

Friday, 22 February 2019

Slowdown in giving to charity a major issue

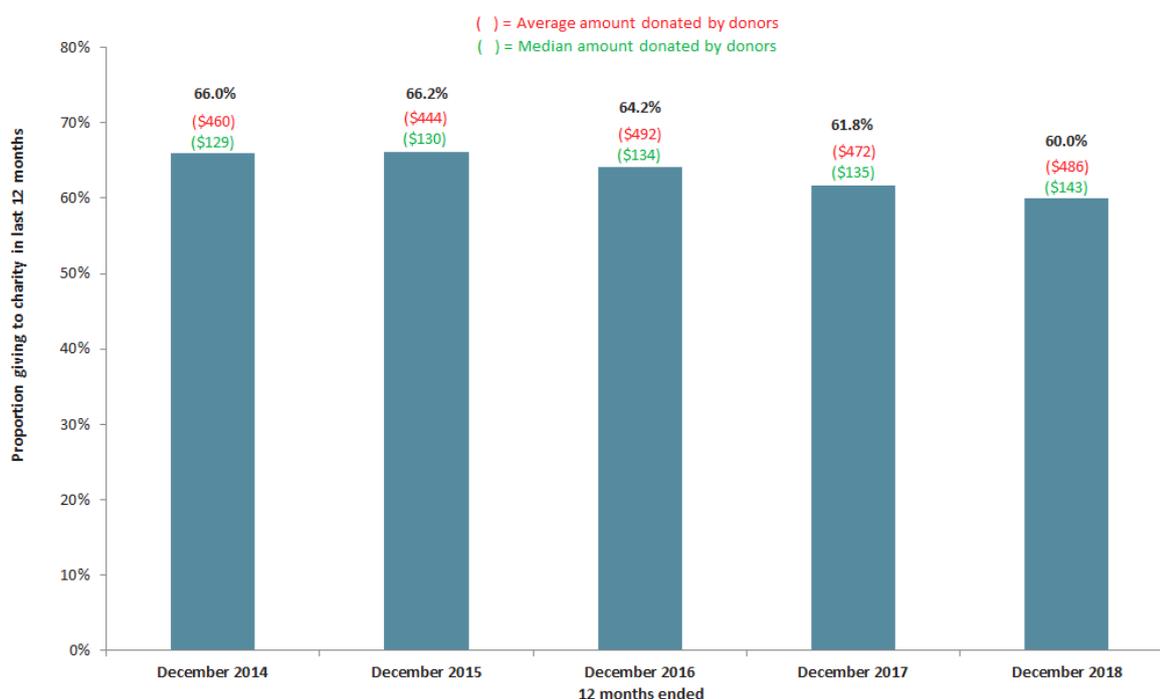
With the ever increasing demands on charities, it is a concern that a declining proportion of Australians are donating. Currently only 60% of Australians donate to charity over a 12 month period, a decline over the last year from 61.8% and further drop on the 66.0% seen in 2014. In addition to this decline in incidence, the average amount donated is not really growing to compensate and is now \$486, up only marginally from \$460 and representing a decline in real terms after allowing for inflation.

These are some of the latest findings collected in the 12 months to December 2018 from Roy Morgan's Single Source survey, which is based on in-depth personal interviews conducted face-to-face with over 50,000 Australians in their homes, including details from over 9,000 who have donated to charity over the last 12 months.

Low 'median' donation levels a growth opportunity

The following chart shows the downward trend in the incidence of giving to charity since 2015 and the fact that the average donation level currently at \$486 has not kept up in real terms with the \$460 recorded in 2014. It is important to note that despite the current average donation level looking reasonable at \$486, the median or more typical value is only \$143, representing much greater scope for increased donation levels. The full distribution of donations is available in this survey and it shows that the average is much higher than the median due to a relatively small number of higher value donors.

Incidence of charity donors



Source: Roy Morgan Single Source (Australia), 12 months ended Dec 2014, n = 51,969; 12 months ended Dec 2015, n = 50,276; 12 months ended Dec 2016, n = 50,144; 12 months ended Dec 2017, n = 50,139; 12 months to Dec 2018, n = 50,853.

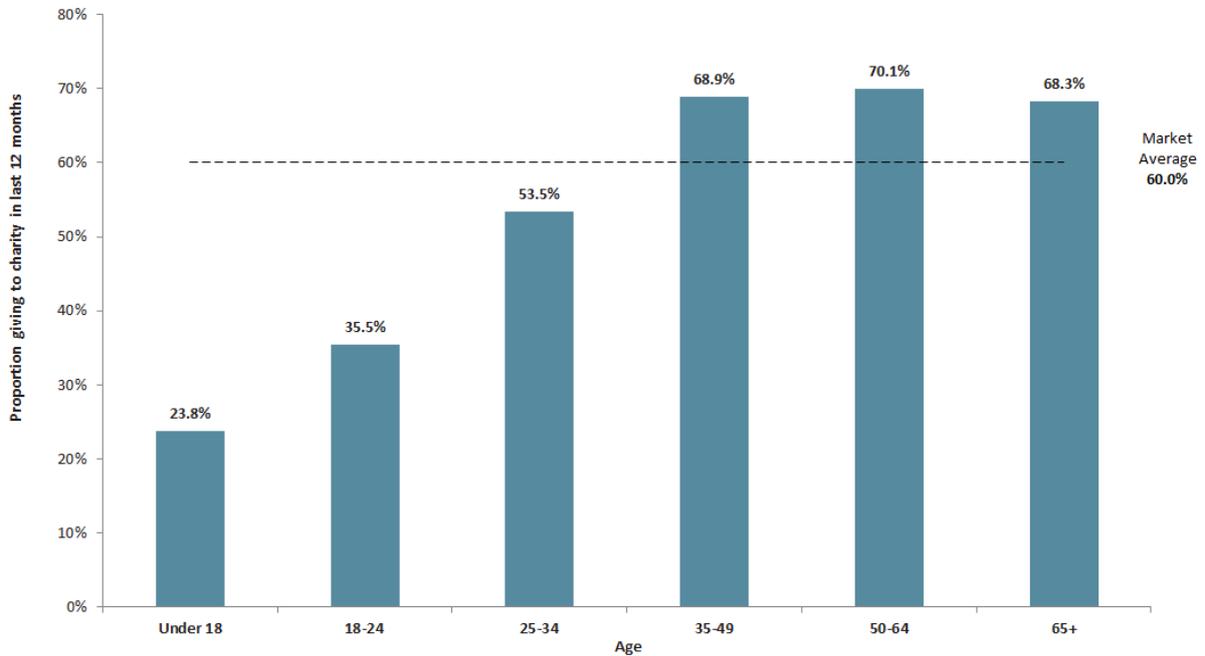
Base: Australians 14+

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Older age groups the biggest donors to charity

The 50 to 64 age group highest proportion giving to charity with 70.1%, followed by 68.9% for those aged 35 to 49 and 68.3% for those aged 65 and over. These age groups are all well ahead of all segments under 35. As would be considered likely, the lowest incidence of giving to charity is in the under 18 age group where less than a quarter (23.8%) do so.

Incidence of charity donors by age



Source: Roy Morgan Single Source (Australia), 12 months to December 2018, n = 50,853.
Base: Australians 14+

High household incomes have greatest potential for donating

Donors from high income households currently donate the lowest proportion of their household's income to charity. The following chart shows that donors from households with incomes of \$130k or over are only donating on average the equivalent of 0.2% of their household income. Even though the \$250 k+ household income group make the highest average donations (\$697), this is only the equivalent of 0.2% of their income.

At the other end of the scale, donors from households with annual incomes under \$20k, donate on average \$194 or the equivalent to 1.3% of their household income.

The following chart shows that households with incomes under \$70k are where the above average givers are from as measured by proportion of income.

Amount Given to Charity by Household Income



Source: Roy Morgan Single Source (Australia), 12 months to December 2018, n = 50,853.
Base: Australians 14+

Norman Morris, Industry Communications Director, Roy Morgan, says:

“With the constant and growing demand for funds from charities across Australia, there is an emerging problem that a declining proportion is giving to charity. To compound this funding issue, the average amount given by those that do donate is remaining fairly constant over the last five years and in fact is declining in real terms.

“The current funding of charities is largely reliant on the over 35 age groups, with the highest average amount given being from those aged 50 and over. While it is likely that the younger age groups have lower incomes and other priorities which impacts the amount they could give, their incidence of giving is generally well below average and as such represents a major growth potential for donor numbers.

“Probably the greatest potential for increasing the overall level of donations is to focus more on higher income households, as they are not only more likely to have the means to give but donors from these households are currently giving a lower than average proportion of their households incomes to charity.

“It is vital for all businesses, including charities, to keep up to date with their customer base and in this case understand who donates and where the greatest potential for growth lies. This release only covers a small part of what Roy Morgan collects regarding donations to charities. Other data covers areas such as trends in attitudes to giving, the most helpful charities and which charities have received donations. To find out more, ask Roy Morgan.

To learn more about Roy Morgan’s Charity Donors data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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