



UK Giving 2008

An overview of charitable giving in the UK in 2007/08

Sally Clegg and Liz Goodey (CAF), Patricia Walls and Karl Wilding (NCVO)
Who gives to what cause? by Dr Sylke Schnepf and Professor John Micklewright, School of Social Sciences, University of Southampton

Contents

Foreword	2
1.0 UK charitable giving in 2007/08: executive summary	3
2.0 Introduction	5
3.0 Individual giving in the UK 2007/08	9
4.0 In focus: who gives to what cause?	26
5.0 Future policy directions for charitable giving	32
A1 Methodology: the CAF/NCVO Individual Giving Survey	35
A2 Methodology: approach to separate out the impact of income	38
A3 Useful websites	39
A4 General reading on charitable giving	40
A5 Glossary of terminology	41
A6 Acknowledgements	42

Foreword

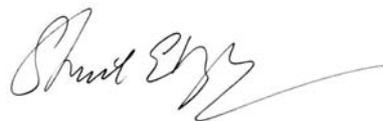
The importance of charitable giving to the social fabric and economic wellbeing of British society continues to be widely acknowledged, though perhaps less well evidenced. This report, the fourth in the current series, maps a landscape that has constantly fluctuated since CAF and NCVO began to regularly survey individuals' giving practices in the early 1990s. We continue to believe that robust data is crucial to enable voluntary sector leaders and policy makers to better understand the giving environment and explore new ways of engaging with donors. This will become increasingly important as donors become ever more sophisticated in their philanthropy; looking for greater involvement, more interactive and immediate methods of giving, and increased feedback on the impact of their donations.

These are, of course, challenging times for all: donors, charities and the beneficiaries they combine to support are not immune to the harshening economic climate. In the period covered by this report the evidence reminds us that the generosity of the public has held up well, although clearly the future is uncertain. At a time when increased living costs are squeezing household budgets it might be reasonably expected that fewer would give, and that those remaining donors would give less than in previous years. The evidence highlighted in this report, whilst not yet a trend, offers a glimmer of optimism in what are otherwise likely to be difficult times.

During times of economic turbulence the importance of individuals' charitable donations to charities and voluntary organisations cannot be underestimated. In particular, steady streams of unrestricted income are essential to underpin the work and maintain the independence of charitable organisations, helping to ensure a healthy and vibrant third sector. Moreover, this comes at a time when, coupled with pressure from increasing costs, many charities are seeing an increase in demand for their services.

Public policy clearly has a role to play in continuing to provide a conducive environment for charitable giving, something all mainstream political parties recognise. There remains considerable scope for evolution within the current tax regime to support greater giving both now and in the future, and *UK Giving* provides policy makers with a strong evidence base on which to build such policies. We hope that this report supports and informs a healthy debate around the role and value of charitable giving and that ultimately it stimulates further generosity on the part of the public.

The importance of charitable giving to the social fabric and economic wellbeing of British society continues to be widely acknowledged though perhaps less well evidenced.



Stuart Etherington
Chief Executive, NCVO



Dr John Low
Chief Executive, CAF

1.0 UK charitable giving in 2007/08: executive summary

Charitable giving by the public remains a widespread activity

Survey evidence from a range of sources indicates that a majority of the British public continue to make charitable donations. We estimate that in a typical month 56% of the public made a donation, a finding consistent with previous years. Almost 28 million people gave to charity in a typical month in 2007/08.

The mean average amount given by donors increased in 2007/08

Despite emerging tensions in the UK economy at the time of fieldwork, evidence suggests that many individual donors increased their support for charities in 2007/08. The mean average monthly amount given per donor increased to £33 up from £29 in 2006/07.

The amount most frequently given was relatively unchanged

The average gift size inevitably disguises a wide range of donor responses, including a smaller number of major gifts. Such major gifts 'pull-up' the mean to the extent that a better indication of the 'average gift' may be the median, or the amount most frequently given. The median gift in 2007/08 was £11, an increase from £10 in 2006/07. In the four years that the survey has been carried out the median has not changed significantly.

Cash giving continues to fall as usage of credit cards and direct debits increases

We continue to monitor a long term, gradual shift away from more spontaneous forms of giving, which are predominantly cash transactions, to more planned methods using payment modes such as Direct Debit and credit card. Although almost half of all donors gave a cash donation, these amounts were predominantly 'loose change'. Unsurprisingly, donors now prefer more secure methods for giving larger amounts. Disappointingly, relatively few donors cited payroll giving.

High-level donors continue to drive the gift economy

Although relatively few in number, it therefore comes as no surprise that a small number of 'high-level' donors giving relatively large amounts – £100 or more a month – continue to drive the gift economy. Only 1 in 12 donors gave more than £100, yet their donations accounted for over half of the total amount given. Charities continue to be dependent upon a core of approximately 2.1 million generous, committed supporters.

Medical research continues to be the most widely supported cause

Some causes endure in their popularity amongst the British public and medical research in particular continues to attract widespread support. Almost 1 in 5 donors supported medical research charities, with children/young people and hospitals/hospices also widely supported. In contrast, religious activities were the best-supported cause, accounting for almost one-fifth of all charitable donations.

Individuals' background influences propensity to give, but only for some causes

Some causes – the elderly, the disabled and animals – appear to attract a similar proportion of donors from all backgrounds. Whether high or low income, high or low education, old or young, support for these causes is relatively constant. In contrast, individual background matters much more for giving to overseas and children's causes. These causes attract especially people with high income, higher levels of education and managerial and professional occupations.

2.0 Introduction

This is the fourth edition of *UK Giving*, which aims to provide an overview of the latest estimates and longer-term trends in individual charitable giving. Covering the financial year April 2007 – March 2008, it is based on now well-established survey questions that enable us to comment with confidence on the charitable giving habits of UK adults.

Charitable giving is of significant interest to many different stakeholders, although the evidence base has not always reflected that interest. This report aims to address the need for evidence by providing analysis of the dimensions and characteristics of giving and, more importantly, how such dimensions change over time. Amidst a seeming proliferation of pop surveys and opinion polls, an increasing strength of the core survey work underpinning this report is comparability over time.

This report, like all research, is, however, inevitably limited in scope and depth. As in recent years we have chosen to focus on a specific aspect of charitable giving and we would once again like to acknowledge the contribution of John Micklewright and Sylke Schnepf for their work exploring which donors give to which causes. There is still much to do if we are to fully understand the dynamics of charitable giving. Therefore the recent investment of Carnegie UK, ESRC and OTS in the newly established Centre for Charitable Giving and Philanthropy is welcome. We hope that the Centre will build upon our work and we look forward to collaborating with those leading it.

2.1 Building a culture of giving

Much of the demand for evidence is from policy makers seeking to better understand how they can further develop a culture of giving. Current government policy in relation to charitable giving dates back to the publication of *A Generous Society* (Home Office ACD, 2005)¹. This document framed much of the current policy debate by aiming to “*foster a deeper culture of planned, regular and tax-efficient giving.*” More recently, the Treasury’s *Third Sector Review* built on these aims by setting out additional proposals to encourage charitable giving and, in particular, increase the use of tax-efficient giving².

There is clearly a political consensus around the need to embed more widely the giving habit and to increase use of Gift Aid (see below), though admittedly less consensus on how such aims will be achieved. Work by the Centre for Social Justice³, followed by the Conservative’s Green Paper on voluntary action⁴, argues for the need to create a new ‘pro-social norm’: a widely held expectation that people give 1% of their income to charity. In combination with a radical simplification of Gift Aid such proposals, it is argued, will significantly boost the number of donors and the amounts received by charities.

1 www.cabinetoffice.gov.uk/third_sector/giving/generous_society.aspx

2 www.cabinetoffice.gov.uk/third_sector/third_sector_review/Third_sector_review_final_report.aspx

3 *Breakthrough Britain, Volume 6: Voluntary Sector* pp20-35.

See www.centreforsocialjustice.org.uk/client/downloads/third%20sector.pdf

4 www.conservatives.com/Policy/Responsibility_Agenda.aspx

In recognition that cultural change may take a generation to implement, young people have been of particular interest to policy makers. Initiatives such as Giving Nation⁵, a schools-based programme to encourage giving and volunteering, have been implemented in an attempt to build a culture of giving amongst young people.

Changing the habits and norms of young people is an obvious route to cultural change, though the impact of such work is inevitably long term. More short term results are perhaps expected in relation to bringing about a culture of philanthropy amongst the relatively wealthy. There continues to be significant public policy interest in what has variously been termed 'new philanthropy', 'venture philanthropy' and philanthrocapitalism⁶: charitable giving by wealthy individuals, often involving significant sums and, critically, donations based on criteria that might be best referred to as 'business principles', most typically cited as return on investment.

Data on the scope and contribution of the new philanthropy, at least in the UK, is patchy at best. Surveys such as the Individual Giving Survey clearly do not capture donors giving seven-figure sums⁷. Though difficult to achieve, more accurate measurement of the value and impact of such large contributions will prove highly valuable. Progress is being made with the publication in 2008 of the 'Coutts Million Pound Donors' report by The University of Kent, looking at the number and type of donations of £1 million and over in the UK. Further activity in this area is likely to be significant and we will report on this in more detail in future editions of *UK Giving*. Furthermore, it is not possible to do justice to the range of complex political and social issues that arise from philanthrocapitalism within the constraints of this report; Mike Edwards' work on the issue is an excellent starting point for those wishing to know more.

2.2 Gift Aid

Gift Aid enables charities to claim back tax on donations and is therefore directly linked to the basic rate of tax. The basic rate of tax fell in the year 2008/09 from 22 to 20%, causing some consternation amongst fundraising charities regarding the implications for Gift Aid as the amount they can claim is dropping from 28p to 25p to the pound. The Government has announced that they will provide transitional relief for charities, which will mean that while the amount that charities can claim back in tax will fall, the Government will ensure that they continue to receive 28p for every pound in donations until the end of the 2010/2011 tax year.

5 www.g-nation.co.uk

6 Edwards M (2008) *Just another emperor? The myths and realities of philanthrocapitalism*. See <http://democracy.carnegieuktrust.org.uk/files/Philanthrocapitalism.pdf>

Bishop M and Green M (2008) *Philanthrocapitalism: How the Rich Can Save the World*.

7 Frustratingly, this area is dogged by methodological uncertainty and poor data. Moreover, media reporting fails to distinguish between claimed and actual donations.

In June 2007 the Government (HMRC) carried out a consultation on the operation of Gift Aid. A summary of responses was published in December and the Government's formal response was published alongside the Budget in March 2008. The action points arising from the HMRC consultation on Gift Aid are to:

- help more small charities to make use of Gift Aid by providing information that is easier to understand and training programmes (via intermediaries) for administrators;
- reform the Gift Aid auditing process (e.g. de minimis error level, allowing repair of errors at audit) to boost charities' confidence in their ability to comply with regulations;
- create a clearer and more helpful website to support charities learning how to use Gift Aid⁸.

Higher-rate taxpayers represent a continuing source of debate in relation to Gift Aid. At present, higher-rate taxpayers who donate to charity are able to claim back the difference between the basic and the higher rate of tax for themselves, in addition to the amount that is reclaimable by the charity. Some organisations argue that the full value of the income tax relief (basic and higher rate) should go to the donor while others believe that all the relief should be reclaimable by the charity. The Government is concerned that it is difficult to know how the donor population would respond to any changes they make. Therefore, it has announced that they will continue to work with donors and charities to develop an understanding of donor behaviour.

2.3 Charitable giving and the voluntary sector economy

Clearly at the heart of individual giving by the public is the transfer of much needed resources to the charities, voluntary organisations and community groups that populate civil society. Despite a greater emphasis on earned income generated from the delivery of services under contract, it remains the case that for the sector as a whole, donations from the public are a distinguishing feature. In a period where the sector has benefited from rising expenditure on public services, and where social enterprise has been the new orthodoxy, donated income was perhaps perceived as less important.

Estimates of the value of giving to charities and voluntary organisations vary according to the definition of the sector used, but NCVO's *Civil Society Almanac* conservatively estimates that donations from individuals represent 13.5% of the sector's income, or £4.2 billion. If purchases of goods and services are included – which in charity accounting terms includes fundraising activities such as buying tickets to a 'black tie' event or buying goods from a charity shop (what might be termed 'purchase giving') – individuals generate almost one third (£9.7 billion) of the sector's income⁹.

⁸ HMRC Gift Aid consultation. See www.hm-treasury.gov.uk/d/bud08_giftaid_335_.pdf

⁹ The £9.7 billion figure relates to the year 2005/06; over the same period the NCVO/CAF Individual Giving Survey reported £8.9 billion. The proximity of these estimates is, unfortunately, accidental: timing differences and definitional issues make triangulation incredibly difficult. Contact the authors for further information on these methodological issues.

Charitable donations are fundamental to the health of the sector overall, but they are particularly important to the largest fundraising charities. Indeed, these 'fundraising brands' have, in recent years, accounted for a greater share of the total amount given that is reported by the voluntary sector. CAF's *Charity Trends* most recently estimated that the Top 500 fundraising charities received over £3.4 billion, or 31% of their total income from SORP defined donations.

2.4 Towards 2008/09

At the time of writing (Autumn 2008) the UK and global economy faces unprecedented challenges, some of which (the US sub-prime lending crisis and the resultant credit crunch) were beginning to emerge during the fieldwork period for *UK Giving 2007/08*. What was initially an issue centred on the banking and financial services sector is now spreading to the wider economy.

Charitable giving by individuals, and charities, are unlikely to be immune to a wider economic downturn. Indeed, we are already finding anecdotal evidence that charities are cancelling fundraising events or generally finding that income streams are under pressure. Robust, long term evidence is however hard to find: the small number of studies available would seem to suggest that there is no clear relationship between levels of prosperity and levels of giving. What is certain is that when other sources of income are under pressure and operating costs are rising, charitable giving will be more important than in most years to charities and the beneficiaries they work for.

3.0 Individual giving in the UK 2007/08

- 56% of adults gave to charity each month
- The average (mean) given by each donor was £33
- The amount most commonly given (median) was £11 per donor

3.1 Individual giving 2004/05 – 2007/08: key trends and characteristics

How much is given to charity? And who gives? This section summarises research undertaken by NCVO and CAF, based upon ONS survey data, to estimate charitable giving in the UK. Data for the most recent year available (April 2007 – March 2008) is compared with earlier waves of the survey, which now dates back to the financial year 2004/05.

3.1.1 How widespread is charitable giving by individuals?

Giving to charity in the UK continues to be an activity undertaken by a majority of the population. In 2007/08 our survey found that 56% of respondents had given money to charity in the previous four weeks. This was a small (and therefore not statistically significant) increase when compared with 2006/07, when 54% of respondents gave¹⁰.

Table 1: UK donors, 2005/06 – 2007/08

	2005/06	2006/07	2007/08
Proportion of adults giving	58%	54%	56%
Total number of donors	28.0m	26.8m	27.7m

If the proportion of respondents giving is translated to the UK population this suggests that 27.7 million people gave to charity in a typical month in 2007/08. This represents a small increase (3.1%) on the previous year. The increase in the total pool of donors reflects our survey findings and an increase in the UK adult population.

3.1.2 How much was given by an 'average' donor?

Table 2: Average donations during last four weeks, 2005/06 – 2007/08¹¹

	2005/06	2006/07	2007/08
Median amount per donor ¹²	£10	£10	£11
Mean amount per donor	£28	£29	£33
Median amount per person ¹³	£2	£1	£1
Mean amount per person	£16	£16	£18

¹⁰ Percentages have been rounded.

¹¹ These figures relate to the total amount given to charity in a month. Totals therefore potentially aggregate a number of smaller gifts made in that month. Amounts have been rounded.

¹² A 'donor' is someone that has reported making a donation to charity in the past four weeks, of £1 or more.

¹³ A 'person' is any person in the UK adult population.

Despite emerging tensions in the UK economy at the time of fieldwork, evidence suggests that many individual donors increased their support for charities in 2007/08. The mean average monthly amount given per donor increased to £32 up from £29 in 2006/07. Table 2 shows changes in the mean and median over the last three years.

The average gift size inevitably disguises a wide range of donor responses, including a small number of major gifts. Such major gifts 'pull-up' the mean to the extent that a better indication of the 'average gift' may be the median, or the amount most frequently given. The median gift in 2007/08 was £11, an increase from £10 in 2006/07. In the four years that the survey has been carried out the median has not changed substantially, suggesting that for most donors the amount they give does not change significantly over time.

3.1.3 How much was given to charity in 2007/08?

An estimate of the total amount given can be produced by applying these findings to the wider UK adult population. We estimate that the total amount given by UK adults to charity in 2007/08 was £10.6 billion. This figure represents an increase of 8.1% when compared with 2006/07 and after adjusting for inflation¹⁴. However, as this figure is very dependent on the number of high value donations it is not appropriate to construe this as pure growth.

The increase in the total amount given is attributable to a number of factors: small, across the board increases in the 'average' gift (as illustrated by the mean and the median), an increase in the proportion of people giving and, finally, an increase in the number of adults in the UK¹⁵. Last year's estimated total would have been £83 million higher had the population been at current levels. Clearly the impact increases over time; the estimated total for 2004/05 would be elevated by almost £250 million.

Table 3 shows the estimated total annual amount given to charity in the last four years (the inflation adjusted totals report previous years in 2007/08 prices). Clearly the increase in 2007/08 more than accounts for the fall recorded in 2006/07.

Table 3: Estimated total annual amount donated, 2004/05 – 2007/08 (£bn)

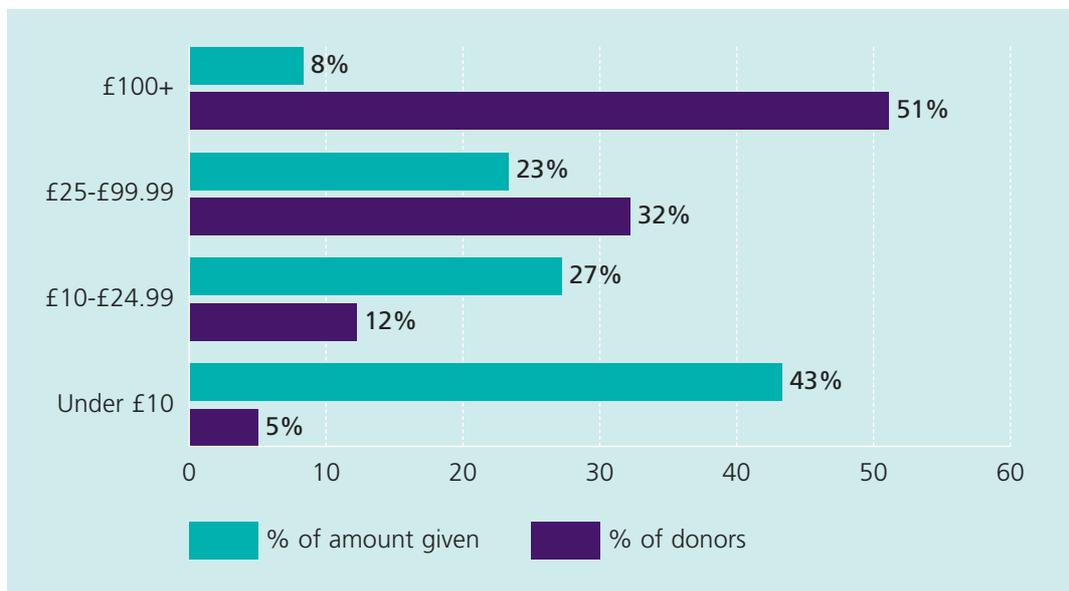
	2004/05	2005/06	2006/07	2007/08
Not adjusted	8.2	9.4	9.5	10.6
Inflation adjusted	9.1	10.1	9.8	10.6

14 NCVO/CAF (2007) *UK Giving 2007/08*. See www.cafonline.org/pdf/2007%20UK%20Giving%20Report.pdf
 15 Mid-year UK population estimates increased to 60.9 million, including 49.4 million people aged 16+.

3.1.4 Donation size and distribution

Section 3.1.2 has already illustrated that the gift economy is heavily skewed, with evidence that a small number of large donations account for a large proportion of the total given. In turn, charitable giving is heavily dependent upon a relatively small number of donors. Figure 1 illustrates this by showing the proportion of donors and the total amount given in each four bands based upon gift size.

Figure 1: Donor population and total amount given, by gift size, 2007/08



The chart clearly illustrates that large donations, particularly those of £100 or more, are the mainstay of total giving. This pattern is similar to all previous years of the survey. Less than one in ten donors gave £100 or more in 2007/08 (see section 3.2.5 for a description of these 'high-level donors'), but these gifts accounted for more than half of the total given. Less than one third of donors account for 83p of every £1 given to charity. Fundraising charities are clearly very reliant upon a core of 2.1 million very committed, relatively generous supporters.

3.2 The donor population: key characteristics

Who is most likely to give to charity? Inevitably some people are more likely to give than others and as such there is considerable variation between different types of people. This section explores the demographic and socio-economic make-up of the donor population.

3.2.1 Gender

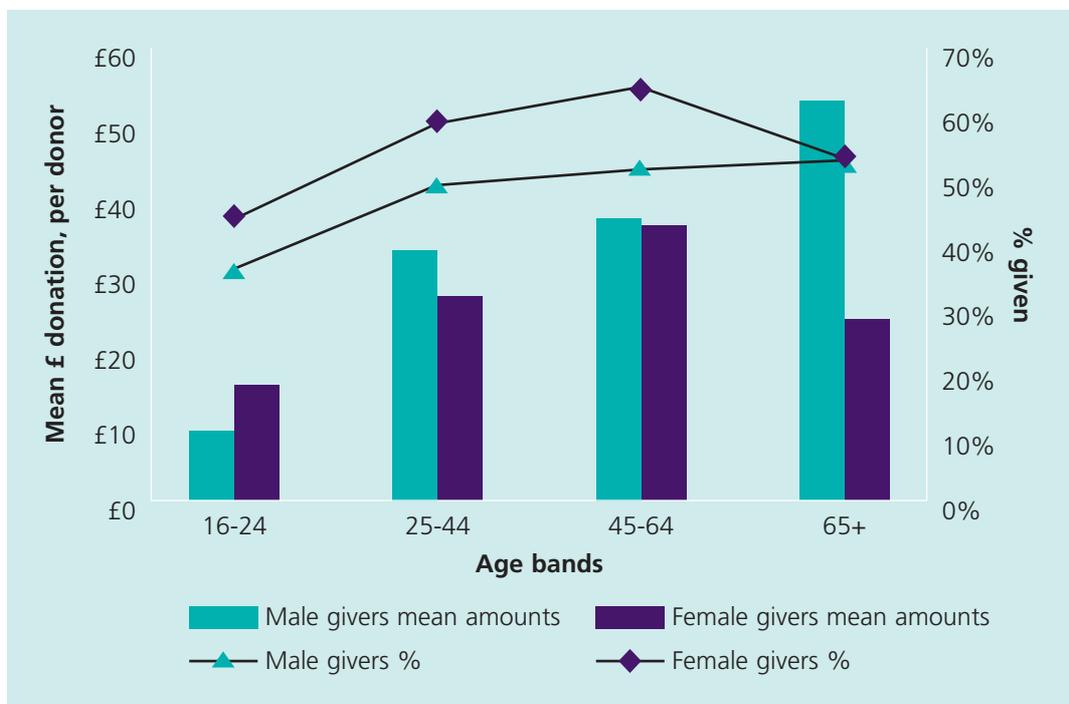
The previous edition of *UK Giving* highlighted the complexity of giving patterns by gender¹⁶. We reported that while women were more likely to be donors, when men gave, they gave more than women on average. Figure 2 shows that this is evident across all age bands. But even this needed to be qualified: only a small minority of men gave more than women, but it was the giving habits of this small minority which produced the higher mean average donation for men.

These patterns continue to hold. Overall, in 2007/08 women were more likely than men to have donated to charity in the last four weeks (Table 4). Although women have traditionally been more likely than men to donate, the gap between them appeared to narrow slightly last year as fewer women than previously and more men than previously gave.

Table 4: Proportion giving to charity, by gender, 2005/06 – 2007/08

Gender	2005/06	2006/07	2007/08
Men	53%	48%	51%
Women	60%	59%	58%

Figure 2: Giving by gender: average means and proportions giving, 2007/08



16 Piper and Schnepf (2007) "Gender and Giving". In *UK Giving 2007/08*. (Op Cit).

Among donors, amounts donated differ significantly by gender. During 2007/08 female donors gave a mean annual average of £354, compared with £442 for male donors. Our analysis suggests that in 2007/08 male donors gave larger amounts than in 2006/07. As such, much of the increase in mean average giving and the total amount given has been driven by changes in the giving behaviour of men.

Finally, we also reported last year that gender differences also varied depending on whether people were married or cohabiting or single. The distribution of giving amounts also showed substantial differences depending on gender and marital/cohabitation status. Women were more likely than men to give something each month, regardless of their marital status, as well as of background factors such as age and income.

3.2.2 Age group

Significant differences in giving behaviour are, perhaps unsurprisingly, evident between age groups. The youngest age group (16-24) are least likely to give: 40% of this age group gave in 2006/07. Furthermore, during the last two years there has been a drop in the proportion of people giving in this and the 25-44 age group. In contrast, there have been slight increases in the past year in the proportion of donors in the 45-64 and 65+ age groups. People in the 45-64 age group are, relatively speaking, most likely to give.

Table 5: Proportion giving to charity, by age group, 2005/06 – 2007/08

Age group	2005/06	2006/07	2007/08
16-24	43%	41%	40%
25-44	62%	56%	54%
45-64	60%	59%	62%
65+	53%	52%	54%

3.2.3 Occupational classification

Those working in relatively well paid managerial and professional occupations have a relatively high propensity to donate. Conversely, those working in lower-paid routine and manual occupations are less likely to donate, though it is still the case that almost half of respondents are donors. These trends remain relatively unchanged over time.

Table 6: Proportion giving to charity, by occupational group, 2005/06 – 2007/08

Occupational group	2005/06	2006/07	2007/08
Managerial and professional	67%	66%	66%
Intermediate	58%	55%	56%
Routine and manual	50%	47%	48%

3.2.4 Income

An exact understanding of the relationship between charitable giving and income is difficult to obtain from survey data. Put simply, respondents are unwilling or unable to provide detailed data on incomes. Moreover, surveys may not sufficiently capture so-called high-net-worth individuals. Survey data can, however, provide a limited explanation of this relationship by splitting respondents into four equally sized quartiles based upon income¹⁷. It should be emphasised though that the upper quartile income group in this sample earn £26,000 and over. As such, they do not fit definitions of the mass affluent or high-net-worth individuals typically referred to in discussions of giving or philanthropy by wealthy donors.

Bearing in mind these limitations, it is clear that there is a positive relationship between incomes and charitable giving (Tables 7 and 8). As the occupational data similarly indicate, those on higher incomes are more likely to give, and give relatively higher amounts.

Table 7: Proportion giving to charity, by income distribution, 2005/6 – 2007/08

Income quartile	2005/06	2006/07	2007/08
Lower quartile	51%	52%	52%
Second quartile	57%	51%	54%
Third quartile	62%	58%	58%
Upper quartile	65%	65%	68%

Table 8 illustrates the average mean and median amounts given per person during 2007/08. Both mean and median donation levels increase significantly between different quartiles: in other words, the amount donated appears to be related to the donor's income.

17 The lower quartile includes incomes up to £7,279, the second quartile contains incomes between £7,280 and £14,559, the third quartile contains incomes between £14,560 and £25,999 and the upper quartile contains those incomes over £26,000.

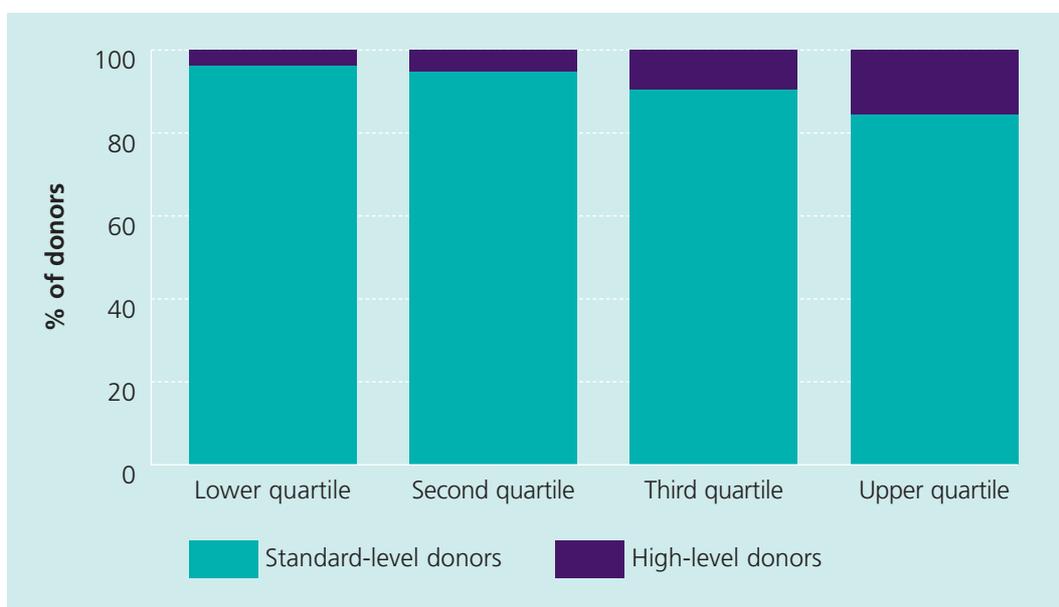
Table 8: Average mean and median giving, by income quartile, 2007/08

	Lower quartile	Second quartile	Third quartile	Upper quartile
Mean given per person	£10	£13	£20	£36
Median given per person	£1	£1	£2	£8
Mean given per donor	£20	£25	£34	£53
Median given per donor	£8	£10	£10	£20

It is also clear that those in the upper quartile – the 25% of donors with the largest incomes – give a disproportionate amount of the total given. This report has already discussed an overall increase in giving in 2007/08 and our analysis indicates that donors in the upper quartile have driven much of this increase. This is particularly demonstrated by an increase in the median, or most widespread, gift, from £5.50 per person in 2006/07 to £8.00 in 2007/08. At a time when median gift levels otherwise remained static, the evidence leads us to conclude that relatively wealthy individuals are responsible for the increase in giving that we have recorded.

3.2.5 High-level donors

Figure 3: Percentage of high-level donors by income quartile, 2005/06 – 2007/08



This section has already highlighted the relative importance of donors who give £100 a month or more with an illustration that such gifts account for 51% of the total amount given. High-level donors however account for only 8% of the donor population. Given the importance of this group, this final section highlights some of the key characteristics of this group.

Unsurprisingly, high-level donors are more likely to be in the upper quartile of the income distribution, with 15% of the highest earners giving £100 or more in the previous four weeks (Figure 3).

By combining data from the last two years it is possible to identify differences in gender and age group, whilst occupation data is available for 2007/08. Just over half (52%) of high-level donors are men, compared to 44% of all donors. Figure 4 illustrates that high-level donors are predominantly middle-aged. Almost half of high-level donors (45%) are aged 45-64 years, significantly more than the donor population as a whole (35%). Finally, while 41% of the donor population had managerial occupations, 67% of high-level donors fell into this category. This over-representation among male managers aged 45-64 years reflects contributions made by those at the height of their earning power between middle age and retirement.

Figure 4: High-level donors, by age, 2007/08

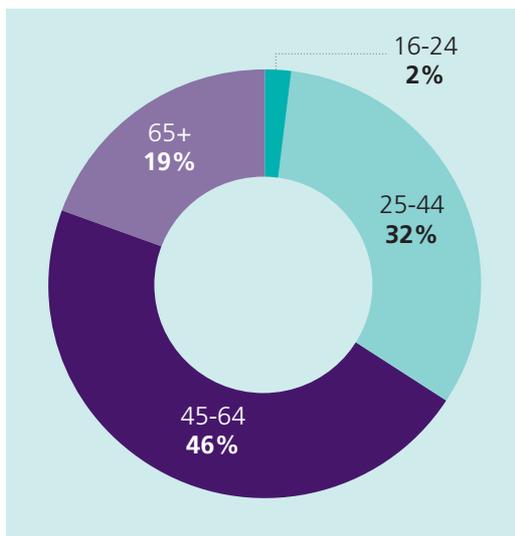


Figure 5: High-level donors, by occupational group, 2007/08



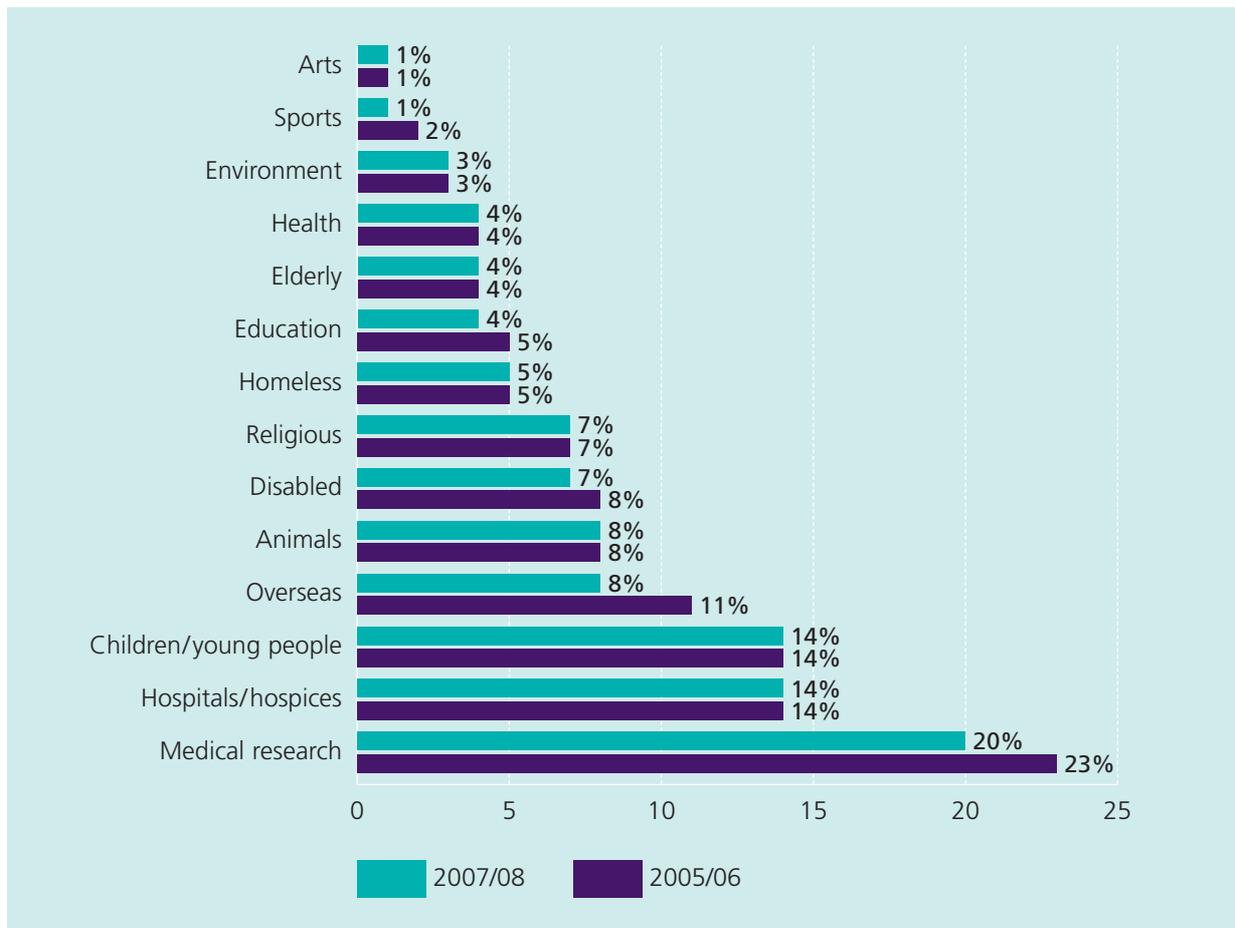
3.3 The recipients of charitable giving: causes

The previous sections have focussed upon the scale and characteristics of the donor population. This section now turns to the recipients of charitable giving and specifically explores trends in the levels of giving to different charitable causes.

It is again necessary to bear in mind the limitations of survey data and in particular surveys of individuals. Respondents allocate their donations to the listed causes according to their own interpretations of the causes: therefore there is a likelihood that what one respondent understands as giving to health, may be understood by another as giving to overseas for example. Such methodological concerns are mitigated by the relative stability of our findings over time.

3.3.1 Support for charitable causes: donors

Figure 6: Proportion giving to charity, by cause, 2005/06 – 2007/08



Medical research remains by some distance the most popular cause amongst UK donors, with one in five giving (Figure 6). Indeed, the proportion of donors giving to medical research causes significantly increased in 2006/07, the number of donors giving to medical research rose from 5.1 million last year to 5.5 million this year. Otherwise, the relative popularity of different causes over time is consistent, with children and young people (14%), and hospitals and hospices (14%), enduring in their popularity amongst the donor population. Causes such as the arts and sports illustrated in Figure 6 are relatively less-widely supported. It should be remembered that charitable causes cover a much broader range of activities than those here and that causes such as refugees and asylum seekers are rarely supported by donors.

3.3.2 Support for charitable causes: relative share of donations

Whilst medical research is consistently the most popular cause (it is supported by the largest number of donors), religious charities have now overtaken medical research to become the most popular cause in terms of the total amount given. We estimate 18% of the total amount given, or £1.9 billion, was given to religious causes. Only 7% of donors gave to religious causes, suggesting that this cause attracts relatively large donations. Indeed, the proportion giving to religious causes has fallen over the last year, but the mean average donation has increased.

Figure 7: Proportion of total amount given, by cause, 2007/08

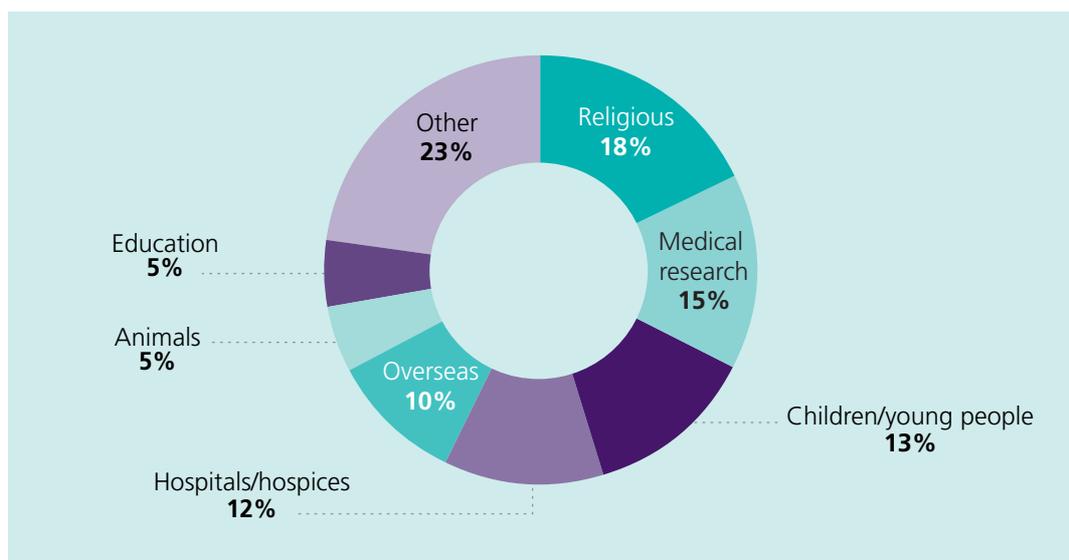
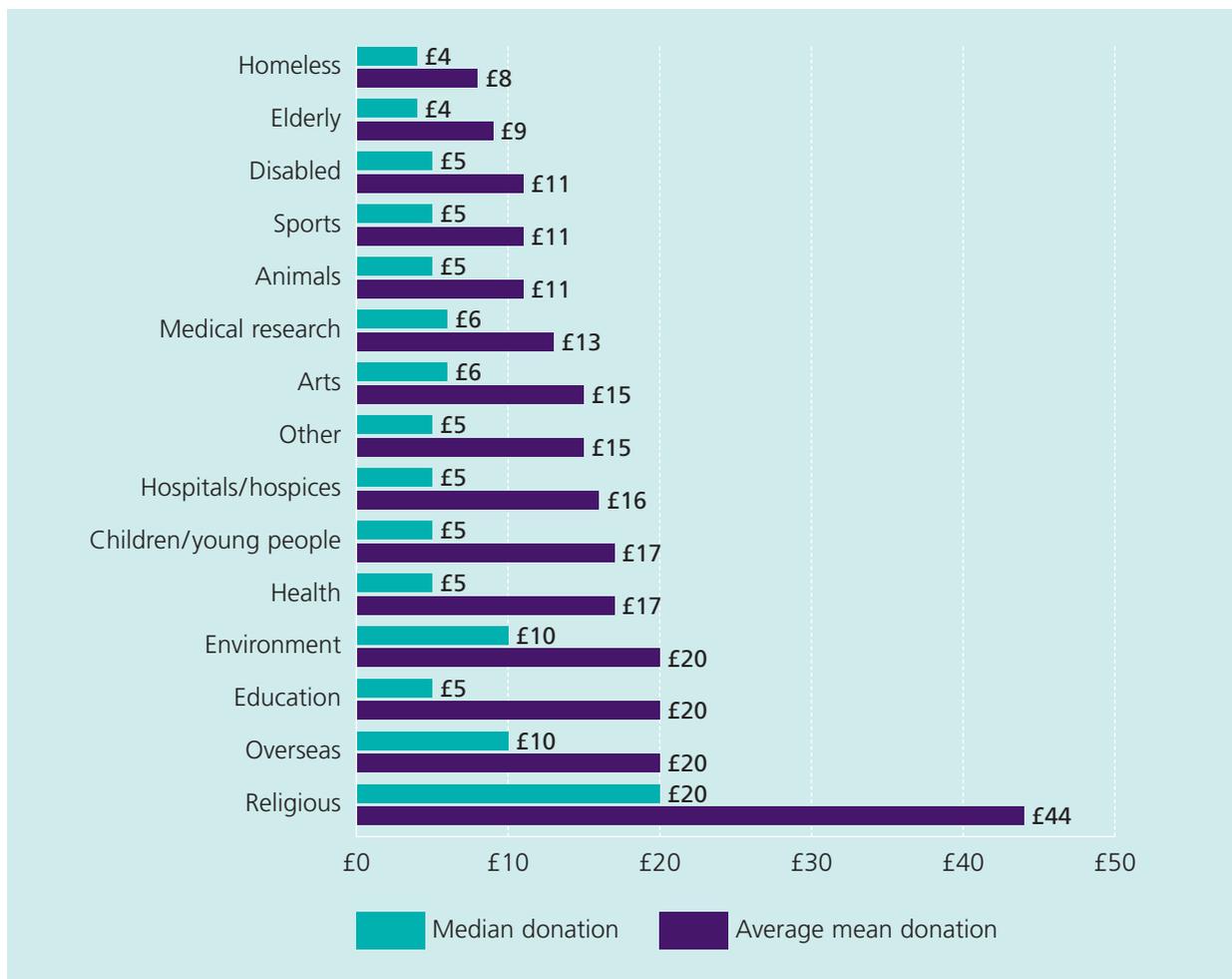


Figure 8 shows the mean average amounts given to each cause. As our analysis has already indicated, religious giving is well supported: a relatively high median (£20) suggests that many donors to this cause are giving relatively large amounts, whilst an average mean (£44) that is much higher than for other causes suggests that high-level donors are particularly important to religious causes. This is the subject of the next section.

Figure 8: Average mean and median monthly amounts given to each cause, 2007/08¹⁸

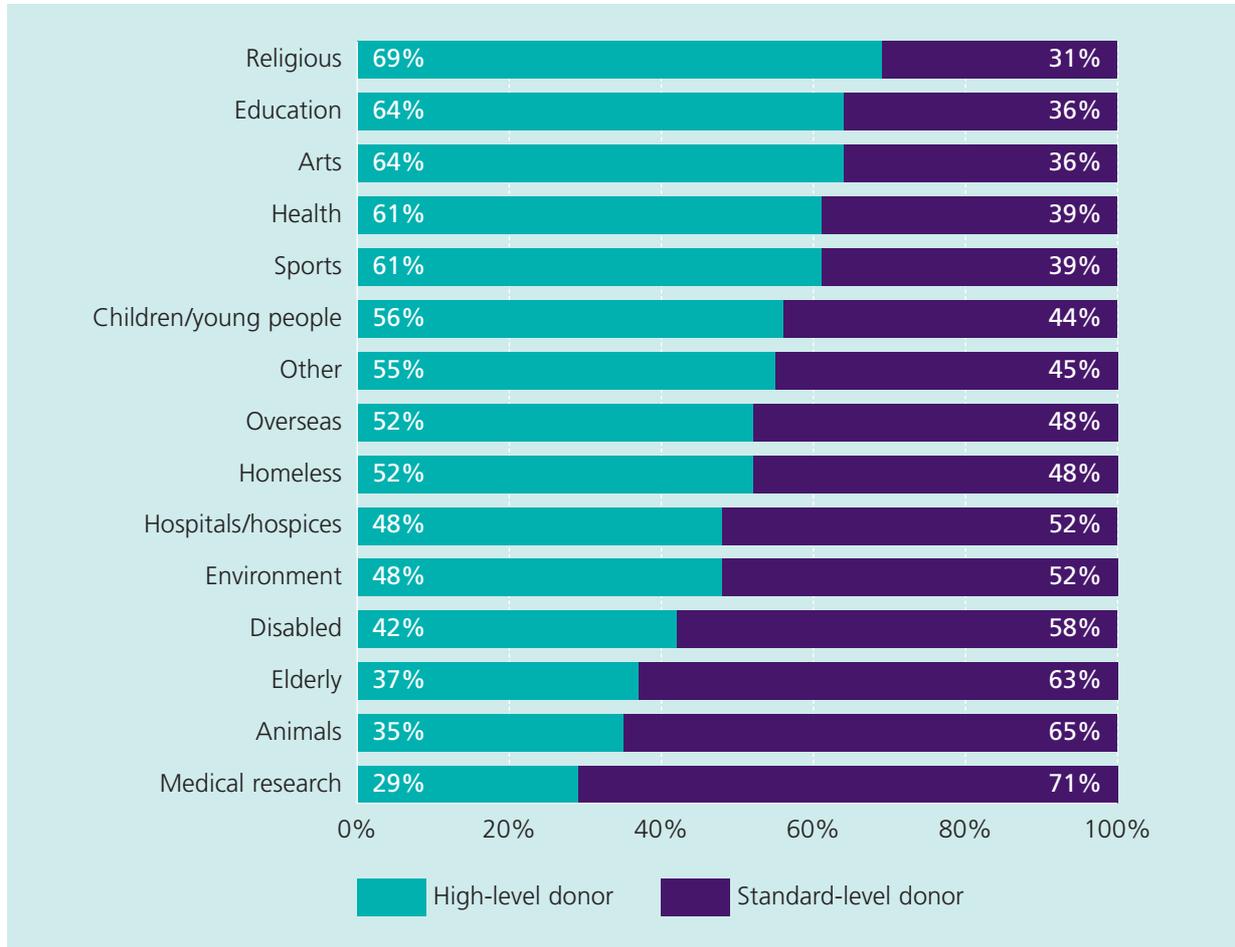


3.3.3 Causes supported by high-level donors

Figure 9 shows the relative importance of high-level donors to different causes with stark results. Using data covering two years, the chart shows the proportion of each cause's total donations received from high-level donors.

¹⁸ For the purposes of illustration the amounts in this chart have been rounded to the nearest £.

Figure 9: High-level donors' giving by cause, 2006/08



Religious causes clearly benefit from a small core of committed supporters: 69% of the total amount given is from donors giving £100 or more in the previous four weeks. Arts and educational causes also benefit substantially from high-level donors, receiving almost two thirds of their income from this group. In contrast, medical research (the most widely supported cause) is the cause least supported by high-level donors. 71% of the total amount given to medical research was given by those giving less than £100.

3.4 Methods of giving

Respondents were asked which of nine methods they had used to give to charity in the last four weeks. Table a2 in Appendix A1 fully describes these methods. The final section shifts our emphasis to how donors choose to make charitable donations. Table 9 below shows the

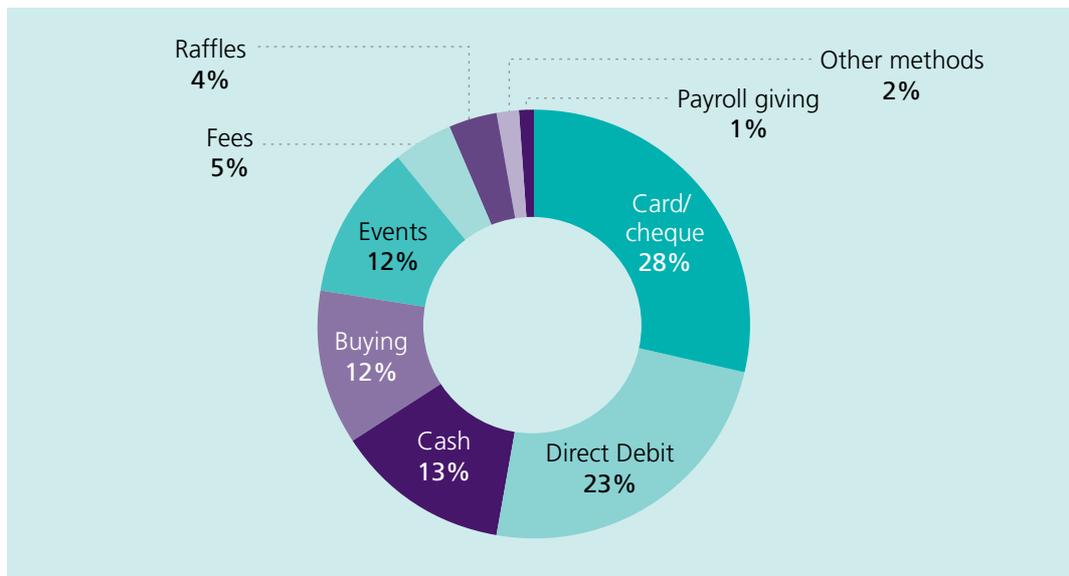
estimated total amount given to each cause in the last three financial years, whilst Figure 10 shows the share of the total amount given that each method accounted for in 2007/08.

In Table 9, we see that card/cheque donations account for the greatest amount of donations, overtaking Direct Debit donations this year. Cash donations have dropped by £367 million from 2006/07.

Table 9: Total amount given by method (£m), 2005/06 – 2007/08, inflation adjusted

	2005/06	2006/07	2007/08
Card/cheque	2,062	2,224	2,951
Direct Debit	2,109	2,380	2,492
Cash	1,537	1,703	1,336
Buying	1,406	1,200	1,210
Events	1,899	1,298	1,199
Fees	430	378	464
Raffles	431	429	376
Payroll giving	153	88	96
Other methods	103	288	172

Figure 10: Proportion of total amount given by method, 2007/08



Card/cheque and Direct Debit were the most popular methods of giving in 2007/08, together accounting for over £5.4 billion pounds, or 53% of the total amount given to charity. Both have shown steady growth since 2004/05. Giving cash amounts (typically loose change methods) remains a powerful method in terms of the total amount donated, although the long term trend indicates cash is in decline. Despite significant interest in the method, payroll giving remains the method that channels the least amount of money to charity.

Table 10 shows what methods donors favoured. It illustrates that cash remains the most popular method of giving, with almost half the donor population giving this way. However, its popularity continues to fall gradually, whilst the amount donated using cash giving has declined significantly. There has been little change in the percentage of donors using each method.

The percentage of donors using Direct Debit has increased only slightly, yet it accounts for the second largest share of money donated. Card/cheque donations saw the largest percentage increase in use, from 12% to 15%, which is mirrored in the large amount of money donated (£3 billion) in this way, which is the largest amount by a method in 2007/08.

Table 10: Proportion of donors giving, by method, 2005/06 – 2007/08

	2005/06	2006/07	2007/08
Cash	50	48	47
Direct Debit	26	29	30
Buying	27	25	25
Raffles	27	23	23
Events	13	13	12
Card/cheque	14	12	15
Fees	5	4	5
Payroll giving	4	3	4
Other methods	1	4	2

Figure 11 shows the percentage of amounts given and the total amount contributed by each method. The chart highlights that the most popular methods are not necessarily the most beneficial to charities in terms of the amount given: so raffles, for example, are widely recognised as a means of giving to charity, but their return is comparatively slight. Giving by card and cheque, used by only 15% of donors, accounted for 29% of the total amount given, which is the largest share. Conversely, while cash giving is the most popular donation method by far, this accounts for just 13% of the total amount given.

Figure 11: Donor population and percentage of the total amount given, by method, 2007/08

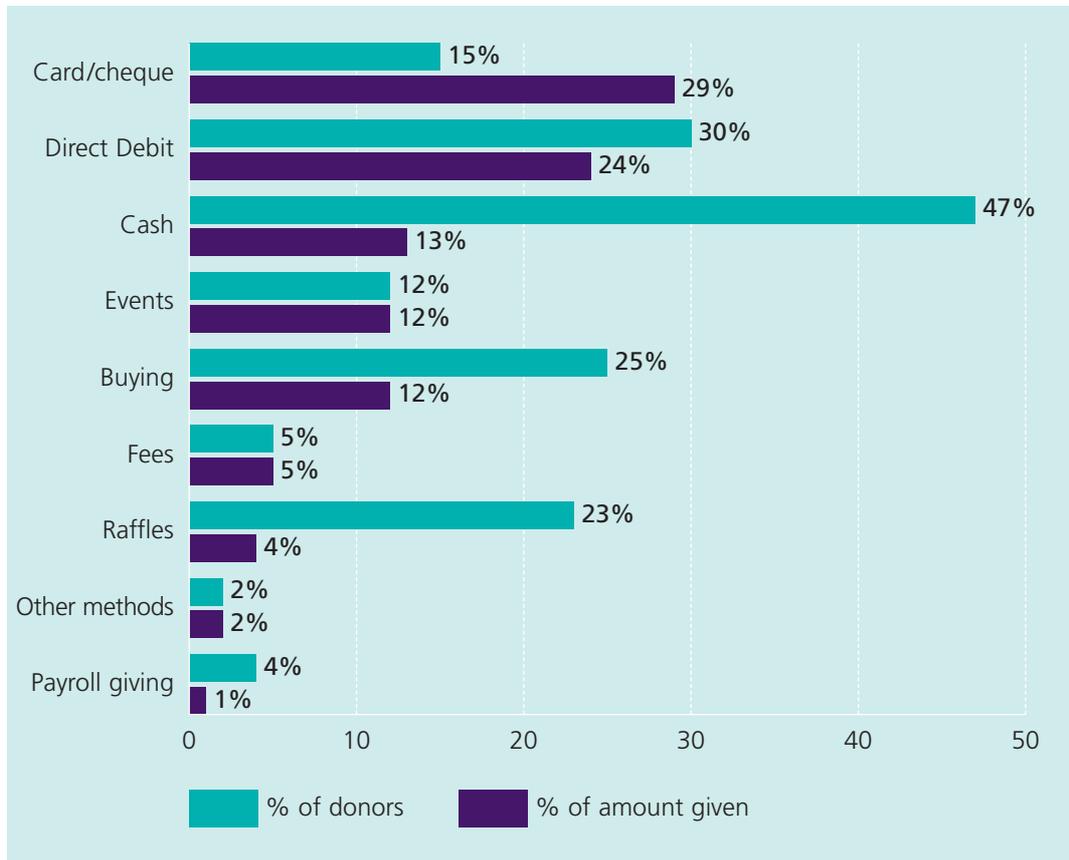
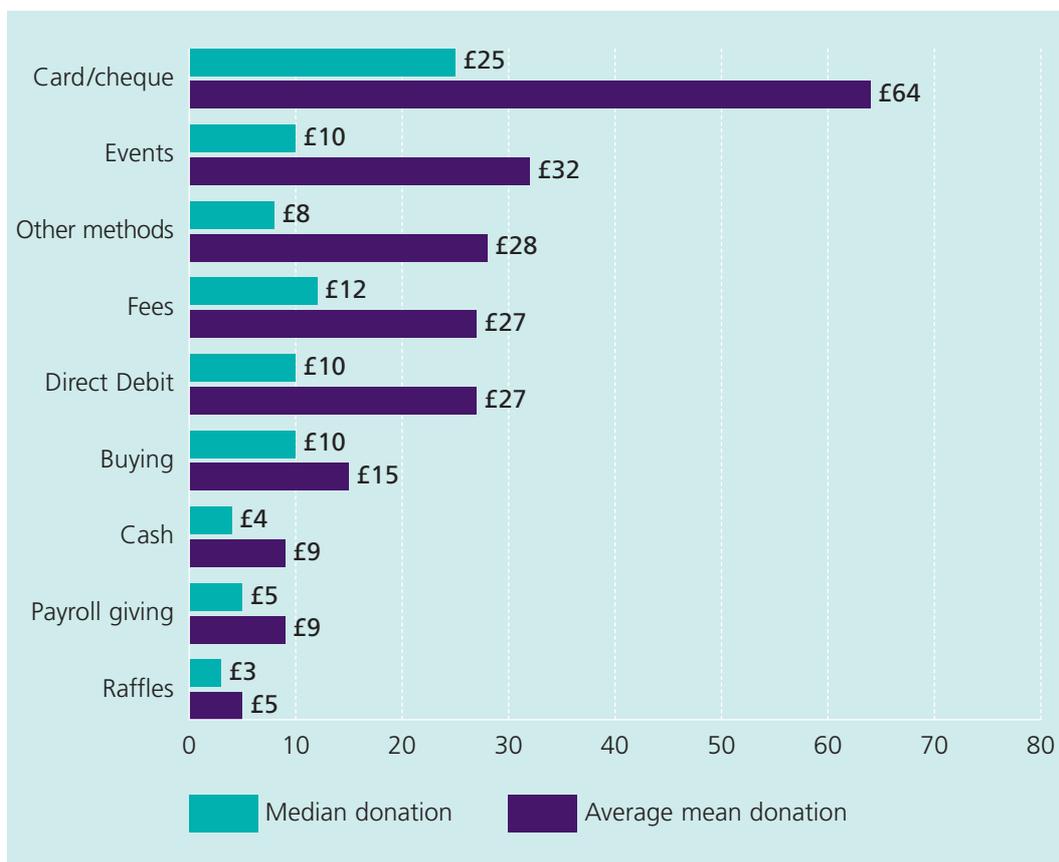


Figure 12 shows the average giving levels for each donation method. The chart highlights that although cash is the most popular method of making a donation, it only accounts for 13% of the total given because the mean average given is so small. This is also the case for raffle donations: almost one in four people use this method but it only accounts for 4% of the total money given. Cash was the only donation method which saw a significant change in the mean donation size from last year. This means that while fewer people are giving by cash, those that still are, are giving significantly less than in 2006/07.

Figure 12: Average mean and median donations, by donors using each method, 2007/08¹⁹



3.4.1 Regular and spontaneous giving methods

The shift from spontaneous giving methods is gradual and long term in nature. As such, it reflects changes in the wider economy as individuals increasingly transact using cashless methods. For instance, year-on-year, there has been a real-terms growth of £110 million to 2006/07 and £346 million to 2007/08 respectively in using regular giving methods. Table 11 illustrates this evolution in the way people give to charity.

Table 11: Regular giving, 2005/06 – 2007/08

	2005/06	2006/07	2007/08
% of donors using a regular method	32	34	36
% of total amount donated via regular methods	27	29	30
£m total amount donated via regular methods (inflation adjusted)	2,693	2,803	3,149

¹⁹ For the purposes of illustration the amounts in this chart have been rounded to the nearest £.

3.4.2 Tax-efficient giving

Figure 13 illustrates that it is still the larger donations that are more likely to be made with Gift Aid applied. Notably however, the proportion of donations of £100 or more that used Gift Aid has dropped from last year's high of 70% to 64%, but this is not a drop below the 2005/06 level of 56%.

In every donation band, the percentage of donors using Gift Aid has decreased from 2006/07. This could be due to a variety of reasons, from a lack of awareness of Gift Aid among donors, to charities not prompting as many donors to use Gift Aid in 2007/08.

Figure 13: Percentage of donors using Gift Aid, by size of donation in the last four weeks, 2005/06 – 2007/08



3.4.3 Gift Aid and direct debits

This is the third year in which an analysis of the use of Gift Aid among Direct Debit donors to different causes is possible. We choose to focus on direct debits because this is the method to which Gift Aid is most often applied, and so there are a sufficient number of donors using this method to allow a reliable analysis by cause.

For the second year running, the cause that benefited most from Gift Aid Direct Debit donations was the elderly, static at 88% of donors to the cause having used Gift Aid. The cause with the second highest percentage of Gift Aid users is religious causes (86%), followed by education (79%) and overseas causes (75%). All other causes have fewer than three-quarters of their Direct Debit donors using Gift Aid, with the bottom two causes being arts (59%) and hospitals (58%).

4.0 In focus: who gives to what cause?

4.1 Introduction

'Who gives?' or 'Who gives more?' are questions of fundamental importance for the charitable sector. Existing findings, including those in earlier *UK Giving* reports and from the large amount of literature from the USA, show that education, occupation, and income are all associated with individual giving behaviour.

However, less is known on how giving to different causes varies with individual characteristics. For example, are the elderly much more likely to give to one type of cause than another? Do people with high incomes favour particular causes? Who gives to what cause?

The answers to these sorts of questions are important for fundraising. If charities know who is most likely to give to their cause they can try to concentrate their fundraising efforts towards the 'more probable' donor. The answers may also help in predicting the future course of individual giving. For example, if giving to some causes – but not others – is associated with having degree-level education, then these causes may benefit especially from an expansion of higher education.

The Individual Giving Survey is valuable in this regard since unlike some surveys on charitable giving it does distinguish the different causes to which people give. We can therefore examine characteristics of donors by charitable cause and can start to address the question in the title of this chapter. And since the survey has a design that is of 'industry-standard' in terms of its sampling methods, it provides results that should be much more reliable than those obtained from other sources that do not attempt to collect representative samples of data on the whole adult population.

The analysis is only a start since the information collected on individuals' characteristics in the survey is inevitably limited. For example, we do not know whether someone has a family member or close friend suffering from cancer, or whether they are a dog owner – things that might be expected to be associated with giving to cancer and to animal charities respectively. The Individual Giving Survey covers only some broad characteristics like gender, education, occupation and age. On the other hand, it would be unrealistic for charities engaged in fundraising to have access to such personal details of potential donors. We return to this point at the end of the chapter.

The data used in this chapter relates to four years of the Individual Giving Survey, 2004/05 to 2007/08. Merging data in this way boosts the sample size to 16,000 people. This increases substantially the reliability of what can be said about how different types of people give to different causes.

4.2 How giving varies by cause

Table 12 shows how giving to a number of causes varies with selected individual characteristics that are measured in the Individual Giving Survey. We limit the analysis to nine causes that are among the most popular. The table focuses on the percentage of people who give to a cause in the four weeks prior to interview, ignoring the information on the amounts given. The final row shows the percentage of all people giving to a particular cause – for example 20% of people gave to medical research – and the other rows show the percentage of people of different types giving to each cause.

Table 12: The probability of giving to different causes by individual characteristics (%)

	Elderly	Disabled	Animal	Hospital	Education	Religious	Medical	Overseas	Children
Occupation:									
Manager/professional	4	8	9	16	6	10	24	15	18
Routine/manual workers	4	6	8	12	3	5	18	6	11
Education:									
Degree	4	7	9	14	7	12	23	18	19
A-level	4	7	8	13	5	7	21	10	15
O-level/GCSE	4	7	8	14	5	5	22	7	15
No qualifications	3	6	6	12	1	5	16	5	8
Personal/family circumstances:									
Female	4	7	10	16	5	8	23	11	16
Has dependent child	4	7	7	14	10	8	22	12	20
Age 60+	5	7	8	16	2	10	19	9	10
Income (individual):									
High income	4	8	8	15	7	9	23	14	19
Middle income	4	7	9	14	4	7	22	9	13
Low income	4	6	8	12	4	7	18	8	12
All people	4	7	8	13	4	7	20	10	14
Impact of individual background	Low			Medium			High		

Note: 'High' income is defined as gross individual income from all causes in the top quarter of the distribution. 'Middle' income as income in the middle half of the distribution, and 'Low' income as income in the bottom quarter of the distribution. See Appendix A2 for more details.

Among those who hold a degree, the percentage of people giving is higher than average for most causes shown in the table. The same is true for people with a managerial or professional occupation, for people with high income, and for women. These results reflect the existing findings on how giving to all causes taken together varies with occupation, income and gender. Looking at specific causes has not changed the picture.

However, for some causes there is very little variation in giving with the individual characteristics listed in the table. Whether we focus on the manager or professional, the routine or manual worker, people with low or high education levels, the elderly, people with high or low income, it is the case that about 8% of people give to animal causes. There are only a few differences in the probability of giving to animal charities across the different types of individuals shown in the table. The same is true for two other causes – the elderly and the disabled. This is why these three causes have been grouped together on the left hand side of the table with the label 'low' to summarise the impact of an individual's background.

The pattern is very different for overseas and children's causes – grouped together at the right hand side of the table. For those causes, individual background appears to 'matter' much more and differences in background are more strongly associated with giving behaviour. 1 in 10 of all people give to overseas causes, but only 1 in 20 of those with no qualification – and nearly 1 in 5 of people who have a degree. People with high income (those in the top quarter of the distribution) have a probability of giving to overseas causes that is almost twice as high as that of people with low income (those in the bottom quarter). It should be noted that income refers just to the person's own income (from all sources) rather than to a family or household total (which is not collected in the survey).

For causes like hospitals and hospices, education, religion and medical research, socio-economic background seems to matter more than for the causes on the left side of the table, but less than for those on the right side (we emphasise that the groupings are inevitably crude). The figures here include some notable differences in giving between people of different types. For example, people who are living with a dependent child at home are five times more likely to give to education than those aged 60 or over, and two and a half times more likely than the average for all people taken together (the percentages giving are 10, 2 and 4% respectively).

4.3 Isolating the impact of income

Several of the individual characteristics in Table 12 are correlated with each other. The more highly educated tend to have more prestigious occupations and higher income. Hence, if people with higher income are more likely to give to overseas causes and to children, it is not surprising to see that it is also those people with higher education and professional and managerial occupations who do so too. Or put another way, if the high occupation/high education people give, we would also expect that to be reflected in the figures for giving by those with high income.

A natural question therefore is what are the *separate* impacts of income, occupation and education on giving to each cause, controlling for the fact that people with higher incomes tend also to have better education and higher occupations? Table 13 tries to answer this question, focusing on income. The results are obtained with a standard statistical technique that we have applied to the data to try to separate out the impact of each factor. The figures show our estimates of the change in the probability of giving to each cause associated with a 10% increase in income. For example a figure of 2.0 means that the probability of giving changes by 2% when income rises by 10%. The first row ('no controls') shows the apparent impact of income *without* taking into account the correlation of income with other individual characteristics. The second row ('controls included') shows the association of giving when this correlation is allowed for (Appendix A2 gives more details of how the results were obtained). For this analysis we restrict attention to a particular group: people living in single-adult households (who represent about 30% of the total sample), for whom the interpretation of individual income – the only income variable available in the Individual Giving Survey – is clearer.

Table 13: Percentage change in the probability of giving following a 10% increase in income (persons in single-adult households)

	Elderly	Disabled	Animal	Hospital	Education	Religious	Medical	Overseas	Children
No controls	-	+1.6	-	+1.9	+3.9	+2.0	+2.8	+5.4	+4.1
Controls included	-2.0	-	-	+2.3	+4.2	+1.8	+2.4	+2.7	+2.5

Note: '-' denotes that estimate of the impact of income was not statistically significant (at the 5% level). See Appendix A2 for more details of the calculations.

As already seen in Table 12 (although that table refers to all persons and not just those in single-adult households), income is not important for explaining giving to the elderly, the disabled or for animals. For these causes the probability of giving does not rise significantly when income increases or rises only slightly, and this is the case whether or not we allow for the correlation of income with other factors (in fact, after controlling for this correlation, the probability of giving to the elderly actually falls with income).

For hospitals and hospices, education, religion and medical research, the two sets of results – ‘no controls’ and ‘controls included’ – are similar. A 10% increase in individual income is associated with about a 2 to 4% increase in the probability of giving, and it again makes little difference whether we try to isolate the impact of income from other factors or not.

But the pattern is different for giving to overseas causes and children. The first row reflects what is seen in Table 12. The rise in the probability of giving following a 10% increase in income is larger than for other causes, especially for overseas giving (first row). However, once the correlation of income with other socio-economic characteristics is allowed for (second row), the extent of this rise halves for giving to overseas and almost halves for giving for children. In these cases, a substantial part of the apparent rise in giving with income appears to just reflect other factors.

4.4 Next steps

The analysis in this chapter has shown how giving to some causes varies little with an individual’s background – to the elderly, the disabled, and animal welfare – and much more with other causes – to overseas and to children. However, the limitations of our analysis raise a number of research challenges with policy and practice implications.

First, only a selection of charitable causes has been considered. No evidence has been produced for smaller causes such as conservation, sports or the arts. How does giving to these causes vary across different types of individual?

Second, it has focused on the probability of giving to different causes and not on the amounts given. The amounts that people give also vary with socio-economic characteristics and in ways that may differ across causes. A 10% rise in income will lead to changes in the amounts given as well as in the probability of giving. People already giving will be induced to give more. How does a 10% increase in income affect the amounts given to overseas development and relief, for example, and how does this differ from the change to the amounts given to animal welfare or medical research?

Third, the analysis has been able to exploit only the information on people’s backgrounds that is collected in the individual giving survey. How does giving to different causes vary with personal characteristics that are more closely associated with individual attitudes towards particular causes (we used the examples of pet ownership and experience of cancer), and/or characteristics that are observed by charity fundraisers?

The answers to the first two questions simply require more analysis and the Individual Giving Survey provides a rich source of information with which to obtain them. The answer to the third would need analysis of other data (or data from new questions in the Individual Giving Survey). Causes that show little variation in frequency of giving across different types of individuals in this chapter might then show more variation across the new classifications of people that these data would allow.

One intriguing possibility would be to analyse how giving to different causes varies with the characteristics of the localities in which people live. Postcodes can be linked straightforwardly to various indices of deprivation calculated by the Department for Communities and Local Government. In principle this information could be linked to individual survey data on giving, although there are limits in practice (including on grounds of confidentiality). If charities were to know how local areas, defined in terms of level of deprivation, differ in their giving behaviour, this could help the targeting of fundraising drives.

5.0 Future policy directions for charitable giving

5.1 Introduction

Although the *UK Giving* figures relate to donations made prior to the economic downturn, the evidence provides important messages for government, the voluntary and community sector and the broader public. The policy direction and practical steps taken now will be critical to the success and sustainability of voluntary and community organisations through this period of economic turbulence.

5.2 Maintaining Government commitment

The Government and main political parties have demonstrated their commitment to charitable giving in recent years. It is essential that this level of government support is maintained at a time when the services of many voluntary organisations are in greatest demand. This makes it imperative that the Government meets its promise and reviews its strategy to support charitable giving, as set out in 'A Generous Society' in 2005.

Government's anticipated review of *A Generous Society* should take into account the changing economic climate.

5.3 Promoting planned giving

UK Giving reveals a longer-term move away from cash donations. Planned and regular forms of giving, such as direct debits, continue to grow steadily in popularity.

Regular, planned donations have a number of benefits. They enable charities to predict income and manage funds more strategically and they are more easily made tax effective. They also enable positive relationships between charities and donors to be nurtured.

Government and the Sector should explore ways to promote and enhance planned giving mechanisms.

The report highlights that current levels of Payroll Giving are low. However, evidence suggests that there are many benefits to maximising its potential²⁰. For example, Payroll Giving donors provide charities with regular donations over an average lifespan of eight to ten years. Payroll Giving also provides access to a new pool of donors who are not engaged in other forms of giving. For example, it is more likely to be used by men and by younger people.

20 Potter V and Scales J (2008) 'Review of Payroll Giving'. London: Strategy Complete.

Government should build upon the Review of Payroll Giving²¹ and work with companies, donors and charities to identify and address obstacles to Payroll Giving.

5.4 Increasing tax effective giving

In the current economic climate, there is an even more compelling case for making donations tax effective. The Government has made a number of welcome improvements to the system, in particular through the proposals announced in the 2008 Budget.

However, a lot more could be done to realise the potential of Gift Aid through further simplification. This would have a number of benefits. For example, it would make it easier for cash and spontaneous gifts, which account for a large percentage of all donations, to be made tax effective. It would also help achieve greater clarity and consistency across the regime which, as it stands, includes different rules for specific fundraising initiatives.

Government should continue to work with the Sector to simplify Gift Aid in order to make it easier for spontaneous gifts to be made tax effective and achieve clarity, consistency and transparency in the guidelines.

Government should work with the Sector to raise awareness of Gift Aid amongst the public through creative widespread campaigns.

Charities should ensure they are making the most of tax effective measures.

5.5 Increasing participation in giving

UK Giving shows that, although overall donation levels have increased over the years, the proportion of the population who give to charity has not grown significantly. And yet, there are many benefits to increasing participation in giving, for individuals and for charities. It enables individuals to actively make a difference to issues they believe are important. And it gives charities access to a greater supporter base, to assist them in achieving their missions.

²¹ Ibid.

Government should work with the Sector to explore initiatives to increase participation in giving, building on the work of the Giving Nation project.

5.6 Encouraging higher earners to give more

UK Giving reveals a positive relationship between incomes and charitable giving, with those on higher incomes more likely to give, and give relatively higher amounts. The data suggests however that there is scope to encourage greater giving among these donors.

Incentives exist within the tax system for higher earners to give. In addition to the Gift Aid reclaimed by charities, donors who pay tax at the higher rate can also claim tax relief for themselves at 20% of their gross donation or redirect any tax refund to charity. The potential of this higher rate tax relief to stimulate giving or indeed directly increase funds reaching the Sector should be explored further.

Government, the Centre for Charitable Giving and Philanthropy and the Sector should undertake robust research to gain a full understanding of the impact of tax incentives on higher level donor behaviour to inform public policy development.

A1 Methodology: the CAF/NCVO Individual Giving Survey

The CAF/NCVO Individual Giving Survey is targeted at UK individuals aged 16 years and over and collects data on charitable giving. The survey is run three times each year (in June, October and February) as a module in the Omnibus Survey carried out by Office for National Statistics (ONS). The methodology has remained the same for the past three years.

The ONS Omnibus Survey is carried out as a face-to-face survey using Computer Assisted Personal Interviewing (CAPI) in respondents' homes. Respondents are asked about their donations to charity over the previous four weeks. Respondents are asked about which causes they give to and how much they have given to each cause. Lists of causes and methods are provided below. The ONS Omnibus Survey also includes data on a broad range of social, economic and demographic variables. For further details go to www.statistics.gov.uk/about/services/omnibus

Sample and weighting

The Omnibus Survey uses random probability sampling stratified by region, car ownership, socio-economic status and age. The sample is drawn from the Royal Mail's Postcode Address File (PAF) of 'small users'. The Omnibus sample taken from the PAF covers Great Britain but not Northern Ireland. An annual dataset is created by merging the three months sampled in each year.

Only one person per household is interviewed. Weighting is carried out to correct for the higher probability of people in small households being selected and for response bias. The sample size varies from year to year. In this last twelve-month period for 2007/08, 3,322 interviews were achieved in three waves which took place in months/years. Overall, 15,959 interviews have now been completed since the survey began in 2004.

Causes and methods in the Individual Giving Survey

The module in the Omnibus Survey uses a show card to ask people whether they have given by any of nine methods in the previous four weeks. Respondents can select as many as they like. For each of the methods that respondents indicate they have used, another show card is used, permitting respondents to indicate to which of fifteen types of causes they have donated. For each cause given to by each method, respondents are asked how much they gave and whether for any of their donations they used Gift Aid. The following tables show the full descriptions for the lists of causes and methods on the survey show cards.

Data cleaning

The raw data is carefully cleaned before analysis is carried out to remove obvious reporting/recording errors, including money that has been fundraised through events being reported as individual gifts, and other anomalies.

The cleaning procedure includes the deletion of high-value gifts, which did not seem to be appropriate given the method of giving used. For example, an event gift of £2,000 is very likely to reflect giving from personal fundraising e.g. sponsorship and not an individual gift and would therefore not be included in the data set²². However, since the mean amount given is around £33 per donor, the deletion of extremely high gifts can have a substantial impact on the mean amounts reported. Statistics discussed are therefore predominantly not sensitive to high-value donations.

Table a1: Causes, as shown in the ONS Omnibus Survey

Abbreviation	Full description
Animals	Animal welfare
Arts	Arts
Children/young people	Children or young people
Disabled	Disabled people (including blind and deaf people)
Education	Schools, colleges, universities and other education
Elderly	Elderly people
Environment	Conservation, the environment and heritage
Health	Physical and mental health care
Homeless	Homeless people, housing and refuge shelters in the UK
Hospitals/hospices	Hospitals and hospices
Medical research	Medical research
Other causes	Other (including rescue services, human rights, benevolent funds and refugees) (please specify)
Overseas	Overseas aid and disaster relief
Religious	Religious organisations (including churches, mosques and synagogues)
Sports	Sports and recreation

22 The authors can provide on request, information of the cleaning rules applied and the impact of different cleaning rules on the results.

Table a2: Methods of giving, as shown in the ONS Omnibus Survey

Abbreviation	Full description
Buying	Buying goods (e.g. charity shop, charity catalogue purchase, the <i>Big Issue</i>)
Card/cheque	Credit/debit card or cheque
Cash	Cash gifts (e.g. collections at work, school, street, pub or place of worship, or sponsoring someone by cash)
Direct Debit	Direct Debit, standing order or covenant
Event	Fundraising event (e.g. jumble sales, fetes, charity dinners)
Fees	Membership fees and subscriptions paid to charities
Other methods	Other methods of giving to charity (please specify)
Payroll	Payroll giving/regular deduction direct from salary
Raffle	Buying a raffle or lottery ticket (not the National Lottery)

Analysis and reporting in 2008

Analyses were carried out using SPSS Version 16 and use either yearly, two-yearly or three-yearly datasets. Only where findings are statistically significant is this stated in the report.

A2 Methodology: approach to separate out the impact of income

Income in the Individual Giving Survey is collected in banded form. 39 bands are used (including zero income) and the top band is income above £52,000 per year (33 bands in 2004/05 with a top band of income above £36,400). Income is gross, and covers all sources (whether earned or unearned). Each individual is asked to report their own income only, and not the income of their household or family. For more details see J Micklewright and S V Schnepf 'How reliable are income data collected with a single question?', Southampton Statistical Sciences Research Institute, Working Paper A07/08, University of Southampton, <http://eprints.soton.ac.uk/49499>. 'High' income is defined as £20,800 per year or above (27.7% of the sample); 'Middle' income is between this level and £6,240 (45.7% of the sample); 'Low' income is below £6,240 per year (26.6% of the sample).

The statistical model used to obtain the results in Table 13 is a logistic regression. The probability of giving to each cause is specified to be a function of the natural log of income, age and its square, and dummy variables for being female, having a dependent child, managerial or professional occupation, routine manual occupation, having a degree, having A levels, and having O levels or GCSEs (only the highest qualification obtained is considered). To obtain a continuous income variable for this purpose, we assign individuals to the mid-point of their income band as a proxy for the mean in the band, taking an external estimate of the mean for the top band from the Family Resources Survey. The results in row 1 of Table 2 ('no controls') are obtained after excluding all variables other than log income.

The figures in Table 13 show the elasticity of the probability of giving to the cause concerned with respect to log income, evaluated at a base probability set equal to 0.1. They show how the probability is predicted to change from this level if income changes by 10%. A figure of, for example, +2.0 (row 1 'Religious') shows that the probability is predicted to change by a factor of 1.02, from 0.1 to 0.102, i.e. a 2% change in the level of the probability (and not a 2 percent point increment, from 0.10 to 0.12).

A3 Useful websites

The CAF website has information on giving for individuals, companies and charities.

www.cafonline.org

HM Revenue and Customs' website has information on tax-efficient giving, including payroll giving, Gift Aid and the giving of assets.

www.hmrc.gov.uk/charities

Institute for Philanthropy is a non-profit making organisation, which aims to develop a better understanding of philanthropy and its role in society.

www.instituteforphilanthropy.org.uk

Philanthropy UK is a project hosted by the Association of Charitable Foundations. It aims to develop new philanthropy by promoting knowledge and best practice to those involved in giving.

www.philanthropyuk.org

Details of the NCVO/CAF programme of giving research can be found on NCVO's giving web page.

www.ncvo-vol.org.uk/giving

New Philanthropy Capital aims to help donors and charities to understand where and how funds can be targeted most effectively.

www.philanthropycapital.org

Social Market Foundation is a think tank that explores the relationship between the state and the market. It has a number of reports on charitable giving.

www.smf.co.uk

The Institute of Fundraising works to promote the highest standards in fundraising practice and management.

www.institute-of-fundraising.org.uk

The Voluntary Sector Studies Network functions to promote the advancement of knowledge about, and understanding of organisations between the market and the state.

www.vssn.org.uk

A4 General reading on charitable giving

Barclays Wealth Insights White Paper, September 2007

Bekkers R and Wiepking P (2007) *Generosity and Philanthropy: a literature review*

B Breeze (2008) *The Coutts Million Pound Donors Report*. Centre for Philanthropy, Humanitarianism and Social Justice at the University of Kent: Canterbury

Brennan P and Saxton J (2007) *Who gives to charity?* London: nfpsynergy

CAF (2007) *Charity Trends 2007*. London: CaritasData

Dunn E and Gibbons C (eds) (2006) *Family spending*. London: ONS

ESRC (Economic and Social Research Council) and NCVO (2005) *Charitable giving and donor motivation*. ESRC www.esrc.ac.uk

Lloyd T (2004) *Why rich people give*. London: Association of Charitable Foundations www.philanthropyuk.org

Low N, Butt B, Payne E, and Davis Smith J (2007) *Helping out: a survey of volunteering and charitable giving*. London: The Cabinet Office

NCVO (2008) *The UK Civil Society Almanac 2008*. London: NCVO

New Philanthropy Capital (2005) *Intelligent giving: A strategic approach to effective charitable donations* www.philanthropycapital.org

Taylor J, Webb C and Cameron D (2007) *Charitable giving by wealthy people*. London: Ipsos MORI

Wood N and Peter J (2006) *2005 Citizenship survey: Active communities report*. London: Department for Communities and Local Government

A5 Glossary of terminology

Cause	Charities are grouped according to the cause that they support, and donations are analysed by cause. A list of these methods can be found in Table a1
Donor	A donor is someone who declares that they have donated money to charity in the previous four-week period, and have reported a total donation amount for that period of at least £1
Gift Aid	Gift Aid is a mechanism that donors can use to increase the value of their monetary gift, by allowing the charity to reclaim the tax on their gift. Currently, charities reclaim tax on the donation's value before tax was deducted at the basic rate of 22%
High-level donor	Any donor who gave £100 or more in the four-week period prior to the survey
HMRC	Her Majesty's Revenue and Customs
Individual Giving Survey	The survey conducted by ONS three times per financial year
Logistic regression	A statistical model to predict the probability of occurrence of an event
Mean	An average which is the sum of the values divided by the number of values (respondents). Sometimes called the 'arithmetic mean'
Median	The middle number in a sequence of numbers, that is, 50% cases fall above as well as below it
Method of donation	The mechanism by which a donation was made. A list of these methods can be found in Table a2
Percentiles	A percentile is any of the 100 equal parts into which the range of the values of a set of data can be divided in order to show the distribution of those values. The percentile of a given value is determined by the percentage of the values that are smaller than that value. The value of donations in the median, 75th and 90th percentiles are represented in the report
Quartiles	A quartile is a division of ordered observations into four defined intervals with boundaries at the 25th, 50th, or 75th percentiles of a frequency distribution. Each quartile contains 25% of the total observations. Generally, the data is ordered from smallest to largest
Random probability sampling	In this sampling technique, every person in the population has an equal chance of being sampled. As such, the sample is representative of the population
Regular giving	Defined as donations made by direct debit, payroll giving or membership fees
Statistical significance	In statistics 'significant' means probably true, that is, not due to chance
Spontaneous giving	Defined as donations made by cash, raffles, buying goods, events and card/cheque
<i>UK Giving 2008</i>	The report which presents the findings of the Individual Giving Survey

A6 Acknowledgements

The contribution of John Micklewright and Sylke V. Schnepf of the School of Social Sciences at the University of Southampton was supported by Economic and Social Research Council grant 'Giving to Development' (RES-155-25-0061), which forms part of the Non-Governmental Public Action programme.

Section 5 – Future policy directions for charitable giving – was contributed by Hannah Terrey (CAF) and Louisa Darian (NCVO).

Fieldwork for the Individual Giving Survey was undertaken by the Office for National Statistics' Social and Vital Statistics Division as part of the monthly omnibus survey. We would particularly like to thank Clare Watson and all the staff involved in the survey.

The authors would like to thank staff at NCVO and CAF for their advice and support throughout:

CAF: Richard Harrison

NCVO: Joy Dobbs, Katie Hall and Michael Wright



National Council for
Voluntary Organisations,
Regent's Wharf,
8 All Saints Street,
London N1 9RL
T: 020 7713 6161
F: 020 7713 6300
W: www.ncvo-vol.org.uk
E: ncvo@ncvo-vol.org.uk
Registered charity number 225922

CAF Charities Aid
Foundation

Charities Aid Foundation,
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent ME19 4TA UK
T: 01732 520 000
F: 01732 520 001
W: www.cafonline.org
E: enquiries@cafonline.org
Registered charity number 268369

