

2008 Turner Prize  
The Boat by...  
At the night the water...  
The water was first...  
The water was first...  
The water was first...



# Private Giving for the Public Good



**The Campaign for Private Giving is led by:**

The National Museum Directors' Conference  
The Museums, Libraries and Archives Council  
Arts Council England

**With the support of:**

Arts & Business  
The Art Fund  
The Association of Independent Museums  
The Beacon Fellowship  
English Heritage  
The Group of Large Local Authority Museums  
The Museums Association  
Museums Galleries Scotland  
The National Campaign for the Arts  
The National Trust  
Northern Ireland Museums Council  
Philanthropy UK  
The University Museums Group

Make giving a journey: the cultural sector is good at involving people and encouraging them to give, but there is so much more that could be done. Once people are willing to give to one cause, they are more willing to give to another. To get the giving habit, people need to look upon giving as a lifetime's journey, with those who gain the most from their enterprise being willing to give the most back to society.

**Engaging Ways to Give** When Tate needed to raise £4.95 million to save Turner's watercolour "The Blue Rigi" for the nation, The Art Fund with Tate organised a 'buy a brushstroke' campaign where members of the public were invited to buy brushstrokes online for £5 each.

A schoolboy, Matthew Hughes, raided his piggy bank to make the first step on a lifetime's journey of giving. The campaign caught people's imagination and resulted in one of the most successful campaigns staged by any gallery, raising a figure of £582,218 in just 5 weeks.

## The objectives of the campaign are:

- To increase the level of private giving for the public good, for the benefit of all charitable causes
- To increase people's quality of life through the arts, culture and heritage by raising the overall level of giving
- To promote giving in communities throughout the UK, building on the success of what has been achieved in the capital

**The enduring fabric of British cultural life is built on the foundations of private generosity. Our national institutions have their roots in individual philanthropy.** The British Museum was founded on a legacy, the British Library on a royal gift of books. The Royal Shakespeare Company has its origins in the generosity of the Flowers family of Stratford-upon-Avon; the National Theatre, English National Opera and the Royal Ballet can all trace their history back to the charitable inspiration of Lilian Bayliss.

John Passmore Edwards gave London seventeen libraries and three museums; Andrew Carnegie helped to create 660 public libraries in Britain and Ireland. Our art galleries are still associated with names such as Tate, Whitworth, Hunter, Bowes, Burrell and Sainsbury. The National Trust's first property, Dinas Oleu, overlooking Cardigan Bay on the coast of Wales, was the gift of Fanny Talbot, who wanted to secure it for public enjoyment for ever.

Behind these celebrated figures are ranked the millions who have given, and still give, money and time to support culture and the arts. This is the start of a campaign to inspire millions more to do the same.

People give to people, and for people, and both sides are enhanced by the exchange. All art is a form of gift; it offers ideas and imagination that enlarge our understanding of ourselves and of the world, bringing us together. By giving so that others can also enjoy the arts and culture, we become more than private individuals: we help to create a national legacy, carrying on the work of those who brought the theatres, galleries and concert halls of Britain into being, and who created the collections and performing companies that give them life. By giving to the arts and culture, the private person becomes a public citizen, helping to enhance the quality of life for all.

Since 1945, the state has become a leading patron of public culture, but there is a limit to what governments can do. If we wish to renew civil society, we need to find new ways for people to engage with the arts and culture, and new ways for them to express their commitment by giving.

This campaign sets out to show why there is a need for private giving across the arts and culture, and illustrates ways in which it can be made easier to give. It is about helping all kinds of private people to contribute to the public good.



# The need for giving

**Britain is richer than ever before.** Since 1992, there has been a 25% rise in personal incomes, and personal wealth has more than doubled. Such prosperity should be used to launch a surge of private philanthropy similar to that of the 19th century. All charitable causes should benefit, and by expanding overall resources it will be possible to improve the quality of life for all through arts, culture and heritage.

Real Household Income per head

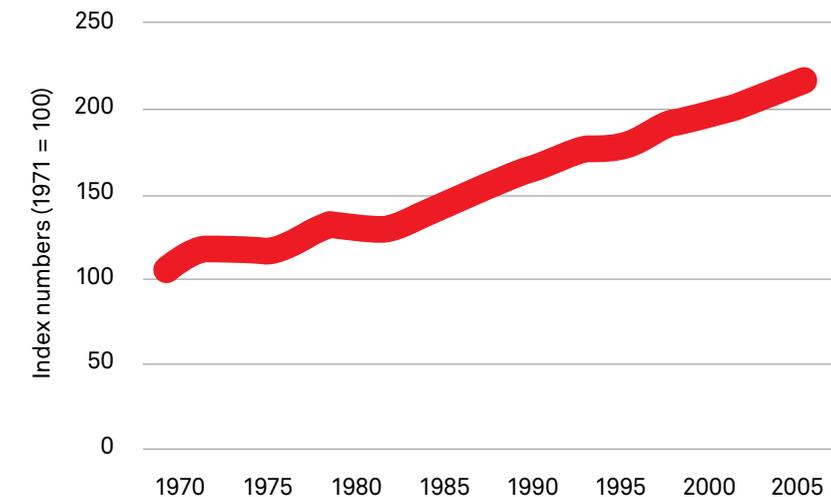


Table 1. Source: Self & Zealey 2007

Yet although there are 68 billionaires living in Britain and a hundred new millionaires are being created every day, since 1992 charitable giving has actually fallen by 25% as a percentage of Gross Domestic Product.

**The most recent figures show that giving is down 3% on 2005/6 in real terms.**

**The Decline in Giving** The decline in giving was revealed in a Home Office report, *A Generous Society* (2005). Faced with a drop in total charitable giving to less than 1% of GDP, and a decline in the proportion of the population that gives, *A Generous Society* proposed doubling the amount of charitable donations over ten years, but had to admit:

*“those who can least afford it continue to give proportionately far more than the most wealthy, and overall levels of giving have failed to keep pace with the recent growth in national income”*

Percentage giving by cause 2004/05 - 2006/07

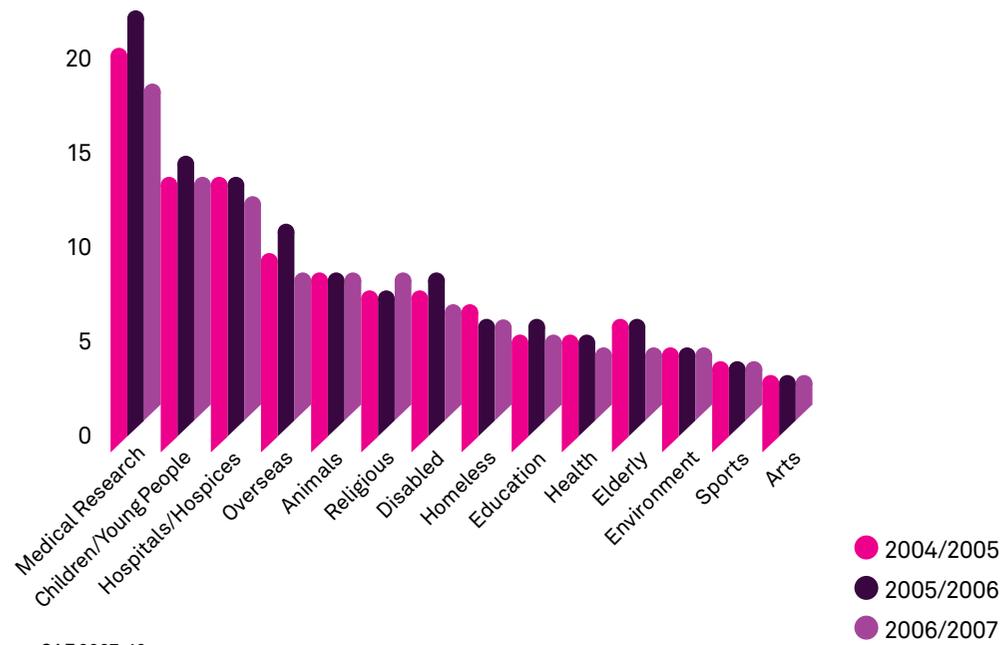


Table 2. Source: CAF 2007, 19

Regional Breakdown of Private Giving (Arts & Business, Private Investment in Culture Survey 2006/2007)

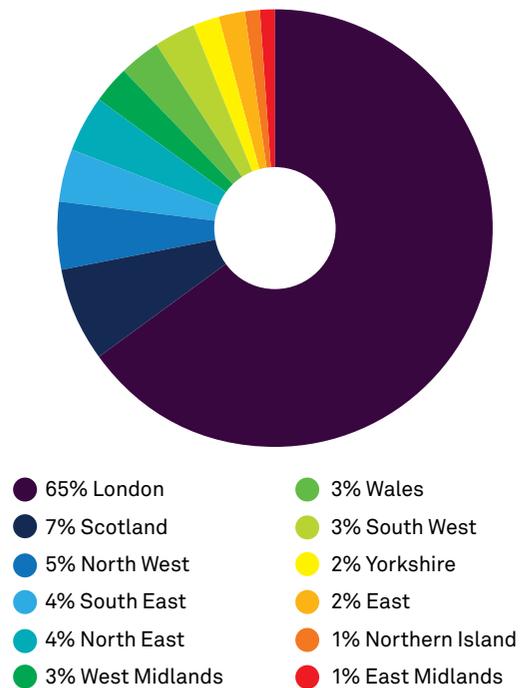


Table 3. Source: Arts & Business 2008

Spending on Acquisitions by Major Museums (2004-05)

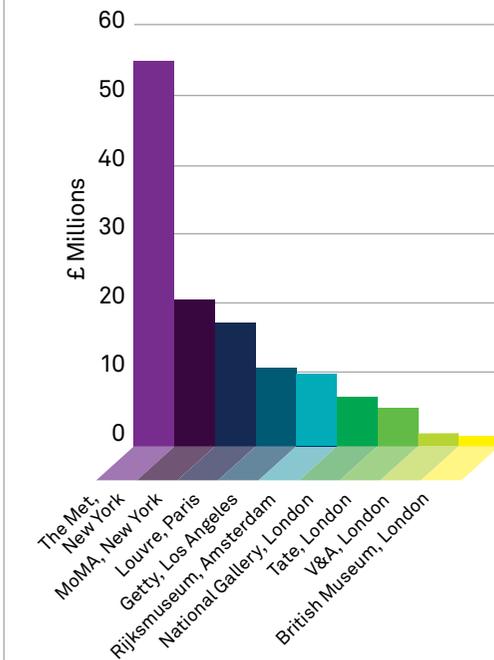


Table 4. Source: Artprice 2007

Of the £9.5 billion given by individuals to charity in 2006/7 only a tiny fraction goes to the arts and culture. Our objective is to increase cultural giving while expanding charitable resources as a whole.

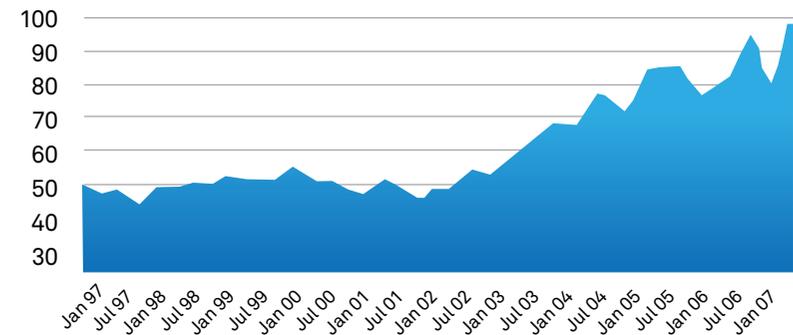
69% of all the money that is given to culture goes to organisations in London and the South-East. By promoting giving throughout the United Kingdom, and sharing the experience of successful fund-raisers, the rest of the country can benefit in the way that London and the South-East already does.

National governments and local authorities are signalling that after a period of steady increase in their support for culture, the many other pressures on public spending such as health and education mean that public resources are increasingly constrained. The budget for the Department for Culture Media and Sport is less than 0.5% of total government expenditure, while many local authorities are actually cutting back.

At the same time, it costs more and more to sustain the buildings and collections, the orchestras, theatre and dance companies, the public libraries and archives and the wider historic environment that have given us such a rich cultural life.

Our galleries and museums, for instance, find it harder and harder to add to their collections, with works by prominent British artists being lost to this country, as the market price of both historic and contemporary works of art has steadily risen.

Artprice Global Index (Jan 1997 - Jan 2007)



Base July 1990 = 100 USD - Quarterly data

Table 5. Source: The Art Fund 2006

This means that even those museums that still have some purchasing power are unable to compete in a global market place.



The Heritage Lottery Fund has played a crucial role in transforming our museums over the last decade, but money available to it - and therefore to museums - is dwindling rapidly. Museums and galleries across the UK are increasingly dependent on charitable and independent sources of funding for the money that allows them to acquire key objects, not just art works, but material representing science, industry and the natural world that helps us understand British history, and gives us a sense of national identity.

In the last three years The Art Fund, the UK's largest independent art charity, has given more than twice as much towards museum and gallery acquisitions as the HLF. Money to the National Heritage Memorial Fund, which plays a significant role in saving heritage works at risk, has recently doubled to £10 million, though this will remain static over the next few years. Both The Art Fund and The Contemporary Art Society play a key role in helping galleries across the UK acquire works by modern British artists – the heritage of the future.

Spend by HLF and NHMF on Acquisitions by Museums and Galleries (1994-2007)

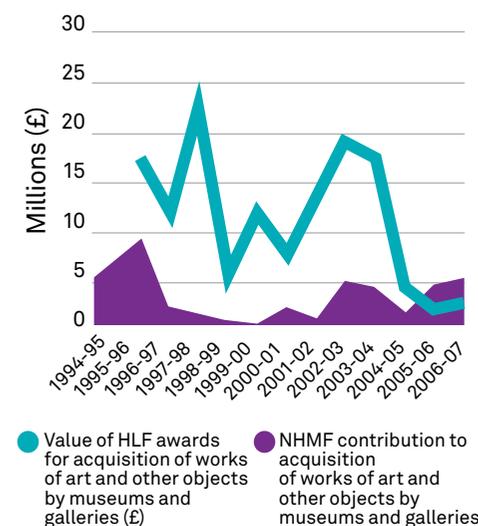


Table 6. Source: Heritage Lottery Fund

Net Incoming Resources in the Performing Arts

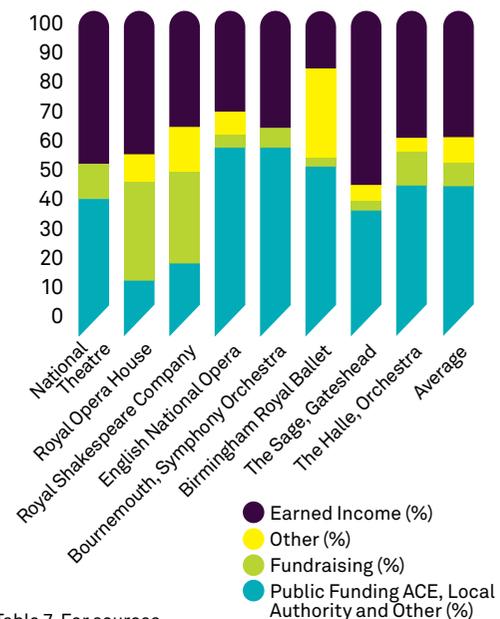


Table 7. For sources see back cover

In the performing arts, public subsidy is declining as a proportion of overall income. In 1980, for instance, an Arts Council-funded performing arts organisation received, on average, 51% of its income from public funding. In the more mixed economy of today, that figure has dropped to 36% for regularly funded organisations.



Cultural organisations have been successful in using a foundation of public funding by increasing their audiences, persuading trusts and foundations to support their programmes, and attracting business sponsorship.

But there is another source of support, one where the engagement of audience members, gallery goers and museum visitors is more than the price of a ticket: the gift that makes the long term link between the private individual and the public good.

To strengthen this healthily mixed economy, where state, commercial and private interests combine to enhance the public realm:

**We need to encourage people  
to give**

**We need to make it easier  
to give**

**Volunteering** From its 3.23 million members, the National Trust has been able to recruit an army of nearly 50,000 volunteers, who work as room stewards, gardeners and in all the other essential services of the Trust.



Image courtesy of the National Trust

# Encouraging the giver

**If our cultural life in the UK is to thrive, we need to create a culture of giving.** Because some think the state has taken over responsibility for the arts and culture, because some do not like to show their wealth, and because many more people simply do not know how to become involved, we have yet to create a culture where people are proud to give, or even find it easy to give.

We must celebrate the donor more. People like to be seen to be doing good, but too often the generosity of donors goes unrecognised. Giving should be more visible, at all levels, from the small donation, where there should be more acknowledgements in programmes and publicity, to the major gift. Those who give to arts and culture should be celebrated more publicly by the beneficiaries of their generosity; donors should appear more often in the public honours list.

We must involve the donor more; a gift should be the beginning of a relationship. One way is by getting people to give their time and experience. Volunteers have a strong sense of social ownership and are a key base for fund-raising. But just as the arts and culture are the last in line for charitable giving, they also attract small numbers of volunteers.

Percentages of UK Population involved in voluntary work during the past twelve months

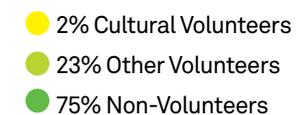
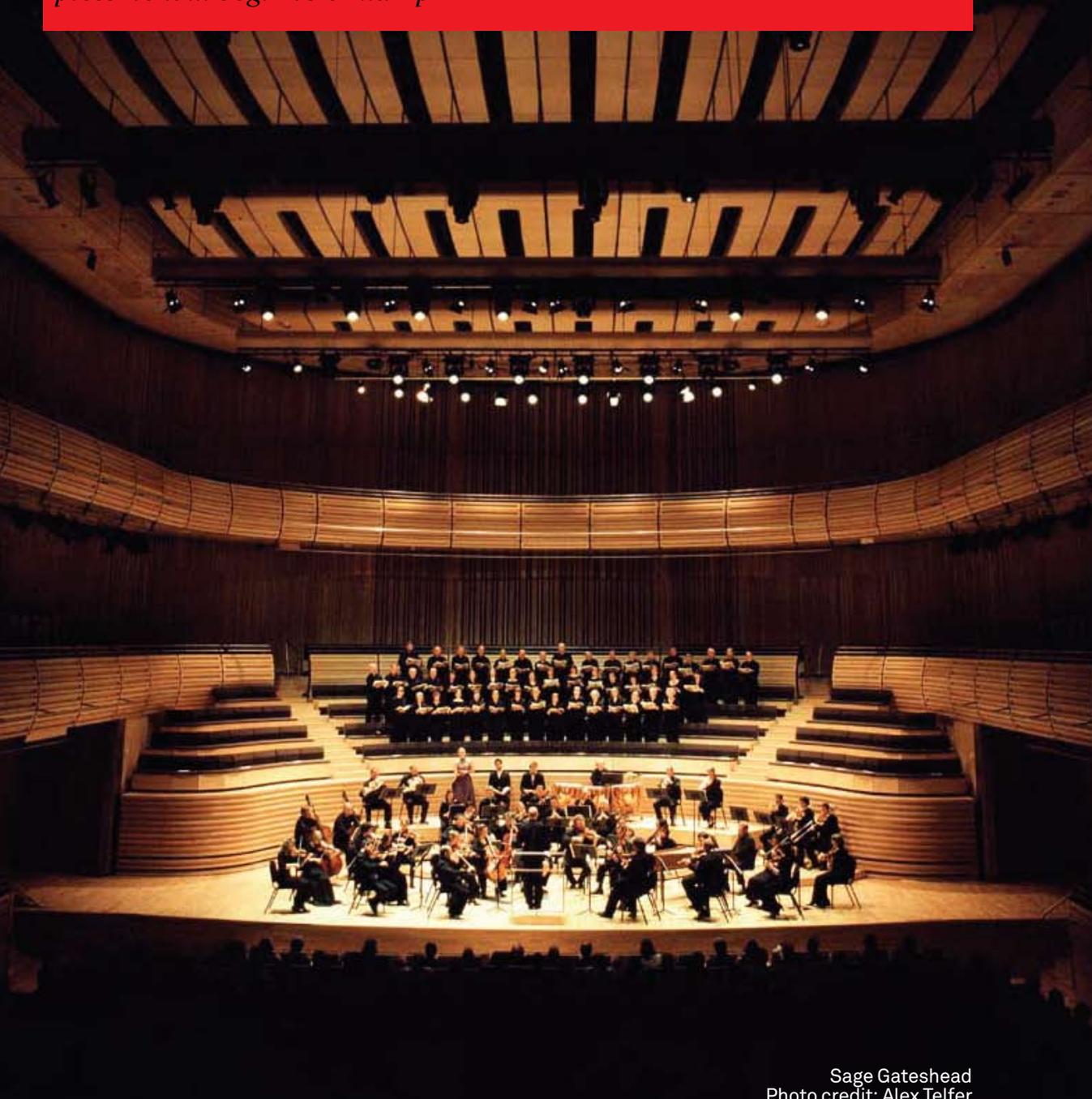


Table 8. Source: Arts Council England 2007

**Volunteering has to be encouraged at all levels,** from giving an afternoon to act as an usher, to serving on a board. Similarly, we have to develop new, engaging ways to give that will stimulate the giving habit.

**Philanthropic Leadership** After fifteen years as a City financier Tom Hughes-Hallet joined the charitable sector, and is now chief executive of Marie Curie Cancer Care:

*“We’ve got to find some way, through role models and through scrupulously placing the newspaper articles, to make people think it is OK to tell the world they have given money, because then the peer pressure will begin to build up”*



Sage Gateshead  
Photo credit: Alex Telfer

People who have been successful should be encouraged to show **philanthropic leadership**, giving of their time and expertise, and encouraging their employees to do the same. Working with a cultural organisation should become part of an individual’s career development, encouraging both creativity and a sense of civic responsibility. And it doesn’t have to stop there. There needs to be a new generation of “venture philanthropists”, setting up their own charitable organisations and applying their business acumen to the world of culture and the arts.

**Venture Philanthropy** In 2005 fund manager Bill Bollinger went a step further than simply giving money to the arts, by setting up his own charity Independent Opera to help music college graduates make the transition to a professional career:

*“If all that was done in the name of charity was to redress dire need in the world, we wouldn’t have the Sistine Chapel or Handel’s Messiah. Those beautiful things might seem frivolous to some people, but they touch our soul, and if you don’t engage with things that touch your soul, what are you doing here?”*

**Giving is a way of bringing people together.** There are many Friends’ organisations that provide a valuable link between cultural organisations and their public, but there are other ways for people to come together to support an organisation or a cause.

As well as being commercial sponsors, businesses should encourage company-wide payroll giving to a chosen organisation by matching the contributions of the staff with funds from their social responsibility budgets.

**The New Philanthropy** Outset Contemporary Art Fund is dedicated to supporting new art. Set up by Candida Gertler and Yana Peel in 2003, the charitable foundation focuses on bringing private funding from its supporters and trustees to public museums, galleries, and art projects.

The Fund has supported most of London’s leading visual arts institutions with their capital campaigns, education, outreach and programming needs and has donated nearly one hundred works of challenging contemporary art to public institutions across Britain.

In a new development, it has recently set up Further Outset to develop similar initiatives across the country.



**Creative Giving** Birmingham Contemporary Music Group's Sound Investment scheme is an exciting partnership between the Group and audiences to support living composers. The amount of money needed for each new work is divided into Sound Units of £150.

Members of the public are invited to buy one or more units in the composer of their choice. The scheme is open to everyone and participants are able to get involved by attending rehearsals and premieres, and meeting composers and performers. Since 1987, the Group has given over 100 premieres of new pieces and in total has given over 400 performances of these new works.

**Giving creates personal satisfaction**, but there are also ways in which to give that offer additional benefits both to the recipient and the donor. One reason why the arts and culture do less well in terms of private giving is that they do not promote their charitable status. There is a need for an organisation dedicated to promoting individual giving to the arts and culture, that provides easy access to advice about how to give, and information about where to give.

Organisations like [theBigGive.org.uk](http://theBigGive.org.uk) and [justgiving.com](http://justgiving.com) have shown how to make charitable giving easier: we need to make it as easy as possible to give to culture.



Seat from Southbank Centre's  
Name a Seat Campaign

**Shared Giving** A little can add up to a lot. As part of the capital campaign for the restoration of the Royal Festival Hall, over 1,500 people supported the appeal by naming a seat in the auditorium. From £300 they were able to buy a plaque affixed to a seat bearing the name of a friend or family member.

This was a unique way to give back to the community, pay tribute to years of enjoyment of the Royal Festival Hall or honour someone special.

# Making it easier to give

People must first be encouraged to give, but how much better it would be if they could give in a planned way, one that is tax efficient, for both giver and government. This is especially true in the arts and culture, which are able to attract high-level donors who are more likely to benefit from tax advantages.

Gift Aid was first introduced in 1990, and, when legacies are set aside, accounts for more than 90% of all charitable giving. In the light of experience, changes were made to expand its operation in 2000 and 2008, but the system for encouraging giving through tax relief is still not being used as effectively as it might. A national campaign is needed to promote the use of Gift Aid throughout the charitable sector. There is also a need to create new ways to give.

Gift Aid gives tax advantages to both giver and receiver. Under Gift Aid, charities are able to reclaim the standard rate of income tax from certain donations, thus increasing the cash value of the gift. In addition, donors who pay the higher rate of income tax are able to reclaim the difference between the standard rate and the higher rate of tax for themselves. The bigger the gift the bigger the return.

**Increasing the Pool of Givers** Philanthropy UK believes that the wealthiest 10% of the population – sometimes known as the “mass affluent” – could double their giving. At present the poorest 10% of the population give about 3% of their income, while the richest 10% give barely 1%.

Value of gross individual donations through Gift Aid, 1990/91 to 2004/05, £billion, (adjusted for inflation)

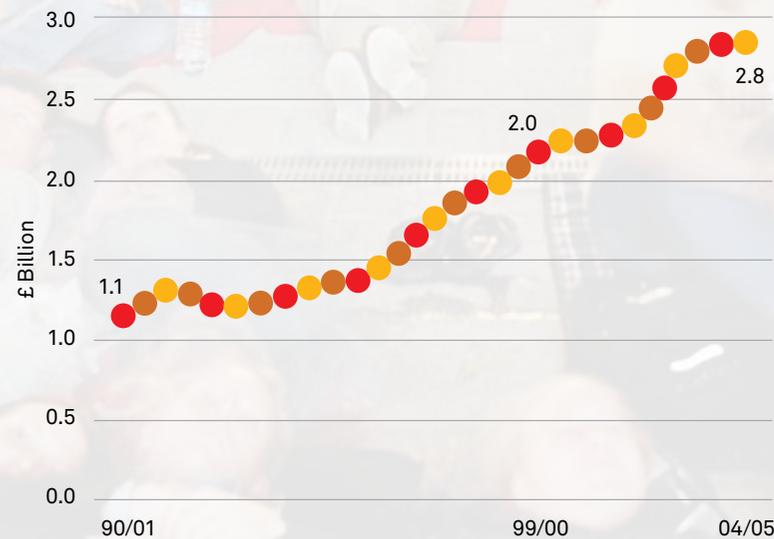


Table 9. Source: CAF 2006



**How Acceptance-in-Lieu works** Taxpayers are able to transfer important works of art and other heritage objects into public ownership, and set their value against Inheritance Tax on their estate. The taxpayer's estate is given the full open market value of the item, which is then allocated to a public museum, archive or library.

**Expanding the use of Gift Aid.** One of the unintended consequences of the 2007 budget was that the reduction in the basic rate of income tax to 20% means that charities will be able to reclaim less tax, although the government has made £100 million a year available in transitional support, and introduced measures to bring smaller charities into the Gift Aid scheme.

Charities have found it difficult to sign up for Gift Aid. They have been failing to reclaim all the tax they could claim, about £700 million every year, while a significant number of higher-rate donors are not all claiming the tax relief they are entitled to. If money is not claimed, arrangements should be made for it to be available for charity, rather than staying with the Treasury. Some regular donors direct their giving through separate Charitable Accounts. The managers of these accounts should be allowed to reclaim the Gift Aid higher tax relief on the donor's behalf.

There are complicated restrictions on what charitable organisations can reclaim from Gift Aid in relation to admission charges and the benefits that come from belonging to a supporters' organisation. If a donor receives a benefit, even if only as a member of a Friends' organisation, a proportion of Gift Aid relief is deducted, and there is an upper limit of £500 on the amount of benefit that any donor, even one who gives millions, can receive. These restrictions make it more difficult to build up long-term relationships between institutions and potential donors.

**Above all, Gift Aid needs to be made more user-friendly.**

**Tax relief** now covers gifts of cash, of stocks and shares, and of land – but not of objects that would be valuable additions to museums, galleries, libraries and archives. These gifts can be tax-efficient if the donor is dead, through the acceptance-in-lieu scheme, but have no advantage for the living. Comparable benefits should be available to the living who wish to donate significant cultural objects in order to preserve them for the public benefit. It would be a simple matter to apply the principles of the acceptance-in-lieu scheme to allow living donors to have a similar tax benefit through income tax and capital gains tax relief, during their lifetime. In the last ten years acceptance-in-lieu has brought over £250 million-worth of works into the cultural sector.



**Being Creative about Giving: ARTIST ROOMS** In February 2008, it was announced that a new modern art collection, to be known as ARTIST ROOMS, had been established, created through one of the largest and most imaginative gifts of art ever made to museums in Britain.

The gift was made by Anthony d'Offay, with the assistance of the National Heritage Memorial Fund (NHMF), The Art Fund and the Scottish and British Governments. The transfer of ownership was made under a part gift/part sale at cost agreement. The collection has been valued today at £125 million and will be jointly owned and managed by National Galleries of Scotland and Tate on behalf of the nation.

The primary aim is to create a new national resource of contemporary art that will strengthen displays and create exhibitions in museums and galleries throughout the UK so as to inspire new audiences, especially of young people. The agreement also includes a provision for the establishment of a £5 million endowment fund by the National Galleries of Scotland and Tate, ensuring that the collection can continue to grow in the future.

**Encouraging lifetime giving.** Because giving involves a positive relationship between donor and recipient, more people would be encouraged to give if the rewards for giving came when they were alive. Lifetime giving of works of art would be a breakthrough, but it would also be possible to set up lifetime legacies, with similar capital gains tax and inheritance tax exemptions to conventional legacies. People who are willing to give, but who are unable immediately to release their assets, or wish to be sure that they will have a secure income during their lifetime, could place their assets in a trust, with the benefits of tax relief and an assured income, while the chosen organisation could share in the profits of the trust, and eventually receive the assets on the donor's death.

**Making giving a journey:** the cultural sector is good at involving people and encouraging them to give, but there is so much more that could be done. Once people are willing to give to one cause, they are more willing to give to another. To get the giving habit, people need to look upon giving as a lifetime's journey, with those who gain the most from their enterprise being willing to give the most back to society.

The journey starts with a single Gift Aid donation, beginning a relationship with a cultural organisation that develops as the donor gives time and expertise. The more affluent can set up Charitable Accounts, to manage their giving, and the tax benefits that accrue.

The next step is to set up an individual trust, possibly with members of the family, to pursue a particular interest. With changes in the law, that trust could in turn become a Lifetime Legacy, so that the donors can see the organisation thrive during their lifetime, and be assured of its future after their death.

**It just takes the first step...**



**As cultural organisations, we have to lead a social change that will create a national culture of giving. Private interest has to be reconnected with the public good.** Philanthropy plays a key role in civil society: it makes the link between the private individual and the public realm; it generates a positive gain for the giver, and for those who benefit, directly and indirectly, from private generosity. A citizen that gives back is an engaged citizen, part of a renewed society.

Private giving creates public social capital. It encourages social enterprise and creativity and reduces dependency on the state. Private giving to the arts, culture and heritage can encourage the risk and innovation that is inhibited by the necessary accountability of state funding organisations. The driver is creativity, feeding the creative industries and unlocking private enterprise to build on the philanthropy of the past.

It does not, however, absolve the government of its responsibilities. The government is the guarantor of the public realm, and of the long-term continuity of our cultural institutions. The legacy that founded the British Museum could not have been carried through without state support. The British Library, Royal Shakespeare Company, National Theatre, National Gallery, Tate and all the other institutions that shape cultural life in Britain depend on a framework of government aid. Private money needs the confidence of government leadership. But, as has been argued here, there are many ways in which government action can expand the range and scale of private giving.

**This is the beginning of a fundamental change.**

**Together, private individuals of all degrees of wealth, existing trusts and foundations, business sponsors, and local and national government can rediscover the core values that created the cultural fabric of this country.**

**Those values are imagination, creativity, co-operation, generosity – and a willingness to invest in the future.**

*“One of our great British qualities has always been - and is today - our strong sense of personal and civic responsibility and reciprocity - an understanding that those who benefit from citizenship have also an obligation to give something back in return. This is what defines us at our best.”*

**Gordon Brown**

#### Notes to Table 7

- This information is compiled from the Annual Reports of each institution, except the Bournemouth Symphony Orchestra, which provides percentages on its website
- All information relates to the fiscal year, 2006/2007, except for the English National Opera and Sheffield Theatres, for which 2005/2006 is the latest information available, and The Sage Gateshead, which represents a projection for 2008/2009
- “Giving” includes corporate and individual giving
- “Earned Income” includes Box Office Receipts and other revenues such as Catering, Consultancy and Corporate Hire
- “Other” accounts for interests and dividends that might occasionally be accrued from assets and stocks
- “Public Funding” includes grant revenues from public bodies, such as Arts Council England, local authorities and others. In cases where Stabilisation grants were also made, these are included

#### Bibliography of sources

- The Sunday Times Rich List, 2007
- W.D.Rubinstein (2006) Men of Property: The Very Wealthy in Britain, Social Affairs Unit
- Arts Council of Great Britain (1980) Progress and Renewal: the 35th Annual Report and Accounts
- The Art Fund (2006) “Spending by Major Museums on Acquisitions 2004-5”, <http://www.artfund.org/policyandcampaigns/research.html>, accessed 24 February 2008
- Artprice (2007) Art Market Trends 2006, Paris
- Arts & Business (2008) Private Investment in Culture Survey, 2006-7
- Arts Council England (2007) Informing change. Taking Part in the arts: survey findings from the first 12 months
- Charities Aid Foundation (2006) Briefing Paper: Analysis of Giving Through Gift Aid
- Charities Aid Foundation/National Council for Voluntary Organisations (2007) UK Giving 2007
- Andrew Clark (2008) “Thanks a Million”, Financial Times 23/2/2008
- Nicholas Goodison (2004) Goodison Review: Securing the Best for our Museums: Private Giving and Government Support
- Home Office (2005) A Generous Society: Next steps on charitable giving in England
- Rob John, Rhodri Davies, Louisa Mitchell (2007) Give and let give: building a culture of philanthropy, Policy Exchange
- Mark Jones (2006) “Acquisitions: the current crisis” National Museums Directors’ Conference briefing paper
- Philanthropy UK (2008) ‘Charitable Giving in the UK and US’, [http://www.philanthropyuk.org/Resources/US philanthropy](http://www.philanthropyuk.org/Resources/US%20philanthropy), accessed 3 March 2008
- Abigail Self & Linda Zealey (2007) Social Trends 37, Office of National Statistics