



# The future of giving

How our donation habits are changing, and what charities can do about it

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# Trends in UK giving

Barclays has conducted extensive new research among charities and the individuals who give to them. It reveals:

- People in the 35 to 54 age group gave most to charity on average last year. The next highest donation value came from the under-35s – overturning common assumptions about donor demographics.
- 55% of younger people say they are more likely to donate than they were three years ago, further underlining the potential importance of this group to charities.
- On-street donations are still the most common way to give, according to donors. But 73% of charities report that street donations are declining because people are less likely to carry cash.
- Other traditional channels for giving remain popular. 43% of individuals have used offline donation methods more over the past year, while 26% have used online methods more, and 20% used them equally.
- However, seven in 10 charities see online fundraising as ‘the way forward’, and half of all charities are actively exploring investment in new ways for their supporters to donate.
- Public trust remains an issue for organisations to tackle, with almost a third of consumers saying that lack of trust in charities is a barrier to giving.



7 in 10  
charities recognise  
the importance of  
**online fundraising**

50%  
of all charities are  
exploring new  
ways to donate





# Executive summary

To grow consumers' support, charities need to innovate – not just online, but in the most traditional donation methods too.

People across the UK give to charities today in ways that have remained popular for a decade or more – giving goods to charity shops, buying raffle tickets, supporting events and pushing money into charity tins on the high street.

**Under the surface, though, the ways we give – and the methods used by charities to encourage us – are undergoing significant changes.**

This research, based on detailed interviews with 300 large charities and over 2,000 individuals, reveals the societal trends and shifting habits that are set to transform the sector.

## Can street giving survive?

Our findings make it clear that on-street donations – the most common way of giving money directly to charities – are in decline. Almost three-quarters of charities say this type of collection is waning because people carry less cash; 39% see strong signs of this.

This is a real threat to many charities, since we know that people like to give spontaneously when such opportunities arise. “I had change in my pocket”, “I can’t walk past a worthy cause”, “It means I give to charities I often wouldn’t have thought of” – these are typical of the donors’ comments our researchers heard repeatedly.

Contactless technology offers one possible route to salvation for street donations in an increasingly cashless society. While concerns about security remain, our findings suggest that large numbers of donors are open to this solution. Twice as many charity donors see contactless as a good idea than those who dislike it, and the under-35s are especially enthusiastic.

## Demographic surprises

It’s a truth universally acknowledged in the charity sector that older people are more committed to the charities they support. Our charities repeat it here, with 63% viewing the over-50s as the demographic from which they receive most donations.

Which age gives most on average?

£265  
35-54 years old .....

£168  
55+ years old .....





# 90%

of the **charities** that have invested in new fundraising methods have noted **payback**

Our findings certainly suggest that older people are more likely to give regularly via direct debit. One of the surprises, however, is that they are the age group who report giving least in terms of overall value.

The 35 to 54 age group gives most on average while the youngest donors give significantly more than the oldest group. There are also some unexpected findings about the ages of those who show most enthusiasm for charities working in specific fields.

[These results suggest some charities might gain from focusing more effort on appealing to the next generation of supporters.](#)

## Online innovations

Meanwhile, the shift to online donation continues. Seven in ten charities have seen the online share of their income rise in the last three years, and most expect the trend to continue. Some, however, anticipate a struggle to maintain online donations after the [General Data Protection Regulation](#) comes into force this year.

A significant number have invested in new methods of fundraising over the past year. Many of these initiatives are designed to make it easier

for people to donate – from upgraded websites and PayPal links to partnerships with third-party platforms, such as JustGiving and Apple Pay. Of those who invested, almost 90% have seen payback for their efforts.

At the same time, all but a handful of charities believe that traditional offline methods of donation are here to stay. This tallies with the approach of donors, many of whom are happy to use multiple channels: “I just give now and then, using various methods”, is how a third of our interviewees sum up their charity support.

The charities that thrive will be those who are similarly flexible. They will nurture their most loyal givers, while finding ways to present themselves to new pockets of potential support. And while extending their online capabilities, they will also seek new innovations to help them go on benefiting from tried and tested fundraising methods – not least the charity shop donation and the street collection.

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# The way we give now

Our survey sheds fascinating light on new trends in the way UK charities are supported – and on some aspects of giving that remain stubbornly resistant to change.

Giving to charity is a way of life for people across the UK. 85% of us have donated money in the past year, giving an average amount of £231.

Total donations of between £100 and £499 are most common in Northern Ireland, Scotland and the Midlands: this value accounts for almost a third of donors in these regions.

Higher value donations are much rarer. They are more often seen in London and the South East and in the Midlands: 8% of those who give to charity in these areas donated more than £500 in the past year, compared to 1% in Wales and none in Northern Ireland.

In addition, many people give in non-financial ways, for instance by donating items to charity shops (69%) or shopping there (62%). Others volunteer their time to help their favoured causes (22%).

While older people are the most likely group to interact with charity shops, the under-35s are most

active in volunteering for a favourite cause (29%) or launching themselves into a sponsored event (28%).

## From street to screen

Street collections are in decline. 73% of our charities say the amount of street donations is falling because people are carrying less cash. Consumers agree, albeit less emphatically.

Regardless of this trend, however, street collections are still the most common way to give, according to our consumers. Almost half of them have donated in this way over the past year, a proportion consistent across all age groups.

Others favour online methods. JustGiving is a popular way to donate for a third of respondents aged up to 55, though only 18% of older people use the platform.

## Average donation by region

£182

Scotland

£266

Midlands

£441

East

£172

South West

£309

London & South East



Donation by text and via charity websites are favoured by a fifth of younger people, but again are less popular among the over-55s. Conversely, older givers are more likely to have set up a regular donation – 31% of over-55s give through direct debit or payroll, compared to 18% of under-35s.

There are some striking regional variations. While 60% of respondents from Northern Ireland have given to street collections over the past year, only 39% of those in Wales have done so.

And JustGiving is far more popular in Scotland, London and the South East, where around a third use it, than in Northern Ireland, where it is favoured by only 8%.

The endurance of the cheque

Cheques may be seen less in commerce these days, but they are still a common way to give. The overwhelming majority of charities receive them. For around a quarter of organisations, they are the main form of donation received.

This applies regardless of the size of the charity itself, though there are some notable regional

differences: cheques form the biggest proportion of donations for 36% of charities in the North of England, but for only 19% of those based in Scotland, Wales or Northern Ireland.

Charities in the Midlands are most likely to rely on direct debit as their main form of donations, while cash giving is most important to Northern charities.

By an average of two to one, charities depend mostly on donations from individuals, rather than businesses. But more than half of charities expect business donations to increase.

There is wide regional variation here, with 72% in the North predicting a business boost but only 44% of Midlands charities similarly hopeful.

Who gets our love?

Charities serving children, animals and medical causes are most popular among those who donate. The charities mentioned most frequently by consumers in our survey were Cancer Research UK, British Heart Foundation, Macmillan Cancer Support and BBC Children in Need.

Further down the league table, charities working in the fields of housing and homelessness are supported by around a third of donors. Overseas aid and disaster relief attract donations from 18%, while sports and arts charities languish at the bottom with support of 4% each.

People in Northern Ireland are notably more likely to give to medical research, elderly causes or religious organisations, but are less moved by animal welfare than those in the rest of the UK.

Donors' top causes 2017



#1



#2



#3



# The fundraising generation gap

Most charities continue to see older demographics as the bedrock of their donor base – yet people in the over-55 age group now report giving least. Are charities at risk of focusing on the wrong demographic?

Asked which age bracket forms the basis of most of their donations, 63% of charities point to the over-50s. Just over a quarter say the 30 to 50 age group are most important, while only 1% cite younger people.

With some variations, this split is seen across almost every size of charity. Those with a turnover of £3m to £6m are the most likely to believe they receive most from older donors: over two-thirds of these charities say this demographic is most important to them, while only 18% of them look chiefly to the 30-to-50 group.

In bigger charities, the divide is less pronounced. Of the charities that take in over £20m, 56% cite older donors and 34% say the intermediate age group is most important.

A regional split sees organisations in the North more likely to depend on the intermediate group than in other areas.

## Gap in perception

Direct evidence from the donors themselves suggests a gap between charities' image and actual giving patterns.

People in the intermediate age group report giving the most over the past year – an average of £265. The under-35s gave £246, far more than the £168 average of the oldest donors.

It follows that while monthly giving is the most common frequency for over-55s, other age groups are most likely to characterise their donor activity as “just giving every now and then, using various methods”. This suggests much of their giving is spontaneous and opportunistic.

## Most likely to give...

‘every now and again’ using various methods

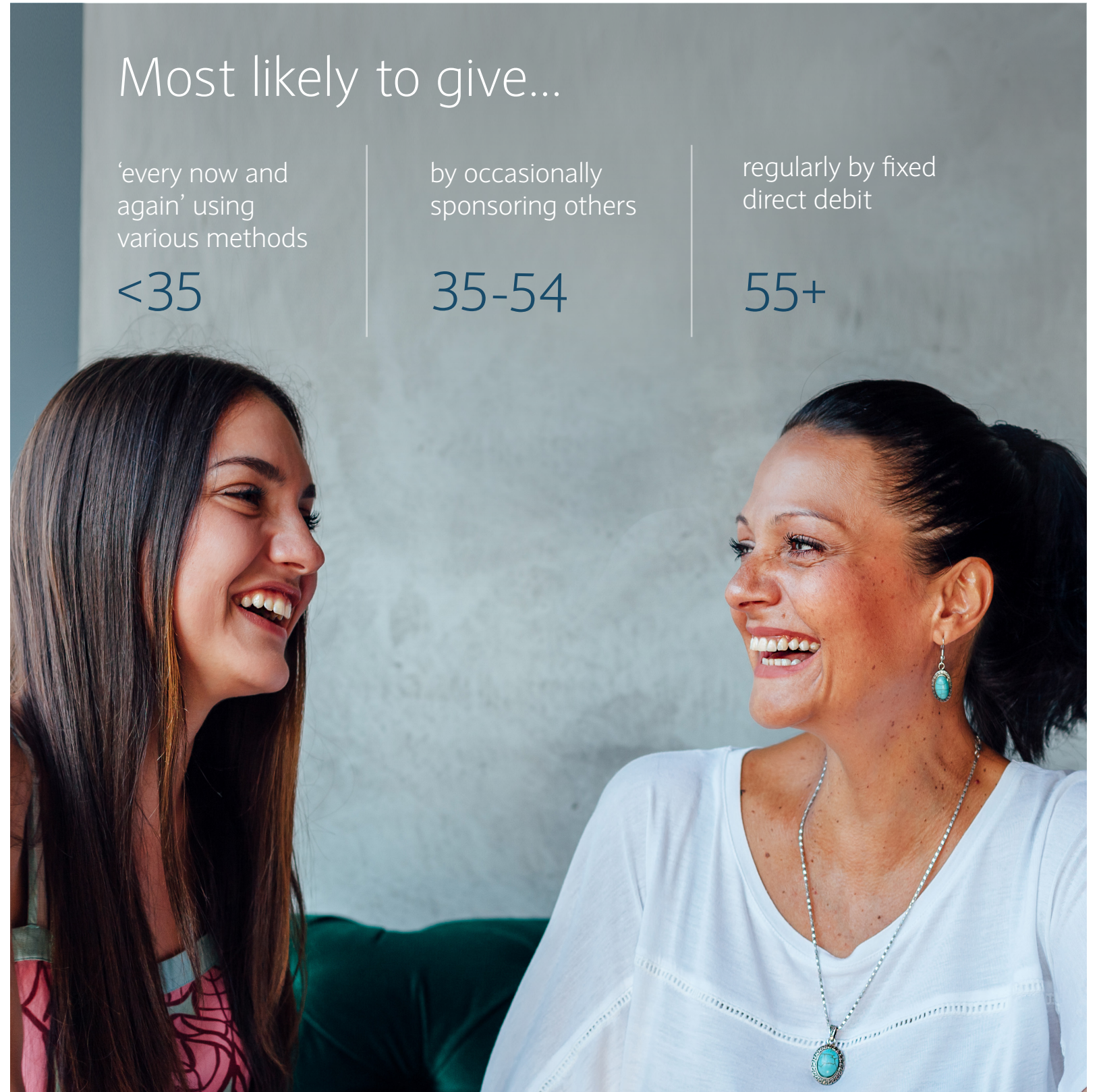
<35

by occasionally sponsoring others

35-54

regularly by fixed direct debit

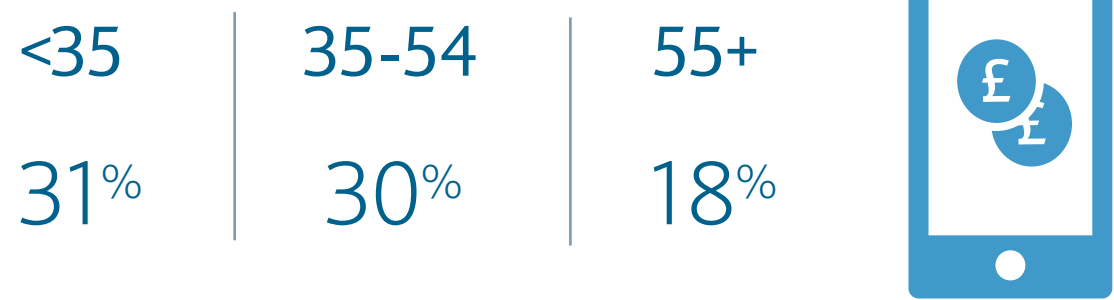
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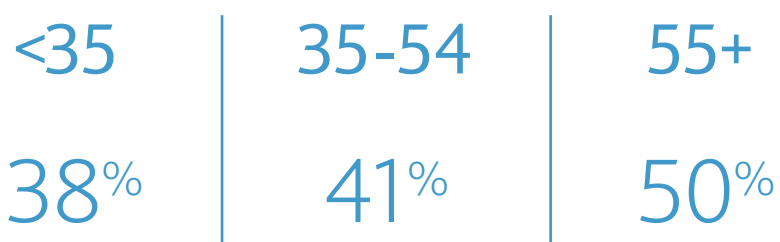


# Online vs Offline

## Gave more frequently online



## Gave more frequently offline



## Different ages, different causes

In many respects, the types of charity likely to be supported by each age group can be predicted. For instance, the over-55s in our survey are more inclined than other groups to give to medical research and elderly care charities, while younger people are the most likely to be drawn to education causes.

Here too, however, there are some striking gaps between donor behaviour and charity perception.

For instance, more than half of charities working for children and young people suggest that the older group are their main supporters. Yet in reality, the under-35s say they are most likely to donate to these causes. The same phenomenon is seen in charities working in homelessness and housing.

While all the animal welfare charities we surveyed believe older donors are their core demographic, the true picture is more nuanced: 45% of older givers are drawn to these causes, but so are 42% of younger donors and 43% of the intermediate age group.

## Who is open to online?

When it comes to donating online, there are clear gaps between the generations. Charities and

consumers both agree that elderly people dislike the online method, and this is borne out by behaviour: only 18% of the over-55s have made online donations over the past year, compared to one in three people in the other age groups.

Charities believe younger people prefer to donate online. However, the evidence suggests their perception may be running slightly ahead of current patterns.

While 86% of charities say young people prefer online donations, only 52% of consumers agree with that proposition.

And younger people are still more likely to have donated offline than online over the past year, by a margin of 38% to 31%.

In this respect, some of the regional variations are more pronounced than the generational ones. Over a third of Londoners have donated online, compared to around a fifth of Scottish people.

Offline donations are significantly more common in Northern Ireland (59%) than in the capital (39%).

# Digital donations

Offline methods remain dominant for now, but many charities are preparing for a future dominated by online giving.

Online donations are limited at present. For over a third of charities, they represent under a tenth of total income. Overall, charities report 70% of their donations come from traditional, offline methods.

Most charities (95%) believe those methods are here to stay. At the same time, almost everyone foresees online methods of donation becoming more important.

Seven in 10 charities saw the online share of their donations increase over the past year, and an even bigger proportion expect it to rise further over the next three years.

Over 70% agree with the statement that “online fundraising is the way forward”. This is significantly lower than the 87% in our [last survey](#) of the sector, perhaps because many charities have implemented online donations since that survey and are now considering other technologies.

To an extent, their supporters are in accord. Over a third of consumers say they are more likely to

donate online than they were three years ago. However, the development of some types of online giving is limited by factors on both sides.

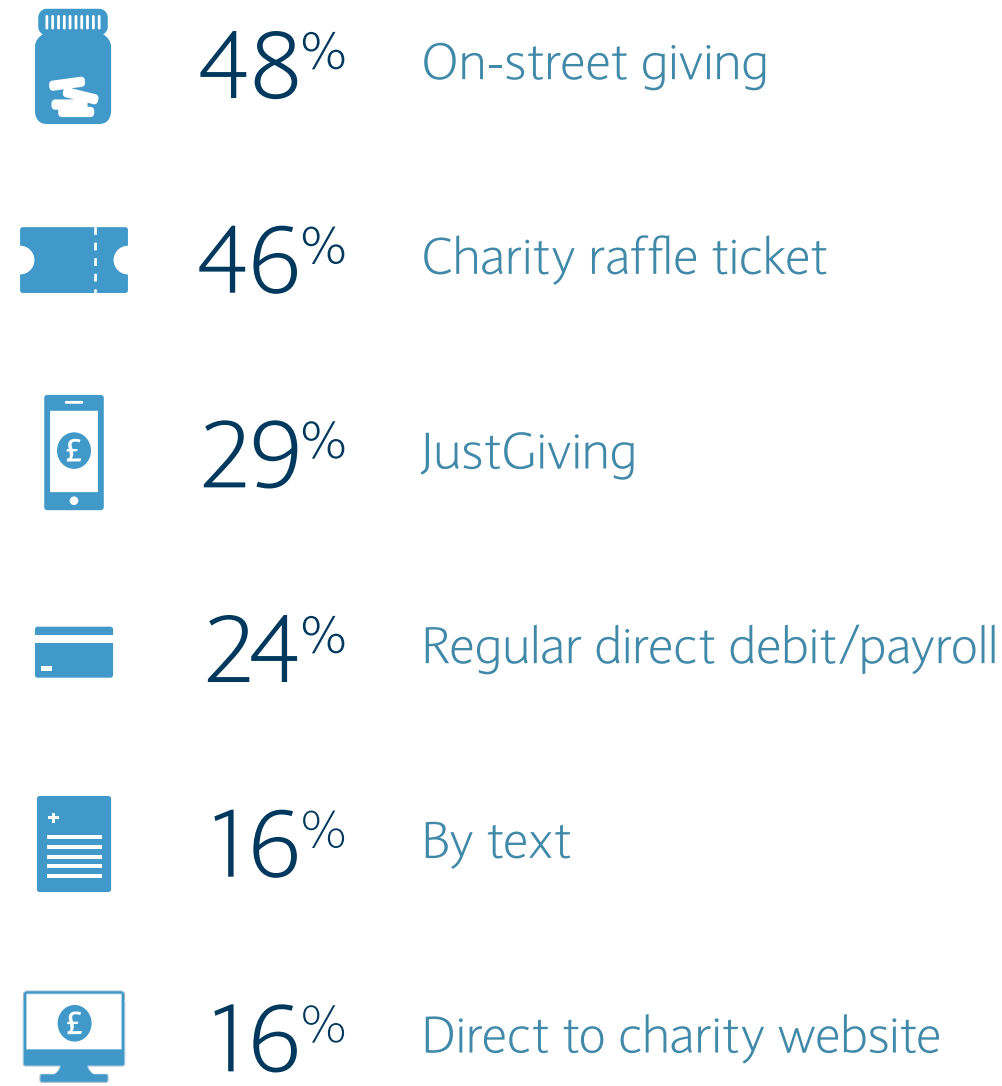
## The rise of JustGiving

78% of charities receive donations via their own websites. But this is outstripped by the 86% who now benefit via third-party sites, such as the JustGiving platform.

From the donor perspective, 29% have used JustGiving over the past year, compared to 16% who have donated via a charity-specific website and the same proportion who have used text messaging to donate.

The convenience of JustGiving seems attractive to donors, despite the fact that our survey was carried out after considerable media attention on the 5% charge that the platform takes from donations. 28% say they are more likely to use the platform in future, against 17% who are less likely.

## Top ways to donate in 2017





# 54%

of the **charities**  
found new methods  
very useful



At the same time, many charities are also boosting their deployment of social media in fundraising campaigns. “We’re using Facebook and Twitter and trying to use Instagram – these platforms are free,” one respondent pointed out.

## First steps to contactless

Contactless payments are now a commonplace feature of high street transactions, but this payment method has barely made headway in the charity sector.

Even though it is still at the trial stage in the sector, 4% of charities are already using contactless. Many are doing so as a result of trials conducted with portable donation boxes using Barclaycard technology. Some charities have found the technology so useful that they have extended the trial.

Indeed, most charities in the survey believe the introduction of contactless would be helpful, making it easier for people to donate. In this, they are in tune with the public: 54% agree and only 11% disagree that contactless technology makes donations easier.

The main barrier to contactless adoption, as charities see it, is concern over security, cited by 48%. A further 11% say the expense of investment in contactless is a deterrent.

As for the public, they may not need too much persuasion. Asked whether contactless donations would be positive, more than twice as many see it as a good idea than a bad one.

## Investment pays off

A significant number of charities are exploring new ways of accepting donations. Charities based in the South and – perhaps unsurprisingly – those with the biggest incomes have been more likely to invest.

The measures adopted include website upgrades, such as the addition of PayPal links, as well as partnerships with third-party platforms and the enablement of text and credit card payments.

Among the 44% who have recently introduced new technology, the vast majority have found the investment worthwhile, with over half pronouncing it very useful. And half of all charities are currently considering new methods for the future.



# Growing giving

UK charities are confident that better times are coming. Are they right, and what barriers do they need to tackle in motivating future donors?

Every Western country in the top 20 of the [World Giving Index](#), produced annually by the Charities Aid Foundation, lost ground in the 2017 report<sup>1</sup>. The UK was no exception, slipping three places in the ranking with reduced levels of donating money and volunteering.

Despite this picture, and the continuing cost of living squeeze in the UK, most charities remain upbeat about the future.

62% of charities expect individual donations to rise over the next three years, while 23% foresee no change, and only 11% are braced for a decline.

## More inclined to give?

This confidence is not quite borne out by the giving intentions of individuals. 16% say they plan to donate more over the next year, and 14% less; the majority plan to maintain their existing donation levels.

More encouragingly, 37% of consumers in our survey say they are more likely to support charities than they were three years ago, against 12% who are less likely. The biggest proportion, 48%, say their propensity to give is unchanged.

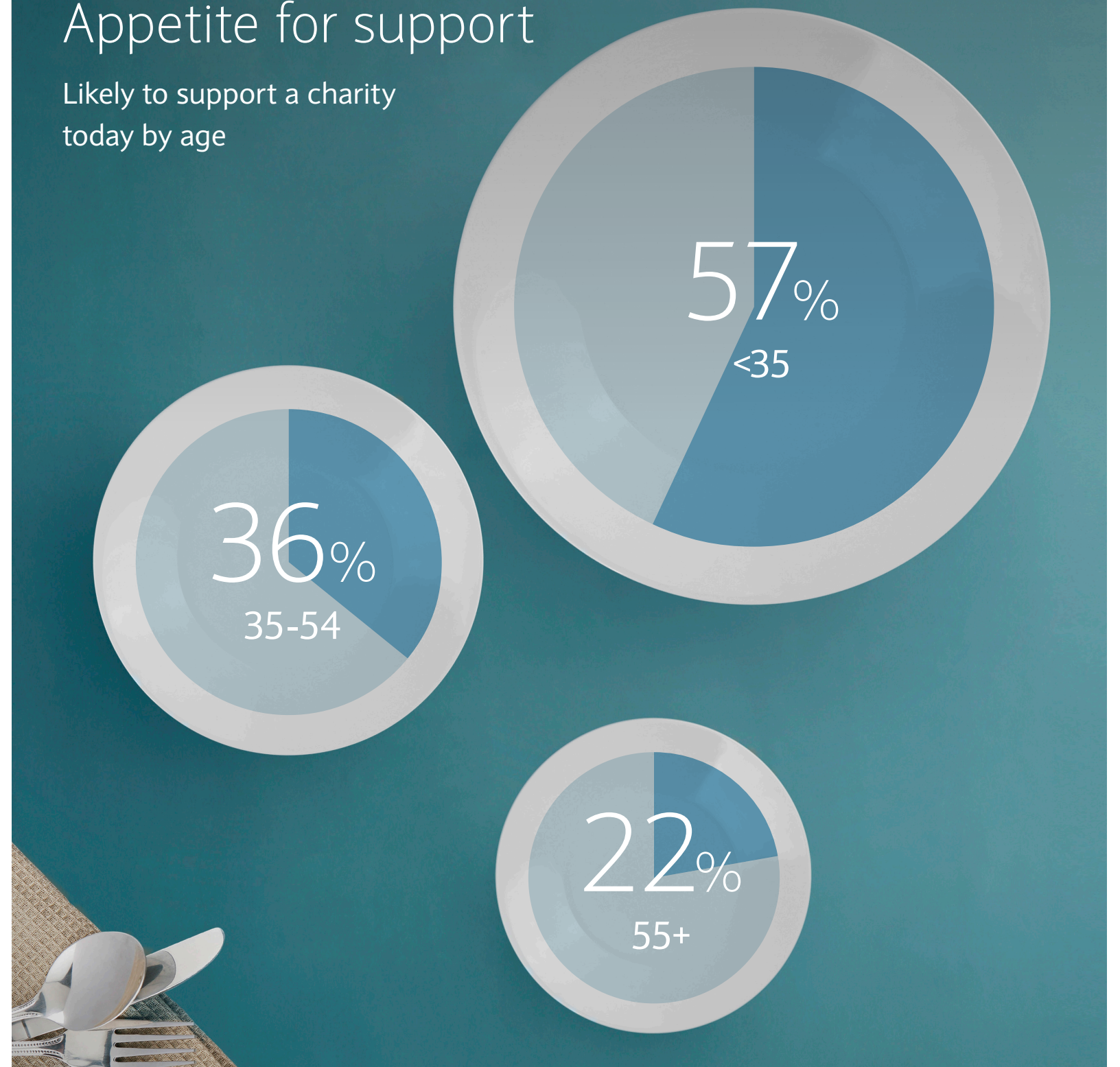
Notably, 57% of younger people are more likely to give than three years ago, compared to just 22% of over-55s. In part, this is likely to reflect a dawning social responsibility among younger people, set against the well-established giving patterns of their elders. However, it also suggests that charities could gain by focusing on this newly-engaged younger market.

## Motivations and barriers

The strongest triggers for giving are to help those less fortunate (54%) or because of a belief in the cause (41%). Only 9% say they are moved to give by advertising.

## Appetite for support

Likely to support a charity today by age





Lack of money is the most common reason for not giving. Strikingly, this is cited by 56% of all over-35s, but by only 47% of younger people, generally perceived to have lower disposable incomes. Financial barriers are a particular issue for donors in Wales (62%) and the North (58%).

Beyond this barrier, however, other frequently cited reasons will give charities cause for concern.

Over a third (37%) say they do not give because they are unsure how the charity uses donations. This concern is fairly consistent across all age groups.

Similarly, 17% cite a lack of knowledge about charity activities. A third of respondents point to the abundance of charities and the difficulty of choosing between good causes.

The trust question

There is also suspicion about how charities operate. Just over half believe that all charities are trustworthy, while 16% disagree and a third have no opinion. Trust is lower among the over-55s. Regionally, people in Wales place the least trust in charities, and Scots are most trusting.

A worrying 32% say lack of trust in charities deters them from giving. Of those who say they are unlikely to donate in the year ahead, reasons

include “the amount the heads of charities get paid” and “I do not believe that many charitable donations get to the people who need them”. The research suggests a genuine lack of awareness about the way donations are used, combined with a degree of cynicism among part of the population which will not in itself be news to most charities.

Besides making it simpler for people to donate, charities need to find more compelling ways to explain their missions and distinguish themselves from the competition, if they are to achieve their growth ambitions.

Data regulation impact

Finally, a number of charities view the approaching enforcement date of the [General Data Protection Regulation](#) as a curb on their future growth.

“With GDPR there will be a lot less ability to be out there throwing our message to people. There will be a lot more face-to-face work,” one charity suggested. “It will be difficult to acquire new supporters because of the regulations,” another added.

Barriers to supporting a charity



<sup>1</sup> CAF World Giving Index 2017, <https://www.cafonline.org/about-us/publications/2017-publications/caf-world-giving-index-2017>

# The future of donations

Trials of fast, frictionless and flexible donation methods suggest how the future of giving might look.

Many of the latest developments streamline the payment process to make giving as easy as possible.

The UN's World Food Programme's 'Share the Meal' mobile app, for instance, allows supporters to make an on-the-spot 'micropayment' of 50 cents to feed a child for a day, simply by tapping on their phone. The total number of shared meals to date has passed 20 million.

In March 2017, 22 of the biggest UK charities partnered with Apple to allow iOS users pledge donations through Apple Pay. The feature allows anyone with a supported iPhone, iPad or Apple Watch to send money securely, using only their fingerprint.

## Contactless boxes

As outlined earlier, contactless is still in its infancy in the charity sector. However, trials suggest it

can significantly increase the ease of donation for supporters and add flexibility for charities.

Eleven national charities piloted the use of Barclaycard's contactless donation boxes at events and street locations. This innovation uses a payment app to designate a fixed donation amount each time a donor taps the front of the box.

Because the boxes accept both contactless and Chip and PIN transactions, charities can receive card donations over the £30 contactless limit.

This method may offer a solution to the trend for people to carry less cash. It also provides useful flexibility: at one event, a donor wanted to offer £1,000 instead of the standard £3 amount. A swift, one-off amendment to the app by the collector made that possible.

## Transparent donations

The application of [blockchain](#) – a distributed, decentralised ledger for payments – in international aid giving suggests how it might help to counter trust issues for charities.

Companies such as Disberse are trialling the process, which tracks the flow of funds from donor to beneficiary. It aims to provide donors with transparency, so they can be confident that their gift is being used legitimately and effectively. Organisations such as Hullcoin are trialling the same process at a local, community level.





# Strategies for success

How can charities capitalise on the findings of our research?  
Consider some changes to equip your organisation for the evolution of donations.



## Get more street-wise

Consumers say they are most likely to give through on-street donations, yet everyone is carrying less cash. Consider introducing cashless donation capabilities, so your organisation can continue to harness the goodwill of passers-by. Have staff on hand who are trained in using the technology and can guide donors with confidence.



## Look to younger givers

Smaller charities seem to have a skewed picture of their core donor demographic, focusing on the older age groups who in fact report donating the least. Continue to nurture existing donors while seeking new ways to get the next generation on your side.



## Go for the goods

Giving items to charity remains the top way of providing non-monetary support at 69%, well ahead of volunteering at 22%. Consider how you can differentiate your proposition to capture a bigger share of this flow of goods.



## Make it easy online

With online donation set to surge, it will be critical to make this process fast and seamless for donors. Invest in new technology and make the most of social media and third-party platforms as well as your own website.



## Build public trust

A perceived lack of transparency about how charities work and where donors' money goes is a bar to generosity. Find compelling ways to tell your charity's story and make you stand out from the pack.



## Promote legacies

Only 4% of individuals have amended their will to leave a gift to their chosen charity. With the value of legacies increasing, a small rise in numbers leaving gifts to your charity could make a substantial difference. It might well be worth investing more in promoting this form of donation.

# About the author

For further information and to find out how our sector specialist team can support your charity, please contact David McHattie, Head of Charities.



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After gaining more than 30 years' experience in international and corporate banking with Barclays, David moved into the Public Sector and Healthcare Team as Corporate Director.

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David has previously managed a portfolio of leading Housing Associations (HA) and has experience of structuring new loan deals to the HA sector. Outside work David is chair of a residents' association.

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