**Impulse on the Internet: How Crisis Compels Donors to Give Online**

A Network for Good Study of Disaster Giving

Introduction

Online giving is growing exponentially per year, from just over half a billion dollars in 2000 to more than $4.5 billion in 2005 (source: ePhilanthropy Foundation), however it still represents a relatively small percentage of total charitable giving.
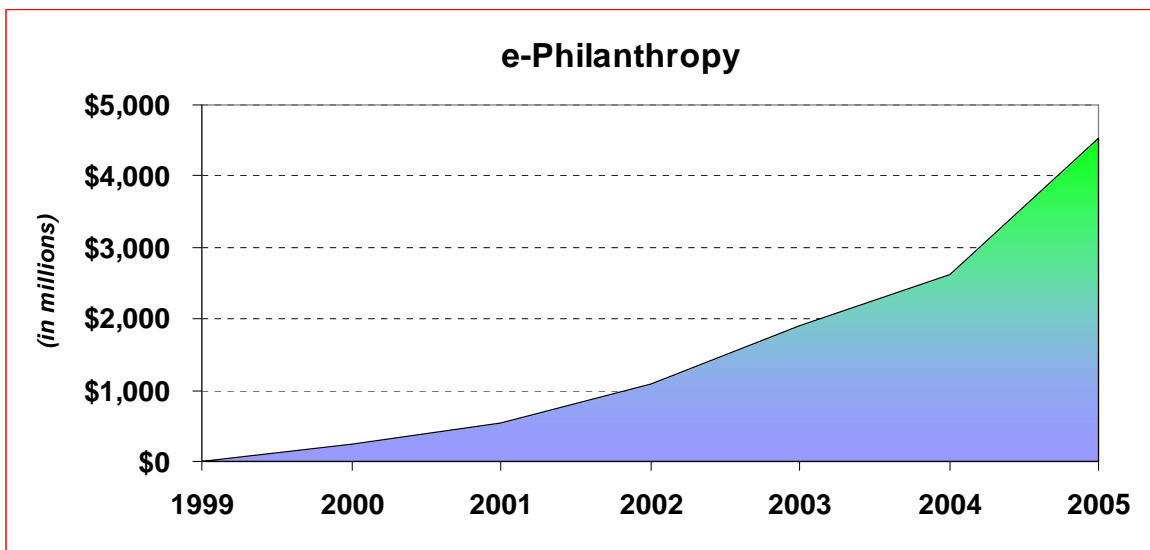
The notable exception is giving in response to humanitarian crises, when the Internet is becoming donors' avenue of choice.

The Chronicle of Philanthropy has noted that Internet donations for the 2004 South Asian tsunami relief accounted for more than one-third of the total raised – more than twice the proportion of online gifts in the aftermath of the September 11, 2001, terrorist attacks.

After Hurricane Katrina, half of relief giving was online, representing the largest outpouring of donations online in history.

Marking the one-year anniversary of that disaster, Network for Good has undertaken a study of the recent, large-scale humanitarian emergencies that promoted massive online donations in order to analyze:

- Why donors give online
- How donors give online: their giving behaviors
- Implications for nonprofits seeking to fundraise online

Methodology

This study is based on analysis of $24.5 million in charitable giving online through Network for Good in response to three major crises: the December 2004 tsunamis, Hurricane Katrina in August 2005 and the Pakistan earthquake of October 2005.

- Tsunami relief: 82,000 donations totaling $11 million for 124 charities
- Katrina relief: 107,000 donations totaling $13 million for 344 charities
- Pakistan relief: 3,100 donations totaling $500,000 for 75 charities

As the Internet's largest nonprofit giving portal, Network for Good has a uniquely rich set of data on online giving. Since its inception in November 2001, Network for Good has processed nearly $100 million in donations for over 23,000 different charities, including the $24.5 million that is the focus of this study. Through www.networkforgood.org, online donors can support more than one million different charities in the GuideStar database. In addition, Network for Good processes donations for about 6,000 nonprofits via their own web sites.

Findings

Finding #1: The Internet is ideally matched to charitable giving at times of disaster, when technology can turn the impulse to help into a donation within seconds. This "impulse effect" is evinced in increased traffic, donations and conversion rates.

Disaster giving is impulse giving. People are shocked by the disturbing words and pictures that emerge from humanitarian disasters, and they want to help in that moment. By enabling people to react immediately -- when they feel moved by the unfolding story -- online giving likely increases the rates at which feeling is converted to charitable action. This is especially true when giving links are integrated into online news content, as Network for Good has seen through its partners AOL and Yahoo!

The "impulse effect" was strong in all three crises:

Tsunami: web traffic 10 times normal volume, donations six times normal volume
Katrina: web traffic 75 times normal volume, donations 20 times normal volume
Earthquake: web traffic double normal volume, donations double normal volume

The spike in web site traffic and giving following the December 2004 tsunami in comparison to normal volume was less pronounced than that following Hurricane Katrina because normal traffic and giving is already quite elevated in December. In fact, in a typical year, 40% of Network for Good's annual volume of donations is given during the holiday season.

Web Site Page Views
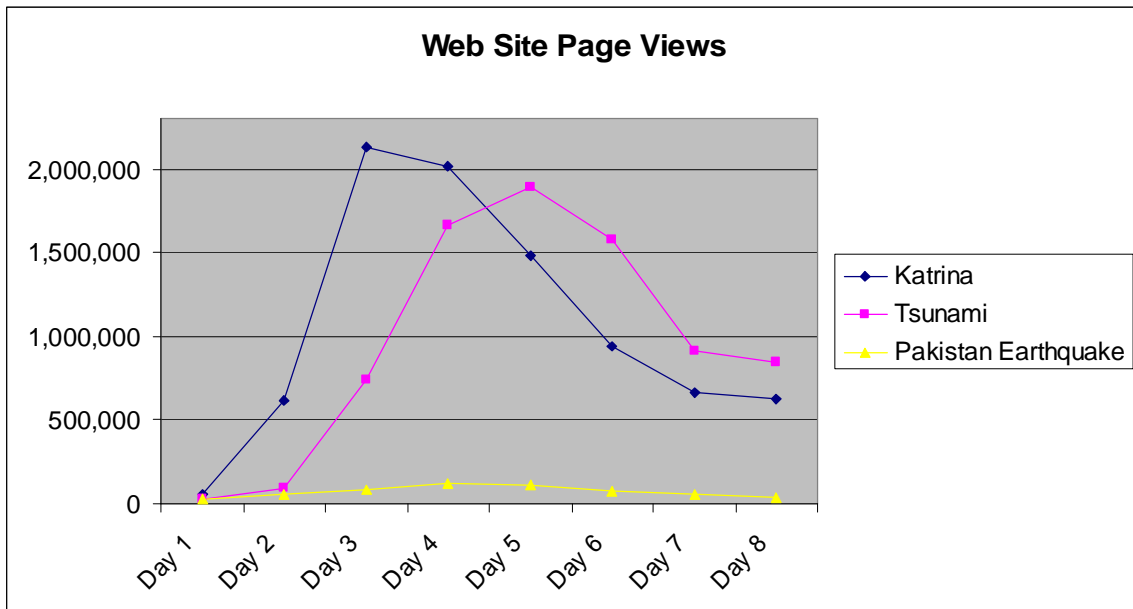
Search has become a crucial medium to connect donors to websites where they can channel their desire to take action. Network for Good saw a five-fold increase from normal conversion rates on search marketing during Hurricane Katrina. This was the first disaster in which Network for Good was able to monitor these conversion rates from search, and they indicated that donors were far more motivated to give to charity during the disaster than during non-crisis periods.

Finding #2: Disaster giving online follows a "fast but fleeting" pattern. The "impulse effect" spikes and drops within a short, two- to six-day timeframe.

As the web traffic would suggest, donor interest rises and falls quickly in the wake of a crisis, and giving patterns are similarly "fast but fleeting." Giving typically peaks between two and six days after disaster strikes.

Hurricane Katrina's spike is typical of disaster giving via Network for Good:

Daily Hurricane Donations
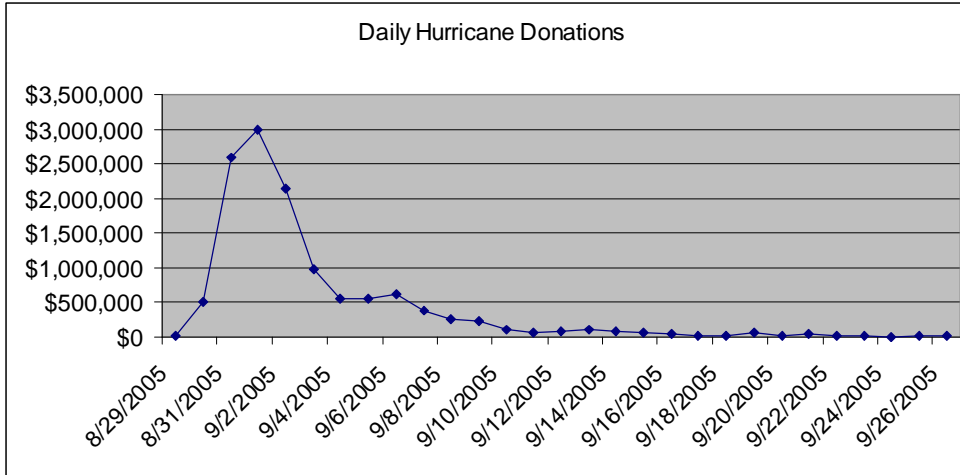
Finding #3: News coverage is a major driver of giving online. Half of Network for Good's traffic in crisis is driven by links with AOL and Yahoo!, with links within their news content generating the most donations.

Online giving appears to be driven largely by news coverage, especially imbedded links within online news coverage. As coverage spikes and wanes, so does giving. The weeklong "impulse effect" is commensurate with the amount of time that humanitarian disasters are on the front page of daily newspapers or headlined in online and television coverage.

The leading source of Network for Good's donations is consistently "how to help" links within AOL and Yahoo!, as well as on sites such as CNN and USA Today.

The angle of online and offline news coverage also influences giving patterns. For example, stories about pets left behind during Hurricane Katrina led to $1 million in giving to animal welfare organizations like the Humane Society, Noah's Wish and PETSMART Charities on Network for Good.

Finding #4: Whether due to the impulsive nature of online giving or the credit card effect, online donors are more generous than offline donors.

The average online gift across all crises was approximately $125. For Katrina, the average gift was $119. That is close to Network for Good's 2005 average gift size of $123 (excluding gifts of over $5,000) and far more than the average offline gift to charity, which was $27 (excluding gifts of over $5,000). The sources of the below figures are the Target Analysis Group, eNonprofit Benchmarks Study from the Advocacy Institute and Network for Good. Industry Online figures for 2004 and 2005 are based on September-to-September reporting periods.

Average Gift Size Network for Good vs. Industry
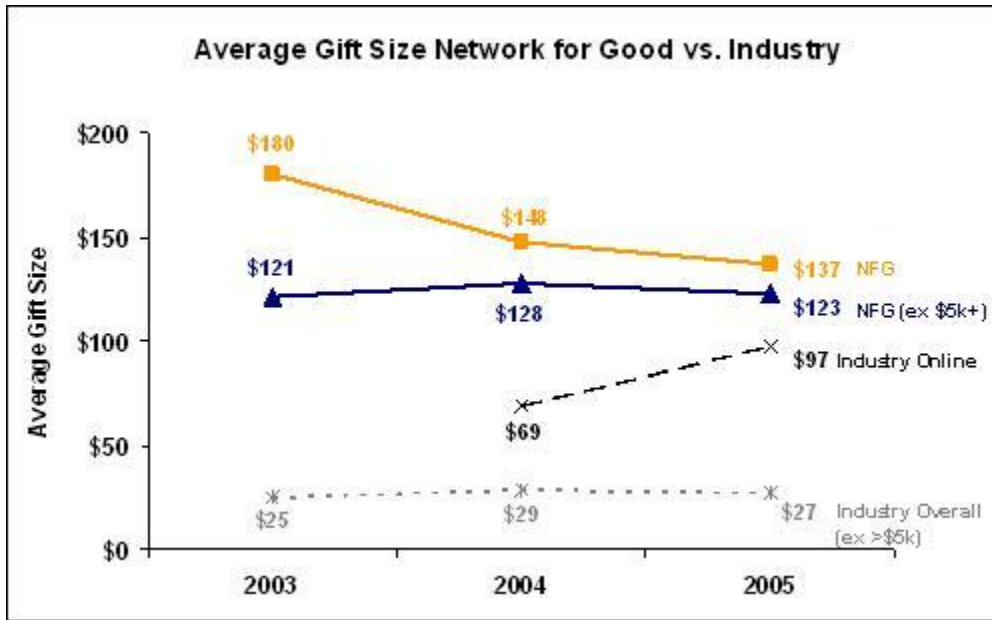
In terms of the reasons behind the high giving levels online, possible explanations are the impulsive nature of disaster giving, consumers' tendency to spend more on credit cards than by check, or a wealthier demographic choosing to give online.

Finding #5: Big nonprofit brands win in a disaster, but donors value choice.

Most people have favorite charities that are related to their personal affinities. They may support a local church, their alma mater, an organization that fights a disease that a relative had, or a community center that helps kids from their old neighborhood. But at times of disaster, donors who want to help may not have personal experience with the organizations providing relief. This leads them to give to organizations with familiar names and strong brand recognition, unless they are presented with information on other organizations from a trusted source.

Network for Good's experience reflects this. In each disaster, much of giving was focused on well-known organizations, but a significant number of donors opted to support smaller or lesser-known organizations because they were presented with a comprehensive, screened list of charities and reliable information about them. In this way, by serving as a charitable vetting organization and aggregator, Network for Good seems to have somewhat leveled the digital playing field for charitable fundraising.

For example, during Hurricane Katrina relief efforts, Network for Good's page featured dozens of charities. About 60% of donations were to the American Red Cross – a low figure compared to the 80% contributed to the American Red Cross overall in response to the disaster. The other 40% went to 343 other organizations. In the case of tsunami, donors at Network for Good gave to a total of 124 charities; in response to the Pakistan earthquake, 75.

- Top three tsunami charities: American National Red Cross, United States Fund for UNICEF and AmeriCares Foundation, Inc.
- Top three Katrina charities: American Red Cross, Salvation Army and Catholic Charities USA
- Top three earthquake charities: Humanity First USA, United States Fund for UNICEF and Save the Children

> **Finding #6:** The Internet has created a new type of donor: the citizen philanthropist.

While fundraising was once primarily the domain of nonprofits and their corporate partners, with each crisis, Network for Good has seen an increasing number of people creating links to their favorite charities to fundraise on their behalf.

Hundreds of blogs, individual web sites and small business web sites – and a few celebrities - have linked to Network for Good at times of crisis. Dozens of individuals contacted Network for Good to announce they had set up their own web sites in the wake of Katrina to match people willing to provide housing with victims. The result was a thriving, if somewhat fragmented, network of people mobilizing resources, many of which Network for Good featured on its web page.

Much of these initiatives were fueled by a demand among donors for ways to fulfill their desire to volunteer and otherwise support relief efforts beyond financial gifts. Here are some typical emails from individuals who donated to Katrina relief efforts:

"We would like to know whom to contact about relocating a homeless hurricane family to Orlando, Florida, to help them get on their feet again and to offer support. We have a big house and a big heart."

"I really want to go down there and help ASAP how and when is that possible. What can I do, I would really like to make a long commitment to go down there and help save lives. I just don't feel right sitting at home seeing this on TV. I'd rather be part of a solution."

"My daughter and I want to go to the Biloxi or New Orleans area to volunteer to do whatever we can. Driving, helping relocate, cleaning, feeding, whatever."

Network for Good referred over 15,000 people to volunteer opportunities in the wake of Katrina.

Finding #7: Increased fraud and media coverage of nefarious fundraisers increased donor skepticism.

Of course, not all of the web sites created in response to Katrina were legitimate, a fact covered widely in the media. Privacy and security was consistently the #1 clicked on FAQ throughout Network for Good's site during crisis, an indication that fraud is a chief concern of donors. In response to such concerns, organizations like the American Red Cross issued lists of official donation processing vendors, including Network for Good.

While clearly a concern of donors, fear of fraud does not appear to be harming the growth of online giving in response to disasters – especially among the younger demographic that donates and conducts much of their personal business online. (The average age of donors at Network for Good is 39.) If anything, donors are becoming smarter and will confirm a website is trusted, including looking for a Better Business Bureau Wise Giving Alliance seal.

Finding #8: Fears of compassion fatigue may be overblown; disasters don't appear to drastically depress giving in other areas.

Network for Good's overall giving for 2005 *apart from crisis giving* showed a 43% increase over non-crisis giving the previous year, suggesting that the specter of compassion fatigue did not depress donations to non-crisis charities. Most donors appear to give to crisis in addition to their regular giving both online and offline.

In fact, 2005's holiday giving was the highest month for non-crisis giving on record at Network for Good despite a three-crisis year, with $7.2 million donated to more than 7,800 charities in December alone. The most-supported organization was FINCA International, which supports village banking internationally and exclusively uses Network for Good for its donation processing.

Finding #9: A key to avoiding post-disaster dips in giving are recurring gift programs.

Because disaster giving is impulsive by nature, it brings in many new donors to charities – but not necessarily donors that are long-term or personally invested.

Network for Good has encouraged donors to sign up for monthly recurring gifts in support of disaster relief during donation check-out process to address this issue, yielding several thousand new monthly givers. Automatic monthly gifts -- many set up in the wake of disasters -- now account for more than $100,000 in donations per month via Network for Good. Monthly giving provides nonprofits a steady source of donations, which is especially important since enormous resources are needed over the long term to cope with disasters such as Hurricane Katrina.

In 2006, monthly giving represents 30% of the total number of donations made through Network for Good.

Implications for Nonprofits

The study suggests several lessons for nonprofits:

- Charities need to set up online donation processing before a crisis, because the window of opportunity is so narrow (two to six days) and leaves little time to react once disaster has struck.

- Charities should consider offering recurring giving as an option in the donation check-out and emphasize it with donors.

- Impulsive givers are in a hurry; they want to help quickly, so text-heavy appeals and dense web sites are not advisable. Leave the details to thank you notes, when nonprofits can expound on the impact of donor gifts.

- If a charity is not a big brand or relatively small, it should be sure to seek listings on sites such as Network for Good since donors value choice yet may not know how to find lesser known relief agencies.

About Network for Good

Network for Good (www.networkforgood.org) is the Internet's leading charitable resource, an easy-to-use, secure website that includes detailed listings of more than one million U.S. charities through GuideStar and a searchable VolunteerMatch database of more than 38,000 volunteer opportunities. Network for Good also works directly with nonprofits to help them leverage the Internet as a tool for fundraising and volunteer recruitment. Founded in 2001 by AOL, Cisco Systems and Yahoo!, Network for Good is an independent, 501(c)(3) nonprofit organization.