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## CGAP Briefing Note 6

# UK household giving – new results on regional trends 2001–08

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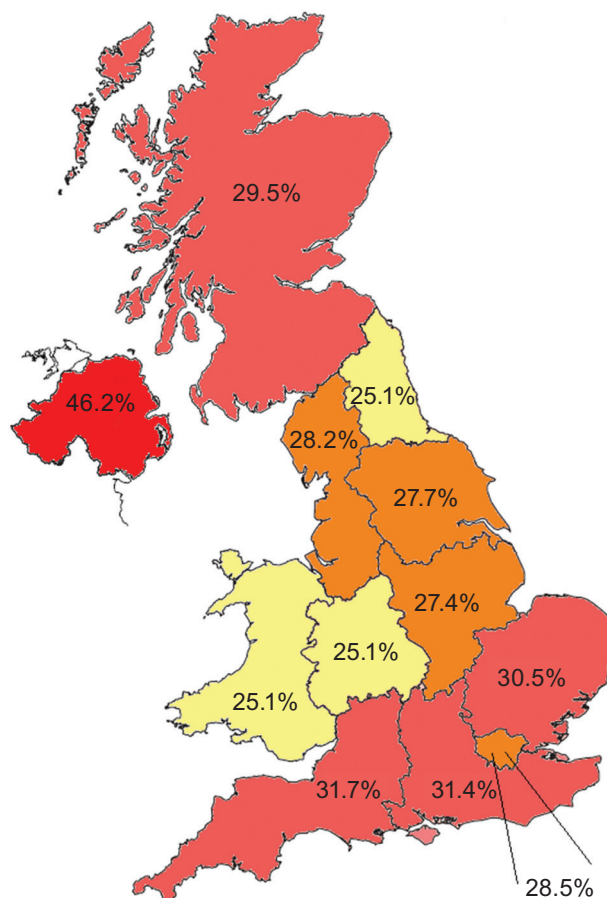
In a climate of growing political emphasis on charitable activity at local levels, this briefing note presents results from a comparison of patterns and trends in giving by UK region and country. Fundraisers at national charities need to understand who makes donations in which parts of the country for their strategic planning. Mapping donor behaviour geographically can enhance such understanding of the market for donations. Yet few previous studies have provided detail on giving by region in the UK. This note makes a contribution by considering both the propensity to donate and actual amounts donated to evaluate charitable generosity in different areas of the United Kingdom. Examining data on over 50,000 households pooled from eight years of the national Living Costs and Food Survey (LCF),<sup>1</sup> answers are sought to the following questions:

- How far does charitable giving by UK households vary across the regions?
- How important is income in explaining differences between regions?
- How do the trends in charitable giving at the regional level compare with other forms of giving?

## Regional giving in the United Kingdom

The following map displays the proportion of households that made a donation to charity during a two-week spending diary period, by government office region. As can be seen, there are some striking differences. Households in Northern Ireland are nearly twice as likely to donate as those located in Wales, the West Midlands and North East England, where only 25.1 per cent recorded making a gift to charity. This result may be due to

the relative importance of religion in Northern Ireland.<sup>2</sup> Previous studies show that people who consider religion important in their lives are more likely to give to charity.<sup>3</sup> Proportionately more households in Scotland and southern and eastern England give compared with the East Midlands, north-west England and Yorkshire and Humberside.



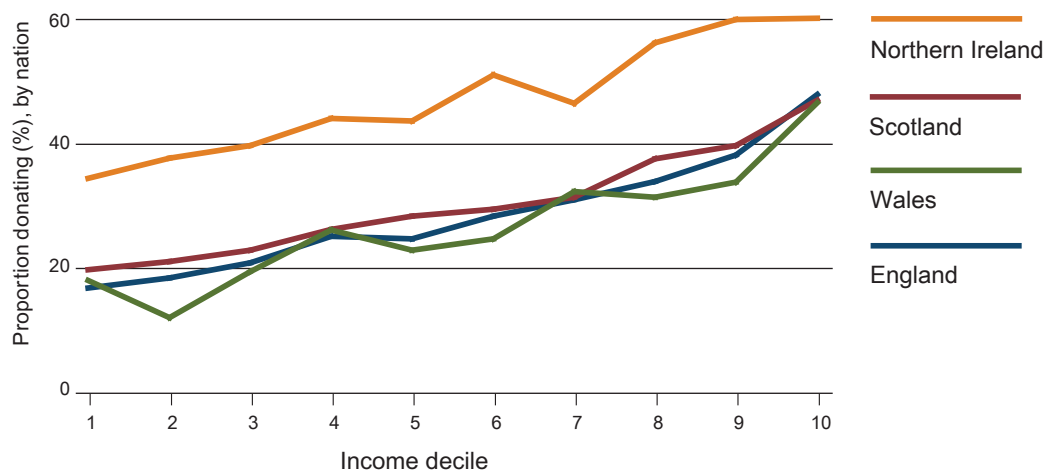
Differences exist within the regions that are masked by these aggregate figures. London is a case in point. As a whole, Londoners rank in the middle, with 28.5 per cent of households giving to charity. In the table below, the capital is divided into four areas; figures range from 23.8 per cent of households in north-east London to 33.9 per cent in south-west London. When considering the amounts<sup>4</sup> donated, the pattern is different. Donors in north-west London tend to give more, both in absolute terms (the median gift is a whole £1 higher than elsewhere in the capital) and as a proportion of their total expenditure (over 2 per cent).

	Per cent donating	Mean donation (donors only)	Median donation (donors only)	Donations, per cent of total spending (donors only)
North-east London	23.8	£7.51	£3.12	1.51
North-west London	27.4	£11.55	£4.12	2.17
South-east London	30.1	£7.84	£3.03	1.39
South-west London	33.9	£10.60	£3.01	1.62

## Giving by nation and income

The differences presented above may be explained to a large extent by variation in income. Households on higher incomes are more likely to give to charity so the participation rate is expected to be lower in poorer parts of the country. In all four nations, there is a strong positive link between income and the propensity to give. Indeed, as the next chart shows, across England, Scotland and Wales, participation levels by income decile are very similar. Therefore, if differences in income were taken into account, the map on the previous page for the proportion of households donating in Great Britain would become more homogeneous. However, proportionately more households in Northern Ireland donate to charity, regardless of income.

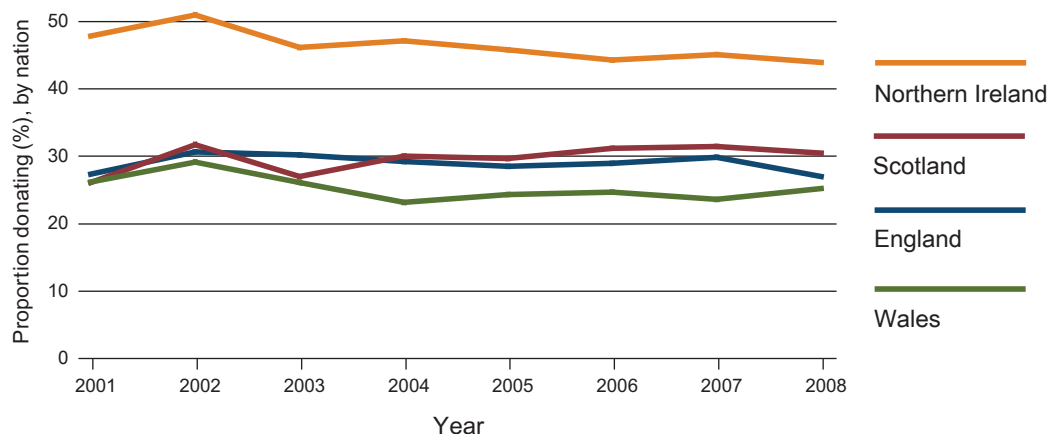
### Donor households in the UK



Source: Living Costs and Food Survey, ONS/DEFRA

## Giving by nation across time

### Donor households in the UK



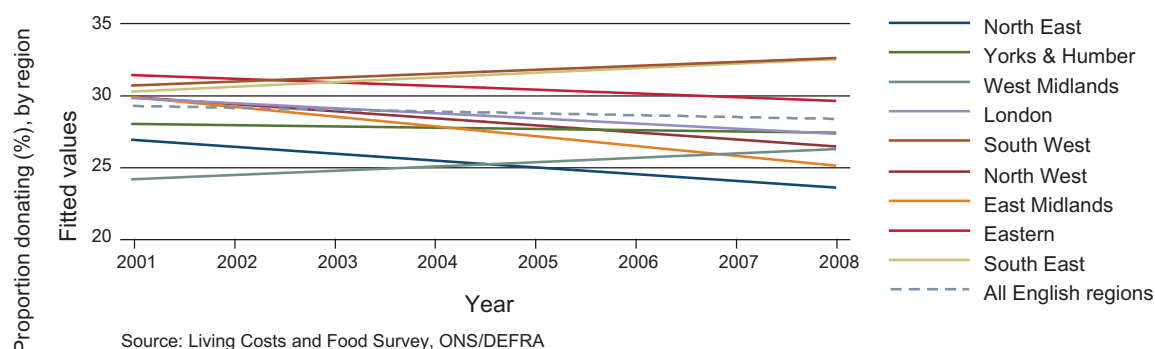
Source: Living Costs and Food Survey, ONS/DEFRA

When the proportions of households donating are plotted over time, participation in giving in Northern Ireland and Wales is shown to have declined gently between 2001 and 2008. In England and Scotland, the proportions have held steady at around 30 per cent. This is a particularly important result given that participation in giving in Great Britain was shown to decline substantially between 1974 and 1994.<sup>5</sup> This downward trend for Great Britain appears to have slowed in the last decade.

## Regional donations to charity in England over time

The steady pattern for all of England also holds true when the figures are disaggregated to the regional level. The following chart shows the trend lines for the different regions of England as well as the overall trend line for England as a whole (dashed line). Although participation in giving declined in some regions and increased in others, the changes are not statistically significant. The proportion of households donating to charity in the English regions remained stable between 2001 and 2008.

### Donor households in England

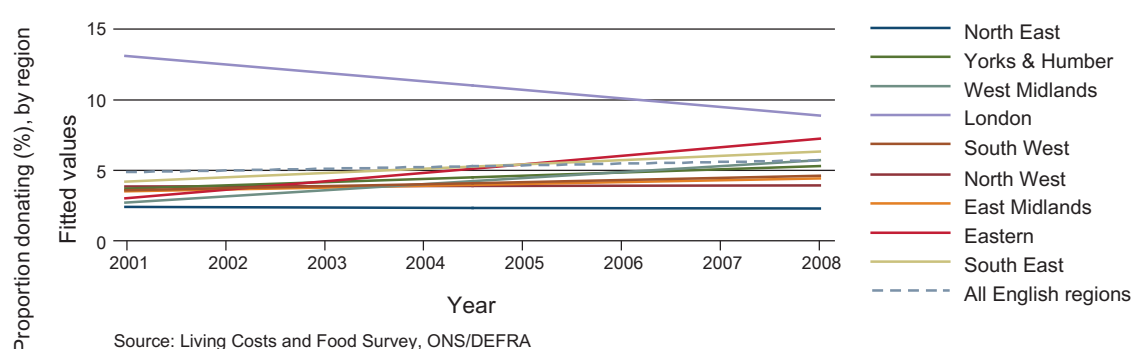


## Other forms of giving in England over time

While the proportions of the population in England making charitable donations have remained stable over the past decade, the pattern for sending money abroad, which includes gifts by migrant households to people in their countries of origin,<sup>6</sup> has changed and the trends are different depending on the region.

Households in London are more likely than households in other regions of England to send money abroad. However between 2001 and 2008, the proportion of London households remitting money declined, while there was a marked rise in the West Midlands and eastern England.<sup>7</sup> This may be a reflection of the sharp increase in migrant workers from eastern Europe who settled in the English regions outside London when the European Union expanded in 2004 and 2007.

### Remitter households in England



## Summary of findings and possible implications

This briefing note has shown that the proportion of households who make a donation to charity varies substantially between the nations of the United Kingdom and across the regions of England. Households in Northern Ireland and Scotland as well as in southern and eastern England are more likely to donate than those in other parts of the UK.

While much of the variation may be explained by different income levels, other factors are also important. Numbers of households donating in Northern Ireland are higher than the rest of the UK across all income groups, reflecting a strong culture of giving there.

The sub-regional analysis of London demonstrates that areas where more people give to charity are not always the same as those where donors give higher amounts of money. This raises the question of how to define relative levels of generosity between regions. The proportion of the local population that gives represents a different measure for this than the percentage of income that is given by donors to charity.

Although the trend in giving to charity appears to have remained stable over the past decade, there have been developments in the different regions regarding the proportions of households sending money abroad, so-called 'remittance giving'. While this has declined in the London area, it has increased in the rest of south-eastern England, as well as in East Anglia and the West Midlands.

The findings suggest that if giving is to be increased in the UK, it is important for both fundraisers and policymakers to develop a better understanding of local cultures and traditions of giving. Strategy needs to be adapted to local capacity as well as willingness to give.

## References

Banks, James and Tanner, Sarah (1997) *The State of Donation: Household Gifts to Charity, 1974–96*, Institute for Fiscal Studies, London. Available at [www.ifs.org.uk/comms/comm62.pdf](http://www.ifs.org.uk/comms/comm62.pdf)

Pharoah, Cathy and Tanner, Sarah (1997) 'Trends in Charitable Giving' *Fiscal Studies* 18 (4), pp 427–43.

## Acknowledgements

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<sup>1</sup> Covering the years 2001 to 2008 gave a total sample of 51944 households.

<sup>2</sup> In the 2001 Census, only 13.8 per cent of the population in Northern Ireland did not state their religion or claimed not to belong to any religion. This compares with a figure of 22.52 per cent for England and Wales (UK 2001 Census, tables KS07 and KS07a).

<sup>3</sup> See for example Pharoah and Tanner (1997, pp 439–40).

<sup>4</sup> The amounts quoted in this briefing note are in June 2010 pounds.

<sup>5</sup> See Banks and Tanner (1997).

<sup>6</sup> The variable for remitting correlates very highly with the variable to indicate households of non-white British ethnicity.

<sup>7</sup> These results are statistically significant ( $p = 0.01$ ).

## About the authors

**Tom McKenzie** is a research officer specialising in economic analysis. At CGAP he focuses on patterns of giving in the UK using national household survey data. Tom graduated with a degree in economics from the University of Bonn and taught personnel economics at the University of Cologne before joining Cass Business School in 2009.

**Cathy Pharoah** is professor of charity funding at Cass Business School and co-director of CGAP Hub. Research work includes an annual report on family foundation giving, supported by the Pears Foundation, as well as the Charity Market Monitor published by CaritasData, an annual update on the finances of the UK's major fundraising charities. Cathy has published many other reports on aspects of charity funding. She is treasurer of the Voluntary Sector Studies Network (VSSN), and a member of the editorial board of *Voluntary Sector Review*.

## 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 comprising Cass Business School, University of Edinburgh Business School, University of Kent, University of Southampton, University of Strathclyde 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.

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