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Charities
 Now that consumers have less disposable income to spend charities are starting to suffer. Clearly, the challenge for charities is to retain their existing supporters

Charities suffer as consumers cutback

by Sara Kimberley
 With high interest rates, low levels of lending and an increasing job losses, consumers are bracing themselves for the credit crunch and tightening their belts. Charities are among the sectors suffering most at the hands of cash-strapped consumers who are making severe cutbacks.
 Almost a third of consumers

admit they would axe regular direct debit donations to charities if forced to reduce their monthly expenditure, according to a report by G2 Data Dynamics. The findings back up Charity Commission research that reveals one in four UK charities have experienced a fall in donations over the last year. (precisionmarketing.co.uk)

Alan Thorpe, commercial and operations director at G2 Data Dynamics, says: "Consumers are clearly making tough choices in the face of global financial uncertainty. What's interesting is that potential reductions in disposable income, as prices go up and salary increases look less likely, mean they are reconsidering what is essential in their everyday lives."

While the Government has announced a number of measures to protect charities following the collapse of Icelandic banks, which include loaning banks money to

help safeguard larger charities' assets, charities are still likely to feel the pinch as consumers prioritise their spending.
 The Institute of Fundraising is urging charities not to make comments that will encourage donors to think of cutting back on support, but should instead encourage individual giving to continue as much as possible.

With donors most likely to support more than one charity, the challenge for charities is making sure they retain the contributions of their supporters.

James Long, planning director at Flourish, which handles Scope, The Children's Society and PDSA, says to retain supporters, charities should rekindle the feelings a supporter initially felt that motivated their original support and reaffirm what they are passionately committed to achieving and the importance of supporters in that mission.



Scope:
 One of the charities feeling the pinch

He comments: "Charities should make the supporter feel their aims are inseparable from those of the charity."