DISASTERS, DONORS & GIVING

Good2Give Research, April 2011

good2give®

ABOUT GOOD2GIVE

Charities Aid Foundation (CAF) Australia was renamed Good2Give in late April 2016 with a new identity to drive $300 million in donations to charitable organisations by the end of 2020.

Good2Give is a not-for-profit organisation that makes it easy for businesses and donors to give.

Committed to building a more giving society, we advise businesses on how to engage with charitable organisations and provide technology solutions to efficiently and securely process company and employee donations.

www.good2give.ngo

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FOREWORD

In the wake of the natural disasters that shook Australia and our neighbours in early 2011, namely the Floods in Queensland, Victoria and Northern NSW; the Earthquake in Christchurch, New Zealand; and the Earthquake and Tsunami in Japan, CAF distributed Employee Workplace Payroll Giving and Employer Matched Donations to donors preferred charities.

Those charities included Australian Red Cross, The Salvation Army, Queensland Premier's Disaster Relief Fund, RSPCA, Save the Children and Lifeline.

Of CAF Australia's clients around 20% offered their employees the option to donate to these disasters via Workplace Payroll Giving. Encouragingly, most participating companies matched donations to varying levels for the Australian-based floods, with a lesser amount for the international disasters.

Conversations with our corporate and government clients, employee donors and charities led CAF to initiate this research study, *Disasters, Donors and Giving*, to understand how and why people give; and giving preferences during times of disaster. CAF focused on the impact that Workplace Payroll Giving does or could have as an effective channel for collecting and distributing donor funds for Disaster Appeals.

We know from research CAF conducted in late 2010 that the most important aspect of a company's Community Program is employee engagement. This current research study supports the earlier findings and provides valuable insights into how to gain greater engagement from employees.

Further, at CAF we wanted to understand what donors expectations are around giving during times of disaster and how not only CAF can improve its services, but how employer organisations and charities can also encourage and support employee giving.

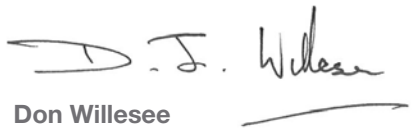
This is a very robust piece of research representing 1045 respondents across 59 organisations – confirmation again that donors do want to be engaged within their companies and with charities.

We hope from this research that the companies and charities we work with will take away some valuable learnings to ultimately improve their service delivery to donors.

CAF Australia is embarking on a period of positive business change and insights from this research are directing our continuing close work with you to build better community giving programs to ultimately help transform lives and communities around the world.

And finally, one comment from a donor that I found particularly powerful in demonstrating the impact that Workplace Payroll Giving can have, *"If I had a similar opportunity of someone helping me out when I was a kid it would have changed my life knowing someone out there gave a damn even for $5 a fortnight."*

We hope you enjoy reading the report and if you have any queries please do not hesitate to contact me at dwillesee@cafaustralia.org.au.



Don Willesee
Chief Executive
Charities Aid Foundation (CAF) Australia

EXECUTIVE SUMMARY

The key findings from the 2011 CAF *Disasters, Donors & Giving* research project strongly indicate that:

Employers Need a Disaster Appeal Strategy

It is essential for companies to have a Disaster Appeal strategy in place. Donors who give via Workplace Payroll Giving are big supporters of Disaster Appeals, with 91% having given in the last 2 years, whether via Workplace Payroll Giving or other channels.

A Disaster Appeal strategy will:

1. Deliver assurance to employees, so they know in the event of a disaster if and how their employer will support them in their giving;
2. Allow companies to react quickly to support employees in their giving; and
3. Enable companies to readily measure their financial impact for a specific Disaster Appeal if using Workplace Payroll Giving (over 50% of donors would support the use of this channel; this figure could be higher if charity choice was provided).

Donors want Charity Choice

Overall, around half of respondents said that one of the key reasons they give via Workplace Payroll Giving is the fact that they can donate to a charity of their choosing. When it comes to donating to Disaster Appeals, two thirds of donors want to choose the charity they give to.

These findings support the argument that charity choice will increase employee donations via Workplace Payroll Giving.

Convenience and Employer Donation Matching Drive Donations

Overall, the key drivers of Workplace Payroll Giving employee engagement are the Convenience of the service (66%) and because employers Match Employee Donations (61%). When it comes to Disaster Appeals, Matching Donations was regarded by 42% of people as a key driver for giving, with Victim Empathy (81%) being the main motivator.

Workplace Payroll Giving Donations are Stable

Giving to Disaster Appeals does not negatively impact Workplace Payroll Giving Regular Monthly donations, with 97% saying their regular monthly donations remain the same or increase whilst donating to Disaster Appeals. These findings are supported by CAF statistical data of year-on-year giving volumes.

Charities Communicate Poorly to Workplace Payroll Giving Donors

Charities communicate very poorly to Workplace Payroll Giving donors, whether post Disaster Appeals (75% said charity communication was poor) or Regular Monthly giving (65% said charity communication was poor).

Donors want charities to be transparent, demonstrate impact and ask for assistance (beyond donations) in their communications. eNewsletters/Emails are the preferred communication medium.

Workplace Payroll Giving Needs Promotion

There exists a significant opportunity to engage more employees in Workplace Payroll Giving through both Disaster Appeals and Regular Monthly donations as awareness is low and interest is high. Companies need to cross-promote to existing donors to raise awareness of Workplace Payroll Giving as supported by the following findings:

- 65% of respondents who did not know they could give to Disaster Appeals via Workplace Payroll Giving would like to be able to; and
- Nearly 50% of Disaster Appeal donors (who gave via Workplace Payroll Giving) would like to make donations via Regular Monthly Workplace Payroll Giving but were either unaware this option was available or had never thought about it.

Companies with a Workplace Payroll Giving program need to promote awareness of the service to non-donor employees to raise awareness of the benefits of using this giving channel.

It is not just companies that can promote Workplace Payroll Giving. Charities can help engage more donors by:

1. Improving your communications to Workplace Payroll Giving donors;
2. Working with your corporate partners to deliver key messages that resonate with donors and potential donors; and
3. Initiating Workplace Payroll Giving if it does not exist within the corporate partner.

KEY RECOMMENDATIONS: COMPANIES

Develop and Communicate a Disaster Appeal Strategy

The *Disasters, Donors and Giving* research clearly expresses strong employee support for giving during times of disaster. Like any other business plan, companies should define their Disaster Appeal strategy. And, like other effective strategies, there should be built in fluidity so companies can tweak polices depending on the scale of the disaster; whether local, interstate or international; and impact on, or relevance to, employees and communities in which the company operates.

Once the strategy is developed, it should be communicated to employees so they know in the event of a disaster what level of support to expect from their employer. This could be beyond the company solely matching donations to include volunteer support.

With a program in place it enables companies to easily measure their financial impact for a specific Disaster Appeal if using Workplace Payroll Giving. The research shows around one third of donors would support the use of this funding channel if they new about it or had access to it; and this figure could be higher if charity choice is provided.

Match Workplace Payroll Giving Employee Donations

The survey findings present a strong case that Company Matching of employee donations is a high motivator for employees to give. CAF facilitates all levels of matching from dollar to dollar to capped monthly or yearly amounts to special short term matching offers. Amongst CAF's clients, those that do match Workplace Payroll Giving donations tend to have higher employee participation rates. However, not all organisations (such as government agencies) are able to match donations, and yet some of these clients' programs are highly successful.

Consider Giving Employees Charity Choice

When donating to support Disaster Appeals, according to this research study, two thirds of donors want to choose the charity they donate to. CAF suggests surveying all employees to determine if these findings are reflective of your wider organisation before making a commitment either way.

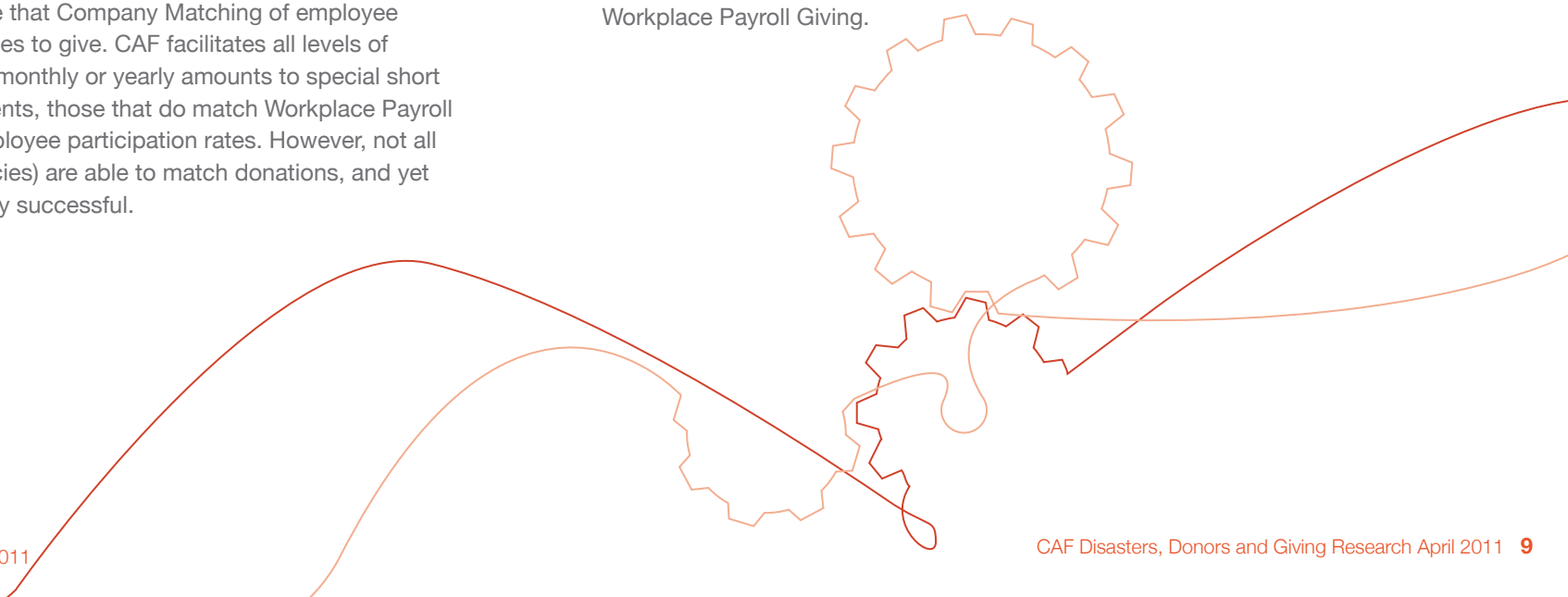
Promote Workplace Payroll Giving

There exists a huge opportunity to engage more employees in Workplace Payroll Giving through both Disaster Appeals and Regular Monthly donations as awareness is low and interest is high.

The research shows companies need to:

1. Cross-promote to existing donors who use the Workplace Payroll Giving channel both the ability to give on a regular payroll basis to charities and also during times of disaster to increase donor activity; and
2. Promote to employees who do not use Workplace Payroll Giving to raise awareness of the benefits of using this giving channel. In particular companies should focus on the convenience of the service and the fact that their company will match employee donations (if you can offer matching).

From our experience, CAF also strongly recommends companies appoint Champions within different parts of their organisation to build and maintain the profile of Workplace Payroll Giving.



KEY RECOMMENDATIONS: CHARITIES

Communicate to Donors

Donors are prepared to engage and say what they want. CAF recommends charities:

- Treat your Workplace Payroll Giving donors as VIP Donors; and
- Listen to your donors – they don't all want the same thing.

Currently it appears most charities are neglecting this loyal and high value segment.

Communicate to Corporate Partners

Charities can help engage and increase the number of donors by:

1. Improving your communications to Workplace Payroll Giving donors;
2. Working with your corporate partners to deliver key messages that resonate with donors and potential donors; and
3. Initiating Workplace Payroll Giving if it does not exist within the corporate partner.

CAF can support charities raise awareness of the benefits of Workplace Payroll Giving, and has a range of support materials to make it easy for charities to discuss with corporate partners.

Communicate to CAF

It is important for charities to communicate to CAF the Disaster Appeals they have in place in the wake of a natural disaster. Ensure the focus of the appeal is outlined explaining what the money raised will be used for, how it will be distributed etc.

CAF proactively communicates to our corporate and government clients what each charity is doing to support a particular natural disaster.

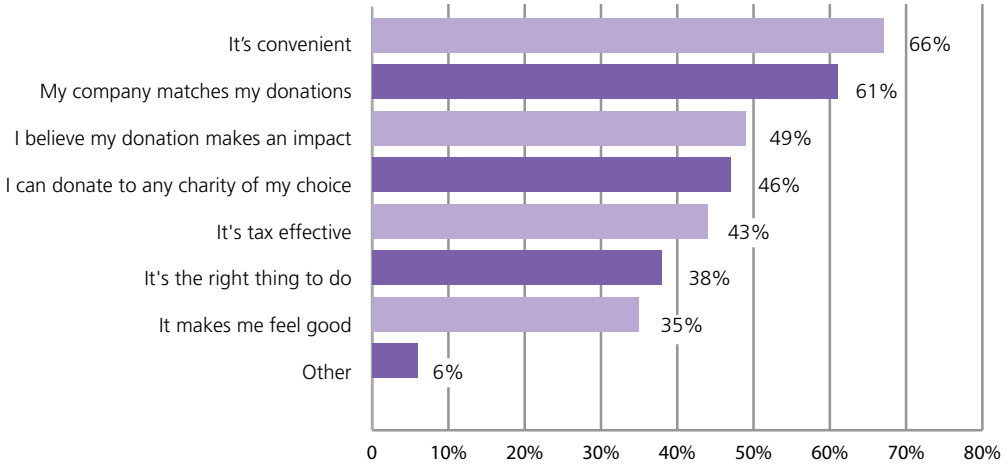
Ensure your charity's details are registered on the CAF website – www.cafaustralia.org.au – as this is often used as a resource for companies and employees in determining which charities they give to.

DONOR GIVING MOTIVATIONS & CONCERNS

Key Reasons to Give

Overall, it was clearly conveyed by respondents - 66% - that the Convenience of Workplace Payroll Giving is the main driver for use; and 61% of donors say Company Donation Matching is a key motivator. For the working age groups of 25-34 years and 35-44 years, Company Donation Matching is the most important reason for using Workplace Payroll Giving (71% & 66% respectively).

Q: What are the key reasons you donate to charities through Workplace Payroll Giving?



In regards to Disaster Appeals, whilst Empathy is the main reason why people give (81% of respondents) across all age groups, personal engagement is most obvious in the young with a higher percentage of the 18-24 year old respondents citing the following motivations more than other age groups:

- It Makes Me Feel Good: 66% of 18-24 year old respondents sighted this as a key motivation as opposed to just 35% of the over 55s and 34% of donors aged 45-54 years.

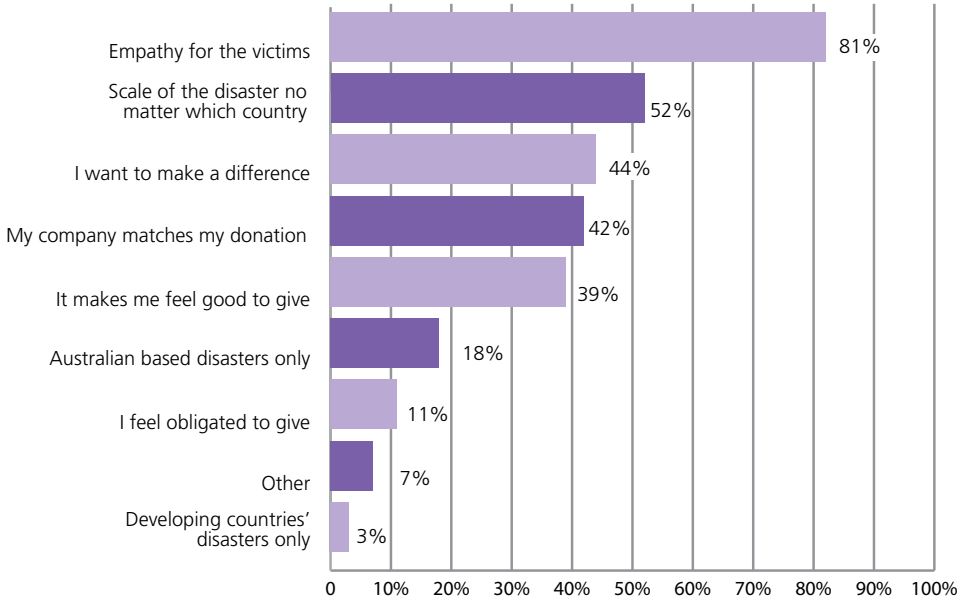
- I Want to Make a Difference: 62% of 18-24 year old respondents as opposed 43% and 40% in the over 55s and 45-54 year olds respectively.

The Scale of the Disaster appears to drive high earners, with 57% of those earning over $200,000 per annum saying this is a key reason as opposed to only 40% of those earning under $50,000.

18% of people said that Australian Based Disasters were important, although it was of greater importance (29%) to low income earners (under $50,000 a year) as opposed to only 12.5% of the highest earners, suggesting a more international outlook amongst higher earners.

Company Matching is remarkably consistent across income groups with 42% of respondents saying it is of importance when it comes to giving to Disaster Appeals.

Q: If you have given to Disaster Appeals in the last 2 years, what were your key motivations?



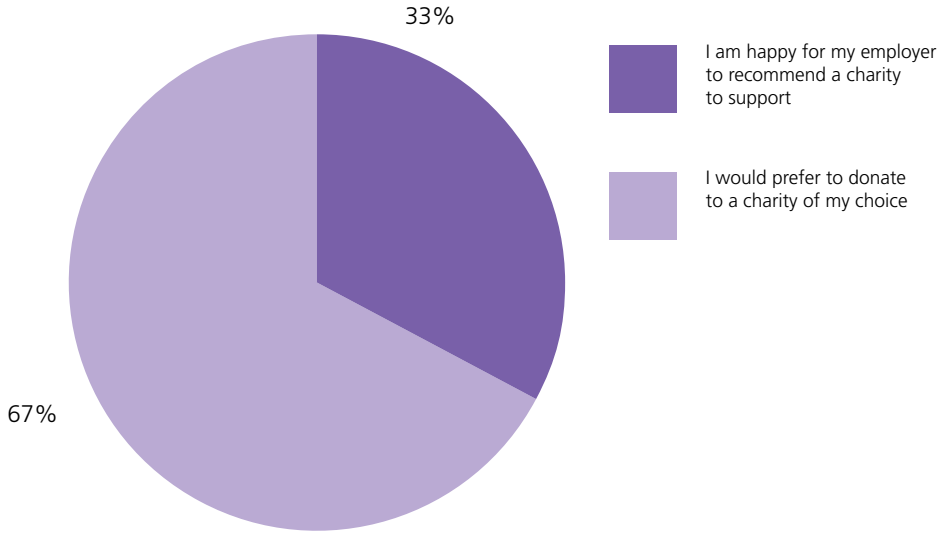
Importance of Charity of Choice

Overall, around half of respondents said that one of the key reasons they give via Workplace Payroll Giving is the fact that they can donate to a charity of their choosing; and most of CAF's client companies do offer donor charity choice. In terms of Regular Monthly Workplace Payroll Giving, most employee donors who give through CAF will donate to 2 to 3 charities, so in our experience offering charity choice in addition to charity partners increases overall giving.

When it comes to donating to Disaster Appeals, two thirds of donors want to choose the charity they give to; however, in CAF's experience most companies tend to nominate the recipient charity for a specific Disaster Appeal.

These findings support the argument that charity choice will increase employee donations via Workplace Payroll Giving.

Q: Do you prefer your employer to recommend which charity to donate to for Disaster Appeals, or would you rather make your own choice?



How Often Do People Give to Disaster Appeals

In Australia over the last two years there have been around 10 Disaster Appeals to support local and international natural disasters with 91% of respondents having donated during that time.

Across all age and income groups, 55% have donated to 1 or 2 disasters over the last 2 years; and 34% have given to 3-5 disasters.

Timeliness of Disaster Appeals

Amongst those for whom timing is an issue, 50% said they would like to know opportunities for donation within one week of a disaster occurring. For one third of all respondents timing is not an issue. Only 10% say they want to be able to give immediately in the wake of a disaster.

Disaster Appeal Giving Concerns

The greatest concern across all ages and incomes was the Timely and Appropriate Distribution of Funds (85%) with many respondents stating they are particularly concerned with the percentage of funds spent on administration costs.

Perhaps not surprisingly, those on lower incomes are more affected by their Personal Economic Situation (44% v. 16% in the highest income grouping). Political Instability of the Country was a lesser concern (24%), whilst a number of respondents questioned the need to give aid to developed countries.

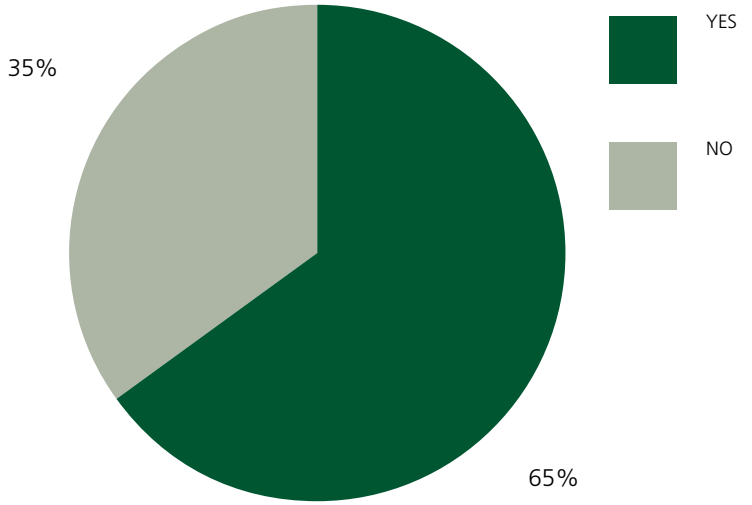
UNDERSTANDING WORKPLACE PAYROLL GIVING

Awareness of Workplace Payroll Giving

It is important to remember that all the employees who took part in the *Disasters, Donors & Giving* research study have donated to charities via Workplace Payroll Giving. This research identifies clearly there is still a considereable task within companies to raise the awareness of Workplace Payroll Giving. The key findings were:

1. 65% of respondents who did not know they could give to Disaster Appeals via Workplace Payroll Giving would like to be able to; this equates to around half of the total respondents.
2. One third of respondents who did not know they could give to charities through Regular Monthly Workplace Payroll Giving would like to be able to; of these respondents over 40% earn over $100,000 per annum.

Q: If your were not aware that you can give to Disaster Appeals through Workplace Payroll Giving would you like that option?



Stability of Workplace Payroll Giving Donations

The responses in this survey clearly show that donors who support Disaster Appeals do not reduce their donations through Regular Monthly Workplace Payroll Giving. Throughout all income brackets only 2% of respondents state they would look to decrease their regular monthly donations.

Conversely, the survey indicates that double the amount of lower income givers (2% v. 1%) would in fact look to increase their monthly donations rather than decrease to include Disaster Appeals.

Removing those respondents from the survey who do not give through Regular Workplace Payroll Giving - 97% state their Regular Monthly donations remain the same, or increase, while donating to Disaster Appeals through Workplace Payroll Giving.

These findings are supported by donations that come through CAF. Historically there has not been any negative impact on Regular Monthly Workplace Payroll Giving donations during times of Disaster Appeals or in the months following.

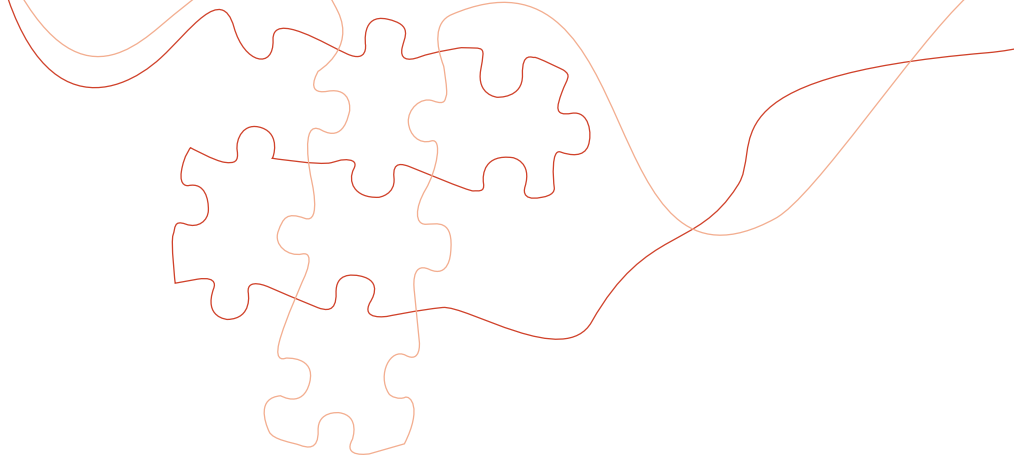
CAF Australia's Workplace Payroll Giving donors will give, on average, $720 per annum to charities via Regular Monthly Workplace Payroll Giving; and the average donation for Disaster Appeals is $150.

Increasing Workplace Payroll Giving Donations

For Disaster Appeals, one third of donors used Workplace Payroll Giving, although the research study suggests this would be higher if companies provided it as an option, offered choice of charity and matched donations.

In addition to giving via Workplace Payroll Giving, employees give to charities via other channels. Almost 60% of respondents used Online Credit Card to give during Disaster Appeals, with the strongest use of this method from those earning over $200,000 per annum for whom credit is the dominant form of giving; with 85% of these respondents having used it, as opposed 34% giving via Coin Donations and 21% via Workplace Payroll Giving.

Less surprisingly, Coin Donations finds most popularity in the lower income groups with 57% of those earning under $75,000 utilising this method in comparison to just 34% of those earning over $200,000 per annum.



Despite the various donation options, CAF believes there is great potential to increase donations via Workplace Payroll Giving from existing donors and non-donors by understanding the key donor motivations of this channel, ie, employer matching of donations and convenience.

To increase Workplace Payroll Giving donations, companies should consider:

1. Introducing donation matching if you do not already match;
2. Promoting the donation matching aspect of your Workplace Giving Payroll program, if it is offered;
3. Expanding the matching parameters: for example, from only charity partners to all charities and introducing special matching donation months such as double matching;
4. Offering employees the availability to choose which charities they donate to, noting that charity partners can still be a strong component of a company's Corporate Community Investment program;
5. Making it as easy as possible for employees to give via Workplace Payroll Giving.

CAF is introducing an online giving platform which will allow employees to more easily participate in Workplace Payroll Giving. Of the 1045 people who responded to this survey, 60% said they would prefer an online pledge form while 40% indicated either paper or online pledge forms were acceptable. Only 13 respondents said they preferred a paper pledge form.

Often it is not until donors participate in Workplace Payroll Giving that they realise how easy and convenient it is; and therefore other giving channels such as online credit card donations and coin donations become less attractive. This change in giving behaviour can allow companies to track employee donations and increase the impact of their Corporate Community Investment program.

A selection of comments why respondents like Workplace Payroll Giving:

- The matching is great! I feel my amount is multiplied by my employer and that's wonderful.
- The ease with which it happens, set and forget.
- Workplace Payroll Giving is convenient and safe.
- Workplace Payroll Giving was recommended by my charity saying it was better for them than an annual donation. What is important to my charity is important to me.
- Security. I have been ripped off by fraudulent over the phone charity donation/ raffle offers.
- My household commits to giving 1% of our annual income and that's a choice we make because we should.
- I like giving but I'm a bit lazy. The fact someone else takes it out for me each week is appealing. I don't think I would give as much if I had to do it myself. It certainly wouldn't be every week and so I would end up giving a lot less to my charities.

DONOR COMMUNICATIONS

The overwhelming response from donors who use Workplace Payroll Giving to give to charities is that charities need to improve their communications to these important donors. The survey revealed:

- 75% of donors feel charities do not communicate well on how they use Disaster Appeal donations; and
- 65% feel charities do not communicate well on how they use Regular Monthly Workplace Payroll Giving donations.

Interestingly, charities often contact donors who give via other channels, however it appears many charities forget to engage with their Workplace Payroll Giving donors. Charities are neglecting a loyal and high value group of donors.

According to recent analysis which CAF in the UK undertook of its Workplace Payroll Giving donors over a 20 year period, donors provide charities with regular donations over an average lifespan of eight to ten years. This is a group of high value, loyal and long term donors by all fundraising measurements; and a group of people that deserve to be listened to and nurtured.

A selection of comments by respondents regarding charity communications:

- I find it quite disappointing that I don't even receive a monthly newsletter from the charities I donate to through Workplace Payroll Giving. If I was to donate to the same charities outside of work I know I would receive newsletters and information.
- I kind of feel with Workplace Payroll Giving that charities don't really know who the donor is and that they think the funds are from my employer.
- I receive too much information from the charities I signed up to through Workplace Payroll Giving. Despite repeated requests to my charity to cease sending me info, they didn't. As such, I stopped giving. Their systems did not recognise that I gave money each month and as such, they sent me further emotive and expensive direct mails. I asked them at least three times and now I have just removed them from my charities. I don't want to give to a charity that does not use funds wisely.
- While it is interesting to see how donations are spent (and to know that they are being spent wisely) any money spent on communication is not spent on doing work - a small amount is OK - but let's not waste money on making donors feel special.

What Donors Want to Know

The key message that came through in the *Disasters, Donors and Giving* research is that donors want to know how charities spend the donations they receive, whether for Disaster Appeals or Regular Monthly donations. Charities need to:

Be Transparent by communicating:

- Percentage of donations spent on administration costs
- Processes around delivery of funds and timelines for appeal efforts
- Donation amounts received for specific appeals.

Demonstrate Impact by communicating:

- Scale of efforts: what a specific dollar amount can do; number of people/families/communities who benefited; overview of different projects supported
- Progress being made in affected areas and/or support of groups of people
- General updates
- Positive/success stories.

Think Beyond Financial Donations by communicating:

- Other support required such as volunteer opportunities.

Donors are prepared to engage and say what they want. CAF recommends charities:

1. Treat your Workplace Payroll Giving donors as VIP Donors; and
2. Listen to your donors – they don't all want the same thing.

A selection of comments by respondents regarding information they would like to receive from charities:

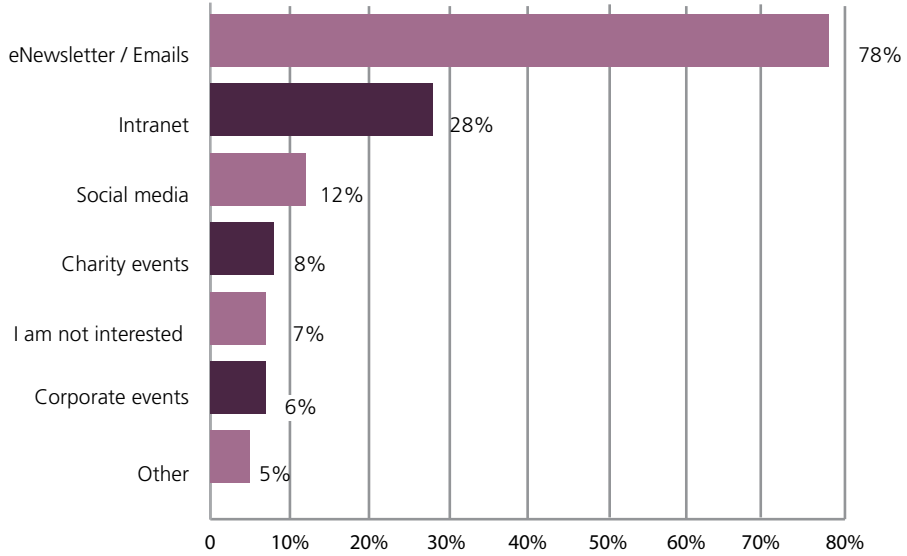
"
- I want actual evidence of outcomes as a result of financial donations.
- Tell me how the money is spent, from buying blankets to corn to a detailed breakdown cost on administration fees.
- Please provide just a short detail of how and where the funds were being utilised. It is nice to see your money goes to something tangible.
- I have never heard from any charity I've donated to via Workplace Payroll Giving; it would be nice to know what the money is being used for."

Preferred Communications Mediums

100% of donors use a computer either in the office or at home and nearly 80% of respondents would prefer to receive information from charities via eNewsletters/ Emails. One third would like to receive information via their company's Intranet, so charities and companies need to build relationships to enable better communication to Workplace Payroll Giving donors.

Interestingly, social media did not rank highly, with only 11% preferring this channel. In a research study conducted by CAF UK *How to Connect with Donors* in 2010, 69% said that charities should communicate through social networking[1]. Perhaps this is a trend to look out for in Australia?

Q: How would you like to receive information about how your donations are being utilised?



1: The question was asked in the context of what activites should charities undertake more of in a recession.

BENEFITS OF CAF

CAF appreciates there are many reasons why companies choose to engage our assistance with the delivery of their Workplace Payroll Giving programs. Further to the reasons that key stakeholders within a business choose to engage CAF, is to understand the value of CAF's services to employee donors which include:

- Timely delivery (monthly) of donations to charities
- Confidence donations are being passed on
- CAF customer service
- Offer of full choice of charity, or charity partners, for donations
- Full and accurate data collection, funds flow and reporting
- Low administration fees
- Anonymity of donor if requested.

A selection of comments by respondents regarding CAF's services:

"
- CAF is a brilliantly simple way of donating - in a way that minimises the impact on my take home pay.
- It is centrally managed and sponsored by the employer. I trust CAF.
- I can be confident that donations get to the intended recipients via a reputable organisation like CAF.
- I really appreciate that my company is generous to match my donation, and that CAF looks after all the paperwork so this doesn't need to be done by someone in-house.
- I like being able to talk to someone in the CAF office if I have any problems - and that I have always received excellent help.
- The monthly donations update received via email. Quick and responsive emails to CAF for information or making enquiries about certain matters. Easy. "

METHODOLOGY

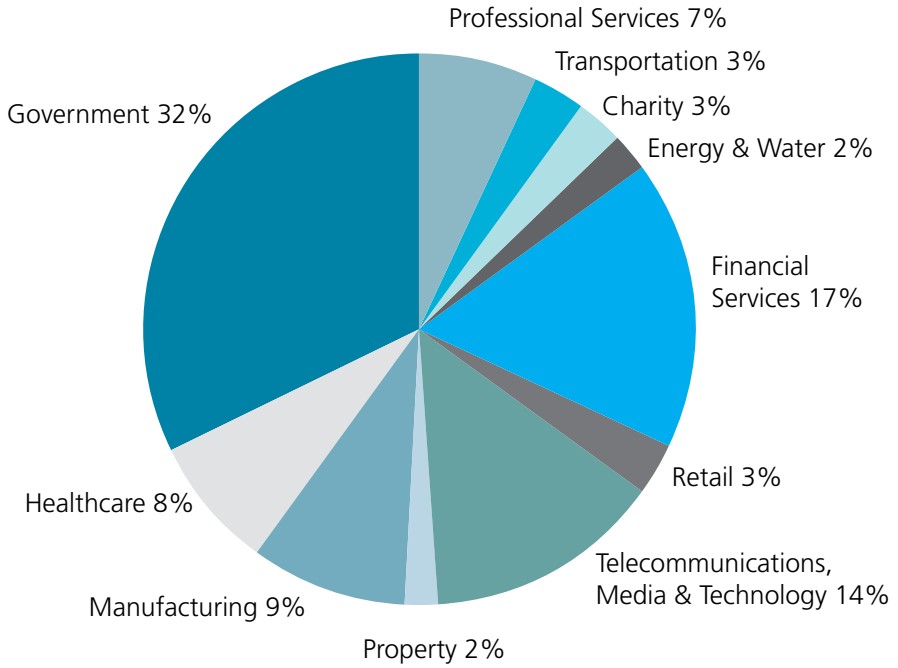
Employee donors who give via CAF's Workplace Payroll Giving service were sampled during April 2011. Donors were emailed an online survey for completion. 1045 donors responded across 59 organisations.

The data collected was cross tabbed with Age and Income to determine the impact that these demographics had on behaviour. Below is a breakdown of respondents by Age and Income.

Age Bracket	Response Percent	Response Count
18-24 years	3.0%	31
25-34 years	23.3%	241
35-44 years	32.5%	337
45-54 years	27.9%	289
Over 55 years	13.3%	138

Income Bracket	Response Percent	Response Count
Less than $50,000pa	8.6%	84
$50,000-$75,000pa	29.1%	284
$75,000-$100,000ps	26.9%	263
$100,000-$200,000pa	28.8%	281
$200,000pa or more	6.7%	65

Donors came from a cross section of Australian business; from large corporates to medium sized Australian businesses to Federal, State and Local Government organisations. Additionally, charities that also have their own employee Workplace Payroll Giving programs responded. A breakdown by industry sector of respondents follows.



Consider this:

If just 10% of the Australian workforce donated $5 per week through Workplace Payroll Giving, an extra $260 million per year would be raised for our communities, and that's before any matching from employers.

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