



Online giving soars to almost nothing

There was a massive amount of little to report for another year; why print won't die

by Tom Ahern, *Love Thy Donors* newsletter, September 2014



Look ... if online were a human, it would still be wearing diapers and running into things. Don't expect a new medium to reveal its secrets quickly. Gutenberg introduced movable type in 1439, after all ... and we're still learning how to make a good printed page.

Question: In 2013, in the US, ONLINE giving accounted for how much of the TOTAL given to charity?

- 2%
- 12%
- 22%

Notes, assumptions, and the answer....

The Chronicle of Philanthropy asked America's 400 largest charities for data about their online fundraising results for 2013. And what did our industry learn?

"While online fundraising continues to gain steam, it still accounts for a very small portion of the money charities rely on," the Chronicle reported.¹ "Among the 76 nonprofits that provided both their online and overall giving

totals for 2013, the median share of online gifts is just 2 percent of all donations from private sources."

So there's the answer:

2%. In 2013.

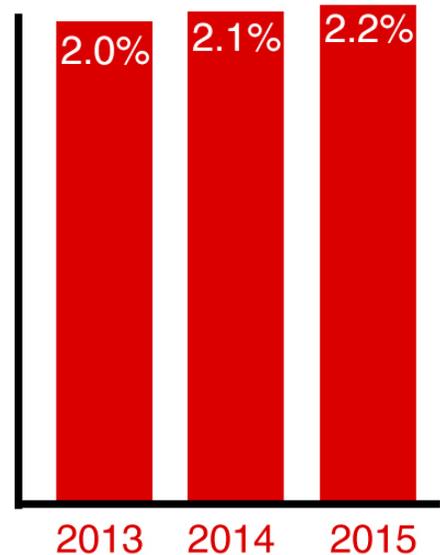
2.1% in 2014.

2.2% in 2015.

You see how slowly this goes. Two reasons why?

(1) Online is still in its early days, so there is a lot to figure out yet;

(2) Online is not in fact REPLACING traditional methods of raising money like direct mail, it is AUGMENTING them. Online has added a very active, very compelling new channel to the marketing mix ... but it has limits, too.



I know I know I know: online giving looks like a sure thing. "Everybody's" online now! That's true enough, at least in developed countries: in the US, in 2013, 85% of the population "used the internet."²

And yet...

Online has not served up an overflowing slice of that juicy giving pie fundraisers would love to muzzle into.

So far, it's been a pretty thin crepe. Two-percent thin.

Patience, I guess. How long did it take Jeff Bezos to build a trusting, willing, eager culture of online shopping at Amazon? A decade at least? Probably more. He had to invent a new international industry from the bottom up. He unapologetically burned through Himalayas of investor cash, turning his digital marketplace into a wonder of the world, placing R&D before profits, creating a new and blissfully better customer experience.

What Walt Disney did for entertainment, Jeff Bezos did for shopping.

We express ourselves through consumption. He gave us the world's best place to consume.

Now, where's *charity's* Jeff Bezos?

Why print won't die

Here's the thing: KNOW YOUR TARGET.

Keep working on your online ... **but don't neglect your print:** direct mail, newsletters, thanks, welcome kits, invitations, special reports, gratitude reports, annual reports, alerts, catalogs, all that kind of stuff.

You see, from 2015 through 2035, baby boomers will dominate the charity marketplace, experts predict³; since most US donors are 55 years of age or older, studies show.⁴

These core donors grew up with print. They love print. They revere print. They romanticize print. Most important: they respond to print, if it's any good. (And to that point: *How's your DCQ these days?* Your "donor-centered quotient"? If it's still pretty low, you could be making a lot more money. Just saying.)

It's not going to be print VS. online for the baby boom donors.

For them, it will always be print AND online.

¹ May 18, 2014, "Online Giving Grows More Sophisticated," Chronicle of Philanthropy

² Pew Research, Sept. 25, 2013.

³ And when they're gone, the next new generation of graying donor/heroes will step right up. It's predictable human behavior, for both economic and brain reasons.

⁴ 68% of US donors are 55 and older, according to TrueSense, a national direct mail firm