



Reasons to be cheerful

Despite the severe recession, Beth Breeze finds much optimism in the sector from a philanthropic perspective, with donors using the recession to analyse how they are giving, and showing commitment to staying the course

As we emerge out of recession, the dividing line between charity sector pessimists and optimists becomes clearer. Those who view the collecting tin as half-empty, will likely sigh even harder and claim that giving levels will be one of the last curves to rise because people have nothing to spare, still feel anxious or are just too mean. A lot of column inches have been devoted to the doom'n'gloom-merchants, accompanied by lurid headlines predicting 'black holes' in charity finances and promising that 'the worst is yet to come'. So this column is dedicated to those who see the collecting tin as half-full, with a round-up of reasons to be cheerful at the start of 2010.

Community philanthropy had its strongest ever year in the UK in 2008/09, with a 60% rise in the number of individual donors and an extra £33.5 million donated to support local communities through the national network of community foundations. Ten community foundations now manage funds for donors who've given £1 million or more. Seven-figure sums were also evident elsewhere, as 189 donations worth at least £1 million were identified in the 2009 Coutts Million Pound Donors report, produced by the University of Kent; 153 organisations were on the receiving end of these mega-gifts, which had a total value of £1.4 billion. The 2009 UK Giving report, produced by CAF/NCVO, found that most of the population still give (54%), two million people give £100 or more a month and collectively the public raised almost £10 billion for good causes in 2008/09.

The half-empty contingent may be itching to point out that the Million Pound Donors and UK Giving figures represent a decline on the previous year, but dips after extraordinarily good results need not necessitate such teeth-gnashing. Half-fullers can celebrate the rich harvest of 2006-8 and rejoice that UK philanthropy appears to be recession-resilient, if not recession-proof. That view underlines the comments of a number of up-beat sector commentators whose views on the twelve months ahead appeared in a Philanthropy UK bulletin in January. Richard Harrison, director of research at CAF reported that December 2009 saw the second highest number of new charity bank

accounts opened, which bodes well for a recovery in 2010. The higher rate tax change due this April should bring more good news for philanthropy, as Richard says: "We are already seeing some trust clients holding off putting funds into their charitable trusts. They want to take advantage of the new 50% tax rate that will apply in the new financial year. After April we may see a rise in giving from some major donors." A further good sign appears in recent CAF research, showing many people (44%) think a post-recession society will have a greater appreciation of the role that charities play, making 2010 a good time to ask for donations.

Helen Cable, project manager at The Big Give, has plenty of reasons to be cheerful, as their recent Christmas Matched Funding Challenge raised £8.5m for 175 charities, exceeding their target of £6m. And Jessica Sklair, director for research at the Institute for Philanthropy, completes the triumvirate of positive thinkers. "Our research shows donors are committed to staying the course. Donors and nonprofits are taking the opportunity in the recession to stand back and analyse how they have been giving, to take a more strategic approach." Finally, the terrible devastation and suffering in Haiti has elicited a sadly necessary but encouraging response. In a terrible echo of the Asian Tsunami, which occurred on Boxing Day 2004, this cataclysmic disaster happened at a time of year when most people have little cash to spare. Yet the Disasters Emergency Committee appeal raised £50 million in two weeks, and many other initiatives are taking place to raise funds for the same cause. This dreadful tragedy appears to show that when people have a compelling reason to give, and have trust in the organisations asking for funds, they will still respond. The recession has been tough for many people in the UK, but donors know it is still a hell of a lot tougher for many other people. There's nothing cheerful about the extent of need that exists, but we can – and should – be more confident of our ability to respond to that need.

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