MOTIVATIONS FOR RELIGIOUS GIVING

People may give to religion for different reasons, but their giving has this in common; religious people pay to be in relation with God through the institutions they support. Many choose to give money to God via a mediating human institution such as a church, synagogue, or mosque.

Four kinds of motivations shape religious giving:

1. **Giving to achieve reciprocity with God.** The theologies behind this type of motivation vary from the prosperity gospel with its suggestion that if you give God will bless you with more money to the simple conviction that in your religious giving you are giving to God and enhancing God’s work in the world.

2. **Giving to achieve reciprocity with a particular religious group.** This type of giving may reflect a donor’s desire to do his/her “fair share,” it may reflect a deeper desire to be seen as a generous donor, or be elevated to a position of institutional leadership.

3. **Giving as an extension of the self.** Giving is a reflection of people’s passions, their love and devotion and desire to honor institutions that have been a source of blessings to them.

4. **Giving as an act of thankfulness or altruism.** People give to commemorate a family event, a specific life experience or relationship such as: the baptism of a child, recovery from an illness, an unexpected success or accomplishment, to honor the memory of a friend or relative.

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Motivations for Giving

- Personal tastes, passions, preferences
- Personal background and life experience
- Perceptions as to a charity’s competence and efficiency
- Desire to make an impact and leave a legacy

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“Fundraising as ministry invites those with money to a new relationship with their wealth.”
Henri Nouwen

“Asking people for money is giving them the opportunity to put their resources at the disposal of the Kingdom.”
Henri Nouwen

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WHY PEOPLE GIVE

There are eight common mechanisms or triggers that affect the typical donation.

1. **Awareness of Need** - The first prerequisite for philanthropy.

2. **Solicitation** - 85% of donations follow a solicitation for a contribution.

3. **Costs & Benefits** - Giving money costs money. Some donations buy special services.

4. **Altruism** - People give because they care about an organization or mission.

5. **Reputation** - People who give receive recognition and approval from others.

6. **Psychological Benefits** - The experience of the joy of giving reinforces the reward of giving.

7. **Values** - The gift has a pro-social value enhancing the mission of an institution.

8. **Efficacy** - The perception that a gift makes a difference in the cause the donor believes in.\(^{13}\)

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What Donors Want to Know

1. What is your mission; what do you do?

2. Who are the people you serve; what needs do you address?

3. Are you in debt? If so, how are you addressing your debt?

4. What is your impact on your immediate community?

5. What programs and specific missions do you fund?

6. Do you have a strategic plan and goals for the future?

7. What does success look like in your organization?

8. Do you have a strategic plan and goals for the future?

9. What does success look like in your organization?
### Generational Differences in Charitable Giving

#### The Great and Silent Generations
- Born before 1945
- **72% give to religious purposes.**
- More likely to give to charities in order to provide funding where the government does not.
- **Average religious giving of those who gave to religion in 2006 was $1,209.60.** Total charitable giving of those who gave to charity was $2,000.90.
- 78.8% give to secular causes.
- **57.7% attend church once a week; 27.3% attend once a year or not at all.**

#### The Boomer Generation
- Born between 1946 – 1964
- **46.7% give to religious purposes.**
- Boomers give less to religion than the earlier generations did at a similar point in their lives. This is probably related to church attendance.
- **Average religious giving of those who gave to religion in 2006 was $1,380.90.** Total charitable giving of those who gave to charity was $2,364.60.
- 79.2% give to secular causes.
- **32.5% attend church once a week; 33.9% attend once a year or not at all.**

#### The Generation X
- Born between 1964 – 1981
- **45.1% give to religious purposes.**
- **Average religious giving of those who gave to religion in 2006 was $1,362.60.** Total charitable giving of those who gave to charity was $1,971.10.
- 76.9% give to secular causes.
- **30.8% attend church once a week; 35.3% attend once a year or not at all.**

#### The Millennial Generation
- Born since 1981
- **41.5% give to religious purposes.**
- More likely to give in order to make the world a better place.
- **Average religious giving of those who gave to religion in 2006 was $722.10.** Total charitable giving of those who gave to charity was $1,279.30.
- 74.4% give to secular causes.
- **27.9% attend church once a week; 34.1% attend once a year or not at all.**

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THE PRE-WAR GENERATION

The pre-war generation has been the foundation of philanthropic generosity. The religious giving of the pre-war generation increases as they age and exceeds the growth of their income. This is also the generation with a higher level of trust in institutions and a keener sense of institutional loyalty. One study notes that the overall charitable giving of retired households is 69% higher than that of non-retired.\textsuperscript{15}

Another study found that Catholics over 76 years of age contribute 53% to 58% more money to their parishes than the average Catholic.\textsuperscript{16} Ironically, while it is estimated that 60% of all households giving goes to religion less than 5% of charitable bequests goes to religion.\textsuperscript{17}

As people age questions of personal legacy become increasingly important; “how will I be remembered?” Given the enormous transfer of wealth to be experienced in the next quarter of a century religious congregations and organizations would do well to develop robust bequest programs. However, one must not assume that people will remember a congregation in their wills because they have been generous and consistent supporters of a particular congregation. People leave bequests to organizations they trust; congregations with a proven history and promising future. Organizations earn trust by being prudent stewards of the gifts donors have entrusted to them in their lifetime.

\textsuperscript{15} (2005). Report from the Center on Wealth & Philanthropy, Boston College.
BEQUEST GIVERS
Three organizational/institutional traits have been found to be influential in the bequest decisions of the donor:

1. **Institutional Performance:**
   - Donors want their legacies to be well-used.
   - Donors prefer that their bequests address specific issues or programs.

2. **Organizational Professionalism:**
   - Legacy donors give to more organizations annually than they intend to support through their charitable bequest.
   - The organizations likely to receive bequests are those that demonstrate in detail a high level of professional capacity, down to getting people’s names right.

3. **Communication Effectiveness:**
   - High-quality communications that are timely and convey relevant information about the work of the organization and its finances create a positive impression for future giving.
   - Too much information and too frequent mailings have an adverse effect on donor giving.
   - The legacy fundraising adopted by many organizations creates significant negativity among prospective donors; people do not want to be reminded that they will die. Congregations should focus on the pastoral care of prospective legacy donors.
   - People do not want to be counseled to “make a will”; however they want materials to make a strong case for the work of the institution and the potential impact a bequest can have on the future ministry of a congregation.\(^{18}\)

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BABY BOOMERS

As Boomers age, many of them ask serious ontological questions like: What is the meaning and purpose of my life? What does it mean to live life well? How will I be remembered? Many of these people are individuals of wealth and success; as they contemplate the end of their business careers they wonder about the next chapter of life. Reflecting the spirit of creative independence that has made them who they are, they are emerging as the new social entrepreneurs and venture philanthropists.

The Intellectual Pillars of Venture Philanthropists

- The desire of the donor to bring non-profits to a higher scale of effectiveness by making larger, long-term gifts and establishing mutually agreed upon benchmarks for the measurement of success.
- The desire to develop new metrics of organizational performance that focus on programmatic outcomes.
- The establishment of a close, longer-term relationship between the funder and the recipient.

Profile of the Entrepreneurial Donor

- They see their giving as an *investment*.
- They expect an *accounting* as to the difference their gift is making.
- Their investment is accompanied by benchmarks to measure the *effectiveness* of the nonprofit.
- They see their investment as a *partnership* and a creation of a longer-term relationship.
- They expect the program they are funding to become *sustainable*, so their giving may carry with it an exit strategy.

The Challenge of the Venture Philanthropist

- They demand more personal attention as they see their gift to be more like a business investment than a charitable contribution.
- The receiving institution must be certain that the proposed program fits their mission as in this type of partnership there is a built in tension between donor autonomy and the integrity of the institution.
- Not all programmatic effectiveness is quantifiable by the numbers; this is especially true in religious ministries addressing issues of poverty and human need.

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GENERATION X
Charitable Giving Insights

Individualistic: Generation X came of age in an era of two-income families, rising divorce rates and a faltering economy. Women were joining the workforce in large numbers, spawning an age of “latch-key” children. As a result, Generation X is independent, resourceful and self-sufficient. In the workplace, Generation X values freedom and responsibility. They dislike being micro-managed and embrace a hands-off management philosophy.

Entrepreneurial: Generation X has set the standards in the startup world. Known as the bridge builder between the generations of Boomers and Millennials, they are marked by drive and independence. As of September 2011, they made up 42% of the American workforce. They have spent a lifetime building portable careers, in order to be able to move and transition within a changing environment.

- Approximately half of Generation Xers give to charitable causes, compared with more than three-quarters of members of older generations.20
- They have not been socially conditioned to give as they have never been called on to make the major sacrifices associated with earlier generations.
- Members of Generation X have made fortunes as entrepreneurs, creating for the first time in history a flurry of major gifts from people of such a young age.
- Generation X gives to causes that advance human capital and innovation.

MILLENNIALS
Nurturing a New Generation of Donors
A focus on Millennial donors 20 to 35 years old

Three Words Frame the Roadmap for Millennial Giving & Volunteering

CONNECT: Technology is the key to reaching prospective Millennial donors.
- Website (65%), Social Media (55%), E-Newsletter (47%) are Millennials’ preferred way to learn about a nonprofit.
- In visiting a website, 9 out of 10 Millennials go to the page describing the nonprofit’s mission.
- Your website should reveal a mission that is unique, purposeful and concise with a clear call to action.
- Millennials seek something exact to respond to. Emails should have but one main story with compelling visuals.

INVOLVE: Millennials give time; they volunteer for what inspires them.
- Treat this audience as peers and in ways more typically reserved for major donors. Make a place for their voice at your leadership table for Millennial participation is driven by personal relationships and connections.
- 81% prefer to learn about volunteering opportunities from their peers and family members.
- Provide one time as well as long-term volunteer options. Be clear as to time commitment and duties and explain how the volunteer task fits into the mission of the organization.
- By a margin of two-to-one, Millennials who volunteer are more likely to donate.

GIVE: 75% of Millennials give; 15% give $500 or more.
- In supporting a nonprofit 47% said they would give their time, 16% said they would give money, 37% said they would give time and money.
- Millennials overwhelmingly prefer to donate through the web (70%). Smart phones and social media are not proving to be successful in fundraising.
- Peer fundraising is the best way to raise money from this generation.
- Millennial giving is impulse driven. 42% said they give to “whatever inspires me at the moment.”

“Give me data. I need to know EXACTLY where my donation is going and that the money is not going to be wasted.”
Survey Participant

GENERATION Z
Age 20 and Younger

How to Rally Gen Z to Your Cause

- Tap their creative energy: utilize their design skills
- Don’t sugarcoat: give them facts
- Communicate in microbursts: frequently & concisely
- Use good design: their eyes know

20% want to start a charity in their lifetime
49% volunteer at least once a month
32% have donated their own money
26% have raised money for a cause or charity
39% consider giving time and money to charity a “measure of success”

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GENDER ISSUES IN CHARITABLE GIVING

*Women Give 2012: New Research about Women and Giving*

- Women are more likely to give to organizations with which they are actively involved. Women see their gift as the beginning of a deeper relationship with a nonprofit while their male counterparts think of it as a financial transaction.

- More women than men (80% to 68%) expect nonprofits to honor their requests for how their gifts are used.

- Women are more likely than men to be concerned about their economic viability and funds available for retirement as they age. Four factors reflect this anxiety: (1) risk aversion in financial decision-making, (2) longer life expectancy, (3) being single as they age, (4) less money available in retirement.

- Wealthy women are motivated to give because they want to make a difference, give back to their communities, set a good example for the next generation, and know the organization is efficient in its use of donations.

- Women own over 50% of the investment wealth in the United States.\(^{23}\)

*Directions in Women’s Giving 2012*

- Christian women are generous with their time and money: Median giving was 10% of income.

- Discipleship plays a major role in shaping generosity.

- Women with a strong sense of calling are more generous than those without.

- Debt is the most commonly cited challenge to generosity: 28%.

- “Aspiring givers”, those who give little, cite lack of financial planning and clarity of purpose as the major deterrent to their giving.

- There is significant capacity for greater financial generosity among Christian women; only 21% rated themselves as giving up to their capacity.

- Only 1 in 3 women indicated that their church was helpful in growing their financial generosity.\(^{24}\)

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DIVERSITY IN GIVING

The future of philanthropy may hinge on our ability to see — and connect with — the America of 2015 and not of 1990.²⁵

Ethnic groups have their own societal and philanthropic objectives and they are not always comparable to those of our traditional donors. Philanthropy means more than giving money. African-Americans, Asian-Americans and Hispanic-Heritage-Americans are already active givers and contributors in the broad landscape of philanthropy. Unfortunately, many organizations do not yet know how to effectively engage their interest.

By understanding giving traditions among emergent donor groups you will be able to promote the most appropriate giving vehicles, know how to assess and revise your engagement strategies to welcome non-traditional donors into your donor ranks and how to use relevant vehicles for gratitude and recognition that will empower these particular philanthropic groups.

Most ethnic & racial groups are growing faster than the overall American population.

From 2000 to 2010, the total US population increased 9.7%. Looking at the population as a whole, however, masks deep differences among various groups. During the same decade, the Hispanic population grew by 43%, the Asian population by 43%, and the black population by 12.3%. The non-Hispanic white population grew by only 4.9%.

Census Bureau projections through 2050 indicate an increasingly diverse nation:

- Between 2010 and 2050, the Hispanic population will grow from 49.7 million to 132.8 million, an increase of 83 million or 167%. The group's share of the nation's population will almost double, from 16% in 2010 to 30% in 2050.
- The Asian population will grow 213%, or from 14.4 million to 34.4 million. Asians' share of the population will double, from 4.7% to 7.8%.
- The black population will grow from 39.9 million to 56.9 million, an increase of 17 million or 46%. The black share of the population will remain relatively the same at around 13%.
- The non-Hispanic white population will increase by only 1%, from 200.9 million to 203.3 million, a gain of 2.5 million. The non-Hispanic white share of the population will decline from 64.7% in 2010 to 46.3% in 2050.²⁶

COMMON CHARACTERISTICS OF EMERGENT GROUPS

- Giving is linked to family and kinship
- Majority of giving is personal and can be informal
- Obligation to help others
- RELIGION IS VERY IMPORTANT

Connected to Give: Faith Communities

- **Communities of color are growing in size.**
- Most ethnic and racial groups are growing faster than the overall American population.
- **Communities of color are growing in assets.**
- Over the last two decades, the number of Latino households earning more than $100,000 has risen more than 126%. Median income for Asian American families trumps the national average, increasing more than 10% between 2000 and 2009.²⁷
- **Communities of color are giving at increasing rates and levels.**
- 63% of Latino households make charitable donations, nearly two-thirds of African American households donate to organizations and causes, $11 billion each year.

Americans affiliated with different religious traditions give at similar rates to one another

Percentage of Americans who give to all types of organizations by religious tradition

<table>
<thead>
<tr>
<th></th>
<th>Congregations</th>
<th>RioS</th>
<th>NrioS</th>
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<tbody>
<tr>
<td>Black Protestant</td>
<td>47%</td>
<td>46%</td>
<td>50%</td>
</tr>
<tr>
<td>Evangelical Protestant</td>
<td>50%</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td>Jewish</td>
<td>45%</td>
<td>37%</td>
<td>56%</td>
</tr>
<tr>
<td>Mainline Protestant</td>
<td>47%</td>
<td>46%</td>
<td>53%</td>
</tr>
<tr>
<td>Roman Catholic</td>
<td>53%</td>
<td>48%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Americans across different religious traditions give similarly across all charitable purposes, with a small number of exceptions where affiliates of certain religious traditions give at higher rates (relative to the non-affiliated):

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Religious Affiliates</th>
</tr>
</thead>
<tbody>
<tr>
<td>basic needs</td>
<td>Evangelical Protestants, Jews</td>
</tr>
<tr>
<td>civic and social advocacy</td>
<td>Black Protestants, Jews, Mainline Protestants</td>
</tr>
<tr>
<td>combined purpose</td>
<td>Roman Catholics</td>
</tr>
<tr>
<td>environment</td>
<td>Jews</td>
</tr>
<tr>
<td>health</td>
<td>Jews</td>
</tr>
<tr>
<td>international aid*</td>
<td>Jews</td>
</tr>
<tr>
<td>neighborhood and community improvement</td>
<td>Black Protestants, Jews</td>
</tr>
</tbody>
</table>

*does not include giving to Israel-related organizations

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