

2010 HOLIDAY GIVING

Research and Insights into
the Most Charitable Time
of the Year

THIS RESEARCH INDICATES:

- *74% of US adults will give this holiday season*
- *Consumers will donate more than \$48 billion in November and December alone*
- *7 out of 10 US adults will donate through multiple channels*

INTRODUCTION

Are the last four to six weeks of the year the most important when it comes to raising money for your nonprofit? Then, you're not alone. Estimates from the nonprofit sector claim as much as 30-40 percent of individual donations are made during this time of the year. This makes the 2010 year-end giving season critical for your organization to achieve its fundraising goals. And, considering the nonprofit sector represents more than 5 percent of gross domestic product (GDP), the year-end giving season has a significant impact on our economy, culture and communities as a whole.

As nonprofit professionals from all walks of life approach the last two months of the year, it's important to understand the habits, motivations and charitable behaviors of donors. To achieve this, Edge Research conducted a national survey of US adults for Convio from October 20, 2010 to November 8, 2010, and the results are encouraging. Americans, by and large, are seemingly willing to put aside today's economic challenges to support nonprofits and the beneficial work they do in our society.

Based on these findings, overall holiday giving in 2010 is expected to top \$48 billion. Online contributions are expected to grow more than 30 percent from 2009, to more than \$6 billion. We estimate 170+ million adult Americans will give through multiple donation channels.

Key Findings

- Seventy-four percent (74%) of US adults plan to give this holiday season. With average total gifts of \$281, the anticipated amount raised by nonprofit organizations is \$48.4 billion.
- Giving is profoundly multichannel with seven-in-ten donors saying they will give in multiple ways. Not to be ignored are the non-traditional forms of giving—tipping, third-party purchases and purchases from charity gift shops.
- Donors with online relationships with a nonprofit report they will give almost \$100 more than average (\$378 vs \$281) this holiday season.
- Generation X donors plan to give almost \$350 this year, making them the most generous demographic.
- Holiday giving is emotional—donors say that appeals which put a face to the donation (either human or animal) and remind donors to help those who are less fortunate at this time of year, are most persuasive.
- Holiday giving is particularly effective with Generations X and Y, as large percentages of these groups intend to give generously.

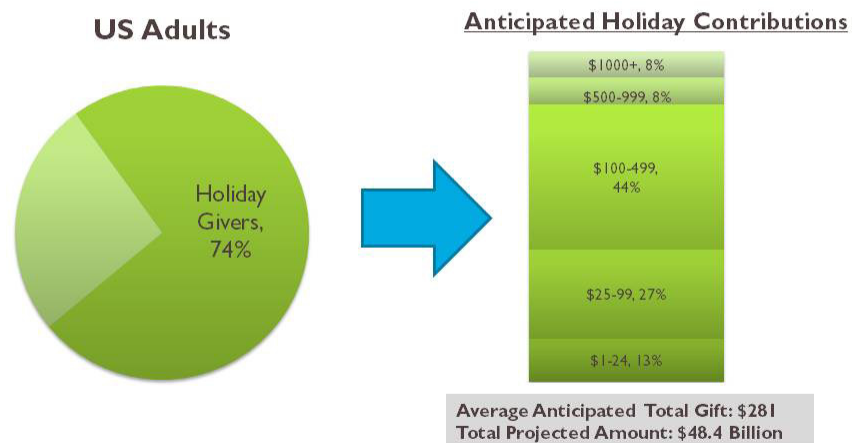
This report will provide you with highlights from the research, some quick tips that nonprofits can implement in the final weeks of the year, and links to other guides and reports that can help you reach, engage and inspire people to support your cause, not just in the holiday season, but year-round.

A GENEROUS SPIRIT

Nearly three-quarters (74%) of US adults plan to make a charitable contribution this holiday season, and a majority of holiday donors (60%) plan to give \$100 or more. This translates to a potential \$48.4 billion for charitable organizations this year.

- The average total gift amount is \$281; high-dollar donors' average projected gift is \$952.
- More than half (55%) will spread their contributions across two to three organizations, and 23% will give to four or more.
- Two-thirds (66%) plan to donate the same amount as last year, and 12% plan to increase their contributions this holiday season.

Holiday Givers



Q07: How much do you plan to donate to nonprofits and/or charitable causes during the 2010 HOLIDAY SEASON – between now and the end of the year? Your best estimate is fine.

► Insight for Nonprofits

Despite the economy or perhaps because of the economy, US adults indicate a strong desire to support the work charities do this holiday season. Nonprofits should have plans in place to communicate with the majority of their donors and prospects this holiday season. Don't be afraid to ASK. Your donors are already tuned in to the needs of your organization during the holiday season—charity is the reason for the season!

HOLIDAY GIVING IS MULTICHANNEL

Donors will give in a variety of different ways this holiday season, with 72 percent giving through two or more channels. A substantial portion of high-dollar donors will make online donations (25%), emphasizing the importance of an integrated marketing strategy for all donors, including major givers.

- Donors are asked for contributions through a variety of means, with close to half (49%) receiving a mailing and 19% getting an email.
- And it follows then that donors plan to give through a variety of means, including mail (43%), events (24%) and online (21%).
- Alternative channels are also important this year:
 - “Tipping”—contribution at check-out (41%)
 - Purchasing from a charity’s gift shop (25%)
 - Shopping a third-party vendor where a portion of the sales helps a charity/nonprofit organization (14%)
- Social media is still an emerging vehicle for holiday donations—nine percent (9%) say they might be solicited through Facebook, Twitter or another social network; and about half of those (4%) say they will give through this outlet.

► Insight for Nonprofits

If there was any question, the results of this research show that donors expect to engage with nonprofits through multiple channels. Here are some ideas to be more successful:

- Coordinate multichannel messaging, reuse copy/images/messaging to save time and add consistency across email appeals, website banners, direct mail and social media. The whole becomes more successful than doing each part separately.
- Deliver multi-message email appeals to give those who want to give online many chances to do so.
- In offline/direct mail appeals ensure constituents know they can give online. If you have a retail presence don’t forget to let people know about other channels as well.
- Go social. After each donor has made an online gift, empower them to post an “I Gave to XYZ Org” badge on their Facebook feed or provide language for Tweets. Reach like-minded prospects by creating chatter through these donor testimonials.

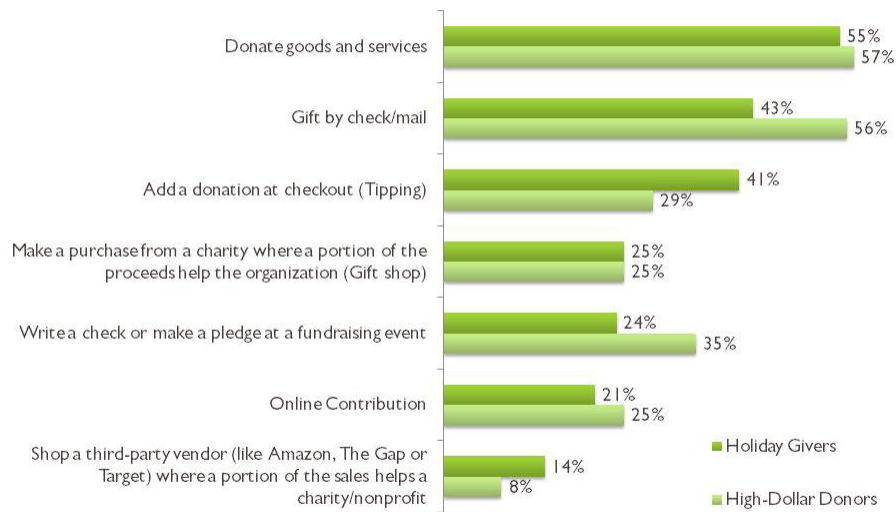
Donors appreciate the convenience of appeals through multiple channels both online and offline during this busy time of the year. In addition, multiple communications channels are also important for those donors who give mid-level and major gifts.

ONLINE GROWTH CONTINUES

Online is increasingly a prominent channel for bigger holiday gifts. Once thought to be a collection tool for small-dollar gifts, a different story emerges for Holiday 2010.

- High-dollar donors are as likely to give online (25% vs. 21% overall), and they are three times as likely to say they intend to increase rather than decrease the amount that they give online this holiday season (27% increase vs. 10% decrease online gifts; 62% say online gifts will stay the same).
- Online donors intend to donate more than the average holiday giver (\$378 vs. \$281). That translates to a potential \$13.7 billion from online donors to charitable organizations this year.

Top Holiday Donation Channels



Q11: In which of the following ways do you plan to make donations to nonprofits/charities this holiday season? Please select all that apply.

► Insight for Nonprofits

Today's donor is empowered by better access to information and more choices in their mode of giving. Think about how many prospective donors will research your organization online before making a donation. Online fundraising continues to generate positive year-over-year growth. And with more people than ever — including middle and major donors — giving online, nonprofit organizations must make the Internet a core part of their fundraising strategy in order to survive and thrive for years to come. An increasing number of online success stories prove that the Internet is an efficient and effective channel for boosting donations. By ramping up your online fundraising efforts, you can make the following strides:

- Give supporters more control
- Maximize web presence
- Become more strategic with email communications
- Increase the response rate and success of traditional appeals

KICK-START YOUR HOLIDAY ONLINE CAMPAIGN

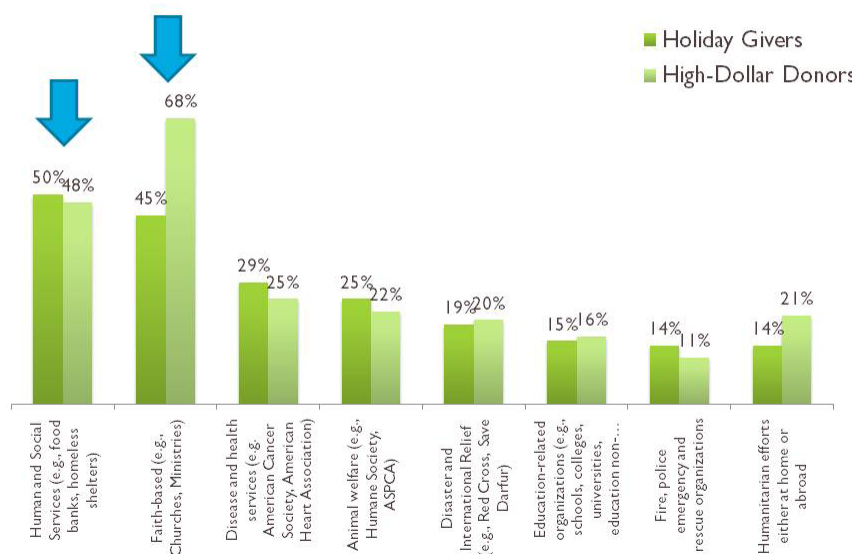
1. Optimize your homepage for the holidays by giving your development department the most visible real estate on your homepage
2. Make every email count by segmenting your list and using targeted language
3. Tap into your supporters' networks using social media, eCards and encouraging family giving
4. For more tips download the full guide at www.convio.com/holiday10

SOME CAUSES DO BETTER THAN OTHERS

The 2010 year-end giving data indicates that most adults give from a genuine desire to meet someone else’s need or the needs of the less fortunate — including those with four legs.

- Support spans a variety of charitable sectors, but donors are most likely to give to Human and Social Service and Faith-based organizations during the holidays.
- The biggest recipients of holiday donations are Human and Social Service organizations (50% will give to these) and Faith-based organization (45%).
- Next are Disease and Health Services (29%) and Animal Welfare organizations (25%). Disaster and International Relief (19%) and Education-related organizations (15%) are in the next tier.
- High-dollar donors are particularly supportive of faith-based organizations (68% will contribute to these).
- This is not surprising given that the primary reason donors say they give is “the holidays are a time to be thankful for what you have, and give to those who need it” (74% say very important reason).

Top Charitable Causes for Holiday Donations



Q09: What types of nonprofits and/or charitable causes do you expect to donate to this holiday season? Please select all that apply.

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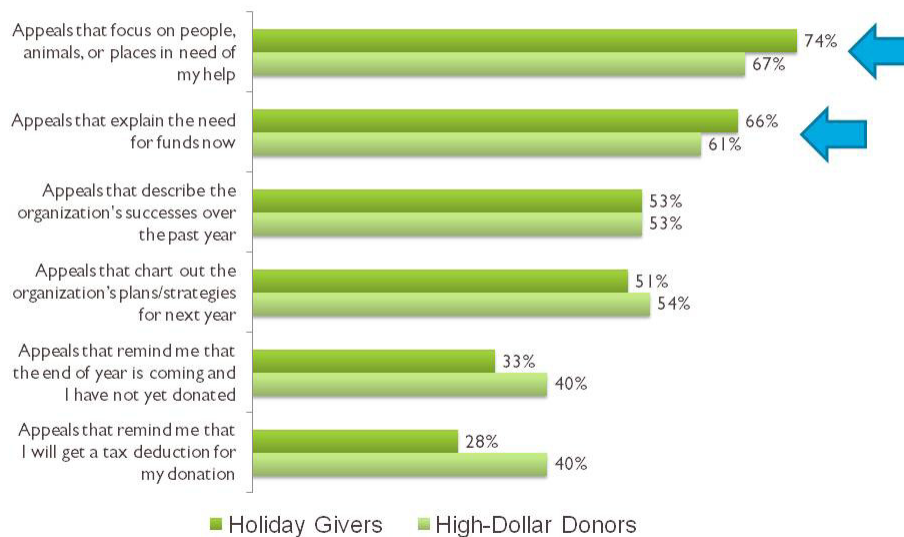
While the donors might favor certain types of organizations this holiday season, do not be discouraged if your organization does not appear to be among the “holiday favorites.” With more than \$48 billion at stake, you need to reach out to your constituents and give them the opportunity to give via a sound strategy that includes multiple channels and consistent messages. As you will see below, donors gave us insight into the messages that resonate the most, so even organizations not high on the list can put a face on their campaigns and be successful this holiday season. And remember, just because your “type” of organization ranks high on the list, donors still expect professional appeals, so don’t expect giving to “just happen.”

PUT A FACE ON YOUR APPEAL

It is emotional appeals, particularly those with a face (either human or animal) that are the most inspiring during this time of year.

- Donors say they are moved by appeals that focus on humans, animals or places in need of their help (74% effective).
- Also effective are those messages that explain the need for funds now (66%).
- Slightly less effective are messages that describe the organization's annual track record (53%) or strategies for next year (51%).
- Few are persuaded by more practical reminders that the end of year is coming — for example, that they have yet to make a donation (33%) or that they will get a tax deduction (28%).

Effectiveness of Holiday Appeals



Q19: Many nonprofits/charities send end-of-the-year appeals during the holiday season. How effective are the following types of appeals as a reason to give:

► Insight for Nonprofits

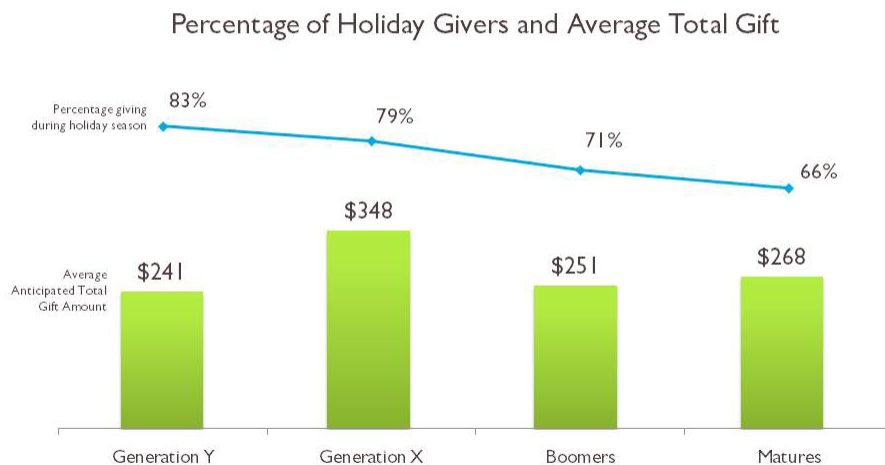
Obviously different donors respond to different types of appeals, but the response indicates that putting a face and a personality on your appeal will be the most effective. As the saying goes, a picture is worth a thousand words, and the effective use of imagery can go a long way to appeal to the emotions of your donors. There is not a single tactic or giving channel that is nearly as important as the quality of your message, and your ability to inspire and engage your donors to take action.

TARGET YOUNGER DONORS

Holiday giving aligns with Generation X and Y's giving style, and presents opportunities for reaching these donors that might not be your organization's typical target audience.

- According to the *Next Generation of American Giving* research into the multichannel preferences and giving habits of four generations, showed that younger donors are more random in their giving and responsive to emotional messages. (View the report at www.convio.com/nextgeneration.)
- This confluence of factors may be why Generation X and Generation Y are actually more likely to give during the holiday season than older generations.
- Generation X anticipates being particularly charitable, with average total gifts of \$348 (higher than other generations).

Holiday Giving by Generation



Q07: How much do you plan to donate to nonprofits and/or charitable causes during the 2010 HOLIDAY SEASON – between now and the end of the year? Your best estimate is fine.

► Insight for Nonprofits

According to the *Next Generation of American Giving*, younger donors are viable targets for organizations due to the sheer number of them and their likelihood to give. Yet, there isn't a magic bullet when determining where and when to reach them. The holiday giving research helps answer that question. If you are an organization that has a large number of Gen X volunteers or other constituents, now is the time to appeal to their emotional giving tendencies and plan for ongoing engagement throughout 2011.

CONCLUSION

With \$48 billion up for grabs, the year-end/holiday giving season is pivotal to your fundraising success. Now is the time to be especially attentive to all of your donors. The holidays give you the perfect reason to keep in touch, encourage constituents to spread your message and ask them to give to a good cause. Today's tools give you the ability to connect with all your supporters according to their preferences. Use every channel at your disposal to communicate your appreciation for them, and the needs that are served both by your organization and their contributions.

ADDITIONAL RESOURCES

Access our library of best practice guides, research reports, case studies to improve fundraising and constituent engagement results.

Convio Best Practice Guides

- **Kickstart Your Holiday Campaign**, www.convio.com/holiday10
- **Using the Internet to Raise Funds and Build Donor Relationships**, www.convio.com/fundraising
- **Nonprofit Website Fundamentals**, www.convio.com/websiteguide
- **Going Social: Tapping into Social Media for Nonprofit Success**, www.convio.com/socialmedia
- **Basics of Email Marketing for Nonprofits**, www.convio.com/nonprofitemail

Convio Research

- **The Next Generation of American Giving**, www.convio.com/nextgeneration
- **2010 Online Nonprofit Benchmark™ Study**, www.convio.com/benchmark

BACKGROUND & METHODOLOGY

Edge Research conducted an online survey of holiday donors on behalf of Convio. The study fielded October 20, 2010-November 8, 2010. A total of 1148 holiday donors were surveyed, and were drawn from a census-representative population of adults. The margin of error for this study is +/- 3% in either direction at the 95 percent confidence interval. The margins of error for subsets of the population are higher and vary.

NOTE: "HIGH DOLLAR DONORS" REFERS TO THOSE WHO HAVE GIVEN \$1000 OR MORE TO ANY ONE INDIVIDUAL CHARITY IN 2010. In 2008, Convio produced research related to the donor habits and behaviours of high dollar donors titled "The Wired Wealthy, Using the Internet to Connect with Your Middle and Major Donors." That report is available at www.convio.com/wiredwealthy.

ABOUT CONVIO

Convio is the leading provider of on-demand constituent relationship management (CRM) software and services that give nonprofit organizations a better way to inspire and mobilize people to support their organization. Convio Online Marketing, the company's online marketing suite, offers integrated software for fundraising, advocacy, events, email marketing and web content management, and its Convio Common Ground™ CRM system helps organizations efficiently track and manage all interactions with supporters. All Convio products are delivered through the Software-as-a-Service (SaaS) model and are backed by a portfolio of best-in-class consulting and support services and a network of partners who provide value added services and applications focused on the unique needs of nonprofit organizations. For more information, please visit www.convio.com.

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