

Giving for troubled times

This year, resolve to stop spending money on useless 'things' and give it to people who are having a harder time than you. The resulting glow will keep you warm

I was chatting recently to a generous friend. She and her husband had just had one of those conversations entitled: 'How are we going to get through the next few years?' They had discussed the chances of them both keeping their jobs, the impact this might have on their ability to continue paying their mortgage and covering their children's school fees – in effect how to survive the oncoming recession. And then they had quite reasonably talked through the impact this would have on their giving, which they plan annually.

They decided that in times of greater need, they would maintain their promised giving to various causes. But their discussion will no doubt be echoed by many over the coming months. This, in a nutshell, is the problem charities now face: a Catch-22, with increased demand for services against falling income.

Stories have begun reaching me of charities facing possible closure this winter, new projects being put on ice and current programmes being reviewed and reduced. Back in October, with my charity trustee hat on, I agreed to put a major redevelopment project on hold despite two years of planning and investment. What seemed a good idea even six months ago quite simply isn't today.

Charities could face a funding shortfall of £2.3 billion as a result of the economic downturn, according to research commissioned by PricewaterhouseCoopers, the Institute of Fundraising and Charity Finance Directors Group. Their survey of 362 charities reveals that 45 per cent expect income from trusts, lottery and foundations to fall in 2009, and 51 per cent expect corporate giving to fall. A further 38 per cent said they expect legacy income to decline.

Almost all those charities are reviewing their plans, cancelling projects and starting to make people redundant. Shelter, Oxfam, the NSPCC and Scope have already announced redundancies; many more will follow. Sensibly, most are keeping their fundraising teams – commandos sorely needed for the battles ahead. The charity chief executives' body, ACEVO, has called on the government to demonstrate its commitment to the sector by addressing the needs of charities as urgently as those of businesses and banks.

Their wish list includes a £500 million government fund to help charities stay solvent, Gift Aid reform and an Icelandic bank guarantee scheme to protect up to £200 million of charity funds caught up in the Icelandic debacle. Cats Protection and Naomi House Children's Hospice are two of the 48 charities affected by the collapse and they do not know when, or even if, they will have their money returned. (You might feel that rather than investing in Iceland they should have been spending it on cats or children, but reserves are an essential part of charity management).

The hard truth is that charities are going to have to



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FROZEN ASSETS
One of the 48 charities affected by the Icelandic debacle

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fight not only for their clients' welfare, but for their own existence. Many will cease to exist, while others will merge. Your mission is to select the ones you really care about and get stuck in to support them. And remember – your favourite charity needs you.

So what should a generous giver of good heart do in 2009? Here are your New Year resolutions, starting with two don'ts. Don't give money to charities with huge reserves. The Charity Commission has all the accounts online so there's no excuse (www.charity-commission.gov.uk). But you would be absolutely amazed how many people give to – and yes, I will name one – the RNLI, for instance, out of habit and 'because we're an island'.

There's a limit to the number of lifeboats Britain needs: the charity retained almost £30 million last year and has £280 million in 'long-term investments'. It is not facing the same financial crunch that's destroying grass roots charities. Even Harvard alumni have wised up and are questioning the merits of writing cheques for Harvard's \$30 billion endowment fund, while people go hungry and homeless in their own communities.

Don't give to charities that go out of their way to annoy you. Like charities who employ chuggers (or 'charity muggers', who fundraise in the street), where most of your first year's donation goes to the chugging company and to pay the chuggers themselves. A recent survey carried out by Intelligent Giving found that a significant number of chuggers 'didn't have a clear grasp of what the charity they were representing actually did'. Or to telephone sales people, who call you at eight in the evening, asking for a donation.

Don't give to people who appear on your doorstep at inconvenient times with bright smiles and strange tales to tell; or to charities that send you free pens through the post, or terribly designed cards you wouldn't send to your aunt. And should your neighbour's daughter ask for a donation for her gap year in Namibia, suggest she gets herself a job at WH Smith!

Two dos: Do keep up your direct debit to the charities you care about and if you can increase it, do. Now, more than ever, they need your support. If you don't have any direct debits, start one now, however small. Regular, unrestricted income is gold-dust; it enables a charity to plan. And put your hand up to volunteer – 'doing' is the new giving.

Do support small- and medium-sized charities that contribute towards the health and care of your own community – or are attempting to do something worthwhile, like actually save human lives in Africa or educate the poor in India.

The fact that next year is likely to be rough for you means it is going to be a whole lot tougher for millions of others. Resolve to stop spending money on useless 'things' and give it to people who are having a harder time than you. I guarantee the resulting nice warm glow will keep you going! ●