LABOR MARKET BRIEFINGS SERIES

LABOR MARKET INFORMATION FOR RESEARCHERS

THE CHARITY SECTOR IN EUROPE
As part of the Labor Market Briefings Series, this report will give an overview of the Charity sector in Europe and how European researchers can begin making their career in the sector. While providing a general overview of the Charity sector, this report will focus on the Charity sector in three European countries, the UK, Ireland, and the Netherlands, as all three countries boast strong charity sectors. It should be noted that this is a general overview of the Charity sector and does not seek to give specific information, rather a glimpse of the sector.

The U.K. is by far the most generous country in Europe with over 80% of U.K. citizens donating to charity yearly.

Ireland

One of the top three most charitable countries in Europe, it is estimated that 2 out of every three Irish citizens donate to charity annually.

The Netherlands

One of the top three most charitable countries in Europe. It is estimated that Dutch citizens donate about 0.8% of their GDP to Charity annually.

Researchers in the Sector

**Occupations** - most researchers work as scientific researchers or in research management/market research positions.

**Research fields** - medicine, sciences, sociology, development, and management.

**Skills** - creativity, innovation, teamwork, flexibility, quantitative & qualitative, dedication, and commitment.
It is hard to define the charity sector in Europe as an economic sector as by definition charity is a non-transactional based donation of either time, money, or resources. As the donation and management of charity do have a significant impact on the economic structure of Europe we can, therefore, consider it as one. For the purposes of this brief, we are examining the sector exclusively in terms of monetary donations.

It is impossible to give a precise number to the amount of money donated to charity yearly in Europe due to anonymity concerns, lack of regulation/oversight, and differences in donation laws throughout Europe. Even with this imprecision, estimates put the total amount of money donated annually in Europe north of €87.5bn. Of the total charity donated annually, there are a number of sources of donation, the most prominent of which are individuals, foundations, corporations, and charity lotteries. Individual donations are by far the largest source of charitable donations accounting for about €41.348bn or 53% of total donations. This is followed by donations by corporations at €21.7bn (25%), donations by foundations €16.7bn (19%), and Charity lotteries €2.8bn (3%). In terms of individual donations, the Dutch (83%), Swiss (70%), and Polish (70%) are the strongest.

The total proportion of people throughout Europe who give charity on a regular basis amounts to 38%, which is a rise of 5% over the last decade. This trend is expected to continue as technological developments and the use of social media have reformed, for the better, how donations are given. When compared globally, this ranks Europeans as the second most charitable in the world after only the United States. The three causes for which Europeans give the most charity is International Aid for which Germany is the strongest, Social Welfare where France and Spain are the strongest, and religion in which the U.K. and the Netherlands are strongest.

The largest part of charity donations either pass through or are managed by Charitable foundations. These not-for-profit foundations, collect donations which they then use to fund charitable projects, most foundations usually have a single cause which they allocate the majority of their donations to. Recent estimates put the number of European Charitable Foundations at 148,000, the estimated value of the total assets held by these foundations is €433bn, with annual expenditures equaling close to €60bn.

Private companies in Europe and abroad are increasingly expected to play a part in social change, recently the EU has emphasized this with its SDGs for private companies. As a result, the amount of charity given by private companies has been steadily on the rise. For the most part, companies tend to make contributions to their field of expertise. Germany is by far the European leader in terms of private company charitable contributions, it is followed closely by the U.K.

Charity throughout Europe is on the rise. The number of donations made annually by individuals, corporations, foundations, and charitable lotteries is only increasing, with these trends looking to continue. While as mentioned before, the Charity Sector is not a strictly economic sector, it’s control of large amounts of monetary capital make the sector just as relevant as an economic one.
The amount of charity given in different countries throughout Europe is extremely diverse. Huge discrepancies exist between European countries in regard to average per-capita income, individual liquid monetary capital amounts, and giving culture. Therefore, it is very hard to compare countries based on their donating habits. Hopefully, we can better understand the European Charity sector by examining charity in the three most prominent European countries for charity. Those are the UK, Ireland, and the Netherlands.

The U.K.

The U.K. is by far the most generous country in Europe and is one of the most generous countries on Earth. Britain consistently ranks in the top ten most generous countries in the world. With estimates citing that over 80% of UK citizens (44 Million) give to charity on a regular basis. There are over 160,000 registered charities in England and Wales alone. The overall annual income of the charitable sector in the UK is around £43.8bn, contributing about £12bn to the UK’s GVA. In comparison, this makes the charity sector larger than both the U.K.’s Agriculture and Automotive sectors.

Spending in the sector amounts to about £1,578 every second or £136.4m a day on charitable activities. Individual donations come out to about £9bn a year, with the three most popular causes for charitable donations being research (33%), children & young people (30%), and hospitals & hospices. Interestingly, the charity sector in the UK is one of the most prominent players in medical research. Charities account for 60% of the cancer research money spent in the UK. UK Charities spend £1.3bn alone annually on medical research, accounting for 42% of all medical research in the U.K.

The sector employs over 827,000 people and is growing by 10,000 jobs per year. Employment in the sector has grown by 24% since 1997, compared to 9% in the private sector and 16% in the public sector. It should be noted that the sector is one of the largest employers of disabilities in the UK, with almost 20% of employees in the sector suffering from a disability. Employment opportunities in the sector are abundant and will continue to do so as the sector grows.

In terms of charity foundations, 90% of all UK charities have an income below £500k per year. Meaning that large charity foundations are the exception. Due, to the dependency on donations and public goodwill, the UK charity sector is extremely volatile. This is prevalent in small charities (those with an income of less than £25k per year) who often are forced to close unexpectedly due to lack of funds/donations. As the majority of UK charities have an income of less than £500K per-year turnover in the sector is quite large, with charities opening and closing constantly. The UK’s charity sector is the strongest in Europe and one of the strongest in the world. The sector is highlighted by large amounts of monetary contributions, a large number of charitable foundations, and an affinity to donate toward health based causes.
Ireland's charity sector is a large and diverse sector and plays a major role in life in Ireland. It is estimated that two in three people in Ireland consistently donate to charity. During 2014, the Irish Charity sector was hit heavily by mismanagement and abuse of funds scandals. Which directly led to a significant decline in the entire Irish charity sector, since then the sector has rebounded, posting growth rates over the last few years. Despite, scandals in its past, Ireland is still in the top three charitable European countries.

There are over 7,000 registered charities in Ireland alongside an additional estimated 25,000 additional community and voluntary groups. The total value of the Irish charity sectors income is €12.4bn, which equals over 3.25% of national income. In terms of charity organizations, most Irish organizations are small. With over 50% of Irish organizations having a total income of less than €100,000 a year, only 11% of Irish charitable organizations have an income above €1ml a year. 63% of charitable organizations in Ireland employ less than five employees, with only 5% of Irish organizations employing more than 50 employees. The largest single type of charitable organization in Ireland is educational organizations (26.3%) followed by recreation, sports (17%), interestingly charitable health organizations come in last (4%).

It is estimated that 100,000 people are directly employed in the charity sector in Ireland, which is on a path of consistent growth. Interestingly, 72% of employees in the Irish charity sector are female. While the Irish charity sector may not be as large of that of its neighbor in the UK. It still boasts an extremely large charity sector. Overall, the Irish charity sector is one of the strongest in Europe and in the world. While the sector’s recent history has been a bit up and down. The sector is trending upwards and is highlighted by strong and progressive employment in the sector.
The Netherlands—

The Netherlands is one of Europe’s most charitable countries, consistently placing within the top three in Europe and the top ten globally. The Netherlands’ Charity sector receives over €4bn yearly in donations, equaling an annual per-capita contribution of more than €250. About 70% of the Dutch people donate money to good causes each year. Donating, approximately 0.8% of Gross Domestic Product (GDP) to charitable causes each year. This number has remained stagnant over the last decade. Yet, there are worrying signs in the charity sector as total donations to the sector have been in decline since 2013.

In terms of sources of donation, the largest source of donations annually in the Netherlands comes from households who account for 51% (over €1,944 ml) of all contributions. After individual donors’ corporations were the next largest donors in the Netherlands accounting for 31% or (€1,363ml) in donations. This is followed by charitable lotteries (11%) and foundations (6%). The Netherlands has one of the largest groupings of charitable lotteries in the world, as mentioned the lotteries account for 11% of all donations, making it by far the largest share of donations by lotteries in Europe. The Dutch donate a lot to religion, making it the single largest sector of contribution, 22% (€806ml). Whereas, education and research are the smallest sources of charitable donations at 5%. After Religion, International Aid (13%) and Sports and Recreation (13%) are the next highest sector of contribution.

As mentioned before, after individual households, corporations are the largest source of donations in the Netherlands. Surprisingly, 70% of Dutch corporations donate money or fund charitable projects yearly. This is one of the highest rates of corporate donations in Europe and in the world. The majority of donations made by Dutch corporations are towards sports & recreational charitable purposes.

It is impossible to find relevant data on employment in the Netherlands charity sector. Donations in the Netherlands work interestingly as tax money is often used by the government to facilitate charitable works and projects. Therefore, many charity workers in the Netherlands are technically employed by the government and the charity sector dually. Historically, estimates have been as high as 14% of the Dutch labor force employed in the Charity sector. Overall, the Dutch Charity sector is one of the highest in Europe and in the world and is highlighted by strong donation tendencies of its populace and corporation and an affinity to donate towards religion.
The charity sector is one of the most overlooked sectors of employment, it is often associated with part-time or seasonal work or non-paid employment. This isn’t necessarily true, while the charity sector does contain a large amount of part-time and non-standard types of employment it also contains an abundance of significant employment opportunities. The charity sector contains many large charitable foundations and organizations who manage assets and endowments in the billions. These foundations often looked at as secondary places of employment, are willing to pay substantially in order to acquire top-tier talent to manage their large endowments and projects. Employment in the sector is abundant, as it has experienced sustained growth throughout Europe in the last decade. The majority of charitable foundations and organizations in Europe are small enterprises, with less than fifty workers. Therefore, most charitable foundations and organizations score highly in terms of employee happiness and overall welfare. Though, much like larger companies, larger foundations and organizations manage larger endowments and receive higher rates of donation making increased funding available for employment and activity purposes. Not all of Europe’s charitable organizations and foundations are small as there exist a large amount of world recognized charities on the continent. It’s clear that job seekers looking for good employment opportunities which have a positive impact on humanity should look no further than the charity sector.

Some examples of large Charitable foundations and organizations are:

**Europe**
The Knut and Allice Wallenberg Foundation, Realdania, and the Calouste Gulbenkian Foundation.

**The UK**
The Wellcome Trust, Garfield Weston Foundation, and the Church Commissioners for England.

**Ireland**
St. Vincent’s Healthcare, Mater University Hospital, and St. Patrick’s Hospital Cork.

**The Netherlands**
The Stichting INGKA Foundation, Leger des Heils, and Cordaid
Researchers and Ph.D. holders looking for a sector to begin their career in almost never look to the charity sector. The sector is stigmatized as having low salaries and being comprised mostly of voluntary work, this simply isn’t true. Thousands of researchers work in the charity sector, you just need to know where to look. When it comes to the charity sector the types of roles for researchers fall into two categories: hard research and research management/market research.

Hard research or the actual conducting of research can be found throughout the Charity sector. Many charitable organizations conduct research for the causes in which they are involved. For example, Cancer Research UK is a charitable organization in the UK that raises money to combat cancer. As part of their work, the organization conducts hard research into cancer prevention for which they employ hundreds of premier medical researchers. The majority of charitable organizations that conduct research in the charity sector are healthcare related. There is a number of well-paying employment opportunities for researchers in healthcare oriented charitable organizations, these organizations raise millions annually and are often at the cutting edge of research in their fields. Yet, healthcare-oriented charitable organizations are not the only ones who conduct research.

Most charitable organization conduct research in some form for their target cause. Some other significant types of charitable organizations that conduct research are international development organizations as well as sociological and public management organizations. The types of charitable organizations found in Europe are quite diverse, therefore, so are the types of degrees held by the researchers they employ. A holder of almost any degree can find a role in the charity sector as long as there is a charitable sector that operates in the degree's field.

Even so, the largest share of degrees in the charity sector is medical degrees, science degrees, sociology degrees, development degrees, and management degrees.

The second category of roles for researchers in the charity sector is research management and foundation management. As mentioned, many charitable organizations conduct large-scale research projects. Charitable organizations often need researchers to run these projects, creating research management roles for researchers, this is especially prominent in healthcare oriented charitable organizations. In addition to this, as charitable organizations are dependent on donations, charitable organizations need to orient themselves to maximize the number of donations they receive. In order to do this, charitable organizations often require extensive market research departments. Opening the door for public management, market, public sector researchers.

Some of the skills required of researchers and Ph.D. holders in the charity sector are creativity, innovation, teamwork, flexibility & adaptability, quantitative & qualitative skills, dedication, and commitment to causes. Overall, despite the fact that it is overlooked the charity sector has plenty of positions for researchers and Ph.D. holders.
European Philanthropy -
http://www.alliancemagazine.org/opinion/state-european-philanthropy/

The UK Charity Sector -
http://vcas.org.uk/sites/default/files/resources/Facts%20and%20Figures%20about%20the%20charity%20sector%20Sept%2014_0.pdf

Ireland’s Charity Sector -
https://www.wheel.ie/sites/default/files/Portrait%20of%20the%20Non-Profit%20Sector%202014_%20UpdateJun2014.pdf

The Netherlands charity sector -

Ten career paths for researcher -
http://www.jobs.ac.uk/media/pdf/careers/resources/10-career-paths-for-phds.pdf

Profiting from non-profits -
http://www.nature.com/nature/journal/v505/n7484/full/nj7484-575a.html