The Current State of Online Philanthropy:
By David Koken, Coro Fellow in Public Affairs
November 2009

Purpose

The purpose of this project was simple – create a better understanding of *what online giving, as a whole, really looks like.* In order to accomplish this goal, several fundamental questions were considered: What opportunities currently exist for people to donate money online? What kinds of information and services are available? Who is providing these services? And to what extent are people using the services that are being provided?

By offering comprehensive answers to these basic questions, this report hopes to create a common framework for thinking about how - not only individual websites and organizations can improve - but how an online giving community can improve the quality of decision making in the entire philanthropic sector.

Methodology

The researcher identified and evaluated 55 websites that provide individuals with opportunities to learn about, or directly engage in, philanthropic giving over the internet. From aggregators of financial data about all US-based nonprofit organizations to facilitators of small loans exclusively to individuals in rural China, the individual "platforms" evaluated in this report reflects the full range of diversity in web-based philanthropic giving.

> All public data collected can be found in a downloadable database at www._____

Using primarily public information, the researcher systematically analyzed and categorized all of the platforms based on their primary purpose, functionality and intended beneficiaries; gathered information on global and US-based web traffic through third party web analytics organizations to estimate the demand, usage and popularity of each platform; and surveyed platforms (with limited success) to capture the aggregate amount of dollars influenced by this group of organizations.

Key Findings

When analyzed collectively, the data revealed five key findings:

1. **A small number of platforms attract a large majority of users**

2. **Evaluative analysis about nonprofits has very limited reach**

3. **Certain types of platforms offer more resources for evaluation**

4. **Most platforms provide giving opportunities for any cause, anywhere**

5. **Estimates suggest that U.S. users represent less than half of the global total**

While some of these findings may appear obvious, this report offers previously undocumented statistical evidence to support these claims.[1]

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[1] Keystone Accountability's report, *Online Philanthropy Markets: from 'Feel Good' Giving to Effective Social Investing*? proved to be an invaluable resource during this research.

A NOTE FROM THE RESEARCHER:

This report was researched and written by David Koken, a Coro Fellow in Public Affairs, as a project for the Hewlett Foundation's Philanthropy department. This work was discussed and overseen by the Hewlett Foundation; however, the final product does not necessarily reflect the opinions of the Foundation or its staff.

"I wrote this report based on 4 weeks of research and analysis done during my placement with the Hewlett Foundation. As a relative outsider in the philanthropy world, the findings represent my best attempt to maintain objectivity and accuracy in my research; however, I openly acknowledge that some errors in judgment or recording are possible and that the opinions I include in the report were likely influenced by my work environment. I spent significant amounts of time on each of the websites analyzed in this report – trying out services and personally registering with many of the sites. I tried to maintain consistency throughout this process and assure you that any misdiagnosis of the services provided by individual platforms was purely unintentional and reveals only my inability to recognize, or find, a particular piece of information. If I misrepresented your website or organization, I apologize. Lastly, I would like to emphasize that the information reported is based almost entirely on public information. I collected some survey data directly from platforms that responded to my inquiries, but not enough was gathered to stand alone – survey information was used primarily to check/normalize data found via other public sources and kept completely confidential.

I would like to personally thank all of the individuals who took the time to share their organization's information and stories with me – your efforts did not go unnoticed."

THE 'PLATFORMS'

All 55 platforms evaluated in this report are listed below and grouped by the primary

function that each fulfills.

Investment

Kiva.org
Rangde.org
Wokai.org
Microplace.com
Greatergoods.co.za
Myc4.org
Socialimpactexchange.org/

Information

Care2.org
Change.org
Guidestar.org
Charitynavigator.org
Socialactions.com
Charitywatch.org
Bbb.org/us/charity
Samaritanguide.com
Insidegood.com
Nonprofitwatch.org

Donation

justgiving.com
change.org
guidestar.org
betterplace.org
charitynavigator.org
donorschoose.org
networkforgood.org
globalgiving.com
giveindia.org
changingthepresent.org
wildlifedirect.org
justgive.org
razoo.com
ammado.com
socialactions.com
givewell.net
rangde.org
greatnonprofits.org
wokai.org
microplace.com
cafonline.org
greatergoodsa.co.za
thebiggive.org.uk
charitychoice.co.uk

canadahelps.org
bovespasocial.org.br
modestneeds.com
universalgiving.org
missionfish.org
conexioncolombia.com
greatergood.org
helpargentina.org
bbb.org/us/charity***
bringlight.com
charitygiving.co.uk
give2asia.org
independentcharities.org
dogoodr.org
myphilanthropedia.org
thenonprofits.com
net4kids.org
donoredge.com
samaritanguide.com
communityroom.net
socialimpactexchange.org
mygivingpoint.org
insidegood.com
virtualfoundation.org
impactgiveback.org
egive-usa.com

KEY FINDINGS:

1. A small number of platforms attract a large majority of users.

Using the web analytics data available from www.compete.com and www.alexa.com, figures were generated to determine the approximate number of annual "unique visitors" navigating to each of the platforms.[2] A look at the distribution of unique visitors across all the identified platforms reveals a strong concentration of use in the 10 most trafficked sites for both US and global users. In both cases the top 10 sites attracted 80% or more of total annual unique visitors.

Figure 2: *This g[...] annual unique vis[...] which there was [...] 10th most visited [...]*
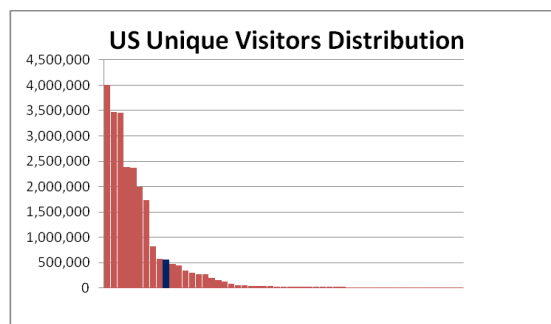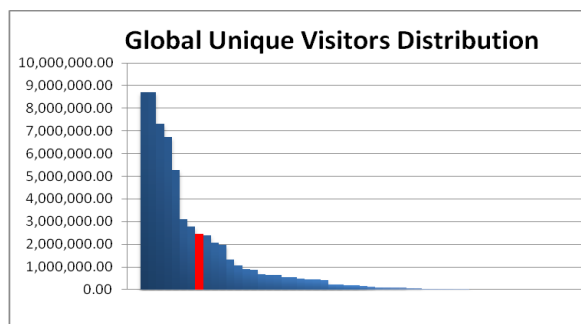
Figure 1: *This graph shows the distribution of annual unique visitors from the United States across the 51 platforms for which there was data. The vertical blue bar marks the 10th most visited site.*

The graphs for both the global unique visitors and the US unique visitors follow a similar distribution. The concentration of use in the top 10 organizations is highly visible, whereas, the annual visitation to the least used sites appears on the graph only as a faintly colored line that fans out along the base of the graph.

The similarities between the graphs can potentially be attributed to the fact that the list of the top 10 most trafficked sites are nearly identical.

10 most trafficked sites – Global users		10 most trafficked sites – US users	
Care2.org Justgiving.com Charitynavigator.org Guidestar.org Donorschoose.org	Kiva.org Change.org Networkforgood.org Globalgiving.org Changingthepresent.org	Care2.org Change.org Guidestar.org Donorschoose.org Justgiving.com	Kiva.org Charitynavigator.org Networkforgood.org Globalgiving.org Justgive.org

**Close to top 10: justgive.org; giveindia.org; charitywatch.com;   razoo.com

**Close to top 10: changingthepresent.org;

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[2] The data from these two websites were compared to each other and compared to the 15 figures received through survey requests in order to eliminate clearly faulty data. Overall the figures were found to provide fairly consistent data for ranking the relative use of platforms (one vs. another); however, the numbers of annual unique visitors proved to be somewhat inconsistent with self-reported data.

The ranked order changes slightly between them, but almost all of the platforms are the exactly the same for both global and US users. As shown below, around 80% of total users all go to this very select group of platforms to for their online giving needs.

|	Global Traffic Annual Unique Visitors	US Traffic Annual Unique Visitors
TOTAL	53,495,754	24,766,974
TOP 10	42,818,933	21,294,743
% TOP 10	**80.0%**	**86.0%**

Table 1: *This graph shows the total number of annual unique visitors and the relative percentage that the top 10 most trafficked sites attract.*

The next section will begin to examine the possible consequences associated with such a concentration of platform utilization.

2. Evaluative analysis about nonprofits has very limited reach.

Individuals planning on conducting their philanthropy online will encounter mostly information that provides very limited substantive evaluation of the organizations, projects and causes that they hope to support.   Some platforms are making in depth, comprehensive analysis available for the offerings listed on their websites, however, these organizations are few in number and limited in reach.

Almost all platforms assessed in this survey claim that they perform a basic level of due diligence on all the organizations and projects listed on their site. But for many this only means a verification of 501(c)3 status and some checking to ensure that organizations do not promote violent means of social change. Only a slight majority do any kind of additional vetting to ensure the quality of offerings that they place on their site. Slightly less than 50% of the platforms offer any kind of financial evaluation of their offerings, which is considered to be the most basic and easily accessible type of evaluative information. Only 20% of organizations provide any kind of overall rating for offerings listed. And less than 20% of platforms provide any kind of data evaluating the ability of an offering to deliver results (performance data) or a service for users to review or even comment on listed offerings (user reviews).
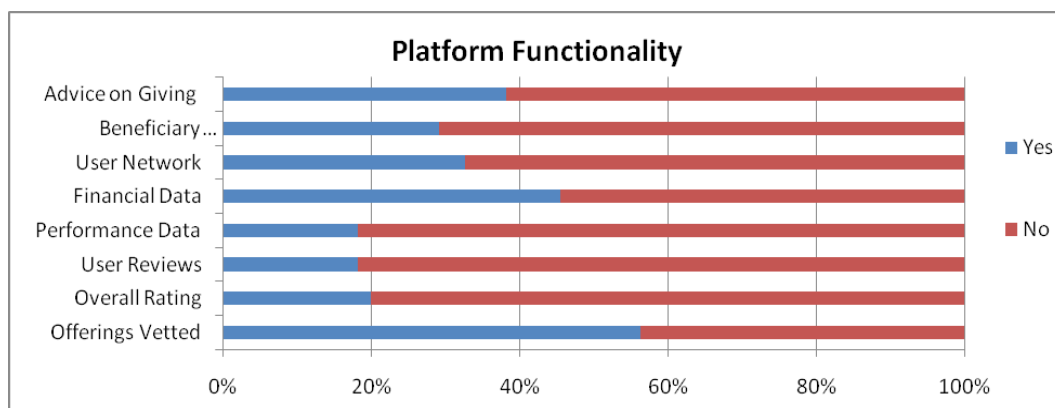
Figure 4: *The figure to the left shows the percentage of all 55 platforms that offer particular services and types of information that were identified as*

Without these critical pieces of information, donors are not able to make fully informed decisions about which nonprofits will make the most effective use of their donations.

A look at the top 10 most utilized platforms (which account for 80% + of total use) confirms that the overall assessment for the 55 platforms remains relatively consistent within the most popular sites (**Table 2 below).** This consistency implies that the limited evaluative analysis that has been developed is not reaching, or failing to influence, a large proportion of donors.

Top 10 Most Used websites (based on US web traffic data)	Vetted	Overall Rating	User Reviews/ Public Comment	Performance data	Finance data	Reporting	User Profiles/ Social Networking	Provides advice or resources on "smart giving"	Comprehensive (# of yes)
care2.org	no	no	no	no	no	no	yes	no	1
kiva.org	yes	yes	no	yes	yes	yes	yes	yes	7
networkforgood.org	no	no	no	no	yes	yes	no	yes	3
change.org	no	no	no	no	no	no	yes	no	1
guidestar.org	no	no	no	no	yes	no	no	yes	2
charitynavigator.org	no	yes	yes	no	yes	no	no	yes	3
donorschoose.org	yes	no	no	no	yes	yes	no	no	3
globalgiving.com	no	no	no	yes	yes	yes	yes	yes	4
justgiving.com	no	no	no	no	no	no	yes	no	1
justgive.org	no	no	no	no	yes	no	no	no	1
% Offering service	**20%**	**20%**	**10%**	**20%**	**70%**	**40%**	**50%**	**50%**	**Average = 2.6**

Table 2: *The table above shows which services and types of information each of the top 10 most used platforms provides. The number on the far right - "comprehensiveness" - counts the number of categories fulfilled.*

Qualitative Observations:

The "yes" or "no" judgments about the presence of these services and types of information cannot tell the full story of this research exercise because, for a variety of reasons, every "yes" does not necessarily imply equal value-added. The simple "yes" cannot capture how well a specific platform does in providing the information/service or how many offerings each yes applies to. Similarly, a no could reflect an inability to find or notice a particular service that was actually offered.

In general, many of the potentially important services provided by these platforms remain critically underutilized, which diminishes their value. Ratings are often

based on 2 or 3 reviews and hardly appear credible; many "user profiles" remain faceless images; huge numbers of projects remain "0% funded;" beneficiaries reports are absent or consist only of a few lines of text and a picture. These comments are especially true for the platforms outside of the top ten of overall usage.

Perhaps these observations are the result of the relative infancy of online giving, but it could also be a testament to the sector's inability to create a truly dedicated set of followers. For now, at least, the 45 platforms outside of the top tier appear to be struggling to accumulate anything more than a group of semi-committed, sometimes users. On the other hand, the most utilized websites are largely failing to provide high quality information and services that will truly enable users to make informed decisions about their giving.

3. Certain types of platforms offer more resources for evaluation

While the 10 most utilized sites do not offer a very comprehensive set of tools for making effective giving decisions, some types of platforms seem to be more likely than others to provide a higher number of resources. Investment platforms tended to provide a significantly higher number of tools for evaluation – on average, an investment platform provided 64.3% of the types of information/service looked for in this study, compared to only 37.5% for the top 10 most trafficked sites by U.S. users.

COMPREHENSIVENESS OF SERVICES/ INFORMATION PROVIDED			
Platform Type/Designation	**# of Orgs in group**	**Avg platform - Comprehensiveness (% out of 8)**	**Avg Platform Comprehensiveness (# yes out of 8)**
Investment	7	**64.3%**	**5.14**
Issue/Geo Focus	17	**49.3%**	**3.94**
Top 10 Used - Global	10	**40.0%**	**3.20**
Top 10 Used - US	10	**37.5%**	**3.00**
Information	10	**28.8%**	**2.30**
ALL PLATFORMS	55	**31.6%**	**2.53**
Donation	38	**27.6%**	**2.21**

Table 3: *The above table shows how platforms within a group compare to one another regarding comprehensiveness of service (see Table 1 for*

Table 3 shows that certain groups of organizations are providing more tools for analysis and engagement with each of the offerings they list (based on the number of services and types of information they provide). Investment platforms and platforms dedicated to serving a specific geographic area or issue consistently offered more ways for users to evaluate the offerings listed on their websites.

An example: an average platform whose primary function is "donation" provides only 2.21 out of the 8 types of information/services evaluated in this survey.   This was the lowest rank. On the other end of the spectrum, an average "investment" platform provides 5.14 out of 8 possible types of information/services.   Simply, this means that investment platforms generally offer a more comprehensiveness set of information for evaluating each individual offering (financial data, beneficiary reporting, user reviews, etc.).

Qualitative Observations:

Simply offering more types of information and services for users to consider when making their decision about which projects or organizations to support does not necessarily mean that users have higher quality information. However, platforms that offer the most tools for analysis seem to emphasize a greater relationship between donor and beneficiaries as important – they want donors to engage with the organizations, projects, and people that they fund.

Interestingly, platforms with the primary function of facilitating investment scored significantly higher than platforms only interested in donations. Investment platforms (mostly microfinance) tended to have available a full investment prospectus report and promised much more consistent feedback on progress of funded projects. Donation websites, in general, are often much more transactional in nature and do very little to make users feel connected to the projects and organizations they fund. A few simple clicks and money is sent away mostly with the assumption (rather than actual knowledge) that it will do some good.

There are certainly some donation-based platforms that emphasize the more engaged type of relationship found consistently with investment platforms and I do not mean to insinuate that investment is a superior way to give. Rather, I included these observations to demonstrate how different types of platforms perceive their role in online giving. Some platforms simply enable money to flow from any donor to any offering, while others try to create a system in which offerings are differentiated by some measure of quality.

Most platforms provide giving opportunities for any cause, anywhere.

Currently, a majority of platforms have missions based on a broad, all-encompassing set of issues and a global focus. Very few of the platforms identified in this research have established a specific issue or geographic focus. In fact, 45 of the 55 platforms have no specific issue domain and only 13 focus on a specific geographic area.
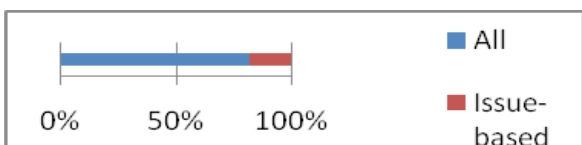
Figure 5: *The graph shows the percentage of platforms that are specifically issue-based vs. serving "all" issues.*

Figure 5 shows that over 80% of platforms analyzed provide opportunities to giving to "all" issues. Missions dedicated to "global health, poverty and the environment" were commonplace among these sites. Donorschoose.com, Wildlifedirect.com, and

Net4kids.org were among the notable issue-specific platforms that have achieved relatively high user-levels. Additionally, five organizations were designated as specific to "microfinance" which included Kiva.org, Wokai.org, Microplace.org, and rangde.org, which have all been fairly successful as well.

Platforms' general lack of specific focus can also be seen by evaluating the geographical domain in which they operate.   While the majority of offerings are sponsored by US-based nonprofit organizations (exclusively or as a dominant group), the vast majority of platforms provide opportunities for giving to beneficiaries worldwide

As **Figure 6** demonstrates – 24 of the platforms show listings from exclusively US-based nonprofit organizations. However, a dramatic shift occurs when looking at the beneficiaries served – almost 80%, 42 of 55, platforms have offerings that ultimately benefit projects, individuals or movements located globally. In other words, most platforms support primarily US based nonprofits, but many of them have an international mission.

Qualitative Observations:

From a user perspective, the lengthy lists of issues, regions and beneficiaries created mixed feelings. I appreciated the breadth of opportunity, but found the amount of options to be somewhat overwhelming. To be fair, I approached this exercise with little intent about a specific issue I wanted to contribute to (which may be uncommon for individuals visiting these sites). But my explorations often left me feeling dizzied by the sheer amount of opportunities available.
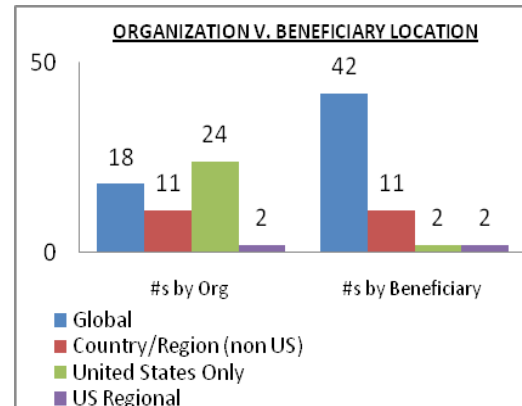
Figure 6: *This graph shows the geographic breakdown of sponsoring nonprofit organizations/partners vs. location of intended beneficiary of*

5. Estimates suggest that U.S. users represent less than half of global total.

Users from the United States account for less than 50% of overall usage of all platforms identified.
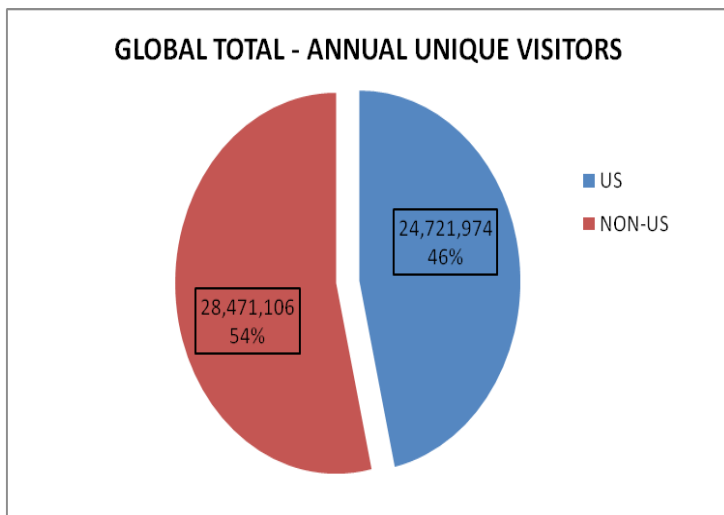
The assessment in the last section related to the unfocused goals of platforms could also be playing a role in global popularity. Due to the international presence of many US

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nonprofits, many non-US users could be utilizing platforms to support causes in their own country.

Additionally, there has been notable organic growth of web-based giving platforms in countries outside the United States that have captured large domestic markets. While the vast majority of the platforms analyzed in this study are US-based, several notable exceptions seem to be tipping the scales. Giveindia.org, for example, has developed a huge user base that is almost exclusively (88.3%) from India. Similarly, justgiving.com has captured a large audience in the UK; betterplace.org in Germany; ammado.com in Italy; conexioncolombia.com; etc.

Figure 7: *This chart shows the total number of annual unique visitors from a US v. Non-US user perspective.*

It is important to note however, that there is no evaluation of how money flows geographically from this system. Although most platforms offer the potential for international giving, no data could be found to determine if the actual giving of funds shifts equally to international beneficiaries.

Conclusion

Although this report has been largely critical of online philanthropy, room for optimism still exists. Currently the sector is fragmented and operating with high inefficiency. But good ideas are growing. Quality information and methodologies do exist in small numbers. Organizations need to think, however, about how they can grow these ideas so that they can start having a real impact on user behavior. The power of online philanthropy rests within its ability to reach an incredibly large, diverse audience with great speed and low costs. Estimates in this report suggest that over 50 million people worldwide are already turning to the internet for advice on philanthropy and opportunities to give. Finding ways to provide that (probably growing) audience with a set of tools that allows them to give more effectively - with more purpose and promise of results - could truly transform the way the world thinks about, and utilizes, philanthropic giving.

At least that's the opinion of one person, one relative outsider to the philanthropic world, who had the privilege of being immersed in this issue for a few short weeks.

METHODOLOGY:

This report was based almost entirely on findings from a database created through recording public information over the course of 4 weeks. Details follow on how information was gathered for the database and how analysis was completed.

All other sources of information and how they influenced findings will also be explained.

The Database – 55 online platforms were systematically analyzed and categorized based on their primary purpose, functionality and intended beneficiaries; gathered information on global and US-based web traffic through third party web analytics organizations to estimate the demand, usage and popularity of each platform; and surveyed platforms (with limited success) to capture the aggregate amount of dollars influenced by this group of organizations.

List Creation: *The list of platforms to be analyzed was created by aggregating results through various internet search engines, as well as utilizing previously developed lists of similar organizations. The list is meant to be representative, not completely exhaustive.*

Platform Categorization: The categorical assessment of websites was completed by individual researchers exploring each site for a minimum of 15 minutes (usually much longer). Each platform was approached from the perspective of a potential user/interested party. Accounts were signed up for if necessary to obtain answers and general services were attempted in all cases. Due to the variability in presentation and information available - developing a consistent method of analysis was very difficult. Each piece of information in the database reflects our researchers' best efforts to locate and assess the information present on each organization's website. Care was taken to ensure accuracy; however, minor errors in reporting are possible*.*

Platform Analytics: data was collected from www.alexa.com and from www.compete.com in order to develop estimates about the annual number of unique users, and relative rank of each platform according overall usage, and internet reputation. Various measures were systematically recorded into the database in order to develop a tool for comparative analysis. Due to the potential for unreliable data from these sites, specific care was taken to eliminate numbers that were statistically improbable. If proxy data was accessible, some estimates were made in order to provide numbers for analysis. However, more commonly, platforms with questionable data were not included in specific assessments. Specifics about which platforms were not included can be found by examining the actual database.

Platform Survey: *Emails/phone calls were made to 50 organizations requesting their*

participation in our survey. 4 questions were asked:

1. *How many hits ("total pageviews") does your website receive annually?*
2. *How many unique users does your website receive annually?*
3. *How much giving does your organization directly facilitate each year? (Or: if you do not directly facilitate giving, do you have an estimate of how much giving your site influences?)*
4. *How many donors give through your website each year? (Or: if you do not directly facilitate giving, do you have an estimate of how many people your site influences?)*

We received 14 total responses. All data collected was self-reported. Individual statistics were kept confidential per request by many organizations. Data from this survey was mostly used to assure the accuracy of information from the **Platform analytics.** *By providing another data point, it helped to judge the accuracy of collected info.*