



# Fundraising in the cost-of-living crisis

The view from London

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# Fundraising without the guesswork

- We don't assume what donors want.
- We don't guess.
- We speak to them and learn from them.
- We interview hundreds of donors each year to work out what *long-standing* and what *current-day* factors are **actively influencing their attitudes to giving**.
- From all ages and backgrounds.
- Mix of men and women.







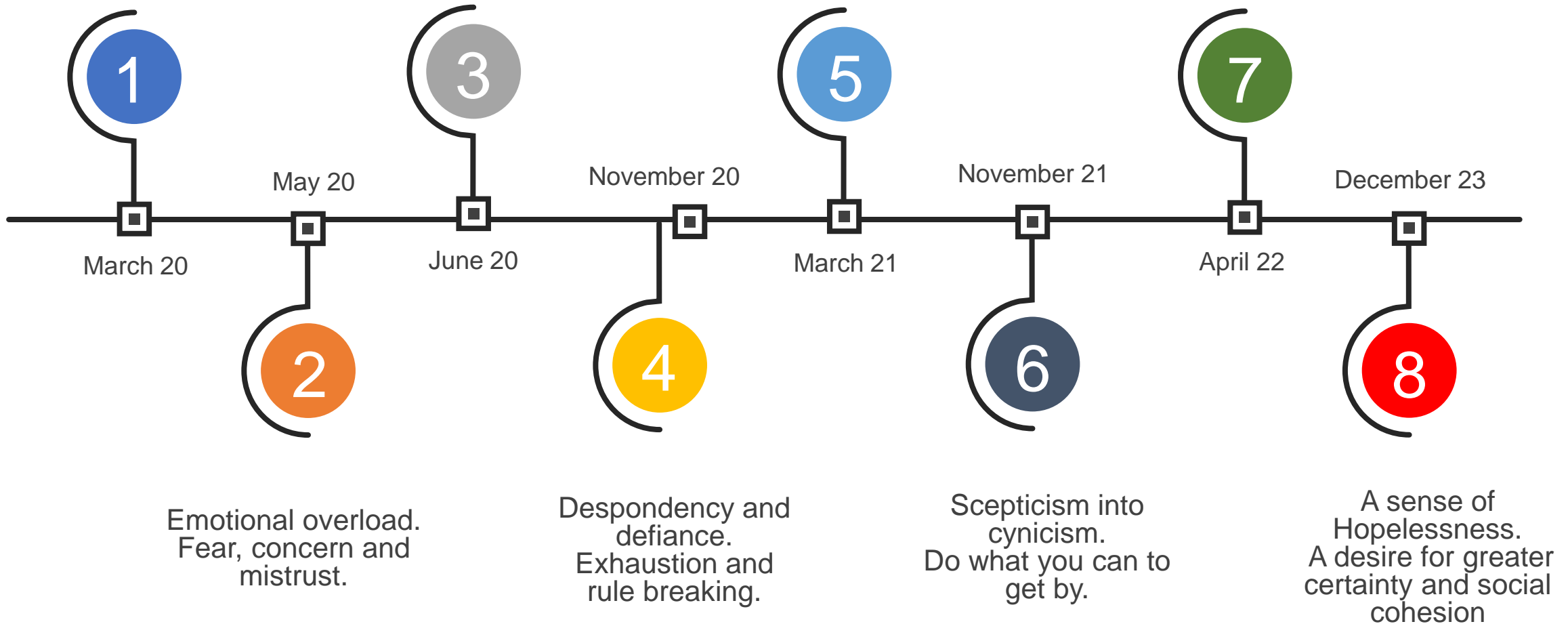
International Research programme

Covid-19.  
From safety to  
an emergency.

To the extremes.  
More instability  
and agitation by  
injustice.

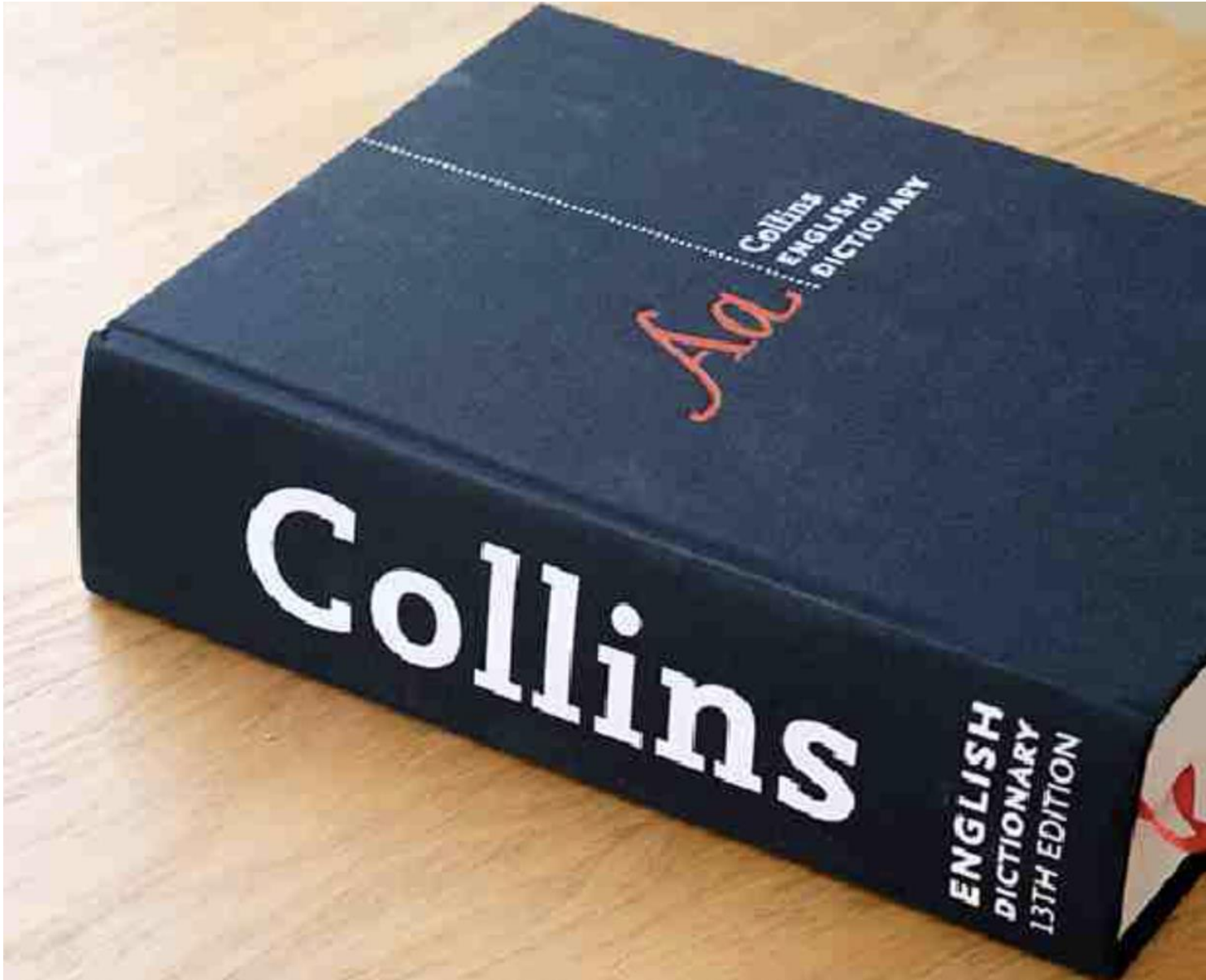
A new beginning.  
A growing belief in a  
return to normality.

Crisis after crisis  
on repeat.  
Control what you  
can.



March 2020

March 2023



## 'Sums up 2022': Permacrisis chosen as Collins word of the year

**Dictionary defines word as 'extended period of instability and insecurity', with Partygate, Kyiv and 'warm bank' also making list**



Permacrisis tops a list of 10 words, six of them new entries, which Collins says represent 2022 – including Partygate, referring to No 10 lockdown gatherings. Photograph: Adrian Dennis/AFP/Getty Images

Brexit, Covid, war, climate disasters, a tanking economy, political instability, global insecurity, a sense of impending doom. There's a single word for this, and it has just become Collins Dictionary's word of the year: permacrisis.

The word is defined as "an extended period of instability and insecurity", which some may argue is an accurate summary of the past few years. Collins said it chose the word as it "sums up quite succinctly how truly awful 2022 has been for so many people".

# The national mood in summary

- There is a sense of relief that Covid appears to be over. People **value the freedom** to get on with their lives.
- Those who have **lost loved ones** or who suffered **retain a level of anger / trauma**.
- The sense is that we are doomed to move from one crisis to the next. Feeling **'we are now in a new crisis'** is the new normal.
- Cost of living crisis has shifted many people's philanthropic focus on to domestic issues. It is on our doorsteps. It is in our communities. It is impossible to ignore. Media reports driving increasing amounts of worry.
- For many this is driving **feelings of hopelessness**. BUT for some it is a new challenge to be overcome.
- There is a **sense of despair** about how the country seems divided and without direction. People are more aware of poverty and inequality. They are looking for anything that offers a sense of certainty that will help pull society together again.



# Worry is part of people's daily lives

*Having promised I wasn't going to panic if we have another Covid, well, well said Ian (my husband) you broke that one, and there's no Covid. It's the energy bill, and you're in a right state.*

*"Every year we drive down to the New Forest and I suspect we will have to talk about that. I'm not happy about it. I know other families will have it far worse but I'm just being honest with you. I think so many of us have had enough - of the worry"*

*I feel like we are all in such a flap when one of these events, or should I say crisis, comes along. There is no cohesion. It's immediately political. When are they going to get it through their thick skulls that **this sort of thing will keep coming and HEAVEN FORBID, they come together.***



# And it goes beyond the UK

- Increases in the Cost of Living are seen to be contributing to an increasingly divided society with inequality coming into clearer focus.

*'In the past, we've had recessions, but you just felt you needed to tighten your belts for a while and it would pass over you...not so sure about that nowadays.'*

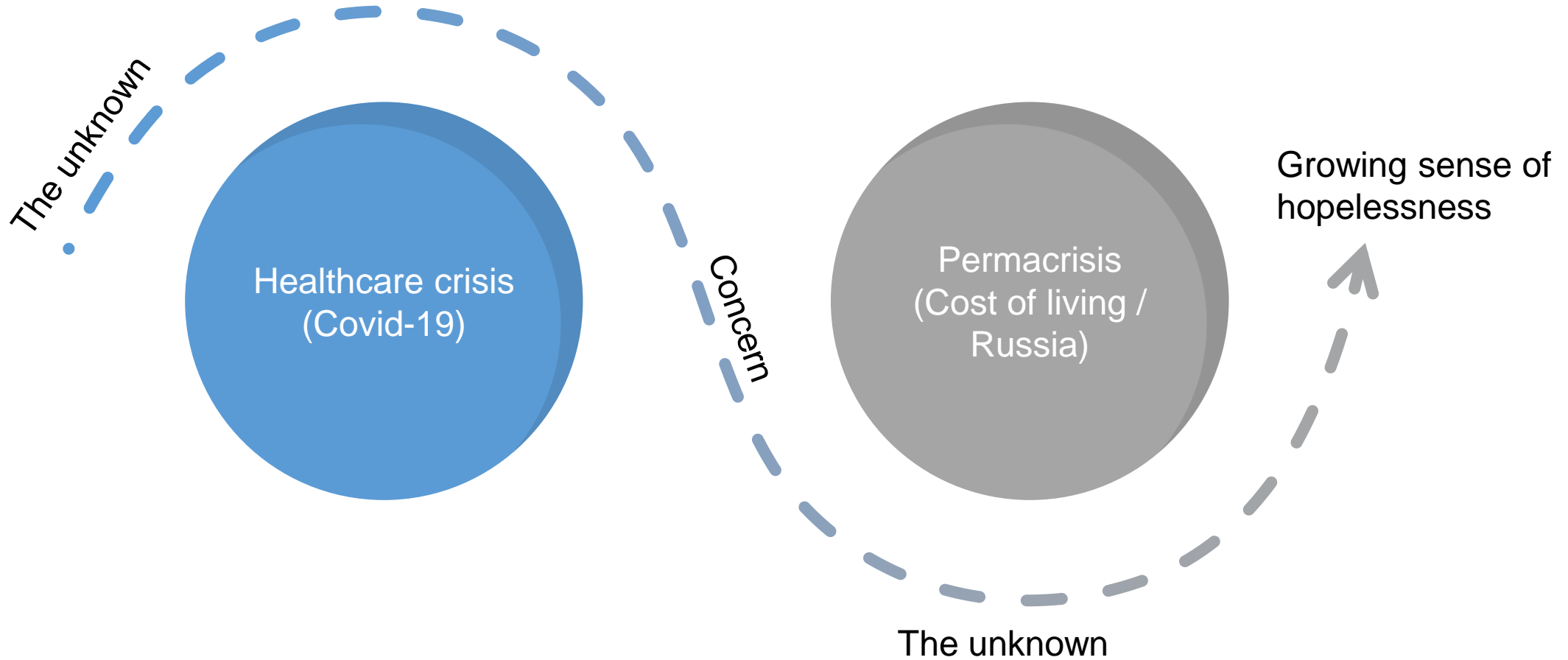
*'We're not feeling the benefit day-to-day...still paying more for electricity.'*

*'The government are saying the prices rises are because of the war...but they are making really big money out of the situation, and part of that is coming from charging poorer Norwegians more...hard to see how that's fair.'*

- But most respondents felt relatively secure. This created a sense of concern for some for those on the 'outside of the system' such as refugees and people in poorer countries. Though for others, the refugee crisis is viewed as an economic burden when times are already hard.



# The threat has changed

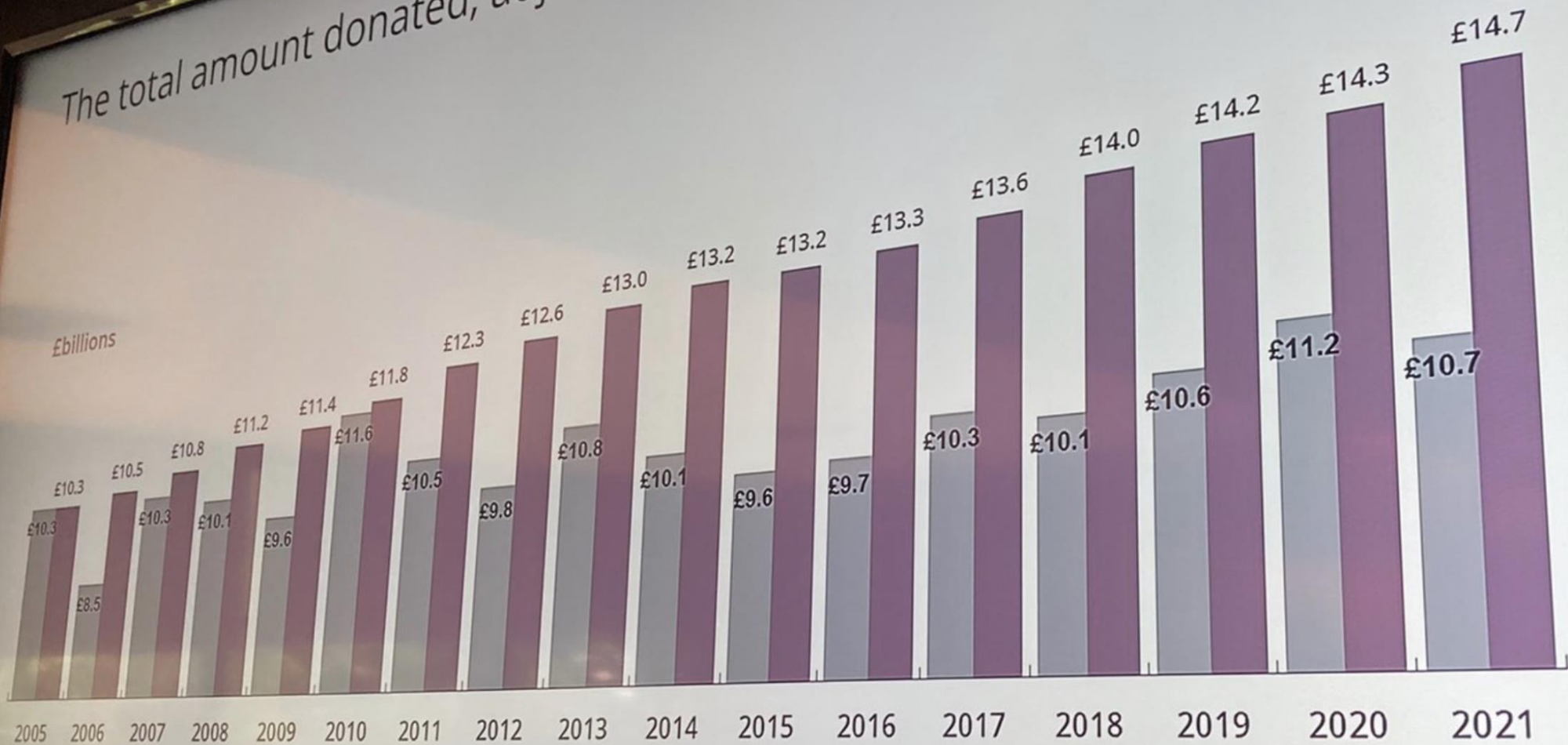


A close-up photograph of a person's hand holding a stack of British banknotes. The notes are fanned out, showing a £5 note in the foreground, followed by a £10 note, and a £20 note partially visible at the top. The hand is positioned over an open, empty, light-colored leather wallet with multiple compartments and a zipper. The text "The share of purse is increasingly finite" is overlaid in white, bold, sans-serif font across the center of the image.

The share of purse is increasingly finite

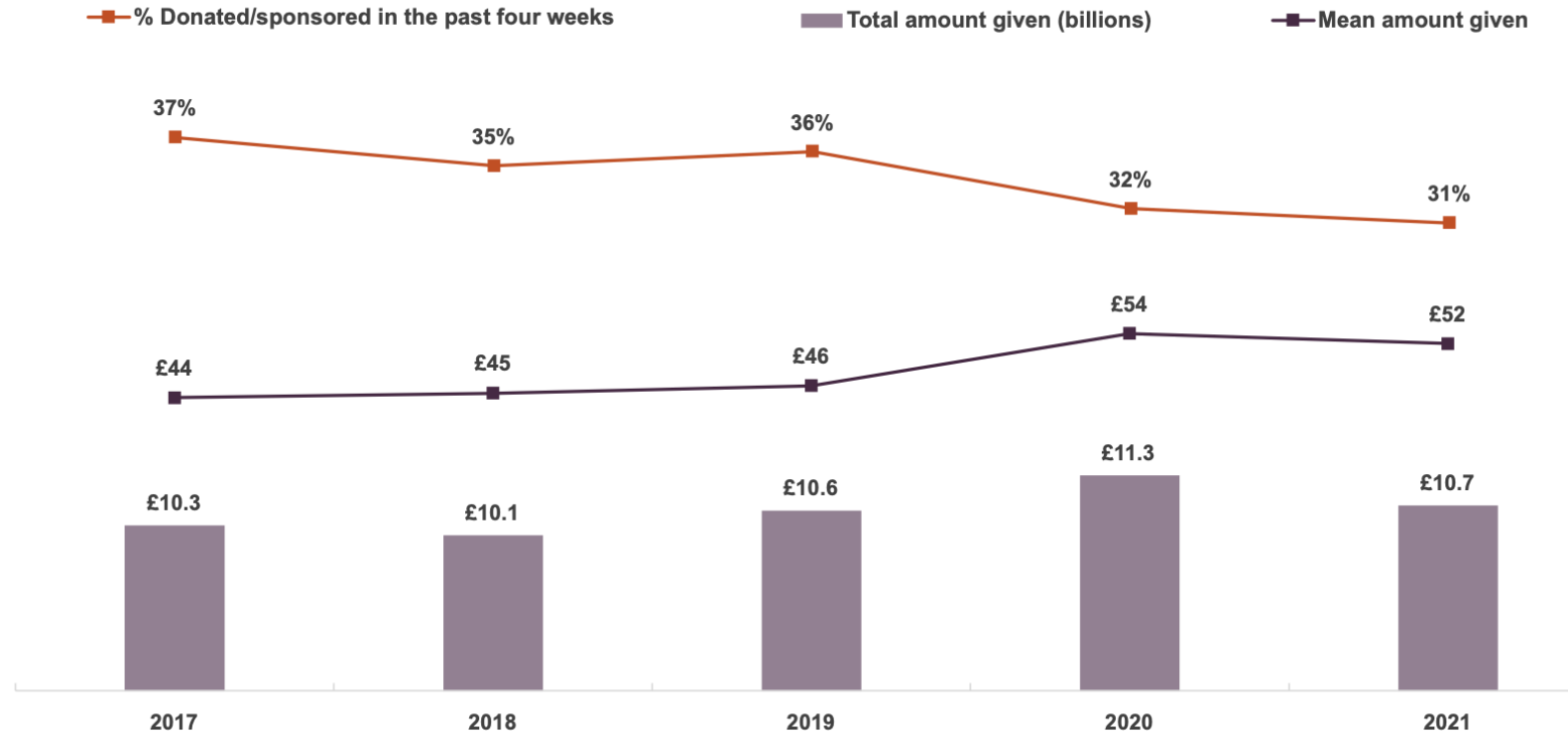


# The total amount donated, £ billions



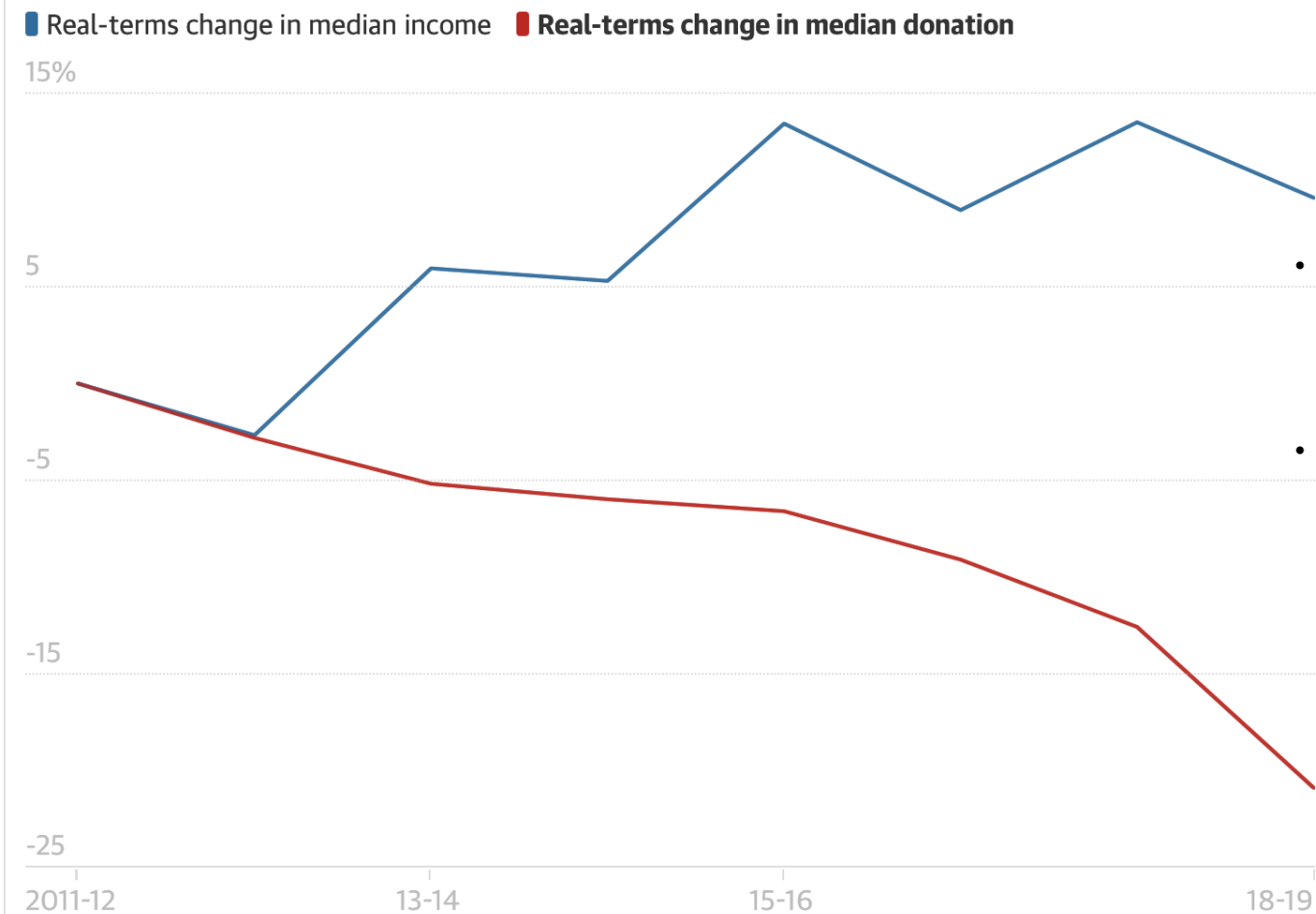


# 2022: there are less people giving more



Base: All adults 16+ who donated or sponsored in the past 4 weeks: 2021: (n=4,243), 2020: (n=3,863), 2019: (n=4,040), 2018: (n=3,948), 2017: (n=3,730).

# Top 1% giving less despite income growth



- In most recent interviews. Mid value donors are most likely to report disappointment if they don't hear how their gift has made a difference.
- They see their giving in terms of total value over multiple years rather than just a series of individual gifts. Lack of evidence gets them questioning why they should continue to invest £1000s with you when giving elsewhere might give them a greater sense of achievement.

Guardian graphic. Source: Pro Bono Economics/HMRC Survey of Personal Incomes. Note: real-terms changes in median income of donors and median donations among the top 1% of earners, compared to 2011

# Charity budgets are under pressure

Income squeezed

Confidence squeezed

Financially OK

- Most people spoke of cutting back or 'rationalising' their personal charity budgets.
- Some were reducing donation amounts. Others were removing charities from their portfolio.

*'All (charity donations) have probably gone down, but domestic charities, where you can see people like yourself in need...maybe you can relate more, so give money, or volunteer...'*

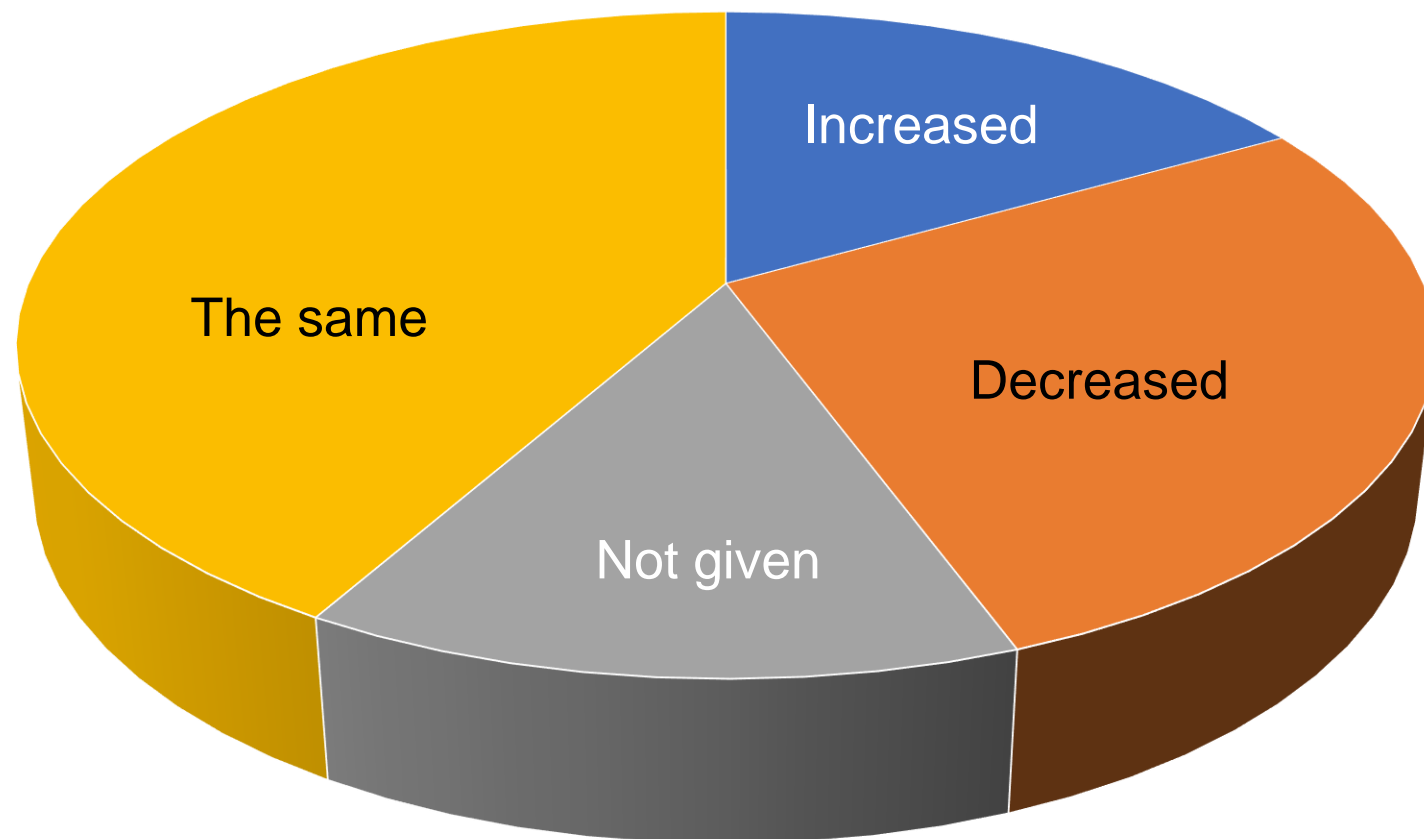
*'Although I can see there may be an increase in the need in society, the needs of the people – my own needs – have also increased, and our resources have been reduced...'*



# The intersection of desire and ability



# Giving more, less or the same?



Net decrease of  
10.8% over 1 year



# Personal fundraising is less attractive

*"I wouldn't want to ask unless I knew they were OK. I wouldn't want to embarrass someone. If you're struggling...why should you have to give to me?"*

*"Most people still will help, but it's not like it was. I'm grateful for every penny"*

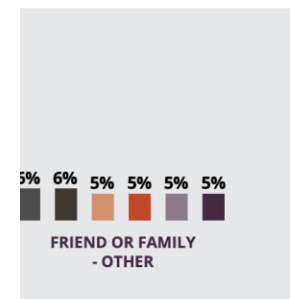
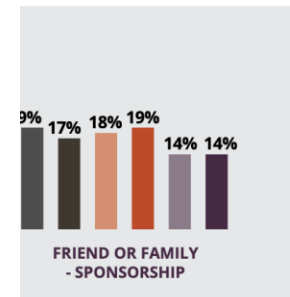
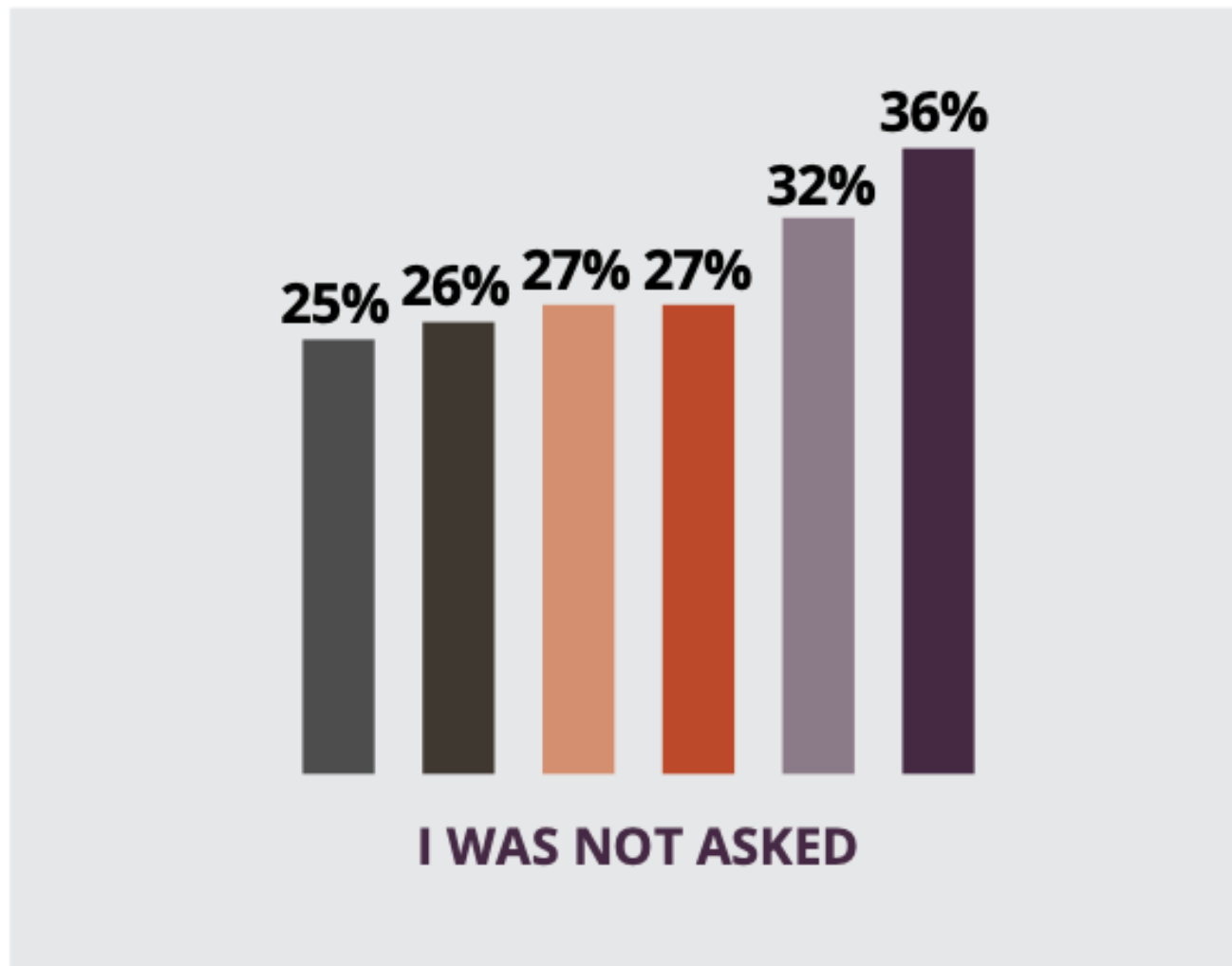
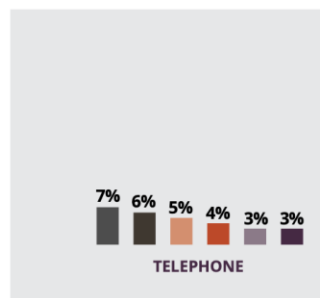
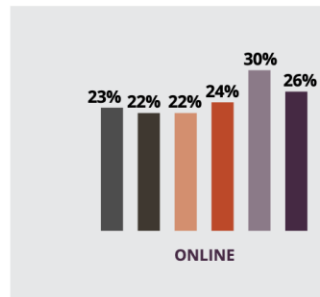


# Expectations of charities remain low

- Recall of attempts by charities to engage were minimal.
- But donors forgave charities for poor levels of contact.
- Relationship ‘breakdown’ was expected during the crisis and this expectation hasn’t reset yet.
- If charities didn’t get in touch, people made excuses for them. They were busy getting the job done.
- If charities asked for extra – this was fine. They were expected to need to raise money.
- But placing work in context was wanted and valued. It increased trust and drove a greater sense of control (esp. mid-value).

# How have you been asked?

2016



Base: All adults 16+ 2021 (n=13,575); ;

# Core charities seem safe

- Core giving behaviour seemed relatively stable, with some people claiming that they would continue to support favoured charities even if it started to curtail their lifestyle.
- People saw value in continuity, particularly if there was a family link – *‘since I was a child’*.
- Support would be maintained if there was a personal connection with a cause such as with medical research.

*‘It’s very hard ...to look a friend in the eye and say you can’t give any more money to a local shelter, when that will mean someone may not have a bed’.*

*‘...easier to turn away from someone asking for something than let down the people who you have already decided to help’*

# The post-pandemic hierarchy

## Emergency Causes

Charities seen as important now.

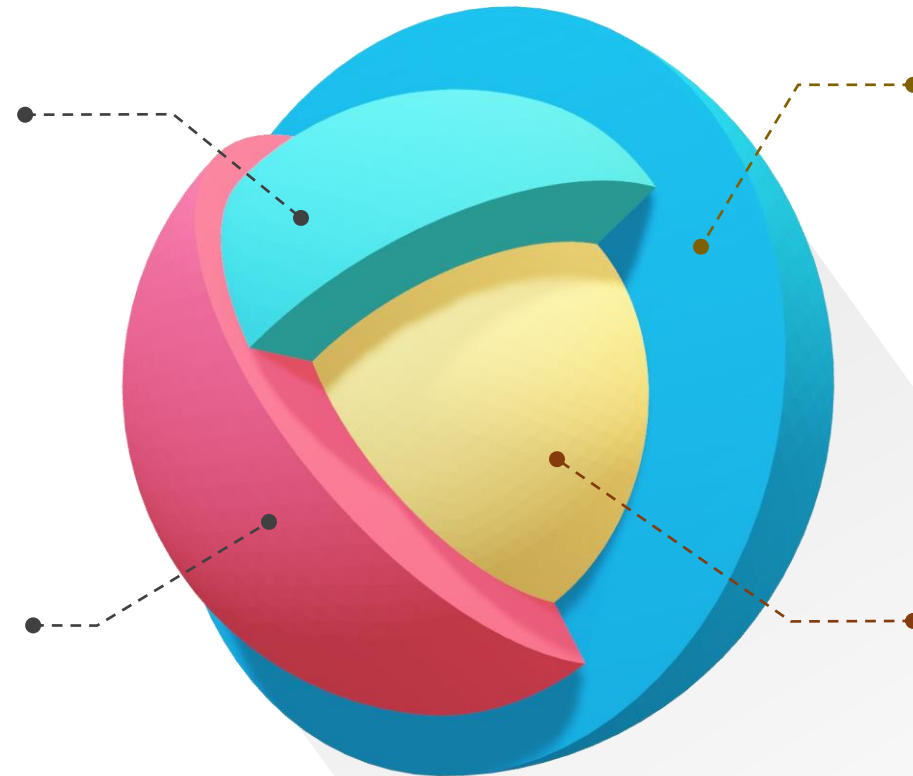
- **Local** rather than large
- Homeless / food banks / vulnerable
- Direct evidence of need

*Donor response: support whilst relevant and funds available*

## Obligation causes

Gifts that are hard to refuse – face to face, in-memoriam, sponsoring friends

*Donor response: support according to strength of relationship and relevance.*



## Other causes

Non-coronavirus / emergency causes without relevance.

*Donor response: considered rejection*

## Core causes

Long supported charities that the donor values.

Relationship strengthened by Coronavirus / cost of living crisis

- More need
- Neglected

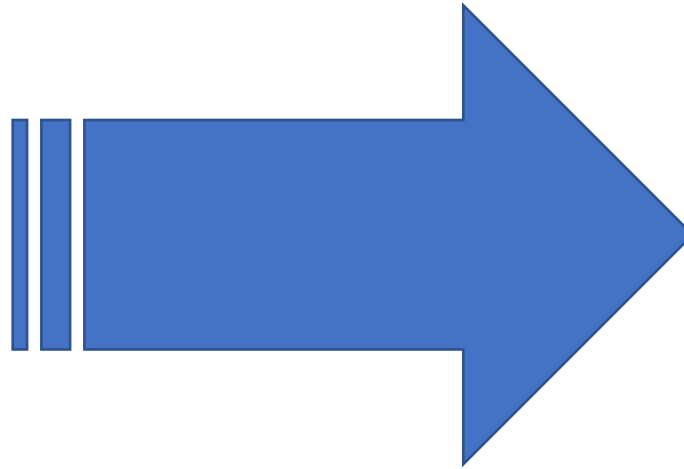
*Donor response: maintain where need is apparent.*



# Front of mind concerns are changing

## Cost of living

Helping people who have been badly impacted by the cost-of-living crisis



## Social cohesion

Helping people by supporting charities that represent stability, that demonstrate what is good about society

Clear, sympathetic and in tune with the needs of  
our donors

*I'm sick of all the arguments. It's  
always one side against the other.  
We are all the same...at the end of  
the day.*

*Everything is crumbling. It all feels so  
hopeless...We need to rebuild on  
what actually matters.*

**Care and empathy**

# The post-pandemic hierarchy

## Cohesion Causes

Charities seen as important now.

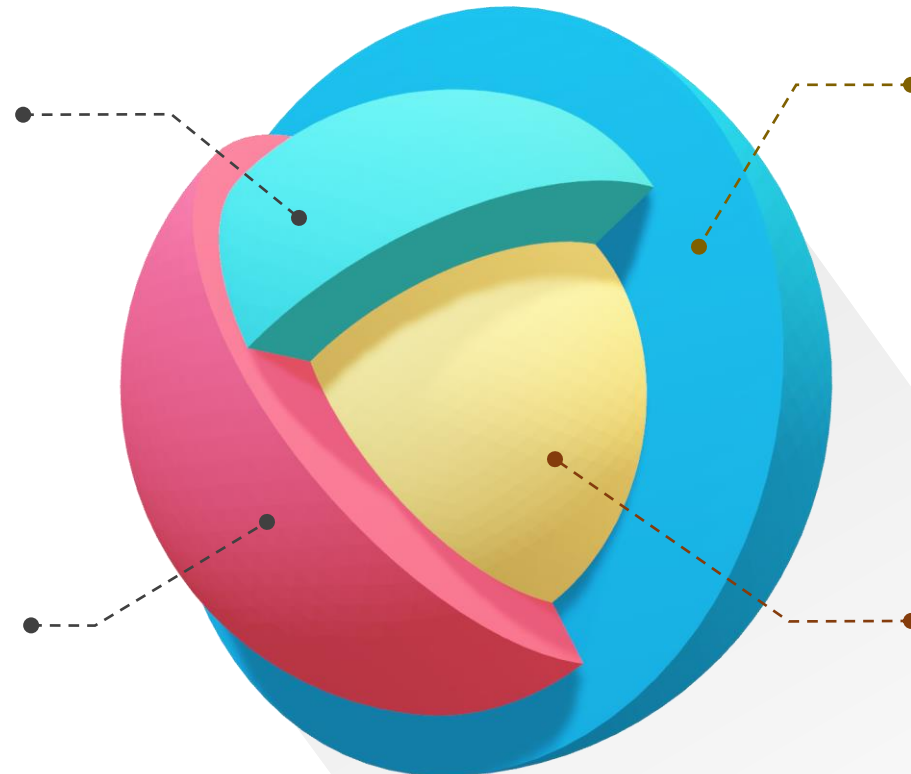
- **Local** rather than large
- Homeless / food banks / vulnerable
- Direct evidence of maintaining social cohesion

*Donor response: support whilst relevant and funds available*

## Obligation causes

Gifts that are hard to refuse – face to face, in-memoriam, sponsoring friends

*Donor response: support according to strength of relationship and relevance.*



## Other causes

Non-coronavirus / emergency causes without relevance.

*Donor response: considered rejection*

## Core causes

Long supported charities that the donor values.

Relationship strengthened by Coronavirus / cost of living crisis

- Maintaining social cohesion
- Neglected

*Donor response: maintain where maintenance of social cohesion is apparent.*

# People (who can) will keep giving

*“My generation should pull its finger out. We’ve had it easy. My mum worked on the railways in the war and they had nothing and they never even complained to us except for to tell us how lucky we were. **A few quid, it’s not even a round of drinks, is it?**”*

*“But since the inflation has come about – we lived with it in the 70s, 80s, you live with it. As far as every day items goes, that’s a different ball game altogether. **When you have less money to spend, you have less money for things like charities. Not that we have plans to stop. But we’re not looking to increase it, lets say.**”*

*“Thankfully my bills are paid. I don’t smoke or drink, I don’t waste it on expensive things. Some people have expensive TV boxes and watch at home. Over the years I’ve never had to think I can’t afford this month. Even this crisis - I won’t stop it – I will let it go on. **If you give, you’ll be given to. If everybody stopped, or started pulling away there would be another problem.**”*

*“Stuff like – I used to have Netflix. I took it off now to take a bit of pressure off. I’ve got gas and electric smart meters now. **But I haven’t given up on the charities because you’re helping someone else.**”*



# Higher gifts are harder to cancel

*“To be frank, the odds and sods don’t matter. They wouldn’t miss that anyway. **But I couldn’t stop that <large gift>. That’s important to them.***

*“It might just be £500 today, but I give them what they ask for every year! That must be well over five K I’ve given them. **That’s starting to be serious money.**”*

***The fact is, they show you why they need the money and what they do with it. That’s why I stick with them.”***

*“It’s not just a single gift. I’ve made a commitment with my giving. **I’ll carry on until they don’t need it or someone else needs it more.**”*

# The desire to know *I'm valued* is high

## What happened

## What the donor said

## Impact on giving

The donor heard nothing after she gave £40 to a mainstream homeless charity. She has not donated since.

*I didn't need them to say thank you, so that's fine.*

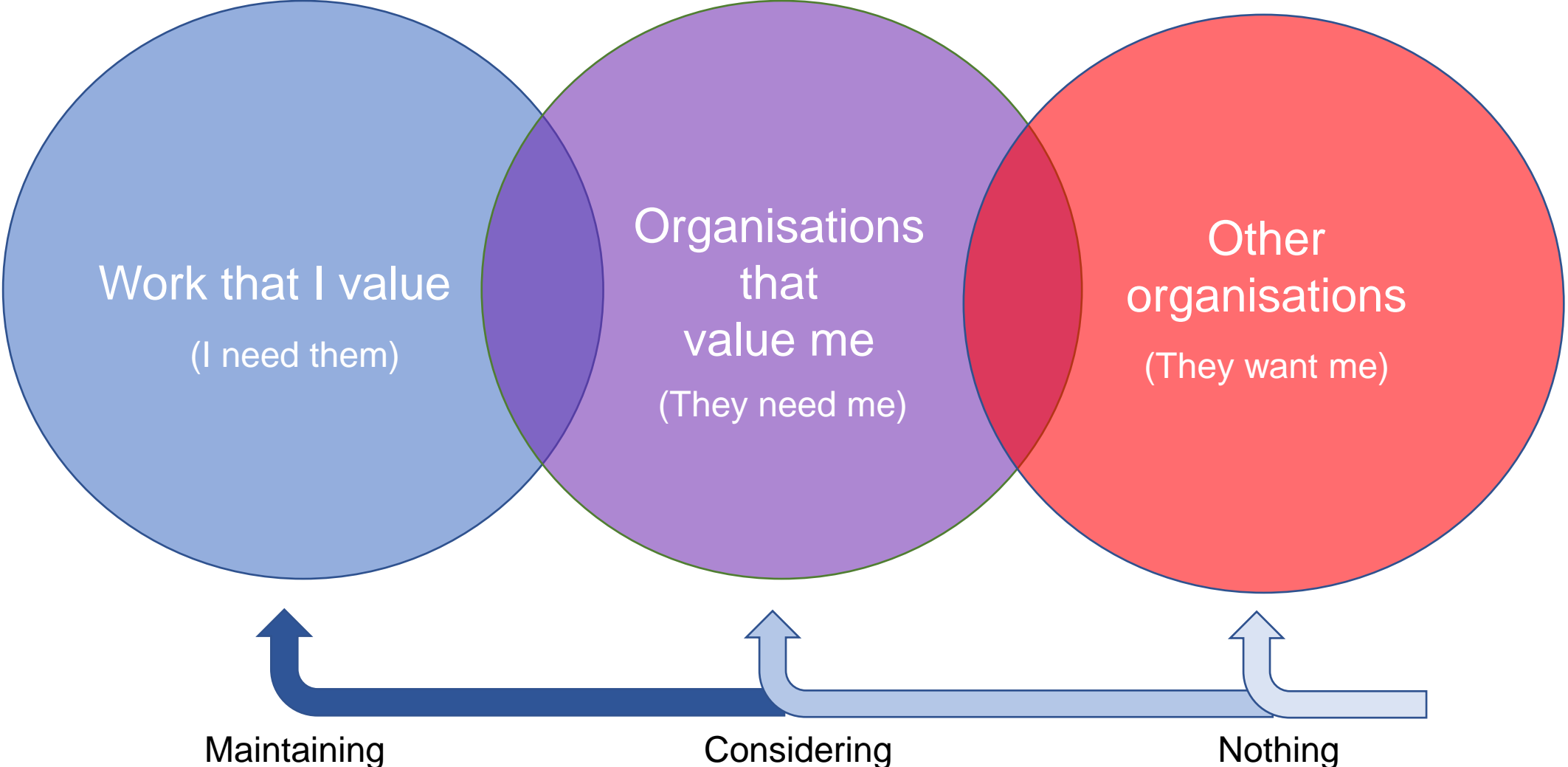
Expectations started low. She heard nothing, so the donor-charity relationship didn't start. The charity may get support but is not front of mind.

The donor got a thank you from the local food bank. They said they'd taken meals on wheels to the elderly. Months later she included them in her list of charities she supports at Xmas.

*It was nice to know they got it, but I do wonder if that was a waste of resources.*

Expectations started low. She got a thank you, and feedback that her gift had helped to feed someone. When it came to imagining lonely people at Xmas, she chose to help via a donation to them.

# Philanthropic budget distribution



What do we do?





**Don't stop asking!**

# 1. Focus on core donors

- Financial crises don't hit uniformly. Many donors – particularly those who built up savings over the course of the pandemic – will be cushioned from the worst effects of the economic crunch.
- Many other donors will prioritise supporting the work that they value at the current time – and maintaining support for the charities that value them.
- These donors will have a history of supporting you – and will want to maintain support and / or connection.

1. Demonstrate value by thanking and showing impact. When money is tight, value for money becomes much more important.
2. Above all, **place appeals into context**. Ensure your core donors are aware of any problems that you face as a result of the cost of living crisis.
3. You can ask for additional support – particularly if your income is squeezed or you are facing additional expenses.
4. Give donors an opportunity to plan how they help you. Consider offering regular giving or pledged giving.



# We're facing a cost of learning crisis...

## The cost of learning crisis

How your support can be a lifeline for future St Andrews students



In October 2022, inflation in the UK hit **9.6%\***

**68% of students are no longer able to afford course materials.\*\***

Last year, St Andrews increased the number of scholarships awarded by **24%**, but could only help **39%** of those who applied for a UK scholarship and **4%** of those who applied for an overseas scholarship.\*\*\*

A third of students are left with just **£50 a month** after paying rent and bills.\*\*

**78%** of students believe the cost of living is impacting on those who support them financially.\*\*

\*Source: Office for National Statistics  
 \*\*Source: National Union of Students  
 \*\*\*Source: University of St Andrews; Nov 2022



Mr A Sample  
 Sample House  
 Sampleton  
 Sampleshire  
 AB1 2CD

December 2022

*Stretched finances have always been a part of student life. But now the challenge goes far beyond anything we've experienced before.*

*Can you give <£XX> to help fund a <Canada> Wardlaw Scholarship and give a lifeline to students during the cost of living crisis?*

Dear <Personalised>,

This winter is a worrying time, as we all feel the increasing impact of the cost of living crisis. And while I know many of us will be cutting costs where we can, my worry is for students from low-income backgrounds who may feel their dream of coming to St Andrews is slipping out of reach.

I'm sure you'll agree it's a heartbreaking thought, and especially sobering when I look back at my own St Andrews experience. Due to personal circumstances, I wouldn't have been able to take up the opportunity to study here without external support, and my life today would be very different. I certainly would not be writing to you as Proctor of St Andrews. But I was fortunate enough to study at a time when full fees and a maintenance grant were available to people with low income. Sadly, this is no longer the case.

**Generous alumni like you have stepped in to help this generation of students. Yet the reality is that still more help is needed to match the soaring costs of basics like food, heating and books.** Even when taking out the maximum available loans, students are facing a shortfall. Many students try to cover this by getting part-time and summer jobs, but wages simply aren't increasing in line with costs.

My fear with this current challenge, coming hard on the heels of the pandemic, is that students who have worked hard to secure a place at St Andrews, may now feel that they just can't afford it. Some may feel they can't afford to go to university at all.

If, like me, you value the education and experience that St Andrews gave you, I hope you'll give whatever you can today, to help fund a <Canada> Wardlaw Scholarship in this time of unprecedented need.

**Can you give <£XX> to help fund a <Canada> Wardlaw Scholarship and offer a lifeline to a student during this cost of learning crisis?**

As you may know, Wardlaw Scholarships were established thanks to the generosity of alumni and

Development, Crawford Building, 91 North Street, St Andrews, Fife, KY16 9AJ Please turn over...  
 T: +44 (0)1334 462154 E: donate@st-andrews.ac.uk  
 www.st-andrews.ac.uk/alumni

The University of St Andrews is a charity registered in Scotland, No: SC013532

*Help students during this cost of learning crisis by supporting Wardlaw Scholarships today*



# Offer the chance to budget

- We have asked the same question since March 2020?

Would you give extra to a favoured charity if there was increased need?

*If it was a sensible amount I would think yes, I think they'd need to be very careful about it.*

*I'd want to know what they did – why do you need the extra? If you explain it then people will be reasonable I expect*

By a time-restricted direct debit or a larger single gift?

*It would depend on what it was for*

*...if you put it like that, yes.*

*So it goes back to £10 a month? That's a good idea.*



## 2. Recruitment

- Consider wealthier (mid-value) donors within your recruitment plans.
- Look at what higher value offers you have that can give people a sense of achievement in tackling the problems that you are dealing with now. Think social cohesion.
- Higher value offers can give MV donors control at a worrying time.
- Focus on peer to peer communications rather than advertising / brand led approached – *special is normal*.

1. Put your offer into context of what you need. Show what the opportunity cost might be.
2. Move quickly from the offer into demonstrating how a gift might change a life or make a difference. This is what the donor is interested in.
3. If there is a long-term benefit that will be gained from receiving a larger gift now emphasise that – it might just be ability to plan with confidence.
4. Demonstrate how giving would secure your work in keeping society functioning.

# 3. Reaffirmation

- Consider what you can do to recognise what your donors have done and what they are helping you achieve.
- Demonstrate how much you rely on their support and how important they are to you spiritually and practically. Change / update thanking process – move to a dynamic model.
- Though speed isn't a requirement, donors really value a quick response when thanking - though humanity beats automation.

1. Don't depend on a simple email thank you to gifts. Follow up with a postal thank you – personal treatment moves you up a donor's charity portfolio.
2. Add humanity – fuzzies – into your communications – use hand written annotations, add photographs or newspaper cuttings, reference previous support, highlight important news stories – and what you are doing about them.
3. Engaged donors – even mid-value ones – appreciate newsletters. If you don't send them to MV donors, start!

# Thank you for ReACHING Out

Mr A B Sample  
Sample House  
Sample Street  
Sample Town  
Sample County  
AB1 2BC

XXXXXXX  
Your supporter ref. no. <XXXXXXXX>



## What would we do without you?

Date 2021

Dear <Personalised>,

Your wonderful gift of £<XX> has winged its way to us, and we were so happy to receive it. Thank you so much for sending it after receiving your autumn issue of 'Reaching Out'. I promise you that it will do amazing things.

As the world opens up, your gift will help Sense offer specialist support to children like Ernie, Olivia and Arlo, in so many different ways.

You will remember reading about some of the virtual activities the children enjoyed during the pandemic – discos, movie nights, and plant pot decorating to name but a few. Your gift will help us offer them for the immediate future at least. I sometimes wonder if we will run out of ideas, but it hasn't happened yet!

Your gift also helps our Sense Centres open again within Government guidelines. As I'm sure you're aware, touch is so important for children who are deafblind. That first time they have physical contact – perhaps even a hug – with their friends is so special. There isn't a dry eye in the house!

In fact, I hope you won't mind if I send you a virtual hug for all your kindness during the pandemic. You are such an important member of our Sense family and I am so grateful for your generosity. Thank you so much for everything you do to help children who are deafblind or have complex disabilities and their families.

Kindest regards,

Sarah Turpin  
Head of Specialist Services for Children and Young People

Sense, The National Deafblind and Rubella Association  
101 Pentonville Road, London, N1 9LG  
Registered charity number 289868

Patron: Her Royal Highness The Princess Royal  
President: The Lord Levy

tel 0300 330 9257  
text 0300 330 9252  
supporterservices@sense.org.uk  
www.sense.org.uk/reachingout

Recognise what they did

Remind them of who they helped and how they helped them

Relevance

Reinforce humanity



Here's a photo of Teegan saying a big thank you for kindly supporting Senses's 2019 Holiday Appeal.





Thank you so much for helping to fill  
my little girl's world with colour!

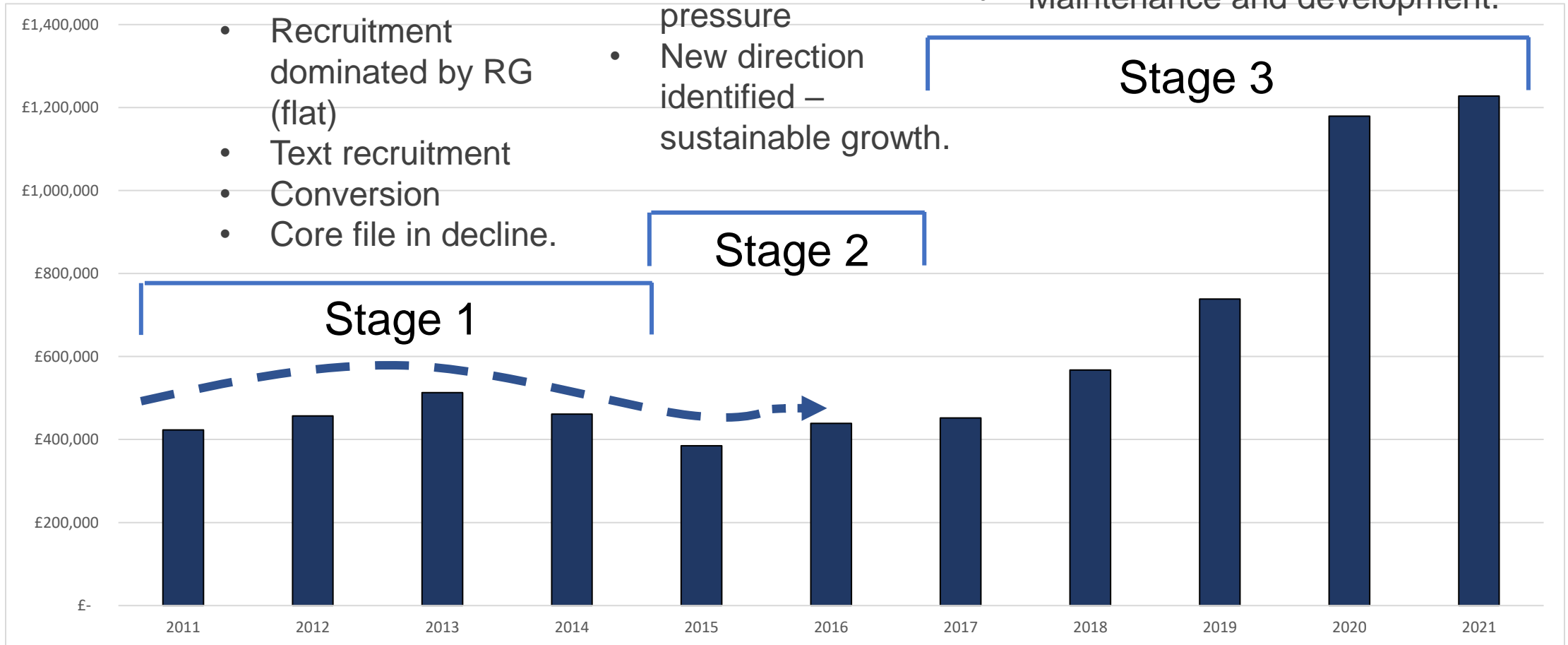
Invenderciae dolent dero tempore  
pelitia cus intio. Et odio. Nam  
quaturernat asi sitis il is pore  
molupta qui rerum quis a.

Quidelis et velenditi inci as si  
asit quo od quam ime ommos is re  
restisque am, sunt emq uisque qui  
re aliat's re veni ommolum ius de  
nonsequodi coraerferum quo.

- Louise

# Appeal income

- Growth of raffles
- Core under pressure
- New direction identified – sustainable growth.
- Needs focus
- Recruitment
- Maintenance and development.



# 4. Consolidation

- The most important value exchange that you can offer is tackling the problem that the donor cares about.
- Maintain focus on core work and consider delaying major new fundraising campaigns that have little to do with the current economic / political situation.
- Consider delaying rebrands until life is more stable. Certainty is valued at times of insecurity. Don't engage in a major brand change unless you have to. Rebrands will leave donors wondering why you haven't been focusing on core work.

1. There might be an internal desire to focus on a 'different' area of work to that which your donors might recognise as your core activity. Be careful about introducing these now. Delay where possible.
2. Demonstrate to your donors that you are using money carefully by actively trying to reduce costs of your communications. Move to cheaper stock and black and white. Make every side of every sheet of paper count.
3. Consider linking the donor's gift directly to its outcome and try shifting away from the services it will pay for.

# 5. Acknowledge financial insecurity

- Respond to cancellations by recognising that some people may have had to re-allocate funds or that they are financially stretched.
- Treat reactivation programmes with care and consider reducing prompt levels for poorly responding segments.
- Offer payment holidays or non-financial ways to help when people cancel and ask if you get back in touch at a future date.
- We also know from many conversations, that legacy giving is under active consideration for many people.

1. There might be an internal desire to focus on a 'different' area of work to that which your donors might recognise as your core activity. Be careful about introducing these now. Delay where possible.
2. Demonstrate to your donors that you are using money carefully by actively trying to reduce costs of your communications. Move to cheaper stock and black and white. Make every side of every sheet of paper count.
3. Don't 'guilt trip' or manipulate donors into reversing a decision. These have often been very painful considerations.

# A simple email

Dear <personalised>

I write today with some very concerning news. Over the last month, just over 1,200 of your fellow supporters have cancelled their regular gifts...

...the economic downturn that we are all struggling with has hit them hard and their personal finances have been stretched to the point that they can no longer continue to fund our work...

...For every one of the 1,200 supporters we have lost, we need to find someone to step into their shoes ...

...I understand that times may be tough, but I hope that you will be able to help us at this very difficult time. You know how important our work is. With your help, we'll be able to continue it....

- Open rate of 30%.
- 24% of people who clicked on one of the links went on to donate.
- Average gift of £11 (\$20) per month



# Simply...

1. Donors want to feel **valued / valuable** - boost this sense of identity.
2. Donors want to feel **clever** – they made the best choice.
3. Donors want to feel **compassionate** – *‘I didn’t look away’*. I know that people need and deserve help.
4. They want to feel **safe** – *‘By the grace of God, this could have happened to me’*.
5. They want evidence of **hope** of a better future.
6. They want to protect the **best of society** whilst we wait for things to change.

# Tactically...



# #Offerhope

Mark Phillips  
Queerideas.co.uk  
Mark@bluefroglondon.com