



Classy

Why America Gives 2021:

The Lasting Impact of a Pandemic on Donor Experience

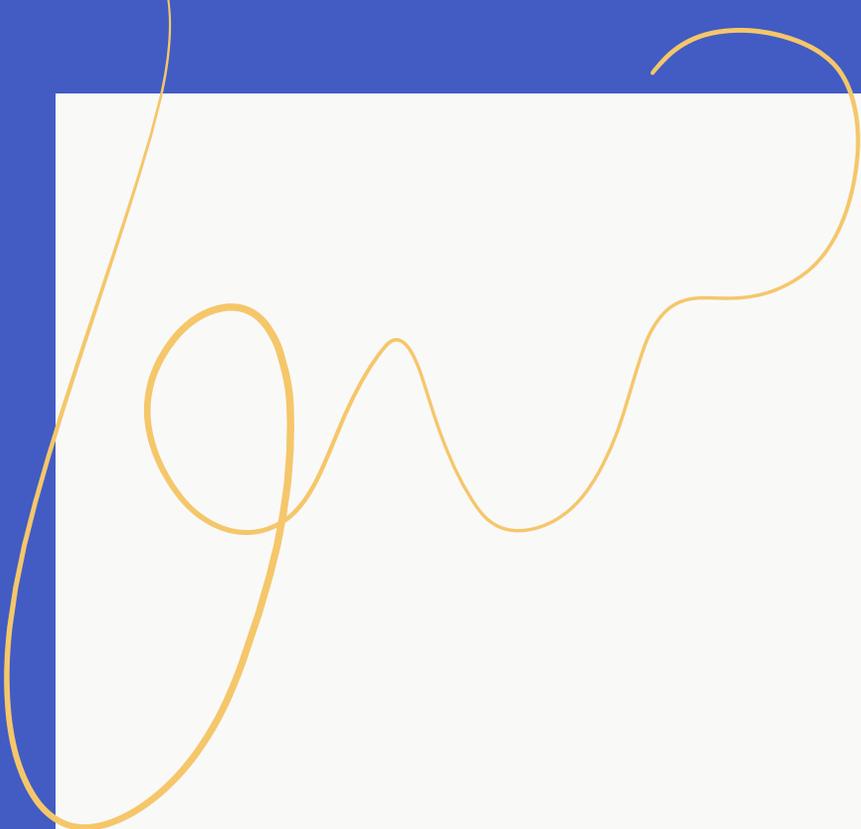


Table of contents

A Note From Classy	3
Executive Summary: Our Key Findings	6
The 2021 Evolution of Donor Experience	11
Intuitive Paths to Unlock Generosity	19
The Future of Donor Satisfaction	32



Classy Employees

A Note From Classy



Providing **excellent donor experiences** is a cornerstone of what we do at Classy. Over the past year and a half, we've seen the definition of these experiences evolve as supporters demand easier paths to giving. This year's *Why America Gives* report unveils how these sentiments have shifted, how the pandemic influenced donors' interests and desire to help, and how a nonprofit can confidently craft an experience that makes it incredibly easy to give again and again.

Soraya Alexander, COO of Classy

Classy

The Future of Giving Is Experience



By Soraya Alexander
Chief Operating Officer

Each year, the team at Classy takes a look at supporter intentions and behavior to help set our customers and the sector up for year-end giving. This year, we're deepening our understanding of what motivates donors by taking a closer look at the giving experiences that drive loyalty, retention, and meaningful connections across various stages of life, and last far beyond the year-end giving season.

Our fourth annual *Why America Gives* report breaks down the true meaning of "donor experience," including a detailed plan of action for nonprofits to effectively place their cause in front of any generation(s) of donors who have an existing passion for making a big impact. We asked carefully crafted questions to 1,000 U.S. donors to build

a strong data set around how they find new causes, what matters when they arrive on a donation page, and the exact reasons they abandon the donation process.

As a former director of marketing and customer experience at a national retailer, I've always believed that consumer behavior and loyalty in the for-profit sector directly correlates to donor retention and conversion. *Why America Gives 2021* confirms this by showing us just how supporters are making the same demands of the donation process as they are of their favorite online brands and services. This year's report brings key data points to the surface to further explore the opportunity for nonprofits to increase ROI for every fundraising

action they take, especially as our world accelerates its move online.

And while 2020 was an anomaly, many expectations are here to stay. Last year donors across the nation stepped up to support some of the world's most pressing causes, with the pandemic and social justice movements being two of the most notable. We saw **over \$1 billion in donations** come through the Classy platform alone in 2020, lighting a spark

that our research shows is only getting stronger in 2021. Donors have a high intent to give across all generations, showcasing new ways for nonprofits to make giving easy, flexible, and avoid poor experiences that cause a donor to abandon their benevolent action.

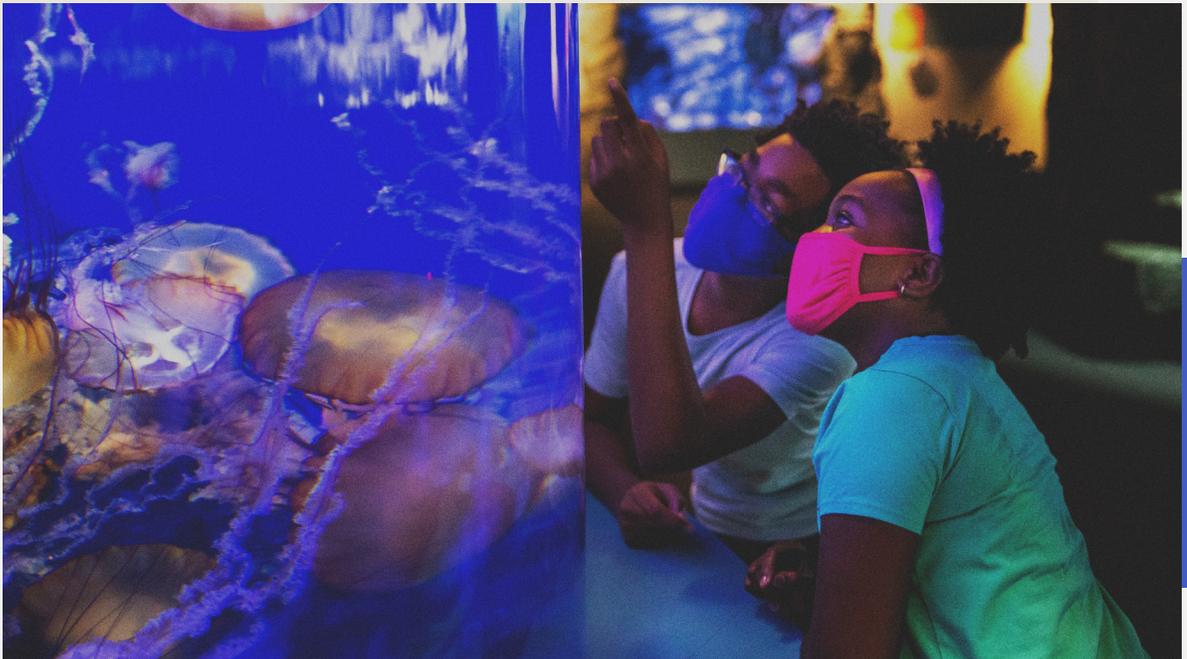
With the data to inform and inspire future fundraising decisions, you're well-equipped to confidently face anything that comes your way in the future.



The Y in Central Maryland



Executive Summary: Our Key Findings



Aquarium of the Pacific

Why America Gives 2021 uncovers the year-over-year shift in giving sentiment as the COVID-19 pandemic nears the rearview. We fielded our donor survey between August and September of 2021 to hear directly from 1,000 U.S. donors about their preferences and motivations. We've broken out the data by generation to explore the nuances of engaging with various cohorts of supporters.

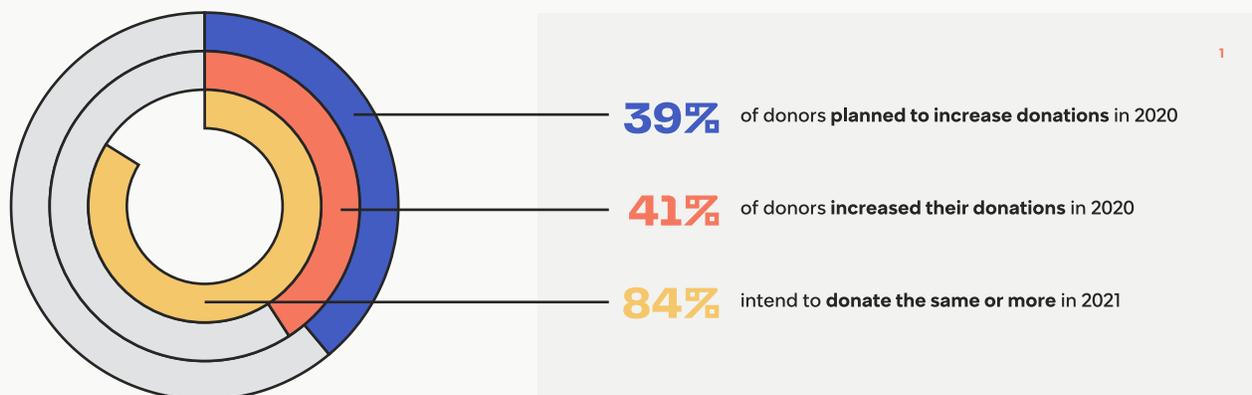
Their responses overall confirm a continued desire to help and the need for nonprofits to improve the giving experience. Our findings validate specific fundraising actions with trends and comparisons across every age group of donors.

Each page to follow explains how and why different experiences translate to giving and how to match passionate supporters with causes that need them. Takeaway tips are provided to help any organization craft unique experiences that fit the donors their causes rely on.

American Generosity Is Not Going Anywhere

Last year unlocked generosity like never before and donors are ready to make an even more significant impact ahead of the 2021 giving season.

In 2020, U.S. donors stepped up in a big way to unite around the COVID-19 pandemic and social justice movements. A year of quick pivots and creativity only continued that momentum for the majority of donors.



¹ While we used the same methodology and number of respondents as last year, it is worth noting that this research was completed by a different panel source than previous years.

U.S. donors are not only passionate about making a more significant impact; they are prepared. **More than half of donors** integrate charitable giving into their annual financial planning to account for donations they'll make. Of all donors who account for donations in financial planning, two-thirds have annual salaries over \$100,000.

The intent is there. But, how will nonprofits continue to think outside of the box to place their causes in front of the right people? A personalized experience will unlock generosity year after year as donors' intent grows stronger.

Donor Behavior Is Molded by Virtual Norms

Many temporary solutions to COVID-19 have become permanent preferences as the pandemic approaches the two-year mark. Busy schedules have returned, so convenient donation experiences are more important than ever to effectively convert supporter interest into completed transactions.

Retailers have continuously introduced better, faster e-commerce experiences to keep consumers excited through uncertain times and ensure it is simple to purchase wherever they are. There is an excellent opportunity for nonprofits to do the same with innovative giving experiences to avoid missing out on potential donations.

FALL 2020:

33 percent of donors prefer to give through an app or mobile site on their smartphone or tablet.

FALL 2021:

58 percent of donors who have made an online donation, have donated via a website on their mobile device.

There is also a notable rise in checkout experiences that do not require donors to have a physical card in hand (let alone cash or a checkbook).

Donating through PayPal, Venmo, or cryptocurrency captures the interest of 72 percent of donors who share that they would likely donate through these methods if offered.



Donation page experiences are well-positioned to keep pace with the ability to offer multiple payment options like PayPal, Venmo, and cryptocurrency, which make donors feel like the organization they donate to is a seamless extension of their everyday purchasing behaviors.

Generational Giving Trends Differ, but Everyone Wants Options

The donation experience is not synonymous across every nonprofit's donor base.

This year's data showcases the impact of a thoughtful yet straightforward donation experience on a donor's motivation to give and give again. Each page that follows will narrow in on the trends and data-driven insights that explain how and why particular experiences translate to giving among different generations of donors.



Community Help In Park Slope

Generation Z and millennials are still driving a new wave of giving trends, from how they hear about causes to which aspects of a donation process compel them to take action. However, nuances matter when crafting a targeted experience.

	<p>Generation Z is most likely to hear about a new cause through social media.</p>
	<p>Millennials are most likely to adopt new donation methods such as PayPal, Venmo, and cryptocurrency.</p>
	<p>Generation X is most likely to hear about a new cause through the media.</p>
	<p>Boomers+ are most likely to give gifts up to \$500 dollars, compared to all other generations surveyed who opt for gifts under \$100.</p>

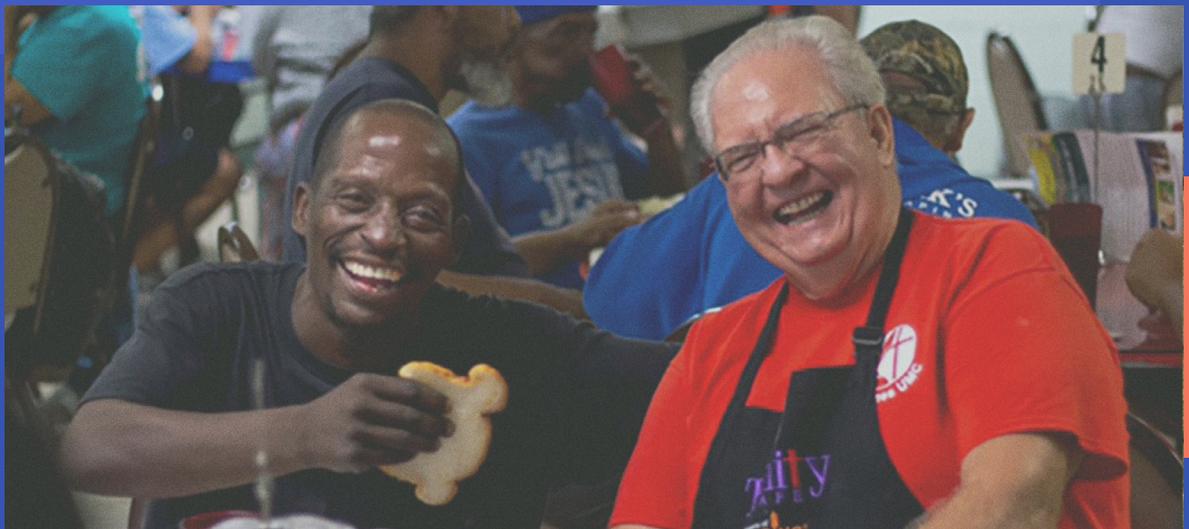
A nonprofit needs in-depth knowledge of what fulfills the donors they wish to engage to provide an experience that converts. Segmentation and targeting are the keys to tailoring experiences to various cohorts of supporters that a cause relies on.



Blood Origin



The 2021 Evolution of Donor Experience



Feeding Tampa Bay

Donor generosity is trending in the right direction, but now it's time to make it as easy as possible to give to causes an individual feels called to. Donors want giving experiences that reflect the accelerated rates of digital transformation while feeling a personal connection to the organization they donate to at every step.

In 2021, nonprofits need to focus on authentic storytelling, straightforward donation forms, intuitive checkout processes, and up-to-date communication strategies.

This year, 67 percent of donors are most likely to find new causes through word of mouth from friends and family. Personal connections also drive their decision to donate as they research organization values to find alignment, and flexibility in the payment process determines just how likely they are to complete the process.

The Top Factors Donors Say Lead to an Excellent Donor Experience

1. A nonprofit clearly explains the impact a donation will have
2. Multiple payment options are available, including ACH, Venmo, PayPal, or cryptocurrency
3. An option to cover fees is present, to ensure 100 percent of the intended donation goes to the cause

The Top Reasons Donors Reconsider Making a Donation

1. They do not clearly understand the impact of their donation
2. They do not see the payment option they prefer
3. Wording or language is outdated or offensive



It's not gimmicky tech that moves the needle, but rather strong tools that create an easy and fulfilling experience.

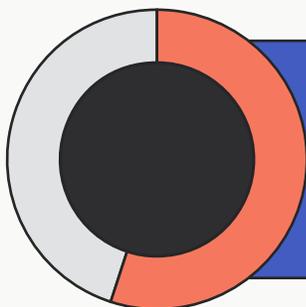
This experience dramatically impacts whether or not a donor takes action, and more importantly, whether or not they will return to give again.

Soraya Alexander, COO of Classy

Timely Appeals Activate Donors

Current events drive donors to take action through one-time donations and recurring gifts. There is power in tying a donation appeal to a relief campaign or unique initiative that taps into heightened generosity around a specific time of the year.

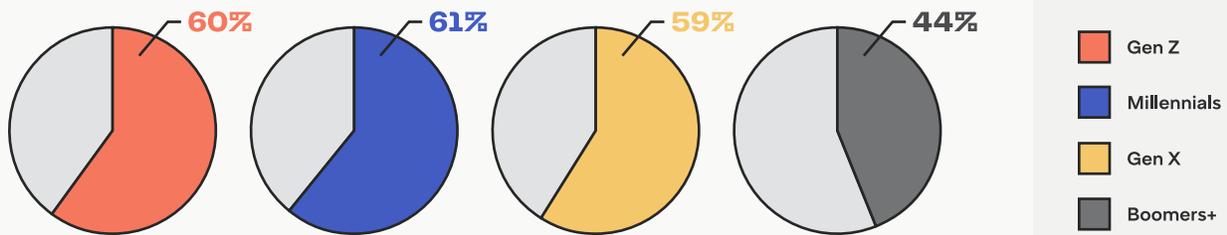
This is particularly true for motivating younger generations of donors who are most likely to tie charitable giving to timely events. Organizations may consider using timely appeals to engage new generations or reengage lapsed donors with a strong call to action and clearly defined impact.



55 percent of donors completed donations to new causes based on a timely appeal, such as being asked to give after a natural disaster or event in the news.

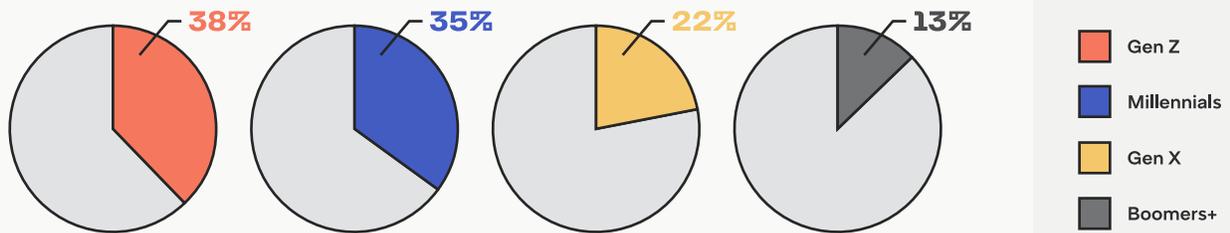
Younger Donors Are Influenced by Timely Events

Donors who have given to causes based on a timely appeal, such as a natural disaster or a relevant event in the news:



The Pandemic and Related Societal Needs Continue to Drive Donations

Likelihood to give recurring donations, as opposed to one-time gifts, as a result of the COVID-19 pandemic and related societal needs by generation:

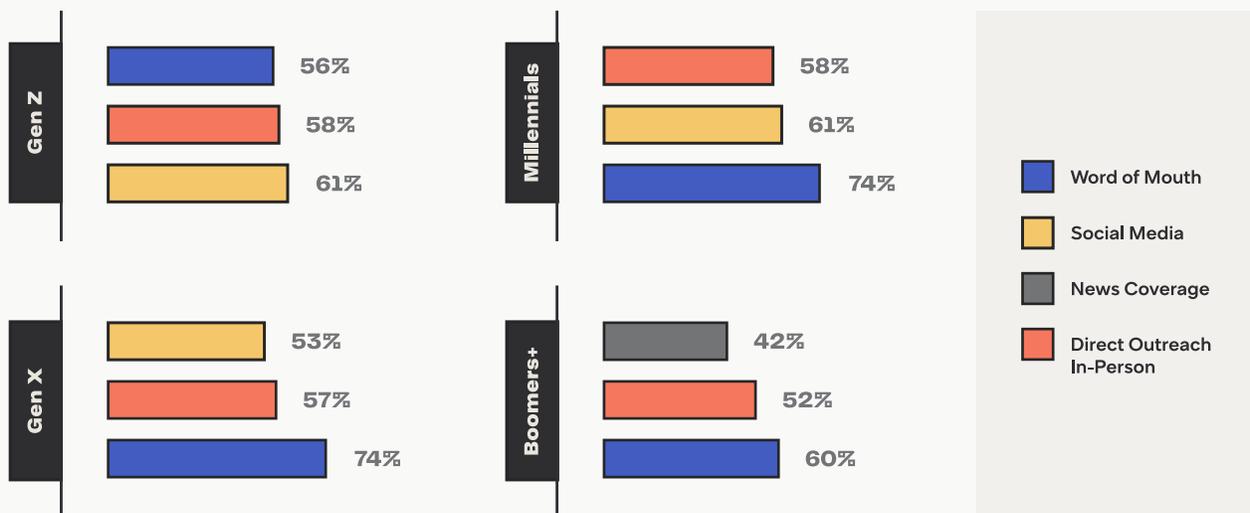


Donors Are Discovering Causes in More Personal Ways

Organic exposure to new and relevant causes through an individual's local or online communities far outweighs the effectiveness of traditional media channels. The pandemic sparked an important shift in the way people trust advertising within their inner circles.

This year, **67 percent of donors are more likely to find new causes through word of mouth from friends and family.** The same trend goes for any purchase, as 61 percent of people trust product recommendations from a friend, family member, or someone they follow on social platforms, while only 38 percent trust posts that brands share directly.² This word-of-mouth marketing trend extends to nonprofits, as donor sentiment data validates the importance.

The Top Ways Donors Hear About New Causes or Issues to Give to in 2021



2 Matter Communications, *Research on 1,000 U.S. consumers in May on COVID-19, 2020 impact.* <https://www.businesswire.com/news/home/20200526005058/en/Matter-Survey-Reveals-Consumers-Find-Influencers-More-Helpful-and-Trustworthy-than-Brands-During-the-Pandemic>

Leverage the Most Effective Channels

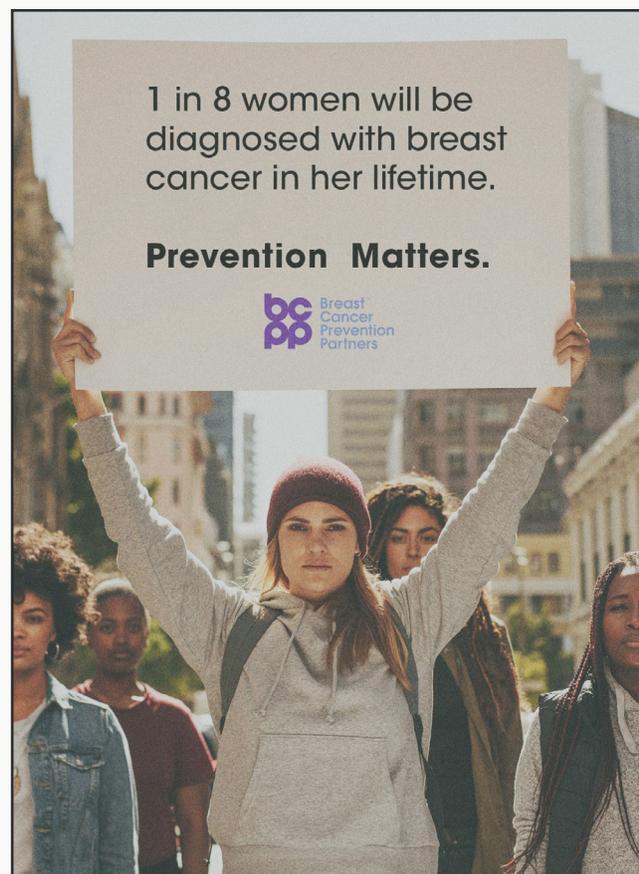
Nonprofits may consider shifting their resources to low-cost methods of donor engagement through social media and presence at events to reach younger supporters. There is also a strong case here for enhancing peer-to-peer giving strategies to broaden donor communities across all generations to empower supporters to fundraise on the nonprofits' behalf.

Our report, [The State of Modern Philanthropy 2021](#), shows that for every five donors who donate to an individual or group's fundraising page on behalf of a nonprofit, four on average are brand new to the organization.³

Generosity Is Not Reserved for a Single Cause

The expanded generosity among the American population will benefit more organizations as donors choose to spread their gifts among multiple nonprofits.

Half of donors will support at least three nonprofits with one-time donations and about one-third (31 percent) will support at least three organizations with ongoing recurring donations in 2021.



Breast Cancer Prevention Partners

³ Classy, *The State of Modern Philanthropy 2021*.
<https://learn.classy.org/the-state-of-modern-philanthropy-2021.html>

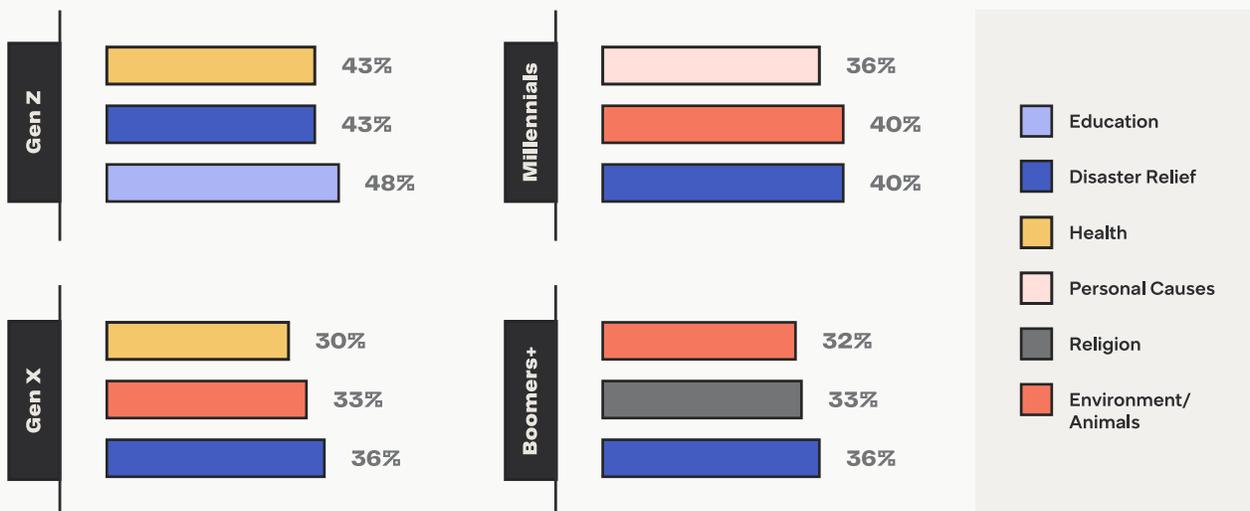
The list of most prevalent causes or issues to support this year shows that disaster relief has reclaimed the number one spot (last year’s report showed health as the most likely cause to give to). Overall, donors have consistently shown a strong passion for disaster relief, the environment and animal welfare, and health over the past three years.

The Most Popular Causes to Support in 2021

Top Three Causes Overall



Top Three Causes By Generation



Generationally, education is not only a top cause of interest for Gen Z, but these younger donors are the only ones who note it as a top priority at all. Organizations can better understand which generation of donors is already feeling the pull to support their causes, and which generations may need further story sharing or education during outreach.

Create a Focused, Donor-Centric Plan of Action

- [Mobilize passionate donors](#)** to give with timely appeals that clearly tie their donations to tangible impact well beyond the pandemic.
- Tailor experiences by generational preferences** that show individuals they are understood and drive them to expand their levels of generosity.
- [Master a peer-to-peer strategy](#)** to provide supporters with a platform to share the trust, authentic storytelling, and personal ties to your cause and reach entirely new networks of donors.
- [Complete the donation experience](#)** with flexible payments that donors are familiar with and use every day, including options that do not require a physical credit card to be present.



Pets In Need



Intuitive Paths to Unlock Generosity



Seed Effect

Donor and consumer behaviors are more closely related than ever before due to a widespread sense of familiarity and comfort our world feels in virtual settings. The passion for giving online parallels the preference of online purchasing experiences among U.S. consumers.

By the end of 2021, mobile commerce sales are projected to account for 54 percent of total e-commerce sales, and it looks like mobile donations are accelerating at an even faster rate.⁴ Nonprofits must incorporate mobile giving into their strategy year-round, but especially for Giving Tuesday and year-end campaigns.

Nonprofits are well positioned to deliver online experiences that expand their scope and empower people to give from anywhere. **Ninety-one percent of donors who've completed donations online describe their experience as good or excellent.**

Below, we'll explore how consumer spending habits can shape the way nonprofits capitalize on donors' intent to participate in end-of-year giving.



Nonprofits now have the opportunity and tools available to optimize their giving experience around payment flexibility, security, and personalized experiences. Organizations are better positioned than ever to translate passive supporter interest into engaged, repeat donations.

Soraya Alexander, COO of Classy

⁴ *Big Commerce, Your M-Commerce Deep Dive: Data, Trends and What's Next in the Mobile Retail Revenue World, 2021.* <https://www.bigcommerce.com/blog/mobile-commerce/#why-does-mobile-commerce-matter>

The Holiday Season Ignites Spending

Holiday spending peaks among U.S. consumers at the end of the year, which also happens to be the busiest season for giving to charitable causes.

Eighty-five percent of consumers completed their holiday shopping by November in 2020. Sales and promotions influenced 54 percent of that shopping over Thanksgiving weekend.⁵ Nonprofits can similarly capitalize on Giving Tuesday, which proved to be the ultimate opportunity to hit year-end goals in 2020, as **overall donations on that day alone rose by 95 percent on Classy from 2019.**

Characteristics of Donors Who Plan to Give This Year

To better understand Giving Tuesday donors, explore the specific characteristics of those who expressed familiarity and intent to give this year:



Millennials and Generation X are the age groups most likely to be familiar with Giving Tuesday.



Democrats are most likely to be familiar with Giving Tuesday.

\$50,000

Annual salaries above \$50,000 were reported by 88 percent of donors who are familiar with Giving Tuesday.

Giving Tuesday may be the time to get campaigns in front of younger donors who are more likely to engage on this global day of giving. Consider dedicating time earlier in November to educate older generations about the impact the day has on a cause, based on generational preferences noted throughout this report.

⁵ National Retail Federation, *Retail Holiday and Seasonal Trends Winter Holidays 2020*. <https://nrf.com/topics/holiday-and-seasonal-trends/winter-holidays>

The Top Five Actions You Can Expect from Donors on Giving Tuesday 2021

1. Making a one-time donation
2. Encouraging others to donate
3. Reassessing current recurring donations
4. Setting up recurring donations
5. Looking for nonprofits to donate to



Lustgarten Foundation

A Connection to Organizational Values Determines Purchase Decisions

Successful brands make their customers feel seen through creative and targeted advertisement by aligning their offerings with an individual's core values. What an organization stands for and a donor's ability to quickly find that information will make or break their likelihood to donate.

In 2021, social responsibility and sustainability rose to the top of consumers' minds as more people prioritized the impact of the brands they support.⁶

Nonprofits are value-driven organizations that can attract like-minded donors by bringing relatable messaging and visuals to their campaign pages, emails, websites, and social media channels.

⁶ National Retail Federation, How Values-Driven Companies Are Setting Themselves Apart 2021. <https://nrf.com/blog/how-values-driven-companies-are-setting-themselves-apart>

The Top Three Motivations for Donating



Drivers to Completed Donations

The top action a donor is likely to take before deciding to donate is to check online resources like the organization's website, specifically to evaluate their:



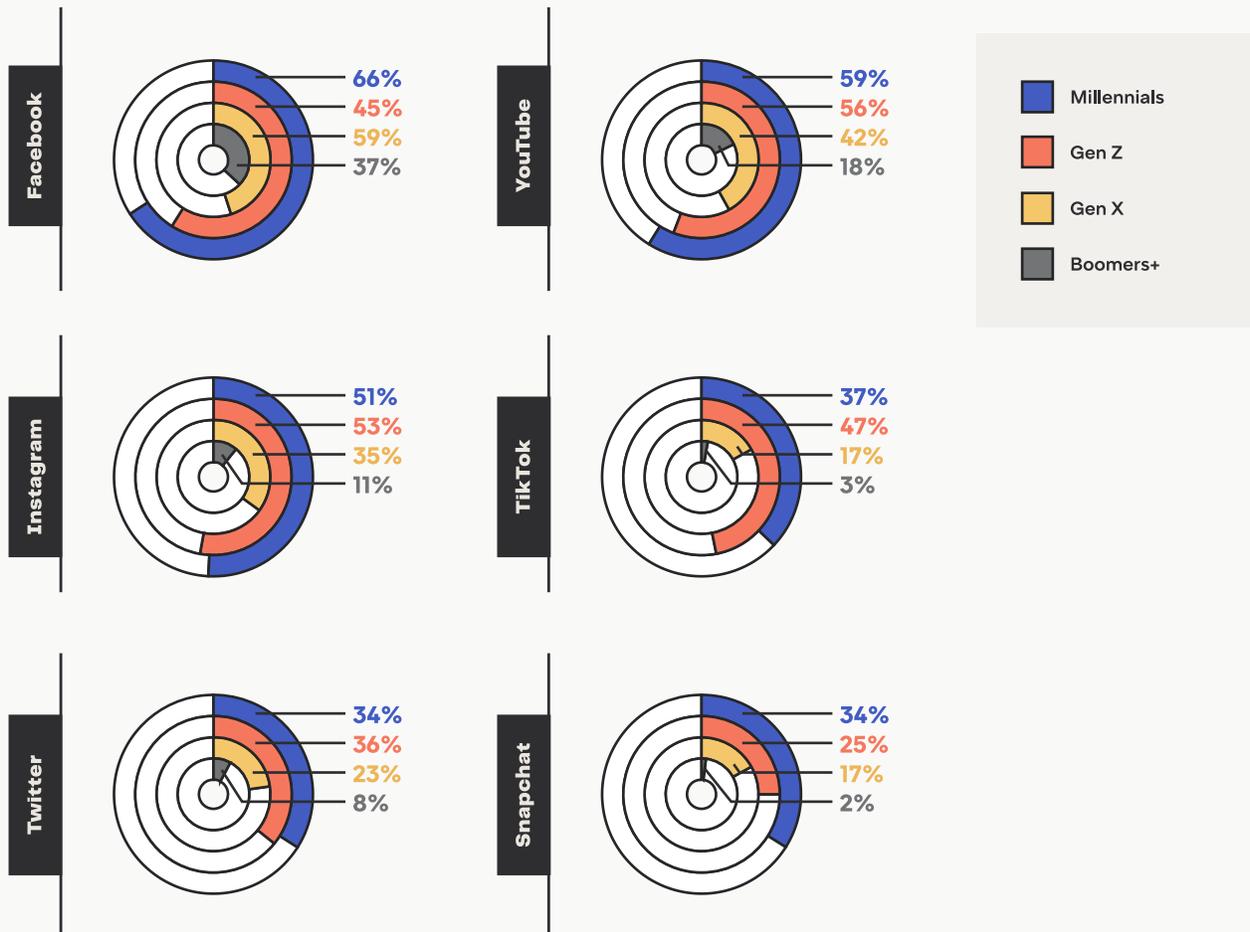
Values of diversity, equity, and inclusion continue to gain importance among donors as well, with 48 percent of donors sharing that they are likely to donate to charitable organizations that practice these principles.

Millennials (43 percent) and Gen Z (47 percent) are most likely to donate to a social justice organization in 2021. At the same time, Boomers+ show the highest preference to know their funds will go only to specific programs they care about (50 percent) compared with their Gen Z (28 percent), Millennial (36 percent), Gen X (43 percent) counterparts.

Social Media's Impact on Donors Is Only Growing

Quarantine restrictions gave birth to a new era of social media interactions and engagement features that continue to bridge brands and consumers. In 2021, seven in ten social media users engaged with Facebook on a daily basis, and six in ten did the same for Instagram and Snapchat.⁷

Gen Z donors rated social media the highest (61 percent) as a way they become aware of causes or issues to donate to. Over half of donors (55 percent) are as likely or more likely to learn about and donate to causes they care about on social media compared to 2020.



7 Pew Research Center, Social Media Fact Sheet 2021. <https://www.pewresearch.org/internet/fact-sheet/social-media>

A Breakdown of Social Media Channels Catching Donors' Attention by Generation

Nonprofits can create easily shareable content to tap into increased levels of influence on social media. Thirty-eight percent of donors said a personal relation to a cause or knowing somebody affected is their primary giving motivation. By enabling supporters to share their personal stories about a cause with their networks, nonprofits will creatively connect to a wider range of donors.

There's efficiency in creating content that can be used across multiple social media platforms based on where each generation is most likely to look for charitable causes to support. Facebook is still the preferred platform for millennials and Boomers+, while Gen Z is most likely to be on YouTube or Instagram.

Convenience Matters to Avoid the "Abandoned Cart" Effect

An exceptional giving experience considers every moment leading to a completed donation. Donors are surrounded by convenient consumer experiences every day, where they complete payments with a scan of their face or a tap of the button. New functionalities support donation experiences that deliver consumer-grade transaction processes with flexibility and convenience.



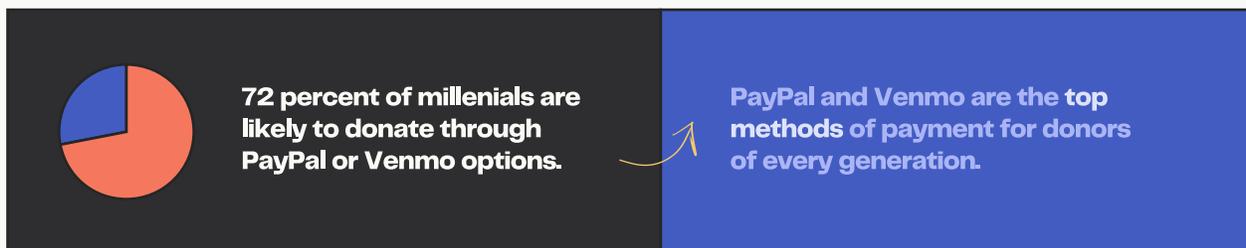
Food Bank of Santa Barbara County

Mobile Giving Went From Forward-Thinking to Must-Have Amid the Pandemic



Mobile-optimized donation processes are the only way to unlock donations from the 28 percent of U.S. adults between 18 and 29 who are smartphone-dependent with no other form of internet access, which we can expect to only rise with time.⁸

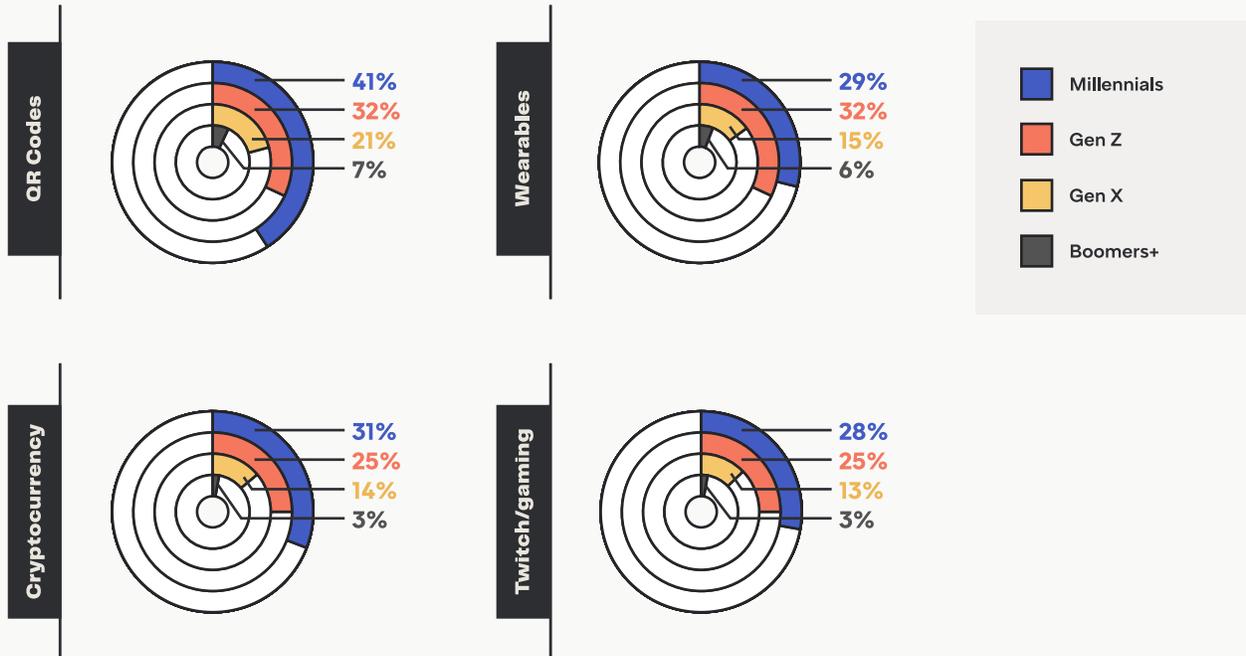
Being able to give and pay on the go provides the flexibility donors crave, and prevents missed donations. (Twenty percent of donors reconsidered donating when their preferred payment was not an option.)



Broadway Cares

⁸ Pew Research Center, Mobile Fact Sheet 2021. <https://www.pewresearch.org/internet/fact-sheet/mobile/>

Our data also revealed which giving options donors will lean toward in the future



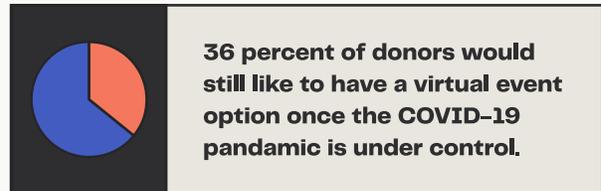
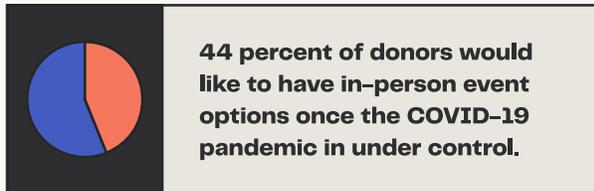
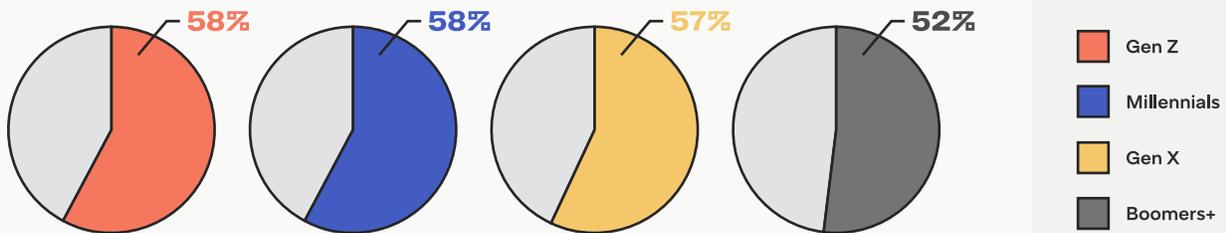
Comfort in Virtual Settings Paves the Way for a Hybrid World

The world went virtual seemingly overnight, bringing success along with it for brands that made at-home experiences feel normal.

Many nonprofits quickly transitioned their long-standing, in-person fundraising events to virtual formats for the first time during the pandemic, and 60 percent of donors raised more during virtual events in 2020.

As we make our way through 2021, virtual events are the most highly-attended by donors. It's equally important to look at what a world after the pandemic looks like as we see all generations share their post-COVID preferences.

Likelihood by Generation to Hear About New Causes Through Direct In-Person Outreach



Hope for New York

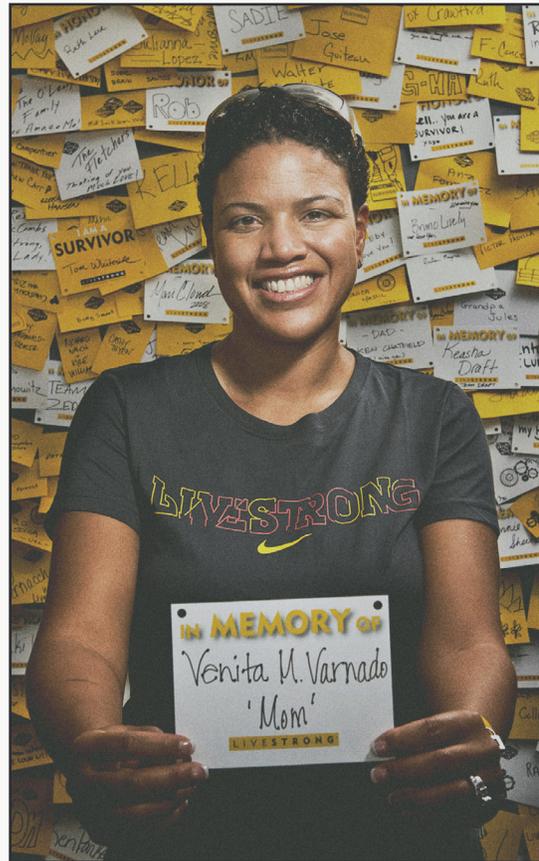
The hybrid event model presents the best of both worlds for nonprofits. Organizations can offer flexibility for any donor who wants to support their cause with a safe and comfortable way to do so.

Hybrid events do not simply mean having virtual and live guests at the same time. It means expanding to bring in new technology that helps create richer attendee experiences for everyone involved. With an open mind to innovative collaboration tools, nonprofits can rethink the way they hold auctions or facilitate attendee networking.

Recurring Giving Crosses Paths With the Subscription Economy

In 2020, subscription businesses in the Subscription Economy Index (SEI) demonstrated revenue growth at a rate of 11.6 percent, while revenues of its product-based peers declined, changing -1.6 percent.⁹ The growth reflects consumer preferences to access products and services while segmenting the cost.

Younger donors are the most likely to report making sacrifices to have funds to donate. Sixty percent of Gen X and 49 percent of millennials say they would make sacrifices in order to have funds to donate to charity. Our 2021 Recurring Donor Sentiment Report also found that the top incentive to donate on a recurring basis was the affordability of breaking up donations over time.¹⁰



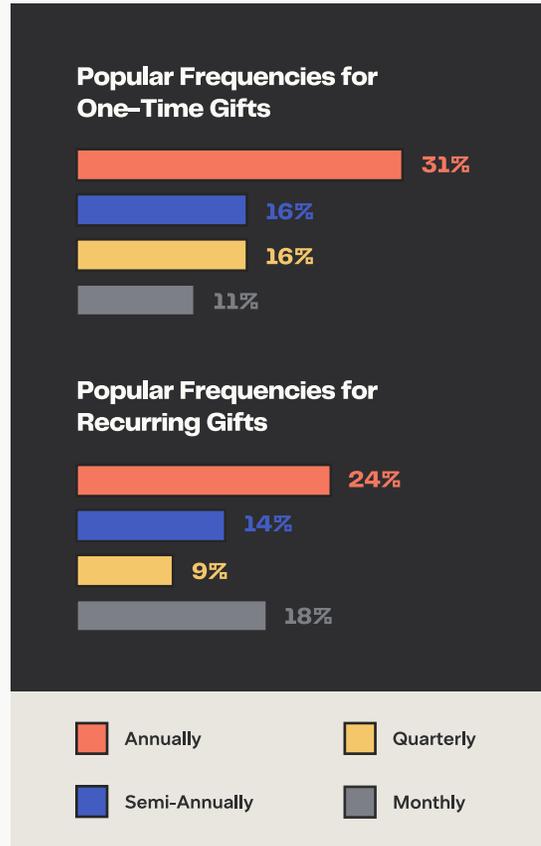
Livestrong

⁹ Zuora, Bi-Annual Subscription Economy Index™ March 2021. <https://www.zuora.com/resource/subscription-economy-index/>

¹⁰ Classy, 2021 Recurring Donor Sentiment Report. <https://learn.classy.org/recurring-giving-sentiment-report>

There's an opportunity to convert one-time donors to recurring donors by making their repeat gift experience seamless and organized. Forty-seven percent of one-time contributions are donated at specific frequencies that can be automated as a recurring gift at checkout.

Various generations are stepping up to help the causes they care about long-term. The Boomers+ generation is the most likely to give a recurring donation instead of a one-time gift currently. However, over one-third of Generation Z and millennials note that the ongoing COVID-19 pandemic and related societal needs increased their likelihood to follow suit in the future.



Craft Unique Experiences for Any Donor to Give



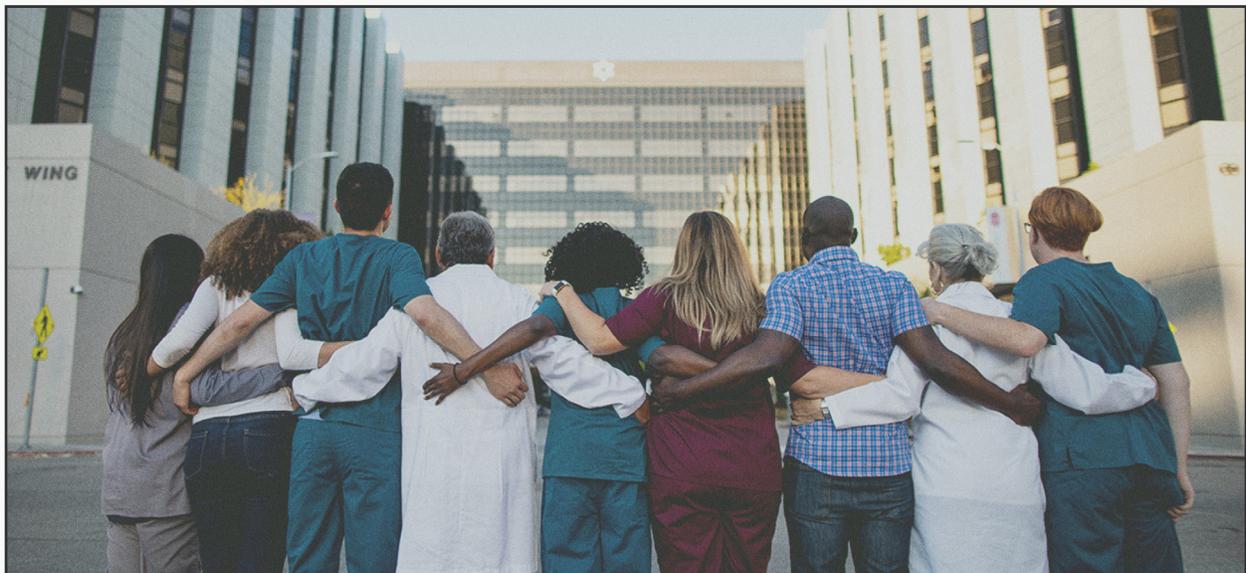
Nonprofits can capitalize on the intent to spend ahead of popular days like Black Friday and Cyber Monday and the heightened desire to make an impact by generating momentum early and effectively. **Break through the noise with authentic storytelling on social media, engaging hybrid events, and a repositioning of recurring giving to a subscription commitment.**

Soraya Alexander, COO of Classy

Quick Checklist to Build a Donor Experience That Delights and Converts

- Build convenience in with flexible payment options
- Provide options for at-home or virtual event attendance
- Offer quick social sharing on campaigns and fundraising activities
- Lean into subscription giving to build a reliable income stream
- Deliver meaningful relationship building at every step of your donation page

Based on which donors an organization is currently targeting or plans to target in the future, fundraising professionals can apply these insights to offer a more tailored giving experience that engages, nurtures, and retains a community of loyal supporters.



Cedars-Sinai



The Future of Donor Satisfaction



Luke's Wings

Classy

In just one year, we saw the world pivot as a result of the COVID-19 pandemic. The definition of an ideal donor experience shifted along with these societal changes and will continue to evolve to meet donors' needs over time.

It is not just about adapting to donor preferences today but creating the experiences that pleasantly surprise them before they have realized there is any other way.

Classy collected data from both donors and our platform to provide comprehensive insights that reflect the current trends of the nonprofit sector. We use these insights to inform our online fundraising tools, which help thousands of nonprofits accelerate social impact worldwide. Since 2011, we have helped thousands of nonprofits raise over \$3.5 billion.

This report enables fundraising professionals to craft unique donor experiences that extend well into 2022.



Feeding San Diego

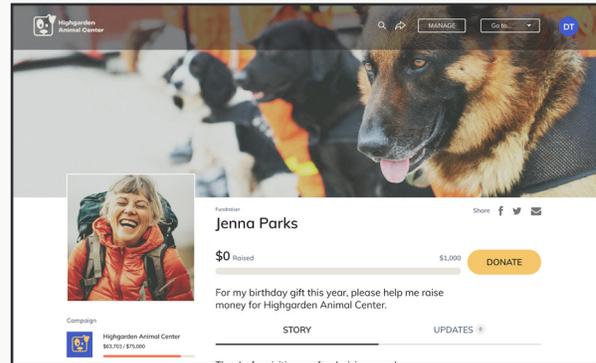
Why America Gives 2021: The Lasting Impact of a Pandemic on Donor Experience

Building a donor experience that resonates means crafting the portfolio of fundraising campaigns that best suit a nonprofit's current and ideal donor base.



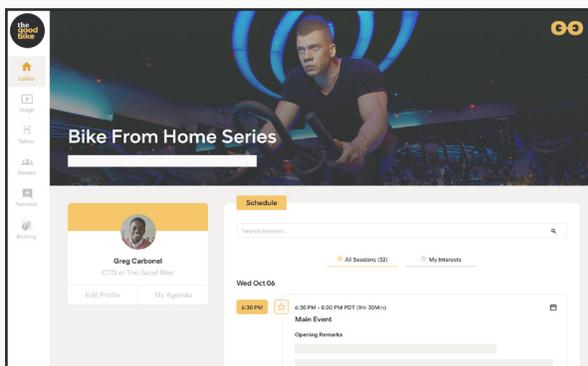
Crowdfunding campaigns

The platform to mobilize passionate supporters around a timely call to action and a clear outcome of their donations and cause advocacy.



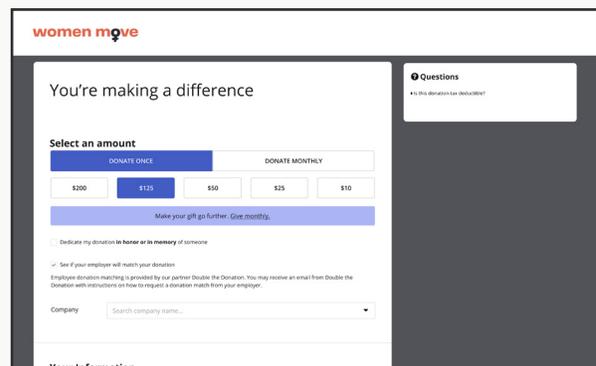
Peer-to-peer campaigns

The stage for supporters to share a cause through the lens of their personal connection to build trust and cultivate entirely new donations.



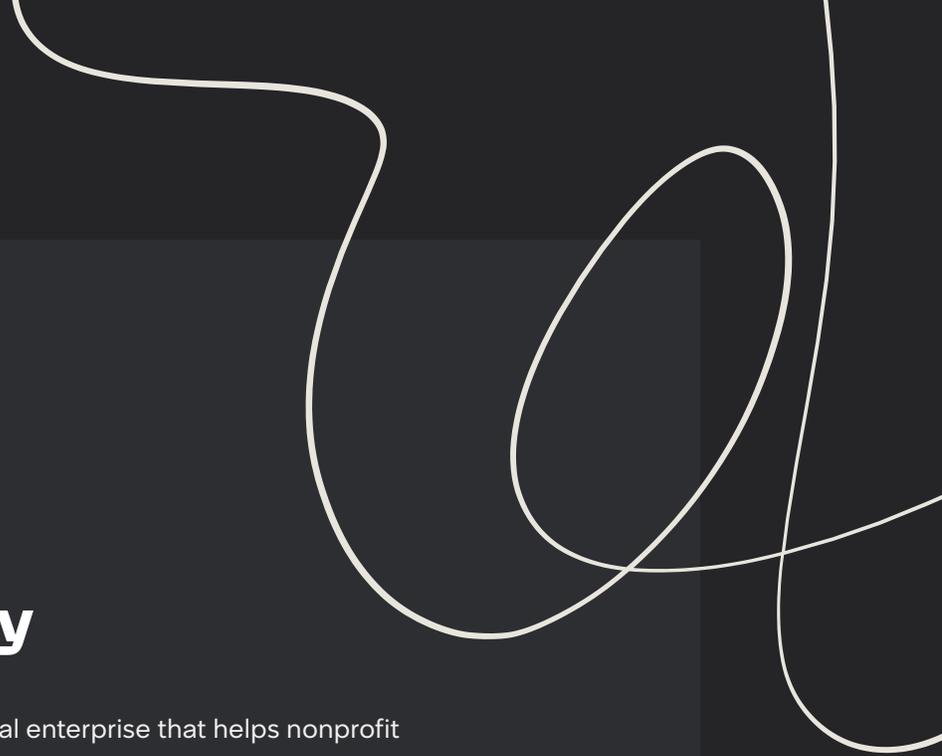
Virtual and hybrid fundraising events

The community-building activities that unite donors from anywhere, with the flexibility to participate how and where they want.



Year-round donation pages

The opportunity to capture interest from donors through a mobile device, using intuitive payment methods that convert.



About Classy

[Classy](#) is a B Corp Certified social enterprise that helps nonprofit organizations maximize their impact through a suite of world-class, online fundraising tools to accelerate social impact around the world. Based in San Diego, CA and trusted by organizations of all sizes, from the fastest-growing nonprofits to some of the world's largest social organizations, nonprofits use Classy's platform to raise money, engage their communities, and advance their missions. Since 2011, Classy has powered tens of millions of donations from over 190 countries and raised over \$3 billion for social good. Classy also hosts the [Collaborative](#) conference and the [Classy Awards](#) to spotlight the innovative work nonprofits are implementing around the globe. For more information, visit www.classy.org.

About the Data

This survey was conducted online between August and September 2021, and reached a representative sample of 1,000 individuals 18 years of age or older in the United States.