



DONOR CONFIDENCE IN THE FACE OF ONGOING COVID-19 PANDEMIC

Updated Study Indicates Giving Should Remain Steady

Donors indicate a stronger sentiment to sustain their level of giving while foreseeing a longer economic recovery

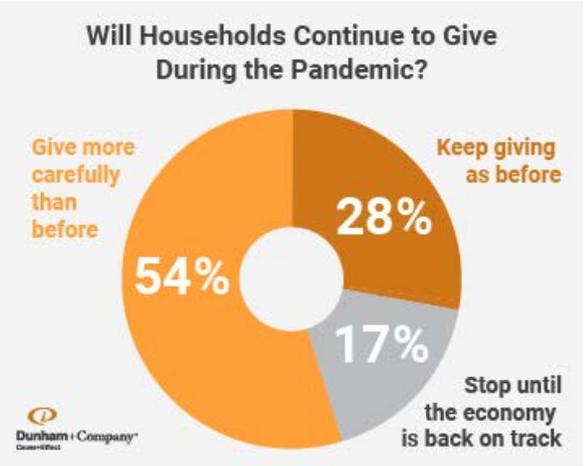


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Cause+Effect

Updated July 2020
Research conducted by Campbell Rinker

In our initial study in April, 2020, a majority of donors (53 percent) said that, in light of the COVID-19 pandemic, they planned to continue giving but more carefully than before. Today, in the most recent study, 54 percent say the same thing with just 17 percent saying they would stop giving until the economy is back up and running, compared to 20 percent in April.

The remaining 28 percent say they would keep giving regardless of the pandemic, which is the same as the April study. This sentiment continues to be especially strong among donors who frequent religious services at least weekly, with 41 percent indicating their ongoing commitment to giving, which is more than double the percentage of those who do not frequent religious services (19 percent), which is the same as the April findings.



Regarding the level of giving over the next 12 months, the findings from the July survey reveal that donors are even more bullish than they were in April. In April, 25 percent of those surveyed said they would decrease or eliminate their giving whereas in July, the percentage ticked down to 23 percent.

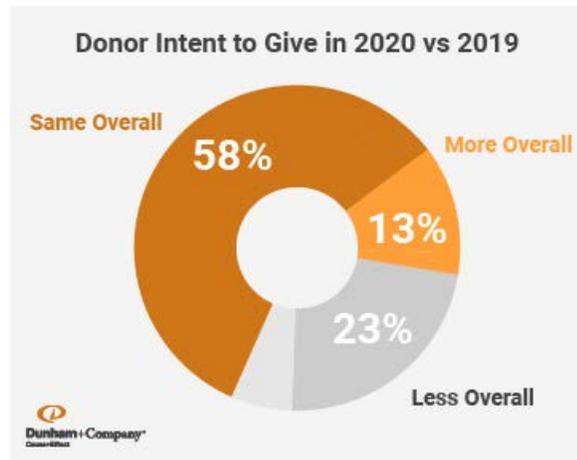
Of those giving less, fewer cited the pandemic as the cause. In April, 25 percent of donors who indicated they would give less said the cause was the COVID-19 pandemic, however that percentage has now dropped significantly to 14 percent. These donors are now more likely to blame the economy, as in April just 16 percent said the condition of the economy was causing them to give less, with 24 percent now saying the economy is to blame.

Of special note, fewer of these donors expect their giving to return to its previous level, as just 28 percent indicated they expect it to do so, compared to 46 percent in April who said it would return to normal.

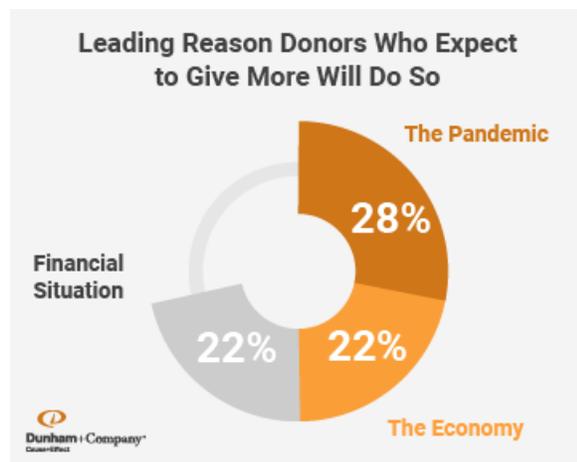
The percentage of donors who said they expected to give the same as before has now increased to 58 percent from 52 percent in April, while those who say they will give more has declined from 17 percent in April to 13 percent now.

This priority of giving also continued to be stronger among politically conservative donors compared to politically liberal donors (32 percent versus 24 percent) as well as older donors versus younger donors (33 percent versus 29 percent).

Overall, more than 7 out of 10 (71 percent) say they will give the same or more compared to 69 percent in April. What is especially important is this sentiment has remained strong among the key giving demographics of regular churchgoers (76 percent), Boomers (74 percent) and self-identified Conservatives (72 percent).



Beyond this, the COVID-19 pandemic, while the leading reason donors who expect to give more will do so, has dropped to 28 percent of these donors compared to 33 percent in April. The donor's personal financial situation continues to be the second top reason to give more at 22 percent, which is unchanged from April.



The updated study shows that the economic impact the COVID-19 pandemic has had on donor households has lessened since April. The percentage of donors who say they are not facing a challenging financial situation has increased to 62 percent, up from 53 percent in April, with just 18 percent saying they are struggling compared to 22 percent in April.

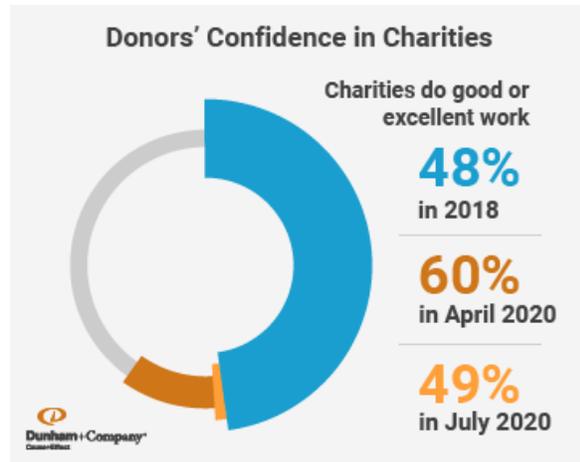
In addition, 73 percent of those making more than \$75,000 per year are faring well compared to 63 percent in April and 79 percent of donors who are Boomers and older also doing well, compared to 72 percent in April. And the key donor demographic of weekly attenders of religious services are doing better with 63 percent saying they aren't struggling compared to 51 percent in April.

The hardest-hit donor families are still those who make \$25,000 annually or less, with 40 percent saying they are finding it very or extremely challenging right now, whereas only 12 percent of households making \$75,000 or more are saying the same. Minorities are also feeling the pain, with 30 percent saying they are struggling compared to 14 percent of whites.

Weakened Long-term Outlook

In April, 6 in 10 U.S. donors said charities in America were doing either good or excellent work (60 percent). In the most recent survey that confidence has dropped to 49 percent, which mirrors the confidence rating in August 2018 of 48 percent.

In addition, household income among donors has softened since April. The percentage of households whose income has increased in the past year has now dropped from 36 percent in April to 22 percent in this July survey. And now 25 percent say their income has gone down in the last year compared to 20 percent in April.



On an encouraging note, the percentage of U.S. donors who report being unemployed or furloughed due to COVID-19 has dropped from 7 percent in April to 5 percent in July. However, the overall percentage of U.S. donors who say they are unemployed has remained steady at 8 percent, compared to 9 percent in April. And the hardest hit households are those making less than \$25,000 with 22 percent saying they are unemployed. Thirteen percent indicated that they were unemployed or furloughed before the pandemic and 9 percent due to the pandemic. It's also important to note that 7 percent of the key giving demographic of those who attend religious services at least weekly are unemployed, yet just 4 percent of Boomers and older donors say the same.

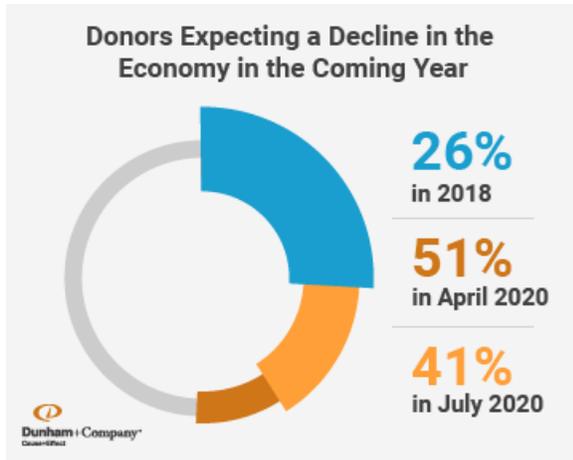
Giving Expectations Among Most Supported Nonprofits

As for the charities donors support with the most money, donors' expectations in the coming year did not shift from the April findings. They still intend to give...

- + Somewhat more to places of worship, such as a church or a synagogue (mean of 3.2, where 3.0 indicates no change).
- + Somewhat less to educational institutions and programs (mean of 2.8).
- + Slightly less to faith-based charities and ministries, excluding places of worship (mean of 2.9). Notably, donors who attend religious services weekly or more were significantly more likely to continue their support with a mean of 3.5.
- + Slightly more to health and medical charities that work inside the U.S. (mean of 3.1).
- + Less to arts and culture (mean of 2.6).

Economic Outlook Among Donors

In April, a 51 percent majority of U.S. donors said they expected the nation's economy to worsen over the coming year, twice as many as the 26 percent who held the same opinion in August 2018. As of July, 41 percent say they expect the economy to worsen in the coming year. In addition, the percentage that believe the economy will just stay the same has jumped from 17 percent in April to 30 percent in July.

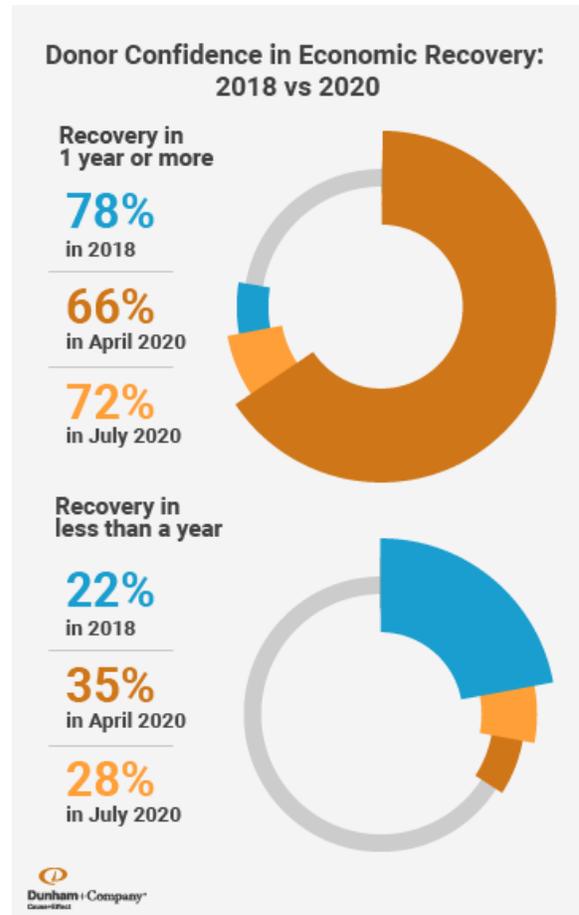


However, the underlying data show that donors actually still foresee a bit faster economic recovery than they did 23 months ago. In August of 2018, 78 percent of donors felt it would take a year or more for the economy to improve. As of our July study, 72 percent said it would take that long, whereas in April 2020, that percentage was at 66 percent, meaning donors are a bit more sober about the challenge of a speedy economic recovery.

In addition, fewer donors continue to believe it will take the economy longer than two years to improve compared to 2018. As of July, just 27 percent said they believed this to be true compared to 51 percent in 2018. In April it was just 24 percent, so again, donors are being a bit more sober about the realities of the looming economic challenges.

Finally, in 2018, just 1 in 5 donors (22 percent) thought the economy would improve in a few months to a year, whereas in April more than 1 in 3 donors (34 percent) believed the same, which has now ticked down to 28 percent.

Donors show that they are a bit more attune to the the ongoing impact of the COVID-19 pandemic on the economy and they continue to be more confident that it will rebound more quickly now compared to how donors felt back in 2018 when the economy was picking up steam.



Methodology

Both the April and July polls were conducted by our research partner, Campbell Rinker. The April poll was conducted online April 17-20, 2020 of 630 U.S. adult donors who had made charitable gifts of at least \$20 in 2019. The July poll (sponsored by BBS & Associates) was conducted July 21-24, 2020 of 649 U.S. donors who had also given at least \$20 in the past year. Responses were weighted by age to reflect the general U.S. population per the American Community Survey of the U.S. Census. The margin of error for the April poll is $\pm 3.9\%$ at the 95% confidence level and the July poll is 3.8% at the 95% confidence level. Percentages may sum to over 100% due to rounding.

About Dunham+Company

Dunham+Company is a strategic, integrated fundraising, marketing, and communications consulting group solely focused on helping organizations build a sustainable and scalable fundraising program. In partnership with organizations, we create custom, integrated fundraising, communications, and constituency development programs that are designed to meet their unique needs. We don't believe in syndicated fundraising programs built on a "rinse and repeat" philosophy.

It's why we've created our carefully honed five-step Cause+Effect approach:

- + A biblical foundation to fundraising
- + Holistic thinking that builds sustainable growth in income
- + Integration that connects on multiple levels through multiple channels
- + Trusted advisor partnerships that bring the highest level of expertise
- + Proprietary data and research tools

Just like the law of cause and effect, we join forces with our client's cause to create a catalytic effect that not only transforms their organization, but also touches more lives all around the world.

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