

# Understanding the generation gap in giving



## The state of giving today

The charity sector has been through a turbulent few years, with the arrival of COVID significantly impacting fundraising and collection activities. According to IBIS World, in 2020 alone, charities suffered an alarming 40% reduction in income, with 34% of charity leaders expecting to generate less revenue from fundraising and donations going forwards\*. As we fully emerge from COVID and move into times of economic crisis, there has never been more pertinent time for charities to analyse and adapt their strategies to ensure they can future-proof their organisations and continue with their vital work.

This analysis has to start with the UK public, who are the largest source of income for charities, accounting for approximately £27.1bn (48%)\*\*. It is essential for charities to understand their donors' behaviours and what compels them to give, in doing so they will be able to ensure their strategy properly utilises and leverages the channels available to them in order to maximise the frequency of donations, and in turn increase revenue. Traditional giving has evolved and is unlikely to return to 'normal', so it is time for charities in the UK to explore alternative ways that donations can be made and collected and to digitise their strategies to attract and ensure the loyalty of the next generation of givers.

With this in mind, in May 2022 MobiCash conducted a UK-wide survey in conjunction with Censuswide to delve into the state of charitable giving today and understand what would encourage the public donate more regularly in the future. 1,001 participants were asked a series of questions relating to their charitable behaviours, the channels available to them, and their donation preferences.

\* Charity Commission

\*\* NCVO Almanac

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Source: IBIS World



## Encouraging regular giving

Almost half of the participants that took part in our survey (45%) say they give at least once a month, if not more often. **However, there is a generational gap - with respondents aged 45 and over more likely to give on a more regular basis compared to their younger counterparts (50% to 40% respectively).**

As a sector traditionally reliant on cash, charities have had a lot of success with various cash-based approaches to fundraising, such as street canvassing, peer-to-peer sponsorship and donation buckets. However, the problem with cash donations is that the majority of them are one-off contributions, so when the ultimate goal is to generate regular donations, this is not a sustainable approach.

In order to explore how frequently the UK public donates today, MobiCash posed a number of questions to best gain insight into what incentivises such repeat giving behaviours.

The results of our survey were positive, with an overwhelming majority of respondents who do donate to charities stating they do so on a regular basis, with almost half (45%) giving at least once a month, if not more often. However, there is a generational gap - with respondents aged 45 and over more likely to give on a more regular basis compared to their younger counterparts (50% to 40% respectively). Although this gap may not seem significant, the UK population is aging, and this older generation are already set in their giving patterns and have no reason to change their behaviours. Meanwhile, while the younger generation are interested in taking action and are motivated by what they care about, their behaviours tend to be more whimsical and their loyalty more fickle, which makes engaging with them long-term a priority.

The main problem is that many charities are simply not doing enough to engage the younger generations, who are not cash-reliant, but instead are digital natives, and traditional methods of engaging with donors will fail to resonate with this mobile-first, social media focussed audience. A one-size-fits-all approach is no longer the answer, and a more flexible strategy that encompasses different age groups and subsequent behaviours will ultimately ensure repeat donations for their cause.



## Embracing digital channels

While giving via cash and direct debit fared well in the survey findings overall, it was by no means a one-horse race with a good spread across traditional and digital channels alike. It is no longer the clear favourite with only a 0.8% advantage over other channels, with just 15% of under 25s saying donating via cash would make them give more frequently.

While online giving remains popular for all age groups under 55, mobile is the real gamechanger. This is not to be confused with text donations, which had low scores across the board regardless of age group – with all age brackets agreeing that it was the channel they were least likely to use in the future. Therefore, as a strategy for mobile, text donations have limited success, typically around nationwide TV campaigns, such as Comic Relief, and this channel should not be used as a fundamental building block of your mobile strategy.

In a mobile-first world, this channel must be a priority for any digital strategy. A staggering two-thirds (65%) of respondents under the age of 45 agree, stating they would like to donate via mobile, with almost half (47%) claiming they would actually be more likely to give more frequently. Looking to the future, 38% see it as their main donation channel, highlighting the appetite consumers have for donating via mobile devices. If you combine this with online donations, which can be done via a mobile device, this increases to 57%, which makes having a comprehensive and focussed digital strategy imperative for the future.

The results for the over 55s vary significantly. While 44% believe mobile should be offered as a donation channel, only 15% think it would make them give more frequently. In fact, only 5% of this age group see this as their main donation method in the future, as they steadfastly hold on to donating via cash and direct debit.

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## Making the most of Gift Aid

Another clear gamechanger is the addition of Gift Aid, which results in millions of extra pounds for the charity sector every year. However, offering Gift Aid as an option is not only important to charities. Almost two-thirds (63%) of under 45s would donate more money to charity if they could add Gift Aid (with those aged 35-44 the most likely at 70%), and 22% of over 45s would give more frequently if they could add Gift Aid.

63% of 45-54s would be more likely to give more to charity if Gift Aid is available, and more than a quarter (27%) would donate more frequently if they were able to add Gift Aid (compared to 49% and 15% respectively for over 55s). The challenge here lies in educating the older age groups about what Gift Aid is and that they don't pay it themselves to encourage them to tick the box and ensure maximum donation potential is reached.

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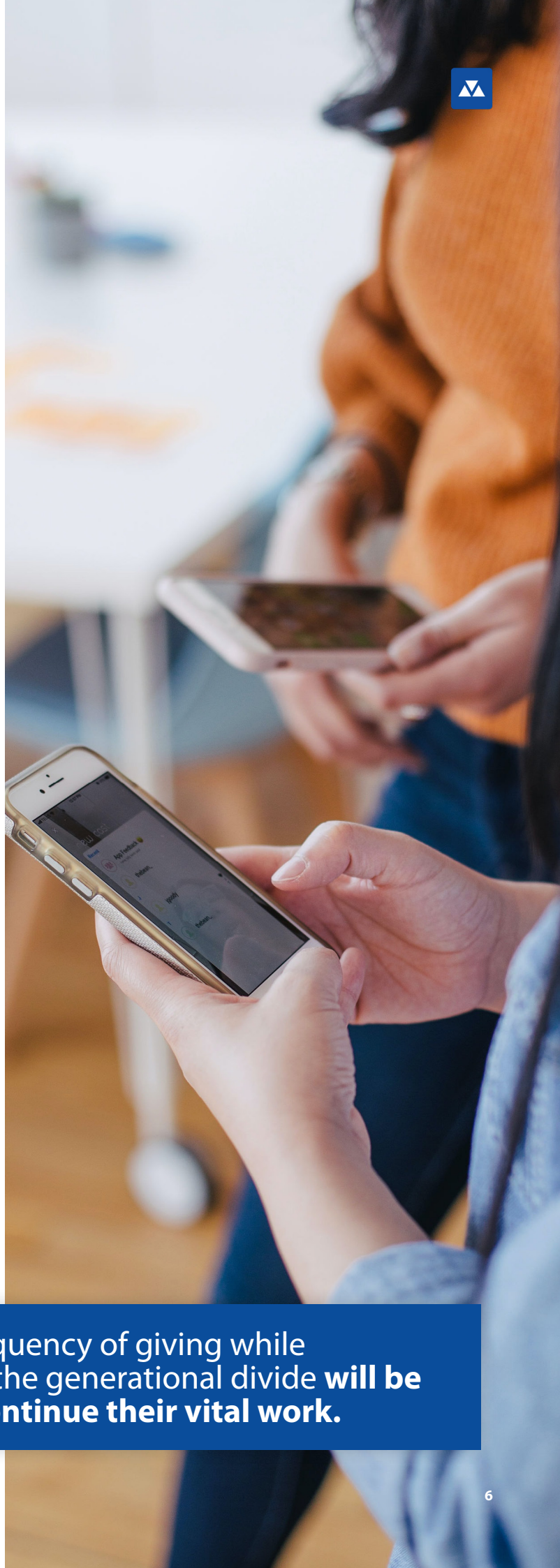


# Creating a comprehensive future-proof strategy

The pandemic had an undoubtable impact on the charity sector, making many charities take a step back and reflect on their fundraising strategies, many of which were not fit for purpose nor future-proof.

It's safe to say that the charitable sector is not an early adopter of technology, and while traditional forms of fundraising will never die out, it is clear that the challenges the sector is facing – generational and technological – will not be solved without a complete strategic overhaul to ensure a digital-first approach. Focussing on increasing the frequency of giving while addressing and understanding the generational divide will be key to enabling charities to continue their vital work. While older generations are already more likely to give frequently, maximising this by educating them about Gift Aid is a must. There are millions of older, loyal donors that charities rely upon and they should not be forgotten. Although many of this generation have already established donation patterns and behaviours, it is important for charities to listen to and to engage with them to ensure they remain front of mind.

However, the key playing field is the socially-conscious younger generations who are yet to set their giving patterns and behaviours. Actively engaging and communicating with them on the platforms they consume and offering them the channels by which they would be more likely to give is imperative.



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The research was conducted by Censuswide on behalf of MobiCash, with 1,001 respondents in UK between 27.05.2022 - 30.05.2022. The survey was conducted from a nationally representative sample of UK adults. Quotas were applied to nationally representative proportions for age, gender and region. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.

## About MobiCash for charities

MobiCash is an innovative, universal mobile payments service that offers a fresh approach to collecting donations. In an increasingly cashless world, MobiCash can help you evolve your fundraising strategy and boost contributions so that you can focus on carrying out your vital work.



It pays to be mobile

**[mobicashpayments.com](https://mobicashpayments.com)**

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