HAVE A HEART!
With charities more reliant on individual donations and volunteering than ever, not-for-profit causes must assert themselves in supporters’ lives.
The psychology of giving

Australians are big-hearted. Each year they donate, on average, $213. One in four supports Australian charities and 72% have donated to charity in the past 12 months.

Some 45,000 not-for-profit (NFP) causes vie for their share of that generosity in a sector worth an estimated $8.4 billion and forecast to reach $8.5 billion by 2020.

The reasons Australians identify with and support an NFP are complex, personal and vary significantly by life stage.

emma™ data reveals trust is the basis of peoples’ support of any cause. emma™ data also shows people align with charities that enhance their own personal brand.

To support this analysis emma’s Ipsos Scope 10 has identified four key consumer segments that represent those who are most likely to have donated in the last 12 months (see opposite).

Social media is also an important communications channel and influencer that goes beyond promoting awareness or fundraising – especially for younger Australians.

Mature age groups on the other hand look to volunteering for participation, personal validation and a sense of community.

This short report draws on emma™ data to shed light on factors that inspire Australians to adopt charitable causes, providing insight to a competitive sector increasingly reliant on individuals’ discretionary income and time.

Ipsos Scope 10 identifies four consumer segments that are more likely than the population average to have donated in the last 12 months. Together these four segments represent 39% of the Australian population.

Sensible Traditionalists
(16% of the population)

Though highly motivated, conscientious and open, innate conservatism makes this group internally focused. They’re sympathetic to charities that help indigenous people and local community charities (13% and 11% more likely than Australians on average, respectively). They are 2% more likely to donate compared to the population average and donate on average $222 per year.

Educated Ambition
(6% of the population)

Financially prudent, conscientious and curious about the world, they prefer charities that promote art and culture, heritage and science (11% more so than average), fight addictions or help indigenous people (72% more likely) and those that fight for human rights (58% more). This group is also the most likely to have donated to a charity in the last 12 months (9% more likely) compared to the population average. They donate on average $303 per year – more than any other segment.

Conscientious Consumption
(11% of the population)

Although they share many of the characteristics of ‘Educated Ambition’ this highly educated and successful segment differs in its values and places less importance on social status. They favour charities that promote art and culture, heritage and science (29% more likely), education (28% more likely) and the environment (24% more likely). They are 4% more likely to have donated to a charity in the last 12 months compared to the population average and donate on average $247 per year.

Social Creatives
(5% of the population)

These young, high achievers are hyper-engaged with technology and social media and lean towards charities that promote arts and culture, education, and fight addictions. Not surprisingly their preferred causes overlap with those in the broader 14-29 year-old age group. They are 6% more likely to have donated to a charity in the last 12 months compared to the population average and donate on average $264 per year.

Source: 1 emma™ Conducted by Ipsos Connect (Jan 2015 – Dec 2015), Sample of all respondents 14+ n=69,353
2. IBISWorld Community Associations and Other Interest Groups in Australia, December 2014
Inspire me (but earn my trust first)

Australians’ culture of mateship and the belief everyone deserves a fair go are evident in their attitudes towards charitable giving. Aussies overwhelmingly feel the government should help the less fortunate but more than half also agree that individual people who can help through charitable contributions should do so.

This mindset makes consumers responsive to pleas that feature a single identifiable reason to donate, and evidence of how their donations are being used to good effect, rather than statistics or data about the scale of the problem faced.

With the sense of obligation however comes a healthy dose of scepticism. For example two in three Australians are worried that only a fraction of the money they give to charities actually goes to the cause rather than administrative or marketing costs; those aged 65 years and over are 5% more so than average to feel this way.

Steve Taitoko, CEO of the not-for-profit foundation for the media, marketing and advertising industry, UnLtd, observes: “The point around transparency is really important. With so many different organisations competing for the goodwill dollar – many for the same cause, and with similar benefits and service offerings – it is now more than just a matter of great creative and emotive fundraising appeals to survive in the NFP sector. It’s about trust and authenticity.”

Having a trustworthy NFP brand is more important than ever as it gets people to engage with a charity and its cause. This is particularly so for street-level fundraising activity: if a charity’s brand is seen to be honest and transparent it is more likely to gain interest and commitment from people walking by.

Lean on me
% of Australians across all age groups who agree with the statement

- 65% Government has a responsibility to help the less fortunate.
- 55% Everyone who can give to charities to support those in need should.
- 24% I donate because I feel an emotional connection to the cause.
- 23% Donating makes me feel I am changing someone’s life.
- 16% I want to support or remember someone who was/is close to me.

Limits to love
% of Australians across all age groups who agree with the statement

- 68% I worry only a fraction of the money I give to charities is used for the cause I donate to.
- 59% I try to avoid being approached by people collecting for charities in the street.
- 42% I donate less money to charities than I used to.

Source: emma™ Conducted by Ipsos Connect (Nov 2014 – Oct 2015), Sample of all respondents 14+ n=69,061
A charitable journey

Australia’s charitable sector comprises diverse organisations undertaking a range of not-for-profit activities through service delivery, grant-making and other pursuits that advance health, education, social welfare and religion.

The types of charities people donate to depend on factors such as belief, attitudes and habits. However as a nation of givers Australians donate more to some types of charities than others.

% of Australians (14+ years) who donate by NFP type

- 7% Charities that help the environment
- 9% Charities that help youth and teenagers
- 10% Overseas aid charities
- 12% Charities that help homeless
- 12% Local charities in my community
- 15% Charities that help the poor

A time to give

The reasons people donate to specific charities vary from person to person, however some NFP organisations draw more interest than others. 30% of Australians have donated to the Cancer Council in the last 12 months and 22% to the Red Cross Foundation.

A further 24% donate to ‘other’ charities – an amalgamation of lots of smaller NFPs.

% of Australians (14+ years) who donate by NFP organisation

- 5% Fred Hollows Foundation
- 5% World Vision
- 6% Royal Flying Doctors
- 7% Saint Vincent De Paul
- 7% Make A Wish Foundation
- 9% National Breast Cancer Foundation
16% Charities that help disabled or ill
16% Charities that help disaster relief
20% Charities that help animals
22% Charities that help children
25% Australian charities
28% Charities that help medical research

12% Guide Dogs
13% RSPCA
13% Heart Foundation
18% Salvation Army
22% Australian Red Cross
30% Cancer Council
Beyond the personal satisfaction and feeling of purpose that come from supporting a cause, Australians’ charitable activities are heavily dependent on life stage, personal experiences and those of others. How they wish to be engaged and participate differs greatly by age too.

**14–29 years: Future Facers**
Younger Australians, who are forging their own identities, align with causes that reflect who they want to be as individuals and make them feel part of something important. Accordingly they find NFPs that contribute to ‘future well-being’ attractive.

They are 28% more likely than the population average to donate to charities that promote education.

The top charities for this group are affiliated with sponsoring children and helping to educate them.

**30-44 years: We are Family**
This group is likely to have children at home and a mortgage, fostering an emotional connection with others in the community who are perhaps less fortunate. Childhood health and happiness, and their local area are their priorities, and their favoured causes reflect this.

They are 24% more likely than the population average to donate to charities that help the homeless.

This group is most likely to donate to community based charities which help those left homeless due to factors such as natural disasters.

**45-64 years: Life Experience**
With age comes experience – both personal and that of other people – and 45-64 year-olds are more likely to support a cause for which they have real life perspective. The relative affluence and education of this group also help focus their priorities.

They are 23% more likely than the population average to donate to charities that help the ill or disabled.

People in this group are most likely to support causes that have personally touched them or someone they know.

**65+ years: Time for Compassion**
Australians aged 65 and older are inclined to support medical and faith-based charities, reflecting their relative financial security and life stage and acknowledgement of what really matters in life. They are also particularly amenable to volunteering, as seen in ‘Involve me’, next.

They are 37% more likely than the population average to donate to charities that help medical research.

Medically-focused organisations feature strongly in the top charities people 65+ support.
Involve me

While Australians across all age groups derive a sense of purpose and focus from supporting a charity, how they prefer to participate varies greatly by age. In this respect, the differences between young adults and retirees are marked.

14-29 years
Social media has revolutionised the way in which charitable causes can reach, speak directly to and engage individuals, and create communities.
Social media lets followers discuss, donate, access services, fundraise, and see first hand where their money is going with their preferred NFPs.
14-29 year-olds are highly adept with social media and considerably more likely than older age groups to interact with a brand or advertisement through social media. This behaviour opens new methods for charities to communicate with this group. 14-29 year-olds are 68% more likely than the rest of the population to support a charity after encountering it via social media.

65+ years
Volunteering Australia estimates 6 million people donate their time every year. Not-for-profits rely heavily on this free work force to keep paid staff costs down and offset the decline in government funding.
Although younger Australians are likely to believe donating money is more effective than giving their time, the opposite is true for their elders. People aged 65 and over are 13% more likely to feel that way than the population average. While people aged 45 and above say they give less money to their preferred causes than they used to, those 65 and older cite their volunteer work as a primary reason for that change.
Not only do senior Australians generally have time to get involved, they are most likely to see volunteering as a means of maintaining or increasing social contact, instilling purpose in their lives, and learning something new.

Helping hand: % profile of a volunteer aged 65+

50% are 75 years or older
1 in 3 is a heavy radio listener (3+ hours per day)
66% are female
47% are heavy newspaper readers (7+ issues per week)
29% live in Victoria
Join me

Successful not-for-profits must use every means available to understand their target supporters and their motivations for giving to the cause.

To form a personal connection, NFPs need to tell their stories with conviction, credibility and transparency. To this end social media can throw a charity’s activities and achievements into the open and – just as importantly – give supporters a very public platform by which to share their backing and confidence, and attract new donors. These channels also provide a low-cost means of achieving massive reach, awareness, engagement and data.

Social media however is not the be all and end all. Charities also need to translate the virtual connection their younger supporters derive through social media into actual volunteer work.

The future for charities looks bright but demonstrating to younger charity supporters the important role of volunteer work will be a significant task for the industry. While the majority of current volunteering is undertaken by enthusiastic retirees, transitioning the younger generation into this role will be a high priority for charities if they are to flourish.

emma™ data will continue to monitor consumers’ evolving mindsets and behaviour, giving NFPs current and personal insights into the motivations Australians of all life stages have for supporting charitable causes.

Source:
emma™ Conducted by Ipsos Connect (Jan 2015 – Dec 2015), Sample of all respondents 14+ n=69,353
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