

Charitable Giving by UK households at Christmas

CGAP Briefing Note

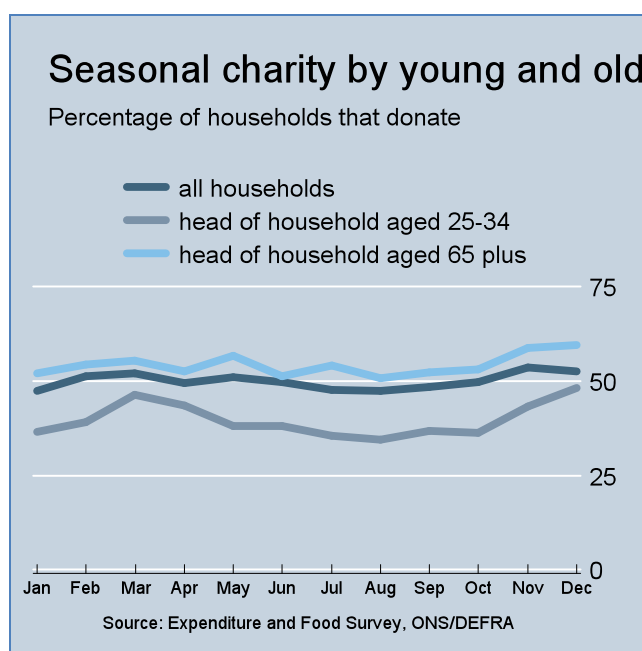
Many charities run special appeals at Christmas, but what actually happens to giving? Analysis of donations to charity by UK households using a large sample shows:

- Average donations to charity rise in December.
- This is due to a 5% increase in the numbers of people giving, and not to bigger gifts.
- Donations to charity at Christmas do not rise as much as some other forms of giving, or as spending on alcohol.

Charities in the UK have traditionally launched special appeals for donations in the period before Christmas. Christmas is a time of giving and they hope to persuade the public to extend their generosity during the festive season to charities. But apart from a few individual charities' reports, we know little about whether people are more inclined to give to charities at Christmas.

This briefing note presents new results from an analysis of seasonal patterns in giving to charities. Examining data from the national Expenditure and Food Survey (EFS)¹ we look at general patterns of giving by UK households over the calendar year to consider whether the extra emphasis on fundraising in the autumn/early winter has an impact.

Do more people give at Christmas?



50.1% of UK households make a donation to charity in any given month² of the calendar year. This proportion rises to 52.6% in December. This represents a 5% increase. Older households have a higher propensity to donate than younger households, but both groups are more likely to give to charity in December. Amongst households where the oldest person is aged between 25 and 34, the participation rate increases from 40% in any given month to 48% in December. Where the oldest

person is aged 65 or over, the participation rises from 54% overall to 60% in December. The increased likelihood of giving might be mainly because charities target their appeals for Christmas, and not just because people are feeling more generous towards charities.

What amounts are given at Christmas?

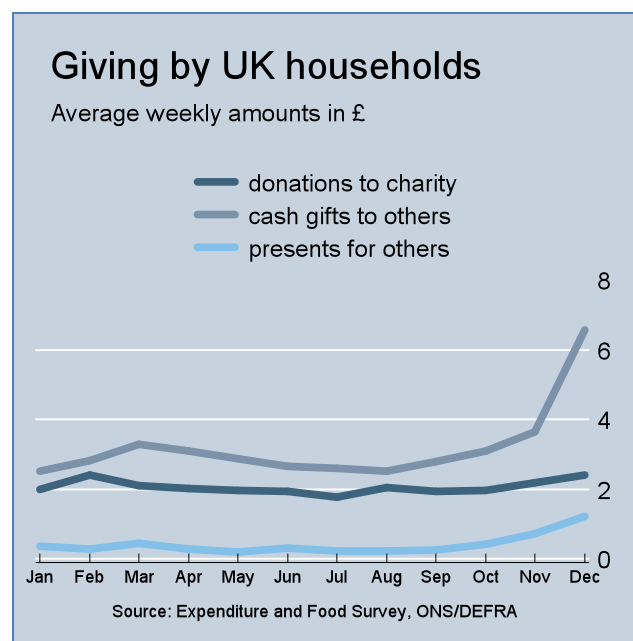
The average weekly amount donated appears to rise in December compared to the rest of the year from of £2.03 (January-November) to £2.41.³ This represents a 19% increase.⁴ But this is mainly because more people are giving. When considering the whole of the fourth quarter (October-December) relative to the rest of the year (January-September), average donations go up in the fourth quarter by about 8%.

Are people more generous to charity at Christmas?

There is little to suggest that people make bigger gifts at Christmas. When the absolute amounts donated are considered as a proportion of household income, there is no statistically meaningful difference between the Christmas period and the rest of the year, as household incomes also rise in December, due in part to factors such as annual bonuses, increased seasonal employment and possibly using income from savings. As charities need money all the year round, donors may not see any need to make bigger gifts at Christmas.

How does charitable giving compare with other kinds of giving at Christmas?

Comparing donations to charity alongside other forms of giving captured in the EFS underpins the finding that there is little real difference between donations in December and the rest of the year. Any observable seasonal rise in donations is dwarfed by increases in spending on the presents and cash gifts we make to others. Trends in these forms of giving are shown in the following chart. Cash gifts more than double and spending on presents more than triples in December compared with the rest of the year⁵.

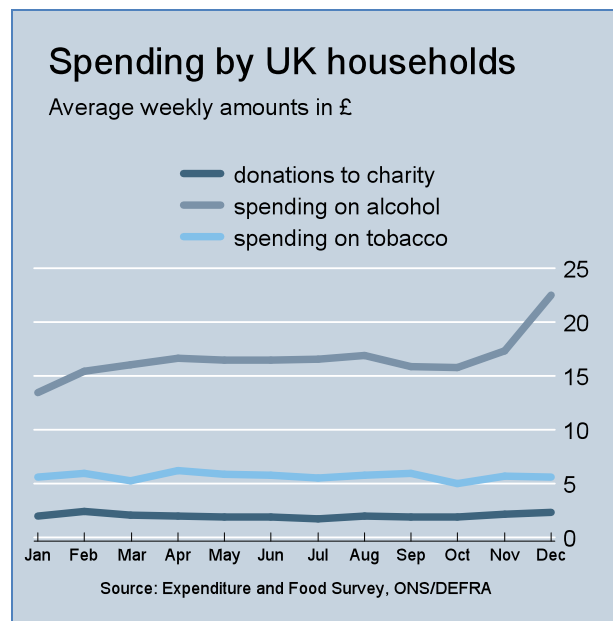


How does charitable giving compare with spending on drinks at Christmas?

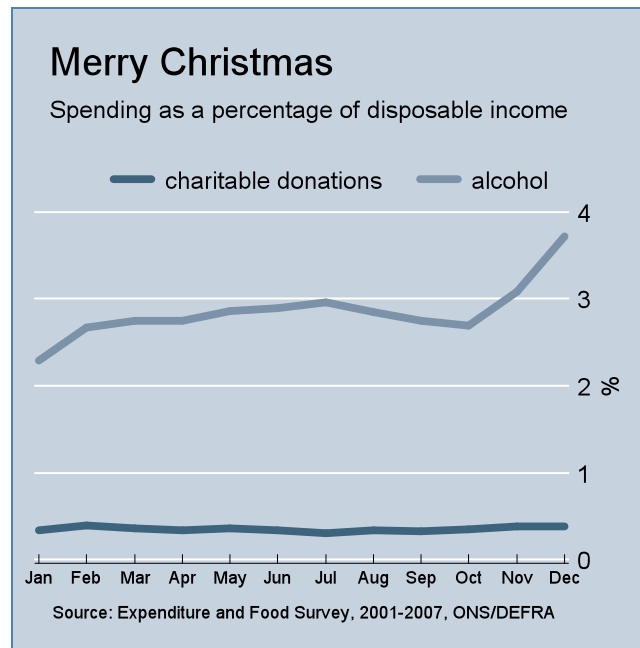
Charitable giving fares badly compared with increased spending on drinks at Christmas. Average UK household spending tends to rise by 13%, or £64 per household per week, in December compared with the other months of the year:

- extra weekly donations to charity contribute less than one percent to the total increase, at 0.6%
- 7% is given away as (extra) presents and cash to other households
- £6.39, a tenth of the extra spending in December (and nearly seventeen times the extra donations to charity) goes on alcohol.

This is shown in the next chart, which tracks donations to charity alongside spending on alcohol and tobacco.



It is interesting to note that spending on tobacco, however, does not increase in December. It is constant at approximately £5.70 per household per week throughout the calendar year, reflecting the ongoing dependency of smokers on cigarettes. The fact that spending on alcohol goes up by 40% in December and falls back significantly in January shows that drinking habits are also linked to our social customs.



More room for giving at Christmas

These figures show that we are not as generous to charities at Christmas as we are to others. We increase our spending 'to eat, drink and be merry' at Christmas much more than to support good causes. So there may be potential for charities to encourage people to switch a little more of their spending towards donations, and give a pint of beer to charity (or rather its sterling equivalent) during the festive period. Charities that join forces with the producers of alcoholic beverages such as Age Concern, the National Trust and WWF also stand to benefit particularly well at this time of the year.

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Notes

¹ Covering the years 2001 to 2007 gave a total sample of 46099 households.

² Households in the EFS keep a diary of their spending over a period of two weeks. We have imputed the probability of households giving to charity in any given four-week period (month) from the observed participation rates in the two-week survey period.

³ These figures are based on spending recorded in a diary over a two-week period and have been converted to October 2009 pounds. Averages have been weighted to account for structural differences between the sample and the population.

⁴ This result is only marginally statistically significant (10% level) due to high variation in actual amounts donated.

⁵ These differences are statistically significant at the 0.1% level.