

### Case Study: Inequality, Poverty and Wealth

A study reported in 2001 discovered that relatively poor people give more generously to charity than those with greater wealth. The project, entitled “The Widow’s Might: How Charities Depend on the Poor”, was conducted by Beth Egan of the Social Market Foundation, who examined the contributions of over 1000 individuals to ten British charities. It was found that although richer people gave more money in absolute terms, this comprised a smaller proportion of their overall income than was the case for the poor: in other words, the lower a person’s income, the more of their earnings they donated to charity. For example, those with an annual income of under £5000 gave away an average of 4.5% in donations, whereas for those with salaries of over £40,000, the figure was only 2%. The journalist Lucy Ward suggests that this challenges the assumption most of us hold that charities redistribute income from the rich to the poor: instead it would seem that charitable organisations rely upon those in relative poverty to support the most needy. Furthermore, there is a gender difference insofar as women are more likely to give to charity in general, but when men do contribute, they donate a higher proportion of their income. People born after 1950 were also found to be less generous in their donations than those born during or before World War II, which reveals an interesting shift in values between generations.

**Source:** “Poor give more generously than the rich”, Lucy Ward, *The Guardian*, 21 December 2001, p.8)

#### Questions:

1. Why do you think people with less money would give more of it away to charity than those who have more?
2. What do the findings suggest about the way people in different social classes spend their disposable income?
3. Do you think that these poor people who gave generously were in absolute or relative poverty?
4. How might we explain the gendered patterns of donating behaviour?
5. How might the study’s methods have been limited, in terms of the kinds of charitable donations that the researcher ignored?