



DONOR CONFIDENCE STRONG IN THE FACE OF COVID-19

While Families Feel Economic Impact of COVID-19 Giving Should Remain Steady

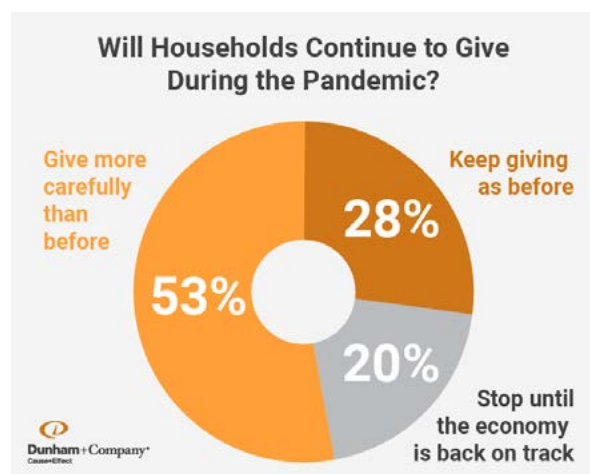


Dunham+Company[®]
Cause+Effect

National study of donors commissioned by Dunham+Company
and conducted by research partner Campbell Rinker

A majority of donors (53 percent) say they plan to continue giving, but more carefully than before in light of the COVID-19 pandemic, based on a new study of 630 US donors sponsored by Dunham+Company and conducted from April 17-21 by Campbell Rinker. Just 20 percent said they would stop giving until the economy is back up and running.

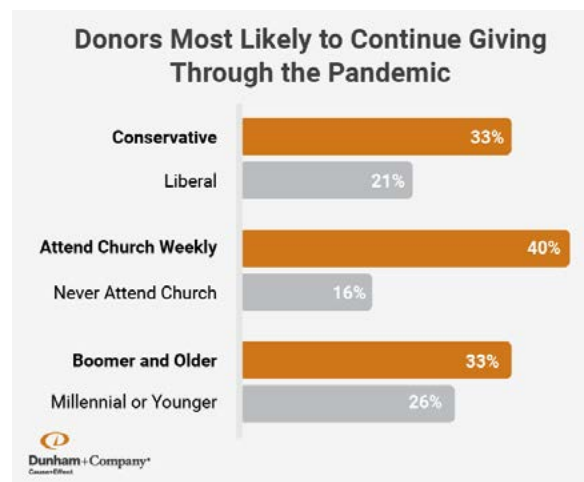
The remaining 28 percent said they would keep giving regardless of the pandemic. This sentiment is especially strong among donors who frequent religious services at least weekly, with 40 percent indicating their ongoing commitment to giving, which is more than double the percentage of those who do not frequent religious services (19 percent).



The oldest donors, regular churchgoers, and self-described conservative donors were significantly more likely to say their giving would remain unchanged compared to younger donors, less frequent churchgoers, and liberal donors.

This priority of giving was also stronger among politically conservative donors

compared to politically liberal donors (33 percent versus 21 percent) as well as older donors versus younger donors (33 percent versus 25 percent).



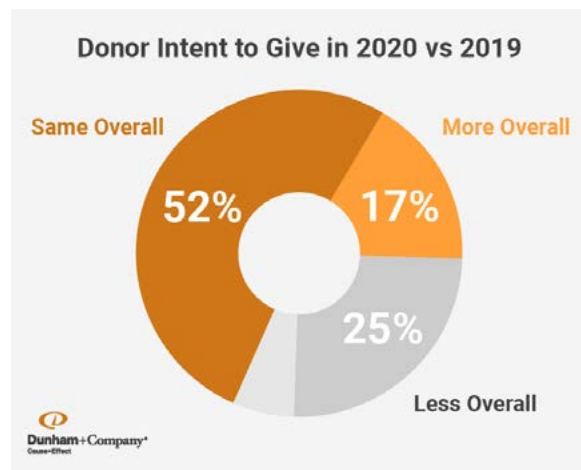
Regarding the level of giving during this time, the study also revealed that the COVID-19 pandemic has increased anxiety among certain donors to the point where they are cutting back on giving as a result.

“After one month of shutdown, 10 percent of donors overall expect to give less because of either the pandemic or the economy in general, which is a direct result of the pandemic,” said Rick Dunham, CEO of Dunham+Company, a global fundraising and marketing consulting firm to the nonprofit sector. “It’s instructive, however, that this percentage is significantly lower for Boomers and older donors at just 6 percent, which are key giving demographics.”

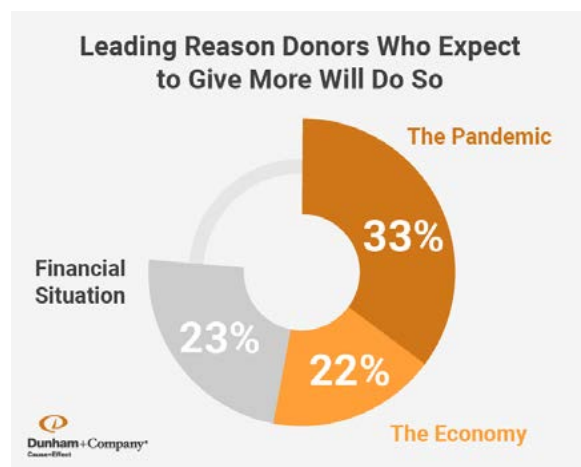
In addition, 13 percent of donors overall expect to give less in the coming year due to their financial situation, the same as in August 2018.

Half of donors (52 percent) said they expected to give the same as before, while

1 in 6 donors (17 percent) expected to give more, indicating that nearly 7 out of 10 (69 percent) would give the same or more compared to 2019. What is especially important is this sentiment is strongest among the key giving demographics of regular churchgoers (75 percent), self-identified conservatives (74 percent) and Boomers (78 percent).



Beyond this, the Coronavirus pandemic is the leading reason donors who expect to give more will do so: 33 percent of this group cite the pandemic as the main reason for giving more, compared to just 23 percent who say they expect to give more due to their financial situation.



“In real terms, this means that the pandemic has spooked about 10 percent of donors into giving somewhat less and encouraged about 5 percent of donors to give more,” said Dirk Rinker, CEO of the research firm Campbell Rinker.

The study also shows the economic impact the COVID-19 pandemic has had on donor households. Nearly 1 out of 4 families who typically donate to charity are feeling the economic impact of COVID-19, saying they find it very challenging or extremely challenging to meet their financial obligations.

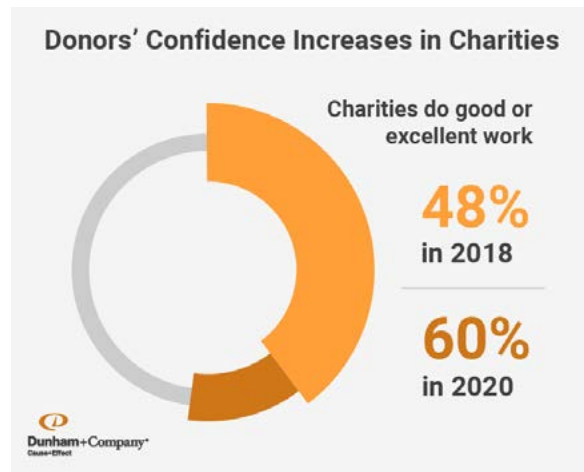
The hardest-hit donor families are those who make \$25,000 annually or less, with 46 percent saying they are finding it very or extremely challenging right now, whereas only 13 percent of households making \$75,000 or more are saying the same. Minorities are also feeling the pain, with 34 percent saying they are struggling.

However, the majority of donors (53 percent) say they are not facing a challenging financial situation, with 63 percent of those making more than \$75,000 per year faring well and more than 7 out of 10 (72 percent) of donors who are Boomers and older also doing well.

Positive Long-term Outlook

Six in 10 US donors now say charities in America are doing either good or excellent work (60 percent), versus 48 percent in August 2018. The proportion who said charities are doing ‘excellent’ grew from

8 percent to 12 percent in the past 18 months, while the small proportion who say charities are doing a 'poor' job fell by half.



This helps explain why donors are now more positive that their giving will return to normal once the economy returns (46 percent) than they were in August 2018 (37 percent). Another contributing factor might be recent gains in household income. Nearly two-thirds of donors said changing income had no effect on their giving, and just 1 in 5 (19 percent) said that an income change had reduced their giving.

More than one-third of donors (36 percent) said their household income has increased in the past year, while 20 percent said their income had gone down. Also, donors are now more likely to say their household's financial situation is "not challenging" compared to 18 months ago, and less likely to describe their finances as "somewhat challenging" (31 percent in August 2018 versus 25 percent now).

However, these numbers do not mean that givers are unaffected by the shutdown. Seven percent of US donors reported being unemployed or furloughed due to COVID-19.

This represents nearly a five-fold increase in the rate of unemployment before the pandemic hit, as it was 2 percent beforehand and is now 9 percent.

Optimism was more widespread among older donors than in younger donors. Boomers were most likely to say they would keep giving the same amount (66 percent compared to other generations). In contrast, Millennials were significantly more likely than other generations to say they would reduce their giving (31 percent agreed) and least likely to say their giving would stay the same (40 percent).

Non-white donors were significantly more likely to say their giving would increase overall, compared to white donors (26 percent versus 15 percent).

Also, households earning less than \$25,000 annually were significantly more likely to say their giving would increase by 50-100 percent in the coming year (11 percent versus 2 percent for higher-earning households).

Giving Expectations Among Most Supported Nonprofits

As for the charities they support with the most money, donors expected in the coming year to give...

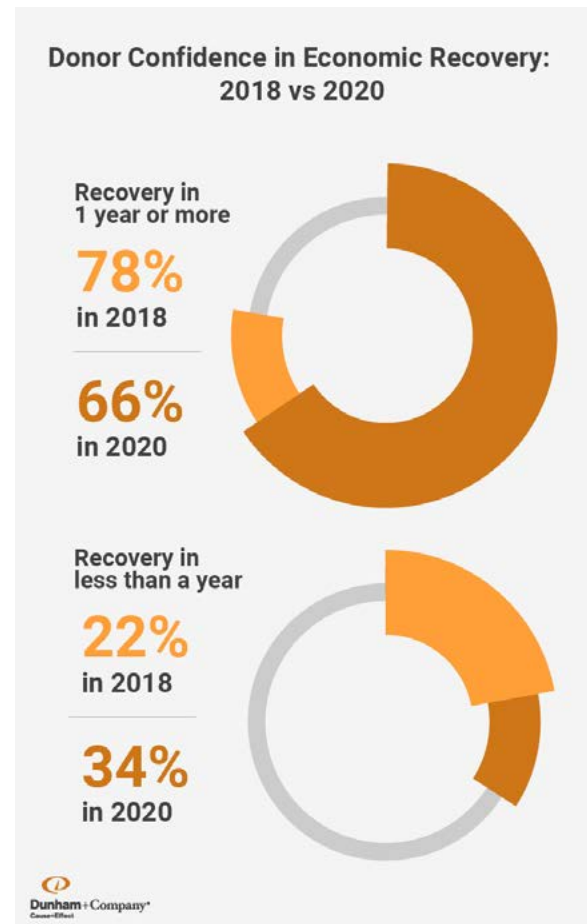
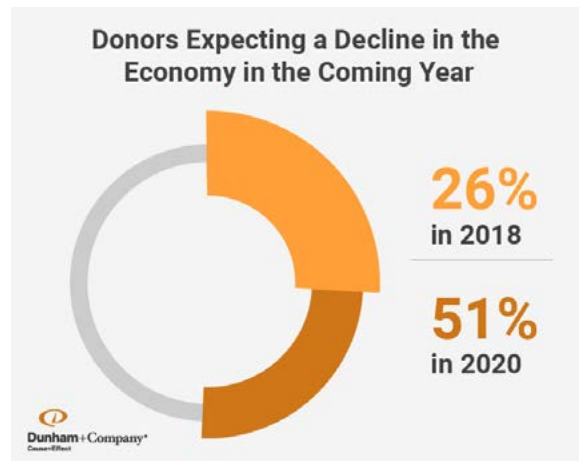
- + Somewhat more to places of worship, such as a church or a synagogue (mean of 3.2, where 3.0 indicates no change).
- + Somewhat less to educational institutions and programs (mean of 2.8).

- + Slightly less to faith-based charities and ministries, excluding places of worship (mean of 2.9). Notably, conservative donors and those in households earning \$75,000 annually were significantly more likely than their counterparts to say they expected to give up to 50 percent more this year than last year to ministries. Also, donors in the lowest-earning households were significantly more likely than households earning more to say they would give up to twice as much to faith-based causes.
- + Slightly more to health and medical charities that work inside the US (mean 3.1).
- + Less to arts and culture (mean of 2.6).

However, the underlying data show that donors actually foresee a faster economic recovery than they did 20 months ago. In August of 2018, 78 percent of donors felt it would take a year or more for the economy to improve, whereas in April 2020, that percentage has dropped to 66 percent of donors who say the same. In addition, half as many donors believe it will take the economy longer than two years to improve (down from 51 percent in 2018 to 24 percent today). Finally, in 2018, just 1 in 5 donors (22 percent) thought the economy would improve in a few months to a year, whereas in 2020, more than 1 in 3 donors (34 percent) believe the same.

Economic Outlook among Donors

A 51 percent majority of US donors expect the nation's economy to worsen over the coming year, twice as many as the 26 percent who held the same opinion in August 2018 – proof that donors recognize that things are bad right now.



“Even though donors know the economy is in a world of hurt, they are much more confident that it will rebound more quickly now compared to how donors felt back in 2018 when the economy was picking up steam,” Dunham said.

Methodology

This online poll of 630 US adult donors who had made charitable gifts of at least \$20 in 2019 was conducted April 17-20, 2020 – the height of the worldwide COVID-19 pandemic. The lowest amount given in 2019 was \$20, and the highest was \$66,500. Responses were weighted by age to reflect the general US population per the American Community Survey of the US Census. The margin of error is $\pm 3.9\%$ at the 95% confidence level. Percentages may sum to over 100% due to rounding.

About Dunham+Company

Dunham+Company is a strategic, integrated fundraising, marketing, and communications consulting group solely focused on helping organizations build a sustainable and scalable fundraising program. In partnership with organizations, we create custom, integrated fundraising, communications, and constituency development programs that are designed to meet their unique needs. We don't believe in syndicated fundraising programs built on a “rinse and repeat” philosophy.

It's why we've created our carefully honed five-step Cause+Effect approach:

- + A biblical foundation to fundraising
- + Holistic thinking that builds sustainable growth in income
- + Integration that connects on multiple levels through multiple channels
- + Trusted advisor partnerships that bring the highest level of expertise
- + Proprietary data and research tools

Just like the law of cause and effect, we join forces with our client's cause to create a catalytic effect that not only transforms their organization, but also touches more lives all around the world.

Visit www.dunhamandcompany.com to keep up with our latest research, and join our mailing list to receive fundraising insights and leading industry trends.