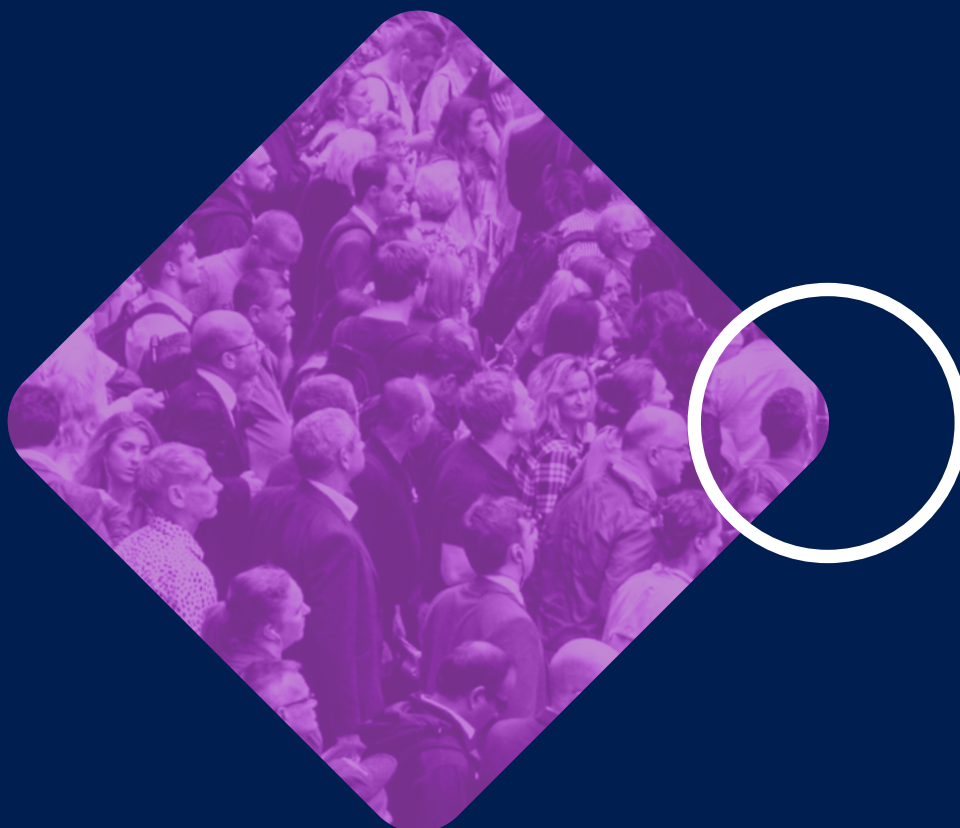


# Australian Communities

Understanding Australian givers  
to maximise the impact of  
not-for-profit organisations





Australian Communities Report: Understanding Australian givers to maximise the impact of NFPs is produced by:

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# Executive summary

The last 12 months have seen unprecedented change across societies, nations, and the globe. It has been a time of increased volatility and disruption yet, despite these challenging circumstances, the rate of giving among Australians has remained steady. In the last 12 months three in four Australians (74%) have given financially to charities/not-for-profits.

While it could be expected that charitable giving would decline in times of hardship, recent giving has largely stayed the same (49%) or even increased (21%). Three in ten Australian givers (30%) have, however, decreased their giving over the past few months.

## Australians proud of how charities responded in 2020

One positive that has emerged in a challenging time for the charity/not-for-profit community, is the strengthened public perception of charities and not-for-profits among Australian givers. The spirit of mateship is strong with nine in ten givers (90%) proud of how Australian charities/not-for-profits have rallied to help those in need in Australia during 2020.

Australian givers are not just proud of Australian charities/not-for-profits but appreciate them more too. More than four in five givers (85%) believe the events of 2020 and the COVID-19 pandemic have made them appreciate the role charities/not-for-profits play in society more.

## Opportunity givers are emerging

While the proportion of Australians giving remains consistent with previous years, the way in which people give continues to change. Australian givers are more likely to be opportunity givers (60%) than committed givers (40%), giving when they hear about a need or an issue or when they are approached for a donation or support rather than committing to regular donations throughout the year.

Gen Z (78%) and Gen Y (66%) are the most likely to be opportunity givers, significantly more so than their older counterparts (cf. 41% Builders). The older the giver is, the more likely they are to be a committed giver (59% Builders cf. 22% Gen Z).

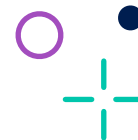
## Medical and cancer research is the top cause of 2021

It is unsurprising, with the rise in opportunity givers, that Australians are most motivated to give money to or volunteer for the topical issues of the time. With the global pandemic at the forefront of many minds, 45% are motivated to give to organisations associated with medical and cancer research, making this the number one cause to support in 2021. The most notable shift in rank is domestic and family violence rising from 11th in 2020 to 7th in 2021. This may also be due to the pandemic lockdowns where domestic violence has frequently been highlighted in public discussion.

## The rise of digital fundraising initiatives

The COVID-19 pandemic has required charities/not-for-profits to rethink how they engage their supporter base when traditional face-to-face fundraising initiatives have been unavailable. Positively, four in five givers (81%) are open to participating in online fundraising initiatives. With younger givers almost twice as likely as older Australians to be open to participating in online fundraisers (99% Gen Z cf. 59% Baby Boomers), online fundraising is likely to be the new normal for fundraising among this generation.





## Cancel culture and not-for-profits

The global pandemic was not the only element of 2020 that shifted the social fabric of Australia. The rise of other topical issues such as cancel culture also influenced the changing landscape for charities/not-for-profits. In this complex environment almost seven in ten givers (68%) definitely/somewhat want to see the charities they support make their stance clear on current social issues, even if they are outside their area of focus. This should not be entered into lightly, however, as givers have frequently or sometimes (44%) stopped supporting a charity/not-for-profit because of the behaviour or stance the organisation has taken.

While navigating this topic can be challenging, it is important to keep in perspective that the reasons givers stop supporting charities/not-for-profits are broader than cancel culture alone. The key reasons givers stop supporting charities are largely within the organisation's control. The number one reason givers stop supporting a charity/not-for-profit is a mismanagement of finances (90%), followed by hearing negative reports about a charity/not-for-profit (88%).

## Reframe the narrative

The conversation around administration costs being kept low (below 20%) has been part of the charity/not-for-profit landscape for many years now. What started with the best of intentions from givers of desiring maximum funds to reach those in need has potentially reduced the ability of not-for-profit leaders to make the best long-term decisions for their organisations. The challenge for leaders is that for 70% of givers, keeping marketing and administration costs low (below 20%) matters more to them than growing overall donation revenue. There is an opportunity here for leaders to reframe the conversation to show how greater investment can bring about greater returns.

Similarly, with trust, Australian givers are more likely to say that detailed and transparent reporting of fund allocation matters more (63%) than charities being trusted to direct donations for maximum impact (37%). This shows that Australian givers need to be educated on what it costs to provide transparent reporting, and that providing this service increases the very administration cost givers want organisations to keep low.

Alongside educating givers on this process, leadership teams need to build deeper levels of trust with givers, to ensure greater levels of freedom to maximise impact.

The future is positive, however, with Gen Z (52%) and Gen Y (38%) more likely to be extremely/very willing to trust organisations to get the greatest return on their investment, even if this requires them to invest more than 20% into marketing and quality staff than their older counterparts (cf. 26% Gen X, 18% Baby Boomers, 16% Builders).

There is an opportunity to reframe the narrative for the charity/not for profit sector, where organisations are held to the highest standards alongside a rebuilding of trust between leadership teams and the Australian public. This trust is developed as givers see leaders successfully guiding their organisation to a brighter future. As organisation leaders take the front foot with communication, highlighting how their actions bring about the greatest return on investment, the public discussion may start to shift. It will take time to reframe this narrative, but as Australian givers and organisations partner together from a place of trust and understanding, the positive impacts on society's most vulnerable are likely to increase.

# Snapshot of the charities/ not-for-profit sector

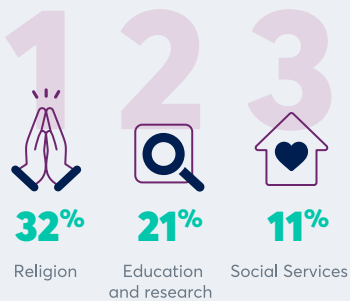
Number of charities\*



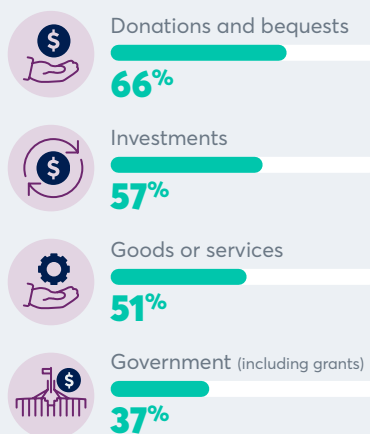
**43,349**



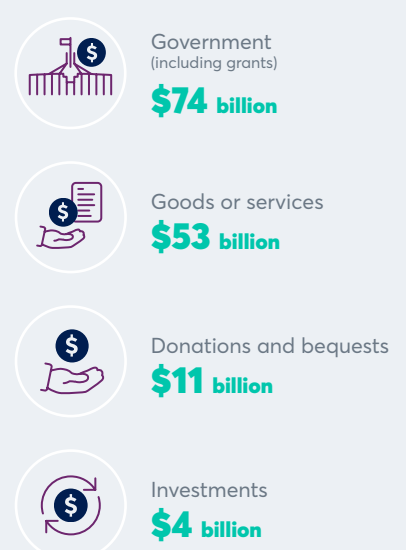
## Top 3 sectors NFPs are in



## Top sources of revenue<sup>^</sup>



## NFPs are funded by



## State breakdown\*

**LEGEND**

- Charities
- Total revenue (\$ billion)
- Employee
- Estimated volunteer



\* excludes information from charities that have information withheld from ACNC Charity Register  
 ^ excludes Basic Religious Charities (charities with only a single subtype of advancing religion)  
 and charities that did not operate in the 2018 reporting period  
 † McCrindle projections

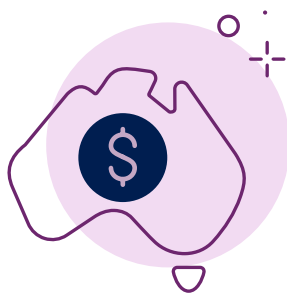
Source: Australian Charities Report 2013-2018.



# The impact of COVID-19 on giving

The last 12 months have seen unprecedented change across societies, nations, and the globe. It has been a time of increased volatility and disruption which has unsettled many organisations. Despite this, however, this context has provided opportunities for organisations to adapt and innovate at a faster rate and enabled some organisations to emerge stronger than before.

Amidst these challenging circumstances, the rate of giving among Australians has remained steady with four in five Australians (81%) giving financially to charities/not-for-profits. Three in four Australians (74%) give at least yearly while just one in five (20%) do not give financially to charities/not-for-profit organisations. These results are consistent with previous years, highlighting charitable giving in Australia remains strong and stable. Australian givers also continue to support charities/not-for-profits through donating goods (60%), volunteering (30%) and fundraising/promoting for a specific charity (21%) or advocating and raising awareness of a specific issue or cause (18%).



**81%** of Australians give financially to charities/not-for-profits

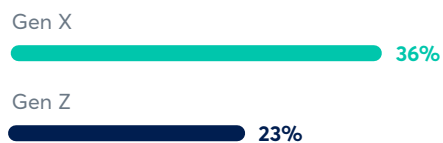
## Are financial contributions decreasing due to the pandemic?

Our 2020 Australian Communities study found that if givers were to experience hardship, more than half (54%) believed the frequency and amount of their giving would decline. Many Australians experienced hardship in 2020, yet recent giving has largely stayed the same (49%) or has even increased for one in five (21%). Three in ten Australian givers (30%) have, however, decreased their giving over the past few months.

Looking to the end of 2021, almost one in four givers (23%) expect their giving to increase, while half (53%) believe it will stay the same. The challenge is, however, that one in four givers (24%) expect their giving until the end of 2021 will decrease. While the overarching story is positive, with at least 70% of givers expecting their contributions to remain the same or increase, this increase does not necessarily cover the expected decrease.



**Gen X** are the most likely to have decreased their recent charitable giving

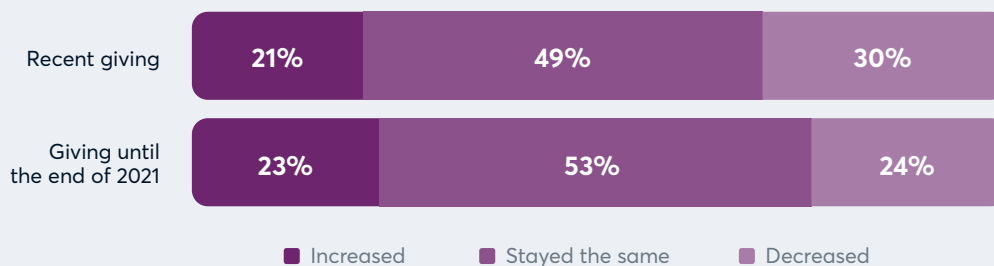


**With the Australian giving landscape likely to tighten at least until the end of 2021, how are you preparing your organisation to weather the storm or pivot to come out stronger on the other side?**





### HOW HAS COVID-19 IMPACTED YOUR FINANCIAL CHARITABLE GIVING OVER THE LAST FEW MONTHS AND HOW WILL IT IMPACT YOUR FUTURE GIVING?



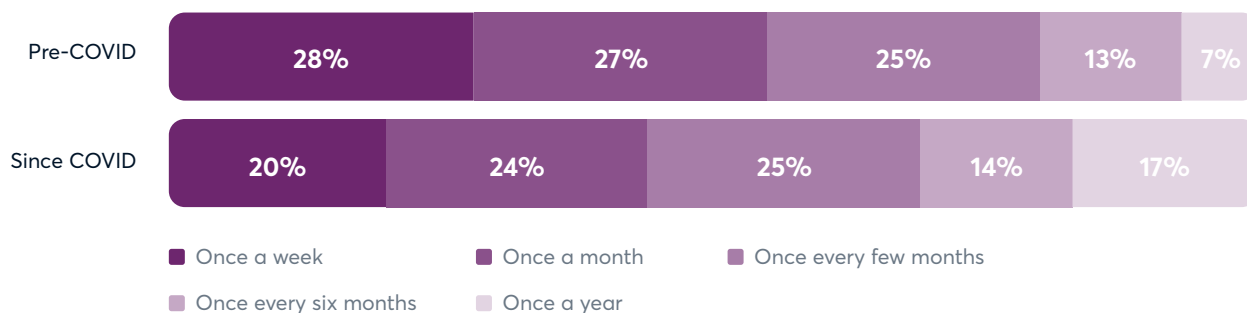


## Volunteering remains below pre-COVID-19 levels

Pre-COVID-19 more than half of volunteers (55%) did so at least monthly. Since COVID-19 that has decreased to 44% and the proportion of volunteers who only volunteer once a year has more than doubled from 7% pre-COVID-19 to 17%. This is a reduction of almost half a million monthly volunteers since COVID-19.

### HOW OFTEN DO YOU VOLUNTEER FOR A CHARITY OR NOT-FOR-PROFIT ORGANISATION?

n=436





## Online donations – the key form of engagement during the pandemic

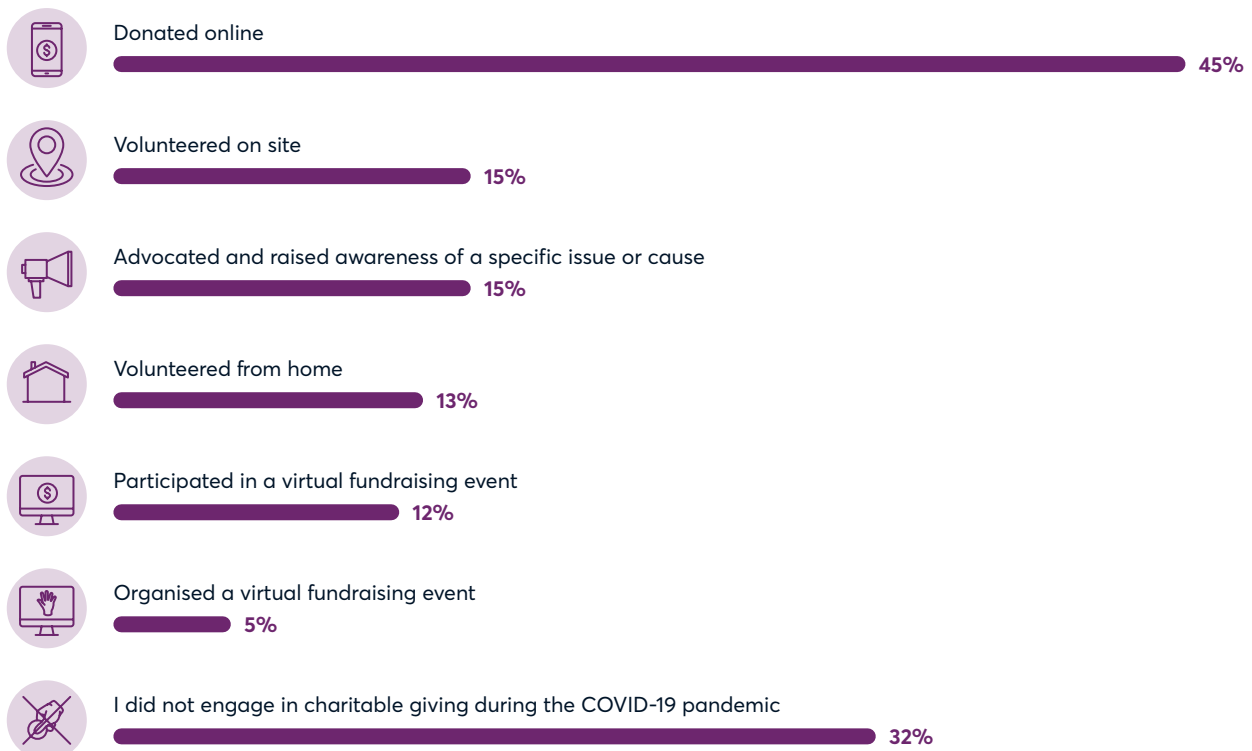
The stay-at-home requirements and restrictions on gathering sizes has made it a difficult year for charities/not-for-profits who largely fundraise in face-to-face environments. The key form of engagement during the pandemic was online donations (45%). One in seven have volunteered onsite (15%) or advocated and raised awareness (15%) while 13% have volunteered from home.

Nearly a third of Australian givers (32%), however, did not engage in charitable giving during the COVID-19 pandemic.

Older givers were the most likely to have not engaged in charitable giving during the pandemic (53% Builders, 47% Baby Boomers, 37% Gen X cf. 21% Gen Y, 12% Gen Z).

### IN WHAT WAYS DID YOU ENGAGE IN CHARITABLE GIVING DURING THE COVID-19 PANDEMIC?

*Please select all that apply.*



# Positive public perception growing because of 2020

Despite 2020 being a challenging time for the charity/not-for-profit community, the positive public perception of charities/not-for-profits has been strengthened among Australian givers. In keeping with the community mindedness and spirit of mateship that the pandemic fostered in Australia through phrases such as 'all in this together', nine in ten givers (90%) are proud of how Australian charities/not-for-profits have rallied to help those in need in Australia during 2020.

Australian givers are not just proud of Australian charities/not-for-profits but appreciate them more too. More than four in five givers (85%) believe the events of 2020 and the COVID-19 pandemic have made them appreciate the role

charities/not-for-profits play in society more. The pandemic has also shone a light on needs within the community, with 80% of givers more aware of the needs in their community since COVID-19.

The increased national focus of 2020 has also meant that 76% of givers are more intentional about supporting charities/not-for-profits that operate locally because of the COVID-19 pandemic.



**90%**

of Australian givers are proud of how Australian charities/not-for-profits have rallied to help those in need in Australia during 2020.



**85%**

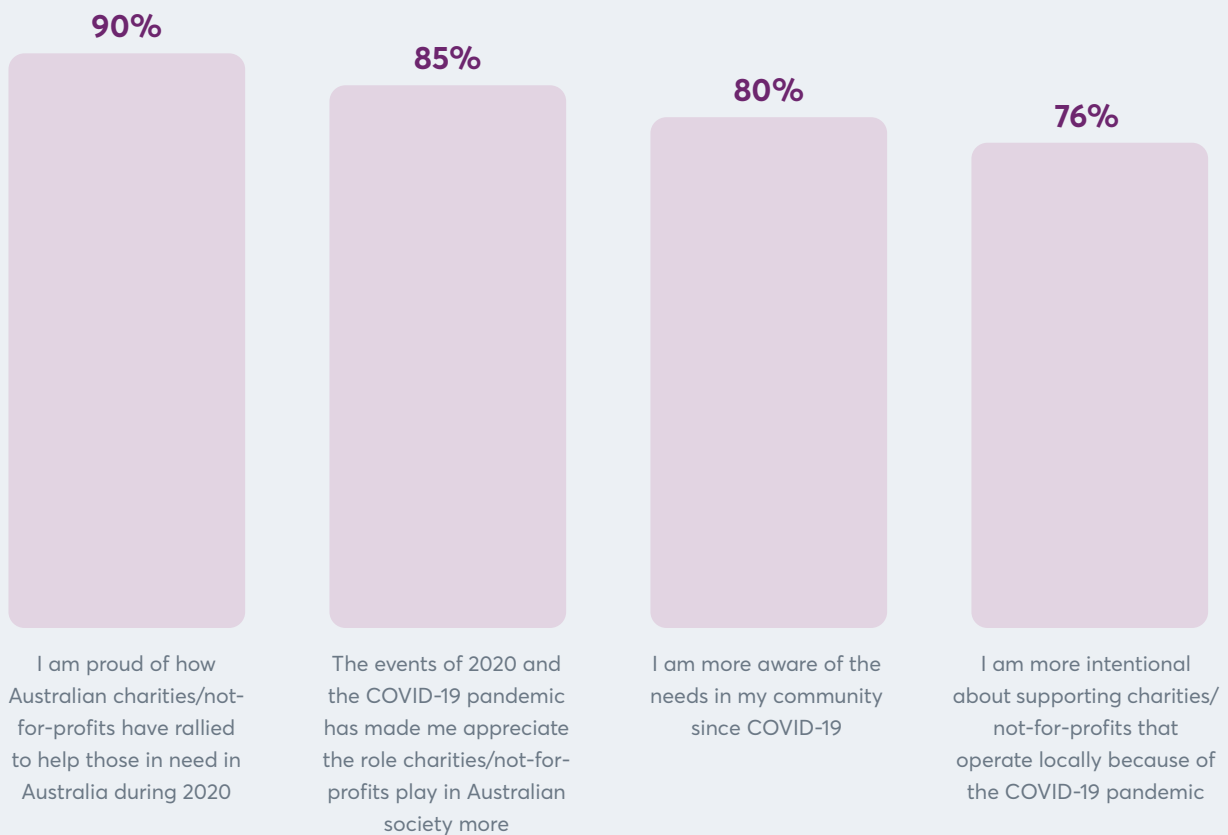
agree the COVID-19 pandemic has made them appreciate the role charities/not-for-profits play in society more



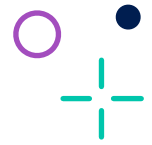


**TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS.**

*Strongly/somewhat/slightly agree*



# The psyche of the Australian giver



## Australians are increasingly opportunity givers

While the proportion of Australians giving remains consistent, the way in which they give continues to change. Australian givers are most likely to be need responders, giving when they hear about a need or an issue (39%) followed by semi regularly throughout the year (25%) and when they are approached for a donation or support (22%). Just 15% of givers contribute on a frequent or regular basis.

In recent years, the 'need responders' have been rising steadily (16 pp in four years). This year, however, there has been a slight decrease (7 pp) in need responders. It seems these givers are now more likely to give when they are approached for a donation or support, which has risen by six percentage points. These two options combined, however, highlight that Australian givers are more likely to be opportunity givers than committed givers (60% opportunity cf. 40% committed).

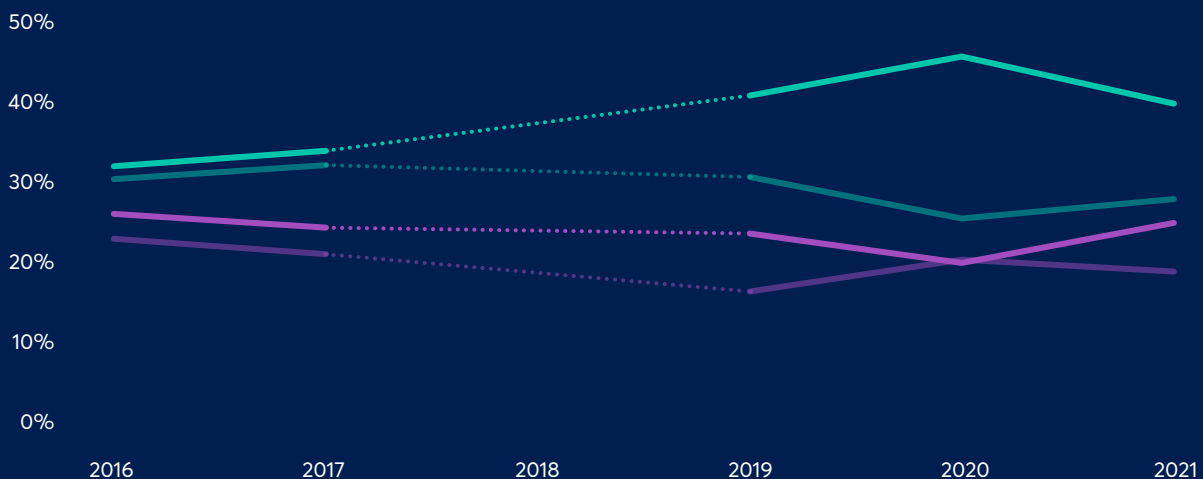


## WHEN ARE YOU MOST LIKELY TO GIVE TO A CHARITABLE ORGANISATION?

- When I hear about a need or issue
- When I am approached for a donation or support
- Semi regularly throughout the year
- On a frequent or regular basis

### OPPORTUNITY GIVERS

### COMMITTED GIVERS





### Younger generations driving the rise in opportunity givers

Gen Z (78%) and Gen Y (66%) are the most likely to be opportunity givers, significantly more so than their older counterparts. Older Australians are more balanced in their approach with 57% of Gen X being opportunity givers and 43% being committed givers. The older the giver gets the more likely they are to be a committed giver (59% Builders cf. 22% Gen Z).

**With givers increasingly becoming opportunity rather than committed givers, is your organisation giving multiple opportunities throughout the year for givers to engage with or support your cause?**

### OPPORTUNITY VS. COMMITTED GIVERS



**Gen Z**  
18 - 26



**Gen Y**  
27 - 41



**Gen X**  
42 - 56



**Boomers**  
57 - 75



**Builders**  
76+

#### OPPORTUNITY GIVERS

78%

66%

57%

51%

41%

#### COMMITTED GIVERS

22%

34%

43%

49%

59%



## Who are the engaged givers in Australia?

In recent years, the question of how to effectively engage givers has been at the forefront for many charity/not-for-profit organisations. Interestingly, just 11% of Australian givers engage very regularly with emails, raising awareness and frontline participation opportunities. A quarter (24%) engage often while a further one in four (24%) engage rarely. The largest proportion of Australian givers are passive givers, who support financially but don't engage in any other ways (41%).

So, who are the engaged givers within Australia? They are most likely to be an employed Gen Y in a couple family with dependent children household. They typically give at least monthly (49%) but are more likely to give when the opportunity arises (68%) than in a committed way throughout the year (32%).

**How can your organisation activate the engaged supporters even more?**



### HOW OFTEN DO YOU ENGAGE WITH THE CHARITIES/NOT-FOR-PROFITS THAT YOU SUPPORT?

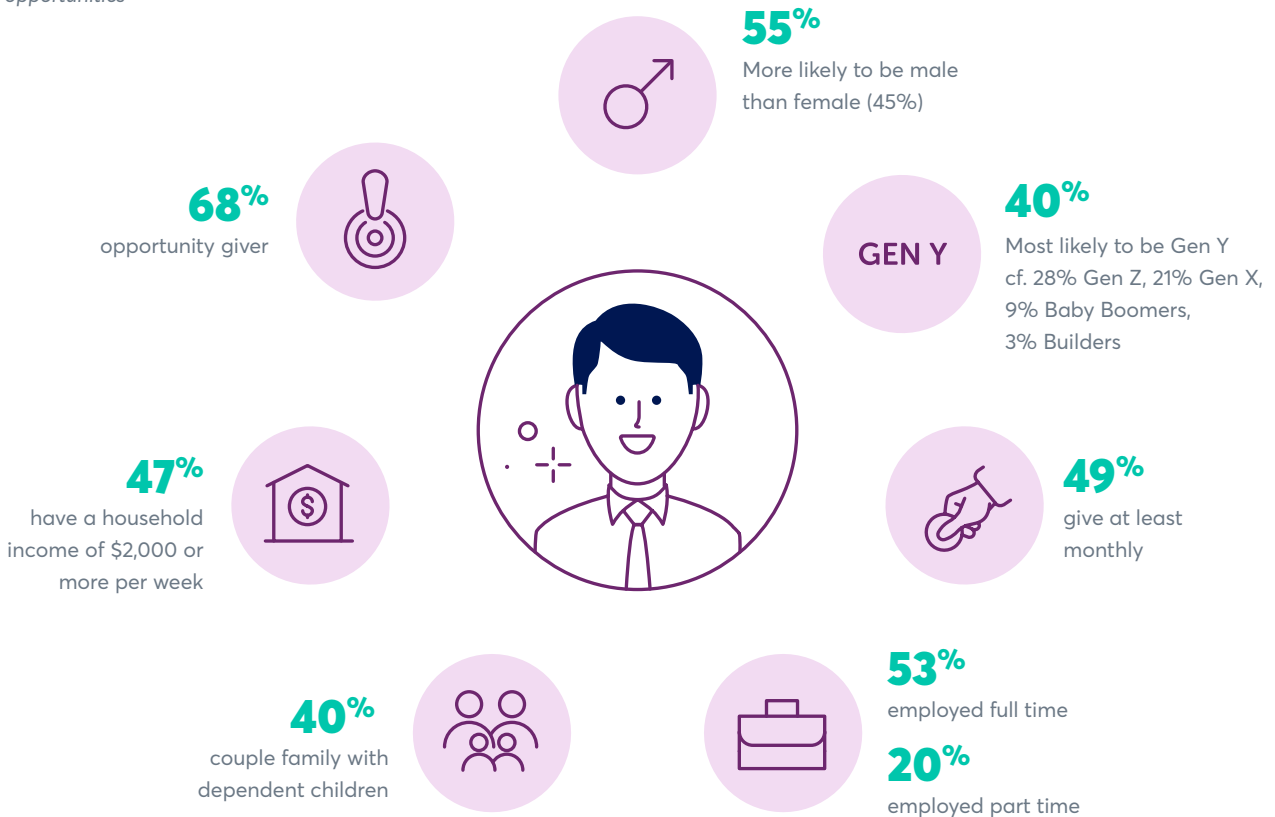






## ENGAGED GIVERS

Engage very regularly or often with emails, raising awareness and frontline participation opportunities



## Australians highly motivated to give to medical and cancer research

It is unsurprising, with the rise in opportunity givers, that Australians are most motivated to give money to or volunteer for the topical issues of the time. With the global pandemic at the forefront of many minds, 45% are motivated to give to organisations associated with medical and cancer research. This makes medical and cancer research the number one cause to support in 2021, overtaking disaster response in Australia, which was ranked number one in 2020 largely due to the 2019/2020 summer bushfires (disaster response is now ranked 4th).

Children's charities (2nd) and animal welfare and wildlife (3rd) continue to be areas Australian givers are highly motivated to support.

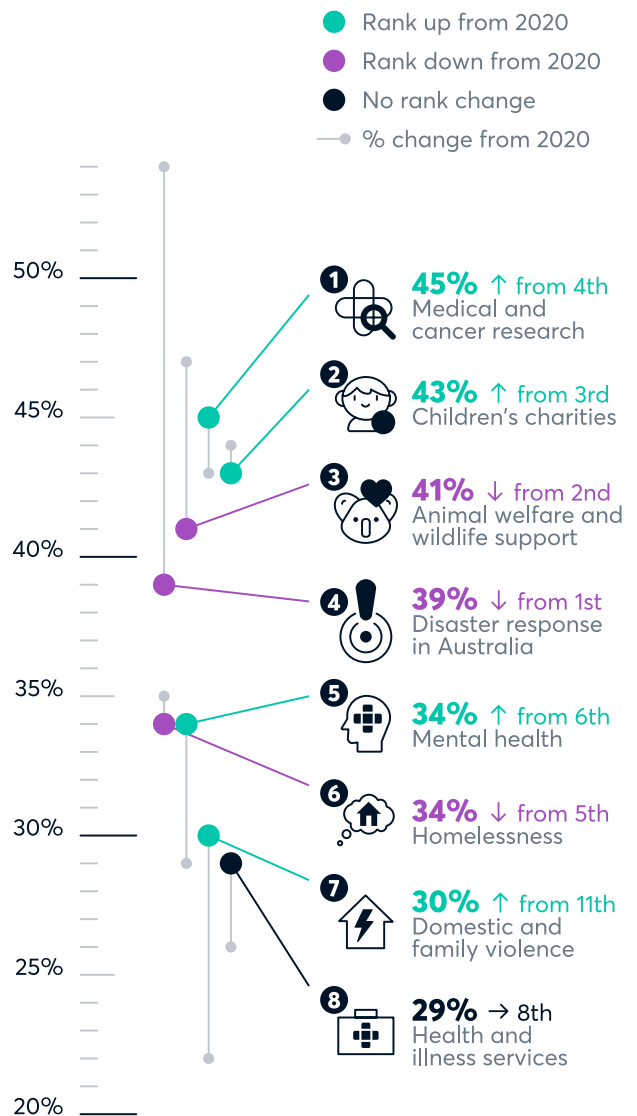
## The rise in domestic and family violence giving

Interestingly, domestic and family violence and mental health have both seen a shift in their ranking since 2020. Domestic and family violence rose from 11th in 2020 to 7th in 2021, and mental health rose by one rank to 5th. This may also be due to the pandemic and associated lockdowns, where mental health and domestic violence have both been highlighted in public discussion.

Younger Australian givers are driving the rise in motivation to give to domestic family violence and mental health. Gen Z (36%) and Gen Y (35%) are twice as likely as Builders (15%) to support organisations associated with domestic or family violence. Similarly, almost half of Gen Z givers (49%) are highly motivated to support mental health alongside 37% of Gen Y and 35% of Gen X. Baby Boomers (26%) and Builders (13%) are much less likely to be motivated to support organisations associated with mental health.

## TOP EIGHT CAUSES

% who are highly motivated to support these causes





**Top three causes by generation**



**Gen Z**  
18 - 26



**Gen Y**  
27 - 41



**Gen X**  
42 - 56



**Boomers**  
57 - 75



**Builders**  
76+

**1**

Mental health  
**49%**

Children's charities  
**47%**

Animal welfare & wildlife support  
**47%**

Medical and cancer research  
**57%**

Medical and cancer research  
**53%**

**2**

Homelessness  
**42%**

Animal welfare & wildlife support  
**44%**

Children's charities  
**44%**

Disaster response in Australia  
**50%**

Disaster response in Australia  
**47%**

**3**

Children's charities  
**41%**

Medical and cancer research  
**40%**

Medical and cancer research  
**42%**

Children's charities  
**41%**

Animal welfare & wildlife support  
**40%**

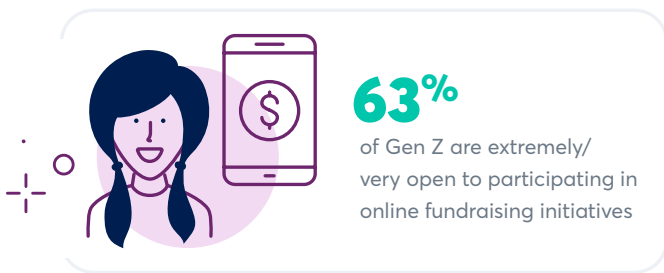
# Not-for-profits in the new normal

The COVID-19 pandemic has required charities/not-for-profits to rethink how they engage their supporter base when traditional face-to-face fundraising initiatives have been unavailable. To overcome this, many charities/not-for-profits have embraced digital fundraising initiatives out of necessity. The question arises, however, of whether Australian givers are ready to embrace this shift too.

Positively, four in five givers (81%) are open to participating in online fundraising initiatives. Almost two in five givers (37%) are extremely/very open to online engagement opportunities.

## Online fundraising initiatives, the way of the future

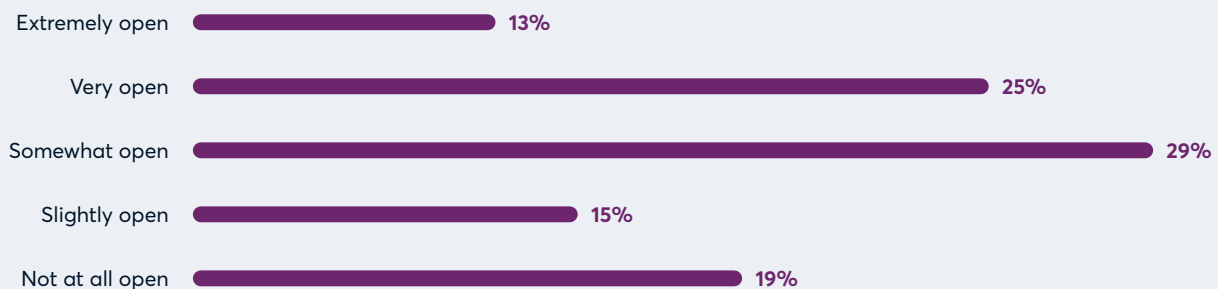
Younger Australian givers are behind this openness to online fundraising initiatives, being almost twice as likely as older Australians to be open to participating in online fundraisers (99% Gen Z cf. 59% Baby Boomers). This highlights that there are shifting engagement priorities for each generation. As charities/not-for-profits continue to future proof themselves, engagement of the donor of the future is essential. With 63% of Gen Z extremely/very open to digital engagement, online fundraising is likely to become the new normal for fundraising among this generation.



How is your organisation looking to future-proof by engaging the donor of the future?

## HOW OPEN ARE YOU TO PARTICIPATING IN ONLINE FUNDRAISING INITIATIVES?

Online fundraising is a way for charities/not-for-profit organisations to raise money via the internet. It usually involves an online donation page and can include mobile giving, peer-to-peer fundraising, and more.



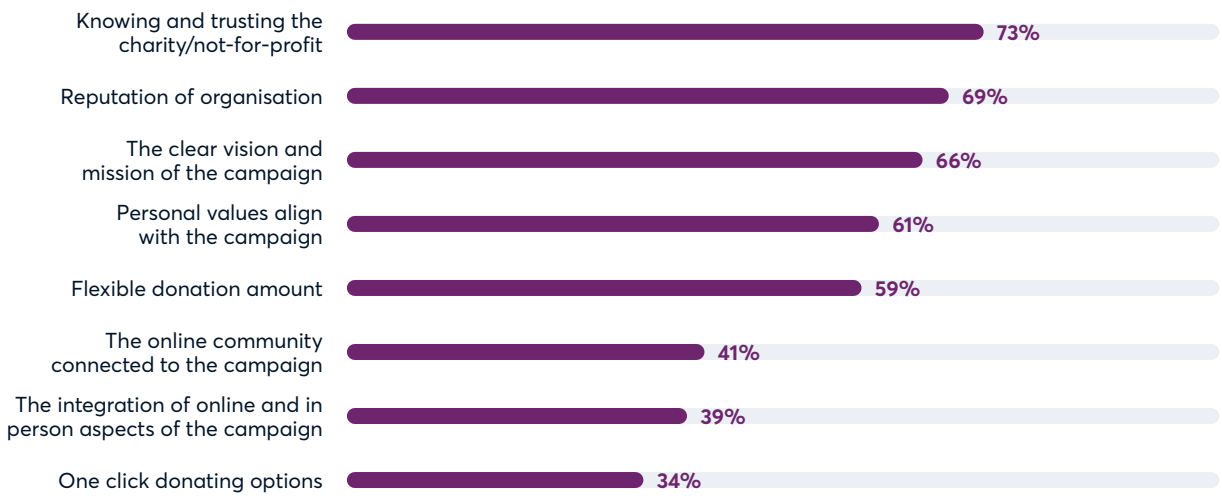


## Knowing and trusting the organisation is key to engagement

Although the delivery medium of fundraising opportunities may be shifting to digital, the key motivator for engagement with charities/not-for-profits is a timeless one. The most significant motivator for online engagement is knowing and trusting the charity/not-for-profit (73%), followed by reputation (69%) and a clear vision and mission of the campaign (66%).

### HOW SIGNIFICANT ARE THE FOLLOWING MOTIVATORS IN YOUR DECISION TO GET INVOLVED WITH THE CHARITY'S/NOT-FOR-PROFIT'S ONLINE INITIATIVES?

*Extremely/very significant*



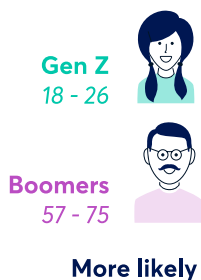
## Younger givers are looking for one click donating options.

If younger givers are embracing online fundraising initiatives, it is important to understand what they are looking for and how they are different to their older counterparts. The areas of greatest difference show that Gen Z are 2.8 times more likely than Baby Boomers to be extremely/very motivated by one click donating options and 2.1 times more likely to

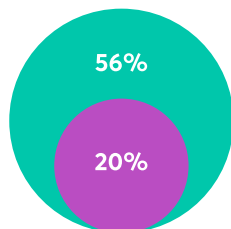
be motivated by the integration of online and in person aspects of the campaign. The community created around the campaign is also more important to younger givers with Gen Z 1.8 times more likely to be motivated by the online community connected to the campaign.

### YOUNGER GIVERS ARE MORE LIKELY TO BE MOTIVATED BY...

*Extremely/very motivated*



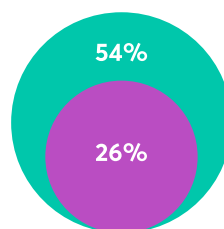
**One click donating options**



**2.8x**



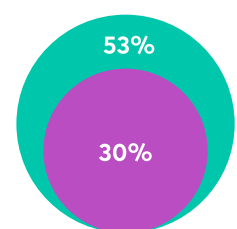
**The integration of online and in person aspects of the campaign**



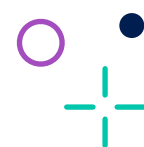
**2.1x**



**The online community connected to the campaign**



**1.8x**



# Cancel culture and not-for-profits

The global pandemic was not the only element of 2020 that shifted the social fabric of Australia. The rise of other topical issues like cancel culture also influenced the changing landscape for charities/not-for-profits. The rise of cancel culture means Australians are increasingly self-censoring when and with whom they share their opinions (65%), alongside hiding their perspective on topical issues because they are afraid of how people will respond (54% strongly/somewhat/slightly agree).<sup>1</sup>

## In this complex environment what do Australian givers expect of charities/not-for-profits?

Almost seven in ten givers (68%) definitely/somewhat want to see the charities they support make their stance clear on current social issues even if they are outside their area of focus. This should not be entered into lightly, however, as givers have frequently or sometimes (44%) stopped supporting a charity/not-for-profit because of the behaviour or stance the organisation has taken.



**65%**

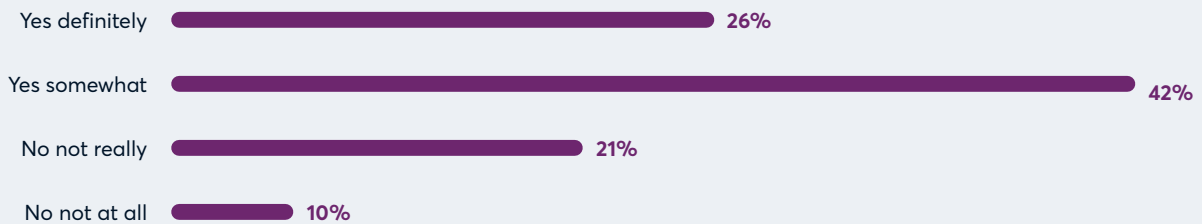
of Australians are self-censoring when and with whom they share their opinions

**Cancel culture:** cancel culture refers to boycotting a brand or person after they have done or said something considered objectionable.



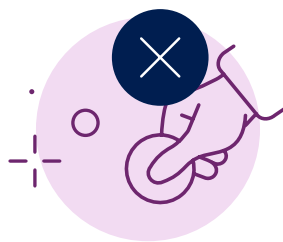


### DO YOU WANT TO SEE THE CHARITIES YOU SUPPORT MAKE THEIR STANCE CLEAR ON CURRENT SOCIAL ISSUES EVEN IF THEY ARE OUTSIDE THEIR AREA OF FOCUS (SUCH AS BLM, MODERN DAY SLAVERY, CLIMATE CHANGE POLICIES ETC)?

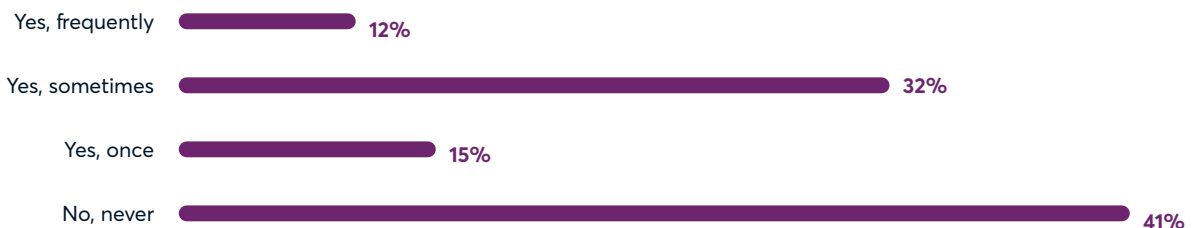


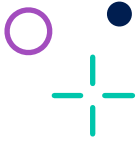
Gen Z (84%) and Gen Y (77%) are more likely than their older counterparts to want to see the charities/not-for-profits they support take a stance on current social issues outside of their area of focus (cf. 65% Gen X, 52% Baby Boomers, 57% Builders). They are also more likely, however, to frequently/sometimes stop supporting an organisation because of the behaviour or stance it has taken (63% Gen Z, 50% Gen Y cf. 43% Gen X, 30% Baby Boomers, 25% Builders).

Opportunity givers are similarly looking for organisations to make their stance on issues clear (73% opportunity cf. 61% committed) but are also more likely to frequently/sometimes stop supporting an organisation because of its behaviour or stance (48% optimistic cf. 38% committed). Cancel culture is therefore not just impacting Australians but organisations too.



### HAVE YOU EVER STOPPED SUPPORTING A CHARITY/NOT-FOR-PROFIT BECAUSE OF THE BEHAVIOUR OR STANCE THE ORGANISATION HAS TAKEN?





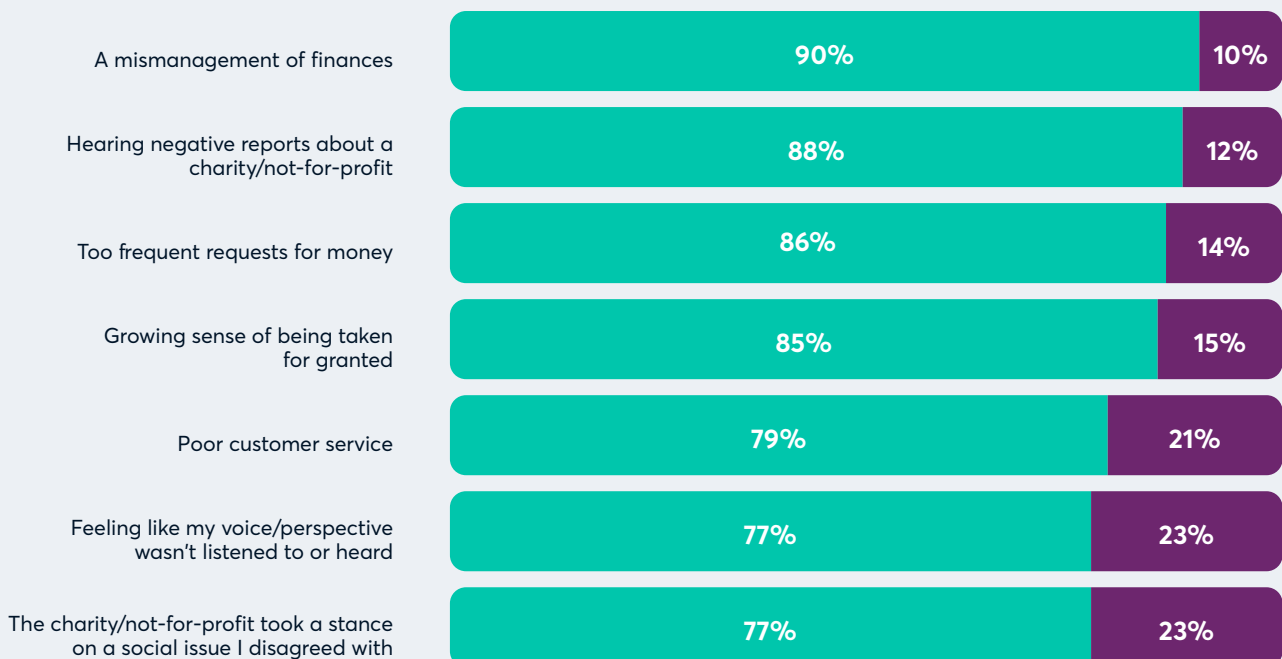
## The key reason givers stop supporting an organisation is mismanagement of finances

Navigating cancel culture can be challenging, but it is important to keep in perspective that the reasons givers stop supporting charities/not-for-profits are broader than cancel culture alone. The key reasons givers stop supporting charities are largely within the organisation's control.

The number one reason givers stop supporting a charity/not-for-profit is a mismanagement of finances (90%), followed by hearing negative reports about the organisation (88%). Too frequent requests for money (86%) and a growing sense of being taken for granted (85%) are also key reasons givers have or would stop supporting a charity/not-for-profit.

### TO WHAT EXTENT DO YOU AGREE OR DISAGREE THE FOLLOWING HAVE/WOULD CAUSE YOU TO STOP SUPPORTING A CHARITY/NOT-FOR-PROFIT?

■ Agree (strongly/somewhat/slightly)    ■ Disagree (strongly/somewhat/slightly)









# Lead the conversation to lead change

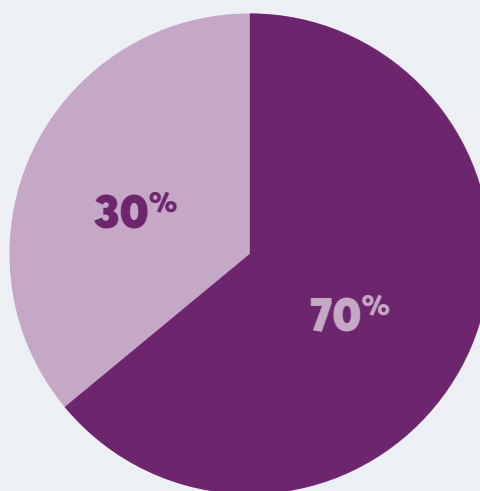
While donor engagement is essential to the future of the charities/not-for-profits sector, it comes with challenges. Organisation leaders often feel the burden of donor expectations to keep admin costs below 20% while at the same time providing transparent reporting. Our study explores these tensions to help leaders understand givers and highlight areas where charity/not-for-profit leaders have an opportunity to reframe the conversation to bring about greater impacts.

## Admin costs kept below 20% vs maximising impact

The conversation around administration costs being kept low (below 20%) has been part of the charity/not-for-profit landscape for many years now. What started with the best of intentions from givers of desiring maximum funds to reach those in need has potentially reduced the ability of not-for-

profit leaders to make the best long-term choices for their organisation to maximise their impact. The challenge for leaders, however, is that for 70% of givers, keeping marketing and administration costs low (below 20%) matters more to them than growing overall donation revenue. Just 30% of givers say that growing overall donation revenue to maximise impact matters more. There is an opportunity here for leaders to reframe the conversation to show how greater investment can bring about greater returns.

While, overall, Australian givers are more likely to prioritise keeping administration costs low, Gen Z (35%) and Gen Y (34%) are slightly more likely to say that growing overall donation revenue to maximise impact matters more than their older counterparts (cf. 26% Gen X, 26% Baby Boomers, 25% Builders). This highlights that there could be greater openness among younger generations to shifting the conversation from the 20% limit, to what is required to bring about the best outcome and maximise impacts.



### IN THINKING ABOUT YOUR SUPPORT OF CHARITIES/NOT-FOR-PROFITS, WHICH OF THE FOLLOWING MATTERS MORE?

*Keeping marketing and admin costs low (below 20%) vs. Growing overall donation revenue to maximise impact*

- Keeping marketing and admin costs low (below 20%)
- Growing overall donation revenue to maximise impact

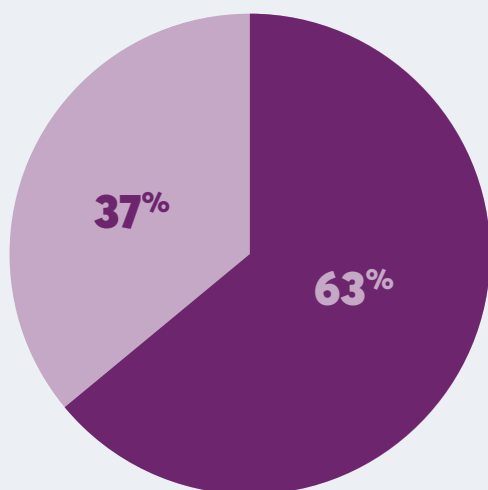
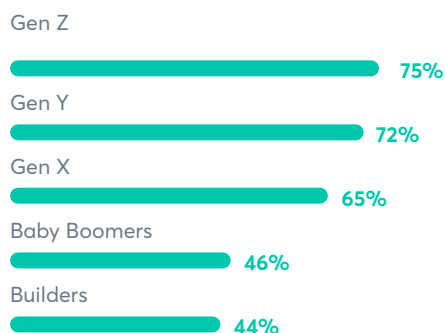


## Transparency vs trust

When required to choose, Australian givers are more likely to say that detailed and transparent reporting of fund allocation matters more (63%) than charities being trusted to direct donations for maximum impact (37%). This highlights a trust issue for charities/not-for-profits where givers, understandably, are looking for transparency but their desire for accountability supersedes their ability to trust charities to make the choices to direct the funds for maximum impact. If leaders had greater freedom to direct funds it may in fact allow the funds to go further and have a greater positive impact. Givers, however, are still focussed on detailed transparency. There is a need for leadership teams to educate Australian givers on the cost to provide the transparent reporting and that providing this service increases the very administration costs givers are wanting organisations to keep low. In educating givers on this process there is also a need for leadership teams to build a deeper level of trust with givers so that there is greater freedom to maximise the impact for recipients.



Detailed and transparent reporting of fund allocation matters more to younger generations than older generations



### IN THINKING ABOUT YOUR SUPPORT OF CHARITIES/NOT-FOR-PROFITS, WHICH OF THE FOLLOWING MATTERS MORE?

*Detailed and transparent reporting of fund allocation vs. Charities trusted to direct donations for maximum impact*

- Detailed and transparent reporting of fund allocation
- Trusting the charity/not-for-profit to direct donations for maximum impact

## Quality staff vs. keeping staff costs low

Australian givers are more likely to believe that employing quality staff matters more (64%) than keeping staff costs as low as possible (36%). The challenge for leaders is apparent, with givers prioritising low administration costs as well as quality staff.

Positively, younger givers are more likely to agree that employing quality staff matters more than keeping staff costs as low as possible (82% Gen Z, 72% Gen Y cf. 63% Gen X, 46% Baby Boomers, 47% Builders).

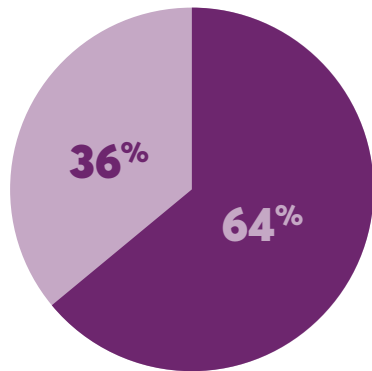


**52%**

of Gen Z are extremely/very willing to trust organisations to get the greatest return on investment, even if this requires organisations to invest more than 20% into marketing and quality staff.

### IN THINKING ABOUT YOUR SUPPORT OF CHARITIES/NOT-FOR-PROFITS, WHICH OF THE FOLLOWING MATTERS MORE?

*Employing quality staff vs.  
Keeping staff costs as low as possible*



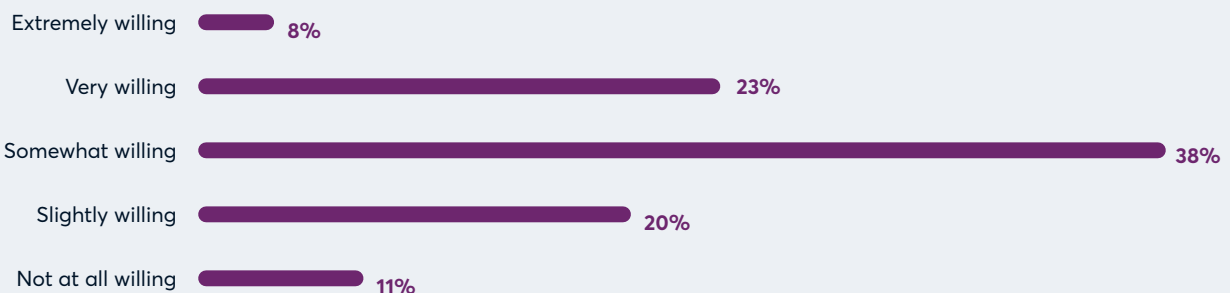
- Employing quality staff
- Keeping staff costs as low as possible

### Younger givers are more likely to trust charities/not-for-profits to get the greatest return on investment

Nine in ten Australian givers (90%) are willing to trust charities/not-for-profits to allocate resources to get the greatest return on investment, even if this requires them to invest more than 20% into marketing and quality staff. While this is positive, only three in ten givers (31%) are extremely/very willing, highlighting the charity/not-for-profit sector still has a way to go to build trust in society.

The future is positive for charities/not-for-profits, however, with Gen Z (52%) and Gen Y (38%) more likely to be extremely/very willing to trust organisations to get the greatest return on their investment than their older counterparts (cf. 26% Gen X, 18% Baby Boomers, 16% Builders).

### TO WHAT EXTENT ARE YOU WILLING TO TRUST CHARITIES/NOT-FOR-PROFITS TO ALLOCATE RESOURCES TO GET THE GREATEST RETURN ON INVESTMENT, EVEN IF THIS REQUIRES THEM TO INVEST MORE THAN 20% INTO MARKETING AND QUALITY STAFF?



## Reframe the narrative

There is an opportunity to reframe the narrative for the charity/not for profit sector, where organisations are held to the highest standards alongside a rebuilding of trust between leadership teams and the Australian public. This trust is developed as givers see leaders successfully guiding their organisation to a brighter future.

Now may be the time to have these conversations, with emerging generations showing a greater openness to growing overall donation revenues to maximise impact and employ quality staff rather than to keep staff costs as low as possible. There is also higher trust among younger generations in organisations getting the greatest return on their investment.

If organisational leaders take the front foot with communication and highlight how their actions bring about the greatest return on investment, the public discussion may start to shift. It will take time to reframe this narrative, but as Australian givers and organisations partner together from a place of trust and understanding, the positive impacts on society's most vulnerable can increase.

Many charities/not-for-profits can have an institutional approach and play it safe with the legacy donors. This data, however, shows there is an opportunity for charities/not-for-profits to think like a start-up not an institution. To be social entrepreneurs and solve these 21st century problems in new ways. There is still a need to manage risk, engage with long term donors and deliver quality services, but at the same time there is an opportunity to innovate and adapt to emerging givers expectations.

The younger givers are looking to make a difference and are willing to back the charities to spend appropriately what they need to get the best staff and maximise impact, so now is the time for organisations to not simply rebuild but to refocus, rethink and reimagine the future for the charities/not-for-profit sector.

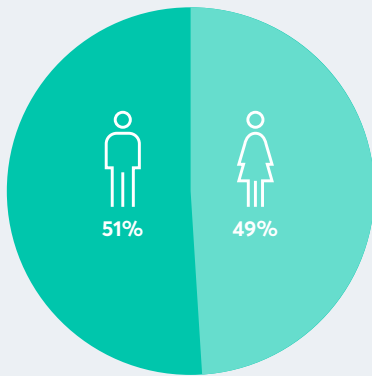
*The strength of an organisation comes from its stories and traditions, but the future of an organisation rests in its relevance and innovation.<sup>2</sup>*



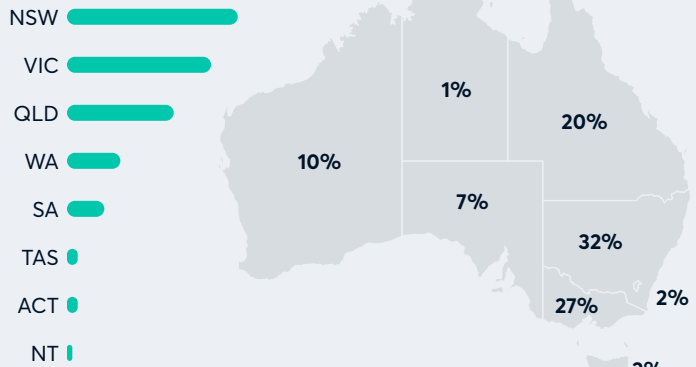
# Demographics

## Survey respondents: Australian givers

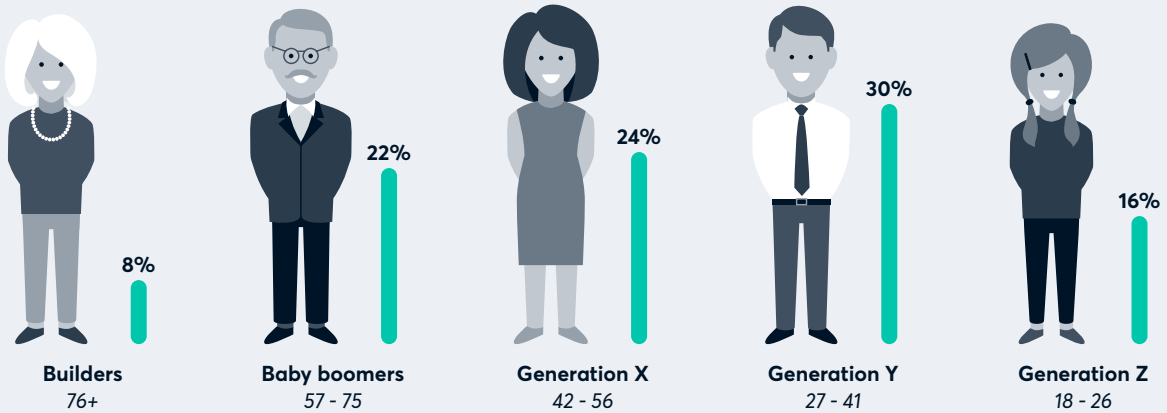
Are you male or female?



Where do you usually live?



What age will you be in 2021?



Income







# Research objectives

The Australian Communities 2021 report summarises the key trends affecting the charity/not-for-profit sector, to equip organisational leaders for strategic decision-making.

- The purpose of this research is to
- Understand the giving behaviour of Australians
- Explore the psyche of the Australian giver
- Give insight into how COVID-19 has affected the sector
- Explore the tensions for organisation leaders

## Research methodology

The Australian Communities 2021 report is the collation of quantitative data collected in an online survey. The survey was sent to a nationally representative sample of Australians. Respondents who indicated they 'do not give financially to charitable organisations' or only 'give every few years' were screened out of the survey, leaving a sample of 1,467 Australians who have given to a charitable organisation in the last 12 months.

The survey of Australian givers was in field from the 6th to the 15th of January 2021. Throughout this report, these respondents are referred to as 'Australian givers' or simply 'givers'.

Generational insights are based on the following age brackets:

- Generation Z: aged 18 to 26
- Generation Y: aged 27 to 41
- Generation X: aged 42 to 56
- Baby Boomers: aged 57 to 75
- Builders: aged 76+

### Graphs and rounding

Data labels on the graphs in this report have been rounded and may, therefore, sum to 99% or 101%. Any calculations where two data points have been added are based on raw data (not the rounded data labels on the graph) which have then been rounded once combined.

### Additional sources

Reference to the economic and financial reporting of the Australian charity sector has been made throughout this report. The sources used for this are the Australian Charities Report 2018 and 2013.

1. Mainstreet Insights, *Australians together: The future of unity amidst diversity*, 2020
2. Ashley Fell, Mark McCrindle, *Work Wellbeing*, 2020





## How can we help

### Understanding your brand awareness will help you grow your reach.

With a growing number of charities/not-for-profits in Australia, it is increasingly important to understand awareness and associations of your brand to get message cut through and increase engagement.

More than ever before leaders need insight into

- The giving landscape of Australia
- Awareness of your cause among Australians
- Donor experiences

Understanding the awareness of your organisation among Australians and exploring their beliefs about your brand, vision and messaging is essential. When you understand what Australians see as your strengths, opportunities and key distinctives, it gives you clarity and direction. Leaders can use this information to identify growth areas and target strategic opportunities.

### We discover the insights, tell the story, and guide the journey

For more than a decade, McCrindle has been helping provide a clearer picture to the charity/not-for-profit sector by using data to inform strategic planning and mission-critical decisions. All the tools, methods and processes we have developed are used to explore and interpret the unknown and bring clarity to complexity. One way we can help you lead confidently towards 2030 is with a brand tracking study. Our brand tracking study helps you:

- Know what Australians think of your organisation
- Explore understanding of your cause
- Test awareness compared to other charities/not-for-profits

This data can give you confidence when making strategic decisions, help grow brand awareness and track the effectiveness of your campaigns.

### Let's discover the future together

Getting started in discovering a clearer picture for your strategic decision making is easy. Simply head to [mccrindle.com.au](http://mccrindle.com.au) to find out more about us and get in touch via [info@mccrindle.com.au](mailto:info@mccrindle.com.au)

When you're ready, please call us on 02 8824 3422. We are always excited to discuss new ideas with great people, so get in touch and let's get started!

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## Get in touch

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