

Empowered Giving

There are three things that will make or break the future of philanthropic giving in the United States:

ONE: Building donor trust

TWO: Maximizing digital technology

THREE: The ability to cultivate new donors

An organization that embraces these ideals will find itself standing at the brink of new success. One that doesn't risks stagnation at best, if not irrelevancy or even extinction. These changes are already happening in other industries. Nonprofits can benefit from corporate investment and experimentation in the digital realm, using new technologies to build essential trust with their donors and to reach those who have, until now, been on the philanthropic sidelines.

For decades, charitable giving in the United States has been stuck at 2% of GDP. Americans today enjoy greater wealth, opportunity, and connectedness than at any other time in the nation's history, but philanthropic giving has not increased with these developments. The needs served by nonprofits have not decreased, but nothing has yet been able to move the needle on philanthropy. Nonprofit organizations have continued to fulfill their missions with limited funding, but the industry is poised to leap forward if it can embrace the mindset of the contemporary giver by truly understanding Today's Donor.

Today's Donor is an empowered consumer who has been conditioned to expect interactive, personalized experiences online, due to the billions spent on digital experiences by Uber, Amazon, Netflix, and many others. There's a lot to be learned from the best practices of eCommerce and other online industries that will allow nonprofits to optimize the online giving experience and unlock a massive wave of new giving.



This **digital revolution** is not just about offering new ways for current contributors to interact – it invites those who have historically felt shut out of philanthropic engagement to participate in ways that feel familiar to them. Engaging with Today's Donor requires an entirely new approach to the giving experience.

Online giving is not a new or unexpected idea.

Organizations have presented contribution forms on their websites for decades. By far, giving via websites has been the largest contributor for the growth in digital giving. Websites will continue to be a large source of online giving, but as more organizations embrace the power of their supporters' networks, fundraising will expand dramatically, growing from an online form that feels like a flat campaign tool, to sophisticated, integrated, personalized multi-channel digital giving initiatives.

To accomplish this, organizations will have to re-frame the way they ask for funds. It will require that they speak about the impact of a donor's gifts, rather than a more general ask or generic recognition. For example, when a donor gives to Charity Water to help build clean wells around the world, they know a custom-built Assignment Tool will match the money they raise with the projects they fund. And when the projects are complete, GPS will allow them to see exactly where they are making a difference and learn more about the communities they are benefiting.



As the messaging and value proposition of giving changes to appeal to a new wave of donors, technology must play a key role.

When it doesn't, all this effort will just be a great donor message, with no real impact on the place giving has in the life of an average, digital-native consumer.

This new way of connecting with donors is what Empowered Giving is all about. Unlike the Ubers and Amazons of the world, there's no reason for nonprofit organizations to make development investments in the platforms and technologies that are needed to create this connection – they already exist. Commercial tech companies have invested billions of dollars to create a transaction experience that is simple and fun. Payment technologies like ApplePay and Venmo offer new ways for donors to transact their gifts. By applying these tools to charitable giving, a true Empowered Giving experience is created that unlocks a whole set of behaviors in donors that have previously only been available to commercial industries.

Empowered Giving will change everything from how and where nonprofits communicate with their donors, to the method by which they choose to give, to even how they expect to be nurtured for future gifts.

While giving is not the same as buying online, nonprofits can use technology to do a better job of connecting the benefit of giving so that the return on a donation feels similar to the box that arrives on your doorstep after an online purchase.

If nonprofits can provide that same feeling of fulfillment after their donors give, it will accomplish two major things;

- 1) donors will more **deeply engage** with nonprofits, spurred by the impact of their gifts, and
- 2) it will **create more trust** between the donor and the nonprofit.

Trust has long been a stumbling block in the nonprofit/donor relationship. In a recent survey, fewer than 1 in 5 Americans expressed a high level of trust for nonprofits, citing a lack of confidence that nonprofits would deliver on their promises. Nonprofits must find new ways to communicate with their donors that their financial gifts have real-world, mission-driven impact.

Building this trust is essential to advancing giving levels in the United States, and technology holds the key. By using digital platforms from social media to customized web experiences and even text messaging, nonprofits can provide real-time updates on the difference a donor's gift has made. This integrates the importance of giving and the giving experience into a donor's everyday life and keeps philanthropy at the forefront of their awareness, making funding needs clearer and more relevant to this frequently engaged donor base.

The way these donors are engaged is changing, too. Today's Donor expects to engage with nonprofit organizations in the method and mode they desire. Whether it's through a website gift, a mobile app, embracing and leading a P2P cause, attending an event, or even texting a gift, they will choose how they want to interact. They'll also give more often and more robustly to organizations that use the payment type of their choice, not just the check or credit card options of the past. In this same vein, they'll expect the security of their gift and data, whether they're giving a small, one-time donation or a major gift. And finally, but perhaps most importantly, they expect to do everything in the palm of their hand.

Nonprofits that don't embrace the changed

behaviors of this digital native donor demographic will face a huge and imminent cost. Ignoring the untapped philanthropic potential that is unlocked by engaging donors in this new way leaves all their potential donation dollars on the table – and it's no small amount. Studies show that there's over \$36B of giving potential that can be accessed if nonprofits embrace these new marketing strategies and focus on donor-centric initiatives. Nonprofits must adapt to and adopt this new way of thinking about giving if they are to continue successfully pursuing their missions.

There is no more exciting time to be at the forefront of the nonprofit world than right now. The digital revolution has created new connections and opportunities that allow nonprofits to build lasting and fruitful relationships with their donors in new and easier ways than ever before. By embracing the tools of Empowered Giving and meeting new donors where they are in an authentic and rewarding way, there is – after decades of struggle – a real vision for increasing charitable giving in the United States. The 2% giving statistic of years past is tied to old ways of thinking about philanthropy. Coupled with the host of strategies and tools that help encourage and embrace Empowered Giving, Today's Donor is poised to carry the nonprofit industry into a brighter tomorrow.

