



# **Richer Lives**

why rich  
people give

Beth Breeze  
Theresa Lloyd

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For Michael and Tim

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## About the funders

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[www.pearsfoundation.org.uk](http://www.pearsfoundation.org.uk)



The **University of Kent** was established at Canterbury in 1965. Known as the UK's European university, it has almost 20,000 students studying at its campuses or centres in Canterbury, Medway, Brussels and Paris. It is a major educational, economic and cultural force in Kent and the Southeast, supporting innovation and enterprise across the region. The university runs a matched funding scheme to encourage philanthropic donations, and was pleased to offer a 1:3 match of the funds provided by the Pears Foundation and the anonymous donor.  
[www.kent.ac.uk](http://www.kent.ac.uk)



# Foreword

I am delighted to have been asked to write the Foreword to *Richer Lives*, which makes an important contribution to the enduring issue of philanthropy and its role in building a better society.

The National Council for Voluntary Organisations (NCVO) champions volunteering and civil society, both of which are inextricably linked with philanthropy. Developing a better understanding of philanthropy remains critical to strengthening volunteering and civil society: while much has been written about the role of statutory funding in recent years, it is the donations of individuals, rich and poor alike, that are still a defining characteristic of civil society. And long may that continue.

Despite the upheavals of the 20th century, I believe that there remains a strong culture and practice of philanthropy and voluntary action in the UK in the 21st century. Building upon that culture and practice continues to be a particular policy challenge in relation to the wealthy. This is not a criticism of either those who ask or those who give: but a healthy starting point for this publication is that we still have much to learn.

When *Why Rich People Give* was published in 2004 there was very little understanding of the motivations and practice of the wealthy; indeed, the review presented here of how the philanthropy landscape has since been transformed is illuminating. Over that period, our understanding of the role and practice of philanthropy has advanced greatly. Moreover, as the relative positions of the state, businesses and households have ebbed and flowed, so philanthropy too has changed. We are at an inflection point today, when important questions are being asked, and addressed by this book with reference to the richer members of society: How much should people give and

to whom? For what purpose should people give? How can we give effectively? It also asks more fundamental ethical and moral questions, such as whether it is good for society that we give at all.

This book provides us with a number of insights. We learn of philanthropists' response to matched funding and tax incentives; of how the attitudes of the wealthy are changing and what they look for in the organisations they fund, what they regard as a major donation, and what kind of engagement they seek. And we also hear more about philanthropists' experience of being asked and thanked, which makes for sobering reading for all with an interest in increasing major philanthropy. Running throughout the analysis are some enduring questions: How do we make it a social norm for the wealthy to give? What can be done about the sometimes ambivalent attitudes of the media? And just how important is public recognition to donors?

These and other questions are addressed in what is both a substantial and accessible text, relevant to donors, recipients and those working to advise or better understand both parties. Not everybody will agree with the messages of this book – few issues drive as much disagreement as a discussion of philanthropy and its role, motivations and characteristics. This is particularly the case at a time when a relatively small number of people in our society share an increasingly disproportionate share of our nation's wealth. But I hope most will agree with the purpose of the book: to stimulate our understanding of philanthropy and build upon what is best about voluntary action in the UK.

**Sir Stuart Etherington, Chief Executive, NCVO**

# Acknowledgements

This project would not have been possible without generous funding from the Pears Foundation. We are particularly grateful to Trevor Pears who has given far more than financial support. Without his wholehearted encouragement and genuine interest in this project, it would not have got off the ground or been completed. We also thank our other financial backer who wishes to remain anonymous.

The matched funding scheme run by the University of Kent enabled our funding to grow by a third – we are grateful to Professor Keith Mander for initiating this scheme and to the university's Director of Development, Alison Coles, for her attentive assistance. Paul Glover and Mandy Twyman in the finance office of the School for Social Policy, Sociology and Social Research were patient and supportive in administering the funds.

We are also very grateful to Charles Keidan, former Director of the Pears Foundation, and to his successor Amy Braier and Programme Director Bridget McGing for their professional input and personal support.

Sir Stuart Etherington is often described as 'the voice of the UK charity sector' and we are deeply grateful that he has written such a supportive foreword.

We would like to acknowledge our debt, and that of the sector as a whole, to the original funders of the project that resulted in the initial publication *Why Rich People Give*, being revisited here 10 years on: the Esmée Fairbairn Foundation, the Gatsby Charitable Foundation and the Lloyds-TSB Foundation for England and Wales. We hope they are pleased to see their investment grow in this way.

We are particularly grateful to those who were helpful in identifying and recruiting new donor interviewees for the research; among them were some of the 12 professional advisers who contributed significantly to the research in their own right, and others with links into different sectors. Detailed surveys were also completed by 16 expert observers of the world of philanthropy, whom we also thank, while respecting their confidentiality.

We are also very grateful to those organisations that contributed information to support our description of the current philanthropy landscape, including Philanthropy Impact, the Charities Aid Foundation, the Esmée Fairbairn Foundation, the Impetus Trust, Pilotlight and Coutts. Andrew Milner provided a very helpful summary of the findings from *Why Rich People Give*, which we were able to draw on for our analysis. We thank Caroline Underwood of The Philanthropy Company for the illuminating case study in Chapter 7.

We also thank Jennie Bristow for editing and structuring our initial texts and helping to unify our different writing styles, and Laura McCaffrey who managed the editorial, design and production process for Alliance Publishing to a tight timetable with charming efficiency.

We are also appreciative of the help and guidance of Caroline Hartnell, Editor, *Alliance Magazine* and John Martin, Publisher, Directory of Social Change.

Finally, it is no exaggeration to say that there is a group of people without whom this research and report could not have taken place: the 82 donors (including couples) from a range of ages, backgrounds, sources of wealth and approaches to philanthropy who agreed to complete an extensive survey, and the 20 donors (including couples) who were willing to speak at length about some of their most private concerns, motivations and attitudes. That they did so was itself a further generous contribution to society, and our understanding of those of substantial means. Their willing introspection made the months spent gathering the information among the most rewarding of our professional lives. We hope we have done justice to their faith in our ability to explain and reflect upon their hopes, concerns and aspirations. While giving reduces their monetary wealth, the paradox is that philanthropy has enriched their lives, and our society would be a much poorer place without their generous contribution.

If, in spite of this wealth of advice and interest, there are mistakes or misinterpretations, they are entirely our own responsibility.

# 1

## Introduction

‘We believe, we really sincerely believe, that we get more fulfilment and joy out of giving than the recipients do’.

In researching this book, almost every rich donor we interviewed expressed the view that giving enriches their life. In taking this observation as the title for our work, we intend that the research and analysis presented here will both advance understanding of philanthropy in the UK today, and also challenge some of the misconceptions about the rich, the reasons behind their giving, and their general outlook on money and society.

This work is based on, and is a development from, the research undertaken in 2002 by Theresa Lloyd and published as *Why Rich People Give in 2004*,<sup>1</sup> from now on referred to as *WRPG*. In the decade since, there has been an explosion of activity in the philanthropy sector. This is covered in detail in Chapter 2. However, despite the plethora of books, reports and reviews, it is apparent that many of the implications and recommendations remain to be implemented. Key messages are still not getting through to key constituencies.

In revisiting *WRPG* ten years on, we share the belief that the value of this kind of research lies in the potential to build evidence-based practice that will influence and strengthen a culture of giving and engagement among the wealthy in the UK, and in this book we combine the rigour of data analysis with the passion and direct voices of the philanthropists themselves.

## Richer Lives: why rich people give

The purpose of this introductory chapter is, first, to put into context the philanthropy and motivations of the wealthy in the 21st century, by providing a short history and a few examples of the past contribution of rich people to British philanthropy. We conclude this introduction with a brief discussion of our research methodology, and an outline of the contents of the succeeding chapters.

### Why did rich people give? The historical context

Philanthropy is sometimes discussed as though it is a new phenomenon in the UK. But talk of 'new philanthropy' in the final years of the 20th century referred to the novelty of the context, of increasing wealth, notably from entrepreneurial activity, information technology, the financial sector and real estate and, concurrently, changes in the role of the state, rather than the novelty of the act. This gave rise to new approaches and mechanisms, which we discuss later on.

Philanthropy has been practised in the UK for many centuries. For as long as there have been rich people, some of them have been giving away some of their wealth. As others have noted, philanthropy is 'as old as humanity itself; we can safely consider it universal'.<sup>2</sup>

There are several claimants for the title of oldest registered charity in the UK. The King's School Canterbury, founded in 597 and re-founded in about 1541, is certainly among the leaders. The Hospital of St Cross in Winchester was founded by Bishop Henry de Blois, a grandson of William the Conqueror, in 1136; today, it still provides care for the elderly and bread and ale to passing travellers who ask. Schools, hospitals, help for the old and poor have been the major focus for philanthropy in the UK for well over 1,000 years.

The 14th century poet William Langland, in his work *Visions of Piers Plowman*, provides a useful glimpse into medieval notions of what constituted charitable activity:

And therewith repair hospitals,  
Help sick people,  
Mend bad roads,  
Build up bridges that had been broken down,  
Help maidens to marry or to make them nuns,  
Find food for prisoners and poor people,  
Put scholars to school or to some other craft,  
Help religious orders and  
Ameliorate rents or taxes.<sup>3</sup>

The combination of causes that are still widely supported (such as schools, hospitals, the poor) with entirely outdated causes (helping maidens to marry or become nuns!), is striking. As the range of charitable activity grew, an attempt was made to classify or provide guidelines for the identification of charitable purposes, published in the Preamble to the Charitable Uses Act 1601.<sup>4</sup> The Preamble set out the following charitable purposes:

The relief of the aged, impotent and poor people; the maintenance of sick and maimed soldiers and mariners, schools of learning, free schools and scholars in universities; the repair of bridges, ports... sea-banks and highways; the education and preferment of orphans; the... maintenance of houses of correction; the marriages of poor maids, the... aid... of young tradesmen; ... the relief or redemption of prisoners; ... and the aid or ease of any poor inhabitants concerning payment of fifteens [a tax of one fifteenth, formerly imposed on personal property], setting out of soldiers and other taxes.

The Preamble was not, even in 1601, an exhaustive list of charitable purposes. Despite the dominance of religious activity as a charitable objective during the medieval and early modern period, trusts for the advancement of religion were omitted (perhaps because this was self-evidently a charitable activity), as were some other trusts – for example, some educational institutions – that were considered to be adequately administered and so not requiring the protection of the Act. Purposes much broader than relief of poverty, sickness or distress were also included in the Preamble.

Over the subsequent centuries charitable giving developed with the wealth of the country, and the basic methods of fundraising and providing recognition for donors were established. For example, hospitals in London were founded on City wealth, as two notable cases illustrate. Thomas Guy, born in 1644, was a bookseller whose gains from timely investing in the South Sea Company (responsible for the notorious ‘South Sea Bubble’<sup>5</sup>), funded the endowment that still bears his name and sustains the well-known hospital in south London. The 18th century Great Hall of St Bartholomew’s Hospital is covered inside with large wallboards listing individual donors, including members of the royal family, and the amount they contributed.

Even ‘strategic’ philanthropic investment is not new. Banker Henry Hoare, who also invested in the South Sea Bubble, provided not only funding but also initiated a new approach: in January 1716 he met with three others to ‘consult upon the most effectual methods for relieving

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# About the authors

**Dr Beth Breeze** worked as a fundraiser and charity manager for a decade before completing a doctoral thesis on contemporary UK philanthropy. She now directs the Centre for Philanthropy at the University of Kent where she runs a range of research projects and teaches courses on philanthropy, fundraising and volunteering.



Beth researched and wrote the annual *Coutts Million Pound Donors Report* from 2008 - 2012. Her other publications include *How Donors Choose Charities* (2010) and *User Views of Fundraising* (2012).

[www.kent.ac.uk/sspsr/staff/academic/breeze.html](http://www.kent.ac.uk/sspsr/staff/academic/breeze.html)



**Theresa Lloyd** is a philanthropy expert and leading consultant in strategic planning, fundraising and governance in the non-profit sector. She has also served on several boards and committees in the arts, health, higher education and international development sectors, including the European Association for Philanthropy and Giving (EAPG).

Theresa was the Founder Director of Philanthropy UK (2001-04). She has published three books: *A Guide to Giving* (first edition 2003), *Why Rich People Give* (2004) and *Cultural Giving* (2006).

[www.theresalloyd.co.uk](http://www.theresalloyd.co.uk)

Philanthropy is of increasing importance in modern society, yet the motivations of philanthropists remain mysterious to many.

This book contains an in-depth study of why and how the richer members of our society engage with philanthropy in the second decade of the 21st century. It includes chapters on the factors that are most likely to produce a positive response to requests for support, reflections on asking for money for favoured causes and insights into the growing philanthropy advice industry. It also contains a chapter on why some rich people give little or nothing, and a series of practical recommendations.

Based on extensive new research, as well as the authors' combined five decades of experience working in and around philanthropy, this book is essential reading for fundraisers and senior managers in fundraising organisations, members of governing boards, policy-makers, philanthropy advisers and students of philanthropy, fundraising, the third sector and general social policy.

## **In praise of *Richer Lives***

*'Theresa Lloyd and Beth Breeze bring their wealth of expertise to produce a work that is invaluable to those asking for money for good causes and to those trying to give it away effectively. It should also be of great interest to anyone seeking to encourage a stronger philanthropic culture in the UK.'*

Trevor Pears CMG, Pears Foundation

*'Richer Lives provides further evidence of what charities need to do to be much more effective at raising money from the rich.'*

Sir Thomas Hughes-Hallett, Chair of The Philanthropy Review

*'I am confident that this book will inform, intrigue, infuriate and inspire in equal measure. Everyone who cares about strengthening social engagement by the wealthy should read Richer Lives.'*

Lord Joel Joffe, Chair, Giving Campaign (2001-04); Chair, The Joffe Charitable Trust

*'This book makes an important contribution to the enduring issue of philanthropy and its role in building a better society.'*

Sir Stuart Etherington, Chief Executive, National Council for Voluntary Organisations

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