

cc R Booth and pm.

PRIME MINISTER

19 December 1986

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DKS
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THE WHITE ECONOMY

Further to the Percent Club Meeting this week and President Reagan's Conference in Paris last month on 'Private Sector Initiatives', which I attended, I now attach a UK balance sheet of what we term the 'White' (or charitable/voluntary) economy.

It will interest you that it has grown to an annual figure in excess of £10 billion. Public sector funding (excluding ODA) contributes a quarter of that amount. It is interesting that the percentage increase in public funding exceeds the increase in private funding this decade.

We are preparing some review proposals.

Hartley Booth.

HARTLEY BOOTH

The bus charges at
Lester - pretty phony
I've - some of
it is public
funded

THE 'WHITE ECONOMY'INCOME FOR UK CHARITIES & VOLUNTARY BODIES1 Gross sources of Charitable and voluntary bodies Income
(including public sector incentives and funding)

	1981 £m	1985 £m	
Household charitable giving	783	1,000	*1
Companies	60	120	
Legacies	107	200	m ?
Trust & Foundations	330	450	
?? Fees, Charges, Sales & Commercial and Public Grants	5,825	7,000	*2 ?? Voluntary?
Rents, Investments	886	1,000	Voluntary?
	8.1	9.8	

*1 Average figure between several estimates

*2 A highly conservative estimate

2. Public Grants and other Public funding of charities and voluntary bodies (excluding ODA)

	1981 £m	1985 £m
Quangos	719.8	966
MSC to charities	138	414
Central Government	139	224
Local Authority (Grants and Rate relief)	173	429
Tax concession (including Capital Transfer Relief Income Tax relief and VAT relief)	430	525
<u>Total</u>	<u>1599.8</u>	<u>2558</u>

The above statement was prepared with the assistance of the 'Charities Aid Foundation' and the Treasury. Treasury believe and CAF agree that some figures are speculative but are best estimates. Because Household giving includes collection tins this is particularly difficult to assess. Company donations may be a little high.