

The state of donation

Despite recessions the value of charitable donations has grown over the last three decades

GIVING MONEY IS a key part of the Big Society. Recent research by Edd Cowley and Sarah Smith of the ESRC Centre for Market and Public Organisation at the University of Bristol, and the Centre for Giving and Philanthropy, looked at long-term trends in charitable donations to consider how giving today compares with the past. The research used data from the Living Costs and Food Survey to carry out a comprehensive analysis of the main trends in giving to charity over the last three decades (1978-2008). The Living

Costs and Food Survey – originally called the Family Expenditure Survey (FES), which was combined with the National Food Survey in 2001 and integrated into the Living Costs and Food Survey in 2008 – captures giving among the general household population, rather than major donors. It also covers a two-week period and is thus likely to under-report the proportion of people who ever give to charity in a year. The main strength of using the survey is that it gives reliable, consistent information on charitable giving among the general

household population over a long period of time, allowing the researchers to examine the main trends in giving. It also has detailed information on household characteristics that can shed light on the drivers of change.

Looking at the long-term trends in giving the research finds the following:

- Fewer households give to charity now than was the case three decades ago – 27 per cent of households gave to charity in a two-week period in 2008, down from 32 per cent in 1978. More encouragingly, the year 2000 seems to mark a turning point in a long-term downward trend after giving reached its lowest point in 1999.

- Average donations have increased in real terms over the last three decades. An increase in donors giving compensated for falling participation rates. Looking at the whole population – including non-givers – they have more than doubled. Looking only at givers, they have gone up three-fold.

THE CONSTANCY OF GIVING

But measured as a share of total spending, households are giving just the same as they were in 1998 and 1988 (0.4 per cent). While the last 20 years have seen short-term increases in giving (in response to the Asian tsunami, for example, and in 2000) the spending share has been constant over a long period. The relative stability in giving as a share of total spending is good and bad news for the sector. Charities can rely on donors, even in times of recession, for example. The data shows that over the last three decades, the value of giving has typically grown in times of economic growth, but has not fallen at the same rate as the economy during recessions (although the research dataset does not extend to the end of the latest recession).

However, the evidence from the past indicates that achieving the kind of step change in giving suggested by the Giving Green Paper is likely to be a challenge. Over this period, there have been changes to tax relief such as the introduction of Gift Aid, changes to giving technology – Direct Debit and online – and changes to fundraising. These changes may have prevented giving from falling, but there is little evidence that they have had much of a positive effect on how much people give. ■

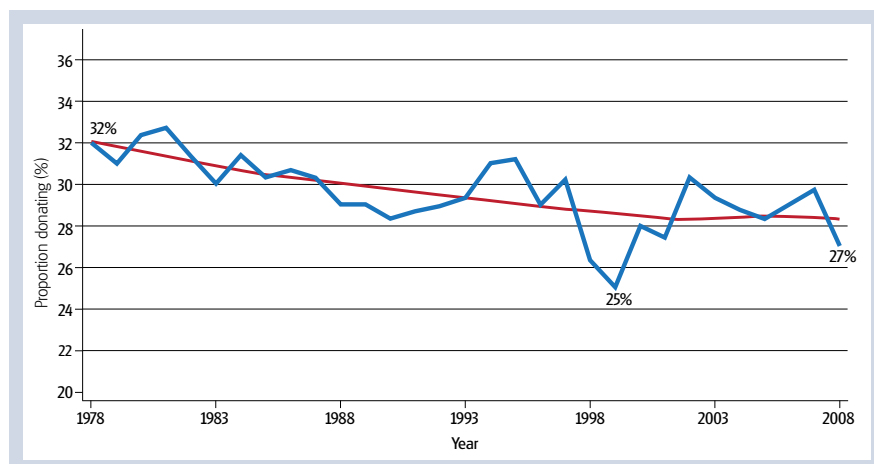


Figure 1: Proportion of households giving to charity in a two-week period

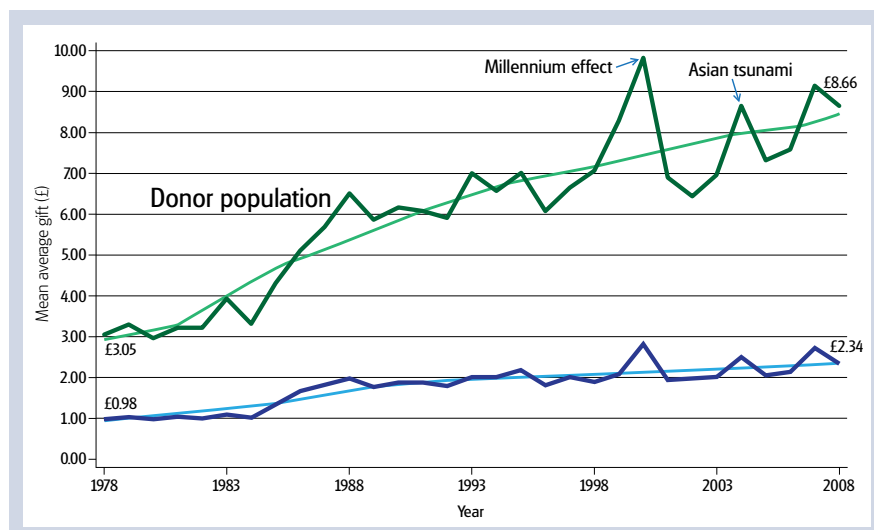


Figure 2: Average donations (£ per week)