

NICVA

Northern Ireland Giving Survey 2008



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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 disposal 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/CDB0A94E6DD780FBA045C39D00614D52/>). 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