

UNDERSTANDING GIVING: INCOME DIFFERENCES

A REPORT OF THE COLORADO GENEROSITY PROJECT

In *Understanding Giving: Beliefs & Behaviors of Colorado's Donors*, we explored what, how, and why Coloradans give. The report was based on a wealth of research, most of which was conducted by Colorado Nonprofit Association in 2011 through a phone survey and focus groups around the state.

In this article, we'll look more deeply at what our research taught us about the differences in giving beliefs and behaviors of Coloradans at different household income levels. Through our analysis we found that each income level shared a unique story of donors' attitudes towards giving and the ways they do it. People with an income of less than \$50,000 have strong personal connections with nonprofit organizations based on nonprofits' impact on themselves or people they know. People with an income between \$50,000 and \$99,999 focus their giving on

convenient methods within their local community. Those with incomes more than \$100,000 gave more than the other income groups, but also were more deliberate in their giving.

In our 2011 phone survey, we tracked nine household income categories, but for the purposes of this report we have condensed them into three groups: Less than \$50,000, between \$50,000 and \$99,999, and more than \$100,000. The observations in this article are based entirely on research results for the grouped income categories.

This article is the second in a series of in-depth pieces that will study the demographics, trends, and themes that emerged from our research, *Understanding Giving*.

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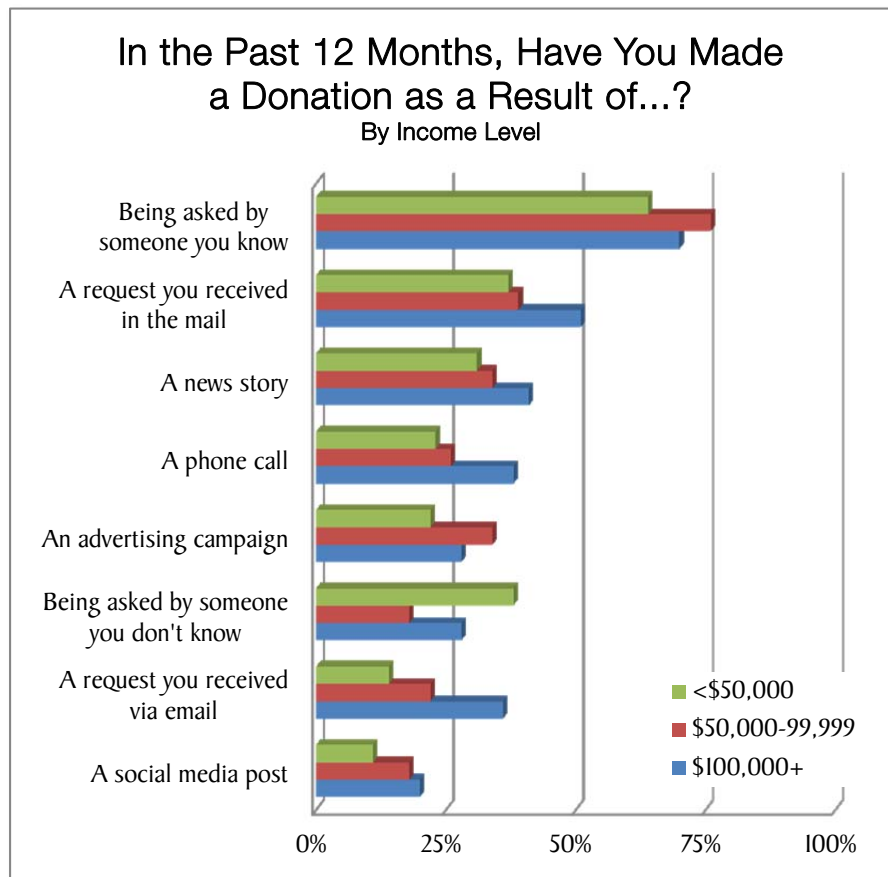
Visit www.ColoradoNonprofits.org/Understanding-Giving for the full report, *Understanding Giving: Beliefs & Behaviors of Colorado's Donors*. You'll also find supplemental and detailed data, regional reports, and a schedule of our upcoming trainings.



Donors with Income under \$50,000

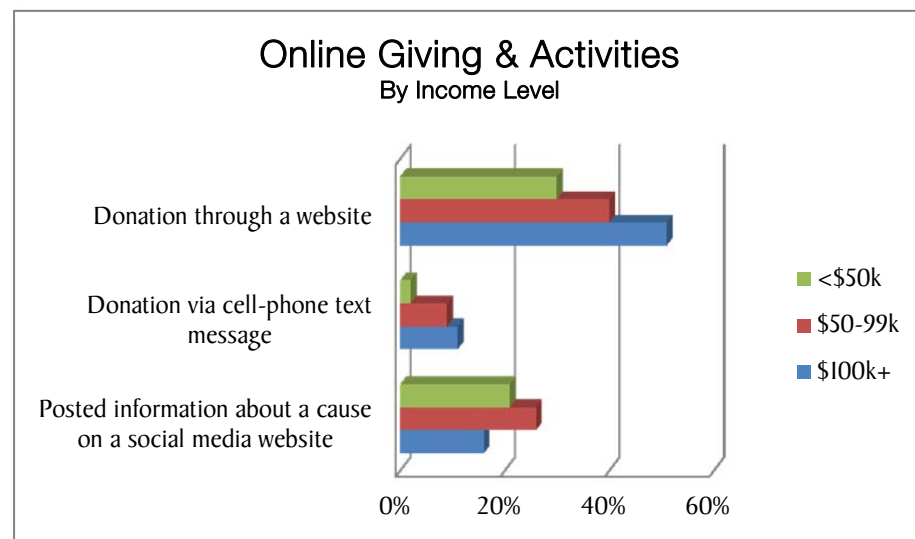
The Hands-on Givers

Donors with incomes less than \$50,000 have strong ties with nonprofit organizations; in general, personal experience drives their giving. Sixty-four percent of these donors say that it is important to them that the organization helped them or someone they know when making the decision to give, (less than half of respondents from higher income groups say this is important to their decision making). Similarly, when asked about reasons they donate in general, 59 percent of donors with income less than \$50,000 say that giving is important because they received assistance themselves and want to give back.



The effect of the recession also informs their decisions to give. Eighty-eight percent say that charities should provide more services to replace those cut by shrinking state budgets. Supporting charities in the current economy is also important to 89 percent of this donor group, compared with only 81 percent of those with incomes in the highest range. More than other donors, those with incomes less than \$50,000 tend to feel charitable services are needed more due to the recession, and that charities need more support.

Personal financial considerations lead these donors to give in different ways. When asked why they don't give more, 81 percent agree with the statement, "I can't afford to give more," a higher rate than both the middle income group (77 percent) and the highest income group (60 percent). However, donors in the lowest income group were more likely to say they volunteer instead of giving (46 percent), demonstrating yet another personal connection with charities.

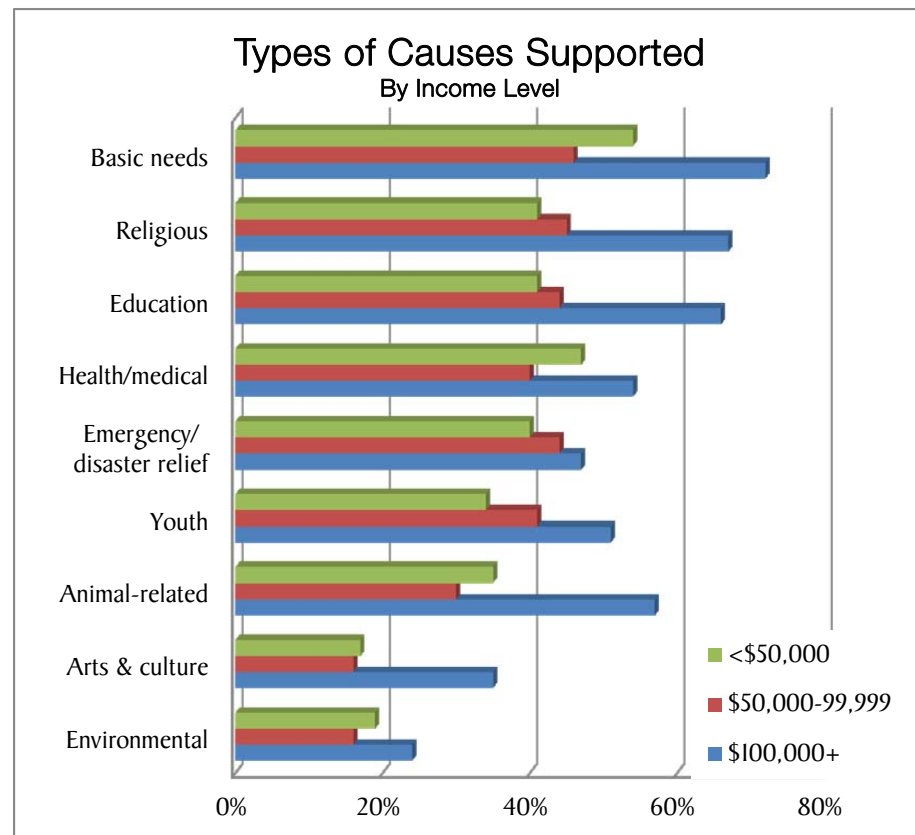
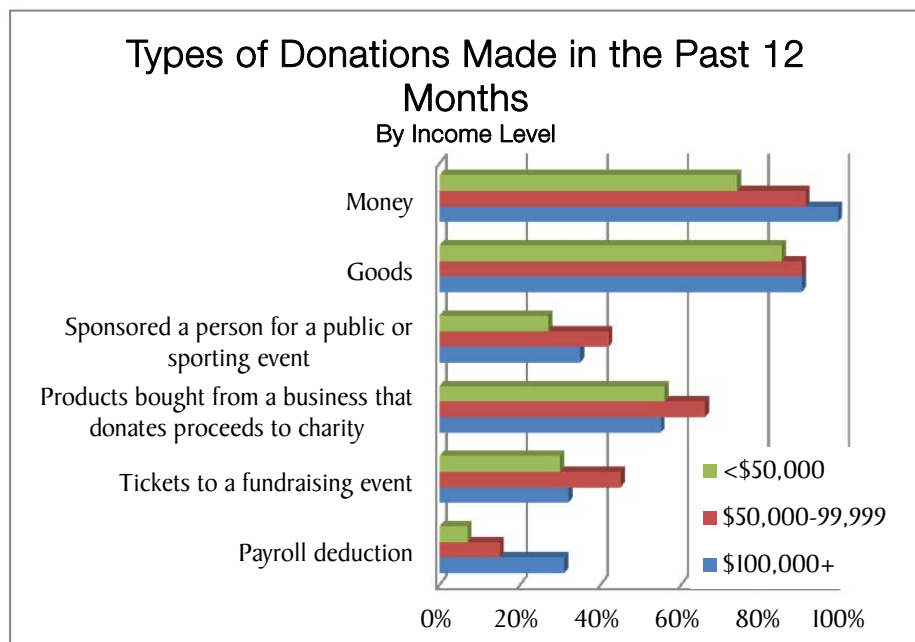


Donors with Income between \$50,000 and \$99,999

The Community Builders

Unsurprisingly, donors with incomes between \$50,000 and \$99,999 most often gave responses in the range between the lowest and highest income groups that we studied. As noted above, they agree that they “can’t afford to give more” at a lower rate than the lowest income group, but a higher rate than the highest income group. Similarly, donors in this middle income group are more likely to volunteer instead of giving than the highest income group, but less so than the lowest income group. However, these donors stand out by supporting several causes at a lower rate than the other income groups and by donating in convenient, local ways.

When asked about the need to support charities in the current economy, only 70 percent of middle-income group donors said it is important or very important – the lowest response rate of all three income groups we studied. This belief is supported by the types of causes these donors support; of all three groups, they are *least likely* to donate to health or medical causes, organizations that provide for basic needs, arts or cultural groups, and environmental causes. For every other



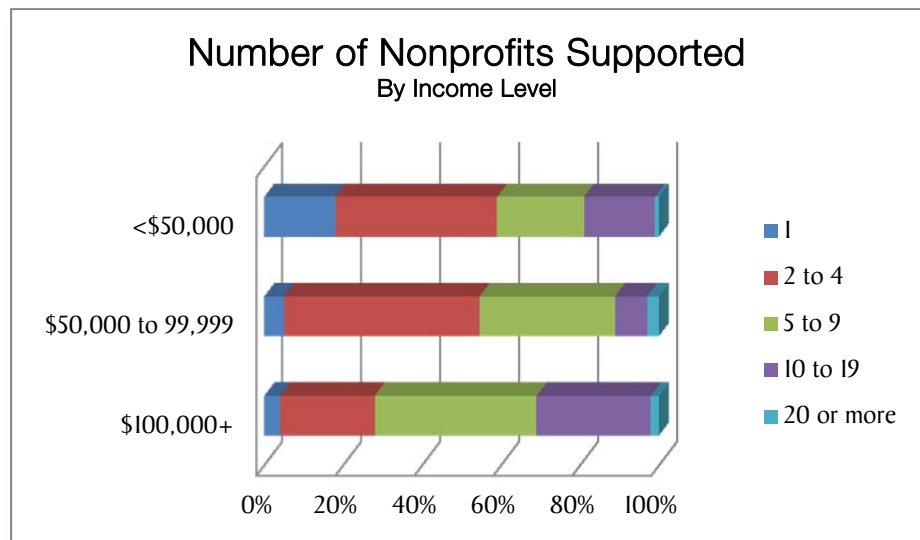
cause that we asked about, the middle income group gave at a rate between the highest and lowest income groups. Those responses follow the more moderate behavior we observed in other responses.

Seventy-six percent of middle income donors gave in response to being asked by someone they know, a higher rate than other income groups. In fact, more middle-income group donors gave in local and convenient ways when compared to other income groups. Attending a fundraising event, sponsoring someone for a public or sporting event, or buying products from businesses that donates proceeds are most common giving methods for middle-income group donors.

Donors with Income greater than \$100,000

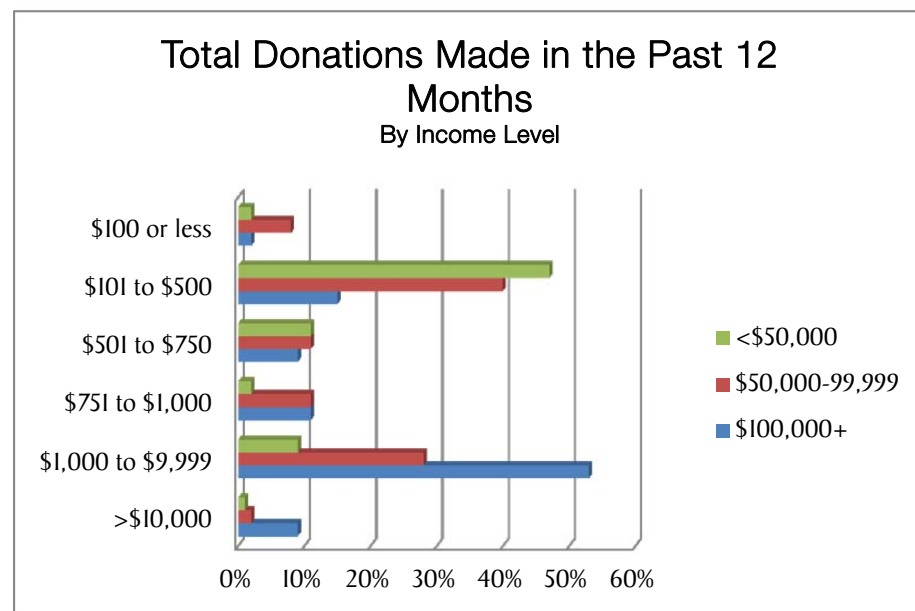
The Researchers

Donors with income more than \$100,000 are notable for their generosity, but also for their deliberate approach in choosing organizations to support. For every type of cause we asked about, more of the highest-income donors gave when compared to other income groups. They also reported giving higher total dollar amounts, over the course of a year, than other income groups.



The most striking difference between highest-income donors and others is the importance of trust in their decision to give. Ninety-one percent say donating to an organization they trust is *very important*, only 78 percent of middle-income group donors and 79 percent of donors from the lowest income group feel the same. Understanding how donations are used is an important part of trust, and 97 percent of highest-income group donors feel it is important for organizations to

communicate this. Unsurprisingly, the highest-income donors put more effort into researching charities as well; 51 percent research organizations before donating, compared with only a third of donors from other income groups.



When asked why they give, donors at the highest income level are by far most likely to say tax benefits are an important factor (84 percent). They agree *unanimously* – 100 percent - that “because you believe it is the right thing to do” is an important reason, compared with 94 percent of donors in other income groups. Finally, they are the income group most likely to name religious beliefs as an important factor in their decision to give (56 percent, compared with 47 percent of donors in the lowest income group and 48% of donors in the middle income group).

Understanding Giving: Income Differences

About the Colorado Generosity Project

In 2007, the Colorado Nonprofit Association launched the Colorado Generosity Project, an initiative aimed at building expertise within and awareness of the state's charitable sector, with the ultimate goal of increasing Coloradans' generosity. Various data sets have shown that Colorado lags behind other states in terms of giving. When compared to other states, Coloradans have relatively high incomes but do not support nonprofits as strongly. The Generosity Project seeks to increase the rate and total amount of giving to Colorado's nonprofits by conducting research about giving trends in Colorado, helping nonprofits fundraise more effectively through technical assistance and training, teaching the public about the value of giving to charitable organizations.

Acknowledgements



SE2 is a Colorado-based mass communications firm focused on public issues, policy and social marketing. They offer a full range of advertising and public relations services to nonprofits and issue-driven organizations, helping them tell their story and identify key messages that move their audiences to action.



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Colorado Nonprofit Association leads, serves and strengthens Colorado nonprofit organizations. We are a statewide nonprofit membership coalition connecting nonprofits of all sizes, missions and geographic locations.

We **lead** the nonprofit sector in influencing public policy and public opinion.

We **serve** our members by providing tools for communication, networking and administration.

We **strengthen** the nonprofit community through trainings, issue discussions, and public advocacy about the importance of the nonprofit sector.



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Serving nonprofits. Strengthening communities.