

Donation nation

The geography of charitable giving in the UK

Rob Johnson

February 2024



About Centre for Cities

Centre for Cities is a research and policy institute dedicated to improving the economic success of UK cities and large towns.

We are a charity that works with local authorities, business and Whitehall to develop and implement policy that supports the performance of urban economies. We do this through impartial research and knowledge exchange.

For more information, please visit www.centreforcities.org/about

About the authors

Rob Johnson, Analyst r.johnson@centreforcities.org

Acknowledgements

The author would like to thank their colleague Oscar Selby for his work on this project, as well as former Centre for Cities' Senior Analyst Valentine Quinio for their support.

About the partner

This research was supported by a grant from the Charities Aid Foundation.



00

Executive summary

The 2022 Levelling Up White Paper briefly mentions the work of the voluntary sector as an element of ‘social capital’, one of drivers of regional inequalities in the UK. But discourse on levelling up the national economy mainly focuses on investment in other ‘capitals’ (e.g., physical capital, human capital) through private sector initiatives or public sector interventions. Meanwhile the role of the third sector, and the charitable giving that supports it, is often not considered when talking about local economic regeneration.

Identifying charitable giving’s potential role in tackling regional inequalities requires an understanding of the **geography of charitable giving in the UK**. This report brings together multiple data sources to answer, first, how does charitable giving vary at a sub-national level and relate to local economic performance? And second, how do the causes donated to and the geography of charitable organisations respond to the geography of need?

Above all, the economy drives the ability to give. This means that **volumes of charitable giving are limited where local need is highest**. The question for levelling up is then how giving – which amounted to £12.7 billion was donated to charity in the UK in 2022, **equivalent to roughly a fifth of annual local government financing** – could be both maximised and channelled to places with the greatest need.

In addition it finds that:

1. Higher rates of charitable giving could be ‘unlocked’ in better off places with the most potential to give.

- **There is untapped capacity** when it comes to the geography of giving in the UK. A higher proportion of people give to charity in places with higher incomes. But it seems there is capacity for more people to give in southern places, where people are up to **15 per cent less likely to give compared to places of similar incomes**

in the rest of the UK. This is particularly true in the capital: **Birkenhead residents are as likely to give as Londoners,** despite a gulf in economic performance.

- **There is also missing generosity** in some richer places. Amounts donated per donor do not track affluence levels, meaning that donors in many Southern places are less ‘generous’, donating a smaller share of their income than the rest of the UK. This includes many parts of London, where high average donations per donor are down to a small pool of large donors, rather than being broad-based.

2. The geography of charitable activity does not meet the geography of need.

- **This is evident from the geography of local giving in the UK,** which comes in two varieties within high need regions. The North East and North West have relatively strong preferences for local giving, but their high deprivation means that overall donation rates are limited. Meanwhile, Yorkshire, West Midlands, and Wales have fewer and smaller donations to local causes than richer southern areas. But in all high need regions, the types of local causes given to do not reflect local need. Donations are therefore constrained in their impact on local economic outcomes.
- **And it’s the same story with the geography of charitable organisations.** There are fewer charities per head in more deprived areas outside the Greater South East. This is even the case when considering charities with causes specifically focused on local economic need.

Together, these findings mean that actions must be taken by national and local government, as well as in the voluntary sector, if charitable giving is to play the supporting role in levelling up the UK as hinted at in the White Paper.

Personal finances are the greatest constraint to giving, particularly in places with high need. Therefore raising rates of giving in the long term involves raising disposable incomes, requiring **national government to get the economy firing again all across the UK.** This can be achieved through supporting the economies of UK cities (particularly outside the Greater South East) as the centres of productive capacity in the UK.

In the meantime, more can be done to incentivise the level and flow of existing donations to better align with need across the country:

- **National government** can pursue policies to target more affluent areas that have potential to unlock higher rates of charitable giving, incentivising the diversion of these donations toward places in need. For example, donations targeted to high-need areas could receive match

funding from government, as suggested in Onward's policy proposal of **'Charitable Action Zones'**. Above all this, government should **set a strategy** on the role of charitable giving within the continuation of the levelling up agenda.

- **Local government** can help to target local giving toward local need in more deprived areas, working with charities on the ground. In policy terms, this could involve **local funds**, diverting donations to local charities under the umbrella of a wider cause. There is precedent: the Greater Manchester Mayor's Fund is already active and successful in the city region. But local authorities **may need to tailor their approach** due to existing variation in preferences for local giving across the country.
- **Large national charities** are best placed in the voluntary sector to ensure donations flow to areas with the greatest need. **'Levelling Up Charity Partnerships'** are schemes which could see national charities working alongside local charities with similar causes in high need areas, sharing knowledge and diverting funds to overcome local economic constraints. National organisations should also **increase transparency and share data** on where their donations are spent in order to fill in evidence gaps on the role national giving plays in tackling regional inequalities.

01

Background and context

The 2022 Levelling Up White Paper identifies ‘social capital’ (alongside physical, human, intangible, financial, and institutional) as requiring investment to tackle regional inequality in the UK. It states that social capital investment requires (amongst other things) for local regenerative projects to ‘flow through’ philanthropists and volunteers within the third sector to achieve ‘Pride of Place’.¹

But the other five ‘capitals’ tend to be the main focus in levelling up discussions, and interventions in local economies are seen as primarily the responsibility of the public and private sectors as a result. Meanwhile the impact of charitable activity (and social capital) is often neglected. In fact, the role the third sector could play in the UK economic development at a sub-national level is only hinted at in the government’s flagship publication, and remains relatively unexplored.

In 2022, it was estimated that £12.7 billion was donated to charity in the UK.² This is **roughly a fifth of annual local government financing**.³ From this perspective, the UK’s charitable activity represents a significant resource for place-based economic development.

Charitable giving has impact in local economies – local organisations can have insight into local needs and priorities and are often able to design appropriate interventions. Charitable giving, as an aspect of civic engagement, is also an indicator of social capital, well established in economic literature as a determinant of local economic growth.⁴

Therefore the uneven distribution of the geography of giving in the UK should be cause for concern. This fact has been noted across the political spectrum. Both a 2008 Conservative Party policy paper⁵ and a 2014 report⁶ by the Centre for

1 DLUHC (2022), [Levelling Up the United Kingdom](#).

2 CAF (2023), [UK Giving Report 2023](#).

3 Using [Institute for Government figures](#) on local government revenues.

4 E.g., Tabellini G (2005), [Culture and Institutions: Economic Development in the Regions of Europe](#), Journal of the European Economic Association, Volume 8, Issue 4, pp677-716.

5 Conservative Party (2008), [A Stronger Society: Voluntary Action In The 21st Century](#).

6 Centre for Social Justice (2014), [Social solutions: Enabling grass-roots charities to tackle poverty](#).

Social Justice identified the need for more voluntary organisations in left behind areas. More recently, the Government Civil Society Strategy (2018) emphasised changes to the ‘social sector’ would be key to creating ‘thriving communities [with] sufficient social, financial, natural and physical capital’.⁷ Labour has also referenced the role of charities in local economic development and broader civil society amid calls for a ‘renewed social contract’.⁸

This report aims to **build on this understanding of the geography of charitable giving in the UK**, in order to identify **the role of charitable giving in levelling up the country**. It answers the following two questions. First, how does charitable giving vary at a sub-national level and relate to local economic performance? And second, how do the causes donated to and the geography of charitable organisations respond to the geography of need?

Box 1: Scope and data

The analysis gives a snapshot of charitable giving in 2019, giving a pre-pandemic view in ‘normal times’ (and using the best available data). 2023 data is used for the geography of charitable organisations.

‘Charitable giving’ rather than ‘philanthropy’ is the focus of the report. The latter, by definition, has a strategic aspect to it, and is less representative of the broad civic and social attributes of local areas. ‘Giving’ in this report refers to monetary donations only, not including giving ‘in kind’ (e.g., food banks) or giving time (e.g., volunteering).

There is an evidence gap when it comes to where **charities operating nationally spend their donations regionally** – no overarching data exists on these spending patterns. Consequently this report instead focuses on local donations and charities when looking at whether local need is met.

Analysis of charitable giving uses the following data sources:

1. **Understanding Society:** a national survey with over 30,000 respondents. This asks whether respondents have donated to charity in the past twelve months, giving results by UK region.
2. **HMRC self assessment tax returns:** includes data on the size and incidence of donations for those filing at the level of parliamentary constituency. These are completed by the self-employed and high earners only and so provides a limited picture of

⁷ DCMS (2018), [Civil Society Strategy: building a future that works for everyone](#).

⁸ See [Keir Starmer’s speech to the Civil Society Summit](#), January 2024.

general donation habits, but offers a useful low level of geography.⁹

- 3. Beauclair transaction data** on direct debit and online donations is available at the level of Primary Urban Area (PUA), allowing analysis at the city level.

The geography of charitable organisations draws on two related (but distinct) datasets:

- 4. NCVO Almanac:** an annually updated source producing detailed data on the distribution of charitable organisations in the UK.¹⁰ This provides data by local authority for 2023 in England and Wales.¹¹
- 5. The Charity Commission Register** provides much of the data used in the NCVO Almanac. The register itself has postcode-level data with details on charities' operations and causes.

In addition, **Centre for Cities conducted a survey** in 2023 on a representative sample of 3,026 British residents to fill information gaps on charitable giving from existing data sources, such as donations to local causes and reasons for donation.¹²

9 This data has been used in previous research, such as [this analysis by Pro Bono Economics](#), supplementary to: Kenley A, O'Halloran J, & Wilding K (2021), [Mind the Giving Gap: Unleashing the potential of UK philanthropy](#), London: Pro Bono Economics.

10 Nayyara T (2023), [UK Civil Society Almanac 2023](#).

11 The Almanac only includes organisations that meet their 'general charities' definition, [defined here](#).

12 Northern Irish residents were not included. All respondents were aged 18 or over. Survey was conducted using Focal Data.

02

The charitable giving landscape I: Untapped capacity

Rates of charitable giving across the UK can be looked at from two angles. First is the proportion of people giving to charity, or the **'propensity'** to give, capturing the size of the base of people giving to charity. Second is the amount of money given per donor, capturing giving **'generosity'**. Considering how both these measures vary with local economic performance in the UK helps to determine whether rates of charitable giving match a place's 'ability' to give from an economic perspective.

This section looks at propensity to give. It suggests that there is **untapped capacity** for giving in some southern areas (particularly London) where the proportion of the population donating to charity is lower than what may be expected given local incomes. **The national pool of donors could be expanded** if people in these places were as likely to give as people with similar incomes living elsewhere in the UK.

The proportion of people giving varies only slightly across UK regions

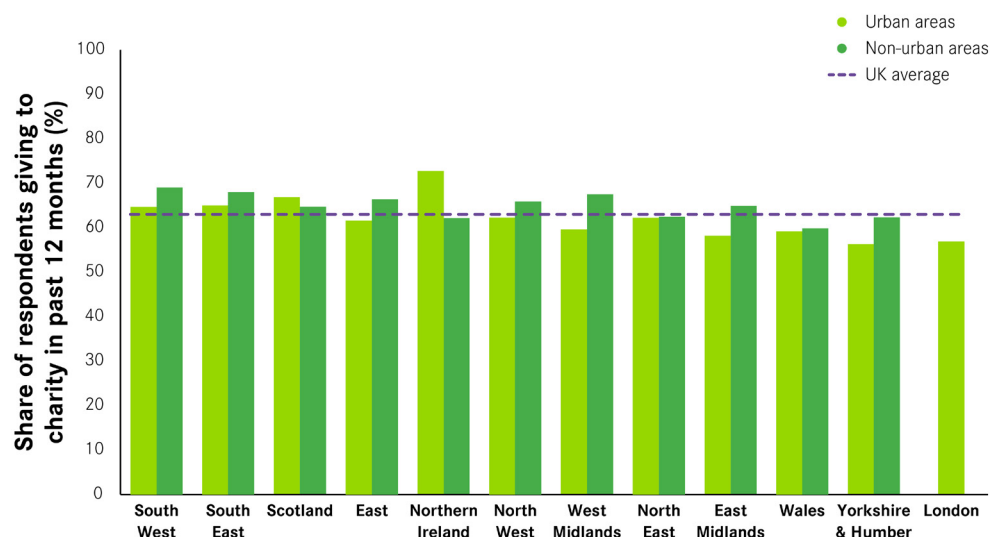
Most people in the UK make charitable donations. Estimates of proportions giving to charity from established national surveys range from 63 per cent (Understanding Society) to 75 per cent (Community Life Survey).¹³ This propensity to give does vary across UK regions, but not by much. Understanding Society data at this level shows that the proportion of giving is lower in the North East, Yorkshire, and London (Figure 1). It is higher in the South (excluding London), Scotland and in Northern Ireland.¹⁴ But differences aren't huge: propensity to give ranges from 57 per cent (in London) to 68 per cent (in the South East).

¹³ Charities Aid Foundation set the figure at 65 per cent [in 2019](#). The Centre for Cities survey recorded a figure of 75 per cent (for 2023).

¹⁴ This broadly aligns with findings in: CAF (2023), [UK Giving Report 2023](#), pp8.

Figure 1: Rural residents are more likely to give to charity than urban counterparts, with only slight regional variation

Proportion of people giving by region



Source: ONS Understanding Society, 2019

Urban areas lag behind rural ones. Aside from Scotland and Northern Ireland, people in cities and towns are less likely to give than those living outside, likely related to higher deprivation in UK urban areas (outside of London) – Box 2 considers the role of demographics in explaining regional divides.

Box 2: Who Gives? A Profile of UK Donors

The demographics of giving provide relevant context to the UK's geography of giving more broadly. Age is particularly relevant. Those over the age of 65 are consistently found to be most likely to give to charity, while those between the age of 16-24 are least likely.¹⁵ And women are slightly more likely to donate than men in the UK.¹⁶

Above all, income is a key determinant of giving behaviour. Those in the highest socioeconomic classes give triple the monetary amount of those in the lowest classes.¹⁷ But even income cannot fully explain regional divides, as is clear from the analysis below. This geography of giving highlights less tangible factors, such as civic mindedness, may play a role in this observed variation in donation likelihood across the UK.

15 CAF (2023), [UK Giving Report 2023, Section 5](#); Community Life Survey 2021/22, [Volunteering and charitable giving, Figure 5.8](#).

16 Community Life Survey 2021/22, [Volunteering and charitable giving, Section 5](#).

17 Pharoah C & McKenzie T (2020), [Reframing the Ask – trends which will shape giving and fundraising post-COVID19](#), London: Chartered Institute of Fundraising.

There is a clear link between affluence and propensity to give at the sub-regional level

Identifying patterns below the regional level requires different donation data.¹⁸ HMRC self-assessment tax returns, filed by roughly a third of those who pay income tax in the UK, provide the proportion of individuals declaring donations in each UK parliamentary constituency. Overall, more than 1.3 million people declared a donation – eleven per cent of those who filed a self-assessment tax return.

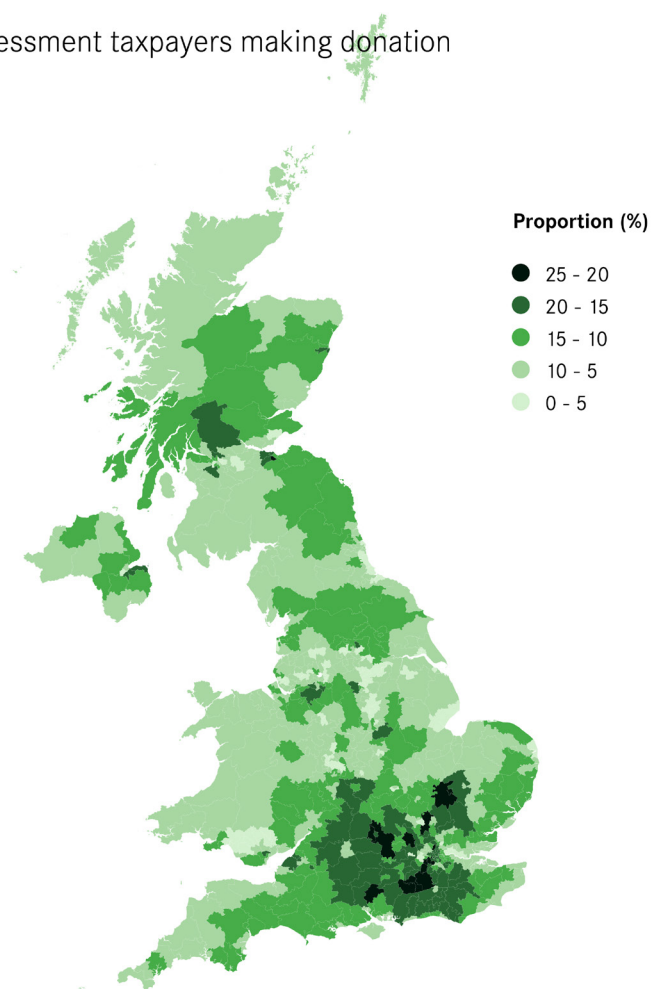
Among these million or so donors, there is a clear geography to the constituency-level propensity to give, displayed in Figure 2. Higher donor shares are found mostly in the South (though not in parts of London, consistent with Figure 1), compared to lower rates in parts of Wales, the Midlands, and the North. The proportion of people declaring donations ranges from less than 5 per cent in parts of Birmingham, Liverpool and Blackpool to more than 20 per cent in parts of Winchester, Cambridge, and Edinburgh.¹⁹

18 Although Understanding Society has over 30,000 respondents nationally, at smaller geographies (e.g., the city level) sample sizes are small leading to uncertainty that the recorded results reflect the true nature of charitable activity in these places. Consequently, this data source cannot be reliably used to infer aspects of charitable giving below the regional level.

19 The HMRC data records much lower proportions of people donating than Understanding Society (and other surveys) for a number of reasons: it is based on the self-employed and high-income individuals and so will not capture the donation behaviour of all UK residents; it only captures donations significant enough to be tax deductible; and survey responses may inflate donating behaviour through ‘social desirability bias’ – see: Krumpal I (2013), [Determinants of social desirability bias in sensitive surveys: a literature review](#), Quality & Quantity, Volume 47, pp2025-2047.

Figure 2: The propensity to give is higher in the Greater South East (outside of London) than in the North

Share of self-assessment taxpayers making donation



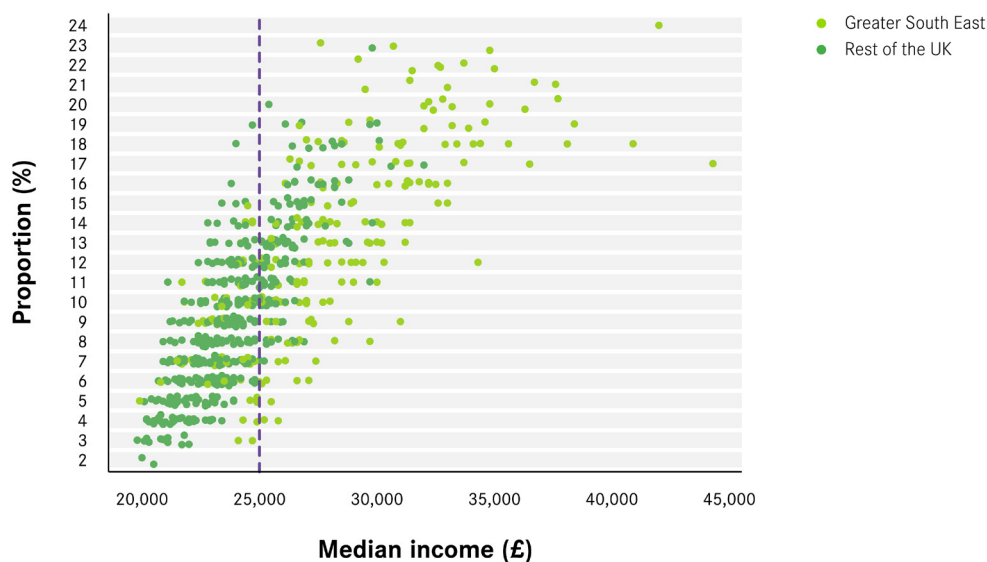
Source: HMRC 2019.

Note: Data shown at the parliamentary constituency Level (2019 borders).

Incomes clearly explain a lot of the geographical disparity regarding propensity to give among these donors. The proportion of individuals declaring donations in each constituency rises with a constituency's median income, as shown in Figure 3. This generates a geography to giving as constituencies outside the Greater South East (dark green dots) generally have incomes below the UK median (i.e., left of the purple line) while most Greater South East constituencies (light green dots) have incomes above this level.

Figure 3: Propensity to give rises with income, explaining much of the difference between the Greater South East and the rest of the UK

Parliamentary constituencies: median incomes and share of self-assessment taxpayers making donations



Source: HMRC 2019.

Note: Each point represents one constituency. Proportions are rounded to nearest per cent, therefore points are 'swarmed' to minimise overlapping. Vertical purple line is the median UK income.

But this is not the whole story. For a *given median income*, light green dots tend to fall below the dark green dots. In other words, **donors in Greater South East constituencies are less likely to donate to charity than those in constituencies across the rest of the UK with similar average incomes.** As a relatively extreme example, both Leeds' northern suburbs and Croydon have the same median income (£26,200), but residents of the former (16 per cent) are twice as likely to donate to charity as the latter (8 per cent).

This is best illustrated in Figure 4, which compares Greater South East constituencies with those in the rest of the UK for median incomes between £23,000 and £28,000.²⁰ Greater South East constituencies around the UK median income **are up to 15 per cent (two percentage points) less likely to donate than constituencies in the rest of the UK in the same income bracket.**

²⁰ This range is determined by income levels where there are enough Greater South East and other UK constituencies to make a meaningful comparison.

Figure 4: But there is a giving gap between the Greater South East and the rest of the UK in the middle of the income distribution

Share of self-assessment taxpayers making donations by income bracket



Source: HMRC.

Note: This shows estimated proportions of individuals donating for constituencies with median incomes in each income category, rounded to the nearest £1,000. Income categories shown where there are at least ten constituencies in each region to make meaningful comparisons.

This suggests that people's propensity to give in the Greater South East is lower than their capacity to give, as suggested by their higher incomes. The reason for this geographical discrepancy is unclear, though low proportions of people giving in the capital play a role.²¹ Overall it suggests that these richer southern areas would be the place to target to increase the numbers giving to charity nationally.

Those in affluent southern and Scottish cities are more likely to donate, though London lags behind

Beauclair transaction data provides insights into giving behaviour at the city level, recording the proportion of residents spending on charitable causes online or through direct debit.

Again this shows a clear geography of giving. **Cambridge residents are almost twice as likely to give than those living in Hull.** Of the top 10 cities with the highest propensities to give, seven are in the South, with the remaining three in

²¹ Geographical discrepancies in housing costs may also be relevant here. [Gibbons, Stephan, & Overman \(2011\)](#) find that areas in the UK with high earnings also have high housing costs, frequently offsetting any real income benefits. However, [2020 ONS data](#) suggests this equalising effect of housing costs is weaker in recent years, with Greater South East household incomes still being markedly higher even after housing costs.

Scotland (Table 1).²²

Table 1: There is a north-south divide for rates of charity spending in UK cities, with nine of the bottom ten outside the South

Cities: Top 10	Share of people giving to charity (%)	Cities: Bottom 10	Share of people giving to charity (%)
Cambridge	51	Wigan	34
Brighton	49	Burnley	33
Edinburgh	47	Sunderland	33
Oxford	46	Slough	33
Reading	45	Leicester	32
Plymouth	44	Mansfield	32
Aberdeen	44	Doncaster	31
Aldershot	43	Stoke	31
Exeter	43	Barnsley	30
Glasgow	43	Hull	27

Source: Beauclair 2019.

Note: Data for Belfast not available.

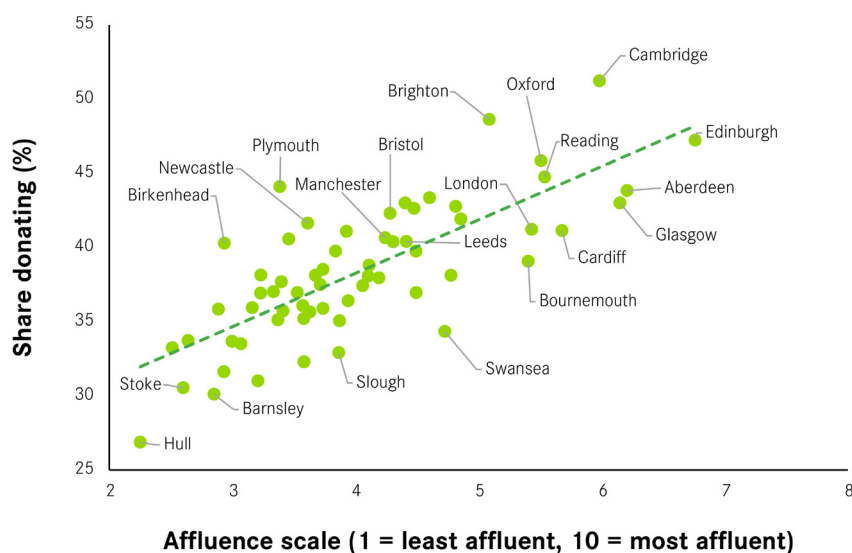
Cities with stronger economies, measured by the affluence of their residents, have a higher share of residents giving to charity.²³ But Figure 5 shows that there are some exceptions – despite the gulf in economic performance between the cities, **London has the same propensity to give as Birkenhead**. Aberdeen and Glasgow also seem to underperform for their affluence level.

²² As with HMRC, propensities to give from Beauclair are significantly lower than those in survey data. This may be because Beauclair data does not include cash donations, as well as aforementioned 'social desirability bias' potentially inflating survey numbers.

²³ City 'affluence' is measured using Beauclair's CAMEO scale, developed as a proxy for residents' affluence based on transaction data.

Figure 5: More affluent cities have a higher share of residents spending on charity

City affluence and proportion of residents giving to charity



Source: Beauclair 2019

Note: No data for Belfast. Affluence scale is the reverse of Beauclair’s CAMEO scale for affluence, which is based on transaction data.

Overall, the capacity to give to charity is higher for those at the top end of the income spectrum, largely (but not entirely) explaining the scale of regional disparity in giving propensities. But all data analysed suggests there are ‘giving gaps’ between rich, mainly southern areas (particularly London) and the rest of the UK. These places have the most potential for ‘unlocking’ a larger pool of donors, increasing the sum total of giving across the UK.

But the proportion of people donating to charity only provides a partial story – high numbers could reflect lots of small, one-off donations, for example. Examining the *generosity* of those who give presents a more complete picture.

03

The charitable giving landscape II: Missing generosity

Looking at *how much* donors give – their **'generosity'** – provides further insight into the geography of giving.

From this perspective, richer places in the UK display **missing generosity** when it comes to charitable giving. Unlike giving propensity, amounts donated per donor do not track an area's prosperity meaning (mainly southern) places donate a smaller proportion of their income to charity than poorer areas in the rest of the UK.

London's high donation amounts are driven by a handful of large donors

Understanding Society data suggests London donors donate the most annually, at an average of £346 per donor. Northern Ireland (£344), Scotland (£282) and the South East (£270) are the next highest regions. The lowest are Yorkshire & the Humber and the North East, at £211 and £191 respectively.

While urban areas (£267 per donor) give higher amounts on average than non-urban areas (£250), this **difference is entirely driven by London** – excluding the capital, the average amount given per urban donor is just £241.

London's high donation levels are also seen in HMRC data, which provides context on where these large donations are coming from. The total amount of donations declared by individuals completing self assessment tax forms amounts to £3.2 billion, **with more than a third of that total coming from London**, and a further 18 per cent coming from the South East. By contrast, **all three regions in the North of England combined accounted for just a tenth of total donations.**

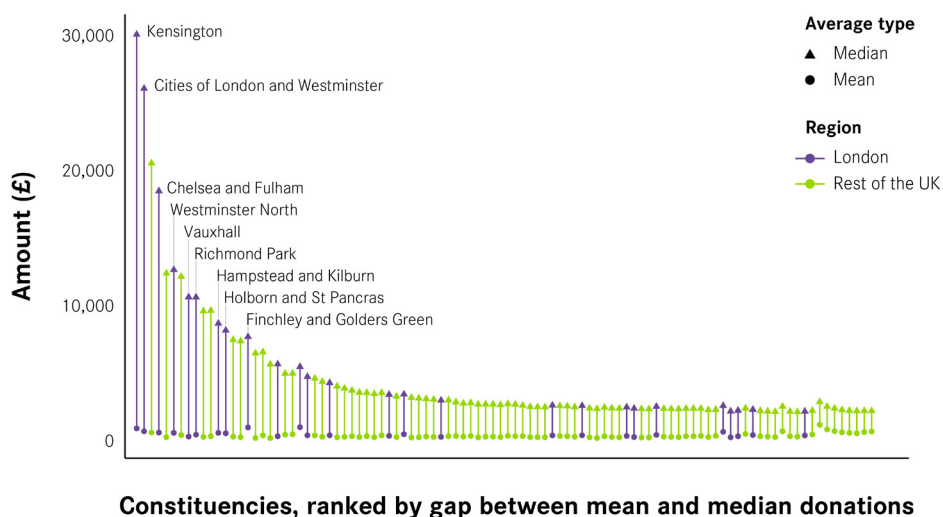
London and the South East together accounting for over half of the total value of UK donations is likely **due to the presence of affluent donors in these places**, many of whom make very large donations. And because the London region has the *lowest* propensity to give (Figure 1), large donors in this relatively small ‘donor pool’ will be particularly influential.

Constituency-level data confirms this: the mean donation per donor in Kensington is £30,000, far higher than the median of £960. A small number of donors making very large donations generates this discrepancy.²⁴

In fact, by using this measure of the gap between mean and median donations per donor, **London constituencies dominate among those most influenced by a handful of large donors**. Figure 6 shows the 100 ‘most generous’ constituencies by mean donations per donor and ranks them left to right by this measure of influential large donors. It shows that of the 20 constituencies most influenced by large donors, half are in London. This compares to London having only 13 per cent of all UK constituencies.

Figure 6: London dominates when it comes to donors giving the largest sums

Gap between mean and median donations per donor in 100 most generous constituencies



Source: HMRC 2019.

Notes: Each bar represents one parliamentary constituency. Chart shows the 100 ‘most generous’ constituencies (i.e., with the highest mean donations value per donor, marked by triangles). Chart ordered left to right by the largest gap between mean and median donation value per donor (i.e., the height of the bar), measuring the extent to which donations are influenced by a small number of large donors.

This demonstrates that London’s generosity is **dependent on a small pool of**

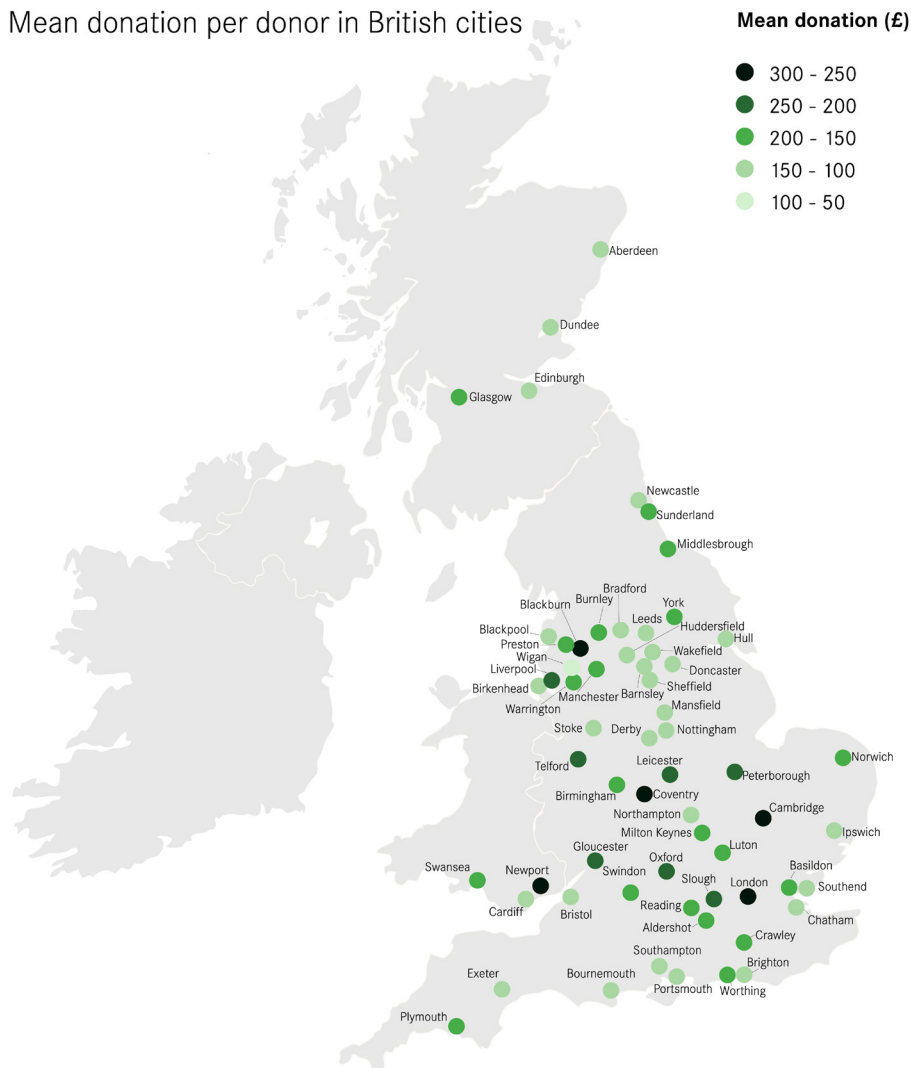
²⁴ Note the HMRC data, which only includes high-income individuals and those self-employed, will best capture these large donors.

very generous donors – in fact by a broad based measure of generosity (as presented later in Figure 9), London and the Greater South East do not perform nearly as well.

Donor generosity does not track city prosperity

Widening the scope to all UK cities using Beauclair data, Figure 7 shows that, unlike propensity to give, **there no clear geography to the generosity of donors.** There are both clusters of low generosity cities (less than £100 per donor) in West and South Yorkshire and on the south coast, and the most generous cities (at least £250 per donor) include Cambridge and London alongside Blackburn, Newport and Coventry.

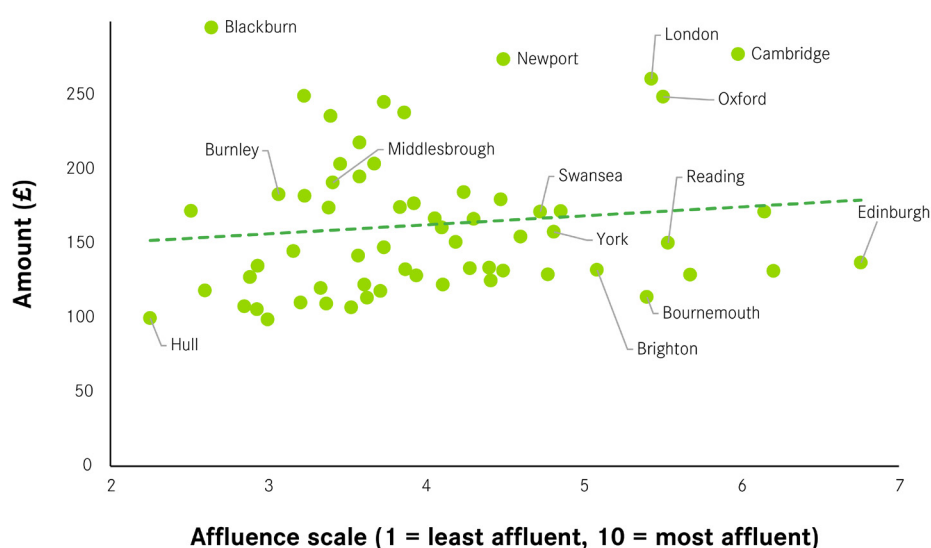
Figure 7: There is less of a geography to donation generosity among cities



The lack of geographic pattern is because there is little relationship between city affluence and generosity of donors, set out in Figure 8. Donations are relatively small in affluent parts of the country such as Brighton, Bournemouth and York, and larger in less affluent Swansea, Blackburn and Middlesbrough.

Figure 8: There is no clear relationship between city affluence and donor generosity

City affluence and amount donated per donor



Source: Beauclair 2019.

Note: No data for Belfast. Affluence scale is the reverse of Beauclair’s CAMEO scale for affluence, which is based on transaction data.

Consequently, differences in generosity do not track economic performance. Donors in Blackburn give twice as much per head than donors in Reading, despite clear economic differences (Box 3 discusses Blackburn in more detail). Against the reasonable expectation that richer cities would donate more per head, these findings suggest that many affluent cities have missing generosity when it comes to charitable giving.

Box 3 Blackburn is a repeat outlier when it comes to charitable giving

Blackburn is the tenth most income-deprived area in the UK.²⁵ However, HMRC data shows that total donations from Blackburn residents were £9 million, or **three times as much as other similar low income areas.**

²⁵ ONS: [Exploring local income deprivation](#).

Blackburn has the highest average amount donated per donor (Figure 8) at 0.8 per cent of online and direct debit expenditure. That figure is twice the national average. Digging deeper on this stand out city, it seems **religion** and **inequality** factor into the unusually high level of giving observed.

Literature indicates that religiosity, particularly belief in Islam, can explain low income individuals giving to charity at significant levels in the UK.²⁶ The 2021 Census shows Blackburn to have a significant Muslim population relative to other UK local authorities. And, according to the Charities Commission Register, 21 per cent of Blackburn charities are associated with religious activity, compared to the national average of 15 per cent.

Many of Blackburn's largest charities are related to religious activities. One example is the Blackburn UK Trust which, amongst other things, has a stated purpose to 'provide places of worship where needed'. This organisation had a total income of £1.3 million and a total expenditure of £1.9 million in 2021.²⁷

Inequality in the city may also be a factor. Blackburn has the ninth highest inequality in the UK when measured by deprivation gap. Previous analysis has shown that higher inequality at the neighbourhood level is associated with higher rates of charitable giving, with the hypothesis that inequality in local areas causes greater pro-social behaviour among residents.²⁸

Donations as a share of income help identify where drives for generosity are needed

Donations as a share of income provides an understanding of the generosity of charitable giving relative to the resources available in different areas.

Using HMRC data for this metric, Figure 9 shows that donations as a share of income are higher in many low-income constituencies than richer constituencies.²⁹ Based on this data there are some stark gaps in generosity: **typical Middlesbrough residents give double the proportion of their income than those in Chelsea & Fulham** (1.2 per cent versus 0.6 per cent), despite residents of the latter area having almost double the income.

²⁶ Jamal A, Yaccob, A Bartikowski B, & Slater S (2019), [Motivations to donate: exploring the role of religiosity in charitable donations](#), Journal of Business Research.

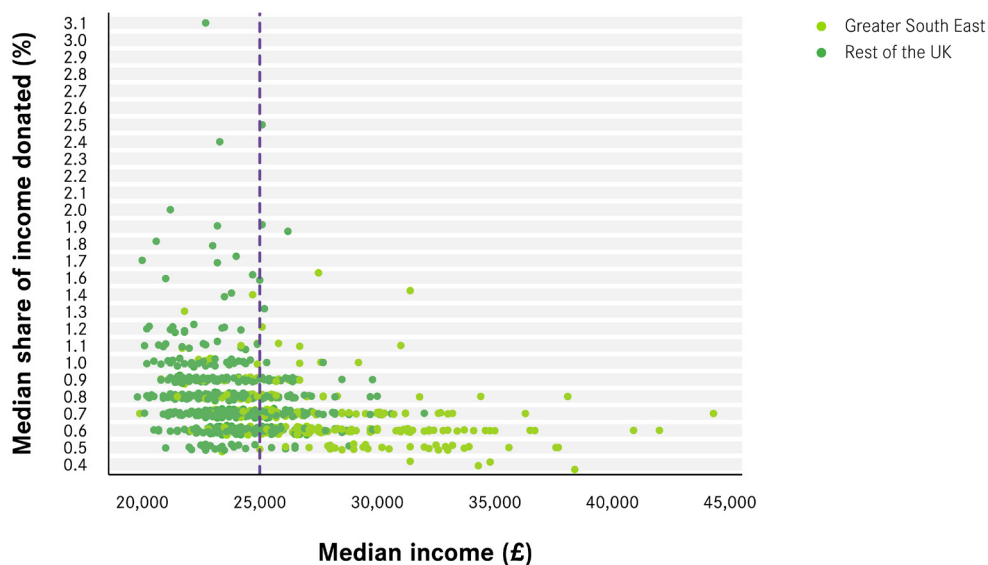
²⁷ Based on [data for Blackburn from the Charity Commission](#).

²⁸ Joel Suss shows this [using both US and UK local level data](#). The idea is at very local levels, richer residents in unequal places are likely to mix more with poorer neighbours, reducing social distance between and increasing pro-social behaviour (e.g., donating to charity) through greater exposure to different lived experiences. See: Suss J (2023), [Higher income individuals are more generous when local economic inequality is high](#), Volume 18, PLOS ONE.

²⁹ Looking at median incomes restricts our focus to 'typical' donors, i.e., removing the influence of a small number of large donors considered in Figure 6.

Figure 9: Richer constituencies in the Greater South East donate a smaller proportion of their income on average

Parliamentary constituencies: median incomes and share of income donated by self-assessment taxpayers



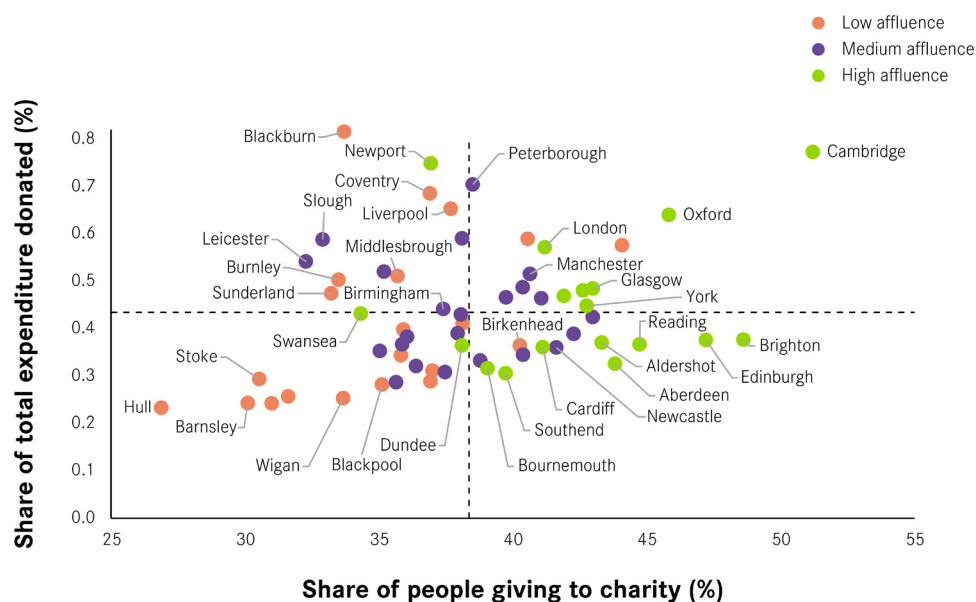
Source: HMRC 2019.

Note: share of income donated based on those claiming donations only. Shares are rounded to nearest per cent, therefore points are 'swarmed' to minimize overlapping. Vertical purple line is the median UK income.

At the city level, the best proxy is share of *expenditure* donated. This measure gives an idea of how 'important' charitable giving is relative to other types of spending. Figure 10 plots this against propensity to give, identifying which cities may have lower levels of giving generosity than might otherwise be expected.

Figure 10: There are a number of affluent cities that have a high propensity to give, but are less generous than less affluent cities

Share of people giving and proportion of expenditure donated per year by city



Source: Beauclair.

Note: No data for Belfast. Share of expenditure donated based on donors only. Affluence scale is the reverse of Beauclair’s CAMEO scale for affluence, which is based on transaction data. High affluence cities are 4.5 or higher on the affluence scale, low affluence cities 3.5 or lower.

The cities with the greatest potential for increases in charitable giving are the light green dots found in the bottom right quadrant (e.g., Brighton, Reading, Southend, Bournemouth). These are affluent cities where higher shares of people give but the amount given per donor are lower than average, particularly compared to many less affluent cities in the top left quadrant. In these cities, and the Greater South East constituencies in Figure 9, **more giving could be ‘unlocked’ to the benefit of places in need.**

Overall, in many affluent (mainly southern) places, **shares giving may not reflect the size of the potential donor pool, and donor generosity seems lower than the capacity suggested by their incomes.** Both these aspects of the geography of charitable giving suggest the total funds raised nationally could be increased. How drives for giving might be targeted in certain areas is set out in Box 4.

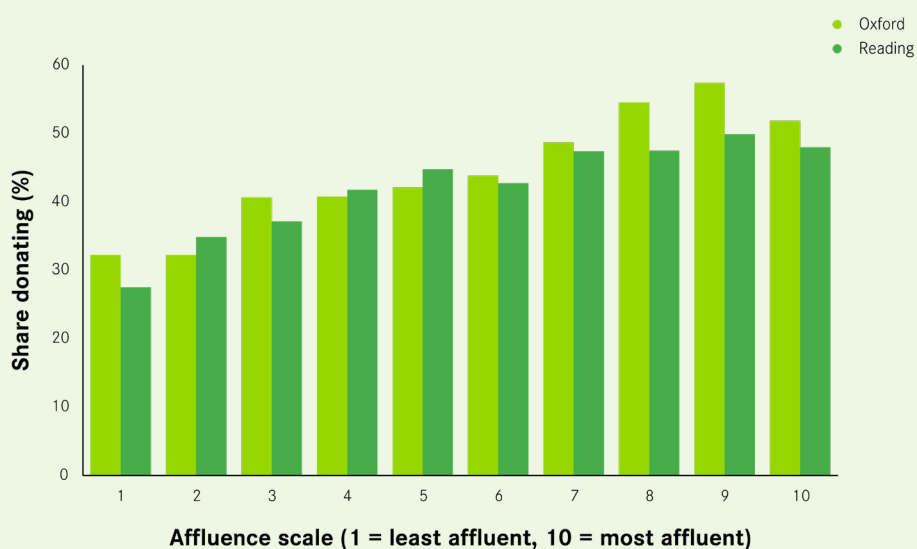
Consequently there is scope to increase giving from areas with greatest *ability* to give if charitable giving is to assist levelling up by maximising the total amount of giving nationally. But this is only half the puzzle; even if funds were raised proportionate to places’ capacity to give, these funds would still need to flow to the right causes in the areas of the UK with the greatest need. The following two sections explore this aspect of the geography of charitable giving.

Box 4 Who gives matters: Oxford and Reading

Oxford and Reading provide a case study for where campaigns to increase giving might be targeted. Both affluent cities have fairly similar shares of people donating (roughly 45 per cent) but diverge on amount given per donor: £250 in Oxford versus £150 in Reading (see Figure 10). Looking at the proportion of people giving at each affluence level within each city provides an explanation. Figure 11 shows most of these differences play out at the top-end of the affluence scale. The share of donors is much higher in Oxford than in Reading for the top three affluence levels, while similar elsewhere – the most affluent Reading residents are between 8 and 13 per cent less likely to give. This likely explains Reading’s missing generosity.

Figure 11: A higher proportion of Oxford’s most affluent residents donate to charity compared to Reading

Oxford and Reading: residents’ propensity to give by affluence level



Source: Beauclair 2019.

Note: each bar shows the proportion of residents at each affluence level which donate to charity in each city. Affluence scale is the reverse of Beauclair’s CAMEO scale for affluence, which is based on transaction data.

04

Unmet need I: The geography of local giving

Untapped capacity and missing generosity characterises the landscape of charitable giving in the UK, suggesting more giving could be unlocked in wealthier UK areas. But whether the geography of giving can assist levelling up the country **depends on where donations flow to**. These flows are determined in part by **how local donations relate to local needs**. But they are also reflected in the **distribution of charitable organisations in relation to need** across the country.

Another important factor is **where national charities direct their spending**. From a levelling up perspective, national charities would ideally direct much of the spending of donations they receive to areas with the greatest need. But data on the geography of how national charities spend their incomes is limited, so this section instead focuses on **whether donations from individuals in high need areas stay local and flow to the causes aligned to local need**. This requires an understanding of **the extent and type of local donations** at a sub-national level to grasp **whether local donations are helping to tackle national inequalities**.

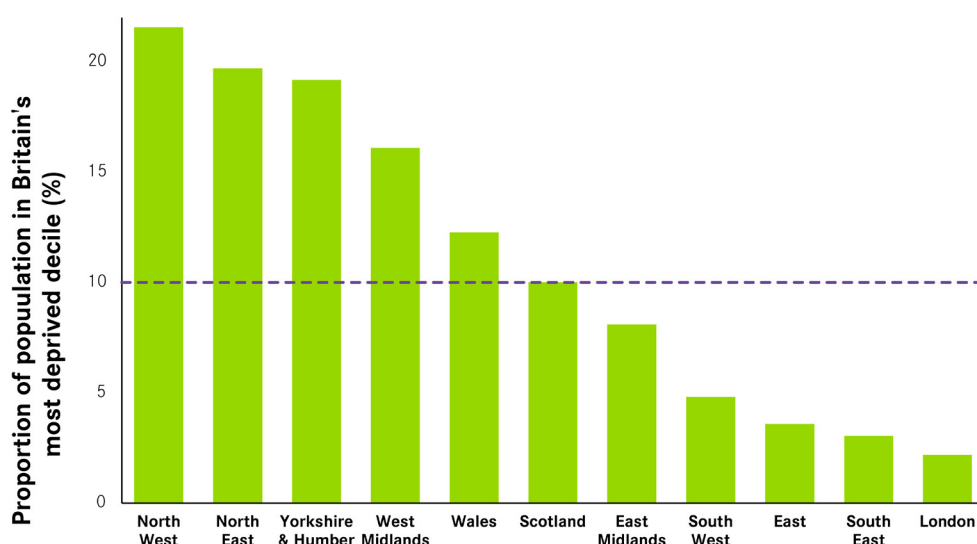
Unfortunately, it seems that **local donations on the whole simply reflect these inequalities**, limiting their ability to address the geography of need in the UK. High need regions such as Yorkshire, West Midlands, and Wales have fewer and less generous local donations than the far less deprived Greater South East (the North East and North West do better for local donations despite higher deprivation). And the types of local causes receiving donations do not align with local need.

Defining the geography of need

But what is the geography of need? Though there are many ways to measure this, Figure 12 clearly shows that in regional terms the greatest need is in the North of England. **Around one fifth of the population in the North East, North West, and Yorkshire & Humber are found in Britain's most deprived 10 per cent**, compared to four per cent in the East, three per cent in the South East, and just two per cent in London. For the geography of giving to meet this geography of need, it would require high local donation rates in the North, West Midlands, and Wales.

Figure 12: The geography of need skews north

Regional distribution of most deprived tenth of Britain's population



Source: mySociety 2020.

Note: Based on a composite Index of Multiple Deprivation for Great Britain, harmonising the English, Scottish, and Welsh indices, based on methodology set out in [Abel et al. \(2016\)](#). Based on multiple deprivation scores of LSOAs, adjusted to account for population. Northern Ireland not included as its multiple deprivation index is not comparable.

The proportion of people donating to local causes doesn't track local need

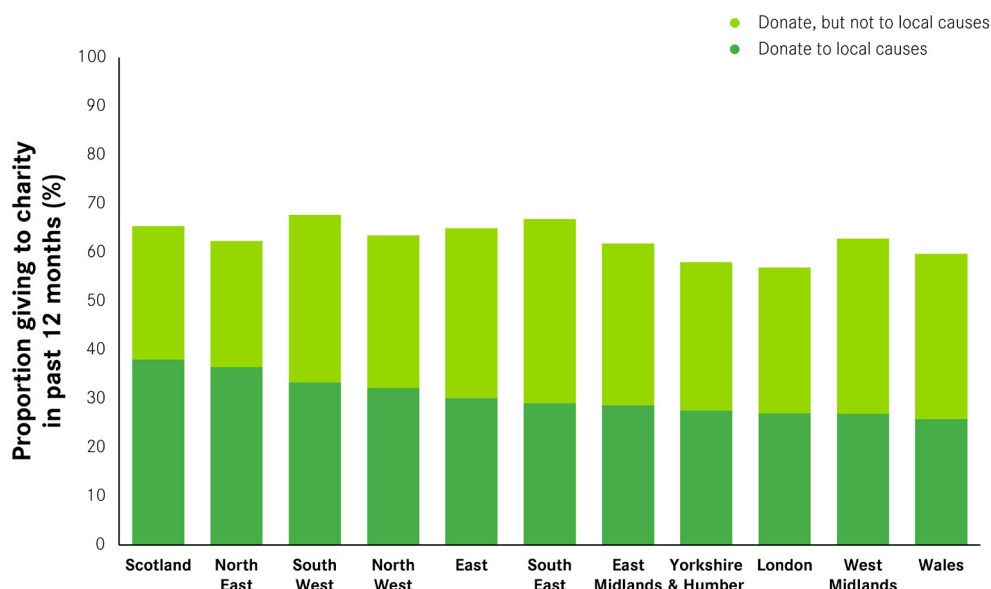
Centre for Cities' survey asked whether donors gave to local causes, finding significant regional variation in people's preferences for local giving. Among donors, 58 per cent give to local charities in some capacity in Scotland and the North East. This compares to only 43 per cent in the South East, West Midlands, and Wales.

Figure 13 combines these findings with Understanding Society data on the

propensity to give (used in Figure 1) and estimates the impact of differing preferences for local giving. It identifies that propensity to give *locally* (the dark green bars) does not map to high local need in Yorkshire, West Midlands, and Wales, which have rates under 30 per cent, a similar proportion to London. Further north does better: the North East has the second highest propensity to give locally despite a lower proportion of donors overall (the total height of the dark and light green bars).

Figure 13: Yorkshire, West Midlands, and Wales have similar low proportions of people donating locally to London, despite much higher local need

Proportion of people donating to local and non-local causes by region



Source: Understanding Society 2019, Centre for Cities' survey 2023.

Note: Dark green bars give the implied proportion of residents donating to local charities, based on total propensity to give (total height of the bars) and proportion of donors giving to local charities, gathered from the survey.

There is better news at the city level. In low affluence cities, 52 per cent of donors give to local charities, versus 45 per cent in high affluence cities. But this would still imply that 21 per cent of residents give locally in affluent Edinburgh compared to only 16 per cent in less affluent Stoke, for example, as more affluent cities have more capacity to give overall (see Figure 5).

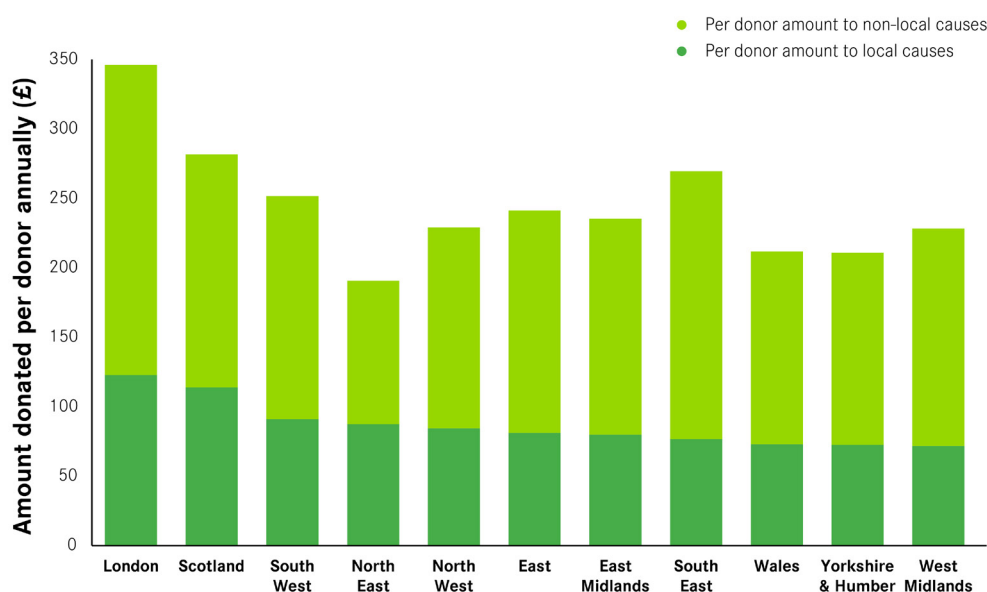
It's a similar story with generosity of donations to local causes

Despite London having the lowest local need, Figure 7 estimates that **the capital's local causes receive the most donations per donor in Britain.**

At less than £75 per donor, West Midlands, Yorkshire and the Humber, and Wales see the lowest amount to local causes, despite higher than average deprivation. In the North East, 46 per cent of the value of donations go to local causes, but the low amount of donations overall keep the total value of local donations per donor lower than the South West.

Figure 14: Wales, Yorkshire, and the West Midlands are least generous to local causes, despite high local need

Amount donated per donor to local and non-local causes by region



Source: Understanding Society 2019, Centre for Cities' survey 2023.

Note: Dark green bars give the implied amount of donations per donor to local charities, based on total donations per donor (total height of the bars) and proportion of donation funds given to local charities, gathered from the survey.

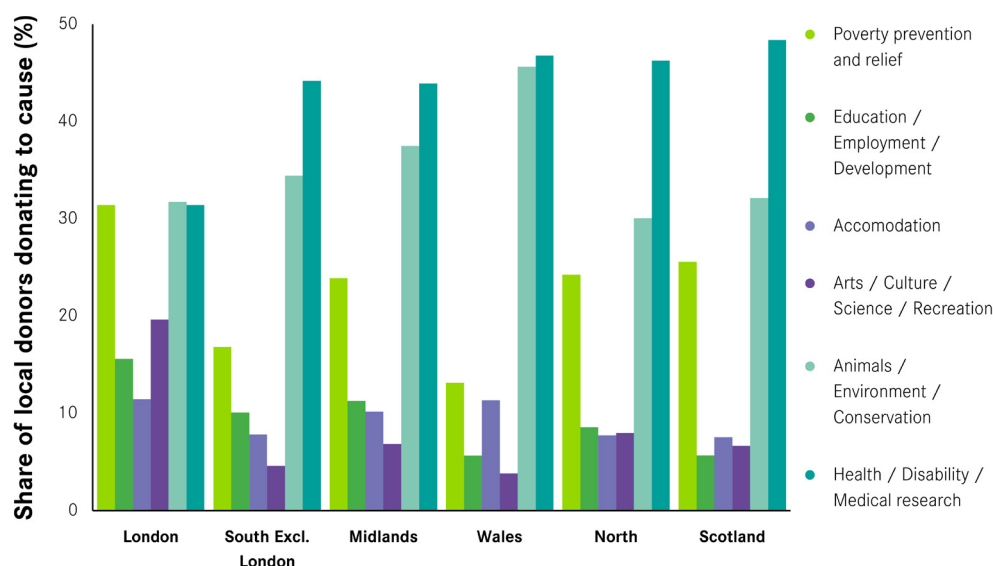
At the regional level then, it seems that higher need regions such Yorkshire & Humber, Wales, and West Midlands diverge from the North West and particularly the North East, where preferences for local giving better aligns with local need both in terms of propensity and generosity of local giving.

The types of local causes donated do not reflect local need

The specific causes that local donations are directed to do not seem to reflect economic needs in different regions (Figure 15). London sees the highest proportion of those donating locally giving to poverty-related causes, higher than the North, Midlands, and Wales which have far higher need. **In Wales, three times fewer people give to local charities dedicated to poverty compared to those dedicated to animal welfare and the environment.** A similar pattern plays out (to a lesser extent) in the Midlands and the North.

Figure 15: Animals and the environment are more popular local causes than poverty in high deprivation regions

Regional distribution of donators to local causes in Britain



Source: Centre for Cities' survey 2023.

Note: Donors donate to multiple causes, so bars for each region may total to greater than 100 per cent

These outcomes raise the question of how places might encourage more donations targeted at local need. One option is a broad fund that would channel donations to causes that need them most, working directly with local charities. Such a fund has already been a success in the Greater Manchester Combined Authority.³⁰ This policy was popular among donors in Centre for Cities' survey – 56 per cent said it would encourage them to give more locally. This played particularly well in the North East, where almost three quarters supported the policy.

30 [The Greater Manchester Mayor's Charity](#) aims to tackle homelessness in the combined authority, directly patronised by the mayor. Since 2017, it has raised over £3 million and supported over 165 local charities.

05

Unmet need II: The geography of charitable organisations

The geography of giving is only one side of the coin when considering whether the geography of need is met. The other side is the ‘supply’ of charitable organisations that individuals can donate to. These represent the infrastructure, facilitated by donations, that is needed to deliver local change. Understanding the distribution of these organisations gives important context as to whether there are additional constraints to charitable giving meeting local need.

It seems that **the geography of charitable organisations also does not align with the geography of local need.** There is a higher density of charities in the less deprived Greater South East. Even when considering local charities with causes focused on local need, there is a lower concentration in more deprived areas outside the South. Impact on levelling up the UK is therefore limited, as deprived areas do not have the charities to align local donations with local need.

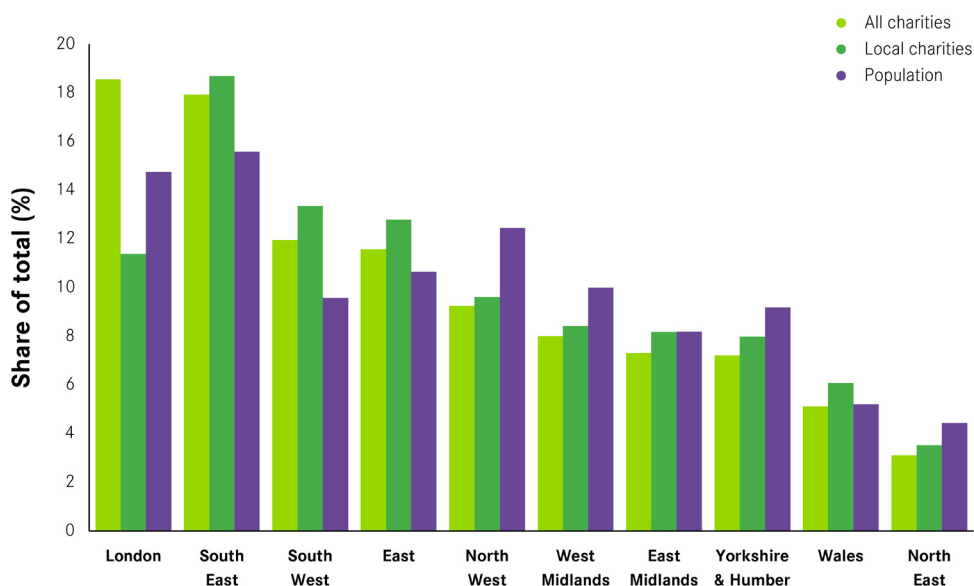
Charitable organisations are not evenly distributed across the UK

There are a total of 137,000 charities in the NCVO General Charities Register in England & Wales. These charities are disproportionately concentrated in the South (Figure 16).³¹

³¹ This is a well-established finding in previous literature: e.g., Corry D (2020), [Where are England's Charities?](#), NPC.

Figure 16: The South has a disproportionate share of charities relative to its population

Share of charities relative to population in England and Wales regions



Source: NCVO 2023; ONS 2023.

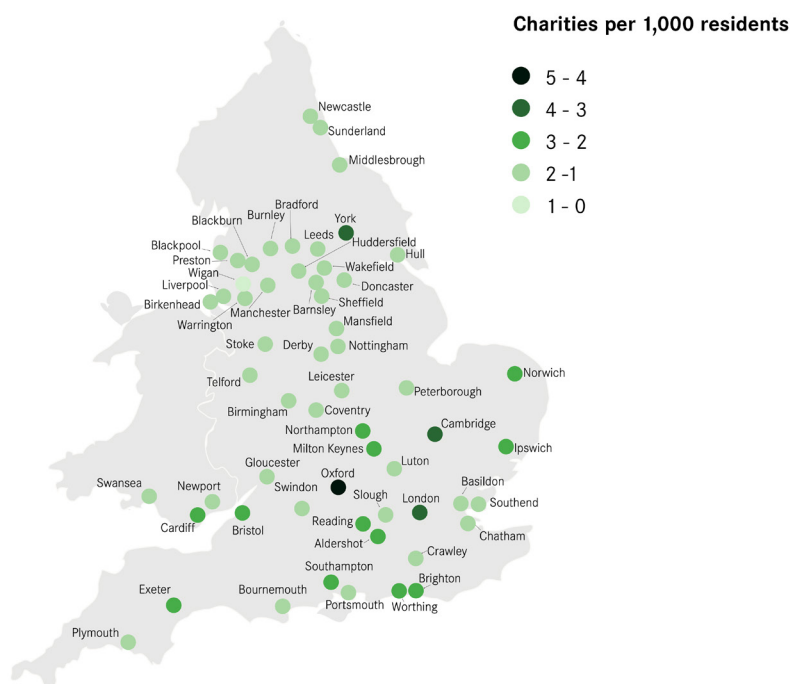
The geography of ‘charity density’ is apparent from Figure 17, ranging from 0.8 charities per 1,000 people in Wigan to 4.6 in Oxford.³² There is a clear North/South divide, particularly seen in the low charity density in northern cities, with York the exception.³³

³² Oxford has a particularly high number of education and training charities, likely related to the university.

³³ Charity density is not the whole story. High charity density could simply indicate a higher volume of smaller charities in the South. In fact, the opposite is true – in England and Wales, **more charity-dense cities also have larger charities** (in terms of income). Oxford (the most charity-dense city) has 39 per cent of charities with annual incomes above £100,000, compared to 21 per cent in Wigan. This holds for the very largest charities – the Greater South East contains two thirds of all charities with incomes over £10 million, and 52 of the 60 charities with incomes over £100 million.

Figure 17: Charity density is higher in southern cities, with a few exceptions

Charity density in England and Wales cities



Source: NCVO 2023; ONS 2023.

Note: Data for Scottish and Northern Irish cities not available.

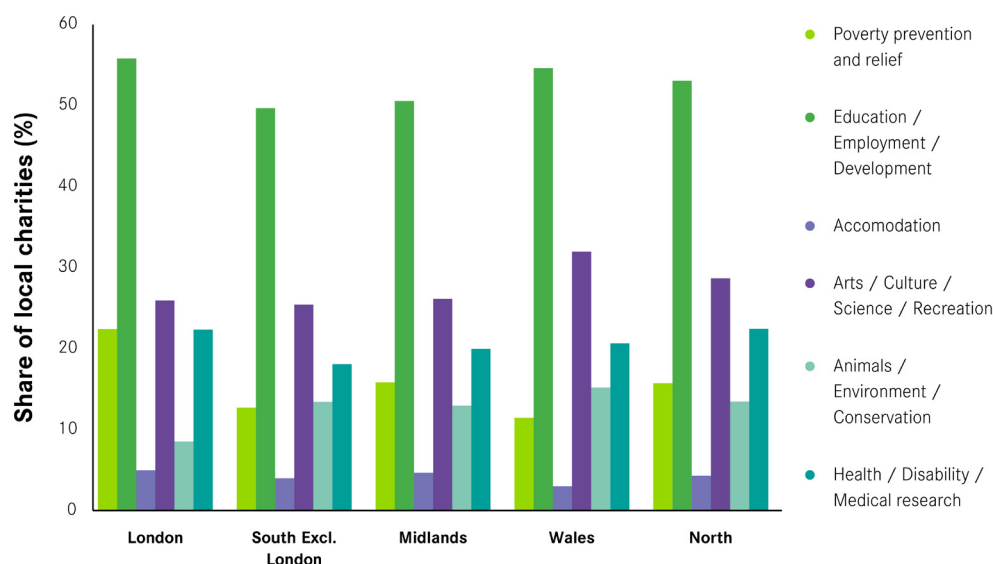
The distribution of charitable organisations in the UK doesn't match the geography of need

The geography of charitable organisations in the UK is concentrated in the South. But many of these will have national or international causes, and so are less relevant for indicating whether local need is met. The rest of this section therefore uses the Charity Commission Register to focus on **local charities** and the types of causes they support, in order to explore how the geography of local charitable organisations relates to the geography of need.

Just like the types of causes donated to (Figure 15), the **distribution of causes of local charities across the country does not seem to be particularly sensitive to local need**. Figure 18 shows London has the highest proportion of charities dedicated to poverty-related causes, despite having the lowest deprivation of all regions (Figure 12). **Wales has more local charities supporting animal welfare and the environment than those preventing or alleviating poverty.**

Figure 18: Local charities with poverty-related causes are most abundant in London, the region with the lowest rates of deprivation

Regional distribution of causes of local charities in England and Wales



Source: Charity Commission Register 2023.

Notes: Categories of causes based aggregated classifications from the register. Charities can report multiple classifications.

Next is to drill down to the city level and see how the distribution of charitable organisations relates to need at smaller geographies.³⁴ To focus analysis, this looks at **density of charities with causes specifically focused on local need.**³⁵

But even this level, **charities specifically focused on local economic needs are less concentrated in the areas that need them most**, as Figure 19 demonstrates. There are lower densities of these charities in areas of cities with high income deprivation levels, such as Blackpool, Middlesbrough, and the suburbs of Liverpool.³⁶

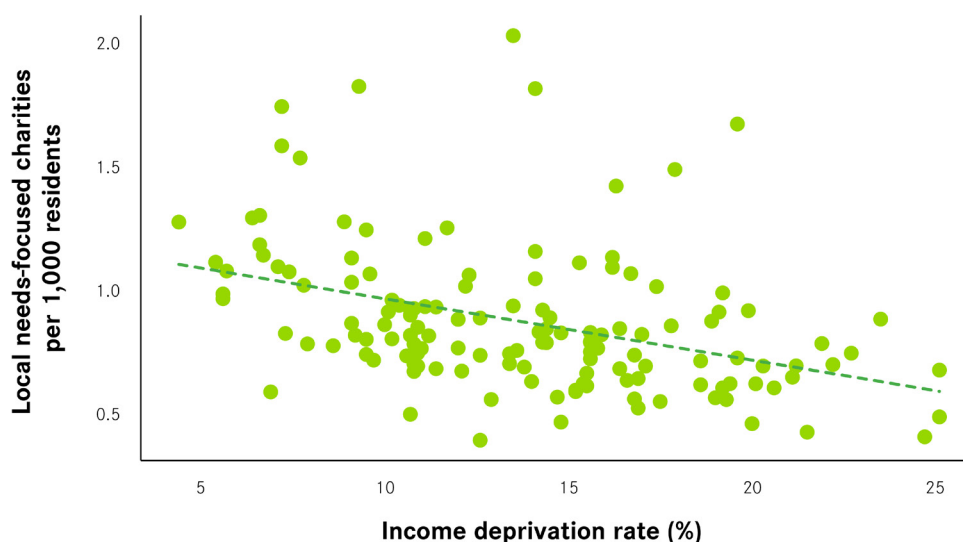
³⁴ Specifically, local authorities within PUAs, to account for suburban areas of large cities likely having different levels of need (and therefore different charity density) to inner cities. There are 141 local authorities within the 58 PUAs in England & Wales.

³⁵ 'Needs-focused' local charities are defined as having causes in the areas of: poverty prevention & relief; education; employment; community development; economic; and housing & accommodation.

³⁶ Many indicators could be used to define 'need'. Here, income deprivation is used, similar to multiple deprivation measure used in Figure 12. Using child poverty instead leads to the same relationship in Figure 19.

Figure 19: Areas of cities with higher income deprivation have lower concentrations of charities focused on local needs

Income deprivation and local needs-focused charity density in England and Wales urban local authorities



Source: Charities Commission Register 2023; ONS 2021.

Note: Each point is one LA within PUAs in England and Wales. Northampton omitted due to PUA boundary changes.

This finding echoes existing literature. NPC research shows there are 28 per cent fewer charities per 1,000 people in Levelling Up Fund Priority One areas, compared to the lowest priority areas.³⁷ Not only are fewer charities being set up in more deprived areas, but they also have a lower survival rate.³⁸ NCVO Almanac data also shows lower formal volunteering rates in more deprived areas. This lack of infrastructure on the ground in high need areas is doubly important, as it also inhibits national charities' ability to deliver funding to these areas from the rest of the country.

As with charitable donations to local causes, the geography of charitable organisations does not in general reflect the geography of need. Instead, the distribution of charitable activity across the country reflects an area's ability to give, as the following section summarises.

37 Collinge T & Davis L (2021), [What will Levelling Up Pay for?](#), NPC.

38 This is well established in previous literature, e.g: Mohan J (2015), [Charity deserts and social justice: exploring variations in the distribution of charitable organisations and their resources in England](#), in Morvaridi B (ed.), *New philanthropy and social justice: debating the conceptual and policy discourse*, Bristol; McDonnell D, Mohan J, & Norman P (2020), [Charity Density and Social Need: A Longitudinal Perspective](#), *Nonprofit and Voluntary Sector Quarterly*, Volume 49, no. 5, pp1082-1104; and Clifford D (2020), [Charitable organisations, the Great Recession and the Age of Austerity: Longitudinal Evidence for England and Wales](#), *Journal of Social Policy*, Volume 46, no. 1, pp1-30.

06

Connecting the dots:

The geography of giving reflects ability, not need

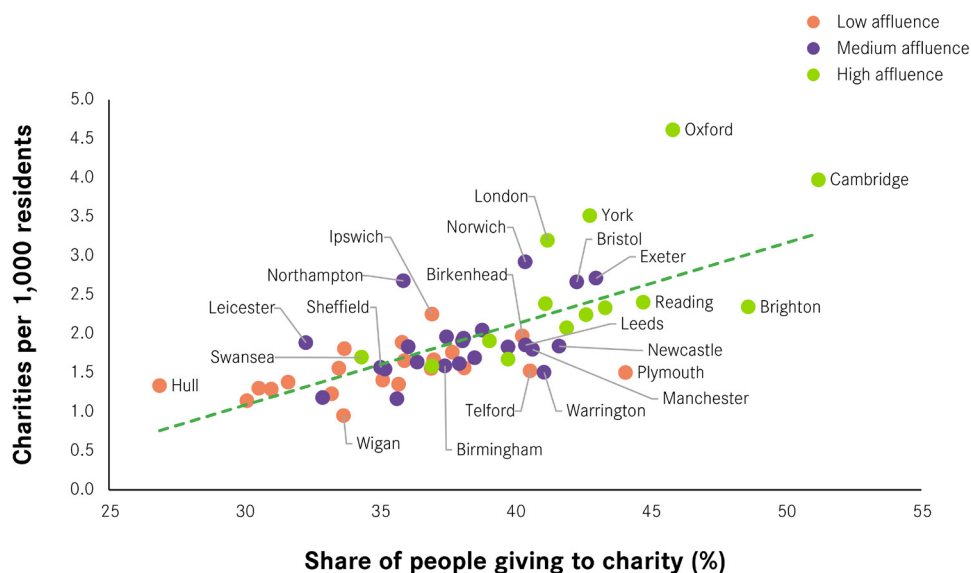
If the geography of charitable activity does not meet the geography of need, then what is it that drives this distribution?

Bringing the strands together confirms that affluent cities with a higher proportion of people giving have a larger presence of charities. These include cities such as Oxford, Cambridge, York and Brighton (Figure 20). That is, **the geography of charitable activity in the UK reflects an area's ability to give, rather than its need.**

This is an intuitive relationship. But it is important to note that cities least served by charities and with the lowest propensity to give (the bottom left of Figure 20) are also the least affluent and likely have the highest need for charitable activity. This charitable activity is instead concentrated in cities with the least need. As shown in previous sections, this holds even for charities focused on local needs and local donations.

Figure 20: Fewer people donate and fewer charities are located in cities where need is highest

Share of people giving and charity density



Source: Beauclair 2019, NCVO 2023.

Note: England and Wales cities only. High affluence cities are 4.5 or higher on the affluence scale, low affluence cities 3.5 or lower.

Centre for Cities' survey suggests it is constraints on preferences for giving (driven by economic circumstance), rather than the lack of availability of local voluntary organisations, that may explain this pattern. Among those not donating, 59 per cent cited financial constraints, by far the highest reason given.³⁹ Surprisingly, this did not significantly vary by region or city affluence level. Only eight per cent mentioned they were not sufficiently satisfied that donations would be spent on causes in their local area.⁴⁰

This highlights that the **geography of charitable giving is mainly driven by local giving ability** instead of local need. It also suggests this capacity is constrained by giving preferences (i.e., low demand for giving) rather than the supply of local charities.

This mismatch is not surprising. But this has important implications – charity may only go so far as a way to redress geographic imbalances in welfare, and redistribution to areas in greatest need via local giving is inherently limited, requiring funds to be channelled from outside. How this redistribution could be improved is considered next.

³⁹ This may reflect more recent cost of living considerations, but also the fact that household income growth has been squeezed over the past decade due to sluggish productivity growth – see Centre for Cities (2024), [Cities Outlook 2024](#), London: Centre for Cities.

⁴⁰ This was only one per cent for those in Greater South East cities, hinting at an 'oversupply' of local charitable organisations in these wealthier urban areas.

07

Conclusions and policy implications

The geography of charitable giving suggests that charitable activity in the UK does not complement the levelling up agenda to its full potential. There is **untapped capacity and missing generosity** from southern areas whose wealthier residents have the greatest ability to give. There are fewer and smaller donations to local causes in the most deprived regions, and the types of causes donated to do not reflect local need. This is mirrored in the distribution of local charitable organisations. All this means that 1) **more donations could be unlocked from areas with the greatest ability to give** and 2) **charitable activity reflects local ability to give, which is limited where local need is highest.**

This leaves actions for **national and local government**, as well as **large national charities** if charitable giving is to be active in levelling up the UK.

To increase the total amount of charitable giving in the long term, **national government must get the economy firing again in the UK.** Finances are the most common reason cited for not giving more (or at all), and household incomes have been squeezed by poor productivity growth over the past decade.⁴¹ Charitable giving is naturally constrained by these pressures, particularly in poorer areas which have the greatest need. To increase charitable giving across the board, the role of national government is in supporting UK cities (particularly outside the Greater South East) as the heart of the UK's productive capacity.⁴²

In the meantime, there are more immediate policy options for national government. In the more affluent areas with potential to unlock greater rates of giving (see Figure 10), policy can incentivise giving (particularly among richer residents) to specifically benefit places in need. For example, a recent Onward report suggests 'Charitable Action Zones', where donations targeted to high-need areas would receive match funding from government.⁴³ More generally, national

41 Centre for Cities (2024), [Cities Outlook 2024](#), London: Centre for Cities.

42 Swinney P (2021), [So you want to level up?](#), London: Centre for Cities.

43 Menon S (2024), [Giving back better: unlocking philanthropy in the UK](#), London: Onward.

government can coordinate, **developing a clear strategy on how charitable giving can support levelling up the UK**. This could (for example) clearly set out the economic role of charitable giving in relation to social capital and local regeneration, and frame donation flows in explicitly place-based terms.

Under all this, local governments have a role to play. In more deprived areas, they can **target local giving to the causes that best support local need**, making the most of the (often limited) pool of local donations. Centre for Cities' survey suggests these are popular measures, which have a track record as an option for Metro Mayors. These funds can also help **build local charities' capacity** and encourage knowledge and resource sharing between the public and third sectors at a local level. There are regional considerations for local government strategies: authorities in the North East and North West can tap in to existing preferences for local giving, while those in Yorkshire, Wales, and the West Midlands may have more work to do to increase donations locally.

From a levelling up perspective, **large national charities are best placed in the voluntary sector to ensure donations from places with the greatest ability to give flow to places with the greatest need**, supporting the efforts of local charities. This could be achieved through national charities setting up partnership schemes with local charities that have similar causes located in high need areas. These **'Levelling Up Charity Partnerships'** would combine the expertise, networks, and (most crucially) funds of national charities with the community trust and local knowledge of local charities, overcoming economic constraints in more deprived areas.⁴⁴

There is evidence that national charities focus donations on high need areas already.⁴⁵ However, there is a lack of overarching data on the geography of how these institutions spend their donations – **this aspect of donation flows is effectively a black box**. More data transparency from large national charities is key to overcoming the existing evidence gap on whether giving to *national causes* meets the geography of need.

44 For example, partnerships are common between national supermarkets and local charities, such as [Co-op's Community Partnerships Fund](#). The National Lottery Community Fund also offers [partnerships for organisations aiming to help their community](#), though these require the local organisation to apply for funding, and are not targeted at specific causes.

45 For instance, the [Big Lottery Fund Annual Report](#) stated in 2022 that 51 per cent of total funding goes to the most deprived 30 per cent of local areas in England.



© Centre for Cities 2024

Centre for Cities

Second Floor

9 Holyrood Street

London SE1 2EL

www.centreforcities.org

Centre for Cities is a registered charity (No 1119841) and a company limited by guarantee registered in England (No 6215397)