



THE
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A Simple Act of Charity?

*The Characteristics and Complexities of
Charitable Giving in the United Kingdom*

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Introduction

This paper arises from an investigation into the characteristics and complexities of charitable giving in the United Kingdom (UK) in order to provide a much clearer understanding of what motivates individuals to contribute to charitable causes in the UK. It is evident that without clarity of understanding the reasons why people give to particular charitable causes, it is almost impossible to understand how to encourage children, young people and adults to engage in charitable giving.

For the purposes of this paper, the term ‘an act of charitable giving’ refers to the act of giving money, or other items of value to charitable organisations, including the purchase of goods or services from charities, and/or the giving of time to formal volunteering: that is to undertake activities on behalf of others without expecting anything in return.

The research undertaken for this paper aimed to answer a number of questions, including:

- What financial patterns of individual charitable giving are characteristic of UK citizens?
- How have the patterns of charitable giving changed during the last decade?
- What links (if any) are there between macro economic conditions (such as the global economic crisis of 2008 caused by the banking collapse) and patterns of charitable giving?
- What links (if any) are there between individual wealth and levels of charitable giving in the UK?
- What appear to be UK citizens’ key motivating factors underpinning individual charitable giving?
- What kinds of charitable organisations most benefit from individual charitable giving in the UK?
- Do factors such as age, gender and class influence charitable giving?

While this paper will touch on international comparisons, its main aim will be to explore the complexities that underpin charitable giving within the UK itself.

Therefore, after briefly considering the global context of charitable giving, the approach to this exploration will focus on three key interrelated areas in the UK:

- the characterisation of the charitable giver;
- the impact of Government policy and legislation in relation to economic cutbacks, charitable giving and the so-called 'Big Society' initiative;
- the continued impact upon individuals and charitable organisations of the effects of the on-going economic recession since 2008.

Context

In 2011, a report published by the National Council for Voluntary Organisations *NCVO Participation: Trends, facts and figures - An NCVO Almanac* noted that in a typical month, 28.4 million people in the UK gave to charity, representing 56% of the UK adult population (NCVO, 2011a). The focus of causes that attracted the most donors were:

- medical research (32% of donors);
- children and young people (25%);
- overseas and aid disaster relief (24%);
- hospitals and hospices (24%).

The causes that attracted the largest share of donations were:

- medical research (17% of total given);
- overseas aid and disaster relief (16%);
- religious organisations (13%);
- hospital and hospices (11%).

Clearly, these figures show a tangible difference between the number of donors motivated to give to charity and the monetary level of donation. Nevertheless, while some types of charitable causes clearly attracted more donors, or greater proportions of giving, the precise reasons why individuals selected one cause rather than another were not immediately apparent in the report.

While a superficial glance at the percentages above might lead the reader to believe that charitable giving is predominantly motivated by altruism in the giver, perhaps by a desire to help those less fortunate, figures related to total income and expenditure of the UK's top 1,000 charities by donations in the *UK Civil Society Index*, published by the Charities Aid Foundation (CAF, 2012), reveal the following information:

Charity*	Voluntary Income	Legacy Income	Total Income	Total expenditure
Arts Council	452,964,000	0	604,204,000	621,112,000
Cancer Research	362,756,000	157,399,000	514,946,000	466,968,000
National Trust	69,986,000	50,316,000	405,634,000	406,145,000

* **Note** *The Gavi Fund Alliance, previously the largest in the UK by annual donations, was dissolved in 2014.*

Table 1 Top Three UK Charities by Total Income and Expenditure

Without question, charitable giving by individuals in the UK is widespread: 56% of adults living in UK households in 2010 donated an estimated £10.6 billion to charitable causes. However, there are significant international differences in levels of charitable giving, even between countries that would appear to be very similar economically, socially and culturally. For example, while giving in the UK amounts to approximately 1.1% of Gross Domestic Product, the level in the United States of America (USA) is over twice that amount. Nevertheless, the level of charitable giving in the UK is higher than in many other European countries.

American households with annual incomes over \$200,000 (approximately £130,000 in the spring of 2015) give 7.4% of that income to charity, compared to households in the UK with similar incomes that give only 1.2% of their annual income to charity. One possible explanation might be that philanthropy in the USA is more 'institutionalised' culturally and socially than it is in the UK, with wealthier Americans being seen as having a 'duty' to give. As the founder of Microsoft and the Bill Gates Foundation stated, "the wealthiest have an obligation to pay their taxes and our advice to them is to take their wealth and to be philanthropic both in their own country and to help the global poorest" (BBC, 2015).

Traditionally, in the UK,, charitable giving has been considered a ‘private’ activity. In the USA, the wealthiest 10% of the population account for approximately 50% of all individual giving. Conversely, in UK the wealthiest 10% of the population account for only 20% of all individual giving. Individuals who are not in the wealthiest sector of the population in the UK, therefore make the majority of charitable donations (Rapidata, 2011) and, paradoxically, in 2011, despite the economic recession in the UK,, more people were reported as giving more to charities for a third consecutive year (NCVO/CAF, 2012).

It would appear then that the capacity for charitable giving in the UK is not necessarily linked to level of disposable income, and the exact reasons why individuals give to charity are not a simple matter domestic individual finance. While some types of causes appear to attract greater proportions of giving, such as medical research, children and young people, and overseas natural disaster relief, the reasons why individuals select one cause rather than another are complex. In addition, the enormous public support of charitable Arts and Cultural charities cannot be ignored as in the case of the Arts Council and The National Trust, which some see as manifestations of elitist concerns rather than individual acts of giving to provide charitable relief of suffering in all its manifestations.

As noted in the *Introduction*, the term ‘an act of charitable giving’ refers to the act of giving money or other items of value to charitable organisations, including the purchase of goods or services from charities and/or the giving of the time to formally volunteer to undertake activities on the behalf of others, without expecting anything in return. This paper will go on to show that an act of charitable giving by an individual is neither simple, nor does it take place in isolation. Rather, it results from an individual synthesis of a complex web of, *inter alia*, values, experiences, virtues, morale, beliefs, education, upbringing, financial circumstances, age, personal history, sex, geographical location, political opinion, societal pressure, government policy and social and cultural mores.

World Giving Index

...we must not take it for granted that economic prosperity will automatically equal a rise in generosity. (CAF, 2014)

For the past five years the Charities Aid Foundation has published its *World Giving Index* using data gathered by the market research company Gallup, as part of its World Poll initiative that operates in 160 countries. The *Index* ranks rates countries based upon an individual’s self-reported engagement with three key ‘aspects of giving behaviour’ during a four-week period prior to being surveyed: financial donation; formal volunteering and ‘helping a stranger’ (CAF, 2013).

Table 2 (below) lists the top ten countries in the CAF *World Giving Index* for years 2011 and 2012.

Rank	2011	2012
1	Australia	USA
2	Ireland	Canada
3	Canada	Myanmar*
4	New Zealand	New Zealand
5	USA	Ireland
6	Netherlands	United Kingdom
7	Indonesia	Australia
8	United Kingdom	Netherlands
9	Paraguay	Qatar
10	Denmark	Sri Lanka

**(formerly Burma)*

Table 2 Top ten countries in the CAF World Giving Index for years 2011 and 2012.

At first glance it would appear that the United Kingdom fares well in the *World Index* – especially in the act of making financial donation - and that acts of charitable giving are for the most part the province of western developed countries. As the focus of this paper is charitable giving in the UK, this section of the paper will not explore in detail the multitude of complexities that differentiate between the patterns of giving across the world, but the brief comparison above of what might appear to be the similar societal contexts of the USA and the UK serves to show that the act of giving to charity is far from simple.

Furthermore, if non-Western economies are considered, the picture that emerges is far more complex. While in 2011 and 2012, India was ranked 133rd and 93rd, and China 141st and 135th, respectively in the *World Giving Index*, ‘more Indians donate money to charity in a typical month than anywhere else in the world. In 2011 this number had been measured at 163 million, in 2012 it stands at 244 million’ and ‘China’s strength however, lies in the 373 million Chinese who help strangers in a typical month, more than any other country in the world’ (CAF, 2013: 5).

Table 3 (below) provides details of the top ten rankings in the CAF World giving Index for the year 2013 (CAF, 2014):

Country	World Index		Helping a stranger		Donating money to a charity		Volunteering time	
	Rank	Score (%)	Rank	Score (%)	Rank	Score (%)	Rank	Score (%)
Myanmar*	1	64	63	49	1	91	2	51
USA	1	64	1	79	9	68	5	44
Canada	3	60	11	66	6	71	5	44
Ireland	4	60	15	64	4	74	10	41
New Zealand	5	58	7	69	13	62	5	44
Australia	6	56	12	65	10	66	16	37
Malaysia	7	55	19	63	15	60	10	41
UK	7	55	24	61	4	74	33	29
Sri Lanka	9	54	40	56	17	56	3	50
Trinidad & Tobago	10	54	2	75	21	49	16	37

*(formerly Burma)

Table 3 Top ten countries in the CAF World Giving Index for 2013.

The first column shows the World Index overall ranking of the top ten countries surveyed in 2013 based upon an aggregate of the percentages of adults reporting the performance of the three charitable components – *Helping a stranger*, *Donating money to charity* and *Volunteering time in a formal setting* – in the month prior to interview. These percentages are shown in the ‘Score %’) columns. It is noticeable that

there are marked economic, social and cultural differences between the countries in the top ten – perhaps especially so between to the two countries in first position.

If we consider just the performance of the United Kingdom, which is ranked in seventh position overall, it is clear that there are marked differences in the percentage scores in the three components. The position of seventh overall results from a world position of: 24th in the *Helping a stranger* component with a score of 61%; 4th in the *Donating money* component with a score of 74% and 33rd in the *Volunteering time* component with a score of 29%.

It is evident from these figures that there are major differences in the acts of charity performed by people in the same country and that while the act of donating money scores highest in the UK – perhaps because it is easy to do – the position of 33rd in the UK for Volunteering time is the lowest of any country in the top ten. Again, such figures highlight the complexities not only when we consider an act of charity, but also the charitable giver.

The Charitable Giver

Any attempt to characterise the ‘typical’ charitable giver is likely to be unsuccessful as it is clear that apart from the nature of the activity and focus of a charity itself, many factors influence to which charity, how much, how often and whether or not an individual gives. Nevertheless, Hems, Harris and Gallagher (2010) compared various groups in the UK population and their giving habits. They typified three types of people as *Investors*, *Contributors* and *Bystanders*. Their findings show that certain groups in the population are more likely to contain the people the authors describe as ‘Investors’. The authors propose that committed givers (*Investors*) are often: over 35 years of age; higher-educated; adhere to a religion and attend church. Elsewhere, Leach (2002) argues that declining religious influence has been one of the factors that have eroded individual charity. (As an aside, one reason given for the high score by Myanmar in the World Index is the high number of Buddhists in the population; a religion that places high value on the act of charity.)

Hems *et al.* (2010) also maintain that *Investors* tend to identify with a main political party, read a daily broadsheet newspaper and that the income of members of this

group is likely to be in excess of £56,000 per annum. However, based upon data for 214,670 households pooled from thirty-one years of the national *Living Costs and Food Survey*, Mackenzie and Pharoah (2011) report that among households that make donations to charity, households on lower budgets actually give more as a percentage of their spending than do households on large budgets.

This observation is confirmed in *The Widow's Might: How charities depend on the poor* by Egan (2011) who shows that individuals on lower incomes consistently give a higher percentage of their income (approximately 4%) to charity, compared to individuals on higher incomes who give approximately 2% of their income to charity. One reason cited for such regressive giving, or 'Robin Hood in reverse' given by Egan (2011) is that less wealthy individuals are closer to, and have a greater understanding of, 'need'. The conclusions of Egan's study clearly challenge the 'common sense' notion that charity is an agent of redistribution from rich to poor.

It would appear that the capacity for charitable giving in the UK is not necessarily linked to level of disposable income, and the exact reasons why individuals give to charity are not fully understood. Research into other factors also identifies the limitations of attempting to understand the motivations behind individual charitable giving on the basis of 'household' by focusing on more individual factors such as age, sex and marital status.

Age

Donor age is a factor that influences charitable giving and community involvement (Donations Foresight Consortium, 2001). Research into the values of school pupils aged ten to twelve years across the transition from primary school to secondary school in the UK carried out by Arthur *et al.* (2010), reports that pupils in secondary schools were more likely to be involved in school charity events than their local community charity. Additionally, a considerably higher proportion of Year 6 pupils (ten to eleven years of age) reported having helped and volunteered in their primary school community compared to Year 7 pupils (eleven to twelve years of age) in secondary schools. These findings are similar to those in research undertaken by the Office for Standards in Education (Ofsted, 2007) in which a considerably higher proportion of primary school respondents were involved in charity collections involving all pupils.

Similarly, in their work, Gorard and Smith (2010) also found that older pupils were less likely to be involved in charity assistance. From this and other work, there is a clear indication that the propensity of children to give to charity decreases as they reach their teens.

Between 2001 and 2009, the Department for Communities and Local Government (DCLG) undertook five 'citizenship surveys'. Those undertaken in the years 2001, 2003, 2005 and 2007-08 reported on areas such as cohesion, community empowerment and race equality. The *Citizenship Survey* (DCLG, 2010) discusses volunteering and charitable giving. The *Citizenship Survey's* findings relating to charitable giving reveal that in 2008-09, 74% of individuals in England had given money to charity in the four weeks prior to being interviewed: a figure that is matched in the 2014 *World Index*. However, young adults aged sixteen to twenty-five years, were least likely to have given to charity in the four weeks prior to interview. Only 67% of sixteen to twenty-five year old young adults stated that they had given to charity during the previous month, compared with 72 – 78% of people in older age groups.

In their research examining gender differences and charitable giving (see below) Piper and Schnepf (2007) also found that with the exception of young 'married women giving to medical research and children charities, the percentage of people giving is lower for 16-25 year-olds than for 26-35 year olds'.

The *Citizenship Survey's* (DCLG, 2010) findings related to volunteering noted that people aged sixteen to twenty-five years of age were less likely than those aged thirty-five to seventy-four years of age to participate in regular formal volunteering. The level of an individual's education was also reported as a factor in relation to volunteering, as people educated to degree level were more likely to be regular formal volunteers. The *Survey* also noted a relationship between involvement in formal volunteering and individual charitable giving. Individuals that regularly participated in formal (or even informal) volunteering were more likely to give to charity than those who were not regular volunteers. In relation to the act of donation, the most common ways of giving to charity revealed by the *Survey* were: buying raffle tickets

(25% of respondents); buying goods from a charity shop or catalogue (22%) and donating through the use of direct debit, standing order or similar (22%).

Elsewhere, Cowley McKenzie, Pharaoh and Smith (2011) in their work analyzing charitable giving over the three decades from 1978 – 2008 have found that while donations have increased in real terms over this period, charitable giving increasingly depends on elderly donors as people over sixty-five years of age now account for 35% of all donations, compared to 25% in 1978. Pharaoh and Tanner's (1997) study of two decades of charitable giving noted generational trends in that younger households were less likely to give than households that occupied middle-aged people. At first sight it might appear that the reason for this state of affairs is due to the fact that younger people are likely to have larger debts than middle-aged individuals.

However, what this longitudinal analysis reveals is that this fact is of greater concern when the data reveals that members of younger households were also less likely to give than the members of middle-aged households did when they were young. Therefore, such generational trends in giving also raise issues for levels of voluntary income in the future. Successive generations are giving less than the generations before them. Hence the apparent preponderance of greater charitable giving by individuals aged sixty years or more.

Sex

As well as age being an influential factor, there are noticeable differences between the sexes in the levels of individual charitable giving. Psychological research has found that women score higher on most measures of the traits, motivations, and values that predict helping others (Einolf, 2010). A detailed examination of statistical information on the income and expenditure of voluntary organisations in the UK between 2006 and 2008 has shown that there are marginal, but significant differences between the sexes. During the period under examination, the proportions of men and women giving to charity were 49% and 58%, respectively: a significant difference of almost ten percentage points.

Research by Piper and Schnepf (2007) in the UK found that women are significantly more likely than men to give to charities and that this cannot be attributed to different

background factors such as age and income. Piper and Schnepf (2007) also found that men and women appear to have different preferences for charitable causes. Not only do women tend to support more causes, there is greater support among women for animal welfare, education and the elderly in their charitable giving. Conversely, support by men for religious organisations is also related to marital status: married men are almost twice as likely as single men to support such organisations.

In 2009-10, the National Council for Voluntary Organisations found that 61% of women donated money to charity compared with just over half of men 52%: once again, almost a 10% difference. Women were more likely to give than men whatever age group they belong to. Whereas women aged forty-five to sixty-four years were the group most likely to give (68%), young men aged sixteen to twenty-four years were the least likely to donate to charity (31%) (NCVO, 2011a).

In the *Time Use Survey 2005*, published by the Office for National Statistics, Lader, Short and Gershuny (2006) found from the diaries of participants that women were more likely than men to participate in formal voluntary work: 15% of women compared to 10% of men. Other research by the National Council for Voluntary Organisations and Charities Aid Foundation (NCVO/CAF, 2011) has shown that women aged forty-five years to sixty-four years continue to comprise the group most likely to give to charity.

Marital Status

The differences in charitable giving between men and women also appear to be affected by an individual's marital status. US research by Andreoni, Brown, and Rischall (2003) reports that in single-person households, men and women have significantly different approaches to giving, which raises the possibility for potential conflict in married couples.

In respect of total giving, the authors report that married households tend to resolve these conflicts largely in favour of the husband's preferences. Bargaining over charitable giving, rather than letting one spouse take charge, is estimated by Andreoni, Brown and Rischall (2003) to reduce giving by at least 6%.

In households where the woman is the decision maker, she will still make a significantly different allocation of money, preferring to give to more charities but to give less to each. In undertaking research in the UK, Piper and Schnepf (2007) found that in almost all cases, the donor proportion for women is higher for both single and married people. Most strikingly, the research showed, 'For single people, results presented show that about 90% of women give more than men' (Piper and Schnepf, 2007: 19).

From this brief exploration of the characteristics of individual charitable giving, it is apparent that there are a number of interrelated factors that determine who gives time and money to which charitable cause, when, how much and how often they do so. There are, therefore, significant implications not only for charitable organisations wishing to attract volunteers or donors, but also for any government wishing to develop public policy related to charitable giving.

Public policy context

Tax policy, getting the wealthy to be more philanthropic, there's a lot that can be done to create opportunity...but what can't be debated is that the small amount of government money that goes to the poor countries does more for equality than any spending there is in the world, saving lives, helping farmers...per pound it's dramatically better than any other spending that can be done.

(Bill Gates, BBC 2015)

In 2010, donations from individual citizens comprised approximately 23% of the total income received by charities in the UK (National Council of Voluntary Organisations, 2010) and as part of the UK Coalition government's social policy reform agenda, Prime Minister, David Cameron launched the 'Big Society' initiative with the intention of empowering citizens so that they 'feel both free and powerful enough to help themselves and their own communities' (Cameron, 2010a).

Some see the origins of the strands of the Big Society in the work of Locke and Burke (Coote, 2010: 11). In what might be reasonably regarded as a blueprint for the Big Society, Blond (2009) maintains that since the Second World War, Britain has experienced two governing paradigms: 'state-sponsored Keynesianism' from 1945 to

1979 and 'neoliberalism' for the following three decades and he argues that the Conservative Party needs 'to look back to William Cobbett, Thomas Carlyle, and John Ruskin, who were critics of authoritarian statism, as well as denouncers of self-serving capitalism'. Blond (2009) further asserts, 'if Conservatives are to take power from the market state and give it to the people, they must develop a full-blooded "new localism" which works to empower communities and builds new, vibrant local economies that can uphold the party's civic vision'. Certainly, many of Blond's proposals may be found in the Coalition Government's initiative, which the Prime Minister has described as 'the biggest, most dramatic redistribution of power from elites in Whitehall to the man and woman on the street' (Cameron, 2010a). For others, the UK Coalition government's initiative has its roots in Communitarianism (Walker and Corbett, 2013) and is little more than an extension of the New Labour government's 'Third Way' (Barnard, 2010).

The UK Government declared its support for the ushering in of a new civil society of localised participation by active citizens. Under the banner of the 'Big Society' policy intentions point towards a time of democratic civil renewal and the comprehensive retreat of the State, dictating from the centre both policy and service provision at the local level.

The Big Society is about a huge culture change where people, in their everyday lives, in their homes, in their neighbourhoods, in their workplace don't always turn to officials, local authorities or central government for answers to the problems they face but instead feel both free and powerful enough to help themselves and their own communities. (Cameron, 2010a)

In March 2010, as leader of the Conservative Party, David Cameron set out 'a guiding philosophy', The Big Society, designed 'to help mend Britain's Broken Society, including the creation of a new "neighbourhood army" of 5,000 professional community organisers' (Cameron, 2010b). Following the General Election in May 2010, Prime Minister Cameron re-launched the initiative in the first of five 'vanguard areas', Liverpool, on 19 July 2010 and highlighted the three strands that comprise the Big Society agenda:

- Social action, which he said would ‘depend on the daily decisions of millions of people – on them giving their time, effort, even money, to causes around them’. In order to facilitate this social action, the government would commit itself to fostering and supporting ‘a new culture of voluntarism and philanthropy’;
- Public service reform, which would be accomplished by abolishing ‘the centralised bureaucracy that wastes money and undermines morale’ and by ‘giving professionals much more freedom’, opening up ‘public services to new providers like charities, social enterprises and private companies’; so we get more innovation, diversity and responsiveness to public need;
- Community empowerment, through creating communities in neighbourhoods that ‘are in charge of their own destiny, who feel if they club together and get involved they can shape the world around them.’ (Cameron, 2010a)

In order to encourage volunteering and involvement in social action, *Building the Big Society* (Cabinet Office, 2010a) proposed a range of measures including launching a national ‘Big Society Day’, encouraging charitable giving and philanthropy and the introduction of a National Citizen Service: a project designed to provide a programme for sixteen-year-olds to enable them to develop the skills needed to be ‘active and responsible citizens, to mix with people from different backgrounds, and to start getting involved in their communities’ (Cabinet Office, 2010a), which appears an attempt to address the under-involvement by members of the sixteen to twenty-five years old age group, which as shown above is the age group least likely to be involved in charitable giving.

The Government’s *Giving Green Paper* (Cabinet Office, 2010b) focused on how levels of giving and mutual support might be increased in society and stated its intended aim of to enable a culture shift towards a more giving society. Furthermore, the Government committed itself to the establishment of a Big Society Bank, intended to give social enterprises, charities and voluntary organisations access to greater financial resources (The Big Society Network, 2011). As well as receiving £200 million from major UK banks, it was proposed that the Bank would be established by using money from dormant bank accounts (those untouched for 15 years or more and

available for spending in England) thereby encouraging investment in social change (Cabinet Office, 2010c).

In May 2011, the Government published its *Giving White Paper* (Cabinet Office, 2011), which contained a range of approaches aimed at making giving easier: from the traditional, such as tax incentives and removing regulatory barriers, to the ‘softer’ inducements, such as what the White Paper called ‘setting a good example’. It also recommended the development of initiatives designed to integrate donations into electronic platforms, such as ATMs, payrolls, and card payments (CGAP, 2011).

The *NCVO Policy Analysis: Giving White Paper* (NCVO, 2011b) believed many of the White Paper’s recommendations to be positive, but was critical of the level of funding of the proposed *Community First* programme, intended to promote social action in areas of significant deprivation and low social capital, which it sees as an insufficient investment in the context of the scale of the challenge and the intended scope of the programme. The paper also believes that there is a lack of clarity on the part of the Government’s understanding in relation to the giving of individual time versus money. The NCVO paper notes that the while the giving of time and money are related, they are distinct, as are individual motivations for giving them.

The Big Society: some big issues?

At first glance, the proposals contained in the Big Society proposals and the Government’s *Giving White Paper* initiative might appear to be a way of increasing community involvement and charitable giving amongst adults, young people and children. However, the development of the proposed Big Society initiative was not taking place in isolation. Unquestionably, any manifestation of a Big Society is completely anchored in the complex context of contemporary society, in which citizens, and indeed the UK Coalition government, have to come to terms with the ramifications of the global banking crisis in recent years. While the Big Society was still in its infancy in the second decade of the 21st Century, it was possible to identify four key areas that might militate against success:

- funding of the Big Society Bank;

Although the funding of the Big Society Bank might have appeared generous, in reality the resources the bank would have at its disposal compared with just less than £200m per year that was already going into social investment in the UK. Access to and use of money from dormant bank accounts for use in England has yet to be achieved, is untested, and might result in lengthy litigation. Finally, ‘in the face of tens of billions of pounds in spending cuts, and billions likely to be cut from public service contracts the voluntary sector already holds, it is very small’ (Timmins, 2011).

- post financial collapse spending cuts;

As a result of the global crash in banking and the resultant financial crisis caused by the use of public money to ‘bail out’ a number of banks, the UK Coalition government was required to save billions of pounds sterling. Much of this money has been saved by withdrawing it from government funding of public services by Local Authorities. Therefore, those local governmental authorities (‘councils’ that provide local public services) have had to make cuts of tens of millions of pounds sterling, affecting public library provision, leisure and recreation facilities amongst other areas, (Coote, 2010). Although the Prime Minister believed that public service reform would do away with ‘the centralised bureaucracy ...that undermines morale’ (Cameron, 2010a), the erosion and loss of public services caused by government-imposed cuts has inevitably undermined the morale of UK citizens.

The House of Commons Public Administration Select Committee (PASC, 2011) reported that there was little clear understanding of the Big Society project among the public and confusion over the Government’s proposals to reform public services. Also, the Select Committee reported that a number of charities and small and local community groups had informed the Government that the Big Society project was being undermined by reductions in grant funding by local authorities.

As a direct result of the financial constraints imposed on local government by the Coalition, the first of the four ‘vanguard areas’, Liverpool, withdrew its involvement in the initiative in February 2011. To date, no other vanguard areas have been designated.

- the erosion of public space;

In an attempt to give ‘professionals much more freedom’ by opening up the running of ‘public services to new providers like charities, social enterprises and private companies’ (Cabinet Office, 2010a), the Big Society initiative, paradoxically, eroded public space. Traditionally, Local Authorities funded and managed leisure facilities such as community centres, libraries, swimming pools, sports centres, playing fields, recreational parks, and so on. The overwhelming majority of these facilities have either been available to all members of the public free of charge or at minimal cost. During the past five years, many of these facilities have now been closed or sold off to private companies, so that what was once free public space for the members of the community has been privatised and what once were free areas of social public discourse are now closed to the majority of the community, denying community involvement. In its report, the House of Commons Public Administration Select Committee (PASC) (2011), advised that there was uncertainty about how many charities or small and local community groups were able, or indeed willing, to deliver public services.

It has been well documented by Sennett (2003), Cohn (2004) and Madanipour, (2010), among others, how over the past fifty years, the change from freely-accessible open street market areas and high street shopping has been progressively transformed into corporately-owned shopping malls, patrolled by private security teams and monitored by closed circuit television surveillance. These developments, coupled with the ramifications of the Big Society proposals above, can only further diminish any sense of involvement in the local community and lead to a sense of disempowerment among citizens. It is hard to see how such developments will create communities in neighbourhoods that ‘are in charge of their own destiny, who feel if they club together and get involved they can shape the world around them’ (Cameron, 2010a).

Furthermore, the experience of rioting and looting on the streets and in the shopping malls of London, Birmingham, Bristol, Liverpool, Manchester and Nottingham in August 2011, appears to indicate that there remains a minority of marginalised and disenfranchised youth who have little or no sense of civic pride or positive community involvement.

- time and inclination of citizens;

Finally, the proposal of a ‘Big Society Day’ needs to be scrutinised. It was proposed that an annual ‘Big Society Day’ would encourage charitable giving and philanthropy. Once again this is a proposal that, while laudable, ignores the context of the life in the UK. 2011 saw the most successful ‘Red Nose Day’ ever. This nationwide charitable event has been held every two years for the last quarter of a century. Launched on 25th December 1985 by a group of actors, writers and comedians, the charity has raised over £1 billion sterling over thirty years.

The Red Nose Day activities on 18th March 2011 raised £74.3 million through charitable giving on that day alone, while related activities boosted the total of money raised to £104.4 million: the highest amount raised by the charity in one year’s activity. In 2013, Red Nose Day raised £75 million on the night, an increase of £700,000 on the night of 2011, but the final total only reached £100.3 million. (The fall in total charitable giving in the UK since the 2008 recession is discussed below). In 2015 Red Nose Day raised its highest amount on the night: £78 million. The final total had not been released at the time of writing this report.

Unquestionably, the proposal for an annual Big Society Day appeared to disregard what had already been in place for almost two decades. Furthermore, Red Nose Day happens once every two years to avoid ‘compassion fatigue’: the inability of individuals to constantly respond to calls for charitable giving. Although Saxton and Madden (2010) somewhat optimistically propose that there is no such thing as ‘donor fatigue’, if instituted, an annual Big Society Day could actually reduce the levels of charitable donations to Red Nose Day: especially in those years that the Comic Relief Charity is organising its biennial event.

Therefore, while the espoused intentions of the Big Society initiative might have appeared to have the potential to support positively civic and community engagement, in reality it appears to be having the opposite effect. The lack of clarity in the Big Society agenda relating to individuals’ motivations in relation to charitable giving and community involvement led to little progress in the past five years to institute these

proposals. Ultimately, in 2014 the Prime Minister's flagship *Big Society Network*, which was launched in 2010 and given £2.5 million from the *National Lottery Fund*, was investigated by the Charity Commission over allegations that it misused government funding and made inappropriate payments to its directors – including a Conservative Party donor. Subsequently, The *Big Society Network* was wound up (Wright 2014).

Having considered the current political context, it might now be useful to briefly consider other factors contributing to, or militating against, individual charitable giving.

Economic factors

Charitable giving may be seen as an expression of individuals' concern for others in the same way as active engagement by citizens in meeting community needs and, as noted in the previous section, the UK Government had perceived levels of individual giving as one indicator of involvement in building the ill-fated Big Society. Individual charitable giving is, of course, increasingly important in sustaining voluntary and community organisations at a time of reduction to statutory funding (Cabinet Office, 2010a, 2010c). In the current uncertain and volatile economic climate, the factors that influence charitable giving need to be fully understood if current social policy is to be successful.

Unquestionably, the recent financial collapse is having an effect on individual charitable giving. However, writing about the impact of recession, Breeze (2009) argues that we should not be pessimistic about the level of UK giving. She argues that individuals are motivated by passions, beliefs and desires to do good that do not disappear during a recession. Elsewhere, she argues that most media coverage of charitable giving in a recession fails to take sufficient account of existing theory that is related to the non-economic basis of most philanthropic motivations (Breeze and Morgan, 2009), for example the 'Robin Hood in reverse' effect discussed earlier. While such comments may be seen as laudable, they do not bear close analysis as the Charities Aid Foundation and National Council for Voluntary Organisation's briefing paper on the impact of the recession, published in November 2009 shows in its findings. On a positive note, in the UK over half the adult population (54%) continued

to donate to charity in an average month and although there was a slight decline in the proportion of adults giving to charity, levels remained equivalent to what they had been in 2006/07. However, the total amount of charitable giving declined during the recession and was down by 11% from 2007/08, which resulted from a combination of fewer people giving smaller average donations.

Elsewhere, the picture is of equal concern. The total voluntary income of 'general charities' serving an estimated 124.9 million beneficiaries reduced from £16 billion to £13.9 billion between 2007/08 and 2008/09 according to the National Council for Voluntary Organisations and Charities Aid Foundation (NCVO/CAF, 2011c). Furthermore, data published in *UK Giving: An overview of charitable giving in the UK, 2011/12* November 2012 shows that giving fell by 20% between 2010/11 and 2011/12 (NCVO/CAF, 2012). Furthermore, for the first time since the survey began, the proportion of donors using Gift Aid dropped from 42% in 2010/11 to 39% in 2011/12.

Interestingly, there is one area of charitable activity where income has actually increased during the years of the most recent economic recession. The Co-operative Bank and Ethical Consumer Research Association (ECRA) produces an annual report that includes about the level of purchasing made in charity shops and charitable donations in its ethical consumerism index. Although charitable donations rose from £2,764 million in 2000 to £3,554 million in 2010, between 2009 and 2010 charitable donations actually fell by 1.11% from £3,594 million. Conversely, but perhaps completely understandably, purchases from charity shops rose by 2.94% from 2009 to 2010. As incomes reduce while costs increase, more individuals look to find bargains in charity shops.

All of which not only casts doubt on Breeze's (2009) earlier assertions, but also on Saxton and Madden's (2010) claim that 'Giving is not rational... Giving is emotional'. There are clear indications that given that the less-well-off give proportionately more to charity, in times of financial hardship, such individuals, who are more likely to feel the effects of austerity, are reducing what they feel they are able to afford to give to charity.

Conclusion

This paper began by looking at some of the positive aspects of the *World Giving Index* (CAF, 2012/2013). The paper ended by discussing some of the negative effects of the economic recession in the UK. However, such negative effects are global and are not unique to the UK alone. Globally, average participation in giving has fallen since 2007. The average participation in each of the giving behaviours (donation, helping a stranger and volunteering) has fallen since 2007. Participation in helping strangers stood at 47.0% in 2007, and fell to 45.1% by 2011. The equivalent figure for donations to charity was 29.8% in 2007, falling to 28.0% four years later. The decline for volunteering time was the largest of the three: from 21.4% to 18.4%.

While the phrase ‘a simple act of charity’ is a common aphorism, it is not a truism. As Oscar Wilde observed, ‘truth is rarely pure and seldom simple’. While individual charitable giving may be undertaken with pure intent, the motivation so to do is far from simple. As we have seen in this paper, charitable giving is enmeshed in a complex web of multiple determinants, such as age, sex, marital status, education, level of income.

The reasons why an individual chooses to give can also be counter intuitive, for example, in the matter of level of income. Proportionately, the less wealthy give more than wealthier individuals in the UK, exposing the mistaken belief that an act of charity is the means of redistributing wealth from the rich to the poor.

Clearly, there are many contextual forces at play (individually, locally, nationally and globally) at the point that the individual makes a decision to give to charity. Psychological and environmental factors affect frequency and amounts of charitable donations (Bendapudi, Singh and Bendapudi, 1996). Additionally, of course, the nature of the charity itself will affect that decision: a charity’s focus, reputation, worthiness, and so on. Research by Breeze (2011) confirms that charitable giving is not a simple act but that donors find it difficult to make decisions about charitable recipients.

It is acknowledged that the UK has an ageing population and it is perhaps unsurprising that the population of charitable giving individuals is likewise ageing.

What is of major concern is that younger generations are increasingly less likely to engage in charitable giving. Although younger children in primary school do engage in charitable giving, by the time they complete their secondary education these young people enter the age group least likely to engage in charitable giving and volunteering. The reasons for this change are not understood.

While it may be hoped that more radical suggestions for attracting young people to develop the desire to give and develop in them the habit of giving, such as through greater and more effective use of social media and mobile technologies, sustained efforts need to be made to understand the reasons for young people's reluctance to engage in charitable giving. The Citizenship Foundation has developed its *Raising a Giving Nation* project that has involved over 40,000 pupils. While this is a positive development, it does rely on schools opting into the project.

There remains a need for further coherent research to develop a more detailed account of donors' rationalities and motivations. The outcomes of such work will inform both policy-makers and fundraising practitioners and enable them to understand the characteristics and complexities of charitable giving, so that they avoid making erroneous assumptions concerning the meaning and motivation behind the decisions made by individuals about when, why, how much and to whom individuals give (Breeze, 2011). While tax incentives may result in motivating older wealthier adults who already have a desire to give to charity, an urgent priority academically, practically and politically should be to work with children and young people in order to develop the future generations of charitable givers.

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NOTE

The annotated bibliography produced by the systematic review of literature related to charitable giving and details of the systematic review may be found on the Jubilee Centre website at:

<http://jubileecentre.ac.uk/501/projects/other-research/a-simple-act-of-charity>