THE GIVING ENVIRONMENT:

Understanding How Donors Make Giving Decisions

*Focus Group Research on
US Donor Participation*

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Acknowledgements

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We would like to extend our special thanks to the following organizations and their teams that helped organize the focus groups:

We would also like to extend our deepest gratitude to all participants who attended these focus groups and shared their insights.

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Table of Contents

Introduction

Over the past two decades, Americans have changed their giving behavior significantly. *Understanding Pre-Pandemic Trends in Charitable Giving, Data on Declining US Donor Participation*,[1] was the first in a series of reports on *The Giving Environment* published by the Indiana University Lilly Family School of Philanthropy. In this report, we confirmed that the share of American households who donated to charity declined from two-thirds of American households in 2000 to half of American households in 2018 [1]. In 2020, the United States experienced several economic, political, and social changes that impacted nearly every aspect of American life, including the COVID-19 pandemic, an economic recession, record high unemployment, increased awareness of racial and social justice issues, and a disputed presidential election [2–6].

This report is the second in this report series. The goal of the series is to provide data and analysis to better understand the causes and implications of the decline in donor participation shortly before the significant societal changes that took place in the United States in 2020, while also exploring the effects of the COVID-19 pandemic and the movements for social and racial justice on individuals' giving decisions moving forward.

Both internal and external factors influence individuals' decisions to donate to charity. For example, economic factors such as increases in the gross domestic product (GDP) and the stock market (e.g., Standard & Poor's 500) are positively associated with charitable giving [7]. External demographic factors that are specific to the individual also influence charitable giving behavior. Donors are more likely to have higher income and/or wealth, have a higher level of education, be married, and have children [8, 9]. Donors are also more likely to give if they are aware of the need, if they are asked to donate, and if they determine the personal benefits of the donation outweigh the costs [10].

Similarly, internal factors such as the individual's values, a higher degree of empathy, and altruistic motivations are associated with increased charitable giving [8–10]. A person's identity also affects how they make decisions about donating to charity [11–13]. For example, one large study found that family identity (e.g., parent, sibling), geographic identity (e.g., national, regional, state), organizational identity (i.e., the organization they are giving to is part of their identity), religious identity, and friend-related identities (e.g., friendship groups) are among some of the most mentioned identities among individuals when describing why they give to a charity [11]. Depending on several factors, the influence of any particular identity can vary over time. In this second report in the series, we specifically examine the role of LGBTQ+ identities and its influences in giving behavior, in addition to other identities.

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[1] View the full report online: https://scholarworks.iupui.edu/bitstream/handle/1805/26290/giving-environment210727.pdf

Overview of Focus Group Research

Like most behavior, charitable giving takes place in a complex, ever-changing environment. To understand how charitable giving decisions have changed both leading up to and as a result of the events of 2020, we need a more in-depth understanding of how these external and internal factors, including a person's various identities, play into the giving decision process. In particular, this report aims to better provide insight into the giving experiences, decisions, and drivers of diverse individuals and communities. Our research sought to further explore:

- How donors make charitable decisions;
- How donors' giving decisions have changed in the past 5 to 10 years;
- What role their identity plays in giving decisions;
- How recent social and political events, such as the COVID-19 pandemic and the movements for racial equity and justice, changed their giving behavior; and
- What factors might affect donors' giving behavior in the next 5 to 10 years?

Our goals and purpose for this research focused on diverse individuals and communities, especially marginalized groups, in order to understand the broader declining trend in charitable giving from a new perspective and intersectional lens. We also wanted to understand the role of donor relationships with nonprofits, and how this relationship can explain the change in giving behaviors. The need to understand diverse donors has always been significant, but the recent desire to address issues such as racial injustice, structural racism, and inequity through financial and non-financial forms of giving has cast a spotlight on the role of philanthropy to address gaps in funding and service provision to immediate local needs.

The COVID-19 pandemic highlighted the stark inequities in our communities, networks, and society and made visible yet again the disproportionate impact of crises on vulnerable populations. The short-term aid and help received by diverse groups and organizations is likely to change the outlook of individual and institutional philanthropy. The desire for equity in society, as well as in philanthropic giving, has encouraged traditional institutions and practitioners of philanthropy to listen to and incorporate the lived experiences of diverse and marginalized groups into their strategic and programmatic framework. The networks, relationships, and connections donors are considering and forming with different nonprofit organizations help us better understand the changes in the giving behavior of the current and next generation of donors.

This report presents findings from 16 focus groups that included a total of 83 participants. It explores how individuals consider internal and external factors, their personal identities, the events of 2020 when making current decisions about giving to charity, and how they plan their future charitable giving decisions.

Key Findings

The overall key findings are listed below.

1. **Donors intend to keep their giving rate consistent in the coming years and give selectively to organizations and causes.**
    A majority of the participants indicated that they intend to keep their giving frequency and amount consistent over the next few years, but give more selectively to causes and organizations, as donors placed a higher importance on maximizing impact through giving and research as a key factor for giving decisions.

2. **Being aware of an issue or the needs of an individual or organization strongly shaped giving decisions and motivated people to give in response to crises or perceived needs.**
    People gave more to organizations and informal groups that closely align with their values and gave more in the short-term due to an increased awareness of needs highlighted by the ongoing COVID-19 pandemic.

3. **Recent events such as the COVID-19 pandemic and the movements for racial equity and justice evoked an increased desire in donors to have a greater and long-term impact on issues through strategic giving choices.**
    People indicated having a greater desire to address root causes of systemic and structural issues through their giving and that they are considering the long-term impact of their gifts, as a result of being influenced by the movements for racial justice and equity and the disparities highlighted by the disproportionate impact of the COVID-19 pandemic.

4. **Donors expressed a greater desire for nonprofit organizations to communicate the impact of programs and services and to be informed in more engaging and personal ways.**
    People shifted their giving to organizations that demonstrated impact and efficacy, which actively engaged in communication and education, and which personalized donor engagement. They appreciated organizations' efforts to present the impact of donor gifts and planned to continue contributing to organizations with clear and consistent communication.

5. **Personal connections and a previous relationship with nonprofit organizations were important drivers of charitable giving.**
    People gave more to fewer organizations, and many gave more to organizations they have a personal or previous connection with. They also gave more directly to people and groups in their community and personal networks, especially during the COVID-19 pandemic.

6. **More influential factors that shaped donors' giving decisions, in comparison to social identities, were personal values and previous experience with an issue.**
    The role of social identities was not as strong as personal values and experiences when it came to giving. However, sexual orientation and gender played an important role in determining who and what organizations LGBTQ+ people support, who they won't support, and what unique forms of volunteer work and informal giving they engage in.

7. **While donors did not describe a clear decrease in their individual giving, a lack of perceived awareness and donor education of nonprofit organization's programs and issues were reported as being responsible for lower rates of giving.**
Fundraisers and donors spoke primarily of the need to clearly showcase the impact of their organization's work and give donors a tangible cause to support, but in doing so, they suggest that a perceived lack of impact can be responsible for a decline in giving.

8. **Participants described adjusting to new expectations, including accepting payments digitally and changing the way they engage donors. They noted that it was important to create more engaging content, for example by including images and videos to increase engagement.**
While some participants observed new strategies like targeted engagement on their personal social media feeds, others actively advocated for these new forms of fundraising within their own organizations. Participants also saw organizations collect donor information in new ways. They witnessed and participated in efforts to collect emails through organization websites and even newer technologies like geofencing. Overall, the shift to virtual interactions and the need to use more digital technologies was framed as inevitable but challenging.

9. **While there were some reports of a decrease in giving, fundraisers did express concern about the sustainability of the recent increase in contributions to their organizations, believing this pattern to be temporary.**
Despite the recent increase in giving, participants expressed concern about the sustainability of these gifts. Participants were thinking not only of current changes but were concerned about the long-term impact of social and political topics and their effect on giving behaviors.

10. **Donors described a range of patterns in public perceptions of nonprofits. Overall, participants were confident that the philanthropic organizations they support would be able to make an impact with their donations.**
Donors attributed this confidence to previous work experience within philanthropy, volunteer experience at an organization, personal vetting or a recommendation from someone they trust, and the organization's outreach with donors. Strong, compelling marketing that communicated impact, and follow-up communication with donors after a gift was made, helped participants feel that an organization was reputable.

Methodology

We partnered with 12 organizations in the nonprofit field to recruit participants for focus groups. Our partner organizations sent out invitations and invited participants via social media as well. Partner organizations included the YMCA of Pierce and Kitsap Counties (in Tacoma, WA), the YMCA of Greater Indianapolis, United Way of Central Indiana, IndyHub, The Dayton Foundation, GivingTuesday, the Lake Institute on Faith & Giving, and The Fund Raising School (at the Indiana University Lilly Family School of Philanthropy). Our partnership with these organizations was strategic to reach individuals with a range of giving experience, including non-donors and volunteers who may be donors. We partnered with four LGBTQ+ organizations – CenterLink, Transgender Resource Center of New Mexico, Pride Center at Equality Park, and the Pride Foundation – to specifically recruit LGBTQ+ participants.

We believe that focus groups are especially suited to answer research questions that focus on complex behaviors and motivations [14]. Participants often ask each other questions and/or direct the conversation in ways that are unique to their group dynamic. While some researchers worry about group effects, such as a form of bias where group members may falsely agree with the majority, other researchers argue that focus groups provide valuable data on both where participants agree and disagree. In addition, focus groups provide more effective spaces for individuals from marginalized groups to provide input because the power dynamic between the researcher and participants is muted compared to that of a one-on-one interview. Therefore, we believe that focus groups are one of the best research methods to develop an in-depth understanding of charitable giving among diverse groups. Furthermore, conducting focus groups allowed us to reach a higher number of individuals than we would have been able to interview in one-on-one settings, especially given the restraints of the COVID-19 pandemic.

One goal of participant recruitment was to reach a diverse range of individuals. Eighty-three participants participated across 16 groups. Participants ranged in age from young adult to retirement age, with the majority of participants (33) in the age group 30 to 49. Fifty-one participants identified as female, 30 identified as male, and two identified as non-binary. In addition, participants resided in 20 different states across the US. For a complete breakdown of our participant demographic, please view the infographic related to this report.

All focus groups lasted approximately 45 to 60 minutes depending upon the number of participants in the group, and were conducted between May and November 2021. The focus groups followed a semi-structured interview format, with the facilitator—a member of the research team—leading, but not participating in, the discussion. For a complete list of focus group protocol questions, please see the appendix for this report.

Our goals for this study was to reach donors and non-donors, but we lack non-donor participation due to limited resonance and engagement of their philanthropic outlook or experiences. The participants recruited through their relationship with a nonprofit organization likely had greater firsthand knowledge of the nonprofit sector than the general public. They were generally familiar with philanthropy and had participated in a range of giving experiences. The experiences and perspectives of a smaller proportion of donors who are less active, as well as the perspectives of those who are fundraisers, are also present in these findings.

The Giving Ecosystem: Findings from Focus Group Research

The findings garnered from this focus group research further examine the landscape of declining donors that was explored in the first series of *The Giving Environment* from the perspectives of diverse individuals. The results from the focus groups are collated according to their sample and presented subsequently in this section. We examine the distinct findings from both diverse LGBTQ+ and non-LGBTQ+ individuals separately in order to dive deeper into their specific perspectives and experiences (especially those of marginalized groups), as well as to cultivate an in-depth understanding of charitable giving among diverse individuals and groups. Furthermore, some results appear in both non-LGBTQ+ and LGBTQ+ spaces, but the narrative of the findings is informed by differing personal experiences and social identities, and highlights the nuanced interaction of donors with nonprofits, communities, and other factors that affect people's giving decisions.

Within our overall project, when asked about their household role in the decision-making process, participants reported making giving decisions with a spouse, but they also gave to individual causes separately. Of the total participants, two focus groups were conducted solely with 17 fundraisers. We discuss the key findings and the most salient themes from the focus groups below.

1. Donors intend to keep their giving rate consistent in the coming years and give selectively to organizations and causes.

Participants across all focus groups expect their giving frequency and amounts to remain consistent over the next few years. However, many suggested that they sought "more meaning and purpose" in, and through, their giving. In addition, many wanted to streamline their giving by donating larger amounts and/ or non-financial resources to fewer organizations "that are doing impactful work," and thereby "focus" their money and time where it would be best received.

Participants echoed that they are now more "strategic" in their giving and select fewer organizations to give larger gifts to. The organizations they select are primarily organizations that participants have a personal connection to or relationship with, are visibly demonstrating positive impact in their local community, and are organizations that are "engaging in intentional education of needs" on the part of the donor, as one participant noted.

The findings also suggest that the strategic thinking of participants regarding charitable giving encouraged donors to consider the impact of their giving from a framework suggested by multiple participants: "So strategically I tend to think fewer rather than more organizations in (giving) smaller amounts, just to try to maximize impact."Participants also suggested that being more engaged in their local community due to the pandemic limiting their social sphere, made them more strategic in their giving as they chose organizations that are "really making a difference in certain spaces." Digital technology facilitated the higher engagement in local communities, but a word-of-mouth and personal connection also supported donors' strategic choices in increasing impact where it is most immediately and clearly visible.

When considering more strategic giving, participants discussed an interest in new avenues for giving, such as starting a donor advised fund (DAF) and giving more to informal groups in their local communities. Donors thought about future giving in the context of life circumstances. One participant noted, "We're both professionals without children so we're in a place now where we can begin to start thinking about DAFs as a charitable vehicle." Another described a strong appreciation for community support during the pandemic, and her desire to "take that aspect of the pandemic forward with me." She expected to "stay engaged and up to date on what's happening" in her local community moving forward.

Unsurprisingly, participants who prioritized monetary donations shared that increased availability of financial resources led to an increase in donation size. Particularly among younger participants, gaining financial and professional stability played a large role in their ability to give charitably.

However, one participant also noted the idea of "donor fatigue," described in this group as a feeling of being overwhelmed by the amount of need and requests for aid. As a result of being overwhelmed, this participant said, "That's one of the reasons that I have limited myself to the charities that I give the most to, because I feel like okay, I'm doing my share and I can't save everybody, even though I would really like to. So that's been kind of painful actually."

But participants were also interested in giving in ways that made the impact of their gifts clearly visible. For example, one participant described volunteering with her entire family. She said, "We also have three sons, and we want them to see what it looks like to be a contributing part of the community." As a result, she and her husband prioritized giving in ways that were visible to her kids. Recently, they had volunteered to create and deliver care packages to the homeless.

Over the past five to ten years, nearly all participants described an increase in their giving. Only few participants suggested that their giving had decreased. Some of these participants described consolidating their giving to fewer organizations to have a greater impact, rather than spreading several small gifts across many organizations. They implied that only the number of organizations, not the amount given, had decreased.

2. Being aware of an issue or the needs of an individual or organization strongly shaped giving decisions and motivated people to give in response to crises or perceived needs.

Across all focus groups, participants acknowledged giving more time and non-financial gifts recently due to an increased awareness of needs in their personal networks and communities brought to light by the COVID-19 pandemic. In addition, participants gave regularly to organizations they themselves had engaged with and stated that their awareness of an organization's impact motivated them to give.

Many participants described making decisions about charitable giving based on factors such as perception of need and knowledge of a cause. One participant stated that donor education and a clear case for support heavily influence their giving decisions: "So, we just go by community-wise, we just go by personal level-wise. So, it's very much need based and from wherever we get information, and we like to help them as much as we can." Many other participants resonated with motivations of this kind.

In another case, having enough financial capacity to contribute to charitable giving influenced participants' giving as referenced by another participant: "We were able to pay off all our debt, and so we essentially have a lot more expendable income. And for us, it was a really exciting time to create a strategy for our giving and actually budget our giving." Another participant had officially retired seven years ago but ran a consulting business "mainly for fun." He noted that the ebbs and flows in his business allowed him to give more during certain periods. He explained, "When I have almost like a windfall from getting paid for doing things I like to do, we tend to give more money away, just because we have it."

In general, participants also described giving in response to crises like the COVID-19 pandemic, which brought a general awareness of increased need, displacement, and disruption in the lives of many people. Participants who felt they were not as heavily impacted by the negative effects of the pandemic expressed an awareness that many others were not as fortunate and decided to give to ameliorate the pandemic's impact on others. A few participants noted that social media and digital channels facilitated their perception of greater needs within their personal networks and local communities in times of crises. Participants also generally sought to support local organizations that serve their immediate communities, not only those that directly benefit themselves but the basic needs of others. In particular, donors directly supported people they knew, including immediate family and adult children.

3. Recent events such as the COVID-19 pandemic and the movements for racial equity and justice evoked an increased desire in donors to have a greater and long-term impact on issues through strategic giving choices.

Participants were also concerned with ensuring their gifts led to change, primarily on a societal level and over a longer term. One participant and her spouse described considering large-scale impact, and asked, "How do we want things to go, in the world and the United States?" This was a common sentiment shared by the participants, and one of the participants summed it up perfectly: "But the big change for that [wanting a greater impact] was just learning more the last two years about racial equity." Participants and fundraisers noted a greater willingness to give monetary gifts than before the pandemic. Fundraisers particularly expressed concern about unexpected issues becoming politicized as they considered the long-term impacts of gifts. Yet, they also reported an increase in donors interested in supporting racial equity by donating to groups and organizations working and focused on housing, education, and health-related programs in BIPOC-dominant neighborhoods and communities.

In the midst of the movements for racial equity, participants learned more about topics like racism and social justice, and, in response gave to organizations that addressed these issues. In response to learning about social justice, participants acknowledged that the giving of their time and talents was a critical aspect in their decision to increase their long-term impact through charitable giving. One participant stated, "Something that I think I'd like to see more valued as a charitable giving industry is the time and talents contributions. I think that really is holding us back in terms of equity in our community and if we find a way to value time, talent, and effort in the same way that we value money, gifts, and funding, I think that we could really transform our community in terms of equity."

Individuals also considered giving in "strategic" ways that they hoped would maximize the impact of their gifts. One participant and his spouse chose to give locally but prioritized organizations they felt needed financial contributions the most. They said, "We know some of the organizations that we really appreciate are completely flush in terms of having all the cash and resources that they need, and so we kind of concentrate on the ones who are less viable, and we try to help keep them going too." Overall, participants viewed supporting organizations where they can have the greatest impact as "imperative" for the health of their community.

In response to COVID-19, participants shared sentiments like the following: "The great need and dislocation people have had during COVID really sparked our sympathy, and that was a big motivator for increased donations;" and, "Without a doubt within the past year, I have felt much stronger about giving." Participants also increased the amount of direct support they gave to those they knew, including immediate family and adult children. Participants viewed it to be vital to continue contributing to the organizations they already supported, particularly local businesses and nonprofits. One participant described giving to friends who had small businesses during the pandemic, "because we didn't have a problem during the pandemic, we didn't lose anything, so we wanted to make sure others that we knew did not lose anything as well."

For most participants, the pandemic shed light on the exacerbated impact of inequities on various communities and vulnerable populations. One of the participants highlighted the situation experienced by many others, "The city I was living in was experiencing a lot of issues with food insecurity and housing insecurity through the pandemic, and I think that a lot of people in our community, a lot of students, myself included, felt that we needed to give time and efforts trying to ensure that people had places to go to get food and shelter."

Another participant stated that the COVID-19 pandemic made her "more eager to be self-aware and made me seek out authenticity and understanding in the organizations that I support, with a big emphasis on social injustice, diversity, equity and inclusion." A lot of participants resonated with this sentiment and indicated a greater desire for "authenticity" in how organizations are addressing these issues in their communities. This directly ties participants' desire to have a more personal relationship with nonprofits, and a greater impact from their giving, as one participant highlighted: "I think of myself now much more as an investment partner than just a checkwriter." This sentiment was expressed by many participants, with one stating that, "I think that we can be connectors in the use of our time and advocates, and I think that's very valuable."

The pandemic provided clarity and greater recognition within participants that they can support their communities and networks with "more than just a check." Many participants confirmed that they gave "more informally to individuals in addition to 501(c)(3) organizations". Another participant reiterated, "Whether that's a direct financial gift or some type of other assistance," the pandemic shifted participants' immediate priorities, and, consequently, their outlook on long-term giving.

In addition to prompting donors' to think more strongly about their formal and informal contributions through charitable giving, the pandemic created a closer sense of community in many immediate social and geographic circles, as it impeded mobility and direct connections. Participants particularly saw changes in how they gave their time. Participants described an increase in volunteering, as they gave their time for pandemic-related causes like vaccination programs, and informal volunteering such as shopping for groceries for those in need in their neighborhoods. In contrast, a few others saw a decrease in the volunteering they normally would have done, as the pandemic caused many businesses and organizations to shut down.

Participants also reported an increase in political giving in the past two years, highlighting that they are thinking more critically about the impact of their gifts. One participant specifically mentioned that because "this has become a more extreme thing in the last four or five years – which is looking at the political landscape across the country and groups that are being marginalized or really affected by various policies and approaches taken, and then (I am) giving directly to try and offset that."

Perhaps mirroring the increase in political giving, participants expressed a greater desire to donate to causes and organizations that tackle systemic and societal issues. Seemingly motivated by the political landscape and racial equity movements, participants stressed the importance of addressing "underlying issues," "the root cause," and tackling problems "from both ends." One dimension of this change included giving more time. Another participant expressed it this way, "When it came to other issues I wanted to support, I really felt like my presence and my voice was going to be more impactful than a $500 or a $2500 gift to a fund to support a movement. I think certain movements really call for action." This sentiment resonated with other participants who are trying to ensure their resources and contributions have a meaningful impact and reflect their personal voices and values. When asked to discuss the impact of the COVID-19 pandemic, racial justice movement, and other recent events on giving behavior, participants also described ways in which these events contributed to an increase in giving.

> "...COVID hit and you couldn't drop (donations) things off, so it was better to just give money. I think there has been a cultural shift where if I donate money, that's something that I'm doing, and I know it's working."

Participants like the individual quoted above noticed a greater willingness to give monetary gifts than before the pandemic. She felt that in the absence of other opportunities to give, such as volunteering, individuals became more willing to accept that monetary gifts could have an impact. Fundraisers also observed an increase in giving during the pandemic, for example, in the "good response" they received from corporate partners to what one participant described as an "incredible awakening of [individual] donors."

Some participants noted an increase in giving related to racial justice. Two participants who work with Historically Black Colleges and Universities (HBCUs) saw greater interest and larger gifts in the past year relative to years prior. Attributing this increase to the Black Lives Matter and racial justice movements in 2020, one participant noted: "I think what we've seen even more is the commitment to try to equalize the disparities of injustices within the African-American community. As a result, people who have not been givers to HBCUs or to institutions of color have now said we 'feel comfortable,' or maybe even convinced… 'to give to these institutions.'"

4. Donors expressed a greater desire for nonprofit organizations to communicate the impact of programs and services and to be informed in more engaging and personal ways.

While participants described generally wanting to give more, they planned to seek out organizations "that make greater effort to educate the donors on what's being done with their money and how it's making a difference." Many participants also explained they are seeking nonprofit organizations and informal groups that demonstrate greater efficacy and impact.

In addition to seeking out organizations with greater efficacy and demonstrated impact, participants also highlighted how opportunities for increased donor engagement can sway their decisions. As one of the participants said, "For organizations that I'm making significant contributions to, it's about how are they educating me to incentivize and to give more. If I'm making a major gift and I'm getting the same communication that someone who is giving $10 a year is getting, that organization is not going to elevate my giving to them. The ones that identify that opportunity and make the right type of engagement with me are going to be the ones that are much more likely to get increased giving from me."

Participants' desire to understand or see impact from organizations was connected to wanting to see a higher direct impact in their local networks and communities. One participant highlighted how seeing impact is important for them to instill a sense of community in their children: "My husband and I think that charitable giving is essential but being able to see who it is impacting and how, is essential for my kids. So, he and I could quietly send checks to people, and that helps, but we're also influencing human beings that we want to grow up to be contributing members to the community."

People who give locally also focus more on a few organizations rather than giving to many different ones, especially in the communities in closest proximity to them. Many participants alluded that their giving has evolved from being reactionary to being more proactive, and expressed an increased desire for research into who and what they are supporting. Hence, this expressed desire supports their wish for personalized donor engagement, as participants recounted that they are most likely to give to organizations that communicate regularly, rather than only during times of intense crisis. The immediate needs caused by COVID-19 were an exception to this finding.

Many participants expressed frustrations with charities who continued to ask for donations without sharing the impact of their work with donors. Participants highlighted that the shift to a virtual and remote environment due to the pandemic especially influenced how donors give, and those digital channels were one way to demonstrate impact. As one of the participants highlighted, "I think social media and advertising play a critical role in how and when I give," but these same vehicles also led donors to be more wary of charitable organizations because of such an influx of organizations. The same participant added that, "Especially on social media, I've seen organizations that are not necessarily putting the money where you think it's going."

This questioning of where the money goes instilled a greater sense of selectivity and caution in most donors, along with a greater desire to engage in research and communication with an organization before they commit their support. As one participant stated, "I think the events of last year have made me a little more cautious about who I'm giving to and ensuring that I look into an organization a lot more before I give." This previous finding was echoed across multiple focus groups, suggesting that an organization's ability to demonstrate impact will provide an added layer of credibility for how donors choose which organizations to donate to.

5. Personal connections and a previous relationship with nonprofit organizations were important drivers of charitable giving.

When asked about their decisions around charitable giving, participants named a personal connection and a previous experience with nonprofit organizations as among the main drivers for their charitable giving. Many participants gave to their employers, organizations where they serve on the Board, or their high school and college alma maters, because they had personally witnessed an impact with such organizations.

One participant said, "As an undergraduate, I was a first-generation college student on financial aid, and so I've given every year since I graduated from undergrad even though the school doesn't really need it. But I specifically direct it to students who need it." Similarly, a sentiment that was echoed across all focus groups was recounted by another participant: "I tend to donate to organizations where I know people that work there because then I know the organization is doing good work."

Similarly, as a part of this trend, the biggest change in participants' giving has been an increase in giving locally, and similarly contributing non-financial forms of giving in order to respond directly to the needs of their personal circles and local networks. One participant indicated, "I feel invested in their success, and I feel like their success is the health of our community. You know, it directly correlates to the health of where we live." Such reasons for why they are investing more in their community was echoed by many participants across different focus groups.

Numerous participants expressed a desire to feel a personal connection to the organization and their cause. Donors want their donations to be reflective not only of their own experiences, but also of the people and causes they care about. One of the participants explained, "I tend to give to organizations that I've had a personal experience with or that my life has been impacted by somehow."

Personal relationships were the strongest factor in the shift and changes of participants' giving, as noted by one participant: "I think the biggest thing I take into consideration is whether or not I know the organization, if I know that they're doing critical work, that they're doing impactful work especially. I think I prefer usually to give time or effort."

6. More influential factors that shaped donors' giving decisions, in comparison to social identities, were personal values and previous experience with an issue.

Among the general participant population, the overall role of social identities upon donor giving trends was not as pertinent as the role of personal relationships. However, a common theme among participants who identified as white and/or acknowledged having economic privilege, was that the racial equity movement prompted reflection about their own role, including privileges and unconscious racism. While some described how this reflection influenced their personal interactions, others noted that it "led to giving sort of situations." Recognizing their privileges and wanting to "make [themselves] available for the benefit of the greater community" was a common sentiment among our participants, which also emphasizes their desire to have a greater impact through their giving.

When asked about how their social identity impacted their decisions around giving, participants mentioned their religion, class background, and to a lesser extent, career and work experiences. One participant described supporting faith-based organizations due to his Jewish background and gave in response to the increased presence of anti-Semitism. Other participants who primarily gave to faith-based organizations gave through their churches, and some viewed giving and service as "one of the tenants of Christianity."

One participant described how being an elementary school teacher led her to support an organization that provided food for children. She connected her giving to her career, noting that this cause was important to her because of what she personally witnessed: "I get to see what that looks like when they don't have food."

The personal experiences of people are also the most mentioned reasons for increasing or shifting charitable giving. One participant clarified what many in the focus groups mentioned: "I don't think my husband and I have to identify necessarily with the clientele that the organization serves to be able to support them," suggesting that they are likely to support organizations and causes they don't share a similar social identity with. Similarly, another donor emphasized how a personal connection and a sense that their support makes a meaningful difference influenced their gift decision more than their faith-based identity: "I just consider myself Christian. But I would say in the next year or so, the largest donation I am going to make is going to be to a local Buddhist organization here in town because the lady monk in charge of that group was a tremendous support to my sister."

A few participants also mentioned that their upbringing and social dynamics contributed to a "culture of giving back to the community and thinking of someone other than yourself," and that these were important motivators for why they continued giving today. Another participant described however, as a millennial, she felt "generationally limited in terms of giving" due to student loan debt and her current income level.

7. While donors did not describe a clear decrease in their individual giving, a lack of perceived awareness and donor education of nonprofit organizations' programs and issues were reported as being responsible for lower rates of giving.

While donors did not describe a clear decrease in their individual giving, they discussed factors that had led them to give less or not give in the past. When asked about changes to their giving in the past 5 to 10 years, the COVID-19 pandemic featured prominently, as did concern for social justice and racial equity. Donors also reported changes in the amount and format of their giving, primarily reporting increases and more frequent giving. Donors described increases in income over the past few years as one factor that enabled them to give more regularly or make larger gifts. They also spoke about giving to a greater range of causes, and making more regular gifts, rather than one-time gifts at the end of the year. Logistical preferences that influenced participants' giving included responding to direct asks (ranging from personal asks to direct mail), prioritizing small grassroots organizations over national or statewide groups, and relying on automated, recurring gifts, rather than responding to individual campaigns.

One participant described herself as a new donor and provided insight into barriers to giving. She noted that financial capability and "comfort" were key factors that had deterred her from giving in the past.

> "Being a younger donor, it just took a little bit of time to see what I was comfortable with, the different organizations I felt were important to me and my community. So I just had to be active in learning those things through different events before I felt like I was ready to make a contribution."

While the focus of the conversation was on the organizations that participants deemed high-need and high-impact, left out of the conversation were the organizations to which donors stopped giving. Respondents' accounts also suggested that a lack of impact or tangibility could be another cause of decreased giving. Fundraisers spoke primarily of the need to clearly showcase the impact of their organizations' work and give donors a tangible cause to support, but in doing so, they suggest that a perceived lack of impact can be responsible for a decline in giving. As mentioned in the previous section on increases in giving, some participants gave to fewer organizations to maximize their impact.

8. Participants described adjusting to new expectations, including accepting payments digitally and changing the way they engage donors. They noted that it was important to create more engaging content, for example by including images and videos to increase engagement.

While some participants observed new strategies like targeted engagement on their personal social media feeds, others actively advocated for these new forms of fundraising at organizations they support, or work for. Overall, the shift to virtual interactions and the need to use more digital technologies was framed as inevitable but challenging.

When asked about the role of digital media and technologies on giving and fundraising, fundraisers readily described several changes they had either made in their organizations

or witnessed as donors themselves. First, donors saw an increase in advertisements from organizations to encourage giving. They witnessed this increase primarily online and noted that organizations engaged with each other online by making efforts to share resources widely.

Second, participants witnessed and used different types of advertisements, including email marketing, social media, and text messages. For example, one participant shared that the onset of the COVID-19 pandemic led her superiors to finally approve her plans for more robust email marketing.

Third, participants saw organizations collect donor information in new ways. They witnessed and participated in efforts to collect emails through organization websites and even newer technologies like geofencing. One participant had only recently learned about geofencing, in which organizations can collect donor data from phones based on location, while another was already a strong proponent of this technology.

Donors also planned to be more strategic and intentional with their future gifts. They were considering factors such as organizational business models, social impact, and innovation. Participants were interested in supporting organizations that demonstrate an ability to adapt to new circumstances and audiences, including their ability to reach younger donors, a skill they perceived as key to an organization's future. Donors reported being relatively comfortable giving in digital formats and could see the benefits of new technologies, even if personally, they had some reservations about these technologies. Some donors reported that they respond exclusively to digital solicitations and never respond to direct mail campaigns. Email and social media were effective avenues to reach them and solicit gifts. Another donor discussed SMS or text message marketing, a new effort that he had recently began to receive from organizations. While this donor described these efforts as "hit or miss depending on just kind of how my day is," he also acknowledged that SMS allowed him to "get updates quickly and easily and not necessarily through my email inbox," which was often cluttered.

Donors also spoke about the benefits of digital campaigns, finding that they could access more information, receive more extensive updates on the impact of their gifts, and give more easily online. They were receptive to email marketing but stressed the importance of standing out among the hundreds of emails they might receive within a few days. Although donors were comfortable giving digitally, two still responded to direct mail solicitations, which prompted them to either look up more information about the organization or give online.

9. While there were some reports of a decrease in giving, fundraisers did express concern about the sustainability of the recent increase in contributions to their organizations, believing this pattern to be temporary.

Internal factors like organizational changes facilitated some of the increase in giving and examples included more proactive initiatives to reach donors and "more avenues of giving." Similarly, external factors like the recent movements for racial justice, events like the police killing of George Floyd, and the needs made apparent during the COVID-19 pandemic also appeared to increase giving.

Despite the recent increase in giving, fundraisers expressed concern about the sustainability of these gifts. While these recent gifts were welcome, one participant called this increase "fluke money" and questioned whether "nonprofits should even be counting it." Instead, participants agreed on the importance of developing relationships with new donors and considering efforts such as inviting donors to visit in-person to witness their work. The participant described above felt so strongly about the importance of relationship-building that they questioned whether or not to accept these gifts. Speaking about the influx of donors interested in HBCUs, she said, "as a fundraiser, I need them to come down here, get affinity for our school, get passionate about what we are doing here." In contrast to fundraisers' own giving behaviors, they described uncertainty regarding future funding, as well as split donor reactions over politicized topics, which resulted in increases among some donors and decreases among others.

Participants also described uncertainty as a major theme, particularly regarding "the political environment but also for the fight for racial justice and equity." They were uncertain about how long, major funders would continue to support these efforts and described the situation as people "looking anywhere...and seeing what they're going to do, how they're going to react, and what they're going to apply when it comes to politics and diversity." Participants were thinking not only of current changes but were concerned about long-term impact.

Politicized topics, including recommendations around the pandemic, caused a split reaction among donors, resulting in a decrease among some donors and an increase among others. One participant noted:

> "We've had a few donors who have had the knee-jerk reactions of, 'Oh, your university is requiring masks to go to school, that's not something we want to support anymore.' But we've also seen donors on the flip side that realize the impact COVID had on students and are much more giving."

Another participant described her frustration with donors that made the decision to stop giving without engaging with or "asking the proper questions to learn" from the organization. Finally, the recent events caused some participants to make changes in their fundraising strategy. One fundraiser's organization expanded the scope of their outreach during the pandemic. After seeing a strong response from corporations, this participant noted, "we've been working with a lobbying group so that we can receive funds from the state now." Their fundraising strategy now includes individuals, corporations, local government, and their state government.

10. Donors described a range of patterns in public perceptions of nonprofits. Overall, participants were confident that the philanthropic organizations they support would be able to make an impact with their donations.

Most participants stated that their confidence in philanthropy and/or nonprofit organizations has remained positive to a good deal, as donors want to know what's happening on the ground. They attributed this confidence to previous work experience within philanthropy, volunteer experience at an organization, personal vetting, or a recommendation from someone they trust, and the organization's outreach with donors. Strong, compelling marketing that communicated impact and follow-up communication with donors after a gift was made helped participants feel that an organization was reputable. Seeing organizations make efforts to build relationships with donors communicated legitimacy and longevity.

Some participants suggested a negative outlook on nonprofit organizations, referencing donor fatigue and individuals feeling inundated with requests to give. In discussing public outlook and trust in nonprofits and the general philanthropic sector, some participants felt that recent events had not produced a meaningful change. They held the impression that public trust in philanthropy remained low. Fundraisers discussed both the difficulty and importance of building trust in their work. They compared this to how quickly and easily trust is lost. Finally, participants agreed on the necessity of building trust over time, as a process they could not rush, which reinforced their skepticism about the sudden increase in giving over the past year.

However, another participant described increased trust in her nonprofit organization, which focuses in part on issues related to immigration. During the past few years, she noted, "A lot of our donors are coming to us to get facts. They want to know what's happening on the ground. They don't necessarily trust news sources or politicians to give it to them. And so they've been donating to us because they know that they can trust us as an information source." In this case, decreased trust in politicians and news sources led donors to seek out direct information from a nonprofit that specifically addresses immigration.

Participants also discussed cases in which they were not confident or would not support philanthropic organizations. Donors communicated the need to see an organization's "ability to execute the dollar" and make an impact. They cited impact reports and digestible emails as a positive but suggested that the absence of these communications would quickly lead to an end to their giving. Participants also brought up concerns about work culture, noting that how an organization treats their employees makes a difference in whether they remained engaged and confident in the organization. Employee treatment and health was particularly important during the COVID-19 pandemic, as donors were ready to stop giving to organizations they perceived as unnecessarily putting their employees at risk. As one donor noted: "I saw poor leadership during COVID-19. I also saw leadership that excelled, and I wanted to fuel that leadership."

The Experiences of LGBTQ+ Donors

Authored by Elizabeth J. Dale

Within the overall project, we composed a sub-sample of LGBTQ+ participants to understand their giving more deeply as well as the impact of the COVID-19 pandemic and movements for racial justice on their outlooks on philanthropy. While research on LGBTQ+ donors is limited, studies show that LGBTQ+ people may be more likely to give and even give higher amounts than the general population [15,16]. While LGBTQ+ donors are more likely to support advocacy organizations, including LGBTQ-specific organizations, than their straight counterparts, much of LGBTQ+ people's giving is directed to non-LGBTQ causes [15-17].

We spoke with 31 LGBTQ+ individuals across all focus groups. Three participants identified as transgender. Sexual orientation were distributed among gay (7), lesbian (8), bisexual (11), pansexual (1), and queer (3) identities, with one trans person identifying as heterosexual. We recruited participants through LGBTQ+ focused and other organizations identified in this report, that reached out to their constituents (including clients, staff, volunteers, and donors) and/or shared the research invitation on social media. Most participants were single and made their giving decisions alone, but a few participants were in long-term relationships where they gave with a partner.

Each focus group used an identical protocol as the broader project, except for the question: What role does your sexual orientation and/or gender identity play in your donation decisions?

We discuss the most salient themes below.

1. People gave to people—both directly to individuals and to organizations that the people close to them support.

In each of the LGBTQ+ focus groups a similar theme and phrase emerged — *I give to people*. While donors are drawn to specific causes, personal relationships seem to play an equally or even more important role in charitable giving. Even if the person was not especially passionate about the cause, they felt more inclined to give to the people they care about; if it's important to their people, it's important to them.

One participant explained her relationship with organizations she's interacted with professionally, "For me, it comes down a lot to my relationship with the organization. So, like my donation to [*a religious nonprofit*], I've worked with them personally, I have worked with their staff, I'm familiar with them. And you know, same with Friends of the Library. The volunteer coordinator is one of the board members at my work, and so having a personal connection or relationship is often a factor for me."

Another participant shared a similar sentiment where his personal and professional spheres collided, "I give to homeless youth here, locally, to an organization because my best friend is the Director of Development there. And so, the connection that we have, she gives to us, and I give to her, and we just do that."

Many participants shared a desire to support individuals, which is typically not considered a part of formal philanthropy. Giving to people instills a sense of "real" impact, according to participants. This included everything from "Venmoing" a social media acquaintance a few dollars, meal sharing, pooling resources, offering people rides, giving used clothes to those in need, offering someone a temporary place to stay, contributing to a crowdfunding campaign to support a gender-affirming surgery, handing out money to people on the streets, and supporting friends and family financially.

Participants described donating $5 or $10 to people of color who shared their CashApp or Venmo information on Instagram posts, and one participant highlighted, "I've done that in the past, particularly during the last couple of years. It's something small but, you know, it gets money directly to the people, which I think is valuable."

One participant summed up the sentiment shared by many: "Mostly it's what's dear to my heart and the people that are dear to my heart. I don't need to take care of THE world. I do take care of MY world."

2. Sexual orientation and gender play an important role in terms of who and what organizations LGBTQ+ people support, who they won't support, and what unique forms of volunteer work and informal giving they engage in.

Sexual orientation and gender identity play a role in where our participants give. Some participants initially were reluctant to say their LGBTQ+ identity affected their giving. However, by the end of each focus group, many admitted that subconsciously, their identities were more significant influences than they realized.

Many participants explicitly claimed the importance of their identity. For instance, one participant explained, "My identity as a Black, trans, queer person has led me to focus my efforts, my helping efforts, towards marginalized communities that have a hard time accessing resources in other places."

For some, their identity plays a role in who they *do not* support. One participant said, "For me, I don't necessarily give specifically to any LGBT or queer organizations. But I know that if there's an organization I'm considering donating to, and they have any like anti-LGBT or anti-queer history that is, like I won't give them my money."

Similarly, another person explained her and her partner's giving as members of the LGBTQ+ community, "I think our giving is mostly based around queer organizations and queer people. So, I think it has a huge – a huge effect. We also don't give to people who are not LGBTQ supportive and [are] loud about that support."

The concepts of one's community, shared experiences of marginalization and stigmatization, and solidarity underpinned participants' philanthropy. As one participant recounted, "[I] experienced a lot of stigmatizations, that definitely compels me to empathize, that sort of queer LGBTQ plight just having my own personal experience in it." And another participant, who has just recently started to volunteer at a trans organization said, "My identity made me find that community to call home."

In the words of a participant, the unique kinship he felt among the LGBTQ+ community, was characterized by, "We (LGBTQ+ individuals) end up creating our own families outside of what we were born or adopted into and taking care of that family, whether we call it helping or mutual aid or whatever, becomes important to us."

While many populations engage in informal giving, the "it takes a village" mentality appears exceptionally strong among the LGBTQ+ community.

3. COVID-19 spurred people to give in new and more significant ways, but it also highlighted disparities among people disproportionately impacted by the pandemic.

The COVID-19 pandemic affected people's lives in numerous and significant ways. Likewise, the events of 2020 shifted how many donors think about philanthropy. In some cases, participants reconsidered their charitable decisions. Many felt compelled to give for the first time or give in more significant ways.

One participant explained, "I think that [the pandemic] made me want to give more just because I did start volunteering during COVID and I saw how many people were needy. And I was in a position where I have the help at home to get certain things that I need." For some donors, like many, the pandemic limited their ability to make monetary donations, as explained by another participant: "I also know that the pandemic, as much as I wanted to give more, it was more of a financial stressor on myself and so I have not been able to give as much as I've given in previous years."

While many donors made greater contributions to organizations supporting COVID-19 needs, one participant provided housing for a friend who lost their income due to the pandemic. A significant number of participants also supported people in need in less organized ways. A participant explained that they provided groceries, supplies, and other assistance when his ex-wife's boyfriend was hospitalized due to COVID-19.

4. Social and political changes, including those with increased media attention, can spur giving, at least in the short term.

The implications of social and political changes elicited perhaps the largest range of responses from participants. In the last two years alone, large movements have emerged in response to healthcare disparities, police brutality against Black communities, violence towards Asian Americans and Pacific Islanders, and the more recent Afghan refugee crisis. Still, some donors explained that their giving decisions don't change based on social or political events, but reflect a desire to help under-resourced communities. They expressed sentiments such as: "I, personally, feel like there's always a need for folks to have access to resources. It doesn't really matter who's in the White House, or you know, like, I think that some of those other items that you mentioned: COVID, Black Lives Matter as a movement gaining even more traction because it's not new, by any stretch of the imagination."

Others are significantly swayed. For instance, one of the participants had been moved to give in response to both the Afghan refugee crisis and protests in response to George Floyd's murder. This specific individual explained they specifically took note of how organizations responded to the peak of the racial unrest during the summer of 2020, which served as another form of accountability some donors look for from nonprofits. They explained, "There was a moment right when COVID was first hitting and companies were establishing their safety protocols, where [the] Black Lives Matter Movement was also peaking. And my organization-- the organization's lack of response to Black Lives Matter, but their speedy response to COVID-19, I guess made me feel like a sense of Black Lives Matter being purposely overlooked."

A participant who identified as part of the Asian American and Pacific Islanders' (AAPI) community, recounted how the pandemic and associated AAPI violence impacted their decision making: "A lot of restaurants and nonprofits weren't being frequented during the pandemic. There was a lot of vandalism. So, I gave to some organizations that I've been a part of that I felt like were good stewards and political protectors, for lack of a better word, of the neighborhood and all the challenges that it faces."

Several of the participants also referenced the significance of the 2016 and 2020 presidential elections in influencing their giving: "I would say social and political. If there's some kind of threat to choice, I will up my monthly donation. When my awareness of different trends and social and political things changed, so did my giving history, my giving patterns."

Discussion

The findings from our focus groups suggest that donors are shifting their charitable giving to focus on fewer organizations, particularly those with which they have a close relationship or prior connection. Donors also anticipated that they would increase their giving to local organizations and those with whom they have an existing or established relationship. In addition, the short-term perceived needs brought forth by the COVID-19 pandemic spurred greater local giving, and a greater desire to support informal groups, networks, and people within their communities.

Our research supports patterns found in existing philanthropic research. Prior research through field experiments suggests that priming a donor's identity based on a sense of community increased average gift amount by nearly five times [17]. This was particularly true for LGBTQ+ participants in our sample. Existing literature also suggests that donors strive to have the greatest possible impact through their giving [18], which is mirrored in our findings as the majority of the participants suggested that one of the reasons they want to focus their giving on fewer organizations is to have a greater impact by making strategic choices.

The social and political events of the past year had a significant influence on our participants' giving, causing a short-term increase, and filling a much-needed gap. The unequal effects of the COVID-19 pandemic shed light on long-existing inequities, prompting primarily white participants to acknowledge and reflect on their privilege. This led to a greater interest in addressing structural and systemic issues, such as racial inequity and injustices, poverty, and underfunding to the education and the arts. Donors reinforced the role that philanthropic giving plays in addressing the gap left by other sectors. Finally, the increased acknowledgment and importance placed on giving of time, efforts, and other non-financial forms of resources was another important aspect of this research.

With the onset of the pandemic, donors also shifted their giving towards areas they perceived as having the greatest and most immediate need for support. Previous research suggests that donors do have the flexibility in their moral budget to increase philanthropic gifts [18], which was primarily supported by participants' increased and immediate support of local causes, groups, and organizations in the short term. We are, however, not able to relate this to broader trends and changes in charitable giving as the unique circumstances of the global pandemic and its in-depth effects on charitable giving must be studied further.

Throughout the findings, the most prevalent theme is the significant role of previous and personal experiences and relationships in shaping giving decisions. Closely related to this theme was the dominant finding of donor intent and eagerness to engage in education and personal communication with nonprofit organizations. Many participants alluded that their evolving giving strategy will now include a need for demonstrated impact and education of needs from the organization, which in part was spurred by the giving changes and needs brought forth by the pandemic.

Finally, while the broader sample discussed religious, familial, and professional identities as having only a minor impact on their motivations for giving, the experiences of LGBTQ+ donors are an important contrast. Sexual orientation and gender identity influence which nonprofits LGBTQ+ donors support and explicitly choose not to support. LGBTQ+ donors also were active in unique forms of volunteering, like hosting benefit drag shows, and they participated in many kinds of informal giving. Many LGBTQ+ donors in our focus groups also gave in response to racial and ethnic injustices and displayed a sense of empathy and support to people who also experienced marginalization based on their identities [16].

Implications

Our focus groups highlight that people give to organizations to which they have a personal or prior connection, and this finding suggests that organizations should prioritize building relationships with current and potential donors. Building credibility through communal networks and word-of-mouth presents a good opportunity to increase giving, as participants repeatedly highlighted the importance of a prior contact or connection as a driver for giving. In the world of virtual and remote engagements, developing personal relationships might be challenging, but listening to and supporting members of the community that have social capital and are known to be pillars of the community is a good start [20].

The COVID-19 pandemic highlighted needs of immediate social circles and local communities more, while also crippling a lot of nonprofit organization's operations and services. The first report in this series highlighted the declining trend of charitable giving among US households, while our focus group research illuminated a challenge in recruiting non-donors. Our recruitment process for these focus groups suggested that including and engaging non-donors in charitable giving presents a challenge for nonprofit organizations. Even donors with a wide range of giving experiences primarily indicated that they are less likely to give if they have not seen a previous engagement, or record of impact, from an organization. However, there is an opportunity here to specifically understand the reasons why non-donors are increasingly not engaging in charitable giving, and what might motivate them to begin their giving or change their giving behavior. The unique circumstances of the pandemic certainly played a factor in how people view their acts of giving and help, as the crises that unfolded presented them more as necessary rather than voluntary.

For nonprofit organizations, a possible avenue to increase giving and be seen as an organization donors enjoy supporting is through establishing and cultivating a personal and consistent relationship with donors through volunteer opportunities, increased digital outreach, and integrating non-financial forms of giving and engagement such as board service, community forums, and town halls. This cultivation is especially important for small and mid-level donors, having already been widely practiced with major donors. In an increasingly virtual world, participants mentioned that social media and digital channels played an important role in visibility, education about perceived needs, and, ultimately, giving decisions. However, digital outreach must be coupled with a demonstrated record of impact and credibility as participants highlighted their caution around giving to nonprofits that engage in non-personalized asks and no record of impact.

The uncertain impacts of rapidly changing social and economic landscapes today provide both an opportunity and challenge for nonprofit organizations to evolve beyond traditional donor engagement and solicitation avenues [1]. Striking an appropriate balance between relating to donors' personal identities and capturing their contemporary experiences and values is crucial in building relationships with them. To adapt to the evolving focus and shifting strategies of the current and next generation of donors, we recommend that organizations go back to their internal drawing boards and amplify initiatives that cultivate a personal, informed, and consistent relationship with donors.

Limitations and Future Directions for Research

The purpose of the focus group research highlighted in this report is to get an in-depth understanding of the giving decisions of diverse groups. While our sample consists of diverse individuals, the sample size is limited and not representative of a larger donor population. Many of our participants had previous and wide ranges of giving experiences, so the perspectives of non-active or non-donors are limited in our findings. The broader trend of declining donors, highlighted in the first report in this series [1], explicitly highlights that there has been a decline in the charitable giving of American households. Regarding this explicit finding, our focus group research suggests that there has since been another change in the giving behavior of donors.

Our results from the focus groups primarily allude to correlations between participants' experiences and relationships and their decisions for charitable giving. While the nature of these correlations allowed us to better understand the various roles of different factors in people's prior and future giving, we cannot explicitly equate or apply our findings to the outcomes in people's charitable giving. This is particularly true for giving during the global COVID-19 pandemic, as the onset of the pandemic was sudden and disruptive to many people's economic and social lifestyles, which are factors known to affect charitable giving [2].

We saw an increase in charitable giving in the short term due to a greater perception of need across groups and communities. Our findings suggest that the disproportionate impact of the COVID-19 pandemic prompted charitable giving to increase in the short term, with a shift towards greater instances of non-financial forms of giving, and increased financial giving to local organizations and within personal networks. Participants also suggested a greater desire to see the direct impact of their charitable giving, especially due to the needs and economic conditions created by the pandemic. While the change in donor behavior is similar to the first report in this series, our ability to directly connect these two sets of findings is limited.

Future research through focus groups can provide the nuanced and personal context behind the giving behaviors of a large, diverse social group. The insights present in this report highlight opportunities for a variety of future research and focus group interactions grounded in the desired themes expressed by participants. The desire from participants for communication of impact, education of organizational needs, deeper donor engagement, and generating long-term impact through giving, is persistent across all focus groups.

Through an in-depth examination and analysis of donor intent and donor engagement, there are opportunities to explore different methods, channels, and initiatives to build consistent and informed relationships with donors. In a climate of shifting giving behavior, nonprofit organizations would greatly benefit by understanding which communication channel and frequency resonates most with donors' preferences. While donors expressed a desire for greater education, there are still opportunities to understand the level and extent of education and how much of it leads to charitable giving. This provides an opportunity to understand the type of education donors want to see. When it comes to communication channels and methods, a network analysis of how donors get information about an organization's impact and needs would help nonprofits assess their engagement and outreach strategies. Finally, understanding the types of impact donors from different groups see as important motivators for charitable giving would provide valuable insights on giving behavior of different donor groups.

Appendix

Focus Group Protocol Questions

Semi-structured

1) Let's begin with introductions.
    a) Please tell us your first name, and 1 or 2 of the recent charitable gifts you have made in the past year and why you made them.

2) How do you usually make decisions about charitable giving?
    a) What role do you (and/or others in your household) have in the decision of when, how much, and where to donate?
    b) What internal factors affect your giving behavior?
    c) What external factors affect your giving behavior?

3) How has your giving behavior changed over the past five to ten years?
    a) How many of these changes happened in 2020 because of COVID-19?

4) What role does your identity play in your donation decisions?

5) How have recent events such as the COVID-19 pandemic, racial equity movements, and/or political unrest affected your giving behavior?
    a) Did the events of 2020 change the way you think about philanthropy or charitable giving?
    b) In what ways did you support community needs in response to COVID-19 and/or the racial equity movements? This could include other forms of helping in addition to charitable giving, such as volunteering, providing direct support to friends or neighbors, peer-to-peer giving, etc.

6) How do you expect your giving behavior to change in the next five to ten years?
    a) What factors do you plan to take into account when making future donation decisions that you may not have considered in the past?

7) Is there anything else about your charitable giving or decision-making that you would like to share that we didn't ask about or that you didn't have a chance to add?

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