

It's good to give...

... but some ways of giving are better than others – for you and for the charity you support

The massive response to disasters such as the tsunami a year ago (over £400 million) and the Asian earthquake in October (£2 million in 24 hours) proves there are millions of people in the UK who feel they should do something to help others.

We wouldn't want to discourage this generosity but, as Which? Chief Executive Peter Vicary-Smith points out, one-off spontaneous donations aren't necessarily the best way to give. 'You see something happening in front of you, like a major disaster, and the natural response is to want to do something immediate to help,' says Peter, who has a long background in the charitable sector, including Oxfam and Cancer Research UK. 'However, that's not necessarily the best way to give, for you or for the charity.'

This is because even major disasters require long-term sustained solutions, not just a series of quick fixes. That's where planned regular giving comes into its own. Tony Samuel, Director of Marketing and Fundraising for animal welfare charity The Blue Cross, told us: 'By giving regularly you are providing charities with income that allows them to plan ahead and budget for the future. And that's just as important as responding to a one-off appeal.'

FACE-TO-FACE FUNDRAISING

A big issue for charities is whether to use face-to-face or street fundraising, otherwise known (by people who don't like this method) as charity mugging or 'chugging'. This is where a team of bib-wearing people stands on the street and signs up passers-by to give money to charity by direct debit.

When we asked 1,000 people what they thought of face-to-face fundraising, 81 per cent said it was a bad idea (see 'Street fundraising: good or bad?', right). But despite this method of fundraising being

unpopular with the public, it does encourage some people to sign up, or charities wouldn't use it.

All fundraising costs money, and charities use face-to-face methods only because they work well for them compared with other ways of raising money. Liz Williams from the British Red Cross told us: 'It is one of our most cost-effective and sustainable ways of raising funds, worth more than £3m every year.' In 2004, a total of 550,000 people signed up by this method, and these

TAKE ISSUE

Do you give regularly to charity? What do you think about how charities fundraise?

Email your experiences and views on this or any other topic in *Which?* to letters@which.co.uk

Street fundraising: good or bad?

We asked 1,000 people what they thought of face-to-face fundraising.

75% said it was a **bad idea** and they would never sign up

6% said it was a **bad idea** but they might sign up

7% said it was a **good idea** and they might sign up

7% said it was a **good idea** and they had already signed up

Survey of 1,000 adults carried out online for Which? by Explorandum between 10 and 12 October 2005. Findings don't necessarily represent our views. 5 per cent were don't knows.

supporters are expected to give £210 million over the next five years. Teams are usually employed by professional fundraising companies, to which charities pay a flat fee for each person signed up (typically around £70). So if you sign up to donate a small amount by monthly direct debit, it's possible your first year's donation may only just cover the cost of signing you up. However, by the second year, the regular payment begins to make a difference. Most charities have an arrangement with their agency so that the costs of recruiting people who stop giving within the first year will be refunded.

CHOOSING A CHARITY

One reason why some people aren't giving to a charity regularly might be that the choice is too bewildering. But a new website launched in November aims to cut through the confusion.

GuideStar UK (itself a charity) provides free, easily accessible information about charities' activities and finances. At the moment, you can search its website for information on 167,000 charities registered in England and Wales. Later it will extend coverage to Scotland and Northern Ireland. As well as collecting information from charities' reports and accounts, GuideStar allows each charity to update and edit its own pages. So, for example, charities can provide more detailed information about how they're spending your money, their latest achievements or how you can best help them.

'We like to think of ourselves as the *Yellow Pages*

'By giving regularly you are providing charities with income that allows them to plan ahead and budget for the future.'

Tony Samuel, The Blue Cross

for charities,' says GuideStar Chief Executive Erica Roberts OBE. 'The idea is that small local charities are just as visible as large national ones.'

GuideStar UK's site is not just for people wanting to give to charities. It's also useful if you want to find a charity either locally or nationally that can give help or support with a particular problem. You can access its website at www.guidestar.org.uk. See 'How GuideStar works', p38, for a demonstration.

TIPS FOR GOOD GIVING

Once you've decided which charity or charities you want to support, there are plenty of ways to do it. Here are a few of them.

Set up a regular payment Charities love regular donations because they give them an income they can count on. As a regular donor you also feel more involved, as you'll usually receive updates on what the charity is doing and what your money is being

The facts about giving

£7bn was given to charity during 2003 by individuals.

£1 from a lottery ticket is split, with 50p going to the prize fund, 12p in tax, 5p as commission to the retailer, 5p for operating costs and profits and 28p to good causes. Not all the good causes are registered charities.

80p out of every £1 generated by a UK charity is spent directly on achieving its objectives. 20p is spent on operating, administration and fundraising costs.

53% of people in the north of England regularly give to

charity while almost a third of Londoners – 27% – have never given.

71% of women donated to charity in 2003, compared with 60 per cent of men. They also made larger donations.

70% of the UK population donates to charities, but fewer than one in five people leaves a legacy.

35% of households with income under £25,000 said they would give more to charity as a result of the tsunami, compared with just 6% of households earning more than £25,000.

Sources: Inside Research CAF/NCVO; www.charityfacts.org; Samaritans, Giving Trends, May 2005

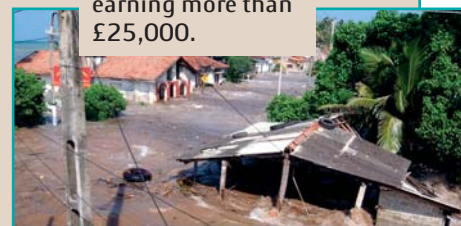
spent on. If you really want to get a gold star, don't wait to be asked – set up a direct debit yourself (you can do this through the charity).

Use Gift Aid If you are a taxpayer, use Gift Aid when you give to charity, as this makes every £1 you donate worth 28p more. It doesn't cost you a penny, but it could make a vital difference to the charity you're supporting. Higher-rate taxpayers can also claim back the extra tax. All you need to do is sign the form that the charity will give you, or if you are donating by telephone just answer 'yes' when asked whether you want to donate through Gift Aid. See www.hmrc.gov.uk/charities.

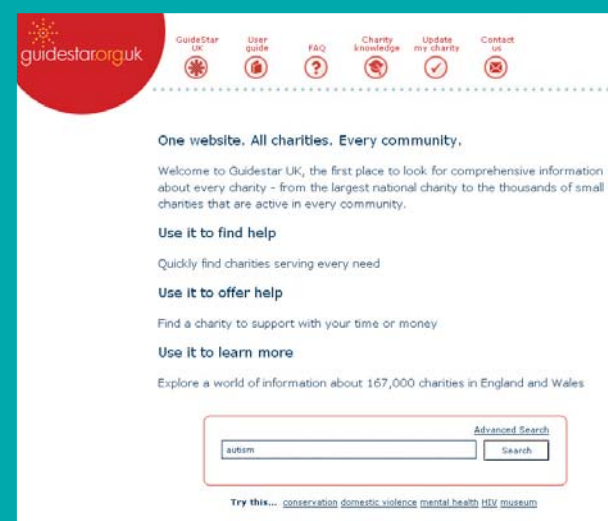
Give straight from your pay Persuade your employer to set up a payroll-giving scheme. Because your donation is deducted by your employer from your pay (or pension) each month before tax, you get full tax relief on your donation. So each £1 you give costs you only 78p or, if you are a higher-rate taxpayer, only 60p. Employers with fewer than 500 employees can claim a grant of up to £500 simply for signing up, and their employees will have the £10 of their donations

DID YOU KNOW?

Which? is published by Consumers' Association, a charity. Since 1957 it has informed, influenced and campaigned for all consumers in the UK. It's your subscriptions alone that fund our work (we get no grants from the government) so thank you on behalf of all UK consumers.



How GuideStar works

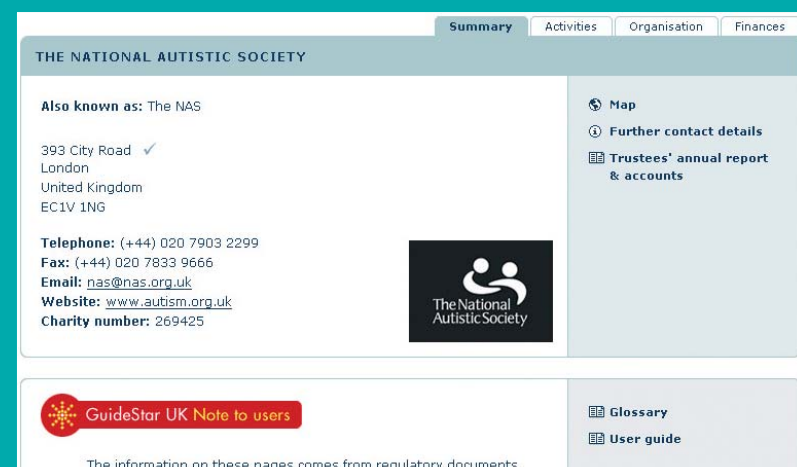


With more than 160,000 charities to choose from just in England and Wales, GuideStar's search facility is invaluable. We've shown the example of someone looking for a charity that deals with autism. If you are looking for a specific charity, you just type the charity's name in the search box.



The results show that there are 165 registered charities in England and Wales that have some involvement with autism. The GuideStar website

makes it easier for you to break down your search by grouping the charities into 'clusters', depending on what area of activity they are involved in.



You can view a huge amount of information about each charity: as well as contact details, you can see how much money it has, how much it

spends on fundraising and administration, all of its current projects and latest achievements, and how best you can support it.

matched for the first six months. For further information, see www.payrollgivinggrants.org.uk and www.payrollgiving.co.uk.

Give shares As much as £100 million in shares is donated to charity each year. By donating shares, you get income tax relief (up to 40 per cent if you pay higher-rate tax) as well as exemption from capital gains tax. See www.sharegift.org.uk.

Remember a charity in your will Legacies give you the chance to make a real difference even after you're gone, and most gifts to charities are free of inheritance tax. See www.rememberacharity.org.uk for free advice and a will guide.

Buy cards and gifts Many charities sell their own Christmas cards, and some of the larger ones also produce gift catalogues, often throughout the year as well as at Christmas. If possible, buy your cards direct from the charity because that way it receives a higher percentage of the profit.

Give on someone's behalf For the person who has everything, give on their behalf to someone who doesn't have everything. World Vision UK (www.greatgifts.org), The Charities Advisory Trust (www.goodgifts.org), Save the Children (www.savethechildren.org.uk) and Oxfam (www.oxfamunwrapped.com) all run alternative gift schemes where your money buys a specific item or service. Many 'gifts' help to tackle poverty in communities around the world. For example, you can buy a goat for as little as £13, build a toilet for £30 or buy starter packs of seed and tools. The person for whom you are buying the gift will receive a card describing the item. Buying gifts this way can save someone's life.

Donate to charity shops There are around 6,500 charity shops in the UK that rely on donations of good quality, resaleable clothes, books and bric-a-brac. This way of giving costs you nothing, but is a significant benefit to the charity. And you're helping the environment, too, by passing on reusable items. The Association of Charity Shops at www.charityshops.org.uk will tell you more. But please donate only things you'd be willing to buy yourself. Charity shops spend £4.5 million a year disposing of things they can't sell, such as single shoes, dirty underwear or even false teeth.

Give your time 2005 is the Year of the Volunteer, but although the year's nearly over, you can still get involved. You've got a month (just) to donate to the Give a Billion Minutes campaign. Help the campaign to reach its target of a billion minutes donated for 2005 by pledging your time before the end of the year. Go to www.yearofthevolunteer.org. You can also find out more about volunteering through TimeBank, a charity set up by the founders of Comic Relief, at www.timebank.org.uk, or through www.do-it.org.uk.

For more information about all the different ways of giving to charity, visit www.allaboutgiving.org.