

# DIRECTORY OF SOCIAL CHANGE

INFORMATION AND TRAINING FOR THE VOLUNTARY SECTOR

## **The generation game: Is there really a generation gap in giving?**

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It has been said that *“politicians use statistics as a drunken man uses lamp posts—for support, not illumination”*. Never has that been more true than in the recent case of the Charities Aid Foundation’s new report: [MIND THE GAP: The growing generational divide in charitable giving: a research paper](#) which proposes that *“we are facing a donation deficit – a generational gap in charitable giving that must be addressed now if charities are to survive and thrive.”*

This claim has been disputed publicly by Cathy Pharoah (one of the original authors of the study from which this analysis is drawn), Beth Breeze, one of her colleagues, and Joe Saxton, fundraising impresario. Now, all of these people are my esteemed colleagues so I’m not about to join the debate and say who I think is right or wrong. What I do want to do is to use this example to highlight the dangers of data interpretation, particularly when it involves political axes or hungry media hounds.

You see, above all, data is objective. Data is just what it is. Data is not a policy angle or a leading headline. It is just what it is – facts and figures. The result of an objective process of analysis. It is what happens to data after it sees the light of day which is the tricky bit.

I’m sure you’ve all heard, and probably said a few times at least, that data can be made to say anything you like. The old adage of *“Lies, damned lies, and statistics”* comes probably from Mark Twain, who wrote in 1906: *“Figures often beguile me, particularly when I have the arranging of them myself”*. A similar sentiment is expressed by Thomas Henry Huxley (known as ‘Darwin’s Bulldog’ for his staunch defence of Darwinism) in 1885, who noted that there are “three classes of witnesses—liars, damned liars, and experts.” (Wikipedia).

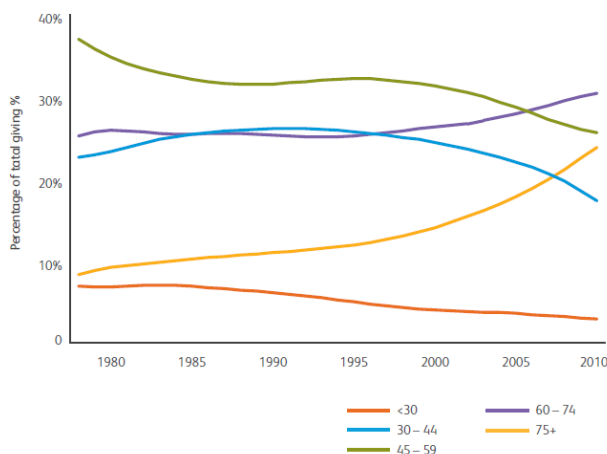
The truth is that data can be interpreted in more than one way, therefore it can also be misinterpreted or merely interpreted in two opposite ways at once. And if you have an agenda, then the data can be selectively chosen to illustrate any one particular point of view. Such is the power of numbers.

Let’s examine the case in hand...

## Issues of interpretation

The CAF report (written by Sarah Smith, Professor of Economics from Bristol University and another of my esteemed colleagues) says that the data shows low levels of giving by the under-30s and demonstrates the need for *urgent action*. Let's look at the evidence. Firstly Figure 3 in the report shows that the proportion of under-30s giving to charity has decreased over the last 30 years while the proportion of over-60s has risen (see Figure 3<sup>1</sup>).

Figure 3: Share of total donations, by age group

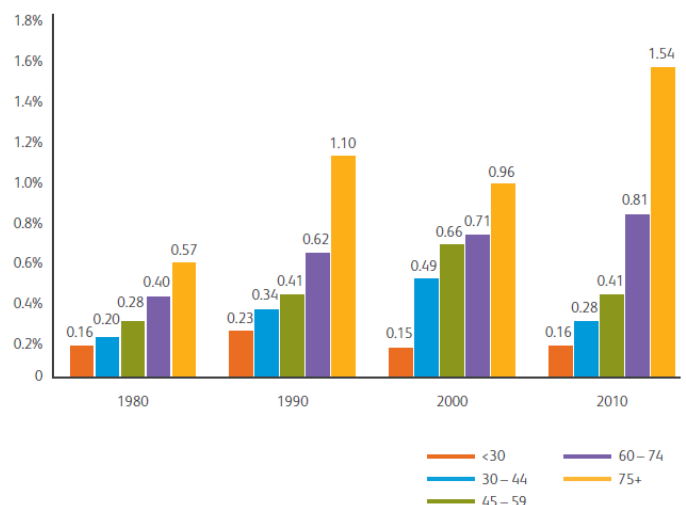


[Critics](#), on the other hand, said that “donations by older people have gone up largely because there are many more older people – life expectancy has increased from about 72 to 80 in the past 30 years – and because those people tend to have higher incomes than 30 years previously, thanks to more savings, more generous pensions and more wealth from house ownership.”

Clearly as the proportion of the total given by one group goes up, the proportion given by another group goes down. So this proves nothing in itself. It may be indicative of an actual fall in donations by the younger age group, it may not.

Next piece of ‘proof’: Giving as a percentage of total spending of each age group (see Figure 5), which, the [critics say](#) “shows that giving as a percentage of total spending, by age group, had not changed for the under-30s from 1980 to 2010. But because the figure for the over-75s had increased from 0.57 per cent in 1980 to 1.54 per cent in 2010, CAF had characterised this as younger people being

Figure 5: Levels of generosity (giving as a percentage of total spending) – by age group



<sup>1</sup> Figures 3,4,5 reproduced from ‘Mind the Gap’.

*less generous because older people were giving more.”*

While the [CAF report says](#): “Comparing the youngest households (under-30s) with older households, the generosity gap has progressively widened over time – for example, the over-75s now give ten times more (as a proportion of their total spending) than the under-30s, compared to three and a half times more in 1980.”

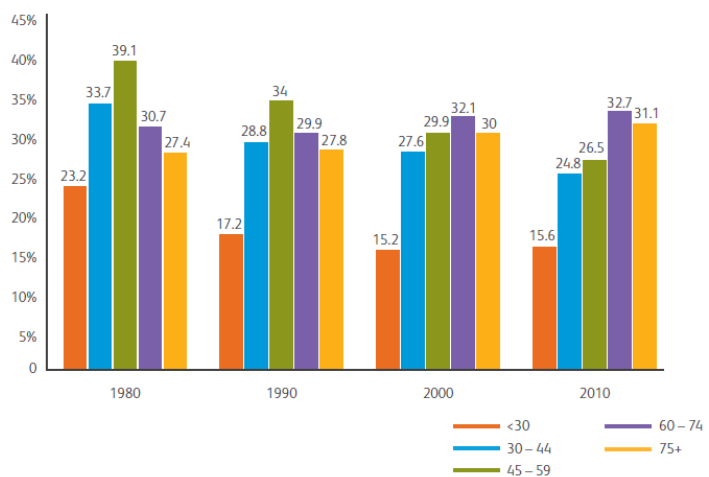
Both statements are true to the facts, the difference is in the interpretation.

On to proof number three: Participation levels by age of household (see Figure 4).

Aha!

At last, you think, an incontrovertible piece of evidence which shows clearly that participation in giving has gone down over the last 30 years among younger households under 30 (from 23.2% in 1980 to 15.6% in 2010), and up amongst older households over 60 (from 58.1% in 1980 to 63.8% in 2010).

Figure 4: Percentage of households giving – by age group



However, even the CAF report concedes that: “Most of this decline [amongst the under-30s] occurred between 1980 and 1990 – more recently, the percentage giving among this age group has been relatively flat.” That doesn’t really seem grounds for the urgent action for the low level of giving in the under-30s, nor of a “long-term crisis”.

In fact, when you look at Figure 4, the more obvious patterns, as the report does state, are that: “There have been steady falls in participation among the 30-44 age group (from 34 per cent to 25 per cent) and the 45-59 age group (from 39 per cent to 27 per cent). By contrast, the 60-74 age group experienced a small increase in participation from 31 per cent to 33 per cent and the 75+ age group a slightly larger increase from 27 per cent to 31 per cent.”

Indeed, when you take into account the fact that the largest changes in participation levels took place between 1980 and 1990 for most age groups (except the over 75s)<sup>2</sup>, the picture changes quite dramatically (see the Table 1 below).

*Table 1: Change in participation levels in charitable giving by age group compared over 20 years and 30 years*

Age group	30 year change (1980-2010, %)	20 year change (1990-2010, %)
Under 30	-33%	-9.3%
30-44	-26%	4%
45-59	-32%	-22%
Over 60	10%	11%

Source: Mind the Gap

I don't know about you but, looking at those figures, I'm beginning to worry a lot more about those pesky 45-59 year olds who seem to be a much greater worry than the younger generation!

So is there anything to worry about at all? Clearly life has changed in the last 30 years. Today's generations face different challenges to those faced by previous generations.

[Pharoah says](#) that the report showed "*no cause for concern*" and contained little evidence to suggest that today's young people would be less generous as they got older than previous generations. Given that we know the life cycle of charitable giving increases with age and income this seems sensible.

[Beth Breeze concurs](#), saying: "*[Young people] are facing daunting financial concerns, such as paying increased tuition fees and putting down a deposit on a house, which mean they cannot prioritise philanthropy just yet. If we must worry about 'generations of giving', let's focus on non-donors who've paid off their mortgages.*" In other words, maybe we should be worrying more about the 45-59s identified above.

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<sup>2</sup> To understand what's really going on here you'd need to know what was happening in the 1980s, which was a decade of high economic growth and growth in the personal wealth of many. It was the age of the yuppie, the dawn of the mobile phone, and the era of 'no society' privatisation. As the original [New State of Donation, 2011](#) report stated: "Total giving is positively correlated with GDP growth, but this positive relationship is driven by boom times – in particular by the 1980s boom....Amongst donors, the average donation nearly trebled from £3.05 in 1978 to £8.66 in 2008. Most of this growth occurred in the 1980s."

## Generation gap or generation game?

Another of my esteemed colleague, Karl Wilding, [has now analysed the report](#) looking at the generational effect on generosity and participation by age cohorts. Karl concludes: *“it’s not so much that the current generation of young people (those in their 20s) are giving less than previous generations did at the same point in their life. The problem is that every generation in the post war period has given less than those who were born before World War II.”* Karl ponders whether the growth in the UK’s population effectively hid this decrease in generosity, or disguised it as the young being less generous.

The upshot of Karl’s analysis and thinking is that we should be worried about the entire population of those born since the 1950s.

## Methodological issues

There are other issues which may also account for some of the differences in interpretation: *“Much of the difference can be explained by the fact that the data is based on households, not individuals,”* says Pharoah. For more details on household versus individual surveys of giving see [here](#), but one simple affecting factor is the increase in single-person households over the last 3 decades. As [Joe Saxton](#) puts it: *“If you knocked on doors in 1980, the chances of there being someone in the household that gave to charity would have been more likely simply because there were more people in the house then.”*

Saxton further proposed that the examples of charitable giving used to prompt recollection of people’s giving in the survey were more pertinent to older people. For example, phrases such as “blind box”, “cancer league”, “Gold Heart (charity)”, “missionary box”, “mothers’ union collection”, “candles (church)” and “sponsor money” are less easily recognizable to younger people. *“There was no Children in Need, Comic Relief, JustGiving, or text message donation,”* Saxton said.

In a further interesting thought, Karl Wilding wonders whether we’re even measuring the right thing anymore, since giving money is just one of many charitable behaviours which have evolved over time into a complex universe of participation and being charitable and doing the right thing.

## The political angle

OK, so refer back to the opening quote of this piece, that everyone knows politicians misuse statistics, so I guess it was no surprise to see, at party conference time, this report being used for political gain:

*"Shadow children's minister blames financial pressures for falling donations from young"* screamed the headline! Lisa Nandy, the shadow children's minister, spoke out at a fringe event organised by CAF at the Labour Party conference in Manchester, saying that *"the unprecedented financial pressures faced by young people in areas such as tuition fees should not be forgotten and that it was no surprise the current generation of young people were less likely to give to charity."*

Of course you can't always blame the politicians who are fed the figures by their team. And in this media-driven world researchers are always being asked to 'sex up' their findings to make a story. As Breeze comments: *"Inevitably, to get heard you need to make a stronger statement, I suppose, than you might if you were talking about it in an academic debate."*

As a researcher of course I abhor the misuse of facts; quoting partial truths or downright misleading interpretations of data to support political or more media-friendly angles. It's bad science. But is it really possible to ever be totally objective about data?

In our opinion this story tells us three things: (1) that you must always look at all the facts before making up your mind and believing the hype; (2) there is no massive generation gap in giving to be worried about, at least not in the way in which it has been portrayed in the media; and (3) we should be looking at the existing giving data and having the debates about changing practices, values and definitions of giving if we are to keep on top of our game. End of story.

## References:

CAF report: 'MIND THE GAP: The growing generational divide in charitable giving: a research paper' ([https://www.cafonline.org/pdf/1190H\\_PartyConf\\_MindTheGap.pdf](https://www.cafonline.org/pdf/1190H_PartyConf_MindTheGap.pdf))  
The 'Generation Gap in Giving' debate:  
[http://www.civilsociety.co.uk/fundraising/news/content/13430/saxton\\_challenges\\_validity\\_of\\_caf\\_research\\_conclusions?topic=&print=1](http://www.civilsociety.co.uk/fundraising/news/content/13430/saxton_challenges_validity_of_caf_research_conclusions?topic=&print=1);  
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