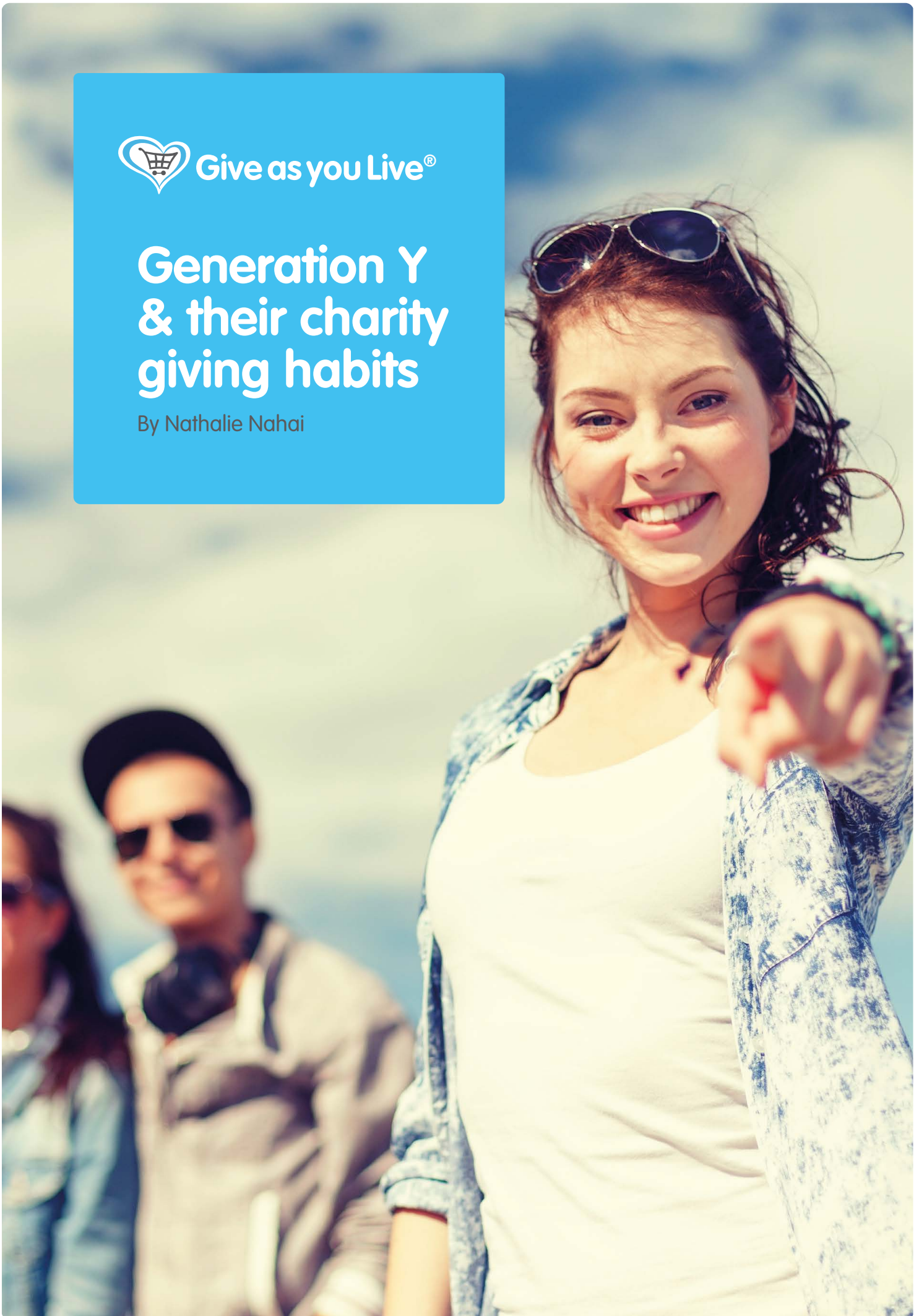


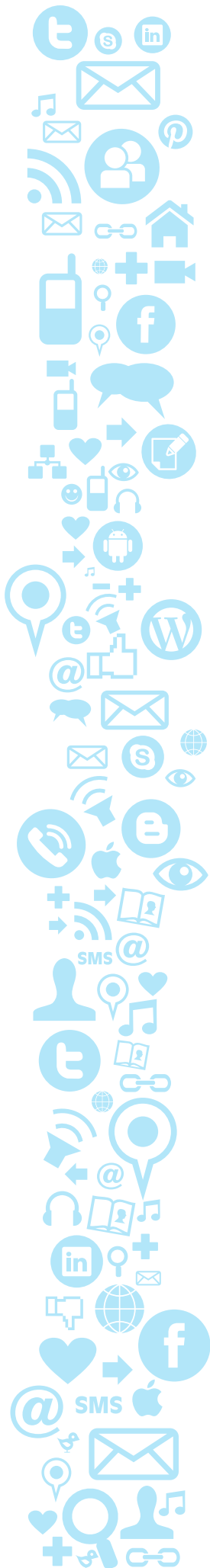


Give as you Live®

Generation Y & their charity giving habits

By Nathalie Nahai





Foreword

The launch of this White Paper comes at a pivotal moment for the UK's Third Sector. As our society continues to be reshaped by the relentless advance of technological progress, charities that fail to adapt risk being left behind. Our ambition is to help charities understand, prepare for and benefit from the rise of Generation Y; the next generation of donors and philanthropists, the generation that is 'always on'.

The innovations of the last 10 to 20 years are integral to our lives in all sorts of ways: smartphones, laptops and tablets mean that we can always work and always play. With recent research revealing that the average UK household now owns three different types of internet enabled device¹, we have transformed into a hyper-connected online society.

No demographic cohort lives its life online more than Generation Y² – the 'millennial' generation born between the early 1980s and the mid 2000s. Well-known for its tech savviness and strong sense of individuality, 89% of Generation Y owns a smartphone, compared to just 54% of 54-65-year olds³. Generation Y also dominates the online communications innovation of our age: social media. 80% of millennials log on to Facebook, Twitter and other social channels on a daily basis⁴ - the epitome of 'always on'.

Social media is much more than a way of staying in touch. For many, it is a key means of consuming knowledge and forming opinions. Indeed, our own research shows that 30% of donors are prompted by social media⁵ – the tip of a potentially huge iceberg when one considers the prolific nature of Gen Y's social media habits.

The 'always on' society isn't a flash in the pan or a fleeting fad; it is an epochal societal trend, with Generation Y at the vanguard. At Give as you Live we want to work with charities to understand their donors, helping them prepare for the future and sustaining the vital work that they do. That's why we've released this white paper in association with by Web Psychologist Nathalie Nahai: an examination of Gen Y and their charity giving habits.

Generally speaking, Generation Y wants to give but doesn't always have the means or the knowledge. Knowing their online behaviours, preferences and pet peeves, we're able to help charities focus resources and build relationships with these key supporters of the future.



Polly Gowers OBE Founder, Give as you Live

1 <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cm13/internet-web/uk-4.25>
2 <http://www.oxforddictionaries.com/definition/english/Generation-Y>
3 http://www.deloitte.com/view/en_GB/uk/industries/consumer-business/consumer-review/the-smartphone-generation-gap/index.htm
4 <http://www.thedrum.com/news/2013/09/26/infographic-80-gen-y-log-social-media-daily-12-logging-while-toilet>
5 <http://www.fundraising.co.uk/2013/03/08/30-charity-supporters-inspired-social-media-give-says-give-you-live>



Generation Y and their Charity Giving Habits

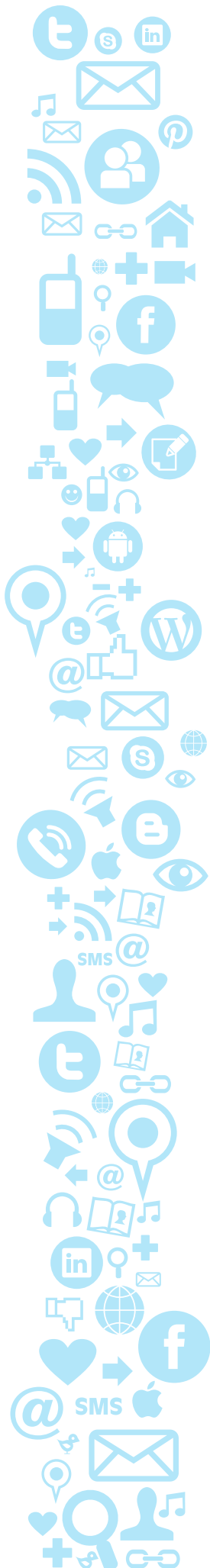
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The Millennial Donor: A Profile

Charities currently get little donation revenue from generation Y, yet they continue to pump resources into activities that simply don't reach this group. Traditional forms of communication and campaigning – such as chuggers, newspaper adverts and TV commercials – simply aren't engaging this huge demographic, and charities are missing out in the process.

Research has found that although Gen Y donors (those born between 1981 and 1996) currently make up the smallest demographic with regards to charitable giving (due largely to their young age, level of debt and lack of disposable income), they are nonetheless the generational cohort most likely to increase giving in the next 12 months⁶. This, combined with the fact that millennials represent a larger population than Baby Boomers, implies that those charities that effectively engage this group now, will reap the benefits for years to come.

⁶ Bhagat, Vinay, Pam Loeb, and Mark Rovner (2010). *The next generation of American giving*. Charleston, SC: Convio, Edge Research, and Sea Change Strategies.



How to incentivise Gen Y

So how does this generation behave online, and how can you reach them more effectively?

A recent study⁷ that explored this issue found that although members of Generation Y appear to be sociable, as individuals they actually evoke more sharing and solidarity than charity. This means that they tend to reject institutionalised forms of giving - particularly via charities and not-for-profit organisations - which spells trouble for these more traditional approaches to charitable donation.

The fact that millennials seem to express their individuality through practices that resemble sharing, rather than giving, means that those charities that understand this shift will stand to gain more advocates from this new generation than their more traditional competitors.

If you want to encourage Gen Y to give to your charity, you need to find the most persuasive way to incentivise them to donate. Research⁸ has shown that you can do this in three crucial ways:

1. Run your campaigns online, through social networks
2. Appeal to pleasure, festivities and efficiency rather than to guilt and duty
3. Encourage millennials to “work within the not-for-profit organization”

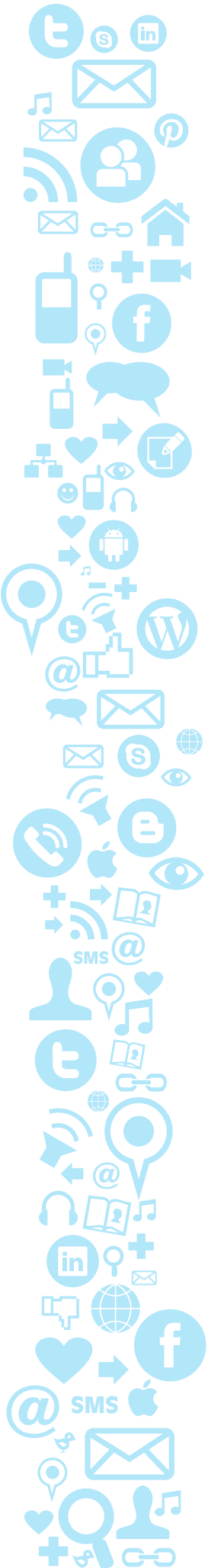
Of the above three points, the most crucial for increasing a millennial’s intention to help a cause, is whether you’re promoting it through an online media platform, such as a social networking site⁹. With many organisations falling at this first hurdle, it makes perfect sense for more traditional charities to enlist such help from a Gen Y volunteer. Not only will this enable the charity to create more compelling social media campaigns (social networks are a natural stomping ground for Gen Y), but it will also appeal to the intrinsic motivation of the millennial volunteer who wants to contribute more than his/her money to a cause he/she believes in.

Another report, *The Next Generation of UK Giving*, surveyed 1,498 UK donors across all generations about their donation behaviours. Perhaps unsurprisingly, they found that although Gen Y donors contributed the least financial aid, they were actually the most engaged group when it came to online participation, with 27 per cent following a cause on a social network and 25 per cent sharing that cause’s online content with others. The Gen Y group was also the generation most likely to volunteer for a cause (29 per cent) and to attend and organise events (16 per cent).

⁷ Urbain, C., Gonzalez, C. and Gall-Ely, M. L. (2013). What does the future hold for giving? An approach using the social representations of Generation Y. *International Journal of Nonprofit and Voluntary Sector Marketing*, 18, pp. 159–171. doi: 10.1002/nvsm.1448

⁸ Ibid.

⁹ Ju Jeong, H., and Lee, M. (2013). The Effect of Online Media Platforms on Joining Causes: The Impression Management Perspective. *Journal of Broadcasting & Electronic Media*, 57(4), pp. 439–455.



Armed with smartphones, tablets and laptop computers, Generation Y are ‘always on’ – a huge potential asset for charities that know how to reach out to them where they are.

What’s really interesting is that of the millennials who were surveyed, 43 per cent had the strongest desire to increase money and time commitments, with 60 per cent reporting that they always visit a charity’s website before making a donation. And this trend doesn’t just extend to the British market.

In fact, the US-focused 2013 Millennial Impact Report (published by creative service agency Achieve and the Case Foundation¹⁰), revealed that “seventy-three percent of millennials surveyed volunteered for a nonprofit in 2012. Their motivations: More than three-quarters were passionate about the cause and 67 percent felt they could make an impact for the issue they cared about.” In other words, when it came to engaging with a nonprofit, the millennials surveyed didn’t just want to give more of themselves than a simple cash sum - they wanted to contribute because they were emotionally invested in the cause itself, and not just the organisation behind it.

The report also showed that “millennials are highly selective about what organisations they follow in a crowded and noisy media landscape... Nearly half of respondents (48.8 percent) follow one to five organisations on social media.”

Crucially, this means that if you want to engage Gen Y, you need to find a way to make sure your signal stands out above the noise – which means tailoring your content specifically to this group, and focusing your attention on the core issue you’re championing, as opposed to making your brand the key feature.

The report also found that Gen Y respondents “tended to be more interested in intrinsic benefits such as networking (51 percent) and gaining professional expertise (61 percent) than intangible discounts or gifts”. This means that if you want your campaign to succeed, it’s not enough simply to focus on the outcome that your organisation wants to achieve. Rather, you have to find a way to add value to your donors by offering intrinsic benefits (such as running a meetup group where they can meet like-minded people) or expertise (taking them on as volunteers and contributing to their CV) that will not only boost your immediate donations, but also help your organisation stand out from the crowd and attract more donors.



Building advocacy and loyalty

We all witnessed the success of the #nomakeupselfie campaign, but how do you move Gen Y donors from making simple 'one-off' donations into giving recurring contributions?

The key here is clear communication and effective online engagement.

In the 2013 Millennial Impact Report cited previously, 83% of respondents said they own a smartphone, and of this group 80% said they prefer nonprofits to have mobile-friendly websites. Yet, in a recent survey conducted by Give as you Live¹¹, the majority of charities (83%) do not have a mobile strategy. It should come as no surprise that if you want to engage Gen Y donors, your website should, at the very least, be responsive so that it can be viewed easily across all devices.

Over 50% of those surveyed said that they get annoyed when they're not able to find the charity's details (such as contact information) quickly and easily, and in terms of content, 59% stated they like it when nonprofit websites provide news, updates or action-oriented headlines that link to more information or next steps on their sites. If your website doesn't have a clear user journey with calls to action that your Gen Y visitors find useful, they'll be bouncing off your site in droves.

So it's not enough simply to show millennials how their support and contributions can make a significant impact on your mission. You have to increase your level of emotional engagement with this group by providing them with content, resources and a relationship that they'll value. Gen Y expect reciprocal exchange, which means that as a charity, if you can provide them with quality content and information through your website, social media channels and email marketing, you'll increase this vital engagement and boost your fundraising in the process.

In terms of the most persuasive content for Gen Y users, more than 60% of respondents said they liked it when nonprofits shared stories about successful projects or the people they help, which is no surprise given that story-telling is one of the most powerful and immediate ways to create an emotional connection with others. But telling stories isn't the only way to build rapport - 39% said they also prefer organisations to relate to them informally on social networks (rather than using formal PR language), which means that if you can put a face to your brand, you'll be much more likely to get a positive emotional response from the people you're trying to reach.

Crucially, the report shows that old, traditional forms of communication – such as formal language, constantly asking for money or help, and bombarding people with the same message over and over again – weren't simply ineffective online, they were actively disliked by 69% of the respondents.

¹¹ Survey conducted by Give as you Live with 375 charity workers in February 2014



Most effective tools

So, what are the most effective ways of engaging with Gen Y, winning over their donations and securing future funding? Well, for philanthropic millennials, crowdfunding for causes is a serious business.

In the US, one of the most successful charity crowdfunding platforms, Fundly¹², has raised over \$305 million since the site's launch in 2009 just from the contributions of its younger users. Around 58 percent of its donors are 34 or younger, and its founder, David Boyce, attributes Fundly's success to the fact that "They'd much rather do it [donate] online¹³" – an obvious example of Gen Y's 'always on' nature.

But its success doesn't just stem from the ease with which you can set up a donations page (it can be up and running within 5 minutes) – it also stems from the fact that Fundly enables its users to share stories with potential supporters of how they are helping those who have been affected by the issue at hand. The photos, videos and posts that Gen Y donors respond to the most, are those that show how the volunteers are helping individuals in specific, localised areas. These are concrete, tangible stories about real people, which donors are then encouraged to share socially via Twitter or Facebook.

Another example on our home turf is online charitable shopping platform, Give as you Live¹⁴. It's a technology that has been specifically designed to integrate with the way people, especially Gen Y, 'live' online. It uses an existing and growing web model, – affiliate marketing, – to redirect funds from over 3,500 major retailers to the charity of the shoppers' choice. This means it doesn't cost the shopper anything as the retailer essentially donates – the amount of which is communicated with the shopper the day after the transaction. For Gen Y, this means they're able to support their cause whenever they shop – aligning with their 'always on' nature, opening up the communication line between shopper and charity and getting the feel-good factor of a donation after a new purchase.

Ultimately, if you want to engage with and incentivise Gen Y to support your cause, you have to reach out and create an on-going, 'always on' relationship with them. A relationship in which you're helping to create a community of passionate, like-minded individuals, whom you are enabling not only to contribute to your cause financially, but also socially – both on and offline.

¹² <https://fundly.com>

¹³ Wee, H. (Friday, 3 May 2013). Want to Donate to Charities, Save the World. Really. CNBC: <http://www.cnbc.com/id/100689671>

¹⁴ www.giveasyoulive.com



About Give as you Live

Working with all 220,000 UK-registered charities, [Give as you Live](#) enables supporters to raise funds for any charity of their choice every time they shop online, without spending a penny more. Give as you Live can unlock the 'hidden millions' available to UK charities through their supporters' online shopping, seamlessly moving money from the corporate sector at no cost to the charity or general public. So far, Give as you Live has helped shoppers raise over £4.5 million for charities in the UK.

Participating charities can receive up to 90% revenue share and already more than 400 charities receiving over £25 per year per supporter, with almost half receiving over £50 per year per supporter, through Give as you Live. The donation shown on the Give as you Live website is always the value that the charity receives.

Give as you Live can be used with over 3,500 of the biggest online retailers, from supermarkets, to travel agents, to dating sites. In addition to the likes of Amazon, Expedia, John Lewis, iTunes, and lastminute.com, the most recent retailers to sign up include ASOS, Argos, Ebay and EDF Energy. Taking levels of UK online shopping into account,

Give as you Live has the potential to raise £2 billion every year for the UK's charities.

Working with charities

Give as you Live has a strong, collaborative relationship with the UK charity sector. As well as providing a unique revenue source, Give as you Live also supports all charities with free marketing materials, so that they can promote their unique version of the portal to supporters. This support ranges from social media collateral to email content.

Give as you Live also runs a bi-annual Digital Donor Review, comprised of three large-scale surveys, giving charities vital insight into the state of charitable giving in the UK, as well as insight into their own supporter base on the platform. This data then enables charities to tailor their fundraising strategies according to their donor profiles. Give as you Live provides this valuable information and insight to the charities, free of charge.

For the past two years, Give as you Live has been honoured with multiple award as the Institute of Fundraising Partners in Fundraising Awards, winning 'Best Digital/Technology Partner' and 'Most Committed Company to the Sector' in 2014 and



'Best Giving Platform' in 2013.

About Nathalie Nahai

Nathalie Nahai is a Web Psychologist and best-selling author of ['Webs of Influence: The Psychology of Online Persuasion' \(Pearson\)](#).

With a background in psychology, web design and digital strategy, Nathalie coined the term 'web psychology' in 2011, defining it as 'the empirical study of how our online environments influence our attitudes and behaviours'.

Nathalie helps businesses apply scientific rigour to their design and decision-making processes, to achieve better engagement online.

She lectures internationally on the subject of web psychology (clients include eBay, Harvard Business Review and Google), and has worked with Fortune 500 companies, design agencies and SME's. Nathalie also writes for [Marketing Week](#) and [Psychology Today](#), and contributes to national publications and radio on the subject of online behaviour and research.

Nathalie is on Twitter as [@TheWebPsych](#).

