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Notes from seminar at the Royal Statistical Society

# Responding to the Giving Green Paper

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## Session 1 – Research Seminar

*Three Decades of Household Giving 1978-2008*

**Q: Oliver Kemp, Build Africa – does data on > 60s include major donors? Does it account for Direct Debits?**

**Q: Catherine Walker, Director of Social Change – have you controlled for the fact that there are more older people and more wealthy people?**

A: 'rich' consistently defined as top 10% so consistent over time.

Q: (didn't catch name) Gift Aid makes it more attractive to give now than then.

**Q: Sophia Oliver: Have you thought of other trends? i.e., how children or other factors play a role.**

A: The full report has more nuanced results, thorough regression analysis; the effect of age on giving is robust.

**Q: Simon Steeden, Bates Wells & Braithwaite - So the closest to a step change was the millennium/tsunami?**

**A:** Biggest increase (step change) is in the number of young people giving. Donations from young people began to rise from 2000.

**Q: Catherine Hope, Royal Pharmaceutical Society – just because the overall levels of given have remained constant, it doesn't suggest that policy to promote giving have been ineffectual, there will have been change within the household trends.**

*Gerry Stoker: Changing Civic Behaviour*

- Ideas in the giving green paper are valuable, the challenge is turning lab insights into practice, and government not best placed to do this.

**Q: James Plunket, The Social Investment Group – Do you think the results of controlled trials would differ depending whether the nudge was about community project in the UK or international project? Would there be a different outcome, different take-up rate if UK charity?**

A: cannot say from the data

**Q: Catherine Walker, Director of Social Change – do you think nudge can make a step change if implemented well (whatever 'well' means)?**

A: Good news is there was a positive outcome in almost every trial, **BUT** the changes were **MODEST** and there was significant **decline** over time. To achieve even the same modest level of change, you would need to re-nudge.

**Q: Sarah King, Reach – Is it reasonable to suggest that we don't understand the motivations of responding to the nudge?**

A: that is a useful reflection-and it is why the book is called nudge nudge, think think. 'Think' is drawn from a long-, standing theory of human behaviour where humans process evidence over time, think, debate, revise opinion...but think experiments are as hard as nudge experiments.

- Nudges are helpful/valuable new tool in policy, but need to be accompanied by bureaucratic tools and other strategies, think style strategies.

**Q: Hannah Terrey, CAF – you mentioned the effect of the intervention declined? Is there any evidence from your study or others whether was a regular nudge, would make the effect remain constant or would that decline to?**

A: There seems to be a drop-off, where regular nudges no longer work. One study shows that the drop-off is related to whether you can see the change working. There are different ways to frame nudges, getting you to act on a 'think'. Regular reminders would be part of an ongoing nudge strategy but would also lose effectiveness over time as well.

**Q. Diana Leat – One problem of nudge theory is that it assumes live in a pure environment and assumes there are only 'nudge' messages and no evidence pushing you in the other direction. Should we pay more attention to the counter pressures pushing people in the other direction?**

A: Yes. True. But the value of the nudge approach is that it has made economics less stupid-if people are using nudges it makes sense to engage in this world so that your organisation doesn't miss out.

**Q. Karl Wilding, NVCO – any message for policy makers about who should do the nudging?**

A: from our evidence, virtually anyone but government. There are issues around trust, feelings of being manipulated, democratic accountability; some people feel it is underhand.

- Our evidence suggests that community groups, voluntary organisations, and universities increase the effect of the nudge, respected brands and best done locally.

Sally Hibbert: *Insights from consumer behaviour*

- donors are consumers
- investment needed in research/collaboration, charities have built up a good knowledge base, access to field research
- there is little theory about the maintenance of behavioural change, it is badly under researched
- question is whether the behavioural change after the decline in the effect of the nudge is still better than the original situation.
- Problem, nudge economics works on a one size fits all

Sarah Smith: Seeing big changes in how people give not the amount they give, it's a reshuffle.

## **Session 2 – Policy and practice Implications Roundtable**

Simon Weil:

- From a philanthropy advice point of view, there is a limit to what government can do.
- Light touch is most effective.
- Agree with Green Paper emphasis on rewarding philanthropy – right direction.
- A review of red tape and the way bureaucracy can stifle giving is most welcome
- 'entrenching social norms' sounds like the soviet union.
- concerned about 'pay-out' there is already a law that prevents foundations hoarding cash.
- tax incentives are what will make it easier to promote philanthropy.

Stephen Hammersley:

- 100,000s of small groups , most activity is in the small charities, most money to the large charities
- community organisation – either greatest hope of big society or huge duplication of effort
- need resources to assist in volunteering
- there is a gap in the green paper about how small links to big/ missing the detail on bottom up/grass roots 'big society' perspective, need perspectives/ideas from community organisations
- questions over how comm. orgs can be more visible to the donor VISIBILITY and INFORMATION

Michael Green:

1. Giving paper – brilliant because it is right.
2. Proves the importance of research into this area, research needs to continue, and become more granularly.
3. Payout – opens up question between tax subsidy and giving relationship, need to weigh up the public benefit, e.g, if a foundation receives more in tax subsidy than it makes in grants.
4. Matched funding schemes should be across all departments, need stronger match funding and partnerships
5. Technology! Need attractive propositions to donors

David Dixon:

- Green paper is great
- Technology is a tool and need to use it in the right way
- Not sure giving has ever been abnormal
- Technology allows you to do what you are already doing but to drive down costs
- Culture of asking not just a question of giving
- Technology can get people to ask more effectively

Lord Janvin:

1. The fact that there is going to be a white paper on giving and that the PM mentioned the importance of philanthropy, lead article in the FT on philanthropy – shows it is high up on the giving agenda. Very important for long term capacity of charities
  2. Government can't do everything but can give a lead, vitally important to take a lead, this is going to change a lot of people's lives.
- single most important thing government can do is provide financial incentives
  - major donors you are not going to get more donors giving because of financial incentives, it just allows more of what they give to go to the charity
  - recognition is very difficult, all very important but we are not very good at doing it in this country
  - CSR. Corporate should encourage employees to give/ matched funding/ payroll giving – need more innovation.

**Oliver Kemp, Build Africa – need support for volunteering.**

**Karl Wilding, NVCO – need campaign for asking properly, eg, NCVO funding commission**

**David Dixon: technology can make fundraising cheaper, green paper missing discussion on 'culture of asking'**

**Michael Green – venture philanthropy role to play in investing in technology for smaller orgs.**

**Simon Weil – payout will deter people setting up foundations**

**Q: Are the right nudgers nudging the right nudges?**

**Discussion of legacies – Sophia Oliver request evidence on legacies from other countries.**

**Sophia Oliver – if not payout what are the alternatives?**

**Discussion of role of government – as purchaser/ investor/ giver?**

**Michael Green – government has wealth of information about effective organisations (DFID) share knowledge, best practice.**

**ACF, discussion should be about giving, it is a giving paper not a fundraising paper, it should be about donor perspective!!**

**Hannah Terry CAF, charities need brokering? Cabinet office pledge/matching what they give?**

## Key observations:

- ❖ Not much discussion on effective giving, quality of giving, where money goes or philanthropy advice market. Discussion much more about increasing levels of giving.
- ❖ Not much discussion about how different donors require different strategies.
- ❖ Very little on types of giving/funding and effect it has on organisations (i.e., social investment)
- ❖ Tension between donor needs and fundraisers.
- ❖ Foundation Payout very sensitive.
- ❖ No discussion of why payout would be negative, or alternatives to payout.
- ❖ Turning behavioural change insights into practical policy is challenging.
- ❖ Charities/ organisations need support outside finance, skills, etc (volunteering costs money)

## About CGAP

The ESRC Centre for Charitable Giving and Philanthropy (CGAP) is the first academic centre in the UK dedicated to research on charitable giving and philanthropy. Three main research strands focus on individual and business giving, social redistribution and charitable activity, and the institutions of giving. CGAP is a consortium including the Universities of Strathclyde, Southampton and Kent, University of Edinburgh Business School, Cass Business School and NCVO. CGAP's coordinating 'hub' is based at Cass Business School. CGAP is funded by the ESRC, the Office for Civil Society, the Scottish Government and Carnegie UK Trust.

**For further information on CGAP, visit [www.cgap.org.uk](http://www.cgap.org.uk)**