The Burk Donor Survey
How To Raise More Money in a Changing Giving Environment

Penelope Burk
December, 2019
We are six years away from being debt-free (mortgage and student loan debt included). We are sowing the seeds now with organizations we think are doing interesting work. We are trying to get to know them better so that we make good decisions when our financial picture changes. We want to see the opportunity, not be told about it.

- one of over 12,000 donors who participated in The 2019 Burk Donor Survey
The 2019 Burk Donor Survey...how to raise more money in a changing giving environment

Penelope Burk

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To order The 2019 Burk Donor Survey...how to raise more money in a changing giving environment directly from the publisher, please go to: www.cygresearch.com, email info@cygresearch.com or call (800) 263-0267.

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Executive Summary

The 2019 Burk Donor Survey is the tenth annual research project studying Americans’ philanthropy and, specifically, how fundraising practices and beliefs affect the financial wellbeing of not-for-profit organizations. The Survey is authored by researcher and fundraising expert, Penelope Burk, and published by her Chicago-based company, Cygnus Applied Research, Inc. The Burk Donor Survey charts changes in giving year-to-year as well as how donors intend to give in the coming twelve-month period. Most important, each edition of the Survey features an investigation of donors’ opinions about certain fundraising themes and issues that impact philanthropy so that Development professionals and not-for-profit leaders can adjust their practices to meet donors’ changing needs and preferences.

In addition to charting how Respondents gave in 2018 and what their giving intentions are for this year, The 2019 Burk Donor Survey explored these additional themes:

- the connection between faith and charitable giving, specifically if and how giving to secular causes is affected by religious conviction.
- how white and black donors compare on giving motivations and intentions.
- whether political issues in the United States affected American donors’ giving decisions in 2018. In particular, the Survey measured the impact of changes to itemizing deductions that took effect in early 2018. Specifically, did that change cause some donors to give less in 2018 than they would have otherwise contributed, and, if so, is this having a continuing impact on giving in 2019?
- whether donors gave all that they could in 2018 and, if not, what would unleash their philanthropy at a new level in the near future.


Survey Methodology

957,982 American donors (known to have made at least one charitable gift in 2018 and/or 2017) were invited to participate anonymously in an online survey consisting of 59 questions. The Survey was deployed between August 13 and October 4, 2019.

The Survey questionnaire was pretested with 325 Respondents from Cygnus’ internal file of active donors. The response rate for the Survey (Respondents completing some or all questions) was 1.9% representing 18,524 donors. The completion rate (the number of Respondents answering all questions) was 65% or 12,064 donors. The margin of error for this Survey is +/- 0.89%, nineteen times out of twenty.
Cygnus enjoys a robust participation in its national and international research studies thanks to the kind assistance of prominent not-for-profits whose leaders reach out to their active donors on Cygnus’ behalf. This year, 55 not-for-profit organizations and institutions partnered with Cygnus Applied Research on this project (Appendix i).

Respondents’ Characteristics

61% of Respondents in The 2019 Burk Donor Survey are female; 6% are under the age of 35, 46% are between 35 and 64, and 48% are 65 or older. Among all characteristics, age was the most revealing characteristic when Respondents’ opinions, preferences and philanthropic behavior were studied.

Religious conviction is a strong motivator for giving to all types of charitable organizations, not just to religious causes. Since 2009, each edition of The Burk Donor Survey has noted that actively religious donors give more than those who are less or not at all religious. In the 2019 Survey, young donors were the least likely to refer to themselves as actively religious (17%) when compared with middle-aged donors age 35-64 (27%) and donors 65 years or older (34%).

The Survey group as a whole is highly educated, with 88% of Respondents having earned at least an undergraduate degree. Reflecting the times, young donors are on a path to becoming even better educated than their parents. This fact, alone, calls into question direct marketing tactics which, as industry experts say, pitch solicitation copy at about a Grade 6 level.

How Donors Gave in 2018

37% of Respondents said they gave more money to charitable causes in 2018 than in 2017 (down considerably from 53% who reported giving more to charitable causes in 2017 than they gave in 2016). The Survey’s youngest donors were more likely to have increased their giving last year (56%) compared with either middle-aged donors (39%) or donors over the age of 64 (35%). Though young Respondents were very active donors in 2018, the impact of their giving on Development operations may not have been as strongly felt as their numbers might imply. This is because the average annual gift value of donors under the age of 35 was significantly less at $2,000 than either middle-aged ($8,600) or senior donors.

My parents were professional classical musicians and professors of music. The survival of their orchestras was dependent on donors. They never forgot that and it left an impression on me, their son. That is why I give.
donors ($12,600). That said, as a percentage of giving by their older counterparts, young people’s giving has been rising steadily over the years. For example, in 2012, donors under 35 years of age made gifts valued at only 7% of middle-aged donors and 4% of senior donors. In 2018, however, young people’s average gift values had risen to 23% and 16% of middle-aged and senior donors respectively.

Only 11% of Respondents gave less money last year than the year before, but this is up 3% from last year’s finding. 51% of Respondents gave approximately the same in 2018 as they did in 2017.

Among donors who gave more in 2018 than in 2017, their own financial stability was the main reason behind their more generous giving (57%). But, 39% were impressed with the performance of some or all causes they supported in 2017 and that inspired them to give more in 2018. This is positive and a credit to not-for-profits and their fundraisers who have improved their communication and stewardship practices. 31% gave more because they responded to a special request. “Special request” covered a wide range of possibilities, from capital campaign asks (referenced by 39% of the Survey’s most generous donors) to in memoriam giving options and reunion appeals.

Young donors were most likely to say they gave more in 2018 (56%) than either middle-aged (39%) or senior donors (35%). Young donors joined Sustainer programs in greater numbers in 2018 and were more likely to have added to the number of causes they supported. They cited greater financial stability as a result of a raise or becoming employed for the first time.

Change in their personal financial situation was the leading cause among donors who gave less in 2018 than in 2017 (57% of the 11% of Respondents who decreased their giving). The economy was still a factor but only for 11% of this already small group, down from 18% three years ago and 34% five years ago.

51% of Respondents gave the same in 2018 as in 2017 and this is up significantly from 38% in last year’s Survey. A significant fundraising opportunity exists with this group. Their own financial stability and their tendency to budget the same for philanthropy one year to the next far outweighed all other reasons for maintaining their contributions at the same level. This likely means that not-for-profits are failing to influence a greater desire to give among donors in this group.
75% of Respondents supported the same number of causes in 2018 as they did in 2017. However, among those who gave to more or fewer causes, Respondents were twice as likely to have added to (17%) than cut back on (8%) the number of charities they supported last year. **When the long-term trend is taken into account, however, there is a decided difference in the number of causes that middle-aged and older donors support.** On average, donors over 64 years of age made charitable gifts to seventeen causes versus only twelve for middle-aged donors. This is important information for not-for-profits that are largely dependent on volume-based fundraising programs. Diversifying Development operations is now essential in order to sustain net revenue over the long term. This means applying more human and financial resources to grow major and planned gifts programs because they rely less on volume of donors participating and more on sustaining and growing average gift value.

23% of Respondents gave $10,000 or more to charitable causes last year. This group is especially interesting because their collective giving far exceeds the collective giving of the other 77% of Respondents. The news was positive in 2018 among this generous group of donors; 48% said they gave more last year than in 2017 (though this is down from a record-setting 61% who said this in the previous year’s Survey). Only 7% of this group gave less.

**How Donors Transacted Gifts in 2018**

For the first time, giving online, giving via direct mail and Sustainer giving were equally popular with Respondents (54-55%). While giving via direct mail has remained fairly consistent over the past five years, online giving is up from 29% in 2013 and Sustainer Giving has risen from 30% in the same period of time. But, when age is taken into account, there are substantial differences in giving preferences. **67% of the Survey’s oldest donors but only 22% of those under the age of 35 responded to direct mail appeals in 2018.**

Online giving and Sustainer (recurring) giving are enjoying increasing popularity with all Respondents, regardless of age. The percentage of donors with experience giving via social media has risen to 27% from 10% five years ago and 16% only one year ago. Not surprising social media is more popular with young donors (46%) than with either middle-aged (37%) or older donors (17%), but giving via social media is up for all age groups.
Respondents were asked whether some or all of their giving was unsolicited in 2018. 64% said some and an additional 21% indicated that all the gifts they made were unsolicited (ie, they were not influenced to give by any fundraising appeals). Only 15% of Respondents made all their contributions in 2018 as a result of fundraising appeals. Donors giving most generously and older donors were more likely than others to make one or more gifts unsolicited.

Types of Not-for-Profits Supported in 2018

Because of the large number of participants in this Survey, it is possible to achieve statistical reliability when looking at support of the third sector by type of not-for-profit. One of the most interesting findings is that black Donors (ie, African American, Afro Caribbean or black) were significantly more likely to support faith organizations than were all other donors in the Survey.

Giving and Volunteering

While the percentage of the adult population who gives is declining, there remains a very strong link between giving and volunteering, with 78% of active donors in this Survey reporting that they are currently volunteering or have done so within the past two years.

Did Donors Give All that They Could in 2018?

2018 was a good year for fundraising, following a record-breaking year in 2017. Still, 36% of Respondents said they could have given more. This includes 48% of donors under the age of 35 who admitted they gave less than they could and 35% of the Survey’s most generous donors who gave $10,000 or more to charitable causes in 2017.

How Donors Are Changing the Ways in Which They Give

Donors and philanthropy are adapting with the times faster than not-for-profits or fundraising are adapting to keep pace. Cost and the perception of cost feature prominently today in donors’ decisions about which causes they will or will not support. 80% of Respondents are more likely to reduce support or stop giving to not-for-profits whose administrative costs appear to be too high, a perception linked to not-for-profits’ continuing expectations for unrestricted gifts.

I was invited to an all expenses paid retreat at a five star resort to listen to expansion plans for a homeless shelter. The irony was not lost on me.

My father died when I was seven and, no doubt, that is why I became a donor to and advocate for children’s bereavement services. Over time I became more involved with my local organization, learning more about the good work they did for children (and their parents) affected by the loss of a loved one, whether illness or traumatic accident, school shootings, etc. I was always impressed with them and very proud to be associated. When I lost my two-year old granddaughter three years ago, this same agency helped my daughter, son-in-law and grandson, not to mention me. I will be forever grateful and this organization will always be the one that makes me feel most proud of my philanthropy.
73% now stop supporting or reduce support to causes that spend too much on fundraising. This is a significant change from a decade ago when cost-per-dollar raised barely registered with donors as a reason to stop giving or reallocate their giving budget. The concern among donors that not-for-profits spend too large a portion of charitable contributions on fundraising is exacerbated by organizations that solicit heavily through the mail and/or send donors unwanted premiums as a solicitation tactic or as a reward for giving.

On the positive side, 69% of Respondents conduct more research before making giving decisions today, up from 57% five years ago. **Donors who put time into researching charitable causes rather than giving without making that effort, tend to give more generously.** 67% of Respondents are more likely today than they were five years ago to favor not-for-profits that provide measurable results on what they are accomplishing with donors’ contributions.

**Donors’ Giving Intentions for 2019**

**Note:** Respondents were surveyed between mid August and early October about their giving to date in 2019 plus what they planned to give by the end of the calendar year.

56% of Respondents expect to give about the same in 2019 as they contributed in 2018. The ratio is almost 3:1 for donors who plan to give more (29%) than less (10%), which is an improvement over what donors predicted in last year’s Survey.

Among donors planning to give more, 59% cited their personal financial ability to do so. Politics continued to play a role in this group’s intention to give more (25%), but this is down from 33% last year and 51% the year before.

Especially encouraging for fundraisers is that 34% of donors who gave the most money last year (over $10,000) plan to give more in 2019, which is up from 25% of this group who said that last year.

**On the worrying side, only 18% of Respondents are motivated to give more in 2019 because they are satisfied with the performance of not-for-profits they supported last year. This is down 5% from last year’s Survey. This change mirrors other research in the marketplace that has charted a downturn in Americans’ trust of not-for-profits.**
Young donors are especially optimistic about their giving this year with 49% planning to give more (up from 46% last year) versus 32% of middle-aged and 26% of older donors.

**Looking at this question by ethnicity, black donors are the most positive, with 37% expecting to give more this year.**

Among Respondents planning to give the same this year as last, 58% said they are financially able to maintain but not grow their philanthropy. However, one in three (33%) of these donors also said they could be persuaded to give more generously if a not-for-profit established a case for extraordinary need. That case could attempt to solve a problem or mitigate a poor situation but that is not the only kind of case that donors find compelling. A case that showcases an opportunity that could be realized with the help of additional funding is equally, if not more, motivating for donors. **Regardless, selling the brand or the organization as a whole will not motivate these stay-the-course donors to give more. Restricted appeals that are focused on a single program, project, or area of focus are essential.**

Other ways in which fundraisers can inspire some donors who were planning to give the same or less in 2018 to actually increase their giving instead include eliminating fundraising practices that donors find irritating such as over-solicitation and including premiums or token gifts with appeals or sending them to donors after they give. The latter demonstrate to donors that not-for-profits did not need all the money they raised. Matching gift opportunities are also popular as a way to increase support as is “being asked to give by someone I respect”.

The Connection Between Faith and Giving

Every edition of *The Burk Donor Survey* has noted a strong connection between being actively religious (attending services weekly or on a regular basis) and giving, giving more generously, giving to more causes, volunteering and volunteering in positions of authority, such as serving on a Board of Directors. **But our Survey has also found that the younger the donor, the less likely he/she is to be actively religious or religious to any degree. Giving USA, the annual report on philanthropy, also charts the percentage of all charitable dollars awarded to religious causes and that has declined from 48% 40 years ago to 29% in 2018.**

I am grieving the loss of my son, and trying to figure out how to honor him with a donation to a worthwhile cause.
Among Respondents in this year’s Burk Donor Survey who identify themselves as actively religious or religious, 98% gave to and/or volunteered for their faith organization, and 99% of these donors also gave to secular not-for-profits at a rate higher than for other Respondents. The most generous donors of faith have been actively religious all their lives (as opposed to becoming religious later in life, or turning away from and later returning to religious faith). Among this group, 59% gave $10,000 or more to charitable causes last year and 70% made their most generous contribution(s) in 2018 to their faith organizations.

Fewer young Respondents are actively religious (32%) compared with their middle-aged (44%) and senior (46%) counterparts. If this trend continues, then it is likely that religious organizations will continue to experience a declining share of philanthropic dollars.

Perhaps most interesting is the relationship between black donors, faith and giving to religious causes. 71% of black Respondents in this Survey categorized themselves as actively religious. While black donors gave less than white donors to charitable causes in 2018, they were more generous on a percentage basis to their faith organizations. 38% of black donors allocated 60-100% of their charitable giving budget to their religious institution. As well, and/or other religious cause(s). As well, black donors’ single largest contribution awarded to a cause last year was almost on par with the average largest contribution made by white donors. The difference was who received that generous contribution. For black donors, it was more often their faith organization.

Black donors were also more likely than all other donors in the Survey to credit their faith for their commitment to supporting secular causes.

Recommendations

The 2019 edition of The Burk Donor Survey includes sixty-nine graphs and tables illustrating statistical findings plus a series of practical recommendations on how fundraisers can use this information to raise more money and build more meaningful relationships with their donors.
When I was eight years old I answered a phone call from the March of Dimes. They were calling to remind my mother to turn in her March of Dimes booklet. (She was supposed to solicit our neighbors for donations.) I found the booklet and saw that it was empty, so I ran to my room and inserted all the dimes I could find. Then I went through the neighborhood until every spot was filled on the card. March of Dimes was thrilled. (I have to admit, though, that the neighbors got a bit tired of me because I continued to canvas for several more years.)

- one of over 7,000 Respondents in the 2019 edition of The Burk Donor Survey who told their stories about the first charitable gift they ever made.
Appendix iii

Donor-Centered Fundraising

SECOND EDITION

How to hold on to your donors and raise much more money

In this fully updated and substantially expanded Second Edition, author, researcher and fundraising expert Penelope Burk describes her groundbreaking methodology that challenges accepted fundraising practice with strategies that extend donor loyalty and raise much more money.

Supported by dozens of studies over twenty years involving tens of thousands of donors, Donor-Centered Fundraising paints a candid picture of why donors stop giving, and what it will take to preserve their ongoing loyalty in the future. In clear language and backed by statistical evidence, the book explores the pitfalls of the fundraising industry’s traditional approaches to donor communication and recognition, and clarifies what donors want but seldom get from not-for-profits they support.

Donor-Centered Fundraising features straightforward and accessible forecasts that illustrate how much money charitable organizations are failing to raise by employing an approach to fundraising designed for another time and a different donor sensibility. It then goes on to offer readers a step-by-step guide that transforms any not-for-profit into a Donor-Centered organization.

Filled with eye opening, humorous and often poignant anecdotes from donors and fundraisers, Donor-Centered Fundraising is the authoritative text for fundraisers, executive directors, board members, donor relations professionals and any staff or volunteers who interact with donors or deal with the financial support of not-for-profits. Donor-Centered Fundraising is today’s essential fundraising methodology for the not-for-profit sector.

Appendix iv

DONOR-CENTERED LEADERSHIP

In *Donor-Centered Leadership* Penelope Burk tackles one of our most frustrating and costly problems – the high turnover rate of staff and the financial toll it takes on not-for-profits. In plain language, backed by compelling research with over 12,000 fundraisers, Board members, CEOs, and donors, Penelope reveals how not-for-profits can raise much more money by bringing staff attrition under control.

While the book speaks directly to decision-makers, *Donor-Centered Leadership* is also an essential resource for fundraisers at any level, including Development staff working in or aspiring to management and leadership positions. Penelope puts real numbers to the coming exodus of senior fundraisers on the verge of retirement and offers a win-win solution that capitalizes on young workers’ eagerness for more responsibility and earlier promotion.

*Donor-Centered Leadership* exposes mistaken beliefs and out-of-date practices that make it harder for fundraisers to raise money and much easier for them to move on. And it goes further to examine an issue sitting just below the surface – the role that Leadership Volunteers play in fundraising. Penelope presents a riveting case for focusing Board members’ attention on the things they do best and which donors say will unleash their philanthropy at a whole new level.

Written in a style that is distinctly hers and with her trademark humor, Penelope draws readers through a narrative punctuated by compelling research data and real-life stories towards a conclusion that is nothing short of inspiring. *Donor-Centered Leadership* is a must-read for everyone in fundraising and in the not-for-profit sector.

“Game-changing books don’t come along often, so this could be the most important book about fundraising that you’ll buy in what, as Penelope Burk comprehensively illustrates, is likely to be your all-too-short and under-fulfilled career. That said, maybe you should invest in more copies, one each for your board and senior management team, then spread them around as compulsory reading, the first vital step towards bringing about – in your not-for-profit at least – the sea change that fundraising really needs.”

- Ken Burnett, Fundraising Author and Lecturer