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Full article

Charity Checkouts: (Potential) Downsides for Customers, Nonprofits and Businesses Involved

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Charity checkouts (CCs) — where companies ask customers to make a small donation at the point of sale — have become widely adopted fundraising tool in practice. While CCs are often framed as a win-win-win for all parties involved - raising billions of dollars globally, providing companies an easy way to demonstrate corporate social responsibility and offering consumers an easy way to donate small amount - there is still large uncertainty of what possible negative effects the use of CCs can produce.

This study systematically reviews academic and grey literature to provide a comprehensive overview of the (potential) downsides of CCs for all three stakeholders in the triad: customers, businesses, and nonprofits.

The findings reveal that what appears effortless on the surface carries significant risks — from social pressure and guilt experienced by customers, to reputational damage for businesses, to loss of donor relationships for nonprofits. A deeper understanding of these downsides is essential for making CCs a sustainable and ethically sound practice that genuinely benefits all parties involved.

#CharityCheckouts #Fundraising #Triadic #Interdependence

Background & Context

- **Charity checkouts (CCs)** are a rapidly growing fundraising technique in which **companies ask customers to donate a small amount at the point of sale**, for instance by rounding up their bill and donating the difference for a charitable cause. They involve a unique triadic structure between customers, businesses, and nonprofits and have raised $4.1 billion in the US alone over three decades (Engage for good 2019).
- Despite their widespread adoption and apparent success, **academic research on CCs remains in its early stages**. Most existing studies focus on what makes CCs effective in terms of donation rates and business outcomes, leaving the potential downsides largely unexplored.
- The few studies addressing the negative aspects of CCs are highly fragmented and has **focused almost exclusively on consumer reactions**, such as feelings of discomfort or reduced repurchase intention. A comprehensive overview covering all three stakeholders — customers, businesses, and nonprofits — has been missing.
- This study addresses that gap by systematically reviewing both academic and "grey literature" (not published as an academic paper, identified based on a Google search) to identify and categorize the **(potential) downsides of CCs across all three phases of the CC process: before, during, and after the donation request**.

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Take aways & Learnings

The authors state three **advices** from the learnings of their methodological approach:

1. Firstly, **CCs are often assumed to create a win-win-win** for the actors involved but this is not necessarily the case. **Each of them may encounter obstacles** that need to be addressed for CCs to be a successful CSR and fundraising tool.
2. Secondly, **collaboration between the actors is necessary to achieve a good result, and companies and nonprofits must treat each other as equal partners**. Both the organization, the company and the customer should be actively involved — for instance, by consulting customers about which causes they prefer to support. This interdependence extends to additional actors who may also influence the outcome, such as frontline employees tasked with soliciting donations from customers during the CC.
3. The third advice is that the actors can and should not only think of short-term effects but also **consider implications in the long term**. For example, a customer that does not want to donate might experience a strain of guilt every time when being asked, stirring up hostile attitude towards the company, the organization, or both.

Figure: (Potential) Downsides of charity checkouts (CC) for businsesses, NPOs and costumers along the CC process

PRE-CCs

Business
- Administrative burden
- Dependence on POs

NPO
- CCs are not suitable for all NPOs
- Administrative burden

DURING CCs

Business
- Administrative burden
- Dependence on POs

NPO
- Dependence on the company & customers

Customer
- Lack of freedom of choice
- Social and time pressure
- Perceived donation fatigue
- Negative affective experience
- Lack of transparency
- Pain of giving

POST-CCs

Business
- Negative customer reactions
- No tax reductions

NPO
- Negative customer reactions towards NP sector and the NPO
- Disrupted relationship building with donors
- Financial restrictions

Customer
- Difficulties with tax deduction
- Negative affective experience

General
- Negative attitude towards CC from customers/employees

+ Legal issues and few knowledge about the impact of CC

ERNOP Research Notes provide easy-to-read, practice-oriented summaries of academic articles on philanthropy and are written by practitioner experts. This ERNOP Research Note 2026/11 is published in June 2026 and has been written Mårten Palmefors from Giva Sverige. More information can be found at www.ernop.eu.