It is not just major donors and new philanthropists who want to support effective charities, the prompts for giving are complex across the giving spectrum. BETH BREEZE discusses the latest research on how donors select which charities to support

Choosing which charities to support from the many thousands of organisations that ask for donations is a complex problem with significant consequences. It is also the first question to which our research is contributing in the Kent University spoke of the ESRC Centre for Charitable Giving and Philanthropy. We interviewed 60 current, committed donors who give through Charities Aid Foundation (CAF) accounts – representing a spread of age, gender and locations across the UK – about how they choose which charities to support.

The donors we spoke to recounted great difficulties in distinguishing between the many organisations vying for their support. One said: "It's amazing what comes through the door, and you've got no means of making an objective judgement", while another admitted: "I don't really have any definite reason for saying 'yes' or 'no', but you can't support the lot. I stick a pin in."

Donors reported that their choices were restricted not only by the amount of money they have available to give away, but also by the amount of information they can gather, their ability to weigh up the merits of alternative options and the amount of time they are able, or willing, to devote to this decision-making process. Donors are keen to make good choices, but lack the resources and ability to make the 'best' choice so tend to fall back on other strategies, notably pursuing their preferences, drawing on their personal experiences and being path dependent.

Personal preferences were found to be particularly important, with many interviewees claiming to support, "things that happen to appeal to me", causes that are "nearer to my heart" and charities "that I admire". This approach might collectively be termed 'taste-based giving', as opposed to 'needs-based giving'. Despite interviewees defining charity as being primarily concerned with assisting the needy and the vulnerable, they justified their own support for non-humanitarian causes such as renovating steam engines or protecting historic buildings, on the basis that it mattered to them.

Personal experiences provide a second strategy behind charitable giving decisions, such that people draw on their own life experiences to create what have been called 'philanthropic autobiographies'. Donors made statements such as, "I grew up by the sea so I support the RNLI."

A more complex account of how someone's past impacts on their present-day giving was contained in the account of a donor who supports butterfly conservation. "When I was a boy I collected butterflies, in those days you were encouraged to kill butterflies and collect them. I'm now trying to give back to make amends for the damage that I did," he said.

However, this is not to suggest that all charitable behaviour is deterministic. Many personal connections did not result in donations, such as one woman who said: "I exclude most medical ones, cancer for instance, although I've plenty of experience of cancer in the family".

History repeating

Charitable giving decisions are often path dependent, meaning they are affected by decisions taken in the past. On the whole donors are not inclined to disregard their previous giving decisions and do not approach each new request for support with a blank slate. Rather, they make incremental changes to their portfolio of favoured charities, adding new recipients that fit within pre-existing categories that have already been mentally 'approved'.

This reluctance to review the overall direction of giving exists despite donors' awareness that it does not result in optimal decisions for either the donor or the charity sector. One donor responded: "I have a list which I keep fairly methodically so as to donate once a year and there are items on that list

which probably shouldn't really be there, but perhaps through laziness remain".

Decisions were also often driven by a desire to make an impact that is not 'drowned out' by support from other donors or the government. One interviewee noted she was attracted to a cause but decided not to give because "I think it's probably over-subscribed". Others in similar situations may offer support but at a lower level due to an awareness of the charity's popularity.

Lack of ability to judge

As donors have neither the time nor the resources to assess the merits of every cause that seeks their support, they deploy the strategies described above and also use 'rules of thumb', such as the influence of authority figures and ties of loyalty, in their decision-making. For example one donor told us that his biggest donation goes to a charity endorsed by a media personality who he has never met: "I think we endow him with a great deal of our personal trust in that he does what he says he's gonna do," he said.

Examples of giving as a result of ties of individual and organisational loyalty include church-going donors who support the charities chosen by their congregation and donations sent in response to requests made by loved ones at important life events, such as funerals, weddings and christenings.

A number of findings from this research may be helpful to fundraisers and inform future developments in the industry.

A common 'rule of thumb' reported by donors involves making decisions on the basis of judgements about charity competence and selecting charities because they are "well-run", "efficient", "don't pay their staff too much" and "have low overheads". Interviewees made numerous, unprompted comments about their fears of inefficient spending by charitable organisations. For example they seek out those that spend "very, very little on admin or staff or any of the trimmings" and try to avoid those that spend money on, "plush offices and being political".

Yet donors also noted the difficulties in making accurate assessments about charity efficiency. Given the problems in fully understanding charity effectiveness, the most common proxy for assessing competence is the frequency, quality and estimated cost of charity mailings. However, the diversity of opinion on this matter is a minefield for fundraisers because donors report equal levels of offence at receiving too little or too much contact from a charity. Finding out a new donor's position on receiving information and having systems to ensure their preferences are adhered to, is clearly money well spent.

If it is the case that even some committed donors, such as our interviewees, are not especially careful in distributing their donations, then this has implications for the current debate around providing greater information in order to help donors make better decisions. It may be that many are content to 'muddle through' in the ways described above and will not avail themselves of new information that becomes available.

Personal satisfaction reigns

Donors' prime concern may often be as much about maximising their personal satisfaction than seeking the best social outcomes. This is already understood to be the case for major donors or so-called 'new philanthropists', whose personal and professional interests are evident in the causes they support. Yet our findings suggest this outlook is not exclusive to major donors, as our respondents sought to align their interests with their charitable giving and to use their donations to pursue their passions, preferences and personal involvement.

The dividing lines between 'major' philanthropists and ordinary, committed donors may not be so clear as is often supposed.

We hope that our findings on the decision-making processes and strategies of individual, committed donors will be useful to charities and fundraisers. ▪

A full-length report containing more data and analysis will be available at the CGAP and Kent University websites this Spring

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