

# CREATING AN AGE OF GIVING

*Conclusions from the  
Growing Giving Parliamentary Inquiry*

June 2014



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## *Foreword*

The UK has long been one of the most generous countries, with people young and old keen to give their time and money in support of a wide range of good causes. Our proud history of charitable giving speaks volumes about the determination of people to make a positive contribution in support of social good.

But over recent years donating in the UK has changed. There has been a long-term decline in the proportion of households contributing to charity, and charities increasingly obtain their support from the UK's 'Civic Core' – the nine per cent of the population responsible for two thirds of all charitable activity.<sup>1</sup>

A growing share of charitable donations is coming from older people, many of whom have developed a lifelong commitment to supporting a cause. Our 'Civic Core' is ageing, and unless more people can be encouraged to participate in charitable giving there is a real danger that donations could plummet in the future. This is particularly worrying given that the share of donations received from under-30s has fallen from 8 per cent in 1980 to 3 per cent in 2010.<sup>2</sup>

It is imperative that we act now to protect and increase charitable giving.

The Growing Giving Inquiry was established in order to identify why these trends are occurring and how they can be reversed. Over the past year we have taken evidence from a wide range of organisations to help us investigate these changes in donation patterns and examine what action can be taken to encourage greater giving.

It is clear from our work that generosity is not an issue. Each year, millions of people give their time and money generously in support of campaigns such as Comic Relief and Children in Need, and the success of Stephen Sutton, who tragically died in May 2014, in raising millions for the Teenage Cancer Trust shows just how generous people are when they rally behind a good cause.

Despite this, the reality remains that fewer households are contributing. The proportion of households donating to charity has fallen from 32 per cent in 1978 to 27 per cent in 2010.<sup>3</sup>

Of course, the recent economic crash has not helped. Young people in particular have seen their disposable income reduced, which makes it increasingly difficult for them to donate. However, this is not the full story. The long-term decline in household giving since the 1970s points to an underlying trend that is not solely driven by cyclical factors such as the economic climate. It is these structural factors that we seek to address.

Crucially, the platforms that allow people to contribute have not kept pace with changes in daily life. Even though digital donating is progressing, continual reform is necessary in order to harness the potential that digital holds and mould it to unleash greater giving.

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1 CAF, 'Britain's Civic Core: Who are the people powering Britain's charities?' (2013)

2 CAF, 'Mind the Gap - The growing generational divide in charitable giving: a research paper' (2012)

3 Ibid

There are also challenges posed by the demands of modern life. The rising retirement age means that people are spending an increasing amount of time in work, and people who are time-poor find it difficult to make space for contributing their time and money.

So what can be done to reverse this decline and get more people engaged in giving? As a starting point, we need to embed donating in everyday life and make it an accepted norm. Opportunities and therefore appropriate processes and structures need to be established to develop involvement in giving all year round, recognising the different stages in life and taking into account the needs of generations of donors.

In addition, giving needs to be adapted to modern lifestyles and simplified to get more people involved. People are keen to give generously, but need to be provided with accessible ways to turn their enthusiasm into practical action. Renewal of giving practices is needed to ensure that they are engaging, stimulating and social.

Finally, there is a real need to engage with people at a young age to give them an experience of charity. While young people often seem disaffected with mainstream politics, there is no doubt whatsoever that they are committed to making the world around them a better place in which to live. Providing greater opportunities to learn about charity and experience volunteering and social action can help ensure that future generations not only grow up giving but are connected to a positive process of engagement in civil society and public life.

Whilst it has not been in our remit to deal specifically with volunteering, it is recognised that the giving of time and offering financial contributions go hand in hand. Many of our findings are thus highly applicable to the world of voluntary action and active citizenship.

The trends that have been observed in patterns of charitable giving are concerning, and rightly so. The UK's reputation as a nation of givers has been earned over many generations, and it would be a great shame and a serious blow to our charitable and voluntary sectors if we were to lose this status through inaction and failure to reform the way we give. Our year of taking evidence has also given us great cause for optimism, though. The enthusiasm of people of all ages for charitable causes is still palpable, and we have been overwhelmed with suggestions for how to raise participation and reinvigorate the UK's giving culture. It is time to turn these proposals into action.

**Rt Hon David Blunkett MP, Baroness Tyler of Enfield and Andrew Percy MP**

## Executive Summary

### Introduction

The United Kingdom has a proud heritage of charitable giving, which speaks volumes about our desire to support others. According to the World Giving Index 2013, the UK is the sixth most generous nation in the world and since the publication of the annual report began, the UK has always featured in the top ten.<sup>4</sup>

Our willingness and ability to give and to participate in charitable activity is of vital importance. Giving provides much more than a simple transfer of money, time and assets – important as these are in ensuring resilience and sustainability for charities and community organisations. The support of donors gives charities the mandate and independence needed to pursue their mission, to challenge and push for change where necessary. The act of giving is also a crucial element of a healthy society – a society with active, engaged and connected citizens.



### State of Donation

Giving in the UK is already a majority activity. The UK Giving 2012/13 update published by the Charities Aid Foundation (CAF) suggests that the proportion of people donating to charitable causes in a typical month increased during 2012/13 to 57 per cent. This is an increase of two per cent from the previous year (but below the 2010/11 peak of 58 per cent). In 2012/13 the average donation was £29 per month.<sup>5</sup>

The estimated total donated to charity by adults in 2012/13 is £10.4 billion, a real terms rise of £0.8 billion from the previous year.

Whilst this pot is impressive, overall donation levels have remained fairly static in the past decade. Despite the combined efforts of charities, governments and others, the needle has failed to shift significantly during this time.

More concerning still is the longer-term trend in participation in charitable giving, which was highlighted by the 'Mind the Gap – the generational divide in charitable giving' research, published by CAF in 2012.<sup>6</sup> The report reveals a long-term decline in the proportion of households giving to charity, with the participation rate falling from 32 per cent in 1978 to 27 per cent in 2010.

We know that two thirds of the support received by charities comes from just nine per cent of the population. Those in this 'Civic Core' are also more likely to be older people.<sup>7</sup>

<sup>4</sup> CAF, 'World Giving Index 2013' (2013)

<sup>5</sup> CAF, 'UK Giving 2012/13: An Update,' (2014)

<sup>6</sup> CAF, 'Mind the Gap - The growing generational divide in charitable giving: a research paper' (2012)

<sup>7</sup> CAF, 'Britain's Civic Core: Who are the people powering Britain's charities?' (2013)

Whilst we do not believe that attitudes towards charity have hardened amongst successive generations, it is important to pay attention to these trends and to explore whether social, economic, institutional or structural issues are getting in the way of contributing. There is a genuine concern that as our vital 'Civic Core' ages it may not be renewed.

Today's younger generations face very different circumstances and challenges than their parents and grandparents.

Evidence received from the Intergenerational Foundation describes how pressures on young people's finances can serve as a barrier to charitable giving. These include a trebling of house prices in the UK since 1975, which means that the cost of housing accounts for 22 per cent of total expenditure for the under-30s, compared to an average of 13 per cent for older adults.<sup>8</sup>



People in their twenties saw their median incomes fall by

**12%**

between 2007/08 and 2011/12 – a larger fall than any group

In addition to rising household costs, younger people have been hit disproportionately hard by the recent recession, with over 900,000 young people now classified as NEETs – Not in Education, Employment or Training. Young people are also more likely to suffer the effects of employment practices such as unpaid internships and zero-hours contracts.

The effect of this is that people in their twenties have seen their median incomes fall by 12 per cent between 2007/08 and 2011/12; a larger fall than any other group. By way of comparison, over the same time span median incomes for the over-60s rose by 2.3 per cent.

This lack of disposable income may impose constraints on younger people's ability to contribute, but it is not the sole barrier. Other factors include a lack of information about the work of charities and how they operate, in addition to giving platforms not keeping pace with the technology that young people use in their daily life. Combined, these factors are making it difficult for young people to give.

As this report will demonstrate, young people include some of the most engaged members of our society, possessing an amazing passion and commitment for volunteering and social action. We must now check that processes and practices are not prohibiting maximum participation in giving.

We must ensure that opportunities exist for people to engage at all life stages – capitalising on the influence of institutions (schools, workplaces), the impact of peer groups and the opportunities presented by trigger points, transitions and interventions in people's lives.

We believe that the potential for more people to give and for people to give more is huge. Our aim in undertaking the Growing Giving Inquiry has been to find the best ways of unlocking that potential and discover better ways that people can connect, engage, donate and volunteer.

### Aim and scope of the Inquiry

We set out to gather further research and views on how people give, the barriers to greater engagement at different life stages, examples of excellent and innovative practice (of which we heard many) and ideas about how best to unlock the potential.

<sup>8</sup> Intergenerational Foundation, 'A response to the Parliamentary Inquiry on Growing Giving,' (2013)

We heard from and spoke to a wide range of individuals and organisations. We held three evidence sessions in Parliament, undertook desk research, additional survey work and sought input from other key stakeholders. We are extremely grateful to all contributors for their input.

The recommendations are aimed at a wide range of parties: schools and colleges, employers, business schools, government, will writers and others. No one agent acting alone can create the strong and sustainable culture of giving that we are striving for.

The Inquiry has looked, in turn, at three different life stages:

### **Growing Up Giving**

Whilst the Inquiry was, in part, established in response to concerns about the engagement levels of younger generations, we have been encouraged, throughout the course of the Inquiry, to find repeated evidence of the huge passion and enthusiasm of young people for giving and social action. The idealism of youth remains but must be nurtured and given the opportunity to flourish as people grow up and move through school, further and higher education and into work.

Many of our education establishments are already actively encouraging students to develop pro-social behaviours, but there is more that can be done to ensure that all young people have the opportunity to get involved with charities, and that they are shown the value of their contributions to society and to their own development.

### **Giving At Work**

As people enter the workplace, it is vital that their zeal for giving does not wane. Employment brings new pressures on time and attention, but the workplace can also offer unrivalled opportunities for engagement. The influence of peer groups and the example of leaders can both play a huge role in encouraging people to donate and volunteer.

We must make sure that existing and new mechanisms make it easy and enjoyable for people to give. We should build on growing understanding, through behavioural insights and the success of recent 'group giving' initiatives, of how we can best encourage greater and more engaged giving.

We must also ensure that we nurture future leaders with a commitment and understanding of the value of charitable activity to build and develop businesses with giving at their heart.

### **Going On Giving**

Moving from work into retirement is a huge transition and is often combined with increasing responsibilities, such as looking after relatives, together with shifting financial circumstances and concerns.

Despite this challenging time of change, many older people continue to support charity and again we have seen the massive potential – in terms of time, skills, money and wisdom – that can be released to the benefit of charities and communities.

However, there is a real need to ensure that people have the right information and support mechanisms to enable them to continue to effectively and affordably give their time and money in retirement.

### *Summary of Recommendations*

The following recommendations are aimed at inspiring individuals and breaking down barriers to engagement, as well as creating new opportunities for participation in giving.

The recommendations are based upon the key themes presented within this report; providing a framework for meaningful opportunities, encouragement and incentives to give, and ensuring that those who do give are recognised and rewarded for their contributions.

Whilst many of our recommendations are designed to encourage behavioural change, we acknowledge that the implementation of others would incur a cost to be met by the taxpayer. We understand that current strains on the public finances mean that their adoption may be difficult at the present time, but believe that they should be considered on an ongoing basis as and when funds become available. There is a role for other institutions to play in supporting the costs associated with these recommendations and we believe that using sponsorship could be particularly powerful. We look forward to exploring these options with partners.

We recommend the implementation of the following:

#### Education

- Schools and charities should work together to ensure that children and young people have opportunities to be involved in the work of charities, and that their participation is recognised and promoted as an integral part of careers advice, citizenship and personal development.
- UCAS forms should include provision for young people to demonstrate their commitment to social action. Information about this should be provided to young people in order to encourage greater involvement and raise awareness of the benefits from participation in social action.
- Students' Unions in further and higher education should commit to continuing and increasing their volunteering programmes, working in partnership with the education institution where possible. This should focus on the positive impact that participation can have on employability, and innovative, integrated university programmes should include an emphasis on the development of CVs. Information about volunteering opportunities should be promoted at Freshers' Fairs and at other opportunities throughout the year.

#### Charities

- The Small Charities Coalition should build on their existing work to provide a programme offering young people the opportunity to shadow charity Trustees in order to develop their skills and provide first-hand experience of charity governance. The goal should be to create more opportunities at large charities for young people to participate in leadership roles. In

the medium-term, larger charities should aim to provide an opportunity for a young Trustee, particularly where this coincides with facilitating beneficiaries being part of the process of governance.

- Charities, businesses and other interested parties, including Government, should build on current fundraising programmes such as the global #GivingTuesday movement to encourage people to make a long-term commitment to charity.
- The Board of the National Citizen Service (NCS) should consider how they can ensure that participants in NCS are able to further develop their leadership skills after finishing the programme and could build on the existing programme of Ambassadors to offer progression into Trusteeship, campaign and fundraising opportunities as well as the continuance of volunteering. This should include a focus on entrenching the social values that have been learnt both in the school-based curriculum in Citizenship as well as the NCS experience, and should emphasise the dual benefit of personal commitment and the capacity to organise and stimulate social responsibility in others.

## Business

- Businesses should create and promote giving models – such as Young Philanthropy Syndicates – to allow young employees to give in partnership with their colleagues and peers.<sup>9</sup>
- The Association of Business Schools should commit to ensuring that all Business schools provide MBA students with the opportunity to take part in a module on philanthropy, including education about the history of philanthropy in the UK and how business leaders can use their resources as a force for social good.
- Executive role job descriptions should include evidence that business leaders have a track record in supporting social causes and have acted as a leader in creating a socially responsible corporate culture. The Institute of Directors should encourage businesses to implement this cultural change.
- Businesses should commit to developing a strategic plan for workplace giving based on successful initiatives and experiences elsewhere. This should build upon existing examples of best practice and include a commitment to allowing employees a range of ways to support good causes whilst in the workplace. The Confederation of British Industry and Federation of Small Businesses should build upon their existing work in this area and stress to their members the benefits of participation in workplace giving.
- Will makers should inform clients that they are able to use their will to leave a legacy to charity, providing information about how legacies work in practice and an explanation of the taxation implications that can be induced when leaving a legacy.

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<sup>9</sup> Young Philanthropy Syndicates allow young employees to pool their resources and give in partnership with senior colleagues. For more information please see page 24

## Government

- Government should build on the work of the Innovation in Giving Fund and establish a task-force with technology and social media leaders and experts to drive developments in digital giving, investigating how mechanisms can be reformed to make donations go further and exploring how new digital practices can be harnessed as a force for social good. Building on the work of the Foundation for Social Improvement, large charities should work with smaller charities to raise awareness and help with training in new fundraising initiatives.
- The Treasury should explore how to reshape the existing incentives for corporate giving in order to encourage employers to offer matched employee giving schemes, and employers should promote existing matched giving schemes to new employees upon commencement of employment.
- The Cabinet Office should be given a specific remit to create a dossier of best practice in giving highlighting successful examples of engagement. This should be regularly updated to include information about new techniques and mechanisms that are making giving easier for donors and charities.
- Licenses for all TV channels should require a modest amount of time committed annually for programming aimed at fostering charitable giving, allowing charities to make short presentations publicly at peak times in order to raise awareness of their work and encourage greater support from the public.
- A Post-Careers Advice Service should be created to provide older people with information about how they can use their skills to volunteer and support charities. This should be promoted within the notification of receipt of the state pension. The Advice Service should emphasise the benefits derived from volunteering, and provide information about available opportunities for individuals in the local area.
- Provision of information and advice on charitable giving could best be offered at the time when notification is provided of details of the individual retirement package and, where the state pension is concerned, could be funded through sponsorship or appropriate and acceptable advertising opportunities. The Government should build on the work of the Money Advice Service to inform those moving into retirement about the different ways that they can continue to give, in addition to information about the wide range of giving options, such as legacies.
- The Government should introduce Living Legacies, providing people with more tax effective ways to give to charity whilst they are still alive. This should build upon existing best practice in countries such as the United States of America and Canada.

## *Introduction to the Growing Giving Inquiry*

### Background to the Inquiry

This Inquiry was set up, in part, as a response to research commissioned by the Charities Aid Foundation which highlighted a long-term decline in the proportions of households giving to charity. The research pointed to trends in giving across generations, including a growing reliance on older people to support charities.

#### **Mind the Gap – The generational divide in charitable giving: a research paper (September 2012)<sup>11</sup>**

This report, produced in partnership with Professor Sarah Smith, an economist at the University of Bristol, examines trends in charitable giving across three decades (1978 – 2010) and provides an analysis of the generational changes in giving that are taking place.

The report highlights a long-term decline in the proportion of households giving to charity, with the participation rate (the proportion of households that gave some money to charity over the past two weeks) falling from 32 per cent in 1978 to 27 per cent in 2010. Whilst the Millennium, which coincided with the abolition of the minimum eligibility threshold for Gift Aid, appears to have halted this decline, more data is needed to determine whether this is indicative of any future long-term trend.

Over the same period of time the amount of money given to charities by donors has increased. Using 2012 prices, the average donation has almost trebled from £3.65 per week in 1978 to £9.17 in 2010, with a similar spike in donations in the Millennium year. There has, however, been almost no growth in the real level of donations since 2000.

#### **Generational differences**

The report found that a growing share of donations given to charity now come from older donors (aged 60+), with the percentage of donations received from that age group rising from 35 per cent in 1978 to 52 per cent in 2010.

Each of the age groups under 60 contributed a smaller share of total donations in 2010 compared to 1978, with the reverse being true for over-60s. For example, the share of donations coming from under-30s fell from 8 per cent in 1980 to 3 per cent in 2010, while the share received from over-75s grew from 9 per cent to 21 per cent over the same timeframe.

Participation rates (the percentage of households who give anything to charity) also point to increasing contributions from older generations, with declining participation amongst the under-60s and a rise in participation in the over-60s, which is especially prominent amongst the 75+ age group.

Whilst the amount given as a proportion of total spending has remained flat amongst under-30s (0.16 per cent in both 1980 and 2010), older households have increased their donations. In 1980 over-75s gave three and a half times more than under 75s (as a proportion of their total spending) to charities, compared to ten times more in 2010.

11 CAF, 'Mind the Gap - The growing generational divide in charitable giving: a research paper' (2012)

The Charities Aid Foundation was keen to explore the issues raised by the research in greater detail, to work with experts across the field of giving to gain a better understanding and to investigate how people of all ages can be encouraged to give their time and money in support of good causes.

In March 2013, the Parliamentary Inquiry on Growing Giving was launched.

This was a cross-party Inquiry chaired by Rt Hon David Blunkett MP, Member of Parliament for Sheffield Brightside and Hillsborough, with Baroness Tyler of Enfield and Andrew Percy MP, Member of Parliament for Brigg and Goole, serving as co-chairs.

The Inquiry was divided into three distinct stages to reflect the different periods in a person's life.<sup>11</sup>

### The scope of the inquiry

'Growing up Giving,' looked at the attitudes of young people towards charity and the opportunities that exist for them to engage with social action and charitable giving;

- How can we ensure that primary and secondary education instils the value of charity in young people?
- How can we ensure that higher and further education provide opportunities for young people to continue to be involved with charities?
- How can we encourage more young people to become charity Trustees?
- How do we ensure young people make a lifetime connection with charity through volunteering, work placements and social action?
- How are young people engaging with charity in a digital world?
- How can we make sure giving is fit for the digital age?

'Giving in the Workplace,' focused on the opportunities that exist for individuals to engage with charities as they enter the workplace and investigated how businesses can encourage and embed a culture of giving at work;

- What role can business play in encouraging more and smarter individual giving in the workplace?
- How can we improve workplace giving mechanisms?
- Do business leaders need to do more to get employees engaged with charity?
- What's the business case for giving and can it encourage young people to work for specific employers?
- The future workplace – what steps can we take to ensure charity and work are intertwined and how can businesses be established with giving in mind?

'Going on Giving,' explored the ways that people are able to support charities during their retirement, and asked how older people can use their experience to inspire the next generation to grow up giving;

- How can families pass the gift of giving onto the next generation?
- How can older and young generations give together?
- What are the barriers to giving effectively in retirement?
- How can older people give their time and skills to charities?
- How can we encourage greater legacy giving?
- Can Living Legacies unlock greater charitable giving amongst the Baby Boomer generation?

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11 More information about the format and scope of the Parliamentary Inquiry on Growing Giving can be found at [www.growinggiving.org.uk](http://www.growinggiving.org.uk)

At each stage, interested parties were encouraged, during a twelve week period, to submit written evidence. Oral evidence sessions were also convened, which provided the chairs with the opportunity to explore the issues in greater detail. The Inquiry was promoted through both traditional and social media.

At the conclusion of each strand of the Inquiry an interim report was produced, providing an overview of the evidence received.

### *Chair profiles*

#### **Rt Hon David Blunkett MP**

David Blunkett is the Labour MP for Sheffield Brightside and Hillborough, having first been elected to Parliament in 1987. Before his election to the House of Commons he obtained a degree in Political Theory from the University of Sheffield, and became the then youngest-ever councillor on Sheffield City Council at the age of 22, which he then led from 1980 to 1987. In Opposition he served in the Shadow Cabinet, before becoming Secretary of State for Education and Employment after Labour's victory in the 1997 general election. In 2001 he was promoted to the role of Home Secretary, and he later served as Secretary of State for Work and Pensions. David's main interests include volunteering, community service and PGCE (post-16 education) and in addition to sitting on the board of the National Citizen's Service Trust he is vice president of the national Alzheimer's Society and RNIB (Royal National Institute of Blind People) among other charitable organisations.

#### **Andrew Percy MP**

Andrew Percy is the Conservative MP for Brigg and Goole. He was elected to Parliament for the first time at the 2010 General Election. After growing up in East Yorkshire, he graduated from York University before studying as a post-graduate at the University of Leeds. He worked as a secondary school teacher whilst serving as a councillor on Hull City Council. Andrew contested the seat of Normanton at the 2005 General Election before being elected to the House of Commons five years later. He is a supporter of a number of pressure groups and charities including the Countryside Alliance and the National Trust, and is a member of the teaching union VOICE. In Parliament he serves on the Health Select Committee and Northern Ireland Committee, and is also an active member of the APPG on Financial Education for Young People.

#### **Baroness Tyler of Enfield**

In November 2010 Claire was nominated as a Liberal Democrat Peer and from 1 February 2011 has sat in the House of Lords as Baroness Tyler of Enfield, taking an active role in health and social care, ageing population, social mobility, well-being, children and family policy, machinery of government and the voluntary sector. Within Parliament Claire has sat on the Lords Select Committee on Public Services and Demography and is currently Vice Chair of the following: the Associate Parliamentary Group for Parents and Families; the All Party Parliamentary Group on social mobility; the All Party Parliamentary Group on Wellbeing; and the All Party Parliamentary Group on Sustainable Relationships. She also chaired the Liberal Democrat policy working group on a Balanced Working Life. Outside of Parliament Claire is President of the National Children's Bureau, Vice President of Relate and chairs the "Make Every Adult Matter" coalition of charities working with adults with complex needs. Prior to entering Parliament Claire was Chief Executive of the charity Relate, Director of the Vulnerable Children's Group at the then Department for Children, Schools and Families, Director of the Government's Social Exclusion Unit and Deputy Chief Executive of the Connexions Service.

## *Growing Up Giving*

### *Giving at school*

#### Background and Context

Schools, along with families, have a huge role to play in embedding values, behaviour and habits in children as they grow up. Schools should equip young people with the knowledge, understanding and pro-social skills that will allow them to grow into active citizens.

Engaging with charities is a crucial part of this picture. School-age children need to be provided with access to structured opportunities that enable them to get involved in giving and social action.

We welcome the recent decision to retain Citizenship as part of the national curriculum in secondary schools and the early reaffirmation of the programmes of study from 2016 as part of the qualification changes, but believe that learning about the role of charity in society must be woven throughout the education curriculum. Young people should be provided with opportunities to take part in social action at every stage of their education, starting in primary school.

However, opportunities need to be enjoyable in order to encourage and increase participation, otherwise the likelihood of giving developing as a habit diminishes. In order to create exciting giving opportunities, schools and charities need to look at the levers they have that can be used to increase involvement.

It is important to stress that young people benefit from their participation. Young people who give their time develop essential personal skills which can help them as they continue their education and enter the workplace. Importantly, young people also benefit from the opportunity to work together in collective action.

All evidence suggests that getting people involved with contributing and social action at an early age creates a habit that remains for life. Seeing giving in action can help young people develop a connection to a cause, and schools and charities should work to create opportunities for early engagement.

#### How are children and young people already giving?

Research carried out for this Inquiry found that one third of young people had given to charity in the previous month and almost as many (32 per cent) had “given items to charity.”<sup>12</sup>

Using the donor average, the data suggests that children aged between 9-11 give nearly £20 million a year to charitable causes, and young adults aged 16-18 give nearly £100 million each year.<sup>13</sup> In addition to the financial support that is already provided to charities from younger people, 63 per cent agree that “the more money people have, the more they should give to charity.” Research from

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<sup>9</sup> CAF, ‘Growing Up Giving – Insights into how young people feel about charity’ (2013)

<sup>10</sup> Ibid



the Government's Community Life Survey is similarly positive, with 74 per cent of 16-24 year-olds reporting that they have volunteered in the past year.<sup>14</sup>

Hearing about charities in school is already the second most common way that young people learn about charity, and there is an appetite for increased learning about the role of charities in society.<sup>15</sup> Teachers welcome this enthusiasm, with 95 per cent of teachers agreeing that schools have an important role in educating young people about charity and wider society.<sup>16</sup> There is great value in helping young people develop a range of new skills that might not be uncovered by traditional classroom learning, whilst gaining a greater understanding about the reasons why charities exist and need support.

### How do children and young people feel about giving?

Young people are overwhelmingly positive about charity, and putting in place structures that allow them to turn this into support, either by donating, volunteering or campaigning, is crucial if their enthusiasm is to be harnessed. In fact, 78 per cent of young people agree that "young people should give up some of their time to help others."<sup>17</sup>



There is also a belief that businesses must make a contribution to society via financial donations to good causes, with 63 per cent of young people agree that all businesses should give money to charity. This is perhaps unsurprising given that young people believe that they also have a responsibility to support those in need, with over half (53 per cent) of respondents agreeing that "it is more important to help others than to help yourselves."<sup>18</sup>

Teenagers increasingly see charities and social enterprises as the most effective agents for positive change, and 60 per cent believe that organisations in the charity sector can be a force for social good. Interestingly, 80 per cent of young people believe that their generation is more concerned with social issues than previous generations, and their teachers (66 per cent) agree.<sup>19</sup>

Giving young people increased control of their activity is particularly motivating, and the impact of the Youth Philanthropy Initiative (YPI) shows how successful that can be. YPI works with secondary school students to teach them about philanthropy in action, and devolving power in this way has encouraged young people to get involved with a programme that allows them to compete to win grants to be directed at a local good cause.

### What are the barriers to children and young people giving more?

Young people are often ahead of the curve with technological developments and this includes digital giving, which we look at in more detail on page 21. Digital engagement also includes social

<sup>14</sup> <http://communitylife.cabinetoffice.gov.uk/>

<sup>15</sup> CAF, 'Growing Up Giving – Insights into how young people feel about charity' (2013)

<sup>16</sup> CAF, 'Schools and Charities' (2013)

<sup>17</sup> CAF, 'Growing Up Giving – Insights into how young people feel about charity' (2013)

<sup>18</sup> Ibid.

<sup>19</sup> Demos, 'Introducing Generation Citizen' (2014)



of young people agree that young people should give up some of their time to help others

media, and charities need to improve how they use this to interact with supporters. A-Level student Lauren Eaves argued that if charities wish to harness the power of social media to increase interaction with young people they need to improve their targeting and ensure that content is tailored to that specific audience.<sup>20</sup>

Turning to more in-depth engagement, there are a number of young people interested in pursuing a career in the charity sector but lacking the knowledge of how to make this happen. Greater opportunities need to be provided to give young people the ability to experience working for a charity.

In addition, incentives need to be provided to encourage more young people to engage in social action – practical action in the service of others – and ensure that those who do so are rewarded and given the opportunity to demonstrate the skills that they gain from it.<sup>21</sup> Failure to recognise and reward participants can discourage continued giving.

Many young people are unaware of the value and benefits that displaying a commitment to social action can have on their future education and employment chances. Young people who do engage in social action are also concerned that they do not receive enough feedback on their volunteering. There should be a greater emphasis on highlighting the skills that people gain from giving, as well as providing feedback and tangible recognition to ensure continual personal development.

The Government's commitment to increasing volunteering and social action through the Decade of Social Action is welcomed, as is their continued investment in NCS.<sup>22</sup> Of course, participation in social action is not easy for certain groups of young people, and we also welcome the work of Step Up To Serve in investigating and seeking to tackle the barriers preventing some young people from getting involved. The goal of doubling the number of young people in social action by 2020 should be applauded.<sup>20</sup>

### How can we unlock the potential for children and young people to give?

Giving methods move with the times, and the growth of digital giving has a particular relevance for the youngest in society. We examine this in more detail on page 21. In order to meet the demand for innovative and engaging giving, new platforms and fundraising methods need to promote greater interactivity.

Of particular interest is the success of crowd-funding, which appeals to young people because it sees them giving in partnership and allows them to be a part of something bigger. Integrating giving into everyday activities such as online shopping may also help to make giving familiar and accessible.

Moving to the classroom, NASUWT stressed that teachers could work in partnership with charities to design lesson plans that include elements relevant to the work of charities as a way of allowing young people to develop their knowledge.<sup>23 24</sup> This would build upon the example provided by the Personal

20 CAF, 'Growing Giving Parliamentary Inquiry – Part One: Growing up Giving – Summary of Evidence' (2013)

21 The Centre for Social Action defines social action as practical action in the service of others which is carried out by individuals or groups of people working together; not mandated and not for profit; done for the good of others – individuals, communities and/or society; and brings about social change and/or value. For more information visit: <https://www.gov.uk/centre-for-social-action>

22 <https://www.gov.uk/government/policies/promoting-social-action-encouraging-and-enabling-people-to-play-a-more-active-part-in-society>

23 For more information see <http://www.stepuptoserve.org.uk/>

24 The National Association of Schoolmasters Union of Women Teachers

25 CAF, 'Growing Giving Parliamentary Inquiry – Part One: Growing up Giving – Summary of Evidence' (2013)

Finance Education Group, which has ensured that young people are now provided with financial education whilst at school and crucially gives young people the opportunity to learn about issues that go beyond the classroom.<sup>26</sup>

The Citizenship Foundation has produced some excellent resources for teachers – through the Go Givers and Giving Nation projects - and these initiatives could be expanded to integrate more closely with other curriculum materials, bringing aspects of charities' work and giving into a wider range of academic and non-academic subjects.

Many school age children derive significant benefit from the opportunity to gain insight into the world of work. Whilst 'work experience' placements are common, there could be a greater emphasis on brokering opportunities to work with charities as well as local businesses. This type of 'hands on experience' can be invaluable in building younger generations' connection to charity and nurturing future supporters and workers.

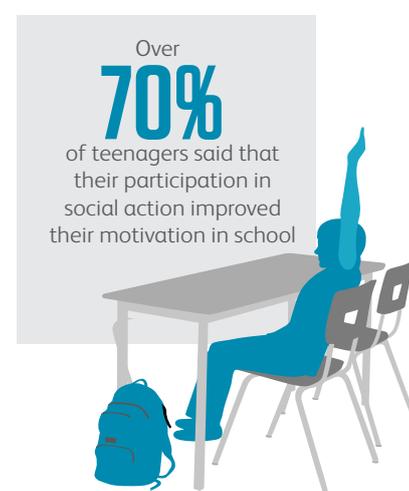
Involvement in volunteering and social action can demonstrate to future education establishments and employers a wide range of valuable skills and personal attributes. However, too few young people are encouraged to view this as a route to personal and career development. Careers advice should emphasise the benefits of extra-curricular social action to both improve skills and boost employability.

The effectiveness of this is illustrated by findings from the US showing that volunteers have a 27 per cent higher likelihood of finding a job after being out of work than non-volunteers<sup>27</sup>, and in the UK over 70 per cent of teenagers said that participation in social action improved their motivation in school.<sup>28</sup> Giving more young people the opportunity to experience the work of charities firsthand and explaining the benefits would see schools playing a vital role in creating generous future generations.

We recommend that:

**Schools and charities should work together to ensure that children and young people have opportunities to be involved in the work of charities, and that their participation is recognised and promoted as an integral part of careers advice, citizenship and personal development.**

Building on this notion of reciprocity, action should be taken to provide young people with clear and tangible recognition of their participation in giving, and this could include adapting existing systems to create such opportunities. An additional section of the UCAS form (which is universally used for applications to universities and colleges) could be created to request details of prospective students' experience and commitment to social action. For those already actively engaged, this would create



<sup>26</sup> <http://www.pfeg.org/>

<sup>27</sup> Corporation for National & Community Service, Volunteering as a Pathway to Employment: Does Volunteering Increase Odds of Finding a Job for the Out of Work? (2013)

<sup>28</sup> Demos, 'Introducing Generation Citizen' (2014)

an opportunity for recognition and reward. It would also provide further incentive and motivation for others to get involved.

We recommend that:

UCAS forms should include provision for young people to demonstrate their commitment to social action. Information about this should be provided to young people in order to encourage greater involvement and raise awareness of the benefits from participation in social action.

Programmes such as National Citizen Service (NCS) thrive because they give young people a greater understanding of their social responsibilities. NCS gives young people the opportunity to take part in a range of activities and help their community. It serves as an excellent example of the way that volunteering can be beneficial to both recipient and participant, and helps to instil strong social values in young people.

Encouraging active citizenship as part of the national curriculum in schools and fostering giving as a follow through from the NCS experience is clearly important. Further work is required on how best to carry the leadership and ambassadorial skills of the young people taking part in NCS through into college, apprenticeships and the extensive work of students' unions in further and higher education.

We recommend that:

The Board of the National Citizen Service (NCS) should consider how they can ensure that participants in NCS are able to further develop their leadership skills after finishing the programme and could build on the existing programme of Ambassadors to offer progression into Trusteeship, campaign and fundraising opportunities as well as the continuance of volunteering. This should include a focus on entrenching the social values that have been learnt both in the school-based curriculum in Citizenship as well as the NCS experience, and should emphasise the dual benefit of personal commitment and the capacity to organise and stimulate social responsibility in others.

### *Giving as a student/early adulthood*

#### Background and context

After finishing their schooling, young people have a number of career paths that they can choose to take. Many choose to continue their studies by participating in higher or further education. Others instead enter the workplace, sometimes via programmes such as internships or apprenticeships, or through entry-level jobs. These different circumstances make it difficult to find any one-size-fits-all remedy as individual circumstances dictate how much disposable income and time young people have, which directly impacts on their ability to make a contribution to charity.

Many young people and students are already extremely generous. Others hold positive attitudes toward good causes, but lack knowledge about how to turn their enthusiasm into action. It is important that schemes are put into place aimed at working with both those who already volunteer, and those who do not, to ensure that all have the opportunity and encouragement to participate.

## How are students giving today?

A recent report by the National Union of Students (NUS) found that 31 per cent of all students volunteer, which has an estimated value to the economy of £175 million.<sup>29</sup> Although many may be unable to financially support charities, there is no doubt that the generosity of young people in giving their time has an important impact on society.



The Government's Community Life Survey 2013 suggests that 25-30 per cent of young people in England take part in formal volunteering in a typical month. Encouragingly the survey also finds that 58 per cent of 16-19 year olds reported having formally volunteered at some point during the past year - a significant increase from 42 per cent in 2011/12.<sup>30</sup>

Young people give in a number of ways, with fundraising activities such as RAG week being particularly high-profile and successful in engaging students. In addition, young people are keen to support their friends and peers when they are undertaking fundraising activities.

There are other ways that young people use their time to support charities, away from the typical giving of time and money. As organisations such as vInspired and Whizz-Kidz explained to the Inquiry, it is vital for youth organisations to develop a culture where young people's opinions and concerns are recognised.<sup>31</sup> One way of doing this is by giving young people access to positions of authority that allow them to develop an understanding of concepts such as shared responsibility, collective working and long-term strategy creation.

## How do students feel about giving?

The NUS 'The Student Volunteering Landscape,' report asked students about their motivation for getting involved with volunteering, and found similar results for both those who currently volunteer and those who do not. The most common motivation is 'improving things/helping people,' with those who already volunteer also citing their personal values. Those who do not currently volunteer were more likely to cite gaining work experience or developing their CV as an important motivator, illustrating the importance of creating a culture of reciprocity in giving for young people.<sup>32</sup>

Students believe that there is a role for students' unions and higher education institutions in encouraging greater volunteering. Particularly popular suggestions for how this could work in practice include linking opportunities to a students' academic subject or career and increasing the promotion of volunteering opportunities. There is a great desire for students' unions and institutions to put in place structures that make it easier for students to give. There are some excellent examples of how this is already working in pockets of the country and these successful student volunteering schemes should be built upon and made available nationwide.<sup>33</sup>

29 National Union of Students, 'The Student Volunteering Landscape' (2014)

30 <http://communitylife.cabinetoffice.gov.uk/>

31 CAF, 'Growing Giving Parliamentary Inquiry – Part One: Growing up Giving – Summary of Evidence' (2013)

32 NUS, 'The Student Volunteering Landscape' (2014)

33 Ibid

### What are the barriers to students giving more?

The most common barriers to giving cited by students are pressures of study, paid work commitments, family commitments, other club commitments and affordability. The findings do not differ significantly between those students that already volunteer, and those that do not.<sup>34</sup>

Social action for students differs greatly across institutions. A number of universities provide excellent giving frameworks, but others give students less support, with a particular lack of provision at further education bodies, and this can pose challenges for those unaware of where to turn to seek opportunities. As vInspired explained, students receiving support from their university are more satisfied with their volunteering experience, deriving greater personal development benefit.

Finally, young people are not provided with a path into Trusteeship, which explains why Trustee positions remain dominated by older people. Young people lack an understanding of how charities are governed and do not have the opportunity to gain experience of what Trusteeship entails. This means that they are unable to develop the skills and requisite experience necessary to become Trustees. Unless action is taken to give young people greater education about what it means to be a Trustee and experience of Trusteeship, the dominance of older Trustees will continue.

### How can we unlock the potential for students to give?

The wealth of volunteering that takes place at universities and colleges across the country is clearly impressive and students' unions and universities need to work closely together to ensure that opportunities keep up with rising demand. This is particularly true throughout further education, where opportunities to engage are often lacking, which can mean large numbers of young people missing out on the chance to contribute. We welcome the recent call by the Political Studies Association for the creation of a 'Charter for Citizenship' for higher and further education bodies, but believe that additional action is necessary to increase participation.<sup>35</sup> Action to address existing gaps could include encouraging institutions to demonstrate links with charities throughout. However, there needs to be a distinct focus on the role of students' unions in helping young people shape their engagement with charity.

To embed volunteering with the culture of a university and to enhance relationships with communities, students' unions should strengthen links with local charities. This would lead to increased opportunities for students to give their time, and bring local institutions together in order to improve the community. This should be supported by the education institution, increasing the scope of activity and giving universities and students' unions the capacity to achieve positive change together.

We recommend that:

**Students' Unions in further and higher education should commit to continuing and increasing their volunteering programmes, working in partnership with the education institution where possible. This should focus on the positive impact that participation can have on employability, and innovative, integrated university programmes should include an emphasis on the development of CVs. Information about volunteering opportunities should be promoted at Freshers' Fairs and at other opportunities throughout the year.**

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<sup>34</sup> Ibid.

<sup>35</sup> Political Studies Association, 'Beyond the Youth Citizenship Commission: Young People and Politics' (2014)

Young people also need to be provided with access to leadership roles in charities. The gross under-representation of young people on Trustee Boards needs to be challenged, with 18-24 year-olds accounting for 12 per cent of the population, but just 0.5 per cent of Trustee positions.<sup>36</sup> This is a long-term problem, and the remedy lies in young people being provided with the necessary experience and access to Trustee roles so that they are in a position to be offered positions in the future.

To address this, charities should provide places on a non-voting basis on the Board of Trustees to give young people the opportunity to shadow existing board members. This could be undertaken for a given period of time to avoid any embarrassment if the young person is not then invited to take up any vacant places, but would offer real experience which could be used elsewhere as well as a sensible way of future recruitment for the individual charities.

We recommend that:

The Small Charities Coalition should build on their existing work to provide a programme offering young people the opportunity to shadow charity Trustees in order to develop their skills and provide first-hand experience of charity governance. The goal should be to create more opportunities at large charities for young people to participate in leadership roles. In the medium-term, larger charities should aim to provide an opportunity for a young Trustee, particularly where this coincides with facilitating beneficiaries being part of the process of governance.

### Digital Giving

Digital technology plays an increasingly important role in our society, with more people than ever using online and mobile channels for their work, domestic and social lives. This is having a major impact on the work of charities, both in terms of how they fundraise and how they interact with their supporters. The rapid growth of digital technology in giving is demonstrated by figures showing that text donations campaigns raised £32.7million in 2011, but are predicted to bring in up to £150 million next year.<sup>37</sup>

Amazing stories such as that of Stephen Sutton, the teenage cancer sufferer who raised more than £3m for the Teenager Cancer Trust before tragically passing away in May 2014, show how we are prepared to dig deep when a story touches our hearts. Stephen's determination to use his battle with cancer to raise awareness of the illness and raise funds for a charity that does so much good resonated with the public, and his harnessing of social media to inspire his supporters led to hundreds of thousands of people making a donation.

Other recent examples such as the viral "no-makeup selfie" campaign, in which women posted online photos of themselves without makeup and asked others in their social networks to make donations (which raised over £8 million for Cancer Research UK), demonstrate the huge power of harnessing social media for fundraising.

Of course raising funds for charities which are not only familiar but are likely to touch every family in the land is easier than those which are either little-known or do not champion popular causes.

<sup>36</sup> CAF, 'Mind the Gap – The growing generational divide in charitable giving: a research paper' (2012)  
<sup>37</sup> <http://www.thirdsector.co.uk/news/1291743/Turning-texters-long-term-donors>

Organisations like the National Council for Voluntary Organisations (NCVO) and Association of Chief Executives of Voluntary Organisations (ACEVO) could assist by helping such charities to raise their profile by ‘matching’ a large charity with a small one.

Some examples of this do exist and the Foundation for Social Improvement (FSI) is doing a good job in helping small charities to learn about fundraising initiatives. Larger, more popular, charities could assist the FSI and other such initiatives in this field both by seconding employees for a given length of time and by assisting them with campaigning information and facilitation.

The focus when talking about new technology and giving tends to be on the role of young people, and it is true that the issue is particularly relevant to this group given the extent to which technology is already integrated within their lives. For example, figures from Give as you Live show that over three quarters of donors under 25 who were surveyed were using Facebook, while nearly a third were using Twitter.<sup>38</sup>

However, we must not assume that digital giving is only about younger people – it is an issue that affects people at all stages of their lives. Research has shown that over-75s are the most likely group to respond to an email request to give, whilst over 45s are more likely than other groups to respond to text donation fundraising.<sup>39</sup>

It is clear that charities need to adapt to this new world, not only in terms of enabling transactions online and through mobile channels, but also in terms of how they communicate, interact, associate and provide services.

The Government has recognised the challenges facing charities in offering effective online engagement and opportunities to give. The Cabinet Office launched a £10m “Innovation in Giving” fund in 2011 in partnership with NESTA, which gives grants to support innovative initiatives aimed at increasing giving and volunteering.

The Innovation in Giving fund has been a positive development, but more still needs to be done to help charities harness the potential of new technologies to engage with supporters and offer new opportunities to give. In addition, action needs to be taken to make it easier for digital donors to Gift Aid their contributions in support of charity. Claiming back tax already paid increases the size of a gift received by a charity, and the projected growth of digital giving makes this an essential area for reform in order to allow donors and charities to maximise their impact.

**We recommend that:**

Government should build on the work of the Innovation in Giving Fund and establish a task-force with technology and social media leaders and experts to drive developments in digital giving, investigating how mechanisms can be reformed to make donations go further and exploring how new digital practices can be harnessed as a force for social good. Building on the work of the Foundation for Social Improvement, large charities should work with smaller charities to raise awareness and help with training in new fundraising initiatives.

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38 Give as you Live, ‘How is the Digital Giving Landscape shifting?’ (2013)

39 Ibid

## Giving at Work

### Employee giving at work

#### Background or context

People spend most of their waking hours at work. Whilst primarily being the place in which to earn a living, workplaces are also where friendships are made and teams work together for a common cause.

In most companies, there is a great enthusiasm for giving. Whether it is supporting colleagues on a half marathon or putting a few pence in a collection, workplaces can be a great force for good.

It is not always easy to find the time to support colleagues or causes. But at work or at home, people want to help create positive change and businesses want to foster the sense of teamwork and pride that giving provides.

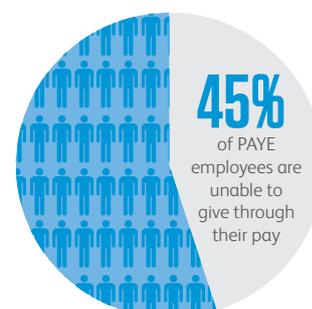
When people begin their working life, it often means they have less time to devote to fundraising or volunteering. The pressures of everyday life make increasing calls on their time and money. That is why it is essential to make it easy for all people to give in some way, regardless of their circumstances.

#### Employee giving at work

One of the easiest ways for employees to give financially through their work is by participating in Payroll Giving – making a donation to charity before tax and maximising the amount given. At present only three per cent of employees in the UK give regularly through their payroll, a number deflated by a lack of employers offering access to a Payroll Giving scheme. Indeed, 45 per cent of PAYE employees are unable to give through their pay.<sup>40</sup> Although there has been a slight increase in participation in Payroll Giving in recent years, it remains relatively low, and there is a visible gap between enthusiasm and participation that must be addressed.

Fundraising events in the workplace remain successful, and see employees giving and raising money together in support of a common cause. Particularly successful are those that give employees control over the recipient of their generosity. Many employees already benefit from volunteering schemes put in place by their employer, with 70 per cent of FTSE 100 companies already having an employer supported volunteering programme, and 58 per cent of employees said that they would be very or fairly likely to volunteer if their employer offered them help to do so.<sup>41</sup>

Increasingly employees are also getting involved in 'giving circles' and the Young Philanthropy Syndicate model provides a very successful example that could be replicated elsewhere.



40 CAF, 'Growing Giving Parliamentary Inquiry – Part Two: Giving at Work – Summary of Evidence' (2013)

41 <http://www.volunteering.org.uk/who-we-can-help/volunteer-involving-organisations/employer-supported-volunteering>

Young Philanthropy (YP) is an organisation that aims to make a positive and lasting impact on society by empowering a new generation to make a difference.<sup>42</sup> A registered charity and social enterprise, YP creates Syndicate platforms that enable young professionals to join together and invest their time, money and skills in a charity project.

This includes matched funding and mentoring support from an experienced philanthropist or senior leader, and is working successfully at organisations such as Deloitte, KPMG and the Civil Service. YP Syndicates are allowing young professionals to give whilst developing their skills and leadership potential, equipping the next generation of philanthropists for the future.

### How do employees feel about giving at work?

Employees believe that their employer could get more people involved with giving, and that businesses in general can do more to communicate their charitable activity. Polling carried out for ComRes for this Inquiry discovered that 56 per cent of respondents believe that offering information on how to support charities at work would be particularly effective in generating greater participation.<sup>43</sup> There is a receptive market that should be targeted to get more employees involved in workplace giving.



The contrast between interest and participation in Payroll Giving is startling. Nearly one in three employees (31 per cent) said that they would be likely to use Payroll Giving if offered by their employer, with nearly one in ten stating that they would be 'very likely' to do so. If those interested began to participate in Payroll Giving, it could release an estimated £175 million for good causes.<sup>44</sup>

In addition, 65 per cent of people believe that employees would be more likely to support charities at work if they were allowed to take part in choosing a recipient charity.<sup>45</sup> Strong employee engagement ensures that donors retain an element of control over how their generosity is used, and the organisations that are supported.

### What are the barriers to employees giving more at work?

Many of the businesses that gave evidence to this Inquiry pointed to the need to remove all possible barriers to giving.<sup>46</sup>

The wide choice of volunteering and giving opportunities available can in itself be a barrier; faced with limited time, people can be bewildered by the options and leave giving for another day. Others are simply not aware of the ways they can give at work.

42 For more information please visit: <http://youngphilanthropy.org.uk/about-us/>

43 <https://www.cafonline.org/media-office/press-releases/2013/payroll-giving-reforms-needed.aspx>

44 Ibid

45 Ibid

46 CAF, 'Growing Giving Parliamentary Inquiry – Part Two: Giving at Work – Summary of Evidence' (2013)

The mechanism – or lack of it – for giving at work can also be a major obstacle. Most companies do not offer the option of giving through their payroll system, even though there is a demonstrable demand for people to use this simple method.

There is a gulf between the number of people with an interest in participating in Payroll Giving and those actually using the service. This is partly because of a lack of easily accessible information available for employees: it was interesting to hear that in some companies even the HR department is unaware whether they provide Payroll Giving. This absence of information is exacerbated by the fact that there is no single list of businesses offering Payroll Giving.



Encouragement also needs to be provided to create a new generation of philanthropists. There are changing attitudes to the way that philanthropy is viewed in the UK, and participation in the Giving Pledge from philanthropists such as Sir Richard Branson and Lord Sainsbury is helping to promote philanthropy in the public sphere.<sup>47</sup> Each year, the Sunday Times Giving List highlights just how much some of the wealthiest in society give to good causes, and their example should be championed in order to encourage others to follow their lead.<sup>48</sup>

However many young employees are unable to donate significant amounts on a personal basis, so structures need to be provided that allow them to give in partnership with their peers and supported by others to allow them to experience philanthropy.

### How can we unlock the potential of employees to give more at work?

The barriers to workplace giving primarily about opportunities and affordability. The latter can be addressed by giving employees the ability to give regardless of their income, and the former requires concerted action being taken to put structures in place to enable workplace giving, and that the supply of giving mechanisms matches the demand.

Steps must be taken to increase participation in Payroll Giving to match interest in the area. The Government recently held a consultation looking at how Payroll Giving can be improved, and as a result has almost halved the processing time for donations, in addition to creating improved webpages to give donors, employers, charities and Payroll Giving agencies an improved online presence. The Government has also committed to further working groups with the sector to continue the development and improvement of Payroll Giving. Action is also needed to ensure greater information about which employers offer the scheme and greater clarification over online sign up.

Other interesting schemes that have proven to be successful emphasise the need for affordability and simplicity. For example Pennies From Heaven, which allows employees to “round off” their monthly salary and donate the “pennies” to a cause of their choosing.

One highly effective way of encouraging giving is for employers to match donations by their staff, showing both commitment to the people who work for them and multiplying the impact of

47 The Giving Pledge is “a commitment by the world’s wealthiest individuals and families to dedicate the majority of their wealth to philanthropy.” For more information please visit: [www.givingpledge.org](http://www.givingpledge.org)

48 <http://www.thesundaytimes.co.uk/sto/Magazine/article1409927.ece>

donations by employees. This also stimulates engagement: research by TechSoup in the US shows that mentioning matching increases response rates by 71 per cent and average donations by 51 per cent.<sup>49</sup> GiveyUK have embraced the growing appetite for matching and actively encourage employers to match the donations made by their staff.

Although matched funding – like other forms of employer-supported giving – does cost money in the short-term, the longer-term benefits outweigh the initial outlay. A recent Demos report argued that matched funding can lead to “gains in productivity, staff loyalty, and a boost to the employer’s public image.”<sup>50</sup> Matched funding therefore benefits both employee and employer.

Perhaps the most compelling evidence for the power of matched funding is the experience of the growth of Payroll Giving at the turn of the century. The Government offered a 10 per cent supplement to Payroll Giving donations for four years from April 2000, contributing to a massive growth in participation and donations through the scheme.

The numbers using Payroll Giving rose from 400,000 in 1998/99 to 760,000 in 1999/00. The impact on donations of this sharp rise in employees was immediate; the following year donations through payroll Giving income grew by £23 million (or 43 per cent), more than any other year in the history of the scheme. The following two years also showed remarkably sustained growth, with increases of a further £23 million and £16 million respectively.

Of course, other factors, such as the decision to lift the cap on Gift Aid and the Millennium Children’s Promise appeal undoubtedly also contributed to this rise. But the evidence does suggest that an effective match-funding scheme can have an immediate and dramatic effect on the levels of giving at work.

We recommend that:

The Treasury should explore how to reshape the existing incentives for corporate giving in order to encourage employers to offer matched employee giving schemes, and employers should promote existing matched giving schemes to new employees upon commencement of employment.

Even greater is the potential effect of linking a matching scheme to mentoring within companies. The giving circles pioneered by Young Philanthropy involve pooling donations by young professionals and a more senior mentor, allowing people on the lower rungs of the corporate ladder to start practising the sort of philanthropy that is normally the preserve of their more senior colleagues. The opportunity to interact with senior management lets them develop mentoring relationships which can provide them with guidance for development in both their work and philanthropic life.

Participation in philanthropy allows employees to experience personal development. Young Philanthropy Syndicates are given the responsibility to choose who they donate to, and also have to create a strategy for their giving.<sup>51</sup> Including elements of matched giving also gives employees the knowledge that their generosity is supported and indeed extended by their employer.

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49 <http://www.charitytechnews.co.uk/2014/03/countdown-has-started-on-giveys-crowdfunding-campaign/>

50 Demos, ‘Scouting for Skills’ (2014)

51 <http://youngphilanthropy.org.uk/>

Structures need to be put in place to allow a new generation of philanthropists to develop their skills. Giving young people the experience of supporting charity via giving circles allows them to develop greater responsibility for their donations, and there is a clear appetite for this. The Young Philanthropy model provides an excellent insight into what can be achieved, and the onus should be on businesses to provide young employees with the opportunity and support to begin their philanthropic journey.

Businesses should create and promote giving models – such as Young Philanthropy Syndicates – to allow young employees to give in partnership with their colleagues and peers.

### *Creating a culture of giving in the workplace*

#### Background and context

Businesses need to ensure that they are doing all they can to allow their employees to reach their giving potential. This means an examination of how businesses can adapt their practices to create more opportunities for people to give; be that through financial giving, or by creating opportunities for them to give their time and skills in support of good causes.

Many businesses already provide excellent ways for their employees to support charities whilst at work, but opportunities need to be widened to allow more employees to give in a way that appeals to them. This includes a need for a commitment to supporting charities being embedded within the mentality of a business, with all appropriate channels being used to boost workplace giving.

#### How are workplaces already creating a culture of giving?

The extent to which participation in workplace giving is actively endorsed and encouraged by employers is hard to quantify, as it naturally varies from organisation to organisation, and there is a particular lack of information about SME engagement. Evidence shows that when employees are given the opportunity to engage they embrace it, and workplace giving that is backed by an employer is welcomed.<sup>52</sup> If employees are given the chance to volunteer while at work, it is essential that any such volunteering looks to maximise the skills that an employee has so they can make a real impact in supporting a good cause.

There is a clear business case for giving. Businesses that provide opportunities for their staff to get involved with charitable activity themselves benefit through improved staff morale and staff retention, which can have a consequent reduction on hiring costs, offering a simple way that businesses can help themselves by helping others.

Leaders can also encourage giving. BT explained that their partnership with Sport Relief 2012 showed that putting their leadership team at the forefront of activity and getting them involved in unlikely challenges served to provoke interest amongst employees, who were then keen to get actively involved. Such approaches allow leaders and employees to work closely together, and this collaboration can only be of benefit to business.<sup>53</sup> Indeed, BT reported that following their support for Sport Relief 2012, 99 per cent of employees believed volunteering to be a good use of their time, and 94 per cent said that they were proud to work for BT.<sup>54</sup>

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<sup>52</sup> CAF, 'Growing Giving Parliamentary Inquiry – Part Two: Giving at Work – Summary of Evidence' (2013)

<sup>53</sup> Ibid

<sup>54</sup> Ibid

## How does the business community feel about giving?

There is growing expectation amongst young people that they should be provided with opportunities to engage with charity whilst at work. Evidence received from Student Hubs, an organisation that works to encourage students to take part in charitable activity, argued that it is extremely powerful when business leaders talk about their charitable giving and lead by example. The organisation added that many young people now focus on the opportunities provided by a business when they move into a job, and promoting opportunities to engage with charities can be a powerful recruiting tool.<sup>55</sup>

The important role that leaders can play in encouraging greater participation in giving echoes research carried out by the Cabinet Office's Behavioural Insights Team, in partnership with Charities Aid Foundation and the University of Bristol. It was discovered that sending staff a personalised message about a fundraising drive from the Chief Executive of a large investment bank helped treble fund-raising and raised £500,000 in one day.<sup>56</sup> Employees respond well to encouragement from their senior management, and this can be particularly pronounced when staff are being asked to make a contribution to something with a visible social benefit. Using the influence that leaders have can help to generate greater workplace giving.

## What are the barriers to creating a culture of giving in the workplace?

There is evidence that a number of young people stop their charitable activity as they enter the workplace.<sup>57</sup> This is a key transition point in a person's life, and connecting with them at this stage is crucial to instil a commitment to giving. In addition, charities need to ensure that they are reflecting to donors the impact that their contribution has made, so that they can see their charitable gift in action.

There is also an important role for business leaders to play. The inclusion of leaders in charitable activity whilst at work is an effective way of encouraging employees to get involved. Whilst some people prefer their involvement with charities to be anonymous, others should be urged to share their motivations for giving to serve as a means for getting more people involved.

It is also important for businesses themselves to look at the value of philanthropy and skilled volunteering as part of their development work with staff. Those organisations that work with businesses and business leaders, such as the CBI, the IoD and others also have a strong role to play supporting this culture change. But this is not confined to managers – trade unions also have a role to incorporate charitable work into the education and training they offer their members.

Finally, structures need to be put in place to allow people to give. The challenge for businesses is to examine their current provision for engagement with charities, and ask themselves whether they could do more to embed a culture of workplace giving.

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<sup>55</sup> Ibid

<sup>56</sup> Cabinet Office Behavioural Insights Team & CAF, 'Applying behavioural insights to charitable giving' (2013)

<sup>57</sup> CAF, 'Mind the Gap - The growing generational divide in charitable giving: a research paper' (2012)

## How can we unlock the potential to create a culture of giving in the workplace?

It is essential to influence the next generation of business leaders and ensure that they grow up with a personal commitment to giving. Young people want to learn more about charity, and using appropriate transition points between education and the workplace can attempt to prevent young people's giving from slipping as they begin their working life. A recent report by the Heller School's Sillerman Center for the Advancement of Philanthropy has found that engaging students in philanthropy through coursework increases the likelihood of their future involvement in the sector.<sup>58</sup>

Using MBA courses as a way of getting young people to learn more about the value of philanthropy and giving would instil the value of charity in their mindset. Philanthropy modules have proven to be successful at leading business schools such as Harvard and could be replicated across the UK. Indeed, the Pears Business Schools Partnership is currently doing just that.<sup>59</sup> Getting the next generation of business leaders to enter the workplace with an understanding of philanthropy is an effective way of ensuring that they continue to give, both personally and through their business.

We recommend that:

**The Association of Business Schools should commit to ensuring that all Business schools provide MBA students with the opportunity to take part in a module on philanthropy, including education about the history of philanthropy in the UK and how business leaders can use their resources as a force for social good.**

There is undoubtedly a role for business leaders to play when it comes to increasing giving. Whilst we have not had the capacity to go into greater detail about the nature of corporate social responsibility and how government itself could help to stimulate this, we have sought to address how a change in culture could be achieved in the short term. Recognising the very different approach to the more corporate approach of governance in much of Europe and the historic social market approach in the United States, the UK falls in between these two very different cultures. That is why leading by example is recommended here as a way of stimulating not only modest change, but a debate about future development. 'Welcome to GoodCo,' a new book published in June 2014, has some interesting case studies and thoughts to offer on the broad issue of corporate social responsibility.<sup>60</sup>

One way that this could be emphasised is by encouraging companies to place a visible commitment to charity in executive job descriptions. In addition to raising the profile of individual giving, having a commitment embedded in job descriptions would lead to a greater charitable culture within an organisation and have the effect of helping business leaders to set an example for their employees to follow when it comes to giving.

Leadership from the top has emerged as a vital component of successful giving cultures in businesses. Supporting appropriate causes should be a strategic aim, rather than a nice-to-have add-on. Given widespread concern about the boardroom culture in some parts of business, it seems particularly appropriate that those who lead our major corporations have a track record in developing the wider social role of business as well as honing their vital commercial skills.

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58 The Sillerman Center for the Advancement of Philanthropy, The Heller School for Social Policy and Management, Brandeis University, 'Engaging a New Generation of Philanthropists: Findings From The Pay It Forward' (2014)

59 <http://www.pearsfoundation.org.uk/philanthropy/>

60 Tom Levitt, 'Welcome to GoodCo,' (2014)

We recommend that:

Executive role job descriptions should include evidence that business leaders have a track record in supporting social causes and have acted as a leader in creating a socially responsible corporate culture. The Institute of Directors should encourage businesses to implement this cultural change.

Young people are increasingly concerned about the social values of an organisation. Research by Demos discovered that 77 per cent of young people believed it was essential to be satisfied with the ethical record of their employer.<sup>61</sup> Whilst this Inquiry did not concern itself directly with company giving, having a company giving in cash can serve as a means of getting more employees to give too, and companies can use a holistic approach to their strategy to search for business opportunities which can be used to tackle social and environmental challenges to generate 'shared value.'<sup>62</sup>

There are a number of ways that businesses can provide opportunities for their employees to give whilst at work, and the suitability of each should be considered by businesses on an individual basis. It is clear that there are benefits to businesses that choose to embrace giving, and the impact involvement has on staff suggests that businesses that get left behind will lose out. Businesses should reflect upon their existing provision and look at how they can put in place structures making it easier for people to give.

We recommend that:

Businesses should commit to developing a strategic plan for workplace giving based on successful initiatives and experiences elsewhere. This should build upon existing examples of best practice and include a commitment to allowing employees a range of ways to support good causes whilst in the workplace. The Confederation of British Industry and Federation of Small Businesses should build upon their existing work in this area and stress to their members the benefits of participation in workplace giving.

**77%**  
of young people say it is essential that they are satisfied with the ethical record of their employer



61 Demos, 'Introducing Generation Citizen' (2014)

62 Ibid

### Creating a deeper culture of giving

The UK is undoubtedly one of the most generous nations on earth, consistently ranking in the global top 10 in CAF's annual World Giving Index. The evidence of that generosity is all around us. We respond incredibly generously to appeals like Comic Relief, Children in Need, Sports Relief, disaster appeals and to fund-raising events such as the Race for Life and Movember.

But we could always do more. How can we build on this culture of generosity to ensure that everyone can participate and that we can encourage sustained giving?

One way is for charities to harness role models and examples of the good that donations do through the media and elsewhere. Another is to try to spread the success of national single-issue and time limited campaigns to encourage people to start an enduring relationship with a charity or cause.

Innovative giving campaigns such as the #GivingTuesday initiative which originated in the United States have shown how working with trends in consumer culture can make a significant difference in giving. The challenge is to transform the urge to make a donation today into a longer-term commitment and foster a culture of giving which encourages people to learn about the causes they support and develop a relationship.

One particular challenge for national giving campaigns is to reach out to those groups that are currently less engaged such as younger men, and ensure that messages are created which speak directly to those people to encourage their participation. Innovative online campaigns such as #GivingTuesday allow campaigners to refine their messages and targeting in order to achieve this goal and to try and get new audiences engaged in giving.

We recommend that:

**Charities, businesses and other interested parties, including Government, should build on current fundraising programmes such as the global #Giving Tuesday movement to encourage people to make a long-term commitment to charity.**

The evidence received over the duration of this Inquiry highlighted just how much work is already taking place to get more people engaged with charity, increase fundraising and create volunteering initiatives. Much of this existing work and success can be replicated elsewhere, and charities would benefit from the opportunity to learn about the schemes and programmes that have been successful. In 2014, for example Stephen Sutton's fundraising for the Teenage Cancer Trust and the effectiveness of the hashtag '#nomakeupselfie' campaign would provide excellent case studies for the rest of the charity sector to learn from.

The Government has the resources and influence to make an enormous difference to the charity landscape, and the Cabinet Office in particular has the ability to compile information about the latest developments in giving. Harnessing the knowledge and resources available to the Cabinet Office and using its outreach and interaction with the sector to highlight best practice - updated regularly to reflect ongoing developments – would help to ensure the continual development of giving practises and techniques.

We recommend that:

The Cabinet Office should be given a specific remit to create a dossier of best practice in giving highlighting successful examples of engagement. This should be regularly updated to include information about new techniques and mechanisms that are making giving easier for donors and charities.

The growth of digital media does not mean that other forms of media should be ignored. Radio, newspapers and television are still vital methods of communication that can be used to encourage people to give. Indeed, the success of TV appeals such as Comic Relief, Sport Relief and Children in Need shows just how effective TV can be for encouraging donations, and TV channels should be encouraged to make greater provision to allow charities to connect with viewing audiences. The power of television should be harnessed in order to encourage charitable donations throughout the year.

We recommend that:

Licenses for all TV channels should require a modest amount of time committed annually for programming aimed at fostering charitable giving, allowing charities to make short presentations publicly at peak times in order to raise awareness of their work and encourage greater support from the public.

## Going on Giving

### *Giving throughout retirement*

#### Background and context

Throughout their life people are faced with different barriers that they need to overcome in order to turn their positive attitudes towards charity into regular support. This is equally true for older people, who upon retirement are faced with the greatest change of circumstances since their entry into the workplace.

Those in maturity are often portrayed as time-rich, but that does not take into account the new pressures that they may encounter – looking after grandchildren, acting as carers and greater involvement with the local community. In addition, many older people retire gradually, working part-time before finishing their employment for good and meaning that opportunities need to be provided for those transitioning towards retirement.

In order to encourage their continual engagement with charity, opportunities need to be presented which take into account individual circumstances.

As Age UK explained to us, many older people see their income fall on retirement, and concerns about social care costs and an ongoing desire to support their family can give elders a feeling that they are no longer able to give to charity.

Despite this challenging time of transition, many older people continue to give generously. Others struggle, so there is a real need to explain to older people how they can continue to effectively and affordably give their time and money in later life.

#### How are people already giving in retirement?

Taking part in giving can help older people deal with some of the social challenges that they are faced with. Dr Suzanne Richards, Senior Lecturer at the University of Exeter, explained that ‘older people’ is a grouping which includes both some of the loneliest members of society as well as those with the highest rates of social participation.<sup>63</sup> It is particularly the former who could be helped if provided with a pathway into giving and volunteering.

Loneliness can have a devastating impact on older people’s lives, and volunteering is already helping thousands to deal with this growing social problem. Elders who volunteer report improved well-being, life satisfaction and lower rates of depression, and this reinforces the presence of reciprocity within giving.<sup>64</sup> Meeting new people and coming together in support of a cause is a great way of older people making a positive difference in their community but also receiving a personal benefit from their giving.

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<sup>59</sup> [http://www.exeter.ac.uk/news/featurednews/title\\_315358\\_en.html](http://www.exeter.ac.uk/news/featurednews/title_315358_en.html).

<sup>60</sup> Ibid.

The 'Mind the Gap'<sup>65</sup> report discovered that older people are incredibly generous when it comes to supporting charities, and this was echoed by evidence received from Pennies From Heaven, who explained that participation rates in their programme by pensioners are above average.<sup>66</sup> Pensioners are keen to give, and use a number of available opportunities which allow them to donate money to charity.

In addition, many older people want to give something back, and ensure their generosity is passed down and continued by future generations. A number of intergenerational programmes bring people of different ages together in pursuit of a common cause, and helps people of all ages challenge any preconceptions they hold towards others. With research showing that even having a conversation about giving can get more young people to participate, we hope that this transmission of norms continues to grow.

### How do people feel about giving in retirement?

Older people are incredibly positive about charities, and the size of their financial contribution to good causes demonstrates just how important giving is to the older generation. Despite this, there are still significant opportunities which present themselves that could be used to encourage greater giving, many of which are currently neglected. For example, once a person has paid off their mortgage in full they often see a sharp rise in their disposable income, which could be used to support a cause that they are passionate about. However, even though many of these people are naturally generous and want to give, only a quarter of those currently paying off their mortgage say that paying off the loan in full will lead to an increase in their giving.

These statistics do not do justice to the spirit of giving that is strongly present amongst older people. Building on existing generosity and encouraging more people to get involved with giving is vital to ensure that charities continue to receive support, and this means that new and innovative ways of encouraging people to give as they retire must be discovered.

### What are the barriers to greater giving by people during retirement?

Even though some older people might be time-rich, they are only going to give their time and volunteer if the opportunities available to them are interesting and engaging. Charities need to make sure that they are inclusive when it comes to searching for volunteers and must broaden their networks to give more older people the chance to get involved with volunteering. Nearly two thirds of people say that the reason they volunteer is because they were asked; charities need to get better at asking.<sup>67</sup>

Some older people undoubtedly struggle to give financially as they enter retirement because they are adjusting to living on a fixed income. This can include adapting to a change in household budget and there is a growing recognition that money needs to be put aside to be used for social care costs.

There is also a lack of knowledge about some of the most effective ways to give. There are similar systems to Payroll Giving which older people can use that let people give via their pension, while using

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65 CAF, 'Mind the Gap - The growing generational divide in charitable giving: a research paper' (2012)

66 CAF, 'Growing Giving Parliamentary Inquiry – Part Three, Going on Giving – Summary of Evidence' (2014)

67 Ibid

the UK's generous tax incentives for giving, but take-up of these remains low, and there has to be greater raising of awareness to give pensioners more and better information about how they can give.

Finally, there has to be a range of options so that people have some way to give, regardless of their individual circumstances. Older people are passionate about supporting good causes; our challenge is to help provide pathways to turn this goodwill into action. Many schemes are successful because of their low barriers to entry – they are designed to be inclusive and appeal to people regardless of their income.

### How can we unlock the potential for people to give more throughout retirement?

There is undoubtedly huge appetite amongst older people to give more. Research by the Royal Voluntary Service found that nearly one in five older people does not get the chance to use their skills or talent to benefit the community, even though they would like to.<sup>68</sup> This hidden resource must be harnessed.

One way of promoting greater involvement from retired people would be to provide tailored information about giving opportunities at the point of retirement. Retirement can be an intimidating prospect and some individuals may feel that they have lost the reassuring anchor of work. Advice and guidance at this transition point could help individuals identify new opportunities open to them. Information should reinforce the personal and social benefits of volunteering and should help to identify appropriate roles for those wanting to use existing or develop new skills.

We recommend that:

**A Post-Careers Advice Service should be created to provide older people with information about how they can use their skills to volunteer and support charities. This should be promoted within the notification of receipt of the state pension. The Advice Service should emphasise the benefits derived from volunteering, and provide information about available opportunities for individuals in the local area.**

Older people are incredibly generous when it comes to financial giving, but given the unique change in circumstances that comes hand-in-hand with retirement, specialised schemes that allow giving via a pension need to be promoted. Giving via a pension gives pensioners the ability to make a donation to charity before they receive their regular payment, making it easier for them to plan their finances effectively. This taps into existing enthusiasm for giving and, as Pennies From Heaven explained, unlock new sources of income for charities. Giving via a pension is already possible but there is scope for expanding take up. To make this happen, pension providers should give people beginning to receive a pension information about how they can donate in this way.

One opportunity for this would be the proposed face to face advice sessions that, it was announced in the 2014 Budget, will be provided to everyone retiring on a defined contribution pension. This could be used to provide information to pensioners about the different ways that they can continue

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68 <http://www.royalvoluntaryservice.org.uk/news-and-events/news/talents-go-to-waste-in-older-age---one-in-five-older-people-in-britain-who-have-a-special-skill-or-talent-rarely-or-never-get-to-use-it>

to support good causes in retirement by giving through their pension, but also by leaving a legacy and through living legacies. Pensioners would be able to ask questions about the different options available to them, and greater education about different forms of giving in retirement can only help to increase participation.

We recommend that:

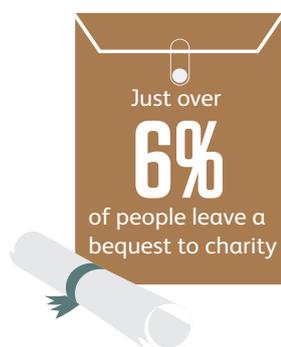
Provision of information and advice on charitable giving could best be offered at the time when notification is provided of details of the individual retirement package and, where the state pension is concerned, could be funded through sponsorship or appropriate and acceptable advertising opportunities. The Government should build on the work of the Money Advice Service to inform those moving into retirement about the different ways that they can continue to give, in addition to information about the wide range of giving options, such as legacies.

## *Leaving a legacy*

### Background and Context

As a person moves into the later stages of their life, they have the opportunity to support charities by leaving a legacy in their will, a way of showing a lasting commitment to a cause. Legacy giving can take place at any point in a person's life when they decide to make a will, but often older people choose to insert a gift to a charity in their will in later life. Legacy giving allows people to make a contribution to charity regardless of their income, and gives donors the knowledge that they have made an ongoing gift that will be put to a good use by a charity that they support.

In addition to traditional legacy giving that already exists in the UK, there needs to be an examination of methods used in other countries to see what options exist for widening participation in legacy giving, and see whether any other forms of legacies are right for us.



#### To what extent are legacy gifts given to charity already?

The legacy market is an important source of income for charities, with Legacy Foresight estimating its value at £2.05 billion. This equates to 13 per cent of all voluntary income, and 5 per cent of the total income received by charities.<sup>69</sup>

At present, just over six per cent of people leave a bequest to a charity, with the total amount given to charity in this way accounting for three per cent of the total amount of money left in estates.<sup>70</sup> This figure remains low despite initiatives such as the change in Inheritance Tax (IHT) to encourage greater giving. A Testator giving 10 per cent of their estate to charity sees their IHT rate fall from 40 to 36 per cent, and Legacy10 is now campaigning for all political parties to include a non-regression pledge in their next manifesto.

There are, however, positive trends that bode well for an increase in legacy giving. Remember a Charity explained that the percentage of will-writers who 'never' prompt about charity has fallen from 22 per cent in 2011 to 10 per cent in 2013.<sup>71</sup> This is combined with a 10 per cent rise in those

69 CAF, 'Growing Giving Parliamentary Inquiry – Part Three, Going on Giving – Summary of Evidence' (2014)

70 Ibid.

71 Remember a Charity

advisors saying they ‘always’ provide a prompt from ten years ago. The impact that a prompt can have means that encouraging will-writers to shine the spotlight on legacy giving can help translate warmth towards charities into a last gift to a cause.

### How do people feel about legacy giving?

There is significant appetite amongst the public for greater legacy giving. Remember a Charity explained that when asked about the possibility of leaving a legacy to a charity, between 35-50 per cent of people are very positive.<sup>72</sup> However, there is a sizeable difference between those who state an interest in leaving a legacy and those who actually do.

The change to IHT to encourage the leaving of gifts to charities has also proven to be popular. According to polling carried out by Populus, over 80 per cent of people are unaware of this change in taxation but upon hearing about it, over 70 per cent said that it would encourage them to leave a legacy to charity as a result.<sup>73</sup>

In addition to traditional legacy giving, some countries use ‘Living Legacies’ as a giving mechanism that generates income for good causes. A Living Legacy, as the name suggests, allows a person to leave a legacy to charity whilst they are still alive and gain tax relief, allowing the charity to benefit from certainty of income and an asset on their balance sheet to help plan their future finances.

### What are the barriers to greater legacy giving?

One of the problems that accounts for relatively low levels of legacy giving is that at present two-thirds of adults do not have a will, and this is particularly true amongst the under-50s.<sup>74</sup> Action must be taken to encourage more people to write a will, and it is this will writing process that needs to be used to encourage greater legacy giving.

Other barriers include a lack of awareness, and the fact that legacy giving has not yet become a social norm. There is a perception that legacy giving is only for the rich, and charities have to try and normalise the concept of legacy giving so that it is seen as accessible for all people.

For Living Legacies, similar concerns were raised – about beliefs that they may only apply to High Net-Worth Individuals; however Philanthropy Impact explained that Living Legacies can apply to the mass affluent. Other concerns were raised by nfpSynergy, who argued that one of the problems with Living Legacies is that it fixes a person’s donation based upon what they can afford at that time, whereas the amount that they could donate through a traditional legacy could increase as they grow older. Fears were also raised that a person giving through a Living Legacy would see their charitable activity as complete and therefore refuse to engage any further, although this was rejected by other contributors.<sup>75</sup>

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72 CAF, ‘Growing Giving Parliamentary Inquiry – Part Three, Going on Giving – Summary of Evidence’ (2014)

73 <http://legacy10.com/sites/default/files/downloads/Legacy10%20Briefing%20Note.pdf>

74 CAF, ‘Growing Giving Parliamentary Inquiry – Part Three, Going on Giving – Summary of Evidence’ (2014)

75 Ibid.

## How can we unlock the potential for greater legacy giving?



There is clearly great interest in legacy giving, with people seeing another opportunity to make a gift to a cause that they care passionately about. Translating this into support is more difficult, but can be achieved if the process of leaving a legacy is easily understandable, and encouraged at a relevant point in a person's life. Research carried out by the Cabinet Office's Behavioural Insights Team discovered that prompting a person making a will about the possibility of leaving a legacy trebled the number of people choosing to give in this way.<sup>76</sup>

The personal approach uncovered by the Behavioural Insights Team suggests that using the conversation a person has with their solicitor when writing a will to introduce them to legacy giving could translate to great growth in legacy giving.

Once established, this could be broadened to include other methods of writing a will to reach out to a greater segment of the population. Not only would this encourage will writers and charities to work closely together in encouraging more people to leave a will, but it would give people the opportunity to leave a lasting legacy to society.

We recommend that:

**Will makers should inform clients that they are able to use their will to leave a legacy to charity, providing information about how legacies work in practice and an explanation of the taxation implications that can be induced when leaving a legacy.**

The success of Living Legacies elsewhere makes them a prime candidate for adoption. The introduction of Living Legacies would require backing from HMRC to allow for tax reliefs to be made on donations to such schemes. However, as has been demonstrated by the implementation of the IHT incentive, governments are committed to the concept of a supportive taxation system to encourage charitable giving.

Evidence from the United States shows that Living Legacies are successful and get more people giving to charity, and the widening of giving mechanisms is something that is important in order to make sure that everyone has an appropriate way to give. The positive outcomes that Living Legacies would lead to include a strengthened relationship between donor and charity, increased incomes for charities and certainty of income.

We recommend that:

**The Government should introduce Living Legacies, providing people with more tax effective ways to give to charity whilst they are still alive. This should build upon existing best practice in countries such as the United States of America and Canada.**

<sup>76</sup> Cabinet Office Behavioural Insights Team & CAF, 'Applying behavioural insights to charitable giving' (2013)

## *Conclusion and Recommendations*

The UK's proud reputation as one of the most generous nations in the world has been earned over generations of generosity, with people in the UK leading the way by giving their time and money in support of good causes. The strength of our civil society is the envy of much of the world, and we do not want to risk losing the charities that do so much good in communities across the country.

Giving naturally changes over time, but there is no doubt that over recent years methods for making a contribution have slipped behind developments in technology and changes in modern lifestyles. Now is the time to act to ensure that opportunities for engagement are effectively targeted at different generations to help embed a culture of giving.

Thankfully we have been presented with a wealth of exciting and innovative suggestions for how to do this, and charities, businesses and individuals have all made a significant contribution and suggestions as to how we can unleash the UK's charitable potential.

Our set of recommendations provides a clear vision for charitable giving in the future – making straightforward, practical ways of giving part of everyday life.

These recommendations are based upon the key themes presented within this report; providing a framework that gives people opportunities to give; giving them encouragement and incentives to inspire more giving; and ensuring that those who do give are recognised and rewarded for their contributions.

Taken together, we believe that these recommendations could have a transformational effect on giving in the UK; allowing Britons to unlock their generosity and helping build on the UK's proud history of giving to strengthen and develop it further.

### **Education**

- Schools and charities should work together to ensure that children and young people have opportunities to be involved in the work of charities, and that their participation is recognised and promoted as an integral part of careers advice, citizenship and personal development.
- UCAS forms should include provision for young people to demonstrate their commitment to social action. Information about this should be provided to young people in order to encourage greater involvement and raise awareness of the benefits from participation in social action.
- Students' Unions in further and higher education should commit to continuing and increasing their volunteering programmes, working in partnership with the education institution where possible. This should focus on the positive impact that participation can have on employability, and innovative, integrated university programmes should include an emphasis on the development of CVs. Information about volunteering opportunities should be promoted at Freshers' Fairs and at other opportunities throughout the year.

## Charities

- The Small Charities Coalition should build on their existing work to provide a programme offering young people the opportunity to shadow charity Trustees in order to develop their skills and provide first-hand experience of charity governance. The goal should be to create more opportunities at large charities for young people to participate in leadership roles. In the medium-term, larger charities should aim to provide an opportunity for a young Trustee, particularly where this coincides with facilitating beneficiaries being part of the process of governance.
- Charities, businesses and other interested parties, including Government, should build on current fundraising programmes such as the global #Giving Tuesday movement to encourage people to make a long-term commitment to charity.
- The Board of the National Citizen Service (NCS) should consider how they can ensure that participants in NCS are able to further develop their leadership skills after finishing the programme and could build on the existing programme of Ambassadors to offer progression into Trusteeship, campaign and fundraising opportunities as well as the continuance of volunteering. This should include a focus on entrenching the social values that have been learnt both in the school-based curriculum in Citizenship as well as the NCS experience, and should emphasise the dual benefit of personal commitment and the capacity to organise and stimulate social responsibility in others.

## Business

- Businesses should create and promote giving models – such as Young Philanthropy Syndicates - to allow young employees to give in partnership with their colleagues and peers.
- The Association of Business Schools should commit to ensuring that all Business schools provide MBA students with the opportunity to take part in a module on philanthropy, including education about the history of philanthropy in the UK and how business leaders can use their resources as a force for social good.
- Executive role job descriptions should include evidence that business leaders have a track record in supporting social causes and have acted as a leader in creating a socially responsible corporate culture. The Institute of Directors should encourage businesses to implement this cultural change.
- Businesses should commit to developing a strategic plan for workplace giving based on successful initiatives and experiences elsewhere. This should build upon existing examples of best practice and include a commitment to allowing employees a range of ways to support good causes whilst in the workplace. The Confederation of British Industry and Federation of Small Businesses should build upon their existing work in this area and stress to their members the benefits of participation in workplace giving.
- Will makers should inform clients that they are able to use their will to leave a legacy to charity, providing information about how legacies work in practice and an explanation of the taxation implications that can be induced when leaving a legacy.

## Government

- Government should build on the work of the Innovation in Giving Fund and establish a task-force with technology and social media leaders and experts to drive developments in digital giving, investigating how mechanisms can be reformed to make donations go further and exploring how new digital practices can be harnessed as a force for social good. Building on the work of the Foundation for Social Improvement, large charities should work with smaller charities to raise awareness and help with training in new fundraising initiatives.
- The Treasury should explore how to reshape the existing incentives for corporate giving in order to encourage employers to offer matched employee giving schemes, and employers should promote existing matched giving schemes to new employees upon commencement of employment.
- The Cabinet Office should be given a specific remit to create a dossier of best practice in giving highlighting successful examples of engagement. This should be regularly updated to include information about new techniques and mechanisms that are making giving easier for donors and charities.
- Licenses for all TV channels should require a modest amount of time committed annually for programming aimed at fostering charitable giving, allowing charities to make short presentations publicly at peak times in order to raise awareness of their work and encourage greater support from the public.
- A Post-Careers Advice Service should be created to provide older people with information about how they can use their skills to volunteer and support charities. This should be promoted within the notification of receipt of the state pension. The Advice Service should emphasise the benefits derived from volunteering, and provide information about available opportunities for individuals in the local area.
- Provision of information and advice on charitable giving could best be offered at the time when notification is provided of details of the individual retirement package and, where the state pension is concerned, could be funded through sponsorship or appropriate and acceptable advertising opportunities. The Government should build on the work of the Money Advice Service to inform those moving into retirement about the different ways that they can continue to give, in addition to information about the wide range of giving options, such as legacies.
- The Government should introduce Living Legacies, providing people with more tax effective ways to give to charity whilst they are still alive. This should build upon existing best practice in countries such as the United States of America and Canada.

We would like to place on record our thanks to all of the organisations and individuals who took the time to contribute to this Inquiry. The calibre of contribution has been at the highest level throughout, and we hope that the recommendations put forward in this report have encapsulated the aims of many contributors. We would also like to thank the Charities Aid Foundation, and Steve Clapperton in particular, for effectively coordinating the Inquiry and providing the Secretariat.

**Rt Hon David Blunkett MP**  
**Andrew Percy MP**  
**Baroness Tyler of Enfield**

## *Taking Action*

The Charities Aid Foundation has a proud history of connecting donors with the causes they care about and working to make giving as effective as possible. The Parliamentary Inquiry on Growing Giving is an extension of our mission to increase giving in the UK, and has allowed us to focus on wider challenges facing the charity sector, particularly the need to engage with people of all ages so that they can make a contribution to charity throughout their life.

The Inquiry has been a resounding success, and over the past year it has been fantastic to see so many people and organisations come together to discuss the barriers to giving in the UK, and to share ideas about how to create greater opportunities for people to make a lasting contribution to charity.

I would like to thank David, Andrew and Claire for their commitment to the Inquiry. Not only have they been extremely generous with their time, but their leadership and enthusiasm has been crucial in encouraging organisations to engage with the topic at hand, and I am delighted that they have produced a strong set of recommendations aimed at boosting giving.

I am also extremely grateful to all the organisations and people who took the time to contribute over the past year. In addition to the exciting and innovative ideas proposed to reform giving, the examples of best practice have highlighted just how much excellent work is already going on in the charity sector to get more people engaged.

The journey doesn't end here. We want to see the conversation about the future of giving continue. Importantly, we want to press on to see these recommendations put into practice. We believe that together they can help to remove existing obstacles to giving, as well as creating new exciting opportunities to engage with future generations.

We hope that the enthusiasm and interest of those who have engaged throughout the Inquiry will continue as we strive to implement these recommendations. We will work in partnership with those willing to help us create positive change – employers, school leaders, charities, policy makers, and others – and together we can ensure that we are all growing giving.



Dr John Low CBE  
Chief Executive  
Charities Aid Foundation

## *Further Information*

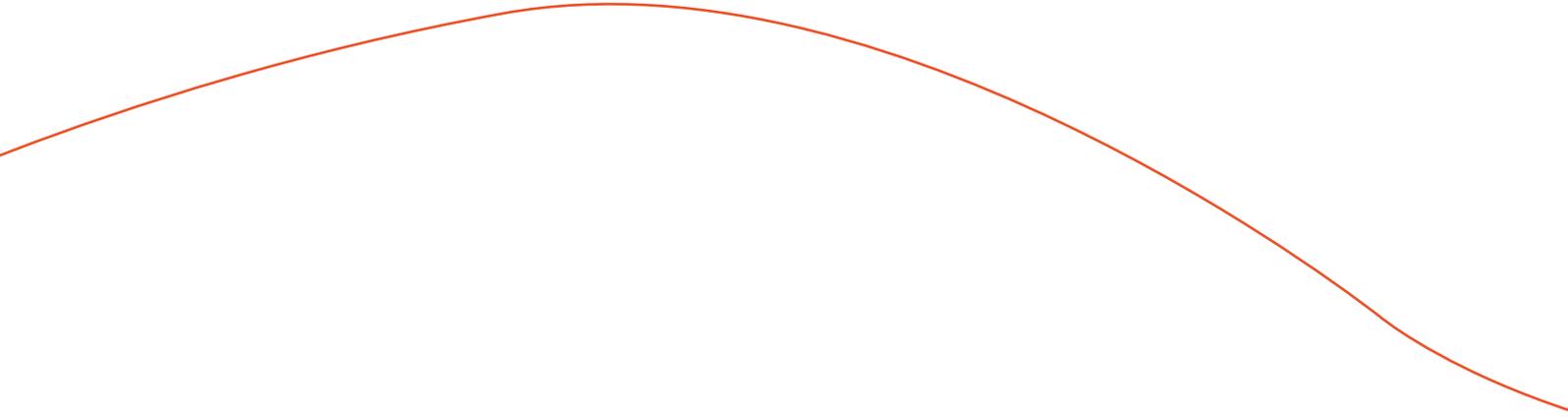
The Charities Aid Foundation (CAF) is a registered charity that promotes charitable giving and provides financial services and social finance to not-for-profit organisations. We help donors – including individuals, major donors and companies – to give more effectively whilst providing financial and fundraising solutions for charities in the UK and internationally, helping good causes to managertheir resources more effectively. We also have a strong track record in research, policy and advocacy, working across a range of issues to ensure the best possible funding environment for charities.

CAF has a long history of campaigning for changes in policy and legislation in order to improve the giving environment and to secure supporting legal, fiscal and regulatory conditions for donors, charities and social enterprises. Our knowledge and understanding – gained through direct experience and research – makes us a trusted voice on giving and the effective use of charitable funds.

All responses to the Inquiry were submitted under the terms of reference which can be read on the Inquiry's website at [www.growinggiving.org.uk](http://www.growinggiving.org.uk) which also contains more information about previous stages.

For more information please contact:

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**CAF** Charities Aid  
Foundation