

Giving, Philanthropy, Recession and The Future

While the findings of this year's annual UK Giving Survey may be disappointing, they are neither surprising nor specific to the UK¹. What can be interpreted from the survey is that trends in UK giving are neither clear cut nor predictable. Indeed the findings reveal some inconsistencies in patterns of individual giving. For example, while the survey suggests that there has been a reduction in the size of larger donations, it also finds that regular methods of giving², those typically associated with larger donations, are on the increase.

How can we interpret such contradictions? Simply put, they emphasise that patterns of donating and giving are mixed and varied. Giving and philanthropy are influenced by gender, occupation, income bracket and location as well as life experiences and values. Thought about like this, it is clear that people donate for various reasons, many not associated with or affected by how much money they have. While the broad patterns of giving indicated in the survey are insightful and will be beneficial in informing the marketing strategies and communication campaigns developed for and by UK charities, it should be remembered that broad trends often mask wide variations in behaviour, including giving behaviour.

An example of such variation is provided by the disproportionate impact which the large scale donations and philanthropic activities of high-net worth individuals and the foundations they establish can have on long term, sustainable economic and social change. The findings presented within the UK Giving Survey are useful for guiding the development of fundraising and other campaigns which target the UK population at large. However, as the findings are based upon data provided by the Office for National Statistics³, the survey cannot be used to provide an indication of patterns of high net worth giving and philanthropy. Indeed as noted in *The Coutts Million Pound Donors Report*⁴ while much is known about charitable giving within the UK, survey data is rarely able to collect information on the philanthropic efforts of high net worth individuals.

Within the current economic climate this is important – it may be that changes in the patterns of giving revealed by the 2009 UK Giving Survey are not mirrored in the patterns of wealth redistribution and philanthropic efforts of high net worth individuals and foundations. Some support for this has been provided by articles in

¹ 'Giving USA 2009: the annual report on philanthropy for the year 2008' Giving USA Foundation, 2009

² Regular giving is giving by direct debit which the UK Giving Survey 2009 finds has increased from 24% to 31%, 2008/9

³ The Results are based on data collected from a sample of 3,316 individuals representative of the UK population aged 16 years and over.

⁴ Breeze, B. (2009) *The Coutts Million Pound Dollar Report*, Centre for the Study of Philanthropy, Humanitarianism and Social Justice, University of Kent.

the media including Richard Branson's comments in *The Telegraph*⁵ and a piece on *Inquirer.net*⁶ reporting from Davos in January 2009. Both were enthusiastic about the stability of such philanthropy and the donations made to foundations despite the impact of the recession and large reductions in personal wealth experienced by many of the world's richest individuals. More recent support for this is provided by The Guinness family's creation of a new foundation, the 'Arthur Guinness Fund' which they are supporting with £5million.

While promising, such reporting has its limitations. It is often anecdotal and highly subjective. Even when the figures quoted are accurate, most media attention has concentrated on well known philanthropists and those with an almost 'celebrity-like' status. Take for example Bill and Melinda Gates, Bill Clinton, Bono, Muhammad Yunus and, most recently Jet Li of *Leathal Weapon 4* and *Shaolin Temple* fame. A further restriction of such reporting is its concentration on the large amounts of money given. This is despite research which suggests that high net worth philanthropists are often highly engaged in the redistribution of their wealth and draw upon a wide mix of resources - money, time, commitment, networks and reputation - to help encourage social change.

Given the potential impact which the philanthropic efforts of high net worth individuals can have on affecting large scale, far reaching and sustainable economic and social change, there is a imperative to learn more about these individuals, their giving behaviours and the foundations which they establish. Specifically it will be beneficial to complement existing secondary data such as that provided by the *Sunday Times* 'Rich List' and 'Giving List' with robust, reliable primary data collected from high net worth individuals and those responsible for the foundations which they establish.

CGAP researchers located at the Hunter Centre of Entrepreneurship together with colleagues across CGAP are seeking to address this gap in our knowledge. The Strathclyde investigation, 'Individual and Business Giving' seeks to build upon the emerging research literature⁷ which has considered high net worth individuals and entrepreneurial philanthropy. The research involves the creation of detailed profiles of those individuals and foundations involved in the UK philanthropy field and the

⁵ Branson, (2009) 'Charity mush not become a casualty of the recession', *The Telegraph*, January.

⁶ 'Jet Li, Clinton, Blair want your money', *Inquirer.net* January, 2009.

⁷ Bishop, M, Green, M, (2008) *How the rich can save the world -philanthro-capitalism*. Bloomsbury Press, New York.

Schervish, P. G. (2008) "Why The Wealthy Give: Factors Which Mobilize Philanthropy Among High Net-Worth Individuals" In A. Sargeant and W. Wymer (Eds) *The Routledge Companion to Nonprofit Marketing*. Routledge, New York and London.



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collection of rich and detailed primary data regarding contemporary approaches to and processes involved in individual and business philanthropy. Further details on the research can be found at: www.strath.ac.uk/huntercentre/research/ccgap