What Do Potential Donors Look For In A Charity?

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While donors come in all shapes and sizes—and have countless motivations, aspirations, dreams and intentions—it's important to note that virtually every potential giver wants to see basically the same type of background information about your organization. Once provided, this data will then be used to determine whether your charity is worthy of their attention.

The good news is this: If you provide them with what they're looking for, researchers report they'll give—and they'll give generously.

In this brief article, we're offering up 10 fascinating fast facts that will help you better understand what donors are looking for from your organization. Armed with these insights, you'll be better prepared to provide them with what they'll need in order to make an informed decision.

10 Fascinating Fast Facts: What Donors Look For In A Charity

In the paragraphs that follow, you'll find important information which reveals specifically what potential donors are looking for in a charity. Drawn from an excellent report entitled, "More Money For More Good" authored by Bob Ottenhoff, Greg Ulrich and colleagues, these nuggets are pure gold.

Because this resource is so rich with information, we've also provided the specific details as to where you can obtain a copy at the end of this article.

That said, here are 10 fascinating fast facts about what potential donors look for in a charity.

Fascinating Fast Fact #1:
Generally speaking, individual donors support a charity for three broad reasons: 1.) they believe in the cause; 2.) they are familiar with the organization and/or; 3.) their friends ask them to.

Fascinating Fast Fact #2:
Nine out of ten donors say that an organization's demonstrated effectiveness is also highly important.

Fascinating Fast Fact #3:

To ensure that their donations are used wisely, a significant portion of individual donors (33%) research their giving. Specifically, individual donors rely on personal knowledge, brand name, relationships, and friends and family to establish which nonprofits to give to.

Fascinating Fast Fact #4:

When individuals conduct their research on a charity, it is most often associated with making a first-time gift to an organization with which they do not already have a personal connection. In addition, if the nonprofit does not have a well-known brand, individuals will dig deeper to learn more about the organization.

> *As you grow older, you will discover you have two hands, one for helping yourself, the other for helping others.*
>
> –Audrey Hepburn

Fascinating Fast Fact #5:

Individual donors research some causes more than others. Specifically, 62% conduct research before giving to international organizations; 59% before giving to international disaster relief funds; 50% to human rights organizations; 46% to environmental causes; 41% to food-based charities; 41% to poverty and; 40% to child-based nonprofits. By comparison, only 25% of individual donors conduct research when giving to the arts and 22% to religious organizations.

Fascinating Fast Fact #6:

When looking to better understand the full story of a charitable organization, donors want to see: 1.) the financial picture—including how an organization spends its money; 2.) that a nonprofit is legitimate; 3.) the basics of the organization—its mission, approach and make-up; 4.) the breadth and depth of the cause and; 5.) the nonprofit's impact.

Fascinating Fast Fact #7:

Just as important as the information that donors want to see about any given charity is how they want that information presented. Specifically, donors clearly prefer simplicity, thoroughness, and ease of understanding.

Fascinating Fast Fact #8:

Donors greatly appreciate external reviews or endorsements concerning a charity. In addition, donors also value comparison information regarding which charities perform best in a given market segment.

Fascinating Fast Fact #9:

When evaluating information about a nonprofit, individual donors look to the opinions of family members and friends as well as organizations that rate nonprofits such as GuideStar, the Better Business Bureau and Consumer Reports. Interestingly, individual donors also look to the nonprofit itself to learn more.

Fascinating Fast Fact #10:

Anticipating a donors desire to better understand the charity is a crucial part of securing a gift. In fact, if donors get what they are looking for, $15 billion of giving each year will be directed to those nonprofits who provide the right information and do the most good.

Parting Thoughts

In this article, we've put forth 10 fascinating fast facts concerning what potential donors look for in a charity. By better understanding this information, you can glean important insight as to how you can better position your nonprofit to give potential donors the information they need to make an informed decision—up front and before they ask for it.

As an important follow up, you'll want to make sure that you obtain a copy of the 2012 report, "More Money For More Good." At the time of this publishing, the report was available online at http://www.guidestar.org/ViewCmsFile.aspx?ContentID=4718.

What's more, there's a 2015 report available as well. At the time of this publishing, the report could be accessed online at https://learn.guidestar.org/give-to-charity/money-for-good. ●

REFERENCES

Ottenhoff, B. and Ulrich, G., et. al. (2012). "More Money For More Good." Guidestar. Accessed on 10/24/16 via online at http://www.guidestar.org/ViewCmsFile.aspx?ContentID=4718.

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Impact FundingLogic™ is a six-segment, revolutionary sense-making system for fundraising that will help you achieve greater results to dramatically impact those you serve.