



CGAP

Centre for Charitable Giving
and Philanthropy

Social trends and household giving to charity

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“Institutions of giving” research

What are the determinants of giving?

- Previous studies have established important links between socio-economic characteristics and the act of donating to charity
- Clear links between income and propensity to give
- Less clear correlation between income and relative generosity
- Research in other fields such as social psychology has shown values, attitudes and other pro-social behaviour to be factors too.
- Challenge to bring multiple perspectives together

What are the determinants of giving?

Living Costs and Food Survey (LCF) as valuable and under-used data source on household giving

Precedents:

- Jones and Posnett (1991)
- Banks and Tanner (1997, 1999)
- Extensive literature in the US looking at giving by income and wealth, age, gender, ethnicity, ...

Aims of the current programme

To reassess giving for the period 2001-2009, looking at:

- age
- income and socio-economic group
- seasonal variation and trends over time

To enrich the Banks & Tanner model, specifically looking more at:

- measures and determinants of “generosity”
- household type (reflecting social change since the 1990s)
- sub-regional patterns and ethnic background

Methodological challenges

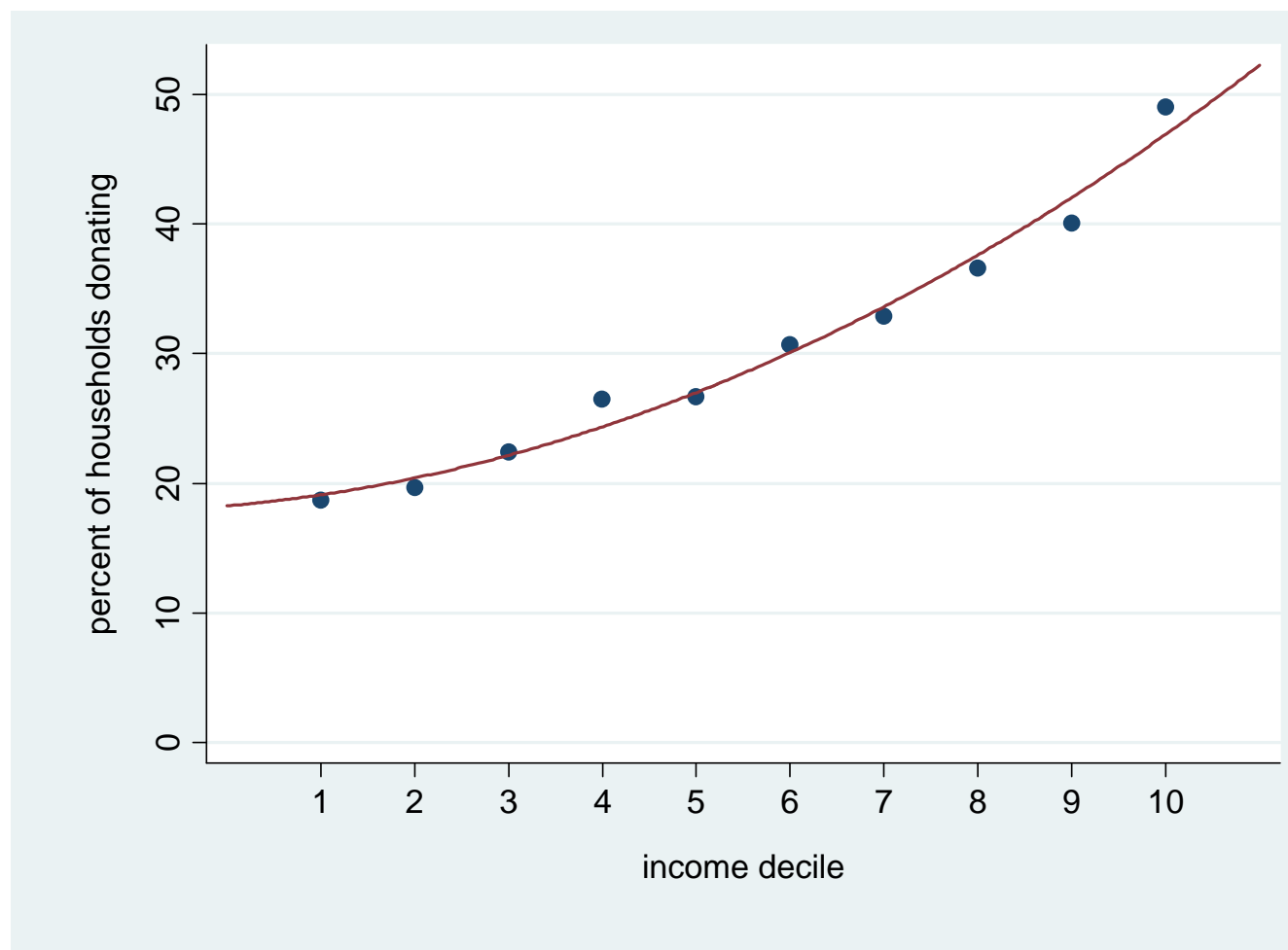
- Data at household level; decision to donate may be agreed by the household or made by individuals within the household
- Pooled cross-section (survey available in yearly cross-sections)
- Changeover from financial to calendar year in 2006
- Issues of confidentiality

Key figures

- 2001-2008 dataset contains observations from 52,000 households
- 15,750 of these households donated to charity (30%)
- The average amount donated was £7.94* per week (£5.67 in 1993)
- The median donation was £2.73 per week (£1.70 in 1993)
- The average amount given by a donor household rose by 54% in real terms from £6.06 per week in 2001 to £9.34 per week in 2008 (peak of £9.50 in 2007)

*Figures on this slide have been converted to May 2010 £

Higher income = more likely to give

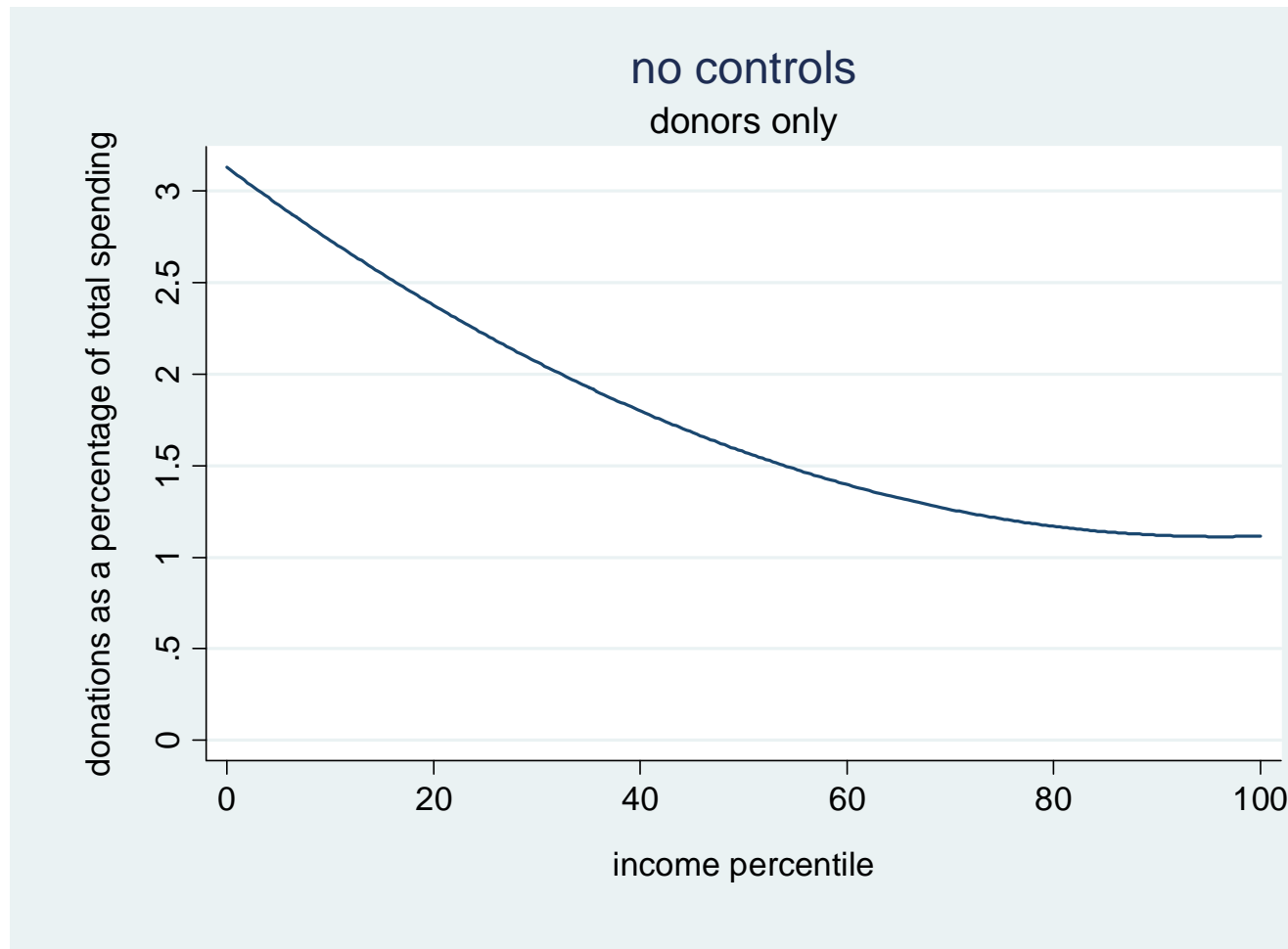


Generosity and income

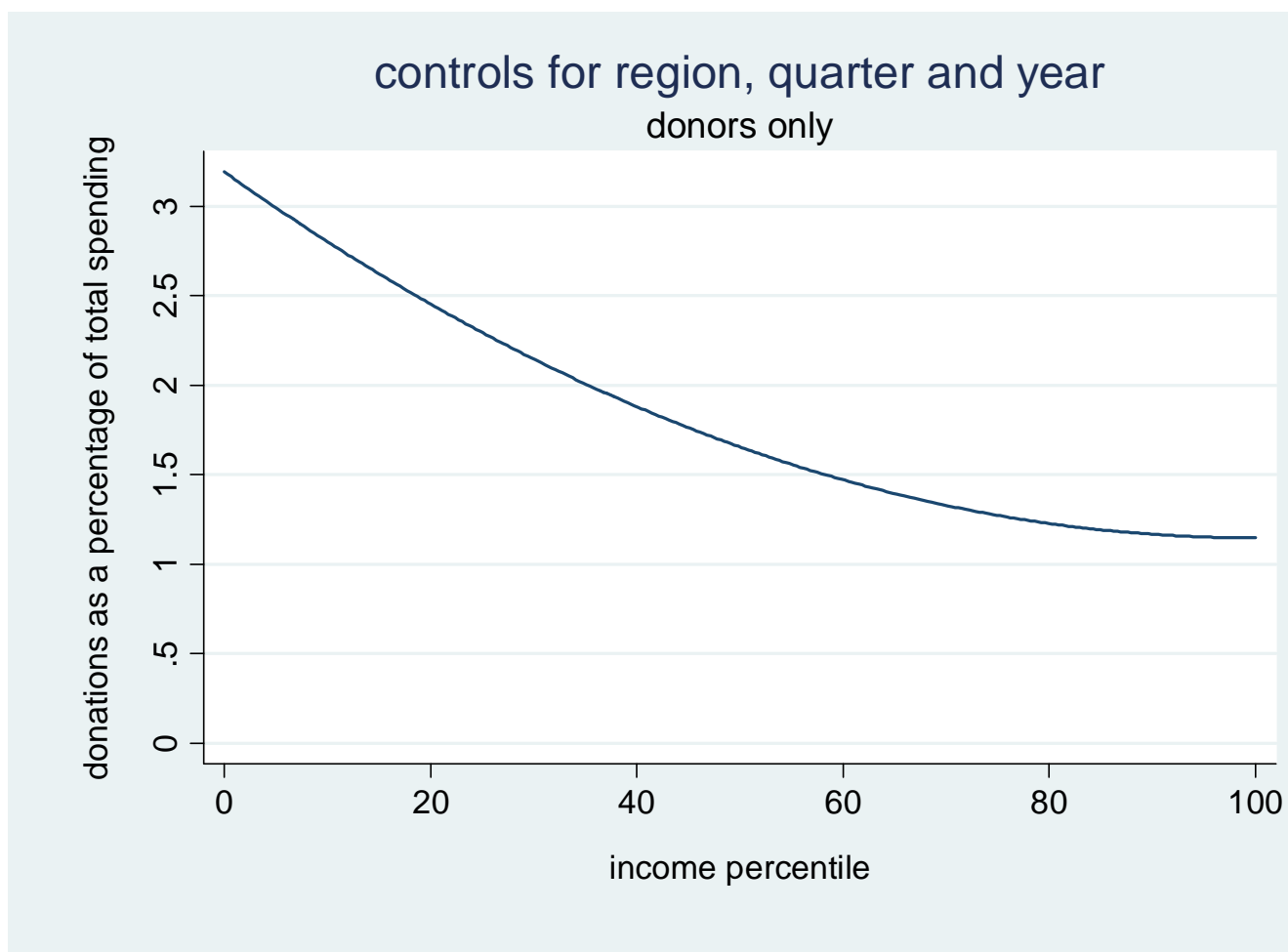
Is “generosity” linked to income?

- The direct relationship between income and *relative* amounts given is negative – people on higher incomes appear less generous
- This relationship holds across time and region
- But when controlling for other factors, the pattern changes:
 - much of the income-generosity pattern can be explained by age (older households have lower incomes and are more generous)
 - much of it can be explained by the numbers of adults living in the household (extra adults in the same household mean higher income but larger households are less likely to donate)

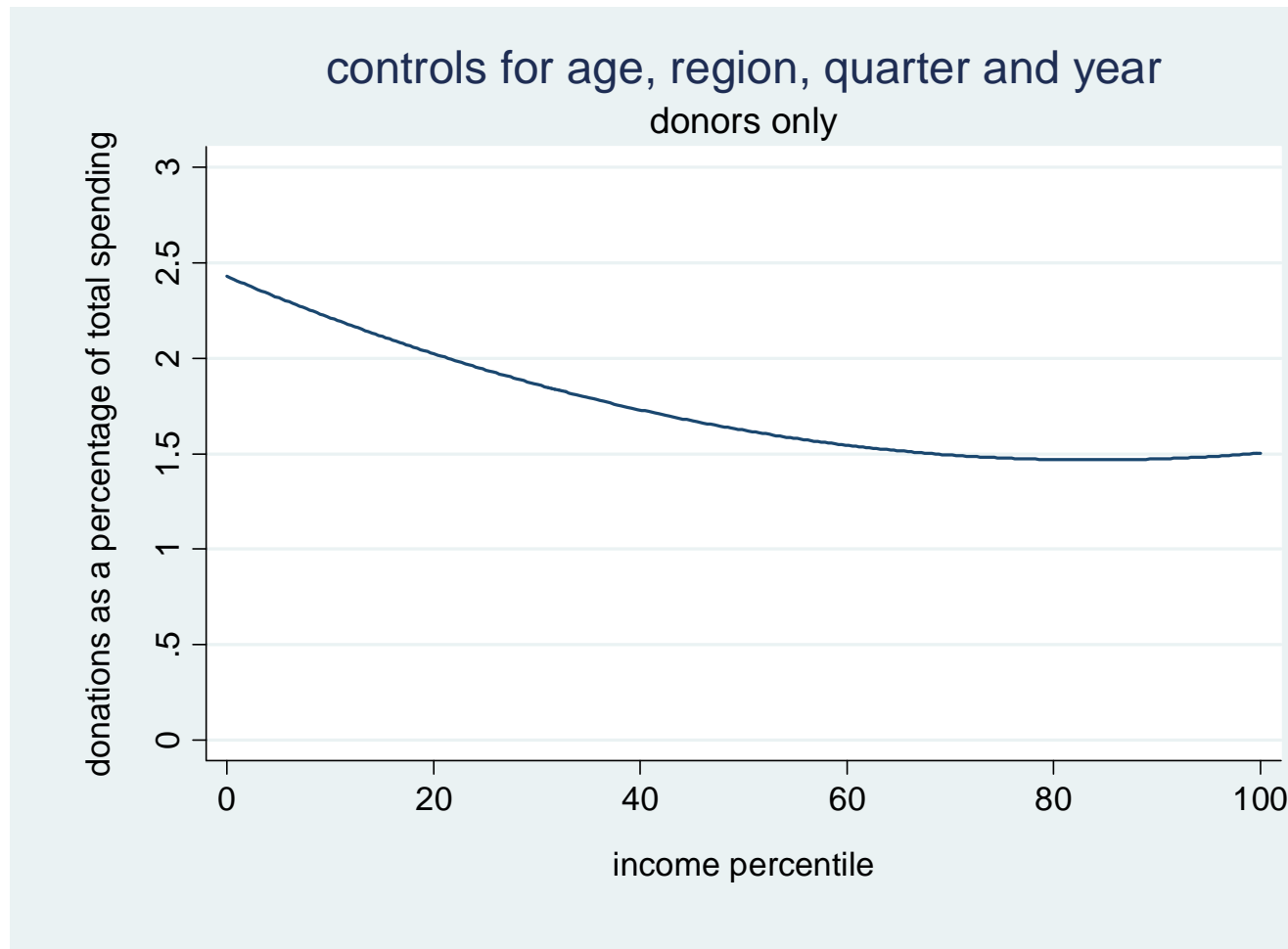
Generosity and income: the direct link



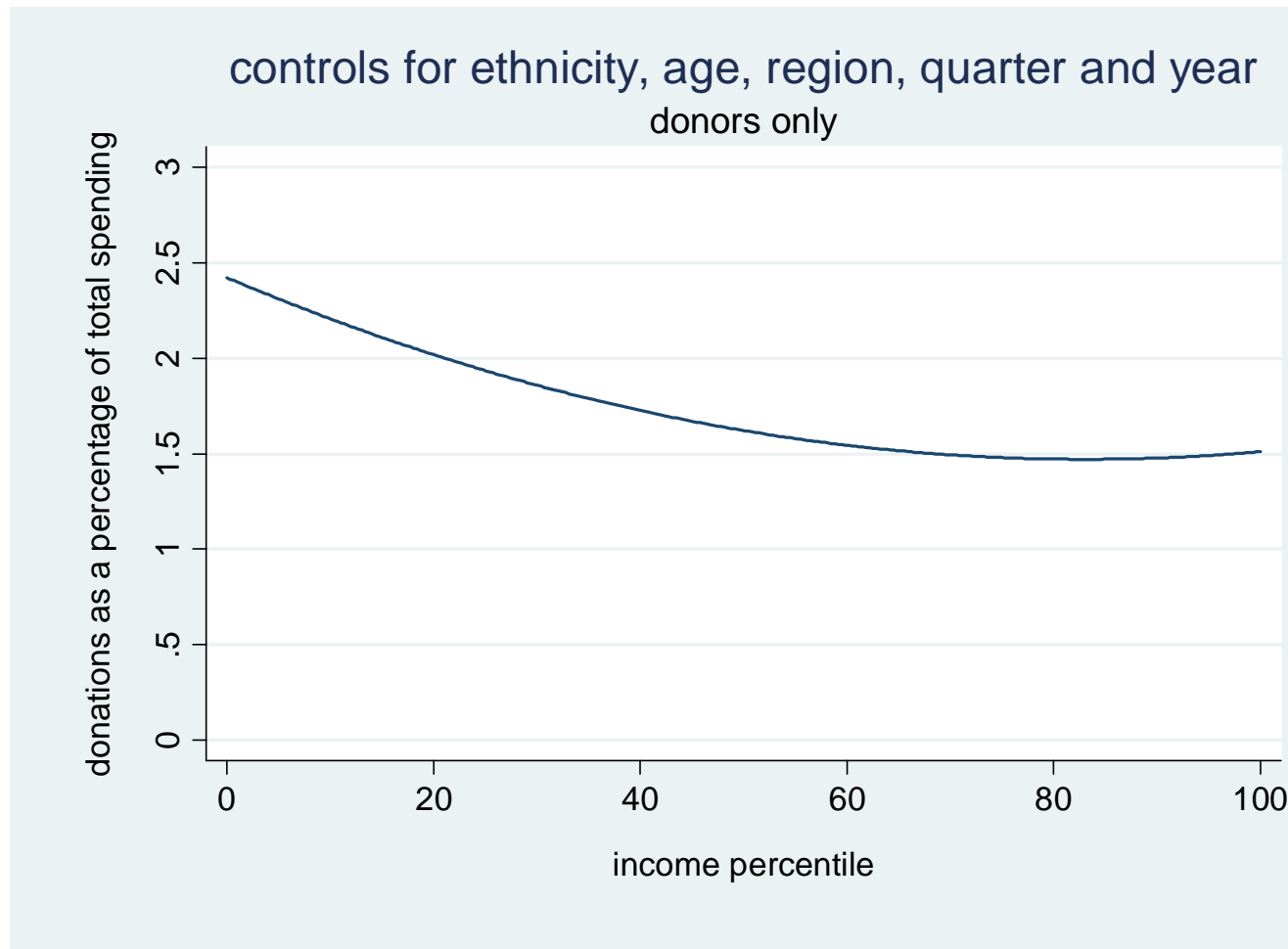
Same pattern across space and time!



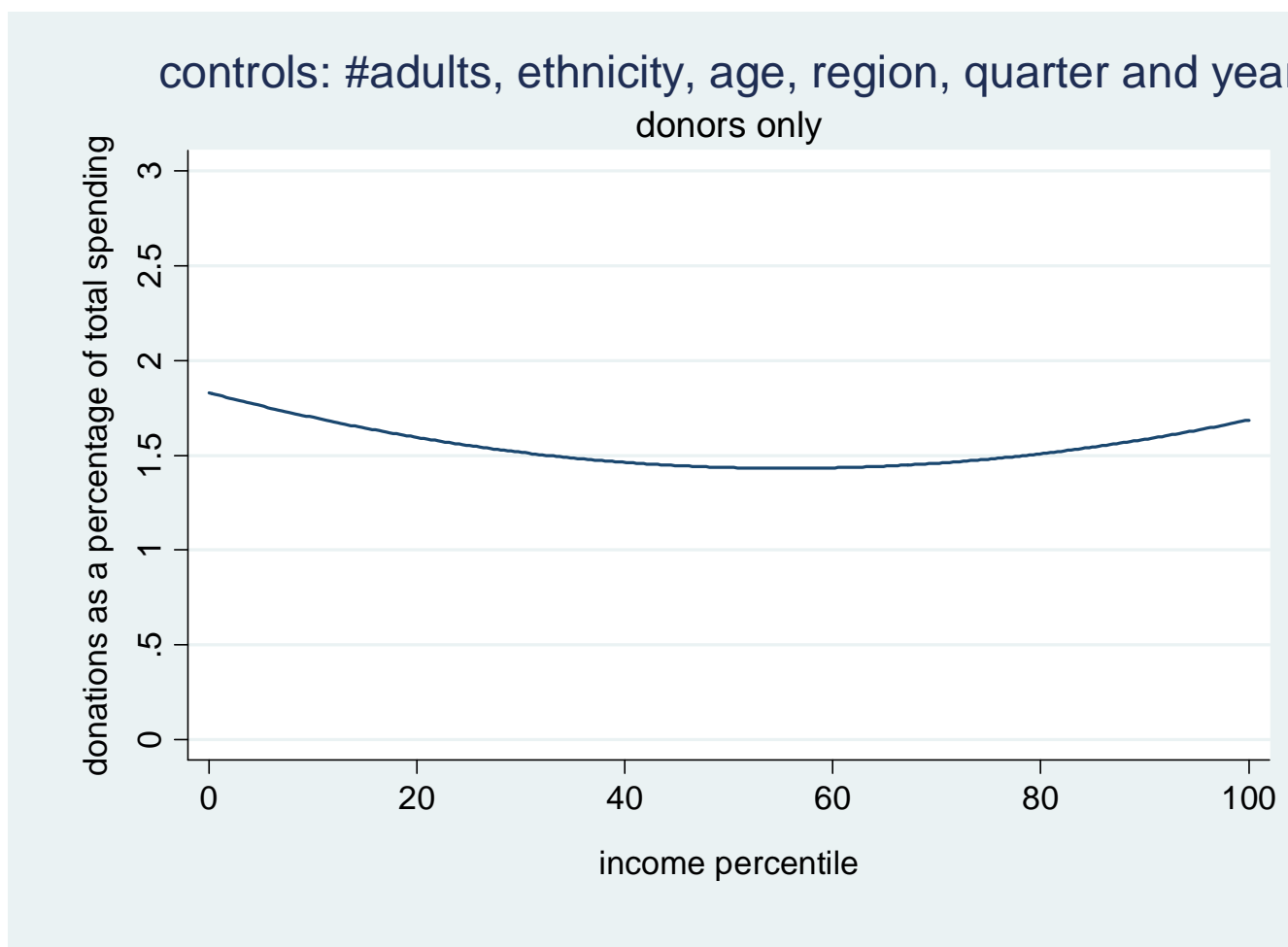
Generosity/income: a question of age?



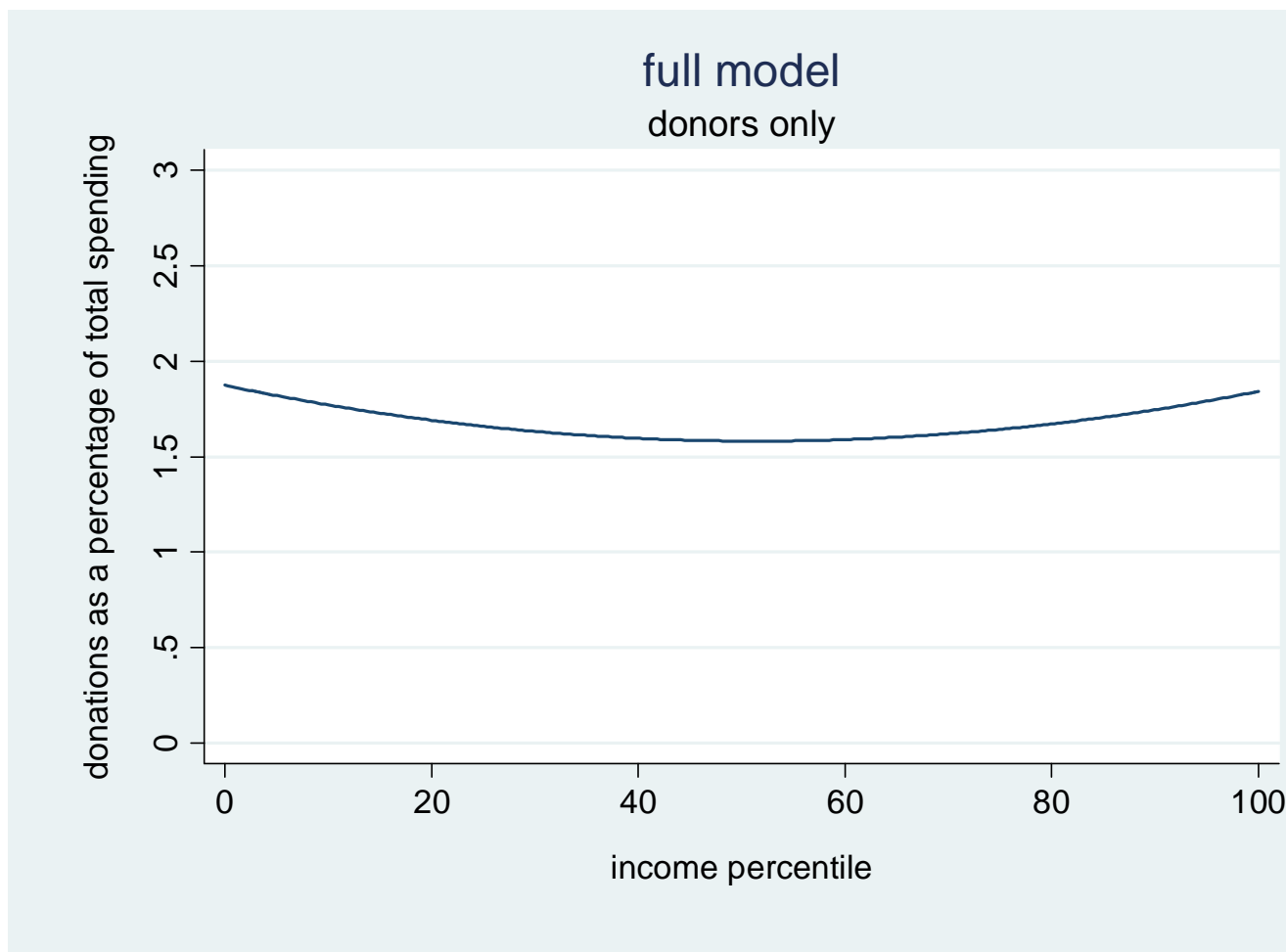
Ethnicity makes little difference...



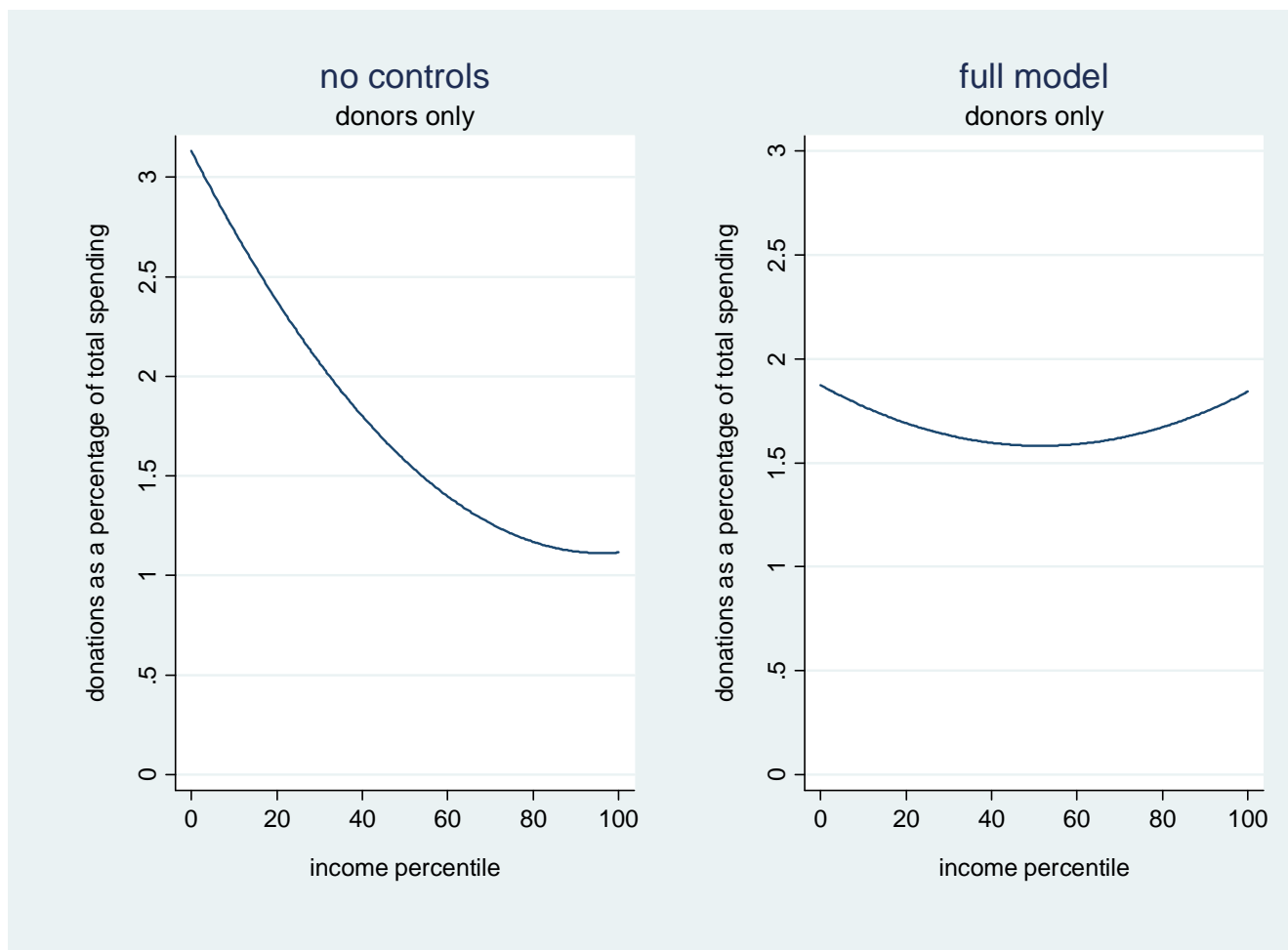
Size (number of adults) does matter!



Other characteristics less important...



In summary:

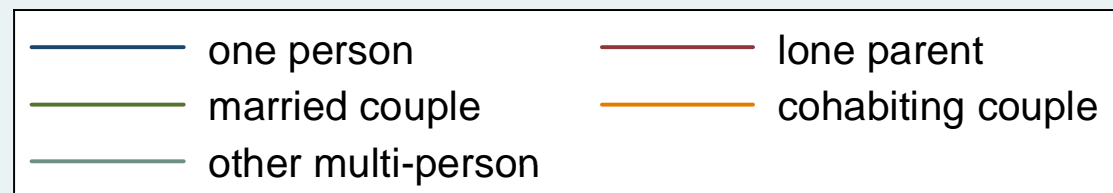
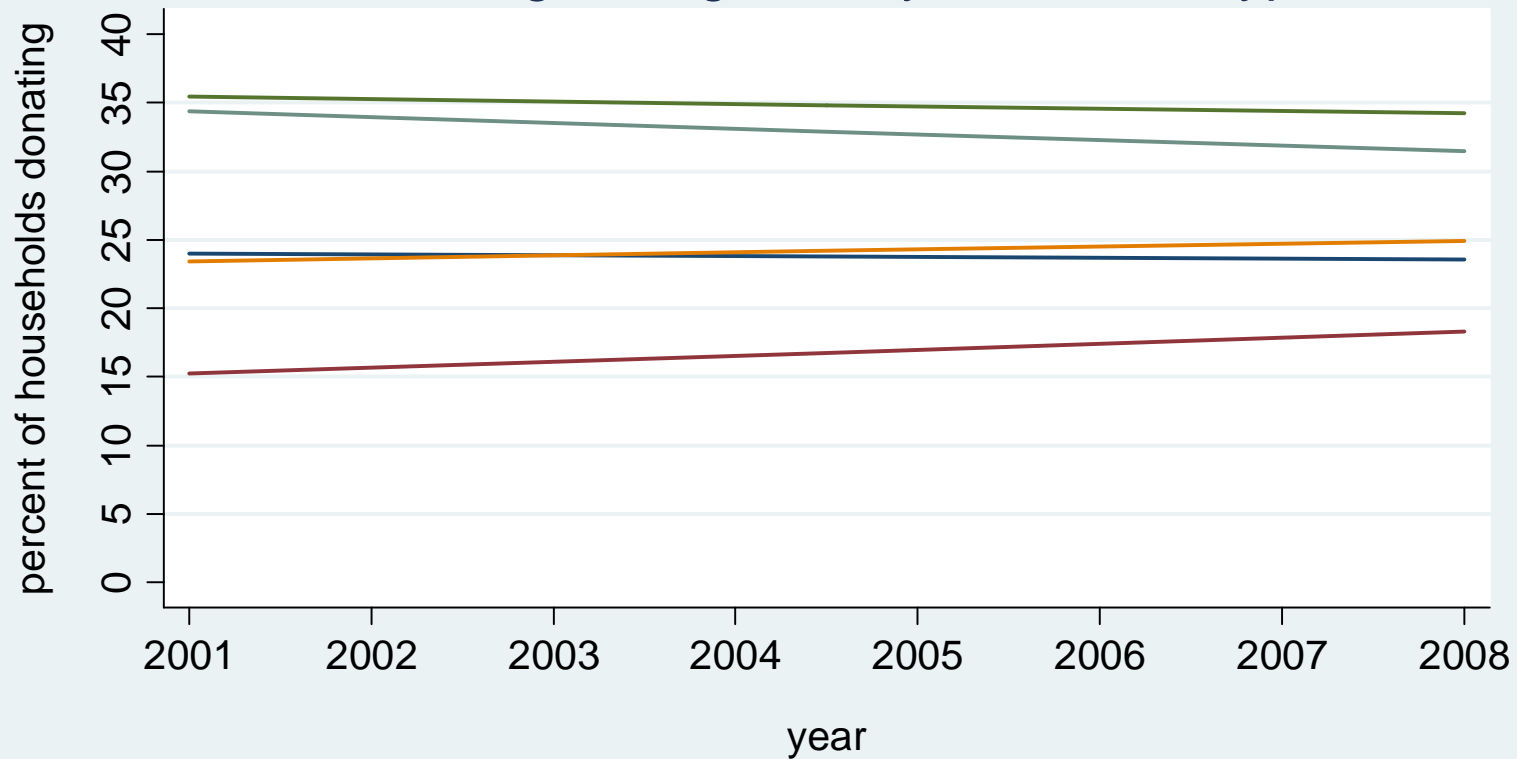


Household structure and giving

Household structure and giving

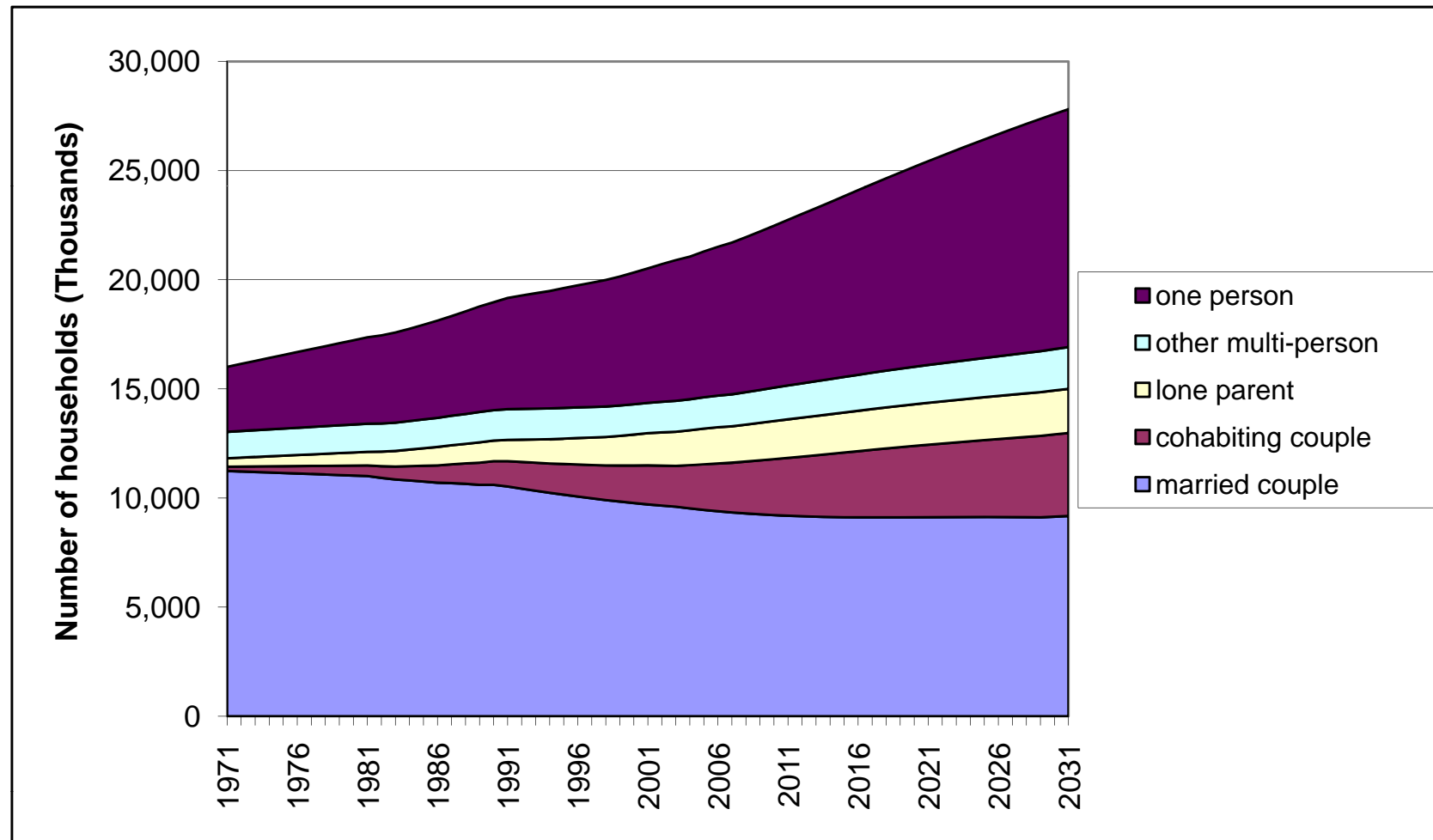
- The type of household (married couples, families, single-person households) plays a role in its propensity to give
- Relative numbers of the different household types in the population are changing over time
- How is this affecting the overall level of giving in the population?

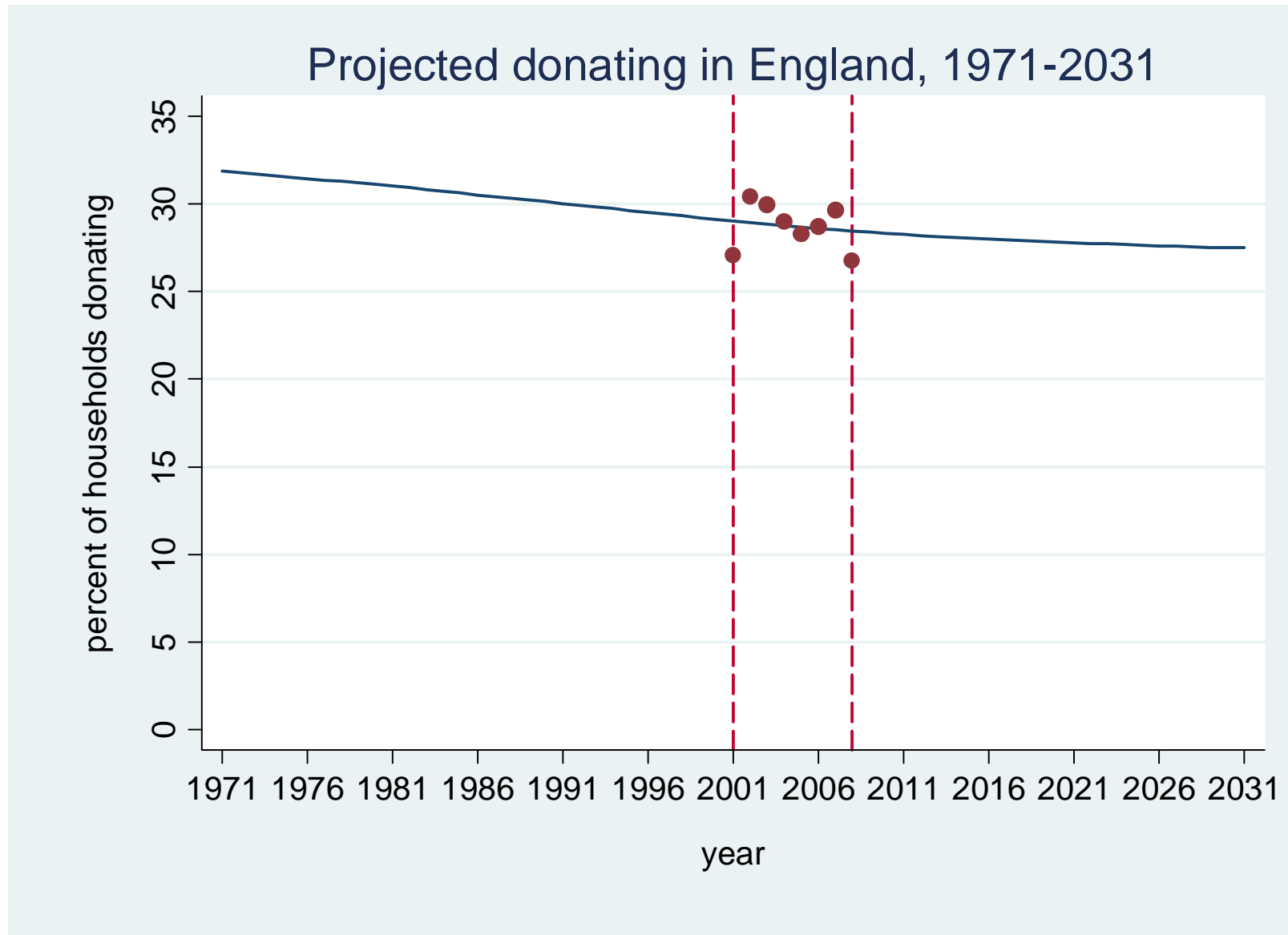
Donating in England, by household type

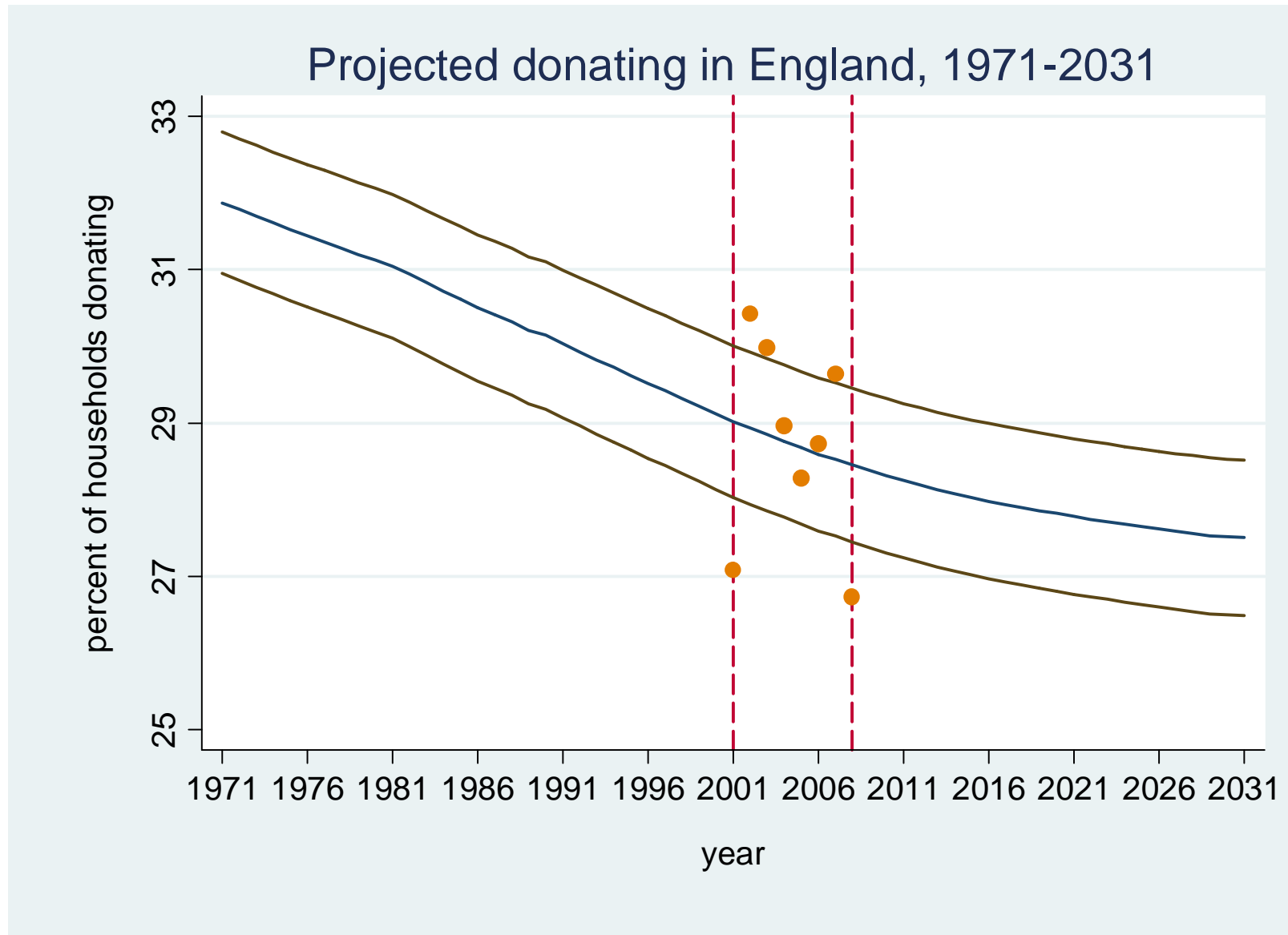


Household estimates and projections by household type, England, 1971-2031

Source: ONS population projections, table 402.







References

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