Striking a Match:
Incentivised Giving Report 2016
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Localgiving’s mission is to help local charitable organisations diversify their sources of income and achieve financial sustainability.

We do this by providing online fundraising tools, training and advice to help local groups connect with supporters, improve their digital skills and develop practical fundraising experience.

We secure and distribute third-party funding to local charities via match funds and are a leading advocate for the sector, working to encourage support from the public, government and businesses.

Since Localgiving launched in 2009:

- Over £14 million has been raised and distributed to our members, including £2.75 million of match funding
- Over 5,000 charities and community groups have created a Localgiving page to raise donations
- More than 136,000 individuals have donated to a local charity or community group through the platform
- More than 3,500 fundraiser pages have been created to raise money for a local cause
- More than 15,500 monthly Direct Debit donations have been set up to provide long-term continuous support for local charities

This report outlines the key results and learnings from Localgiving’s 2015 Incentivised Giving Programme. It includes both campaign data and survey feedback received from Localgiving’s participating groups and donors.

Background

Local charities and community groups are an essential part of the fabric of our society.

These groups, ranging from food banks to shelters to fan-owned sports teams, provide a unique and irreplaceable contribution to our communities.

Local charities often have an acute understanding of the facilities, demographics and social dynamics of an area enabling them to provide tailored services that directly address local issues.

Many grassroots groups are deeply embedded into their communities—enabling them to build positive, trusting bonds with people who other groups may have difficulty reaching.

Sadly many of these groups struggle financially. Localgiving’s October 2015 report into the sustainability of the local charity sector revealed that 73% of these groups expect their annual income to either decrease or remain stagnant over the coming financial year. Moreover, 53% of respondents knew of at least one charity in their area that has closed for financial reasons in the previous year.

With grants and contracts diminishing and increasingly ring-fenced, the key to survival for many small charities is to diversify their funding sources without losing the essence of what they do and why they are unique.
Online fundraising and digital marketing

Online fundraising and digital marketing, previously the preserve of larger charities, are becoming increasingly accessible to small charities and community groups.

However, many local charities and community groups lack the capacity, skills and confidence to fully engage with this technology.

We launched our Incentivised Giving Programme in 2015 with a view to expanding upon the traditional concept of match funding and exploring new mechanisms that can be used to encourage people to give.

The programme is designed to support grassroots groups to engage with digital technology and develop practical fundraising experience, whilst reaching new donors and raising funds for their cause.

The premise of ‘incentivised giving’ is simple:

**People can be motivated to donate or increase their donation to charitable causes if they are offered an “incentive” to do so.**

We believe this initial incentive can connect people with local charities and act as a catalyst for building durable donor relationships.

The long term goal of this programme is to protect the UK’s vibrant local voluntary sector and enable thousands of charitable groups to continue supporting people in their communities.

“Match funding makes a big difference especially as charities are so stretched at the moment with the lessening of support from statutory funding bodies”

**Grow Your Tenner Donor**

The aims of this report are to:

- Understand the results and impact of the campaigns that were ran in 2015
- Inform and help to refine Localgiving’s ongoing and future incentivised giving initiatives
- Contribute to the wider fundraising sector knowledge base and discussion on the benefits of incentivisation
- Enable funders to understand the characteristics of each campaign model and better align future contributions with their particular objectives.

**Incentivised Giving Programme 2015***

<table>
<thead>
<tr>
<th>Amount raised: £834,224</th>
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<tbody>
<tr>
<td>Participating Groups: 1,288</td>
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<tr>
<td>Average amount raised per group: £648</td>
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<tr>
<td>Participating Supporters: 16,561</td>
</tr>
</tbody>
</table>

*To ensure a fair analysis of each model we have removed all data from The Community Foundation for Calderdale’s Flood Relief Appeal—this appeal received national press coverage in the wake of the Boxing Day floods and raised over £150,000 alone during Christmas Top 40.
Localgiving’s Incentivised Giving Programme consists of an annual calendar of fundraising campaigns. Through the programme, local groups are able to learn, practice and evolve their digital fundraising skills.

In 2015 we ran six incentivised giving campaigns: Grow Your Tenner, #GiveMe5 (Jan, Feb, Dec), #LocalHero and Christmas Top 40.

Each campaign has a different objective, audience and fundraising methodology, enabling groups to test what works best for them and their supporters. At present Localgiving’s incentivised giving programme includes the following models:

- **Deterministic match funds**: all donations are guaranteed to be matched, subject to the donation meeting the terms of the campaign e.g. Grow Your Tenner
- **Randomised match funds**: a donation may or may not be matched according to predetermined or random criteria e.g. #GiveMe5
- **Competitions**: prizes are awarded to the “best performing” fundraisers or charities e.g. Christmas Top 40 and #LocalHero

In this report we outline the characteristics of each model and, using the campaign data and survey feedback, discuss our learnings.

As well as running the above mentioned campaigns, the Incentivised Giving Programme provides groups with:

**Fundraising support**
- Step-by-step fundraising and marketing guides
- Customisable, print-at-home posters
- Press releases and email templates
- One-click social shares
- Web banners and buttons
- Webinars and face-to-face training sessions
- Telephone and email support from an expert charity engagement team

**Amplification**
- Centralised national campaigns, amplified regionally by groups across the country
- Campaign-specific hashtags
- Social media support
- Co-ordinated local press engagement
Grow your Tenner ran from 13th October to 23rd October in 2015. Grow Your Tenner follows the “deterministic” model in which donations are guaranteed to be matched, subject to the donation meeting the terms of the campaign.

In the case of Grow Your Tenner, all donations of £10 were matched until the full match fund was emptied. Grow Your Tenner 2015 matched one-time donations by up to £10 and regular monthly donations by up to £10 per month for three months. There was a limit of 10 matched donations per donor.

2015 was the fourth iteration of the campaign. However, this was only the second year of running Grow Your Tenner as a UK-wide national campaign - in 2012 and 2013 the campaign had been restricted to charities in England and Wales.

Funding for Grow Your Tenner came from the Office for Civil Society and a private philanthropist.

Results and Learnings

“Localgiving’s Grow your Tenner campaign offers scope for very local, small, groups to augment their income in a time- and tax-efficient way.”

“This is a great campaign which will definitely encourage many more donations for local charities!”

- Grow Your Tenner Donors

- Grow Your Tenner raised significantly more money than any other campaign - £631,245.

- This campaign raised the highest average amount per group over a campaign period - £702.

- To stimulate regular giving, Localgiving offered to match £10 per month on Direct Debit donations for a 3 month period—raising £177,094.

- The financial legacy of Grow Your Tenner may be considerably higher if we consider the number of people who continue their Direct Debits beyond the matched period.

Overall amount raised in 2015 campaigns
Grow Your Tenner had higher participation rates among both groups and supporters than in any other campaign.

The fact that all donations within the campaign rules are matched makes Grow Your Tenner very popular among both groups and donors, as shown by the participation and donation data, as well as the overwhelmingly positive donor feedback.

However, there were also a number of learnings and limitations that will help inform future deterministic campaigns:

- Running successful campaigns of this type can be resource, and labour intensive, necessitating substantial initial investment by fundraisers and ongoing support for participating groups by Localgiving.

- Grow Your Tenner represented a lower return (leverage) than other campaign types, delivering £2.52 per £1 invested* compared to an average leverage of £11.55 during competition type models (See page 11). However, this does not take into account the legacy of Grow Your Tenner. This campaign focusses on encouraging donors to set up Direct Debits and building the fundraising capacity of participating groups. The potential long-term impact of Grow Your Tenner is therefore far greater than other models.

- The duration of the campaign was set as 13th October to 18th November 2015 (or when the funds ran out). In practice the campaign lasted just 11 days. The fact the funds ran out so quickly may evidence improved fundraising capabilities among participating groups but the fund was half the size of the previous year. This short time-frame prevented some smaller, less technologically advanced groups from reaping the benefits of the campaign.

* For the individual philanthropist part funding the campaign the total leverage achieved was £4.90 per £1 invested—inclusive of Gift Aid and tax relief claimed at the highest rate.
Participating Groups: 736
Amount raised: £94,465
Participating Supporters: 3,758

In 2015 Localgiving ran three randomised #GiveMe5 match funds.

During #GiveMe5 campaigns 1,000 x £5 donations are doubled in a 24hr period. Every £5 donation made to a participating charity between the start and end times is placed into a draw to be doubled.

In January and February, funding came from a private philanthropist. In December half of the match fund was contributed by the Office for Civil Society. The December campaign was held on ‘international day of giving’, Giving Tuesday.

Results and Learnings

<table>
<thead>
<tr>
<th></th>
<th>#GiveMe5 Jan</th>
<th>#GiveMe5 Feb</th>
<th>#GiveMe5 Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporters taking part</td>
<td>1,234</td>
<td>1,418</td>
<td>1,500</td>
</tr>
<tr>
<td>Groups benefitting</td>
<td>365</td>
<td>365</td>
<td>548</td>
</tr>
<tr>
<td>Number of donations</td>
<td>2,259</td>
<td>3,363</td>
<td>3,352</td>
</tr>
<tr>
<td>Donations</td>
<td>£17,428</td>
<td>£22,837</td>
<td>£26,198</td>
</tr>
<tr>
<td>Gift Aid</td>
<td>£3,395</td>
<td>£4,357</td>
<td>£5,250</td>
</tr>
<tr>
<td>Match fund</td>
<td>£5,000</td>
<td>£5,000</td>
<td>£5,000</td>
</tr>
<tr>
<td>Total raised</td>
<td>£25,823</td>
<td>£32,193</td>
<td>£36,449</td>
</tr>
<tr>
<td>Leverage - for every £1 donated</td>
<td>£5.16</td>
<td>£6.44</td>
<td>£7.29</td>
</tr>
</tbody>
</table>

“#GiveMe5 is a great idea for raising awareness with an added touch of excitement too” - #GiveMe5 Donor

Comparisons between #GiveMe5 campaigns

The table to the left shows the key data from all three #GiveMe5 campaigns held in 2015.

- The overall amount raised increased with each iteration of the campaign.
- There was an increase in participation among both charities and supporters throughout the year.
- In terms of group participation rates, there was a percentage increase of 50% between the spring 2015 campaigns and the December #GiveMe5. This could in part be attributed to the effect of Giving Tuesday.
- The number of supporters taking part rose by 15% between the January and February 2015 campaigns, and then by a further 6% for the December campaign.
This campaign model has the following key strengths:

- Randomised match funds represent better leverage for investors than deterministic match funds - in 2015 an average of £6.30 was raised per £1 invested compared to £2.52 in deterministic match funds.
- The 24 hour duration makes these campaigns ideal for marking specific events or awareness days.
- #GiveMe5 campaigns are relatively time and resource efficient due to their shorter duration and smaller required investment (than Grow Your Tenner).
- #GiveMe5 campaigns raised the highest average amount per group per day (24 hours) - £73.92.

Disadvantages of the campaign include:

- Participation rates among both groups and donors, although increasing over time, remain low compared to Grow Your Tenner (See page 6)
- #GiveMe5 campaigns raised the lowest average amount per group over an entire campaign period
- The 24 hour duration is likely to have been a key factor in both of the above.
- Overall, #GiveMe5 received largely positive donor feedback, with donors variously describing it as “exciting” and “encouraging”. However, some survey respondents reacted negatively to the outcome of the campaign, saying they felt “annoyed” or “cheated” on hearing their donation had not been matched. In future we will try to ensure greater clarity around the campaign terms - both in Localgiving’s own communications and that of our member groups—in order to minimise donor dissatisfaction.
Competitions

Localgiving ran two competitions in 2015 - **Christmas Top 40** and **#LocalHero**

Beyond the core objectives of increasing donors and donations, these competitions had secondary goals. **#LocalHero** was designed to engage individual fundraisers while **Christmas Top 40** was intended to give charities the skills to run time-limited appeals.

**Christmas Top 40** ran between 8th December 2015 and 8th January 2016.

This campaign was intended to help charities to learn to use and market a time-limited appeal. A £100 prize was awarded to the first 40 groups that raised £100 through their Localgiving Appeal page. A Top Spot Prize of £1,000 was given to the group that raised the most throughout the campaign.

The campaign saw an initial surge in appeal pages being set up. Within two days (by 10th December) the Top 40 places had been filled, leaving the Top Spot prize open for competition.

The competition was initially close. However, after the Calderdale floods on Boxing Day 2015 and the national press attention that followed, the Community Foundation for Calderdale’s campaign to support those affected by the flooding received a huge surge in support.

Ultimately 87% of all donation money received during the campaign went to the Calderdale appeal.

**#LocalHero** ran between 1st June and 30th June 2015. Through this campaign £5,000 of prizes were given to causes supported by the top 20 fundraisers. Fundraisers were ranked on a leaderboard according to the number of unique donors who sponsored them throughout the month. The fundraiser with the most donors contributing to their page at the end of the month won £1,000 for their chosen charity, with prizes of £500 to £100 for the highest ranked runners up.

Prior to the campaign we gained the support of Lord David Puttnam who produced a film of the same name - **Local Hero** in 1983.

This campaign was also sponsored by the Investment management company, Nutmeg and a private philanthropist.

**#LocalHero 2015 winner, Mick Pembleton** raised £2,313 from 157 unique sponsors for a skydive. His chosen charity was Ability Dogs 4 Young People IoW. Mick said:

“(The charity) were instrumental in getting me set up online. I really didn’t want to go round asking people to sponsor me but with the Localgiving link I could tell people the details then it was up to them if they wanted to go ahead...the #LocalHero Leaderboard definitely helped in spreading the word - having the possibility of getting an extra £1,000 really inspired everybody”

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**Participating Groups**:
- **Christmas Top 40**: 70 (71)
- **#LocalHero**: 161

**Participating Supporters**:
- **Christmas Top 40**: 456 (4,917)
- **#LocalHero**: 2,576

**Participating Fundraisers**:
- **Christmas Top 40**: 268
- **#LocalHero**: 268

**Amount Raised**:
- **Christmas Top 40**: £28,015 (£213,269)
- **#LocalHero**: £80,499
Results and Learnings

- For investors measuring their impact in terms of leverage, competitions appear to provide the best results. As the table to the right shows, competitions had an average leverage of £11.55 (per pound invested) compared to £6.30 during randomised campaigns and £2.52 in deterministic campaigns.

- The average donation was significantly higher during competitions than other models (see Donation Size on page 12-13). However, participation rates for competitions were far lower than for the other match fund models. An average of just 6% of groups participated in our competitions compared to 20% of groups in our randomised campaigns and 44% in the deterministic campaigns.
## Campaign Comparisons

<table>
<thead>
<tr>
<th></th>
<th>Deterministic</th>
<th>Randomised</th>
<th>Competitions</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>- Grow Your Tenner</td>
<td>- #GiveMe5</td>
<td>- Christmas Top 40 - #LocalHero</td>
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<tr>
<td><strong>Strengths</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raised significantly more money overall then all other campaign models</td>
<td></td>
<td></td>
<td>Provided best leverage on initial investment of all campaigns</td>
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<tr>
<td>Raised highest average amount per group</td>
<td></td>
<td></td>
<td>Average donation size was significantly higher than other models</td>
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<tr>
<td>Had highest participation rates among both groups and donors</td>
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<td></td>
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<tr>
<td>Strong, positive feedback for this model from both donors and members</td>
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<tr>
<td>Strong projected legacy due to focus on Direct Debits and capacity building of participating groups</td>
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<tr>
<td><strong>Weaknesses</strong></td>
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<tr>
<td>Resource intensive - required substantial initial investment (most expensive in terms of match funding) and ongoing support for groups</td>
<td></td>
<td></td>
<td>Participation rates (both supporters and groups) were lower than other match fund models</td>
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<tr>
<td>Short duration prevented some smaller/ less technologically advanced groups from benefitting</td>
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<td></td>
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<tr>
<td>Did not represent as high an (initial) return on investment as the other campaign models</td>
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<tr>
<td>Participants among groups and donors increased throughout 2015, as did the overall amount raised</td>
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<tr>
<td>Provided better leverage on investments than deterministic match funds</td>
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<tr>
<td>24 hour duration makes these campaigns ideal for marking events or awareness days</td>
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<tr>
<td>Relatively time and resource efficient</td>
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<tr>
<td>#GiveMe5 campaigns raised the highest average amount per group per day of any campaign - £73.92</td>
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<tr>
<td>Some misunderstanding of ‘randomised’ matching resulted in mixed donor sentiments - although the majority remained positive</td>
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<tr>
<td>#GiveMe5 campaigns did not raise as much per group over the campaign. This is primarily due to the shorter (24 hr) duration</td>
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This section uses data from the campaigns, alongside the results of donor surveys, to explore the impact of the Incentivised Giving Programme on donor sentiment and donation decisions.

### The Decision to Donate

The vast majority of donor survey respondents said that the incentive offered was a crucial factor in their decision to donate.

- In the February 2015 #GiveMe5 survey 83.4% of respondents said that matching funding had either influenced their decision “a lot” or was the “only reason” that they had donated. Very similar feedback was given by donors in both the Grow Your Tenner 2015 survey (72.3%) and in December’s #GiveMe5 survey (72.8%).

- Less than 5% of all donors claimed not to have been influenced by an incentive at all.

The data indicates that randomised match funds may have more impact on donor behaviour than deterministic match funds.

- In February’s #GiveMe5, 19.1% of donors said that the potential match was the ‘only’ reason for their donation - In December’s #GiveMe5 this figure rose to 27.2%.

16.5% of donors said the incentive was the ‘only’ reason they donated during Grow Your Tenner.

“To what extent did having your donation matched influence your decision to donate”

- #GiveMe5 - Feb
- Grow Your Tenner
- #GiveMe5 - Dec

### Donation Size

The average donation size made during each campaign appears to be strongly linked to the campaign incentive. Most people donate strategically, looking to maximise the impact of their donation.

During match funds, the amount promised to be matched (the ‘ask’), was the biggest factor in dictating the amount given by most donors.

In #GiveMe5 campaigns the ask was £5. £5 donations were the modal average and greatly affected the mean (See table above).

Similarly in Grow Your Tenner the maximum amount to be doubled was £10. The modal average was £10 with the mean at £13.14.

The average one-time donation given during competitions was higher than in match funds. The Christmas Top 40 campaign attracted the highest average donation at £38.69. During this campaign the first 40 charities to reach £100 were awarded £100 in match funding. This threshold looks to have encouraged some donors to give larger single donations, pushing the average donation upwards.
Donation Frequency

A significant majority of supporters in every incentivised giving campaign in 2015 donated only once. However, there were clear differences between campaign models.

The number of supporters giving multiple donations was considerably lower during competitions than in match funds. This is likely to have been influenced by the incentive.

During match funds, multiple donations released further match funding. On the other hand, the incentive offered by the competitions was based on the overall amount raised, or number of unique donors. This encouraged supporters to give larger amounts but not make multiple donations.

In Grow Your Tenner, there was a limit of 10 matched donations per donor - in #GiveMe5 campaigns there was no set limit.
Donor Retention

- The vast majority of all donor survey respondents said they were “likely to donate in future”, ranging from 64% during Grow Your Tenner to 90% in February’s #GiveMe5.
- This figure was even greater among donors who had previously donated through a Localgiving campaign.
- Of donors who had previously donated to the same charity, the majority had done so through a Localgiving campaign - 76% in December’s #GiveMe5 campaign and 65% during Grow Your Tenner.

Engaging New Donors

All but one campaign in 2015, February’s #GiveMe5, attracted more new supporters than returning supporters.

- The #LocalHero competition attracted the highest percentage of new donors (89%). #LocalHero is our only campaign that puts the fundraising onus on individual fundraisers rather than groups themselves. On average each fundraiser on Localgiving brings in approximately 10 new donors.

- Randomised match funds brought in the lowest percentage of new donors – between 43% and 58%. This may indicate that the “chance” of having funds matched is not as strong an incentive to prospective donors. However, it may also indicate that randomised campaigns are particularly effective for repeat donors.

“Although we give to our chosen group on other occasions, this is a trigger to make an additional spontaneous contribution”

#GiveMe5 Donor

“I think it’s brilliant. I’ll continue the extra DD donation if I can afford it”

Grow Your Tenner Donor
Localgiving has been exploring incentivised giving, in different forms, since 2012. However, 2015 was the first year that Localgiving’s various incentivised giving campaigns were consolidated into a full annual programme.

In this report we have attempted to describe, analyse and compare the various campaigns that formed Localgiving’s 2015 Incentivised Giving Programme.

This report has shown that incentivisation can encourage people to engage in local charitable causes and donate.

The overwhelming majority of donors claimed that the incentive was a crucial factor in their decision to donate. Importantly, most donors plan to continue supporting their charity of choice again in future. This indicates that incentivised giving campaigns can be used not only to stimulate one-time donations but also as a starting point for long-term donor relationships.

Furthermore, this report has given us a strong basis from which to build our understanding of the strengths and limitations of each campaign model. 2015 campaign data and feedback indicate that:

- **Deterministic match funds** are very popular and drive mass participation among donors and groups alike. However, they require substantial initial investment.

- **Randomised match funds** provide higher leverage and raise the most on average over 24 hours. However, the element of ‘chance’ can result in mixed donor sentiments.

- **Competitions** provide excellent leverage for programme funders but charity and supporter engagement is typically lower—potentially indicating a need for further group training.

Looking Forward

- The findings in this report will be used, in conjunction with our ongoing monitoring and evaluation of all campaigns, to help us refine our incentivised giving programme to the benefit of our members, donors, investors and other key stakeholders.

- This report will enable current and potential programme investors to align their contributions with their investment objectives. For example, funders wishing to widen the overall number of groups they support may opt to fund a different model to those looking to maximise the leverage achieved by their contribution.

- We also hope that the findings in this report will be of value to the wider fundraising sector and those with a research interests in the area. We recognise that numerous factors may have affected our findings – ranging from campaign duration to ‘the ask’. We hope this report can be used as springboard for more rigorous research into incentivised giving.

“This kind of funding initiative will become more and more important as the baby boomers who mainly populate charities and voluntary groups start to disappear and more cash-strapped generations find it difficult to give their more limited time and more limited resources”

Grow Your Tenner Donor

Localgiving would like to thank all of the groups and donors who contributed to this report.