



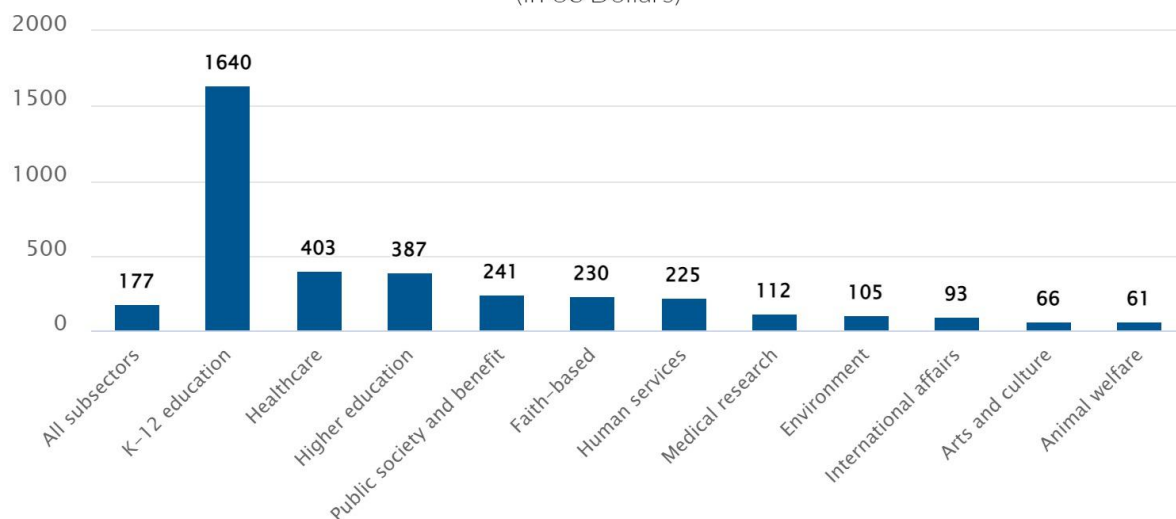
The Nonprofit Industry and Animal Welfare

The life-blood of non-profit entities is their network of donors and supporters; the people who give their time and money to further the mission of the non-profit. There are many very worthy organizations supporting important causes, many of which touch the lives of our community members in very specific ways. And, since donors have more requests for donations than they could possibly have resources to offer, they have to make some really tough choices.

When a for-profit business identifies its competitors, they typically think of other companies who sell or produce similar products or who offer the same services as themselves. But animal welfare organizations really aren't competing with each other for donations. We're competing with other non-animal charities. Our fundraising efforts need to convince our community that contributions supporting animal welfare should be prioritized alongside or even above causes like curing Alzheimer's disease or keeping music education in our elementary schools. Because of this, in order to understand and predict the behavior of our supporters, we have to understand how society's desire to properly care for and house animals fits into the landscape of all charitable giving.

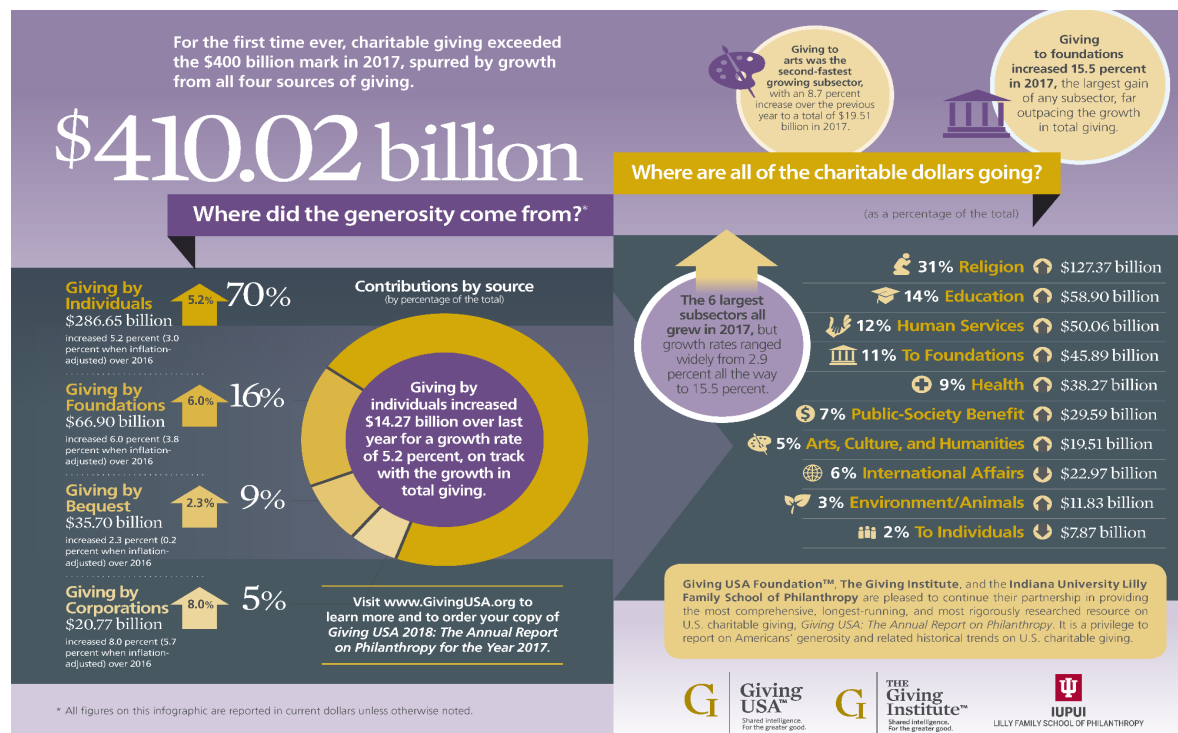
Donations to Animal Welfare and to the Environment both increased last year, but those subsectors still only comprised about 3% of the total dollars gifted. And while the increasing capability to donate money electronically is a huge boon for all non-profit entities, the graph below shows that Animal Welfare only gets 1.6% of those online donations.

Average Online Donation Amounts by Nonprofit Subsector
(in US Dollars)



Unlike sports or politics, identifying our competition doesn't mean we've found our new favorite folks that we love to hate. We're all The Good Guys, and disparaging Education, Healthcare or The Arts or the organizations that support those causes doesn't necessarily translate to more money for animals (nobody wants to donate to a big meanie who trash-talks the American Cancer Society). But it does help us understand what issues motivate our donors and supporters. And just like our economics lessons last time, this is information we need to help us plan and to make our fundraising efforts more effective and efficient.

Ok - so we know our primary competition for donated dollars is non-animal charitable organizations, but whose dollars are we talking about? And how predictable are those donors? The graphic below shows us that the greatest amount of money - roughly 70% of all giving - comes from individuals as opposed to corporations, foundations or bequests.



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To better understand who those individual donors are, let's look at giving trends by generation.

Millennials are generally considered to be people born between the early 1980's and the late 1990's. Analyses show they prefer to make monetary contributions through online platforms and by setting up automatically recurring donations (over 40% of Millennials who donate do so via pre-set monthly charge to their credit or debit card). Millennials are most likely to use their mobile devices (phones, tablets, laptops, etc.) to not only research charities, but to advocate for the causes they support and to make and set up donations. About 84% of Millennials contribute money to charities and non-profit organizations, and those who donate give approximately \$481 to charity annually. But, interestingly, the average charity or

nonprofit will report that Millennials only make up about 5-10% of its donors. So the overwhelming majority of Millennials make charitable contributions but, on average, that generation of donor comprises less than 10% of donations received by any single non-profit entity. This tells us that Millennials' contributions are spread across lots of different organizations. Members of the Millennial generation tend to support:

- Children's charities
- Local place of worship
- Health and medical nonprofits
- Human rights and international affairs groups

Looking at Generation X, the group between Baby Boomers and Millennials generally considered to have been born between the late 1960's and the early 1980's, we see some differences between them and their younger counterparts. The average annual donation by a Gen Xer is higher at \$732 annually. And while only 59% of that population are regular donors, Gen Xers are more likely to **start** fundraising campaigns, as well as more likely to **volunteer** their time and efforts to worthy causes. Where Millennials are most often influenced by social media posts and online donations, Gen Xers report that email is the most influential method of reaching them. Members of Generation X tend to support:

- Children's charities
- Local places of worship
- Local social and human services organizations
- Animal organizations

Baby Boomers, born between the mid 1940's and the mid-to-late 1960's, give an average of \$1,212 per person per year. Until recently, the most populous generation, roughly three-fourths – 72% – of the Baby Boomer's contributions account for 43% of all donations made each year. The Baby Boomers were the hippies of the 1960s and many who were activists then are still supporting the causes they are passionate about. While their long hair may be thinning and even gone, their love of social justice, world peace, and environmental issues is still going strong. This may explain why Baby Boomers' donations are the biggest supporters of:

- Children's charities
- Local places of worship
- Local social services nonprofits
- Animal organizations
- Human rights and international affairs

And finally, we look at the Silent Generation, those born between 1927 and 1946. The members of this generation give an average of \$1,367 annually per person and 88% of them are donors. While they make up only 11% of the US population, they account for 26% of all giving, and their decisions about whom that generosity should benefit are largely influenced by appeals made via direct mail and by issues covered in the news. Silent Generation members donate to:

- Veterans' causes
- Local social services
- Emergency and disaster relief fundraising events and efforts
- Local places of worship

Now that we know a little about who is giving (and how much), let's find out more about when these donations come in. The chart below shows the percent of giving by month for various causes. Predictably, the first quarter of the year is when we see the least amount of giving. While not surprising, this trend is very important to keep in mind when planning our fundraising efforts. Knowing we should expect to see about one-fifth of our donations during the month of December tells us two important things. First, we need to know that whatever our receipts are in December, each of the following 11 months are likely to bring in ¼ to ½ of that amount. Comparing December donations to previous months will not prove nearly as helpful as comparing this December's results to last December's. Second, we need to time our spending using the knowledge that the first quarter of any year is likely to bring in the fewest dollars and that our bank accounts, bursting from December's feast, will have to stretch all the way until December again on a much more 'snack-sized' flow of donations.

2021 Overall Monthly Giving Distribution by Subsector

SUBSECTOR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Animal Welfare	5.7%	5.0%	7.0%	7.3%	6.6%	8.0%	6.9%	6.3%	6.8%	9.9%	9.9%	20.5%
Arts and Culture	6.5%	5.1%	7.6%	5.3%	8.3%	8.7%	6.4%	8.5%	7.0%	8.4%	8.0%	20.2%
Environment	6.6%	4.3%	4.4%	7.7%	5.3%	8.6%	7.1%	4.8%	10.0%	7.7%	11.4%	22.2%
Faith Communities	5.9%	5.7%	7.5%	6.9%	8.9%	9.0%	6.8%	7.8%	7.1%	7.4%	8.9%	18.2%
Healthcare	6.1%	5.9%	7.2%	6.7%	5.4%	8.5%	6.2%	7.2%	6.7%	7.2%	10.2%	22.8%
Higher Education	5.3%	5.7%	6.7%	6.7%	7.6%	10.6%	6.0%	7.6%	6.9%	7.6%	8.6%	20.8%
Human Services	7.4%	6.0%	7.3%	7.4%	6.9%	8.3%	6.6%	6.5%	6.8%	7.6%	9.6%	19.6%
International Affairs	6.7%	5.9%	6.2%	8.0%	8.3%	10.3%	9.1%	7.4%	7.0%	7.7%	9.1%	14.3%
K-12 Education	5.3%	4.3%	15.5%	5.7%	6.3%	11.1%	5.3%	4.7%	6.6%	6.5%	8.4%	20.1%
Medical Research	6.2%	5.6%	8.8%	8.2%	5.7%	9.0%	5.4%	7.4%	6.7%	7.0%	12.4%	17.7%
Public and Society Benefit	8.6%	5.5%	8.4%	7.1%	6.0%	8.3%	6.1%	5.3%	8.3%	6.8%	9.1%	20.7%
ALL SUBSECTORS	6.1%	5.6%	8.0%	6.9%	7.0%	9.6%	6.3%	6.8%	6.9%	7.4%	9.2%	20.1%

Source: Blackbaud Institute 2021 Charitable Giving Report

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In summary, we know that animal welfare organizations, like most other non-profit entities, should plan for their largest influx of money to come in the 4th quarter of each year and should, therefore, aim to minimize expenses in the 1st quarter of the following year to make those dollars stretch as far as possible. Most of our donations will come from individuals, all of whom have different life-experiences shaping the choices they make, so it is very important to know who you are trying to reach with each fundraising effort. For instance, if your promotional campaigns focus heavily on Millennials, consider carefully how they donate, what kinds of communications and events reach them and how you can structure those campaigns efficiently and economically because animal causes are not historically a primary concern of that generation and on average, Millennials will only make up between 5 and 10% of your donor base.

If, however, you are crafting a campaign targeting Gen X or Boomers, it may be easier to get donations, as animal welfare is a top cause for these generations and members of both

groups tend to give more money on average annually than Millennials. But the best way to reach those donors can be more expensive (snail mail) and they may respond to different aspects of your organization's work (animal rescue related to disaster relief may strike a chord with some, whereas programs pairing animals with veterans or with medical and mental health efforts may resonate with others).

And all of these historical trends need to be balanced against what we know is coming down the pike. The Millennial generation just overtook the Baby Boomers as the most populous generation and also has the largest number of individuals in the workforce. Millennials, as a generation, have more disposable income and, with Baby Boomers retiring at a rate of 10,000 per day and Gen Xers coming quickly behind them, that trend is not likely to change soon. Retiring Baby Boomers and Gen Xers whose income is becoming more "fixed" may have to rethink their budgets, including how much and to whom they donate.

If the generations that have historically supported animal welfare most generously are entering the phase of life where they will have less to donate, then animal-welfare organizations are tasked with keeping these older generations engaged, but also working to elevate animal welfare as a cause more consistently valued and supported by the younger generations. We'll need to constantly re-think our methods and messages to capture and retain the hearts of younger generations of donors and to garner enough of their widely-scattered contributions to make up for the dwindling resources of their parents and grandparents.