



How Donors Choose Charities

Findings of a study of donor
perceptions of the nature and
distribution of charitable benefit

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How do donors choose which of over 164,000 charities to support, given...

- ❑ The limited information they can gather
- ❑ Their limited ability to cognitively process the merits of alternative recipients
- ❑ The fact that values and preferences change over time
- ❑ The limited amount of time they are willing and able to devote to this decision

Methodology

60 semi-structured telephone interviews conducted between January-August 2009 with a sample recruited in 3 waves with the assistance of the Charities Aid Foundation.

- All 60 interviewees are CAF account holders
- c.1/3 high income, 1/3 middle income, 1/3 lower income (self-described)
- Interviews lasted on average 25 mins (min=12 mins; max= 46 min)
- 22 women, 38 men
- c.1/3 from the North, 2/3 from the South
- Spread of ages from 30s-80s with 60s most highly represented decade

Extensive support for previous research finding:

**“To be a charitable concern, a recipient had to be ‘in need’”
(Fenton, Golding et al 1993:23)**

Why do charities exist?

- “To help needy people”***
- “To do something worthwhile”***
- “To do good works”***
- “To help people without a voice”***

Who do charities help?

- “The needy”***
- “The underprivileged”***
- “People in a disadvantaged position”***
- “People who can’t defend themselves”***
- “People I feel sorry for”***
- “People who are worse off than me”***

Despite expectations of needs-based giving, at least four other approaches are identified:

1. Taste-based giving
2. Decisions related to donors' personal background
3. Decisions based on judgements of charities' competence
4. Decisions driven by desire to make an impact

Committed donors are not necessarily careful donors

"Why did I choose those particular ones? Well, that has been a bit haphazard to be quite honest with you. I mean, I've sort of come across them as I've gone along"

"I don't think I go into it that deeply. If I'm satisfied it's being helpful and there's a need... you know, we're keen to help"

"I'm not methodical about it... I don't have any very good way of choosing... I just go by gut instinct I suppose".

Donor: *"I've just realised I've got a list [of my donations] here. It says, 'The X foundation'*

BB: *"What does that do?"*

Donor: *"I'm not even sure now [laughs]."*

Donors find it difficult to make decisions about charitable recipients and use strategies to assist decision-making

"The trouble is there's so many"

"I couldn't really have any definite reason for saying 'yes' or 'no', but you can't support the lot. I stick a pin in".

"It's amazing what comes through the door, and you've got no means of making an objective judgement".

Strategies range from the comprehensive to the totally arbitrary:

- Boxes
- Birthday

Self-made classifications and 'mental maps' help donors to cope with the complexity of the charity sector

People charities	Animal charities
Domestic causes ('Home')	International causes ('Away')
Urgent needs	Ongoing needs
Big charities	Small charities
Things that interest me	Things that don't interest me
Things I should support	Things I enjoy supporting
Causes that are important	Causes I don't care about
Charities with a big 'C'	Charities with a small 'c'

Donors use a range of heuristics, or 'rules of thumb' to assist their decision-making

- Influential and authoritative figures / third party endorsements

"We endow John Humphries with a great deal of our personal trust... My wife said if he ever lets us down she'll go round and personally kill him [laughs]"

- Personal relationships with those running charities
- Institutional ties, especially through churches and fraternal/sororal societies
- Personal requests from loved ones, especially at significant life events such as weddings and funerals

"I do support some charities for things I wouldn't call 'need' at all... I'm a widow but my husband's balance was slightly more towards the arts so I've retained quite a lot of the arts charities that he probably first donated to"

Donors perceive some causes as automatically deserving or undeserving of support

"There are no animal charities [on our list]... We're not cruel to animals, but we're neither of us great animal lovers"

"It's not that I dislike people, but I'm a great animal lover"

"I don't contribute overseas because it just goes to the wrong people and keeps people like Mugabe in business"

"I would rather see that resource directed more broadly to those who have greater need... [so] I have reservations about arts and cultural charities, although I am a member of one"

"Well, I think my support for X charity is self-explanatory. I can't imagine anyone not wanting to give to support their work"

Taste-based giving

"It's really what in one's own mind one thinks is a deserving cause, and it does range, you know, hugely widely, and totally irrationally. I mean, I would support deserving dogs but I wouldn't support cats [laughs] because I just happen not to like cats"

"I donate to the RSPB [Royal Society for the Protection of Birds] because bird watching is one of my great obsessions. It's my, kind of, my treat to myself, if you like"

"I'm a passionate skier, so a personal favourite is a charity that provides snow sports opportunities for people with disabilities"

"Appropriate beneficiaries are people who are hard up... [but] I did put a rather large sum into helping to buy and restore an old Victorian steam engine... I hope maybe when it gets going I might be allowed to stand on the footplate and blow the whistle!"

Personal background influences donors' selection of charitable recipients

"I grew up by the sea so I support the RNLI"

"I have a child and the very first thing I started off doing was child sponsorship"

"My brother died of bowel cancer so I give to cancer research"

"[I support] butterfly conservation. When I was a boy I collected butterflies so I'm trying to give back, if you like, the damage that I did [because] in those days you were encouraged to kill butterflies and collect them, so that's an important one"

But charitable giving is not deterministic:

"I have dear friends who died in X hospice but you can't support everywhere".

"I exclude most medical ones, cancer for instance, although I've plenty of experience of cancer in the family".

Perceptions of charities' competence affect the selection of recipients

"I don't think you want [to support] people who've got great big offices and give great big salaries and things like that".

"I understand X charity are extremely good at delivering their money on site, so to speak, and they keep their administration costs as low as they can, but so much of this is hearsay isn't it? Unless you pore over the books and understand what you're reading, I think it's very difficult"

"If they send too many [pieces of direct mail] I feel they're just wasting the money, not spending it properly and so we cut them out"

"If they get my address wrong, they don't get a gift"

A desire for personal impact influences donors' selection of charitable recipients

"I support them, but as there are a million members I don't feel I need to respond to every appeal from them, somebody else can!"

"The impression I got is they are well-off compared to other charities"

"We didn't really want to support things where we felt our contribution was negligible"

"I probably have gone for major charities because I feel they have more clout"

"I hate to think that we're doing things that the government ought to do"

"With things like the British Library, I mean they're quite well funded but it's just something I believe in"

Using theory to make sense of the data

- The Science of Muddling Through / Incrementalism (Charles Lindblom 1959; 1979)
- Bounded Rationality (Herbert Simon 1981)
- Cultural Refusal (Mary Douglas 1996; 1997)

Implications for policy makers and fundraisers

- The importance of donor autonomy has implications for the extent to which giving and philanthropy can be relied upon to 'fill the gaps' in public sector spending.
- The lack of rigour behind many giving decisions, raises questions about the extent of the genuine demand for greater information about charitable activities.
- The difficulties donors experience in differentiating between charitable organisations underlines the importance of developing a strong, distinctive charity brand.
- The assumption that giving decisions are needs-based rather than taste-based might lead fundraisers to over-estimate the extent to which donors act as rational agents, rather than as social beings whose charitable outlook is shaped by their life-long social experiences.
- The widespread belief amongst donors that their giving decisions are proactive rather than reactive, means the role of fundraisers in prompting and facilitating donations may be under-estimated and potentially under funded.

Potential future research directions

Research into other aspects of giving decisions:

How donors choose how much to give

How donors choose by what method to give

How donors choose over what period of time to give

Research into whether the complexities involved in giving decisions result in 'analysis paralysis' are a factor in non-giving.

Conclusions

Decisions about which charities to support are complex problems.

Donors are not only limited by the amount of money they have available to give away, but also by the amount of information they are able to gather, their ability to cognitively process the merits of alternative recipients, and the amount of time they are willing, and able, to devote to decision-making.

Donors retain an expectation that charities exist to serve the needy, yet in reality people do not give to the most urgent needs, but rather they give to things that mean something to them.

Donors' tastes, values and preferences, their personal and professional background, their judgements about charity competence and their desire for personal impact all have an influence on giving decisions.