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Who are our online donors? How are they different? Are online donors better givers—more generous and reliable—than other donors? A statistical analysis provides answers.

Getting to Know Your Online Donors Can Pay Off

By Peter B. Wylie

Online giving. What a great concept for any fund-raising organization! Donors simply log on to your Web site and make their contributions. No headaches over production and format costs for mailers. No site visits for travel-weary development officers. No hiring callers for the phonathon. Far less likelihood of unfulfilled pledges.

Wouldn't it be great if it were that easy? We all know, of course, it's *not* that easy. Nonetheless, the notion of online giving is enormously intriguing, and it's here to stay. A concept that was *only* a concept less than a decade ago has become a reality that is growing and changing so fast that what I've written here will be a little dated by the time you read it.

One of the many arenas where online giving has established a foothold is higher education. All colleges and universities now have sophisticated Web sites, and many of them have made it (fairly) easy for alums and others (e.g., parents and friends) to make electronic donations. But who are these donors? How prevalent are they? How do they differ from the majority of donors who have never made an electronic gift? Do these online donors tend to be younger people who are more comfortable with computers and the Internet than more "mature" grads who may still miss the rotary phone?

To begin to get answers to these kinds of questions, I launched a little study in the spring of 2004. Five four-year higher education institutions ranging from small, private to large, public sent me a random sample of about 10,000 records that included regular givers and non-givers but no online givers. Each institution also sent me *all* their online givers. The smallest group of online givers I got was slightly over 200 records; the largest was about 750. Clearly, online giving is in its infancy at these schools and (safe to assume) most academic institutions.

Each school sent me these fields:

- Lifetime giving for all records
- Online giving for relevant records
- Home phone listed (Y/N)
- Business phone listed (Y/N)
- E-mail listed (Y/N)
- Preferred year of graduation
- Marital status

As you might imagine, I was able to do a lot of analyses with these data. But what I've done in this paper is hit some of the high points, specifically:

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1. How online givers are better givers than regular givers
2. How class year is highly related to lifetime giving for online givers
3. How marital status is highly related to lifetime giving for online givers
4. A simple score that can be used to identify major giving prospects among online givers

How Online Givers Are Better Givers than Regular Givers

Throughout the analysis I largely ignored the amounts people had given online. I was more interested in the amounts online givers had given lifetime. And what I expected to find was a younger crowd who was comfortable with the Internet and computers and who had made relatively small gifts as "first timers."

That's not what I found. Yes, it's a younger crowd insofar as more of them are young than old. But, as Table 1 shows, the median level of lifetime giving was much greater for these online givers than for regular givers (without exception) across the five schools. For example, in School C, where the difference between online and regular givers was the least, the median for online givers was still 50 percent higher than the median for regular givers.

Table 1: Median Lifetime Giving Dollars for Regular Givers and Online Givers across Five Schools

	REGULAR GIVERS	ONLINE GIVERS
SCHOOL A	$ 485	$ 1,105
SCHOOL B	$ 115	$ 654
SCHOOL C	$ 213	$ 325
SCHOOL D	$ 241	$ 390
SCHOOL E	$ 405	$ 925

How Class Year Is Highly Related To Lifetime Giving For Online Givers

Although many university advancement offices are unaware of it, there is a powerful relationship between how long alums have been out of school and how much they have given to their alma maters. For example, take a look at Table 2, which shows the median lifetime giving for regular givers across the five schools by class year quartile.

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Table 2: Median Lifetime Giving Dollars for Regular Givers by Class Year Quartile

	1st Quartile (oldest 25% of alums)	2nd Quartile	3rd Quartile	4th Quartile (youngest 25% of alums)
SCHOOL A	$ 1,095	$ 708	$ 350	$ 100
SCHOOL B	$ 205	$ 137	$ 75	$ 50
SCHOOL C	$ 760	$ 300	$ 189	$ 55
SCHOOL D	$ 670	$ 300	$ 145	$ 40
SCHOOL E	$ 1,300	$ 710	$ 320	$ 100

If you compare the medians for the oldest 25 percent of alums against the medians for the youngest 25 percent, it's easy to see that the oldest group has given at least four times as much as the youngest group (School B) and (more typically) at least 10 times as much. Now look at Table 3. It shows the same lifetime medians for online givers. Notice that the relative differences between the oldest and youngest quartiles are about the same as for the regular givers. That is, the oldest alums have given about 10 times (or more) than the youngest alums. So the pronounced overall difference between the lifetime giving rates of online givers and regular givers appears to hold up across the age groups.

Table 3: Median Lifetime Giving Dollars for Online Givers by Class Year Quartile

	1st Quartile (oldest 25% of alums)	2nd Quartile	3rd Quartile	4th Quartile (youngest 25% of alums)
SCHOOL A	$ 2,801	$ 2,080	$ 1,282	$ 280
SCHOOL B	$ 1,073	$ 620	$ 340	$ 110
SCHOOL C	$ 1,170	$ 355	$ 340	$ 125
SCHOOL D	$ 1,643	$ 985	$ 397	$ 83
SCHOOL E	$ 2,728	$ 1,680	$ 1,237	$ 325

How Marital Status Is Highly Related To Lifetime Giving For Online Givers

Of the 70 or so university donor databases I've looked at over the last five years, there has almost always been a strong relationship between the codes in the "marital status" field and lifetime giving. Specifically, alums listed as "single" or "missing" within this field give less and less frequently than records with any other kind of code.

With the data for this study, I was not able to clearly classify records across the five schools into "single" and "missing." However, I was able to divide alums into those listed as "married" versus those listed with any other code (including missing data).

Tables 4-8 show the median lifetime giving for "marrieds" versus all other marital codes for both regular and online givers for each of the five schools. As you look through these tables, you'll see that, for regular givers, the "marrieds" give considerably more than the other marital codes (without exception) across the five schools. I expected this result.

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However, I didn't know what to expect with online givers. As you can see, it turns out that married online givers also give considerably more than online givers with other marital codes

Table 4: Median Lifetime Giving Dollars for Regular Givers and Online Givers by Marital Status for School A

	REGULAR GIVERS	ONLINE GIVERS
ALL OTHER CODES	$ 225	$ 580
MARRIED	$ 685	$ 1,420

Table 5: Median Lifetime Giving Dollars for Regular Givers and Online Givers by Marital Status for School B

	REGULAR GIVERS	ONLINE GIVERS
ALL OTHER CODES	$ 64	$ 219
MARRIED	$ 170	$ 514

Table 6: Median Lifetime Giving Dollars for Regular Givers and Online Givers by Marital Status for School C

	REGULAR GIVERS	ONLINE GIVERS
ALL OTHER CODES	$ 100	$ 200
MARRIED	$ 300	$ 348

Table 7: Median Lifetime Giving Dollars for Regular Givers and Online Givers by Marital Status for School D

	REGULAR GIVERS	ONLINE GIVERS
ALL OTHER CODES	$ 100	$ 175
MARRIED	$ 203	$ 880

Table 8: Median Lifetime Giving Dollars for Regular Givers and Online Givers by Marital Status for School E

	REGULAR GIVERS	ONLINE GIVERS
ALL OTHER CODES	$ 130	$ 325
MARRIED	$ 775	$ 1,425

A Simple Score That Can Be Used To Identify Major Giving Prospects Among Online Givers

I spend most of my professional time teaching university and nonprofit development staff how to do data mining on their own databases. Many staff members are prospect researchers who, of course, have a keen interest in major giving. So, at the end of this

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study, I put my teaching hat on and asked myself: "Let's say I were using the limited data in this project to help prospect researchers identify major giving prospects among online givers. Is there a simple score I could construct that might help them pick out good prospects?"

To answer the question, I developed this scoring formula for each school:

> SCORE = MARRIED(1/0) + OLDEST GRAD QUARTILE(1/0) – YOUNGEST GRAD QUARTILE(1/0) + 2

If this looks a little confusing, let me clarify. Each alum at each school received:

- "1" if he or she was married, otherwise a "0"
- "1" if he or she was in the oldest grad quartile, otherwise a "0"
- "-1" if he or she was in the youngest grad quartile, otherwise a "0"

I added a constant of "2" at the end of the formula to ensure that there would be no negative or zero scores. All scores at each school ranged from 1 to 4. Table 9 shows the median lifetime giving of online givers for each score level for each school.

Table 9: Median Lifetime Giving Dollars for Online Givers by Score Level

	SCORE			
	1	2	3	4
SCHOOL A	$ 210	$ 935	$ 1,555	$ 4,254
SCHOOL B	$ 70	$ 300	$ 500	$ 1,150
SCHOOL C	$ 125	$ 230	$ 334	$ 1,323
SCHOOL D	$ 55	$ 313	$ 985	$ 1,755
SCHOOL E	$ 230	$ 475	$ 1,695	$ 3,652

Interesting. At each school the level of lifetime giving goes up dramatically with score level. But how could a prospect researcher use these scores to help a gift officer (someone who actually calls on major giving prospects) find new potential donors?

Let's work through a little example. Below is a list of 21 online alum givers from one of the schools who received a score of 4. For each alum, a letter ID is listed along with the lifetime amounts (altered to completely protect the identity of the school) donated by the alum.

ID	Life Giving
G	$ 984,991
H	$ 40,978
M	$ 18,358
C	$ 8,434
I	$ 8,245
D	$ 5,956
P	$ 4,676

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J	$	4,671
R	$	3,703
N	$	3,643
E	$	3,263
T	$	2,220
S	$	2,148
L	$	2,128
F	$	1,553
U	$	825
Q	$	790
O	$	615
B	$	614
A	$	537
K	$	77

Putting myself in the shoes of the prospect researcher, these are some of the thoughts I might have about this list:

- I'm certain that alum "G," who has donated almost a million dollars to the school, is already on *some* gift officer's radar screen. (We're in big trouble if I'm wrong.)

- With some misgivings, I'll make the same assumption about alum "H" who has donated over $40,000.

- For the rest of them (that is the remaining 19 alums), I would sit down with at least one gift officer and say, "How about if we take a closer look at these folks? Let's see what their contact history is. For those who haven't been contacted, let's call 'em up or write 'em a personalized letter. I think it may lead to something very good."

Closing Thoughts

Clearly, this limited study only begins to scratch the surface of online giving and its future in university fund raising. And, of course, it doesn't even touch on the enormous potential for this method of raising money for nonprofits.

But what the results I've presented here show is the importance of doing something in development we so very often do *not* do: *analyze* data that can provide us with important answers as to who our donors are and how best to appeal to them. We all have *opinions* about donor behavior. And some of us express those opinions so authoritatively and convincingly that our colleagues run the risk of accepting them as fundamental principles, as axioms.

Well, opinions are fine. But if we don't test those opinions with data—data that is now very accessible—we end up being pontificators rather than applied scientists willing to follow where the data take us. And I think we have legions of young people in our profession who are champing at the bit to do this kind of science. We need to train them

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and then cut them loose on the data. If we do that, I have every conviction they will bring back answers we never dreamed of. And those answers will allow us to do great good for great causes.

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Peter B. Wylie is the author of **Data Mining for Fund Raisers: How to Use Simple Statistics to Find Gold in Your Donor Database (Even if You Hate Statistics)**, *CASE 2004. (Available at www.case.org/books, or by calling toll-free at 1-800-554-8536.)*

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