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**Generous Colorado**

**COLORADO NONPROFIT ASSOCIATION**

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©2008 Colorado Nonprofit Association, all rights reserved. We are extremely grateful to Encana Oil for providing generous sponsorship of this survey.
The nonprofit sector has long been a force for good in Colorado. Since the earliest days, dedicated individuals have demonstrated innovation and leveraged partnerships to improve the quality of life for the state’s residents. Nonprofits call upon their experience and inner strengths to rise above adversity and to provide exceptional programs and services at the times they are needed most.

Fall 2008 has brought with it tremendous challenges and an onslaught of trepidation. The economy is faltering and people, struggling to make ends meet, are increasingly turning to nonprofit organizations for help. At the same time, donors are reluctant to increase giving due to the same concerns about the economy.

Nonprofits, facing rising demand for services with limited resources, are justly concerned about how the coming months will impact their ability to serve those who depend upon their services.

- According to a recent study, the most commonly reported reasons for homelessness in Denver are loss of a job (28 percent), housing costs (23 percent), and the breakup of a family (20 percent).

- Many agencies report an increased demand for services each year; agencies in Broomfield and Fort Collins are reporting a 5 percent increase in demand for assistance, which equates to about anywhere from 100 to 500 new families in those communities coming in for assistance each year.

- The number of children living in poverty has escalated significantly over the past six years, with close to 20 percent of children living below the poverty threshold in Larimer County, for example.

Nonprofits are resilient — often shining brightest during the darkest hours. Tough times present the opportunity to define new strategies and create more productive and collaborative models for delivering services to those in need. This includes exploring new ways to raise awareness and generate resources for the vital work done by the nonprofit sector.

For instance, as prices for fuel, food, and other essentials increase, so does the need for the services provided by Food Bank of the Rockies. As a result, this agency stepped up its efforts and is working with a network of nonprofits across the state to distribute 24,760,000 pounds of food in fiscal year 2008 — a 12.5 percent increase over the previous year. This has a direct impact on both families and individuals of all ages across our state.

The Jeffco Action Center, a nonprofit that does an amazing job helping people in need and addressing long-term social issues, was able to provide new school supplies to more than 3,300 Jefferson County students this year — a new record and an increase of almost 22 percent over the previous year. This came in the midst of a slackened economy that hit home sharply as the agency found several key donors had switched positions to find themselves recipients of the very services they had supported in prior years.

Yes, resources are limited, but this means nonprofits must be even smarter about providing services, demonstrating accountability, generating income, building brand awareness, forming partnerships, and working to help influence public policies addressing the causes of the social problems they exist to address.

This requires a team effort with individual donors, foundations, volunteers, board members, and community partners. It will also take prominent leaders in the community, from civic and religious officials, to business and media professionals, to step up and encourage individuals to give more in support of nonprofits. If not us, who? If not now, when?

The time is right for a concerted campaign to invest in the sustenance and vibrancy of our communities. We encourage individuals to increase their support for nonprofits, and for nonprofits to clearly demonstrate their effectiveness in ensuring basic services and a high quality of life for people in our communities.

The goal of this study is to provide useful information that will encourage increased giving and prompt nonprofits to take their efforts to the next level of excellence. Together, we can build a stronger and more generous Colorado.

Sharon Knight
Interim President and Chief Executive Officer

Tom Downey
Board Chair, Colorado Nonprofit Association
Introduction

The Colorado Nonprofit Association is pleased to present Colorado’s first statewide study of factors driving philanthropy in the state. A nonprofit membership coalition connecting nonprofits of all sizes, missions, and geographic locations, the Association works to lead, serve, and strengthen Colorado’s nonprofits. The Association serves the sector by providing tools for communication, networking, and administration, as well as facilitating trainings, discussions, and public promotion about the impact and importance of the nonprofit sector.

This survey is part of an ongoing commitment by the Colorado Nonprofit Association to identify and address key issues concerning charitable giving in the state. The Association’s Colorado Generosity Project has included key research, the adoption of a best practices program for the state, training programs in a variety of topic areas to improve effectiveness and enhance fund development, a media campaign to increase philanthropy, and a website to make giving easy.

Many essential programs and services are provided to Coloradans by nonprofit organizations. With little government support and low charitable support, these nonprofits are struggling to meet client demand. The information from this report will help them develop more successful fundraising programs — ensuring sufficient funds to respond to current and future needs.

The Colorado Nonprofit Association has just completed the 2008 edition of The State of Giving: A Profile of Individual Charitable Giving in Colorado to inform the state’s nonprofits and citizenry of giving trends across the state. The report, based on 2006 IRS data, showed that charitable giving went down between 2005 and 2006. The report also showed that while Coloradans earned 7 percent more than the average American, we gave 9 percent less. We want to know why.

Generous Colorado: Why Donors Give highlights data about donors in the state. Our goals were to identify the factors motivating individuals in Colorado to make charitable gifts, how these people chose nonprofits to support, the ways they prefer to give, and what might make them give more.

It is important to note that the 1,200 phone interviews involved in this survey were conducted in October 2008. The survey captures insights and reactions of Colorado residents as they faced the news and implications of our national economic crisis. You may be surprised, as we were, that over half of the respondents reported they would either not change their giving patterns or give more during this economic downturn.

This statewide giving and volunteering survey is a complement to a Denver Metro region study conducted by The Denver Foundation in 2005. We are very excited to offer insight into the decision-making process of donors throughout Colorado. We strongly believe that greater understanding of donors and potential donors will enable nonprofits to improve fundraising strategies and donor stewardship programs — helping them to be more successful and sustainable, which will, in the end, better serve the needs of Coloradans.

Methodology

The survey for this report was developed to assess charitable giving attitudes and behaviors among Colorado’s residents. It included questions regarding general attitudes and motivations about charitable giving, the relationship between state government and charitable giving, types and amounts of donations (both in time and money), and charitable planning.

All surveys were conducted by telephone, using a random digital dial (RDD) sample for the state of Colorado. Any resident over the age of 18 was eligible to participate.

Telephone surveys, like any other type of survey, do not precisely reflect the entire population when merely totaled. Women, for example, are more likely to respond to telephone surveys than are men, and older people are more likely to respond than younger. Other biases could occur as well. To account for these factors, the study team developed a unique weighting factor for every single respondent, adjusting that person’s representation in the survey to account for age and gender. The responses of those underrepresented in the group of survey participants were therefore weighted more heavily than the responses of those overrepresented among the survey participants. For this reason, the survey findings represent a much more complex, but also more accurate analysis than a mere tabulation of the raw data.
Key Findings

What We Believe About Giving

- Nearly all Coloradans surveyed believe nonprofits play a major role in making our communities better places to live.
- The state population supports many charitable causes; 83 percent think that every person should support charitable causes via donations or time.
- Most Coloradans believe that all businesses should support charitable causes.
- Most people believe that the need for charitable organizations has increased in the past five years and 87 percent believe that, as government budgets shrink, there is greater need for charities to provide essential programs and services.

What We Support

- The most commonly supported types of organizations provide general social services that meet basic needs.
- Youth organizations, education, and religion are the next three most common causes people contribute to.

Why We Give

- The primary reason to donate is altruism. Most donors say that a very important reason for giving is because "it’s the right thing to do."
- The top three reasons people select the charities they support are as follows: they believe the organization is trustworthy (98 percent), they believe the organization is well-managed and effective (96 percent), and they believe the organization supports a cause they believe in (96 percent).
- Forty-three percent of donors cite a family tradition of charitable giving as being a very important reason for their donation.

How We Give

- People who donate typically do so through multiple channels, which usually include cash contributions and donations of goods.
- Most donors surveyed, and an even greater percentage of donors with incomes over $200,000 per year, prefer to make gifts directly to nonprofits — rather than through agencies.
- The typical volunteer provides upwards of 20 hours per month to their cause(s).
- For those volunteers contributing time, the most commonly supported type of organizations are youth-related causes.
- The likelihood of volunteering directly correlates with income — 73 percent of households with incomes of $20,000 or less volunteer, to some extent, and this figure increases to 90 percent for households with incomes of $150,001 to $200,000.

How the Economy Affects Our Giving

- More than half of those surveyed said they would either give the same or more during bad economic conditions.
- Forty-six percent said they would give less.

How We Like to be Asked

- The most common means of contact that compels a person to donate (time or money) is being asked to do so by a person they know.
- In terms of broad appeals, the most compelling means of request for donation is made by mail.
A Generous Colorado

Nearly all respondents (96 percent) agree that charitable organizations play a major role in improving the quality of life in their communities.

Overall agreement with the statement that “charitable organizations play a major role in making our communities better places to live” is relatively similar across different household incomes, with the proportion of respondents who strongly agree or somewhat agree with the statement ranging from 94 to 100 percent.

At least 80 percent of respondents also agree that “Colorado’s businesses should support charitable causes” (87 percent), “as the state government’s budget shrinks, charities are needed to provide more services” (87 percent), “every person should support charitable causes in some way” (83 percent), “the need for charitable organizations is greater now than five years ago” (83 percent), and “charitable organizations play an important role in speaking out on important issues” (80 percent).

Support from Colorado’s Business Community

- Respondents’ agreement with the statement that “Colorado’s businesses should support charitable causes” decreases with age.
- Respondents 18 to 24 years old are most likely (56 percent) to indicate a strong agreement with this statement, while respondents 65 and over are less likely to strongly agree with this statement (45 percent).

Nonprofit Sector’s Impact on the Economy

When asked if they agree or disagree with the statement that “charitable organizations make up a significant portion of Colorado’s economy,” lower-income households are more likely to agree. Only 36 percent among those with income of $150,001 to $200,000 and 39 percent among respondents with income of more than $200,000 indicate an agreement.

Opinions about Charitable Organizations

![Opinions about Charitable Organizations](image-url)
with that statement, compared to levels over 50 percent for households making $30,000 or less.

- The nonprofit sector does, in fact, have tremendous economic impact across the state. Nonprofits play a major part in maintaining economic vibrancy in Colorado. With 206,000 employees and volunteers running a myriad of programs and services to benefit residents, the nonprofit sector represents 5.6 percent of the state’s workforce, making it the third largest industry in Colorado.

- In 2005, the sector generated $13.1 billion in revenues, expended $11.9 billion, held $23 billion in assets, and was responsible for bringing $900 million in new money to the state’s economy.

Colorado’s nonprofit sector accounts for over 5 percent of the state’s gross product, which is more than the transportation, utilities, and agriculture industries combined.

**Government Support**

Respondents are nearly divided on whether state and local government provide enough support to nonprofits. Only 8 percent of respondents believe that the government in Colorado provides too much financial support to nonprofits. The remaining 82 percent of respondents are almost equally divided between those who believe that Colorado government provides about the right amount (47 percent) and those who think that it does not provide enough financial support (45 percent).

**Government Support of the Nonprofit Sector**

- Does not provide enough financial support, 44.73%
- Provides about the right amount of financial support, 46.91%
- Provides too much financial support to nonprofits, 8.36%

Agreement with the statement that “the government has a basic responsibility to support charities that help the poor and the homeless” appears to decrease with age. Respondents age 18 to 24 are the most likely to report a strong agreement with this statement (cited by 63 percent of respondents), while only 28 to 35 percent of respondents in the age groups of 45 to 54, 55 to 64, and 65 or over indicate a strong agreement with this statement.

Disagreement with this statement peaks in late middle age (55 to 64), but is generally much higher for people over age 45 compared to those under age 45.

**The Need for Charity Programs and Services Has Increased Since 2005**

When respondents considered the differences in the economy between 2005 and 2008, 56 percent said they believe the current economy will increase the need for charity a lot, and 28 percent believe that the need will increase a little. In addition, only 6 percent think that the need for charity programs and services will decrease, while 10 percent say it will stay about the same.

While 47 percent of men believe that the need for charity programs and services will increase a lot compared to 2005, 65 percent of female respondents believe so. However, the two genders are roughly equal in terms of seeing a need for any level of increase.

**Nonprofits Play an Important Role in Speaking Out**

Near half of respondents (48 percent) with a household income of $30,000 or less indicate a strong agreement with the statement that “charitable organizations play an important role in speaking out on important issues.”
Giving Trends in Colorado

How Much Do Donors Give?
For the second year in a row, total charitable giving by individuals in Colorado was $3.8 billion, according to 2006 tax return data recently released by the Internal Revenue Service. More than $3.1 billion of that total was reported on the tax returns of donors who itemize their tax deductions, while $634 million is estimated by the Colorado Nonprofit Association to have been contributed by donors who do not itemize deductions on their annual tax returns.

While Coloradans are generous, the state ranks low in generosity when compared to the rest of the country. Even though we rank fifth in average income, we rank 38th in charitable contributions as a percent of that income.

Comparison to National Giving
Coloradans gave 3.1 percent of their income to charity, while the average American contributed 3.4 percent. These contributions are shown in dollar value in the chart below.

Coloradans gave an average of 7.8 percent less than the average American over each of the past seven years. The gap between average Colorado giving and average U.S. giving last year was 9 percent, the second highest during that seven-year period.

The Number of Coloradans Providing Support to Nonprofits
While Colorado may experience lower-than-average giving, its number of donors is quite impressive. Of the 2.2 million tax returns filed by Coloradans, more than 750,000 — or 35 percent — included deductions for charitable contributions. With 35 percent of taxpayers deducting charitable contributions, Colorado ranks eighth among all 50 states in the percent of filers that deduct for their philanthropy.

<table>
<thead>
<tr>
<th>Average Contribution by Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than $0,000, 3.28%</td>
</tr>
<tr>
<td>$1,000 - $9,999, 23.64%</td>
</tr>
<tr>
<td>$751 to $1,000, 8.30%</td>
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<tr>
<td>$501 to $750, 14.54%</td>
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<tr>
<td>$101 to $500, 33.12%</td>
</tr>
<tr>
<td>$100 or less, 14.88%</td>
</tr>
<tr>
<td>Don't know, 0.86%</td>
</tr>
<tr>
<td>Refused, 0.9%</td>
</tr>
</tbody>
</table>

Average Contribution
Colorado vs. U.S.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Itemized Charitable Contribution - U.S.</th>
<th>Average Itemized Charitable Contribution - Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$3,618</td>
<td>$3,373</td>
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<td>2001</td>
<td>$3,393</td>
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<td>2004</td>
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<td>$4,012</td>
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<tr>
<td>2005</td>
<td>$4,348</td>
<td>$4,074</td>
</tr>
<tr>
<td>2006</td>
<td>$4,403</td>
<td>$4,046</td>
</tr>
</tbody>
</table>
Most People Give

Ninety percent of respondents (or someone in their household) have donated either money or property/goods in the past 12 months.

Respondents in the 18-to-24 age group are less likely to be donors, though a majority of them do still make donations. Ninety-eight percent of people in the highest household income range stated they had donated money or property in the past 12 months.

Households with more than $200,000 in annual income (98 percent) were the most likely to have donated money, property, or time, as well as to have donated a combination of those giving options. Households with incomes of $30,000 or less were the least likely to have donated anything. The largest split between those who have donated time or money and those who have not was at the $30,000 income level.

How Much Do Individuals Give?

Including cash donations and the cash value of any property, about one-third of respondents (33 percent) report making donations of $101 to $500 in the past year, 15 percent gave $100 or less, 15 percent donated $501 to $750, 9 percent donated $751 to $1,000, nearly a quarter (24 percent) made donations of $1,000 to $9,999, and 4 percent gave more than $10,000.

Individual Contributions by Income

A look at giving by individuals in different income levels again reveals that Coloradans in the lowest income category actually gave a much higher percent of their income to charity than all others. Those with adjusted gross income under $50,000 gave an impressive 5.1 percent of their income to charity — significantly more than those in categories earning above $50,000.

Individual Donations by Gender

It seems that men are more likely than are women, by 9 percentage points, to report making donations of more than $1,000 over the past year. Women, on the other hand, are more likely to donate $100 or less and $501 to $750.

Individuals Who Itemize Their Deductions

Nearly two-thirds of survey respondents said they do itemize deductions on their tax returns. Just under one-third said they do not itemize, and 6 percent weren’t sure whether they itemized or refused to disclose that information.
The Programs We Support

Causes People Support Most

The survey found that most individuals give money or time to help people with basic needs. A majority of respondents, regardless of their household income, indicated that they had donated money, volunteered time, or done both to help with basic necessities. A cause serving basic needs was listed more than any other as one to support. Respondents from nearly every income level were more likely to indicate donating money or property to this cause than to any other.

Volunteering time was also popular, and respondents with incomes over $200,000 reported a higher likelihood of doing this than any other group.

Other major causes Coloradans donate to include youth-related, educational, religious, health, and disaster relief organizations.

Youth Organizations

While donating money to youth organizations was common overall, it increased as income increased, from the 30 percent range for younger households to the 50 percent range for the highest income households.

Causes Supported by Coloradans in 2008
Educational Causes
As their household income increased, generally so did respondents’ likeliness to have donated money and/or time to a school, university, or other educational organization. Respondents aged 18 to 24 are less likely (by 12 percentage points) than are those aged 65 or over to donate money or property for an educational organization, but are 15 percentage points more likely to volunteer time.

Religious Causes
Older respondents are more likely to donate and volunteer for religious causes or organizations. Sixty-four percent of respondents aged 65 or over report donating, volunteering, or both to religious causes or organizations, compared to 45 percent of respondents aged 18 to 24.

Younger donors are likely to volunteer time for a religious cause or organization.

Disaster or Emergency Relief Causes
Donating money for disaster or emergency relief causes increases by respondents up to the age of 35 and then stabilizes. Volunteering time for this type of cause is consistent by age, other than the youngest age group. In light of increased volunteerism, engagement via either donating or volunteering makes a quantum leap upward at age 35, and then remains fairly constant.

Health or Medical Causes
As their household income increased, so did the likelihood that respondents had donated or volunteered to a health or medical cause in the previous 12 months.

Respondents from households earning $200,000 or more were more likely to have donated both time and money in combination to health or medical causes than to any other listed cause.

Arts and Cultural Groups
There is slight positive correlation between respondents in households with incomes up to $200,000 and those who donated money to an arts or cultural group in the past 12 months.

Most Individuals Donate Directly to Nonprofits
Nearly three-quarters (73 percent) of survey participants said they were more likely to donate money directly to a nonprofit than indirectly through a community foundation or a United Way. The remaining participants (27 percent) stated they would be more likely to support an organization indirectly.

Direct vs. Indirect Giving to Nonprofit Organizations

Nearly two-fifths (39 percent) of survey participants in the 18-to-24-age group were more likely to support an organization through a community foundation or a United Way.

Nearly seven-eighths (87 percent) of survey participants whose household income was more than $200,000 indicated they would be more likely to donate directly to a nonprofit; this was
at least 4 percentage points greater than any other income range group.

Respondents in the $20,001 to $30,000 household income category were the most likely to report that they would support an organization through a community foundation or a United Way.

**Giving Through Agencies**

There are numerous agencies around the state that can guide and counsel donors to make a gift or establish a relationship with the right nonprofit. Community foundations accept gifts from individuals that are held in an endowment — a permanent pool of money contributed by many to benefit local charities. They also offer guidance and administration for donor-advised funds to ensure proper oversight and stewardship of investments made in specific charitable causes.

Organizations such as United Way, Community Shares, or the Colorado Combined Campaign offer workplace giving options in addition to direct donations to serve a particular cause. Workplace giving allows individuals to contribute a small amount of money with each paycheck to support the cause of their choice. Pooled resources, from many workplaces, are then distributed to the nonprofit agencies approved by the umbrella organization. Mile High United Way, for instance, coordinates the collective strength of more than 50,000 individual donors, 800 local businesses, 100 nonprofit organizations, and numerous community resources.

Community foundations, United Ways, and other broad-based agencies are committed to making a sustainable impact and typically analyze the most critical issues facing the community as a whole before distributing unrestricted dollars. These agencies also evaluate the programs requesting assistance, choosing only those that demonstrate best practices for effectiveness. People who want some guidance to choose the nonprofit organizations best suited to help them meet personal philanthropy goals may want to work with one of these agencies.
We Contribute to the Community in Many Ways

What Types of Gifts Do Most People Give?

The survey found that most people donate cash or goods. The highest percentage of respondents (88 percent) indicate giving donations in the form of goods, such as clothing or household items, followed closely by those reporting a cash donation (82 percent). Only 6 percent of respondents are likely to donate a vehicle or property.

Including cash donations and the cash value of any property, about one-third of respondents (33 percent) report making donations of $101 to $500 in the past year, 15 percent gave $100 or less, 15 percent donated $501 to $750, 9 percent donated $751 to $1,000, nearly a quarter (24 percent) made donations of $1,000 to $9,999, while 4 percent gave more than $10,000.

A considerable proportion of respondents (59 percent) reported donating by buying products or services from a business that donates some of the proceeds to charity, and 40 percent made donations by purchasing tickets to a fundraising event or dinner.

Men and women show similar patterns in their donations. However, while men are somewhat more likely to give donations by sponsoring someone for a public event or by buying a fundraising dinner ticket, women are, to some extent, more likely to make donations in the form of goods by buying products or services from a business that donates some of the proceeds to charity.

Not surprisingly, it appears that respondents with higher household incomes are more likely to report making donations in all the ways listed on the survey.

Making Long-term or Planned Gifts

Nearly half of the respondents did not have a will, formalized estate plan, or living trust. Many more respondents had a will (44 percent) than an estate plan (13 percent) or living trust (16 percent).

More men reported having wills, estate plans, or living trusts than did women. Half of the women did not have any of these instruments, while 56 percent of men had at least one.

Even though many respondents did have a will, trust, or estate plan, very few used these vehicles to support a charity. Those respondents who did make a charitable provision were more likely to do so in a will than any other way.

Volunteering

Volunteering time for youth groups or organizations was one of the most common forms of volunteering, with more than one-third of respondents in nearly every income group doing so.
Motivations to Give

People Give Because
It's the Right Thing to Do

A majority of people felt it was important to donate because “it is the right thing to do.” More than one-third (38 percent) of respondents felt it was extremely important to donate for this reason, and nearly another half (45 percent) thought it was very important to donate because of it.

Women were slightly more likely than men to believe it was either extremely important or very important to donate because they believed it was the right thing to do.

Slightly more than two-fifths (41 percent) of respondents thought it was at least very important to donate because of their religious beliefs. Individuals over age 65 felt more strongly than did other age groups about donating because of religious beliefs (63 percent).

Nearly one-third of all respondents thought the following were not at all important when they considered the reasons they donated: because of their religious beliefs (31 percent), because there are tax benefits to giving (37 percent), and because they received assistance themselves at some point and wanted to give back (39 percent).

Family Tradition as a Motivation

Women were nearly twice as likely as men (21 percent vs. 12 percent) to feel it was extremely important to donate because charitable giving was important in their family and they wished to continue that tradition. Twenty-one percent of women felt it was extremely important to donate for the aforementioned reason compared to 12 percent of men.

Nearly half (48 percent) of 18 to 24 year olds thought donating because charitable giving was very important in their family and they wished to continue that tradition was at least very important. An additional one-third of this age group felt it was somewhat important.

Respondents whose household income was more than $200,000 were the most likely to believe donating because “it is the right thing to do” was extremely important. Respondents whose household income was between $150,000 and $200,000 were the most likely to say religious belief was an extremely important reason to donate.

Giving Back to the Community

Respondents in the lowest household income range thought it was at least very important to donate because they received assistance themselves at some point and wanted to give back. More than two-fifths (44 percent) of respondents in the household income range of $20,000 or less thought donating “to give back” was at least a very important reason to donate. Except for those in the $150,001 to $200,000 household income range, the more income respondents made, the less likely they were to see giving back as an extremely important or very important reason to donate.

Motivations for Making Charitable Gifts

<table>
<thead>
<tr>
<th>Reason</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Because I believe it is the right thing to do</td>
<td>98</td>
</tr>
<tr>
<td>Because charitable giving was important in my family and I wish to continue that tradition</td>
<td>69</td>
</tr>
<tr>
<td>Because of my religious beliefs</td>
<td>57</td>
</tr>
<tr>
<td>Because I received assistance myself at some point and want to give back</td>
<td>46</td>
</tr>
<tr>
<td>Because there are tax benefits to giving</td>
<td>38</td>
</tr>
<tr>
<td>Other</td>
<td>14</td>
</tr>
</tbody>
</table>
Selecting an Organization to Invest In

Trust is the Most Important Factor

Once people choose a cause to support, they have to decide which nonprofit they will fund to address that cause. This survey showed that trust is the number one factor for selecting a nonprofit to support, which mirrors the findings from The Denver Foundation’s 2005 study. The 2008 survey highlighted the fact that 98 percent of all donors stated it was important to trust an organization they are considering making a gift to.

This fact should give nonprofits pause to ensure they are demonstrating behaviors to build and maintain trust from donors. Nonprofits should strive to implement best practices in all their work and clearly demonstrate to the public that this is being done.

The next two most important reasons cited for making a donation to a nonprofit are that the organization is well-managed and effective (96 percent) and that the organization supports a cause the donor believes in (also 96 percent).

Ninety-five percent or more of respondents in all age groups stated it was at least somewhat important that a charitable organization was well-managed and effective as a criterion for support (averaging at 96 percent). In general, the strength of this conviction was lower among those under age 35, and particularly under 25.

More than 90 percent of respondents from every age category thought that supporting a charitable organization or cause “because the organization supported causes they believed in” was at least an important reason to support the charity.

At least 90 percent of donors want to know how the money they contribute is being used.

One-third (33 percent) of survey participants in the youngest age group thought that being thanked for their support was an extremely important or very important criterion for selection. The same was true for 25 percent of respondents aged 65 or older. Other age ranges reported this reason as a motivation for giving at much lower proportions.

Factors for Choosing Charitable Organizations to Support

- The organization is one that I trust: 98%
- The organization is well-managed and effective: 96%
- The organization supports causes I believe in: 96%
- The organization provides me with a clear understanding of how my money will be used: 92%
- I volunteer my time with the organization: 68%
- The organization helped me or someone I know: 57%
- The organization thanks me: 45%
- Other: 7%

COLORADO NONPROFIT ASSOCIATION
Compelling Donors to Give

Fundraising Appeals That Work

Nonprofit professionals are always looking for strategies that will work to attract and secure donors. What kind of solicitation do most people respond to? More than half of survey participants responded to a request from an organization when the request was made in person.

Three-quarters (75 percent) of respondents contributed when the in-person request was made by someone they knew, while just over half (51 percent) responded to an in-person request from someone they did not. This is more pronounced as income increases.

Fundraising events and mailings are equally compelling. Forty-eight percent supported an organization at a fundraising event and 48 percent in response to something they received in the mail. The likelihood of responding to something received in the mail increased as age increased, with those 18 to 24 responding to direct mail at least once in the last 12 months (36 percent of the time) as compared to those over 65 responding 63 percent of the time.

Women were slightly more likely than men to respond to something they receive in the mail or a request from someone they know (9 percent more and 6 percent more, respectively). All other fundraising strategies had less than a 5 percent difference.

Responses to telephone calls, a request in person, and a special event all show similar patterns: the middle-age groups responded at a higher rate than the older and younger age groups.

Radio, television, or other advertising campaigns had the lowest response rate at 29 percent.

It is very clear that the “personal touch” is important in fundraising. With trust being the number one reason one organization is chosen over another, and demonstration of effective management a near second, the inherent endorsement of an organization that comes with a personal request (particularly from someone we know) is very compelling.

Research also indicates that donor outreach by mail increases in effectiveness if nonprofits can personalize the message by reaching out to targeted audiences.

Those with a household income of more than $200,000 had the highest response rate in three categories of contact: mail, a story in the news, and an advertisement. Those in this income category were more apt to respond to all other types of solicitation than were nearly all those in the other income brackets.
Shifting Needs in a Troubled Economy

More than half of all donors surveyed state they will either give more or maintain their level of giving during a poor economy. Survey participants, aged 18 to 24 and 25 to 34, were the most likely to give more during bad economic conditions, followed by those 65 or older.

Men and women were almost equally likely to give less in bad economic conditions (47 percent and 45 percent, respectively). Women were somewhat more likely (4 percentage points) to give more money during bad economic conditions.

Donor retention is extremely important for any fundraising plan, and particularly during a poor economy. Maintaining a strong donor base allows the nonprofit organization to have greater stability in funding, but it also allows the opportunity for donors to engage and develop a relationship with an organization — and ultimately see tangible results of their investment in the programs and causes most important to them.

Do Donors Seek Advice in Making Choices Regarding Charitable Support?

While seeking counsel about contributions is relatively uncommon, those respondents who consult with someone do so with their spouse or significant other (43 percent) more than anyone else. Nearly two-fifths (38 percent) did not consult anyone when deciding about charitable contributions.
Barriers to Giving

Affordability is clearly a barrier to giving more. Eighty percent of all survey participants indicated they agreed that they do not give more to charity because they cannot afford it. It is even a larger concern for those at the lowest income levels, with 91 percent saying that they simply can’t afford to give more. Understandably, this proportion generally declines as incomes rise.

At the top end, less than half of those with a household income of more than $200,000 were likely to agree that affordability was an issue.

The next most common reason for not giving more is that individuals give to family and friends in need instead of supporting a specific charity. Those making between $50,001 to $75,000, $75,001 to $100,000, and $100,001 to $150,000 are least likely to agree that they did not give more to charities because they gave to family and friends in need (63, 64, and 61 percent, respectively). Respondents in income categories above and below these ranges all agreed at a higher rate. In particular, figures increase for those with incomes of $40,000 or less.

Respondents in the $150,001 to $200,000 income category agreed at a rate at least 12 percentage points higher than those in all other income categories that they did not give more to charities because they thought most charities were not efficiently run.

A little over half of the respondents suggested they did not contribute more because they volunteered their time in lieu of cash donations. Respondents 34 and younger were nearly 10 percentage points more likely than all older respondents to not donate more to charity because they volunteer their time. Those 65 and older were the least likely to say they did not donate more because they volunteered their time instead of giving money. This reason declines steadily with age, for the most part.

Three-quarters of people surveyed reported that lack of personal acknowledgement or a belief that an organization didn’t deserve their support were the least common factors inhibiting donations.

### Barriers to Giving More

<table>
<thead>
<tr>
<th>Reason</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can’t afford to give more</td>
<td>80</td>
</tr>
<tr>
<td>I give to family and friends who are in need</td>
<td>70</td>
</tr>
<tr>
<td>I volunteer my time instead of giving money</td>
<td>53</td>
</tr>
<tr>
<td>I already support too many</td>
<td>43</td>
</tr>
<tr>
<td>I think most charities are not efficiently run</td>
<td>40</td>
</tr>
<tr>
<td>I would rather spend my money in other ways</td>
<td>36</td>
</tr>
<tr>
<td>I don’t know enough about charities</td>
<td>29</td>
</tr>
<tr>
<td>I’m not sure what they did with my last gift</td>
<td>25</td>
</tr>
<tr>
<td>No one has asked me to give</td>
<td>14</td>
</tr>
<tr>
<td>I don’t think charities deserve my support</td>
<td>6</td>
</tr>
<tr>
<td>I don’t get enough personal acknowledgment</td>
<td>5</td>
</tr>
</tbody>
</table>

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**Summer Scholars**

A little over half of the respondents suggested they did not contribute more because they volunteered their time in lieu of cash donations. Respondents 34 and younger were nearly 10 percentage points more likely than all older respondents to not donate more to charity because they volunteer their time. Those 65 and older were the least likely to say they did not donate more because they volunteered their time instead of giving money. This reason declines steadily with age, for the most part.

Three-quarters of people surveyed reported that lack of personal acknowledgement or a belief that an organization didn’t deserve their support were the least common factors inhibiting donations.
Key Demographic Differences

Gender, age, and income in those surveyed did affect responses. While there are many differences, particularly pronounced distinctions are highlighted below. Overall, more differences were observed between those in different income groups than any other demographic breakdown. Gender had the least amount of variation.

Income

- The higher a respondent’s household income, the more likely they were to have supported causes serving education, healthcare, and basic human needs.
- People earning $200,000+ were more likely to support the arts, animals, and emergency efforts. Those in this income group were also the most likely to make donations directly to a nonprofit.
- The lower a respondent’s household income, the more likely they were to say that the government has a basic responsibility to support charities that help the poor and homeless.
- The higher a respondent’s household income, the more likely they were to have donated money, property, or time to a foundation.
- The higher a respondent’s household income, the more likely they were to have donated money, property, or time to a political advocacy group.
- The lower a respondent’s household income, the more likely they said that an important factor in their decision to give to a charity was that the organization helped them or someone they knew.
- The higher a respondent’s household income, the more likely they were to have a will, estate plan, or living will. In addition, those with an annual household income of more than $200,000 were much more likely to have provisions to support a charity in their will, estate plan, or living trust.
- People earning $150,000 to $200,000 were the most likely to doubt the effectiveness of organizations.

Age

- People aged 45 to 54 are more likely supporters of the arts.

- People aged 35 to 44 support education, youth organizations, and the environment more than those in other age groups.
- The older a respondent, the more likely they were to have donated to a religious cause or organization, animal group, political advocacy, or medically-related nonprofit.
- The younger a respondent, the more likely they were to not have donated more to charity because they would rather spend their money in other ways.
- The younger a respondent, the more likely they were to not have donated more to charity because they instead volunteered their time. They were also more inclined to donate in order to “give back” to the community.
- The older a respondent, the more likely they were to respond to a mailing from a charitable organization.
- The older a respondent, the more likely they were to have a will, estate plan, or living trust.

Gender

- Women were more likely than men to say the government has a basic responsibility to support charities that help the poor and homeless.
- Women were more likely than men to say they donate because they believe it is the right thing to do.
- Women were more likely than men to say they could not contribute more to charity because they could not afford to give more.
- Women were more likely than men to respond to a mailing from a charitable organization.
- Women were slightly more likely than men to volunteer and donate to emergency relief causes.
- Trust in an organization is slightly more important to women than men, as is a personal request for donation.
- Men are slightly more likely than women to give for tax purposes, though the rating for that is still low.
- Men are more likely than women to confer with a spouse or significant other prior to making a donation.
A Call to Action

Coloradans are passionate about supporting charitable causes. People care about programs that make a real difference in their communities — and contribute money and time to those causes because it's the right thing to do.

Personal giving is the way people in Colorado translate compassion into action. The fabric of our state is woven with the beautiful tradition of neighbor helping neighbor, even when our neighbor may be a stranger to us, or someone who lives far across the globe.

Action Steps for Individuals

- Isaac Solano, recent winner of the 2008 National Philanthropy Day Outstanding Youth Award remarked, “Philanthropy starts with commitment to your own community.” If you find yourself feeling upset or overwhelmed by a need in the community, find a small way to make a difference. No challenge we face is so great that we cannot have an impact by getting involved.

- Many people in our communities are struggling as the result of losing their job, or even their home. Now is not the time to cut back on charitable donations. Are you giving as much as you did last year? Are you giving the national average — which is nearly 4 percent of your adjusted gross income?

- Charity begins at home. This simple statement underlies a great truth in our existence. The most immediate needs we face are those taking place within our families and neighborhoods. If you have an aging relative who is struggling to get by, find a way to learn more about their situation and help them. If you have a child or a younger relative who is struggling in school, take time to mentor them. If someone you know is struggling with alcoholism or drug abuse, do not ignore it, but find a way to support them as they choose a better life.

- Establish a family tradition of giving back. What better value to instill in your children than investing in the vibrancy of your community? Help them select causes and organizations to support each year. Encourage family activities, such as volunteering at a clean-up day in your community or participating in a fun run for charity. There are many ways to show that giving to charity is important — and rewarding.

Now is the time for individuals, nonprofits, and businesses to demonstrate innovation and engage in thoughtful, creative problem-solving. We need to be more resourceful and effective than ever. We must rethink past methodologies and open our hearts and minds to consider new options to generate the resources needed to provide vital services and programs to benefit the people of Colorado.

Here are some suggested action steps for various audiences involved with nonprofits:

- Do a little research to make sure the organizations you are considering for support have clear goals and demonstrated accomplishments. You can research nonprofits by checking with area community foundations, United Way agencies, the Colorado Nonprofit Association, or, in the Denver Metro region, looking on the GivingFirst.org web site. You can also check with your local Better Business Bureau or the Secretary of State (www.sos.state.co.us) to see if the organization is in good standing. You need to be in control of your nonprofit “investment portfolio.”

- It is essential for all of us to become more educated about the needs of our community. Make a commitment to learn more by reading the paper, searching the internet, and talking to friends. Investigate wise giving tips at www.GenerousColorado.org.

- Volunteers help sustain nonprofit organizations. If you are hesitant to donate or to increase your donation, why not volunteer at an organization to get to know its mission better? By doing so, you will help fill an immediate need and perhaps gain confidence in knowing that your financial support is making a real difference in people’s lives.

- Make sure you have a will in place and that it includes a provision for your favorite charity.
Action Steps for Nonprofits

- Make personal requests of donors, face-to-face, when possible. Finding someone from your organization, board, or current donor base will improve your chances of a successful result.

- Trust is most important to donors. Set a high standard for accountability and transparency. Be open about your financial status, your operations, and other aspects of the work you do.

- Individuals support well-managed, effective organizations. Take classes to learn the skills and techniques to do your job well. Implement and demonstrate best practices in all aspects of the operation.

- The recent general election showed how the internet can be a highly effective tool for generating donations by connecting people with a cause they passionately support. Nonprofits must do more to harness this potential for giving by using the internet to connect their programs to the people who are already inclined to support them.

- Take time to share your story with others. All too often, nonprofits meet significant challenges in the community, but never share the results or impact of their efforts. If people do not know about the great work you are doing, they won’t take the step to offer financial support.

- As offered by John D. Rockefeller, “Next to doing the right thing, the most important thing is to let people know you are doing the right thing.” Clearly demonstrate in all you say, in all you publish, and in all you showcase that your organization is committed to best practices, strong ethics, and accountability.

- Always employ superior stewardship for funds received. Use the funds for the intended purpose. Communicate the impact of those funds and the programs they fueled to your donors.

- Commit yourself to sending a thank you note for every donation you receive this year.

- Assess the quality and effectiveness of your mail outreach program. There are very specific strategies that greatly enhance your success with this fundraising tool. Look to the Colorado Nonprofit Association or the many consultants in the field for classes or tips on using mail collateral to solicit donors.

- Explore new ways of generating donations. Adding a “Donate Now” link on your web site is fairly simple, and makes it easy for people to support your organization. Consider registering your organization on Blacktie-Colorado or the Make the Difference Network to make online giving easier. Starting a Facebook profile for your organization is free and may attract a new generation of volunteers and supporters.

- Explore and communicate planned giving options for donors. Often, during economically challenging times, donors who are committed to organizations and do not have as much accessible cash will consider long-term or deferred gifts.

- Equip and empower your “champions.” Every organization has leaders in the community who are willing to make donations. Identify and reach out to these individuals and simply ask them for suggestions on how your organization can be more effective. Their insights may help you see your organization in a new way. Find ways to honor these individuals — such as recognizing them at an annual event — to thank them for their support.

- Explore new fundraising strategies. The Colorado Nonprofit Association can help you explore the costs and benefits of new concepts. As example, a billboard in Denver encourages people to “Donate Your Boat” which might indicate, that during a difficult economy, people may donate luxury items resulting in revenue for your organization.

- Find new ways to collaborate with other nonprofits. When it comes to helping people, competition should be set aside in order to provide the greatest good to the greatest number of people. Nonprofits must find ways to work together to be more effective.

Food Bank of the Rockies has seen a 20 percent increase in demand for food. They are working harder to find new sources for funds and product, but also finding new ways to stretch dollars. As example, they are adopting more efficient ways to organize their truck routes and save fuel costs, thanks to software donations coming soon from UPS and Feeding America.
Action Steps for Businesses

- Truly successful businesses are engaged in the communities in which they operate. Business leaders must encourage one another to be a part of developing a healthy, productive, educated workforce by supporting the vital work done by nonprofits in these areas.

- Businesses can establish a matching gift program to match employee contributions to nonprofits.

- Businesses can provide the opportunity for employees to participate in a coordinated workplace-giving program by working with United Ways, Community Shares, the Colorado Combined Campaign, or other options that allow payroll deductions for contributions to specified nonprofits.

- Business leaders must be willing to step up and take an active role in helping shape public policy around social issues. For example, for every young person who drops out of school and enters the state’s growing prison system, there is a real human cost, as well as a financial cost for society.

- Business leaders recognize the value of being seen as a person who “gives back” to the community, but may not feel comfortable about championing an issue. Business leaders must become familiar with issues and find ways to get involved with nonprofits at a level where they are comfortable. Your moral support will mean a lot to the nonprofits that are trying to make Colorado a better place to live for all people.

- Decide which causes your company would like to support and provide incentives for employees to contribute money, time, or talent to those causes. Vesta Dipping Grill, the 2008 National Philanthropy Day Outstanding Small Business, embraced a culture of giving back to the community that engaged and energized employees. The business hosts frequent events to benefit nonprofits. Upon acceptance of the award, owner Josh Wolton reported, “Now we know that giving back can really be fun!”

- Estate planners, financial professionals, and legal advisors can help businesses and individuals make a planned gift to a nonprofit or even establish a donor-advised fund at a local community foundation.

- Consider partnerships with nonprofits as part of your marketing or community promotions strategy. Affiliation with a social cause will help the nonprofit and might boost customer loyalty. Studies show that many people choose to purchase goods and services from businesses that demonstrate commitment to community needs.

- Not only is giving back to the community the right thing to do, but it can impact the bottom line. The Stanford Social Innovation Review recently posted a story highlighting research indicating that for every dollar a business invests in the nonprofit community, it has a return on investment in the amount of $6.

The annual EnCana Cares campaign demonstrates the company’s commitment to philanthropy and underscores the importance and impact of individual giving. Each October, over a third of the eligible workforce enrolls online to make pledges to any registered nonprofit that they wish to support. Pledges are matched dollar for dollar, up to $25,000 per employee. EnCana covers all administrative costs, allowing 200 percent to pass through to the organization. Using payroll deduction and spreading deductions over 24 pay periods makes giving easy and convenient.

The 2008 EnCana Cares campaign raised over one million dollars.

- 621 employees or 38 percent of the eligible employees enrolled in EnCana Cares
- Employees pledged $568,257 to 564 different charities
- A total of $1,136,514 was raised with EnCana’s match

EnCana is truly committed to community.

Action Steps for Foundations

- Foundations are on the front lines of supporting nonprofits in our state. Where many nonprofits lack resources to communicate the great work they are doing, foundations can provide assistance and guidance to help nonprofits tell their stories effectively.

- Foundations can help nonprofits by communicating changes in funding priorities, quickly and effectively, should they occur. Being proactive in communicating changes to nonprofits will help them be more responsive.

- Encourage nonprofits to participate in classes and get the guidance they need to implement and communicate that they are utilizing best practices.

- Coach nonprofits to gain the fundraising skills and initiate donor stewardship practices that help them recruit and retain donors.

- Organizations like the Colorado Association of Funders (www.coloradofunders.org) offer foundations the opportunity to collaborate with others to help strengthen the nonprofit sector.
Appendices

Survey Instrument
A full copy of the instrument and questions used to collect data for this perception survey is available on the Colorado Nonprofit Association’s website at: www.ColoradoNonprofits.org/perception.

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Recognized as one of the 25 Fastest Growing Small Private firms in Colorado six out of the past seven years, and a recent finalist for Denver Small Business of the Year, Corona Research provides cost-effective, accurate information and counsel to decision makers in the nonprofit, private, and public sectors. The firm’s services include market research, demographics, data analysis, evaluation, and strategic consulting and facilitation.

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EnCana and its employees are enthusiastic supporters of charitable giving and give back to the communities where they live and work through corporate grants and employee matching gifts. Approximately $7 million dollars were awarded in 2008 through these two programs.

As the *EnCana Cares* campaign demonstrates, and this report confirms, donors give more when they can identify specific causes or charities that reflect their interests and can act immediately by making an online contribution.

EnCana supports *Generous Colorado*, an unprecedented and seamless way to learn about philanthropy and increase individual giving.