

# Still a good cause?

Counting the cost of negative publicity for charities



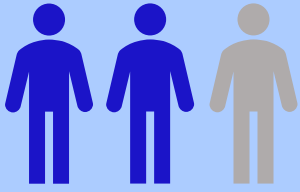
In April 2018, Advantage Market Research Ltd conducted a survey to assess the potential impact of the negative publicity surrounding Oxfam's sexual misconduct scandal on the public's willingness to donate financially to charities.

respondi's online mingle panel was used to collect 1,034 responses from a cross section of the UK population. The panel was used for its fast access and all fieldwork was completed within a week.

## Highlights

- Almost all charities have been negatively affected to some degree:
  - While some people have been motivated to donate more, a net negative impact on willingness to donate is seen.
- A significantly greater negative impact is seen for International Non-Government Organisations (NGOs):
  - 30% of current donors are now less willing to donate.
  - A more pronounced impact is seen among those aged 45+ (almost double compared with those under 45).
- The findings demonstrate negative reactions to perceived excess within charities:
  - Recent media attention has called into question the behaviours and management practices within several prominent charities along with perceived high CEO salaries.
  - This has contributed to the negative shift in the public's willingness to give to larger charities when they are uncertain, or unhappy, about how their donation is being used.
- There is a greater need for charities to prove they operate ethically and effectively:
  - Donors increasingly need to see their charity is run efficiently, operates in an ethical manner and achieves results.
- The amount donated to charities over the next twelve months is expected to decline slightly:
  - There will be winners and losers as donation preferences change and critical choices are made.
  - Smaller, local charities are expected to benefit as people look for greater evidence that their donations are used appropriately, and results more readily seen.

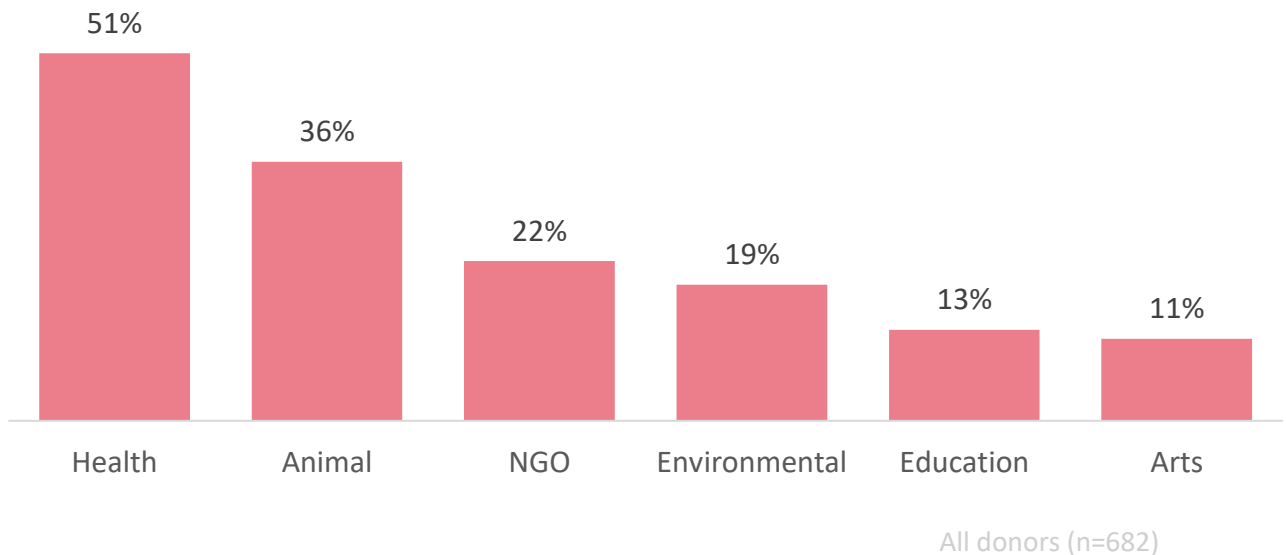
# Financial Donations to Charities



Two out of three people donated financially to charities in the last 12 months.

Health, Animal and International Non-Governmental Organisations (NGOs) were the most popular charity types supported last year.

Charity Types Donated to in the Last 12 Months



The following definitions were used in the e-survey:

- Animal Charities, e.g. animal welfare, wildlife conservation.
- Environmental Charities, e.g. environmental conservation & protection.
- International Non-Governmental Organisations (NGO's), e.g. disaster relief and international development.
- Health Charities, e.g. working on cures for diseases and promoting public health awareness.
- Education Charities, e.g. making education more accessible and effective.
- Arts & Culture Charities, e.g. preserving and promoting artistic and cultural heritage.

# Annual Donation Amount

# £172

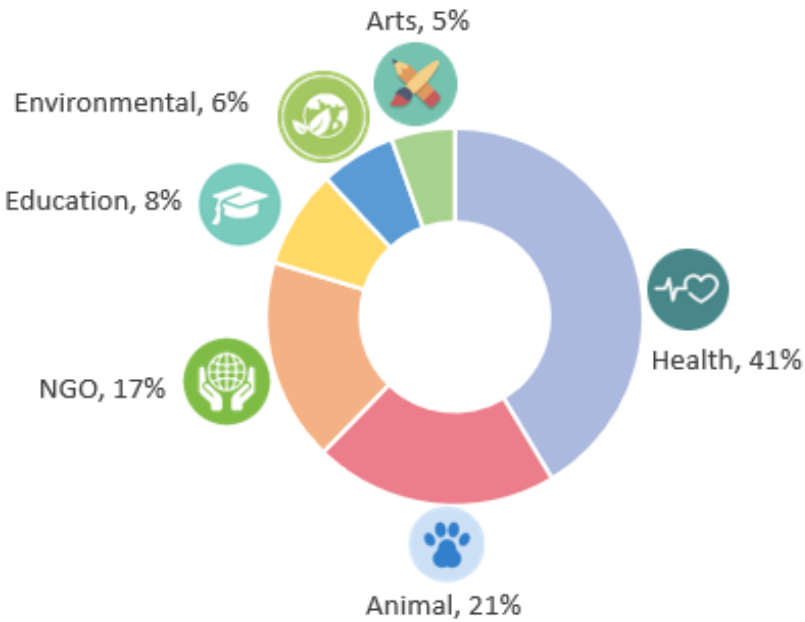
The average amount each financial donor gave to charities last year.

The average donation amount differs by charity type, with Health and NGOs receiving the higher amounts.

Mean Donation (per Person) by Type of Charity



Health and Animal related charities accounted for two thirds of total donations last year.



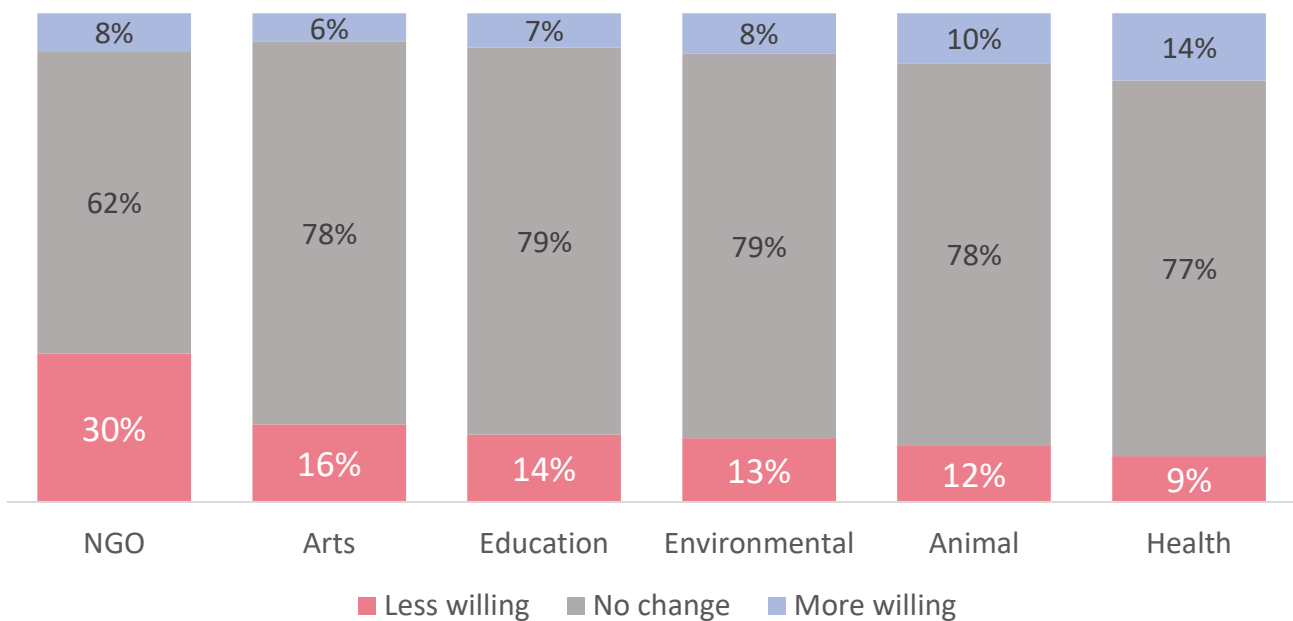
All donors (n=682)

## Impact on 'Willingness to Donate'

Almost all charities can expect to be impacted financially by the recent Oxfam scandal and negative media attention.

Only Health related charities buck the general trend and may benefit from shifting perceptions.

Impact on Willingness to Donate by Type of Charity

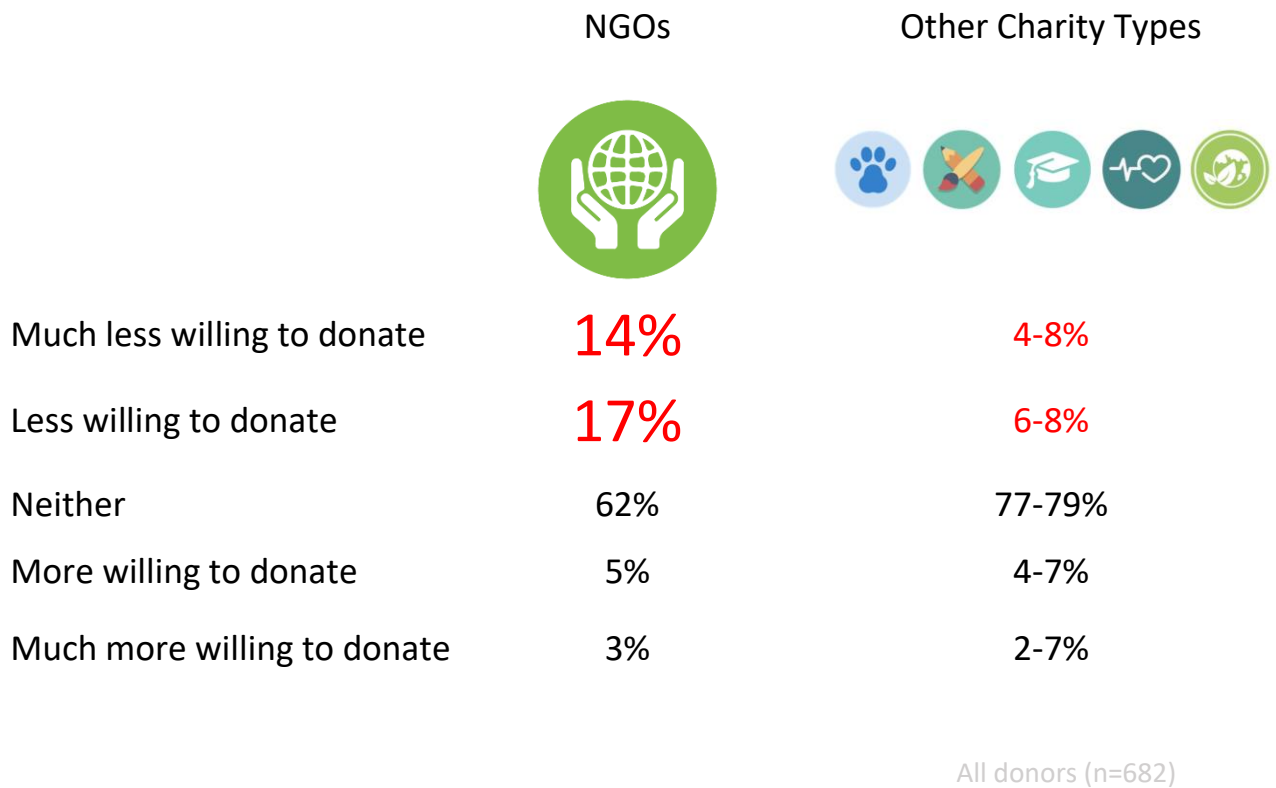


All donors (n=682)

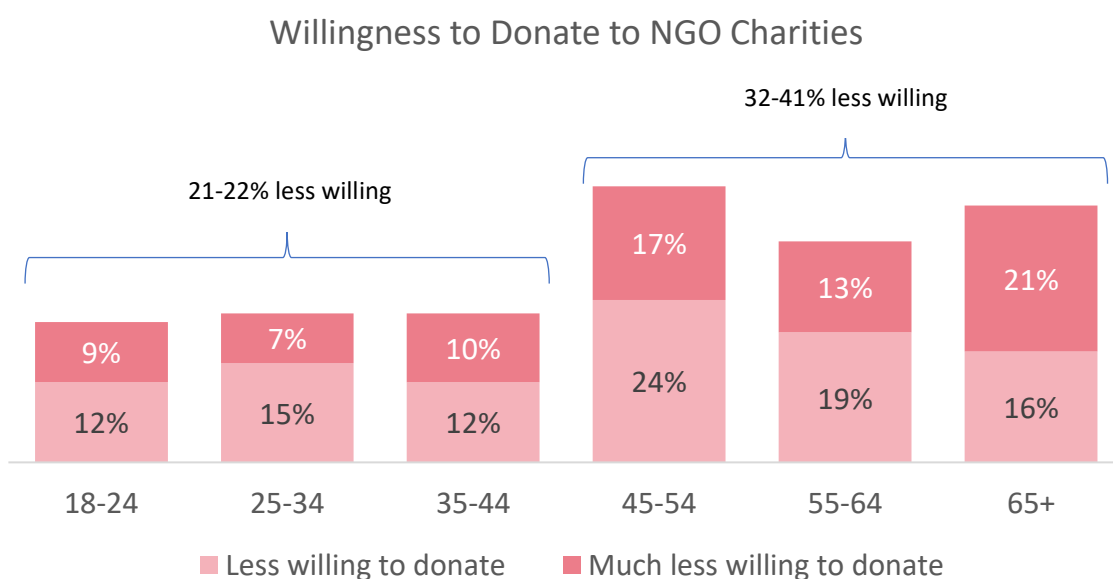
# 30%

Three out of ten people are now less willing to donate to NGO charities.

The extent of the negative impact is also seen in the strength of feelings expressed, with almost twice as many people saying they are 'much less willing' (the strongest negative option) to donate to NGO charities compared with all other charity types.



The negative reaction to NGOs is more pronounced amongst older generations.

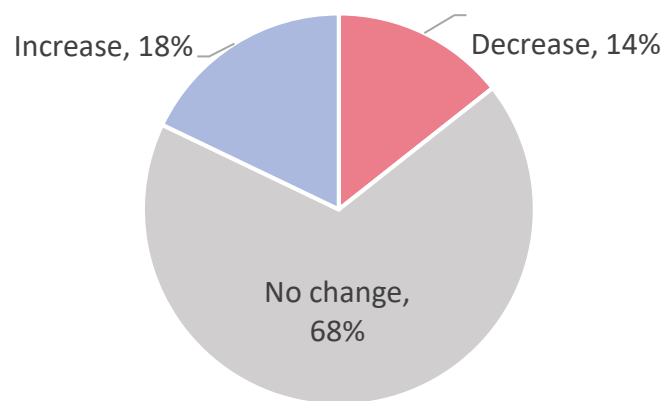




## Future Donations

Most people expect the total amount they donate to charity to stay the same over the next twelve months. This suggests there will be a shift in types of charities supported.

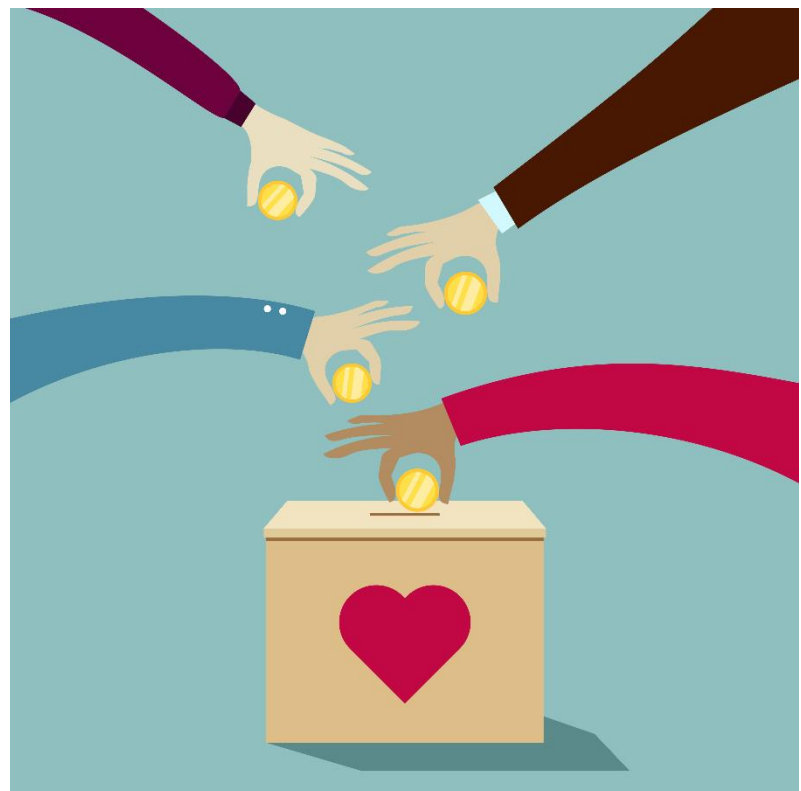
Expected change in the amount donated in the next twelve months



The average future donation amount is not expected to change significantly:

**£170**

Just 3% of those not currently donating plan to do so in the next twelve months.



## Encouraging Future Donations

Several clear themes emerged when we asked people what charities need to do to encourage them to donate:

- Transparency and reassurance that the charity is using its financial donations in an efficient and ethical manner:
  - Senior staff salary is an especially contentious issue and a key factor contributing to negative perceptions of excess.
- Current donors in particular, express a need for proof that the charity is making a difference.
- We also see negative reactions to pestering and chugging (the action or practice of approaching passers-by in the street to ask for subscriptions or donations to a charity).
- A shift in giving habits towards smaller local charities is seen:
  - Organisations with perceived lower administration overheads and where the benefits of the donation are more readily seen.





*“Be more accountable and less extravagant.”*

*“Send a bigger proportion of what I donate to the cause concerned and not spend it on admin costs etc.”*

*“There have been several news stories recently about corruption and misuse of funds in charities. They need to stop taking money that is intended for the poor and needy for themselves.”*

*“Stop wasting money donated by us being used on wages and other resources.”*

*“Stop using donations to pay inflated wages to staff.”*

**Transparency and reassurance that the charity is using its financial donations in an efficient and ethical manner.**

*“Fewer 'sob stories'. More information about exactly where the money will go and what it will be used for.”*

*“Be transparent and honest especially in the third world and Middle East where corruption is rife and the workers abuse the rights of the needy by taking advantage of the situation.”*

*“Stop paying the executives exorbitant salaries. The money needs to be funnelled to the people who need it and not the execs to live a life of plenty.”*

*“Show that the money is helping to achieve real change.”*

*“Showcase the good work they are doing and demonstrate good management of funds through more transparency. Not rely on sob stories and fear mongering.”*

*“Prove that the money is going towards the outcome/making a meaningful impact.”*

**Demonstrate that the charity is making a difference.**

*“Prove that the money is being well spent.”*

*“Don't chase me for more money. Assume I am an intelligent person and so when I see advertising, leaflets and direct post that I wonder how much they cost and wish the money had been added to the reason I donate.”*

**Negative reactions to ‘pestering’ and ‘chugging’.**

*“I am tired of being CHUGGED at every street corner and supermarket, tired of cold-calling and VERY, VERY tired of mail shots. I subscribe to my chosen charities but will not accept chugging in ANY form.”*

*“We all know where they are and will give what and when we can without continual prompting, which can be irritating.”*

**“We are all getting appeal fatigue.** I think people prefer to donate to charities that are local or have a connection to them or their loved ones.”

**Preference for local (transparent) charities.**

*“I prefer to support smaller, lower profile charities.”*

*“I prefer local charities, where possible, where the impact is visible to me.”*

## Implications

- All charities and NGOs need to take action to reassure donors of their ethical and efficient operation and what they are achieving with the donations:
  - The challenge is doing this in a way that does not contribute to the negative perceptions that it is seeking to address. This is especially apparent for NGO's.
- Charities need to sense check their fundraising and operational activities against the key question of 'how will this be perceived?', particularly in today's climate of heightened sensitivity.
- Fundamentally, charities need to respect that donors retain an intellectual and emotional link to the money they give and that donations can be regarded more like an investment (with the expectation of returns) than a gift. Tied with this is the need for the charity to demonstrate that donations directly make a difference.
- Transparency and accountability need to be ongoing considerations to both retain and attract 'investors'.
- It is increasingly important for charities to connect with donors in a deeper, meaningful way to demonstrate their true impact value and what can be achieved with continued support. Fundamentally, it means providing donors with clear reasons to 'invest' to stand out from competing causes.
- Without this reassurance, it is likely that donors will shift their focus to smaller, local causes where the transparency of the operation and impact of the donation is more readily seen.

**Please get in touch if you have any questions.**

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## About Advantage Market Intelligence Ltd.

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The personal touch of a consultancy with the capabilities of a full-service research agency.

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As a panel provider, respondi is certified according to the internationally recognised Norm ISO 26362 and compliant with the new general data protection regulations (GDPR) that come into effect on May 25th 2018.



respondi is a member of the ESOMAR, irep, DGOF and Adetem associations.



**mingle** is an online opinion platform of respondi and has over 300,000 members throughout Europe.

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