

The Next Generation of Supporters

Money and Meaning

AUSTRALIAN RESEARCH STUDY 2022





More Strategic is Australia's leading fundraising, research and experience management consultancy specialising in insight-driven strategies for not-for-profits.

More Strategic has conducted research on behalf of many of Australia's largest and most respected charities. We have a particular passion for collaborative research that is beneficial to the whole charity sector.



Fundraising Strategy

- Program strategies
- Practice audits
- Predictive modelling
- Benchmarking
- Analysis



Experience Management

- Journey mapping
- Dialogue and Feedback
- Motivational segmentation
- Moments that matter



Marketing & Research

- Brand and Proposition development
- Supporter and public research
- Social and services marketing research

Executive Summary

1. Young people are better educated than their older peers, and we need to ensure altruism is prominent throughout their education.
2. Young people are less likely to say they have adopted their parents' values, but those who have done so give more. We need to help parents share their values through giving to establish good giving habits early.
3. Young people face greater instability in their lives and less capacity to give. We need to engage with them in different ways and measure their contribution to our mission through their lifetime impact rather than just how much they give or raise.
4. Money plays a slightly different role in the lives of young people, with greater emphasis on freedom, fun and achievement. As their social networks change after study, fundraising events can help deliver their need for connection, belonging and meaningful experiences.
5. Younger people are actively saving, living to a budget and less likely to say the purpose of money is to help others. We need to set social norms and realistic goals for giving and tie these to their growing independence.
6. Younger people are more financially optimistic, more willing to give more, and less likely to say they are financially stretched. They have favourable attitudes, limited capacity but giving is a relatively low priority. We need to elevate the importance of giving.
7. Young people matter. They are our future. They are passionate, hopeful and influential. As not for profits, we should start our relationships early, on their terms, in their places and engage them with shared purpose. We need a longer term and broader view of how they help change the world.



Education

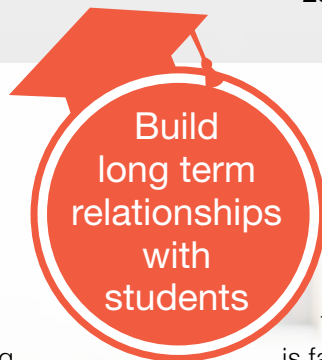
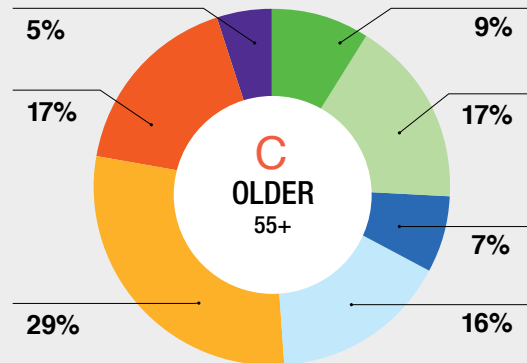
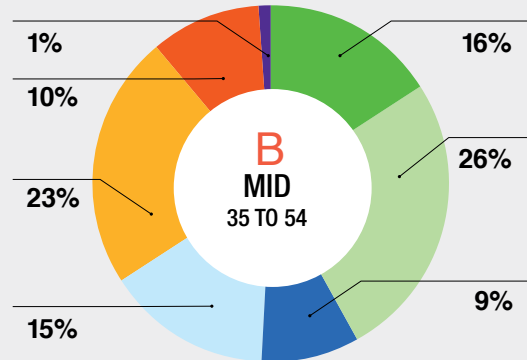
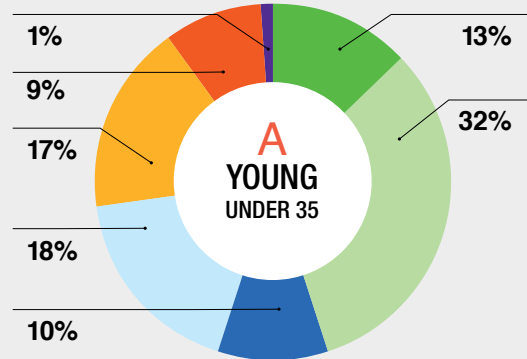
How well-educated people are impacts their propensity to engage with good causes and make donations.

WHAT IS THE HIGHEST LEVEL OF EDUCATION YOU HAVE ATTAINED?

One answer was selected from the list

- POSTGRADUATE DEGREE
- UNI/COLLEGE DEGREE
- COMPLETED YEAR 12
- HSC
- TRADE CERTIFICATE
- COMPLETED YEAR 10
- OTHER

- Younger people are better educated, being almost twice as likely to hold a University degree when compared to those that are over 55.
- Of the public under 35 who say they have donated in the past 12 months, 50% have a degree compared to 41% who have not donated.
- Current charitable donors under 35 are even more likely to have a degree than the public under 35, with two-thirds holding a degree.



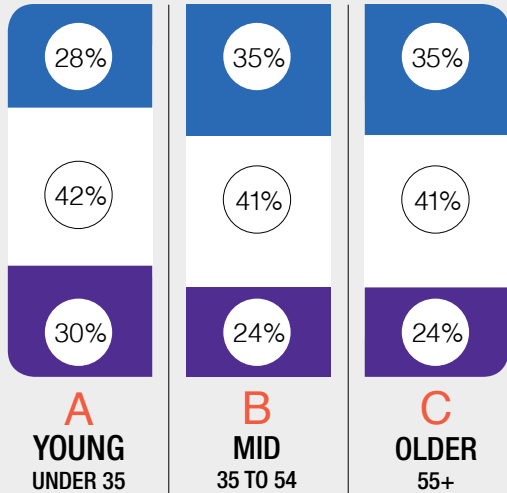
Many studies have revealed the strong link between education and giving, but will this continue now that higher education is more prevalent? Maintaining a strong culture of fundraising, giving and altruism through the school years may help encourage subsequent giving.

This is especially powerful through experiences that drive empathy, such as World's Greatest Shave, 40 Hour Famine or Ration Challenge. However, the fundraising presence at Australian Universities is far less prominent than in some other countries, where it is a training ground for future fundraisers through "rag" activities.

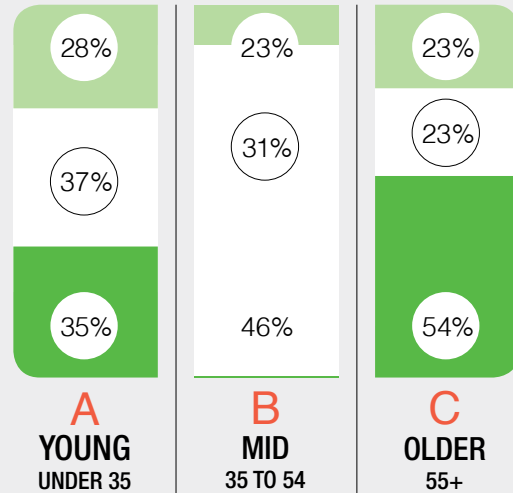
Upbringing

How people grew up, the values their parents shared and whether they gave shapes giving behaviours.

STRUGGLED FINANCIALLY OR FINANCIALLY COMFORTABLE



LIVE BY PARENT'S VALUES OR ADOPTED MY OWN VALUES



■ STRUGGLED FINANCIALLY

□ NEUTRAL

■ FINANCIALLY COMFORTABLE

■ ADOPTED MY OWN VALUES

□ NEUTRAL

■ PARENTS SHARED CORE VALUES

□ Compared to the over 55's, young people are more likely to say they grew up in comfort.

□ Young people are less likely to say they live by core values that their parents shared with them.

□ Those that say they grew up in comfort donate more.

□ Across all ages those that say they adopted their parents' values donate more.

□ Young people are less likely to say their parents were good role models.

“Young people who live by core values they adopted from their parents and grew up in financial comfort give more.”

The research suggests that young people reflect more on their parents' values and role modelling when they become parents themselves. Not-for-profits can help parents to both share their values and be good role models through their donations. Child sponsorship programs have been a powerful vehicle for sharing values, but we need to find other ways to bring giving into family life, especially with older children in their 20s. With one in three young people still relying on their parents financially, there may be a strong direct role for parents to play in helping develop good giving habits. Perhaps giving is another “adulting” moment, where young people express their independence by committing to giving.

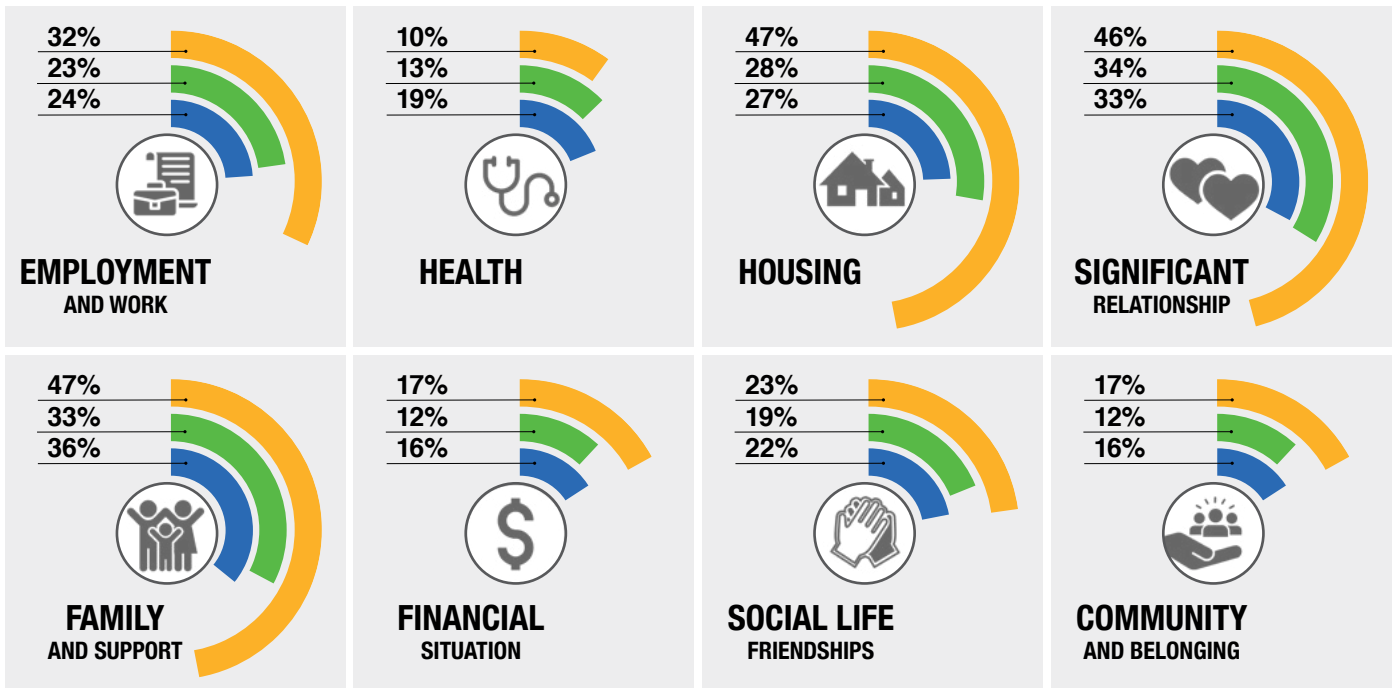
Help parents share their values through their giving.

Instability

Young people may face greater challenges when contemplating giving if they are not secure in their home, work or relationships.

Measure and grow lifetime impact rather than value

RATE THE STABILITY OF EACH OF THESE ASPECTS OF YOUR LIFE



- Young people, indeed those under 55, have less stability in their employment, housing, relationships and family life.
- Young people who report greater stability donate more.
- Social connection and belonging become less stable for the 30-35's than the 19-24's.

A YOUNG
UNDER 35

B MID
35 TO 54

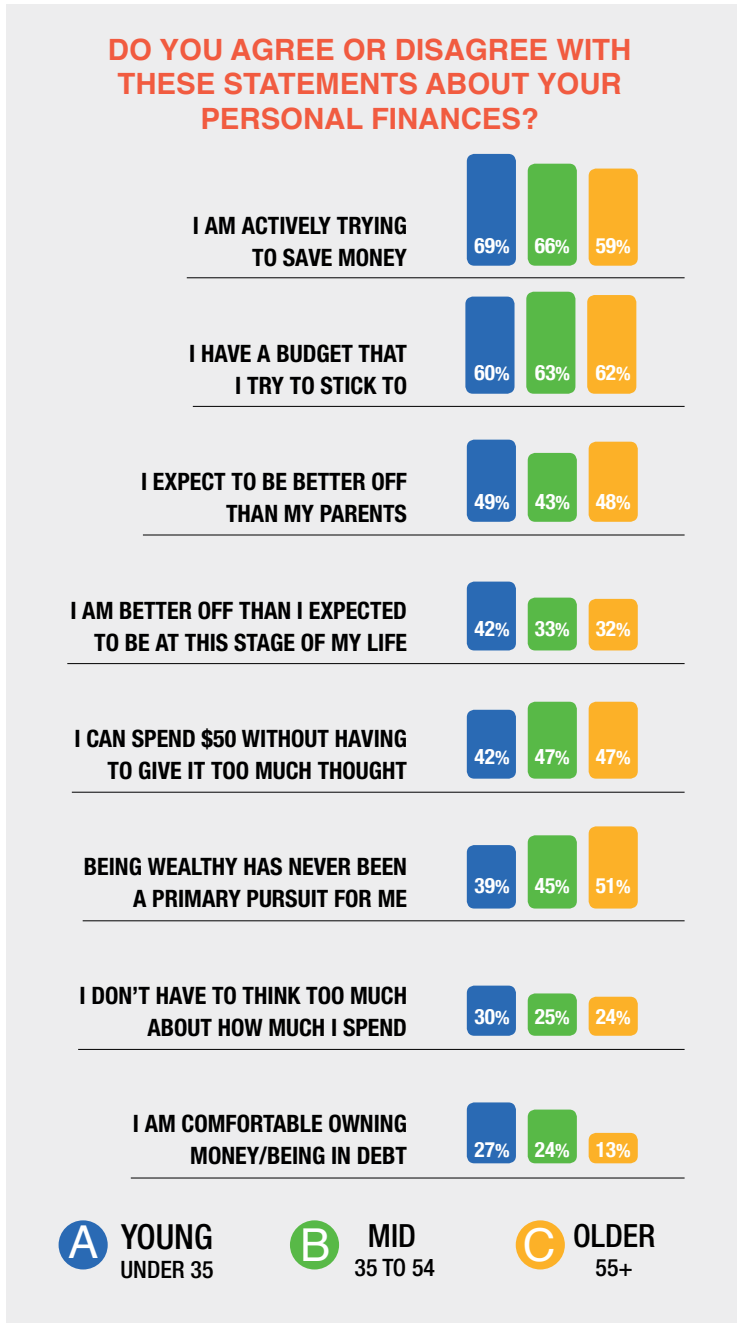
C OLDER
55+

Housing affordability is the second greatest concern for young people, and the current rental and housing market may negatively impact their perceived ability to give. We need to understand not just their age but their situation, and engage young people in supporting causes in the most appropriate way for them. For younger people, this may be through participation in events, micro-volunteering or social advocacy rather than money. As not-for-profits, we need to set goals and measure lifetime impact, not just lifetime value. Young people can contribute, but not all will be able to afford to.

“Stability is a precursor to giving.”

Financial Situation

The level of discretionary income, personal needs and beliefs about their financial situation influences how people connect with causes.



- Young people think they are better off than they expected to be at this stage of their lives.

- Young people are more comfortable being in debt.

- Young people are as likely as others to budget but less likely to have to think about what they spend.

- Older people are less likely to pursue wealth.

- Young donors are more likely to say better off than expected, don't have to think too much about what they spend, have a budget they try to stick to, wealth is not their pursuit, expect to be better off than their parents, are comfortable in debt and saving money.



Normalise giving by young people

Not-for-profits need to get in the budget and be seen as an essential expense that sits alongside their personal savings plan – what else do they want to save? The world? The mental health of their friends?

Not-for-profits may need to work with ‘finfluencers’ to ensure giving is visible, respected and expected. There are few social norms around giving as, for

many, especially older people, it is a very private act.

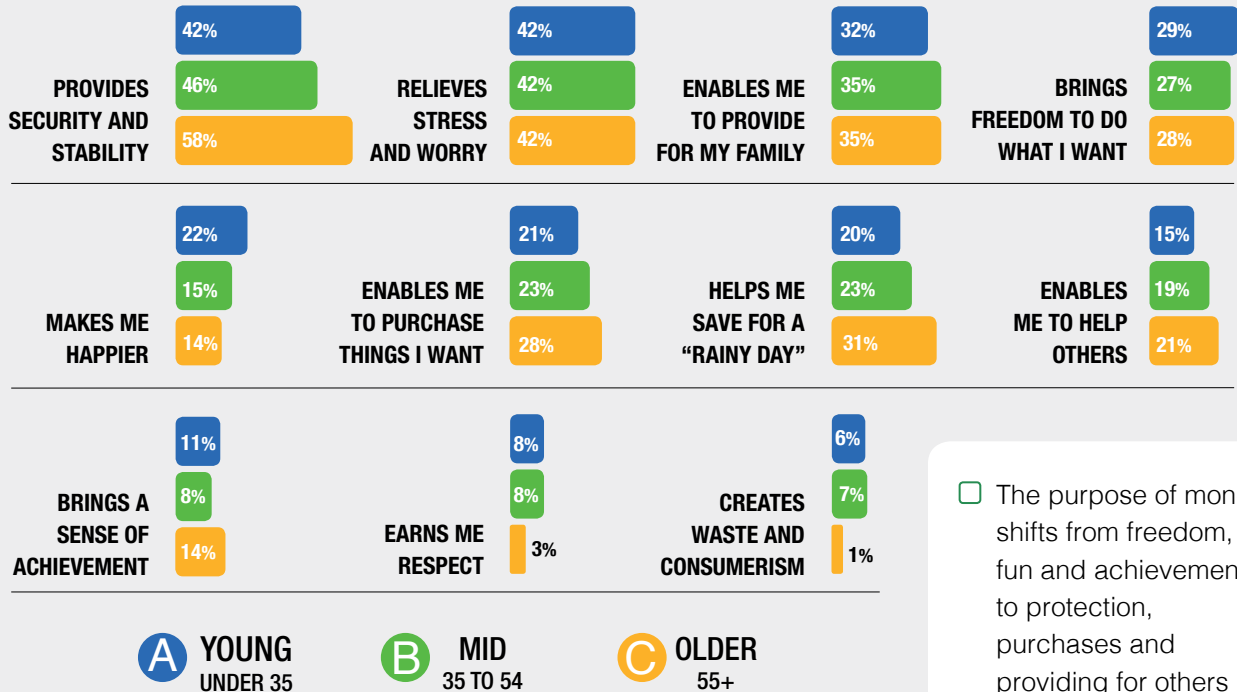
However, younger people are more comfortable sharing their giving. Could the charity sector set some aspirational but realistic goals, for example donate 1% of your annual salary for very decade of your life?

The Purpose of Money

The relationship people have with money – its purpose, influences how they use it.



DESCRIBE YOUR ATTITUDE TOWARD HAVING MORE MONEY?



Other studies have shown that higher value donors are much less likely to say they pursued wealth, and that their financial good fortune was the by-product of education, luck or wise choices.

Young people are suitably hedonistic and more likely to be using money for life experiences and enjoyment. Fundraising events and giving can play an important role in fulfilling these needs. Although only 15% of young people see the purpose of more money as helping others, they rate giving directly to an individual as just as effective as donating to a charity, whereas the over 55's see charity as a much more effective way of helping.

As not-for-profits we need to make a compelling case to younger people for the value we add to the process of helping people: assessing need, equity, expertise, effectiveness, accountability and reporting of impact.

- The purpose of money shifts from freedom, fun and achievement to protection, purchases and providing for others as people age.
- The youngest group (19-24) are even more orientated towards freedom and happiness.
- The role of money in helping others increases with age (but is still modest).
- Donors (whether actual or reported) are much more likely to see the purpose of money as helping others.

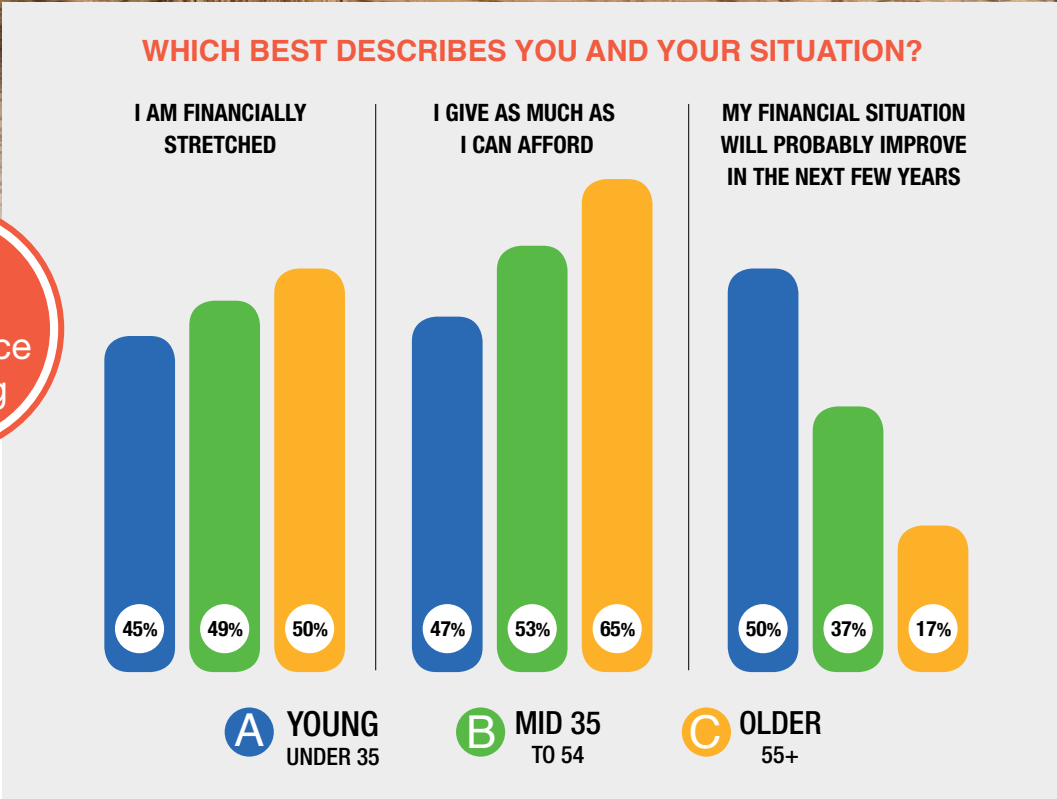
“Understand people’s attitudes to money not just how much they have.”

Financial beliefs

How people feel about their financial situation influences giving.



Elevate the importance of giving



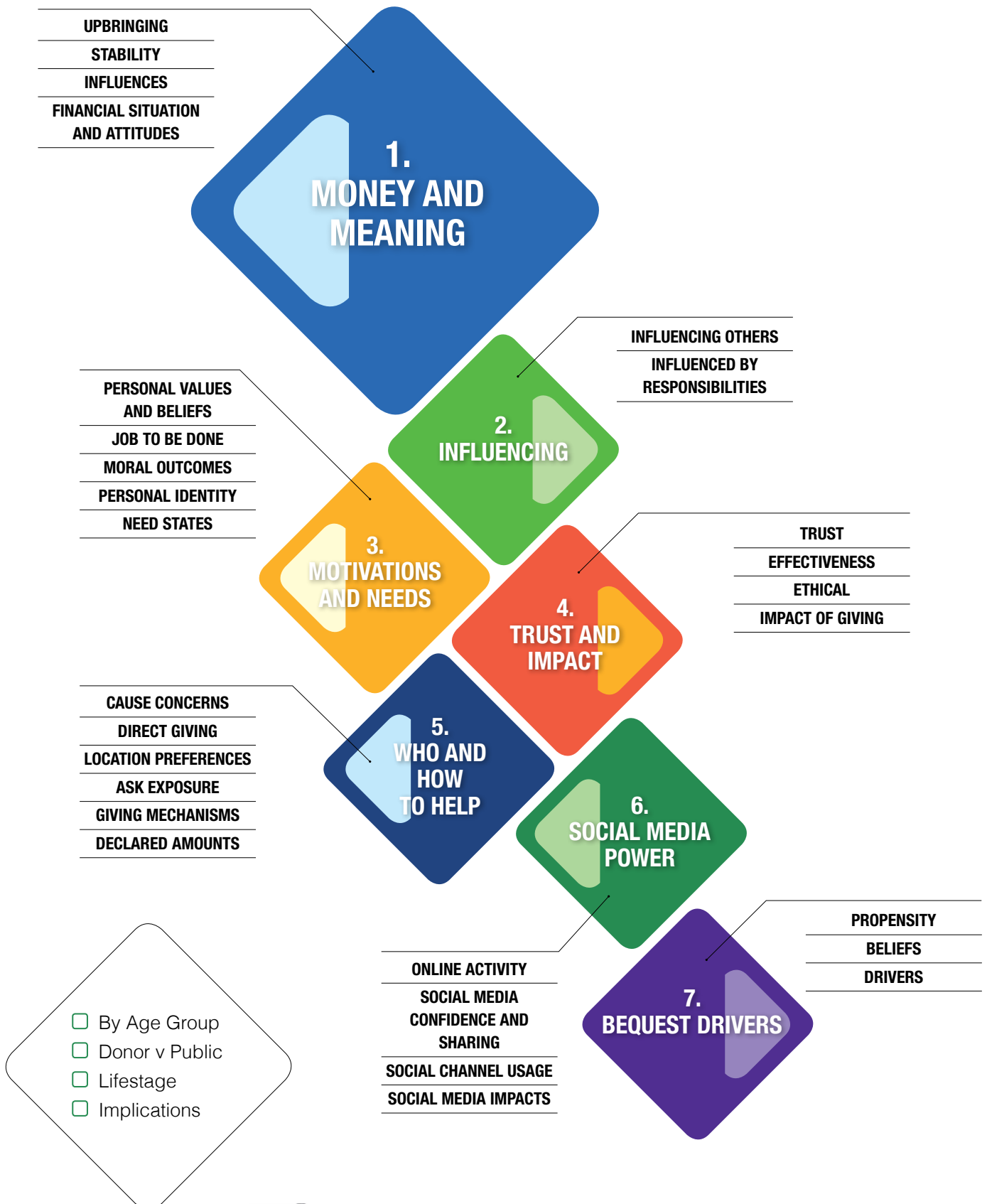
- Older respondents are much less financially optimistic and least likely to say they could give more (though they are, from other studies, more financially comfortable).
- Younger donors are more likely to say they are giving as much as they can afford (especially if they make regular gifts).

Younger people have a better disposition to give, but less capacity. In part, this is about competing priorities as we have seen above, but there are ways not-for-profits can tap into the financial optimism and still engage younger people.

Behavioural science has shown the power of temporal discounting – people value money in the future less than money today and precommitment – people are more likely to act on a stated intention. These could be combined to invite young people to pledge to give (or increase gifts) when their financial situation improves (such as a pay rise, tax rebate or even birthday).

Publication Series

This is the first of seven publications exploring in great depth the lives of Young People and how they think, feel and behave towards causes and giving.



About the study

Before commencing the research project, we reviewed existing published studies of generational giving attitudes and conducted analysis of the 10,000+ respondents to recent studies we have conducted over the past two years.

Working with our charity partners, we identified the most critical knowledge gaps and completed 34 depth interviews with donors and supporters under the age of 35.

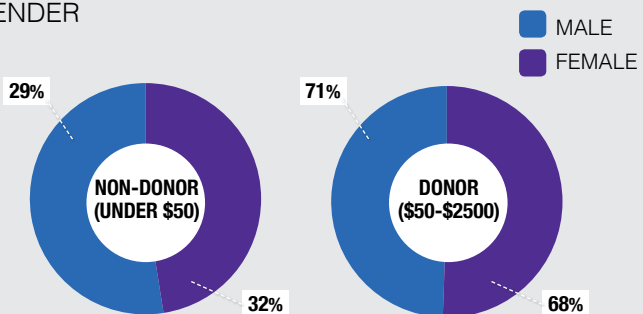
This was followed with public quantitative research amongst the Australian population with a sample size of 1500. The sample was 50% people under 35 and 50% over 35. The data was reweighted for overall analysis, and the sample of under 35's further split into three subsegments.

In addition, our charity partners invited samples of their supporters to complete the survey, with a total of 480 respondents across all ages.

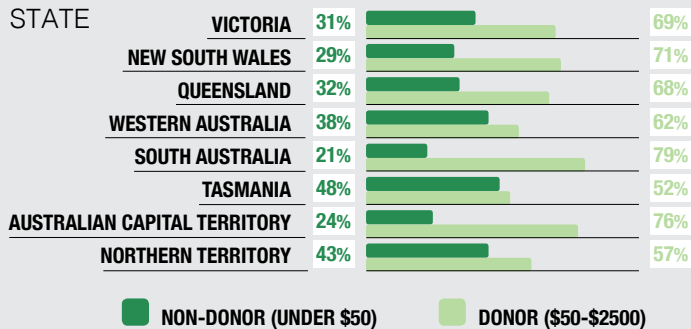
PUBLIC PANEL COMPOSITION

1500 respondents being nationally representative across gender, state, age, and family.

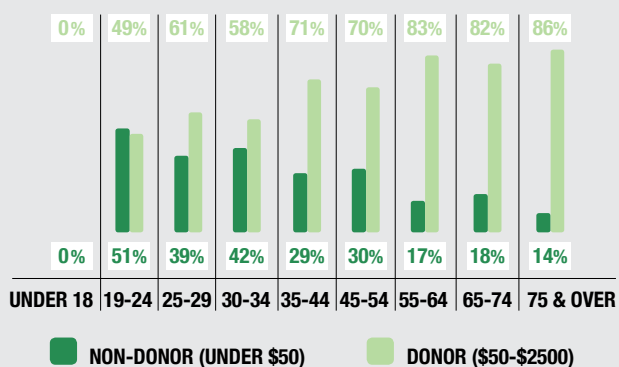
GENDER



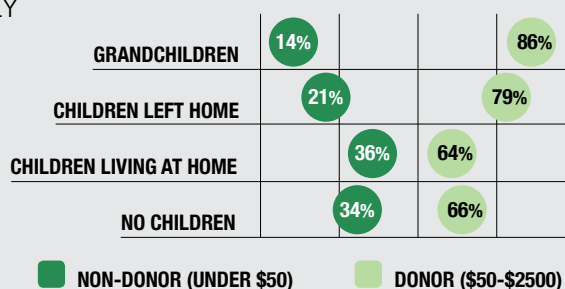
STATE



AGE



FAMILY



Our Research Partners

This project was only made possible thanks to the foresight of the following not-for-profits who provided input to the question design, contacts for participation in interviews and surveys, as well as vital funding: The Smith Family, Asylum Seekers Resource Centre, Cerebral Palsy Alliance, Ronald McDonald House Charities; Act for Peace; Royal Flying Doctor Service QLD and Wilderness Society.



About The Authors



Martin Paul is one of Australia's most experienced and respected fundraisers. He has a passion for evidence-based decision making in the not-for-profit sector and always wants to understand why people do what they do. With a background in economics and marketing, Martin led fundraising teams at WWF, The Heart Foundation and Cancer Council before co-founding More Strategic in 2008. Martin is a popular presenter at fundraising conferences in Australia, Europe and Asia.



Katynka Powning has been involved in the charity sector from the inception of Include A Charity. Her expertise in research and insights in the charity sector is well-known having completed a large number of both qualitative and quantitative research studies. In conjunction with data from charities she uses her experience in the corporate sector to design and optimize supporter experiences to maximise lifetime income. Her clients include MS Research Australia, UNICEF Australia, Guide Dogs and Cancer Council Victoria.

Get in Touch

If you'd like to better understand and connect with your supporters please get in touch.

Martin@morestrategic.com.au

Mobile: 0435 306 202



PROMOTIONAL PARTNER



**Sign up for the Next Generation Publications series at
morestrategic.com.au/next-generation/**

