

Technical report:  
Mind the Giving Gap  
Philanthropy data and  
sources

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## Introduction

*Mind the Giving Gap: Unleashing the Potential of UK Philanthropy* sets out the current state of UK philanthropy, including the contribution of the highest earners, using several data sources. These sources range from surveys to administrative data.

Philanthropy is an umbrella term that describes voluntary action for public good.<sup>1</sup> It is often defined as any kind of voluntary donation: time, expertise, money or other tangible contributions like shares or property. ‘Philanthropists’ are sometimes defined only as those who make large donations, but anyone who donates their ‘time, talent or treasure’ is making a philanthropic gift.

However, estimating the scale, scope, and contribution of philanthropy in the UK is subject to several methodological caveats and data limitations. This accompanying paper briefly sets out some of the main issues around data and estimation. It is aimed at a lay audience.

## Challenges in measuring philanthropy

Estimates of the total amount given in the UK are subject to wide variation. These variances reflect a range of measurement challenges. Surveys of donors are hampered by problems, including the ability of respondents to recall donations accurately. Issues including differing accounting treatments hamper surveys of recipient organisations.

Work for the Commission has already highlighted measurement challenges in relation to the social sector and civil society more broadly.<sup>2</sup> Similar issues arise when trying to estimate the value of monetary donations, starting with definition: what counts as a charitable donation? As a result, there is a relatively wide margin of error around UK philanthropy figures gained through sample surveys.<sup>3</sup> Challenges include:

Definitions and what to include or exclude:

- charitable giving or all giving? Individuals give to a wide range of organisations, including non-registered charities such as churches and individuals asking for support. Donors also give to political parties. The amount given to non-registered charities may be significant but is not captured in industry surveys;
- giving by the living only? Some estimates exclude legacies and bequests; and
- giving or shopping? Fundraising charities are just as likely to sell goods and services as ask for donations, but supporters may not distinguish between these when asked to recall what they have given. Similarly, charity accounts may record donations and legacies differently and potentially include other sources of income;

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<sup>1</sup> R Payton & M Moody, “Taking philanthropy seriously”, in *The Philanthropy Reader*, eds. M Moody & B Breeze (New York: Routledge, 2016)

<sup>2</sup> See for example: [Civic Action](#) and [Taking Account](#)

<sup>3</sup> McKenzie, T. “Give or take a few billion: the wide confidence intervals around annual estimates of charitable donations in the UK”, CGAP Briefing Note 10, December 2012.

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Clarity about what we are measuring and what is the unit of analysis:

- individual or household/friends? Donor surveys may not be able to distinguish gifts made by individuals on behalf of a household or more significant amounts fundraised from friends but 'given' by an individual;
- giving from foundations or donor-advised funds: some surveys of philanthropy include gifts from family foundations. However, there is a likelihood of double counting as the foundation or DAF itself has already received the gift.
- gross or net? It is unclear whether donors report net donations or whether they include Gift Aid; and
- wealthy/major donors? What constitutes 'wealthy' varies between surveys, while tailored surveys or tracking of the giving of wealthy people is notoriously difficult.

How to deal with large donations and what is a 'typical' gift:

- dealing with major donors: surveys are unlikely to capture those at the extreme tail-end of donations. In such surveys, it is standard practice – not least because of statistical disclosure issues – to omit extreme outliers. This means that surveys of mass-market giving are not accurate for investigating major donors; and
- dealing with one-off donations: large outlier donations can be a significant proportion of overall donations – omitting them, or otherwise, makes a substantial difference to the mean and any resultant trend data.

Problems of recall and bias in surveys

- personal recall: people have imperfect recall and tend to rely on recent events. So, for example, if they are asked at a time when giving is more likely to have occurred (e.g. Christmas or other religious holidays, or end of year bonus time), then they will likely give a higher amount than if asked when no giving has occurred recently; and
- social desirability bias: for behaviours like charitable giving, people will naturally want to present themselves as generous, and so "might just stretch the truth to give a positive response."<sup>4</sup> These challenges are multiplied and made more complex when dealing with wealthy individuals.

In summary, there is no correct way to measure philanthropy, with all sources and methods subject to bias. As a result, different sources, methods or surveys combine to produce wide variations in estimates.<sup>5</sup> The following section highlights some of the primary data sources to estimate the quantity of philanthropy in the UK.

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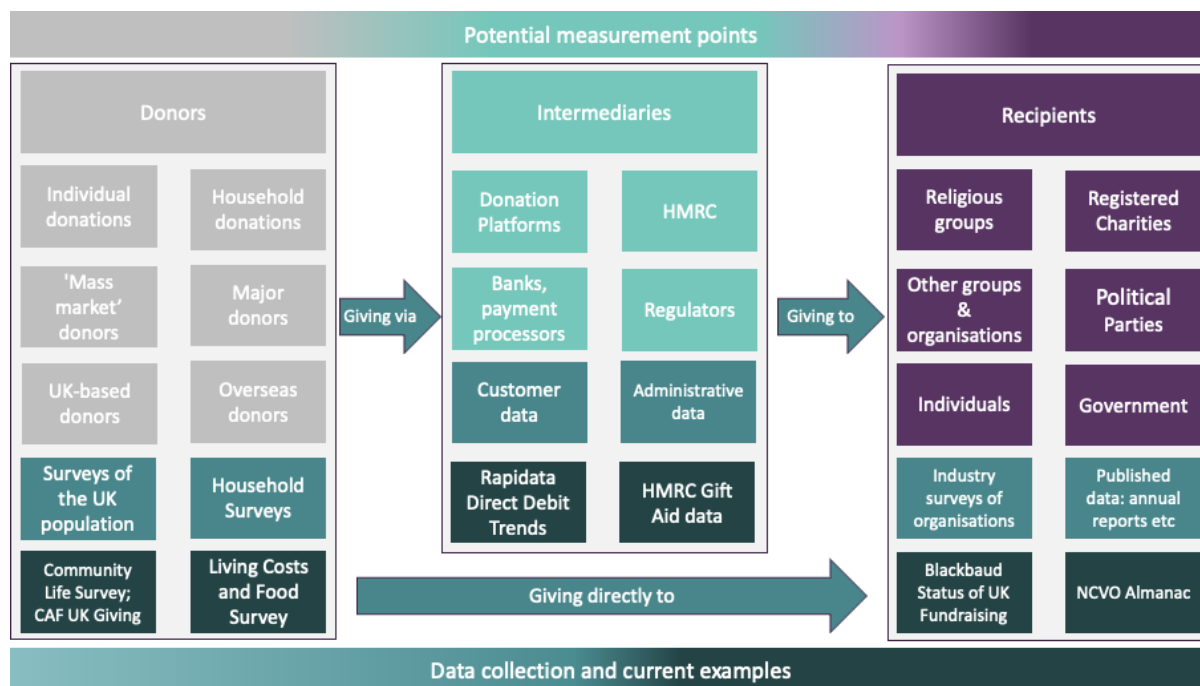
<sup>4</sup> The Beacon Collaborative/loF: [The Giving Experience: Overcoming The Barriers To Giving Among The Wealthy In The UK](#), March 2020

<sup>5</sup> For a longer discussion, see Lee, N., Halfpenny, P., Jones, A. et al. 'Data sources and estimates of charitable giving in Britain.' [Voluntas](#) 6, 39–66 (1995).

## Sources of data on philanthropy

It is possible to generate estimates of total giving in the UK by collecting data from several points in the relationship between donors and recipients (Figure 1).

Figure 1. Sources of data for UK philanthropy



### Data from donors

Surveys of UK adults typically ask donors how much they have given in the last four weeks or the last twelve months, from which participation rates (What proportion of the population give to charity?) and average or median donations (How much is given in a typical month?) are calculated.

Surveys include CAF's UK Giving and the DCMS Community Life Survey.<sup>6</sup> These surveys have in the past reported widely different estimates for the participation rate, though in 2020/21, they reported that 62% and 63% of people respectively had donated in the last four weeks. They also continue to report different amounts in terms of the average gift. The CLS survey removes all donations above £300 – and although these are likely to be few in number, they are likely to increase the mean average disproportionately in surveys where they are included. This is likely to explain the difference with CAF's data. Both surveys have changed methodology over time, making longer-term comparisons difficult.

ONS collects data on charitable giving from households by asking householders to keep diaries of expenditure. The Living Costs and Food Survey estimates that 26% of households give to charity per week, giving an average of £13.16.<sup>7</sup>

<sup>6</sup> DCMS, [Community Life Survey 2020/21](#), Gov.uk, 20 October 2021.

<sup>7</sup> C Pharoah & T McKenzie, [Reframing the ask: Trends which will shape giving and fundraising post-Covid19](#), Chartered Institute of Fundraising, 30 June 2020

Estimating total amounts given to charity from surveys of individuals or households is subject to several caveats. Survey participants may exhibit biases related to social desirability, such as including donations outside of the specified period in their recall of donating (known as ‘telescoping’). Gross estimates for giving for the total population based on these surveys have been argued to be unreliable, particularly as mean average figures are affected by small numbers of respondents.<sup>8</sup>

We have used estimates from the Living Costs and Food Survey for estimates of the “participation gap”. Although all surveys report a decline in participation over time, this survey has had relatively few changes in methodology over time. It has also been argued that the diary method is more accurate than asking people to recall giving over the last month.

### Data from intermediaries

Donors often make donations to charity through intermediary organisations that collect data on customer activity levels or make tax-efficient donations that mean HMRC collects data on giving behaviour. The shift towards cashless donations, and the increasing use of donation and crowdfunding platforms, suggests that these intermediaries are capturing a growing share of total donations. They may be the basis for more accurate estimates of changes in giving in future. In the meantime, intermediaries such as Rapidata or Smee & Ford publish surveys of industry-wide changes, such as the use of direct debits for charitable donations or the number of bequests left to charities.

HMRC administrative data on the use of Gift Aid offers a valuable insight into trends. However, it continues to be the case that a large proportion of donations are not made using Gift Aid. So, trends in the amounts given tax effectively might only reflect changes amongst the most committed or involved those donors most familiar with how Gift Aid works.<sup>9</sup> In addition, HMRC uses administrative data to undertake the Survey of Personal Incomes (SPI), which we have used to estimate giving by the top 1% of earners.<sup>10</sup> We have used SPI data to calculate the “generosity gap” in the main report.

For estimates of the “Gift Aid gap”, we have used administrative data from HMRC on Gift Aid usage and estimates from survey data undertaken for HMRC on amounts for unclaimed and wrongly claimed Gift Aid.<sup>11</sup>

Other intermediaries include HM Courts and Tribunals Service, which collects data on charitable bequests. This system is currently under review.<sup>12</sup>

### Data from recipients

Finally, it is possible to collect data on how much recipients have received in philanthropic support. An immediate challenge is defining who or what a recipient is: it is

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<sup>8</sup> McKenzie, T. [Give or take a few billion: the wide confidence intervals around annual estimates of charitable donations in the UK](#), 2012, CGAP Briefing Note 10.

<sup>9</sup> For an overview of Gift Aid data and statistics, see Kane, [UK charity tax statistics overview](#)

<sup>10</sup> For more on the SPI, see [A guide to sources of data on income and earnings](#), ONS (2021)

<sup>11</sup> HMRC, [Charitable Giving and Gift Aid](#), Gov.uk, September 2016

<sup>12</sup> Data collected by the HMCTS is currently aggregated by [Smee & Ford](#). See <https://www.gov.uk/government/collections/notification-of-charitable-bequests>

essential to note that donors do not just give to registered charities.<sup>13</sup> The increasing prevalence of crowdfunding websites might suggest that people are now fundraising for a much wider range of causes, meaning only tracking registered charities will be insufficient for those interested in the philanthropic behaviour of individuals.

Annual reports and accounts submitted to the three UK charity regulators include data from charities on donations and legacies and fundraising as set out in the accounting guidance: an obvious advantage of accounts data on other sources of income.

Although data collected from audited or independently examined financial accounts provide a certain level of assurance, limitations around timeliness, accuracy and level of detail remain. Infrastructure bodies, including NCVO, use data from charity accounts to produce gross estimates of charitable giving, legacies and fundraising, as well as other sources such as government funding.<sup>14</sup> We have used NCVO's analysis of charity accounts for estimates of total giving. However, this is for a subset of all charities and does not include religious bodies or non-charitable organisations eligible to claim Gift Aid on donations, specifically Community Amateur Sports Clubs.<sup>15</sup>

Other initiatives to collect data directly from charities include industry surveys and benchmarking clubs, such as Legacy Foresight.<sup>16</sup>

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<sup>13</sup> It is possible to donate to HM Government: <https://www.gov.uk/guidance/voluntary-payments-donations-to-government>

<sup>14</sup> A Martin et al., *UK Civil Society Almanac 2021*, NCVO.

<sup>15</sup> NCVO's Almanac is based on the definition of 'general charities' developed by the Office of National Statistics (ONS) to capture civil society's contribution to GDP for the National Accounts. This excludes registered charities such as sacramental religious bodies or places of worship as well as organisations like independent schools, government-controlled bodies or housing associations.

<sup>16</sup> Legacy Foresight: <https://www.legacyforesight.co.uk/>



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## Data on UK philanthropy: resources and further reading

UK Giving: Charities Aid Foundation (CAF)'s UK Giving is a monthly survey of giving behaviours and attitudes in the UK, reported annually: <https://www.cafonline.org/about-us/publications/2021-publications/uk-giving-2021>

CAF World Giving Index: CAF's annual report of global trends in philanthropy: <https://www.cafonline.org/about-us/publications/2021-publications/caf-world-giving-index-2021>

The Community Life Survey includes questions on charitable giving, including amounts given and whether participants have donated, as well as a range of other activities and attitudes such as volunteering and whether or not people feel part of their community: <https://www.gov.uk/government/statistics/community-life-survey-202021>

The Living Costs and Food Survey (LCF), run by ONS, tracks charitable donations and subscriptions as part of households' overall weekly expenditure. It includes between 4,920 and 7,473 households each calendar year. The LCF has been running in its present format since 2008:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/methodologies/livingcostsandfoodsurvey> For analysis of the survey, see Pharoah & McKenzie (2020) "[Reframing the Ask – trends which will shape giving and fundraising post-COVID-19](#)"

NCVO's Civil Society Almanac tracks charities' finances by analysing a representative sample of 'general charities' annual accounts. Gross estimates for the whole sector, including for giving and fundraising, are produced from the sample. It was first published in 1991. See: <https://beta.ncvo.org.uk/ncvo-publications/uk-civil-society-almanac-2021/>

UK charity tax relief statistics: published by HMRC, these include regularly updated statistics on the use of Gift Aid: <https://www.gov.uk/government/collections/charitable-donations-and-tax-reliefs-statistics>

UK charity tax statistics overview: produced for the independent Charity Tax Commission in 2019, this offers an excellent overview of Gift Aid statistics: [https://www.ncvo.org.uk/images/documents/policy\\_and\\_research/funding/CharityCommissionResearchReport\\_3.pdf](https://www.ncvo.org.uk/images/documents/policy_and_research/funding/CharityCommissionResearchReport_3.pdf)

Regular charitable giving update and recommendations: Rapidata's regular report of direct debit data, detailing trends in sign-ups and cancellations: <https://www.theaccessgroup.com/en-gb/blog/pay-regular-charitable-giving-update-and-recommendations/>

Coutts' Million Pound Donors Report analyses donations of £1 million or more from individuals, foundations and corporations. The data is sourced from publicly available documents such as media coverage and annual reports/accounts. It includes gifts from foundations and corporate donors, not just individuals: <https://philanthropy.coutts.com>

The Sunday Times Giving List is an annual source of information of major donors, measuring giving by the top 200 individuals appearing on the Sunday Time Rich List



whose giving to charity can be attributed: <https://www.cafonline.org/docs/default-source/personal-giving/the-sunday-times-giving-list-2021.pdf>



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