



# DISASTERS AND DONATING

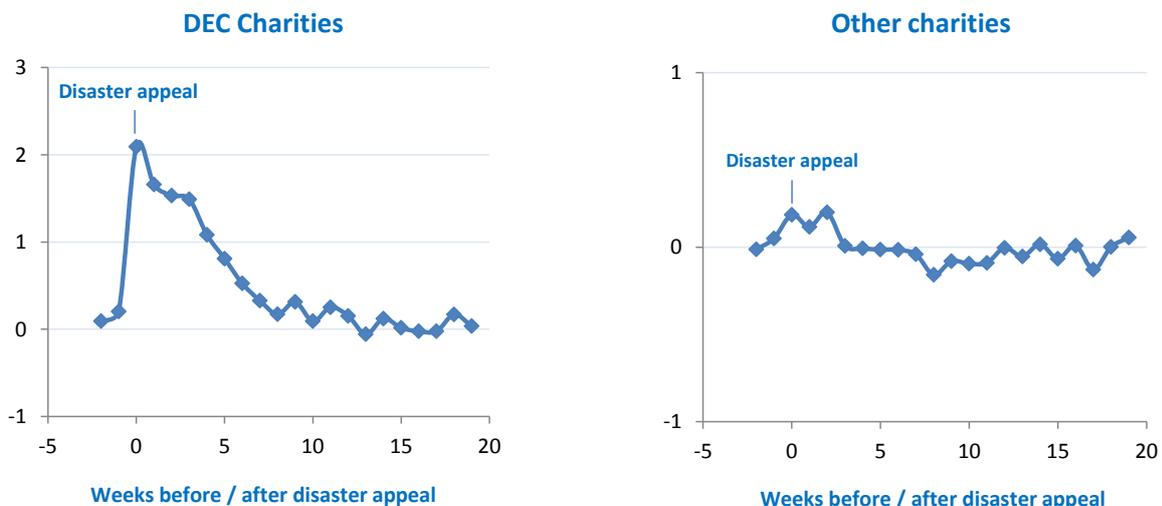
## *How emergency appeals impact on charitable giving*

In June 2016 CAF brought together a panel of academic experts and an audience of charities to discuss the impact of emergency appeals on charitable giving. At the event, leading economists, Professors Sarah Smith, Kimberley Scharf and Mark Ottoni-Wilhelm<sup>1</sup> presented the findings of their new research on the subject. The research, based on analysis of anonymised CAF customer data, was the most comprehensive of its kind ever undertaken. It looked at around 4.5 million donations made between June 2009 and July 2014, a period which covered six DEC appeals.

The purpose of this research was to look at whether donating to a disaster appeal had an impact on other charitable giving. It also looked at whether telethons had any effect on other donations, to see if the same pattern emerged. The chart below shows the overall level of donations before, after and during DEC appeals both on DEC and its member charities (left side) and non disaster related charities (right side)<sup>2</sup>.

### Change in total amount donated, relative to non-disaster periods

Weeks before/ after disaster appeal



<sup>1</sup> University of Bristol, University of Warwick and Indiana University respectively

<sup>2</sup> 0 on the vertical axis = normal expected donation levels

This analysis reveals that not only do people respond to disaster campaigns and appeals by donating more to DEC charities, they donate more to non-disaster charities in the weeks following a DEC appeal too.

For disaster related charities, the increase in donations continues for almost 20 weeks following a campaign. For non-disaster charities, donations are above the average expected levels for around six weeks after an appeal before they stabilise.

The subsequent analysis of telethons shows a similar pattern. A telethon helps to increase donations to its particular cause and to charities more widely. However, the uplift in donations for other charities has less longevity than following a disaster appeal.

Four key research findings:

- 1. Appeals encourage giving** – large disaster appeals are effective in encouraging people to be more charitable as the act of donating appears to motivate donors to give to other causes. This is equally true of annual telethons such as Children in Need and Comic Relief. Disaster appeals therefore do not adversely impact other planned fundraising activity and appear to stimulate a culture of giving.
- 2. Donations are not cannibalised** – donations are seen to spike during an appeal, but this does not create a deficit in giving to other charities. In fact, there is a simultaneous increase in donations to non-disaster related charities during a large disaster appeal, followed by an eventual return to normal levels of giving.
- 3. Reduced 'hassle costs'** – it would appear that donors tend to be more receptive to donating to other charities during disaster relief appeals. This could be due to the donor being already primed to give and finding it easier to give to more than one charity at the same time.
- 4. Giving is emotive** – effective disaster response campaigns can influence an individual's need to help other causes as it makes the concept of giving more salient.

These are new findings that debunk myths on donor behaviour, and challenge some widely held assumptions about fundraising appeals. **In summary, far from reducing donations to other charities, big appeals actually inspire people to be more generous.**

A fuller report will be produced by CAF within the coming months.