By 2014 charitable giving in the UK will have doubled.

This is the vision of The Giving Campaign – what can you do to make it happen?
Foreword

Charities do so much already with their limited resources, they could do much more if their resources were to increase.

This document has come out of the experience garnered during the three year lifetime of the Campaign. It draws on ideas that have come from within the Campaign, or that have been stimulated through discussion and debate with a broad range of stakeholders.

It is widely recognised that the voluntary sector plays a key role in our society. Its work brings immense benefits to the disadvantaged in particular and to our society as a whole. Charities do so much already with their limited resources; they could do so much more if their resources were to increase.

It is with this in mind that we challenge the stakeholders in our society – the voluntary sector, the corporate sector, the Government, the media, the financial services industry, the wealthy and the not so wealthy – to work both individually and together to double the level of individual giving.

We at the Giving Campaign have made a start in developing a stronger culture of giving. But what we have done is only the very beginning. A great deal more needs to be done over the next ten years to achieve this target but based on what we have learnt, we believe it can be achieved.

Whether it’s benchmarking your personal giving to reflect your wealth, or charities improving the service they give to their donors, or financial advisers offering technical help and support to their clients, we all have a part to play. This Blueprint can only work if everyone plays their part.

The Council for Charitable Support, co-ordinated by the Charities Aid Foundation, will continue to monitor our goal. What a difference it will make to our society if together we can meet this challenge and create a culture of giving which will double the level of individual giving over the next ten years.

Joel Joffe
Chair, The Giving Campaign

Amanda Delew
Director, The Giving Campaign
The Goal

The Giving Campaign was launched in July 2001 with the ambitious goal of encouraging a culture of giving in the UK. Its aims were to encourage more people to give to charity in a tax-effective way and to increase total giving by half a billion pounds during the three year life of the Campaign. We made significant progress against these objectives. So, as the Campaign closes, we are setting an even more ambitious goal. The new challenge is to double charitable donations in real terms over the next ten years.

Doubling charitable giving is a formidable target. But we know it can be achieved because currently only two thirds of adults donate to charity each year and only a minority of these gifts are planned and tax-effective. Furthermore, amongst households who donate, the poorest fifth, who cannot really afford it, give on average 3% of their household expenditure while the richest 20%, who can afford it, give only 0.7%.

Key to meeting the goal is to influence the better-off to give, and to do so at a level commensurate with their incomes and wealth (by ‘better-off’ we broadly mean higher rate tax payers and not just the very wealthy). We suggest a benchmark for giving of 1.5% of income on average with the percentage for the better-off going upwards according to their income and wealth and going down for those who cannot afford it.

In parallel with the focus on the better-off giving a great deal more than at present, a culture of giving must be secured by developing the committed givers of the future through influencing younger people to volunteer and fundraise so that it becomes natural for the next generation to give money as well as time, when they can afford to do so.

At present the proportion of people under thirty years engaging with charities is continuing a twenty year decline. This decline needs to be arrested and the average age of a charity donor lowered from its present all time high of fifty five years.

Reaching the ambitious goal of doubling charitable donations in ten years requires the efforts of everyone who gives money, asks for funds and influences others ability to give. This Blueprint sets out how to do it. It is time for all givers, askers and influencers to rise to the challenge.

How can this be achieved?

The Giving Campaign brought together leaders from the voluntary sector, business, Government, the media and academia to consider, building on the work of the Campaign, the next steps to encourage a culture of giving in which it would be natural for everyone in our society to give what they can afford for the benefit of the disadvantaged and society as a whole.

We have formed the view that there is no single big idea that will dramatically change the culture of giving in the UK, and that the way forward lies with a set of targeted initiatives.

Setting a benchmark

People belonging to faith groups are able to base their giving around a norm well understood in their community. For example, the Church of England recommends that its congregation tithe, giving 5% of their income to the Church and 5% to other good causes.

Secular society does not provide a norm and it is clear that many donors wishing to give have no idea of what is a reasonable amount to give. What wealthy people in particular tend to do is to apply absolute amounts when giving, rather than relate their donations to their income and wealth. As a result, they are normally far less generous than poorer people when their giving is expressed as a percentage of their income.
What individuals could do...

Give at a level they can afford
The amount that any individual can afford to give is a matter that only that individual can decide upon. However, the UK’s historically low level of giving, especially in comparison to the US, is partly due to people’s misconception of their own wealth and ability to give.

Questioning our conviction that we cannot afford to give to charity is important to reach the goal of dramatically increasing the money available for good causes. If each of us, especially the better-off, answers honestly the question, ‘Can I afford to live on 98% or 99% of my income and give 1% or 2% to charity?’ we may be prompted into making gifts that better reflect our ability to give.

Another way of looking at the affordability of giving is to compare it with the amount spent on other goods. The average household spends over £11.40 a week on alcohol and tobacco and a further £3.70 on gambling. Meeting the suggested benchmark of giving 1.5% of income would mean weekly charitable gifts of around £6 for households on average incomes. The table below shows how much people would donate each week, month or year if they follow the suggested benchmarks.

<table>
<thead>
<tr>
<th>Annual income</th>
<th>How much would giving away 1.5% of that income be each</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Week</td>
</tr>
<tr>
<td>£15,000</td>
<td>£4.33</td>
</tr>
<tr>
<td>£20,000</td>
<td>£5.77</td>
</tr>
<tr>
<td>£25,000</td>
<td>£7.21</td>
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<tr>
<td>£30,000</td>
<td>£8.65</td>
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<td>£40,000</td>
<td>£11.54</td>
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<tr>
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<td>£14.42</td>
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<tr>
<td>£75,000</td>
<td>£17.31</td>
</tr>
<tr>
<td>£100,000 (2%)</td>
<td>£38.46</td>
</tr>
<tr>
<td>£200,000 (2.5%)</td>
<td>£96.15</td>
</tr>
<tr>
<td>£500,000 (3%)</td>
<td>£288.46</td>
</tr>
</tbody>
</table>

n.b. These figures show the suggested donation before it has been enhanced by any tax relief.
Move from spare change to planned giving

Giving in the UK tends to be reactive rather than planned. The most popular method for donating money to charity involves throwing loose change into collecting tins in public places, in pubs and on door-to-door collections. One in five of us give to street collections but only a tiny 2.9% of total donations are accounted for by these spontaneous gifts. This is because collections are designed to attract coins rather than notes and do not reflect each person’s ability to give. Individuals need to be encouraged to continue offering such donations, but in addition should consider making planned gifts through payroll giving, direct debits or standing orders to their favourite charities. Legacies also offer a long-term way to make significant and tax-effective donations.

Planned giving means working out in advance what portion of income can be afforded.

Ensure all giving is tax-effective

More and more donors are using Gift Aid to make their gifts tax-effective. During the lifetime of The Giving Campaign the number of donors using Gift Aid rose from 20% in July 2001 to 31% in July 2003. The amounts generated through Payroll Giving rose from £55 million in 2001 to £86 million in 2003. Share Giving and Legacies have both shown growth in recent years, but clearly a large amount of available tax relief is still unclaimed on charitable gifts. As all reliefs include additional benefit to higher rate taxpayers they would naturally wish to ensure their giving is used to maximum advantage.

Consider establishing a personal Charitable Trust

Those who can afford it should consider endowing a personal charitable trust with a percentage of their wealth and get the benefit of substantial tax relief. A trust is an excellent vehicle for planned giving and allows the donor to stop worrying about how much to give away and instead enjoy making decisions about how to distribute the accumulated funds to favoured good causes. Facilities such as the CAF Account offer similar flexibility for people with high incomes, but less accumulated wealth.

Be open about charitable giving

British reticence about all things money-related leaves most of us unaware of the charitable giving of our closest family and friends. Individuals should be prepared to speak more openly about their charity giving, not in order to flaunt their generosity, but using their positive experience, to encourage family and friends. In addition, existing donors have an important role in ‘asking’ their peers to support causes, as they know who may be most able to give.

A trust is an excellent vehicle for planned giving.
What charities could do…

Be more open and transparent with donors
The changing face of fundraising means that donors expect their money to be used effectively and for the impact of the charity’s work to be clear. We urge charities to work together to challenge the traditional attitudes of donors to the reality of core costs and fundraising costs. Charities need to help donors understand the complexity of providing services and campaigning in today’s world. Engage donors more, where possible, by:

- Involving donors more in the charity’s work.
- Recognising the contribution of major donors, through offering to associate their names with a project, or responding positively if asked.
- Organising visits to see the charity’s work on the ground, enabling potential donors to gain first-hand experience.
- Asking for bigger sums of money from those who can afford it, which recognises both their ability to give and the depth of their concern for the cause.

Work together for the benefit of the voluntary sector
Individual charities are not well placed to deal with many pressing issues of the day, such as public trust and confidence in the sector. However, these matters are of increasing interest to the public and are best tackled collaboratively. Ideally, we see charities starting to work together more, as seen in the successful Legacy Promotion Campaign, to fund initiatives that will benefit the whole sector. Thirty charities funded The Giving Campaign directly, and thanks to their commitment, we were able to achieve more than was originally envisaged.

Promote tax-reliefs to their donors at every opportunity
Research estimates that only a minority of donations were made tax-effectively in 2002. Changes in the 2000 Budget make it easy to reclaim tax on every gift given by a UK taxpayer. Many charities are failing to make the most of these reliefs. The Campaign developed a wide range of free materials explaining how to take advantage of the tax reliefs. These materials are still available from organisations such as the Inland Revenue, Directory of Social Change, the Institute of Fundraising, Charities Aid Foundation and National Council for Voluntary Organisations. Each item can also be downloaded from The Giving Campaign’s website www.givingcampaign.org.uk, which is being maintained by the Inland Revenue until March 2005. Charities can ensure they are doing all they can by:

- Appointing a member of staff or trustee to take responsibility for assessing the charity’s use of the tax reliefs.
- Training all staff and volunteers involved in fundraising to understand tax-effective giving and to promote the tax reliefs comfortably.
- Achieving a minimum standard of 75% of eligible committed donors signing up to Gift Aid (recent research suggests the average is 45%)\(^\text{16}\).
- Using the availability of the tax reliefs to influence donors to give larger donations than they would have given without such incentives.
Invest in major gift fundraising
Unlike fundraisers in the US, British charities have only recently, and slowly begun to invest in fundraising methods that target the very wealthy and to ask for major gifts. Too many charities still rely on direct marketing techniques to reach out to potential donors. We now live in an era of individualised and tailored marketing where organisations invest in building relationships with their potential customers. Charities also need to invest in developing personalised, meaningful relationships with those whose support they seek.

Invest in the training and development of trustees
Trustees have a lead role to play in ensuring successful fundraising but many are unaware of the need to fulfil this duty. Charities could unlock the contribution of their trustees by:

- Emphasising the trustee’s duty to understand the issues affecting their charity’s income, the costs of investing in fundraising, the various forms of fundraising and what they can do to help increase voluntary income.
- Asking trustees to review fundraising strategy at least once a year.
- Involving trustees and their network of individual contacts in the solicitation of major gifts.
- Encouraging trustees to support their fundraisers wherever possible and to fundraise themselves if they can. Using The Giving Campaign booklet ‘Fundraising and Trustees – the essential guide’ for support.

Engage young people
Given the demographic profile of the average charity supporter, it is unsurprising that many charities focus their fundraising on older people. However this is a dangerous strategy in the longer term as the next generation of givers is not being nurtured and inculcated with the giving habit. Charities can engage young people by:

- Removing the barriers between the fundraising and volunteering functions. There is a clear link between freely giving time and subsequently giving money. While many young people may not be in a position to offer financial support now, they may very well be able to do so (and want to do so) in the future.
- Building capacity to involve young supporters in campaigning, volunteering and other non-financial methods of support so that they are receptive to requests for money once they are in a position to give.

There is a clear link between freely giving time and subsequently giving money.
What Chief Executives of public and private organisations could do…

Corporate philanthropy in this country has been traditionally very low. Donations from business are the only source of income to the voluntary sector to have declined in real terms in the last 10 years. The challenge to businesses both large and small is to realise the benefit that encouraging their employees to give and giving themselves has real benefits for the organisation and the communities in which they work.

There are two things that employers can do to make a difference, the first is giving money, goods and time and the second is to actively support workplace giving.

Provide leadership

Research shows that employees are more likely to participate in fundraising activity when chief executives and board members are visibly and enthusiastically engaged with the companies’ charitable efforts. Workplace giving is only successful if vigorously promoted within a company on an on-going basis. Chief Executives can lead by:

- Committing the company to working towards a 10% participation rate in Payroll Giving and reporting progress openly to industry bodies, such as Business in the Community, and to their own employees.

- Matching individual donations has been shown to have a positive impact on the number and amount of donations made by employees.

- Investigating ways to make corporate donations, using the generous tax reliefs available to enhance this giving.

What Government could do…

The government has made a major contribution to encouraging more charitable giving in the UK through the introduction of a more generous tax regime for charitable giving in Budget 2000 and its support of The Giving Campaign. Subsequent budgets have continued to include ideas and initiatives, which continue to refine and improve the tax reliefs. However, government could build on this by exploring new ideas.

Review charity tax reliefs to ensure they are as effective as possible

- Simplifying the processes for claiming tax relief.

- Assisting the development of charity financial products.

- Investigate the creation of new charity giving vehicles that would encourage giving. The creation of Charity Remainder Trusts, for example, may prove as popular an initiative here, as it has in the US.

Investigate ways to foster more opportunities for planned giving

Over the years various initiatives to incentivize saving have been introduced by government. We believe there is potential to use these to encourage a habit of giving. It might be possible to allow additional tax relief to add money for charitable purposes.
Continue to support Giving-Nation
Young people are key to The Giving Campaign’s vision of a culture where it is natural to give time and money. Giving Nation was designed to fit within the citizenship curriculum and help 11-16 year olds to understand and participate in giving time, money and voice. It aims to build the next generation of committed givers. Government has become a generous supporter of the project, through both the Department for Education and Skills and the Active Communities Directorate. We urge the government to maintain this support for the years ahead and to ensure the long-term future of this well-regarded and effective programme.

What the Financial Services Industry and professional advisers could do…
Many people rely on the financial services industry to advise on and manage their financial affairs. Each day financial advisers, accountants and lawyers have thousands of interactions with their clients, which makes them potentially significant ambassadors for planned, tax-effective giving. There is no doubt that donors welcome help in ensuring their giving is as efficient and effective as possible.

Make information and advice on giving an integral part of their work
Individual financial advisers and other professional advisers could carry this work on by:

• Including a question about giving to charity in the preliminary ‘fact find’ conducted with new clients.
• Informing clients about tax reliefs on charitable giving as an integral part of their customer services.
• Encouraging clients to periodically review their giving.

Innovate to develop new ways of giving
The sector could consider:

• Developing new products that make it easy for people to give to charity.
• Providing training and information on charitable giving for all working in the industry.
• Investigating the opportunity for new charity financial products.
• Testing new concepts and vehicles for giving.

Encourage clients to consider including charitable gifts in their Will
Only 4% percent of the population leave a charitable Will and yet legacies raised £1.3 billion for charities in 2003\(^3\). It is likely that many more people would leave legacies to charities if they were invited to consider this option at the time of writing their Will. The Law Society could investigate encouraging solicitors working in probate to include a question about charitable gifts when discussing Wills with clients.

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What the Media could do...

The media has an important role to play. Whilst we recognise that in many ways they reflect the attitudes and norms of their readers, viewers and listeners, they also can have a positive role in shaping and educating them. The media already makes a valuable contribution with their Christmas appeals, initiatives like the Sunday Times Giving Index and the occasional spectacular like Comic Relief and Sports Relief, but it could play a far bigger role in supporting giving in the UK.

Promoting positive images of philanthropy

We call upon the editors of the national newspapers, the governors of the BBC and the Chairmen of the main independent broadcasters to commit their organisations to review not just what they themselves give, but how their editorial policies can reflect the involvement of so many people in giving – of both time and money. We are not asking for special favours for charities, but for the media to reflect and promote the benefits the charitable sector brings to our society through the people who work in and contribute to it. This could be done by:

- Running more stories on what modern charity really does.
- Offering free infomercials.
- Promoting positive role models, making giving as much a part of life on TV, radio and newspapers as it is in real life.

Continuing the work of the Giving Campaign

The Giving Campaign closed in June 2004. The Council for Charitable Support, co-ordinated by the Charities Aid Foundation (CAF), will take on monitoring the work of the Campaign and the projects that have sprung from it.

- CAF itself has taken over the development of charity financial products (under the management of Terry Bryan), and working with the financial services industry as well as professional advisers.

- The Institute of Fundraising has taken on our annual Debate on Giving.

- CAF have also taken on our work with the Sunday Times Rich List and will work with the Sunday Times to help ensure the Giving Index is extended to all members of the List and to celebrate charitable giving.

- Our publications have been taken on by a range of voluntary sector organisations; please see the Appendix for details. Our website has been taken over by the Inland Revenue who will maintain it until March 2005. Our training programme for fundraisers has been revised and taken on by the Directory of Social Change.

- The Charity Commission and NCVO have taken on our information for trustees.

- Much of our work on Payroll Giving has concluded with the closure of the Campaign, but our guides for employers have been taken on by Business in the Community, and CAF continues to play a leading role in this area. The Institute of Fundraising is also helping charities to take advantage of the new grant for SME employers announced in the last Budget.

- The Citizenship Foundation has taken on responsibility for the Giving Nation team and Giving Nation continues with funding from both government and a number of leading charities.

- The Research Group will continue to meet and the Inland Revenue plans to retain links with the Reference Group.

Other aspects of promoting the tax reliefs and philanthropy in the widest sense will be continued by organisations including, the Institute for Philanthropy, ShareGift, the Association of Charitable Foundations, Community Foundation Network, the Legacy Promotion Campaign and the Beacon Awards. We call on these organisations, and others in the voluntary sector, to take up the Campaign’s challenge and to help ensure that our vision is achieved.
Notes

i From page 33 of ‘A Lot of Give’ – trends in charitable giving for the 21st century, written by Catherine Walker & Cathy Pharoah, published by Hodder and Stoughton, 2002

ii Figures derived from the Family Expenditure Survey 2002-3, compiled by National Statistics

iii Ditto

iv The UK Voluntary Sector Almanac 2004, NCVO

v NOP Survey, commissioned by CAF and NCVO in July 2003

vi Inland Revenue website
   www.inlandrevenue.gov.uk/charities

vii ‘You can take a Gift Aid Horse to water’, research by Joe Saxton and Alison Denye of nfp Synergy, commissioned by The Giving Campaign, 2004

viii The UK Voluntary Sector Almanac 2004, NCVO

ix ‘The Business of Giving’, research by the Ashridge Centre for Business in Society, commissioned by The Giving Campaign, 2002

x Ditto

xi Legacy Market Audit, Published by Legacy Foresight, 2004

Appendix

For general information and advice, please contact:

Inland Revenue Charities
St John’s House
Merton Road
Bootle
Merseyside L69 9BB
Tel 0845 302 0203
Fax 0151 472 6268
www.inlandrevenue.gov.uk

Inland Revenue Charities (for charities in Scotland)
Meldrum House
15 Drumsheugh Gardens
Edinburgh EH3 7UL
Tel 0845 302 0203
Fax 0131 777 4045
www.inlandrevenue.gov.uk

Charities Aid Foundation
Kings Hill
West Malling
Kent ME19 4TA
Tel 01732 520 000
Fax 01732 520 001
www.CAFonline.org
www.allaboutgiving.org

National Council for Voluntary Organisations
Regents Wharf
8 All Saints Street
London N1 9RL
Tel 020 7713 6161
Minicom 0800 0188 111
Fax 020 7713 6300
www.ncvo-vol.org.uk

Institute of Fundraising
Market Towers
1 Nine Elms Lane
London SW8 5NQ
Tel 020 7627 3436
Fax 020 7627 3508
www.institute-of-fundraising.org.uk

Directory of Social Change
24 Stephenson Way
London NW1 2DP
Tel 020 7391 4805
Fax 020 7391 4808
www.dsc.org.uk

Charity Commission
Harmsworth House
13-15 Bouverie Street
London EC4Y 8DP
Tel 0870 333 0123
Minicom 0870 333 0125
Fax 020 7674 2300
www.charity-commission.gov.uk

Business in the Community
137 Shepherdess Walk
London N1 7RQ
Tel 0870 600 2482
www.bitc.org.uk

Legacy Promotion Campaign
C/o The Institute of Fundraising
Market Towers
1 Nine Elms Lane
London SW8 5NQ
Tel 020 7627 3436
Fax 020 7627 3508
www.legacypromotioncampaign.org.uk
www.rememberacharity.org.uk

ShareGift (The Orr Mackintosh Foundation)
46 Grosvenor Street
London W1K 3HN
Tel 020 7337 0501
Fax 020 7337 0653
www.ShareGift.org
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