

Giving: A fundraising activity or act of citizenship?

Chair: Cathy Pharoah, Centre for Charitable Giving and Philanthropy
Speakers: Beth Breeze, Researcher, Centre on Philanthropy, University of Kent
Dr Manazir Ahsan, Vice Chair, Muslim Aid
Dr David Dent, Founder of Pennies4Change
Anna Reid, Programme Director, Giving Nation

1. Introduction

Cathy Pharaoh introduced herself as Chair of the panel and thanked Louisa for organising the session.

Cathy explained that the link between giving and volunteering has been established for some time, yet the link between giving and active citizenship has only been studied more recently. She asked whether the activities that come under the term active citizenship are linked to volunteering and whether we can use one to engage people in the other. If we can, what is the implication for potential funders? It is also important to ask what kind of relationships foster giving, volunteering and active citizenship. And, during the recession, will communities become more supportive of one another or will they become communities at war?

2. A new way of giving

David Dent commented that as a biologist, the concept of giving is an interesting one, as the *selfish gene* tells us that individuals will give to family members before they give to non-related others. Women, endure pain for extended family and friends more than men, suggesting they have more empathy for non-relatives and a greater capacity for giving. How far our altruism extends beyond our immediate family relationships and friends will be determined by social and cultural factors, for example, many people cite personal experience – knowing someone affected by a particular issue – as the main reason why they give to charity. Other reasons include wanting to help, a feeling of goodwill and empathy.

David argued that encouraging people to give small amounts on a regular basis will result in a society of active citizens. Convenience is important for this to happen, so we need ways of giving that are easy, simple and straightforward. Encouraging people to give small amounts on a regular basis, is difficult when 91% of people give to “make a difference” – giving a small amount makes it difficult for them to see the effect their donation has had. Communication is crucial here, as is a means of giving to which people can relate. We know that most giving is *spontaneous* and pennies4change fits in with this way of giving.

Pennies4change is a new scheme for rounding up retail purchases to the nearest pound with credit and debit cards. It operates through the chip and pin terminal at the checkout. The pin pad screen will discreetly ask whether the customer would like to round-up their transaction. One touch of the green button will round-up to the nearest pound, one touch of the red button will decline, which is also the default if neither button is pressed within a few seconds. No new card is required, people do not need to sign up to anything and no staff intervention is needed. It is a simple choice with each purchase.

David explained that pennies4change will result in billions of transactions and a 4% take-up will generate in excess of £100 million for the Sector each year. In a study of

3,000 people, 55% thought that pennies4change was a good idea, this rose to 73% for 16-25 year olds.

During a recession, people cannot afford to give pounds, but they can afford to give pence. Pennies4change creates a *habit of giving* – small amounts in a regular way.

3. Lessons from a faith-based charity

Manazir Ahsan opened his presentation with a powerful question: is it acceptable that 862 million people in the world are malnourished and that there are 25,000 deaths a day due to hunger-related causes? Muslim Aid, a major British relief and development agency founded in 1985 in response to the famine in Africa, believes this is an international scandal, that as human beings and Muslims we have a duty to respond to

The core values that drive Muslim Aid are accountability, justice, empowerment and compassion – all deeply rooted in Islam itself. The Islamic model of giving takes a rights-based approach – charitable giving is essential because everything on the earth belongs to God, therefore the Islamic faith requires that people give away what they cherish. People have a duty, rather than a choice, to help others in need.

The Islamic vision of peace, compassion and justice champions a system of charitable giving based on three main mechanisms:

1. People are required to give 2.5% of their savings to the poor each year in “*zakat*”
2. They also contribute *zakat-ul-fitr* in the month of Ramadan to enable the poor to participate in the Eid festivities and celebrations
3. It is highly recommended to offer interest-free loans and additional donations as and when required

However, “giving” within the tradition of Islam and specifically within the context of Muslim Aid, is also an act of citizenship. They believe peace, compassion and justice are essential to this world in which we are citizens. This vision guides what they do and how they do it. Their education and child support programmes work with the neediest children regardless of faith, ethnicity or nationality. When they run their micro finance programmes, giving for example a small loan of maybe £20 to a fisherman in Sri Lanka to buy new nets, they do not ask for interest in return nor any contribution to overhead costs– believing we should not exploit the poor but rather treat them with honour and dignity.

The obligation and payment of *zakat* and voluntary giving ensures that donors really *live* their responsibilities as global citizens. Muslim Aid believes the connections between donors and the communities to which they give are very real and they actively encourage donors to see and understand the practical impact of their giving.

Muslim Aid also has an active collection of volunteers who give their time to organise fundraising and community events. Muslim Aid can tap into their motivation and commitment in order to respond quickly to disasters and crises.

Manazir explained that Muslim Aid also has an organisational vision of how they must work – together, with others, with their neighbours. Muslim Aid is proud of the Islamic ethos which underpins its work and it is also proud to work with partners such as Oxfam, the United Methodist Committee on Relief, Christian Aid and to have staff from a diverse range of faiths and traditions.

Manazir concluded that Muslim Aid combines the act of giving with fulfilling our responsibilities as global citizens.

Cathy commented that giving in faith-based communities has a lot to offer and is often missed by the commercial sector. She then passed the floor over to the third speaker, Beth Breeze.

4. Targeting the active citizen

Beth explained that statistics show a consistent correlation between giving and the different types of activity which constitute active citizenship. This inter-relatedness is good news for charities because if we know what these activities are and where they are going on, we can use them as a way to access people and ask for donations.

Beth argued that encouraging participation is part of the rationale behind government support for our sector, a point illustrated in a classic study by a sociologist called Richard Titmuss. He found that the voluntary nature of British blood donation enabled altruism for people who did not otherwise have the opportunity to give. The government has a responsibility to create structures which encourage and enable generosity to strangers.

Beth believes the link between giving and being active in general calls into question our notions about what types of people are more likely to donate. It may not be that some people are more generous citizens; it may be that they are more generally involved in things and, through that engagement, are more likely to be asked to donate. If giving is down to external factors rather than internal drives, then it is easier to convert non-donating active citizens into donors.

When we are asking for support, it might help to remind people that they are 'that kind of person'. Sociologists have told us that people prefer consistency and a life biography that makes sense. So, rather than targeting members of the general public in the street or knocking door to door, we should approach people outside of recycling bins or the local blood donation centre, reminding them that there are also other ways in which they can give. In other words we can tap in to their need for a consistent profile.

Beth ended her presentation with a point about the recession. The current economic situation may be dire, but there is a danger of us panicking and by publicly and repeatedly claiming that donations will dry up, we could create a self-fulfilling prophecy and talk ourselves into a giving recession. Currently, the panic pervading the Sector is not mirrored in the donor community. Partly this is due to the fact people prefer to act in a coherent and consistent manner. People will not cut a cause out of their budget lightly, because doing so does not fit with their self-image or the positive identity they have created to others. Communication is also important: we know that people give to make a difference, so we must communicate clearly to people how much we still need to do in order to make that difference and argue that their donations are needed now more than ever.

5. The next generation of givers

Anna Reid spoke about the practical implications of the link between giving and active citizenship. Giving is an integral part of active citizenship and is particularly important to foster in young people. The National Curriculum citizenship syllabus at Key Stage 3 and 4 states citizenship education equips young people with the knowledge, skills and understanding to play an effective role in public life. *Giving*

Nation is a Citizenship Foundation¹ project which aims to create the next generation of generous givers by encouraging young people in schools to take responsibility for their own lives and those in their communities. It was designed to support the teaching of the citizenship curriculum, providing teachers with free resources that promote charitable activity, decision-making and reflection. In its first year Giving Nation reached over half of all secondary schools across the UK.

Giving Nation provides each class with £50 to simulate forming a charity or a social enterprise. Over a period of around five weeks classmates plan and organise an activity, and in so doing they simulate forming a charity or social enterprise that recruits the rest of the school in support of their initiatives. At the end of this period classes evaluate their activities - against real-life charities and against each other. The challenge is designed to be self sustaining - so the first £50 made by each class must be kept for the following year's project.

Anna concluded that young people give when they are *informed, engaged* and *included*, so they need to be asked their views and given a voice.

6. General discussion

Cathy thanked the speakers for their presentations and handed the floor over to delegates. There were many questions which sparked a lively debate.

One delegate asked whether pennies4change could create active citizenship, arguing that it is a detached method of giving – once people have rounded their purchase up their giving is over. David responded by explaining that pennies4change will not solve all the issues facing the Sector. He reiterated that it is a starting point, one which creates a “habit” of giving, a mechanism which is simple, easy and convenient for people to engage with, and from which other forms of giving will evolve.

Another delegate asked whether we should be encouraging donors to get more involved with their charities – he felt this was missing from the debate. Beth responded that we should involve donors more only if it creates more money, not if it is a moral exercise. The richest donors, the New Philanthropists, tend to want to give their knowledge and expertise as well as their money. However, there is no evidence that if you involve your donors they will carry on giving, in fact, they may choose not to give a second donation, claiming that they have volunteered instead.

Manazir responded by explaining that the Islamic concept of giving means giving both time and money. It is inbuilt in the Muslim faith that we are all equal in the eyes of God, which is why Muslim Aid is a global charity with the mission of spreading peace, compassion and justice to people all over the world. It is written in the Scriptures that people have a duty and a responsibility to care for those in need, so Muslim Aid has a network of Micro Finance to empower individuals who need financial help. The charity also encourages people to work together, with their neighbours and their partners, for example they have a group of young Muslim volunteers who give their time and commitment to the cause.

One delegate questioned whether street fundraising is still the most popular way of giving. Anna replied that the young people who have taken part in Giving Nation have often set up enterprises which involve asking people for money, which mirrors

¹ The Citizenship Foundation is an independent education and participation charity in the UK. Their vision is of a just society in which everyone has the knowledge, skills, confidence and motivation to engage effectively in their communities.

street collecting. Street collecting is very popular in the Southern Hemisphere. Anna is not sure if it is the best way of giving, but it is a good place to start.

Another delegate asked how we can encourage more people to volunteer, particularly at a time of economic downturn. He wondered how we can harness this huge pool of potential volunteers. David explained how pennies4change already involves the banking industry and those people installing / setting-up the project, which has led a whole workforce becoming interested in volunteering and donating. Anna talked about corporate social responsibility and the number of companies giving their employees time off to volunteer instead of donating money. An advantage of this is the whole array of valuable skills which are brought to the sector. However, some panel members felt that when people give their time and skills to the sector, they wrongly assume that the Sector should be grateful – active citizenship is about volunteers learning from the sector too.

Beth talked about the difference between trustees in the UK and those in the USA. In the USA trustees are expected to give money, whereas in the UK they are not. Donors want to see trustees giving otherwise they question why they are being asked to donate when the trustees themselves are not. Donors also like to see where their money is going and how it has helped. David commented that we need to constantly change the way we look at things in order to explore how we can add to what we are already doing.

One delegate asked the panel how we avoid “burning people out” if we attempt to get them to give as well as volunteer. Beth argued that, in the UK, we have a lack of confidence in asking people to give more than once. If we look at the Obama campaign, people were emailed continuously with requests for donations and constantly kept abreast of what was happening. In the UK, we need to have more confidence in asking – if we think a charity is worth dedicating our whole working lives to, then the chances are other people will too. Anna told delegates about a programme she headed up in New Zealand secondary schools called Students Against Driving Drunk (SADD). The charity developed a reciprocal relationship with its student members, in that they continued to be donors and supporters (both for SADD and for different charities) even once they had left school. The success of SADD shows how we can create a cycle of giving, whereby people give more than once.

Another delegate asked about payroll giving. Cathy advised people not to pay too much attention to the statistics of payroll giving - although they did show a slight increase in use of the system last year, it is a cumbersome scheme which is why it is not more widely used.

7. Closing comments

Cathy closed the session and commented that giving is very complex – it can be a simple act of dropping a few coins in a collection tin, or it can be related to a deep interest in the cause. Some people like to donate anonymously, which is why legacies can be a surprise – we therefore need to raise people’s awareness of the importance of legacies. We also need to form more communities based on the principles of giving inherent in the Muslim Community.