



# UK Giving 2004/05

Results of the 2004/05 survey of individual charitable giving in the UK



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# 1. Executive summary of results

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This 2004/05 report on UK giving is based on a new survey aimed at improving the relevance and accuracy of the measurement of individual giving. The new approach has been designed to reflect the changing context for giving over the last decade which has seen government policies to stimulate both new cultures and tax-efficiency of giving, alongside changing patterns of wealth distribution and the emergence of new wealthy philanthropists. The survey results provide important new insights into today's giving patterns.

## Key messages and implications for policy and fundraising

- With around three-fifths of the population giving to charity per month, and the value of donations flat at 0.9% of GDP, there is considerable opportunity for charities to engage more donors and encourage the public to give more of their income to charities.
- With the results of this new survey revealing that giving to charity in regular and planned ways is now well-established, involving 20% of UK adults (10 million people), and accounting for one-quarter of the total amount given, there is huge scope for more charities to build a supporter base of committed regular donors.
- There is clear evidence that following the government's expansion of Gift Aid in 2000, tax-efficient donating has become a major feature of giving today. Nevertheless, it is important to address the new survey finding that only two-thirds (68%) of the high-level donors who give £100 or more per month take advantage of tax-breaks on giving: this group should be targeted to ensure all of their giving is tax-efficient.
- With new evidence that certain causes such as the tsunami and faith-based causes have the highest success in attracting high-level donors giving £100 or more per month, it is important to find ways of raising the profile of other causes such as disability, the elderly and young people with these high-level donors.
- Charity fundraising campaigns need to target male potential donors. Men are less likely to give to charity than women, but when they give, they donate higher amounts.

- Our evidence suggests that giving to the tsunami appeal is likely to have reduced giving to other charities by roughly £48 million in 2004/05. Donors need to be encouraged, possibly through new tax incentives, to plan their giving so that they can maintain usual levels of giving while also saving a bit extra for one-off crises.

## Headline figures

### How much do people give to charity?

- The average annual amount donated **per UK adult** is £170.02 (297.10 **per donor** per year).
- The average amount donated per month **per UK adult** is £14.17 (£24.97 **per donor**).
- The total amount donated in 2004/05 is estimated at £8.2 billion.

### How many people give to charity?

- Almost three-fifths of the UK adult population (57.2%) gave at least once in an average month in 2004/05: around 28 million people.

### What are the characteristics of high-level donors?

- High-level donors give £100 or more per month, and although constituting only 5% of all donors they account for two-fifths of the total amount given.
- High-level donors are much more likely than others to have managerial or professional jobs and to live in London or the South East.
- A higher proportion of donors to the tsunami appeal and faith-based causes were high-level donors than to any other causes.

### Who gives to charity?

- Women are more likely to give than men, with 62% of the adult UK female population giving per month compared with 52% of the male population.
- Men give more **per donor** than women at £27.71 per month, compared with £23.37 for women donors.
- There is considerable regional variation: Londoners give the most per head, donating an average of £22.00 per month, more than double the amount donated by the Welsh.
- People in managerial and professional occupations are more likely to give than those in routine and manual occupations (66% and 51% respectively).

### What are the main ways of giving to charity?

- Donations through cheques/cards and direct debit generate more money for charities than other methods (27% and 19% respectively of the total amount given).
- The average monthly amount given through cards and cheques is £51.36 per donor, compared with £7.67 for cash gifts.
- Cash is the most widely used method of giving: over 40% of donors donate through cash gifts in an average month, generating 13% of the total amount given.
- The second most widely used way of giving to charity is through buying goods in a charity shop or catalogue, with 31% of donors choosing this method in an average month.

### What causes do people give to?

- More donors gave to medical research than to any other cause: it is supported by just over one-third of donors (34%).
- The next most widely supported causes were hospitals/hospices and children/young people, each supported by 23% of donors.
- However, medical research, religious organisations and overseas causes received the most money, each accounting for 13% of the total given.
- 43% of UK adults gave items to a charity shop or jumble sale in a month.
- In an average month, 8% of UK adults gave to a homeless person asking for money on the street.
- Average giving to the tsunami appeal was £5.04 per head: roughly £4 of this tsunami gift represented an increase over and above what people would normally have given, and around £1 replaced giving to other causes.

### What is the average amount given per month?

- Monthly giving in the survey ranged from a few pence to over £1,000, but almost half of all donors (47%) donate less than £10 per month.

### Planned and regular giving

- Around 10 million people give in a planned and regular way to charity, and these donations make up around one-quarter of the total amount given.

### Tax-efficient giving

- In a typical month around one-third of donors used gift aid for at least one of their donations.
- 68% of high-level donors use gift aid. In contrast, donors giving less than £5 per month were unlikely to Gift Aid their contribution, with only 15% making their gift tax-efficient.

## 2. About UK Giving 2004/05

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### 2.1 Introduction

There are many ways in which people support charity, through gifts of time, goods, expertise and money. This report focuses specifically on gifts of money, and provides a comprehensive picture of individual donations to charity in 2004/05.

Giving to charity is one of the most prominent ways in which people show concern for others or express support for issues that matter to them. Giving also has a wider significance: the extent to which the UK adult population gives to charity, and whether we are getting more or less generous, are often used as indicators of active citizenship and the extent to which people are involved in meeting the needs of their communities. For charities, market intelligence on who gives to which causes can lead to more effective donor relations. Unsurprisingly, giving is therefore of interest to stakeholders in the public, private and voluntary sectors. Politicians, academics, journalists, religious leaders and policy-makers can benefit from up-to-date, robust indicators of who gives, how much, and to which causes.

This report, the first in a revised annual series, provides an assessment of levels of UK charitable giving. CAF and NCVO work together to provide annual statistics on giving. This continues a research programme that both organisations have been involved in since the 1980s.

### 2.2 A brief overview of giving in 2004/05

2004/05 was a momentous year for charitable giving. The public response to the Asian tsunami crisis appeal generated an unprecedented level of donations, prompting many to ask if we were witnessing the birth of a new era of increased altruism. The tsunami crisis followed on the heels of the Beslan appeal to which many responded. The generosity of the public has continued to be tested in 2005/06 with disaster appeals following the London bombings, the famine in Darfur, the hurricane in New Orleans and the Pakistan earthquake, and this may impact on giving well into the current year.

It was not only the number of appeals to the public that was unusual. Evidence also shows significant use of relatively new methods of giving, such as telephone and internet and more appeal donations being gift aided. Research carried out by CAF showed that three-fifths of those who gave to the tsunami appeal online used this method for the first time, and two-fifths of those donating by phone with credit or debit cards used this approach

for the first time. Research by NCVO found unprecedentedly high numbers of young people giving to the tsunami appeals: 86% of 16 to 24 year-olds, a far larger proportion than recent surveys suggest.

It is too early to be able to assess the overall impact of these appeals on levels of public giving, methods of donation or participation rates. Future reports will be monitoring this. In the meanwhile, this report gives some early indications.

### 2.3 A new survey approach

This 2004/05 report is based on a new survey of giving (see Appendix for details), and marks a firm departure from previous surveys of individual giving carried out by CAF and NCVO. The format of the previous survey changed little from the mid 1990s. The new survey aims to improve the relevance and accuracy of our measurement of giving in the light of specific features of the changing environment for giving over the last decade. These issues are briefly outlined below, and focus principally on government fiscal policy to encourage giving through tax-reliefs, the changing patterns of wealth distribution and the potential emergence of new wealthy donors.

### 2.4 Policy development and the growth of tax-efficient giving

While covenants provided a popular way of giving regular donations to charity and attracting tax reliefs on the gifts, the scope for regular tax-efficient giving widened considerably at the end of the 1980s with the introduction of payroll giving as a form of pre-tax giving straight from the pay packet, and then in 1990 by the introduction of Gift Aid.

Originally restricted to large gifts, the Gift Aid scheme was extended to all levels of gift in the Finance Act 2000, as long as the donor could be identified as a taxpayer who had paid enough tax to cover the reclaim. Other recently-introduced tax reliefs include new income tax breaks for gifts of shares. In order to increase access to the new tax-reliefs, HM Revenue and Customs (HMRC), formerly Inland Revenue, also streamlined the processes for giving tax-efficiently. It is now possible to 'gift aid' credit card gifts by a simple donor declaration by telephone, text message or internet, as well as through the more traditional use of Gift Aid declaration forms. Donors can also gift aid a donation on their self-assessment tax return.

The ability to make regular and tax-efficient gifts has also been enhanced by the growing popularity of direct debits and standing orders as methods of payment. CAF's analysis of data from the Expenditure and Food Survey shows that the proportion of

households giving through these methods grew from 10% to 15% between 2000/01 and 2003/04. Face-to-face street fundraising has helped to promote direct debit coupled with Gift Aid as a form of regular and tax-efficient giving.

Use of Gift Aid has grown fast since the changes of 2000, and CAF has estimated that roughly one-third of donors who could use Gift Aid now do some of their donating using the scheme. This compares with around 1% of donors before the tax-changes.

It was believed that the previous survey methods did not capture all giving through Gift Aid, which is not a method of giving in itself but is transacted through other methods of giving. For example, in 'A Lot of Give' CAF estimated that the amount of tax-efficient giving captured in the survey in 2001 was about £400 million short of figures based on charitable tax reclaim by the HMRC. The new survey has captured a much higher level of large gifts made through Gift Aid, as can be seen in the results reported, yielding greater confidence in the results.

## 2.5 Socio-economic factors

Further challenges for the measurement of giving have arisen from the changing characteristics of donors and of the spread of wealth in the UK. A number of social trends over recent years have also had particular implications for our surveys of giving. These factors are reviewed below

It has become clear that the total value of individual giving has been maintained by a decreasing donor base compensated for by an increasing average gift size. Two longitudinal surveys, the NCVO/CAF surveys of *individual* giving and the CAF analysis of *household* giving using data from the government's Expenditure and Food Survey (formerly Family Expenditure Survey) have both noted that levels of participation in giving have been falling over the last couple of decades but that average donations have been increasing.

Although the explanatory factors underlying these trends have not been directly researched, it is likely that a number of socio-economic factors underlie these giving patterns. This includes trends in the distribution of wealth in society. Up until the mid-1990s the gap between rich and poor was widening fairly sharply, and since then has seen little change. We have seen the rise of the 'super-rich' (Sunday Times Rich List, April 2004), some of whom have emerged as a new generation of high-level donors.

While the increase in average gift size is likely to be due to the rise in income amongst a certain group of donors, the decline in participation in giving is probably related to the fall in the relative wealth of poorer groups in society. The number of small and single-person households has been increasing due to factors such as family fragmentation and increasing longevity: many of these households have low incomes and may have found themselves less able to participate in charitable giving. The changing pattern of household composition in itself is a contributory factor to changes in income distribution.

Population change is also likely to have affected giving. The decade since 1990/91 saw the proportion of the population aged between 16 and 24 decline by 3% and the over-65s increase by almost the same amount. Since on the whole older age groups give more to charity than younger ones, the ageing population will also be contributing to a rise in average gift size.

It was apparent then that in order fully to measure individual giving, our survey needs to be able to get a satisfactory response from a decreasing number of donors making bigger gifts. Better-off people are more thinly spread in the general population and, because of lifestyles, can be harder to capture than less affluent people. The new survey methodology with its fully random sampling and larger sample population has enabled a better response rate from this group.

## 2.6 New insights into today's giving patterns

As a result of the changes to the survey methods, this report has been able to provide a clearer picture of the growing role of regular and tax-efficient donating within overall giving to charity. It also provides new insights into the profiles of people who give, from the small group of high-value donors to those who give more modest amounts. The results provide a clearer basis for assessing:

- the impact of government policies to shape and encourage giving
- charities' success in maintaining or growing levels of public support in a changing social context
- the changing characteristics of donors, ways of giving, and levels of giving.



## 3. Results of the Survey

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### 3.1 How much do people give to charity?<sup>1</sup>

- The total amount given in 2004/05 by the UK population is estimated at £8.2 billion.<sup>2</sup>
- The average annual donation per UK adult for 2004/05 was £170.02.
- But not everyone gives to charity: the average amount donated by each person who actually gave was £297.10.
- In 2004/05 57.2% of UK adults gave to charity<sup>3</sup> in an average month.
- The average monthly amount given per person was £14.17. This equates to £24.97 per donor. (see Table 1)

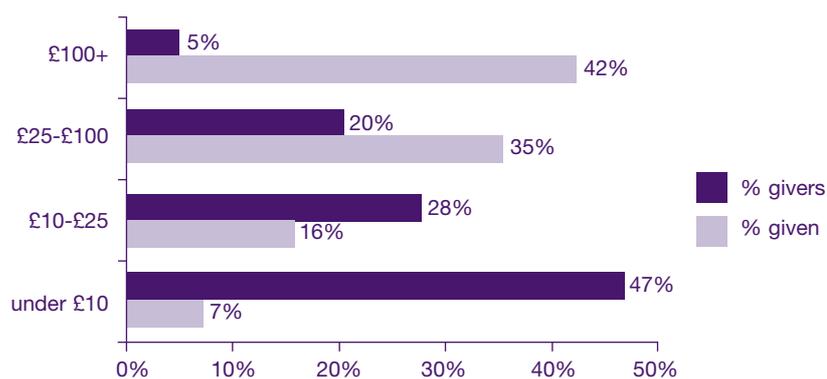
Table 1: *The average amount given to charity (to the nearest £)*

	Monthly	Annual
Per head of the UK adult population	£14	£170
Per donor	£25	£297

#### *Giving in an average month and high-level donors*

The average monthly amount given per person varies enormously, from one or two pence to over a thousand pounds<sup>4</sup>. In an average month, three-quarters of the total is given by the one-quarter of donors who give £25 or more.

Figure 1: *Comparison of % of givers and % given, by gift size*



<sup>1</sup> These data relate to the financial year 2004/05, from the beginning of April 2004 to the end of March 2005. Some of the giving figures are averaged across the UK adult population. In other instances average figures just represented those who give. The text indicates whether the average is for the whole population or just for donors.

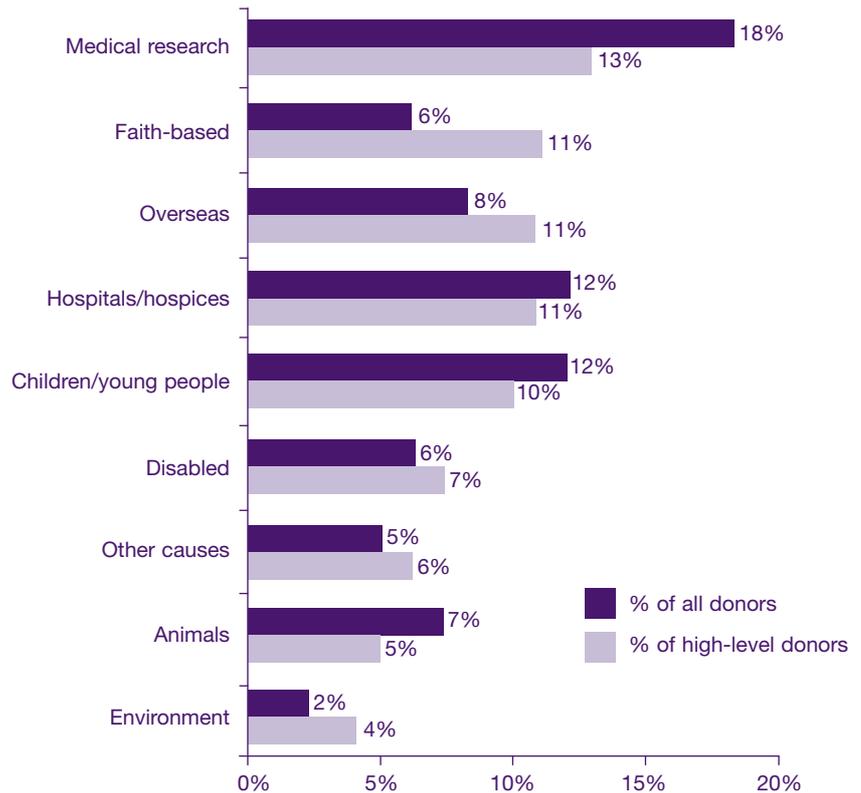
<sup>2</sup> The 2004/05 survey methodology is different to that used in previous years. Therefore, strict comparisons with previous years' estimates are misleading and should not be made (see Appendices).

<sup>3</sup> By 'giving to charity' we mean the formal giving of money to recognised charitable organisations. Later in the report we talk about gifts to homeless people and the giving of items to charity shops and jumble sales.

### 3.2 High-level donors

“High-level donors” have been classed as the 5% of donors who give £100 or more in an average month. They have a distinct profile from other donors in terms of the amounts and the ways in which they give. For example, as Figure 2 shows, while the proportions of high-level donors supporting some causes are similar to other donors, much higher proportions of high-level donors support faith-based, and overseas causes.

Figure 2: *High-level and all donors, by cause*



#### *Who gives bigger gifts?*

As levels of wealth and giving are closely related, high-level donors are much more likely to be male, older and of a higher socio-economic group than other donors.

- 50% of high-level donors are male compared with 42% for all donors.
- Almost three-quarters (71%) of high-level donors are in managerial and professional occupations compared with 37% for all donors.
- Although high-level donors have a slightly older age profile than other donors, they are actually represented in all age groups.
- Significantly higher proportions of high-level donors than all givers live in London, while differences between other regions are much less marked.

### 3.3 Who gives to charity?

Level of income is related to a range of demographic categories including age, gender, region and socio-economic group (for example, men earn more than women, salaries for professional and managerial jobs are higher than for other types of work and average earnings vary across region). The relationship between income and level of giving is not analysed in this survey, but will be available in future years. The important links between giving and the other factors related to income are explored below.

#### *Gender*

- Women are much more likely to give to charity than men in an average month, with 62% giving as compared with 52% of men (Table 2). The predominance of women in giving is a long-term pattern observed in previous UK surveys and in other Western countries<sup>5</sup>.
- However, per donor, men give more than women, with average monthly giving of £27.17 compared with £23.37. This difference is likely to reflect continuing inequalities in pay. Nevertheless, the greater number of women who give means that, as a whole, they give £400 million more than men each year.

Table 2: *Giving to charity by gender*

Group	Average monthly gift per donor	Proportion giving per month	Total given in 2004/05
Men	£27.17	51.6%	£3.9bn
Women	£23.37	62.1%	£4.3bn
All	£24.97	57.2%	£8.2bn

#### *Age*

While age and earning capacity directly influence the level of giving, other more complex factors are also likely to be at play, including generational attitudes.

- The age group giving the most to charity in an average month is the 55 to 64 year-olds at £31.68 per donor.
- 16 to 24 year-olds give the least, with an average monthly donation of £11.32 per donor.

<sup>5</sup> For example: CAF and NCVO surveys of individual giving between 1992 and 2003 and the Canada Survey of Giving, Volunteering and Participating (CSGVP) conducted by Statistics Canada as a supplement to the Labour Force Survey.

Figure 3: Amount given to charity in an average month per donor, by age (to nearest £)

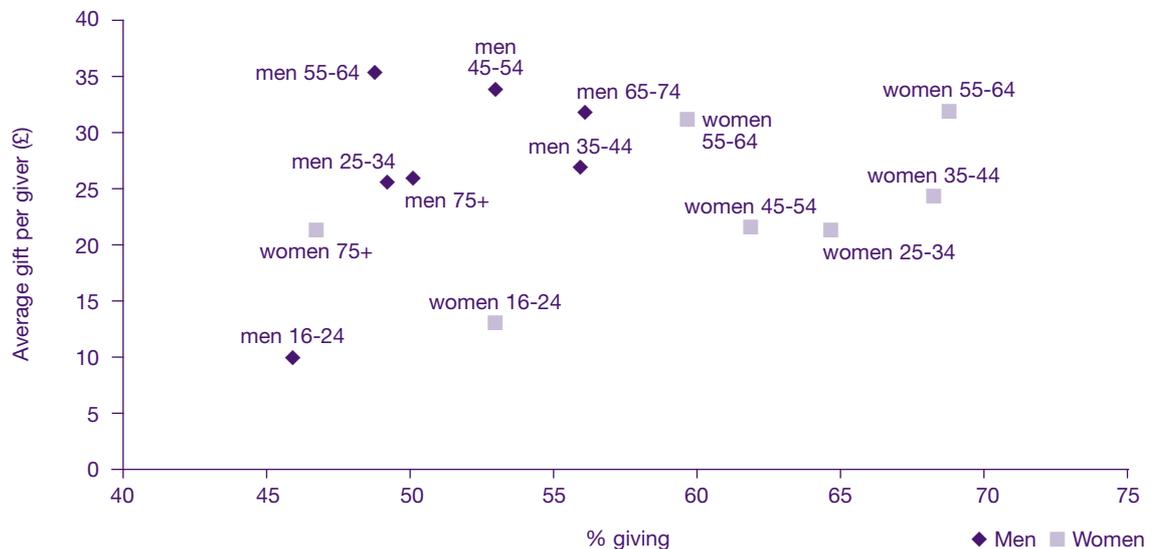


### Gender and age

Since both gender and age are related to the amount and propensity to give, it is interesting to see how these four variables interrelate (Figure 4).

- The groups giving most to charity in an average month are 35 to 44 year-old and 55 to 64 year-old women, followed by men aged between 45 and 54.
- 16 to 24 year-old men are the single group least likely to give, and give the lowest average gift.

Figure 4: Giving by age and gender



### Socio-economic status<sup>6</sup>

Because of its very direct link with income, occupational status is strongly related to giving.

- Those in managerial and professional occupations are the most likely to give, with two-thirds (66%) giving to charity in an average month, compared with those in intermediate occupations (58%) and routine/manual occupations (51%).

<sup>6</sup> The Office for National Statistics' (ONS) socio-economic classification is an occupation-based classification but has rules to provide coverage of the whole UK adult population. It takes into account responsibilities at work and is strongly related to income. The simplified version has three classifications: managerial and professional occupations, intermediate occupations and routine and manual occupations.

- Those in managerial/professional occupations give the largest average donation per month at £24.27, compared with those in intermediate occupations at £11.41 and in routine/manual occupations at £9.21.

### *Country and region*

Table 3 illustrates the relationship between residence (classified here as either region or country of residence) and giving.

Differences in giving partly reflect geographical inequalities in socio-economic status and demographics between the regions.

- People from the South West and Scotland are the most likely to give, with over 60% of the population in these areas giving to charity in an average month.
- Londoners are the least likely to give with only 51% giving in an average month. In contrast, Londoners give the largest average donation, with an average gift of £22 a month. People from Scotland give the next largest amount, with an average per month of £16.
- At the other end of the scale are the West Midlands and Wales, with average giving of between £10 and £11 per month.
- In terms of the total amount given by each region (population of the region multiplied by average gift size), the South East gives most, followed by London.
- At the bottom of the list is the North East, which because of its low population gave one fifth the amount given in the South East, but it is worth bearing in mind the relatively low average salary in this region compared with other parts of the UK.

Table 3: *UK charitable giving, by region and country*

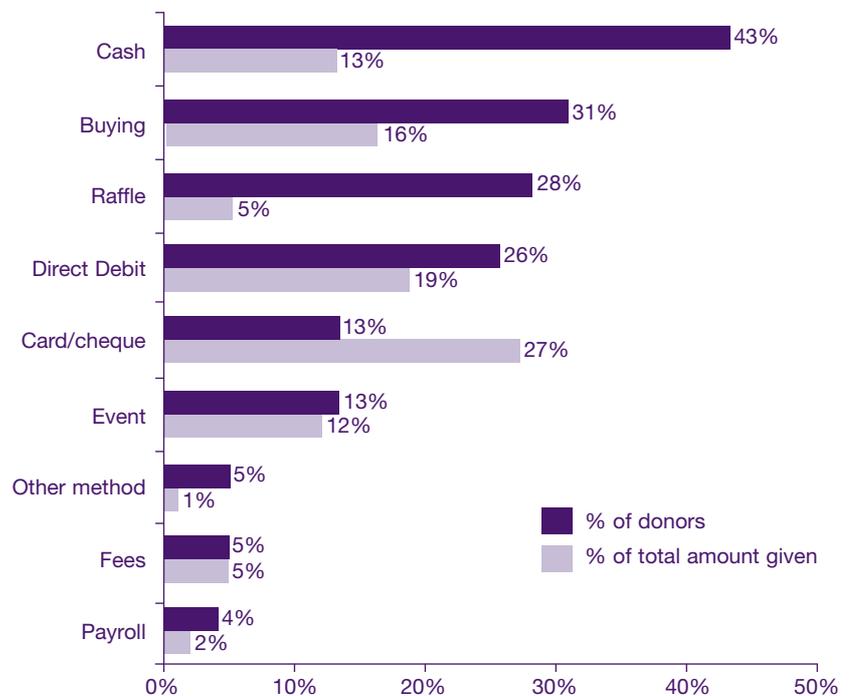
<b>Region/Country</b>	<b>Donors (%)</b>	<b>Average gift per person (£)</b>	<b>Population (000s)</b>	<b>Number of donors (000s)</b>
South West	62.0	15.17	4,104	2,544
Scotland	61.2	16.00	5,057	3,095
North West	59.2	14.20	5,467	3,236
East of England	58.8	11.82	4,423	2,601
South East	58.7	14.83	6,546	3,842
North East	58.5	11.06	2,058	1,204
East Midlands	57.4	13.56	3,450	1,980
United Kingdom	57.2	14.17	48,189	27,564
West Midlands	55.8	10.74	4,262	2,378
Yorkshire and The Humber	53.2	11.28	4,037	2,148
Wales	53.1	10.10	2,380	1,264
London	50.5	22.00	5,993	3,026

### 3.4 The methods used to give to charity

Fundraisers and donors have choices about which methods they use for giving. Cash collection tins in the street and envelopes through doors can raise a charity's profile and reach a wide donor base but generally attract small gifts, whereas targeted direct mailings may attract a smaller number of larger gifts. And while many charities may prefer a regular income from planned gifts, there are times when particular appeals need an immediate and exceptional response. The chart below looks at the proportion of givers using each method, as well as the proportion of the total amount which is accounted for by each method.

- Overall, cash gifts are the most popular way of giving, with over 40% of donors giving in this way in an average month. But this method generates only 13% of the total amount donated, meaning that while this method of giving is popular, it is often used as a way of giving relatively small amounts.
- Similarly, 28% of donors have given by buying a raffle ticket in an average month, but raffle tickets generate only 5% of the total amount donated.
- The opposite is true for giving by cheque and credit/debit card, which, despite being used by only 13% of donors in an average month, generate over a quarter of the total amount raised (27%). This is because people give relatively large donations in this way.

Figure 5: *Methods of giving: proportion of donors and total amount given*<sup>7</sup>

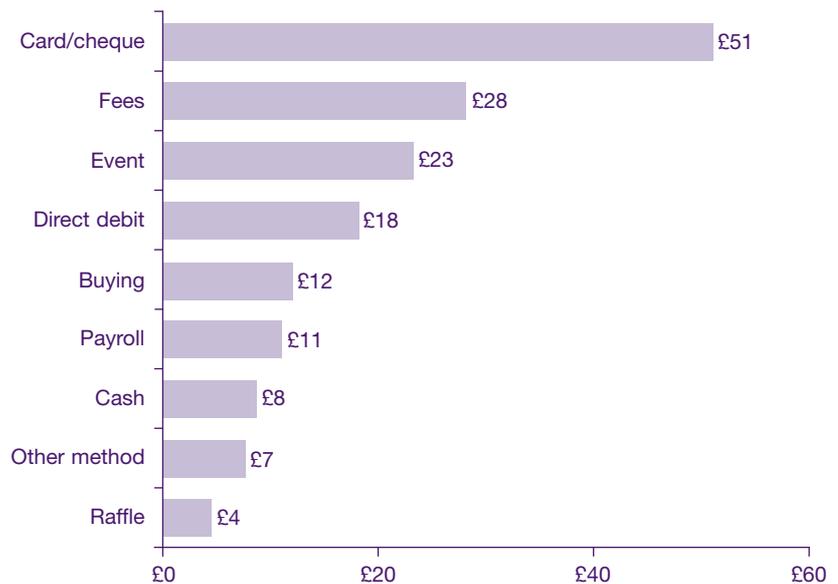


As Figure 6 shows, the average amount given per donor varies quite considerably between methods.

<sup>7</sup> Many donors use several methods of giving in an average month.

- The highest average amount given in a month was through credit/debit cards and cheques.
- Giving through cards and cheques produced more money than any other method.
- Only around 3% of people give through membership fees/subscriptions, but these payments are relatively high at a monthly £27.84 per donor, and account for 5% of the total amount given.
- Raffle tickets also account for 5% of giving, but are bought by a larger proportion of the population – 16%, at an average of only £4.40 in a typical month.

Figure 6: Average amount given per donor by each method



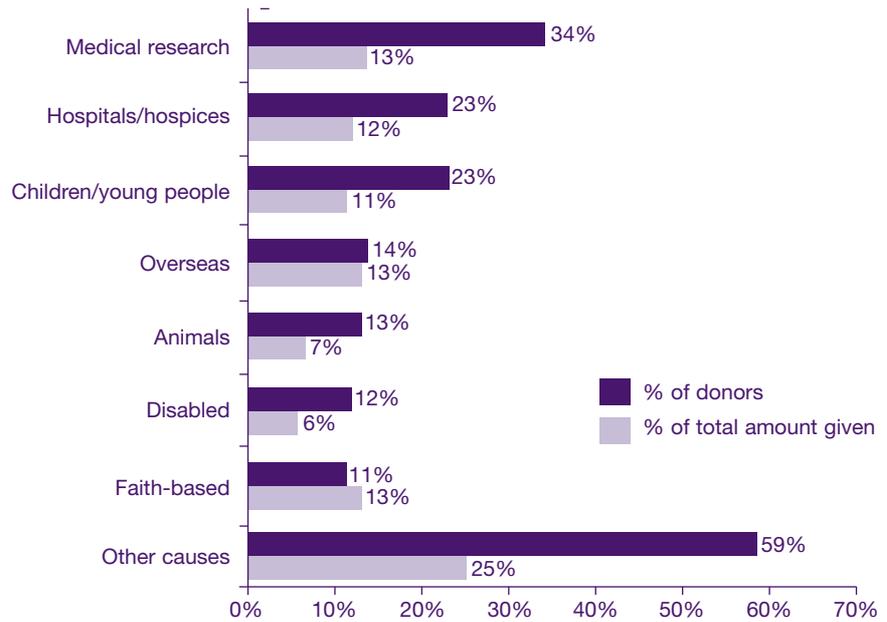
### 3.5 The causes people give to

The wide range of charitable causes means that donors have a lot of choice. There is huge variation in the levels of support for different causes, but certain causes are consistently popular<sup>8</sup>. The survey asks about giving to 16 different causes (including the tsunami appeal). Here we only present the findings for the most popular causes.

Figure 7 compares the proportions of donors who support each cause with the proportion of total giving raised by each cause. It reveals some interesting patterns.

<sup>8</sup> A full list of the causes can be found in the Appendices. The causes are abbreviated here for clarity. It should also be noted that survey respondents were asked to classify their own donations into causes, so a degree of caution should be used in the interpretation of these figures as some charities could fall into more than one category.

Figure 7: Causes supported



- The single biggest cause in terms of both proportion of donors and amount raised is medical research, supported by over one third (34%) of donors in an average month, and attracting 13% of the total amount donated<sup>9</sup>.
- When medical research is combined with other health-related causes (ie with giving to hospitals/hospices and physical and mental health care<sup>10</sup>), the health total accounts for well over a quarter of total giving.

There is huge variation in the way that different causes derive their income from the public. Table 4 compares the proportion of their total donations which various causes derive through the different methods. For example:

- hospitals/hospices, overseas causes, animal causes and the tsunami appeal acquired the highest proportion of their income through cards and cheques.
- children/young people, faith-based causes and arts causes got the highest amounts from regular direct debit donors.

<sup>9</sup> These results vary from CAF's survey of the top 500 charities, which reports international causes as the highest fundraiser. This is because the top 500 figures include donations from companies and trusts as well as individuals.

<sup>10</sup> Included in "other causes" physical and mental health care charities are supported by 4% of the population and generate 3% of the total given in an average month.

Table 4: *Proportion of total donated to main causes by each method (%)*

Cause	Methods of donating						Total
	Cash	Card/ cheque	Direct debit	Buying	Event	All other	
Medical research	16	19	18	23	13	10	100
Hospitals/hospices	12	31	11	22	12	11	100
Disabled	7	17	14	17	27	17	100
Children/young people	13	18	26	15	16	12	100
Overseas	8	51	18	11	8	5	100
Elderly	11	16	8	51	9	6	100
Animals	7	47	18	15	2	11	100
Faith-based	25	24	34	4	3	11	100
Arts	4	36	39	5	1	15	100
Tsunami	21	60	0	4	6	9	100
Other causes	13	13	17	15	17	24	100

### 3.6 The tsunami appeal

The South East Asian tsunami that struck on December 26th 2004 sparked the biggest fundraising appeal in recent history. The results of the 2004/05 survey captured part of this giving, as it spanned January and February, and showed an average gift of £5.04 for each member of the UK adult population.

Of this, around £4 was additional giving, on top of giving which would normally occur. This means that roughly £1 of the average annual gift was substituted giving – that is, people gave around £1 less to other charities in 2004/05 than they would have done had it not been for the tsunami appeal. This equates to £48 million diverted from other causes.

The tsunami donors were broadly similar to other donors, apart from a few distinct characteristics.

- There was a much higher proportion of tsunami-donors in the 16 to 34 age-group than any other age group.

The tsunami appeal was launched with a dedicated Disasters and Emergencies Committee (DEC) phone-line for donations, alongside online donations via DEC's website. Unsurprisingly, this led to the majority of donations (60%) being made by credit or debit card or cheque, compared with 27% for donations through these methods to other causes (Figure 5). However, a significant number of donors – 21% – gave cash

donations, which probably reflects the localised fundraising which also took place to raise money for the appeal.

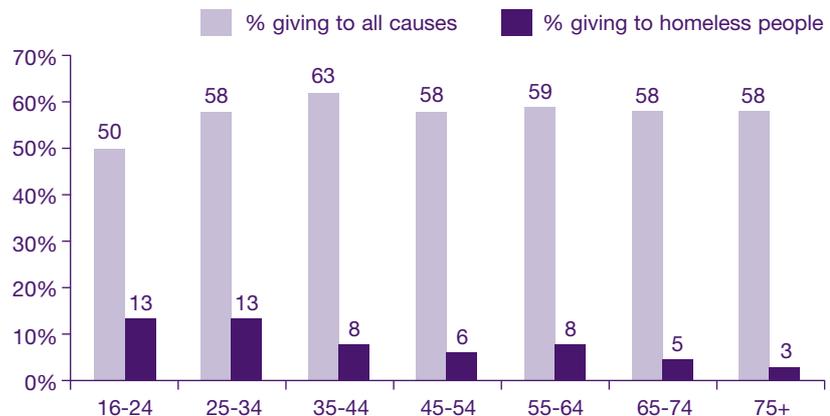
### 3.7 Giving to homeless people and giving goods to charity

For the first time in the 2004/05 survey we asked people how much they gave to homeless people asking for money in the street (as opposed to homelessness charities), and whether they donated items to charity shops and jumble sales.

The results showed that 8% of the UK adult population gave cash to a homeless person in an average month<sup>11</sup>. The average amount given per donor – £3.89 – was much less than the average gift given to any charitable cause. Higher proportions of young people gave to homeless people asking for money on the street than other age groups (Figure 8).

When it comes to non-monetary giving, a huge 43% of the population said that they donated goods to a charity shop or jumble sale in an average month. Women were much more likely to give goods while the proportion of each age group giving goods broadly followed the pattern for giving overall.

Figure 8: Giving money to homeless people compared with charitable causes



The majority of people giving to charity shops/jumble sales or homeless people asking for money also gave money to other charitable causes, but 15% of the UK adult population gave only in these ways.

### 3.8 Regular and tax-efficient giving

#### Regular giving

Around 20% of adults (10 million people) give in a planned and regular way to charity, and these donations make up around one quarter of the total given in an average month. Planned and regular giving includes direct debits/standing orders, covenants, payroll giving and membership fees.

<sup>11</sup> For comparison, that's as many people as gave to animal charities and 3% more than gave to charities dealing with homelessness.

The average amount donated through these planned regular methods in an average month is relatively high when compared with other methods – over £25 for membership fees and subscriptions and £18 for direct debits/standing orders and covenants. Payroll giving has a slightly lower average at nearly £11 (see Figure 6).

These average amounts are nowhere near as high as those given through card or cheque payments however. If charities could convert more of their one-off payments to regular donations it would have a significant effect on their incomes.

The majority of the money from planned and regular methods goes to religious causes, followed by children/young people and then medical research (see Table 5).

Table 5: *Who benefits most from planned and regular giving? (%)*

<b>Cause</b>	<b>Direct debit</b>	<b>Fees</b>	<b>Payroll giving</b>
Medical research	13	4	18
Hospitals/hospices	7	3	9
Disabled	4	8	9
Children/young people	15	12	11
Overseas	12	2	6
Elderly	1	0	0
Animals	7	7	4
Faith-based	23	18	11
Arts	2	2	0
Tsunami	0	0	1
Other causes	16	45	30
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

#### *Tax-efficient giving*

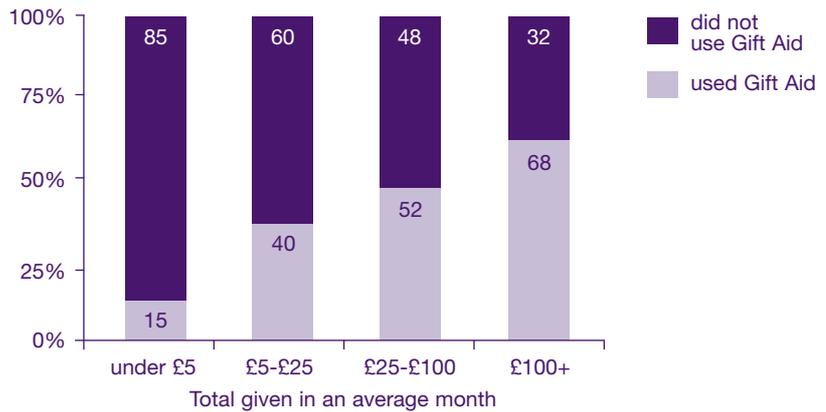
There are two main ways in which donors can make their donations to charity tax-efficient: Gift Aid and payroll giving<sup>12</sup>.

- This survey showed that 2% of the population used payroll giving to make a donation to charity in an average month, while around a third of those who could have used Gift Aid did so for one or more of their donations.
- This means that around one-third of donors gave one or all of their gifts tax-efficiently in an average month in 2004/05.

<sup>12</sup> Legacies provide a further tax-efficient source of income to charities, but as these are given after a person has died they are not covered in this survey.

- Around two-thirds of high-level donors giving £100 per month are giving tax-efficiently, and the remaining one-third of these high-level donors who do not should be a prime target for Gift Aid promotion.
- Charities should also be concerned that almost half (48%) of those giving between £25 and £100 per month are not giving tax-efficiently.

Figure 9: Use of Gift Aid, by size of average monthly gift (% of donors)



### 3.9 Endnote

This report has presented a set of headline analyses from the data in the new 2004/05 survey of giving. CAF/NCVO selected the results which would be of most general interest and would provide some baseline measurements for future tracking and comparison. The report focuses mainly on the overall amounts given and the average levels of giving, how much is given by different age-groups, genders and socio-economic groups, and the extent to which giving is tax-efficient. It also looks at how all these factors relate to giving to different causes.

For reference, a brief overview of the main messages and results is given in the Executive Summary at the beginning of the report.

The survey contains further data and we hope to provide additional analyses in future papers.

Some people will have more specialised interests or information requirements. We would welcome suggestions on analyses which you would find useful or interesting and would be happy to discuss these with you.



## 4. Appendices

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### A1: Details of the Survey

The data in this report are based on a module of charitable giving questions run as part of the ONS Omnibus Survey three times a year. In a face-to-face survey using Computer Assisted Personal Interviewing, respondents are asked a number of questions about their donations to charity over the previous four weeks.

Changes to the survey, including the sampling method and the questions asked, mean that it is not possible to make direct comparisons with previous published data. The survey is also now based on financial years rather than calendar years, making it more in line with other financial data sources.

#### *Sample*

ONS use a random probability sample of private households in Britain using the Postcode Address File as a sample frame. This is different to the previous survey used by NCVO and CAF for measuring giving, which used a quota sample. One adult (aged 16 or over) is interviewed per household. Because only one household member is interviewed at each address, those in households containing fewer adults have a higher chance of being interviewed than those in larger households. Weights are applied to correct for this. In a typical month the sample will be around 1750. As the module was run three times in the financial year 2004/05, the resulting sample for the data reported here was 5263.

#### *Asking about causes and methods*

The survey uses a showcard 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. Then, for each of the methods that they say they have used, another showcard is used to ask which of 15 causes they have given to. Again, respondents can select as many as they like as they may have given to more than one cause by a single method. Then, for each cause given to by each method, they are asked how much they gave and finally, whether any of their donations were gift aided.

The new survey uses more detailed descriptions of methods and causes, prompting better recall, with the intention of capturing gifts that may have been missed by the previous survey. Also, the survey asks for more detail about each gift: how much was given by a particular method to a particular cause

as opposed to simply the total amount given by each method. This, along with the fact that the new survey is much more explicit about the time period being asked about, makes it more unlikely that respondents will provide spurious details, or mention gifts that happened prior to the reference period.

#### *Consistency between the results of the three surveys*

Confidence in the results of the new survey has been derived from the fact that the three separate surveys run in July 2004, October 2004 and February 2005 have produced highly consistent results on all questions, after allowing for giving to the tsunami appeal. The raw data was cleaned before analysis was carried out to remove obvious reporting/recording errors including fundraised money being reported as individual gifts, and other anomalies.

#### **A2: NCVO analysis of surveys of charitable giving in the UK**

The CAF/NCVO survey aims to provide a reliable and accurate estimate of individual giving in the UK. But in a typical year there are numerous surveys of the giving habits of the UK population, which have their own definitions (is the gift from the household or an individual and are ‘charities’ just registered charities or do they include churches and community groups?), timing (this month or this year?), and subject of interest (such as family spending patterns or the use of direct debits). For the media this is in some respects excellent: charitable giving is a human-interest story that readers of the mainstream press can relate to (particularly if they can compare their own level of generosity). But for policy makers attempting to develop evidence-informed policy on giving, the plethora of surveys and results presents real challenges of comparison, confusion and contradiction. In short, which survey is right?

The unhelpful answer is all of them, including this one. The different surveys are measuring and then estimating different activities and behaviours, and as such those surveys that use broadly the same methodology over time, such as the CAF/NCVO survey and Expenditure and Food Survey, are especially useful as they are measuring the same thing.<sup>13</sup> Yet none is helped by difficult, almost intractable issues of fuzzy definition that cannot be addressed in most surveys: for example, does giving to charity mean only giving to registered charities?

So, interpreting and comparing surveys means asking questions about what types of giving are being measured, who or what is being asked, and how survey results are translated into estimates for the wider population. Such attempts at ‘triangulation’ – establishing the accuracy of information by comparing

<sup>13</sup> Halfpenny, P (2003) “Individual charitable giving: problems of measurement and explanation”.

independent data sources – are difficult at best and misleading at worst. This section of the report therefore provides a brief guide to the main surveys of giving, and maps their differences.

All these surveys of the giving transaction generally attempt to answer two main questions: who gives? (the proportion of the population for example), and how much do they give? (including which causes they give to). In order to answer these questions, research methods have looked at the transaction between donor and recipient from both perspectives, and it is these estimates that might be 'triangulated'. But problems of triangulation are numerous: the likelihood that surveys of donors are likely to record net gifts, rather than amounts actually received by charities if the gift is eligible for tax-relief, and the potentially different interpretations of what is deemed a voluntary payment (goods, such as a raffle ticket, may be received in return for a monetary 'gift') are two examples. Bearing in mind the difficulties of triangulation, what do the different surveys tell us about individual giving? Table A1 offers a summary.

Table A1: A comparison of recent survey data

	Evidence source	Proportion giving	Average donation per year	Total donated per year	Notes
Data from donors	CAF/NCVO	57% per 4 weeks	£170	£8.2bn	Donor/non-donor survey 2004/05 data. Widest definitions of giving and potential recipient.
	Home Office 2003 Citizenship Survey	76% per 4 weeks	£182	£6.7bn	Donor/non-donor survey 2003 data. The biennial Citizenship Survey covers a range of activities including volunteering. <a href="http://www.homeoffice.gov.uk/rds/citizensurvey.html">www.homeoffice.gov.uk/rds/citizensurvey.html</a>
	BACS/TNS	84% per year	£158	£6.2bn	BACS Payment Schemes Ltd promotes direct debits. Donor/non-donor survey 2004/05 data. <a href="http://www.bacs.co.uk">www.bacs.co.uk</a>
	Nestlé Family Monitor/MORI	92% per year	£165	£7.1bn or £7.8bn in 2004/5 prices	Donor/non-donor survey 2000 data. Proportion refers to those “supporting a charity financially”. <a href="http://www.mori.com">www.mori.com</a>
	Mintel/BMRB Charities Market Intelligence	58% per year			Donor/non-donor survey 2002 data. Proportion relates only to those giving £5 or more. In the NCVO/CAF survey, approx 73% of donors give £5+ a month.
	Institute for Philanthropy/BSA	70% per year			Donor/non-donor survey 2003 data. Proportion relates only to those giving £5 or more in the last year. <a href="http://www.instituteforphilanthropy.org.uk/">www.instituteforphilanthropy.org.uk/</a>
	Expenditure and Food Survey, ONS	30% of households per 2 weeks	£96 per household	£2.3bn	Donor/non-donor survey 2004 data. Household is unit of analysis, not individual. EFS does not include purchase giving (half the total NCVO Almanac giving estimate)
Data from recipients or intermediary	HMRC estimates			£2.8bn gross or £2.2bn net	HMRC administer Gift Aid, estimates are based on their admin data (2004/05). Estimates only cover gift aided donations <a href="http://www.hmrc.gov.uk/stats/charities/menu.htm">www.hmrc.gov.uk/stats/charities/menu.htm</a>
	CAF Charity Trends			£3.2bn	Comprises donations, grants from other organisations and fundraising events. Only applies to top 500 fundraising charities (2003/04).
	NCVO Almanac	72% of charities per year receiving		£6.5bn	Recipient survey 2001/02 data. Includes purchase giving. Religious giving not covered (£1.06bn in CAF/NCVO). Proportion refers to organisations receiving fee or voluntary income from individuals.

*So, what does it all mean?*

There are a number of reasons for the difference between the estimates.

- Estimates of the proportion giving are highly dependent upon the time period used. Using a 12-month period means that nearly everyone gives. A lower proportion of the population giving should be expected from a survey that only asks about a four-week or one-month period.
- Annualised estimates of the average gift are surprisingly close, particularly if the BACS/TNS figure is adjusted for inflation.
- What is included as giving is also important: for example, most of the differences between the results of the Expenditure and Food Survey (EFS) and the individual giving surveys are due to the fact that the EFS does not include any charitable purchases.
- Gross estimates are difficult to compare. The CAF/NCVO estimate of £8.2bn is higher than others, though when religious giving is taken into account it is surprisingly close (less than 10% difference) to the estimates constructed from recipient charities' accounts.

Comparing the findings of the CAF/NCVO survey against other published evidence inevitably raises further questions, some of which may be answered by access to new or existing data sources (such as GuideStar UK or charities' donor databases). Nevertheless, this triangulation exercise suggests that our estimates are robust: that is, they are within the range established by the current published evidence on charitable giving in the UK.

### A3: Methods and causes: descriptions used in the survey

These are the full descriptions used for the list of methods and causes on the survey showcards.

Table A2: *Methods of giving*

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

Table A3: *Causes – full list and abbreviations*

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

#### A4: Comparison with previous CAF/NCVO surveys

Because of the new survey approach, it would be wrong to attribute the higher level of giving captured in the new survey to growth in giving. As noted in the introduction, the two surveys are markedly different, and it is not possible to compare them.

The previous estimate for total giving published by CAF and NCVO in 2003 was £7.1 billion. Adjusting for inflation, this would be worth £7.4 billion at the time of the new survey. As noted above, it is also likely that the previous survey figure of £7.4 billion also needs to be adjusted by at least a further £400 million, to allow for a previous underestimate of tax-efficient giving.

This difference between the two figures may additionally be due in part to the tsunami giving, which added around £4 to average giving per UK adult in 2004-05. The higher total estimated giving figure, however, is also certainly to be explained by the new survey capturing more large gifts than the previous survey.

#### A5: Useful websites

**CAF's** website has information on tax-efficient giving.  
[www.cafonline.org/giving](http://www.cafonline.org/giving)

The **Giving Campaign** closed in Spring 2004, but its website is still accessible, and contains a range of free reports on various aspects of charitable giving.  
[www.givingcampaign.org.uk](http://www.givingcampaign.org.uk)

**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/donors.htm](http://www.hmrc.gov.uk/charities/donors.htm)

**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](http://www.instituteforphilanthropy.org.uk)

**Institute of Fundraising** is the professional body for UK fundraisers.  
[www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.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/](http://www.philanthropyuk.org/)

Details of **NCVO** and **CAF**'s programmes of giving research can be found on their web pages.

[www.ncvo-vol.org.uk/giving](http://www.ncvo-vol.org.uk/giving)

[www.cafonline.org/research](http://www.cafonline.org/research)

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

[www.philanthropycapital.org/](http://www.philanthropycapital.org/)

**Social Market Foundation** is a think tank which explores the relationship between the state and the market. They have a number of reports on charitable giving.

[www.smf.co.uk/](http://www.smf.co.uk/)

#### A6: Useful reports and further reading

ACF (Association of Charitable Foundations), Theresa Lloyd (2004), *Why rich people give*. London: Association of Charitable Foundations

[www.philanthropyuk.org](http://www.philanthropyuk.org)

CAF (2005), *Charity Trends 2005: the definitive annual income survey of the major fundraising charities*. London: Caritas Data

CAF and NCVO, Catherine Walker, Cathy Pharoah, Pauline Jas, Andrew Passey and Debbie Romney-Alexander (2002), *A lot of give: trends in charitable giving for the 21st century*.

London: Hodder & Stoughton

[info@dsc.org.uk](mailto:info@dsc.org.uk)

ESRC and NCVO (2005), *Charitable giving and donor motivation*. ESRC

[www.esrc.ac.uk](http://www.esrc.ac.uk)

NCVO, Pauline Jas (2000), *A gift relationship? Charitable giving in theory and practice*. London: NCVO.

[www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

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[www.philanthropycapital.org/](http://www.philanthropycapital.org/)

## Acknowledgements

The authors would like to thank the advisory group who offered help and support throughout the development of the new survey.

Thanks go to:

Andrew Watt, Institute of Fundraising

Chris Farmelo, Future Foundation

Margaret Shaw, ONS

Roger Tarling, Surrey University

Meta Zimmeck, Home Office

Thanks also to the Office for National Statistics for running the survey on behalf of NCVO and CAF.



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