

To the letters editor,
Financial Times

Sir,

The headline in your editorial today ("Charitable giving cannot substitute for the state" 12 September.) is correct but you do not make the case for more philanthropy at a time when it is particularly needed. A smaller state will put additional demand upon a voluntary sector that is not equipped to respond.

Charitable giving has not grown in real terms for 30 years despite a colossal increase in personal wealth and the halving of the top rate of tax since the 1970's. 9 billionaires were based in Britain in 1989 and the current number is estimated to be 117. Whilst society has benefited from the generosity of a few, the majority of the wealthy is not philanthropic. National Philanthropy Capital report that 44% of top rate tax -payers feel under no obligation to give to charity. A parliamentary report in 2014 (Creating An Age of Giving) says that the proportion of households donating to charity fell from 32% in 1978 to 27% in 2010. Particularly worrying, although perhaps not surprising, the share of donations received from the under-30's fell from 8% in 1980 to 3% in 2010.

No political party has a coherent strategy to strengthen the voluntary sector by encouraging more charitable giving by all of us as well as the rich.

You may be correct to question whether spending up to £6.5 billion on tax relief is in the public interest but beware of discouraging more giving. As a trustee of the (publically funded) Royal College of Music, I would not have been able to make a six figure gift to fund scholarships in perpetuity without tax relief. As a result, our most talented young musicians will be able to study despite not being able to pay fees. The key question must be whether tax relief for donkey sanctuaries and cats homes is in the public interest.

A healthy society depends upon commitment to the common good. Everyone should pay tax and those who are able should give. Philanthropy, however, is and should be a matter of personal choice, and that is why charity cannot substitute for the state. Those who believe that charitable giving can compensate for a smaller state are deluding themselves.

John Nickson.

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