

Embargo: 3pm Tuesday 15 February 2011

THE STATE OF DONATION: New evidence on charitable giving in the UK

Charitable giving by UK households is largely recession-proof, according to new research by the University of Bristol and Cass Business School. But the study also shows that there has been no change in donations as a share of total household spending for more than 20 years. Households today give 0.4% of their spending to charity – exactly the same as they did in 1988.

The researchers also find that elderly donors and better-off donors account for a bigger share of total donations than they did in the past. But poorer donors are still more generous than richer donors in terms of the proportion of their budgets they give to charity.

Report author Sarah Smith (University of Bristol) commented on the findings:

“The relative stability of charitable giving is both good and bad news for the sector. It means that charities can rely on donors, even in times of recession. But it also indicates the huge scale of the challenge in raising the level of donations.

“Since the 1980s, there have been increases in the generosity of tax relief, big changes in the way people give to charity and a professionalisation of charity fundraising. While these changes may have prevented charitable donations from falling, there is little evidence that they have brought about a step change in how much people give.”

Report author, Cathy Pharoah commented:

“The good news is that the long-term decline in the proportion of households giving was been halted in the 2000s – and donations have been very resilient to the recession. But it remains a challenge to bring about a substantial increase in giving as a share of households’ total spending. We hope that the information in this report will inform policy, practice and research going forward”

The new research – by the Centre for Market and Public Organisation (CMPO) at the University of Bristol and the Centre for Giving and Philanthropy (CGAP) at Cass Business School – presents a unique insight into UK households’ charitable giving over more than 30 years. The study, which will be launched at the Royal Statistical Society at 3pm on Tuesday 15 February finds that:

- The millennium year marked a turning point in the long-term decline in the proportion of UK households that give to charity. Roughly a third of households gave to charity in 1978, but by 1999 this share had fallen to roughly a quarter. In the first decade of the twenty-first century, the proportion of givers has averaged over 28%.

- Average donations have increased in real terms over three decades. Looking at the whole population (both givers and non-givers), donations have more than doubled – from £0.96 per week in 1978 to £2.36 per week in 2008.
- Looking only at givers, donations have gone up three-fold – from £3.05 per week in 1978 to £8.66 per week in 2008.
- But there has been no change in donations as a share of total spending for more than 20 years. Households today give 0.4% of their spending, exactly the same as they did in 1988.
- Charitable giving is largely recession-proof. Donations have typically grown in times of economic growth and have not fallen at the same rate as the economy during recessions.
- Charitable giving increasingly depends on elderly donors. The over-65s now account for more than a third of all donations, compared with a quarter in 1978. Higher giving among older age groups may reflect the values and beliefs of these generations.
- Better-off donors now account for an increasing share of total donations. Today, the richest 10% of donors account for 22% of total donations, compared with 16% in the early 1980s.
- At the same time, poorer givers are more generous in terms of the proportion of their total budgets given to charity. The poorest 10% of givers donate 3.6% of their total spending to charity, compared with 1.1% for the richest 10%.

ENDS

Editors' notes

1. For more information or to speak to the authors contact ... (uob) and ... (Cass)
2. Read the paper, *The new state of donation: Three decades of household giving to charity, 1978 – 2008*, by Edd Cowley (UoB), Tom McKenzie (CASS), Cathy Pharoah (CASS) and Sarah Smith (UoB) from Tuesday 15th February [link]

3. CMPO

The [Centre for Market and Public Organisation](#) (CMPO) is a leading research centre based at the University of Bristol, combining expertise in economics, geography and law. The Centre's objective is to study the intersection between the public and private sectors of the economy, and in particular to understand the right way to organise and deliver public services. The Centre aims to develop research, contribute to the public debate and inform policy-making. CMPO started its second five years as an ESRC Research Centre in October 2009. The Centre was established in 1998 and became an ESRC-funded Research Centre in 2004.

4. The Centre for Giving and Philanthropy

5. The data

The data in the report are from the Living Costs and Food (LCF) survey. This was originally called the Family Expenditure Survey (FES). In 2001, the FES was combined

with the National Food Survey and renamed the Expenditure and Food Survey (EFS). In 2008 the EFS was included as a module within the larger-scale Integrated Household Survey under the name, "Living Costs and Food Survey". The analysis is based on information on 205,925 households.

The report focuses on giving among the general household population, excluding major donors since these are not captured in a household-level survey. The survey collects information on giving in a two-week period (as well as information on pre-committed giving). The total proportion of households that give in a longer reference period (one month or a year) is almost certainly likely to be higher than the figures reported here. But, the LCF survey data are likely to reflect the main trends in giving accurately.