



For 30 years Quartet Community Foundation has worked with philanthropists to help them channel donations to small local good causes that really make a difference to the lives of disadvantaged people across the West of England.

With an endowment worth over £24 million, we are one of the top 20 endowed grant-making foundations in the UK. Each year we give grants worth over £2.5 million and work with the individuals, families, organisations and companies behind more than 250 Funds held with Quartet to help donors make the best use of their funds. From small donations to large funds, we help donors make every penny count.

Through three decades of support for grass-roots community groups we have built up unique knowledge of the needs of our local communities and how best to help. We aim to share this knowledge widely, starting with this introduction to philanthropy which seeks to give you information and ideas to help develop your philanthropic giving.

For advice and information contact us at:

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# About the charitable sector

There are over 10 million charitable causes worldwide with over 400,000 good causes in the UK and over 166,000 registered charities in England and Wales alone.

The total income of charities in England and Wales is £73 billion but 72% of the charity sector's income goes to just 1% of charities - the largest with incomes over £5 million.

Most charities – 73% – are small with incomes under £100,000 but they only receive 3% of the sector's total income.



"The funding bridged the gap so we could employ a full time adviser to work one-to-one with women survivors of domestic violence. One woman said without this support: 'I wouldn't be here today.'"

Small charities remain reliant on grant funding. Last year more than half of charities with an annual income of under £50,000 cited grants as their primary income source, compared with only 14% of charities with incomes over £1 million.

Smaller charities are at the coal-face of supporting the most disadvantaged people but they have been affected more by cuts in government funding; in recent years only charities with incomes over £1 million have increased their income from both government and individual sources.

Austerity has had the double impact on local groups of reducing grant funding from the public sector at the same time as increasing the level and complexity of demand.



In the West of England there are around 3,645 registered charities; most of them have annual income of less than £25,000.

More than half our local charitable and voluntary groups have fewer than 10 staff members, 75% have seen their staffing levels reduce over the last year and 69% of them use volunteers, averaging 73 hours of volunteer support each week.

Only 46% of charities and community groups surveyed recently felt confident that they could sustain themselves over the next five years. Moreover one in ten local charities and community groups surveyed had been at risk of closure over the previous year. A third had discontinued at least one service. When deciding which groups to support, donors need insightful information to help them support groups most in need whilst avoiding giving to unsustainable organisations.

Nearly three-quarters of local charities and community groups report an increase in demand for their services but only 20% think they have the resources to meet rising demand and 65% expect to have to use their reserves this year to meet demand.

# Why people give

We all know that inequality – the gap not just in money but also in opportunities between rich and poor – is growing. The most unequal societies have been shown to be the most dysfunctional, unhealthy and violent but through philanthropy individuals, families, employees and businesses can reduce the gap and enjoy the personal fulfilment that giving brings.

Total UK giving last year by individuals was £9.7 billion. Two-fifths of people in the UK report having given money or sponsorship within a given month, with the typical donation being £18 – slightly higher than previous years; prior to 2016 the median donation size was £10-15 for over a decade.

In the UK 1 in every 67 adults is a millionaire – the number of millionaires has increased by 34% since 2010. The South West is the UK's 4th most prosperous region with 56,000 millionaires now living here.

One third of people give their reason for not giving as 'I don't think enough of my money reaches the people or cause it should do'. Also 25% of people struggle to donate to smaller charities because they don't know how to find them, and 42% give to well-known charities because it is perceived as easier and safer.

Over one third of people say they would like to leave a gift to charity in their will but only 6% of people actually do leave a legacy gift to charity. Legacy giving makes up 20% of charities' total income, equivalent to £2.5 billion a year. A modest increase of 4% in the number of people leaving legacies could provide an extra £1 billion a year in income for the sector.

As well as donations and legacies, there are now many other ways to support charitable causes. Social investment, microfinance and venture philanthropy (or impact investing), as well as online tools such as crowd-funding, offer innovative ways to give and many people also volunteer, giving their time and skills directly to the cause they want to support.

## Top motivations for giving

1. I can afford to
2. To give back to the community
3. Personal fulfilment
4. Social beliefs



"Thank you...we're delighted to have been able to kit out our social enterprise café for people with learning disabilities. Our involvement with Quartet has been very positive."

## The most popular causes to give to

1. Medical charities
2. Animals
3. Children's charities
4. Hospitals



## Effective giving

However you choose to give, research shows that planned giving (rather than reacting to guilt-inducing appeals) gives donors greater wellbeing and this is enhanced when donors see the effect of their donation.

When planning your giving ask yourself five key questions:

1. What exactly does the organisation do?
2. How cost-effective is each of the organisation's areas of activity?
3. How robust is the evidence? Do they have strong monitoring and evaluation?
4. How well are the activities implemented? Is the organisation well led and do they learn from mistakes?
5. Do they need additional funds? If you gave to another organisation instead, would your money be used better?

A simple rule of thumb is to check if 75%+ of your donation ends up helping beneficiaries. Anything less than this and donors should see if there is a better way to help.

## Philanthropy advice

Research also shows that many donors want philanthropy advice and those who get this specialist advice give nearly twice as much as those who don't. Tax benefits very rarely motivate people to give but donors usually want to give tax efficiently and simple schemes like Gift Aid make a major difference to charities. However only 12% of major donors are in receipt of philanthropy advice and only one in five professional advisers offer any sort of philanthropy advice service so finding out how to give tax efficiently can be difficult.

## Here to help you

People want to know how to make their philanthropy do the most good it can and they are wary of making a donation and later finding that the good cause did not use their money as they had hoped.

Community Foundations exist to help you develop your giving strategy in a tax efficient way and match you with local good causes we have assessed so you can be sure that they really make a difference in your local community. Staff at community foundations are trained to inform you about the issues affecting local people and to help you consider how to direct your giving, how to get involved by giving your skills as well as money and how to involve your family in philanthropy too. We "live to give" so contact us and let us share our knowledge with you.

## Suggested reading

What Makes A Good Charity?  
(New Philanthropy Capital)

Giving Is Good For You  
(John Nickson)

Public Good By Private Means  
(Rhodri Davies)

Richer Lives  
(Beth Breeze and Theresa Lloyd)

It Ain't What You Give It's The Way  
You Give It (Caroline Fiennes)

Change The World For A Fiver:  
We are What We Do (Anon)

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