

**DIGITAL FOR GOOD:**

# A Global Study on Emerging Ways of Giving

United Kingdom



MAY 2022

## About the Global Study on Emerging Ways of Giving

The Indiana University Lilly Family School of Philanthropy (school) conducted the *Digital for Good: A Global Study on Emerging Ways of Giving* to explore the emerging vehicles of philanthropy, such as crowdfunding, online giving, mobile giving, workplace giving, online volunteering, and social impact initiatives.

Eight countries with significantly diverse cultures participated in this global study: Brazil, China, India, Kenya, Singapore, South Africa, South Korea, and the United Kingdom. For the study, the school worked closely with partner organizations and experts in these countries, from identifying relevant ways of giving and determining approaches of data collection to co-developing the tools for data collection and finalizing country reports to disseminating research findings locally as well as globally.

Findings from this global study are shared in a series of reports, including eight country reports and one global report. The reports on the emerging ways of giving in Brazil and United Kingdom are the first two reports that are published in the series.

With the *Digital for Good: A Global Study on Emerging Ways of Giving*, the school aims to promote the practice of philanthropy globally by enhancing the accessible information and public knowledge on the emerging forms of giving across the globe. These reports provide a deeper understanding of the concept and practice of new ways of philanthropic engagement in the eight participating countries and offer new insights and tools for civil society leaders, philanthropists, and the public to understand and shape the development of philanthropy in the years to come.

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## **PREFACE**

### **A hybrid world of giving**

*New patterns in giving behaviour set to become permanent as 'old' ones remain?*

The COVID-19 pandemic has changed the way we interact with the online and offline worlds, probably forever. Digital transactions seem ever more normalised, and in this context, COVID-19 has accelerated a move towards online giving which may represent a more permanent change in the way British people engage with the charities they care about. This report investigates some of these emerging ways of giving.

The United Kingdom (UK) has a long philanthropic tradition and enjoys a very well-developed and mature ecosystem for giving. Notwithstanding this, traditional methods of donating, particularly cash, dominated the pre-pandemic giving landscape in the UK.

Previous research by the Charities Aid Foundation (CAF) shows that a large decline in cash giving during the UK's first lockdown in March and April of 2020 was at least partly offset by a big upswing in digital giving. Donating to a charity via a website or app increased from 20 percent of total giving in 2019 to 28 percent in 2020, whilst the proportion of giving via cash fell dramatically from 51 percent in 2019 to 38 percent in 2020 (CAF, 2021a). Similarly, a very large upswing in both the volume and value of online donations processed across CAF's platforms was observed during the spring of 2020. The survey results provided in this new report support those prior findings and suggest that donating has become more digital than ever before.

Charities are trying to adjust to this new reality through an increase in digital fundraising activities, with a recent CAF poll conducted in August 2021 showing that just under half (48%) agreed that the pandemic had changed fundraising forever. Just over half (52%) said that they planned to engage more in digital campaigns via apps, websites, or social media in the next 12 months (CAF, 2021b).

However, there are mixed opinions regarding the extent to which in-person giving can be replaced by digital interaction. Around 3 in 10 charities (28%) said digital approaches had been an effective substitute for in-person fundraising, whilst a similar proportion (31%) disagreed (CAF, 2021b).

The results of this report reveal how individuals have changed their behaviour when it comes to donating online. But it also shows how human interaction is still at the core of how charitable funds are being raised. A 'hybrid world', and with it, hybrid channels for donations, seem to be the new normal when it comes to charitable giving.

Some insights are in line with pre-pandemic developments. Online giving, via a website or app, is still significantly more popular with younger people compared to older givers, and in fact, the preferred method for younger donors. But with the pandemic impacting giving behaviours more widely, older generations have also engaged more with online giving. People in all age groups are now making a substantial proportion of their donations online.

Still, human interaction continues to play a crucial role in people's giving behaviour. Whilst charitable funds can now be raised digitally even when engaging in-person (e.g., via tapping on a card reader or phone), it is human interaction that sits behind the donation. In-person requests for donations from peers also seem to be on par with interactions on social media.

The post-pandemic fundraising landscape seems to be more likely a hybrid one, where offline and online interactions are combined in often complementary ways and are tailored to different audiences based on their individual needs. Charities have already taken note of this, and CAF hopes that the data presented in this report will help them navigate this new ecosystem.



## KEY FINDINGS

### Online giving increased during the pandemic

The proportion of donors giving via cash declined significantly during the UK's first lockdown in March and April of 2020 and remained at levels much lower than usual even after many restrictions were lifted. At the same time, there was a marked increase in the proportion of people giving via a website or app. Donating through a third-party app (such as Just Giving) was the most popular way to donate online.

### Online giving is not exclusive to younger donors

Whilst online giving is more popular among younger respondents, people in all age groups indicated making a substantial proportion of their donations online during the 12 months prior to summer 2021. On average, 60 percent of donors' gifts were made online in the past 12 months prior to May–July 2021. Young people were more likely to make most of their donations online. However, despite a steady decline by age, those over 65 nevertheless made nearly half (46%) of their donations online.

### A quarter of people gave to a crowdfunder in the past 12 months prior to May–July 2021

The most common reason to support a crowdfunder was to contribute to a charity (30%). Around a quarter (23%) gave to a friend or family member's crowdfunding venture or one set up by a friend of a friend or an acquaintance, while fewer (17%) gave to one set up by someone they did not know. It is less common to contribute to a crowdfunding venture for financial reasons. Although many responded to requests on social media, very few said they were motivated to give by a social media 'influencer.'

### Most who used social media to request donations from family and friends also tended to make those requests in-person

Most of the people who used social media to ask their friends and family to make donations also made those same requests in-person (63%). This suggests that these two mediums reinforce each other and highlights the continued importance of interpersonal connection when requesting donations. The same pattern was evident for asking colleagues or acquaintances.

### The future looks digital, but with a strong human element

Most British people expected that in the future they would give digitally rather than in cash, but for many this would still involve a human interaction—45 percent expected contactless donations tins, compared to 36 percent who saw the future of giving being dominated by social media platforms. Only one in five agreed that face-to-face fundraising events would become a thing of the past.

# 1 | EMERGING WAYS OF GIVING IN UK

## 1.1 THE RISE OF ONLINE DONATING

Although cash had been the most common way of donating to charity<sup>1</sup> before the COVID-19 pandemic, online giving has nevertheless grown in popularity over the last 20 years. The digital giving ecosystem now encompasses in-app giving; Internet-of-Things applications that enable donations; donation buttons integrated into social media platforms; gaming platforms that allow users to collect donations on their platform; large online retail platforms which enable customers to donate (e.g., Amazon Smile); and dedicated 'rounding apps' (e.g., Pledjar) which enable donations when making an online purchase.

Many charities now offer options for online donations, and the COVID-19 pandemic has changed how people access and use online services. Between May and July 2021, a quarter (24%) reported that they had given to charity via a website or app in the past 12 months and CAF's survey found that online giving was more popular among younger people.

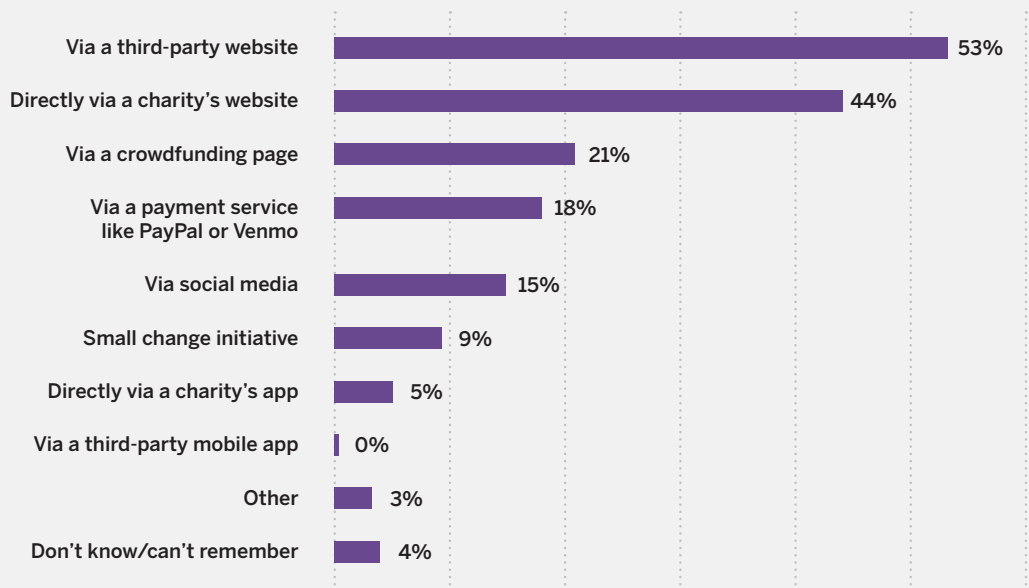
Amongst those surveyed between May and July 2021, respondents who gave online in the past 12 months mostly either did so via a third-party website (e.g., JustGiving or Virgin Money Giving) or directly via a charity's website. Around one-fifth (21%) of these donors had given via a crowdfunding page in the past 12 months with slightly fewer donors giving via payment services such as PayPal or Venmo (18%).

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<sup>1</sup>According to NCVO, a charity is an organisation with specific purposes defined in law to be charitable – and is exclusively for public benefit.



**Figure 1: Types of online donations made in the past 12 months prior to May–July 2021**



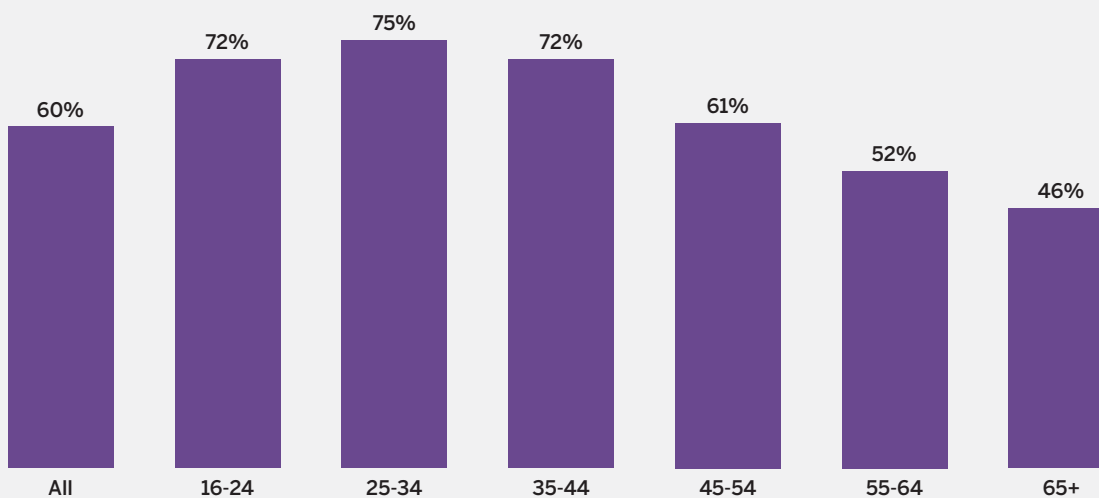
Note: The figure is based on data from all respondents who donated online in the past 12 months prior to May–July 2021 (N=413).

All of those who had donated by any means in the past 12 months were asked to estimate what percentage of their donations had been made online. Respondents were shown a slider which ran from '0% - none of my donations were made online' to '100% - all of my donations were made online'. Respondents selected the point on the slider which best represented their own giving behaviour.

In total, the average (mean) proportion given online was 60 percent in the past 12 months prior to May–July 2021. As noted above, there are clear differences by age with young people far more likely to make most of their donations online: those aged 25–34 made an average of 75 percent of their donations in this way. This steadily declines with age, but 45- to 54-year-olds and 55- to 64-year-olds still made over half of their donations online (61% and 52% respectively). The only age group who made less than half of their donations online are those over 65, but the average proportion for this age group is still 46 percent. The results therefore suggest that while online giving is more popular among younger respondents, people in all age groups made a substantial proportion of their donations online during the 12 months prior to May–July 2021.



**Figure 2: Mean proportion of donations made online in the past 12 months prior to May–July 2021, by age group of respondents**



Note: The figure is based on data from all respondents who donated in the past 12 months prior to May–July 2021 (N=1,713).

There is no statistically significant difference by gender; men on average made 58 percent of their donations online compared to 62 percent of women. Those in London tended to make more of their donations online: over half (54%) of those in the capital made between 76 percent and 100 percent of their donations online. However, this may reflect the younger age profile of respondents in London.



## 1.2 THE ROLE OF CROWDFUNDING

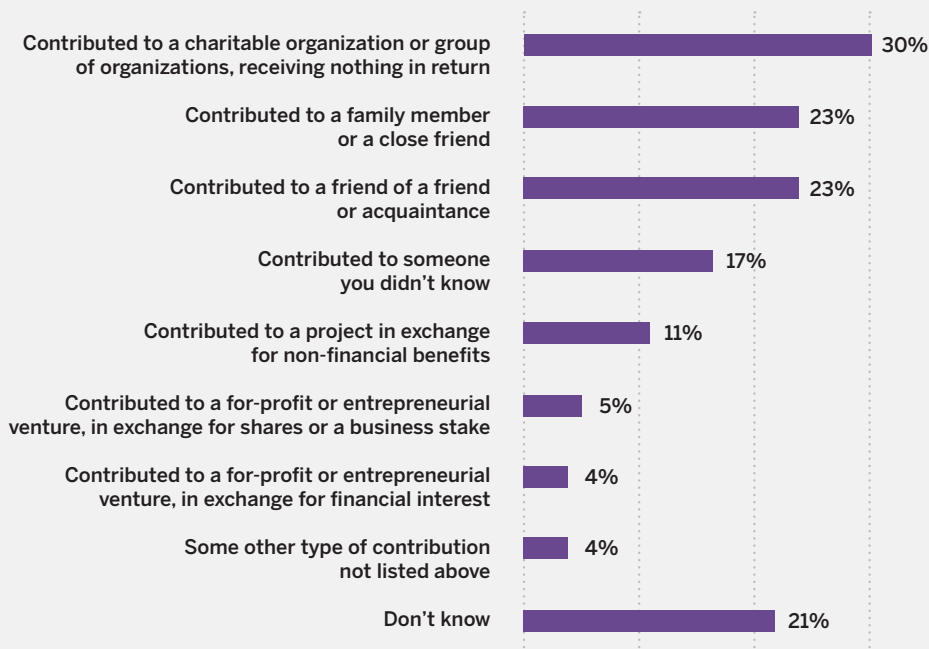
Crowdfunding refers to funding a project or venture by raising money from a large number of people who each contribute, usually via the Internet. By combining multiple small donations from people all over the world, large amounts of funds can be raised for charitable, social, or financial projects.

In total, a quarter (25%) of respondents had given to a crowdfunding venture in the past 12 months prior to May–July 2021 (this includes all respondents rather than only those who had donated to charity). Demographically, crowdfunding is more popular among younger people with 34 percent of 16- to 34-year-olds and 28 percent of 35- to 44-year-olds having supported one campaign compared to 19 percent of those aged 65 and above. Women are also more likely to have supported a crowdfunding venture than men (28% compared to 21%).

In the UK, the most common way of supporting a crowdfunding venture is by contributing to a charitable organisation or group of organisations without receiving anything in return (30%). Around a quarter (23%) gave to a friend or family member's crowdfunding venture or one set up by a friend of a friend or an acquaintance, while fewer (17%) gave to one set up by someone they did not know. Women were more likely than men to have given to an acquaintance (26% vs 19%) or to someone they did not know (21% vs 12%).

It is less common to contribute to a crowdfunding venture for financial reasons. In total, only 1 in 20 (5%) contributed to a for-profit or entrepreneurial venture for shares in a business, and a similar proportion contributed to one in exchange for financial interest.

**Figure 3: Crowdfunding actions taken in the past 12 months prior to May–July 2021**



Note: The figure is based on data from all respondents who contributed to a crowdfunding venture in the past 12 months prior to May–July 2021 (N=1,034).

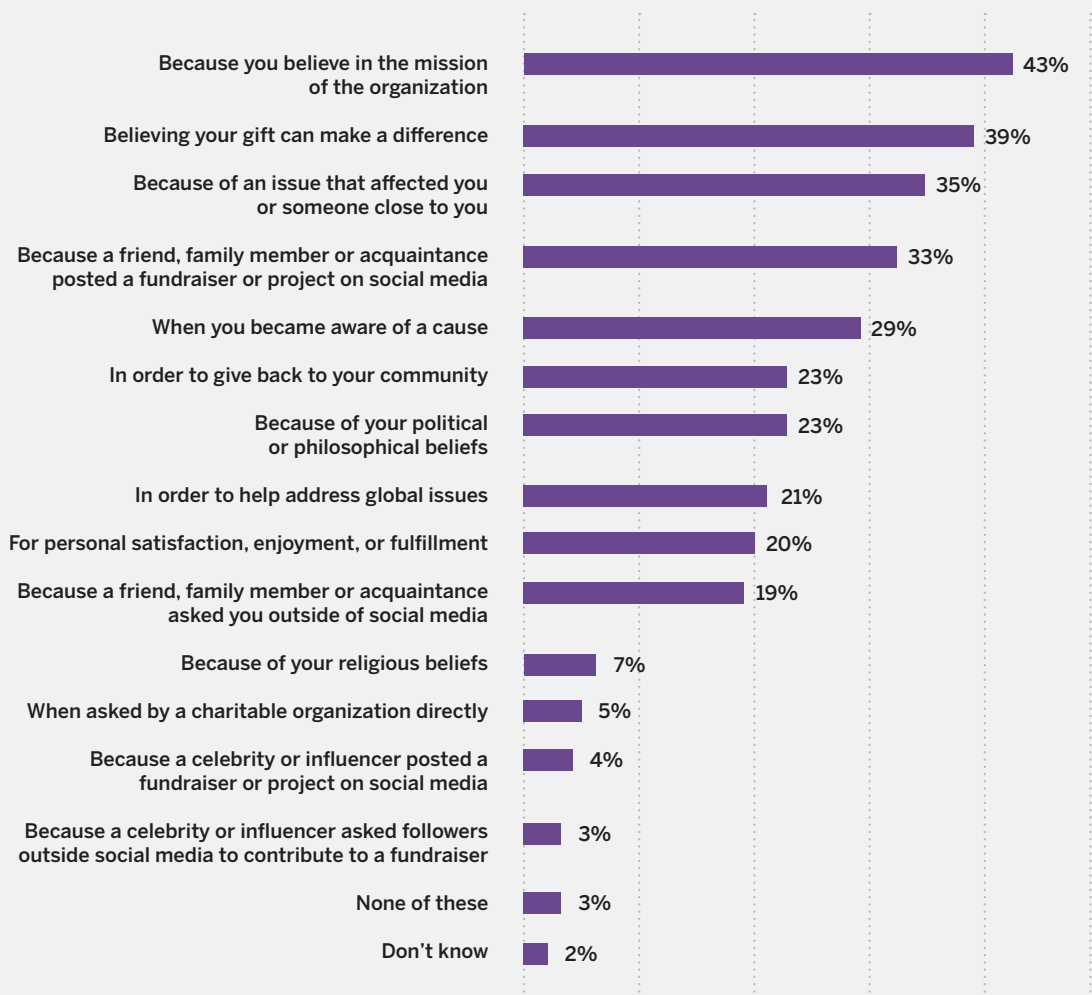
The most commonly reported reason for donating via a crowdfunding or social media website is believing in the mission of the organisation (43%). This is followed by believing that the donation will make a difference (39%), and because of an issue that has personally affected the donor (35%). Other important factors include becoming aware of a cause (29%), giving back to the community (23%), and because of political or philosophical beliefs (23%).

Social media is a clear driver of donations to crowdfunding websites, with a third (33%) saying they gave because a friend, family member, or acquaintance posted about it online. However, the results suggest that an important factor is personally knowing the person behind the post; only very few (4%) gave because of an online post by a celebrity or influencer. Posts by people they know are more likely to elicit a donation.

Men are more likely to give because of their own political or philosophical beliefs (30% compared to 18% of women), as are young respondents (39% of 16–24s vs 24% of over 65s). Young respondents are also more likely to give to help address global issues; over two-fifths (42%) of 16- to 24-year-olds gave for this reason.



**Figure 4: Reasons for making a charitable contribution via crowdfunding or social media sites**



Note: The figure is based on data from all respondents who made a donation via a crowdfunding or social media site in the past 12 months prior to May–July 2021 (N=303).

CAF asked another question about charitable causes to the group of respondents who reported donating to a charity via crowdfunding. Many in this group reported making these kinds of donations in support of traditional charitable causes, such as the arts, education, health care, and sport, rather than social movements or political causes, such as Black Lives Matter or Extinction Rebellion.<sup>2</sup> Over half (54%) of those who had given via crowdfunding gave to a charity, while only around a quarter (24%) gave to social movements. Slightly more (29%) had given to a disaster relief or recovery cause, such as COVID-19 recovery or the Australian bushfires.

There are some notable distinctions by age, however. Younger respondents are equally as likely to have given to traditional charitable causes as they are to social movements (45% of 16-24s), whereas older respondents are much less likely to have given to crowdfunding campaigns supporting the latter. Only nine percent of those aged 65 and above who had given via crowdfunding had given to a social movement, but 47 percent had given to a traditional charitable cause. This suggests that social and political crowdfunding draws its support from a younger demographic.

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<sup>2</sup>Black Lives Matter is an international political and social movement seeking to fight racism and police brutality toward Black people. Extinction Rebellion is an international environmental movement that utilizes nonviolent civil disobedience to persuade governments to act on climate change.

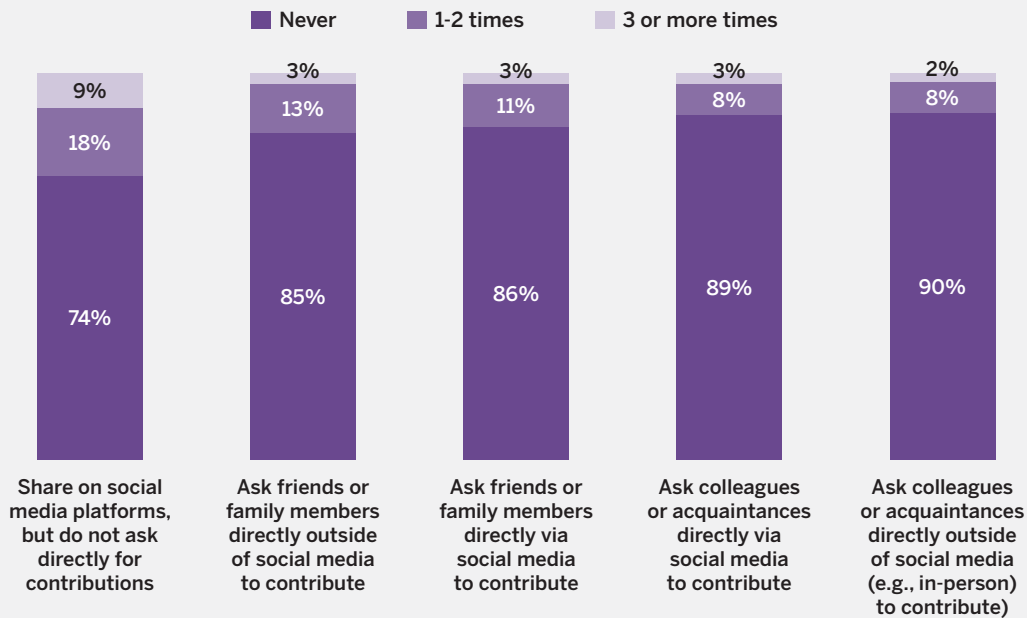


## 2 | SHARING INFORMATION ABOUT CHARITIES ON SOCIAL MEDIA

When social media users were asked how often they shared fundraisers or campaigns with others online in the past 12 months, around a quarter (26%) said that they have shared a post without asking directly for contributions. This includes regular sharers who have done this three or more times in the past 12 months (9%). Around one in seven had asked friends or family members to contribute to a fundraiser either in-person (15%) or via social media (14%), slightly more than the number who asked colleagues or acquaintances in-person (10%) or via social media (11%).

The majority (63%) of those who asked friends or family members for donations via social media had also asked them in-person, with the same pattern evident for asking colleagues or acquaintances (57%). The results therefore suggest that the two mediums—online and in-person giving—may complement each other when it comes to requesting donations.

**Figure 5: Frequency of sharing about fundraisers online in the past 12 months prior to May–July 2021**



Note: This figure is based on data from all respondents who used social media in the past 12 months prior to May–July 2021 (N=2,966).

### 3 | THE FUTURE OF GIVING

CAF asked the public about what giving might look like in three years' time. Respondents were shown a few statements about the future of charitable giving in the UK and were asked to rate their agreement or disagreement with each statement.

Two-thirds (65%) of British people agreed that in three years' time, more people will give digitally than with cash. Before the COVID-19 pandemic, cash was by far the most common way to donate to charity, used by more than half of people pre-COVID, but dropping to 38 percent of people in 2020 (CAF, 2019). The expectation that digital giving will increase is particularly high among people under 45 and people living in London and the South East.

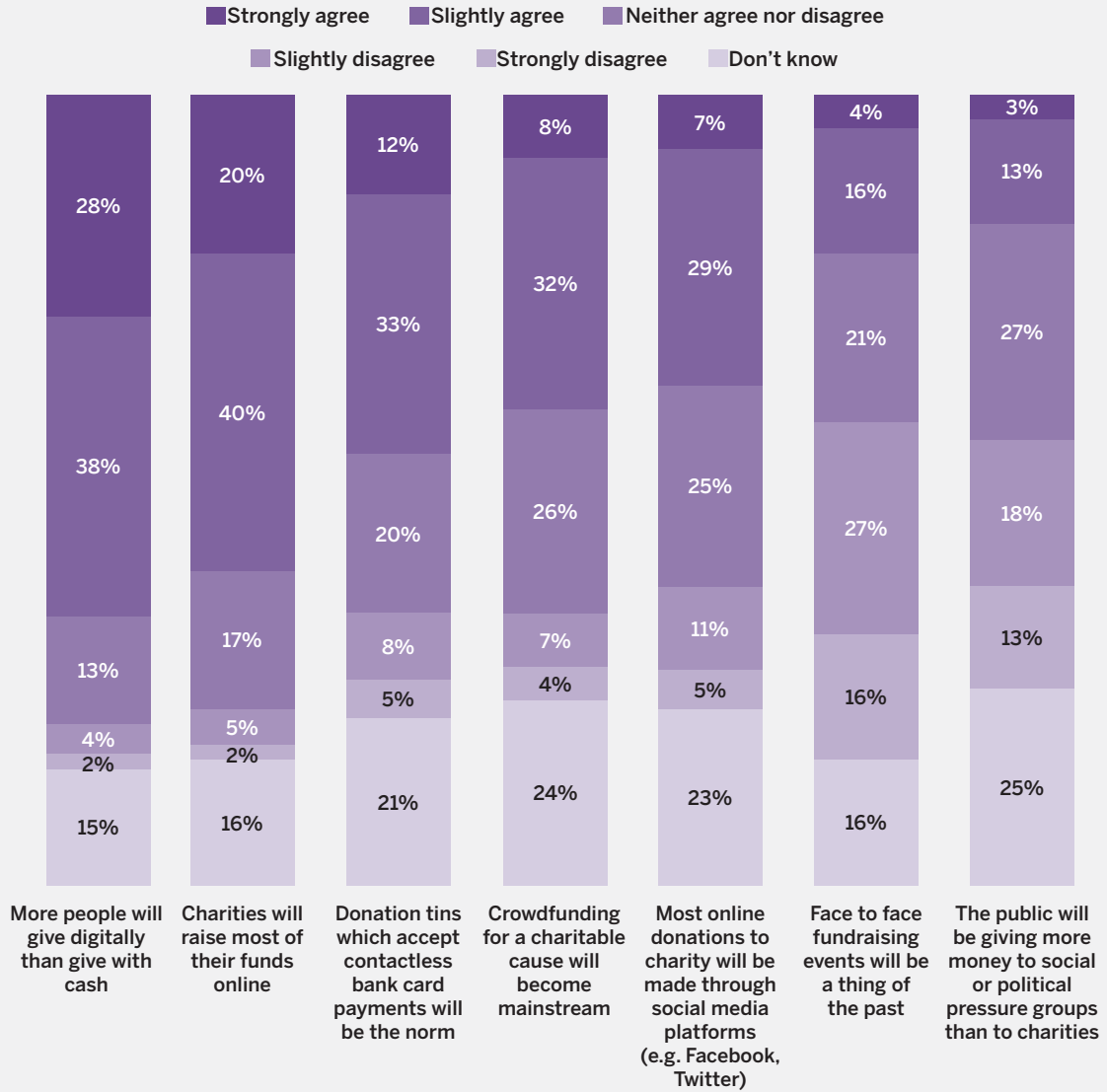
Linked to the idea that more people will give digitally, there was high agreement that charities will conduct most of their fundraising online in the future. However, the British public did not see this move to digital as truly replacing traditional face-to-face fundraising events. Only one in five (19%) agreed that the in-person fundraising events will become a thing of the past.

Around four in 10 people expected giving via crowdfunding to become mainstream, reflecting CAF's earlier finding that nearly a third of people who responded to a crowdfunder did so in order to donate to charity. The British public was not expecting a move away from traditional charities—only one in seven (15%) thought that they will give more money to social movements and pressure groups than they will to charities.

Whilst two-thirds of people saw a future in digital fundraising, only around a third (36%) were expecting this move to be dominated by social media platforms, such as Facebook or Twitter. Instead, more people (45%) expected contactless donations to be the norm, suggesting that the inherent component of human interaction remains important for donations.



**Figure 6: What will charitable giving look like in three years' time?**



Note: The figure is based on data from all respondents who completed the survey in June–July 2021 (N=2,234).



## METHODOLOGIES

The Charities Aid Foundation has been conducting research on the charitable habits of British people for many years. Since 2016, CAF has partnered with YouGov to conduct a monthly online survey looking at a number of areas around charitable giving. This monthly polling forms the basis for their annual *UK Giving* report.

This monthly approach enables us to capture changes in behaviour and attitudes at a granular level, including the well-established spikes in charitable giving that occur around particular high-profile events or as a result of humanitarian disasters or specific appeals. In the context of this special report, it has allowed us to look at emerging ways of giving, particularly in the context of the COVID-19 pandemic.

This particular report is based on the responses of nearly 3,000 individuals whose responses were collected between May and July 2021 as part of CAF's ongoing study. The sample is constructed in such a way that it is nationally representative of the UK in terms of respondents' sex, age, region/nation, and social grade.<sup>3</sup>

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<sup>3</sup> Social grade is a classification system commonly used in the United Kingdom. It is based on the occupation of the head of the household.



## **Researched by Charities Aid Foundation**

Charities Aid Foundation (CAF) is a leading charity and bank seeking to connect vital organisations, institutions, and individuals working to ensure everyone has a stake in the future. We exist to accelerate progress in society towards a fair and sustainable future for all. For over 95 years, we've acted as a meeting point for companies, private philanthropists, fellow foundations, governments, charities and not-for-profit enterprises. Our independence, expertise and international reach enable hundreds of millions of pounds each year to move across sectors and borders and arrive safely with thousands of charities to make a greater impact. We also lead an international network of like-minded charitable organisations. We collaborate to inspire innovation, share best practice and improve cross-border giving in support of civil society.



## **Charities Aid Foundation Project Team**

Catherine Mahoney, *Research Manager*  
Caroline Jones, *Senior Communications Manager*  
Caroline Mallan, *Head of External Affairs*  
Daniel Ferrell-Schweppenstedde, *Policy Manager*

## **A project led by Indiana University Lilly Family School of Philanthropy**

The Indiana University Lilly Family School of Philanthropy is dedicated to improving philanthropy to improve the world by training and empowering students and professionals to be innovators and leaders who create positive and lasting change. The school offers a comprehensive approach to philanthropy through its academic, research and international programs, and through The Fund Raising School, Lake Institute on Faith & Giving, Mays Family Institute on Diverse Philanthropy, and Women's Philanthropy Institute.



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### **Indiana University Lilly Family School of Philanthropy Project Team**

Una Osili, PhD, *Associate Dean for Research and International Programs*

Xiaonan Kou, PhD, *Associate Director of Research*

Kinga Zsofia Horvath, *Visiting Research Associate*

Jon Bergdoll, *Associate Director of Data Partnerships*

Cathie Carrigan, *Managing Director of International Programs*

Shivant Shrestha, *Visiting Research Associate*

Adriene Davis Kalugyer, *Manager of Public Affairs*

Diantha Daniels, *Executive Assistant*

Edward Vaughan, *Research Assistant*

Karly Murat-Prater, *Research Assistant*

Julie Herkal, *Research Assistant*

Benjamin Hiatt, *Research Assistant*

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INDIANA UNIVERSITY

Lilly Family School of Philanthropy

301 University Boulevard, Suite 3000  
Indianapolis, IN 46202-5146  
317-278-8902