

Website Annexe 3 – Initiatives to promote giving

Initiatives

There have been a number of initiatives to encourage giving, most notably the Giving Campaign (2001-04), which was established to encourage a culture of giving and to increase the number of donors and the amount donated. The government contributed £1m and CAF, NCVO and a number of the larger charities also contributed to the cost of the campaign. The campaign was targeted at the wealthy, tax effective giving, employers and employees, and young people. The campaign aimed to achieve the following:

- Raise awareness of the tax reliefs for charitable giving amongst donors, charities, employers and financial advisors
- Promote planned giving in the workplace
- Aid the development of a generation of young people committed to giving
- Help increase the total amount given to charity by £500m during the lifetime of the campaign.

During the life of the campaign, gift aid participation increased to 30% of donors¹; there was a 10% annual increase in charities making claim for tax repayment (to more than 55,000); and donations increased by more than £0.5bn. Its legacy included Giving Nation, the youth strand of the campaign, now hosted by the Citizenship Foundation, which aims to educate children about giving; it also issued a challenge to double the value of donations from £10bn to £20bn by 2014, which is clearly not going to be achieved. The campaign also proposed a norm of 1.5% of income for giving.

Philanthropy UK has also undertaken some important work since its foundation as a project of the Association of Charitable Foundations in 2001, under the (then) direction of Theresa Lloyd. It provides independent practical advice to would be donors; promotes networking amongst practitioners, researchers and advisers to facilitate sharing of good practice and documents the motivations and concerns of donors. Two of its most important publications are 'Why Rich People Give' and the 'Guide to Giving', which was the first independent guide to giving mechanisms.

New Philanthropy Capital (NPC) has looked in detail at the philanthropy advice market² and has identified four priorities for developing the provision of financial advice, which are being taken forward by a Steering Group, chaired by Dame Steve Shirley.

The Citizenship Foundation runs a number of projects targeted at young people and teachers in schools, which promote citizenship as part of the curriculum and encourages young people to think about the causes they care about, how they can best support them and the role of charities in this context. The future of this work is uncertain at the moment, given potential changes to the school curriculum and the possibility of funding from the OCS coming to an end.

In 2005, the Home Office published 'A generous society; next steps on charitable giving in England', which set out a number of ways in which the government aimed to build on the campaign and encourage charitable giving. More recently, the Cabinet Office has provided strategic grant funding to the Community Foundation Network, the Institute of Fundraising, Philanthropy UK and the Citizenship Foundation, as well as establishing the V match fund to

¹ Some of this increase was simply substitution for covenants which were phased out.

² see 'The Business of Philanthropy' March 2010.

promote volunteering and the Endowment Challenge fund to incentivise local giving to endowment funds managed by community foundations or other local bodies. However, it is questionable whether this support will continue, given the forthcoming cutbacks in public expenditure

In 2009, the Cabinet Office announced the creation of an Ambassador for Philanthropy, Dame Steve Shirley, to promote high net worth giving. Currently, a number of ideas for promoting giving are being considered by the Government, including ideas for ‘nudging’ people towards behavioural changes to give more.

In 2010, the Coalition Government announced plans for the match funding of donations to local endowments and for future initiatives to encourage philanthropy.

Deterrents to giving

Possible deterrents to giving that have been suggested are:

- Potential reductions in trust and confidence resulting from:
 - frustrations with fundraising methods, such as on street, door to door or direct marketing
 - perceptions of too many charities, all competing for funds
 - perceptions of some charities being part of the public sector
 - perceptions of inefficiencies or waste
 - lack of engagement with charities and uncertainty about their social impact
 - scandals about fraud
- Wealthy donors’ concerns about the hostile reactions they get from the media and general public because of perceptions of:
 - Self aggrandisement
 - Tax evasion
 - Paternalism
- Donors’ more general concerns about
 - the financial outlook for the country and for themselves and their families
 - not knowing how much to give; lack of a social norm for giving
 - not knowing which are the best charities working for the causes they care about
 - the complexity and bureaucracy of some current mechanisms for giving in a tax efficient way
 - not wishing to mix donations and investment.