

Season Of Goodwill Extends Into 2011 For Charitable Brits

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It's the season of goodwill and it seems that while the economic climate may have squeezed our wallet, it has not affected consumer generosity.

Indeed, according to latest research from Mintel, over two thirds (68%) of adults have donated to charity in the last year and a massive 83% plan to donate the same or more over the coming year.

Of the 68% of Brits who have donated to charity over the past year, nearly half of those adults (47%) have regularly donated throughout the year - providing a regular income for charities. Just

over 15% of Brits say they never donate to charity and furthermore, of those that have not donated to charity in the last 12 months, two thirds (64%) have given unwanted items to charity shops instead. In addition, just over half (52%) of kind-hearted Brits state that they are willing to volunteer their time for a good cause.

Mark Brechin, Head of Research Services at Mintel, said:

"Charities have faced tough times with consumers focusing on the essentials during the economic crisis. However, our research reveals that the consumer is committed to donating and plans to do so at similar levels in the future. While the coming year looks encouraging, trust and transparency are key issues for consumers, with many questioning how much money goes directly to the cause. To capitalise, charities must take further steps to be open about their spend and where it is allocated."

Indeed, it seems trust and transparency are key concerns for those donating with 43% of adults questioning how much money goes directly to the cause and 20% preferring to donate directly rather than via a charity. But it seems brands which align themselves with charities are benefiting as a result.

Indeed, some 68% consumers agree they "think positively of brands which make charitable donations", while 58% say they would prefer to buy from such a brand "if faced with a choice" and 28% say that they "would pay more for brands which donate to charity".

In 2009, there were just under 180,000 charities in England and Wales with a total income of £51.7 billion. The total number of charities has been stagnant during the past five years and actually dropped in 2009 (on 2008) by 5%, highlighting the recent trend towards charities merging and that the sector is reaching saturation point.

By 2015, Mintel forecasts that the number of charities will fall to just over 179,000, from a high of 190,541 in 2007.

In contrast, overall charity income is up - the total annual income of charities grew by 48% between 2004 and 2009 whilst the average income per charity rose by 56%. Indeed, between 2007-10, larger donations have grown in popularity with those donating over £100 up 14% over the past five years.

In 2010, 14% of Brits questioned donated more than £100 to charity, 11% between £51-100, 10% £26-50, 18% £10-25 and 17% less than £10.

However, it seems donation levels and methods are split by age. The over-55s are most likely to donate throughout the year (77%); many third agers have fewer financial responsibilities having paid off their mortgages and are seeing their children leave home.

Meanwhile, younger consumers (aged 16-24) are least likely to donate, with a fifth stating they have never donated. However, the same number (18%) say they are planning to donate over the coming year and they are most likely to give during major annual fundraising events (with 24% of this age group saying they donate for this purpose) highlighting the potential for charities to engage this group.

"While the over 55s are most likely to donate, this age group is facing increasing demands on their income that could potentially threaten their donation levels. Low interest rates, pension shortfalls and children living at home longer who need financial support in light of the depressed employment market and high property prices are all factors that may have a negative impact on giving. However, developments in new technology offer charities a wealth of ways to reach the lucrative younger age group in terms of encouraging donations and raising awareness and support; many charities now provide online and SMS text facilities, have a presence on social networking sites and run viral video campaigns." Mark concludes.

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