

Giving, Giving...gone?

Recent trends in charitable giving in the UK

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Does charitable giving still matter to voluntary organisations? It might just be possible for casual observers of the sector to think not as much as it used to. Much of the public policy debate on [sustainability](#) (or should that be resilience?) now focuses on earning income, almost implying by default that we should slowly give up on altruism. Where we do talk about giving money it seems to be mainly in relation to ‘[philanthropists](#)’: a new genetically modified form of donor for whom altruism has been spliced with business principles and watered with investment capital. [Statutory funding](#), the other pressing matter for many voluntary organisations, has become such a central feature on the funding landscape that any decline seems unthinkable. But amidst the modernised new world of contracts, philanthropy and financing, plain old [charitable giving](#) never went away. So what has been happening to charitable giving?

[NCVO](#) and [CAF](#) have been tracking trends in charitable giving for over a decade. In *UK Giving 2009* we recently estimated that charitable giving is a deeply ingrained habit in the British public: more than half the adult population give in a typical month, whilst donors give an average of £31 in a typical month. Although these numbers have been blunted by the recession (an overall decline of 11% in the total amount given since the previous year), it’s still the case that we are giving at levels last seen in 2006/07. One only needs to see the ubiquity of local fundraising events or cheque handovers in local newspapers (not to mention the success of national campaigns such as [Comic Relief](#)) to understand that these trends generated an estimated £9.9 billion in donations in 2008/09.

The question of whether almost £10 billion of giving matters to voluntary organisations starts to get more interesting when we delve a little deeper. Donors tell us which causes they support, and popular ongoing support for medical research in particular, closely followed by hospitals and hospices and children and young people, suggests that giving is more important to some voluntary organisations than others. Some causes are better at converting this popular support into cash: just five causes account for almost two-thirds of all donations, with religious organisations proving particularly effective. Incidentally, despite the greater prevalence of needs such as mental health and unemployment, the recent recession appears not to have changed which causes people give to.

What these causes also illustrate is how important charitable giving is to the wider public sphere beyond voluntary organisations: people choose to give to, and volunteer for, what are essentially statutory public services such as libraries, schools and

hospitals. [Medical research charities](#) in turn fund significant research programmes in the university sector. In the opposite direction, government enhances the value of charitable donations through mechanisms such as [Gift Aid](#), which was worth almost £900 million to charities in 2007/08. It could be worth more to charities, but frustratingly the take up of Gift Aid appears to have plateaued.

Much of this evidence is from donors. We can get a closer sense of the importance of charitable giving to voluntary organisations from their own accounts, reported in NCVO's [Civil Society Almanac](#). This reports £5.4 billion of 'voluntary' donations and a further £5.5 billion in earned income, which includes fundraising. Reconciling these estimates with donor surveys remains difficult; nevertheless, some important trends emerge. First, support from the public is crucial to the smallest organisations, vastly outweighing income from sources such as government. In other words, small charities are very dependent upon charitable giving and fundraising. Although large national charities as a whole are less dependent upon charitable giving, they are incredibly effective at fundraising. It's no surprise therefore that the amounts given to [small charities](#) are dwarfed by those given to large charities: in 2007/08 we estimate that 356 major charities generated £2.5 billion in gifts alone, with a further £1.8 billion in earned/fundraised income.

Religious organisations have already been highlighted as particularly effective at turning popular support into donations. Analysis of their overall funding similarly suggests that they receive more of their funding (62%) from the public than any other source. Environmental organisations and those working in international development or research were also relatively dependent upon charitable giving. Conversely, charitable giving is relatively unimportant to voluntary organisations working in other areas – for example, organisations in the employment and training or law and advocacy fields, areas both impacted upon in the recession by increased demand. These organisations receive relatively small amounts of donated income.

These trends illustrate that for voluntary organisations, charitable giving is still a critical part of the modern funding environment. To compare: in 1994/95, voluntary contributions were worth 14.5% of a cake valued at roughly £15.5 billion in 2006/07 prices; in 2006/07, those same voluntary contributions were worth 16.2% of a cake valued at £33.2 billion. The findings reported in *UK Giving 2009* that charitable giving has fallen are clearly bad news for voluntary organisations, but there is a grain of hope that this will prove to be an interruption in a long term trend of increasing real term support from the British public.

UK Giving 2009: www.cafonline.org/ukgiving and www.ncvo-vol.org.uk/research/giving

The Centre for Charitable Giving and Philanthropy: www.cgap.org.uk