THE COMMISSION ON THE DONOR EXPERIENCE

How to demonstrate the difference made by donors' generosity

Project 19. Evidence of impact and effectiveness

Ben Russell and Susan Pinkney, April 2017

The original brief

This project will look at how charities can communicate their impact, what donors would like to see and how charities can show donors that their money is making a difference.

Giving to charity is an opportunity to do something worthwhile with your money and an opportunity to make a difference. Every donor's most pressing question is 'Will my gift be valued; will it make a difference?'. A donation is much, much more than a transaction. It is a gift borne out of concern for a cause, people's human desire to help achieve a charity's aims and the desire to help the people that charity supports.

This project will look at how charities can start building relationships with their supporters by communicating their successes, achievements and impact. It will look at what donors would like to see and how charities can show donors that their money makes a difference.

Including information about charities' work—their outputs, achievements and outcomes—can be a useful part of communications to donors. That does not mean being prescriptive about how we measure or describe our success, achievements and impact. Nor does it mean replacing other messages about the need for help, problems in the world and potential solutions.

It does mean responding to the apparent interest among donors to know more. Executives and trustees rightly feel responsible for maximising the funds available for delivering their charitable objectives. Faced with challenging targets and often armed with a highly sophisticated understanding of what motivates donors to give, fundraisers may rely on messaging that focuses on the need for more funds at the expense of redress for funds received. Leaders must weigh rising demand for impact evidence with immediate funding goals to ensure donors have the information they feel is needed to build a positive, long-term relationship with the charities they support.

We looked at evidence of what charity supporters would like to hear from the charities they support, and we carried our own polling to inform fundraisers and communicators. As well as asking what people would like, we also asked practical questions about how people would like to receive information and whether they were happy with the volume of communications they receive, which we hope will help charities get the balance right for their supporters.

After all, whenever someone receives a gift, it is only natural to say 'thank you', and it is only natural to say how a gift has made a difference to you.

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Summary

Actions to consider:

1. **Include some content about your achievements in follow-up messages to donors.** This may seem obvious, but it is crucial. Donors say they are interested in finding out more about what charities do and the difference they make. Other research shows that simple, human-scale and individual stories cut through, particularly when citing the voices of service users. Polling and focus group research finds that people express high levels of interest in finding out more about the impact of charities and the work they do. This represents an opportunity to connect with donors, build a relationship with them and take them on a journey.

   The desire for this kind of information is amplified amongst younger donors, where there is a real thirst for this type of information. This suggests that charities should test stories about their impact as an integral part of their wider communications to donors.

2. **Talk about more than the ask.** Some people tend to express irritation if they are asked for more after giving—although we do know that many people do give nonetheless. Some express the feeling that fundraising asks outweigh information about achievements. Of course, charities need to ask, but telling stories about work and achievements can help thank donors and build positive relationships.

3. **Easily understood, compelling and human stories of how charities help are likely to cut through.** People claim they would like to hear about who the charity helps, the overall impact of donations and how the charity helps. This chimes with experimental research that suggests simple human examples are the most effective, although it may be worth backing them up with the bigger picture.

4. **People say they prefer easily controlled communications.** When asked, email is clearly the means of communication that people prefer, followed by newsletters.

5. **Most people say they are satisfied with the level of communications they receive.** More communications is not necessarily needed. When asked, most people say the amount of communications they receive from the charities they support is about right. The key issue is to ensure that communications build positive relationships to support further engagement in the future.

6. **Test as you go.** Social experiments demonstrate that just showing an effectiveness score can be ineffective or negative. So mix up stories about your work and its outcomes with other approaches.

Key points:

1. **There are many ways to show your successes and achievements.** It is important to be clear about your objectives and how you are helping your supporters be part of that success. Everyone wants to be part of a success. People like to feel a sense of achievement; supporting charities and building a relationship with them can be a great way of doing that. The impact a charity makes on its beneficiaries is all part of that success.

   Of course, there is much debate about how to measure impact in charities. Measures range from simple feedback about people who have been helped or statistics about charities' activities to sophisticated metrics and social return on investment measures. Feedback on actions and results are useful. More detailed models can provide valuable evidence for sophisticated funders, information for evaluating work and be a good source of raw materials for telling a charity's story to different audiences.

2. **Talking about impact can have negative consequences, so testing is important.** Claimed and actual behaviour can often be quite different. Some experimental studies show that talking about impact in the wrong way can have little, or even negative, effect on people. It is very important to test messages and learn from experience.

3. **The differences between what donors say about impact and how they act does not diminish the need to communicate impact.** Some may conclude that because claimed and actual behaviour are not the same, polling of donor opinions can be ignored. However, the difference in stated preference and action points to a risk that must be averted. Demand for greater transparency on effectiveness is likely to grow and, unless we are able to incrementally change donor responses to information on impact through improved communication, donor trust may fall.

4. **Assessing and communicating impact can make organisations more effective at delivering their charitable objectives.** Measuring and communicating success and impact is about more than soliciting donations. We live in a world where people increasingly expect organisations to be accountable to stakeholder scrutiny. This trend cannot be ignored and early adopters will likely reap rewards in the long run. However, those rewards are not limited to fundraising. Impact measurement and transparency challenge organisations to improve, can reveal waste and lead to innovation.

5. **Communicating impact really matters.** The report clearly stresses that donors want to know more about the impact of their gifts, successes, achievements and any shortcomings that may be encountered. Donors want to see outcomes rather details. They are more interested in evidence of achievement than organisational information.

   So, fundraisers should work to satisfy the apparent interest among donors to know more and to have that information presented in the right way for them.
   a. Feedback on the impact of each gift is essential.
   b. It is no good waiting weeks to get back to a donor with that feedback.
   c. In a celebratory way, fundraisers should frequently remind donors of the difference they make.
   d. That feedback should be very good indeed.
   e. The charity sector should aspire to be famous for great feedback. Ken Burnett puts it like this: 'Fundraisers should aspire to the 5 Fs – to be ***famous for frequent, fast, fabulous feedback***.'

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6. **Get the balance right.** Whenever someone receives a gift, it is only natural to say 'thank you', and it is only natural to say how a gift has made a difference to you. The project urges charities to get the balance right and show fundraisers how to do it.

7. **Include everyone in your feedback.** One in five donors complain that they do not hear from a charity after they have given a gift. Always say 'thank you' and always give a gift. Recognize too that another one in five donors would prefer not to hear from you again. So offer those donors a clear and easy way to make further communication choices, including a full opt-out if that is what they wish.

8. **Develop appropriate metrics.** Focusing on overheads or fundraising costs creates a perverse incentive for charities to avoid investment, risk and innovation. (Can the authors enlarge on the consequences and remedy for this?). EG. Charities must, therefore, put more attention into explaining how they work and why.

9. **Telling our stories better.** Public perceptions of charity impact are far worse than the realities. Essential expenditure on activities, such as admin and fundraising, are also lower than the public believes. There are good stories here.

10. **Do not always ask for money.** Many people feel that the fear of being inundated with requests for more money prevents them from giving. There is a tension between the desire to know more and worry that a donation will lead to many requests for more money, which donors identify as a real barrier to giving. So, with your feedback, provide reassurance that the donor's gift is always appreciated.

11. **Understand your donors.** Even when charities believe they are telling a story about what they do, they also are asking for money. The donor may focus solely on the latter. So, present your stories with this in mind.

12. **Provide easy to grasp examples.** Donors are unlikely to have conducted research before donating, so good examples of achievements will be particularly important at the start of your relationship.

13. **Mitigate 'annoyance' and 'awkwardness'.** These are words donors use to express how they feel when asked for money.

14. **Take care with language and how you use emotion.** See the Commission on the Donor Experience (CDE) project one for guidance on the complex subject of language and CDE project 6 on the use and misuse of emotion.

15. **Recognise that charity communications are not just about reporting on fundraising impact.** They also build trust and relationships, educate people about the cause, provide information and advice, and directly impact the cause itself.

The approach

One of the pressing questions from donors is 'Will my gift be valued? Will it be successful? Will it make a difference?' As one of the strands of the CDE work, this project looks at what donors would like to see and attempts to give insight into how charities can show donors that their money makes a difference.

What is clear is that this matters. Research over the past months confirms that unease about some fundraising tactics, as well as the frequency and tone of some fundraising communications, is a source of concern, among at least part of the donating public.

Without strong evidence of impact, people can search for proxies to indicate the effectiveness of charities, such as using overheads as a measure of charity 'efficiency' or saying that X pence in the pound 'goes directly to the cause'. In the US, Dan Pallotta has made a strong case against the use of low administrative overheads as a measure of charity effectiveness. He argues that focusing on overheads or fundraising costs creates a perverse incentive for charities to avoid investment, risk and innovation. However, in the absence of more appropriate metrics, donors may gravitate to these simplistic measures. The reliance on data about overhead costs has not only created a false and unhelpful distinction between operational costs and charitable spending, but also it can fuel cynicism amongst donors about such costs.

There is a big question here about how charities should help people better understand how they work. Explaining how charities spend their money and what they spend it on is part of that—but always link the cause and the results people want to see, showing how all parts of your organisation have a purpose. Certainly, the research suggests that people accept that charities need to spend something on fundraising and something on their organisation.

In the UK, there appears to be a disconnect between perceptions of overhead of fundraising costs and the true figure. At Charities Aid Foundation (CAF), we looked at this back in 2011. Our polling suggested that people perceived it costing a charity 42 pence to raise £1 in income. By contrast, figures from the time showed the actual average cost of raising £1 was only 12 pence. On this, charities have a good story to tell and are in a good position to give a sensible explanation of how they work and why it is important for them to achieve their mission—which, of course, is central to why donors are moved to support them in the first place.

More recent work by nfpSynergy told a similar story. On average, people thought that 37% of charity income went on 'admin', 26% went on fundraising and 38% went to the cause[1]—again, far away from the estimates of what charities actually spend. It is clearly very difficult to separate 'overheads' from essential support work that helps deliver a charity's mission: governance, fundraising, IT, HR and so forth, all ultimately contributing to services. The story about President Kennedy asking a janitor at NASA what he was doing only to be told 'I'm helping put a man on the moon' might be a bit of a cliché, but it does describe well how the various bits of charities can make a difference even if they are mundane. Of course, that is no excuse to waste money or be inefficient. Either way, charities should be able to answer questions about their operations, and have evidence—whether systematic or anecdotal—that shows the money they receive in donations does actually make a difference to their chosen cause.

It is certainly the case that people say they would like to hear information about the charities they support. The publicly available research on how donors perceive the communications they receive from charities can give contradictory signals. Polling at CAF carried out last year

[1] http://nfpsynergy.net/press-release/public-thinks-charity-spending-admin-more-double-their-acceptable-level

showed that four in five people (81%) say it is important that they receive some form of communication from a charity after making a donation.[2]

Evidence about how a charity has an impact was most likely to be valued by people, with 68% of respondents agreeing this was important. Identifying how an individual donation had been spent was seen as important by 54%.

That chimes with work carried out by New Philanthropy Capital (NPC) for their *Money for Good* report,[3] which found that how an organisation will use a donation and evidence that an organisation was having an impact were ranked as the top factors influencing donations among mainstream donors, with 63% of donors paying close or extremely close attention.

However, there is a tension between this desire to know more and the worry that a donation will simply lead to many requests for more money—something that donors identify as a real barrier to giving. Previous market research we conducted in 2012 found that many people feel that the fear of being inundated with requests for more money prevents them from giving.

In the spring of 2016, CAF conducted six focus groups across England amongst charity donors (both current and lapsed) to find out how they perceived and interacted with charity. As part of this research, respondents spoke about good examples of charities and how they currently receive and would like to receive information from charities. To follow up this research and support the CDE, in July 2016 we then conducted quantitative research amongst a general public sample[4] of those who have donated to charity in the last year to test some of the hypotheses from the qualitative research. We are very grateful in particular to Ceri Edwards and Dan Fluskey from the Institute of Fundraising (IOF), who provided feedback on our questionnaire.

Of course, polling and focus group research can only take us so far: people can only tell us what they think at the time and their reactions in practice may well differ. We have reviewed some of the academic experimental work to compare to the polling.

Whilst more research and testing would undoubtedly be useful, this project attempted to gain some greater insight into donors' preferences with the hope this will act as a starting point and help inform fundraisers and communicators in charities.

By studying the preferences of donors, we have been able to offer some useful insights about their stated preferences. However, it is a complicated picture and there may be some disconnect between claimed and actual behaviour. For example, studies have shown that some donors actually give less when presented with information about the impact of their donations, with researchers suggesting a variety of different psychological factors at play to explain this. We look at this in more detail below.[5,6]

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[2] https://www.cafonline.org/about-us/media-office/charities-keep-donors-informed

[3] http://www.thinknpc.org/publications/money-for-good-uk/

[4] The survey was conducted via a CAF survey conducted online by YouGov between 20 July and 29 July 2016. Six hundred and forty interviews were conducted amongst those who donate to charity. The sample is nationally representative and is weighted to known population data on demographics, including age, sex, social class, working status and region.

[5] Butera, E. & Horn, J. (2014) Good News, Bad News, and Social Image: The Market for *Charitable Giving*. Interdisciplinary Center for Economic Science. George Mason University.

[6] Eckel, C., Phillip, J. & Milano, A. (2007) Is more information always better? An experimental study of charitable giving and Hurricane Katrina. *Southern Economic Journal*. 74(2), 388–411.

If we are to meet the demands of donors whilst ensuring this does not negatively affect donations, it is imperative that we continue to study donor preferences and behaviour to tailor the way charities communicate as fundraisers to find sustainable solutions.

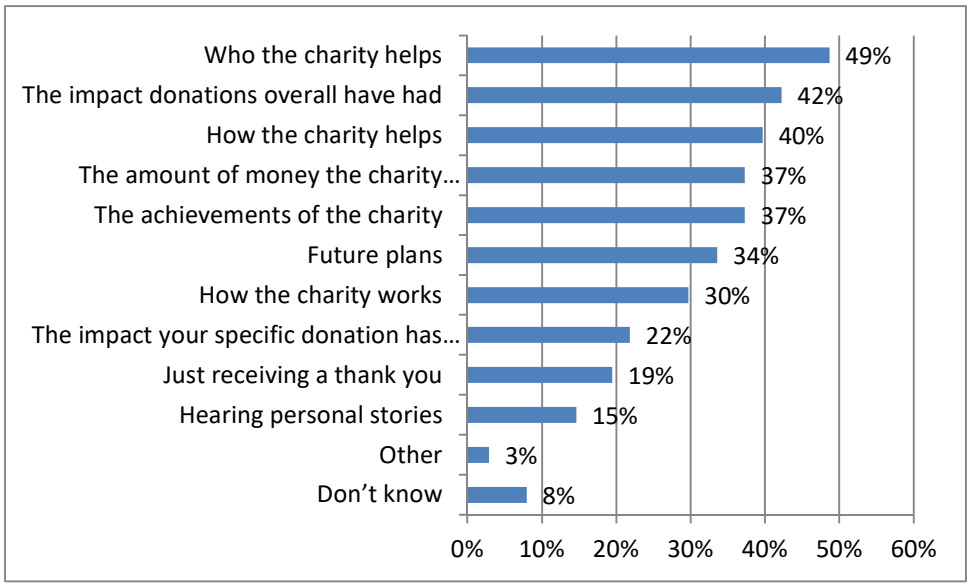
Putting the principles and actions into practice

Include some content about your achievements in follow-up messages to donors:

There is no one-size-fits-all approach here. Just as there are many different ways of articulating success, achievements and impact (and many specialists in this area), so there are many types and sizes of charity for whom different measures will be useful (and practical). However, in both focus groups and subsequent polling, we found people's stated desire to know more about what charities achieve is strong.

Respondents were shown a list of types of information they could receive from charities and asked to select up to five types of information they would like to receive. The main types selected were the ones that demonstrate impact in some way.

When receiving information from charities, what specific things would you most like to hear about? Please select up to 5 options. Base: 640 (all those who donate to charity).



'Who the charity helps' comes out on top of the things people would like to hear (49%), followed by 'the impact donations overall have had' (42%) and 'how the charity helps' (40%). Although only just over a fifth (22%) would like to hear about the 'impact your specific donation has...', we see some differences amongst the younger age group on this, with 40% of 16–24 year olds wanting to hear about this. Interestingly, 16–24 year olds are also more likely to say they would like to receive a 'thank you' from the charities they support (38%), despite only 19% overall saying this.

This question is difficult to unpick, but broadly chimes with our qualitative findings, which showed that people want tangible examples: they want to see outcomes rather detail and they are more interested in evidence of achievement than organisational information. We were

surprised that the idea of hearing personal stories was not ranked more highly, but suspect that reflects people's desire to see some concrete evidence of progress.

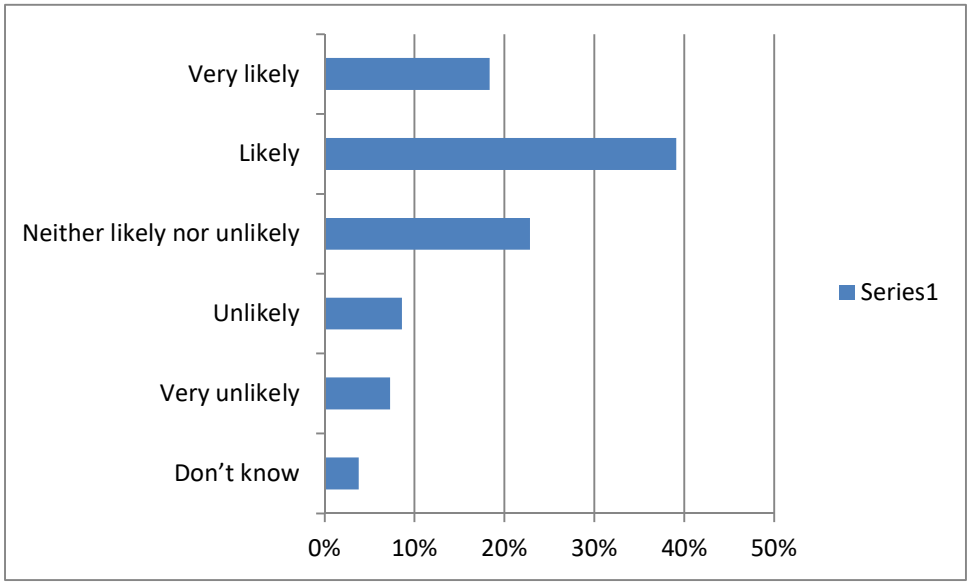
This chimes with NPC's work in their *Money for Good UK* report, which found that how an organisation will use a donation and evidence that an organisation has an impact were ranked as the top factors influencing donations among mainstream donors, with 63% of donors paying close or extremely close attention.

However, there is a tension between this desire to know more and worry that a donation will simply lead to many requests for more money—something that donors identify as a real barrier to giving. Previous market research conducted in 2012 found that many people feel that the fear of being inundated with requests for more money is a barrier to giving. Therefore, communications could be more about success than simply asking for a transaction.

Similar findings emerge from recent survey work by nfpSynergy. When asked what are the main factors that would influence you to give to charity, the most popular answer was 'the charity is clear about what the donations are spent on' (56%) followed by 'learning about the impact the charity has' (47%).[7]

In our survey, respondents were asked directly on impact. The chart below shows how likely they would be to look at data on the impact of the charities they support on their website.

If data was available on the impact of the charities you support and was accessible via their website, how likely would you be to look at it? Base: 640 (all those who donate to charity).



Almost three in five (57%) said they would be 'likely' to look at impact data on charities on their websites. However, the strength of likelihood is not overly strong, with 18% 'very likely' to do so. Although this may have some appeal, a more thorough investigation would need to be done to see whether or not it would in fact be a good use of resources to invest in this.

[7] https://www.civilsociety.co.uk/fundraising/report-charity-is-run-entirely-by-volunteers-the-largest-factor-in-public-confidence.html

It is, however, important to bear in mind that claimed preference and actual behaviour could differ. Within this, there is clearly a need for transparency about spending and an idea of achievement to some degree.

Talk about more than the ask

It was clear from the qualitative research that donors are really unhappy when they *perceive* that they are simply being asked for money from charities. It was not clear what sort of communications charities sent, but people in the groups said they *felt* they were frequently asked for money. That suggests they feel communications are dominated by fundraising asks, even if that is not the intention. It was also clear that even when charities believe they are telling a story about what they do, in addition to asking for money, the donor will focus solely on the latter.

There were concerns from our qualitative focus groups about where the donations actually go. Questions arose, such as 'How much of the money gets through to the end user?' and there was generally felt to be a lack of charities providing evidence of how end-users have been helped. 'What impact did my donation actually have?' was another key issue raised in the focus groups. For those in the focus groups outside of London, there was a perception that local and smaller charities made it easier to see tangible evidence of the work they do locally. For example, people could actually see the facilities or initiatives they raised funds for.

There were a small number of donors who received communications from charities to inform them of work that has been done. In these cases, donors were very satisfied, as it was perceived to consolidate their relationship with the charity and make them feel part of something. It was regarded that some charities are doing well with cementing the relationships with donors through effective communication: cementing their success and building relationships clearly added value.

An older respondent in London remarked, 'You're putting your faith and trust in where that money is going to. Every charity is a business...your trusting the people who have been put in place...that they will put your money where they believe is best.'

Another older respect in North West noted that 'It does a breakdown of where your money has gone. They had a breakthrough recently in dementia and I found out about that before it was on the news. That was good.'

Donors in the focus groups did not specifically ask for detailed cost-benefit analysis of the charities they supported. However, there was definite interest in charities having facts and figures available to show what they achieved.

People were unlikely to have conducted research before donating and had not searched out impact reports; they were most animated about charities which produced tangible, human and concrete examples of their work having an effect. This suggests communication about activity or results should be based on easy to grasp examples, but backed by some statistics or evidence that are part of a bigger picture.

Needless to say, as with all communications, it is important that any examples are accurate and give a true picture of a charity's work.

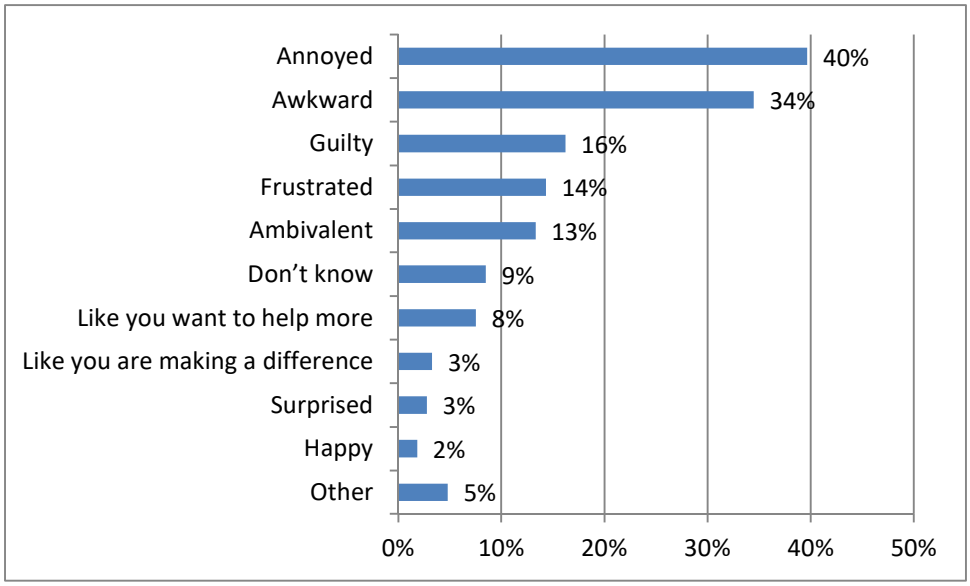
Rightly or wrongly, there was a perception that charities think about the monetary donation rather than the person making the donation. There was a strong feeling that this is the wrong way around and that a greater respect for donors is required. Again, this suggests that combining an ask with a 'thank you' or some feedback about actions taken by the charity may help donors feel respected and valued.

A younger respondent from London commented 'Hounding – X charity I was donating to every month... and every 5 minutes they were asking me for more money and it just felt like they were trying to make me feel guilty. And that's why I cancelled in the end.'

An older respondent in London noted that 'If you tell me all the good things you do and intend to do and prove that you do it reliably and ethically then I'll give. If I hear stories about chuggers and putting pressure on old ladies then I'm not going to.'

During our quantitative research, we asked respondents to choose from a list of descriptors of how they would feel if a charity asked for more money.

If a charity asks you for more money, how does that generally make you feel? Please select all that apply. Base: 640 (all those who donate to charity).



Overwhelmingly, negative descriptors are endorsed on how respondents feel when asked for money by a charity. Two words score much higher than any other: annoyed (40%) and awkward (34%). There is then quite a drop to the next highest word: guilty (16%) and frustrated (14%). The highest level for a positive word or phrase was 'Like you want to help more', but this was chosen by fewer than one in ten (8%).

This may be unsurprising, given the volume of negative media coverage about fundraising over the past year. It may also be a reaction to the phrasing of the question, namely, asking how people feel when they are asked for more money. Culturally, British people tend not to like talking about money, or their giving, so that may feed the stated annoyance at fundraising asks. However, the contrast between this finding and the positive sentiment around charities' impact suggests there is a case for shifting the emphasis to achievements and progress in fundraising communications.

Easily understood, compelling and if possible human stories of how charities help are most likely to cut through

In many ways, this is a watchword of communicators. As Mother Theresa said, 'If I look at the mass I will never act. If I look at the one, I will.'[8] However, there is a strong argument for balance: a human story should accompany statistics about impact and figures should accompany a human story.

That neatly sums up the balance between providing human-scale examples and potentially dry figures.

Psychological data seems to support this: the more specific and human an example, the more it resonates. Telling donors how the charity's work has improved the life of one girl will be more effective than telling them how the charity's work has improved the life of a whole village. Similarly, a study by Tehila Kogut and Ilana Ritov suggests that people are more likely to help individuals if they are perceived to be close to their own 'in-group', suggesting that individual stories of impact will resonate if donors can clearly relate to them.[9]

A good example of this approach is SolarAid, which took surveys of beneficiaries and an analysis of the overall cost to the organisation of providing each solar light to produce a highly compelling calculator linking donations and outputs—the number of lights provided—to human outcomes. The calculator allowed donors to see, for example, how many hours of extra study or homework a light allowed, turning a donation into a tangible item of use to people and giving an everyday human-scale example of how that helped. This information was shareable, allowing donors to become advocates for the organisation on social media.

The voice of service users can be really helpful here. Recent work by NPC outlines how charities can incorporate the voice of their users in planning, service improvement and evaluation.[10] There is a clear opportunity to use service feedback and users' stories to help articulate both the outputs of charitable work and its impact.

Another good example is Cancer Research UK online, which very clearly outlines the wealth of research projects the organisation is funding, broken down by type of cancer and type of research. Web pages give examples of people involved in trials and case studies of the medical practitioners leading the work. This is not labelled as impact measurement as such, but gives a clear view of the types of work the organisation is doing.

Certainly, the clear anecdotal view of charities that helped with case studies was that donors appreciated an element of feedback and liked a clear personal story. For example, the Catholic Agency for Overseas Development (CAFOD) had high levels of feedback when it included personal stories of volunteers working on the front line of the refugee crisis in its regular magazine to supporters.

You also can see this in major campaigns. After the ice bucket challenge phenomena, motor neurone disease charities successfully provided clear feedback on what the money raised was spent on. That clearly yielded some very positive media coverage, which helped convey the

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[8] Slovic, P. (2007) 'If I look at the mass I will never act': Psychic numbing and genocide. *Judgment and Decision Making*. 2(2), 79–95.
[9] Kogut, T. & Ritov, I. (2007) 'One of us': Outstanding willingness to help save a single identified compatriot. *Organizational Behavior and Human Decision Processes*. 104(2), 150–157.
[10] http://www.thinknpc.org/publications/user-voice-putting-people-at-the-heart-of-impact-practice/

message that the charities involved had taken action as a result of an unexpected fundraising event.[11]

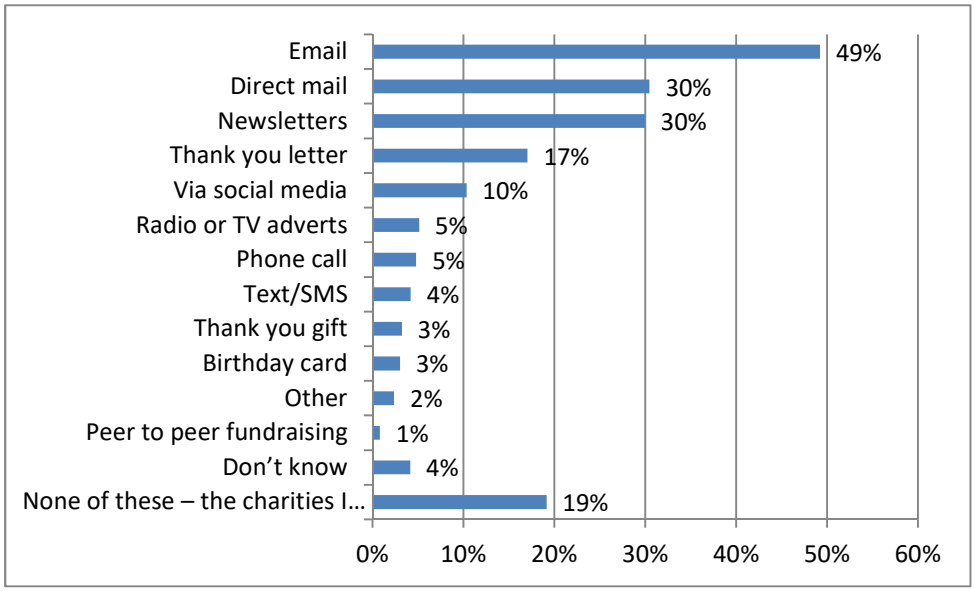
The Marie Curie impact report also gives a great combination of images, human stories and statistics to back them up. So for example, quotes from their nurses about their work are juxtaposed with survey ratings, saying that 93% of people rated their nursing and hospice services as very good—the highest possible ratings. The report also quotes the families of people who benefitted from the charity's services, telling their stories, alongside statistics about the volume of their work.

People say they prefer email, direct mail and newsletters communications

When asked, email is clearly the means of communication that people said they preferred, followed by direct mail and newsletters.

Another aim of this research was to find out how people believe charities currently communicate with them. The chart below shows the various means in which respondents think the charities they support currently communicate with them.

In which ways, if any, do the charities you support currently communicate with you? Please select all that apply. Base: 640 (all those who donate to charity).



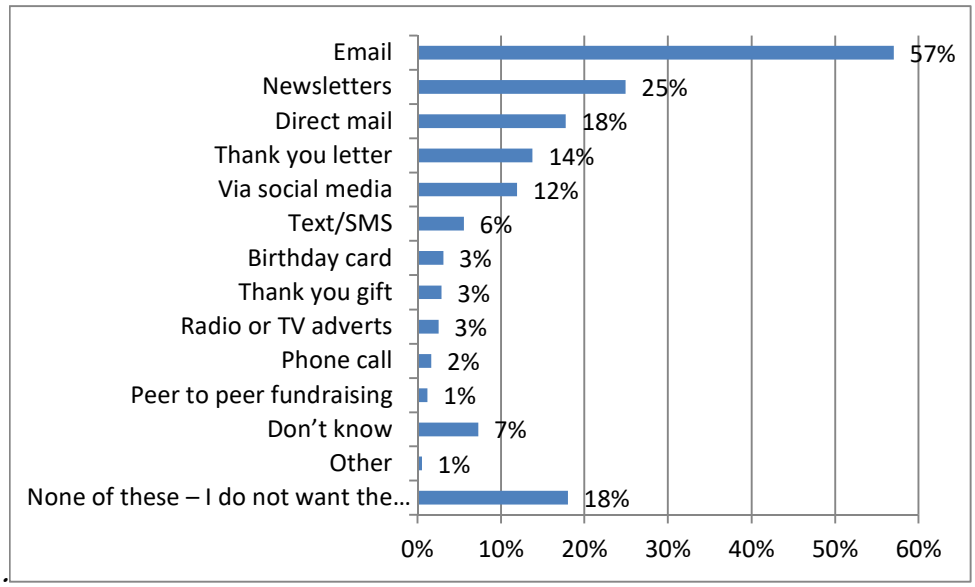
The main source of current communication cited was email, which around half (49%) receive communication via. This was followed by around a third mentioning each of direct mail (30%) and email (30%). With the exception of social media (10%), all of the communication channels mentioned by more than one in ten were direct contact methods. One in five (19%), a sizeable minority, also claimed the charities they support do not communicate with them, which may explain the levels of those saying they currently do not receive enough information on some of the aspects. It is, perhaps, surprising that nearly one in five said they did not get any

[11] https://www.theguardian.com/science/2016/jul/27/how-the-ice-bucket-challenge-led-to-an-als-research-breakthrough

communication from charities, although it is possible they simply did not recall having been contacted, say by direct mail or email.

Shown the same list, respondents were then asked how they would like the charities they support to communicate with them, and asked to pick up to five methods.

And how would you most like the charities you support to communicate with you? Please select up to 5 options. Base: 640 (all those who donate to charity)

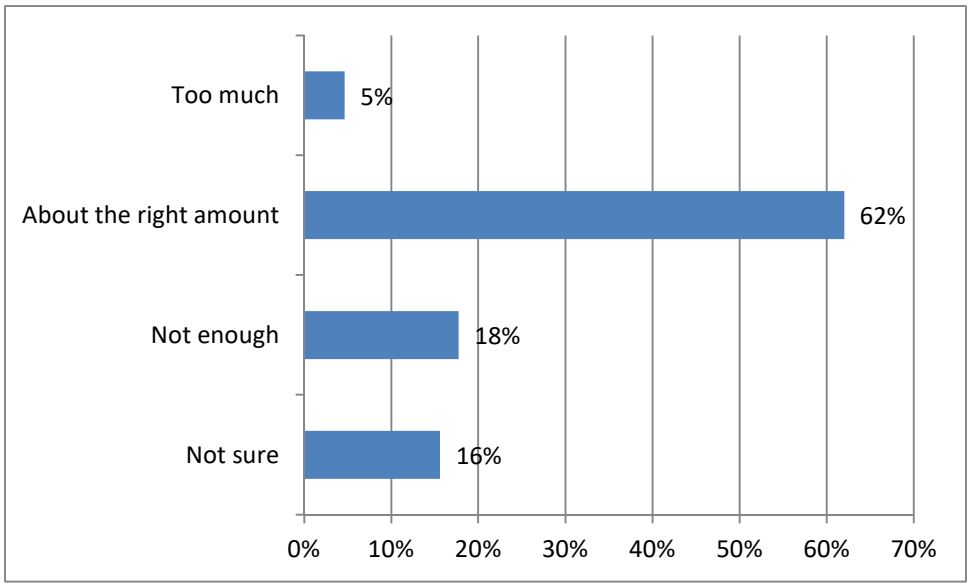


By far, the most desired method of contact was email (57%), followed by newsletters (25%) and direct mail (18%). It is reassuring that these are also the top three ways in which respondents are currently communicated with. However, it would appear from the difference in the levels between the two questions that fundraisers may be underusing email and overusing direct mail in particular, in respondents' eyes. Just under a fifth (18%) said they did not want communication.

Most people say they are satisfied with the level of communications they receive

We asked about the updates they received on the work of charities they support. The results are shown below.

In general, how much information do you currently receive from the charities you support once you have donated to them? On updates on their work. Base: 640 (all those who donate to charity).

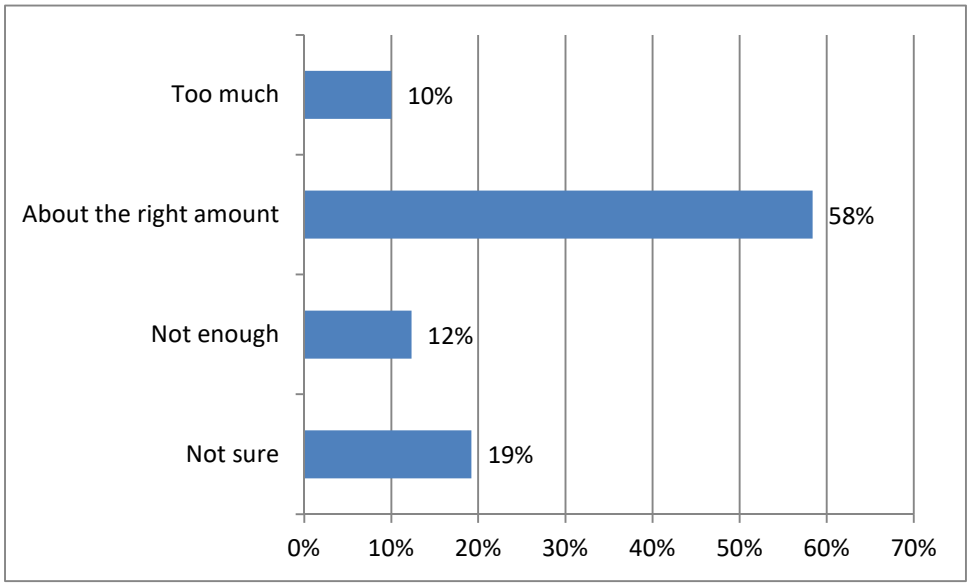


Donors are generally more happy with the amount of information updates they receive on the charities' work, with 62% saying they receive about the right amount and 5% saying they receive too much. However, almost one in five (18%) believe they do not receive enough information on this aspect. There is a very similar pattern in terms of age, to that seen on how the charities spend the money they donate, with 28% of 16–24s saying they do not receive enough information.

Do donors feel they get enough information about new charity campaigns?

The final aspect asked in terms of information received relating to new campaigns.

In general, how much information do you currently receive from the charities you support once you have donated to them? On new campaigns. Base: 640 (all those who donate to charity).

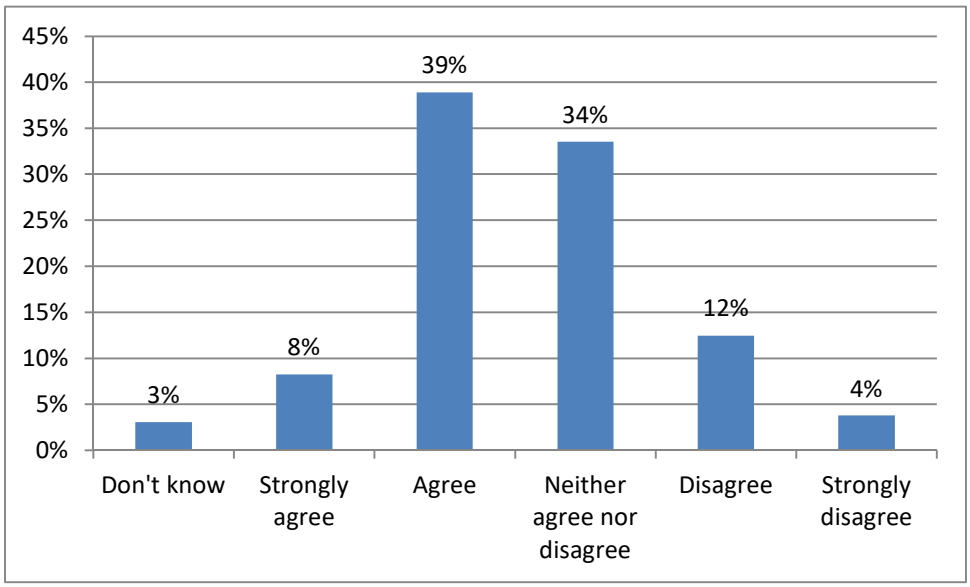


Of all four issues we asked about, donors were the most likely to believe they receive about the right amount of information about new campaigns, with one in 10 donors saying they received 'too much' information. This question also produced the lowest proportion of people saying they received 'not enough' information.

Of course, 58% of people thought the information they received was about right and a relatively small proportion wanted more. There may be issues with the term 'campaigns', which could raise associations with advertising or lobbying activity. Certainly, this would not suggest that more communications is required.

One of our aims was to get a broad sense of whether people wanted charities to get in touch with them. So respondents were asked, on a 5-point Likert scale, how much they agreed or disagreed that '*I want charities I support to communicate with me from time to time.*'

To what extent do you agree or disagree with the following statement? 'I want charities I support to communicate with me from time to time.' Base: 640 (all those who donate to charity).



Almost half (47%) agreed with the statement '*I want charities I support to communicate with me from time to time*'. However, there is not a huge amount of strength of opinion within this, with only 8% agreeing strongly and a third (34%) neither agreeing nor disagreeing. On the whole, though, with only 16% disagreeing with this statement, it would appear the majority do want to receive communications. Although not significantly higher, there is a higher percentage of 16–24 year olds agreeing with this statement. This further supports the figures seen on earlier questions, which suggests this age group in particular does want more information on certain aspects.

Test as you go

Surveys give us an idea of claimed behaviour while actual behaviour can be different in practice. Just as it is not completely clear from the academic experiments what the effect is of giving information about charity effectiveness ranking, so it is not clear that donors' stated preferences in surveys reflects their behaviours in practice.

The principle of A/B testing is well understood in marketing and should be applied to various approaches to inform what works best for individual charity audiences: human stories, statistics about activity, anecdotal reports about outcomes and so forth.

The Behavioural Insights Unit has produced very useful guidance on setting up trials—*Test, Learn, Adapt*[12]—that shows how trials can operate. This research on behavioural insights and charitable giving shows very clearly how simple changes in language can make profound differences to donation and sign up rates.

[12] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62529/TLA-1906126.pdf

One of the key messages from the Behavioural Insights Unit's research is that very small changes in language can have a big effect on people's responses. A donation is much more than a transaction—and the relationship between donor and charity is much more than that between gift and recipient. It is an opportunity for a donor to do something great and achieve something—in effect, to make something better.

You can see some of this in the Behavioural Insights Unit's work on charitable giving. Small changes in language, such as inviting people to think about favourite causes rather than simply asking for a donation, made big differences to the numbers giving. Will writers in one trial found people were three times as likely to write a charity legacy into their will if they were asked about the causes they support, than if they were simply asked if they would like to leave a legacy. See CDE project 1 for guidance on the complex subject of the use and misuse of language.

We did not have the opportunity to test different messages about achievements and impact in this way. The Behavioural Insights Unit's research does suggest that small changes in the way we talk about the success of a charity, the way it affects its chosen cause and the impact it makes could have big effects. So it is important to keep in touch with donors, monitor responses to different messages and be prepared to adapt and learn.

Things to think about

There are many ways of showing impact and it is important to be clear about your objectives

In its simplest sense, communicating impact is telling donors what their donation achieved and giving an idea of progress towards the end result.

There are many ways of measuring impact, which may be appropriate for different circumstances. They could range from a human example of how an organisation helped one person change their life to surveys of beneficiaries, or from statistics. It is unlikely that there will ever be a single right answer. See CDE project 6 on the use and misuse of emotion.

A cross-sector guide to the principles of impact reporting provides a useful guide to the key elements that impact measurement, which should include:

- Clear purpose
- Defined aims
- Coherent activities
- Demonstrated results
- Evidence
- Lessons learned

In communications terms, these principles tend to lead to simple rules: say what you want to achieve, say what you did, say what the results were, give some evidence of the results and be open about any lessons. On top of this, any communications surely should also be interesting, human, easy to grasp and informative.

Both outputs and outcomes can help tell those stories, although as Tris Lumley of NPC sensibly argues, numbers should accompany human examples and human examples should accompany numbers.

Social return on investment models can provide a way of attaching monetary values or other metrics of the outcomes of charity work. That sort of analysis can be hugely beneficial for

institutional or corporate funders who need comparable statistics to report on and evaluate funding programmes. They can also be a powerful tool for organisations evaluating their own work of seeking new funding streams. Our research suggested that people liked the idea of hard statistical information showing what a charity delivers and what it achieves. However, they said they were unlikely to search for that information, suggesting that they may find a storytelling approach more accessible.

It is beyond the scope of this paper to evaluate the technical merits of various impact reporting methodologies; instead, it focuses on general principles of how people claim they would like to hear about how their donations made a difference.

The key question to answer is what information would be proportionate—and useful—for different groups. While a full-scale social return on investment analysis may be useful, or indeed essential for large institutional or corporate funders to evaluate grantmaking and their overall effectiveness, for a general public audience it may be more appropriate to tell stories and give examples.

From a practical point of view, it appears more useful—in the short run at least—to have a conversation with donors about the difference a charity makes, rather than insisting on a particular methodology.

Talking about impact can have negative consequences so testing is important

Experimental studies have cast doubt on the effectiveness of talking to donors about charities, suggesting that explaining impact can have a neutral or a negative effect on future donations.

Instinctively, we know that it is right to say 'thank you' for a gift, and we know it is polite to say what you did with that gift—this is something engrained in all of us from an early age. We also instinctively know that people like being thanked and they like some human feedback.

So much is simple, but there are lessons beyond this basic point. Experimental studies carried out in the US looked at donors who were shown some independent verification of a charity's work, such as a statement that it was scientifically verified or that it rated highly on a site such as Charity Navigator. The presence of the ratings made little or no difference to donations, although in one study large donors gave more, but smaller donors giving less offset that. A third study resulted in falling donations overall if people were shown Charity Navigator ratings.[13] Of course, that may be more a factor to do with the ratings than talking about impact and achievements, but it does suggest that simply talking about an overall charity 'score' or rating will not be effective.

The differences between what donors say about impact and how they act does not diminish the need to communicate impact

There are practical problems with claimed behaviour, laboratory-style experimentation and anecdotal stories about 'best practice' as ways to tell us how best to act.

Polling, such as that carried out for this paper, and the other quantitative studies mentioned here, tell us what people *say* they think and feel. They attempt to predict how people behave, by asking them in advance, but they do not predict what people will actually do when faced with any given situation; in other words, 'actual' behaviour. Social desirability can have an impact on claimed behaviour, albeit subconsciously.

[13] https://giving-evidence.com/2015/01/30/donor-impact/

There are all sorts of examples of this: 'shy' voters in elections and the fact that people complain about fundraising yet still give all suggest we need to treat stated preferences with caution. Some argue that it is false—dangerous even—to look at survey evidence, draw conclusions and act on them.

We need to be very clear about what the polling tells us and what it does not.

Repeated market research shows that donors *say* they are interested in finding out about impact and achievements of charities. They also rank it highly when given a list of things they might be told by charities to which they donate. So we know that people claim to be interested in this subject when asked.

We know that people say they like to be thanked after making a donation and receive some feedback. Polling by GfK NOP, commissioned by CAF in 2015,[14] found that evidence about how a charity has an impact was most likely to be valued by people, with 68% of respondents agreeing this was important. Regular updates on the charity's work were seen as important by 57%. Identifying how an individual donation had been spent was seen as important by 54%. A standard 'thank you' was regarded as important by 48% and a personalised 'thank you' was seen as important by 39%.

This does not tell us whether people would give more or less if they actually got the 'thank you' or the feedback. However, it does tell us that to some extent they care about the issue—and it produces a compelling signal that it would seem unwise to ignore.

It would be wrong to ignore these signals in a world where people are demanding more transparency and more accountability from all institutions. In a 'post-fact' world, where people may be motivated by emotion and belief rather than by cold evidence, it would seem sensible to start providing people with reasons to believe in our work, rather than kept them waiting.

Perhaps it is best to look at feedback on achievements as a hygiene factor, an investment in long-term relationships that might not yield donations today but might earn charities their continued right to speak—and right to ask—in the long term.

Measuring and communicating impact is about more than soliciting donations

We need to be clear about our aims here. One is to ensure people continue to give: to encourage the spirit of generosity that makes Britain one of the most charitable countries in the world. So building trusting relationships that last is extremely important. Giving money is a very important part of that relationship, as are volunteering, advocacy and building support for a cause, among others.

That is not the only purpose of charity communications, however. Charity comms build trust and relationships, they educate people about the cause, they provide information and advice, and they have a direct impact on the cause itself.

The same goes for setting objectives, measuring outputs, outcomes and learning lessons.

The benefits and techniques of impact measurement go far beyond the remit of this paper. It seems only sensible for an organisation to set out what it aims to achieve, work out if it is actually doing that, and learn from its successes and failures.

[14] https://www.cafonline.org/about-us/media-office/charities-keep-donors-informed

Measuring and describing what a charity does, and the effect of its activities on its beneficiaries, can improve services, lead to new services, help build bonds with stakeholders, create long-term trust and produce donations in the short term.

Links across CDE projects

Case studies

Accurately measuring the overall impact of a charity can be difficult, and can be particularly tricky to explain simply.

SolarAid found a compelling way of describing the way donations allowed them to produce outputs, and how that in turn translated into a positive effect for people.

SolarAid aims to combat poverty and climate change by providing solar-powered lights so families in Africa can earn, learn and feel safe after dark instead of using dangerous and costly kerosene lamps.

Their impact team came up with a simple measure that showed the charity was able to supply a solar light at a fair market price in Africa for every £3 donated, taking into account all their costs from fundraising to operations. Because costs have fallen with scale, the charity was able to show how that the cost per light has come down over time.

Then, using research with beneficiaries, the team looked at the impact of lights on families. As such, they were able to show that one solar light benefits six people, leads to one hour's extra study each night, savings of $70 a year and averts over 200kg of CO2 a year.

The fundraising team put this to good use, creating a calculator that linked donations to lights, financial savings, extra study time and so on. That simple information allowed them to thank donors, give a real and immediate idea of impact, and create great material for donors and supporters to share on social media.

Richard Turner, former head of fundraising with SolarAid, says

i

Questor Insurance
@QuestorIns

Follow

Find out more about the impact we have made to @SolarAid over the last 3 years #light #solar

1:20 PM - 11 Oct 2015

CAFOD launched a refugee crisis fundraising appeal in September 2015 in response to the refugee crisis in Europe.

As part of its feedback to supporters, CAFOD included an article about the impact its partners had made working on the Greek island of Lesbos, as well as other areas of the world in the January 2016 edition of Side by Side magazine, CAFOD's in-house print publication, sent to 90,000 supporters three times per year.

The piece included details of CAFOD's work on the frontline of the migration crisis, talking to volunteers about working with the charity's partners on the ground with desperate people arriving on the shores of the Greek island of Lesbos last year. It included details about the £2 cost of a food package for a refugee in Greece, £15 for a sleeping bag and £22 for a package of emergency supplies for a baby.

Anecdotal feedback was that the response to the article was greater than they would usually receive for an article in the publication. Feedback from donors was warm and supportive, with people expressing thanks for the information about where their donations had been spent.

Donors contacting the charity said they were 'inspired' and 'moved' by the magazine, which they found 'excellent, informative and humbling'.

One said it 'gives a sense of purpose to our donation', while another commented 'like CAFOD's work with refugees and knowing where donations are spent.' Others said 'Like seeing the good made by donations', 'Impressed with work in Colombia and refugee crisis' and 'Stories of real people are the best'.

On the front line
of the refugee crisis

Over the past year, hundreds of thousands of people have risked their lives to make the perilous crossing to Europe, driven from their homes by war. Your donations are supporting them as they seek a safer future.

Emergency response team

How your donations are helping

£2 buys a food package for a refugee in Greece

£15 buys a sleeping bag for a refugee in Serbia

£22 buys emergency supplies, including nappies, cream and lotions for a baby in Syria for a month

Thank you for donating to our Refugee Crisis Appeal and for emailing the Prime Minister to call for vulnerable refugees to be resettled.

How a crisis appeal told the story of its success

When the Two Ridings Community Foundation launched an appeal to help victims of flooding, they were keen to let supporters know what had been achieved.

The Foundation launched their flood appeal in response to the York floods in December 2015. It was a new initiative for the foundation—responding to an immediate need—but within a few weeks, the appeal had raised £1.5 million to help people whose homes had been damaged by the floodwaters.

The appeal attracted many new donors to the Foundation and many online donations, so staff were keen to thank people and businesses for their generosity and tell them how money had been spent.

The Foundation has published a report outlining how they had made grants, detailing their spending and giving case studies of the people they had helped. Their stories are on the Foundation's website and they produced a video of people who had benefitted, which was also sent to donors. You can read their report *here*.

They also ran an event for donors to thank them and introduce them to people who had received support and spoken frequently in the media about their progress.

Jan Garril, the Foundation's chief executive, says

We had about a dozen case studies telling the story. People gave money not really knowing exactly what they were giving it to us for. We kept a really good record so we could show what we had done.

We did get the sense that donors were pleased to hear about this. They wanted to be kept informed and liked a gentler approach rather than a data-heavy approach. It was not about focussing on figures, it was all about the stories.

Research sources and methodology

The inspiration for this work came from a series of focus groups commissioned by CAF in spring 2016 to look at overall attitudes to charity in the wake of fundraising and other charity controversies highlighted in the media. Light & Shade research conducted six focus groups in London, Nottingham and Manchester, covering social groups ABC1 and C1C2D and age ranges 18–30, 31–55 and 55–plus as a representative sample of the public. This was intended to examine the impact of negative media coverage on attitudes, people's engagement with charities and ways in which CAF and charities generally can respond.

We commissioned bespoke research for this project using one wave of CAF's UK Giving survey: a YouGov online survey of 1,000 UK adults in August. We were grateful for input on our questionnaire from Ceri Edwards and Dan Fluskey of the IOF.

We followed up the findings of these research stages with an examination of existing quantitative research, looking at CAF's extensive past research projects, including CAF's UK Giving series and other studies. We also included findings from nfpSynergy, the US Camber Collective *Money for Good* project and NPC's *Money for Good* UK report.

We also examined some of the literature around impact measurement, including the Inspiring Impact principles of impact reporting, and the NPC/cross sector Principles of Good Impact reporting. We also looked at some of the academic literature around giving, in particular experimental research on messaging and behaviour.

Sources are identified in the footnotes.

We are grateful for the thoughts, criticisms, data and input from a number of people across the sector: Ceri Edwards and Dan Fluskey of the IOF; Richard Turner, Jen Corley and Jan Garril; Joe Saxton of nfpSynergy, for survey data; Tri Lumley of NPC for thoughts on impact measurement and ideas for further reading; Caroline Fiennes of Giving Evidence for her thoughtful and challenging feedback; and Hanna Zagefka of Royal Holloway, University of London, for her suggestions. We are also grateful to Adam Pickering and Rhodri Davies of CAF's Giving Thought programme for their insight and help.