

## **Trends in giving during economic downturns**

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The results of the new annual UK Giving Survey should not come as any surprise. Its findings of a fall in the number and value of donations is consistent with other studies of giving in previous recessionary times in both the UK and the US, which have shown that giving tends to fall at least in line with the decline in incomes. A real fall of -6.3% in donations from individuals was reported for 2008 in the US.

But these trends should not be seen as any indication that the public is becoming less generous or concerned about charities' activities. Economists regard giving as a luxury good – that is, something on which we spend more when our incomes go up (and less when incomes fall). So although these results may cause some anxiety, it is likely that when incomes begin to rise again, charitable donations will go up again too. This has been the experience in previous economic cycles, when donations have even seen a spurt in growth after recession.

In fact, it is clear that many people are continuing to prioritise charitable giving. Giving can be a particularly positive and rewarding experience at times when people feel their options are limited, and that they can still help others less well off than themselves. So what can charities do to ensure that the public's goodwill and generosity is sustained? It is important that charities recognise that some people will be finding it harder to give, and that they highlight how much they value all contributions. Donors need to feel that charities are calmly and efficiently getting on with their important work, and that their donations will have an impact. Sensationalist stories about charity collapse are not helpful. Few people will invest in a sinking ship.

But the challenge is not only one of attitudes. People often make their donations as part of their work, social or recreational lives – at fundraising events and dinners, in the pubs, during visits to gardens, museums and galleries, while shopping in their local high streets, or in collections at work. One of the reasons why fewer people may be giving is that in a recession they have less money to go out, or are unemployed. This means that fundraisers may need to be much more imaginative about different approaches to fundraising. Greater investment in advertising through online media, texting, TV, radio and newspaper might be helpful (Comic Relief worked wonders with its captive audience last year). And it's also important to ensure that cash collections are targeted at places in heavy use such as supermarkets. Free events are often magnets, and people who can't afford ticket prices might still feel able to give



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something to charity. Many street entertainers attract donations by doing nothing at all, other than stand and look funny.