Mission Give: The potential of better philanthropy advice

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PRO BONO ECONOMICS

Pro Bono Economics uses economics to empower the social sector and to increase wellbeing across the UK. We combine project work for individual charities and social enterprises with policy research that can drive systemic change. Working with 400 volunteer economists, we have supported over 500 charities since our inception in 2009.

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Summary

The social and economic challenges on the new government's agenda are substantial and pressing. From rising homelessness to diminishing health, the UK faces enormous challenges. As the government sets out to tackle those challenges through the missions it has set for itself, it will need to work with partners across every sector.

Tens of thousands of charities, and an even greater number of community groups and social enterprises, have spent decades dedicated to getting people into good work, providing opportunities to young people, reducing crime, improving health, and saving the environment – the exact priorities Labour have set out. The new government should therefore be looking at removing the barriers which are preventing charities from making the biggest difference possible to those missions.

Constrained charity finances are one of those barriers. In a fiscally restricted environment, the new government will have to think creatively about how it can improve charities' incomes.

Fortuitously, the wealthiest people in the UK have funds to spare – funds they state they would be willing to put to use making a difference in society. The new government should look to encourage the wealthiest to give away the estimated £2.8 billion extra they may be willing to part with annually for charity. In doing so, they may free up as much capital as it would take to fund their manifesto commitments to provide a mental health counsellor in every school and a hub for young people in every community ten times over.

Action to encourage greater charitable giving by the wealthy would be pushing at an open door: new polling by PBE shows 86% of wealthy people surveyed already give to charity. Action to increase philanthropy would also drive new funds towards Labour's missions, as the wealthy give significantly to mission-related causes and organisations such as medical research and children's charities.

One well-evidenced way to drive up charitable giving by the wealthy is to utilise the support of the financial advice sector. Around half of the estimated 5.8 million people in Great Britain with net financial assets of over £100,000 (excluding all property wealth, physical wealth and workplace pensions) have at least one financial adviser helping them to manage their investments and plan for the future. But at present, only 8% of those wealthy people receive any advice on charitable giving.

This is an enormous missed opportunity, because advisers simply raising the topic of philanthropy with their clients has been proved to accelerate giving. Research has shown that when people receive advice on philanthropy, they are significantly more likely to give than those who don't. And people who have received advice on their charitable giving have been found to donate substantially more. A prompt to consider charitable giving during a financial planning session can lead to clients giving 40% more to charity.

If all wealthy people with a financial adviser also received philanthropy advice, and they either started giving or increased their current giving by the 40% observed in similar behavioural studies, it could generate an estimated £1.1 billion for charities per year.

But a lack of understanding and education about philanthropy is preventing this from taking place. An alliance of accredited bodies, philanthropy advisers and financial advisers are working together with the FCA to develop and distribute training on charitable giving for the financial advice sector. The new government should accelerate this work by mandating that training as part of ongoing CPD, so that all relevant financial advisers receive training on philanthropy in the next three years. The government should also ask the FCA to alter the curricula so that all newly qualified advisers are exposed to the full spectrum of capital.

A rollout of philanthropy advice is the first step the new government should take to unlock greater giving from the wealthiest. In order to put as much of that dormant £2.8 billion to work for good, or to close the £5 billion gap between giving in the UK and that in Canada and New Zealand, a National Philanthropy Strategy is required. But this could be an early win for a government keen to make visible change and deliver progress on its mission.

Charities are significant actors in the government's missions, and could do more

The UK's 164,000 charities[1] will play a major role in delivering on the new government's missions.[2] Fuelled by the efforts of the close-to 1 million people who work for them[3] and the approximately 7 million people who volunteer for them in England alone,[4] the UK's charities deliver specialised purpose-driven services, build communities, raise funds and bring expertise grounded in lived experience to discussions on policy change. In doing so, many charities share the same ambitions to improve people's lives as the government does. While they may not set out to raise the UK to the fastest growing economy in the G7, the 4,000 charities that work to reduce unemployment directly contribute to growth.[5] Similarly, the hundreds of charities that are run by women working day in and day out to reduce violence against women and girls,[6] just as the government seeks to achieve. The charity sector will therefore be essential for the delivery of the government's goals.

Perhaps the most pressing constraint on the charity sector's ability to contribute to the new government's missions is its financial health. Donations from the public are a particular risk. Estimates vary, but the public donates or spends approximately £26.5 billion to and with UK charities annually.[7] However, these funds are given by a shrinking share of the population. The proportion of UK households donating to charity fell from 32% in 2000 to 26% in 2018.[8] This fall in giving participation means

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[1] N Tabassum, UK Civil Society Almanac, NCVO, October 2023. Note: The NCVO definition of general charities is a subsample of the actual number of registered charities in the UK, which itself is not a complete count of the actual number of charities. This is therefore an underestimate.
[2] The new government has set out five missions to guide their ambitions: to kickstart economic growth, to make Britain a clean energy superpower, to take back our streets, to break down barriers to opportunity, and to build an NHS fit for the future.
Mission Purposeful, Pro Bono Economics, January 2024.
[3] Department for Culture, Media and Sport, Economic Estimates: Employment in the DCMS sectors, January 2023 to December 2023, July 2024.
[4] Department for Culture, Media and Sport, Community Life Survey 2021/22: Volunteering and charitable giving, May 2023.
[5] C Damn & D Kane, UK Charity Classification, 2021.
[6] C Damn, L Dorwick & C Harris, Mapping the UK Women and Girls Sector and its Funding: Where Does the Money Go?, ROSA, April 2023.
[7] N Tabassum, UK Civil Society Almanac, NCVO, October 2023.
[8] C Pharoah & T McKenzie, Reframing the Ask – trends which will shape giving and fundraising post-COVID19, Institute of Fundraising, June 2020.

charities receive £1.4 billion less annually than if giving participation rates had remained the same.[9] The small charities which are vital to communities are particularly imperilled by this giving participation gap, as the larger charities absorb an increasing share of funds.[10]

Philanthropic support of this kind – as opposed to contract payments and commissioned work – plays an especially important role in enabling charities to innovate, take risks and be resilient. Restrained giving therefore acts as a damaging constraint, limiting the sector's ability to forge new solutions to the challenges the missions highlight, and prevent it from playing its fullest possible part in delivering the decade of renewal the new government aims for.

But there is a group of the population who can give more and, critically, are inclined to do so. Almost nine in ten (86%) of the wealthiest people[11] in the UK give to charity. Some make generous donations, with one in ten donors surveyed by Opinium and Pro Bono Economics giving more than £2,000 to charity last year. This inclination to give money to good causes exists across the spectrum of people with wealth, varying little by income or the value of their assets, though women are slightly more likely to donate than men.

Many of them have the capacity to give more. As shown in Figure 1, on average, wealthy people surveyed who already donate to charity believe they could afford to give around a third more to charity each year, while around one in six (16%) feel they could give at least twice as much to good causes as they currently do. This is increasingly true the better off someone is – more than one in four (28%) people surveyed with assets worth more than £500,000 felt they could afford to give at least twice as much to charity as they do currently. This runs in parallel with other polling that has shown that the majority of millionaires believe they should be taxed more – a distinct but not unrelated view that the wealthiest can and should contribute more to society.[12]

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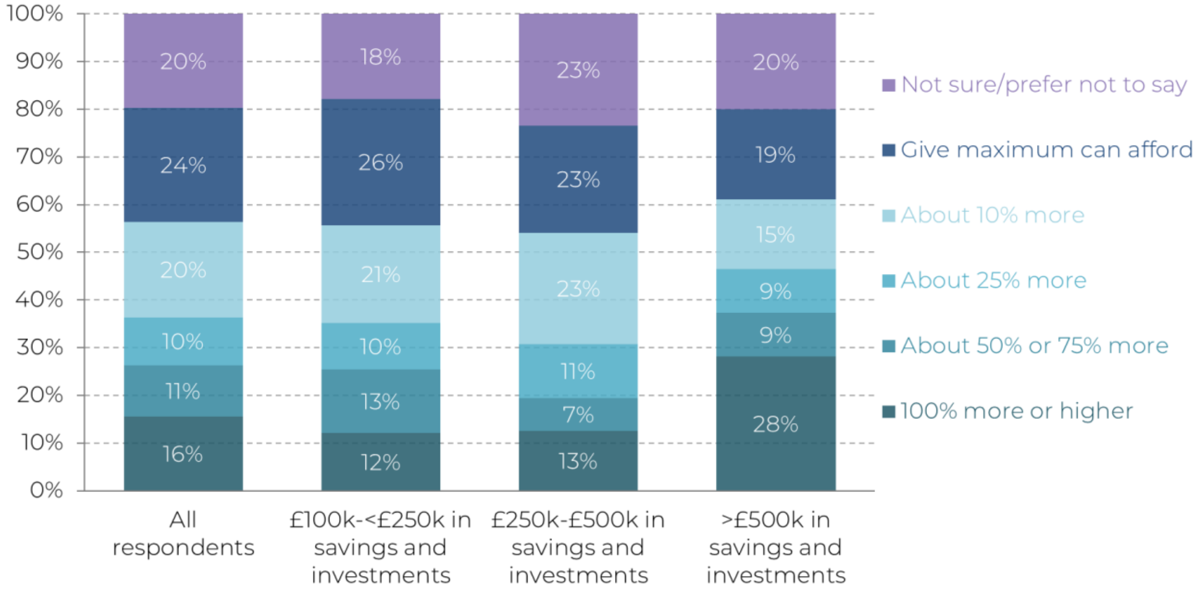
[9] A Kenley, J O'Holloran & K Wilding, Mind the Giving Gap: Unleashing the potential of UK philanthropy, The Law Family, December 2021.
[10] N Tabassum, UK Civil Society Almanac, NCVO, October 2023.
[11] UK adults with investable assets of £100,000 or more (excluding the value of their main residence or other illiquid assets).
[12] Patriotic Millionaires UK, Wealthiest 6 percent of Brits support a wealth tax, March 2024.

Figure 1: Wealthy people who already give to charity believe they could afford to give significantly more

Estimated additional charitable giving that would not negatively impact on the financial position of wealthy people who already give to charity, all respondents and by value of savings and investments, UK 2023



Source: PBE analysis of Opinium survey. See Annex for survey details Chart

There is a substantial pot of capital to be unlocked for social and economic good if the ability of the wealthiest to donate more was transformed into action. Take just the 1,000 people surveyed. Last year, they donated in the region of £1.6 million to charity but between them believed they could afford to donate around £500,000 (i.e., around a third) more. If similar patterns of donations and affordability occurred across the population, it would suggest that wealthy people feel they could afford to donate up to an estimated £2.8 billion more to good causes each year.[13] That would be enough to fund Labour's commitments to provide mental health support for every school and plans to establish Young Futures Hubs in every community ten times over.[14]

International comparisons indicate that this is a reasonable and realistic level of philanthropy to seek to unlock. Pre-pandemic estimates suggest that the New Zealand and Canadian publics donate 0.77% and 0.79% of

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[13] This is a central estimate, with a realistic range of increased giving between around £2 billion and around £4.5 billion. Estimates constructed by weighting the Opinium/PBE survey by population estimates from the Wealth and Assets Survey. Details in Annex.

[14] labour.org.uk/change/, accessed 24 July 2024.

their GDP compared to 0.54% from the UK public.[15] If the UK public gave to charity at a similar rate, it would generate an additional estimated £5 billion a year.[16] Wealthy people giving what they say they could afford would roughly halve that gap.

Increasing the philanthropic activity of the wealthiest by £2.8 billion would act as a significant boost to charities and the missions alike. Wealthy individuals give generously to children's charities, which endeavour or in some way participate in 'removing the barriers to children and young people's opportunities' – one of Labour's five missions. These charities achieve this through a huge variety of means, such as mentoring, youth groups, breakfast clubs, mental health support, poverty reduction and much more. As shown in Figure 2, around one in four (24%) wealthy people, or around 1.3 million wealthy people in Great Britain, give to children and young people's organisations.

The NHS would also stand to benefit. UK charities are estimated to have raised and spent £9.4 billion on medical research over the past five years, accounting for around half of all public spending on medical research.[17] Wealthy people giving to their potential level would accelerate this, as half (50%) of those who give to charity, or around 2.9 million wealthy people in Great Britain, give to health and/or medical research charities.

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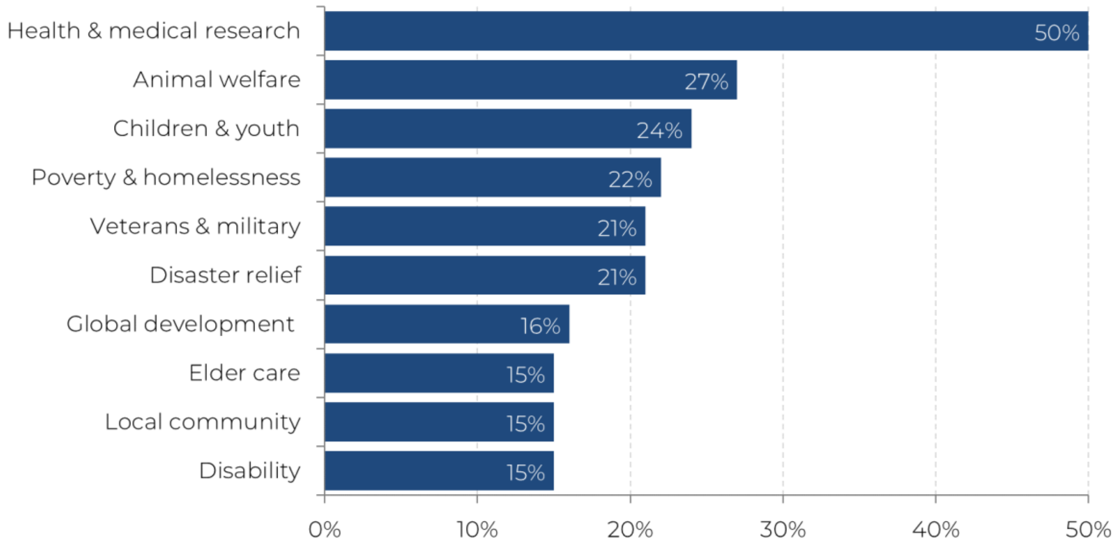
[15] Gross Domestic Philanthropy: An international analysis of GDP, tax and giving, Charities Aid Foundation, January 2016.
[16] A Kenley, J O'Holloran & K Wilding, Mind the Giving Gap: Unleashing the potential of UK philanthropy, The Law Family, December 2021.
[17] Annual Report 2021/21, Campaign Against Living Miserably, October 2022.

Figure 2: Health and medical research charities receive a significant amount of donations from around half of wealthy Britons

Proportion of wealthy people supporting charitable causes, UK 2023



Source: PBE analysis of Opinium survey. See Annex for survey details.

Charities providing disaster relief, fighting for animal welfare and the alleviation of poverty and homelessness, and those providing support for veterans would be beneficiaries of an acceleration in philanthropy among the wealthiest too. Given the role these organisations play, it would be reasonable to assume that many of them would use these additional funds to support the growth, health, opportunity and crime missions alike.

Philanthropy advice can help to unlock significant levels of giving

Presented with the multi-billion pound potential of growing philanthropy from the wealthy, the question is then how best to unlock those funds.

There are numerous levers, initiatives and policy changes available to the new government – as PBE has written about elsewhere.[18] These include match giving, honours, better data, legislative clarity, tax relief, and improving philanthropic infrastructure like Community Foundations and Giving Circles. In the medium-term, the government should set out a

[18] N Sykes, Seizing the philanthropic prize: The role of the UK government in growing philanthropy, Pro Bono Economics, June 2022.

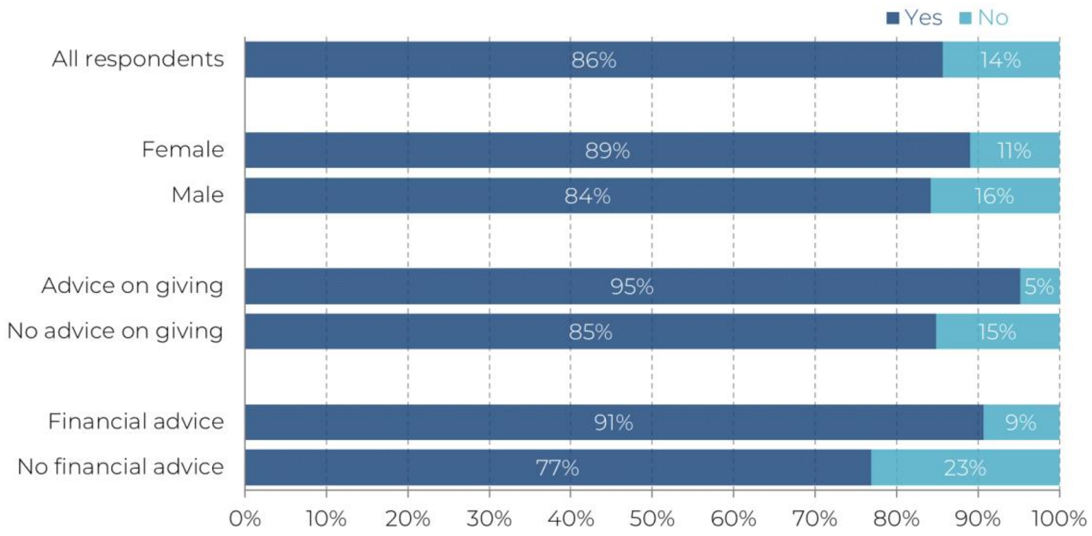
National Philanthropy Strategy to grow giving as the governments of the Republic of Ireland[19] and Australia have recently done.[20]

More immediately, the government should look to harness the potential of the financial advice sector. Financial advice on philanthropy has been proven to increase giving. Financial advisers have privileged relationships with their wealthy clients and are in a unique position to prompt them to consider philanthropy. In financial planning, it has been shown that when advisers tell people that leaving money to a charity is something other people do, it results in people who are writing their will for the first time donating 40% more than people who are not given this message.[21]

PBE's research likely adds to the store of evidence that financial advisers can meaningfully encourage greater giving. Among those surveyed who did not receive any sort of financial advice, only around three quarters (77%) give to charity. Those who received some financial advice of any form were more likely than those who didn't to donate to charity (91%).

Figure 3: Nearly nine in ten wealthy people already donate to charity, with women and those who receive advice about finances and charitable giving more likely to do so

Wealthy people giving to charity regularly, on specific occasions, or on an ad hoc basis, UK 2023



Source: PBE analysis of Opinium survey. See Annex for survey details.

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[19] National Philanthropy Policy Draft 3, Government of the Republic of Ireland: Department of Rural and Community Development, May 2023.
[20] A Strategy to Double Giving by 2033, Philanthropy Australia, May 2023.
[21] M Sanders et al., Legacy Giving and Behavioural Insights, The Behavioural Insights Team, 2016.

But as is shown in Figure 3, those wealthy people who receive specific advice on giving more to charity are the most likely group of all to donate (95%).

And advice hasn't just been shown to boost the likelihood of giving among wealthy individuals, it's also been linked with greater generosity. Charities Aid Foundation research shows that those who take advice on philanthropy give almost twice as much to charitable causes annually than those who have not taken advice on philanthropy.[22]

Despite an appetite for philanthropy advice, very few wealthy people receive it

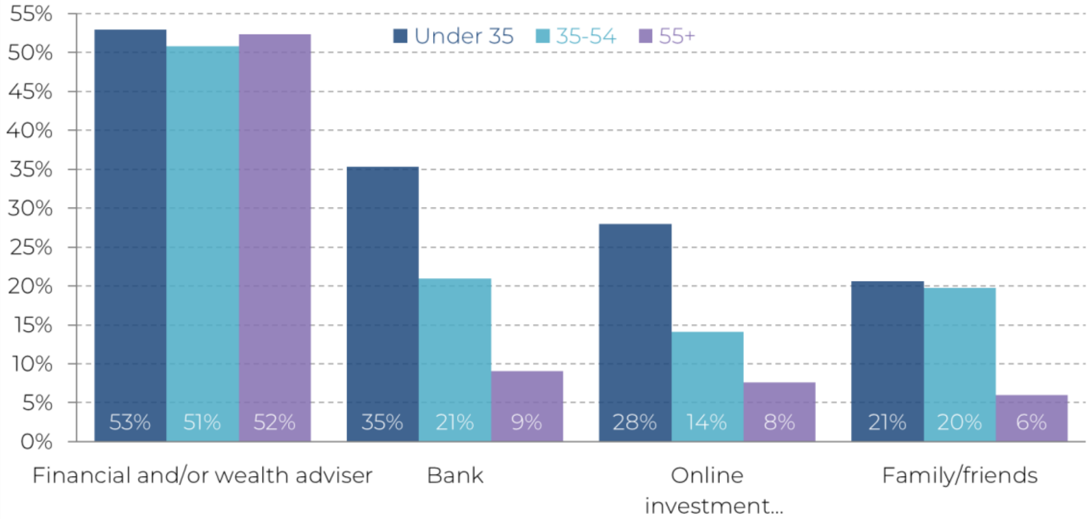
Professional advice on philanthropic giving appears to increase both the number of wealthy individuals who give and the amount that they donate, with very clear positive implications for the country's charities and the new government's priorities. Yet the proportion of people in this part of the population who actually receive such advice is tiny. Just 8% of those surveyed by Opinium on PBE's behalf said they currently receive philanthropy advice. This leaves an estimated 4.5 million wealthy people in Great Britain giving to charity without professional support.

This lack of philanthropic advice is the product of two trends. First, the limits of overall financial advice provision, as almost half of the wealthy people surveyed by Opinium say they have no relationship with a financial or wealth advisor and just over one-third receive no form of financial advice from any source. Second, the absence of philanthropy as part of the suite of advice provided by a large number of financial and wealth advisors.

[22] The Art of Adaptation, Charities Aid Foundation, 2015.

Figure 4: Only half of wealthy people surveyed already have a financial or wealth advisor

Proportion of people who receive forms of financial advice, by age, UK 2023



Source: PBE analysis of Opinium survey. See Annex for survey details

Overall, around two thirds (64%) of wealthy people surveyed receive financial advice of any kind (including from other sources such as banks or family/friends). This leaves a substantial proportion of wealthy people who do not receive any financial advice at all, and/or who do not have a financial or wealth adviser – an estimated 2.8 million wealthy people in Great Britain who may currently be making financial decisions without the support of a financial or wealth advisor.

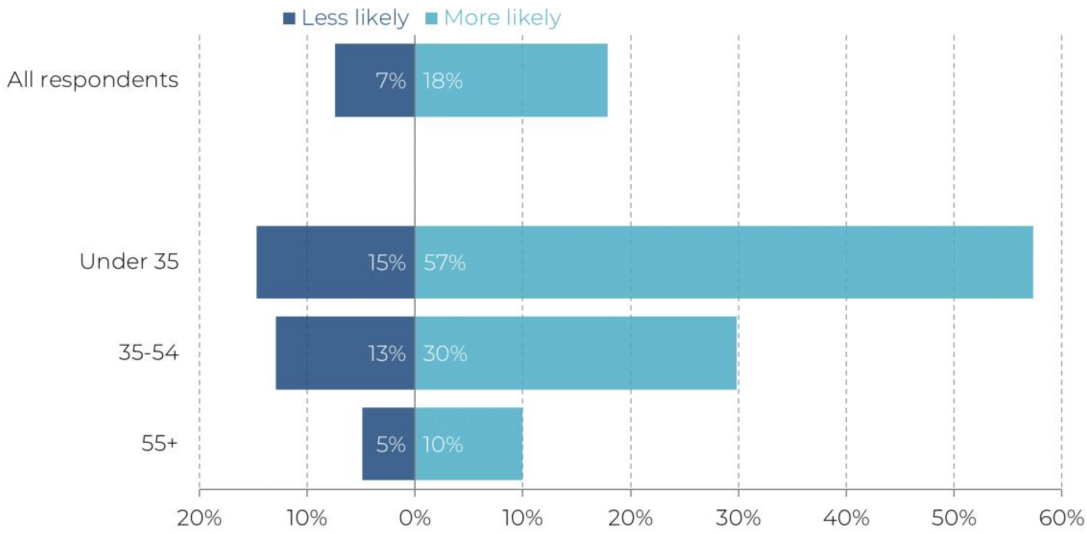
This is despite an appetite among wealthy people for help to make more informed decisions about their philanthropy. 13% of wealthy people surveyed said they actively wanted philanthropy advice (if they didn't already receive any). And not only do one in five (21%) say they have or would like to receive philanthropy advice, 18% say the offer of such support would make them more inclined to become a client of a financial adviser – hinting at a strong business case on the behalf of adviser firms. As Figure 6 shows, that proportion rises further still among younger groups, to more than a third (36%) of wealthy people under 55 surveyed, and to nearly three in five (57%) people aged 18-34.[23]

[23] A Kenley & N Sykes, Generous Generation: The business case for financial advisers supporting under-35s with philanthropy, Pro Bono Economics, August 2024.

There are an estimated 5.8 million people in Great Britain with net financial assets over £100,000. If the proportions recorded in the Opinium survey for PBE were to hold in this wider group, then nearly 1 million people nationally would be more likely to choose a financial advisor who built philanthropy support into their service. Even taking into account those who would be less likely to choose a financial adviser who offered philanthropy services, this still creates a potentially significant market opportunity.

Figure 5: Nearly one in five wealthy people surveyed would choose a financial advisor who offered support on making charitable donations, rising to nearly three in five wealthy people under-35

Proportion of wealthy people who would be more or less likely to choose a financial adviser who offered support on making charitable donations, by age, UK 2023



Source: PBE analysis of Opinium survey. See Annex for survey details.

If anything, it is possible these figures mask even higher demand among the most wealthy. According to research by Savanta, four in ten (42%) millionaires want an adviser to suggest ways of helping them make the most of their charitable giving, and a similar proportion (41%) of millionaires state that it is important to discuss their charitable giving with their advisers.[24]

If the demand for philanthropy advice were met, it could potentially unlock a significant sum of giving. PBE estimates that, if all wealthy people with a financial adviser also received philanthropy advice, and they either started

[24] Advising the giving generation, Charities Aid Foundation, December 2023

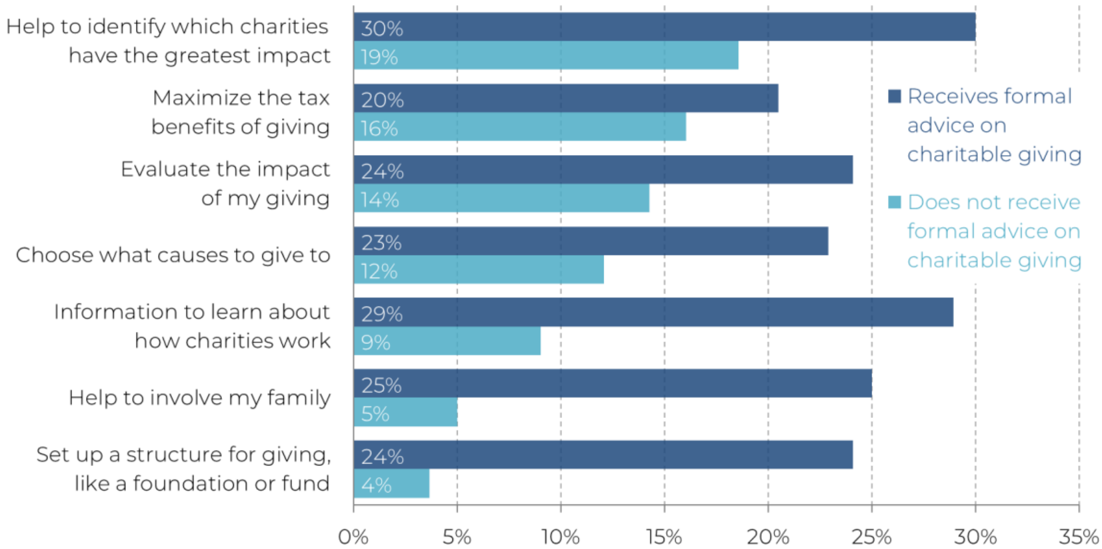
giving or increased their current giving by the 40% observed in similar behavioural studies, it could generate £1.1 billion for charities per year.[25]

It is probable that increased philanthropy advice would also lead to better quality giving

It is clear that a significant desire for philanthropy advice exists among the wealthy, and that this appetite is currently not being served by the market. And the support that people are seeking is broad: they want help in a number of ways to make their giving more impactful, more effective, and even to create structures like foundations to formalise their giving into the future.

Figure 6: Generally, wealthy people want help identifying charities with the greatest impact. People who don't currently receive advice about charitable giving also want help maximising the tax benefits of giving.

Types of support that wealthy people would like with their charitable giving, by receipt of formal advice on charitable giving, UK 2023



Source: PBE analysis of Opinium survey. See Annex for survey details.

If more wealthy people were supported to give more effectively, philanthropy funds might flow more freely towards the charities making the biggest difference to people's lives, be it by tackling knife crimes or

[25] This is a central estimate, with a realistic range from £0.9 billion to £1.6 billion. Estimates based on modelling using the Opinium/PBE survey and population estimates from the Wealth and Assets Survey. Further details in the Annex.

providing opportunities to upskill. This is better both for charities and the people they are seeking to serve.

Donor Advised Funds provide a compelling example of how advisers can support the wealthiest to give

One of the ways in which financial advisers could support wealthy people to give is by driving up the usage of Donor Advised Funds (DAFs). These act as a pot of money set aside for charitable giving, on which clients immediately receive the tax benefits of a donation but are free to distribute the money to charities of their choice over time. DAFs can be funded with a variety of assets, including cash, shares and third-party entities. These assets can be invested and managed much as other investments can, but the donor receives immediate tax benefits from the money, which is irrevocably allocated for charitable purpose. In essence, they provide a light touch alternative to establishing a foundation.

The benefits of DAFs are purported by their advocates to be numerous. For advisers, they present a familiar structure and product, which lowers the barriers to entry for advisers with limited time to learn new things. For clients, they provide a level of certainty, the ability to plan, and encourage giving while living rather than in death. This can inspire the joy of giving,[26] and potentially lead to greater levels of philanthropy overall. For younger wealthy people under pressure to grow their careers, manage young families, and save for retirement, DAFs can be attractive as a means to put money aside for philanthropy when they have more time.

DAFs are underused, with £2.5 billion currently held in DAFs in the UK.[27] That is well behind the prevalence of these giving vehicles in the US, where charitable assets in all DAFs totalled $228.9 billion, just under twice that of the level of assets in 2018.[28]

It seems that a lack of awareness is a key factor in this low take up. One in eight (13%) wealthy people surveyed were familiar with the concept of DAFs. However, once they received a brief, one sentence explanation of

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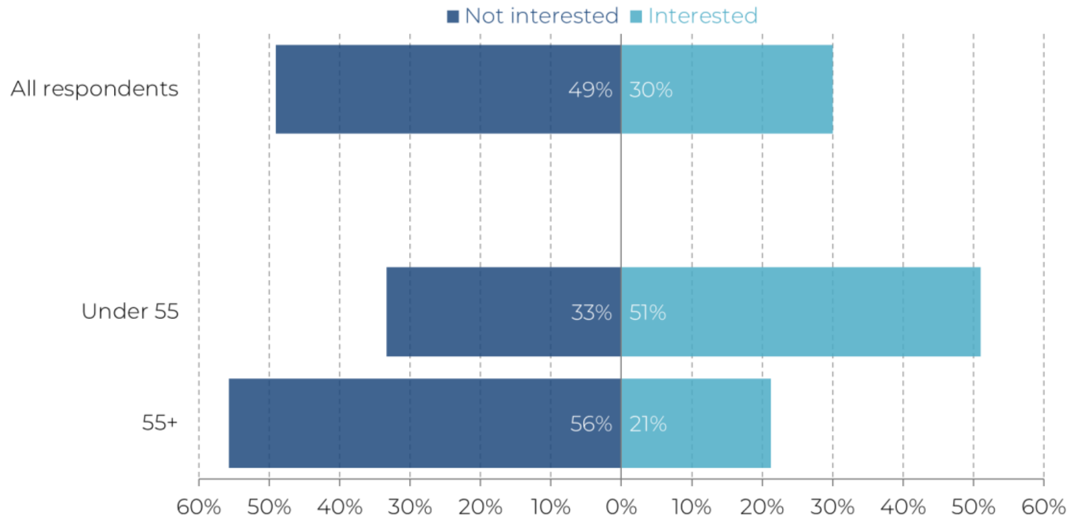
[26] J Dean, The Good Glow: Charity and the Symbolic Power of Doing Good, Bristol University Press, 2020.
[27] The 2023 DAF Report | NPT UK, National Philanthropic Trust UK, 2023.
[28] C Strawser & M Brown, 2023 Donor-Advised Fund Report, National Philanthropic Trust, 2023.

their function, nearly one in three (30%) said they would be interested in investing in one. This rose to more than half (51%) of people under 55.

Figure 7: More than half of people under 55 surveyed were interested in investing in a Donor Advised Fund

Proportion of wealthy people who would be interested in investing in a Donor Advised Fund after explanation, by age, UK 2023



Source: PBE analysis of Opinium survey. See Annex for survey details.

If a greater number of wealthy people received the philanthropy advice many of them already want and know they would benefit from, up take of DAFs would be expected to accelerate, driving giving now and intro the future as increasing numbers of people think about giving in a strategic way throughout their lifetimes.

There are simple, practical steps to increase philanthropy advice to the wealthiest

In order to drive up the levels of philanthropy advice offered to the UK's wealthy, mandatory education of financial advisers is required. A lack of understanding about philanthropy is at the root of every reason given by financial advisers as to why they do not provide this valuable and in-demand support to their clients.[29]

The materials required to facilitate a change to this are being put into place. As announced by the previous Secretary of State for Culture, Media

[29] N Sykes, Ragged patchwork: the need to overcome the philanthropy knowledge gulf, Pro Bono Economics, November 2023.

and Sport, the government this year began working with the Financial Conduct Authority, wealth management firms and the Treasury to explore the possibility of providing greater philanthropy training for financial advisers.[30] An alliance of accredited training bodies and philanthropy sector experts are working in partnership to develop materials to use in the training of advisers in philanthropy. These are designed for rollout across the sector, to contribute to required continuous professional development.

Once these are designed, the first question is one of uptake. Given the new government's desire to move quickly on the missions and demonstrate progress, they should also look at mandating this education so that all relevant financial advisers receive it within the next three years. The second question is that of newly qualifying advisers, and how to ensure that all advisers are trained to understand philanthropy from day one. In order to secure long-term change, the FCA should:

- Require the addition of philanthropy to the curricula of qualifications, such as the Diploma in Financial Planning, the Investment Advice Diploma (IAD), and the Chartered Financial Analyst (CFA) Program.
- Add philanthropy and the full spectrum of capital to the continuing professional development (CPD) requirements of retail advisers.
- Include philanthropy in any changes to training, competence, leadership, culture and incentives made as a part of the FCA's intentions to improve advice on sustainable finance.
- Work with the accredited bodies and philanthropy sector to develop and drive take up of a philanthropy CPD course.
- Emphasise that meeting client demand for impact solutions, and philanthropic solutions in particular, is part of the Consumer Duty.

These changes would be relatively minor regulatory actions with negligible cost to the government, that could nevertheless deliver big and ongoing change. They also come at a time when the FCA is already reviewing the training financial advisers receive related to sustainability. Given the role of philanthropy, social investing and impact investing alike have on

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[30] Department for Culture, Media and Sport, [Culture Secretary's speech at Onward's philanthropy report launch](), January 2024.

substantiality, this is the perfect moment to ensure all financial advisers have appropriate levels of training in the whole spectrum of capital, and so take a much needed step forwards on the missions.

Conclusion

The fiscal rules the new government has put in place to exercise financial constraint mean there are only limited funds available for it to pursue its missions. The scale and ambitions of its missions mean it cannot afford to overlook policy change that can be implemented swiftly and for negligible cost. Mandating philanthropy training among financial advisers is one of those solutions.

The wealthiest in the UK have an estimated £2.8 billion extra they would be able to give to charity. Serious efforts should be made to put that money to work in the pursuit of charitable endeavours, many of which progress the new government's missions.

Not only would these funds be spent on services – from those improving people's health through to those providing opportunity to the young people with the least. They would also help make charities more resilient, allow them to undertake more preventative efforts stopping problems before they occur, and support innovation. The flexibility most philanthropic capital provides is invaluable and distinct from statutory funding in this regard, providing unique benefits.

Under the last government, nascent efforts had begun to deliver this required training to financial advisers. But new Ministers have the opportunity to turbo-charge those efforts by mandating changes to CPD and the curriculum, instilling philanthropy knowledge in thousands of financial advisers. This would be a major step towards unlocking greater levels of philanthropy, perhaps in the region of £1.1 billion a year, given in a more effective manner, from more of the wealthy – for negligible cost.

In the medium-term, the government should seek to set out a comprehensive National Philanthropy Strategy, as the Irish and Australian governments have done, to accelerate giving at scale.

Annex - Research methodology

Survey details

PBE commissioned Opinium to survey UK adults with investable assets of £100,000 or more (excluding the value of their main residence or other illiquid assets).

The question used to determine eligibility for inclusion in the survey was:

For the purposes of this question, we define investments as any savings/investments outside of your main residential property or workplace pensions.
Including the value of any private pensions, SIPPs or ISAs, what would you estimate is the total value of your investments?
(Please exclude the value of your main home).

Opinium spoke to 1,036 adults in September 2023. The sample is unweighted.

Within the sample, by age:
- 68 people were aged 18-34
- 248 people were aged 35-54
- 720 people were aged 55 or older (of which 400 were aged 65 or older)

Within the sample, by asset value:

- 550 people had investable assets between £100,000 and £250,000
- 270 people had investable assets between £250,000 and £500,000
- 216 people had investable assets over £500,000

Population estimates

We estimated the total number of wealthy people in Great Britain using data from Round 7 of the Wealth and Assets Survey (WAS) – a biennial household survey conducted by the Office for National Statistics. Round 7 covers April 2018 – March 2020, and is the latest available at the time of this report.

To ensure comparability with the definition of wealth used in the PBE-commissioned survey (above), we combined variables from the detailed microdata of the WAS survey to create a wealth measure covering net financial wealth and private pension wealth.

Based on this measure, we identified over 6,000 respondents with wealth above £100,000. Using the sample survey weights, this corresponds to an estimate of around 5.8 million individuals in the population in Great Britain.

The estimates broken down by age are roughly:

- 200,000 people aged 18-34
- 1.4 million people aged 35-54
- 4.1 million people aged 55 or older

The estimates broken down by asset value are roughly:

- 3.6 million people with investable assets between £100,000 and £250,000
- 1.4 million people with investable assets between £250,000 and £500,000
- 800,000 people with investable assets over £500,000

Given that the WAS data related to April 2018 – March 2020, we tested the sensitivity of the estimates to changes in wealth over the past few years with a simple modelling exercise. We judge that our estimates are still broadly appropriate in 2024, though the true number of people with over £100,000 wealth may have increased, in part due to high inflation.

We used these population estimates to weight the results of the Opinium survey, in order to produce estimates for Great Britain based on the survey results. For instance, to estimate that 1.3 million wealthy people donate to children and young people's organisations, we weighted the Opinium survey results covering 1,036 wealthy people to the population estimate of 5.8 million wealthy people from WAS. We did this weighting by age group and wealth group cross-classified. The distribution of respondents on the Opinium survey closely matched the distribution in the WAS data.

Modelling estimates

To estimate that wealthy people would be able to give an additional £2.8 billion to charity, we combined data from the Opinium/PBE survey and the WAS-based population estimates. On the Opinium survey, respondents reported their current donations in a range (e.g. "£1,001 to £1,500"). We took the midpoint from each range of current donations; for those reporting that they currently give “Over £50,000” (the top range) we used a conservative £75,000. We multiplied these midpoints by the reported increase in what they could afford to give without it having a negative impact on your financial situation (e.g. “About 25% more”). For the highest increase option of “100% more or higher” we used a lower bound 100% increase. This gives an estimate of the total donations they felt they could afford to give, which we then weighted to the population estimates from WAS, and differenced with their current donations to give the £2.8 billion additional. Modelling uncertainty arises from the ranges of current donations, uncertainty around the top response option of both current donations and affordable increases, and sampling variability in both the Opinion and WAS data. We judged, on the basis of sensitivity analysis for these uncertainties, that a reasonable range would be £2.0 billion to £4.5 billion.

To estimate that £1.1 billion in donations could be unlocked if all wealthy people with a financial adviser also received philanthropy advice, we used a similar approach. Those already receiving philanthropy advice, and those without a financial adviser, were not adjusted. For those with a financial adviser but without philanthropy advice, some already donated, and others didn’t. For those already donating, we assumed their giving would increase by 40% on average, on the basis of evidence from previous studies.[31] For those not already donating, we estimated their giving based on a linear regression fitted to the Opinium data, where the natural logarithm of current donations is explained by age, age squared, the natural logarithm of investable assets, and whether or not the individual received philanthropy advice. Donations were found to be increasing in the log of wealth, higher for younger and older people (a convex relationship), and higher for those receiving philanthropy advice. We used this model to predict donations for those with a financial adviser, without philanthropy advice, and not currently giving, and assuming they received philanthropy advice. The 40% increase for current donors accounts for about three-quarters of the £1.1 billion estimate, with the remainder from the increase in the number of people donating. Modelling uncertainty arises from the ranges of current donations, uncertainty around the top response option of current donations, uncertainty with the regression, and sampling variability

[31] M Sanders et al., Legacy Giving and Behavioural Insights, The Behavioural Insights Team, 2016.

in both the Opinion and WAS data. We judged, on the basis of sensitivity analysis for these uncertainties, that a reasonable range would be £0.9 billion to £1.6 billion.

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