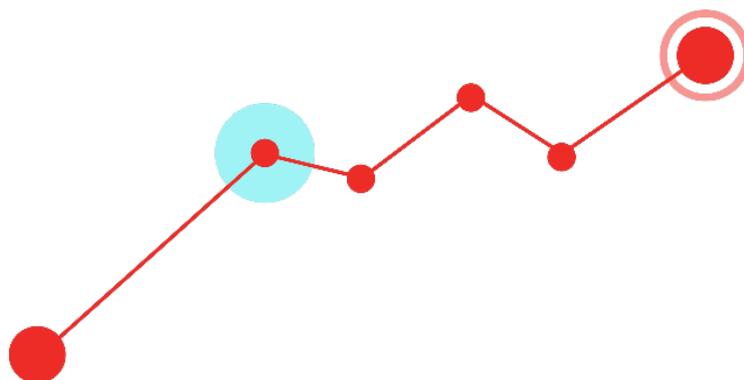




# Appetite for donation

*Technology and the next generation of givers*

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# Introduction

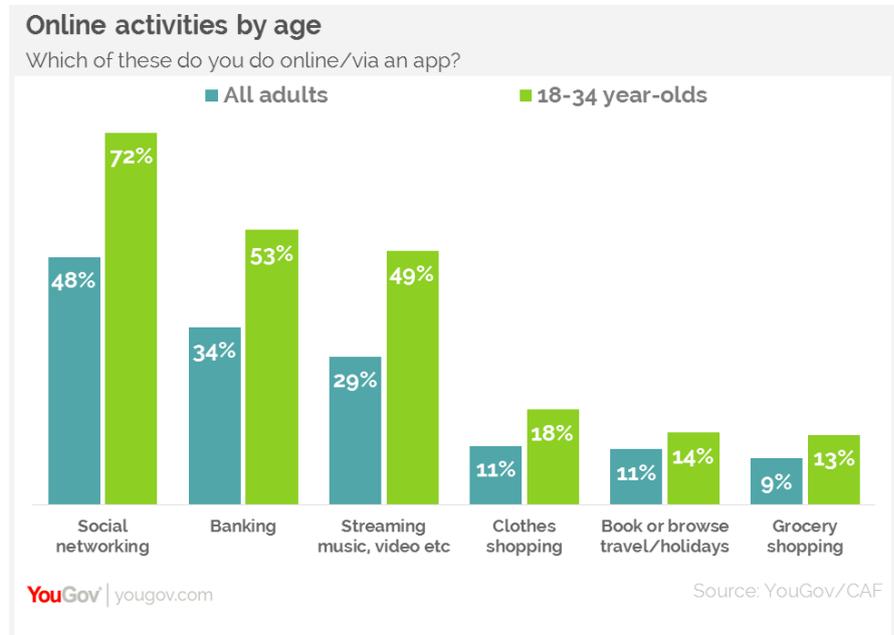
The twin forces of mobile technology and online transactions have transformed most sectors over the past decade.

This change has been led by young people, with 96% of 18-34 year-old phone owners possessing a smartphone and 57% of all under-35s owning a tablet.

While the population as a whole is already using online for a whole host of activities, such as shopping for clothes (65%), booking holidays (63%) and using apps for banking (34%), all of these have higher usage amongst the younger age groups.

Banking with apps in particular shows the most notable usage (53%) among 18-34 year-olds when compared to other groups.

Other advances, such as contactless payments, have also entered the mainstream led largely by the efforts of the under-35s.



These levels of usage strongly suggest that charities can and should benefit from a more concerted move into digital areas – harnessing the everyday tools of the modern world to drive donations and engagement. This is particularly true among young people, who are the most likely to be early adopters of such technologies but the least likely to donate money to charity.

By approaching 18-34 year-olds through platforms that they are already comfortable with, asking them to donate through their preferred channels and using technology to make the experience of giving as personalised as possible, charities could lay the foundations for a lifetime of giving from today's under-35s.

A big push by charities in this area would also help to boost charitable giving more generally – while younger people are early adopters of technology, absorption by older people takes it mainstream.

YouGov and the Charities Aid Foundation (CAF) carried out research online among a nationally representative sample of 2,000 British adults to explore how technology can be used to engage people in general and young people in particular, in terms of charitable giving.

This paper sets out how young people feel about various modern forms of giving and finds that they have a clear appetite for donation.



## Current interactions with donating money to charities

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At present, each year around three quarters (74%) of adults donate to charity in some form. This figure increases among the over-65s (80%) and is at its lowest among the under-35s (69%).

The age distinction is pronounced in many areas of giving; one of the only areas of charity interaction where young people are ahead of older people in donating money is using technology to do so.

While there is little difference by age when it comes to conventional ad hoc donations (such as giving cash on the street or donating items to charity shops etc.), there is a marked distinction when it comes to online ad hoc giving.

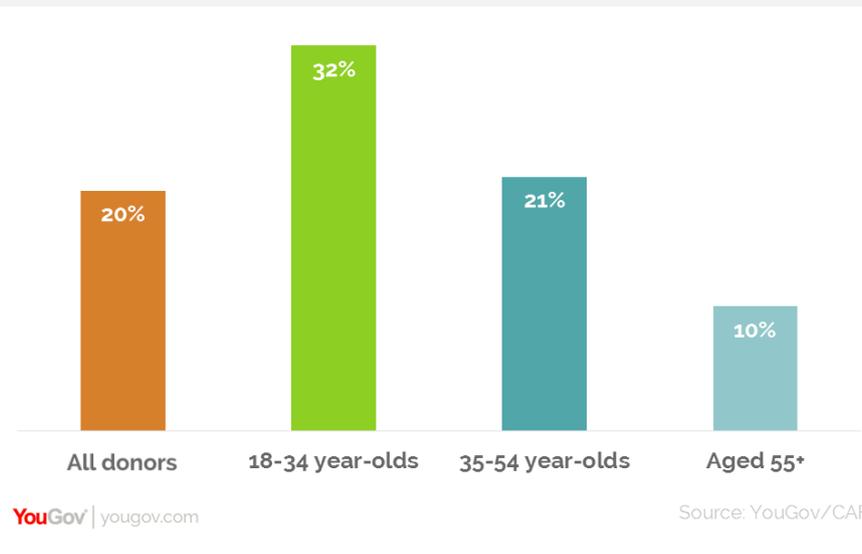
A third (34%) of 18-34 year olds who give have made an ad hoc donation online compared to just one in six (17%) of over-65s.

It is the same story when people consider their likely actions in the future. Over six in ten (62%) 18-34 year old donors believe they will give online in the next year compared to just a third (33%) of over-65s. Furthermore, one in three (32%) under-35s claim that they are likely to donate through an app during the next year compared to just one in ten (10%) of the over-55s.

**Charities who want to engage younger people and encourage them to donate should make it as easy as possible for them to do so by increasing the digital channels by which they can give.**

## Young people are warm to the idea of donating via apps

All who are likely to donate to charity via an app on your mobile/tablet in the next 12 months



## Social media

In the past couple of years there have been a number of social media campaigns which gained a high profile.

While the likes of the "no make-up selfie and "ice bucket challenge" campaigns have undoubtedly raised both money and the profiles of the charities involved, these are very much the exception to the rule and the longer term impact is unknown.

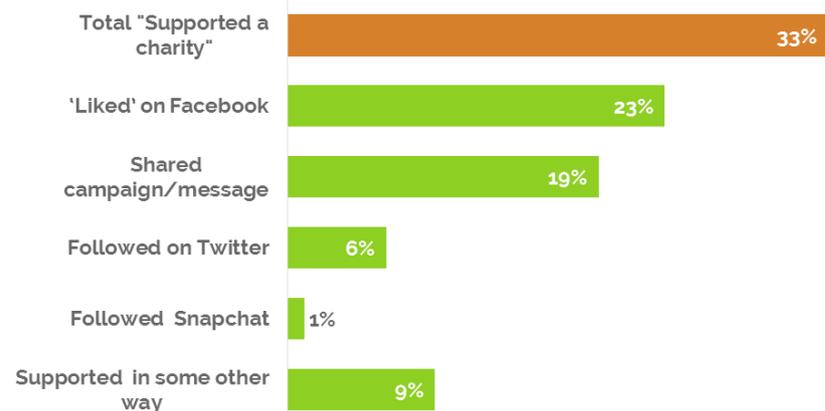
At the same time, charities' more "bread and butter" social media activity is gaining traction too, although perhaps not with the speed of other sectors, partly due to not being able to access the relevant skills or invest in the area.

A third (33%) of all people say they have followed or supported a charity on social media in the last 12 months, a proportion which increases notably among younger age groups.

The most common interaction was 'liking' a charity on Facebook (23%) followed by sharing a charity's campaign or message on social media (19%).

### A third of people have supported a charity on social media in last year

In the last 12 months, have you done any of the following to support a charity via social media?



Whilst 'liking' and 'sharing' are good ways to engage an audience, do they lead to increased interaction with a charity, particularly when it comes to donations?

Of this group, just 8% donated for the first time following the social media engagement.

Clearly at the moment a great many people who interact with charities on social media do not then go on to donate.

It has long been a complaint about social media from all forms of organisation – commercial and not for profit – that while it is easy to click on a button it is much harder to turn these clicks into tangible outcomes. However, as the experience of many commercial organisations shows, a social media campaign through digital channels often has a better chance of being more effective if it is not a stand-alone effort.

**Social media typically needs to be tied to a more all-encompassing digital approach to increase its effectiveness.**

# Applications build relationships and donations

The surge in smartphone ownership since the launch of the first iPhone in 2007 has led to the advent of the app age. That so many people already use apps to do online banking shows that many of the fears about carrying out financial activity online is diminishing – particularly among younger people, for whom such activity is second nature.

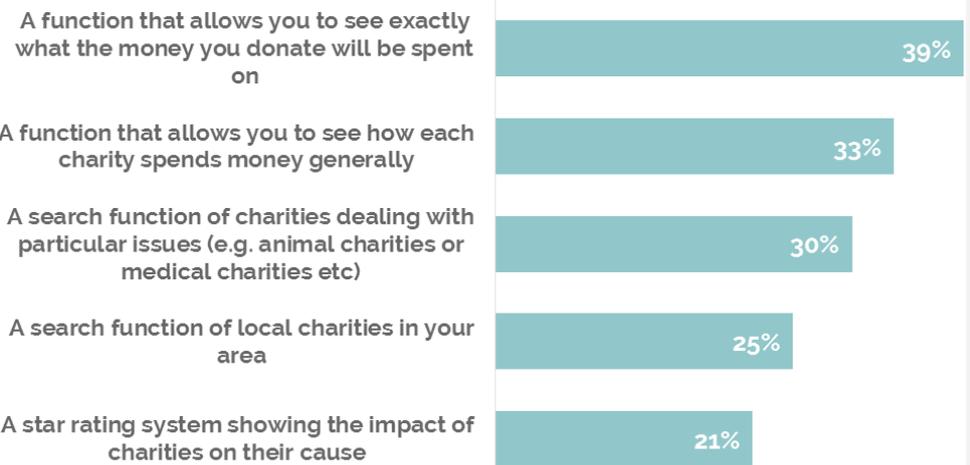
However, to date the third sector has been slow off the mark when it comes to using apps to encourage people to give.

While the majority of people have used apps for non-charity purposes only 8% of donors have given to charity via an app.

This is compared to more than a quarter (27%) who have given ad hoc donations through a website.

## People want an app that shows where donations go

If an app were available to donate to charity, which, if any, of the following features would you consider most useful?



But this is an area where organisations could see notable benefits – especially among younger age groups.

In the next year, one in five (20%) donors believe they are likely to give through an app – a figure that rises to one in three (32%) among under-35s.

Donating in this manner clearly appeals, as among those who have previously used an app for donating six in ten (61%) think they are likely to do so again in the next 12 months.

People also think that apps are more than just a useful tool for giving – they are also a good way to communicate with donors and build engagement.

The most useful function people want to see in a charity's app is the chance to see exactly what donated money is spent on (39%), followed by a function that allows people to see how each charity spends money generally (33%).

Almost as popular would be a search function of charities dealing with particular issues (31%) so that donors can be matched with causes.

Younger people, who are more likely to consider using an app, are the most likely to think all the potential functions useful.

# Contactless payment

The image of charities with buckets in the street is becoming a thing of the past.

Not only are charities looking to make more efficient use of fundraisers' time by trying to get people signed up to direct debits, but the advent of contactless payments means the public is increasingly less likely to carry cash.

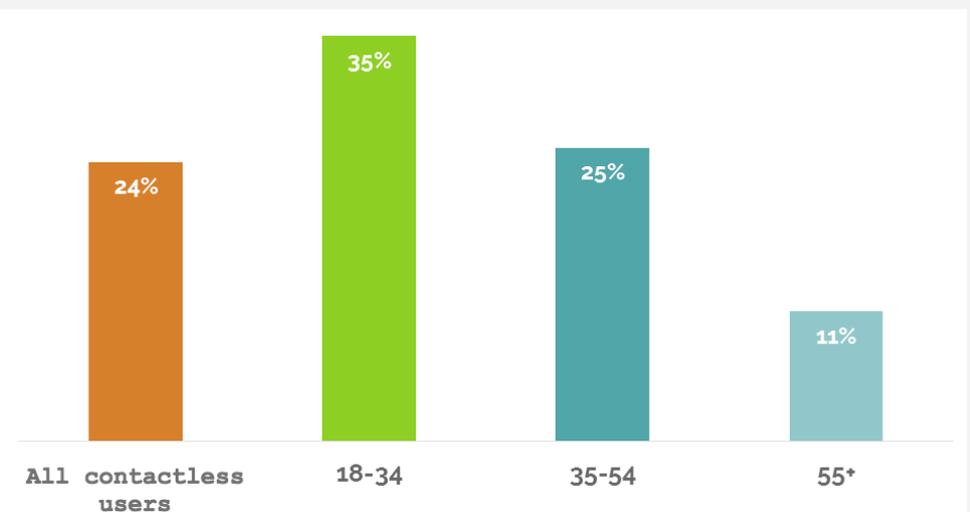
Presently, two thirds (66%) of adults have contactless debit/credit cards and many use the technology for small transactions, with higher figures in London and East of England (74%).

Among people with contactless cards almost three in ten (28%) use them for all or most of their small transactions, and around the same proportion (31%) use them for some of their small-scale spending.

Three quarters (77%) of 18-34s use contactless for at least some of their small transactions.

## Young people want contactless donations

How likely would you be to donate to a charity of your choice using contactless payment, if this option was available? Percentage of respondents who selected "likely" option



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Source: YouGov/CAF

A third (34%) of contactless users now carry less cash as a result of the technology, and this figure is at its highest among the younger age groups.

While some charities have undertaken trials for contactless donations (away from the conventional till setting, it should be added), to date they have not really taken off.

This may be a missed opportunity.

Not only does it look like contactless users are increasingly using technology as the basis for most of their transactions, when we asked them whether they would use the technology to give to charity, if it were available, a quarter (24%) said they would be likely to.

This rises to a third (35%) of 18-34 year-olds, suggesting that there is appetite for contactless donating that is not currently being met by charities.

## Small change initiative

Like on-street bucket fundraisers, shops also used to be a rich seam for ad-hoc, loose change donations.

However, the move towards both contactless payments and online shopping places a question mark over this long-standing source of income.

The small change initiative is one of the more interesting new online donation methods and is designed to reflect changes in the way we shop and pay for goods.

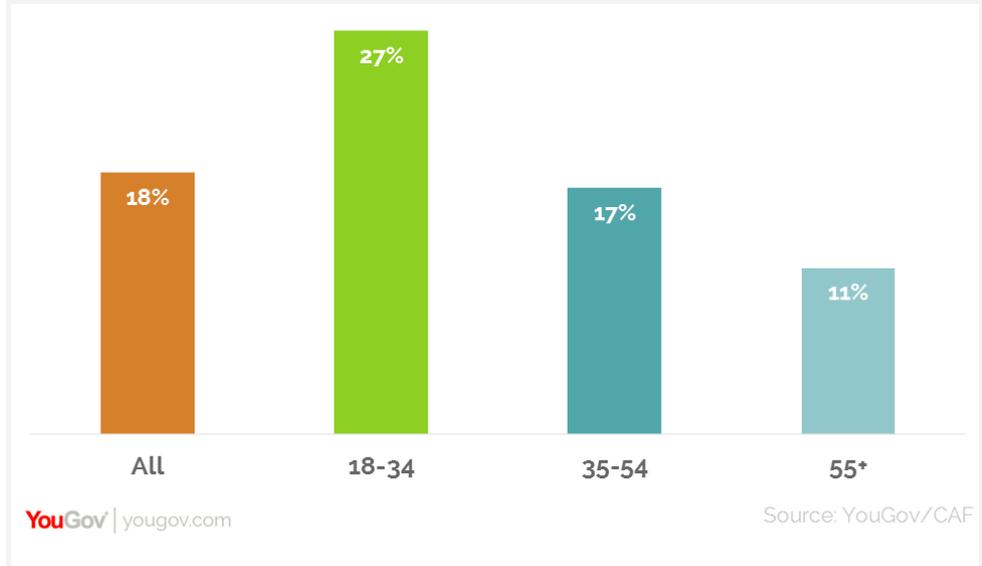
This is the digital version of the collection tin by the tills – it encourages shoppers to “round up” their purchases so that if you buy something for £5.95 you would pay £6 with the additional 5p going to charity.

Near to half (48%) of adults are already aware of the small change initiative, growing slightly among 18-34s (55%).

One in five (21%) British adults have donated via the initiative, a figure that rises among the under-35s in line with an increased level of awareness (29%).

### Small change initiative boosts 18-34 year olds' views of participating retailers

If an online retailer gave the option to donate the small change remaining from a purchase to a charity, would this make you more or less likely to use the retailer, or would it make no difference? Percentage who selected “more likely”



Crucially, potential for the future growth of the initiative lies largely with younger people.

Almost half (48%) of adults say they are likely to donate the small change from an online purchase to charity in the future if the option was available; the figure rises to six in ten (60%) among 18-34 year olds.

Not only is the initiative gaining traction, it also seems to benefit retailers that participate.

Around a fifth (18%) of people say they would be more likely to use an online retailer that took part in the initiative, with this figure increasing to over a quarter (27%) of 18-34 year olds.

Furthermore, a third (32%) say it would improve their impression of the retailer.

Here there was an even greater boost among the under-35s, with half (50%) having a more positive view of the place they were buying from if it allowed them to donate in this way.

The same pattern is true for a charity benefitting from the initiative, with a boost in impression, particularly among younger people, although it has to be said that it is less marked.

One in seven (16%) say the initiative would improve their opinion of the charity (rising to 22% among 18-34s).

# Conclusions

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From other CAF research, it is evident that engaging younger people in giving is one of the biggest challenges facing charities and technology can play a big part in helping to address this.

It is self-evident that the current crop of under-35s are manifestly different – not because of their attitudes towards charities or giving but because their easy and frequent use of technology means they conduct their daily business in a different way.

A lot of the technologies we have explored are part of a lot of people's everyday lives.

Many – especially 18-34 year-olds – already use them frequently, trustingly and without a second thought and also use them in a charitable context.

There is a clear appetite for these approaches to giving to become widespread, and if organisations and the sector fail to give technology the push it needs, not only is there the risk that younger people will become disengaged from charities' work but they could also limit donations from a group that is keen to give.

Charities should embrace digital advances so they can speak to under-35s on their own terms.

However, the benefits are broader still. Younger people are typically early adopters of new technology, but the data shows that some types are already in the mainstream and others are starting to enter it as older people start to use them more commonly.

For charities to be set up adequately for the next twenty years they need to hasten their adoption of new fundraising routes or risk being left behind.