



# CRYPTO PHILANTHROPY: A NEW ERA OF GIVING

BY OWEN WILLIAMSON | MAR 2022

AS SEEN ON

**The Drum**<sup>™</sup>  
**Network**

## ARE WE ENTERING A NEW ERA FOR CHARITABLE GIVING, WHERE CRYPTOCURRENCIES ENABLE FASTER AND WIDER PHILANTHROPY ON A NEW SCALE?

The same questions are consistently thrown at cryptocurrencies. How do I buy them? Are they a good investment? Will all my money go missing? And perhaps most importantly, what can you actually do with them?

Despite the mystique, there are currently estimated to be 2.9 million holders of cryptoassets in the United Kingdom; 2.4 million are under the age of 45 (TGI Survey, 2022). Within this statistic lies an opportunity for charities to reach a younger demographic and increase revenue streams; the average charity giver currently is 64 after all.

## WHAT MAKES CRYPTO SO GOOD FOR CHARITABLE DONATIONS?

With modern blockchain technology, cryptoassets are easily transferable from one domain to another, so even while holding cryptocurrencies as an investment, these could be transferred to a charitable cause. This isn't clear to the public (or marketeers) yet.

Charities embracing cryptocurrencies in the United States have found the average crypto donor to be far more generous than those donating cash. Crypto philanthropy specialists the [Giving Block](#) report the average crypto donation to be 82x larger than the average cash gift (though this will decrease as more volume is generated).

Not only did the Giving Block facilitate 1558% more donations in 2021 than in 2020; other macro factors have further accelerated the market in 2022. Although a 'bullish' Q4 of 2021 appears to have come to a halt for now, recent events in Ukraine have acted as a catalyst for cryptocurrency philanthropy. Emergency appeals, even from the official [Ukrainian government's Twitter page](#), have raised circa \$100 million as reported by Finbold. At the time of writing, their crypto appeal tweet is the 3rd most interacted with post since the account's inception, receiving over 72,000 retweets.

Not only does this appeal highlight the trend of crypto donations; it more importantly affords anyone worldwide who interacts with the tweet the opportunity to support a crisis which is close to the hearts of many.

### #CryptoGivingTuesday Donation Volume Year-On-Year Growth of #CryptoGivingTuesday Donations



Source: The Giving Block  
2021 Annual Report

## POSSIBILITIES AND CHALLENGES, BEYOND EMERGENCY APPEALS

Although crypto philanthropy has taken tremendous strides over the past few years, the UK market has remained slow on the uptake as a fully-baked giving mechanic rather than just facilitating emergency appeals. Fear and lack of understanding play a major role. This is completely understandable given that the crypto space can be selfish, confusing and with terminology that can be frankly bizarre.

Lack of transparency is an issue; donors can only refer to the relevant blockchain to ensure the transaction has been completed.

There's also the question of tax; the US have clearly outlined regulations for taxable charity donations, while this remains a grey area in the UK. As with any new phenomenon, these pitfalls provide a barrier for growth.

While these issues are currently unsolved, the ability to send crypto to charity does exist. The removal of these boundaries and addressing the misconceptions of crypto will open the door to a new generation of donors.

## MAXIMIZING THE OPPORTUNITY

From a media perspective, how can we implement a strategy to optimise this potential? Charities typically use direct response television as their primary donor source due its high reach, older audience and cost-efficiency for daytime viewing.

Considering crypto's typical user base, charities may have to look to other channels to target the younger consumer. Cryptocurrency holders are over two and a half times more likely to donate fiat currency via social media than the average adult (TGI Survey, 2022).

While these are typically emergency appeals, the next step to encourage younger donations could be consistent messaging on social media channels. Will targeting cryptoasset holders significantly impact the income for charities overnight? For most charities, probably not.

The more important, and longer-term goal is to encourage the younger demographic to donate, given the ever-increasing age of the 'traditional' donor. This will cause an attitudinal shift among charities to adapt to the ever-changing macro environment, and in doing so encourage the targeting of the next generation of givers.



OWEN WILLIAMSON IS  
MEDIA ASSISTANT AT JAA.

