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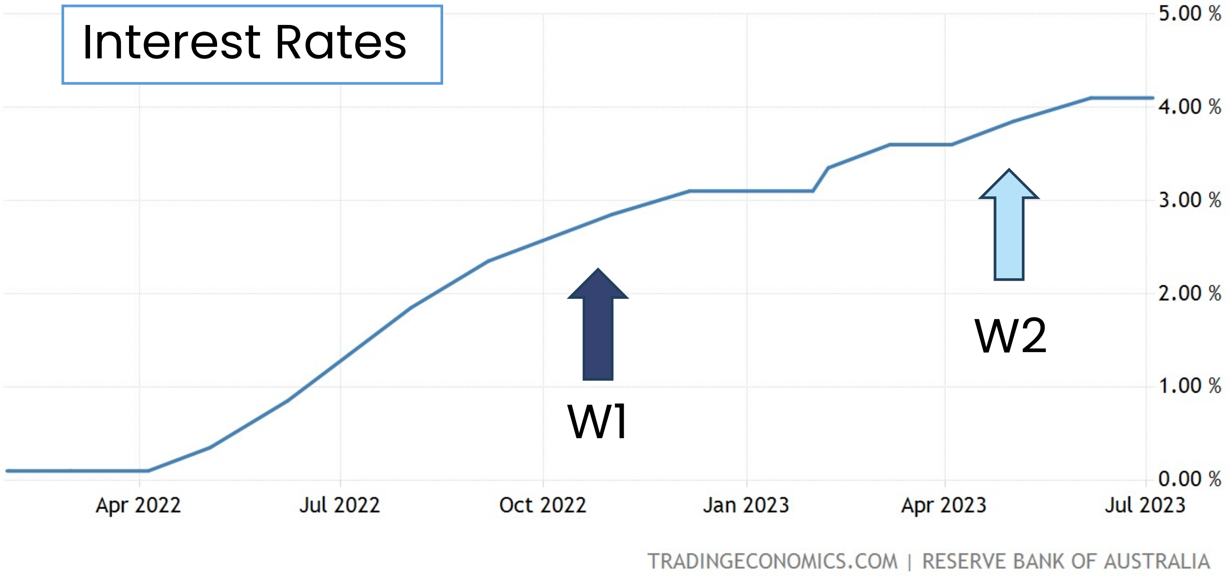
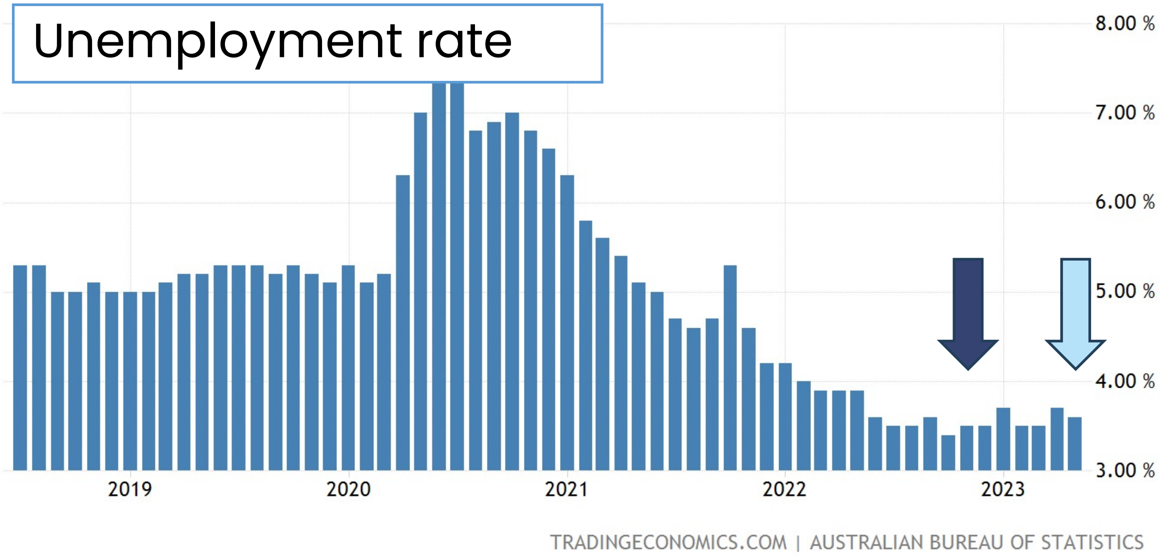
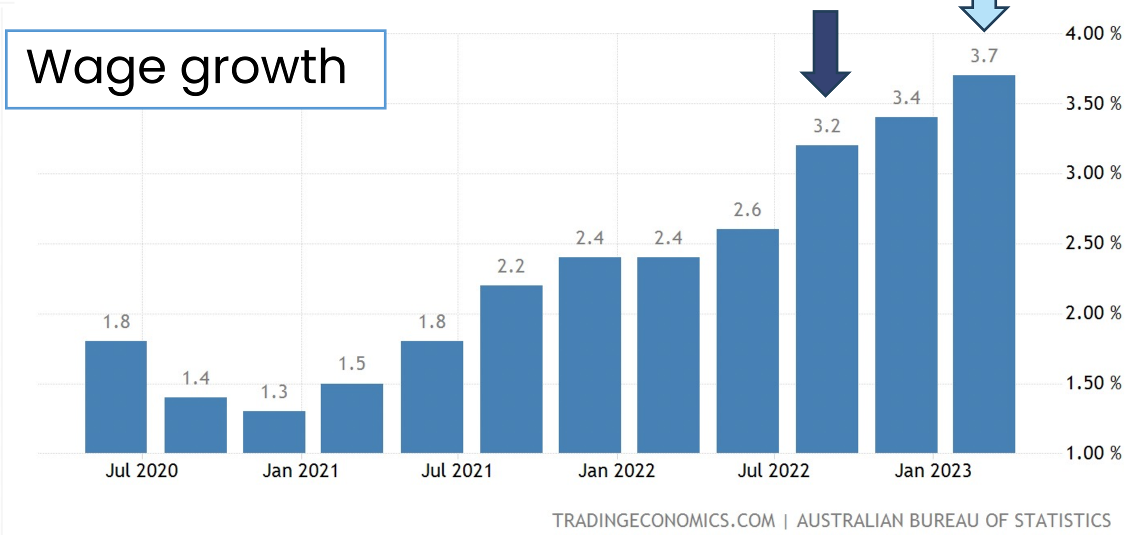
Cost of Living and Giving

Part II: Can we double giving?

Cost of living







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Where's the money

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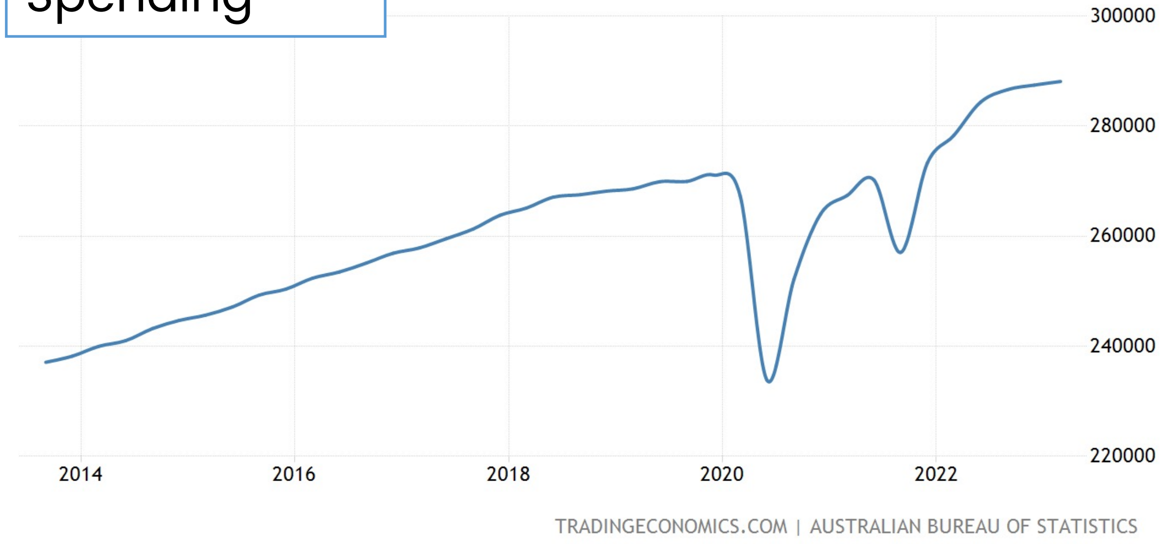
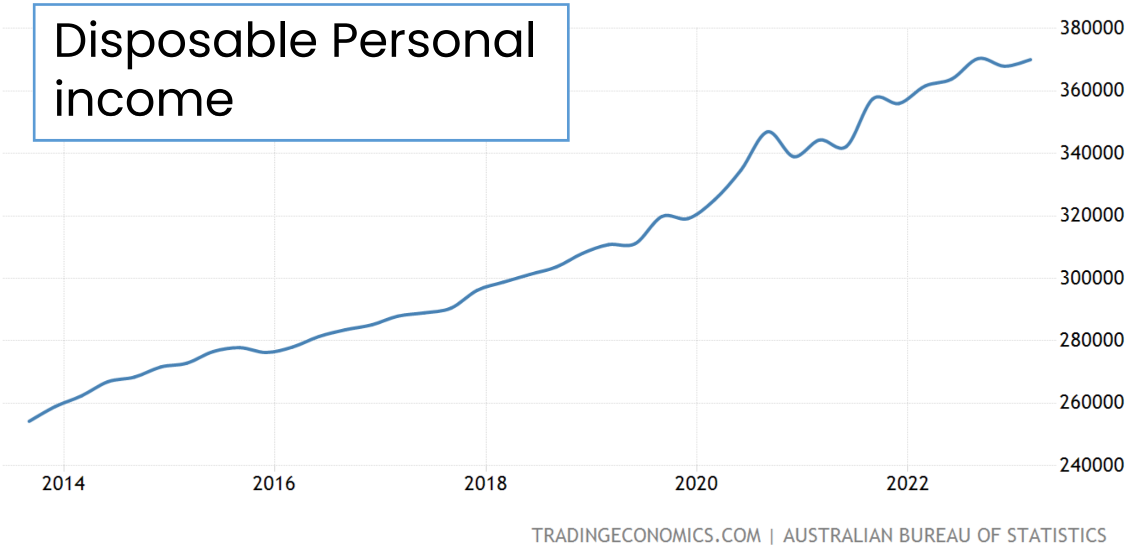
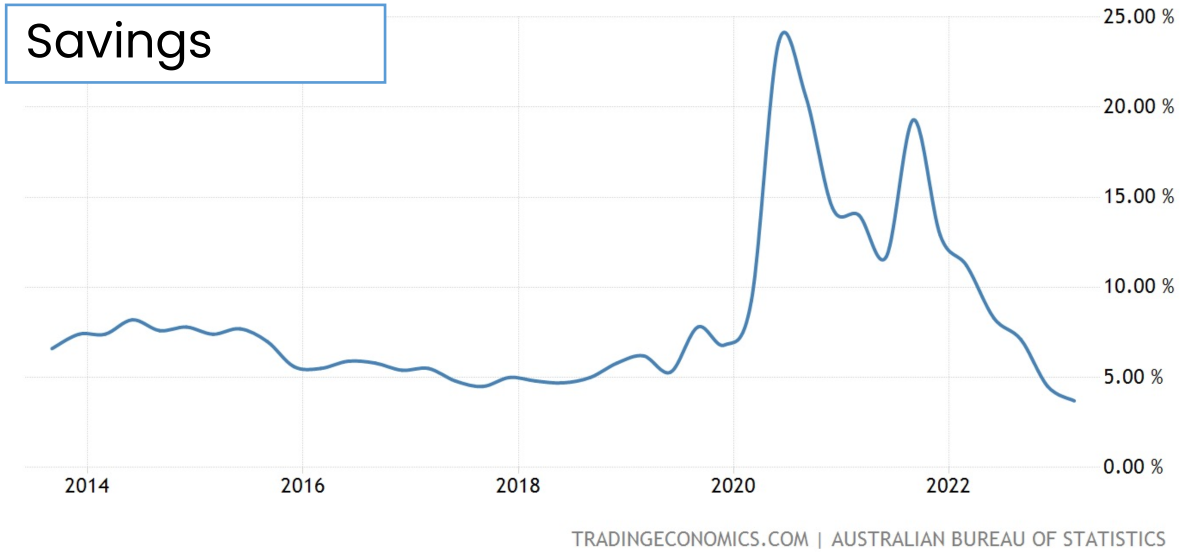
Spending



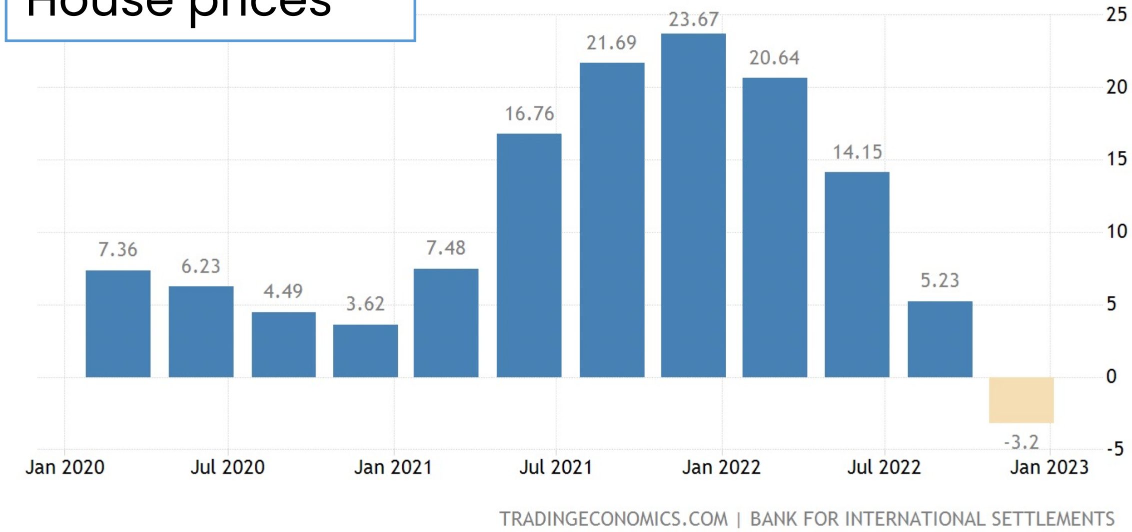
Disposable Personal income



Savings



House prices



COVID		CoLIV
Inflation		Inflation
Spending		Spending
Savings	Momentary Reprieve	Savings
House Prices		House Prices
Confidence		Confidence
Interest rates		Interest rates
Unemployment		Unemployment

Why

- Economic uncertainty
- Leadership asking questions
- Managing expectations
- Preparing for the future
- Budgets and understanding results
- Adjusting strategy and tactics
- Influencing decision makers

Thank You

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AMNESTY INTERNATIONAL

The Smith Family

Learn today, change tomorrow.

The Fred Hollows Foundation

Royal Flying Doctor Service

QUEENSLAND SECTION

MISSION AUSTRALIA | together we stand

Cancer Council NSW

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Productivity commission

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2x by 2030

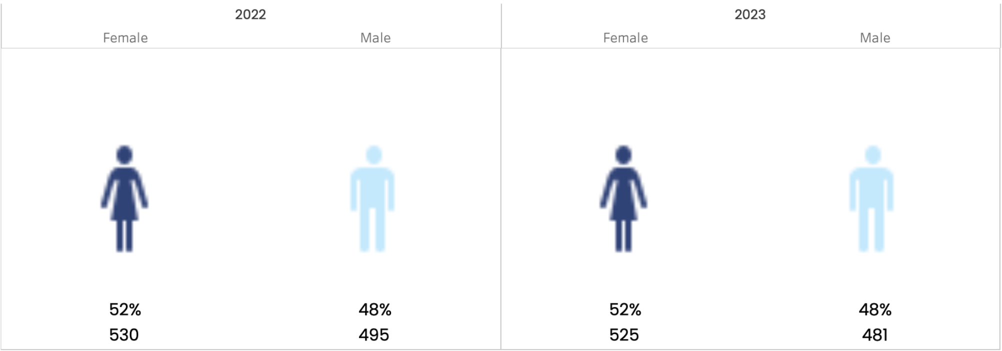
- Status and inclusivity
- Streamline
- New audiences
- New mechanisms
- New partners
- Better data
- Deeper understanding
- Optimisation
- Greater appreciation

Panel

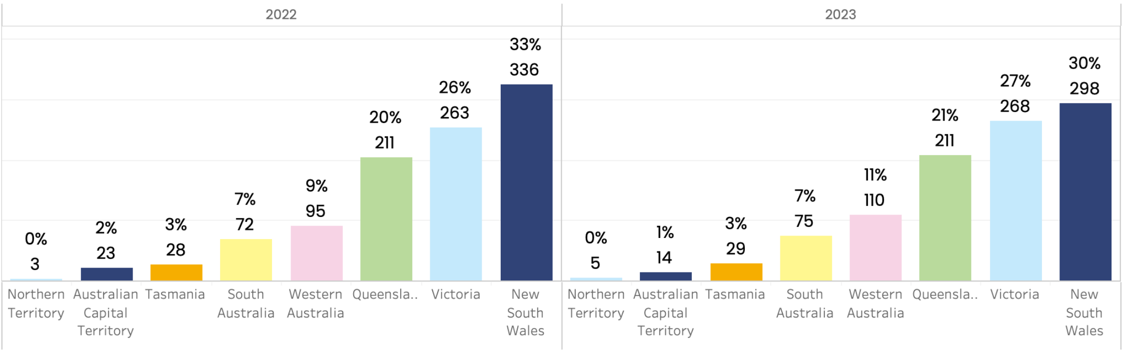
Composition

Panel Profile

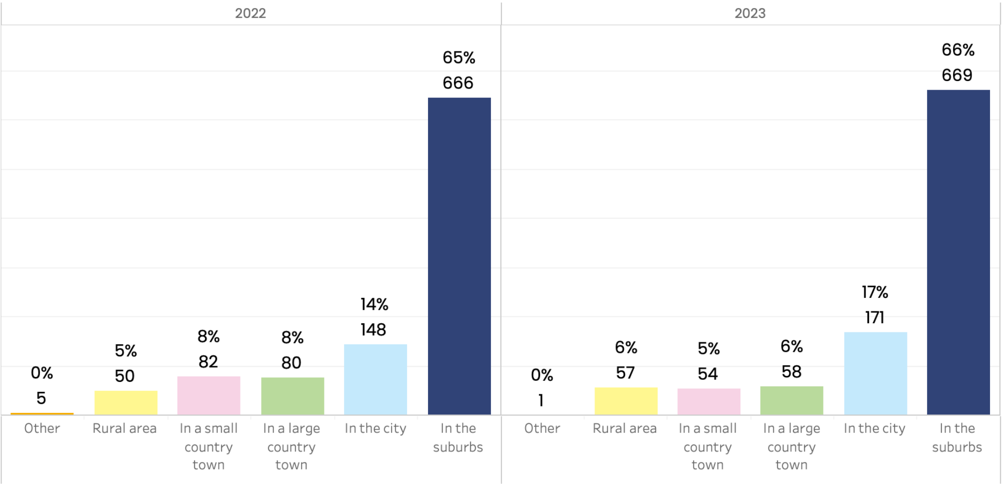
Gender



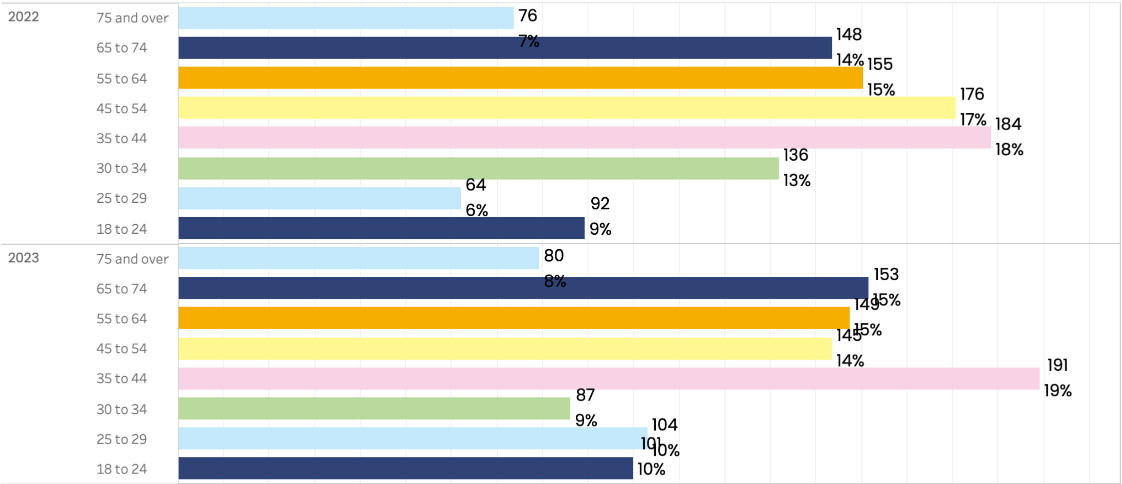
State



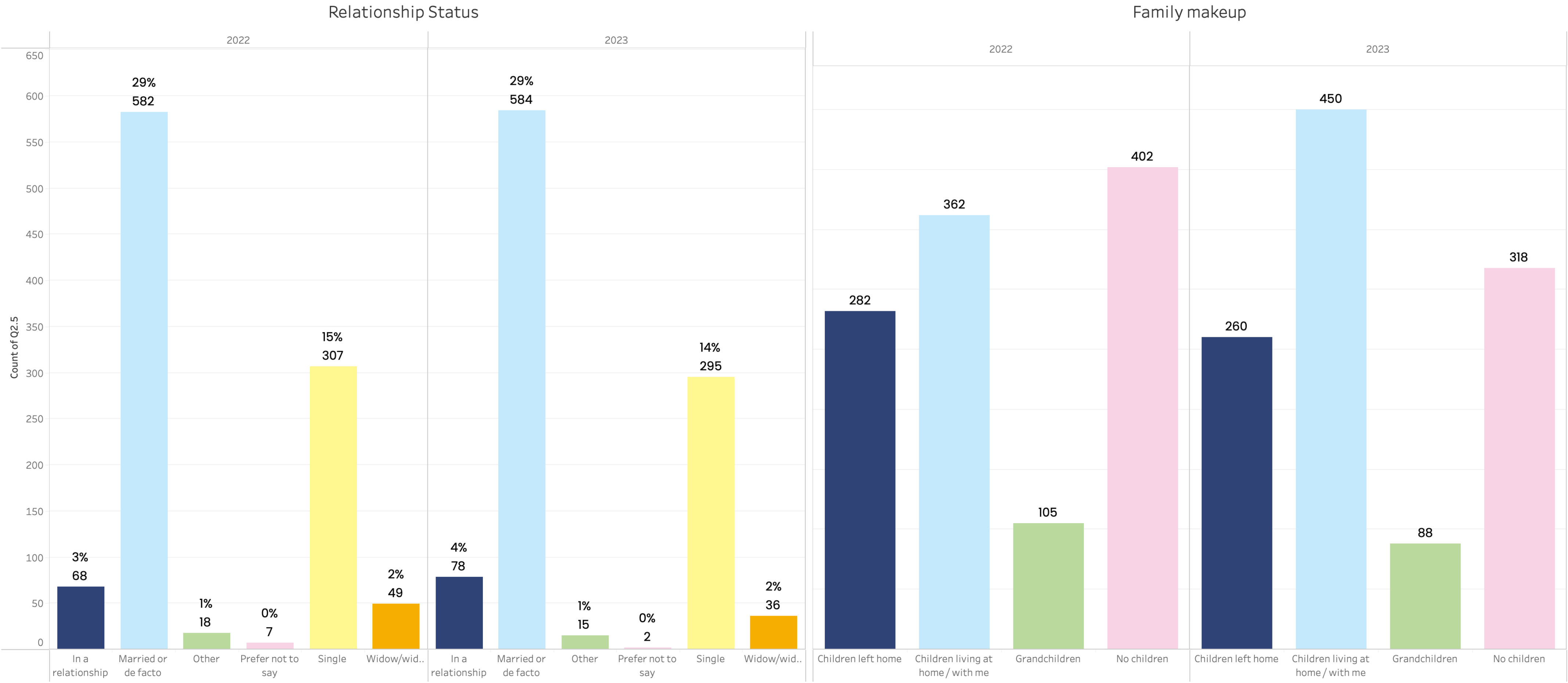
Area



Age



Panel Profile



Panel Profile

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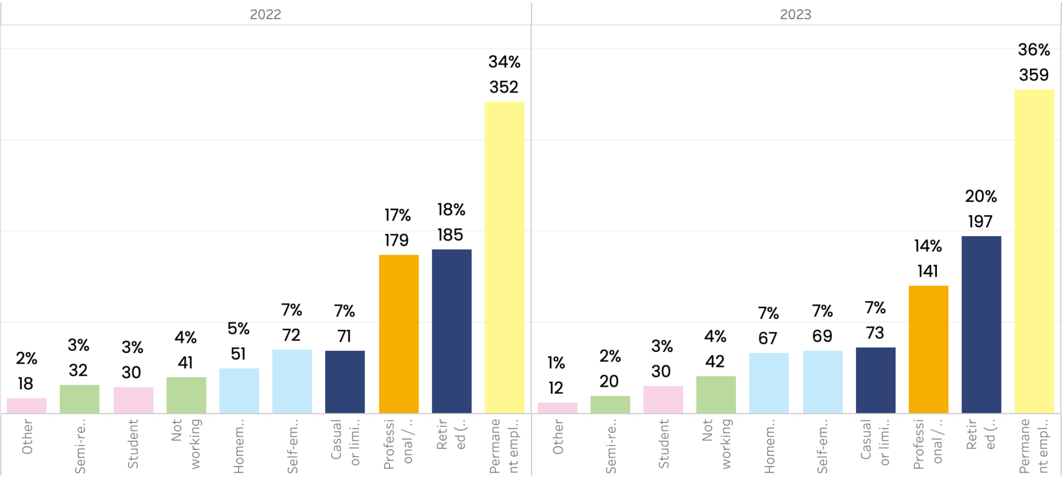
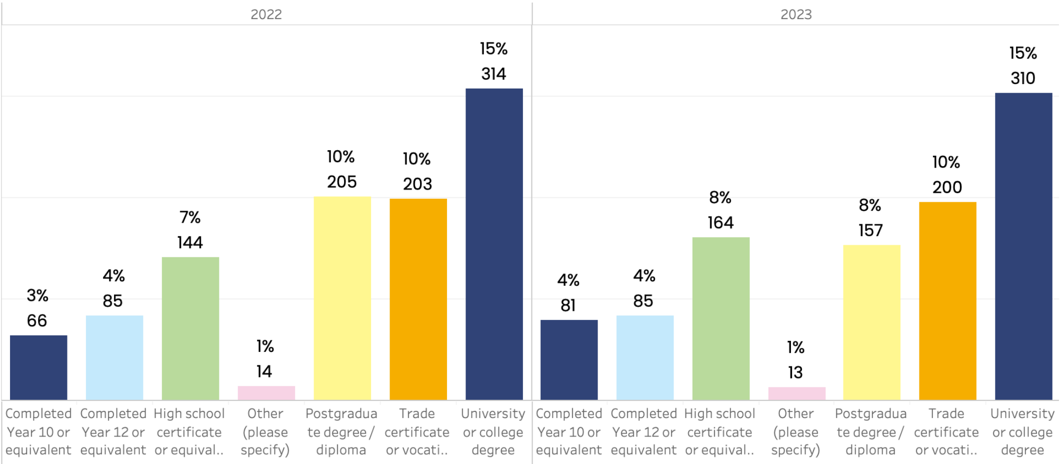
Wealth and Education

Employment



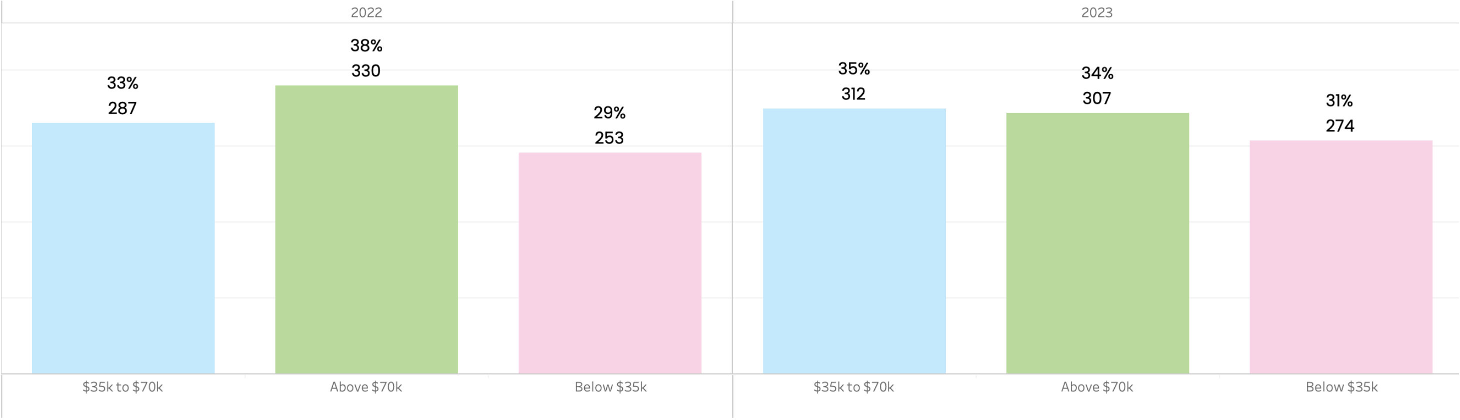
Education



Income

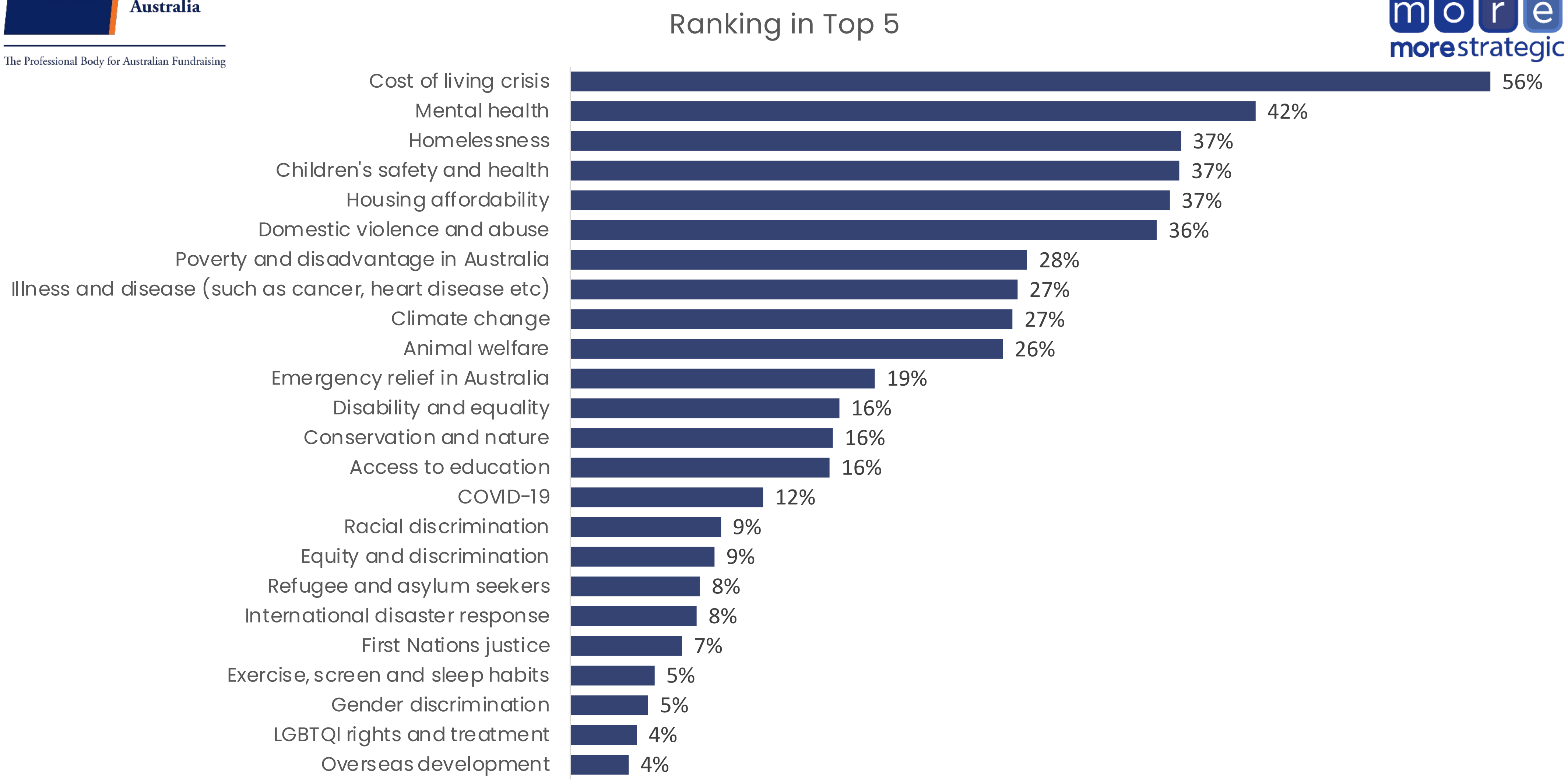
2022	2023
Mean: $71,302 Median $59,000	Mean: $64,731 Median $55,000

Income bands



Cause & Issues

Issues



We appear to be more insular with overseas issue of very low concern. Despite the coverage of the Voice, First Nations Justice is still 20/24 issues.

Cause

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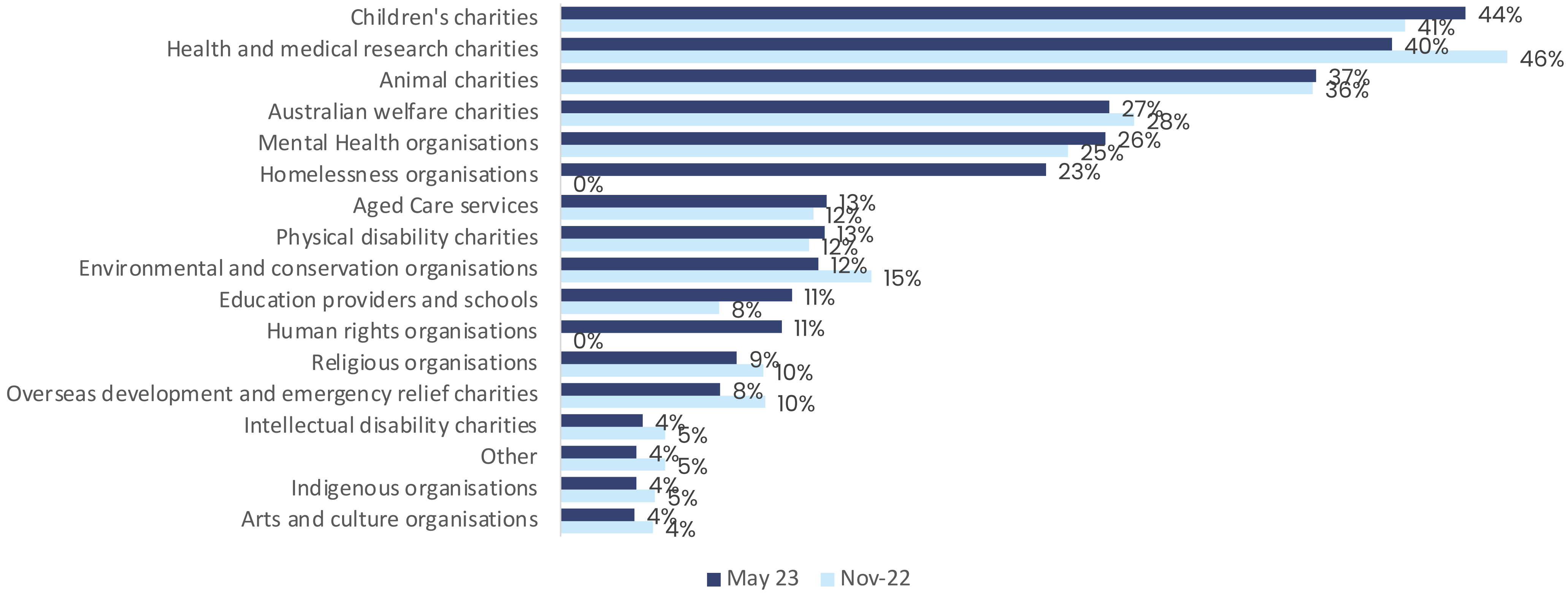
Q8.3 - Which sorts of organisations do you most like to support with donations? Please select up to 3 that you most frequently support.



The order of priority of cause areas supported remained the similar but medical research has dropped a little post COVID. Note homelessness and human rights were added in May 2023. This somewhat impacts other scores

The Past

Ways of giving: 4-year trend data

Giving: Significant shifts

NEW

1. Making a donation on Facebook / Social Media 13%
2. Giving in memory of a loved one 12%

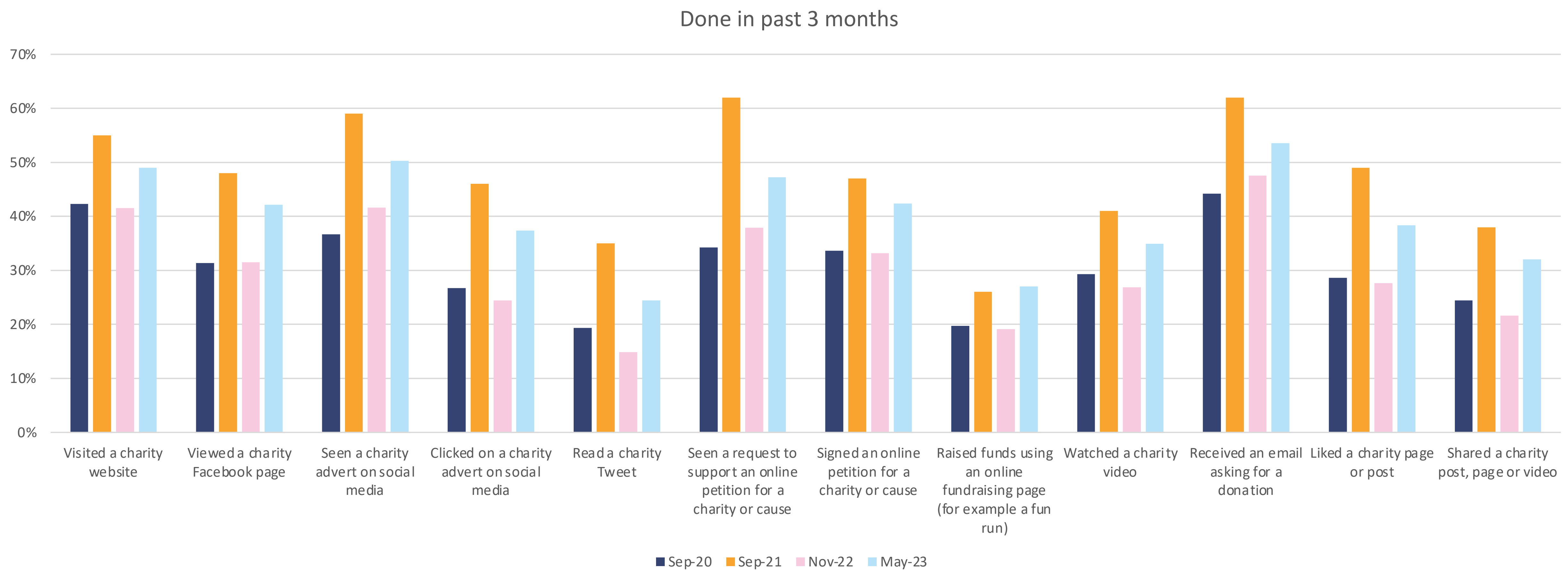
UP

1. Making a donation by text/SMS – Up from 5% to 8%

DOWN (BUT NORMALISING!)

1. Making donations online 48% to 39%
2. Buying raffle or lottery 44% to 38%
3. Sponsoring friends who are taking part in an event 27% to 19%
4. Volunteering my time 21% to 14%
5. Buying products where some of the money goes to charity 34% to 26%

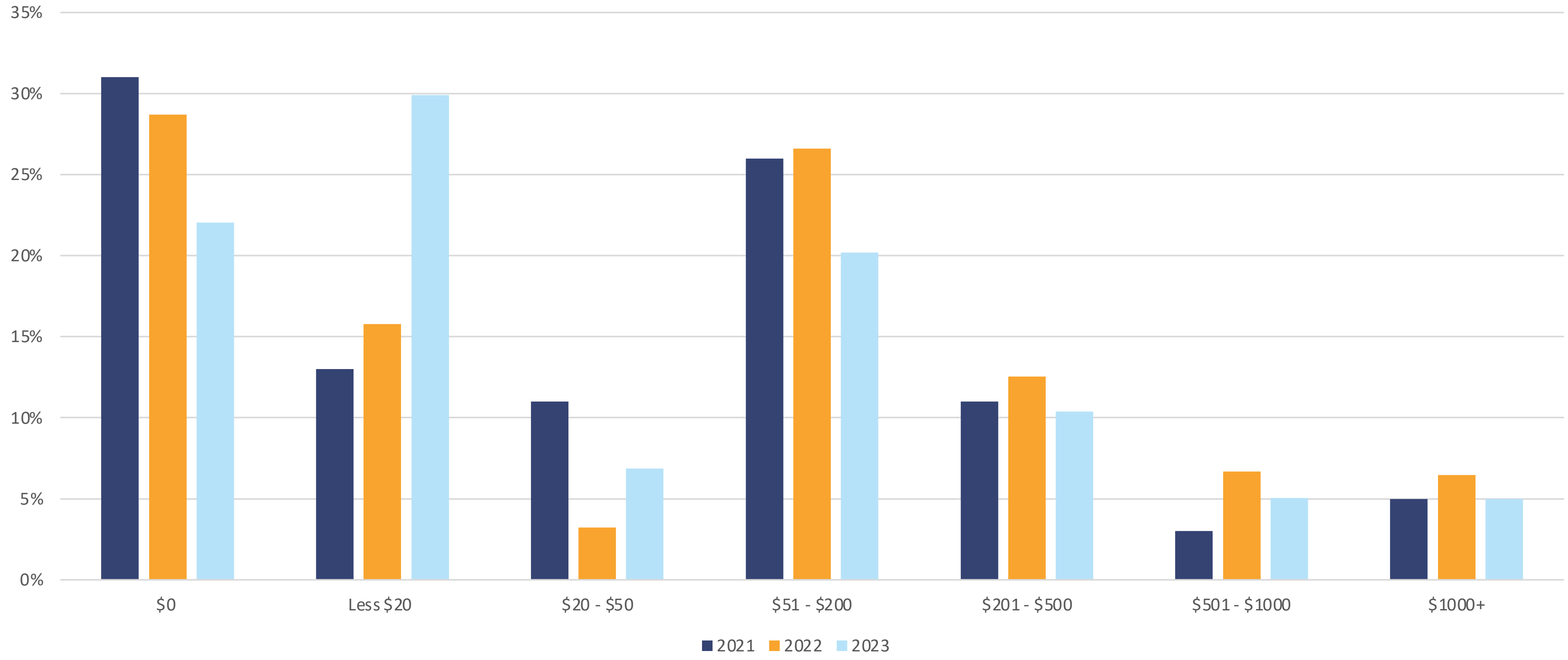
Digital Engagement



There's been a rebound in digital activity although not as high as the peak in Sept 2021.

Donation behaviour:3yrs

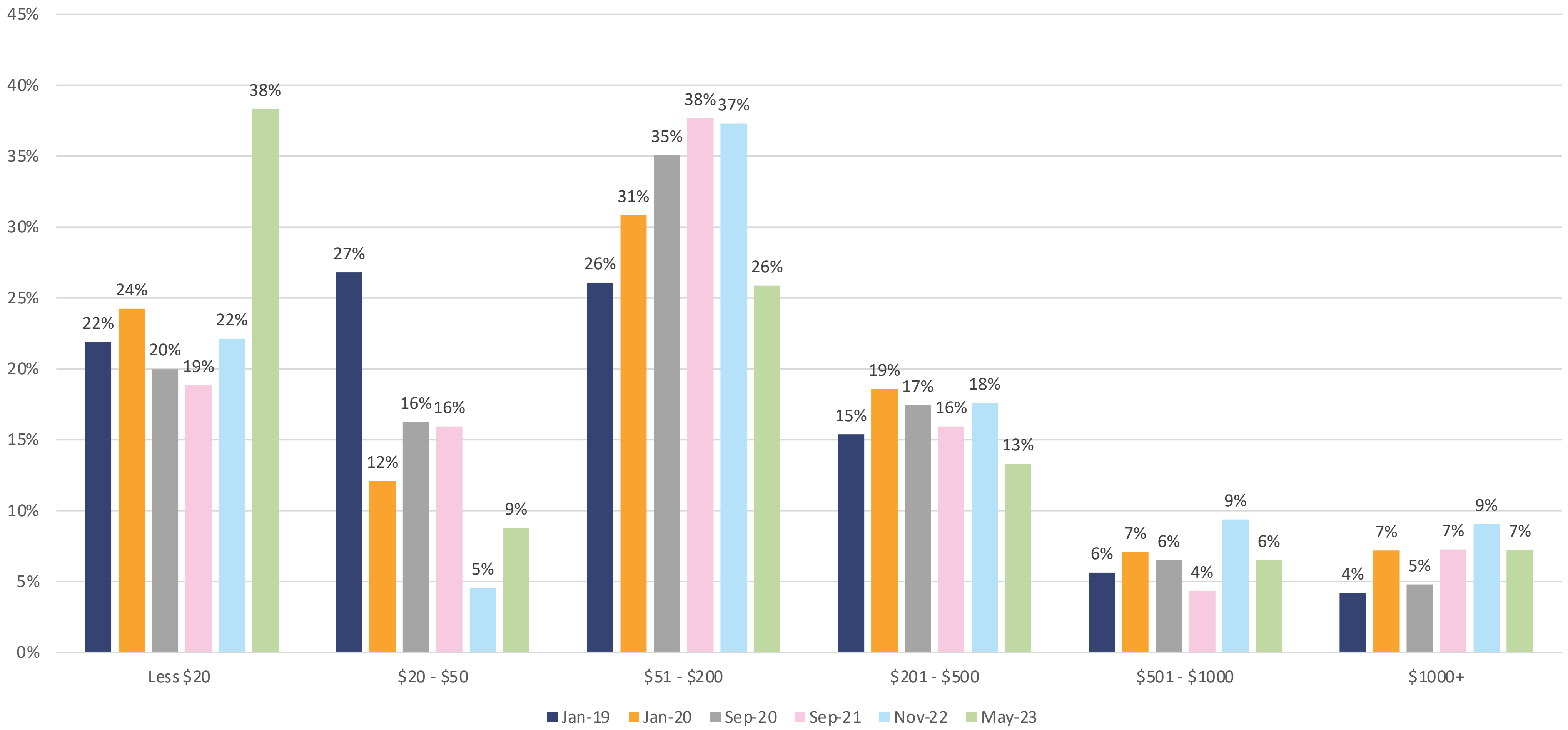
2023 n = 2,101 2022 n=1,857 2021 n=1,037



There was a significant increase in people screened out for donations of under $20 up to 52% from 44%.

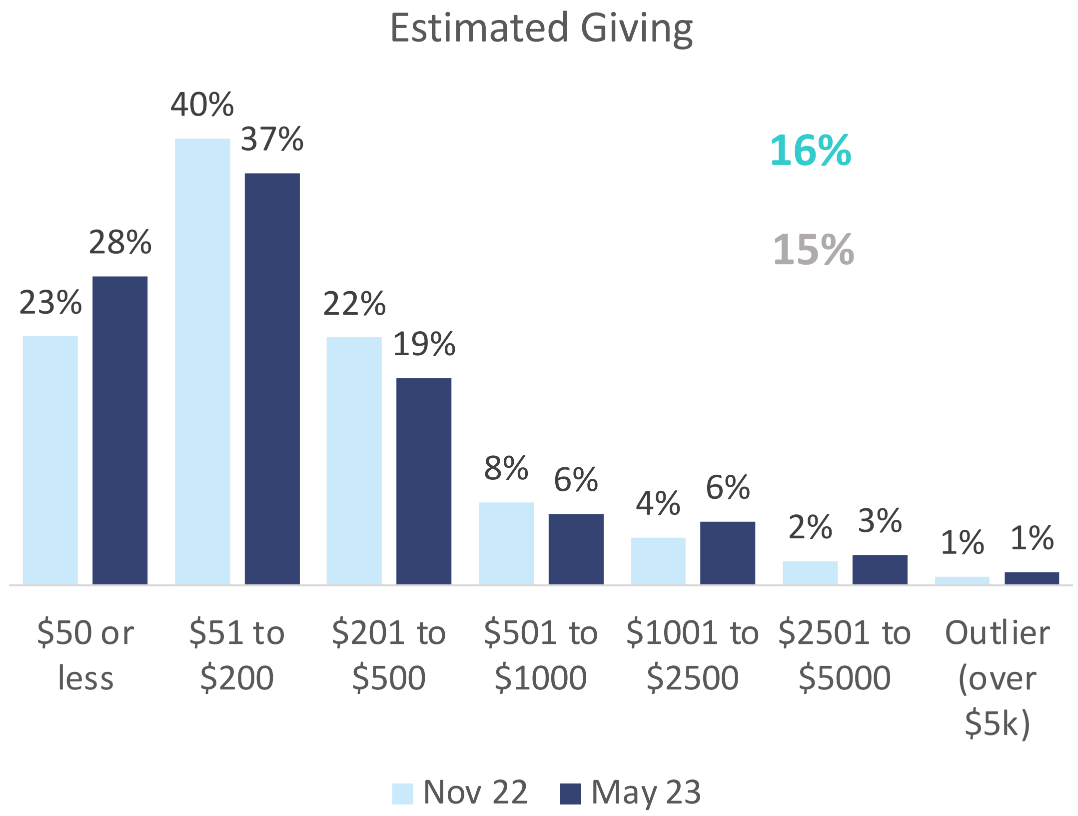
Donation behaviour:5yrs

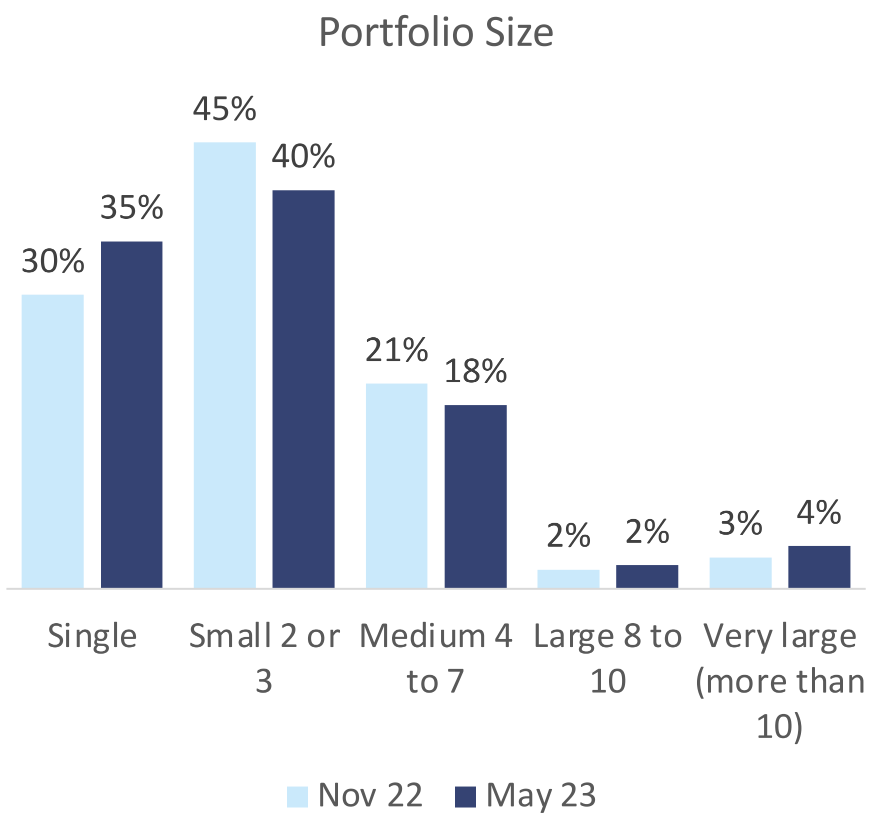
2023 n = 2,101 2022 n=1,857 2021 n=1037 2020 n= 1624



This is the highest recording of donations under $20 across 5 years of studies.

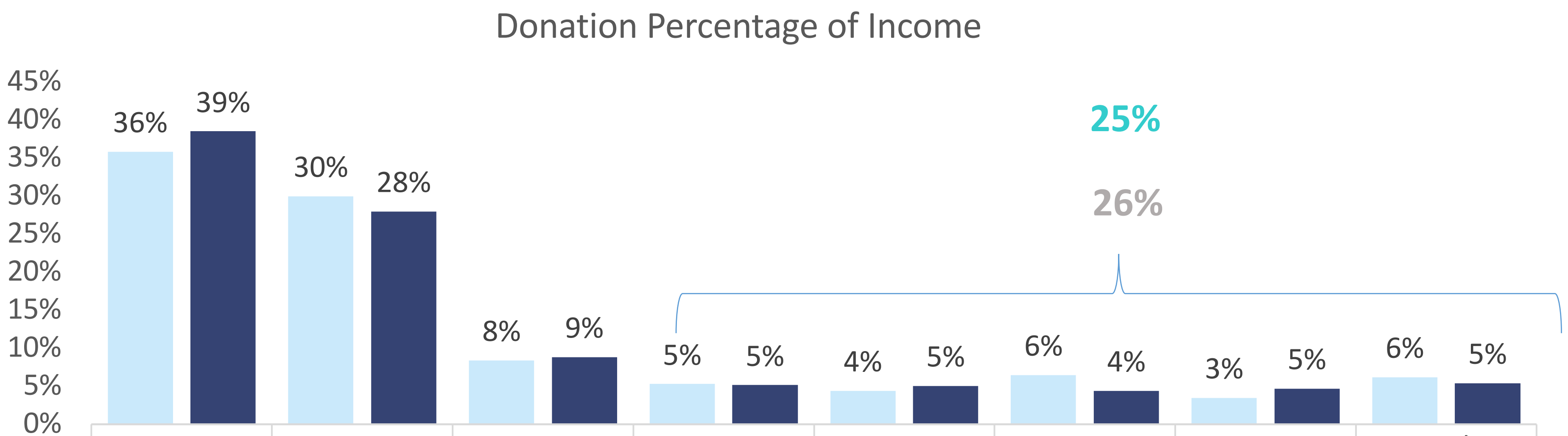
Stated behaviour
(embedded data fields)





Really very little change in claimed giving by value or number of charities

Proportionate giving



	A Less than 0.2%	B Between 0.2 and 0.5%	C Between 0.5 and 0.75%	D Between 0.76 and 1%	E Between 1 and 1.5%	F Between 1.5 and 2.5%	F Between 2.5 and 5%	G Outlier greater than 5%
Nov 22	36%	30%	8%	5%	4%	6%	3%	6%
May 23	39%	28%	9%	5%	5%	4%	5%	5%

Nov 22 May 23

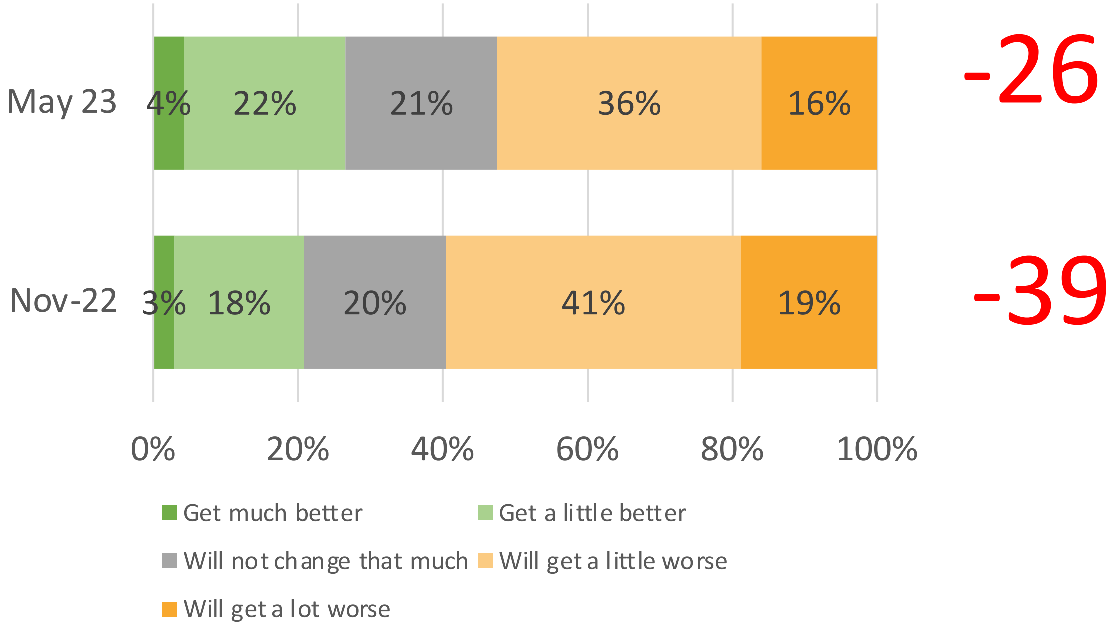
Really very little change in the proportion of income given

The Future

Outlook

W1=1,031 W2=1010

Q3.1 - Thinking of economic conditions in Australia as a whole, how do you think the economy will fare in the next 12 months?



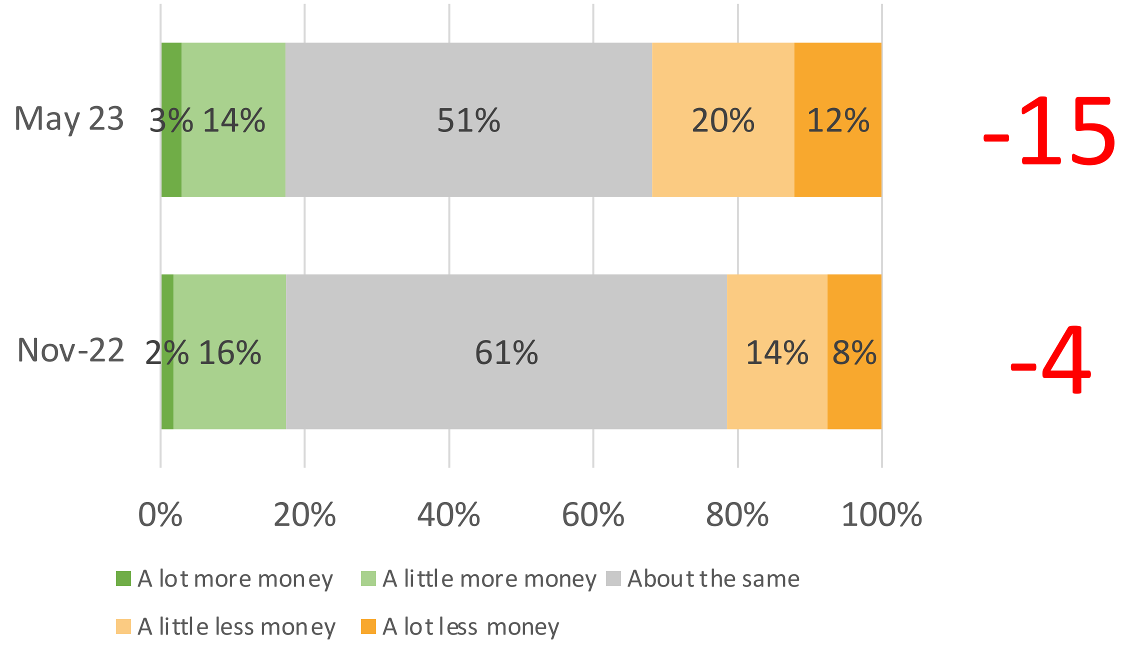
Q3.2 - How do you think your financial situation may change in the next 12 months?

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. Both have improved since November

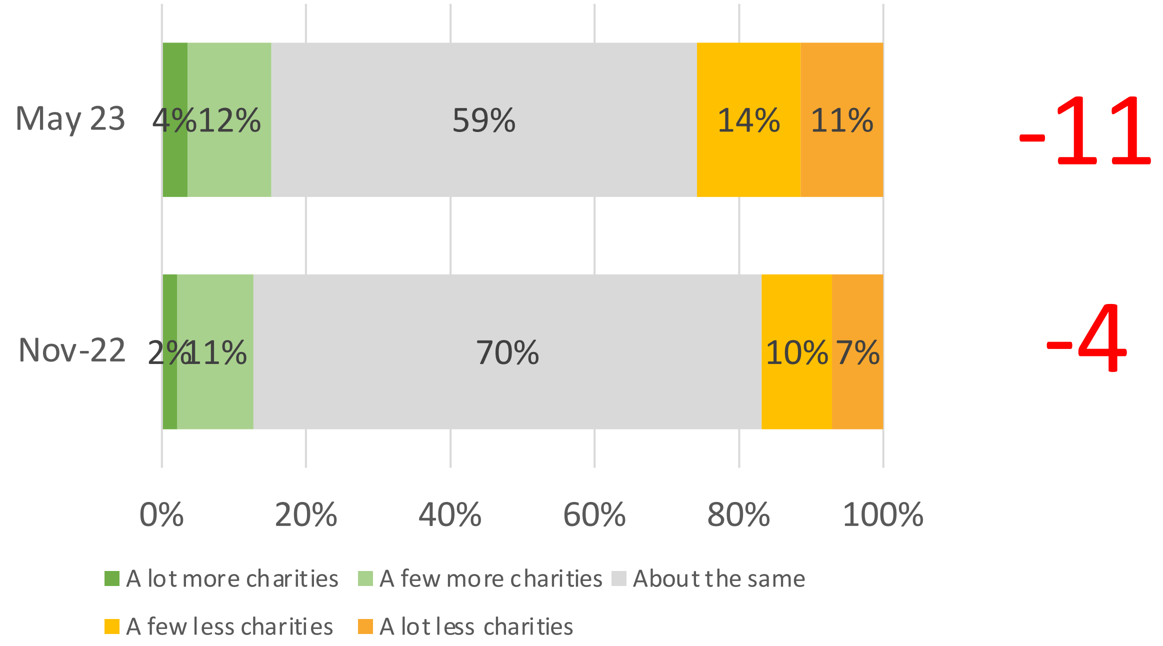
Giving Outlook

W1=1,031 W2=1010

Q3.4 - Thinking about your charitable giving in the next year. Do you expect to give more or less money than the year before?



Q3.5 - Thinking about your charitable giving in the next year. Do you expect to give to more or less charities than the year before?

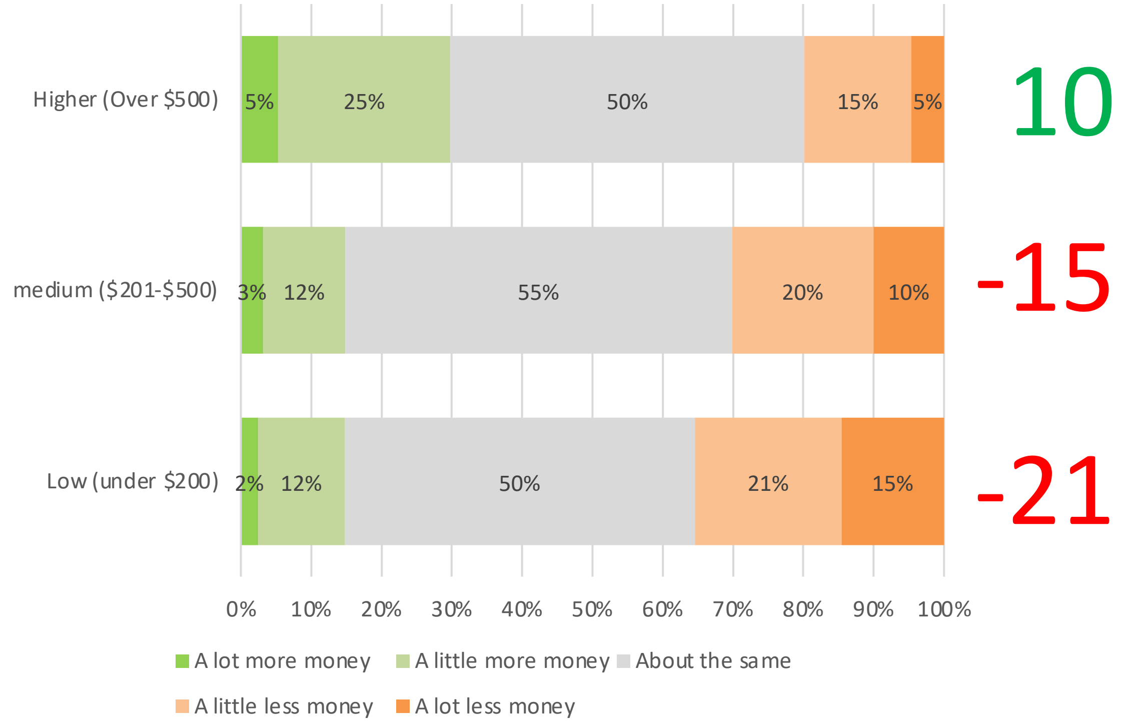


The majority expect to give the same amount to the same number of organisations. A greater proportion expect to give less than give more and this has worsened since November with people moving from the same to less (up from 22% to 32%)

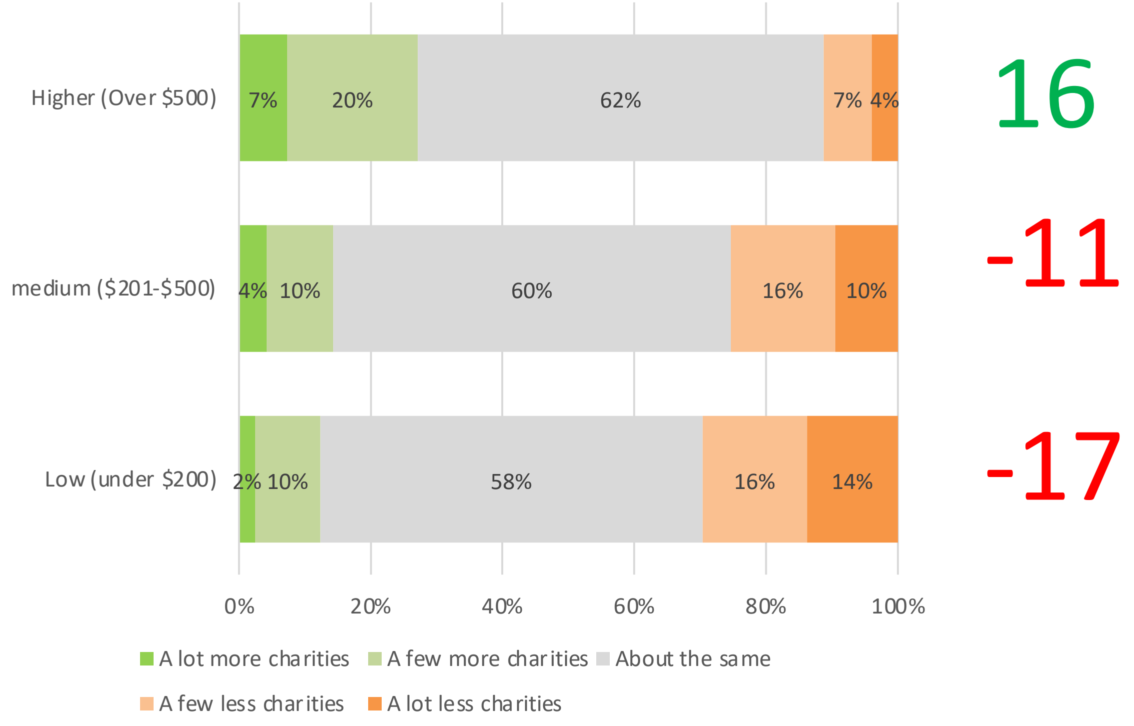
Giving Intention by Value

W1=1,031
W2=1010

Q3.4: Thinking about your charitable giving in the next year. Do you expect to give more or less money than the year before?



Q3.5: Thinking about your charitable giving in the next year. Do you expect to give to more or less charities than the year before?



Those giving over $500 have a much greater and indeed increased likelihood to give. This has improved from –7 to +10 since November 2022

Net change in intention

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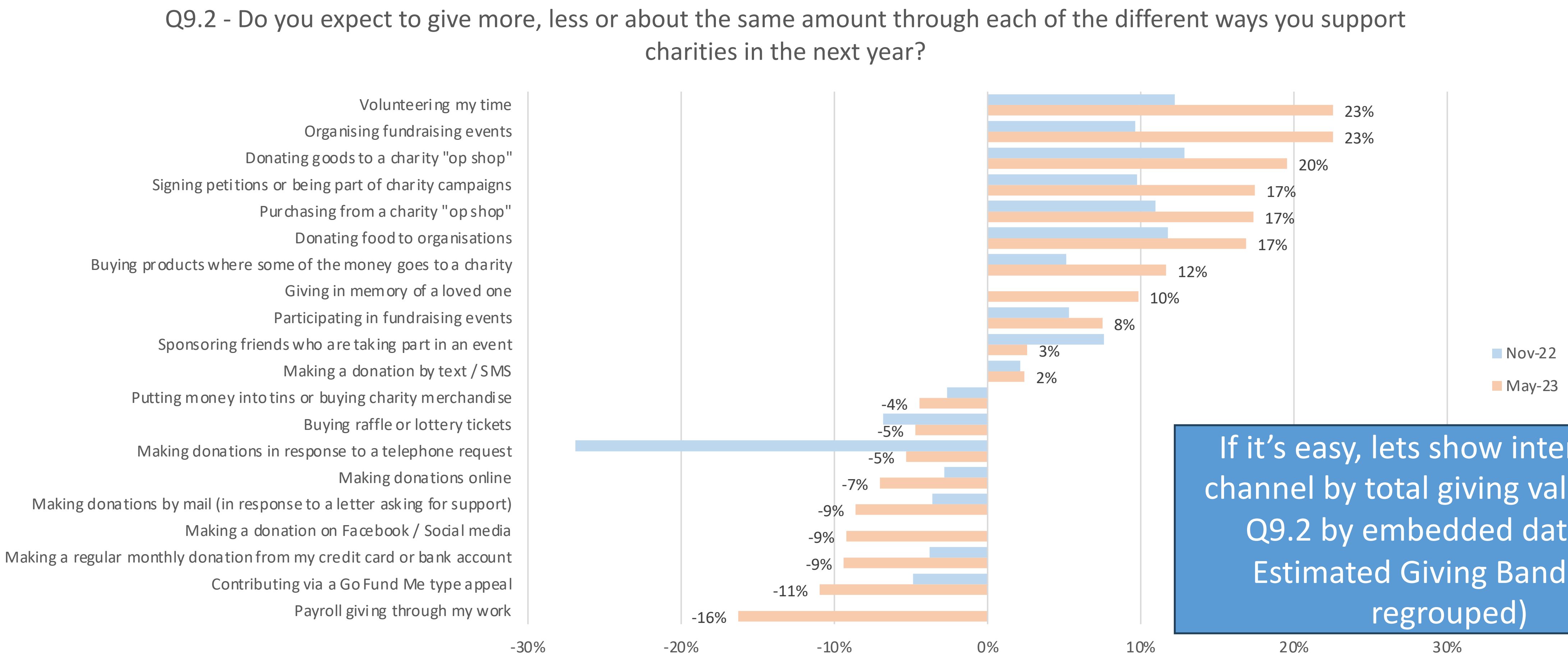
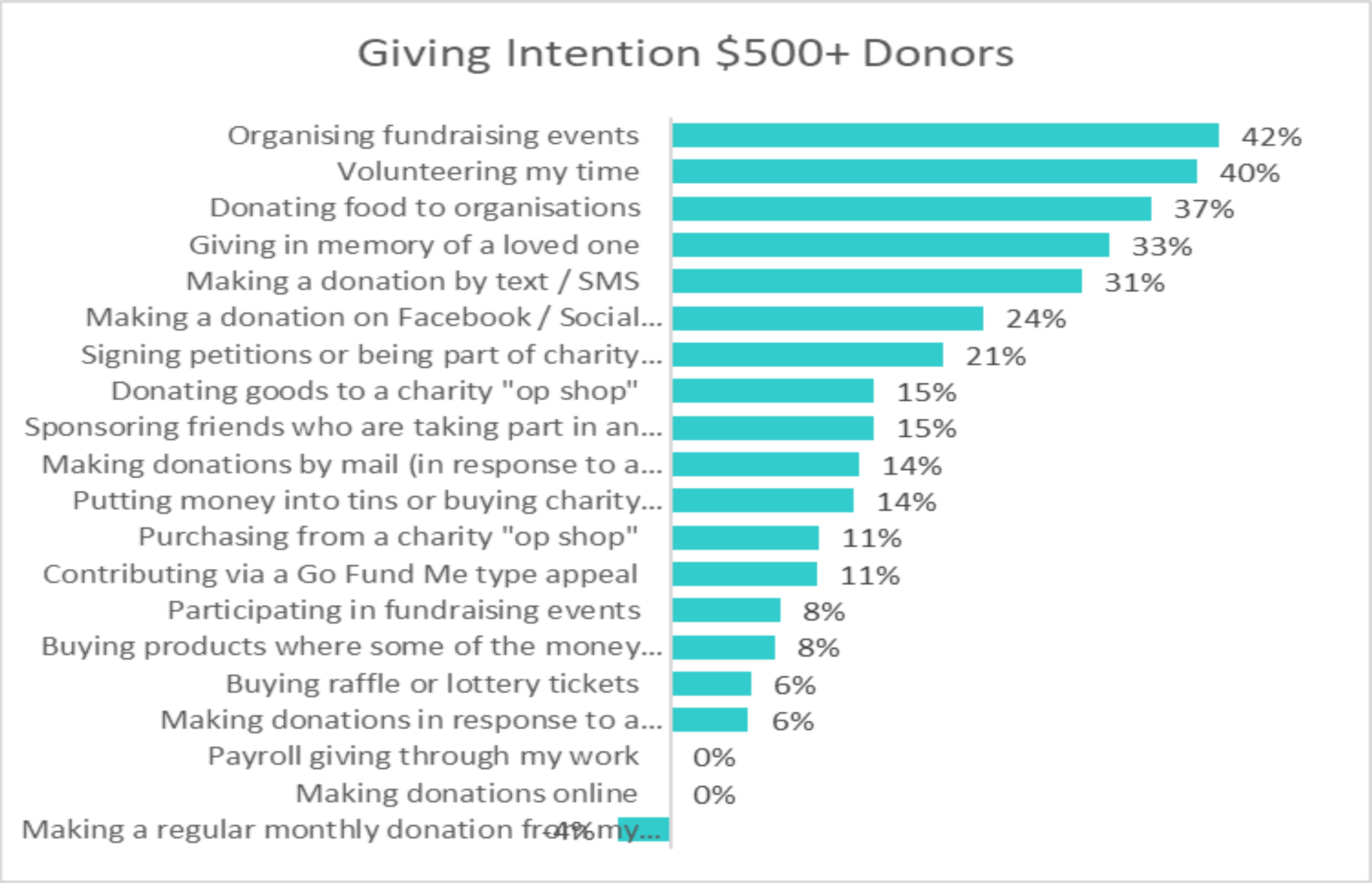


If it's easy, lets show intention by channel by total giving value bands Q9.2 by embedded data field Estimated Giving Bands (but regrouped)

Greater volatility in 2023, with even more emphasis on doing the "free" things and being more likely to cut back on the higher value, more committed actions

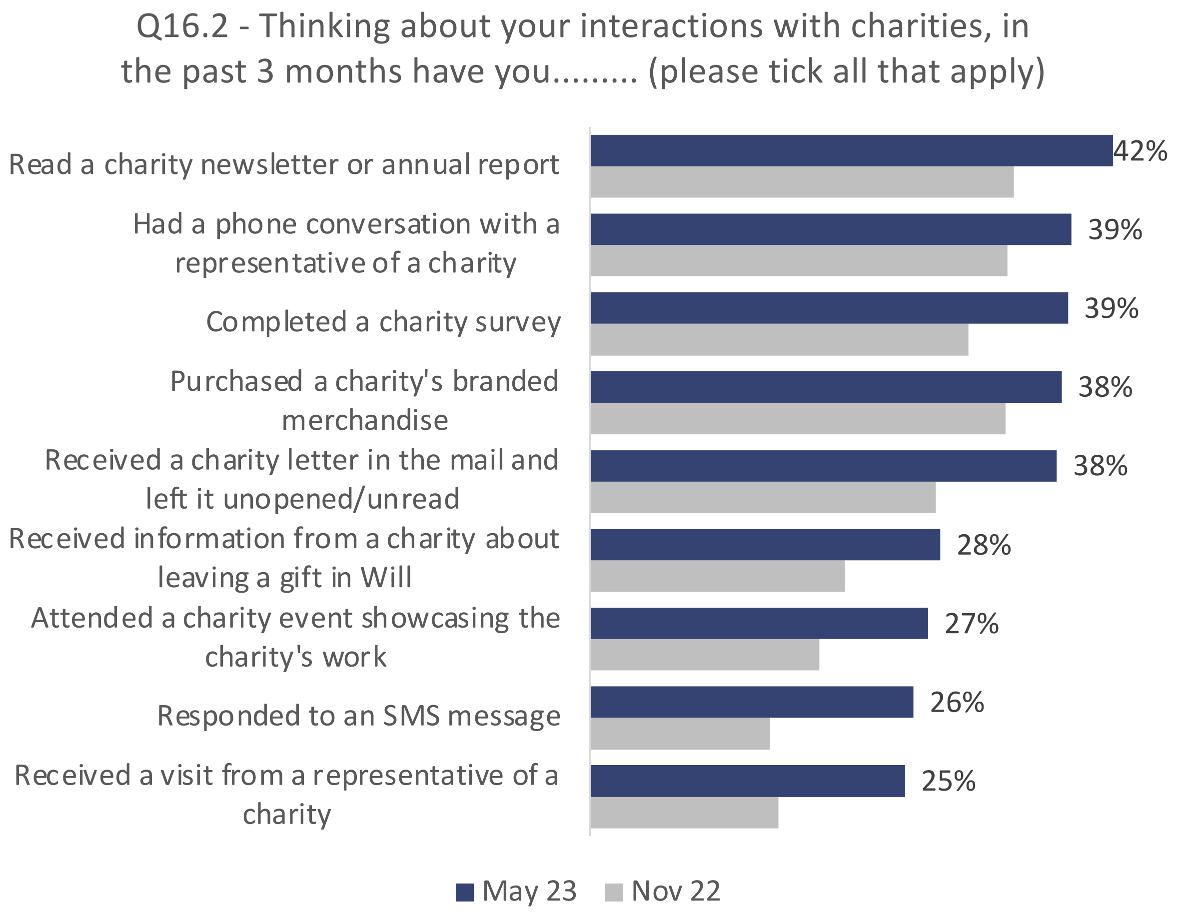
Net change in intention

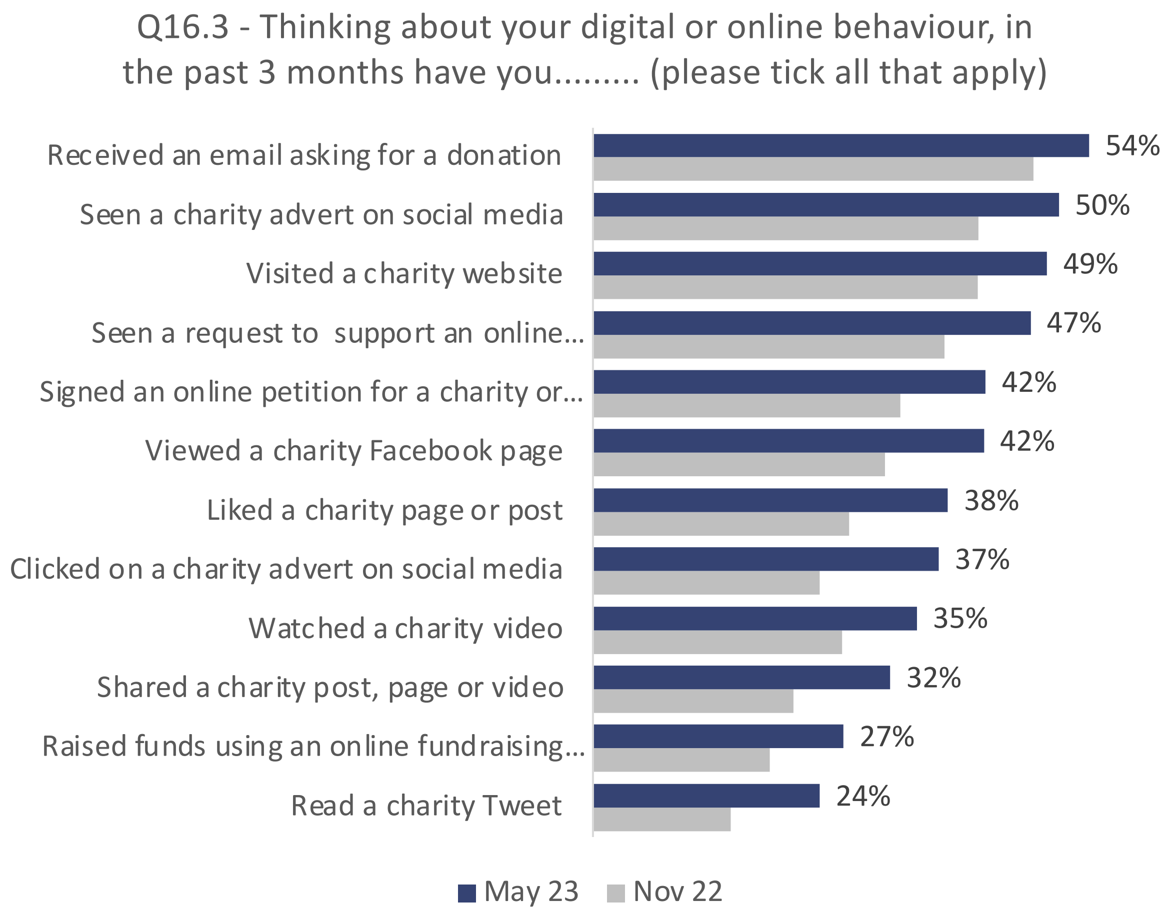


When we filter by value, we see a much more positive outlook

Engagement

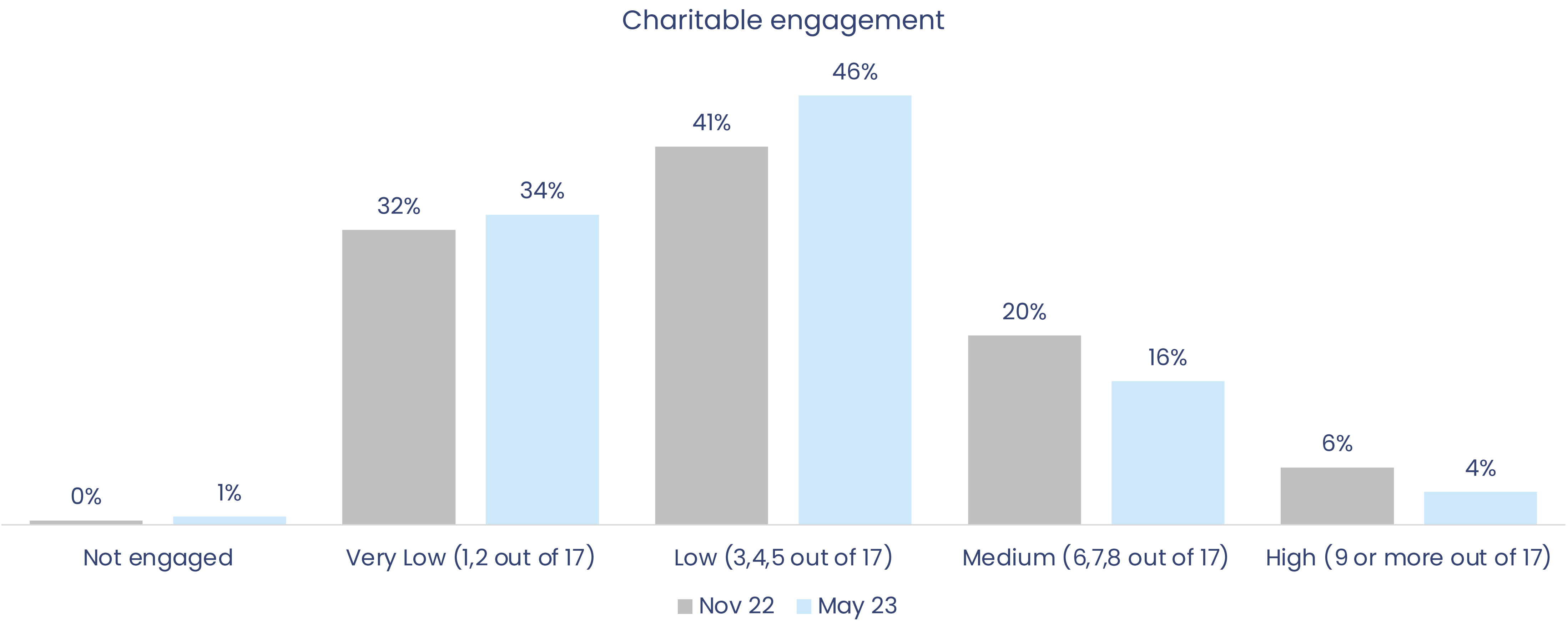
Charitable engagement





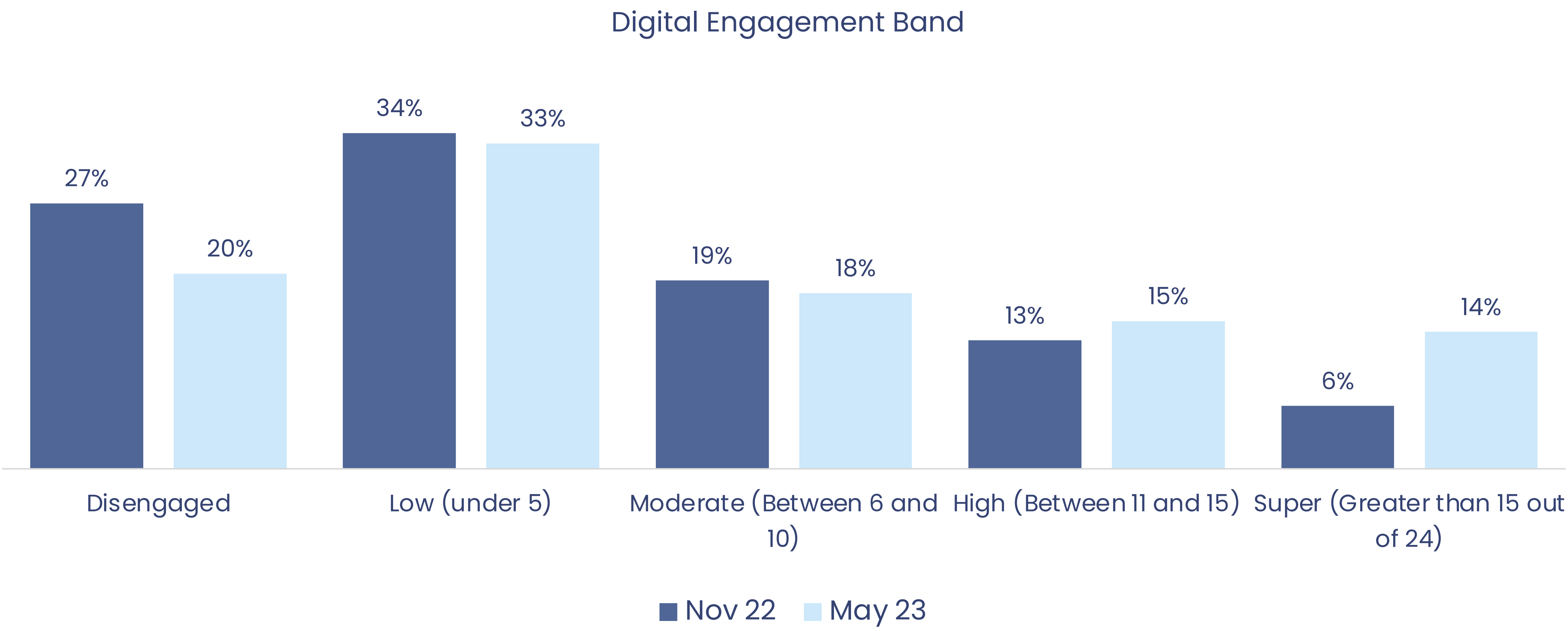
Perhaps a seasonal "tax time" issue but across both digital and other channels there is increased exposure to everything! As we have seen though this did not translate into higher levels of giving

Charitable engagement



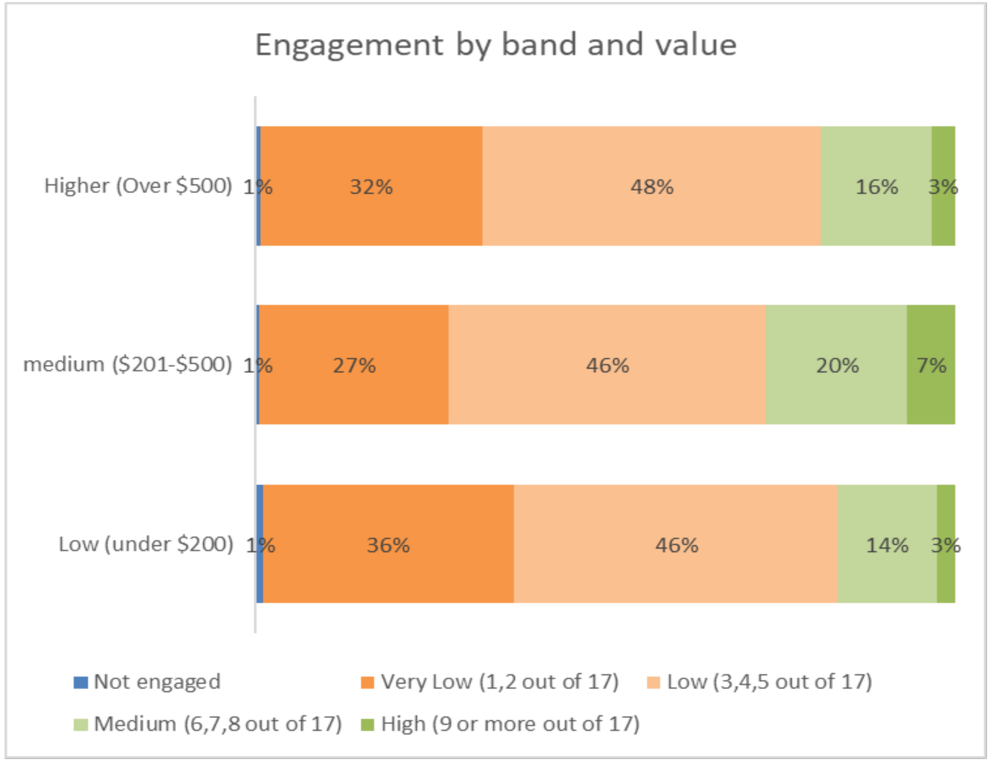
The number of ways people have supported has decreased slightly (so a smaller number must be doing more things)

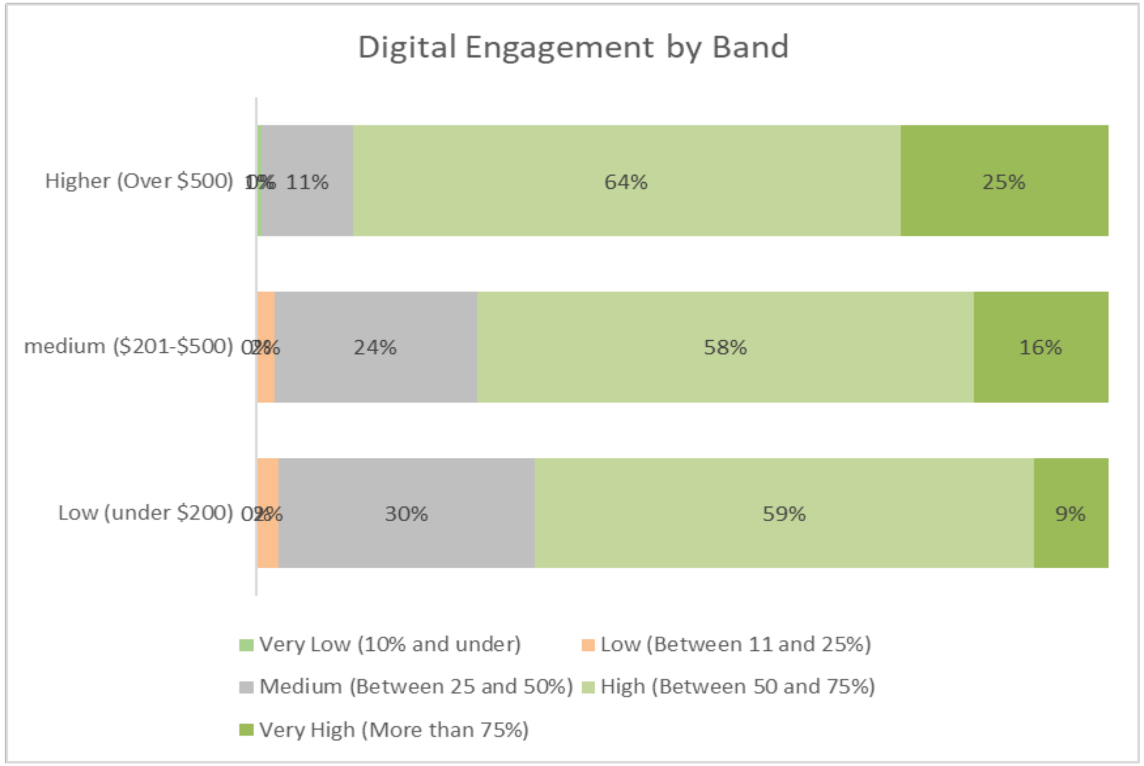
Digital exposure



The level of digital engagement has increased.

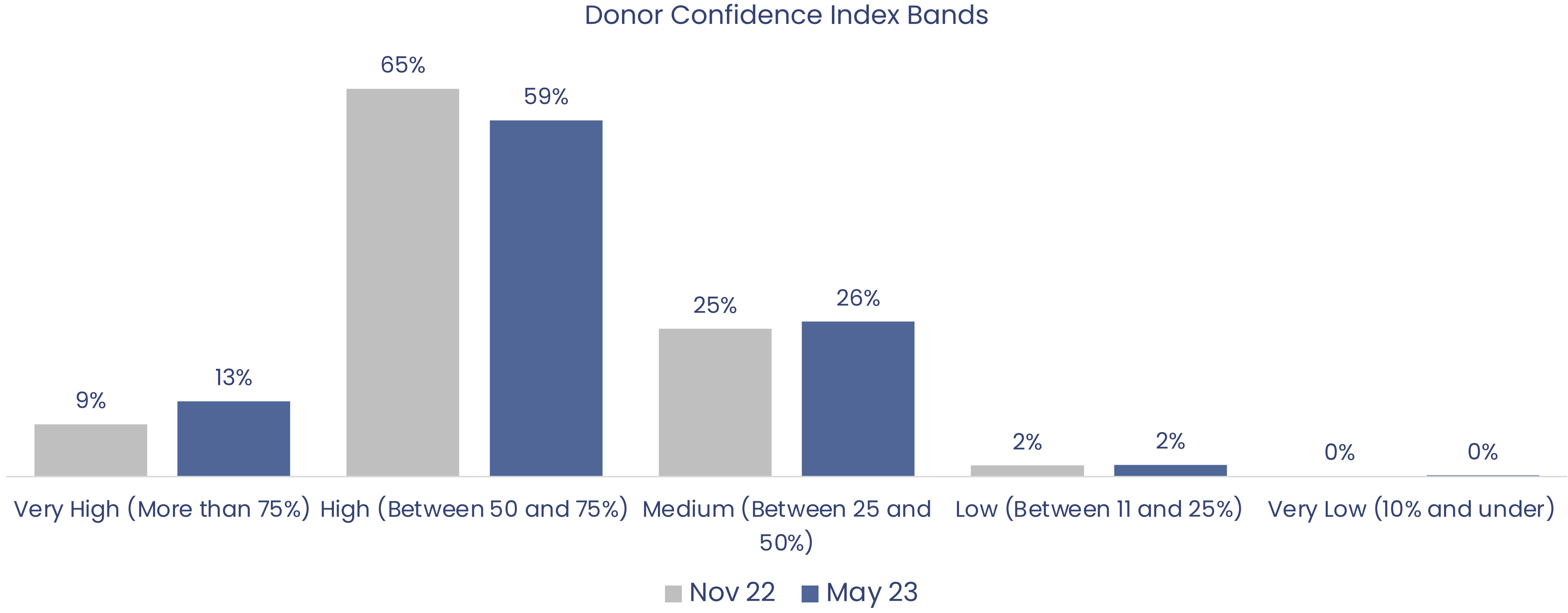
Charitable Engagement Bands





Everyone is doing and seeing something! Digital visibility is greater for higher value donors. Charitable engagement (number of ways supporting, is greatest for the $201 to $500 group)

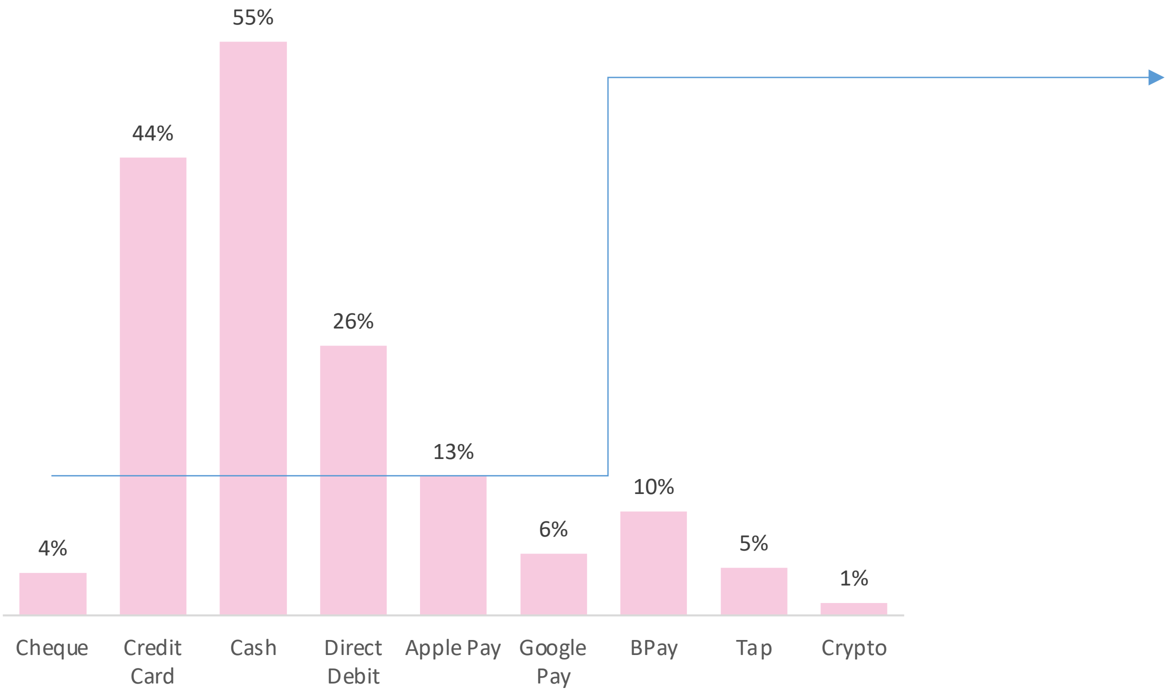
Donor Confidence Index



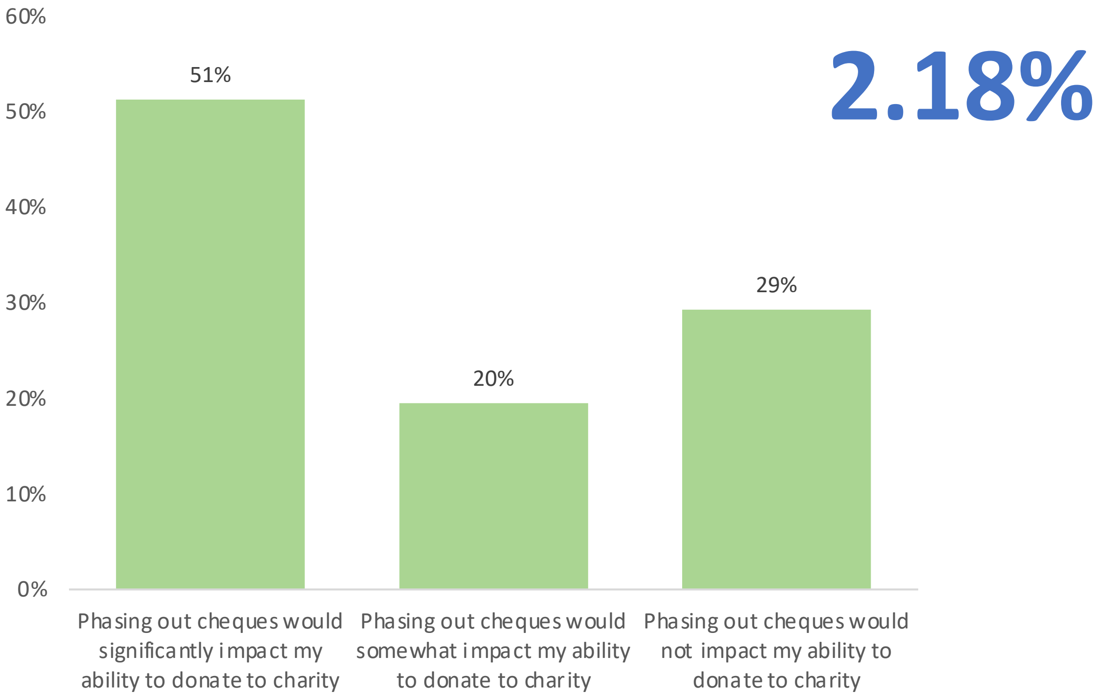
The overall donor confidence index has dropped very slightly from 58.2 to 58.06. The score is 63.6 for the over $500 donors

Payment Mechanisms

Q9.3 - Thinking about donations you have made to charity in the past year, which of the following payment methods have you used?



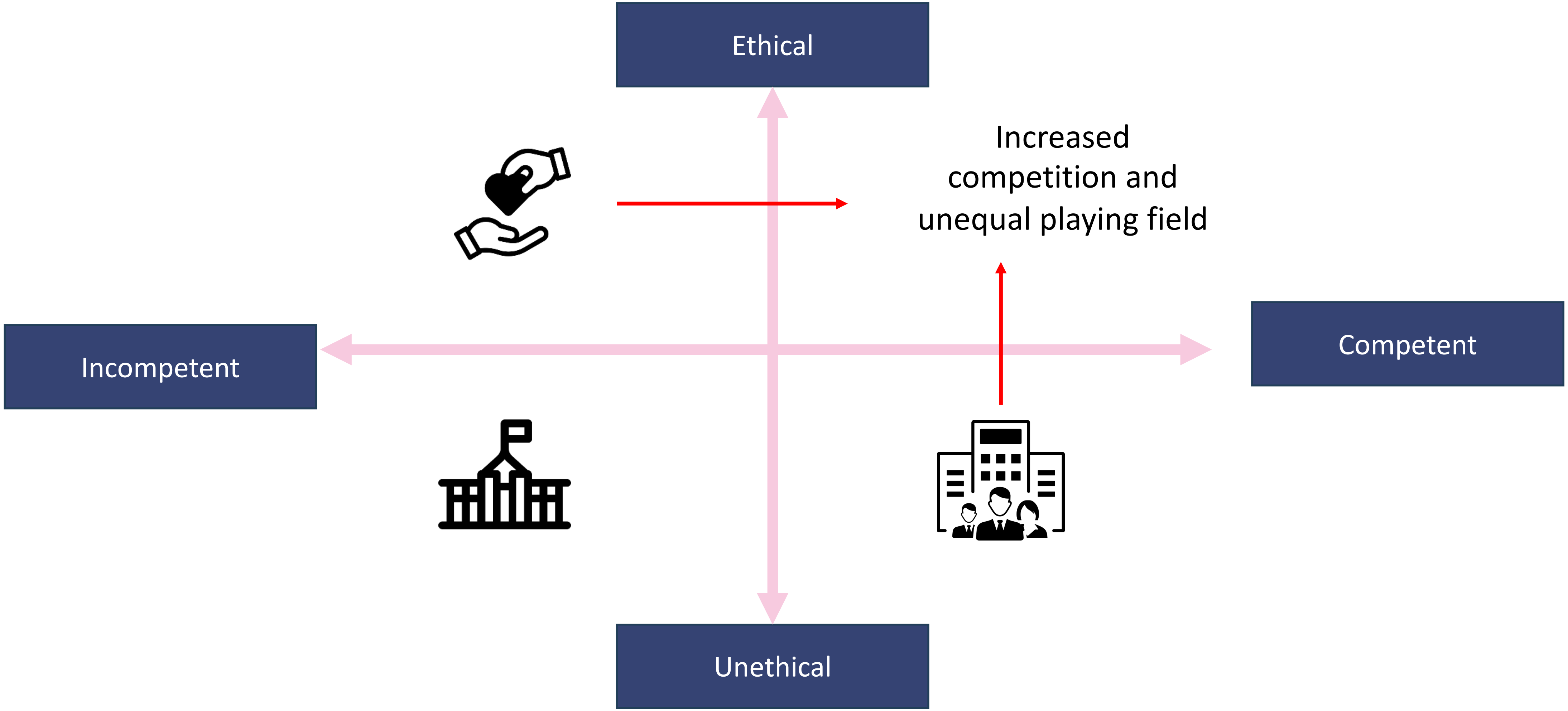
Q9.4 - The use of cheques as a payment method continues to decline. It is suggested cheques will soon be phased out. How may this impact your method of making a donation to charity?



Of the 4% who donated by cheque, 50% say it will significantly impact their giving. They account for 2.18% of all the money donated by respondents to the survey

Trust

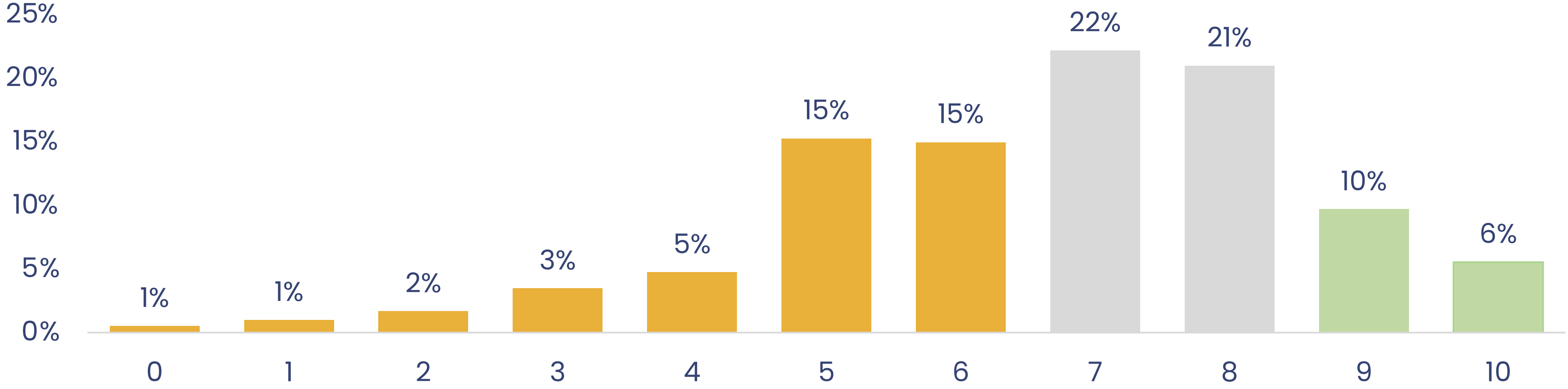
The Edelman Conundrum



Ethical and Honest

Q4.4 - To what extent do you believe charities or not for profits are ethical and honest? Please rank on a scale of zero to ten, where zero is Very Dishonest and Unethical, and ten is Very Honest and Ethical

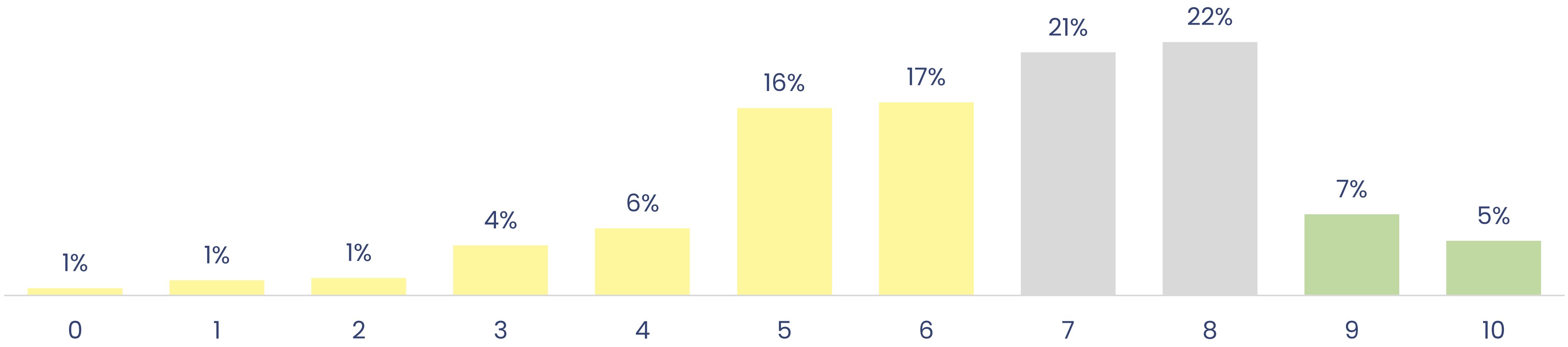
−26



The majority are neutral or slightly negative

Competency

Q4.5 - To what extent do you believe charities or not for profits are well run and effective?
Please rank on a scale of zero to ten, where zero is Badly Run & Ineffective and ten is Well Run and Very Effective

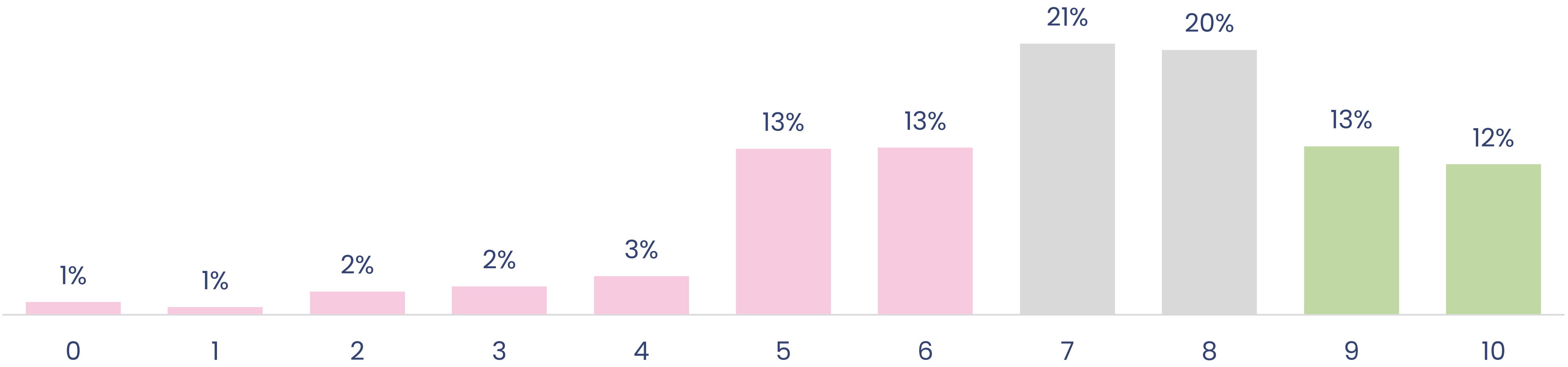


There is a higher negative and lower promoter score. Our competency is lower than our intent

Importance

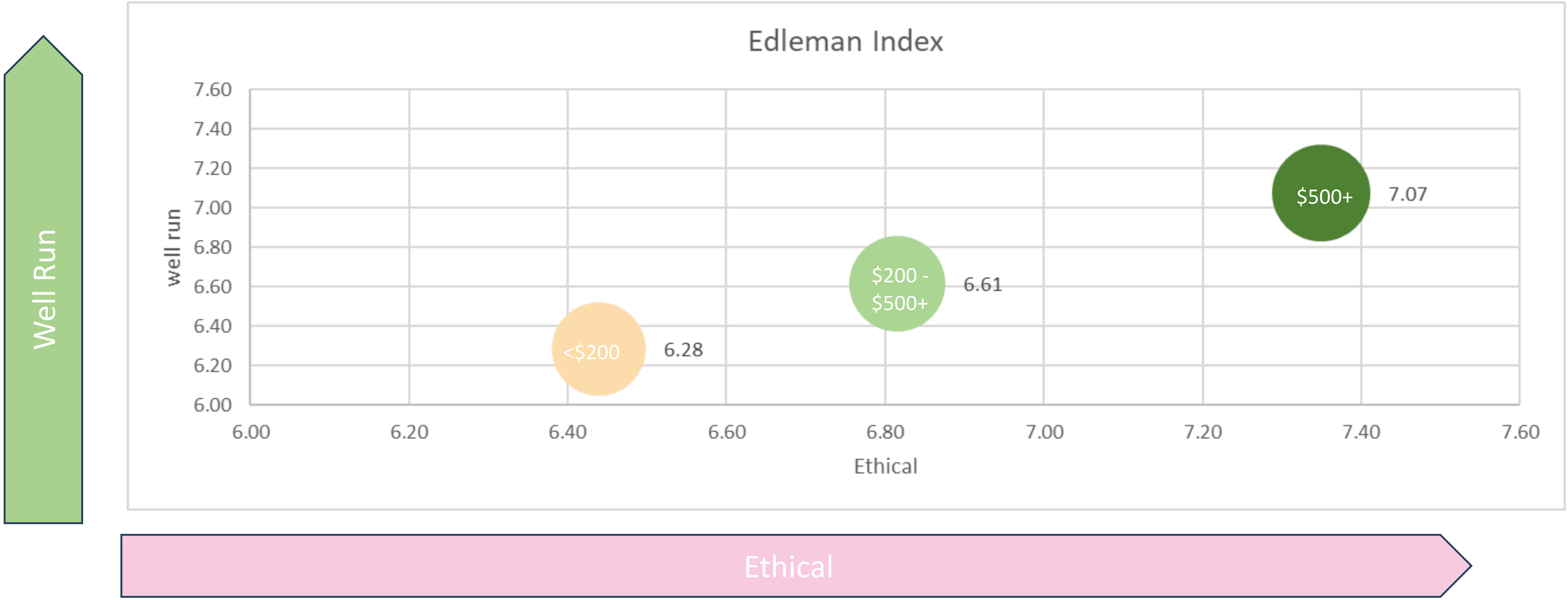
Q4.6 - How important is supporting charities or not for profits to you?
Please rank on a scale of zero to ten, where zero is Not At All Important and ten is Extremely Important

−10



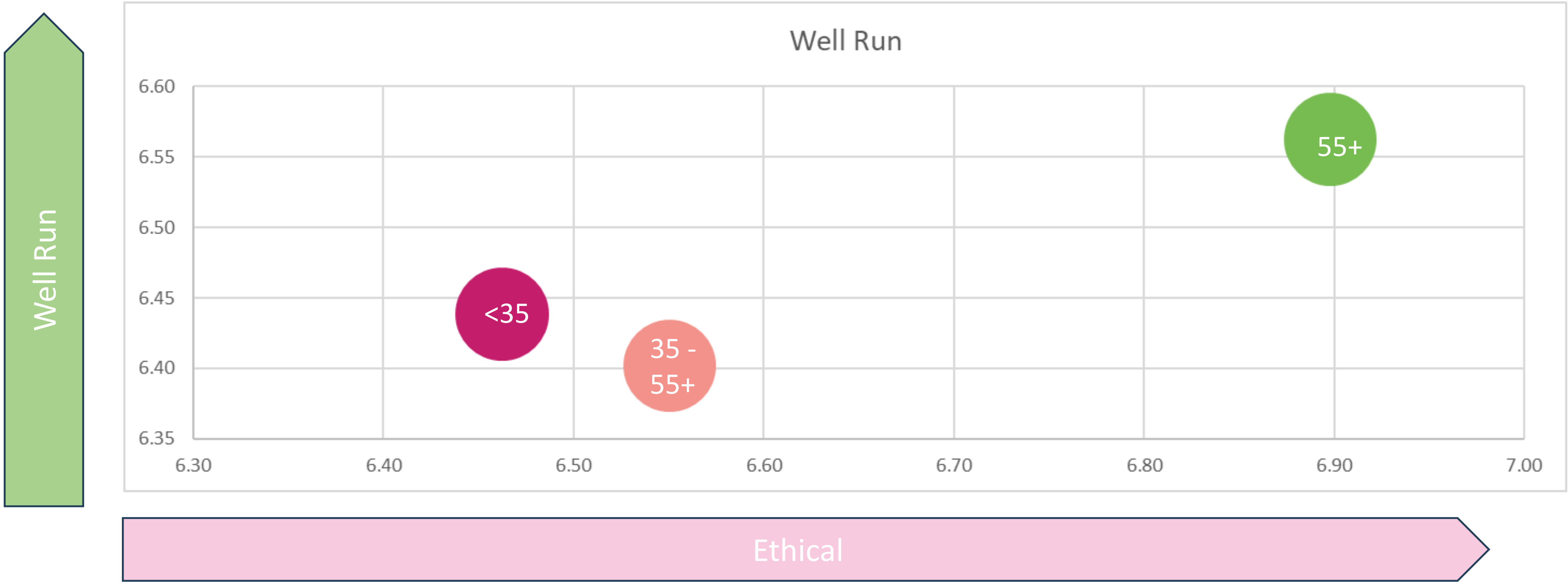
Giving scores better than both competency and ethics, but we are still in negative territory

Edelman by value



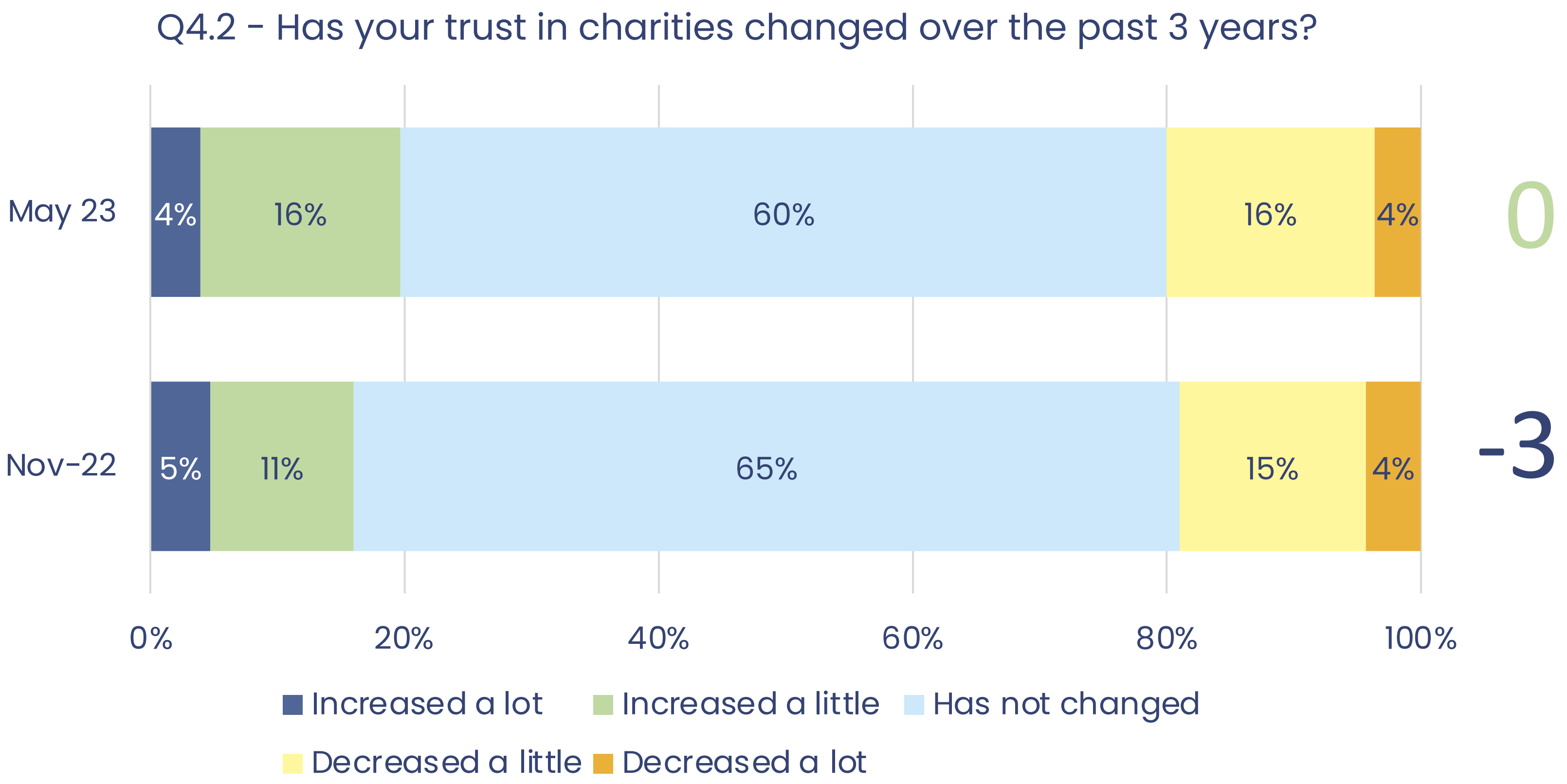
There is a direct correlation between trust, competency and integrity

Edelman by Age



There is a direct correlation between trust, competency and integrity

Trust Changes

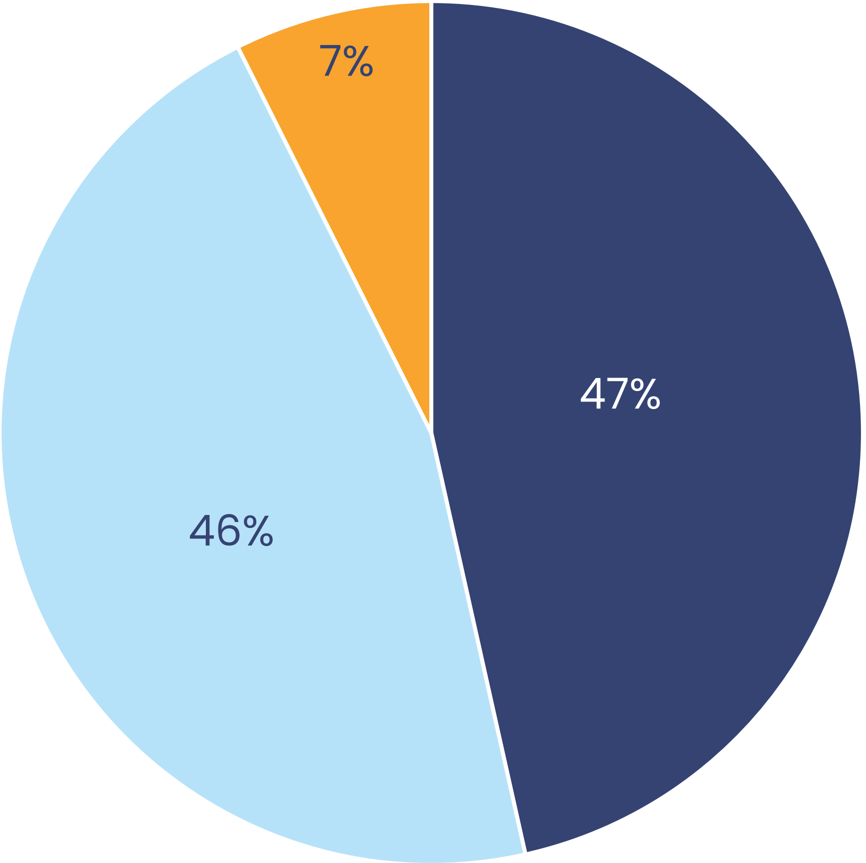


Reported change in trust has improved marginally since November 2022

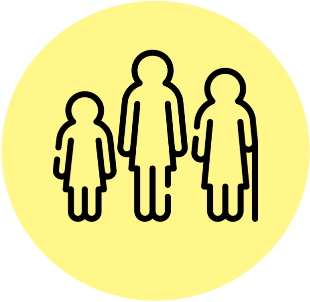
Supporter Experience

Creating brand stand-out

- I can remember every charity I give to
- I can remember some of the charities I've given to
- I can't remember any of the charities I've given to but know I've given



Can remember:



U35yrs: 36%
35-54yrs: 46%
55-74yrs: 54%
75yrs+: 60%

Under $200: 42%
$201-$500: 52%
$501+: 60%

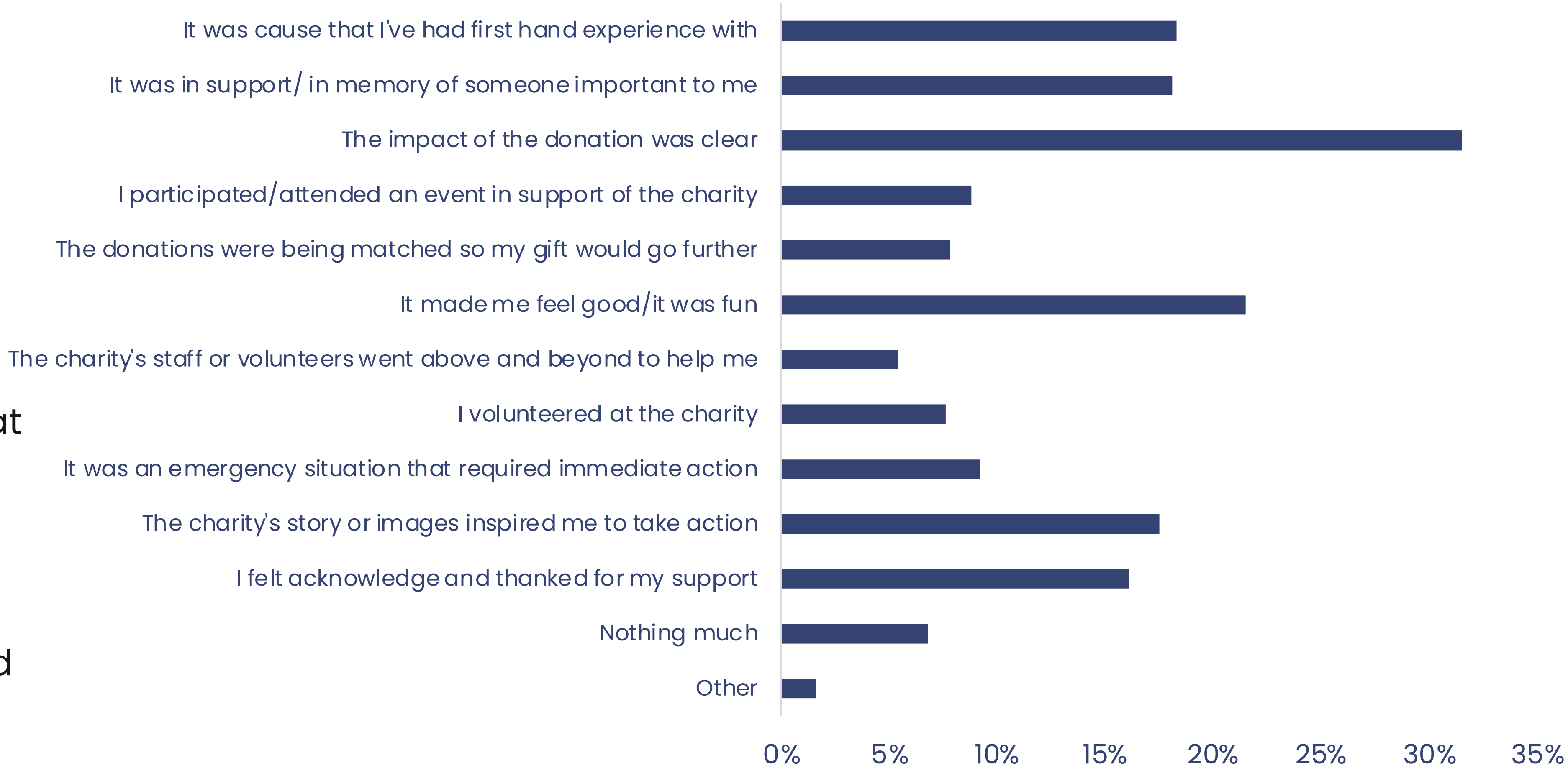
Older and more generous donors are more likely to remember you. For the majority of supporters under 54yrs they can only remember some of the charities they give to. This may indicate low levels of loyalty and need to differentiate your brand to be more memorable.

Memorable Experiences

32% of supporters remember a moment with a charity when the impact of the donation was made clear.

22% of supporters remember a moment that made them feel good or was fun.

18% With equal response to story inspired or personal experience



The impact of one's donation is very important and the feel good factor. How we understand impact and their interpretation of impact requires further research but we hypothesize much of our communications are broad and what we do not the impact of their dollars.

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SUPPORTER EXPERIENCE

Emotion: Understand and evoke emotions that change behaviour. Utilise behavioural economics and prediction techniques to influence behaviour

Personalisation: Show that you know them, understand their needs and motivations and they are not treated like a number

Ease: Remove barriers, create processing fluency. Maximise multi-channel communications to meet supporter needs.

Act: Once someone feels a sense of belonging, they are willing to act on your behalf and become a voice in the community.

Tribe: Create a feeling of belonging. These are my people. Create physical and virtual networks that deepen engagement and connectivity.

Impact: Create the change they seek. Talk about the difference they have made. Keep expectations aligned. Trust is a driving force in all relationships.

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Personalisation

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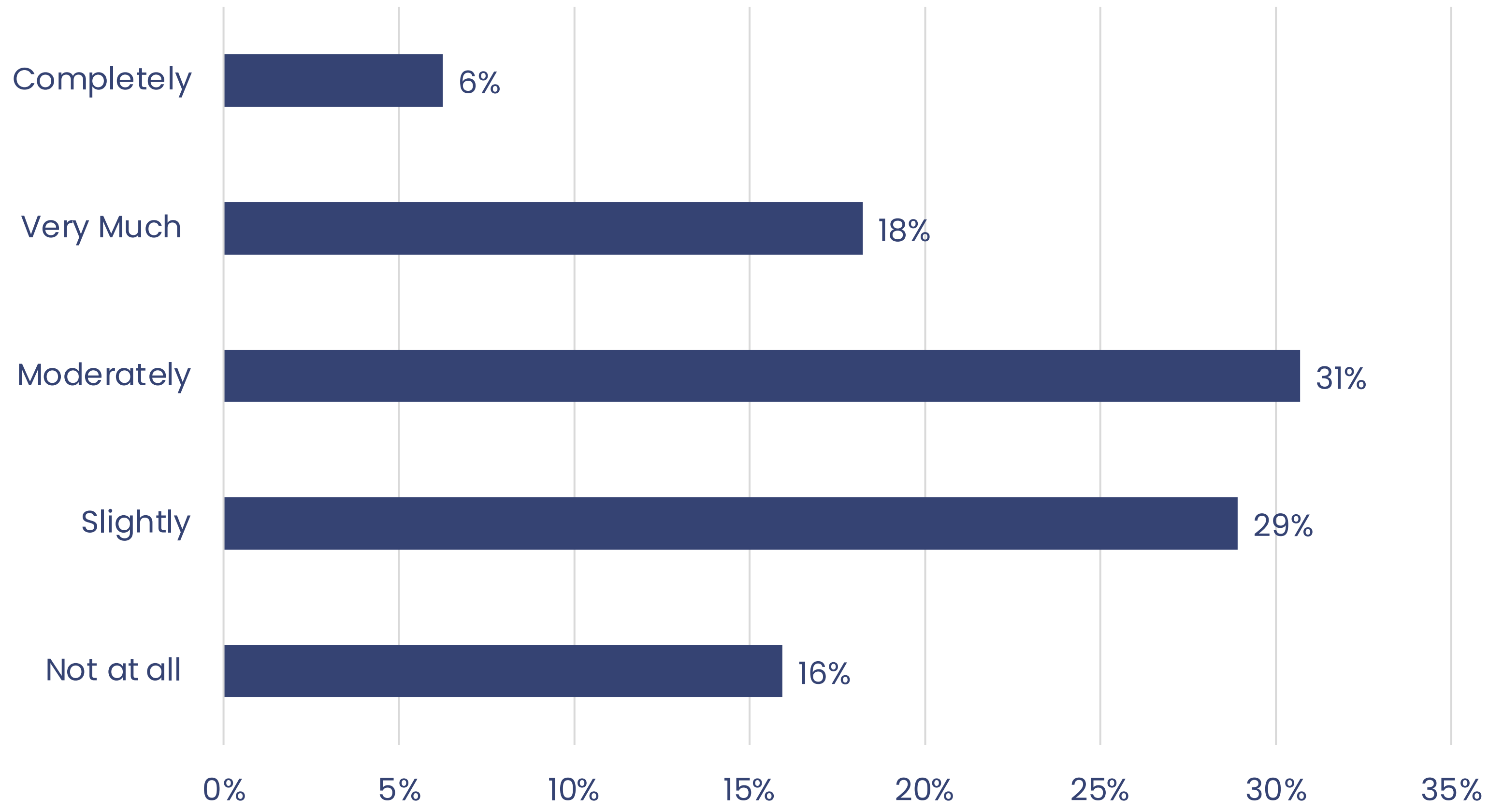
To what extent do you feel that charities personalise their communications to you?



Completely & very much:

U35yrs: 25%
35-54yrs: 21%
55-74yrs: 24%
75yrs+: 40%

Under $200: 21%
$201-$500: 25%
$501+: 38%

It is critical that we improve our personalisation of communications to grow our mid value and next generation of supporters.

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Ease

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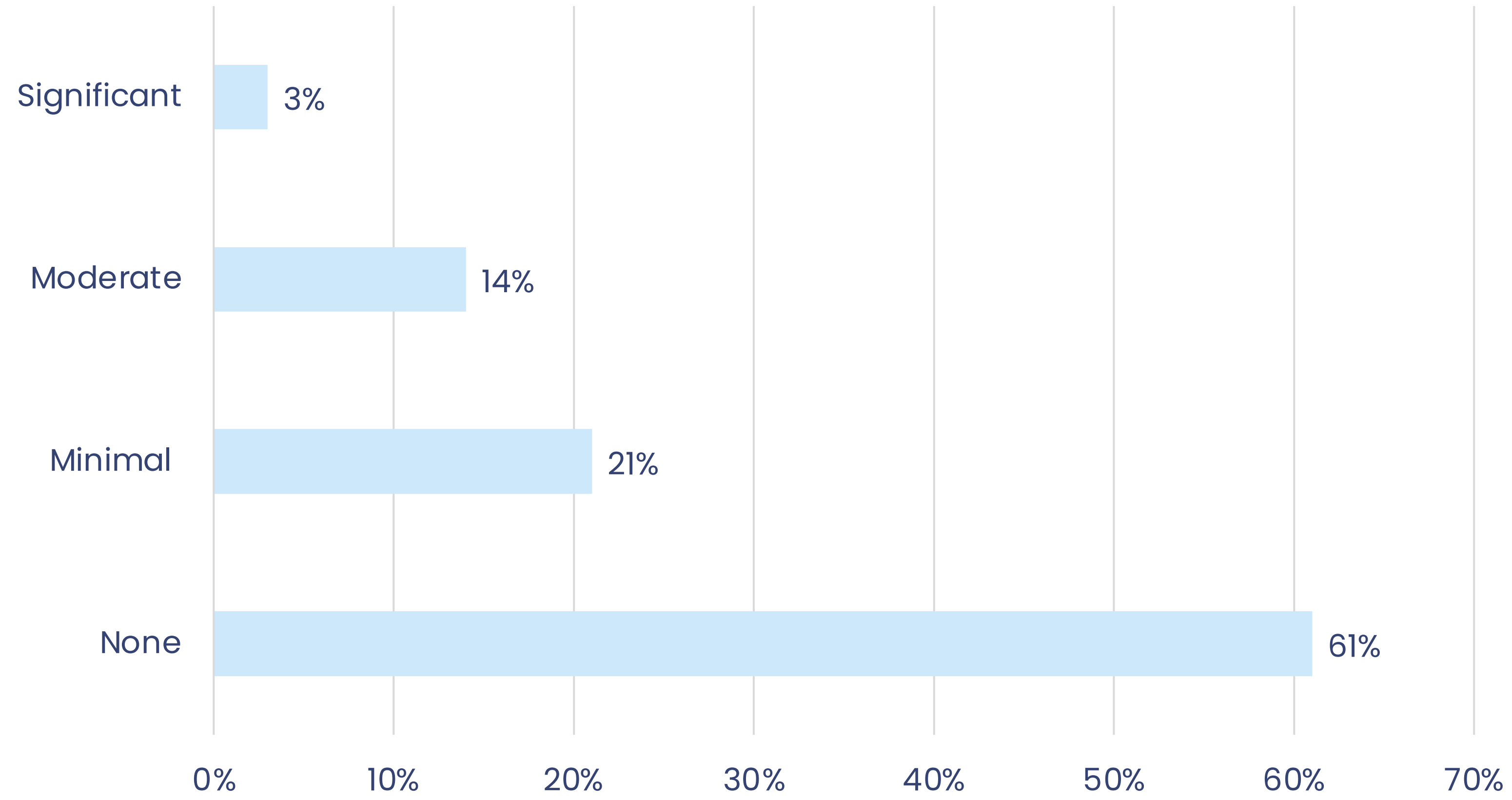
In the past two years, have you faced any issues or difficulties when engaging with your preferred charities?



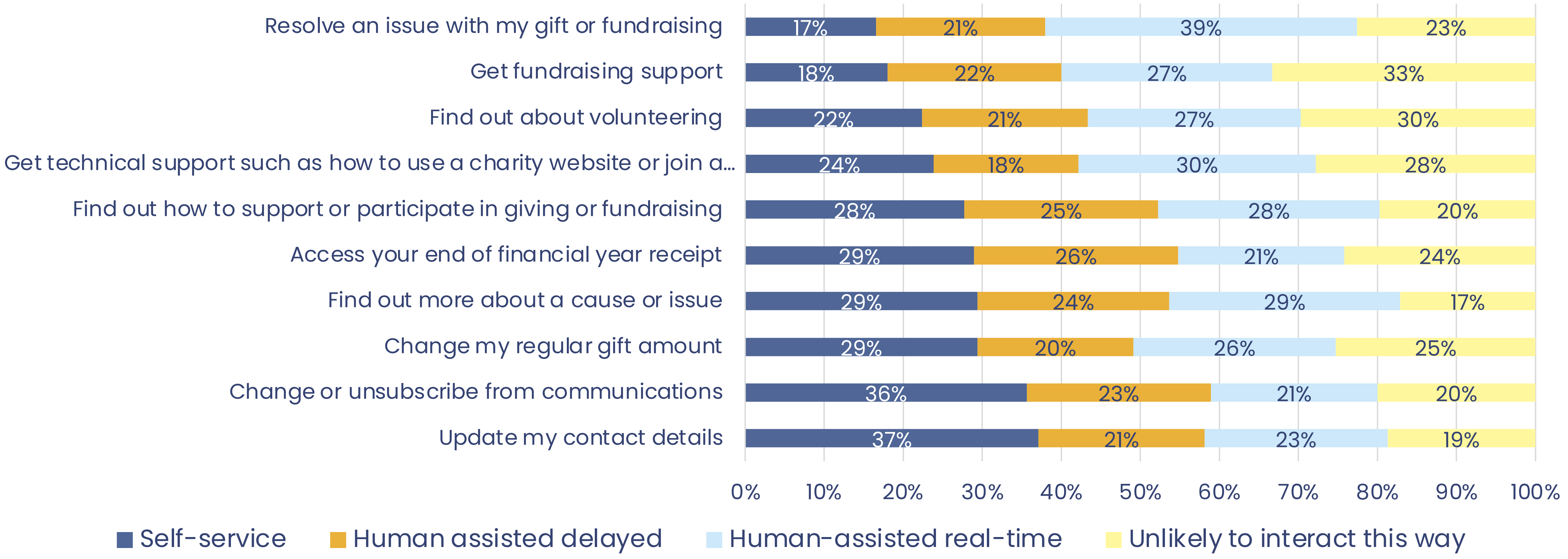
Moderate & significant:

U35yrs: 25%
35-54yrs: 22%
55-74yrs: 8%
75yrs+: 5%

Under $200: 15%
$201-$500: 20%
$501+: 25%

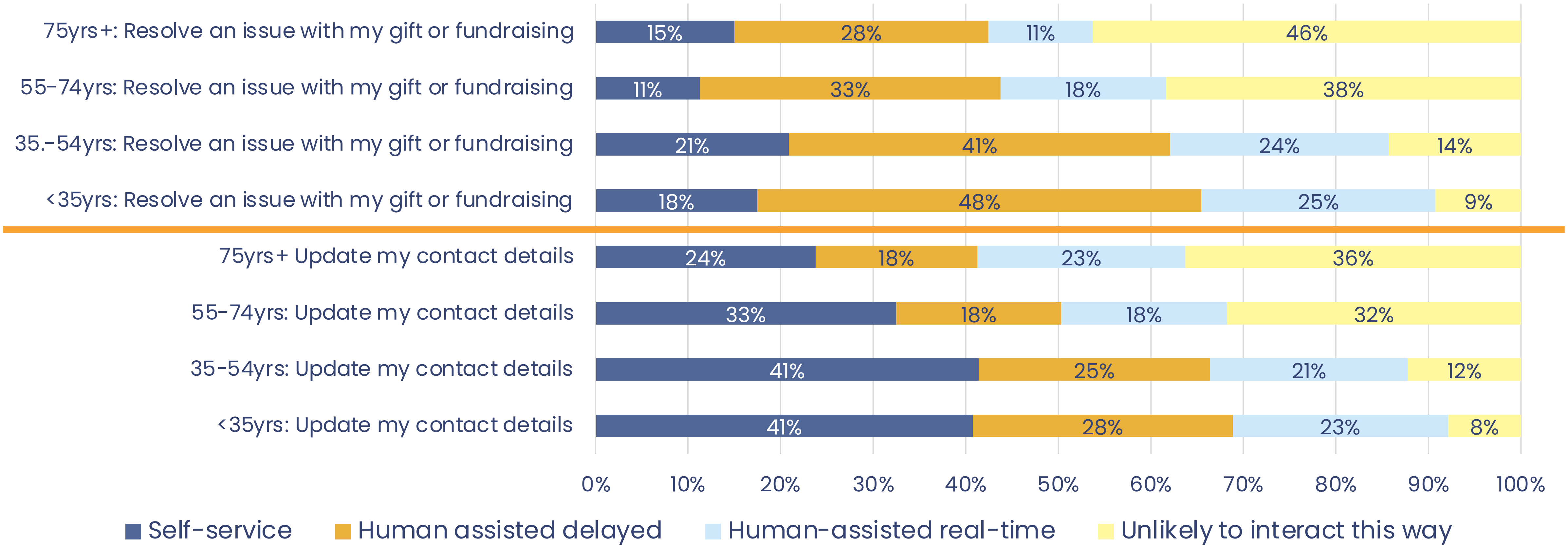
We are not making engagement with our charities easy for the 54yrs under, however, we're also seeing high reported issues for those $500+. We need to optimize our supporter experience.

Human vs self service



This varies dramatically for age but not for giving value

Higher expectations

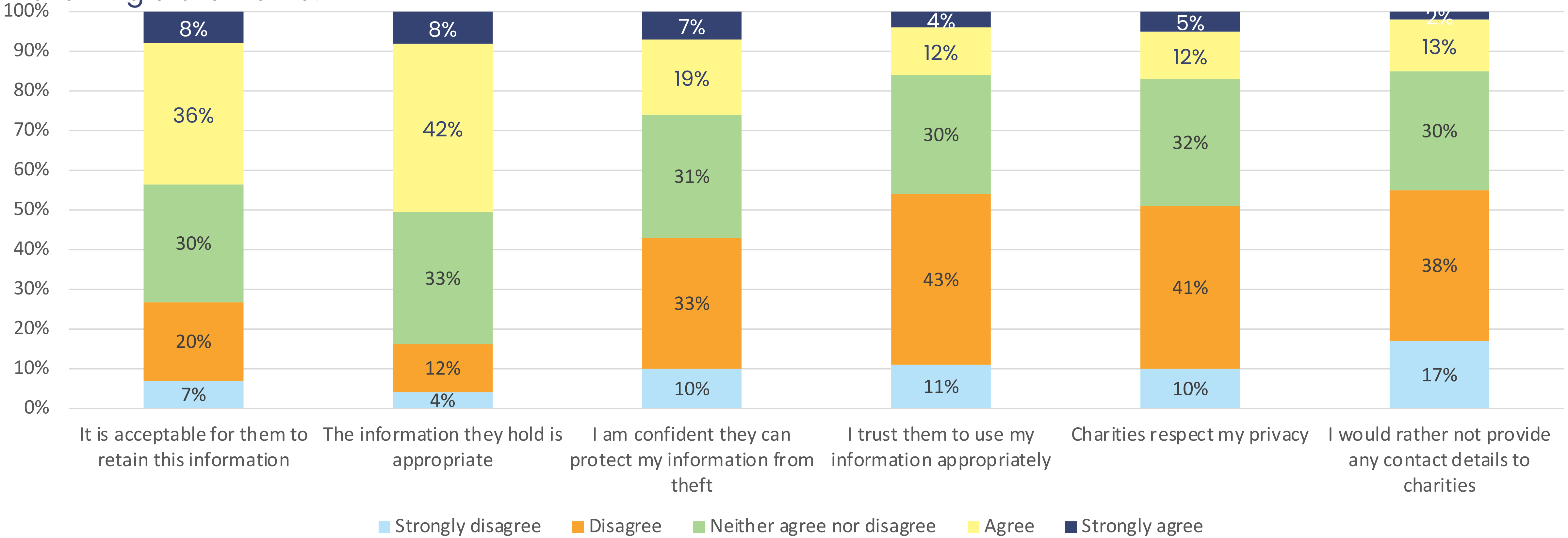


Younger audiences are more likely to be seeking service from their charity both by human and technically assisted.

Data and Privacy

Privacy of supporter data

Q11.1 – When you think about the data that you provide, and charities hold, would you agree or disagree with the following statements?

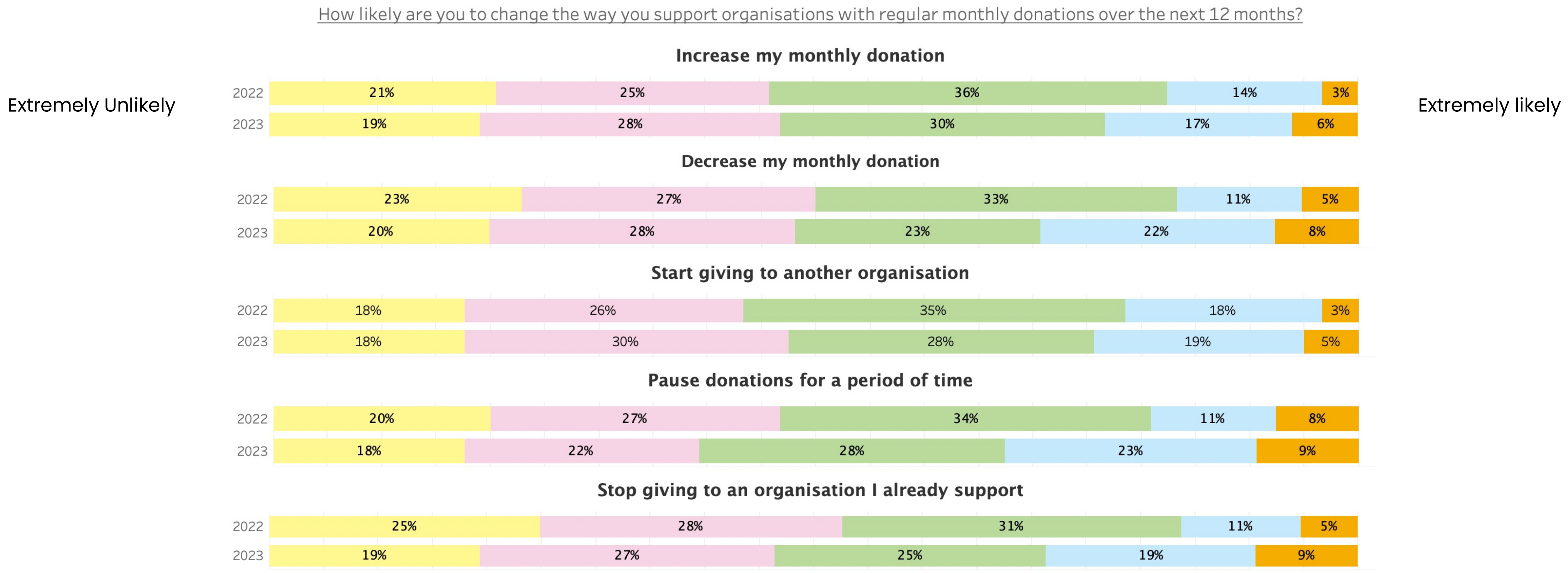


50% of supporters agree the information charities hold is appropriate. Unfortunately, 54% disagree that they trust us to use their data appropriately and 51% that they respect their privacy.

Regular Giving

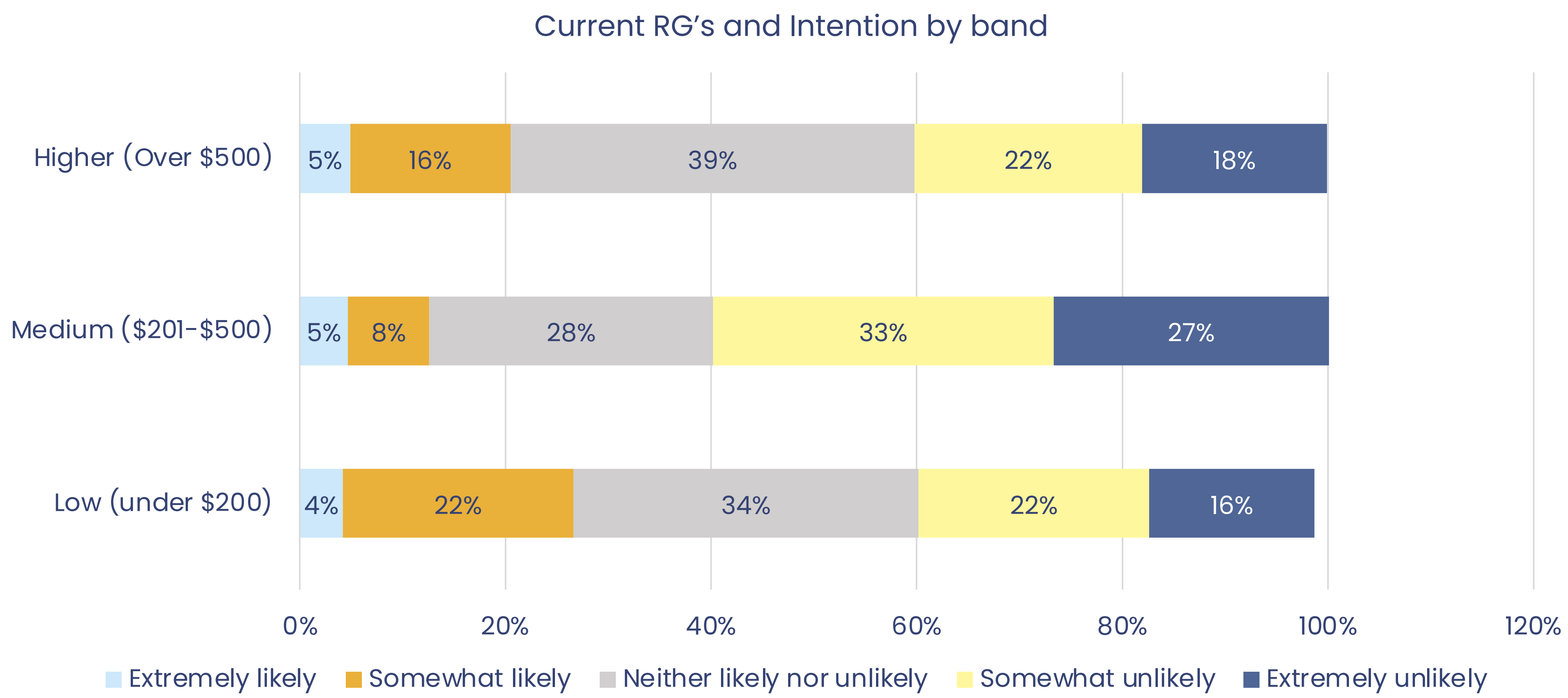
RG: Change

How likely are you to change the way you support organisations with regular monthly donations over the next 12 months?



There is an increase in likelihood to decrease monthly donations, pause or stop giving since last year.

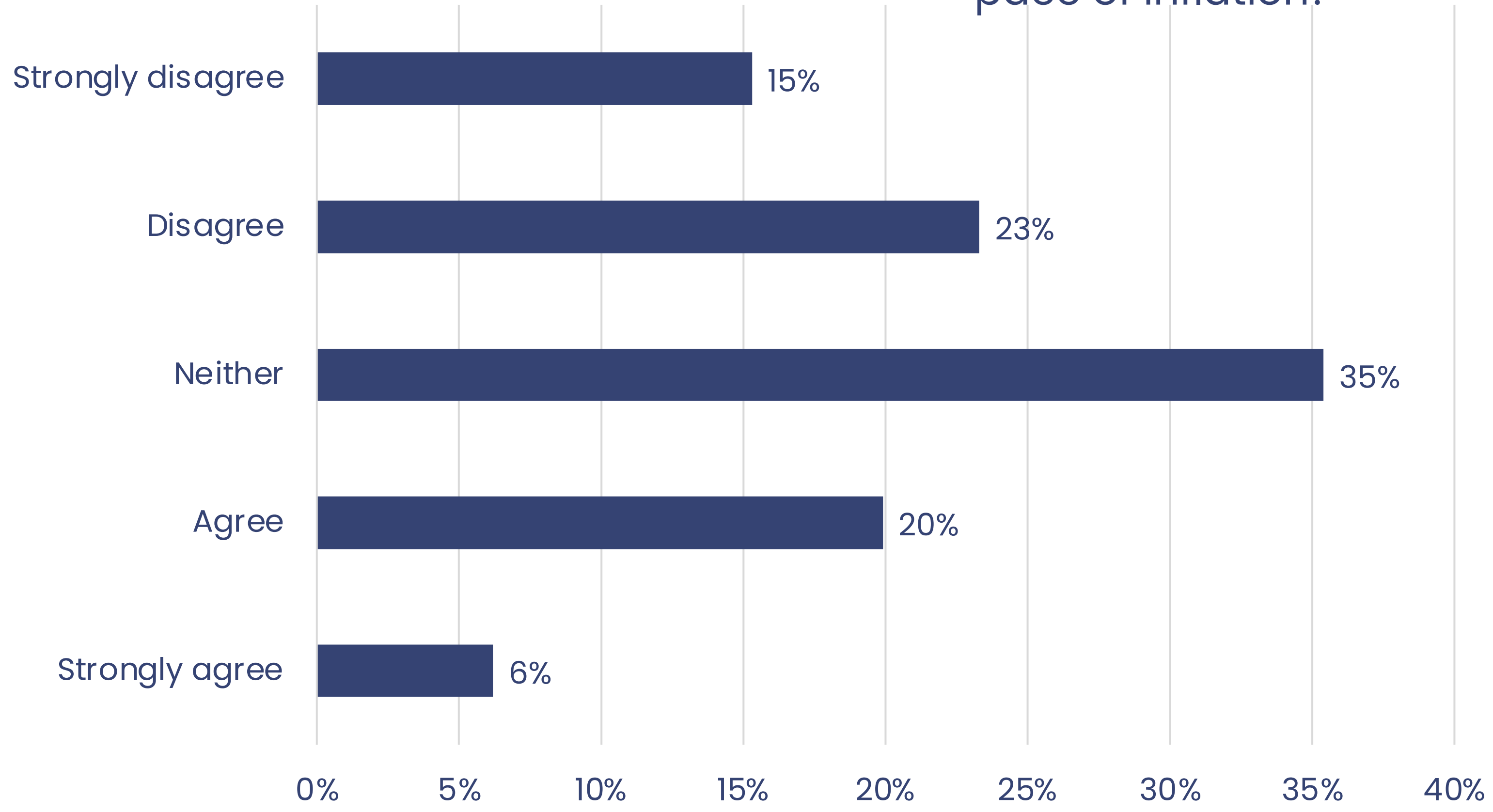
RG: capacity to increase



The middle range donors, giving $200 to $500 are least likely to increase their regular gift. We usually find this group to be the ones who agree most that they are financially stretched and giving as much as they can

RG & Inflation

To what extent do you agree that regular donations to charities should automatically increase to keep up with the pace of inflation?



Strongly agree:

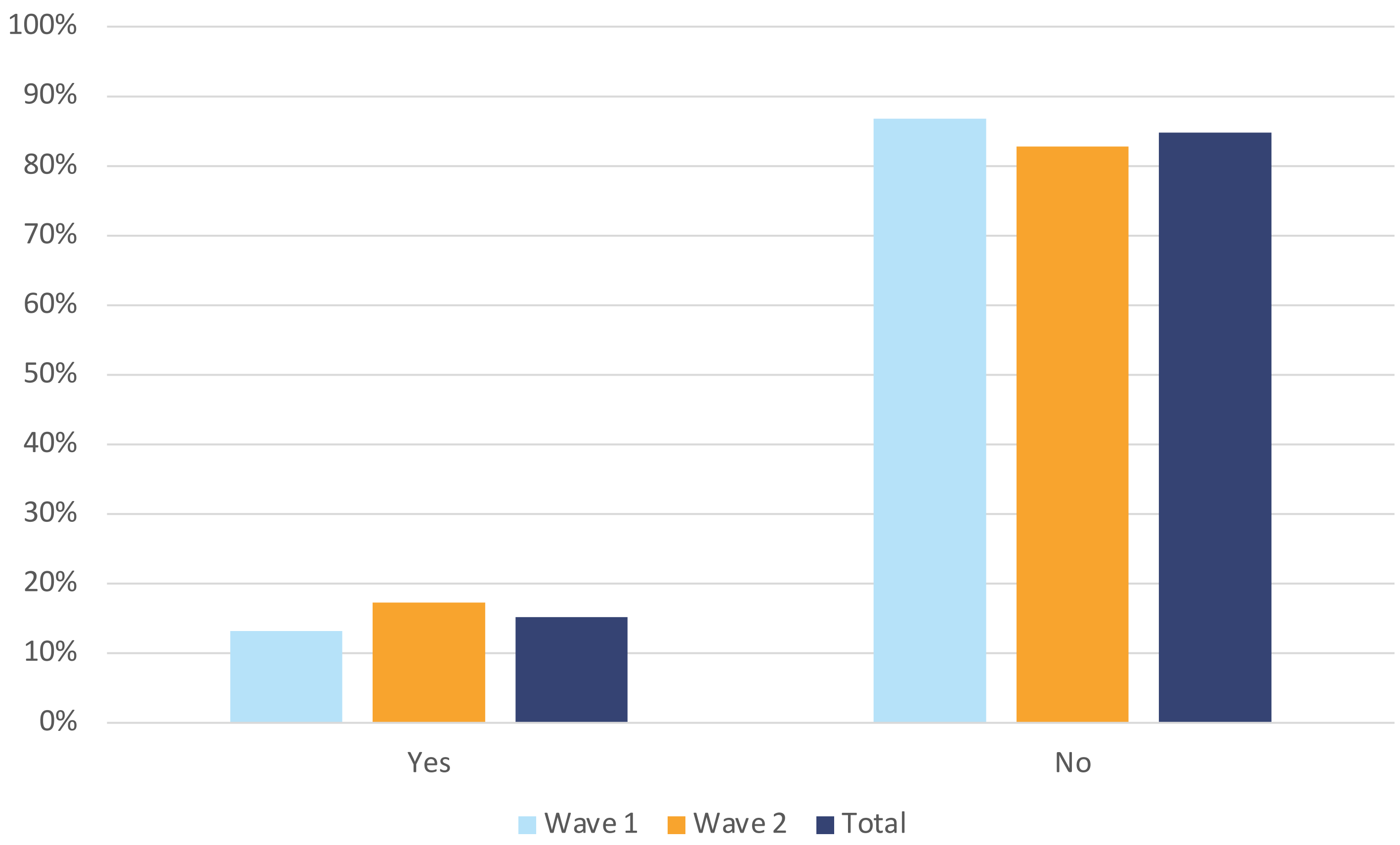
U35yrs: 10%
35-54yrs: 7%
55-74yrs: 3%
75yrs+: 0%

Under $200: 5%
$201-$500: 4%
$501+: 12%

Our higher value and younger audiences are more receptive to RG pro-rata increase to inflation. However, it is still not a majority with 37% of $500+ Agreeing or strongly agreeing.

Gifts in Wills

GiW: Confirmed



Yes:

U35yrs: 21.4%
35-54yrs: 15.7%
55-74yrs: 10.2%
75yrs+: 9.6%

Under $200: 13%
$201-$500: 17%
$501+: 23%

There is a significant shift in confirmed GiWs supporters. Our older bands more likely to be realized are still around 10%. The highest value donors have greatest likelihood to have included a GiW.

What drove the shift?

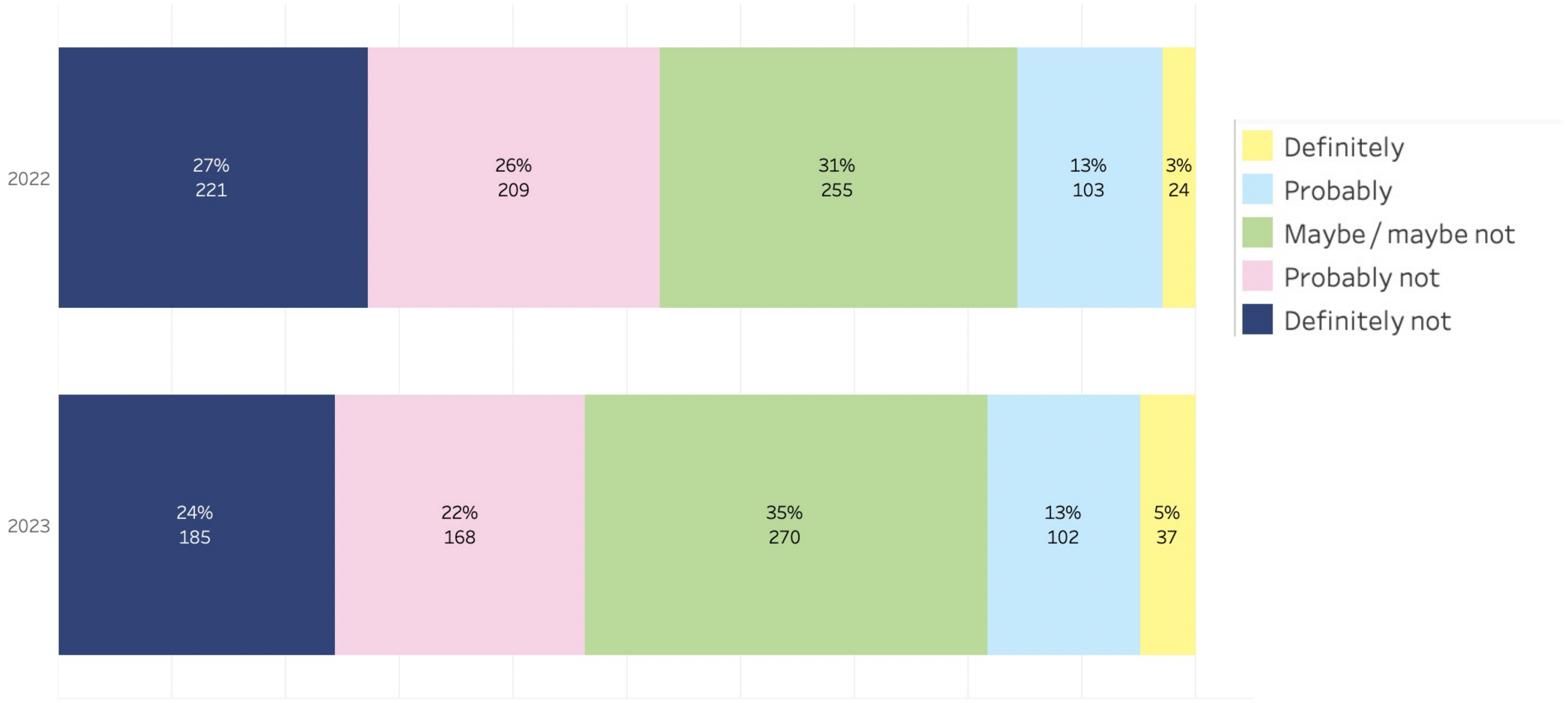
Total	Wave 1	Wave 2
U35yrs: 21.4%	16.4%	26.4%
35-54yrs: 15.7%	12.5%	19.0%
55-74yrs: 10.2%	11.2%	9.3%
75yrs+: 9.6%	11.8%	7.5%

Total	Wave 1	Wave 2
Under $200: 13%	11.0%	14.3%
$201-$500: 17%	14.1%	20.6%
$501+: 23%	20.8%	25.8%

Under 55yrs have driven the shift in confirmed bequestors

GiWs: Consideration

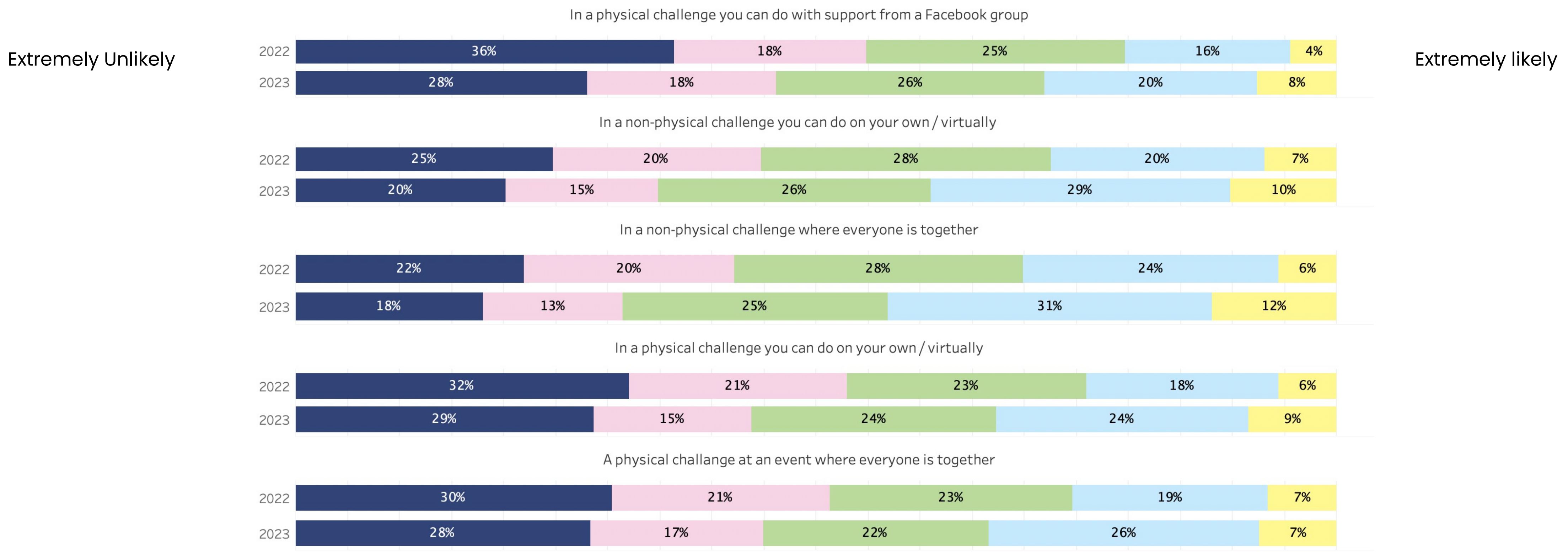
When you make or next update your Will, how likely are you to leave a donation to a charity or not-for-profit organisation in your Will?



Wave 1 had a larger group who had not considered a gift in Will so Wave 2 is an improvement.

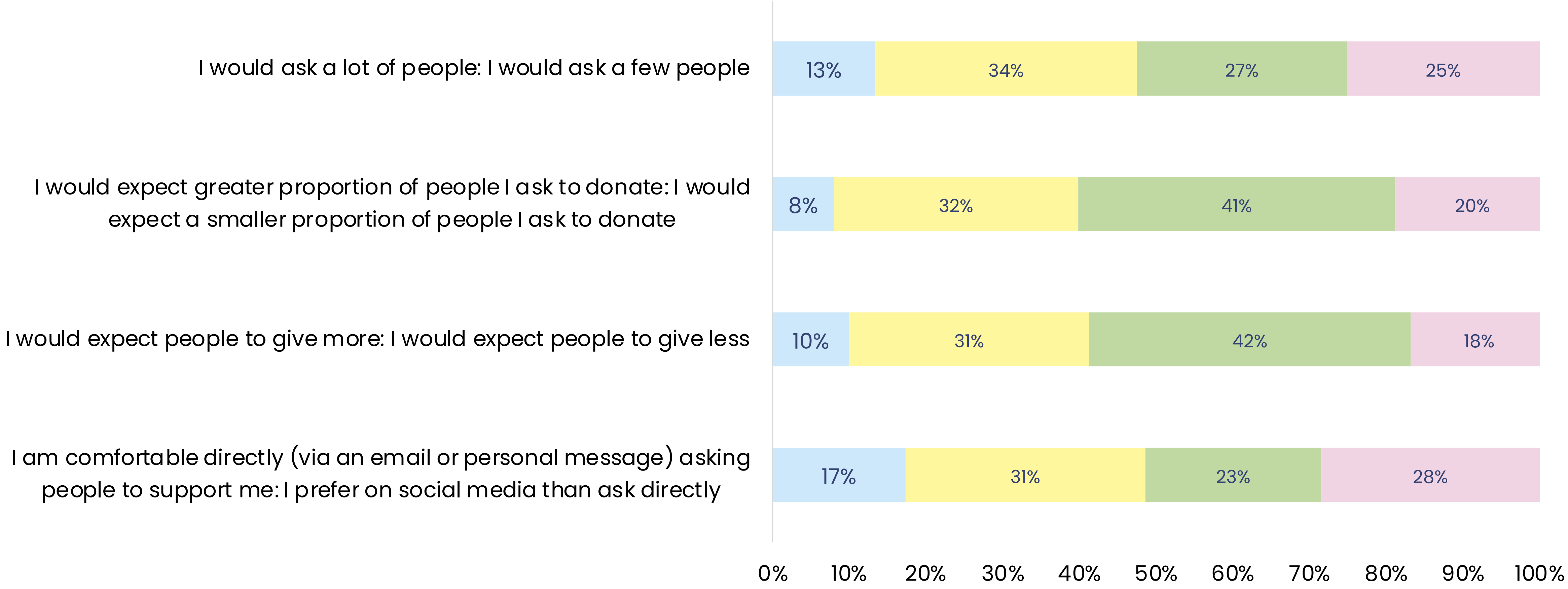
Events

In the next 12 months, how likely would you be to fundraise in a peer-to-peer fundraising event for a charity:



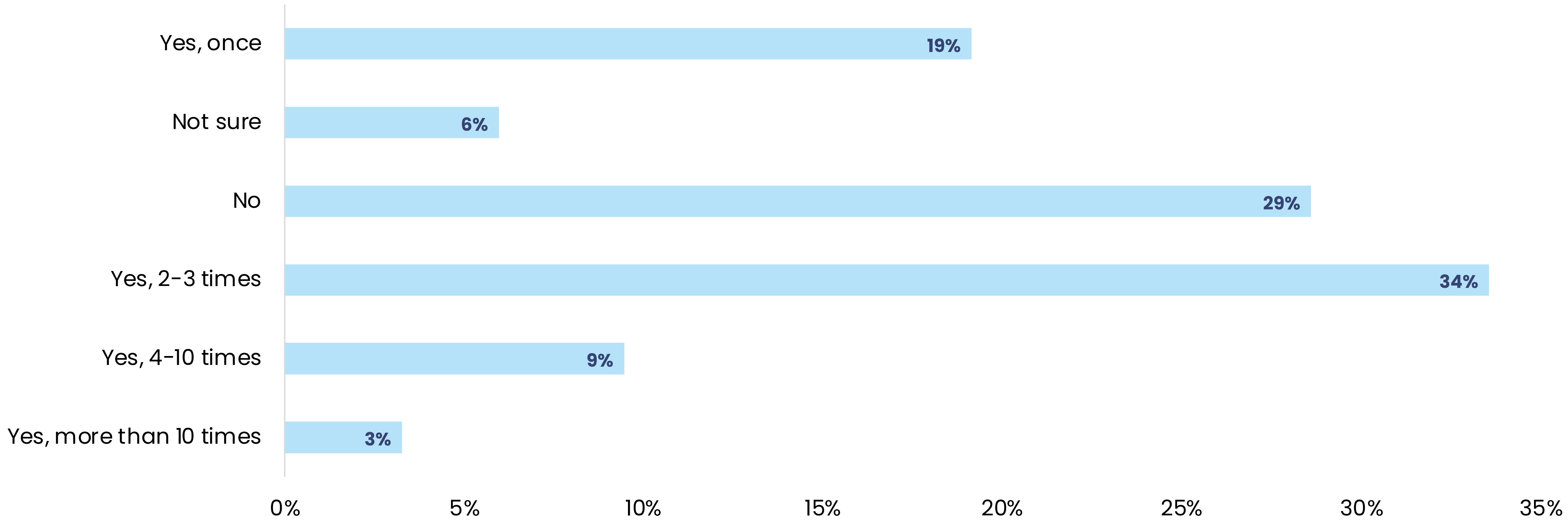
P2P Statements

Thinking about fundraising for a peer to peer physical challenge in the next 12 months which of these statements do you agree with more?



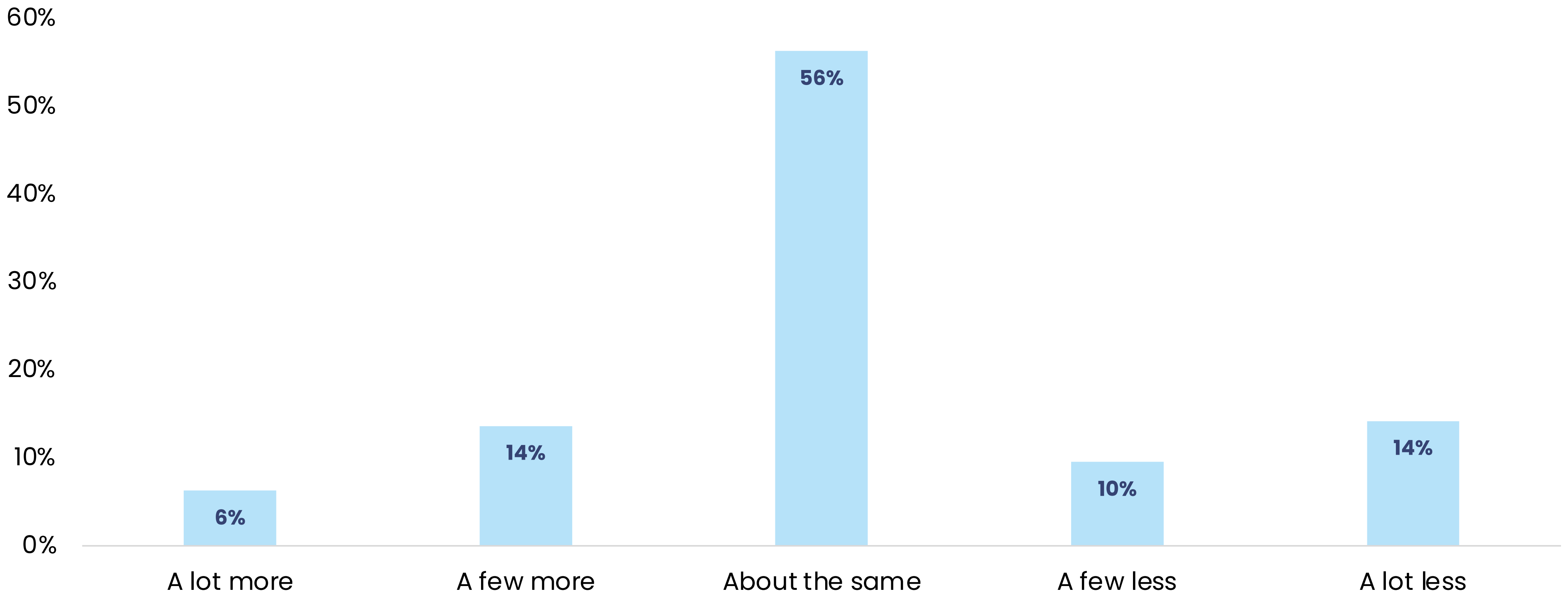
P2P : been asked

Have you been asked to donate to friends to support their fundraising activities in past year?



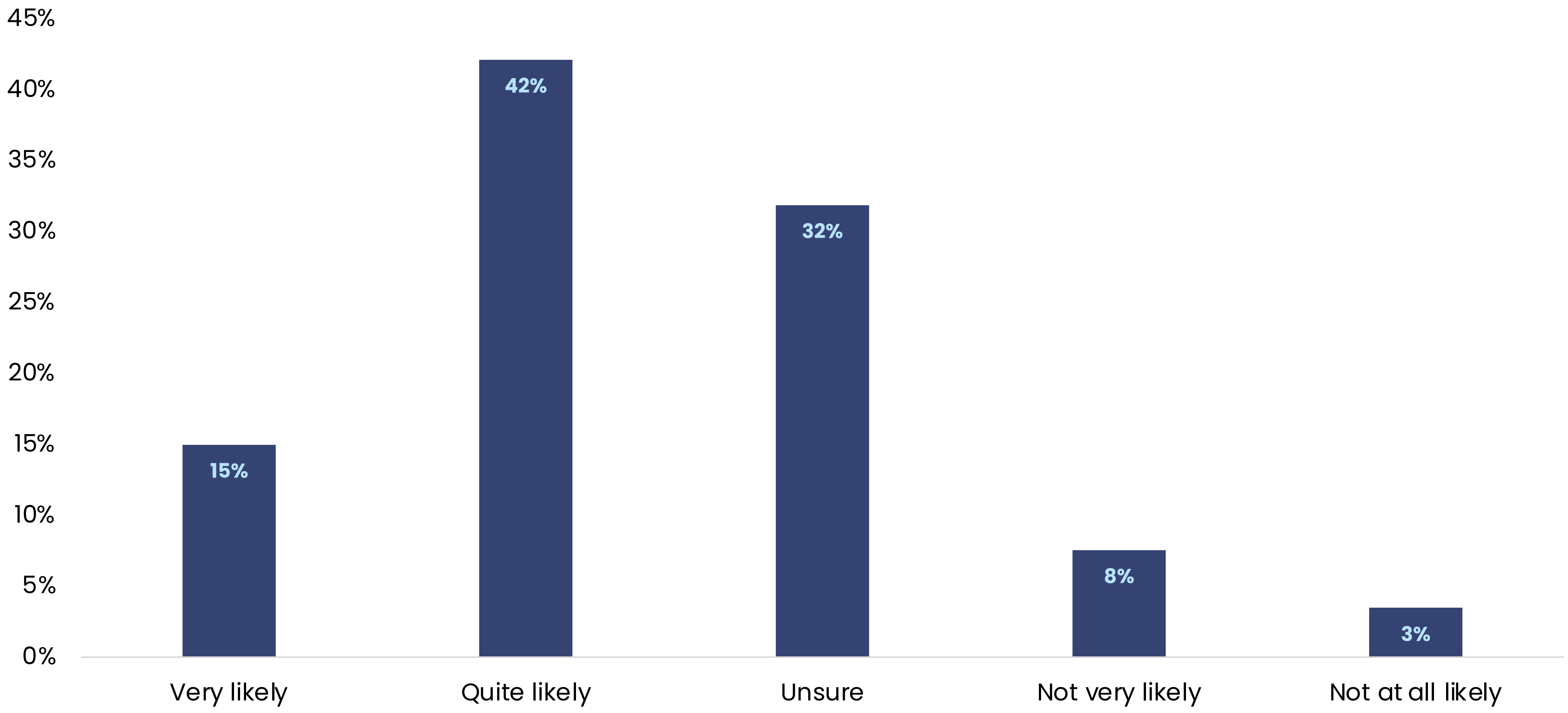
P2P : change

Do you receive more or less requests from friends to support them, than you did a year ago?



P2P : likelihood to give

If friend asked you today to support their fundraising activity, how likely would you be to do so?



What to do....

Recalibrate expectations – Covid was 'savings' good times

Monitor the market and relative performance – lots going on!

Protect investments in retention with cautious acquisition

Build capability in supporter service

Improve impact messaging from a supporter perspective

Don't miss engagement opportunities. And build these for longer term while cash poor community.

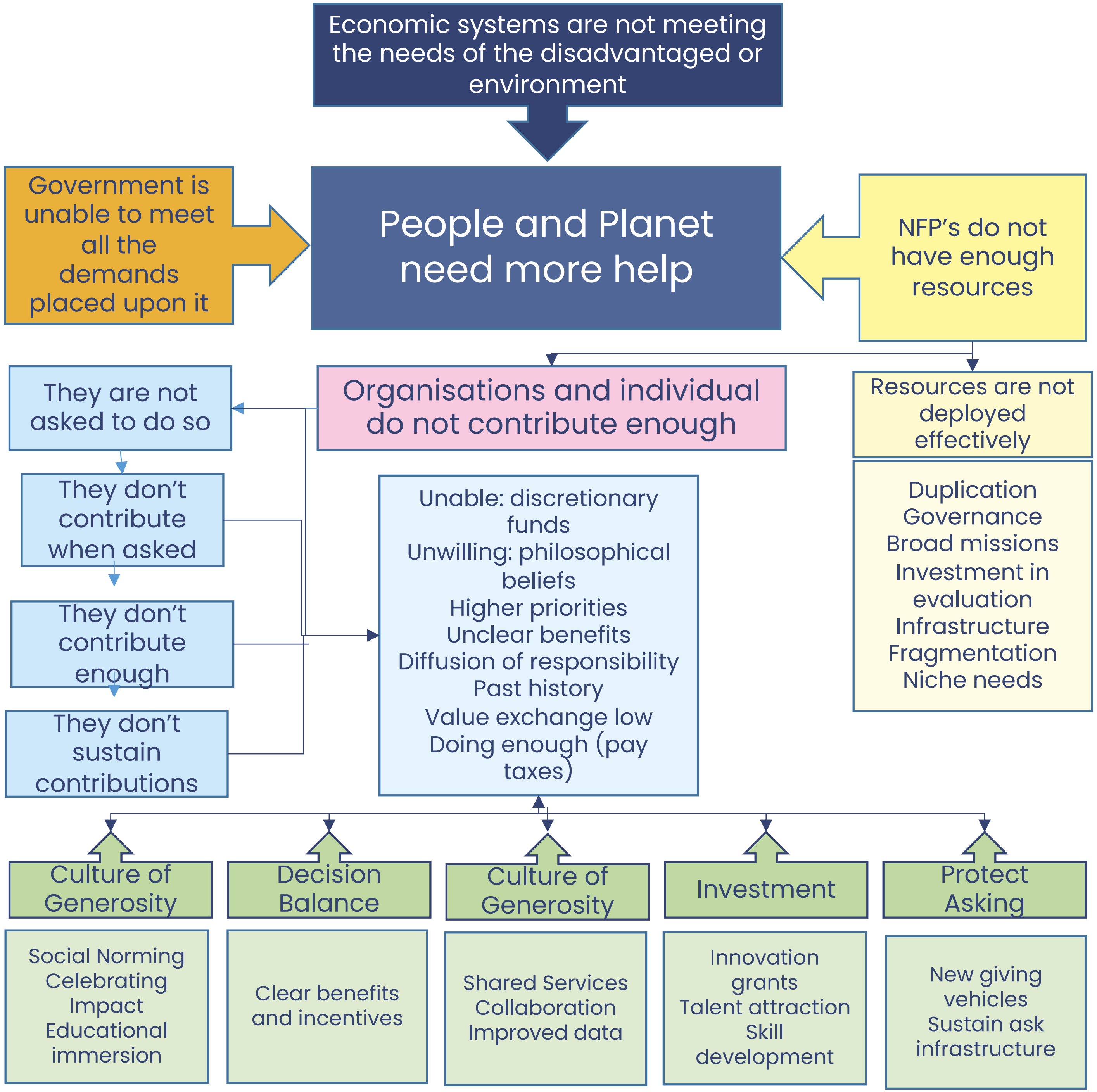
Laser focus on intergenerational wealth transfer and higher receptivity to giWs

Focus on maintaining on growing high value (fanatics) / Mid value

Differentiate through memorable experiences

Prime for good fortune & empower P2P optimism

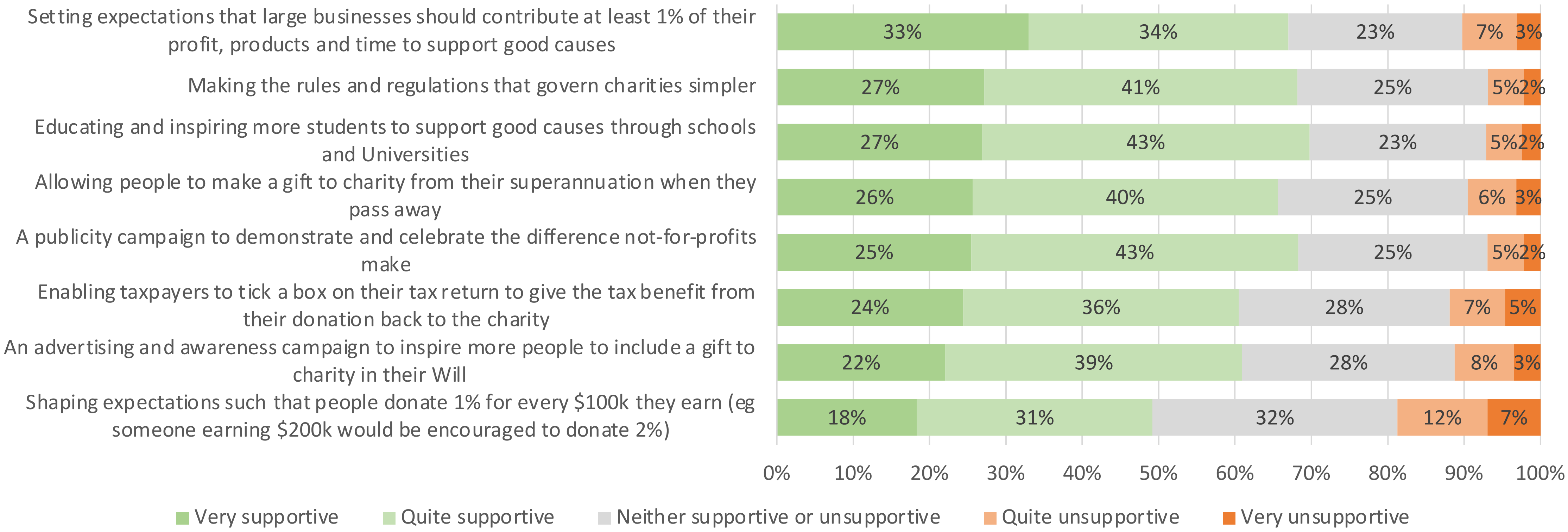
The Productivity Commission



Economic systems are not meeting the needs of the disadvantaged or environment
Government is unable to meet all the demands placed upon it
People and Planet need more help
NFP's do not have enough resources
They are not asked to do so
Organisations and individual do not contribute enough
Resources are not deployed effectively
They don't contribute when asked
Unable: discretionary funds
Unwilling: philosophical beliefs
Higher priorities
Unclear benefits
Diffusion of responsibility
Past history
Value exchange low
Doing enough (pay taxes)
Duplication
Governance
Broad missions
Investment in evaluation
Infrastructure
Fragmentation
Niche needs
They don't contribute enough
They don't sustain contributions
Culture of Generosity
Decision Balance
Culture of Generosity
Investment
Protect Asking
Social Norming
Celebrating Impact
Educational immersion
Clear benefits and incentives
Shared Services
Collaboration
Improved data
Innovation grants
Talent attraction
Skill development
New giving vehicles
Sustain ask infrastructure

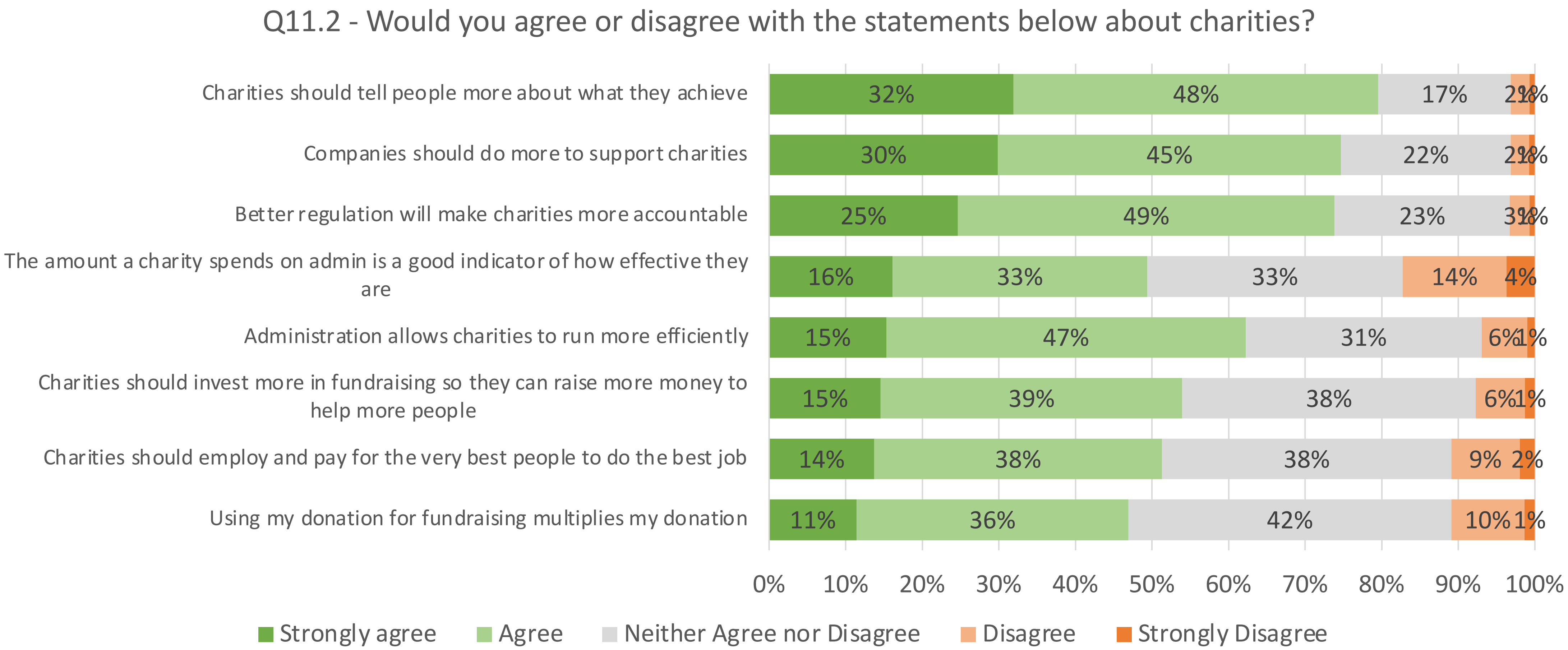
Doubling Giving

Q7.1 - The Federal Government has set a goal to double charitable giving in Australia over the next 7 years. How supportive would you be of each of the initiatives below?



There is widespread support for all initiatives but especially those that don't cost me anything!

How to improve



Whilst people agree with most statements the "multiplier" and paying for the best people are lowest

PARTICIPATE?

WEBINAR

Present findings in a 2-hour partner presentation twice a year.

REPORTS

Report of results by key demographics
Report of changes in attitudes and behaviours
Report for charity specific question
Report compare donors to public (if supplied)

DASHBOARD

Key metrics presented in a dashboard.

Additional analysis can be undertaken if requested.

Our Research Partner

FIA Fundraising Institute Australia

The Professional Body for Australian Fundraising

THANK YOU!

HUB

WEBINAR

Every 6 months we'll share topline insights

https://fia.org.au/fia-research-centre/

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Insight

Ideas

Innovation

Impact

Strategy

Effectiveness

Value

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