

## **Social Media: A Promising, Untapped Tool for Engaging High Dollar Non-profit Donors**

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*The following is the executive summary of the Community Philanthropy 2.0 research report funded by the Columbus Foundation, the San Francisco Foundation and The Saint Paul Foundation. The report was written by Qui Diaz, Beth Kanter and Geoff Livingston.*

The world of online philanthropy offers community foundations a new frontier that must be embraced. From Kiva's dynamic, global success with microloans to the Case Foundation's accomplishment with the American Giving Challenge, it's clear that the social web has great potential to inspire grassroots activism and fundraising. An early indication of the potential is the astounding success of charity: water, a nonprofit that recently raised \$250,000 in one night through Twestival, a Twitter-based series of more than 200 concurrent networked fundraising events. To date, fundraising efforts on the social web rely on thousands of "micro-gifts" to achieve their financial goals. The next generation of major donors, defined as someone who gives in the thousands and is under the age of 50, has not been cultivated very well.

The Community Philanthropy 2.0 research examined the use of social media by non-profits and causes to date, as well as existing donors and Internet "savvy" users' traditional and social media usage patterns. The research was designed to determine if and how social media can be used to engage and cultivate high dollar donors. Objectives of the research included:

- To determine if high dollar donors use social media
- To see if those currently using social media could become potential high dollar donors
- To examine if cultivation of high dollar donations is possible online
- To determine what kinds of social media would serve this user base

## **Methodology**

The resulting study featured a Web-based national survey of 1,247 respondents;<sup>1</sup> 748 respondents were identified as existing donors or charitably minded individuals through the Foundations and their extended partners email lists. A second survey group of 432 individuals came from social media solicitations, namely Mashable, the Social Media Club blog, the Society for New Communications Research blog, and the authors' blogs and extended Twitter networks. The survey included more than 20 questions and weighed online usage, trusted media sources, trusted social media sources, types of social media content of particular interest, and what barriers exist to participating in social media revolving around major giving. The survey was conducted in February 2009. The survey was augmented by national and regional (Columbus, OH, San Francisco, CA and Saint Paul, MN) content scans, as well as qualitative interviews with key stakeholders.

## **Sample**

The final sample of 1,247 survey respondents was predominantly female. Females made up 62 percent of respondents; males 36 percent. Twenty-one percent ranged in age from 18-30, while 41 percent were between 30-49 years old and 35 percent were 50 or older. More than 40 percent were college-educated and 48 percent reported income of over \$100,000 while 32 percent reported annual income of less than \$75,000.

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<sup>1</sup> This number does not include the 67 respondents to the San Francisco Foundation Donor Survey. The 67 respondents *are* included the grand total (1,247) and aggregate data for all respondents.

## **Findings**

The 30-49 year-old age group unequivocally represents the best fit to cultivate major donors using social media strategies, given qualifiers of donation levels, social media participation, and perceptions of trust. Further, there is an opportunity to use social media to engage people in meaningful, online conversations about philanthropy. This is particularly true of those who fall into the age 30-49 year-old demographic, including both current donors and the Internet savvy, the two groups who were surveyed for the Community Philanthropy 2.0 project.

These opportunities can be realized only if foundations – positioned as trusted sources – provide credible information. This positioning as a “trusted source” was validated across all research: the survey, content scans, and interviews.

First, and most importantly, 47 percent of all survey respondents aged 30-49 donate \$1,000 or more to charities in 2008. Additionally, 78 percent of these individuals participate in social media, and while this group tends to trust newspapers more (44 percent), 27 percent say they trust online social networks. Further, two-thirds of 30-49 year-old respondents indicate they would participate in charity-focused social media sites hosted by a trusted source with credible, high-quality information.

Other demographic groups were determined to be less than ideal prospects for major donor cultivation through social media. Those under the age of 30, while social media savvy, don't have the giving power warranted for major donor cultivation online. Those aged 50 and older – who typically give significant amounts of money – trust social media much less. This may be because they have not yet fully adopted new media. Those 50 and older who indicate social media is of interest have almost identical preferences as the 30-49 demographic, indicating

that when traditional high-dollar donors *do* accept social media, they will welcome efforts designed for their younger counterparts.

### **The Current Landscape**

The online world of charitable activity is highly social, but also messy and fragmented. No dominant voice for charitable giving exists online, indicating the social web is still in an early phase of philanthropic activity. Hotbeds of charitable activity and activism exist on major social networks like Facebook, YouTube and Twitter, yet success can be fleeting and financial gains are often limited.

“Do-good” social networks like Razoo.com, Care2.com, Idealist.org and Change.org offer countless opportunities to donate to causes and connect with fellow socially-minded citizens, but conversations related to philanthropy are mainly non-existent on these sites. The conversations that do exist are isolated to independent causes and in the comments of philanthropy blogs, and rarely evolve into meaningful discussions about how nonprofits are achieving their missions and impacting society. Donors don’t advise other donors, and generally, philanthropic experts from foundations do not participate in these discussions.

Additionally, traditional charitable voices – from large foundations and nonprofits of all sizes to philanthropy service organizations (*e.g.*, Guidestar) – tout the value of social media, but mostly do not participate in the social web. Hence, there is a dearth of strong, traditional philanthropic “brands” on the social web.

*The Chronicle of Philanthropy’s* Give and Take effort takes a different approach. Instead of hosting a conversation, it facilitates discussion by highlighting blogs dedicated to philanthropy, fundraising and technology. Coupled with the sect of bloggers that focus on social

causes – a.k.a. Changebloggers – these voices are collectively elevating the dialogue related to philanthropy and community. But their conversations, as with discussions across “do good” networks, tend to be issue-specific (*e.g.*, environment or fundraising) rather than local or regionally focused. Also missing is widespread participation from staff, experts in the field, and high dollar donors.

With apparent interest from key audiences, yet a void in authoritative, ongoing and local conversations about meaningful philanthropy, the social web represents a tremendous opportunity for community foundations to shape local giving. High dollar donors use the social web, but have yet to be engaged by strong, trustworthy philanthropic organizations. Foundations and nonprofits in general simply need to determine the best means of participation.

### **The Opportunity**

The survey and interviews revealed a need for a trusted source, while the content scans revealed a lack of authoritative philanthropic conversations. In particular, the 30-49 demographic desires credible information (68 percent), and for that information to be delivered by a trustworthy host (66 percent). These preferences for credible information from a trusted source are true among current, high dollar donors and independent, Internet-savvy respondents. These needs were substantially higher than any other requirement for participation. Secondary interests include a desire to hear from philanthropic experts (rated as 39 percent among the 30-49 age bracket). Talking with other donors was important to 35 percent of 30-49 year-old respondents.

## Survey Breakout: Donors Aged 30-49

The survey also reveals that current donors within the primary 30-49 year-old demographic prefer community-oriented social media versus “traditional” forms of social media – blogs, videos and podcasts. Content interest broke overwhelmingly for community-oriented social media.

### Community-oriented Social Media

- 45% social networks
- 23% review sites
- 21% message boards
- 19% online forums
- 17% wikis

### Traditional Social Media

- 15% blogs
- 13% podcasts
- 4% video

This combination of needs among 30-49 year-olds – quality information from a trusted source, and community-oriented social media – provides general direction for community foundations and nonprofits. Determining the appropriate social media through which to host meaningful philanthropic conversations online is a vital element. Individual conversations – usually the terrain of traditional social media – while important from a donor-to-donor and donor-to-expert perspective, should *not* be a primary vehicle. Instead, participating in and/or fostering trusted, overarching community discussions would better suit donors’ needs.

In essence, there’s a role for a Guidestar-esque trust agent through which individual efforts are highlighted and discussed within the larger context of philanthropy. Overarching community efforts and direction should supersede blog or conversation entries, which would fulfill the role of individual conversation starters within the larger context. Rather, content

should be focused on interaction, discussion and activities driven by participants – qualities most often found in online social network environments.

The research also reveals preferred conversation topics. More than 50 percent of 30 – 49 year-old survey respondents are interested in the following topics:

- “Whether or not a nonprofit is successfully making an impact” (75 percent)
- “Learning about organizations that are actively working on issues and causes I care about” (62 percent)
- “Success stories and updates on the progress of nonprofits I support” (54 percent)
- “Information/updates on the issues and causes I care about” (54 percent)
- “Financial accountability and governance of nonprofits I support” (51 percent)

Additional insights can be drawn from the qualitative interviews conducted as part of the study. Most interviewees – regardless of age – want to connect with other donors online regarding philanthropy in their local communities. Their preferences for such an online community vary greatly, from peer opinions and discussions to common interest areas among participants to types of data available in the community. The basic “cost of entry” requires fostering trust in the particular online medium and their fellow participants. This supports the opportunity for community foundations to serve as “trust agents.” Whatever social media form foundations choose to participate in, it needs to be robust and allow for dynamic conversation, not just with the foundation itself, but also among donors.

Online campaigns and platforms should be architected to foster dialogue, the spread of information and greater trust. The community foundation – as a host – should be a gracious facilitator rather than a dominating voice. Providing mechanisms to rank and value content as

helpful (or not) will help foster trust, and enable donors to identify quality sources of information.

Another basis of trust for current donors aged 30-49 is the ability to participate in password protected online environments. In particular, 41 percent of donors aged 30-49 express a desire for private conversations.

### **Survey Breakout: Internet Savvy Aged 30-49**

Independent Internet savvy survey respondents aged 30-49 account for approximately 33 percent of all survey respondents. Only 39 percent give \$1,000 or more, but they have already embraced social media, representing an elusive, untapped demographic for donor cultivation. Further, input from this demographic serves as an indicator of types of content and media traditional donors will prefer once they have adopted conversational social media.

Many of their responses reaffirm the donors of the same age range. For example, there is a significant opportunity for foundations to use social media to reach both traditional donors and Internet savvy persons aged 30-49. Among Internet-savvy respondents age 30-49, 80 percent say they would participate if the information was highly credible and of strong quality, and 77 percent said they would participate if it came from a trusted source.

This group also prefers community-oriented social media over most individual forms of online conversation, with the exception of blogs:

- Social Networks – 66 percent
- Blogs – 50 percent
- Wikis – 24 percent
- Review Sites – 17 percent

- Message Boards – 16 percent
- Online Forums – 10 percent
- Podcasts – 10 percent
- Video – 5 percent

The two groups (30-49 year-old donors and Internet-savvy respondents) also share many of the same topical interests. Most Internet-savvy respondents (50 percent or more) give high marks to the following conversation topics:

- “Whether or not a nonprofit is successfully making an impact” (84 percent)
- “Success stories and updates on the progress of nonprofits I support” (75 percent)
- “Learning about organizations that are actively working on issues and causes I care about” (72 percent)
- “Information/updates on the issues and causes I care about” (70 percent)

Unlike their donor counterparts, engaging in public conversations about charitable giving and philanthropy does not appear to be a barrier to participation for the Internet-savvy. In fact, 41 percent of Internet-savvy respondents aged 30-49 indicate they would participate in public conversations related to philanthropy.

## **Conclusion**

The social web offers a welcome place for individual philanthropic activity. Our research demonstrates that high dollar donors, particularly those aged 30-49, would participate in social media-oriented philanthropic activity if it provides credible information from a trusted source,

and features community-oriented dialogue. Currently, the social web does not offer such a space for high-dollar donors. Foundations and nonprofits have a tremendous opportunity to fill this void.

The study indicates that if such a community-oriented platform existed, it would be immensely popular. This could either be topic specific, or – even more powerful – locally or regionally focused. Some of the strongest and most popular social media successes to date are metro-area web properties (*e.g.*, Gawker, Sift and Gothamist), and online communities engineered around topic specific subjects and goals (*e.g.*, Dell’s IdeaStorm and MyStarbucks).

The difference between media or commercial success and philanthropy simply lies in mission and achieving social good. Consider the ability to converse with and invigorate latent donor bases throughout the social web, and the powerful results such an engaged community could create. One must not ask if it can happen. Instead the question should be, “What are we waiting for?”

*For more information about the Community Philanthropy 2.0 Study, contact the following individuals who oversaw the project on behalf of participating community foundations:*

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