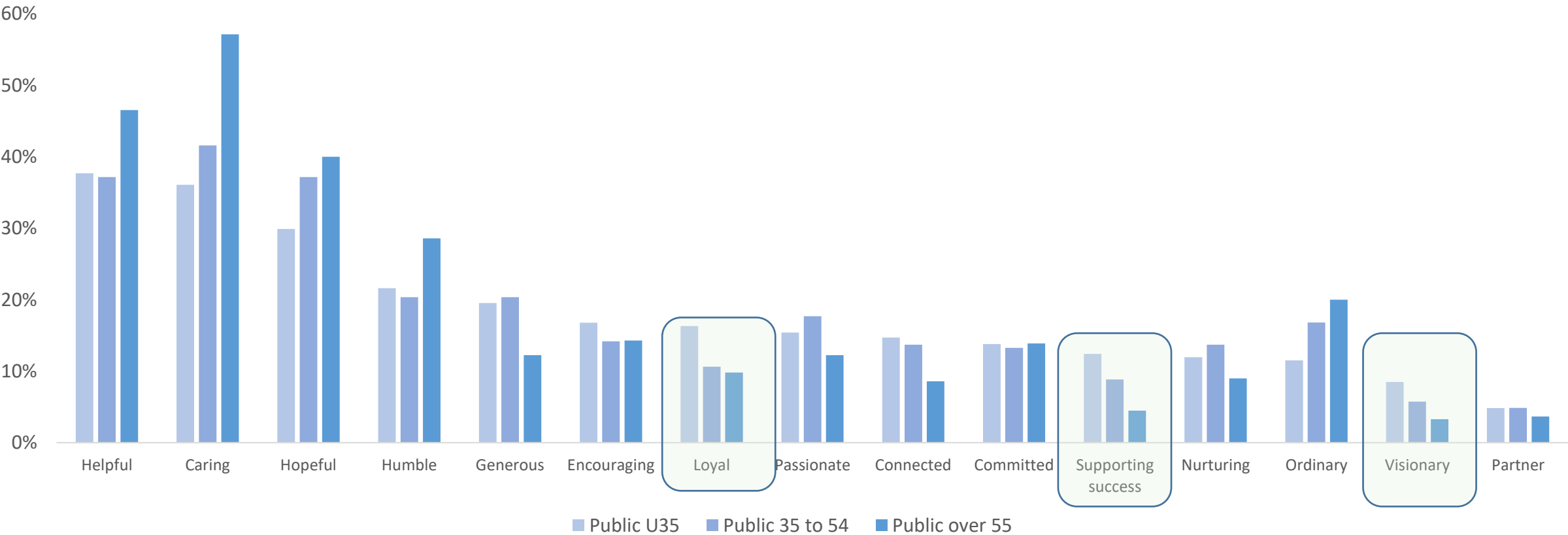
Generally, what do you achieve through your donations?



Younger people are higher on rights, equity and joy

# Expressed Identity

Please select the three words that come to mind when you describe yourself as a supporter of charities or not for profits:



Younger people selected fewer words but were more likely than older people to select encouraging, supporting success and visionary, though most are still helpful, caring and hopeful

# What to do....

Support a growth mindset

Resist unilateral equitable cost cutting

Be future focused in any restructure

Monitor the market and relative  
performance

Prime good fortune and inequality

Protect the fans

Elevate memorable experiences

Focus on quality acquisition

Be number 1 – by the way you treat  
people

Prove competency with impact

# Research insights to your inbox

## The Next Generation of Supporters

### Money and Meaning

AUSTRALIAN RESEARCH STUDY 2022



### Education

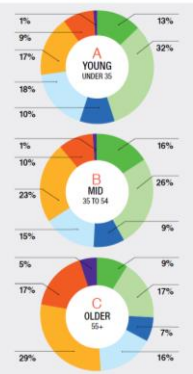
How well-educated people are impacts their propensity to engage with good causes and make donations.

WHAT IS THE HIGHEST LEVEL OF EDUCATION YOU HAVE ATTAINED?

One answer was selected from the list

- POSTGRADUATE DEGREE
- UNCOLLEGE DEGREE
- COMPLETED YEAR 12
- HNC
- TRADE CERTIFICATE
- COMPLETED YEAR 10
- OTHER

- ☐ Younger people are better educated, being almost twice as likely to hold a University degree when compared to those that are over 55.
- ☐ Of the public under 35 who say they have donated in the past 12 months, 50% have a degree compared to 41% who have not donated.
- ☐ Current charitable donors under 35 are even more likely to have a degree than the public under 35, with two-thirds holding a degree.



Build long term relationships with students

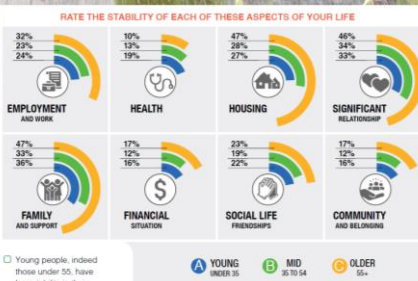
Many studies have revealed the strong link between education and giving, but will this continue now that higher education is more prevalent? Maintaining a strong culture of fundraising, giving and altruism through the school years may help encourage subsequent giving.

This is especially powerful through experiences that drive empathy, such as World's Greatest Shake, 40 Hour Famine or Ruckus Challenge. However, the fundraising presence at Australian Universities is far less prominent than in some other countries, where it is a training ground for future fundraisers through "tag" activities.

### Instability

Young people may face greater challenges when contemplating giving if they are not secure in their home, work or relationships.

Measure and grow lifetime impact rather than value



- ☐ Young people, indeed those under 35, have less stability in their employment, housing, relationships and family life.
- ☐ Young people who report greater stability donate more.
- ☐ Social connection and belonging become less stable for the 30-35's than the 19-24's.

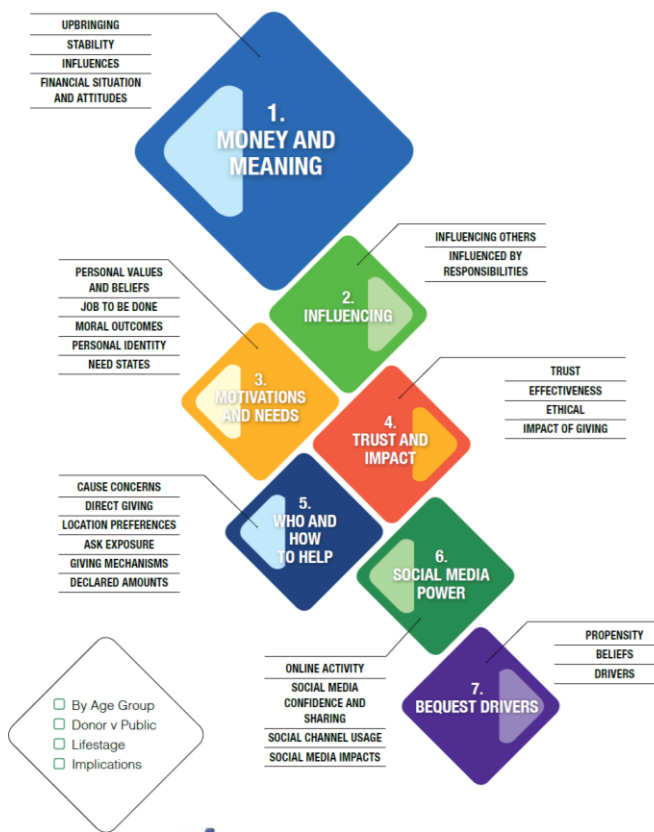
Housing affordability is the second greatest concern for young people, and the current rental and housing market may negatively impact their perceived ability to give. We need to understand not just their age but their situation, and engage young people in supporting causes in the most appropriate way for them. For younger people, this may be through participation in events, micro-volunteering or social advocacy rather than money. As not-for-profits, we need to set goals and measure lifetime impact, not just lifetime value. Young people can contribute, but not all will be able to afford to.

"Stability is a precursor to giving."

morestrategic | NEXT GENERATION OF SUPPORTERS 6

## Publication Series

This is the first of seven publications exploring in great depth the lives of Young People and how they think, feel and behave towards causes and giving.



# Our Research Partner



The Professional Body for Australian Fundraising

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share  
topline  
insights

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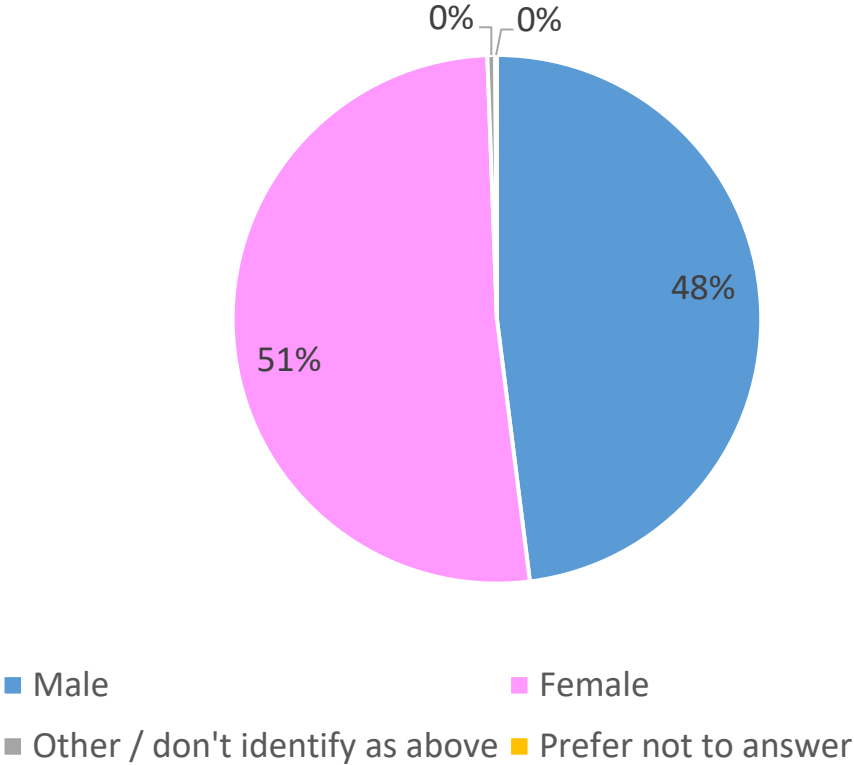
**Panel**



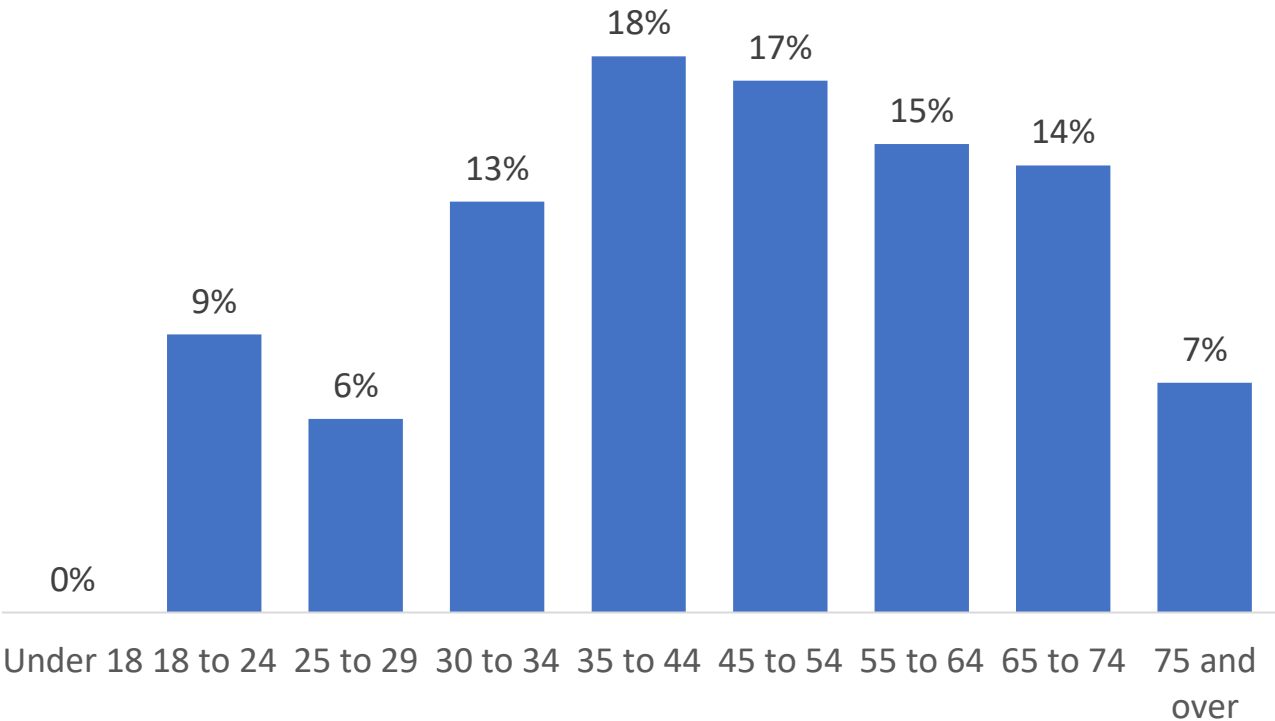
# Panel Profile

N=

Q1 - Do you identify as.....



Q2 - Which age band are you in?

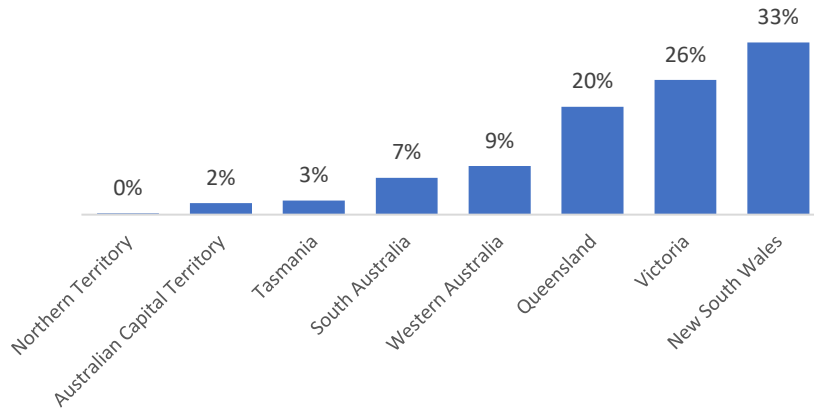


Panel was selected based on age, gender and state location.

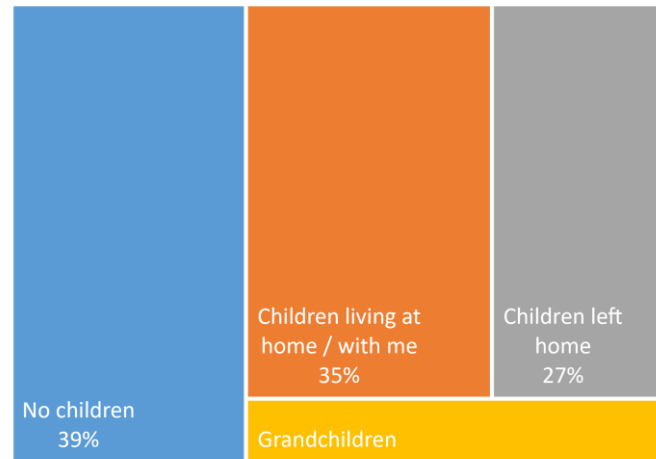
# Panel Profile

N=1031

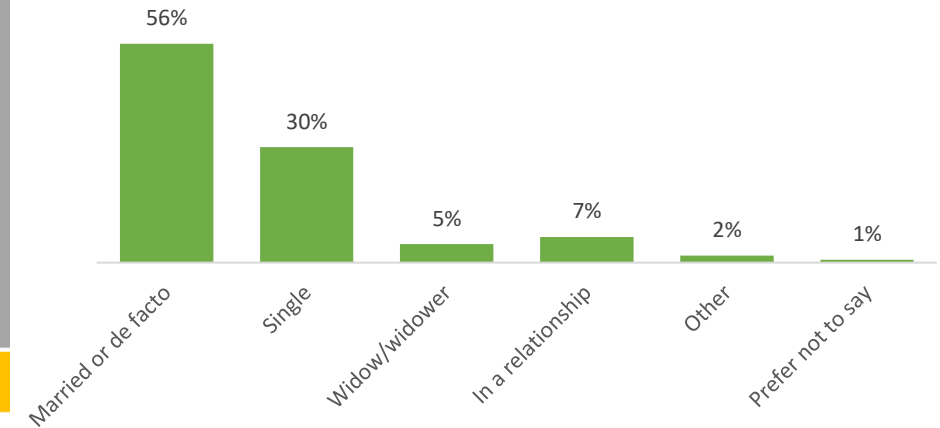
Q4 - In which state or territory do you reside?



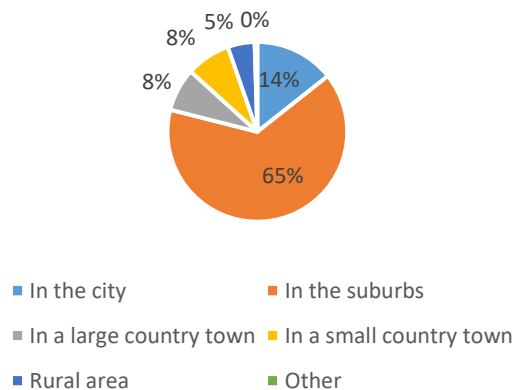
Family



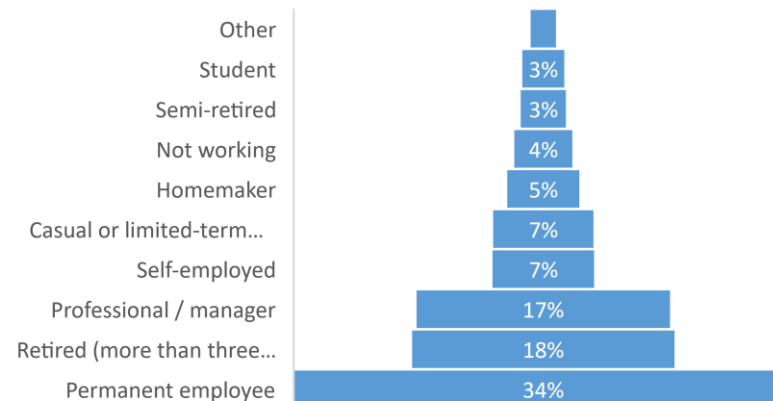
Q10 - Which of the following best describes your relationship status?



Q11 - Would you describe the area you live as:



Q8 - Which of the following best describes your employment situation?



Q7 - What is the highest level of education you have attained?

