


A woman wearing a purple hijab and a grey blazer is hugging an elderly woman with short white hair. The elderly woman is wearing a purple top. They are outdoors, with green foliage in the background. The image has a semi-transparent dark overlay on the left side where the text is located.

How charities can prepare for the future of fundraising

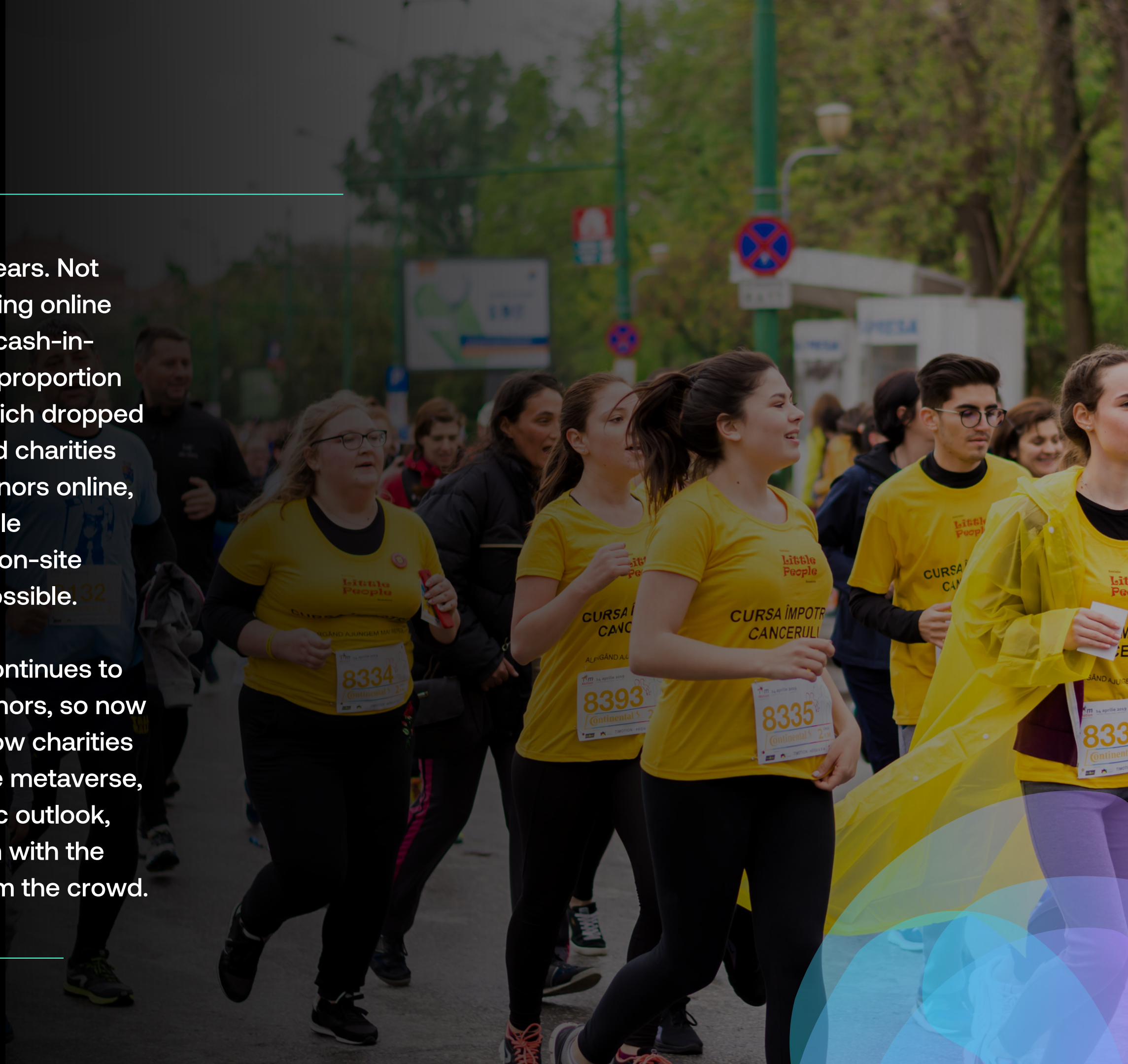

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Fundraising has come on leaps and bounds in recent years. Not that long ago, charities were concerned about introducing online payments, but just before the pandemic, this overtook cash-in-hand donations ([Charity Digital](#)). This is reflected in the proportion of people being approached in the street to donate, which dropped from 34% in 2019 to 16% in 2022 ([CAF](#)). Over this period charities have shifted their approach toward connecting with donors online, helping them to increase brand presence across multiple touchpoints and focus their efforts on streamlining the on-site donation funnel to make this journey as seamless as possible.

Despite this development, the fundraising landscape continues to change rapidly, along with the habits and profiles of donors, so now may be the time to consider what's coming next and how charities can get ahead of the game. From cryptocurrency to the metaverse, advancements in technology, and a changing economic outlook, this presents opportunities for charities, providing them with the tools to connect with new audiences and stand out from the crowd.



MICRO-DONATION MODELS

With the cost-of-living crisis and a dark economic outlook for the remainder of 2022, micro-donations could be the shining light the charity industry needs, allowing those who can no longer afford a monthly gift or one-off donation a flexible and affordable alternative. 'Micro-donations' round up card transactions to the nearest pound, or even 10p, enabling donors to give their spare change to charity in a simple, non-obtrusive manner.

So how much could micro-donations be worth? With one million card transactions reportedly taking place every hour in the UK, it would take just one opt-in per person each month to generate an extra £150 million in donations per year ([Charity Digital](#)).

[Pennies](#), one of the longest standing providers in the micro-donation space have so far raised £36 million for charities since launching 12 years ago, achieving 100% YoY growth in 2021 ([Charity Digital](#)).

They've partnered with retailers including Greene King and JD Sports, integrating into their card-based payment systems to collect voluntary donations from customers at the point of sale. For those who prefer more control over their micro-donations, [Ripples](#) enable users to choose which charities they give to regularly. This is set-up using their mobile app, and once installed, allows users to seamlessly donate to their chosen charities whenever they shop, whilst setting adjustable spend caps.

[ActionAid](#), [Blue Cross](#), [The Mental Health Foundation](#) and countless others have already partnered up with either Ripples or Pennies and [plenty of other providers](#) are entering the space too. However, this is just the start, with [smarter financial solutions](#) making micro-payments more accessible, charities should begin to consider how they could collect their own micro-donations, perhaps in the form of value exchanges, or even a 1p lottery.



INNOVATION THROUGH SOCIAL PLATFORMS

Since the introduction of iOS14 last year, the effectiveness of advertising on Facebook and Instagram has taken a hit. With low opt-in rates and the loss of targeting, attribution and reporting options, the platform regarded as the holy grail of paid social has been losing momentum ([Bloomberg](#)). This is reflected in Meta's official figures, as in July 2022 they reported their third quarterly drop in profits – attributing this to lower ad spend caused by iOS14 combined with increased competition from TikTok ([The Drum](#)).

Whilst this may be leaving a hole in charities' media plans and digital donation figures, there are some exciting new players entering the paid social space that could help to turn things back around. [WeAre8](#) is a sustainable social platform that aims to do good for the planet by paying users to watch ads – the money from which can be paid forward to a chosen charity, or directly to the user's PayPal account. WeAre8 will also direct 5% of total ad spend to their charity partners, which cover areas including climate change, education, and animal welfare. Advertising on WeAre8 is something charities should consider as the app provides access to an audience who is aligned to social causes and is extremely engaged,

since they have to successfully complete the ad view and answer questions about their experience in order to receive payment. This is why WeAre8 guarantee a 100% ad completion rate, whilst offering valuable insights for advertisers at a much lower cost than your typical brand lift study.

[Toucan](#) have taken the idea of 'social media for good' a step further, creating an app that is completely focused on charitable giving. Their app allows users to set up regular or one-off donations to chosen charities, whilst openly engaging with others to create a network of likeminded people who can share their giving experiences. Think Instagram, but instead of holidays and new clothes, the content is all focused around donations. The platform certainly has strong potential, receiving an offer from all 5 dragons when pitching on BBC's Dragon's Den ([Finextra](#)). The potential investors all agreed it was an innovative and useful addition to the social media space, and with social-media mogul and entrepreneur [Steven Bartlett](#) taking a 7% stake in the business, charities may be hearing a lot more from Toucan in times to come.



CRYPTOCURRENCY & NON-FUNGIBLE TOKEN

Cryptocurrency is a new, emerging digital currency that uses cryptography and blockchain to encrypt, secure, and verify transactions ([The Giving Block](#)). Day-to-day cryptocurrency usage is rapidly growing, increasing by 178% in 2021 ([Crypto.com](#)), with Non-Fungible Token (NFT) fundraising surfacing as a category under the Crypto-Philanthropy umbrella the same year ([The Giving Block](#)). It's clear that cryptocurrency usage isn't just a fad, where charities themselves have identified it as a new revenue stream, going as far as building it into fully formed fundraising strategies. [Save the Children](#) made headway here where in 2013, they were the first international non-governmental organisation (INGO) to accept Bitcoin donations.

Cryptocurrency (including NFT) donations provide many opportunities for charities. Firstly, this new method of donating enables them to connect with new demographics; younger supporters, who are seeing philanthropy as a part of their social responsibility. These individuals are also typically more affluent, having more disposable income to hand, meaning it could be a viable way of encouraging long-term regular giving, at higher value.

As cryptocurrencies run on a public “decentralised” blockchain, the donation process itself also becomes more transparent, with supporters being able to see exactly where their money is going.

This increased element of trust can lead to improved levels of engagement with donors and further induces their long-term retention.

On the flip side, the transparency element does present a downside, where charities do need to be particularly wary of donor anonymity. As donors are technically able to trade in illegal commodities, concerns have been raised around the legitimacy of crypto donations and how charities may be able to combat this ([CAF](#)).

Charities should be excited about the overall growth of cryptocurrency and the opportunities it brings in diversifying their fundraising streams. Whilst there is concern from the public on its volatility, e.g., as seen by the [recent crypto market crash](#), it does not necessarily devalue its purpose as a tradable digital asset, which charities can leverage. Whilst they shouldn't hedge all their bets on cryptocurrency as a sole income stream, they shouldn't shy away from testing it alongside standard methods of online giving, given all that it can offer.



WEB 3.0, THE METAVERSE, & LIVE STREAM FUNDRAISING

The metaverse takes cryptocurrency one step forward, and has been coined as “a hypothetical iteration of the Internet, as a universal, virtual world, facilitated by blockchain, and virtual and augmented reality” ([Giant Digital](#)). Another way to think about it is that it’s an abstract concept; think of it as a more immersive version of the Web as we know it today.

As the metaverse develops, this provides charities huge opportunities to become early adopters in this space. One way that charities have weaved their way in is via virtual reality gaming, encouraging their supporters to host live streaming events via Facebook, YouTube, or more notably, Twitch.

Children With Cancer have created their own fundraiser, ‘[Game 2 Cure](#)’, developing an array of materials to guide supporters when hosting online gaming marathons with the intention of fundraising in the process. Mind have similarly developed ‘[Stream for Mind](#)’, but have paired

with [Tiltify](#) to ease the giving process, allowing donations in-stream. Help for Heroes on the other hand, have gone as far to create their own gaming platform, ‘Hero Up’, for users to play and raise funds simultaneously.

As live streaming is primarily dominated by younger generations, and by jumping on this trend, charities can expand their supporter demographic beyond traditionally older donor bases.

Live streaming should be seen by charities as a longer-term income stream, where for larger, more established charities, it still sits as less than 5% of total revenue raised. However, these will only become more and more popular and before the market is oversaturated with events, charities should embrace the opportunities that the metaverse brings, and in return, will be better equipped for the future.



KEY TAKEAWAYS FOR CHARITIES:

1.

With the cost-of-living crisis, charities need to make donating flexible and affordable, aiming for high volumes of smaller donations. Identified in [Jim Novo's RFM matrix](#), low-value high volume customers provide opportunity for growth!

4.

Don't discount the Metaverse as a potential way to engage new audiences, through innovative, immersive campaigns.

2.

Diversify from traditional social channels to those that have fundraising at their core and align with key ethically minded audiences.


5.

As with any new testing, integrate gradually, and ensure a balance between tried and tested methods of fundraising when adopting new channels into the mix.

3.

Unlock new, digital-savvy donators by integrating cryptocurrencies into fundraising streams.





We are not suggesting that you should completely discount “tried and tested” methods that have driven consistent revenue, these new developments should form a part of the ‘10’ of your 70:20:10 planning framework.

For more information how we can help you to leverage the opportunities brought about by new models and methods of fundraising, please get in touch.

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