

HAVING THEIR SAY: WHAT THE PUBLIC LIKES AND DISLIKES ABOUT CHARITIES

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'Charities have faced increasing scrutiny over the past few months following disclosures in the summer over the rising number of executives with salaries exceeding £100,000 a year.'

The Independent, October 2013

'British people gladly donate to charity in good faith, but aggressive fundraisers risk turning our high streets into an unwelcome gauntlet of bolshie bucket shakers and clip-board waving connivers.'

Local Government Minister Brandon Lewis, June 2014

'Not everyone likes street fundraising, but it is a legal, legitimate and effective way for charities to raise money.' **Third Sector Magazine, June 2014**

Introduction

At NPC we have worked with charities for more than a decade to help them achieve the greatest possible impact for the people and the causes they serve. This mission would come under threat if the public lost trust in charities. This is why we are committed to understanding what the public thinks about the sector and what drives these attitudes, as well as sharing these findings with charities and exploring how best to respond.ⁱ

In October 2014, Ipsos MORI conducted an online survey on our behalf, with a representative sample of more than 1,000 adults across Great Britain.ⁱⁱ The headline findings from this polling are reported in two papers—*Matter of trust* (October 2014)ⁱⁱⁱ, which summarises the top lines from the poll, and *Charities, voters & trust* (December 2014)^{iv}, which explores whether public perceptions of charities can be segmented along party political lines.

In *Matter of trust*, NPC cautions the UK's voluntary sector that it cannot afford to be complacent about the way it is viewed by the public.^v 35% of respondents declared that they had little or no trust in charities (giving them a score of five or less out of ten), leading us to warn that public concerns about the sector are real and often strongly held, and that charities should address them *'in a transparent, robust way'*. At the same time, there are reasons to be positive. Charities still enjoy a comparatively strong standing with the public, and command a level of trust superior to that of many other institutions, including the monarchy, lawyers, and the BBC.

Both of these papers and this one (the third in the series) build on our initial polling with Ipsos MORI, *Mind the gap*.^{vi} Published in February 2014, here we posed an opening set of questions to ascertain whether the public were feeling more negative about charities, or less, and to identify their main concerns and expectations.

On an almost weekly basis, charities face criticism from various quarters, including politicians, media and the general public. Those involved in charities, as well as policymakers and commentators on the sector, will be familiar with complaints about spending, senior salaries, fundraising tactics, and (to a lesser extent) the role of charities. And as charities evolve and professionalise, it is likely that they will face more rather than less criticism. So it is vital that the sector listens to the concerns raised and gets to grips with what lies beneath these worries.

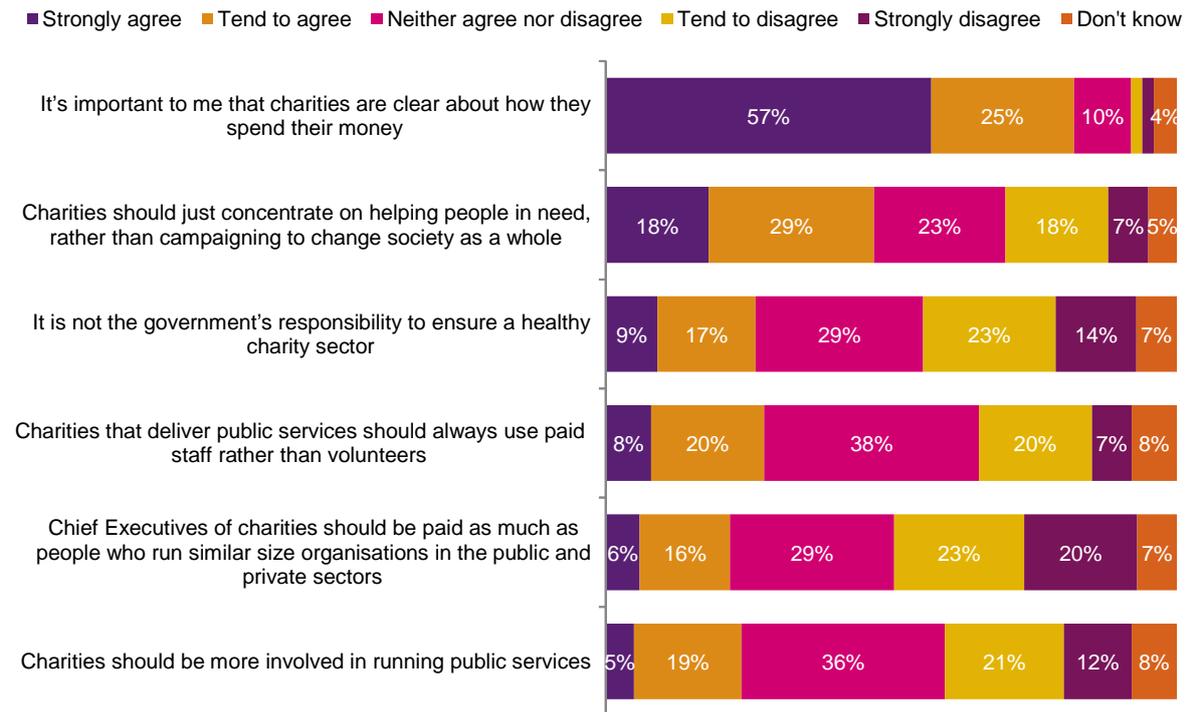
Focus of this paper

In this paper we examine our polling results in more detail, looking at the public's attitudes to charities across various dimensions and how this affects levels of trust.

We focus on responses to two distinct types of question. Firstly, we look at 'attitude statements'^{vii} where respondents are asked how strongly they agree with propositions on a five-point scale from strongly agree to strongly disagree. We refer to these as 'prompted questions', the responses to which are summarised below:

PUBLIC ATTITUDES TO CHARITIES

To what extent do you agree or disagree, if at all, with the following statements?



Base: All (1,009)

Secondly, we look at responses to the question: *‘What, if anything, do you think are the main things charities are doing wrong?’*. We refer to this as an ‘unprompted question’ because respondents are allowed to write whatever they like. We analysed the c.600 unprompted responses received and then categorised them under a number of specific headings (shown in purple below). These were then categorised under three broad headings: how charities use their money; how charities raise money; and what charities do (shown in orange).

PERCEIVED PROBLEMS WITH CHARITIES

What, if anything, do you think are the main things that charities are doing wrong? Please describe as many as come to mind.



Base: All (1,009)

As you can see from the chart above, when answering this question, a large proportion of respondents (43%) either provide no comment or say they do not know. This indicates that two in five of the population cannot easily think of anything in particular that charities are doing wrong.

When looking across the three broad categories (how charities use their money, how charities raise money, what charities do), we notice some small differences in terms of demographics and voting intentions.

- Men are less likely to raise any issue at all about charities (53% compared to 60% of women), and are less concerned about how charities use their money (27% raised this compared to 35% of women).
- By age, older people (aged 55-75) are more likely to report any concerns at all (67%), consistent with a previous finding¹ that older people are slightly more likely than average to be mistrusting of charities.
- By social class, differences are less pronounced, although those in social classes ABC1 are more likely to be concerned about fundraising issues (17% compared to 12% of C2DEs).

In our last report in this series (*Charities, voters & trust*^{viii}), we also highlighted that those who intend to vote UKIP in the next General Election stand out as having lower levels of trust in charities as a whole; this is also reflected in the findings discussed here. In response to this unprompted question, we found that UKIP supporters are more likely to raise *any* concern at all (68% compared to an average of 59% among those supporting other parties) and are also more likely to raise issues around each of the three broad categories we developed. In particular, UKIP supporters have concerns about how charities use their money (39% compared to 34% of people who support other parties and just 21% of people who do not intend to vote at all).

How charities use money

When asked if they agree with the statement: *'It's important to me that charities are clear about how they spend their money'*, an overwhelming 82% of the public agree compared to just 4% who disagree. Compared with other issues, this is the area that the public feels most strongly about.

There is a general consensus in the response to this question, and therefore few demographic differences to report on. We found some difference by age, with older people feeling particularly strongly that charities need to be transparent (91% of 55-75 year olds agree, including 68% who *strongly* agree). Politically, those who intend to vote for the Liberal Democrats are the most keen on charities being clear about how they spend their money (92%), compared to Labour voters who are the least concerned (76%).

When it comes to unprompted responses, about three in ten people (31%) highlight an aspect of the way charities use money as a concern. Most often this relates to the amount of money spent on running costs, administration, fundraising and salaries, but under this heading we also include concerns around transparency—*'not stating where the money is going'*. Opinions varied in intensity; some express a level of unease about whether as much money as possible is getting to the frontline, while others are more trenchant and speak of quite serious concerns.

'It is hard to know what the big national charities do with donations ie, if individual donations make any difference. This doesn't apply to small local charities, where one can see where one's money goes.'

'They don't publish where the money is going. They pay high wages to the directors, they waste money.'

'Not making sure that the huge sums of money donated by the British public actually reach those it is destined to help, without everyone taking their cut. I understand that charities need to have operating costs but they need transparency as well...'

Levels of pay in the charity sector, particularly at a senior level, is still a concern for many people

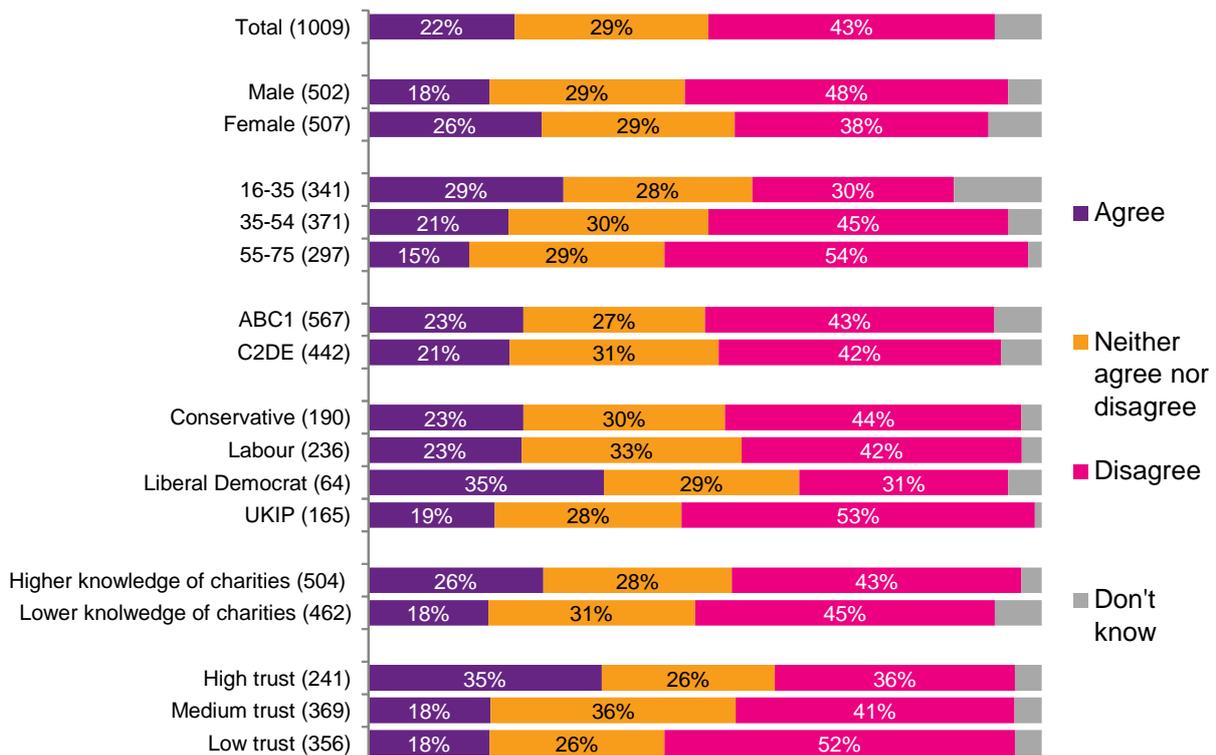
While 22% agree that charity bosses should be paid the same as their counterparts in the public sector or private companies, 43% disagree (and 1 in 5 people *strongly* disagree). These findings echo concerns expressed by respondents in our *Mind the gap* poll last March.^{ix}

Further analysis highlights some important demographic differences in views on charity pay. Women are more likely than men to feel that charity chief executives should be paid as much as those in other sectors (26% vs 18% of men). There is also a relationship with age: young people are more likely to feel that charity bosses should be paid the same (29% of 16-34 year olds compared to just 15% of 55-74 year olds). Perhaps unsurprisingly, respondents with higher knowledge (26%) and trust (35%) in charities are more likely to think that charity CEOs should be paid the same as similar sized organisations in other sectors.

By political opinion, Liberal Democrat supporters are the most likely to feel that charity chief executives should be paid the same as their counterparts in other sectors (35% compared to an average of 22%).

ATTITUDES TO CHIEF EXECUTIVE PAY

To what extent do you agree or disagree that **chief executives of charities should be paid as much as people who run similar size organisations in the public and private sectors?**



Base: All (1,009)

Some strong feelings are expressed in the unprompted responses. Salaries (at both executive and employee levels) are the single specific issue raised spontaneously as something *'charities are doing wrong'*. Although they represent minority opinion, some strong views are expressed on this issue. One person accused charities of existing only to *'feed the fat cats'*. Another argued that they always *'serve the needs of its own staff first and foremost'*.

'The majority of charities are scammers. So much money raised goes into employee's pocket rather than spent where it's actually needed. They lack integrity; use charitable status as tax loophole.'

These findings echo other studies, including NPC's earlier *Mind the gap* research in March 2014.^x Here worries about how charities spend their money make up four of all five concerns the public have: 42% of people felt that *'charities spend too much money on executive salaries'*, 36% felt that *'charities are not transparent enough about how they spend their money'* and 26% of people felt that *'charities spend too much money on running costs'*.^{xi}

'Paying high salaries to people at the top of their organisation. Spending large amounts on staff, premises and advertising campaigns, meaning less money goes to the cause they are promoting.'

How charities raise their money

We did not ask a prompted question about fundraising; however, one in eight (15%) people mention some aspect of fundraising in response to our open-ended question (eg, stopping people for direct debits on the street or cold-calling). Around one in 20 (6%) highlight on-street fundraisers or chuggers specifically, a view that appears to be strongly held within this group.

Strong views held by some on 'chugging'

The language used to describe fundraisers seems to reflect that some members of the public feels excessively pressurised by charities, with 'aggressive street teams' seen as 'badgering', 'pestering', 'hassling', 'begging' and 'accosting' people as they go about their business.

These concerns are reflected in findings of our *Mind the gap* research where three in ten people (29%) said charities are putting *'too much pressure on people to donate'*.^{xii}

However, as we highlight below, concerns about fundraising do not seem to have a particularly strong relationship with overall trust. It is not clear why this is. Perhaps certain fundraising methods are merely an irritant and the public recognises that charities need to raise money.

'Once you go on board and set up a regular payment I feel they should not ask for more.'

'Spending far too much on direct advertising, mail, cold calling, intense competition among best funded while small ones are almost invisible.'

'There are too many. Some appear to spend more money on stationery and postage. Amazes me how they can afford to employ private companies to make their "begging" phone calls. Similar names; confusing, you don't really know which charity you are donating too.'

What charities do

Unprompted, slightly more than one in four people (28%) mention some aspect of how charities operate. However, unlike concerns about the way charities spend money there are no specific issues that stand out. The largest proportion (8% of respondents) express concern about whether charities are really achieving their aims and helping beneficiaries, and about one in twenty people mention charities being too much like businesses (5%); focusing too much attention on international problems (5%); and being too political (4%).

In a prompted question, nearly half of respondents (47%) agree with the statement '*Charities should just concentrate on helping people in need, rather than campaigning to change society as a whole*', while 24% disagree. A small percentage of people also raise this in the unprompted question, with one characteristic response reading: '*Their campaigning in general is becoming too politicised.*'

'Charities need to outline key problems and describe in further detail how donations will benefit the cause. Rather than relying on a sob story of tragic images and videos.'

'They run campaigns based on their politics rather than evidence and dispassionate analysis.'

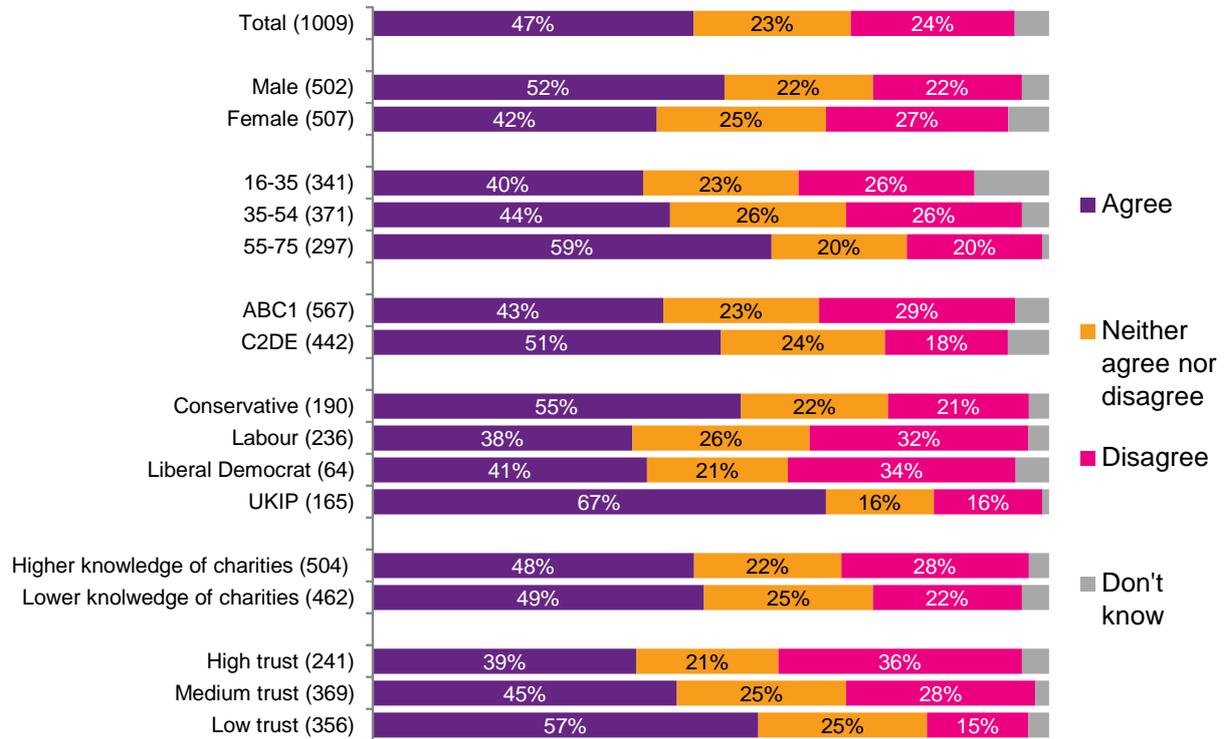
Demographic analysis shows that men are more likely than women to argue that charities should concentrate on helping people in need rather than campaigning (52% vs 42%), as are older people (59% of those aged between 55-75) and those in the lowest income band (55%).

There is also marked variation by voting intention. Those on the right of the political spectrum are much more likely to feel that charities should concentrate on helping people in need (55% of Conservatives and 67% of UKIP supporters), while those to the left are more divided, with similar proportions of Labour and Liberal Democrat supporters favouring each side of the argument.

Finally, it is worth noting that those with low overall trust in the sector are the most likely to feel that charities should focus on helping people in need (57%) rather than campaigning to change society as a whole (15%).

ATTITUDES TO CHARITY PRIORITIES

To what extent do you agree or disagree that **charities should just concentrate on helping people in need, rather than campaigning to change society as a whole?**



Base: All (1,009)

Views split on charities running public services

One in four (23%) agree that ‘Charities should be more involved in running public services’, but a higher proportion (33%) disagree. The largest proportion of people (36%) have no opinion either way, consistent with our analysis of our *Mind the gap* survey in 2014.^{xiii}

Young people are the most enthusiastic about charities getting more involved in public services (32% of under 34 year olds welcome it compared to an average of 23%), but otherwise enthusiasm is consistent across all demographic groups.

Opinion is also evenly split on the question of whether ‘Charities that deliver public services should always use paid staff rather than volunteers’, on which 28% agree and 27% disagree (with 38% neither agreeing nor disagreeing).

Government’s role in ensuring a healthy charity sector

We asked to what extent people agree or disagree with this statement: ‘It is not the government’s responsibility to ensure a healthy charity sector’. Many people do not have an opinion either way but the largest number (37%) disagree, and feel that it should have this role compared to 27% who feel it should not. Men (32%) and older people (35% of 55-75 year olds) are the most likely to feel the Government should not have this role, as well as those in the highest income bracket (40%). There is also a small difference by political persuasion—those on the right are more likely to think that Government should not have this role (37% of Conservatives and 36% of UKIP supporters), while on the left are more likely to think that it should (48% of Labour and 47% of Liberal Democrat supporters).

‘They need to do more help for the elderly, helping the homeless and helping the people of our own country before other countries... I am for helping others I just believe charity starts at home.’

What this means for trust in charities

The chart below shows how the three broad categories we generated from respondent’s unprompted answers (how charities use their money, how they raise money and what they do) differ between those with high, medium and low trust in charities.

Unsurprisingly, respondents with a high overall trust in charities are less likely to mention any specific concerns (51% give no answer compared to 35% of those with low overall trust). More striking is that 41% of those with low overall trust mention an aspect of the way charities use money (salaries, administrative costs and a perceived lack of transparency etc.). We therefore conclude that these issues are among the most important perception to address if charities are going to improve how they are seen by the public.

On the other hand, the proportion of people with concerns around fundraising is consistent at around 15% across all groups. This suggests that concerns about fundraising are not a particularly important driver of overall trust.

HOW DOES OVERALL TRUST IN CHARITIES RELATE TO PERCEIVED CONCERNS

‘What, if anything, do you think are the main things charities are doing wrong?’



Base: All (1,009)

Conclusion

A better understanding of public likes and dislikes is an important starting point for charities looking to address concerns and strengthen trust. And improving transparency—and perceptions of transparency—would seem to be a key part of this trust-building. This is not without its risks, especially in the short-term. Charities may find themselves confronted with tough questions and greater scrutiny before they feel ready to explain how they work and talk about their changing role. But, in our view, responding to concerns with greater transparency is the best ways to guarantee a strong, trusted sector.

References

- ⁱ We welcome the establishment of the Understanding Charities Group and are pleased to be involved in the initiative.
- ⁱⁱ Interviews conducted online on 10-14 October 2014 with 1,009 British adults aged 16-75
- ⁱⁱⁱ Noble, J., and Wixley, S. (2014) [*Matter of trust: What the public thinks about charities and how it affects trust*](#). New Philanthropy Capital.
- ^{iv} Noble, J., and Wixley, S. (2014) [*Charities, voters & trust*](#). New Philanthropy Capital.
- ^v New Philanthropy Capital, *op cit*.
- ^{vi} Noble, J., and Wixley, S. (2014) [*Mind the gap: What the public thinks about charities*](#). New Philanthropy Capital.
- ^{vii} We asked: *'To what extent do you agree or disagree, if at all, with the following statements?'*: 1. Chief Executives of charities should be paid as much as people who run similar size organisations in the public and private sectors; 2. Charities should be more involved in running public services; 3. It is not the government's responsibility to ensure a healthy charity sector; 4. Charities should just concentrate on helping people in need, rather than campaigning to change society as a whole; 5. It's important to me that charities are clear about how they spend their money; 6. Charities that deliver public services should always use paid staff rather than volunteers. We also asked a further question on charities collecting evidence to show they make a difference; the findings from these will be covered in a further paper.
- ^{viii} New Philanthropy Capital, *op cit*.
- ^{ix} New Philanthropy Capital, *op cit*.
- ^x Three fifths of respondents (58%) thought that charity CEOs should earn less than an MP, with 16% thinking that CEOs should not be paid at all. However, only around one in ten (11%) were unhappy about spending on employees' salaries, suggesting that the public are mainly concerned with pay at the higher end.
- ^{xi} The other concern was that *'charities put too much pressure on people to donate'* (29%).
- ^{xii} New Philanthropy Capital, *op cit*.
- ^{xiii} See our blog: [*Should charities run public services?*](#)

TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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