Why Rich People Give

Theresa Lloyd

Philanthropy UK

Summary

Aims and design of the research

1. This research was undertaken to develop a shared understanding of the attitudes of wealthy people to their wealth – its creation, holding and disposition. With this understanding we hope that charities and fundraising organisations will be more effective in developing and managing their relationships with higher net worth individuals, and society in general will have a better awareness of how to promote philanthropy among this constituency.

2. Because of the nature of the information required, the study was undertaken using small scale qualitative methods. Semi-structured, exploratory interviews were undertaken with 76 people of high net worth (largely between £5m and £100m) currently living in England and Wales. Additional interviews were carried out 10 volunteer fundraising leaders ("askers" - many also with significant assets) and 14 leading professional advisers to the wealthy, also high earners.

The interviewees and what they support

3. The interviewees ranged in age from 34 to 80 years and four-fifths were male. Three quarters were born in the UK and a quarter abroad. Two thirds currently live in London or the South East although often born and brought up elsewhere. Most were married (86%) and almost all had children or stepchildren (96%).

4. Reported levels of income for three-quarters of the sample who gave this information lay between £100,000 and £2 million, but a small number had incomes significantly above this level. The majority (70%) were self-made and of these, just over half had made their money professionally (generally through banking, with a few in the law), the rest created their wealth from business or other entrepreneurial efforts. Just over a quarter inherited or married wealth.

5. Levels of giving were commonly reported as between 5% and 10% of income although they ranged from under 2% to 25%. Some who had made money on flotation of a business had set up a trust with a significant proportion of the proceeds. A small minority were allocating little or nothing from their own income or wealth, but distributing the income from a trust established by a parent or other relative.

6. Charitable giving varied by sector, with arts, culture and social welfare receiving the most funding, followed by health, medical research, and education. Overseas development, environmental and religious organisations received the least support.

Influences: faith, family and community

7. For some, the influence of religion was seen as central to the family values that had been formative in attitudes to giving. Others attributed their early experiences of giving to cultural influences related to their origins, rather than directly to religion. Those from Asian and Jewish backgrounds, even if no longer observant, were linked to strong social networks which reinforce the values and sense of identity underpinning their philanthropy.

8. As well as religion, many features of family background and upbringing were cited as influences. For those who had inherited wealth, there had often been a history of family giving to their local community. A sense of community involvement was also expressed by some self- made entrepreneurs with strong local links. Others spoke about a parental influence which had brought a sense of responsibility to help 'less fortunate' or disadvantaged people within wider society.

9. A third factor, important for some people from Jewish or Asian communities, was that they or their parents had been immigrants to the UK. People talked explicitly about wanting to contribute to the society which had given refuge to the family.

Early experiences of giving – developing a philosophy of philanthropy

10. Among those who were not members of a family or community with a strong philanthropic tradition, few started serious giving at a very early stage. Being asked and managed effectively was an important early experience.

11. Individual triggers for giving are a mixture of self-analysis and external factors. For some the combination of time and the realisation of wealth, linked to existing interests, was sufficient to trigger giving. Others required an outside stimulus – a dynamic individual, a life-changing experience, a family illness – to point the way.

12. People do not on the whole start as strategic givers. Even those who come from families with a strong philanthropic tradition want to develop their own philosophy.

Motivations, incentives and rewards

13. Although many and varied, the influences that emerged fall under five broad headings:

a) Belief in the cause
This was the strongest motivator, and choice of a cause was often influenced by a wish to change or enhance society's systems or structures in line with a particular interest or belief.

b) Being a catalyst for change
This includes making a real difference, to society, institutions or individual lives, and getting value for money.

c) Self-actualisation
This covers the satisfaction of personal development – applying expertise in a different sector, learning new skills, directing money which might otherwise go to the government, addressing causes with a personal connection and defining a place in history.

d) Duty and responsibility
This is about the satisfaction of conscience, the obligations of the privileged to those less fortunate and the desire to "put something back" into society.

e) Relationships
This concerns the fun, enjoyment and personal fulfilment of relationships with a range of people. These may include the senior staff of the charity, beneficiaries and other donors. Donor networks feature strongly in some sectors and communities. A desire to join such networks may influence some.

14. Among the changes which might increase the individual's overall level of giving having more money was rated as the factor most likely to make a difference. Finding a new cause about which people cared passionately was next most important and the main factor for over half those who responded. Better tax incentives were said to be important by around a third.

Relationships with recipients

15. After the initial gift, reinforcement comes from donors knowing that they are making a difference, being properly thanked and meeting like-minded people. The way in which the recipient organisation manages the relationship with the donor is one of the crucial elements in the successful development of a sustained commitment to a particular organisation, and by extension to the practice of philanthropy generally.

16. A key aspect of that relationship is that donors want to feel that they are valued and recognised for the interest, concern and passion which motivates them and that they are appreciated for more than their money.

17. The importance of effective and personal communications was constantly stressed. This includes establishing good contact at the outset, maintaining it throughout the relationship, providing regular, appropriate information and giving time and thought to the process.

18. Most people wanted some kind of appreciation or recognition for their support from the recipient organisation; wishes ranged from a private expression of appreciation to public and publicised recognition.

19. In some cases, donors take active steps to avoid publicity or recognition for some or all of their donations. Many have sought anonymity, for a range of reasons, and there are a few who channel their giving through a trust with a name which cannot be associated with their family. Others saw public or peer recognition as a bonus, or are persuaded by fundraisers to allow their name to be publicised, as an endorsement and an encouragement to others.

20. There was a requirement from some donors to be consulted or 'have a say' in how their donations were allocated and spent. This is usually in areas in which they have skills – for example project or financial management, or IT. People want to pass on expertise as well as money. They look for respect for that expertise, and appreciation for the giving of time which is involved in major philanthropy.

21. Governance was also noted by some as an important aspect of the donor-beneficiary link. For donors who are also board members, the essence of their involvement was related to governance. Certain concerns – about the size of a charity, the quality of leadership, control at head office or levels of expenditure on fundraising or administration - had influenced a decision to give in some cases. Many donors make careful checks before they commit to an organisation.

22. There was evidence that the desire for influence and direction is stronger when major gifts are awarded, particularly for capital projects. Where there has been a really large donation to a new venture – for example a new building for a university– then the donor might want to fully involved in the project .

The Practice of Giving

23. Most interviewees receive a large number of unsolicited requests every year and well established personal trusts or well known philanthropists can expect up to 1000 letters a year. A significant minority of those interviewed review all requests. People with established foundations and an administrative infrastructure may have requests filtered on the basis of known criteria. For the majority who do not review all requests, unsolicited applications and 'junk mail' are thrown away. The two most important criteria in responding to a request are the nature of the cause and who asks, closely followed by opportunities to 'make a difference'.

24. This desire to focus on impact and obtain what was seen as value for money can sometimes work against big charities, as they are associated with unnecessary bureaucracy. A reluctance to fund core costs, for small as well as large organisations, was mentioned frequently. For many donors the calibre of the individual leaders of the organisation is also crucial.

25. Everyone made what they regard as small donations. When they do so it is usually in response to requests from people they know and many recognised an element of reciprocity. A few set aside a pot for gifts to causes or projects where a donation below £1000 will be appropriate – local causes, sponsorships, support of gap years, hardship cases and disaster appeals.

26. Over half the interviewees wished at some time to remain anonymous in their giving. Motives range from what might be perceived as selfish – not wanting to be pursued by others – to not wanting to flaunt their wealth or being patronising – whether to individuals or local communities.

27. Many of those interviewed use more than one mechanism for their giving. These included the setting up of charitable trusts, Gift Aid, community foundations and CAF accounts.

28. Just over half of those interviewed had set up a charitable trust and on the whole recognised its benefits, citing tax advantages and the fact that they can involve the whole family. They see it as a strategic commitment to philanthropy, as opposed to the one-off gifts which Gift Aid now allows to be made tax-efficiently. Some have serious reservations about one or more aspects, including the bureaucracy associated with the mechanism, the investment advice and monitoring by the Charity Commission, the lack of privacy, inconsistency of government policy to allocation of company shares to trusts, and criticism by the Directory of Social Change.

29. The availability of tax relief for one-off gifts offers an alternative which does not require a long term commitment, provides privacy and lack of scrutiny by outsiders and is relatively simple. Of those who had used Gift Aid, the majority spoke positively about the process and the mechanism. A significant minority were strongly critical of the process largely because of the complexity of the tax relief process, and lack of familiarity by some charities.

30. A group of donors, all based in the north-east, had had very positive experiences of community foundations. Some have their own charitable trust but also establish a fund within the community foundation for local projects.

31. A small minority made explicit reference to the use of a CAF account (always alongside Gift Aid and other mechanisms) and those who use it spoke positively about it as a mechanism for small gifts.

32. There was limited experience of giving shares. Those who had were positive about the idea in principle. However there were some concerns about the complexity of the process and, in 2002, the decline in the value of the shares between the announcement of the donation and the realisation of the sale proceeds by the charity.

33. The vast majority of respondents thought that tax incentives encouraged giving in principle and took advantage of the benefits. But while recognising the improvements in the tax incentives, particularly with the concept of giving shares, many compared the situation in the UK unfavourably with that in other countries, especially the US. There were two main strands to their suggestions: simplify the administration of the mechanism for one-off gifts (Gift Aid) for higher rate taxpayers[1]; and create opportunities to obtain tax relief on irrevocable pledges of capital gifts made in the lifetime of the donor. A small number of people also referred to the absence of incentives to give works of art and shares in private companies.

Wealth, security and family

34. Interviewees had very different attitudes to money, confidence in their financial position and sense of what is necessary for them to feel secure. Around three-quarters of interviewees said they felt reasonably secure. People who were running their own family businesses were among those who felt relatively less secure. Younger people expressed concern about the range of unknown expenses and family responsibilities for which they might have to provide – children, parents, health risks. Some were clear that their insecurities about money had complex bases and recognised that feelings about such matters are an intensely personal judgment.

[1] Tax at 40% is payable on incomes exceeding about £35,000 a year. It applies to about 10% of the population.

35. The question of how much money to transfer to children was a matter of major concern for many of the interviewees. Some were reforming their approach in the light of changing attitudes of society to the traditions of inheritance, their observations of the perceived adverse effect of inheriting major wealth, the different characters and career choices of their children, and the understanding that children may not wish to go into the family business. Many were clearly trying to strike a balance between leaving an “appropriate” amount for their children and for other, particularly charitable, purposes. Those with family businesses had least qualms about passing the bulk of their assets to their children.

36. Some people expressed the view that inheritance may be beneficial to society but may be inimical to the interests of individual children. It was recognised that great houses and estates were a vital part of the national heritage, culture and local community. Not only was it felt inappropriate for them to be a drain on the tax-payer; more importantly the family link ensures greater care.

37. Views about inheritance tax (IHT) and the impact of the intergenerational transfer of wealth were complex to unravel. Most thought that people should be allowed to decide what happens to their wealth on their death. There was also widespread criticism of current administration of IHT: people see it as inefficient and avoidable. It was commonly viewed as an unjust form of double taxation and a bad way to redistribute wealth. In the context of discussing IHT, there were several references to the benefits of the US approach to planned giving.

Wealth and Responsibility

38. Most people were well aware of the choices they enjoyed because of their wealth. A variety of activities and interests were identified, ranging from altruistic initiatives to the creation of collections (themselves a valuable asset) and engagement in a range of enjoyable pursuits, including the arts.

39. There was a range of views about the social obligations of wealth. Reactions were linked to the opportunities that people felt were provided by wealth - the possibility of allocation or choice between family commitments, individual pleasures and obligations to a wider society. However, many of those who felt it should be seen as an obligation also emphasised that it was a personal choice.

40. The number of people who were positive about the principle of tithing far exceeded the number who allocated a percentage of their income to giving. Nearly all of those who thought it was a good idea and practiced it come from a Muslim, Jewish or strong Christian tradition such as the Quakers. It was suggested that a target expectation could be part of ‘training’ to give.. Those who were less enthusiastic about the idea said they gave in relation to the opportunities available rather than having any notion of a fixed quota.

41. Plans for leaving money to charity varied widely. Responses ranged from those, particularly without children, who said they will leave all or a significant proportion of their assets to their foundation or to charities they supported, to those who plan only to give in their lifetime. Some were as yet undecided.

The state, the media and perceptions of wealth and philanthropy

42. There was a range of views about the proper extent of the role of the state, but virtually universal agreement that the state should pay for “basics” including health and education, that the public sector cannot do everything and that private philanthropy should add value to rather than substitute government funding. Some felt that the state is not funding its core responsibilities and that the private donor, via charities, is picking up what should be state-funded activities. Charities were seen as more likely to be pioneering – creating models of best practice not always taken up by the public sector.

43. Most supported the idea of some form of partnership between state support and private philanthropy in some cases, and for the majority this was a seen as a practical necessity, rather than one derived from a political perspective. Others felt that private funding in partnership with government support was less attractive or appropriate in areas that were seen as the basic responsibility of the state.

44. There was a widespread feeling of unhappiness about the status and respect given to philanthropy in the UK.. For many, the status of philanthropy was linked to the complex attitudes of the British to money, class and wealth creation, the absence of role models, the a lack of expectation that people who can afford to give, do so, and the perceived reluctance to talk about money.

45. Several people spoke of the role of the media in generating or perpetuating negative attitudes to wealth and charitable giving. A range of reasons were suggested for this including envy and resentment of the rich, a lack of understanding of wealth creation and scepticism about motives, linked, but not confined, to political giving. It was suggested that this led to a desire to give discreetly and more, crucially, discouraged an open culture of giving.

46. There was also some comment about the apparent ambivalence of this government to philanthropy. It was seen as wanting the wealthy to give but at the same time sending out messages of “a bias against the rich”.

47. The question of how best to recognise outstanding philanthropy and encourage people to be role models was seen as difficult and complex. Some people talked of league tables, such as those being developed by The Rich List. Others talked of the importance of giving being seen as the thing to do. It was suggested that one approach is to recognise the need for a range of role models, both as entrepreneurs and as philanthropists. The lack of a culture of giving among some people with wealth was also identified. The City is a key constituency for this and there was a call for greater focus on the workplace and the role and responsibility of employers.

Asking for money

48. Those with in-depth experience of asking for money suggested a range of factors leading to a major donation. They highlight the same features which the donor interviewees identified as important influences on their giving.

49. All recognise that a passion for the cause is vital. This may exist already, or might be created through effective introduction to the activities of the organisation and the particular project. Any approaches must be carefully researched and planned. The level of gift must be identified and the volunteer fundraiser supported by a first class professional team which is well regarded within the recipient organisation. That team must also operate within a corporate culture in which those who deliver the mission see the nurturing of relationships with major donors as part of their role and essential to creating the partnerships which will sustain their organisation.

The experience of professional advisers

50. The experience and perceptions of advisers reflects the range of attitudes and concerns reported by the wealthy themselves. Advisers believed the factors which made charitable giving more likely were being self-made/entrepreneurial, aged at least in their 40s or 50s and coming from a strong faith tradition. They felt that some who have inherited wealth and come from a family with a tradition of philanthropy may also give, but this is less likely when they have to maintain an estate or collection being held for the next generation. Other factors that encourage charitable giving are a desire to avoid tax, a reluctance to pass on too much to the children and a wish to be involved in a cause, and recognition.

51. Some advisers observed that attitudes to leaving money to children may change; a combination of pressure, a realisation that the children are able to handle wealth and a sense that “blood is thicker than water” may account for this.

52. Advisers reported that feelings of financial insecurity are unrelated to actual levels of wealth, but are linked to a lack of confidence that lost or diminished assets could be replaced. Having such confidence was felt to be more likely among entrepreneurs. Estimates of the level of wealth needed for financial security varied, but the most common range (reflecting client actuality) was £30m to £50m.

53. Few advisers saw the active promotion of philanthropy as part of their role, but nearly all saw themselves as having a responsibility to advise their clients of the options, mechanisms and benefits, both in terms of tax and for the family. Some observed that a lack of understanding of the real level of wealth combined with the absence of tradition or expectation of giving and, in some cases, perceived complexity, led to inactivity. This was reinforced by uncertainty as to the appropriate level at which to give and lack of time to devote to the issue.

54. There was a range of views amongst advisers about the minimum level required to set up a charitable trust, from £100,000 to £10m. No-one suggested using a trust as a mechanism through which regular transfers of income could flow. There were comments about the absence of tax incentives to encourage gifts of capital in the lifetime of the donor, which exist in the US.

Major philanthropy – how do we compare with the US?

55. Philanthropy in the US is a social institution that takes on meaning in a culture of individualism and private initiative and in the absence of a comprehensive welfare state, especially in health provision. It also operates in an environment which is resistant to the idea that the state has a very prominent role to play in the provision of welfare and higher education services, cultural facilities and community assets. US philanthropy is not just an option which wealth provides but is a defining characteristic of the elite. In all these respects the US differs markedly from the UK.

56. There are few families in the US who do not claim at least one great-grand parent as an immigrant, and the majority have an immigrant grandparent in their family. A strong theme which emerged from US research is the extent to which people feel gratitude for a society which gave refuge and economic opportunity. That motivation has been strong in the Jewish community here, and as this research has shown, is emerging in some parts of the Asian community.

57. There are fundamental differences between the two tax regimes. In particular, in the US a donor may allocate capital to be given to a charity at some future date, continue to enjoy the income from the capital and get tax relief at the time of the commitment.. Such "planned giving" accounts for a significant proportion of major gifts received, particularly for endowments for cultural and education institutions. US tax relief is available on gifts in kind, including works of art, and this has a major impact on the apparent level of charitable giving. Many who had lived in the US and the UK, and those with experience of asking for money from US and UK citizens, advocated the merits of mechanisms such as these.

58. Approaches to philanthropy also differ between the US and UK in the realm of volunteer activities and particularly board membership.

Implications and recommendations

There are many messages for different audiences that arise from the findings of this research. A number of recommendations are made for charities, central government departments (the

Treasury in particular), employers, those concerned with donor guidance, professional advisers, the media, the Charity Commission and the wealthy themselves.

The recommendations that are seen as most significant to increasing the amount donated nt the wealthy in the UK are highlighted.

Charities

1. Charities interested in maintaining developing long term support from major donors should:

- be prepared to invest in initiating and managing relationships in a way which addresses the interests and concerns of the donor, and not adopt a standard approach
- consider how to involve high level supporters in a way which demonstrates respect for the expertise which is the source of their wealth, and addresses legitimate concerns about governance and accountability
- involve trustees and senior staff
- ensure that those likely to solicit support from potential major donors should understand and promote tax-effective giving

2. In order to achieve long term support from major donors charities will need to develop a corporate culture in which:

- fundraising and the development of these relationships are seen as integral to the mission of the organisation; securing long term financial security should be positioned as complementing the programme activities
- job descriptions, work plans and person specifications at senior level throughout the organisation take account of the need to give effective time to nurturing relationships with major donors
- budgets take account of the need for long term investment in developing relationships, and for detailed prospect research, including the identification of the person best placed to introduce the prospect to the work of the charity
- within the fundraising department there is one “account manager” for each major donor, whether the donor allocates resources from their personal or from corporate assets
- consideration is given to the need for investment in trustee recruitment and training, so that, as with senior and specialist staff, trustees see the fostering of partnerships with donors as part of their role
- consideration is given to the place of major donors on a board, and the idea that, as in the US, board members should be expected to give according to their means (whether that is £5 or £5m)

3. Charities should join with others to lobby for tax relief for life-time gifts and gifts in kind and the simplification of Gift Aid.

Community Foundations

4. The Community Foundation Network should encourage further investment in the development of strong local foundations. As with charities, the role of volunteer leaders as exemplary advocates will be crucial.

5. Community Foundations should work with others to develop a framework and provide guidance on appropriate levels of giving.

Umbrella and membership organisations

6. Promotion of the recommendations on changes in the tax system

7. Participation in a debate on appropriate levels of giving, and how to help people discern their true level of financial security

8. Collection and publication of better and more informed statistics and benchmarking information

9. The development and marketing of training courses for leaders and trustees to ensure that they understand the implications of this work for major donor development.

Government

Treasury

10. Promote the development of family strategies for planning giving by:

- Introducing tax relief at the time of a commitment of a gift of capital at some future date, allowing the donor or a nominee to benefit from the income of the capital for the interim period (similar to Charity Remainder Trusts in the US).
- Introducing tax relief for gifts in kind, including works of art.
- Simplify Gift Aid so that tax relief goes to donors irrespective of their tax rates or method of giving

11. Further steps should be taken to use the annual tax return process to alert tax-payers to the opportunities and options for tax relief on charitable giving.

Inland Revenue and Customs and Excise

12. The treatment of benefits, the application of VAT regulations and guidance on tax mechanisms should not depend on the individual tax office or Customs and Excise official. There should be clear guidelines which can be applied across the country, to ensure consistency.

Home Office

13. The Home Office should use the opportunity of the Charities Bill to help co-ordinate a strategic approach which, among many other objectives, will show those with substantial means that they are needed and will be welcome as partners in the strengthening of civil society.

Department of Trade and Industry

14. Consideration should be given to encouraging companies to include in annual reports not only accounts of corporate social responsibility programmes and the allocation of share-holder funds (perhaps as a share of profits) to charitable causes, but also a policy statement about employee giving, the extent of payroll giving, and any expectations of levels of personal giving by Directors and senior staff.

Department of Culture, Media and Sport

15. Drawing on the experience of the Clore Duffield Leadership programme, the work funded by the Treasury (the NAO report and that of the Goodison Review), its own investment in the Maecenas initiative and the findings of this research, the DCMS should:

- Give clear guidance to organisations in the arts and heritage sectors about the role and responsibilities of trustees in developing and managing relationships with major donors

- Encourage a diverse range of skills and networks on boards, including those conducive to the identification and involvement of potential high level supporters

- Working with others such as the Treasury, support the implementation of the recommended changes to and simplification of tax mechanisms, and a consistent approach to advice from the Inland Revenue and others on permissible benefits.

Department for Education and Skills

Schools

16. The development of the Citizenship component in the national curriculum should be strongly supported, and opportunities for volunteer activities incorporated into the programme.

Universities

17. Institutions of higher education should be encouraged to develop a culture in which:

- development (fundraising) is part of the leadership responsibilities of vice-chancellors and head of colleges

- appropriate volunteers and donors are invited to participate in the governance and leadership structures

- development should be given the necessary status and resources.

18. Working with others such as the Treasury, the implementation of the recommended changes to and simplification of tax mechanisms should be supported, particularly to encourage planned giving.

Charity Commission

19. The Charity Commission should:

- continue its programme of simplification of guidelines and procedures

- promote the simplified form of charitable trust developed with the Association of Charitable Foundations[2]

- clarify the position in respect of the encouragement of entrepreneurs to allocate a proportion of company shares to a foundation, and the possible conflict between this encouragement and later advice to the trustees of such a foundation as to the need to diversify investments and therefore to sell some or all of the shares.

Major Employers in the City and industry

20. Major employers in the City and industry, supported by organisations such as Business in the Community, the CBI and the Institute of Directors, as well as City professional associations, could promote the expectation and practice that senior staff will contribute financially and in other ways to the communities in which they live and work by:

- encouraging staff earning above a certain level to pledge a percentage of their income, as well as volunteering time, to charitable causes

[2] Available on the Philanthropy UK web site www.philanthropyuk.org and in the Guide to Giving (see bibliography)

- raising awareness internally and externally about these exemplary levels of giving by senior management

- backing such encouragement by process facilitation, such as the provision of advice on establishing a simple charitable trust[3], and expert guidance on the various tax-efficient mechanisms[4], including payroll giving, and arranging that there are appropriate systems in place at the time of bonus awards.

- introducing and promoting a payroll giving scheme on a continuing basis.[5]

21. Employers could facilitate the process by:

- making this the responsibility of a senior executive director

- ensuring that directors lead by example, with an internal report on what they give

- making a public commitment to this programme, and to reporting on it in the annual report, including the amount given by senior staff as a percentage of their income

- leveraging the impact by matching the amount contributed by staff

- working with local Community Foundations, Business in the Community or another appropriate organisations to identify suitable projects and institutions for support

- putting in place practical and workable arrangements for staff to give time

Professional advisers and others concerned with donor guidance

22. Advisers should encourage the development of family strategies for philanthropy by:

- raising the question of charitable giving with their clients

- ensuring that that they have the information, training and materials they need to give to their clients, explaining their options for tax-efficient giving, and also the benefits of developing a strategy for philanthropy.

- Help clients to understand their actual level of wealth, the amount they desire and need to allocate for themselves and heirs, and the amount remaining that they could give to charity.

23. Organisations concerned with encouraging philanthropy should give further thought to developing a framework for providing guidance to potential donors, and the formulation of a strategy to promote it.

24. It would be useful to organise a debate among those who have been promoting socially responsible investment in the face of the disappointing lack of interest in the concept. This might reveal a need for generic marketing of the idea.

The wealthy

25. The wealthy, through their own initiative, and the networks they are a part of, should:

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[3] For example, the simple short form model approved by the Charity Commission in 2003, with the Crystal Mark of the Plain English Campaign is available from the Philanthropy UK website, www.philanthropyuk.org
[4] Freely available in The Guide to Giving, also on the Philanthropy UK web site
[5] This has been facilitated by the introduction in the March 2004 budget of a grant to SMEs to enable them to invest in the systems required for payroll giving.

- Actively consider charitable giving as part of their everyday lives and look at the best ways to plan their giving
- Encourage their peers to develop their own charitable giving
- Ensure charitable giving is part of their family tradition and that a culture of giving is passed onto their children

26. The Guide to Giving, produced by Philanthropy UK and available on the website, is recommended to those who would like to explore matters relating to the development of a strategy for philanthropy for themselves as a useful introduction and reference book.

The media

27. The media could do far more to promote a giving ethos by:

- the accurate reporting of major gifts and imaginative volunteering
- the promotion and celebration of role models from a range of backgrounds
- the provision of more objective information about wealth creation and creators
- the development of an informed understanding of the tax regime as it relates to charitable giving.
- accurate and consistent reporting of giving in relation to wealth
- the inclusion of people's charitable interests and commitments as part of any general profile, whether in the FT or OK!

Many of the recommendations depend for their maximum impact on the reinforcing effect of those of others. If each individual constituency were to implement the proposals within their control or influence there would be some progress. But for a sustained improvement there have to be real changes in the practices, attitudes and values of a range of decision-makers and opinion-formers. If all, or most, of the recommendations were to be put into practice there would, over the years, be a radical improvement in the exercise of elite philanthropy, and the development of a stronger culture of giving in the UK.

The Director of the *Philanthropy* UK project (and author of *Why Rich People Give*) was Theresa Lloyd, who is now working as an independent consultant advising arts organisations, charities and individual donors. If you wish to contact her, visit her website at: www.theresalloyd.co.uk.