

Charity

Millionaires expect billionaires to plug charity gaps

Survey finds the wealthy believe giving is responsibility of the even richer



Growing wealth inequality has sparked calls for higher taxes on large incomes and established fortunes

Stefan Wagstyl, Wealth Editor 8 HOURS AGO

Many of the world's multimillionaires are limiting their donations to charity because they think supporting good causes is for those even richer than themselves.

A survey by Barclays bank of 400 multimillionaires across nine countries to be published on Saturday, found that 75 per cent believed philanthropy was the responsibility of those wealthier than themselves.

Some 46 per cent think financing good causes is the state's job, 29 per cent say family and business commitments come first, and 27 per cent cite a lack of faith in how charities are run.

The study comes as ethical questions over wealth accumulation and growing inequality rise up the political agenda, sparking calls for higher taxes on large incomes and established fortunes.

Elizabeth Warren, a leading candidate in the Democratic race to challenge US President Donald Trump, has [provoked criticism from billionaires](#) with her plans for a wealth tax in a dispute that has resonated globally.

Lloyd Blankfein, the former Goldman Sachs chief executive, [criticised the candidate](#) after featuring in a Warren campaign video. "Vilification of people as a member of a group may be good for her campaign, not the country," he wrote on Twitter.

The Barclays report, published just as the peak, year-end, fundraising season gets into full swing, surveyed 400 people with assets of £5m or more in the UK, France, Germany, Italy, Saudi Arabia, the United Arab Emirates, Hong Kong, Singapore and India

It said a poor understanding of charities, insufficient control over the use of donations and recent scandals had all contributed to a wider “lack of faith” in charities.

The Barclays study largely excludes the US, where the rich are, by international standards, big donors, with charitable gifts amounting to over 2 per cent of gross domestic product. Donations in other leading economies sit well below 1 per cent, with the UK ranking top in Europe at just over 0.5 per cent of GDP.

According to a 2016 report from the Charities Aid Foundation, a UK umbrella body, France, and other mainland European countries, with big state-led welfare services, donate less than 0.3 per cent of GDP. South Korea ranks top among non-European countries on 0.5 per cent.

There is a glimmer of hope for charities in Barclays’ “Barriers to Giving” findings as 59 per cent of the multimillionaires polled acknowledged that they should give more, with 14 per cent disagreeing. The authors argue that charities and their advisers should act on the basis that donations could be increased and focus on reducing the perceived barriers to giving, especially a communication gap between potential donors and charities.

In a clear reference to the sexual misconduct allegations that rocked Oxfam, the global development charity, the report says scandals can often create the mistaken impression that the whole sector is badly run, putting off donors.

Matthew Bowcock, a high-tech entrepreneur and co-founder of the Beacon Collaborative, an organisation bringing together charities and philanthropists, which supported the Barclays study, said big donors should not be seen as “cheque books” but people who wanted to “engage and share in a mission”.

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