

## Executive Summary

The American Express Charitable Gift Survey is the first nationally representative study to address two “Frequently Asked Questions” in the charity world: 1) How much do people give at any one time to types of charitable recipients? and 2) Do online and offline donations differ in size? The study also asked people about why they give online or why they don’t. By collecting information about gift amount—not total giving, as prior studies have done—this research demonstrates the importance of relatively small contributions. The results of this research are surprising and contradict some “conventional wisdom” about charitable giving.

We asked a random sample of Americans in the last two weeks of September 2007 about their most recent gift. Unlike prior studies of giving, this research seeks to ascertain how much people give at any one time to different types of charities and the methods they use (Internet or not, and whether by cash, check, or credit card).

This study examined more than 900 online and offline gifts. Overall, the average gift amount is \$172.

When looking at the online amount (\$165) compared to the offline amount (\$174), there is no statistically significant difference.

About two-thirds (65 percent) of Americans in this study gave to charity in the past year, and 6 percent gave online. This means one in every 10 donors gives online.

The median charitable donation, whether online or not, is \$50. Two-thirds of donations were \$100 or less.

These averages take into account all gifts, except outliers,<sup>1</sup> including donations to churches or other houses of worship. Just under one-quarter (22.9 percent) of the most recent donations went to religious organizations. These religious gifts averaged \$284, and the median gift amount was \$75. There are too few online religious gifts to draw conclusions when comparing online and offline religious giving amounts using statistical procedures.

When considering only secular (non-religious) giving, online and offline secular gift amounts are not different when using statistical tests. The median gift size for secular gifts is \$50.

- The secular gift average is \$138, with online and offline averaged together.
- The secular offline gift average is \$137.
- The secular online gift average is \$144.

The large number of gifts less than \$100 demonstrates clearly that nonprofit organizations rely on many low dollar donations to fund their vital work.

<sup>1</sup> Twelve gifts were excluded as outliers. We defined an outlier as a gift amount that is three or more standard deviations from the mean. A separate outlier analysis is in Appendix 1. Of the outlier gifts, eight were to religious organizations. All outliers were \$7,000 or more (up to \$49,000).

Fifty percent of online donors are aged 35 to 54. One-tenth of donors in this age group make online gifts, but that 10 percent come from an age range of people who are more likely to be donors (68 percent) when compared with people younger than 35 years old (45 percent of whom give to charity). Though the younger group is somewhat more likely to use the Internet in their giving (15 percent said they do), the fact that a relatively low share give to charity explains why they are not the largest number of online donors.

Convenience or speed is the top reason for giving online (64 percent of online donors). Not having a computer is the top reason for NOT giving online (24 percent of offline-only donors). The next most-frequent reasons show that charities' online presence is important for whether or not donors of all ages and all income groups give online.

Among those who contributed online, one in five (20 percent) said the primary reason for the online gift related to the charity's own online initiative. Donors in this group received an appeal from the charity with a link or easily found an online giving option.

Regardless of income, the single largest reason—after not having a computer—that people offered when asked why they did not give online is being unaware of online contribution options. More than one quarter (28 percent) of offline-only donors said that they did not give online because they couldn't find an online giving site; they didn't know they could make a gift online, or they didn't think of giving online.

Looking at gift mechanisms used, donors who contributed using a credit card made larger gifts, at \$297 average for offline credit card gifts and \$267 for those online, than donors using check or cash, whose gifts averaged gifts of \$197 and \$160, respectively. Differences are not statistically significant. The median amounts were all \$50.

Nearly 6 in 10 donors said they gave about the same during the holidays as during the rest of the year. However, among all donors, on average, 24 percent of donated dollars are given between Thanksgiving and New Year's. The most frequent reason for giving more is the emotion/spirit of the season (38 percent of those who give more). The next most common reason is an appeal made by a charity (30 percent of those who give more).

24 percent of total dollars given in a year are estimated to be contributed in a six-week period, or about twice as much as one would expect if all donations were evenly spaced during the year.

This survey reached 1,300 households in a nationally representative sample and contacted another 205 to obtain responses from 300 online donor households (an oversample of online donors). Donors were asked about their most recent charitable gift, and online donors were asked about their most recent online gift. Responses were weighted to match U.S. Census Bureau data about population distribution (race, age, income, and region of residence) to ensure that the results are nationally representative. With the weights applied, the total sample (including oversample) is 1,428 usable responses, and there are 996 donor households. American Express sponsored the research. Innovative Research Group fielded the telephone survey; the Center on Philanthropy at Indiana University did the analysis and wrote the report; and Hart Philanthropic Services Group/tedhart.com managed the project.