



The Australian Community Trends Report

National Research Study 2017



AUSTRALIAN
COMMUNITIES

mccrindle

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Introduction from McCrindle

The sector that most directly and deliberately improves and supports Australian communities is the not-for-profit sector. Charities are in many ways the heart of Australia. Their value to this nation is demonstrated by the almost \$135 billion given in the last year, most of it by the community rather than government. The esteem of this sector is demonstrated by the size of the charity workforce, which employs one in every ten Australian workers. This is second in size only to retail. In addition to the 1.2 million Australians employed by not-for-profits are the 3.6 million volunteers, all of which makes charities by far Australia's largest labour force.

While one in five Australian adults has volunteered for a community organisation in the last year, four in five adults have given financially to such organisations, of these one in four give at least monthly.

The landscape for charities is rapidly changing, with generation change, demographic shifts and technological transformation. For the average charity, half of their supporters have joined them since this decade began – and over the same period of time, the nation has grown by almost three million people.

The purpose of this annual Australian Communities Report is to equip leaders in the sector to respond with relevance to the changing external environment and the emerging trends. This 2017 study builds on the results from the 2016 and 2015 research and offers insights to help Australia's not-for-profit leaders continue to create ripples of change that over time will build the capacity of communities locally, nationally and indeed globally.

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Introduction from AlphaSys

Australian communities and their interactions with technology have changed quite remarkably in recent years. 17 million Australians currently use Facebook on a monthly basis including 12 million Australians who use it every day. The amount of information we consume each day is astounding. Instead of having a chat with our neighbours on our front porch, many of us communicate with them and others through a post on social media or by sending them an online message. People are connecting with their communities through technology more than ever before.

So, it is equally as important for Australian not-for-profits to know how to stay connected and relevant with your communities. This can present some new opportunities and challenges.

The 2017 Australian Communities Report offers some great data insights on how Australian's are engaging with not-for-profits including what they give, the causes they give to and their motivations for giving. It also highlights the key expectations Australian's have with the not-for-profits they give to.

AlphaSys is proud of our partnership with many not-for-profit organisations and with McCrindle. McCrindle have conducted quality research to produce this year's report to help provide not-for-profit organisations with insights on how to engage more effectively with their communities.

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Research objectives

The key objective of the Australian Community Trends Report is to continue the longitudinal study which began in 2015 and to provide a detailed analysis of the effectiveness, engagement and awareness of the not-for-profit sector. It aims to help organisations understand the Australian community with particular focus on the emerging trends and the giving landscape.

The key research instruments and outputs from this study include:

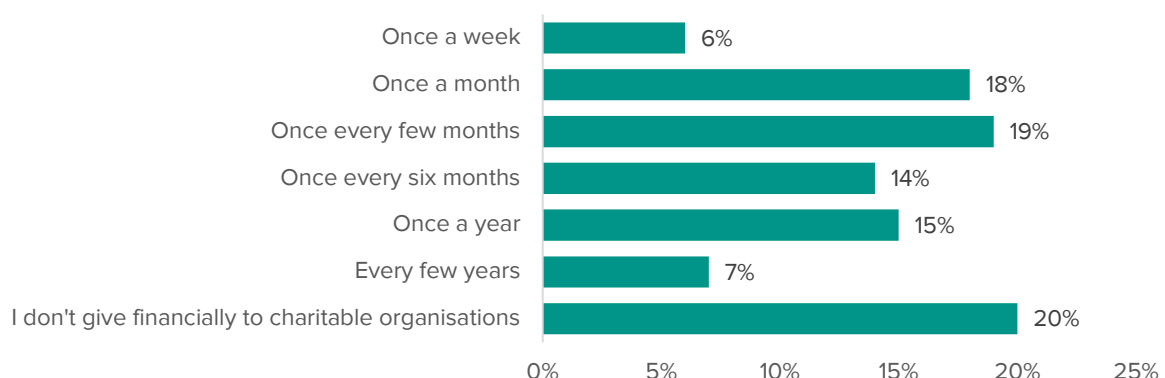
- Not-for-profit awareness analysis
- Identification of giving blockers and enablers
- Understanding generational differences and the impacts on their giving habits.

Research methodology

The *Australian Community Trends Report 2017* is a collation of data gained through an online quantitative. This survey was in field from the 27th July to 1st August 2017 and there were 1,000 completed responses. The survey sample was a national representation of Australians over the age of 18 across age, gender and state. Those who indicated that they 'do not give

financially to charitable organisations' and those who give 'every few years' were screened out of the survey, bringing the number of responses included in the analysis to 722. Survey respondents therefore had at least given to a charitable organisation in the last year.

How often do you give financially to a charitable organisation?



This report

Reference to the generations throughout this report refer to the following age categories:

- Generation Y: 23-37 year olds (those born from 1980-1994)
- Generation X: 38-52 year olds (those born from 1965-1979)
- Baby Boomers: 53-71 year olds (those born from 1946-1964)
- Builders: 72+ (those born before 1946)

National survey respondents in this report are sometimes referred to as 'givers' or 'Australian givers' as they give to charitable organisations at least once in the last year.

The Australian not-for-profit landscape

The growing charity landscape

The not-for-profit sector in Australia is comprised of a wide variety of charities, ranging from smaller organisations through to those with an annual income of over \$100 million. The Australian charities sector is growing, with approximately 55,000 charities – That's 2.1 charities for every 1,000 Australians!

The charitable sector employs 1.2 million staff, and is the second largest Australian sector for employment after retail ¹.

Type of charity

The Australian charities sector is extremely diverse and comprises a range of sectors. The biggest proportion are religious charities, which make up almost one in three (31%) charities in Australia. The next largest charity sector is that of Education and Research, which makes up nearly one-fifth (19%) of all charities in the country. ²

Religious charities comprise the biggest share, however they have the lowest proportion of \$1 million + revenues at 5.1%, compared to health charities (39.4%) and education charities (31.4%).

Income

The charitable sector in Australia accumulates a combined total income of over \$134.5 billion, which equates to 8.3% of GDP.

While the median income of a charity was \$128,703, almost two in five (37%) had revenues below \$50,000 and just 0.3% (142) had incomes above \$100 million.

In the last 12 months two in three charities made a surplus (66%) and one in three reported a deficit (33%). Remarkably, the largest 10% of charities collected 90% of all charitable revenue.

Australia's charities landscape

Numbers

2.1  :  1,000

There are **2.1 charities** for every 1,000 Australians!

That's **55,000** registered charities.

Second largest sector

by employees



Charities employ over **1.2 million** staff.

This makes it the second largest Australian employment sector after retail.

¹ Australian Charities and Not-for-profits Commission, *Australian Charities Report 2015*

² Australian Charities and Not-for-profits Commission, *Australian Charities Report 2015*

Giving practises in Australia

Four in five Australians give financially to charities

Four in five Australians (80%) give financially to charities / not-for-profits. A further 57% of Australians give every six months or more. This decreased slightly from 58% in 2016 and from 72% in 2015.

Positively, one in four (24%) give at least once a month, while one in five Australians (19%) do not give at all.

Those who give money are also happy to donate goods to charities

Close to three in five (57%) charitable givers have donated goods while more than one in three (34%) have volunteered for a charitable organisation.

The 2017 research results saw an increase in the proportion of charitable givers who fundraise for a specific charity, up from 17% in 2016 to 25% in 2017.

Generational Insights

The older a charitable giver is, the more likely they are to give financially. More than nine in ten Builders (91%) and Baby Boomers (92%) give financially, compared to 85% of Gen X and 70% of Gen Y. The same is true for donating goods, with 65% of Builders doing so compared to 58% of Baby Boomers, 61% of Gen X and 50% Gen Y.

On the inverse, Gen Y are more likely to fundraise or promote for a specific charity than their older counterparts (33% Gen Y cf. 20% of Gen X, 21% of Baby Boomers and 15% of Builders).

**4 in 5**

Australians (80%) give financially
to charities / not-for-profits



1 in 4 (24%) give at
least once a month



However, **1 in 5** (20%)
don't give at all

Most donors who give annually support in other ways too...



57% - Donating goods



34% - Volunteering



25% - Fundraising/promoting



15% - Raising awareness



Australians give when they hear about an issue.

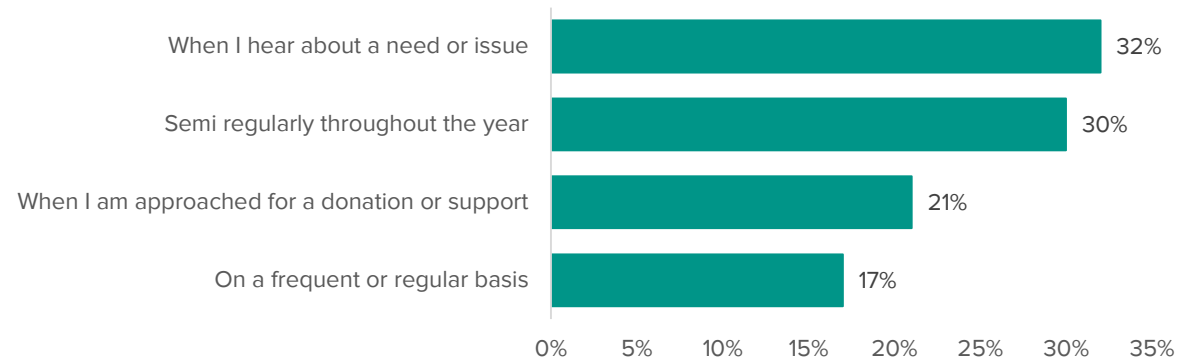
Close to one in three Australians (32%) give to a charitable organisation when they hear about an issue or need. A further 21% give when they are approached for a donation or support.

Australia’s more regular givers, those who give on a frequent or regular basis (17%) or a semi-regular basis throughout the year (30%), comprise 47% of all charitable givers.

Generational Insights

The older a charitable giver is, the more likely they are to give on a frequent or regular basis. On the inverse, the younger a charitable giver is the more likely they are to give to a charitable organisation when they hear about or see a need.

Which of the following best describes when and how you give to a charitable organisation?



Generational giving					
Which of the following best describes when and how you give to a charitable organisation?	Gen Z	Gen Y	Gen X	Baby Boomers	Builders
On a frequent or regular basis	8%	12%	17%	23%	29%
When I hear about a need or issue	40%	43%	28%	25%	20%

Causes to support

Australians are inclined to support medical or cancer research and children's charities.

More than two in five Australian givers indicated that they would be highly motivated to give money to, or volunteer for charities focusing on medical or cancer research (43%) or children's charities (43%). This was followed by homelessness (38%) and animal welfare and wildlife support (37%).

Homelessness has seen the biggest rise since 2016, moving from the 6th most likely charity to support in 2016 to the 3rd most likely in 2017.

Generational Insights

Australians from the Baby Boomer and Builders generations are more motivated to give money to areas such as medical and cancer research (53% Builders, 52% Baby Boomers) and

disaster response in Australia (45% Builders, 35% Baby Boomers) than those from the Gen X and Gen Y generations (36% and 38% medical research respectively, and 27% and 26% disaster relief respectively).

The Builder generation are twice as likely to be motivated to support religious mission and ministry compared to Australians overall (21% cf. 11%).

On the other hand, individuals from Gen Y showed more motivation to give in areas concerning social issues than Baby Boomers. This included domestic and family violence (29% cf. 19%), human rights (23% cf. 10%) and youth support (19% cf. 11%).

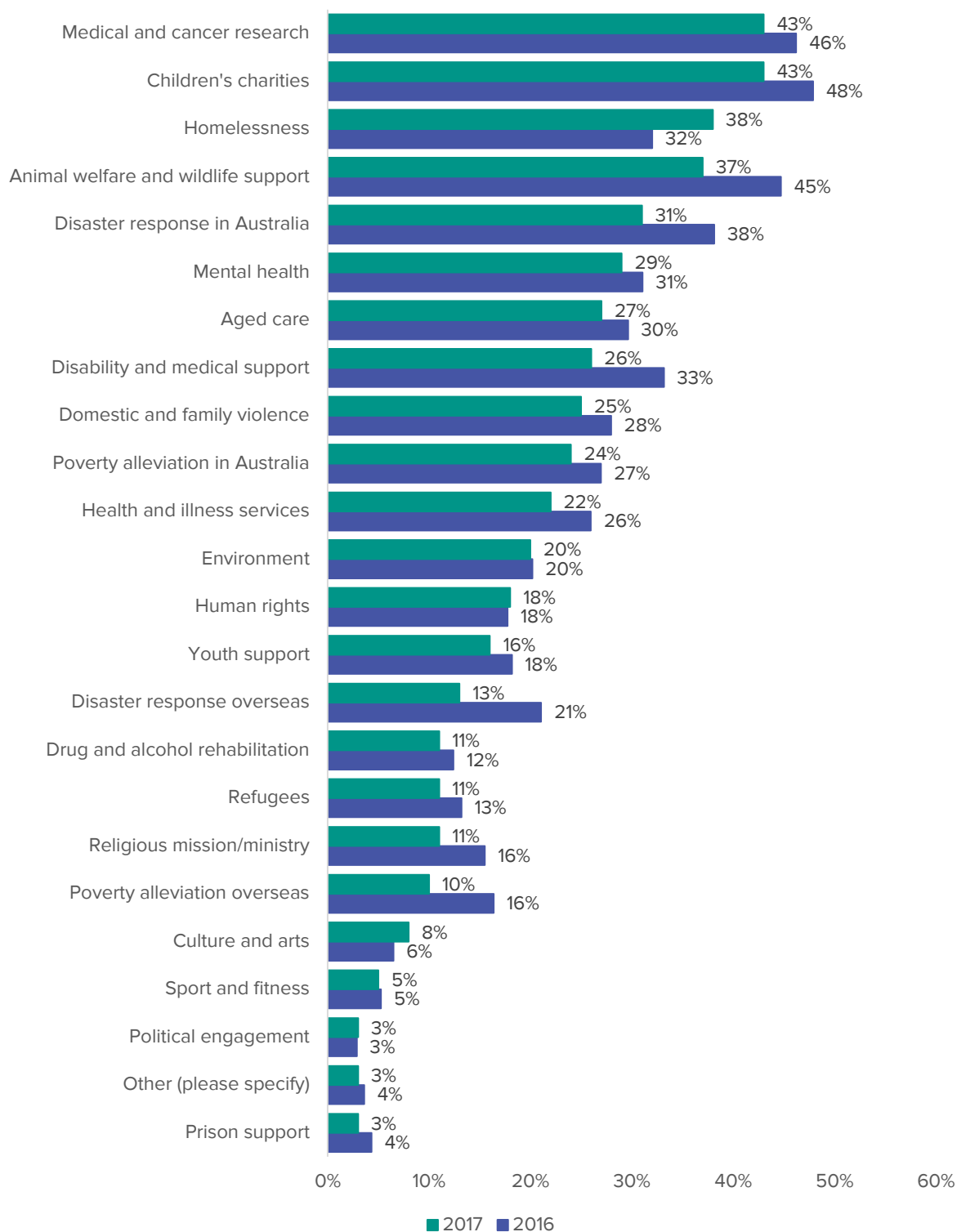
Gender

Across most areas, females are more highly motivated to give money to, or volunteer for an organisation. In particular, females are more motivated to give money than males in these areas:

Causes to support			
	Male	Female	% Difference
Animal welfare and wildlife support	24%	50%	26%
Children's charities	37%	50%	13%
Domestic and family violence	19%	30%	11%
Mental health	26%	33%	7%

Which of the following areas of need would you be highly motivated to give money to, or to volunteer for an organisation associated with this area?

Please select all that apply.



Decision drivers

Australians get involved with charities they know and trust.

Knowledge and trust of the organisation is the most significant influence on Australian givers getting involved with a charitable organisation. Seven in ten Australian givers (70%) indicated that this is extremely or very significant as a motivation for getting involved. Australians are also highly motivated by an organisation that makes the world a better place for the less fortunate (58%) and when they see a need (56%).

For just over half of Australian charitable givers (51%), the fact that a charity is an Australian based organisation is also an extremely or very significant motivation in their decision to get involved.

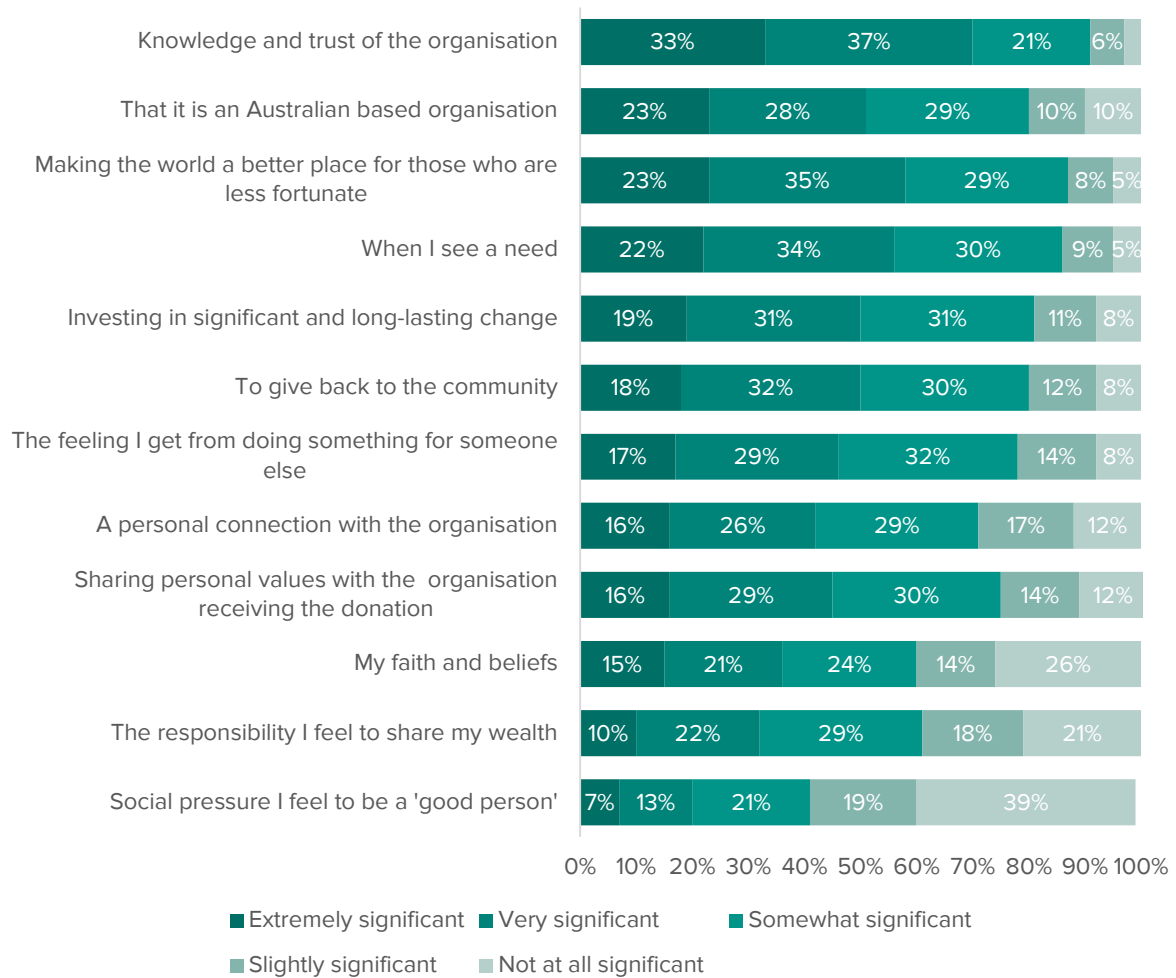
Top 7 motivations for supporting a charity



Generational Insights

Gen Y individuals are more likely to be significant contributors to a charitable organisation if they share personal values with an organisation (58% cf. 37% Baby Boomers) or if they have a personal connection (54% cf. 36% of Baby Boomers).

How significant are the following motivations in your decision to get involved with a charitable organisation?



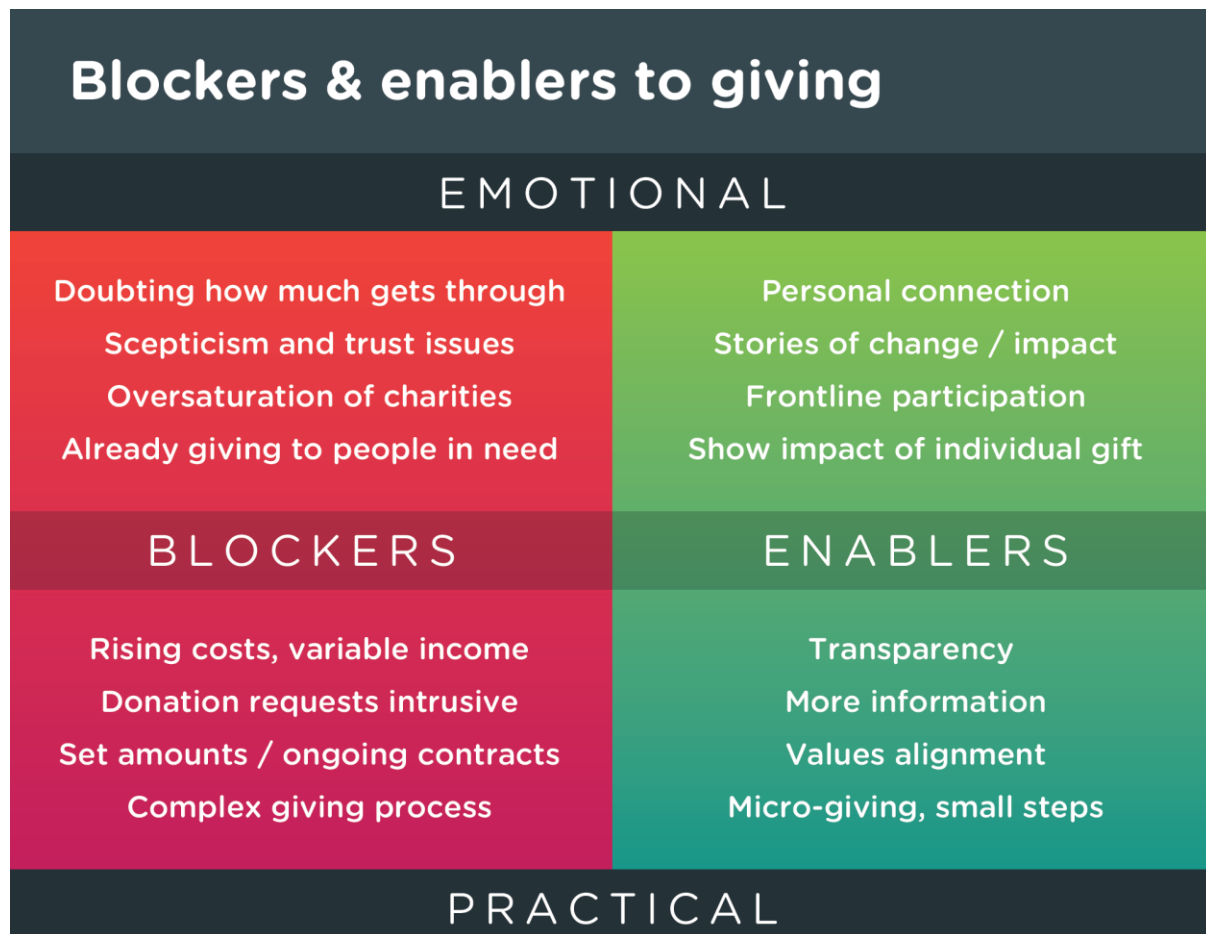
Qualitative insights

Blockers and enablers to charitable giving

The following emotional and practical blockers and enablers to charitable giving were defined by focus group participants.

Emotional refers to something that personally disconnects or engages someone in charitable giving.

Practical refers to an organisation's tangible actions which stop or encourage a charitable donation.



The charity essentials

Australians want to see how their giving is making a difference.

Australian givers have certain expectations of the organisations they give to. Transparent reporting of administration costs and verification are the most important aspects for Australian givers with three in four (75% and 74% respectively) suggesting that it is extremely/very important to them.

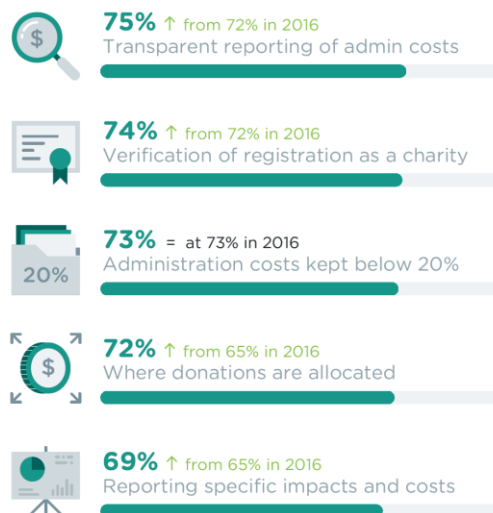
Accountability is also important to Australian givers, with almost three quarters desiring a detailed breakdown of where donations are allocated (72%) and for administration costs to be kept below 20% (73%). Australians want to see how their giving is making a difference, with 69% wanting an overview of the impacts the charity has had through reporting of specific results and numbers.

Generational Insights

The older an Australian giver is, the more likely they are to consider transparent reporting of administration costs, keeping administration costs below 20% and verification that a charity is registered to be extremely or very important.

The 5 charity essentials

% who say this is extremely/very important



Donor expectations regarding transparency and accountability continue to increase year on year.

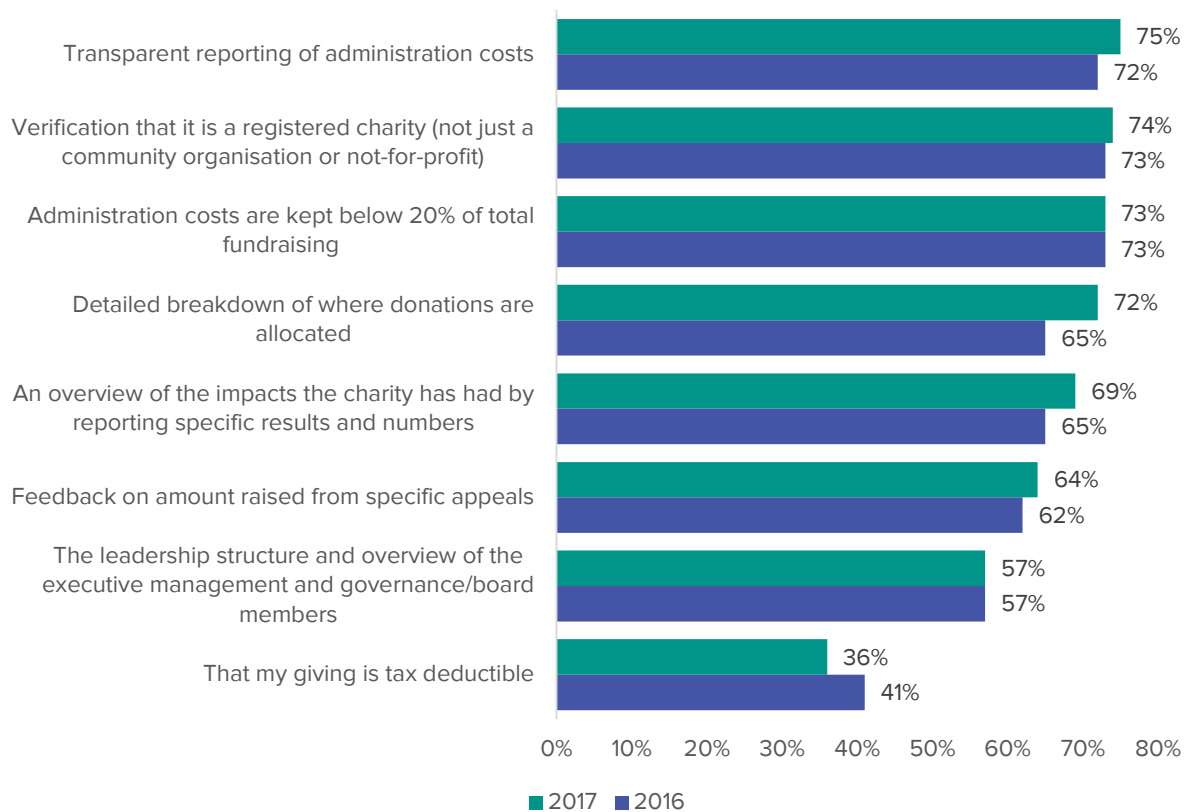
Generational giving					
How important is it to you that a charitable organisation provides you with the following information? (extremely/very important)	Gen Z	Gen Y	Gen X	Baby Boomers	Builders
Transparent reporting of administration costs	60%	73%	70%	82%	89%
Administration costs kept below 20%	56%	70%	69%	82%	84%
Verification that it is a registered charity	60%	70%	72%	80%	84%

2017 givers are more concerned about the provision of information than 2016 givers.

A higher proportion of respondents in 2016 indicated that each of the aspects of organisational reporting are extremely or very important to them. More than seven in ten charitable givers in 2017 (72%) said that receiving a detailed breakdown of where donations are allocated is important to them,

compared to 65% of those in 2016. The only information considered important by more 2016 charitable givers was that their giving is tax deductible. In 2016, 41% of charitable givers considered this important to them, compared to 36% of 2017 charitable givers.

How important is it to you that a charitable organisation provides you with the following information? (extremely/very important)



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