

Give and Take

The challenges of measuring public
generosity in the UK

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Introduction – our argument on the challenges of measuring giving

Understanding who gives, and why they give, helps charities to monitor giving levels and predict future income streams. However, establishing who gives and how much they give is a contentious topic.

Investigating giving with the use of surveys raises two issues inherent in all surveys: the possibility of sampling error and being dependent on respondents' self-reporting. Self-reporting is prone to both recall error and social desirability bias, as respondents either forget the details and/or are influenced by a wish to be seen as a good person.

This does not mean that all surveys are futile or a waste of resources. What it does mean is that the reporting of survey findings and how they are understood and interpreted by all concerned stakeholders is of critical importance. Findings should not be reported as irrefutable truths about what is being given. Asking people about their giving patterns is to ask about their perceptions about what they could or should be giving. Therefore, a drop in giving levels may indicate that people are worrying more about what they can afford to give and about their own economic circumstances, rather than necessarily giving less in actuality. We have long cautioned against using such surveys to extrapolate statistics such as the UK's total annual donations.

People need to be made aware of the volatility of such surveys, that multiple surveys show contrasting findings, and that there are alternative sources of data. Whilst it may weaken the headline and require considerable thought and discussion to express, generalisations extrapolated from survey findings should not be reported on as objective facts. Caveats are needed.

Good reporting will also show a distinction between the findings that are shown by the survey and the interpretation being placed on these findings, whether this is added by the researchers themselves, policymakers, the media or other stakeholders.

2. Three research problems with measuring giving through self-reported surveys

2.1. Sampling error and bias

There are limitations in accuracy inherent in a survey using a sample of a population rather than a census. Efforts can be made to ensure the sample is nationally representative. The sample needs to be sufficiently large to enable generalisations to be drawn from it, particularly if analysis of subsections of the sample is intended.¹ Sample bias is an inherent worry of any survey, not just those about giving. However, it becomes particularly important if the results are being used to extrapolate data on which conclusions about wider trends may be made. The only real safeguard is to make sure that the caveats and weaknesses in data collection are borne in mind. In terms of measuring giving there are two specific areas of concern: the frailty of memory and social desirability bias.

2.2. Self-reporting: the frailty of memory in relation to giving

Human memory is poor. Imagine being asked to say how much you have given to charity in the last four weeks, three months or even twelve months. Add it all up in your head? Are you feeling confident that you can remember it? That you've included not just any direct debits, but also every pound or penny in a collecting tin, every text donation and online sponsorship and any payroll giving.

Respondents' ability to accurately remember their giving will inevitably vary depending on the individual, but also the question. Remembering how much you gave in the last 12 months is likely to be harder to accurately answer than thinking back over the last four weeks. Research suggests that being less involved with the charities given to, means that donors will be less likely to accurately remember how much they gave.² The more donors interact with the charities they give to, the more likely they are to remember the amount donated. How salient the act of giving is will influence how well remembered it is - donating to a box or tin in the high street and one-off donations with little or no direct relationship with charities are likely to be less well remembered than setting up a new direct debit.

2.3. Self-reporting: social desirability bias about giving

Good people give more to charity. Giving to charity is a good thing to do. People tend to want to be seen as good people, with the values and characteristics of good people. So,

¹ Differences between groups should only be reported on where they are statistically significant, i.e. where we can be confident that the differences seen in the sample reflect differences in the population. When sample sizes are smaller, we can be less confident in our estimates so differences need to be greater to be considered statistically significant.

² Lee and Woodliffe 2010

when somebody is asked how much they give to charity, they might inflate their generosity or even outright lie about giving. 'Social desirability bias' is the tendency for survey respondents to answer questions in a manner that makes them look good, avoids embarrassment or tells the interviewer what the respondent thinks they want to hear.

The same kind of bias creeps in when asking people how much they drink or how much sex they have. Respondents may be reporting how they would like their life to be, rather than how it necessarily is. Some people may in effect deceive themselves. Whilst less involved donors may be more likely to struggle to accurately recall their exact giving, there is some evidence that social desirability bias is more common with more highly involved donors.³

There is also evidence that less personal research methods, such as postal or online surveys, may help to reduce this bias as it appears that respondents are more susceptible to socially desirable responding in the presence of an interviewer.⁴ However, although removing the pressure to put oneself in a favourable light with others, it does not remove the pressure to do so for one's self-esteem, that is, positive self-deception.

Another approach is to give the respondent the opportunity to still appear charitable even if their giving is lower than they might wish. For instance, UK Giving by CAF asks respondents whether they have donated or sponsored someone for charity amongst a raft of other social actions including volunteering and signing a petition. If they are able to highlight other actions in which they have participated, this may lessen the pressure to say they have donated if they have not, or to inflate the amount they have donated.

Similarly, asking first whether they had given to charity within the previous 12 months, prior to asking about the last four weeks arguably puts respondents who answer positively in the first instance under less pressure to also answer positively in the second. If they have not given in the previous month, they will not appear an uncharitable person per se, as there may merely not have been an opportunity to give in the last month. The aim is that respondents are not attempting to avoid appearing uncharitable by including earlier donations as falling within the requested timeframe, or by including future intended donations within their response.

³ Lee and Woodliffe 2010

⁴ Lee and Woodliffe 2010

Do the numbers add up? Case study of payroll giving

Approximately 1.6m adults said that they gave through payroll giving in the last 12 months in 2017 according to CAF UK Giving 2018.⁵ nfpSynergy's most recent data suggests around 2.7 million payroll donors based on 5% saying they give via their payroll.⁶

However, HMRC's 2017 data indicates that 1.07m donors gave £131m through the payroll giving scheme in 2016-17. This is a minimum discrepancy of over half a million donors – that is, half of the number who actually gave through payroll giving.

These discrepancies are clearly substantial. They may indicate both social desirability bias and also a lack of awareness about what payroll giving actually is. They also cast doubt on the credibility of measuring others types of giving.

⁵ CAF reports that in 2017 3% of adults (16+) said that they gave through payroll giving in the last 12 months. The total of 1.6m adults is calculated from the ONS mid-2017 population estimate for adults aged 16+ (53,534,872) taken from <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

⁶ nfpSynergy's most recent data on payroll giving suggests that 5% of the public give through their payroll. The total of 2.7m adults is calculated from the ONS population estimates from <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/november2018>

3. Recent UK research into public giving

The most established giving surveys are repeated at regular intervals to enable analysis of trends over time. If the survey methodology and questioning is consistent, then the hope is that any bias in the responses will also be consistent. Karl Wilding from NCVO sets out the logic of this, *"If we are overestimating giving because people are being over-generous in their responses, there is no reason why this should change from year to year. In other words, if we've got it wrong, we've got it consistently wrong. The overall trend will hopefully be right."*⁷

3.1. CAF Giving Report

The Charities Aid Foundation (CAF) has been producing the **UK Giving** report since 2004, and has been tracking giving in the UK for several decades. During 2016 the UK Giving survey transitioned from a quarterly face-to-face survey of 1,000 people each time, to a monthly online survey of 1,000 people.

This new monthly approach enables CAF to level out seasonal effects as well as those established spikes in charitable giving that occur around particular high-profile events or as a result of humanitarian disasters or specific appeals (see box below). A total sample of 12,000 people interviewed across the UK over the year also enables greater sub-group analysis of patterns of giving. By asking each month, CAF's approach avoids this problem of seasonal differences in giving and enables an estimate of the total amount donated by taking into account all months of the year. It also seems likely to elicit more accurate responses by asking respondents how much they gave in the last four weeks rather than in the last 12 months.

According to the most recent report, in 2018 57% of people said they had donated money in the last year, down from 60% in 2017 and 61% in 2016. Those reporting to have given in the last four weeks also declined though to a lesser degree (31% in 2018, down from 32% in 2017 and 33% in 2016). There has also been a similar fall in the number of people saying they have sponsored someone for charity over the last year (from 37% in 2016 to 32% in 2018) or in the last four weeks (from 11% in 2016 to 8% in 2018).

As CAF reports that the total amount given has not varied significantly from around £10 billion over the last three years, and since fewer people are giving money to charity both directly and via sponsorship, this suggests that fewer people are giving but those that did are giving higher levels of money. The median monthly amount given by a donor in 2018, either donating or sponsoring in the last four weeks, was £20, while the mean amount

⁷ <https://blogs.ncvo.org.uk/2010/11/29/do-people-tell-the-truth-when-we-ask-if-they-give-to-charity/>

given was £45. The median is the same as 2017 and up from £18 in 2016, whilst the mean has slightly increased, from £44 in 2017 and £40 in 2016.

CAF's press release for UK Giving 2019 focuses on the decline in the numbers of giving, and links this 'worrying' trend to a decrease in trust in charities.⁸ This led to the Guardian's headline 'Fewer Britons donate to charities after scandals erode trust'.⁹ Yet the findings show that those who do give are giving higher amounts and that fewer people had been approached to make a donation in the street or on the doorstep last year, or received direct mail requests.

As the Guardian reports, NCVO suggests that the CAF figures say less about trust and more about deliberate changes in fundraising in 2018 in response to the earlier controversies and GDPR data protection rules that took effect last May. GDPR has required charities to clean and update their supporter databases, meaning that occasional or lapsed donors will often have been removed. Sir Stuart Etherington, NCVO's chief executive told the Guardian: *"Fewer people giving larger sums reflects a year in which many charities were scaling back recruitment of new donors and focusing instead on cultivating their relationships with existing supporters. This is the result of a positive change in charities' fundraising strategies away from some of the marketing approaches of the past."*¹⁰

This demonstrates the importance of clear reporting, and the need to show how the same figures can be interpreted in quite different ways.

3.2. nfpSynergy's *Charity Awareness Monitor*

nfpSynergy has been regularly surveying a nationally representative sample of the UK general public for two decades, asking the public four times a year whether they donated in the last three months. Chart 1 below shows a gradual decline over the last few years in the proportion reporting that they had donated to charity in the last three months.

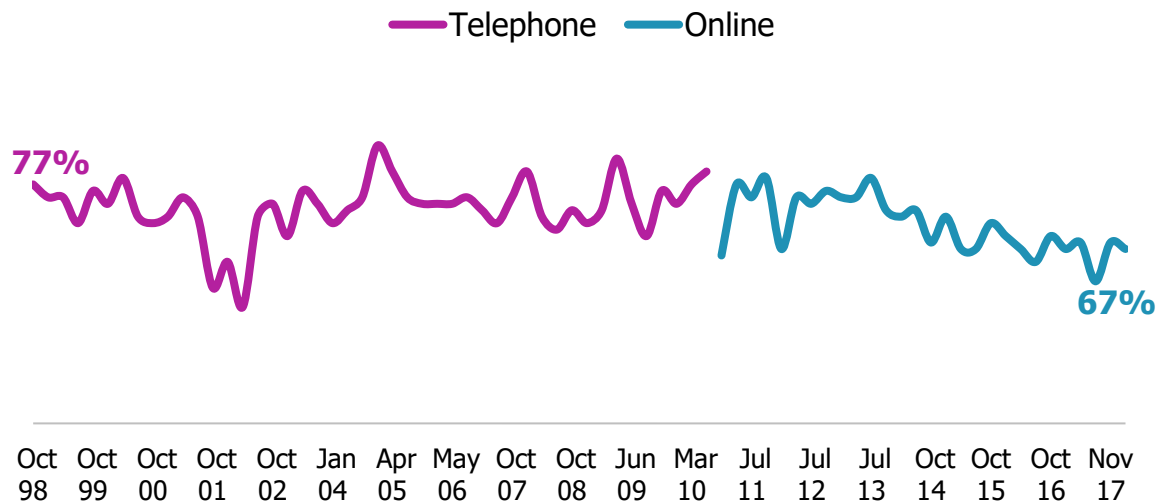
However, the picture in chart 2 for the mean amount donated over the last three months shows greater fluctuation. It seems very unlikely that these differences in what people say is the average amount they donated reflect real changes in donating habits – but more variations in people's perceptions of their giving. What is interesting is how the **percentage** who say they have given has declined by about ten percentage points over the last decade (chart 1); however, the **amount** they say they have given fluctuates dramatically (chart 2). There is no simple explanation for why this should be the case.

⁸ CAF, 7 May 2019 'Numbers of people giving to charity drops for the third year in a row says new UK Giving Report', George Young

⁹ Guardian, 7 May 2019 'Fewer Britons donate to charities after scandals erode trust', David Brindle

¹⁰ Ibid.

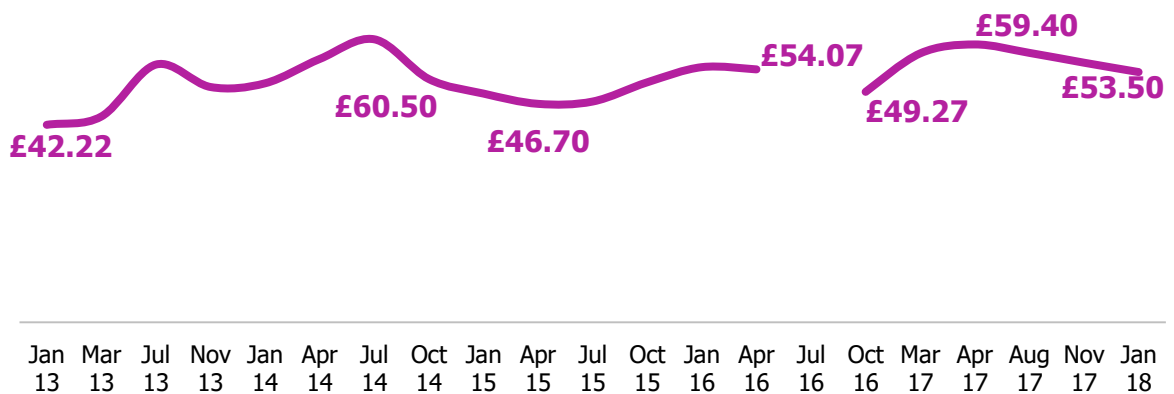
Chart 1: The percentage of the public who say they have donated in the last 3 months



"Have you donated to charity in the last three months?" **Yes**

Source: Charity Awareness Monitor, Oct 98- Nov 17, nfpSynergy | Base: 1,000 adults 16+, Britain

Chart 2: The amount the public say they have given in the last three months



"In total, approximately how much money have you donated to any charities in the last 3 months?"

Yes/Mean Score.

Source: Charity Awareness Monitor, Jan 13- Jan 18, nfpSynergy | Base: All those who have donated among 1,000 adults 16+, Britain'

So, for instance, in April 2017 68% said that they had given £59.40 in the last three months, compared to October 2016 when 69% of people said they had given £49.27 in the last three months. Multiplied up to a year this brings about an annual total of £7.23 billion in October 2016 and £8.6 billion in April 2017, that is, an increase of just under 20%. This is an unrealistic level of increase – especially as one might expect the period before Christmas to present a higher level of giving than the period after.

It is for these reasons we believe that any scaling up of raw giving figures based on public responses needs to be treated with profound caution (see the box in section 4 for more detail).

3.3. The Community Life Survey

The Community Life Survey (CLS) is a household self-completion survey of a nationally representative sample of adults aged 16+ in England that has run since 2012-13, replicating the Citizenship Survey run by the DCLG from 2001 to 2011. The 2017-18 survey ran from August 2017 to March 2018 and had a sample of over 10,200 adults. In 2016-17, the survey discontinued face to face collection and moved fully to an online/paper self-completion methodology.

Three quarters of respondents (75%) said they had given money to charitable causes in the last 4 weeks, the same as in 2016-17, but lower than 2013-14 when 82% had given to charitable causes. The mean amount given in the four weeks prior to completing the survey (excluding those who donated more than £300) remained the same as in 2016-17, 2015-16 and 2013-14, at £22, with 13% donating more than £50.

CLS includes some donations that are not explicitly covered by other giving surveys, such as giving to people begging on the street. Patterns of charitable giving by gender, age and social grade have been reasonably consistent with CAF's UK Giving through time.

3.4. Blackbaud *The Next Generation of UK Giving 2018*

The Next Generation of UK Giving 2018 was commissioned by the Blackbaud Institute for Philanthropic Impact and is based on an online survey of 985 UK donors. A non-probability sample of adults aged 18+ was drawn from a national survey panel. The sample was controlled to be representative based on population estimates from the ONS.

To qualify for participation, respondents had to report that they had made a monetary donation to at least one non-profit organisation/ charitable cause within the last 12 months. Since it was a survey of donors, rather than the general public, it is not clear how this survey established that 66% of the total population gave to charity in the last year: surely all the respondents were donors by definition. Nor is it clear how they determined the proportion of each age group who gave. This is discussed in the case study below – which also considers issues related to the population size reported by the survey's findings.

Respondents were asked about their giving in the last 12 months, which, as discussed above, is not as likely to elicit accurate responses as asking about a shorter period. In addition, a single survey is subject to being influenced by the time of year it is conducted, as well as not enabling trend data over time.¹¹

¹¹ Blackbaud 'The Next Generation of UK Giving'

3.5. Barclays *The Future of Giving 2018*

The Future of Giving is based on a survey of both individuals and charities, and as such attempts to contrast charities' perceptions of who gives to them with individuals' own reports of their giving.

According to this survey, 85% of the population donated an average of £231 in the past year. This proportion is higher than those found in other surveys. Respondents were asked about their giving over 12 months. Since they were asked both of the following questions at different points in the survey, it would be interesting to compare answers:

Q2c. And over the past year, approximately how much money overall have you given to charity? This can be through regular or occasional giving, sponsored events etc.

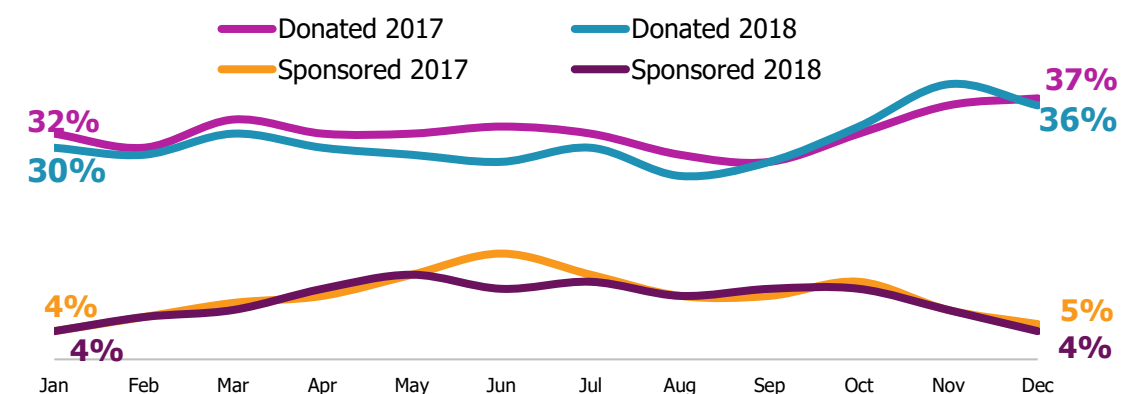
Q8c. And thinking about the charities you have supported, how much would you estimate you have donated in the past 12 months?

Fieldwork involved interviews with 300 large charities and over 2,000 individuals. The survey of individuals was not weighted to be exactly national representative. Soft quotas for age and gender were set to be within a certain tolerance. Weighting the data after fieldwork established that results would not change by a statistically significant amount. The researchers decided that the benefits would not outweigh the limitations of doing so, namely that the sample of approximately 2,000 would be reduced to approximately 1,500, consequently resulting in a higher error margin.¹²

Giving trends within a calendar year

CAF's monthly surveys indicate that there are seasonal differences in giving, and that giving levels are affected by particular events or disasters. Sponsorship peaks occur over the summer months, when many sponsored sporting events take place, whilst November and December present the peak months for donations to charity (see chart 3). This is likely related to campaigns such as the Poppy Appeal and Children in Need, as well as charities own extensive Christmas appeals, such as the Salvation Army.

Chart 3: CAF UK Giving: seasonal differences in proportion who give¹³



Base: all adults 16+, 2018: (n=13,277), 2017: (n=12,211), Britain

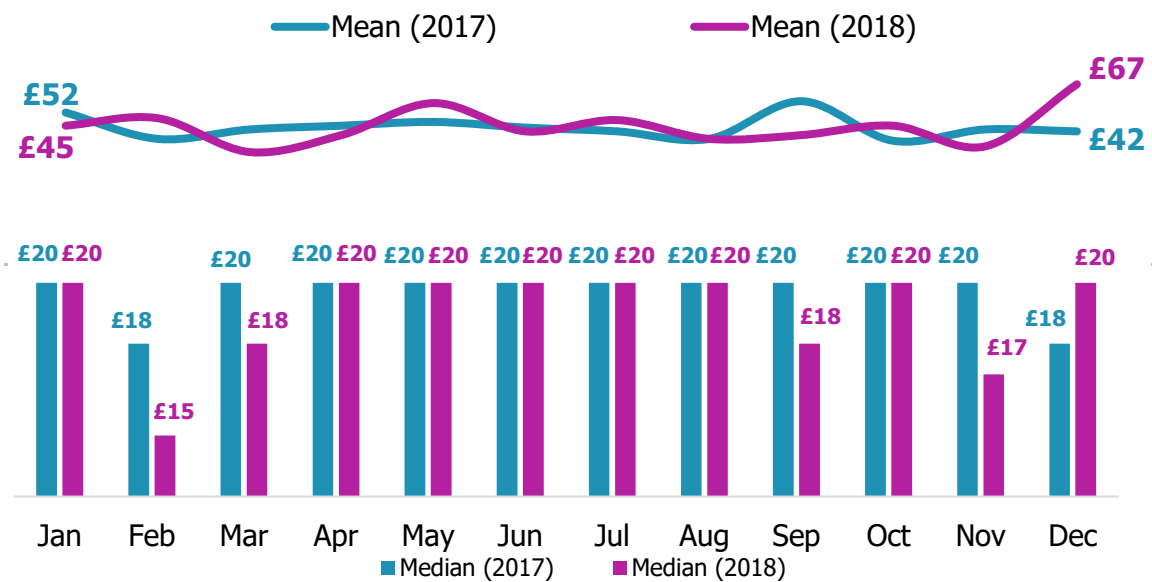
¹² Barclays (2018) *The future of giving: How our donation habits are changing, and what charities can do about it*

¹³ CAF UK Giving 2019, p11

However, whilst there appear to be seasonal patterns in whether or not people report giving month by month, this is less apparent in the amounts donated. There is little change in the median amount given each month between April and November (always £20) and little consistency between the mean amount given when we compare month to month across 2017 and 2018 (chart 4).

Nevertheless, given that respondents are more likely to give in certain months than others, it makes sense to use a shorter rather than longer time frame to ask about someone’s giving. If respondents are only asked how much they gave during the preceding 12 months, it seems plausible that if the survey is conducted during a period when giving is higher than otherwise, it is likely to result in higher figures being given, compared to asking the same question during a period when giving is lower.

Chart 4: CAF UK Giving: mean amount given shows little seasonal consistency¹⁴



Base: Donors via donation or sponsorship 2018: (n=3948), 2017: (n=3730), 'Don't know' responses not displayed. Britain.

¹⁴ CAF UK Giving 2019, p11

Section 4. Estimating total annual giving

4.1. Annual Reports

NCVO's UK Civil Society Almanac 2018 uses financial information from organisations' annual accounts submitted to the Charity Commission and estimates that donations from individuals amounted to £7.8 billion in 2017.¹⁵ The accounts information relates only to registered charities and excludes organisations in the wider civil society, which individuals might include in their reported giving.

4.2. Giving Surveys

CAF calculates a total giving amount in the UK in a way that takes into account all months of the year and any seasonal difference. Consistently it has suggested that around £10 billion is donated annually by UK donors:

- £10.1 billion was given in 2018;
- £10.3 billion in 2017;
- £9.7 billion in 2016.

This compares to £10.6 billion reported by Barclays and £9.2 billion by Blackbaud in 2018.¹⁶

To calculate this total giving figure from survey responses, two measures (i.e. the proportion who donates and the average amount donated) are multiplied together. Each measure is subject to normal statistical variance, which naturally leads to a margin of error. When the two figures are multiplied together, so is the error, meaning that huge swings can result from changes in results that are either small or even not statistically significant.

The danger of extrapolating up a total figure for giving: a total ranging from £7.5 billion to £8.4 billion

As a point of illustrating this, we had a look at our own data. The average quarterly gift across 2018 was £56.81. The proportion of givers was 0.67 (or 67%). This means that the point estimate for average quarterly gift for adults in the UK is £38.06, or an annual gift of £152.25 (multiplying by four). Multiplying this by the adult population of 52,323,240 according to the ONS gives an estimate of £7.97 billion. This is about as far as commentary tends to go on giving estimates such as UK Giving when the media covers them - whether this headline figure goes up or down.

¹⁵ <https://data.ncvo.org.uk/>

¹⁶ Barclays reports that 85% of the population donated money in the past year giving on average £231. Using ONS' most recent population estimates for those aged 15+, this means a total of £10.6 billion.

What can make this misleading is not reporting confidence intervals. The formula for variance of a product (i.e. when we multiply two figures together like we have done with the average gift and the proportion giving) is:

$$\text{Var}(XY) = \text{Var}(X)\text{Var}(Y) + \text{Var}(X)E(Y)^2 + \text{Var}(Y)E(X)^2$$

If we plug in the appropriate figures and sample size it gives a standard error for the average quarterly gift of £1.08. The 95% confidence interval then means that the interval for the average quarterly gift is £38.06 +/- £2.11. Scaling this up to annually makes it £152.25 +/- £8.45. Scaling this up again to the UK population means a 95% confidence interval of £7.5 billion to £8.4 billion! In other words, a "drop" of the order of £400m can be completely insignificant statistically.

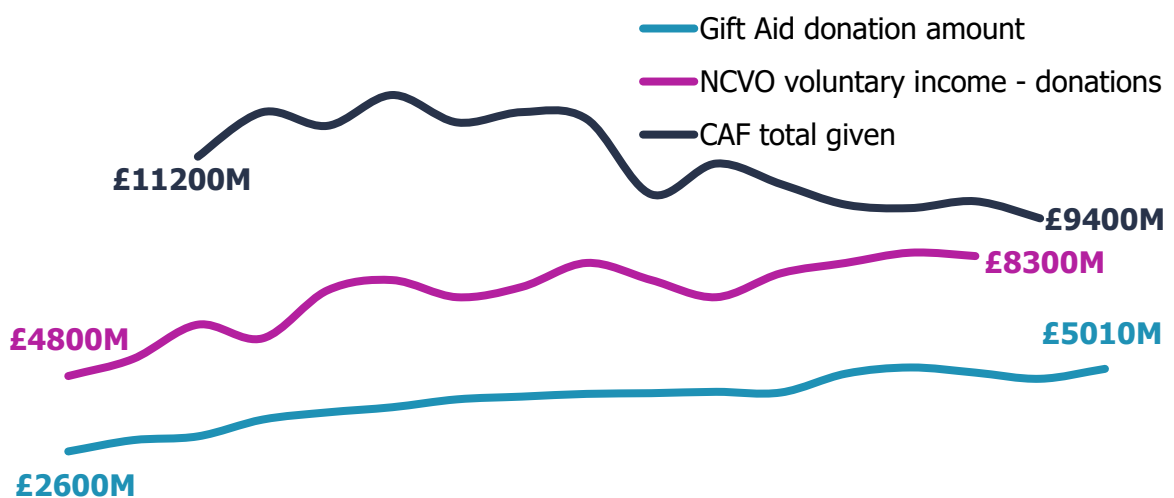
4.3. Gift Aid claims

Whilst only a proportion of donations are Gift Aided, looking at HMRC figures for charity claims provides an alternative source of data to sense check an overall trend against. For instance, if surveys suggested that individual giving was down, we might expect to see the level of Gift Aid claims dropping.

4.4. Comparisons

What happens if all these different mechanisms for calculating giving are shown over time? Chart 5 plots the results below.

Chart 5: Comparing Gift aid, NCVO and CAF trend data (millions)



2002-03 2004-05 2006-07 2008-09 2010-11 2012-13 2014-15 2016-17 2018-19
 *From 2014-15 onwards, CAF reports their figures as being for individual years, so 2014-15 figure is for 2015, 2015-16 is for 2016 and so on. (Inflation adjusted to 2016-17).

Most interestingly, this chart shows that whilst both NCVO data and gift aid data show a steady increase in giving from 2008 onwards, the CAF data shows a decrease from 2008 onwards. They can't both be right. Unsurprisingly, there is a considerable gap between the CAF survey-based figures for individual giving and the NCVO accounts-based figures for giving.

We would not be happy if government estimates of tax revenue showed so much variation between two methods. Can we, as a charity sector, really be happy that figures for giving by individuals have such a large discrepancy?

5. Case study: age and generosity

They can't all be right – which age group gives more?

“Those aged 65+ have both the highest median and mean amount (£21 and £58 respectively), which we also saw in 2016 and 2017.”

(CAF Giving Report 2019)

*“It’s a truth universally acknowledged in the charity sector that older people are more committed to the charities they support ... Our findings certainly suggest that older people are more likely to give regularly via direct debit. One of the surprises, however, is that they are the age group who report giving least in terms of overall value ... **People in the 35 to 54 age group gave most to charity on average last year.** The next highest donation value came from the under-35s – overturning common assumptions about donor demographics. The youngest donors give significantly more than the oldest group.”*

(Barclays The Future of Giving 2018)

*“In the United Kingdom, the youngest donors are giving the most to charity. While similar percentages of each generational cohort are donors, **Gen Zers and Millennials contribute the largest amount of money**, giving £2.7 billion this year and making up 30% of the total donated.”*

(Blackbaud Institute of Philanthropic Impact, The Next Generation of UK Giving 2018)

The largest and longest running surveys of giving have consistently found evidence to suggest that older people on average give more.

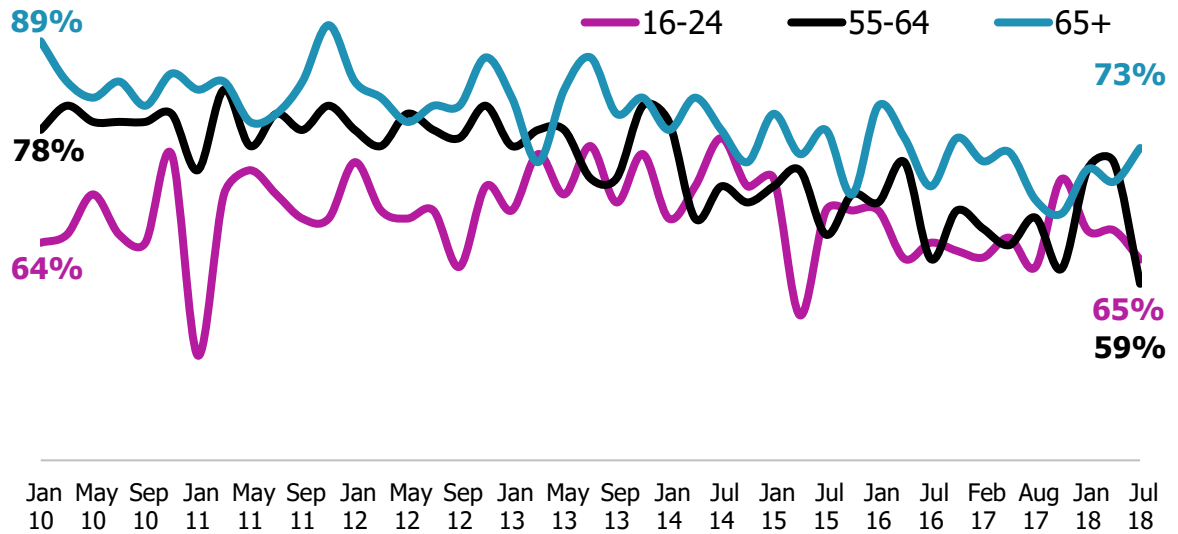
According to CAF, those aged 65+ have consistently had both the highest median and mean donation amount. Prior to 2017, those aged 16-24 had always given the lowest amounts. However, in 2017 the lowest donation figures were from those aged 25-34, and in 2018 there was a mix, with 16-24 year olds having the lowest median donation amounts (£11), and those aged 25-34 the lowest mean donation amounts (£35).

Similarly, the CLS reports that older people were more likely to have given to charity than younger people, with 83% of over 75s donating in the last four weeks compared with 57% of 16-24 year olds. Monthly charitable giving is highest (38%) among people aged 45-64 compared with 14% of younger people aged 18-24.

nfpSynergy’s research shows a similar picture (chart 6). Looking back over two decades, the oldest (those aged 65 and over, or occasionally 55-64 year olds) have consistently been the most likely to say that they have given in the last three months. The one

exception is in late 2017 when 16-24 year olds were the most likely to say they had given.

Chart 6: nfpSynergy Charity Awareness Monitor: donations by age



“Have you donated in the last three months?” **Yes**

Source: Charity Awareness Monitor, Jan 10- Jul 18, nfpSynergy | Base: 1,000 adults 16+, Britain

In contrast to these findings, two recent pieces of research have announced contradictory findings.

Barclay’s *The Future of Giving* reports that over-55 now give the least on average. The survey asked respondents how much they gave over the last twelve months, and how they are most likely to give. By age the responses were:

Age category	Average given over the last year	Most likely to give
Under 35s	£246	‘Every now and again’ using various methods
35-54	£265	By occasionally sponsoring others
Over 55s	£168	Regularly by fixed direct debit
Total	£231	

To analyse giving by age involves making comparisons of subsets of the sample. As discussed above, the sample should be both nationally representative and sufficiently large to enable generalisations to be drawn at the level required. The following table shows how the sample used by Barclays compares to a nationally representative sample by age:

Age category	Sample size	Proportion of sample	Nationally representative
Under 35s	564	28%	31%

35-54	798	40%	33%
Over 55s	637	32%	35%

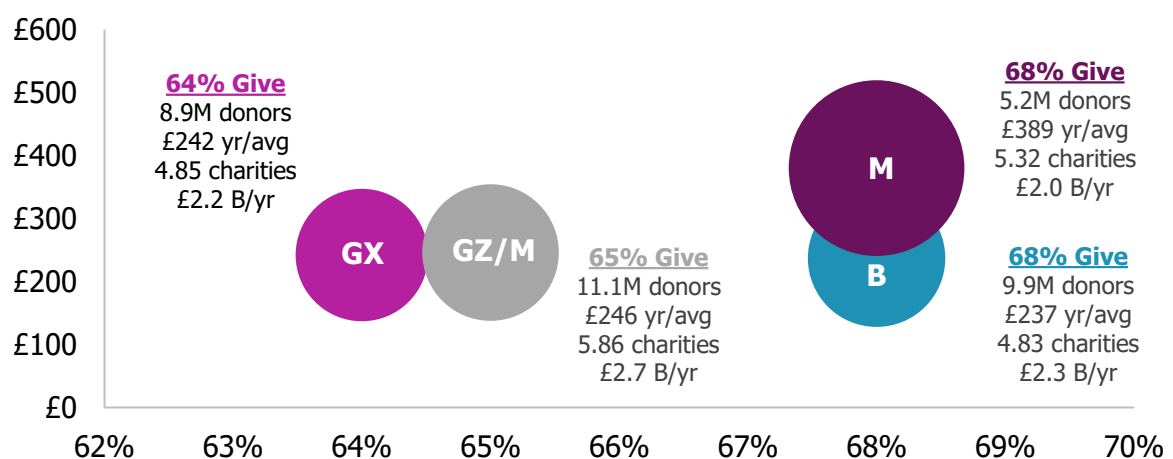
Soft quotas for age and gender were set to be within a certain tolerance. The researchers found that weighting the data after fieldwork would not change results by a statistically significant amount. The benefits would not outweigh the limitations of doing so, namely that the sample of approximately 2,000 would be reduced to approximately 1,500, so resulting in a higher error margin.

Nevertheless, since the findings directly contradict those found by three long running regularly repeated surveys based on nationally representative samples, it would seem only appropriate to make this clear in the report. Far from irrefutably demonstrating a change in giving and that over 55s now give least, at the most this survey suggests a need for further research specifically focusing on giving by age and with robust sampling to enable this analysis.

At first glance, it would appear that Blackbaud’s recent research report supports the story told by Barclay’s research. However, whilst their headline shouts that “youngest donors are giving the most to charity”, on closer inspection there are various issues that need addressing. Moreover, to the extent that they are reliable, the findings actually seem to support existing research showing that on average the oldest give the most.

Firstly, it is unclear how Blackbaud’s research can report the percentage of each generational cohort which donate, since this is a survey of donors. Yet the figures given in chart 7 below imply that they are from a representative sample of the whole population, both those who give and those who do not.

Chart 7: Blackbaud ‘The Next Generation of UK Giving’: giving by age cohort¹⁷
 (the bubbles indicate the average annual gift with the horizontal axis representing the percentage who give, and vertical the annual gift)

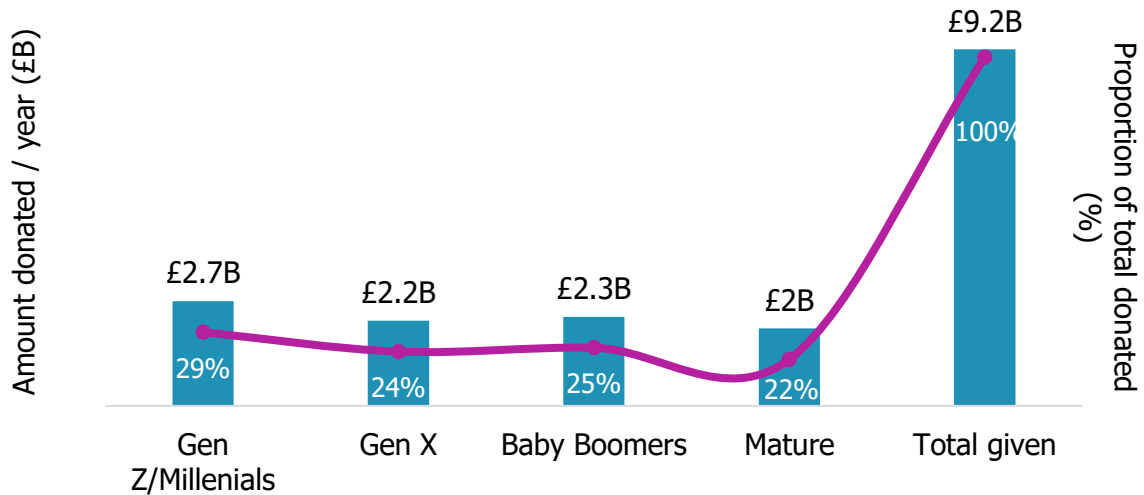


Source: Blackbaud Feb 2018 | Base 985 UK donors

¹⁷ Blackbaud ‘The Next Generation of UK Giving’, p. 5.

The report concludes that ‘similar percentages of each generational cohort are donors’. The amount donated by each generation and the proportion of the total donated by each generation is shown in chart 8. The report’s authors suggest that the fact that Gen Z and Millennials combined gives the biggest proportion (29%) may be partly due to their greater numbers. “Part of this has to do with the sheer size of this generation. At over 17 million residents, they are more than twice the size of the Mature generation.”

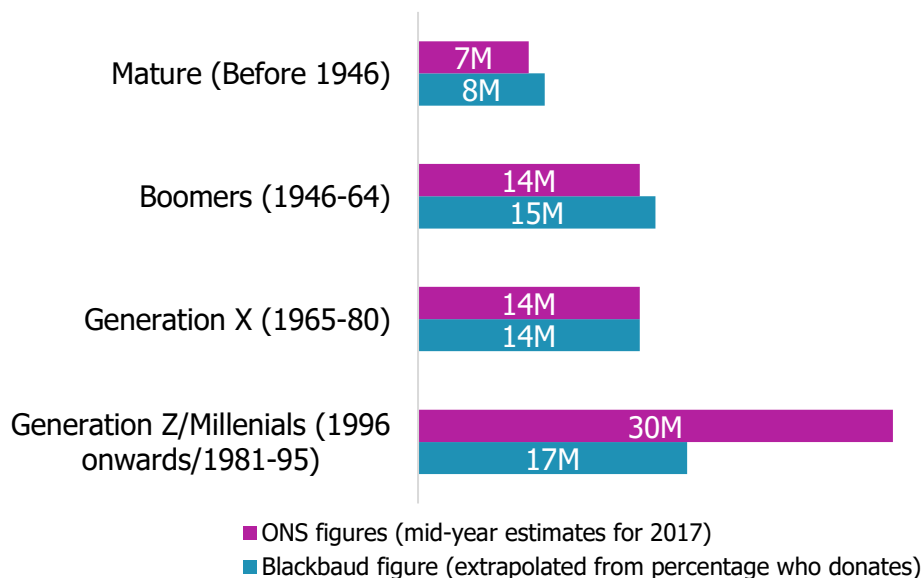
Chart 8: Total amount donated per year, by generation¹⁸



Source: Blackbaud Feb 2018 | Base 985 UK donors

Since the report details both the number of donors in each generational cohort and specifies what percentage of each cohort donates, it is possible to extrapolate from this the size of the cohort they are describing. However, doing so seems to reveal a discrepancy with official population data as chart 9 shows.

Chart 9: Estimates of cohort size from Office of National Statistics (ONS) and Blackbaud



¹⁸ Blackbaud ‘The Next Generation of UK Giving’, p. 5.

Using the most recent ONS figures (mid-year estimates for 2017) it is possible to determine a figure for each of the generations as defined by Blackbaud (slightly different to definitions used elsewhere, such as by the Pew Research Center). ONS figures were in age range bands that did not directly correlate so it was necessary to assume ages were consistent for each year within the ONS band and split them accordingly. According to ONS figures, Gen Z and Millennials combined actually make up over 30 million, not 17 million. This is over four times the size of the Mature generation. According to ONS, the total population was just over 66 million, compared to the 53.2m that can be reached from Blackbaud's figures. It appears that Blackbaud are perhaps including only over 16-year olds in their Generation Z cohort, so defining this cohort as those born 1996-2003 rather than just 1996 onwards.

It would be interesting to see the results from Blackbaud's survey for Generation Z and Millennials separately. They are categorised together throughout the Blackbaud report. Given the striking claims being made about these cohorts it would warrant greater analysis.

Blackbaud also does not report its figures as averages. The table below shows the mean donation amounts for each cohort – which tells the opposite story to their headline report that the youngest donors give most to charity. Even looking just at donors, the youngest give on average £243, whilst those in the oldest cohort are giving £385.

	Generation Z / Millennials	Generation X	Boomers	Mature
Blackbaud definition	Born 1996 onwards / 1981-95	Born 1965-1980	Born 1946-64	Born before 1946
Blackbaud figure	17M	14M	15M	8M
ONS figures	30M	14M	14M	7M
Total donated	£2.7B	£2.2B	£2.3B	£2B
Number of donors	11M	9M	10M	5M
Mean donation among donors	£243	£247	£232	£385
Mean donation for total cohort (ONS figures)	£89	£157	£160	£275
Mean donation for total cohort (Blackbaud figures)	£158	£158	£158	£262

Looking at the mean donation for individuals in the cohort as a whole (so including non-donors), using Blackbaud population figures, the mean donation for Generation Z/Millennials, Generation X and Boomers was £158 compared to £262 for the Mature generation. The contrast was even greater using ONS figures (which estimate that the Generation Z/Millennial cohort is much larger), ranging from £89 per person in this younger category to £275 for those in the Mature generation.

6. Conclusion: how do we improve the way that the UK public generosity is measured

Understand what charities and fundraisers actually want

The best starting point for any attempt to improve how we measure giving is to ask: what's helpful? And then perhaps break that down by asking what's helpful for charities in general and fundraisers in particular. The reason for separating out these two audiences is that what the sector probably generally wants is to measure the macro trends – alongside the lines of what happens already. How many give and how much and what does it all come to in total are some of the areas. Having said that, we're not particularly clear how an individual charity responds to or uses the information that giving is now estimated to be £10.x billion and last year it was £10.x billion plus or minus 2%.

Fundraisers have a different appetite, and our experience is that fundraisers really like benchmarking info and the income/cost ratio of different types of fundraising. So, while we still think research is needed, our second improvement is that **giving measures probably need to be more granular** and also provide information on the relative costs of different types of fundraising. It would be very useful for a fundraising team (and CEOs and trustees) to know that a fundraising event might typically raise twice what it costs, a retail operation should have a 30% profit margin, and it costs £xyz to recruit a donor who might give 4 times £xyz over the next few years. These kinds of measures are a long way from the current approach to measuring giving.

Survey standards need to be rigorous

If a survey is going to be made to try and measure giving then it needs to meet certain research standards. It should use a nationally representative sample, and clarify whether its age threshold is 16+ or 18+, whether its UK or GB (i.e. including or excluding Northern Ireland) and whether it meets age, gender, and social class quotas.

A number of the surveys we have analysed in this report don't appear to meet these basic requirements. It is not a problem to survey donors – but this should not be used to extrapolate wider giving patterns among the general public.

Similarly, the confidence limits for any figures used should be spelt out – particularly when extrapolating wider giving figures. More of this in the next paragraph.

Report giving statistics very carefully

1. Report trends not irrefutable truths

The various limitations of survey research do not mean that all surveys are futile or a waste of resources. What they do mean however is that the reporting of survey findings and how they are understood and interpreted by all concerned stakeholders is of critical importance. Findings should not be reported as irrefutable truths about what is being

given. Asking people about their giving patterns means asking about their perceptions of what they could or should be giving. Therefore, a drop in giving levels may indicate that people are worrying more about what they can afford to give and about their own economic circumstances, rather than necessarily giving less. We would caution against using such surveys to extrapolate statistics such as the UK's total annual donations – or at the very least treat the results with healthy scepticism.

2. Make clear the weaknesses and limits of survey data

People need to be made aware of the volatility of such surveys, that multiple surveys show contrasting findings and that there are alternative sources of data. Whilst it may weaken the headline and require considerable thought and discussion to express, generalisations extrapolated from survey findings should not be reported as objective facts. Caveats are needed.

3. Without clear evidence don't report cause and effect

Good reporting will show a distinction between the findings that are shown by the survey and the interpretation being placed on these findings, whether this is added by the researchers themselves, policymakers, the media or other stakeholders. Clearly, the same findings can be interpreted in very different ways. As we have seen, CAF's press release of their most recent UK Giving report focuses on what they describe as a 'worrying' downward trend in the number of people giving, linking this to a decrease in trust in charities. Yet, since the findings also show that those who do give are giving higher amounts, and that fewer people had been asked to give, the decline could instead reflect a deliberate focus on cultivating relationships with existing supporters as NCVO suggests, and the impact of GDPR on fundraising practice.

Change SORP standards to be made more useful for giving

Charities create their accounts according to guidelines set out in SORP (Statement of Recommended Practice). These ought to mean that there is a ready-made mechanism for making sure that some basic measures for measuring giving are embedded in the way that charities report. Sadly, this is not the case – indeed they are getting worse rather than better, as the new Charity Commission website reflects. Two flaws are worth reporting. The first is that the category of 'donations and legacies' is not what it seems. It might be thought that this is a perfect way to measure giving by individuals. However, 'donations and legacies' include grants from government and grant-makers. This significantly distorts the income figures. On the expenditure side, the category 'raising funds' groups together the cost of fundraising, the cost of trading activities and the fees for investment management. So, sadly, as it stands, charity accounts are not an easy route for measuring giving by individuals.

Create a panel of fundraising charities to report on their giving

Our belief is that a better way to measure giving is in a more direct way, comparable to the way that the retail industry measures how much people spend in shops, where they count what goes through the tills. The advantage of this type of mechanism is that it overcomes the problems of both memory and human bias.

The difficulty of the charity sector using this kind of measure is that currently the only cast-iron 'through the tills' measure is annual accounts and this has a lag in getting data of between 6-18 months after the financial year ends. In contrast, the retail industry knows how they did at Christmas by the middle of January. Charity data also has the weakness that SORP data is making charity accounts less, not more useful, as we set out above.

The best way to overcome this problem would be to create a panel of charities who had the financial systems to allow them to report on their giving figures on a quarterly basis. The panel would need to represent different sizes and types of charity (e.g. 100 charities with income below £1 million, 100 charities with income of £1-£5 million, and covering a range of sectors, and so on). It is well within the ingenuity and determination of the sector to create a measure for giving that is both completely robust and timely.

This would have the advantage of giving all charities a better idea of how their fundraising is doing compared to the market. Crucially, it would also unite people behind taking action on research data and fundraising performance that everyone has confidence in.

Conclusion

Understanding how much money the British public is giving is hugely important. It's important to understand the health of the charity sector. It's important to understand which types of fundraising are, or aren't, working. It's important to help individual charities compare their performance against the wider sector.

However, the current mechanisms for measuring giving have a range of flaws, not least when asking people to remember their own giving habits. This report sets out some of the research challenges of measuring giving, as well as the varied results that are derived from these. We also set out some of the feasible and deliverable ways that measuring giving could be improved to be made more useful to the sector, charities and fundraisers.

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About nfpSynergy

nfpSynergy is a research consultancy that aims to provide the ideas, the insights and the information to help non-profits thrive.

We have over a decade of experience working exclusively with charities, helping them develop evidence-based strategies and get the best for their beneficiaries. The organisations we work with represent all sizes and areas of the sector and we have worked with four in five of the top 50 fundraising charities in the UK.

We run cost effective, syndicated tracking surveys of stakeholder attitudes towards charities and non-profit organisations. The audiences we reach include the general public, young people, journalists, politicians and health professionals. We also work with charities on bespoke projects, providing quantitative, qualitative and desk research services.

In addition, we work to benefit the wider sector by creating and distributing regular free reports, presentations and research on the issues that charities face.

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