



**Cass Business School**  
CITY UNIVERSITY LONDON

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**Migrant giving culture boosts support for UK charities**

*Study suggests migrants are more generous to good causes than other UK households*

Migrants are boosting donations for UK charities thanks to a “remittance culture”, say academics, who also found that families sending money abroad were more likely to give to British charities than other UK households.

Researchers found that 42 per cent of UK households who send money overseas also give to British charities, compared to just 29 per cent of the general UK population.

The findings come from a new study by Cass Business School’s Centre for Charitable Giving and Philanthropy which examined patterns of remittance and charitable giving among UK migrant and minority groups.

Based on the spending habits of more than 63,000 households, the study reveals how the often-overlooked giving culture of remitters, now widely regarded as making a significant contribution to international aid, is strongly linked to financial support for UK charities.

Co-author of the study, Professor Cathy Pharoah of Cass Business School, said: “The findings of our study indicate that there is a relationship between remitting money overseas and donating to UK charities which cannot be explained simply in terms of the age, educational, or spending characteristics of the household involved. A common generosity may be driving all such behaviours.”

In 2012, the World Bank estimated total UK remittance transfers hit \$23.16 billion, a figure expected to rise by eight per cent this year.

According to Cass’s study, five per cent of households in the UK send money overseas. Among these households, overseas remitting is worth an average of £31 a week, or 3.9% of household budget, and households that remit money are more likely also to donate to UK charities. Charitable giving represents around 1.6% of donor household budgets in the UK.

The findings showed that remittances and donations are often made at considerable personal cost. Over one tenth of households who sent money overseas were at risk of poverty, surviving on a typical weekly budget of under £166 for two adults.

Black or black British populations were found to be at the highest risk of poverty, and were also the most likely to send money abroad. They also gave the highest share of their budget to charity, 2.5 per cent compared to the average of 1.6 per cent. A quarter of all households who sent money overseas lived in London.

Professor Pharoah said the findings have important implications for government policy and its Big Society concept. “As government looks to empower communities to develop their own local resources at a time of austerity, norms of giving amongst the UK’s migrant and minority groups provide valuable models for shared community responsibility, and of direct

giving to extended family and community needs. Surveys of giving in the UK have overlooked such models.”

She added: “Migrant communities should be supported in making use of the most tax efficient ways of supporting good causes at home and abroad.”

In a foreword to the research, Shadow Minister for International Development, Rushanara Ali, writes: “Shifting patterns of population mean the trend for remittance payments is on the increase as more people than ever live and work abroad and feel a sense of connection to their country of origin, while also, as this report shows, giving to meet the needs of countries where they reside.”

*‘Giving back to communities of residence and of origin: An analysis of remittances and charitable donations in the UK’ by Professor Cathy Pharoah and Tom McKenzie of Cass Business School. The research was funded through a grant from Trust for London.*

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## **CASE STUDIES**

Researchers at Cass Business School also conducted in-depth interviews with more than 30 migrants to shed light on their motivations for remitting.

Although some of the examples of remitting involved direct investment for family and personal benefit, most interviewees sent remittances and donated out of kindness and responsiveness to perceived community needs.

Many channelled their gifts towards root causes of disadvantage through investing in education and health and they provide immediate and direct overseas aid in relation to poverty and deprivation. The remitters, like many overseas charities and donors, are strongly aware of the impact that small amounts of money can have in developing countries.

The findings suggest that remittance giving is an important expression of the generosity and giving culture among migrant and minority communities in the UK.

### **Nazmul (Bangladesh)**

Nazmul is female, 27 years old and was born in the UK to Bangladeshi parents. She works four days a week for a community welfare organisation and remits money to Bangladesh indirectly via her parents. *‘You give what you want . . . When I give it’s because I want to.’* The money is sent to relatives who are in need. As well as going toward food or medical treatment it is spent on agricultural livelihoods – buying seeds, trees, soil, fertilisers and machinery. *‘A lot of people are eating from it!’* Nazmul’s parents receive regular phone calls from these relatives. *‘Maybe you get four calls. But you can’t send money to all of them, so you have to decide which one gets it. Is it for health, for food, for school?’* Nazmul also donates to disaster relief charities. She and her friends set up an annual fundraising project three years ago between 20 young women; they borrowed a space from the community centre where she works and held a henna party to raise money, last year, for the East African drought and famine crisis. Women came along to have their hands painted and all

the money was collected to donate to charity. *'Charity isn't something you brag about. Otherwise, it becomes something you polish your ego with. I can see it in myself, it's easily done [ . . . ] Giving to charities: it's not about faith but it's faith-inspired.'*

### **Awale (Somaliland)**

Awale, 32, came to the UK from Somaliland in 1997. She is single, has no children and holds a bachelor's degree in International Relations, French and Arabic. She remits £200 to her 67-year-old father in Somaliland as often as she can. He uses the money to support his two sisters, their children and several orphaned nieces and nephews. Awale also regularly donates £10-20 to charities, including Cancer Research, Amnesty International, Save the Children and the Refugee Council.

On the reasons for choosing these causes: *'If I cannot help a child in Somalia, then should I not help a child here in the UK? That would be wrong.'*

Regarding her donations to the Refugee Council, she says: *'I'm struggling so I would like to help others who struggle like me.'*

### **Taban (Somalia)**

Taban is 24 years old, male and from Somalia. He has no children, holds a degree in biomedicine and works part-time as an accountant in the UK. Taban remits £25 per month to Somalia, which provides for his uncle's education. He also donates £10 per month to the NSPCC.

*'Here in the UK you give to local needs, depending on your own experience. You give to rape, childcare, maybe because you went through that. But then when we give through something like Muslim Aid, it goes [towards creating] stability over there.'*

*'People go through a lot. But you can get a job here. Over there it's 99% unemployment. I have to give to my family, they're my blood.'*

### **Ting (China)**

Ting is a 45-year-old woman from China, where she left her son. In the UK she works as a self-employed tailor. Ting remits £800 per month to cover her son's school fees and contribute to her parents' healthcare. She also donates at least five times a year to breast cancer research and NSPCC, and reports that her last donation was £5 to breast cancer research.

*'I donate to charities through choice and it is dependent on how much I can spare at the time, whereas remitting to me is providing for my family and the basic necessities, and it must be a regular amount at a fixed time so they do not have to worry. Donating to me is when you have surplus to give to help others outside your family.'*

### **Juan (Bolivia)**

Juan is a 52-year-old man from Bolivia. He has three children in the UK and another child in Bolivia. He trained and worked as a chemist in Bolivia; in the UK he works as a cleaner. Juan remits US\$200 per month to pay off a loan and support his sister and nephew in Bolivia. He also gives money to beggars in the UK and his wife donates £6 a month to the RSPCA due to her 'softer heart'. *'First I take care of my family, my children, then I think about [donating]. Sending money is not an obligation but a duty.'*

## **ABOUT CASS BUSINESS SCHOOL**

Cass Business School, which is part of City University London, delivers innovative, relevant and forward-looking education, consultancy and research.

Cass is located in the heart of one of the world's leading financial centres. It has strong links to both the City of London and its corporate, financial and professional service firms, as well as to the thriving entrepreneurial hub of Tech City – located close to the School.

Cass's MBA, specialist Masters and undergraduate degrees have a global reputation for excellence, and the School supports nearly 100 PhD students.

Cass offers one of the widest portfolio of specialist Masters programmes in Europe. It also has the largest faculties of Finance and Actuarial Science and Insurance in the region. It is ranked in the top 10 UK business schools for business, management and finance research and 90% of the research output is internationally significant.

Cass is a place where students, academics, industry experts, business leaders and policy makers can enrich each other's thinking. [www.cass.city.ac.uk](http://www.cass.city.ac.uk)

## **ABOUT THE CENTRE FOR CHARITABLE GIVING AND PHILANTHROPY**

The ESRC Centre for Charitable Giving and Philanthropy (CGAP) is the first academic centre in the UK dedicated to research on charitable giving and philanthropy. It aims to develop charitable giving and philanthropy through building an evidence base and bringing researchers and practitioners together to share knowledge and expertise.

CGAP is funded by the ESRC; the Office for Civil Society, Cabinet Office; the Scottish Government and Carnegie UK Trust. CGAP is a consortium of institutions and is based on a 'hub and spokes' model, with each spoke leading on one of three research strands.

- *CGAP Hub* Based at Cass Business School, the Hub coordinates CGAP and its dissemination, knowledge transfer and stakeholder engagement activities, in partnership with NCVO.
- *CGAP Spoke 1* Based at the University of Strathclyde Business School, Spoke 1's focus is on individual and business giving, with a major research programme on entrepreneurial philanthropy.
- *CGAP Spoke 2* Based at the University of Kent and the University of Southampton, Spoke 2 has a number of research programmes on the theme of social redistribution and charitable activity.
- *CGAP Spoke 3* Based at Cass Business School and the University of Edinburgh Business School, Spoke 3 focuses on the institutions of giving including foundations, household giving and government.

For further information on CGAP, visit [www.cgap.org.uk](http://www.cgap.org.uk)

## **ABOUT TRUST FOR LONDON**

Trust for London is the largest independent charitable foundation tackling poverty and inequality in the capital. It supports work providing greater insights into the root causes of London's social problems and how they can be overcome; activities that help people improve their lives; and work empowering Londoners to influence and change policy, practice and public attitudes.

Annually it provides around £7 million in grants and at any one point it is supporting some 400 voluntary and community organisations. Established in 1891, Trust for London was formerly known as City Parochial Foundation.

For further information on Trust for London, visit [www.trustforlondon.org.uk](http://www.trustforlondon.org.uk)