



Chartered
Institute of
Fundraising

FUNDRAISING AND GIVING DURING COVID

Reflections and insights



CONTENTS

Foreword 3

The articles

- 1. Is the fundraising platform still burning?** 4
James Briggs Co-Founder, Opencreates
- 2. Collaborating with community groups unlocked much needed income** 8
Asha Vijendran Fundraising Manager for Wales, Sported
- 3. 'Digital deficit' must be tackled for charities to adapt and thrive** 11
Neil Heslop OBE Chief Executive, Charities Aid Foundation
- 4. New hurdles to overcome as the sector adapts to using more technology** 14
Shaf Mansour Product Manager, The Access Group, Not For Profit division
- 5. In the face of uncertainty kindness prevailed** 18
Monwara Ali Director, Walthamstow Community Hub
- 6. Can we learn lessons from fundraising's latest crisis?** 21
Ken Burnett Co-founder and Trustee, SOFII
- 7. Telephone fundraising – the human touch supporters needed** 24
Helen Mackenzie Founder and Chief Executive, Purity Fundraising
- 8. Why 'no donation too small' must remain the mantra for community fundraising** 27
Rebekah Ahmed Head of Community Fundraising,
Asthma UK and British Lung Foundation Partnership
- 9. The three stages of pandemic-driven transformation** 30
Michael Duggan Non-profit CXO Strategic Industry Advisor, Salesforce.org
- 10. The impact of COVID on individual giving** 34
Helen Daw Head of Data Strategy and Insight, Woods Valldata
- 11. The future isn't what it used to be** 39
Mark Phillips Managing Director, Bluefrog
- 12. Decoding the relationship between optimism, charitable giving and COVID** 42
Richard Spencer Director, About Loyalty

FOREWORD

Fundraising during the pandemic presented unprecedented challenges across the sector. The impact of social distancing and lockdown was particularly felt in events, community, corporate, and public fundraising, with nearly every single charity's fundraising plans having to start from scratch. But in responding to these challenges, new and innovative ways of fundraising were taken on, and in some cases more traditional methods of fundraising, such as the use of telephone conversations, came back to the fore.

While our ability to ask and engage people over the last 18 months was more different to any previous time that most of us can remember or imagine, there was one thing that seems to have remained a constant: when excellent fundraising is able to happen, people will give.

But when the opportunities to fundraise are so disrupted or new, the ways and amounts that people give in response to campaigns and communications will inevitably change. Understanding that change, why it happened, and what it means, is the aim of this resource.

Bringing together experts, researchers, and leaders from across the sector, this compilation of reflections and opinions presents a range of experiences and insight about what happened with fundraising and giving from individuals during the pandemic. One thing is clear at the moment, that there is not one single answer to 'what happened' and 'what does it mean', but multiple answers that are unique to each charity and cause. We hope these varied perspectives and insights will help you get a better understanding of giving during the pandemic, and be a source of inspiration for future decisions, strategies and expectations.

Thank you to everyone who contributed to this resource and shared your thoughts and views. We are lucky in this sector to have such people and organisations who are generous with their time and collaborate for the benefit of the whole fundraising community.



Daniel Fluskey
Head of Policy and External Affairs
Chartered Institute of Fundraising

IS THE FUNDRAISING PLATFORM STILL BURNING?

1

Amid the chaos of 2020 we realised that simple, timely information on what was happening in the market was more important than ever. So, in partnership with over 20 wonderful organisations, we reformulated our existing Charity benchmarks project to provide a data-driven view of the effects of the crisis – as well as interviewing ten fundraising leaders.

While the picture that emerged obviously contained a great deal of bad news in the form of lost revenues and furloughed staff, it was nevertheless fascinating and, in many ways, hugely encouraging.

A detailed version of the report itself is available for free; but for the purposes of this article I thought it would be interesting to draw on five key findings to speculate about what happens next...



What next for fundraising IRL?

2020 was a very bad year for fundraising in real life – and that impact isn't over.

In sheer revenue terms, the biggest losers of the pandemic were retail and events. Income from these key sources collapsed as shops were shuttered and in-person activities were made impossible.

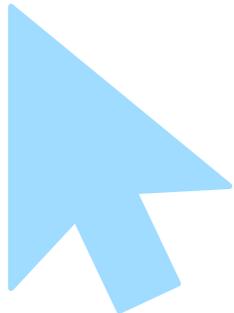
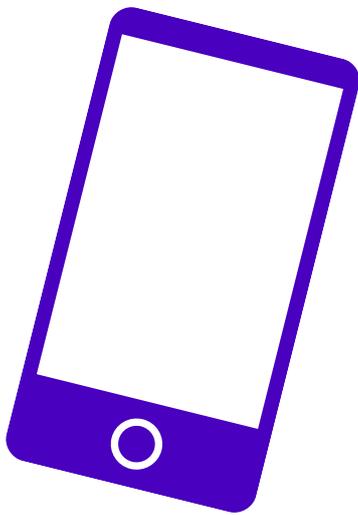
Interestingly, the migration of both retail and events into the digital world proved to be a saving grace of sorts. Charities raised their game when it came to selling online and 'virtual' events such as walks, runs and exercise challenges exploded in social space.

2X+

THE VOLUME OF REGULAR GIVERS RECRUITED ONLINE MORE THAN DOUBLED AND – FOR THE FIRST TIME EVER – SURPASSED THE TOTAL OF OFFLINE RECRUITS

50%

IN Q2 OF 2020, OVER 50% OF FUNDRAISING STAFF WERE FURLOUGHED AT OUR PARTICIPANT ORGANISATIONS



Hopefully both retail and events will experience a full recovery. But struggling high streets, a significant increase in working from home and a reluctance among many people to be part of a crowd suggest that the digitisation of these areas should remain a strategic priority.

All of which points to an even busier future for our organisations' over-stretched and increasingly hard-to-recruit digital teams...

The digital surge

Unsurprisingly, digital fundraising surged ahead as much of the population sat at home on their devices and fundraisers embraced what was now the only game in town.

The volume of regular givers recruited online more than doubled and – for the first time ever – surpassed the total of offline recruits. This was obviously due in large part to the collapse of face-to-face but the fact remains that a greater than 100% increase in recruitment is an achievement that would probably have been viewed as impossible in January 2020.

The volume and value of online cash donations also increased compared to 2019 – reflecting a surge in individual responses to both emergency and 'business as usual' appeals.

However, the huge increase in site visits and donations has, sadly, not been accompanied by improved levels of conversion. The majority of donors still leave charity checkouts without making a donation – a critical issue for the sector and one where more time and energy needs to be invested

Inside the office

One of our most surprising findings was that in Q2 of 2020, over 50% of fundraising staff were furloughed at our participant organisations.

19%

THE NATIONAL AVERAGE FURLOUGH RATE TO 30 JUNE FOR ORGANISATIONS WITH OVER 250 EMPLOYEES WAS 19%

5/10

REPORTED LEVELS OF MORALE FELL FROM 7/10 IN JANUARY TO JUST OVER 5/10 IN DECEMBER

While many of these staff would have been employed in events and retail operations, it is still an extremely high number. By way of comparison, the national average furlough rate to 30 June 2020 for organisations with over 250 employees was 19%.

According to the leaders we interviewed, the staff who remained at work achieved some spectacular results. Innovation, inter-departmental cooperation, and the ability to work in a more agile way all surged – partly from necessity but also because of a clear common purpose.

The pressure of reduced teams and ongoing uncertainty did, however, see a big drop in reported levels of morale in 2020 – falling from 7/10 in January to just over 5/10 in December.

Hopefully these levels will bounce back this year – perhaps aided by increased home working and the ability of organisations to hire outside their geographical catchment and, conversely, the ability of individuals to have more control of where and how they work.

Public feeling, Captain Tom and grassroots fundraising

As far as the public is concerned, the charity story of the pandemic was obviously Captain Tom – who proved to be a fantastic 'lightning rod' for the nation's acutely felt need to do something more than clap to help the NHS staff.

Many participants spoke about the palpable sense that the UK was keen to do something positive and many domestic charities raised very significant sums through emergency appeals – and in the process learned what overseas charities have known for years about the value of speed, simplicity and capitalising on the media agenda.

However, the fact that NHS Charities Together banked £140m in donations despite not having a single full-time fundraiser was both an example and warning to household names whose 'top down' programmes perhaps leave little room for grassroots, user-generated initiatives.



Back to the burning platform?

The defining metaphor from our 2019 benchmarks interviews was fundraising's 'burning platform' – the sector's dependence on a range of practices and channels that are increasingly expensive and unpopular but for which there is no obvious replacement.

Most (but not all) of our participants in 2020 thought that the platform was still burning and, if anything, the pandemic was fanning the flames. And most (but not all) also felt that this ongoing crisis was the true source of innovation and change in their organisations – COVID being a catalyst rather than the cause.

Worryingly, however, there was also a concern that the gains that have been made this year could be lost just as easily and that a return to 'normal' life would mean an organisational expectation that fundraising would revert back to old methods.

I very much hope that doesn't happen. And it falls to all of us, whatever our role, to hang on to the advances we've made and build on them.



James Briggs
Co-Founder
Opencreates

COLLABORATING WITH COMMUNITY GROUPS UNLOCKED MUCH NEEDED INCOME

2

Spoted is the UK's largest network of community groups promoting fairness and equity for young people through grassroots sport and physical activity. The impact of the pandemic on our network over 2,600 community groups was immediate as face-to-face sports activity stopped. As each group is responsible for its own fundraising, it was not surprising to see nearly 50% of our Welsh groups requesting support with business planning looking at sustainability and financial security.

50%

NEARLY 50% OF OUR WELSH GROUPS REQUESTED SUPPORT WITH BUSINESS PLANNING LOOKING AT SUSTAINABILITY AND FINANCIAL SECURITY

Community groups diversified their work offering food parcels, checking in with local residents, collaborating with local NHS partners to inform people what they needed to know to stay safe, and online health and wellbeing classes etc. Our support and engagement with our network dramatically changed and it gave us time to really listen to our groups, and over the past 18 months we have completed several Pulse Insight reports. We found groups were most concerned about maintaining the wellbeing of young people and the area they most needed Spoted support with was in emergency funding and fundraising, with over 62% requesting this support.



£650k

WE RECEIVED £650K WORTH OF DONATIONS FROM THE TIMES AND THE SUNDAY TIMES CHRISTMAS APPEAL

33

33 NEW GROUPS JOINED OUR NETWORK

15%

WE HAD 15% INCREASE IN ONLINE FOLLOWING

When we completed the first Pulse Insight research piece at the beginning of the pandemic, one in four groups weren't sure that they would still exist in six months' time. A year later 52% of clubs were confident they would survive. Gathering this insight ensured that we were able to support our groups in the right way, at the right time. It also gave Sported a wealth of data, evidence and details of the need for our work, placing us in a strong position for funding opportunities. This has been our biggest learning – how we collectively use the voice of our network to make change in the community. We now have quantitative and qualitative insight demonstrating how community sports groups hold a foundational place within local communities throughout the UK. Their work to support the mental and physical wellbeing of young people and their contribution to a more cohesive society has received greater recognition during the pandemic and local/national lockdowns.

We know these close community ties matter to supporters. Alongside strengthening our existing income streams from trusts and foundations, statutory and governing bodies, and corporates, we began to explore the potential for individual giving. We were delighted to win The Times and The Sunday Times Christmas appeal in 2020, which brought in £650,000 worth of donations, 33 new groups joined our network and we had 15% increase in online following. From these donations we have built a stronger supporter base and we are starting to diversify our income looking at developing our individual giving portfolio.





Moving into 2022, our appetite to try new things and connect with new donors couldn't be stronger. We know this can only happen through investing in fundraising and we have been able to expand, going from one sole fundraiser to a team of three, with strong support from senior leadership and the board.

On a personal note, it was beautiful to see key funders in Wales collaborate in new ways to ensure voluntary organisations were able to access appropriate emergency response funding for their needs. The Welsh Council for Voluntary Action, The National Lottery and Community Foundation Wales coordinated their funding programmes so that each individual fund would meet the needs of different categories of organisation type and funding value needed. Funders coming together to collaboratively understand and support the needs of Wales was refreshing to see.



Asha Vijendran
Fundraising Manager for Wales
Sported

‘DIGITAL DEFICIT’ MUST BE TACKLED FOR CHARITIES TO ADAPT AND THRIVE

3

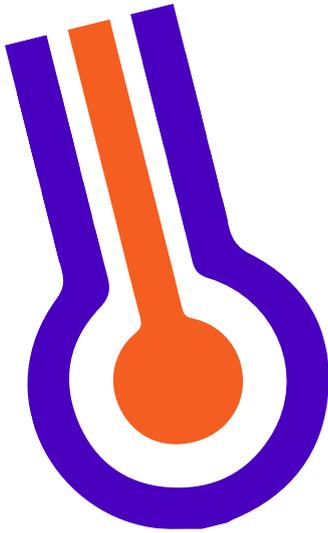
£750m

GOVERNMENT DELIVERED
A £750 MILLION FINANCIAL
SUPPORT PACKAGE FOR
CHARITIES

In many ways the experience of charities during the pandemic has mirrored the experience of the country as a whole – many dark times, but also shining points of light that give us hope for the future. Whilst charities have faced unprecedented circumstances and some truly historic challenges, we have also seen incredible levels of generosity, volunteering and community spirit as society united to face the effects of COVID together. We are only just beginning to piece together the overall effect of the past 18 months, but it is clear that charities have undergone a rapid, in many instances forced transformation during this period – the impacts of which will continue to be felt for years to come.

At the beginning of the pandemic, the fundraising community did not have to search too hard for mountains to climb. Nearly all traditional fundraising methods, from sponsorships to charity shops, were effectively shut down overnight. This corresponded with a surge in demand for services on frontline charities – every food bank, support group, disability and health charity in the country was simultaneously forced to radically adapt their ways of working to protect staff, volunteers and beneficiaries while doing ever more. Their efforts also brought to the fore a clear infrastructure deficit.

Government delivered a £750 million financial support package for charities and many of the philanthropists, businesses and funders that CAF works alongside responded at pace, coming to us with offers to move forward longer-term giving plans.



1250

CAF FIRST DELIVERED
£6.5M IN EMERGENCY GRANTS
TO 1250 SMALL CHARITIES,
BEFORE GOING ON TO DISTRIBUTE
A FURTHER £19.3M THROUGH
THE CAF RESILIENCE FUND

650

THE CAF RESILIENCE FUND
DELIVERED RAPID RELIEF
FROM THE IMPACT OF COVID
TO 645 CHARITIES

£174m

MEDICAL RESEARCH CHARITIES
ALONE ARE ESTIMATED TO HAVE
HAD A £174 MILLION SHORTFALL
IN THE FIRST HALF OF 2020

For our part, CAF first delivered £6.5 million in emergency grants to 1,250 small charities before going on to distribute a further £19.3 million through the CAF Resilience Fund – a partnership with the COVID Support Fund from the UK’s insurance and long-term savings industry and the Government’s Community Match Challenge. This fund delivered rapid relief from the impact of COVID to 645 charities and the second phase of this funding is now underway and aims to deliver longer term support to charities working with communities most impacted by COVID. Working with the wider COVID Support Fund, CAF delivered more than £100 million in pandemic-related support to UK charities.

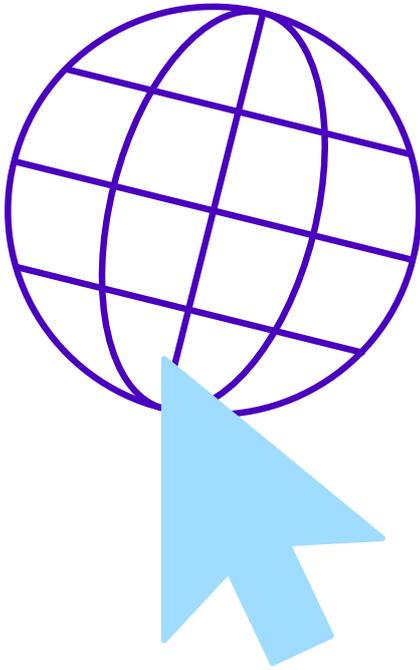
The British public also responded with customary generosity. During the first lockdown in the spring of 2020, CAF’s UK Giving research found that charitable donations were up £800 million¹ in the first half of 2020 and high profile efforts such as the 2.6 Challenge virtual fundraiser helped to raise the profile of the funding crisis facing charities during the lockdown².

This level of giving no doubt helped a number of charities to avert potential collapse in those early weeks. But several cause areas faced dramatic falls in fundraising, primarily due to the cancellation of large-scale events and the closure of other essential income streams such as admission charges and charity shops. Medical research charities alone are estimated to have had a £174 million shortfall in the first half of 2020.

Throughout this crisis, the need for charities to not just survive, but adapt has crystallised – most notably by increasing their ability to ask for and receive donations online. A ‘digital deficit’ has been exposed. One in ten charities told CAF that they could not afford the technology needed to adapt to the new fundraising environment. Worryingly, 62% of charities surveyed by CAF at the end of 2020 said that they conducted no online fundraising whatsoever, despite widespread acknowledgement of the importance of doing so.

1 See <https://www.cafonline.org/docs/default-source/about-us-publications/caf-uk-giving-2020-covid-19.pdf>

2 See <https://www.civilsociety.co.uk/news/save-the-uk-s-charities-campaign-launched-to-raise-67m-on-london-marathon-s-day.html>



62%

WORRYINGLY, 62% OF CHARITIES SURVEYED BY CAF AT THE END OF 2020 SAID THAT THEY CONDUCTED NO ONLINE FUNDRAISING WHATSOEVER

It is not surprising that smaller charities are particularly lacking in both the infrastructure and the skills to tap into digital giving. For many the purchase of laptops, tablets and software is difficult to manage – despite knowing that the investment could bring significant returns from new fundraising opportunities. This digital shift is not new, but the pandemic has compressed half a decade’s worth of transformation into only a few months; and whilst many charities have adapted incredibly well, the concern is that many others – along with the people who rely on them, risk being left behind.

Charities need support for digital transformation as a matter of urgency, and CAF’s research finds that infrastructure is repeatedly cited as the primary barrier to them making the first step. Without accessible platforms and support for upskilling, charities across all cause areas will increasingly struggle to engage with donors and meet the challenges of the post-COVID world. As the Government advances its levelling up agenda, the principles of the need to help those left behind applies equally to the charities that service those communities that have struggled for decades.

We all have a role to play in ensuring that we build back stronger from this crisis: whether that is Government, fundraisers, funders, industry partners and organisations such as ours. At CAF, we sit at the meeting point between private philanthropists, business, Government and charities. We take our responsibility to deliver more for the charities we exist to serve seriously and our own plans include investing in technology to create a global digital platform for giving that will increase and improve the delivery of funds to charities across borders.

If the pandemic has taught us anything, it is that the charity sector has a tremendous ability to adapt and thrive in the face of changing circumstances – and there is no reason to believe that with the right tools in place, it cannot do so again.



Neil Heslop, OBE
Chief Executive
Charities Aid Foundation

NEW HURDLES TO OVERCOME AS THE SECTOR ADAPTS TO USING MORE TECHNOLOGY

4

41%

RESEARCH FROM EARLY ON IN THE PANDEMIC FOUND 41% OF PEOPLE AVOIDED USING CASH DUE TO NEW HYGIENE CONCERNS

£800m

CAF REPORTS THAT THE PUBLIC GAVE AN ADDITIONAL £800M TO CHARITIES IN THE FIRST HALF OF 2020

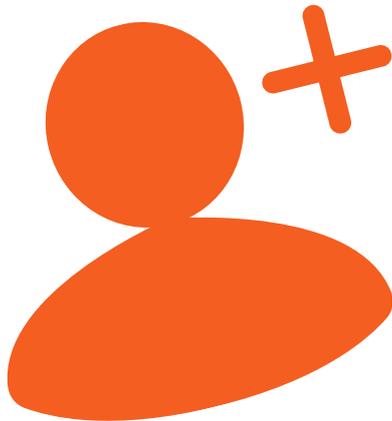
COVID saw cash usage plummet at even faster rates than anyone expected. According to CAF, research from early on in the pandemic found 41% of people avoided using cash due to new hygiene concerns.¹ This has had a substantial impact on many charities for whom, historically, face-to-face fundraising was essential. As a result of the pandemic, digital maturity within the non-profit sector has accelerated. Many charities have adapted by moving donations online.

By being able to reach more donors and service users, it's opened up more opportunities to help the people who need it most. Yet, there are also new hurdles to overcome as the sector adapts to using new technologies and changing audience behaviour.

CAF reports that the public gave an additional £800m to charities in the first half of 2020, compared with the same period in 2019. This sporadic surge in donations can be compared to other peak times, such as Christmas. Certain sectors also fared better than others – NHS Charities Together received a boost in funding, spearheaded by Sir Captain Tom's spectacular efforts, while Great Ormond Street Hospital announced plans last year to merge with Sparks, after losing 55% of its income.²

1 See <https://www.cafonline.org/docs/default-source/about-us-publications/caf-uk-giving-2020-covid-19.pdf>

2 See <https://www.gosh.org/about-us/sparks-charity/>



24%

BETWEEN THE FIRST AND SECOND WAVE OF THE PANDEMIC, 24% OF DONORS WERE LAPSED OR INTERMITTENT

While a peak in donations is welcome, this ‘surge’ trend isn’t sustainable and as a result, between the first and second wave of the pandemic, 24% of donors were lapsed or intermittent.³ Although virtual tools are facilitating fundraising despite physical restrictions, the real question is how can charities leverage this behaviour for the long-term? Healthcare charities in particular are noticing this, and lots of organisations are putting plans in place to convert this new wave of one-off donors into repeat supporters.

They’ll be able to do so if they have systems in place that make use of their data and allow them to connect with their audience in the best way possible. A good CRM can help, giving insights and tools to stay connected with donors, while allowing charities to collect and analyse information to spot new opportunities for segmentation and retargeting. This could prove crucial in the coming months.

With ongoing economic uncertainty throughout the pandemic, many people have been left with no choice but to reduce their outgoings, amid concerns about job security. So, it’s no wonder we are seeing more intermittent donations. The Government-backed furlough scheme ended in September 2021, and the impact of this is still not clear. Similarly, other funding, such as the support for businesses affected by COVID restrictions, have also closed for applications. As a result, charities need to consider another potential shift in their audience’s mindset, which could see them pause their donations altogether or even move their support to other causes. Strengthening your digital presence with tools like Google Ads – using the special Ad Grants initiative – will be critical in boosting specific appeals and targeted campaigns to capture a suitable audience.

³ See <https://www.gov.uk/government/statistics/community-life-covid-19-re-contact-survey-2020-main-report/5-charitable-giving-community-life-covid-19-re-contact-survey-2020>



27%

27% OF SMALL BUSINESSES WERE THREATENED BY MALICIOUS ATTACKS AT LEAST ONCE A WEEK

13%

ONLY 13% OF RESPONDENTS SAY THEY TRAIN THEIR STAFF ON CYBERSECURITY

This wider use of virtual tools will be fundamental in helping organisations to navigate a changeable environment, but there are some challenges to consider. As important documents, portals for connecting with service users and fundraising campaigns are all moved online, charities must stay vigilant to the risks of online security and data protection. According to the Government's 2021 Cyber Security Breaches Survey, 27% of small businesses were threatened by malicious attacks at least once a week and only 13% of respondents say they train their staff on cybersecurity, which puts them further at risk. To help combat this we've given all of our customers free access to a number of on-demand learning resources that all members of the charity's staff are able to access.

Of course, security won't be the only concern for non-profit leaders over the coming months. Since restrictions were lifted on 19th July and workers could return to their offices, many will be left considering what their 'new normal' will look like in the era of hybrid working. However, embracing the digital transformation brought on by the pandemic should put charities in a good position. Whether they choose to fully adopt remote working long term or not, now is the time to consider moving processes online and to cloud-based platforms. This will future-proof organisations and ensure important files and documents can always be accessed from any location, ensuring that you have a business continuity plan in the event of a cyber-attack or a supply chain failure.

Taking a fresh look at your approach also presents some new opportunities to improve internal systems. One area where things could be streamlined is in the reconciliation of numbers. From my conversations with many charities, it's clear that finance and fundraising teams often report on similar data, using different systems, which can lead to slightly different results. Without having a single source of truth all teams can trust it becomes difficult to use this data to help scale the charity's impact.



Every charity has had a unique response to COVID, but now they must think about where they fit into the world, and how to prepare for that. Do they need to extend their services, recruit more volunteers, or invest in new training and systems? Any five-year strategies they were working towards need to be reconsidered to grasp the new audience and opportunities in the future, with technology at the forefront.



Shaf Mansour

Product manager

The Access Group, Not For Profit division



IN THE FACE OF UNCERTAINTY KINDNESS PREVAILED

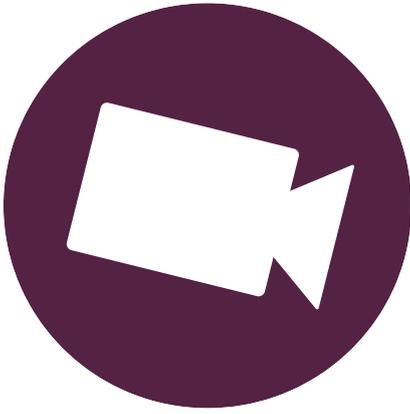
5

As the COVID situation evolved, we not only saw chaos, but also confusion on the part of decision makers. The gaps in our society and lack of joined up working became more visible. What was unique in Waltham Forest was the way local people stepped up and came together to create support structures for the months to come. The purpose was to ride-out the pandemic. As the most senior officer within Waltham Forest Community Hub, I felt responsible. In a charity of our size, the CEO or the Managing Director is usually the Head of Fundraising unless this work is outsourced. As I waded my way through chaos, uncertainty, hope and reflection I saw so many parallels and gained greater insight of the state of the fundraising profession than I have in my entire 30-year career.



The realisation that those who have the greatest need, albeit a different kind of need, have often been the first to donate, is what has stood out for me the most about giving over the past 12 months. From September to December 2020, when we signed up to walk a million steps to raise funds for our charity to continue supporting our older members via telephone, it was our existing service users (pensioners and their families, staff and volunteers) who were the first to donate. It felt like kindness prevailed everything and although the crisis made disparities more visible, how we mobilised as a community highlighted and proved that we already have what we need to survive.





I now believe that everybody wants to give, and everybody wants to be valued, the challenge is figuring out how to enable that to happen. Ironically, although we may encourage participation and advocate for community initiatives to be user-led, when it comes to us putting ourselves in the same shoes, we don't realise the value of our contribution. We tried to overcome this by exploring how social media can evidence impact and support fundraising. We posted short videos Youth Social Action SAMH and WFCH emergency support during COVID produced by M&C Saatchi on our Facebook and it had massive engagement. We were totally taken back when a couple of our local businesses donated money and commented via Twitter.



This showed us that during difficult times, opportunities will arise, however, the key is discovering those opportunities. We saw a real value in fundraising and finance departments working closely together to solve some of our greatest financial challenges. Prior to the pandemic working in silos was common practice. However, during the biggest crisis of our times, we realised that we are all connected by the same purpose; to support the most vulnerable within our community.

The aftermath of old ways of working has meant that many small organisations assumed funders would not fund core running cost, so they either furloughed their staff or didn't prioritise fundraising. People who work in the fundraising sector chose to do so, but they also have to make a living. Why should we be expected to work for free or any less than anyone in the corporate sector? To make positive progress we need old perceptions to be put aside and for fundraisers to be at the forefront of decision making.



People who were themselves struggling came forward to give and that shows the willingness of people to make a difference within their community, but people need to also feel that their contribution has been valued. COVID has highlighted inequalities and the valuable role grassroots and non-profit organisations have always played. It has brought home the real need for fundraising and made donors realise how crucial our survival is. The key to enabling us to play an even greater role in rebuilding the economy lies in strengthening our foundations so that we can do what only we are good at doing.



Monwara Ali
Director
Walthamstow Community Hub



CAN WE LEARN LESSONS FROM FUNDRAISING'S LATEST CRISIS?

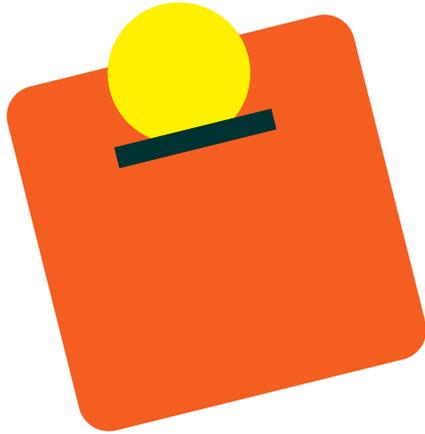
“ **A pessimist sees the difficulty in every opportunity. An optimist sees the opportunity in every difficulty.**

—Winston S Churchill



From its outset the COVID pandemic seemed, to many, to threaten extreme social and economic downturn unlike anything ever seen before – a catastrophe that promised unimagined havoc for the not-for-profit or for-change sector. Predictions of gloom and doom proliferated in self-fulfilling succession. As with the country at large, just when visionary leadership with integrity was most needed and could have made most difference, it was most absent. Though there were many glittering exceptions (some showcased on [sofii.org](https://www.sofii.org)- The Showcase of Fundraising Innovation and Inspiration) from the first mention of the word 'pandemic', many sector leaders fell short of the vision, character and inspiration they should have been leading with.

It's hard to comprehend where such negativity could have come from. Individual donors provide upwards of 80 per cent of voluntary income for charities. Of course, from the pandemic's start many people suffered financial hardship, but most didn't, particularly those groups where we find most donors. At a time when most of us were obliged to stay at home and people had few opportunities to spend their money, when donors really wanted to do something helpful and constructive, why on earth would any charity leader imagine that cutting fundraising and communication costs was the thing to do? Why would anyone believe that fundraised income would decline so steeply that fundraisers (the people who raise the money – the clue is in the name) would no longer be needed? This was misjudgement on a massive scale. It must have cost charities millions.



1.5m

MORE THAN 1.5 MILLION
INDIVIDUAL DONORS RUSHED
TO SUPPORT CAPTAIN TOM'S
HEROIC EXAMPLE WITH
GENEROUS GIFTS

Cometh the hour, cometh the heroes. Experience now tells us that, in 2020, something momentous happened for fundraisers and fundraising, that showed a unique, heart-warming, generous and, it turns out, entirely predictable response from loyal donors to the looming crisis. We saw many cases where donors gave in record numbers, delighted to be given the chance to make a constructive difference in a tough time. Obviously, this could and should have been foreseen. Anyone with even a moderate grasp of how donors think and how fundraising works bloomin' well should have known this. Instead, what happened should give our sector pause for concern at the competence of its current leadership as well as great optimism for the potential of the up-and-coming generation of younger fundraisers everywhere. It seems to me, that the organisations that cut their fundraising did indeed do very badly, or at least missed out. Others enjoyed unparalleled fundraising success, 'better than Christmas-time'. How come?

Led by donkeys?

Leadership is a funny thing. Paradoxically, at times it can be a good idea to let leadership initiatives rise up from below. It can pay to listen to the people who talk to donors, our customers. Or to listen to donors themselves. It's seldom sensible to rush to judgement from a position of ignorance. It's often a mistake to follow the herd.

So, why were fundraising professionals among the first staff to be furloughed? Why were they sent home in their tens of thousands, when donors were so likely to be receptive to their initiatives and inspiration?

Remember Captain Tom Moore and his (over) £32 million? More than 1.5 million individual donors spontaneously rushed to support his heroic example with generous gifts, knocking his initial £1,000 target into the history books. People need to give, as much as they give to need. Who'd have thought? Why, supporter experience-based relationship fundraisers, that's who. It wasn't just centenarian heroes who were able to tap into the public's passion-filled need to give at this time. Snapshot summaries from around the world on SOFII show the scale of success that some fundraisers were achieving then. Sadly, they were exceptions, rather than the rule.



The truth is, younger echelons of fundraising enthusiasts get this far more clearly and completely than their leadership does. And turnover among these talented young enthusiasts is still alarmingly high, mainly I suspect because those same leaders show no sign as yet of either learning what they need to know or of relaxing their grip on power and making way for a new, younger, clearer and better-informed wave of leaders.

We should campaign to change this. Never again should our sector face a crisis so ill-informed and so badly led.



Ken Burnett
Co-founder and Trustee
SOFII



TELEPHONE FUNDRAISING – THE HUMAN TOUCH SUPPORTERS NEEDED

7

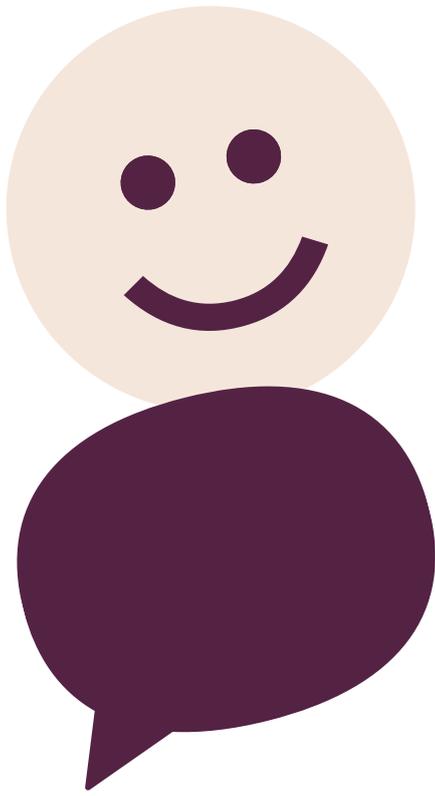


While 2020 brought many difficulties and challenges, what an interesting year it was for the telephone.

Last year of course saw many more people at home and charities increased their use of the telephone as other fundraising channels became off limits. But it also triggered the start of a significant shift in how telephone is used. We saw coming to the fore, the key roles it can play in relationship building for retention and in supporting digital acquisition.

Firstly, sensitive to the situation people might be in, many charities changed their approach to calling. Rather than a straightforward financial ask, they 'checked in' with supporters, asking how they were coping in the face of the pandemic. The focus was on how the supporter was feeling, and on sharing honestly how the charity was getting through the pandemic, the impact it was having, and its subsequent needs. For us, the main criteria for all calls were that conversations were authentic and mindful of individuals' personal circumstances.

The difference they made was clear from the start. Charities listened and responded to donors' needs during this difficult time, offering their own support and coming up with options for adjusting their giving where needed. They made supporters feel valued and cared for, but also shared honestly how the charity was getting through the pandemic, giving them a deeper understanding of the situation they too were in.



+14%

THE PERCENTAGE OF PEOPLE
AGREEING TO MAKE A REGULAR
DONATION EXCEEDED PRE-COVID
LEVELS DURING Q3 2020

These calls really highlighted how a conversation helps to build, and sustain, relationships. They also resulted in surprising and unprecedented levels of generosity and support. While the percentage of people agreeing to make a regular monthly donation dropped in Q2 2020 as the pandemic took hold with lockdown, job losses and furlough (our figures show by 27% year on year), during Q3 and across the summer we saw this recover to exceed pre-COVID levels by as much as +14%. And, while there were a few dips coinciding with other difficult points during the year, overall and to date, giving has remained strong.

As well as making an ask, the telephone gave charities a valuable opportunity to strengthen connections and loyalty, to talk to people about other ways of supporting them, to listen to their feedback for valuable supporter insight, and to capture consents for the future.

As a result, charities are recognising the value of this softer approach as a longer-term investment in retention, moving away from treating a call as a cost per contact commodity. Instead, they're including it as an integral part of their donor development programmes as recognition grows that calls can deepen supporter commitment, even when they don't result in a donation.

It's a shift I believe is here to stay, but it does mean change for many charities: assigning KPIs that don't always focus on the gift, but the quality of the call and how we make people feel. And seeing that the 'no' calls can give great insight and value, while those people may be inspired to support in the future.

Where telephone also excelled was in combination with digital. The dramatic acceleration in digital lead generation and fundraising prompted by the pandemic showed that where digital can act as a hand-raiser, telephone is invaluable in providing the human touch that helps to then bring in a donation and encourage that next step towards regular giving and a long-term relationship.



Telephone has always been a vital element of a fundraising strategy, but the tangible and measurable difference it made to charities last year highlighted this even more. As charities have sought to keep in touch with existing supporters as well as find new ones, its value as a driver of engagement, action, and a builder of relationships has become better recognised and understood, as well as the fact that it should be a fully integrated and strategic channel.

Moving forward, we can be confident that digital uptake will continue to rise among consumers, but so too will the desire for genuine and meaningful conversations and relationships – the combination of digital and telephone here is particularly complementary. Certainly, it will be crucial that digital isn't treated as a standalone, and that charities look at how channels can work together for the best supporter experience.

As more charities catch on to the benefits of integrating the telephone into the supporter journey, I fully expect to see charities' use of it become more sophisticated – for fundraising, for those softer calls, and as a strategic partner for digital campaigns. The continued growth and development of charity telephone communication will see supporter relationships all the better for it.



Helen Mackenzie
Founder and Chief Executive
Purity Fundraising

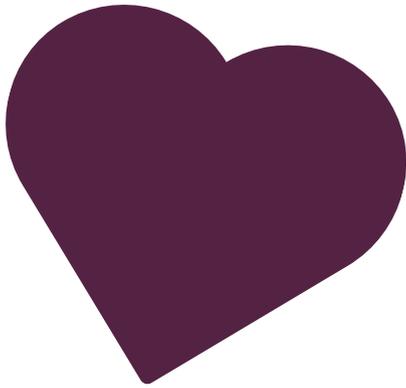
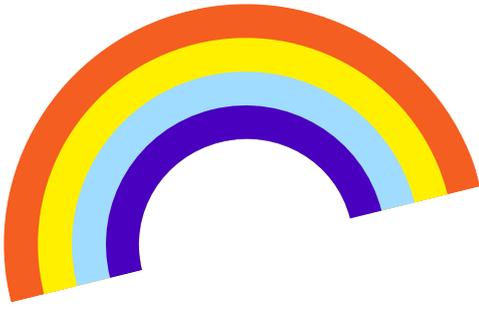
WHY 'NO DONATION TOO SMALL' MUST REMAIN THE MANTRA FOR COMMUNITY FUNDRAISING

8

There have been plenty of lessons learnt over the last 18 months, though some have been harder to learn than others. As an organisation, we've had some surprising hits but we've also had some spectacular misses, and dealing with a merger and a pandemic at the same time has also been a steep learning curve in resilience and creativity for all involved!

I've found plenty of things surprising in the past 12 months, not least the fact that we made it through 2020 fairly intact; but what's surprised me the most during this time has been our supporters. Throughout everything, they have been unwavering in their support and determination to find ways to fundraise despite being separated from family and friends and in some cases, being particularly vulnerable to COVID itself.





As community fundraisers we're intensely familiar with the phrase 'no donation too small' because we know the effort that can go into raising even the smallest of amounts, but that's really been hammered home to me this year. The fundraisers we've seen this year have been ones that form the bedrock of community fundraising, without whom we really wouldn't have survived; the ones that take on the seemingly small, unglamorous events like head shaves, sponsored walks, Zoom quizzes and much more. I think sometimes we can get lost in supporter journeys and strategic stewardship, focussing on our higher value supporters, and forget how much passion it takes to make the decision to shave your head, or how much grit you need to push yourself to give up smoking, or chocolate, or take those baby steps towards a 5k. We forget how all those small acts add up – you just have to cast your mind back to Captain Tom, doggedly taking on those laps of his garden, to see an example of community fundraising at its most impactful.

Thinking back to March 2020, when we realised that COVID wasn't going to be a quick blip we would recover from within months, our outlook was fairly bleak. After all, what is community fundraising without face-to-face interaction? Seeing the cancellation of all third-party events coupled with cancelling our own bespoke events, we just didn't think we'd see any income from fundraisers who were worried about a multitude of issues, such as their health and safety, and finances. Watching the calls come through to our Helpline from people with respiratory issues who were terrified about this largely unknown but highly contagious virus and confused about what the safest course of action was, we knew we couldn't plug community fundraising right then. We put tentative calls out about virtual challenges and the huge gap we were facing in our funding, but we didn't expect to get a big take up because we knew fundraising wasn't anyone's focus – including ours.



Instead, we pivoted to putting people first; redeploying fundraisers to our Helpline and social media – a task that was hugely emotional at times – and committing to daily emails that aimed to demystify government guidance and signpost to support and advice. We saw that once we focussed on putting people’s needs first, they wanted to support us. You might think that should have been a lesson we’d already learnt, but regardless, it has sparked a change in the way we’re looking at our supporters now. As an organisation we’re moving towards a more person-centred and supporter-led approach. Buzzwords that we were aware of before the pandemic but didn’t really understand until it hit.

Despite the bleak outlook we originally had, we continued to see community fundraising hold steady and by the end of the year we’d exceeded our target, purely due to that constant stream of small fundraising acts. Thanks to the fundraisers that kept us afloat, we have the confidence to try new things and step outside of our comfort zones more, knowing that we have such a committed and motivated audience to go to for feedback.

I think that’s the key takeaway for all community fundraisers; to become more adaptable we must really utilise the relationships we build. We are expert communicators and relationship builders whose goal is to create a feeling that the supporter is part of a community, or even a family. This year, my team is going to try to make that relationship reciprocal and make our supporters a part of our plans in a way we haven’t before. We know it won’t happen overnight, but we’re making a start, inspired by some of the fantastic successes we’ve seen other organisations achieve this past year. I think that across community fundraising the instances of real supporter-led innovation we’ve seen throughout the pandemic will continue through recovery and beyond and will change the way we define community fundraising.



Rebekah Ahmed

Head of Community Fundraising

Asthma UK and British Lung Foundation Partnership

THE THREE STAGES OF PANDEMIC-DRIVEN TRANSFORMATION



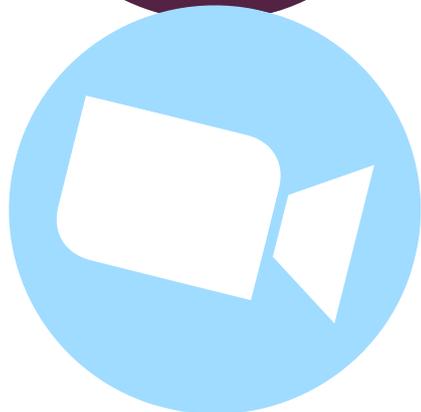
When we reflect on 2020, I suspect most organisations will run out of superlatives to describe the disruptive effect the pandemic had on fundraisers. For some it was an existential crisis, and difficult decisions were made to adjust to the new reality. For others it has proven to be the opportunity to transform how they fundraise and, yes, grow in some cases.

Through our work with non-profit organisations around the globe, we have seen three distinct transformation phases for non-profits – stabilisation, reopening, and now evolving.

Diversifying fundraising efforts



After the first shock of having to rapidly shift to working from home, organisations were focused on stabilising their operations in the virtual world. Non-profits that had already invested in cloud technology and remote working adapted quickly.¹ Those without digital infrastructure and processes struggled. The key innovation at this point was about digitising the last vestiges of working in an office – paper documents were eliminated, team meetings went virtual.



1 See <https://www.salesforce.org/nonprofit/download-3rd-edition-nonprofit-trends-report/>



\$111m

TWITCH SAW THE AMOUNT RAISED ON THE PLATFORM GOING FROM \$56 MILLION IN 2019 TO OVER \$111 MILLION IN 2020

4/10

ONLY 4 IN 10 ORGANISATIONS USED MORE THAN FOUR SENTENCES ON THEIR DONATION PAGE

3/10

3 IN 10 ORGANISATIONS USED NO TEXT AT ALL ON THEIR DONATION PAGE

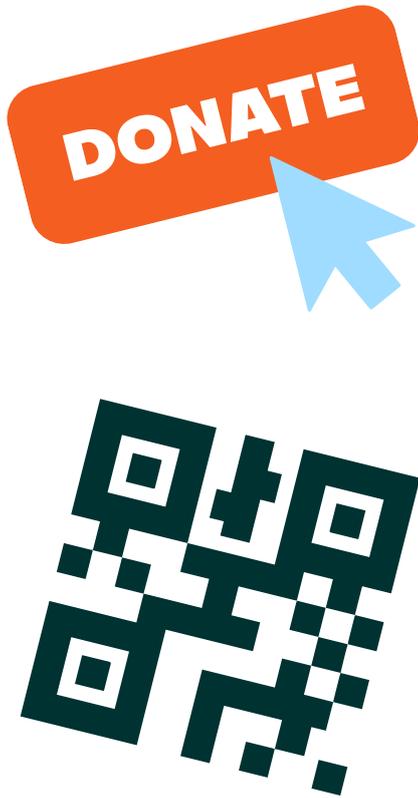
Many non-profits also faced fluctuations in giving. The loss of physical events and other income streams was difficult, resulting in the need to eke out efficiencies in all aspects of operations, and to diversify fundraising efforts. With the incredible growth of the gaming industry over the past year (Twitch alone saw the amount raised on the platform going from \$56 million in 2019 to over \$111 million in 2020), it is not surprising that more and more non-profit organisations started to experiment in the field of Gaming for Good.² Gaming kept people engaged and connected even when we were physically apart, and it created global communities that non-profits could tap into for support.

The pandemic also impacted and transformed the supporter experience – both in terms of their own financial challenges, but also in how quickly they adapted to a digital-only world. The digital supporter became mainstream, and non-profits needed to invest in online fundraising to keep up with this development. According to the Global Online Fundraising Scorecard, only four in 10 organisations used more than four sentences on their donation page to communicate why a donation is needed and what impact that donation would have.³ Three in 10 organisations used no text at all on their donation page. What organisations learned during this time was to challenge all of their assumptions around how they worked as fundraisers and how supporters behaved.



2 See <https://www.salesforce.org/events/gaming-for-good/>

3 See <https://www.salesforce.org/the-global-online-fundraising-scorecard/>



Digital-first supporter engagement

Reopening was the next innovation driver. As non-profits adapted to the new normal, they embedded new digital strategies to address government guidelines. An example of this was the shift to mobile-friendly curb side pickup for charity stores when people weren't permitted to enter. Combined with the rapid move to e-commerce, it became clear that, even in a post-pandemic world, constituent expectations had changed in favour of a more seamless donor experience across physical and digital worlds. The outcome is that even when stores reopen and in-person events or face-to-face fundraising start again, non-profits will continue to rely on digital-first, hybrid campaigns that provide the ability to seamlessly connect with supporters – both physically and digitally.

Finally, we are seeing non-profits think about how they evolve for a post-pandemic world. While the pandemic was particularly devastating for some in the non-profit sector, it did serve as a reminder of our undeniable interconnectedness in so many ways – of people across the world, of the private and public sectors, of governmental and non-governmental organisations. With non-profits and for-profits alike working together to protect their communities, the pandemic proved not just the possibility of cross-sector collaboration, but the imperative for cross-sector collaboration.

Many non-profits are using the opportunity of the digitisation of their program work to better align fundraising and program delivery and demonstrate their impact to supporters. A great example of this is the increased use of real-time data to supporters of non-profits responding to COVID, e.g. indicators like hospital bed load that drive behaviours and a deeper understanding of the crisis.

I think as we reflect on the last year, the key lesson is that those organisations that were best prepared for a digital world because of forward-thinking digital investments are the organisations most likely to emerge stronger. They adapted cultures of agility and an openness to change that enabled them to meet the challenges we faced quickly and with resilience. As we get closer to the end of 2021, it is vital to start moving from a tactical pandemic response to one that more fundamentally rethinks how non-profits fundraise and deliver impact in a digital age. With the acceleration in digital transformation that was triggered by the pandemic, it might turn out to be a multi-generational opportunity to drive change.



Michael Duggan

Nonprofit CXO Strategic Industry Advisor
Salesforce.org



THE IMPACT OF COVID ON INDIVIDUAL GIVING

10

A time of change

The response to the virus over 2020 and the first half of 2021 has meant many things for UK charities. As we know, challenges have been huge with a rise in demand for services coupled with a reduction in forecast income with face-to-face, events and retail being heavily impacted, and legacy processing slow causing uncertainty. Despite these challenges we have seen a raft of positive changes because of the pandemic.



Looking back...

Our research over 2020/21 and insights shared by our charity partners in webinars we hosted each quarter highlight key developments in individual giving during the pandemic:

1. Bravery and agility

Overnight charities had to stop many traditional and 'safe' fundraising approaches (face-to-face, events, etc.) and find alternative ways to fundraise in completely unprecedented circumstances. But how?

Gina Almond, in her previous role as Head of Income Generation at Blind Veterans UK, and Ella Pierce from Sightsavers spoke passionately in May 2020 about how being brave and agile in their fundraising – quickly changing appeal messaging to ask supporters for help in uncertain times meant they were able to continue fundraising.



Alex McDowell from RNIB flagged openness and transparency as being the key to making these urgent asks work and ensuring that this approach was especially evident during the pandemic.

This was something mirrored by many charities – and we saw that when asked, the UK population responded in greater numbers than we could ever have expected, with cash and regular giving income proving a vital lifeline.

Like-for-like campaigns

Response rates and average gifts for like-for-like campaigns (2019 compared to 2020) both increased during 2020.



Regular giving

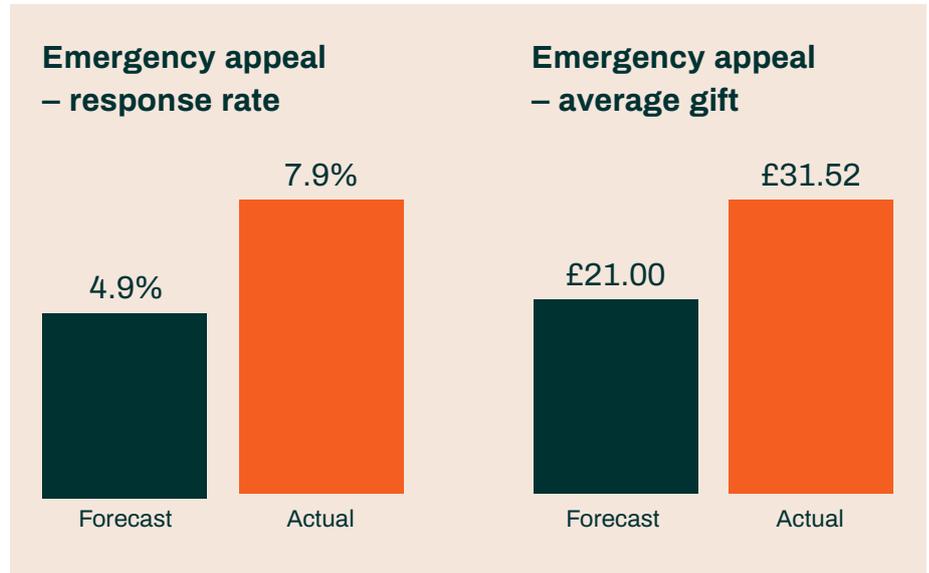
The number of people cancelling their direct debits during 2020 significantly reduced.





Emergency appeals

Results for ad-hoc / one-off emergency campaigns throughout 2020 (where there is no direct comparison to 2019) significantly outweighed expectations.



70%

WE SAW A 70% INCREASE IN ONLINE RESPONSES IN RAFFLE AND CASH CAMPAIGNS.

61%

THE RESPONSE TO EMERGENCY APPEALS WAS ASTOUNDING, 61% ABOVE FORECAST

2. Innovation

‘Necessity is the mother of invention’ and over 2020, charities had to change the way they were fundraising. There had been a push for new things to attract new audiences, but it had been a gradual process up until 2020. Suddenly, with other options removed, charities needed to innovate. Digital fundraising, DRTV and virtual events leapt forward – as well as increased investment in direct mail.

Charities have embraced these channels. For Woods Valldata partner charities alone, we saw a 70% increase in online responses in raffle and cash campaigns.

Direct mail has proven its worth when other channels have struggled or not been available. The response of the public to emergency appeals (both to warm bases and cold) was astounding, responding 61% above forecast.



3. Collaboration

Remote working, furlough resulting in reduced teams, and a massive fundraising challenge meant that previously siloed teams within charities became more united – creating a more holistic approach to both supporters and the general public. Jo Stone from Battersea talked about this as a change for the better and one that I know most charities want to see continuing.

Looking forward...

As we continue down a path of constant change, charities are still dealing with the unknown. The economic downturn has not been as bad as we thought in many areas, but that's not to say it's not still coming. What impact will that have on supporter giving over the next few months/years?

As life opens back up, will that sense of support and love for our charities continue? Will the rise in one-off gifts on- and off-line lead to new relationships or were they simply 'of the moment'?

I think the changes we've experienced, and these uncertainties, will lead to new ways of doing things:

Building relationships with younger audiences

We have engaged with a younger audience during the pandemic. We want to build relationships and engage with these new supporters. We therefore need to invest in understanding them, think about the channels and messages we use to communicate with them, and we need to track and report on what works for these individuals versus our more traditional groups.

Seeing how existing supporter behaviour has changed

Will the circumstances of the pandemic have changed our traditional donor preferences? Are they more digital or virtual now, or was that simply a 'needs must' of the moment? We need to understand the nuances of how that works for them and their motivations and attitudes towards channels and asks.



Channel expectations

With the rise in new channels there will inevitably be a rise in competition and potentially a drop in effectiveness, or an increase in cost affecting ROI. How can we maximise the value of these exciting areas of growth compared to what we have seen over the last year?



Understanding the data coming into us from the new channels and audiences will be vitally important in building new supporter journeys and retention programmes and content and creative and messaging. The supporter will be king. That second gift will become an even greater metric to be monitored. Fundraising will increasingly be about retention, and growth and loyalty. The need to stand out from the crowd will increase, both online where competition has increased, but also offline where I believe direct mail will find a new dawn as part of targeted and focused support for multi-channel and omni-channel fundraising approaches.

It's an exciting time and I can't wait to see what comes of the changes the pandemic has brought about. What I do know is that our fundraisers are brave, and agile, innovative and collaborative, and whatever comes our way, they'll be ready to respond.

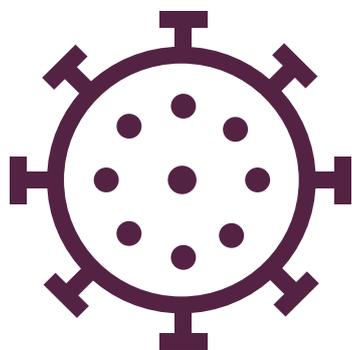


Helen Daw

Head of Data Strategy and Insight
Woods Valldata

THE FUTURE ISN'T WHAT IT USED TO BE

11



When I look back over the hundreds of donor interviews that Bluefrog has undertaken since March 2020, three themes have regularly been repeated: challenge, security, participation.

Intertwined through stories of personal tragedy, frustration and worry, these themes have formed the emotional framework that has defined the pandemic for many people. Importantly for us, they have also served to reset many people's relationship with the charity sector.

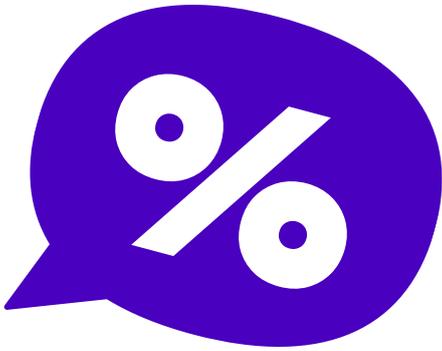
The last decade has not always been the greatest time to be a fundraiser. Income has been generally flat, we've seen a regular flow of media stories that have served to highlight what is wrong with our profession rather than what is right. And evidence of what might drive the next wave of public philanthropy has been scant.

But that was until COVID hit us. That changed everything.

Within the course of a week the understanding that we needed to look after each other moved to the front of our collective minds as COVID shifted from a minor news story to dominating our lives.

It was then, that the true purpose of charities zoomed into focus for many people for the first time. Here was a means for us to put our collective financial weight behind a problem that needed to be solved.

Mindsets were changed. Giving a few pounds a month through a direct debit seemed a little insignificant in the face of a global pandemic, particularly for those who found themselves better off as a result of the rapid reduction in opportunities to spend money.



63%

COMPARING RESULTS FROM OUR MOST RECENT WARM FUNDRAISING APPEALS WITH THOSE FROM BEFORE THE PANDEMIC, WE FOUND AN AVERAGE INCREASE OF 63%

130%

WHEN IT COMES TO COLD APPEALS, RECRUITMENT ROIs HAVE JUMPED FROM BETWEEN 50% TO OVER 130%

The result has been an uplift in response to cold and warm appeals that has been nothing short of remarkable. When Bluefrog compared results from our most recent warm fundraising appeals with those from before the pandemic, we found an average increase in gross income of 63%. From disability charities to healthcare to international development to education – all have seen an incredible increase in levels of income.

And when it comes to cold appeals, recruitment ROIs have jumped from between 50% to over 130% with acquisition costs tumbling by more than half. This has come from both improved response rates and, in many cases, higher average gifts.

To explain the increase in public generosity, we need to return to the themes outlined at the beginning. The simple fact is that in the face of the pandemic and the problems it has thrown up, people have wanted to be an active part of the solution. And stuck at home, giving has been the ideal route to achieve this. It became (and still is) part of many people's personal strategy to tackle the pandemic.

This often went beyond the simple desire to beat the virus. Our research revealed a widening distinction between good and bad behaviour. On one side we had key workers who were putting themselves at risk to protect the rest of us. On the other, we had the confusion and self-interest demonstrated by key members of the government and their advisers (we all remember the chaos behind PPE procurement and that trip to Barnard castle).

Giving became a way to demonstrate what side you were on. It gave a sense of control and purpose at a time when we were (and still are) worried about the future. It offered security when we were faced with the biggest challenge that many of us had ever experienced.

Eighteen months on, this desire to be a participant in creating a safer and more just society hasn't diminished.

Many donors have told us that they remain worried about the physical impact of the virus on people living in poorer parts of the world. We've heard concerns about the long-term economic impact on our lives in the UK. Alongside this, there is evidence of a growing sense of fear about whether society is moving in the right direction.



That is why many donors have not cut back on their giving – nor do they have any intention to do so. They see charities as an effective, voice of reason that can help us to navigate through this chaotic time.

In return, donors want to understand how they helped charities adapt to the extra demands of the pandemic and see how the services that they funded were delivered. Together, they engender trust and offer the sense of stability that so many donors are desperate for.

This makes our work as fundraisers much easier. Charities don't need to spend time and money on a rebrand which is going to further unsettle donors at a time when change is overwhelming. Nor does work have to be repackaged as a new product.

Instead our focus should move to three simple words: solve, don't sell.

Donors, perhaps more than ever, simply want to know what the need is, how you are answering it and how they can help. If you are speaking to people who care about the problems that you are tackling and show them that they can make a difference, their support will follow.



bluefrog
FUNDRAISING

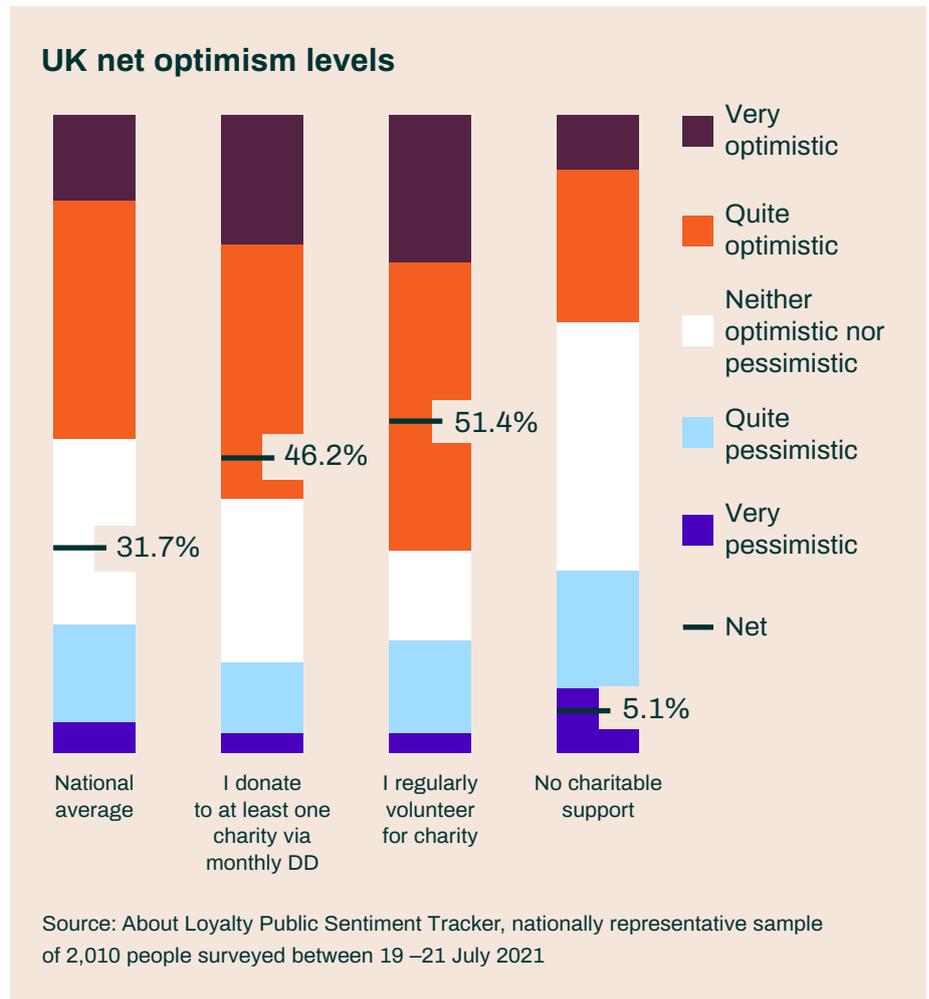
Mark Phillips
Managing Director
Bluefrog

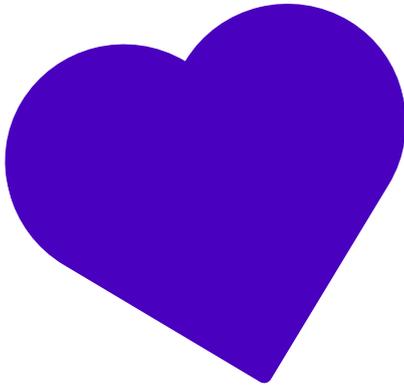
DECODING THE RELATIONSHIP BETWEEN OPTIMISM, CHARITABLE GIVING AND COVID

12

Firstly, what actually is optimism? There are many definitions, but at its heart, someone who is optimistic has hope and confidence about the future.

And optimism isn't just a way of thinking.





Studies show that optimism can significantly boost the immune system,¹ and that it can positively improve some areas of life, such as your wellbeing.²

Since 19 March 2020, we've been conducting detailed research into how people are feeling, how this has been changing due to COVID and what the impact is on charitable giving.

One of the specific areas we've been investigating is the role that optimism might play in charitable support, how COVID has changed this and what we can learn going forwards.

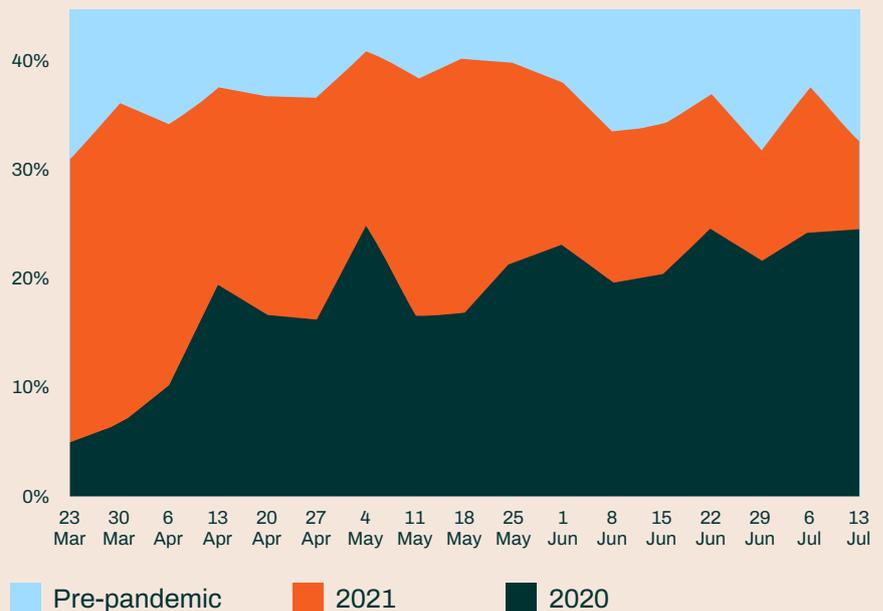
Given optimism's role in wellbeing, it's reassuring to see that on average, charity supporters are significantly more optimistic than those who do not support charities.

At the end of July 2021, net optimism for regular charity donors was +46% and stood at +51% for those volunteering for charities.

+46%

NET OPTIMISM FOR REGULAR CHARITY DONORS IS +46% AND +51% FOR THOSE VOLUNTEERING FOR CHARITIES

UK net optimism levels



Source: About Loyalty Public Sentiment Tracker, nationally representative sample of c. 2,000 people surveyed each weekend between March and July 2020 and 2021

For people who are not involved in supporting charities in any way, net optimism was very low at just +5%.

1 See <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1948078/>

2 See <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2894461/>



+5%

AT THE BEGINNING OF THE FIRST NATIONAL LOCKDOWN IN MARCH 2020, NET-OPTIMISM REACHED A LOW OF JUST +5%



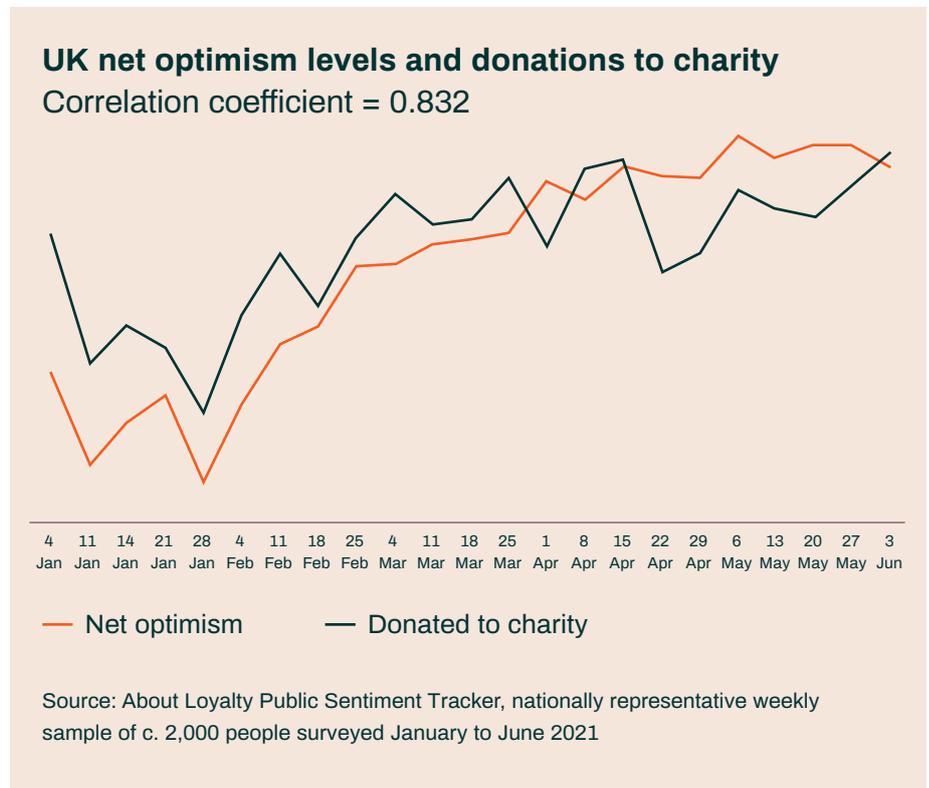
+40%

IN 2021, NET-OPTIMISM REACHED A HIGH OF AROUND +40%

It is not possible to determine whether optimism causes donations, donating causes optimism, or whether they are both indicators of something else. However, we can say that people who support charities are substantially more optimistic than those who do not and that those people who are charity supporters, and due to their more optimistic outlook, are more likely to have improved levels of wellbeing.

Maybe the simple fact of being connected to a charity, making a positive difference to the world, feeling like 'you're doing your bit' all help to make people feel a little bit better, a bit happier, a bit more optimistic.

Since March 2020, the COVID pandemic has of course had a substantial impact on how people have been feeling and on their behaviours.



Through the tracking work, we've seen overall public sentiment shift dramatically through the evolution of the pandemic. And we've seen charitable support (both intention and behaviour) mirroring some of these shifts.

As part of this, we've been looking at how net optimism has changed from pre-pandemic levels, through 2020 and into 2021.



Before the pandemic, average net-optimism in the UK was steady for around five years, at around +43%.

At the beginning of the first national lockdown in March 2020, net-optimism reached a low point of just +5%, which was on a scale never seen before.

This climbed slowly and steadily for much of 2020. Then in 2021, following a dip at the start of the year (coinciding with the third lockdown), net-optimism reached a high of around +40.0% towards the end of April, before settling down to a new average of +37%.

This is just one example of how public sentiment has ebbed and flowed over the course of the past 18 months.

At the start of this article, we highlighted that someone who is optimistic has hope and confidence about the future.

From March 2020 up until July 2021, the UK was a nation with a depressed sense of hope and confidence about the future. A nation generally less happy, more negative and less able to see a positive future.

We call this phenomenon 'The Hope Gap' and it's important, not only for the nation's health and wellbeing, but for charitable giving. You can see that since May 2021, 'The Hope Gap' had started growing again.

Through the first five months of 2021, we saw that as the UK's average net-optimism steadily increased, so did the number of people who claimed to have donated to charity.

It would appear that not only does optimism have a significant influence on people's health and wellbeing, but as it changes, so does people's behaviour towards supporting charities.

Optimism and charitable giving grow together

Throughout the pandemic, while The Hope Gap was at its largest, those charities that showed leadership and provided hope were successful in inspiring and motivating action in the form of support.

There will be times when The Hope Gap shrinks and even disappears. And there will be times when The Hope Gap returns, possibly bigger than before.

And HOPE is something that charities can offer, better than any other type of organisation.



Richard Spencer
Director
About Loyalty



About the Chartered Institute of Fundraising

Together we are the future of fundraising We champion our members' excellence in fundraising. We support fundraisers through professional development and education. We connect fundraisers across all sectors and skill sets to share and learn with each other. So that together we can best serve our causes and communities both now and in the future.

ciof.org.uk

[@CIOFtweets](https://twitter.com/CIOFtweets)