NICVA
Northern Ireland Giving Survey 2008
Table of contents

Acknowledgements 7
Executive summary 8

Section 1 – Overview of giving in Northern Ireland 11
1.0 Growing interest in the field of individual giving 11
   1.1 Understanding the environment of individual giving – a need to move interest in individual giving beyond fundraising ratios 12
   1.2 Methodology taking account of the issues to consider when carrying out research into individual giving 14
   1.3 The process of making an individual donation 15
2.0 Individual charitable giving in Northern Ireland 17
   2.1 How much and who gives to what in Northern Ireland 17
   2.2 The impact of charitable donations made in places of worship 18
   2.3 Popularity of various forms of giving in Northern Ireland 18
   2.4 Distribution of giving in Northern Ireland 20
   2.5 Profile of givers in Northern Ireland 22
   2.6 Typical donors in Northern Ireland 26
   2.7 Other ways of giving 27
      2.7.1 Charitable donations to a homeless person or a person begging on the street 27
      2.7.2 The charitable donation of non-money gifts 27
2.7.1 Charitable donations to a homeless person or a person begging on the street 27

3.0 Giving methods 29
   3.1 Total financial yield of charitable donations 30
   3.2 Gift Aid 34
   3.3 Cluster giving 37

4.0 Understanding why people make donations and why some individuals choose not to make donations 41
   4.1 Why do individuals not make charitable donations? 43

Section 2 – Breakdown of charitable giving 45
5.0 Philanthropic giving 45
   5.1 All cash donations 45
   5.2 Cash donations – not place of worship 48
   5.3 Cash donations – place of worship 53
6.0 Purchase giving 58
   6.1 Buying a product for a charitable cause 58
   6.2 Fundraising events 62
   6.3 Sponsored a fundraising event 63
   6.4 Bought a raffle ticket 66
   6.5 Challenge events 70
7.0 Planned giving 75
   7.1 Membership fees and subscriptions 76
   7.2 Payroll giving 79
   7.3 Direct debits, standing order and covenants 85
   7.4 Donations over the internet 90
   7.5 Cheques 93
8.0 Legacy giving

9.0 Wider issues which potentially can impact on charitable giving

9.1 Understanding the perceived costs of various giving methods

Section 3 – Conclusion

Appendix 1: Profile of respondents

Bibliography

Fundraiser Extracts

Extract 1: Gift Aid – the fundraiser’s perspective

Extract 2: Making cash donations in a can – the fundraiser’s perspective

Extract 3: The importance of planned giving - the fundraiser’s perspective

Extract 4: Payroll giving - the fundraiser’s perspective

Extract 5: The importance of legacy giving - the fundraiser’s perspective

Extract 6: The reality and challenge of making the most of charitable donations - the fundraiser’s perspective

List of tables and figures

List of tables

2.1.1 Monthly charitable donations in Northern Ireland

2.2.1 The influence of cash donations made in a place of worship on the picture of giving in Northern Ireland

2.4.1 Distribution of charitable giving and financial share of all donations in Northern Ireland

2.4.2 Distribution of charitable giving and financial share of all donations in Northern Ireland, excluding donations made in place of worship

2.5.1 Average monthly donation by gender

2.5.2 Average monthly donation by age

2.5.3 Average monthly donation by marital status

2.5.4 Average monthly donation by religion

2.5.5 Average monthly donation by council area

2.3.6 Average monthly donation by occupation

2.7.2 Destination of non-money gifts

3.0.1 Popularity of methods of giving in 2005 and 2008

3.1.3 Monthly donations made to each charitable cause

3.2.1 Reasons for not gift aiding eligible donations

3.2.2 Percentage of individuals who gift aided their donations

3.3.1 The number of causes that donors give to in 2004/2005 and 2007/2008 in UK and 2008 in Northern Ireland

3.3.3 The most popular other causes to give to for donors of the five most popular causes, 2008
4.0.1 Amount of money given to charity is determined by level of disposal income 41
4.0.2 Reasons for making a charitable donation 42
4.0.3 Reasons for continuing to make charitable donations 43
4.0.4 In general, how much difference do you think your donation makes? 43
4.1.0 Reasons for not making a charitable donation 44
5.1.1 Cash givers at each of the percentiles in the sample data 45
5.1.2 Average cash donation (all) by gender 46
5.1.3 Average cash donation (all) by age 46
5.1.4 Average cash donation (all) by marital status 47
5.1.5 Average cash donation (all) by religion 47
5.1.6 Average cash donation (all) by occupation 48
5.2.1 Average cash donation (not place of worship) by gender 49
5.2.2 Average cash donation (not place of worship) by age 49
5.2.3 Average cash donation (not place of worship) by marital status 50
5.2.4 Average cash donation (not place of worship) by religion 50
5.2.5 Average cash donation (not place of worship) by occupation 51
5.2.6 Average cash donation (not place of worship) to identifiable causes 52
5.3.1 Average cash donation (place of worship) by gender 54
5.3.2 Average cash donation (place of worship) by age 54
5.3.3 Average cash donation (place of worship) by marital status 55
5.3.4 Average cash donation (place of worship) by religion 55
5.3.5 Average cash donation (place of worship) by occupation 56
5.3.6 Average cash donation (place of worship) to identifiable causes 57
6.1.1 Average donations for buying a product for a charitable cause by gender. 58
6.1.2 Average donation for buying a product for a charitable cause by age 59
6.1.3 Average donation for buying a product for a charitable cause by marital status 59
6.1.4 Average donation for buying a product for a charitable cause by religion 60
6.1.5 Average donation for buying a product for a charitable cause by occupation 60
6.1.6 Average donation for buying a product for an identifiable charitable cause 61
6.3.1 Average donation for sponsoring a fundraising event by gender 63
6.3.2 Average donation for sponsoring a fundraising event by age 63
6.3.3 Average donation for sponsoring a fundraising event by marital status 64
6.3.4 Average donation for sponsoring a fundraising event by religion 64
6.3.5 Average donation for sponsoring a fundraising event by occupation 65
6.3.6 Sponsoring a fundraising event by identifiable causes 66
6.4.1 Average donation for buying a raffle ticket by gender 67
6.4.2 Average donation for buying a raffle ticket by age 67
6.4.3 Average donation for buying a raffle ticket by marital status 67
6.4.4 Average donation for buying a raffle ticket by religion 68
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4.5</td>
<td>Average donation for buying a raffle ticket by occupation</td>
<td>68</td>
</tr>
<tr>
<td>6.4.6</td>
<td>Bought a raffle ticket for an identifiable cause</td>
<td>69</td>
</tr>
<tr>
<td>6.5.1</td>
<td>How effective do you think challenge events such as marathons and treks are in raising money for charity?</td>
<td>71</td>
</tr>
<tr>
<td>6.5.2</td>
<td>How effective do you think challenge events such as gala balls or formal dinners are in raising money for charity?</td>
<td>71</td>
</tr>
<tr>
<td>6.5.3</td>
<td>Average donation for a challenge event by gender</td>
<td>72</td>
</tr>
<tr>
<td>6.5.4</td>
<td>Average donation for a challenge event by age</td>
<td>72</td>
</tr>
<tr>
<td>6.5.5</td>
<td>Average donation for a challenge event by marital status</td>
<td>72</td>
</tr>
<tr>
<td>6.5.6</td>
<td>Average donation for a challenge event by religion</td>
<td>73</td>
</tr>
<tr>
<td>6.5.7</td>
<td>Average donation for a challenge event by occupation</td>
<td>73</td>
</tr>
<tr>
<td>6.5.8</td>
<td>Average donation for a challenge event to identifiable causes</td>
<td>74</td>
</tr>
<tr>
<td>7.1.1</td>
<td>Membership fees or subscription fees by gender</td>
<td>76</td>
</tr>
<tr>
<td>7.1.2</td>
<td>Membership fees or subscription fees by age</td>
<td>76</td>
</tr>
<tr>
<td>7.1.3</td>
<td>Membership fees or subscription fees by marital status</td>
<td>77</td>
</tr>
<tr>
<td>7.1.4</td>
<td>Membership fees or subscription fees by religion</td>
<td>77</td>
</tr>
<tr>
<td>7.1.5</td>
<td>Membership fees or subscription fees by occupation</td>
<td>78</td>
</tr>
<tr>
<td>7.1.6</td>
<td>Average membership fees and subscription fees paid to identifiable causes</td>
<td>79</td>
</tr>
<tr>
<td>7.2.1</td>
<td>Does your employer offer payroll giving?</td>
<td>82</td>
</tr>
<tr>
<td>7.2.2</td>
<td>Average donation of payroll giving by gender</td>
<td>82</td>
</tr>
<tr>
<td>7.2.3</td>
<td>Average donation of payroll giving by age</td>
<td>82</td>
</tr>
<tr>
<td>7.2.4</td>
<td>Average donation of payroll giving by marital status</td>
<td>83</td>
</tr>
<tr>
<td>7.2.5</td>
<td>Average donation of payroll giving by religion</td>
<td>83</td>
</tr>
<tr>
<td>7.2.6</td>
<td>Average donation of payroll giving by occupation</td>
<td>84</td>
</tr>
<tr>
<td>7.2.7</td>
<td>Payroll giving to identifiable causes</td>
<td>85</td>
</tr>
<tr>
<td>7.3.1</td>
<td>Reason for setting up direct debit</td>
<td>87</td>
</tr>
<tr>
<td>7.3.2</td>
<td>Average direct debit donation by gender</td>
<td>87</td>
</tr>
<tr>
<td>7.3.3</td>
<td>Average direct debit donation by age</td>
<td>87</td>
</tr>
<tr>
<td>7.3.4</td>
<td>Average direct debit donation by marital status</td>
<td>88</td>
</tr>
<tr>
<td>7.3.5</td>
<td>Average direct debit donation by religion</td>
<td>88</td>
</tr>
<tr>
<td>7.3.6</td>
<td>Average direct debit donation by occupation</td>
<td>89</td>
</tr>
<tr>
<td>7.3.7</td>
<td>Direct debits to identifiable causes</td>
<td>90</td>
</tr>
<tr>
<td>7.4.1</td>
<td>Average internet donation by gender</td>
<td>91</td>
</tr>
<tr>
<td>7.4.2</td>
<td>Average internet donation by age</td>
<td>91</td>
</tr>
<tr>
<td>7.4.3</td>
<td>Average internet donation by marital status</td>
<td>91</td>
</tr>
<tr>
<td>7.4.4</td>
<td>Average internet donation by religion</td>
<td>92</td>
</tr>
<tr>
<td>7.4.5</td>
<td>Average internet donation by occupation</td>
<td>92</td>
</tr>
<tr>
<td>7.4.6</td>
<td>Internet donations to identifiable causes</td>
<td>93</td>
</tr>
<tr>
<td>7.5.1</td>
<td>Average cheque donation by gender</td>
<td>93</td>
</tr>
<tr>
<td>7.5.2</td>
<td>Average cheque donation by age</td>
<td>94</td>
</tr>
<tr>
<td>7.5.3</td>
<td>Average cheque donation by marital status</td>
<td>94</td>
</tr>
<tr>
<td>7.5.4</td>
<td>Average cheque donation by religion</td>
<td>94</td>
</tr>
<tr>
<td>7.5.5</td>
<td>Average cheque donation by occupation</td>
<td>95</td>
</tr>
<tr>
<td>7.5.6</td>
<td>Cheque donations to identifiable causes</td>
<td>96</td>
</tr>
<tr>
<td>8.0.1</td>
<td>Would you consider setting up a bequest if and when you make a will?</td>
<td>97</td>
</tr>
<tr>
<td>9.0.1</td>
<td>The importance of people in Northern Ireland benefiting from a charitable donation?</td>
<td>100</td>
</tr>
<tr>
<td>9.0.2</td>
<td>Knowledge of how donation is spent by voluntary or community</td>
<td>100</td>
</tr>
</tbody>
</table>
organisation
9.0.3 Confidence in the management and regulation of charities in Northern Ireland 101
9.0.4 Much of the money donated to charity is wasted 101
9.0.5 There are adequate controls over fundraising activities in Northern Ireland 102

List of figures
2.3.1 Percentage of donors who used the various forms of giving in the previous month 19
2.4.1 Distribution of monthly charitable donations in Northern Ireland 20
3.1.1 Financial share of all charitable donations 31
3.1.2 Use of various methods of giving 32
3.3.2 The number of causes that donors support excluding religion 39
9.1.1 Perception of the administrative costs of various giving methods 104
ACKNOWLEDGEMENTS

The research was carried out by NICVA and was overseen by a Research Reference Group. Members of the group were:

Ciara Gallagher        MENCAP
Eamonn Donaghy        Disability Action NI
Karen Gallagher        Concern NI
Maeve Egerton         Help the Aged
Neil Irwin             NICVA
Nicky Conway           Belfast Central Mission

Thanks must go to members of the group for their invaluable contribution to the project.

Customer and Marketing Surveys (Ireland Ltd) must also be thanked for their professionalism in conducting the telephone survey of 1,008 individuals for this project as part of their wider omnibus survey.
EXECUTIVE SUMMARY

The Northern Ireland Giving Survey 2008 was carried out in November 2007. Using telephone interviews 1,008 individuals (aged 16 and over) were asked about their giving behaviour over the previous month. Respondents were drawn from the 2001 Register of Electors using a probability based stratified random sample. Throughout the research report, comparison will be made with the findings of the Northern Ireland Giving Survey 2005.

Popularity of charitable giving in Northern Ireland

- 91% of individuals had made a charitable donation in the previous 12 months.
- 83.8% of individuals in 2008 had made a donation in the previous month. This can be compared to the previous survey in 2005 where 93.8% of individuals had made a donation.
- 22% of donors make a spontaneous decision to donate to charity.
- The average (mean) donation made is £22.69 per month and the median donation made is £14.00.
- The financial yield of charitable donations witnessed a 4.2% growth from 2005. However when cash donations made in a place of worship are excluded from analysis, the financial yield of charitable donations witnessed a 10.3% decline from 2005. This finding clearly highlights the significance of cash donations made in a place of worship.
- The top five most popular charitable causes are religious organisations, health, children, medical research and ‘didn’t notice’.

The significant role of cash donations made in places of worship on the picture of giving

- Cash donations made in a place of worship have a significant impact on the overall picture of giving. By excluding cash donations in a place of worship from analysis, the average (mean) donation made in Northern Ireland is £14.22 and the median donation is £10.00.
- Cash donations made in a place of worship generate a substantially higher financial yield than any of the other named giving methods. This form of giving accounts for 40.7% of the total financial yield of all donations made.

The role of spontaneous and planned giving in Northern Ireland

- The most popular form of giving is philanthropic giving, used by 70.6% of individuals; this includes cash donations and cash donations made in a place of worship.
The Northern Ireland Giving Survey 2008 found that philanthropic giving has witnessed the most growth since 2005. The most marked growth has been with cash donations made in a place of worship which was used by 40.8% of donors in 2005 but in 2008 this had substantially increased to 50.5% of donors.

Approximately two fifths (38.7%) of all donors use some form of planned giving.

29.6% of all eligible charitable donations were gift aided, this is a significant increase from the previous survey in 2005 when 22% of all eligible donations were gift aided.

70.4% of eligible donations were not gift aided. This represents an annual financial loss of £48.2 million that the sector could receive if all eligible donations were gift aided.

Only 14.4% of philanthropic cash donations (not made in a place of worship) are gift aided. This can be compared to direct debits, a planned type of giving where almost two-thirds of these donations are gift aided.

The internet is only used by a minority of donors to make charitable donations (0.6% of donors).

Profile of givers

Females are more likely than their male counterparts to make charitable donations, though males give slightly higher average donations.

Individuals aged 45 to 64 years old are the most likely to give to charity and it is generally this group that makes the highest average donations per head of population.

Individuals who co-habit are the most likely group to make a charitable donation, followed by married individuals. The highest average monthly donation is given by married individuals.

Individuals who identify themselves as Protestant or Roman Catholic are almost equally as likely to make a charitable donation, however Protestants give a higher average donation.

Individuals employed in skilled manual occupations are the most likely group to make a charitable donation and individuals employed in professional occupations give the highest average donations.
Non givers

- 6.2% of individuals surveyed had not made a charitable donation.
- Almost one third (31.7%) of individuals did not make a charitable donation because they couldn’t afford it in the month that the survey was carried out.

Legacy giving

- 4.5% of individuals surveyed had set up a will including a charitable bequest.
- Almost one in three individuals surveyed who did not have a will stated they would consider setting up a charitable bequest when making a will.

Attitudes to giving

- Over half of donors (54.0%) stated that the amount of money they give to charity is determined by the level of disposa income. Taking account of the current economic climate, many donors may be now thinking more carefully about donations they make.
- Over three quarters (77.0%) of donors feel it is important or very important that people in Northern Ireland benefit from charitable donations made.
- Over half of all donors (54.1%) feel they are reasonably or very well informed of how donations are spent by voluntary and community organisations. However 12.6% of donors have no idea how donations are spent.
- Only 2.2% of donors do not think that their donations make any difference at all.
SECTION 1 – OVERVIEW OF GIVING IN NORTHERN IRELAND

1.0 Growing interest in the field of individual giving

Questions such as “what happens to individual charitable donations?” and “how effective are donations made to charity?” are nothing new. However in a time where the growth of media and technology has radically increased information flow, these questions somehow seem much more pertinent. And in the ‘credit crunch’ environment where almost on a daily basis we are reminded of increasing costs, the need to understand individual charitable giving and to answer the question “how effective are donations?” becomes ever more pressing.

Some voluntary and community organisations have responded to these calls by developing fundraising strategies which offer the donor a clear insight into what difference their donation can make, for example, Trócaire’s campaign to ‘buy a goat’ or Cancer Research UK’s campaign which states that all donations made in Northern Ireland will fund research in this country. Fundraisers are now working hard to analyse if these marketing techniques are being successful. Examining individual giving data offers us the opportunity to examine the profile of donors and to some degree to draw inferences on the relative effectiveness of fundraising in the voluntary and community sector. Baseline figures indicate that despite funding campaigns, individual giving in the UK has remained relatively unchanged. This raises the question, why despite fundraising campaigns is there little or no change?

The process of an individual making a donation to charity is often complex. For this reason the ‘hard facts’ will only ever present part of the picture of individual giving and it is essential to take account of the wider issues which surround philanthropy. These are the issues that increasingly fundraisers, voluntary and community organisations, government and indeed donors are demanding be considered in any analysis of individual giving. Within the UK there has been recognition of the crucial importance of developing an understanding of individual giving. In response, a new centre of Charity Research and Philanthropy has been established. There has been a joint investment of £2.2 million over five years from The Economic and Social Research Council (ESRC), Office of the Third Sector (OTS) in the Cabinet Office, The Carnegie UK Trust and the Scottish Government. The Centre has a strong focus on helping voluntary and community organisations, government and businesses to understand how and why individuals and businesses give. There are three strands to the research which include individual and business giving, institutional giving structures, charitable giving and social redistribution.

While the establishment of such a Centre has been broadly welcomed, there have been some concerns that one of the strengths of being co-funded could potentially be one of its greatest challenges, as ESRC funding is likely to expect traditional academic investigation and dissemination, whereas government is likely to expect the Centre to contribute to a topical policy agenda (Sergeant, 2007).
1.1 Understanding the environment of individual giving – a need to move interest in individual giving beyond fundraising ratios

There is much interest in individual giving. Average monthly donations of individuals in a country are often used as an indicator of how generous the country is. In a time when we are increasingly interested in civil society and how engaged we are as a society, research into individual giving is seen to be somewhat of a barometer of the healthiness of civil society.

The increase in competition for funding along with the tightening of criteria for funding are reminders of the crucial role that individual giving plays. Individual donations generally do not come with stipulations of how the money should be used and can be a welcome extra source of funding for the sector.

However voluntary and community organisations cannot afford to be complacent in their attitude to donors and the process of individual giving. Living in a consumer driven society, donors are increasingly questioning the effectiveness of making donations.

“At its core, at its most basic, our supporters want to know one thing above anything else – simply, what difference their gift has made. Too often we forget this – it sounds easy, but sometimes the simplest things are the hardest to do.” (Grain, 2007, http://www.frsb.org.uk/england/news-item/15, accessed August 2008)

Too often in the past, the voluntary and community sector has championed low administrative and fundraising costs as a way of measuring effectiveness of individual charitable donations. These fundraising ratios tell the donor little or nothing about the service delivery of a voluntary or community organisation. Over promotion of fundraising ratios has almost created a vicious circle where voluntary and community organisations find themselves often facing criticism as the general public has come to expect fundraising ratios that are unrealistic. The very act of individual giving is largely based on trust that the donation will be spent effectively, yet reliance on fundraising ratios as a mechanism to promote giving has proved to be problematic. In 2007 Children in Need developed its slogan from the promise that every penny given goes towards helping young people to the following:

“For every penny you donate, a penny will go towards projects helping disadvantaged children and young people in the UK. We are able to make this promise because the charity uses its investment income to cover all operational costs.” (BBC Children in Need website, accessed March 2008, http://www.bbc.co.uk/pudsey/donate/index.shtml)

The organisation hoped the longer slogan would help donors to understand how the organisation meets its operational costs. The change in slogan has been welcomed, but it has been suggested that “They could concentrate more on their unique selling point – that they find great little charities that the rest of us wouldn’t find – rather than talking about the money.” (D Pitchford, Intelligent Giving, cited on http://www.thirdsector.co.uk/News/DailyBulletin/737285/New-slogan-Children-Need/CD0A9A4E6DD780FBA045C390D00614D52i). BBC Children in Need raised £33 million in 2007 and this money is used to work under their mission “to positively
change the lives of disadvantaged children and young people in the UK”. However the fact that BBC Children in Need states that every penny donated will go directly towards helping children and young people indirectly can be an unreachable goal for other voluntary and community organisations.

In 2007 as part of the desire to increase confidence, the Fundraising Standards Board (FSB) was established which covers the whole of the UK. The FSB is an independent body set up to handle public complaints about how charities raise money as well as offering the public a ‘mark of reassurance’ to look for when giving to charities. In signing up to the scheme, organisations must agree to an independent and transparent complaints procedure. Organisations which sign up to be a member of the FSB display this to the public through the FSB logo (a tick) being placed on their fundraising materials. At the time of writing, approximately 800 charities in the UK had joined the scheme. There have been limited resources and promotion of the scheme in Northern Ireland and to date only seven organisations have signed up to the FSB scheme.1 Fundraisers in the voluntary and community sector are usually members of The Institute of Fundraising (IOF) which is the professional body for UK fundraising. The IOF supports fundraisers through leadership, representation, setting standards and training. Membership of IOF is promoted widely in Northern Ireland as a way to increase confidence in voluntary and community organisations.

At the time of writing a review of Charity Law has been completed and The Charities Bill (as amended at consideration stage) reached its final stage in the Northern Ireland Assembly on 30 June 2008 and received Royal Assent on 9 September 2008. The new legislation will contain statutory definitions of charity and charitable purpose, it will establish a Charity Commission for Northern Ireland and a Charity Tribunal, create a Register of Charities for Northern Ireland, and provide for a Charitable Incorporated Organisation (a new form of charitable body). It will set out new rules with regard to fundraising and collections and is proposing tight thresholds for auditing requirements2. The purpose of the Charity Commission will be to act both as a registrar and regulator of charities in Northern Ireland. The title of a report ordered by the House of Commons on the Charity Commission in England and Wales sums up the potential of the new Charity Commission in Northern Ireland “Giving confidently: the role of the Charity Commission in regulating charities” (2001)3.

When considering the issue of increasing confidence in voluntary and community organisations in Northern Ireland, it is important to remember that while the FSB, IOF and potentially the new Charity Commission can only go so far. It is important for organisations themselves to work to build a relationship with donors and potential donors. Ultimately voluntary and community organisations rely on the trust and good will of the public to support their work, but to a degree the sector has become complacent in con