

The Australian Donor Market – Demographic Differences Across Charity Types

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Purpose of Paper

- To determine the demographic differences in donor profiles across six categories of Australian charity
- Hypothesis that age, gender and income significantly differentiate between donors to these charities AND amount donated.

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Relevance of Research

- Growth in size and complexity of nonprofit sector
 - \$34 billion to Australian economy
 - 1.5 times the size of the agriculture industry (Lyons, 2009)
 - Importance of continued research in the area
- Study provides more holistic perspective

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6 Categories of Charities

Category	Example
Animal and environmental	RSPCA, Greenpeace, Humane Society
Health and health research	Leukaemia Foundation, Heart Foundation
Disability	Foundations for blind and deaf
Welfare	Salvation Army, Smith Family
International aid	World Vision, UNICEF
Children's charities	Starlight Foundation, Make a Wish

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Challenges of Fundraising

- Intense competition between charities
- High costs of fundraising and administration
- Solicitation overload
- Global economic climate

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Socio-demographic influences on giving: Age

- Age affects giving (Bekkers and Weipking 2007; Riecker and Yavas, 2008)
- Variation in impact of age
 - Giving increases with age (Giving Australia 2005; Rajan et al 2009)
 - Giving increased among younger donors
- Type of charity supported
 - Older donors supporting social services; health (Sargeant et al 1999)

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Socio-demographic Influences on Giving: Gender

- Women more likely to give (Kottasz, 2004; Schlegelmilch et al, 1997)
- Males – can be more generous donors to their selected charities (Giving Australia, 2005; Schlegelmilch et al, 1997)
- Women supporting more 'caring' charities e.g. animals and children
- Men supporting charities reflecting egoistic values e.g. arts, culture or those offering social reward (Kottasz, 2004; Srnka et al, 2003)

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Socio-demographic Influences on giving: Income

- Wealthy in society donate the most (Bekkers and Wiepking, 2007; Giving Australia 2005)
- Wealthy tend to support charities engaged in long term social change and the environment (James and Sharpe, 2007; Bennett, 2003)
- Less wealthy support those in obvious need such as welfare (Bennett, 2003)

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Method

Stage 1

- 32 depth interviews with known donors
- Qualitative analysis

Stage 2

- Australia-wide survey (n=400)
- 7pnt Likert-type scales for each charity type: 'I most regularly donate to X charity'
- Donation amount: actual \$ amount (categorical and self reported)

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Results - Age

- Negative relationship to donation amount across charity types ($r = -0.16$, $p < .01$)
- Highest annual donation amounts from 25-34 yrs (M=\$286.60) and lowest from 55-64 yrs (M = \$143.62)
- Age not a significant predictor of charity supported
 - Donations to health lower amongst over 64yrs
 - Donations to disability lower amongst younger donors

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Results - Gender

- Significant effect on dollar donated AND choice of charity
- Across all charity types, males potential to donate more
 - T-test: Males (M=\$271.97, SD=\$427.23); Females (M=\$159.08; SD=\$206.71)
- Choice of charity:
 - Males more likely to support welfare
 - Females indicate higher levels of donation to health

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Results - Income

- Income positively associated with donation amount across charity types
- Highest income earners (120k p.a +) distinct subgroup in terms of donation amount (M=\$457.52) compared to lower incomes (M< \$260)
- Income effects significant for donation to international aid – those in the \$80 – 120K category most likely to support

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Conclusions

- Significance of demographic characteristics illustrated
- Results for age and donation amount differed from international studies finding positive association with age
- Gender results supported other Australian studies such as Giving Australia

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Implications

- Giving impacted by wide range of factors – evidence that socio-demographics still salient
- Implications for giving behaviour models
- Practical implications – charity specific segmentation and targeting
- Useful platform for future research

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