

FAITH DATA: METHODOLOGY



April 2016

This paper describes the process and methodology we have used to generate new data on faith-based charities in Great Britain. This data analysis is part of our [programme of research](#) to explore the affect of faith on how charitable organisations operate and what they can achieve. We worked with Jay Liu of [Digital-Dandelion.com](#) to develop this methodology.

We use the term ‘faith-based charity’ to mean a charity that embodies some form of religious belief—or cultural values arising from a religious belief—in its vision or mission, founding history or project content.

Overview

The majority of charities in Great Britain have an obligation to register and supply specific financial and non-financial information to the charity regulator.¹ This information is submitted when the charity is registered, and then updated yearly with the annual return. We have used the publically available data from the Charity Commission of England and Wales and the Office of Scottish Charity Regulator (OSCR) for our analysis.

There are a number of existing methods for classifying charities as faith-based. The Charity Commission classifies charities according to their purposes, beneficiaries and method of operation. When completing the annual return charities must choose from a list of categories to describe what they do, which includes Class 108 ‘RELIGIOUS ACTIVITIES’.² We found 33,455 organisations selected this option. We believe this figure underrepresents the true number of faith-based charities as not all faith-based charities tick this box or describe their activity in this way. Analysis of charity objects supports this. A charity’s objects are a statement of its purposes, and the ‘advancement of religion’ is a defined charitable purpose under the Charities Act 2011.³ We found many charities with faith related charity objects did not select the ‘religious activities’ category in their annual return.

Another method of classification is through the International Classification of Nonprofit Organisations (ICNPO)—a system used by the UN—that has a ‘religion’ group. NCVO uses an adaptation and application of ICNPO for the Almanac.⁴ This method gives one category to each organisation, which while useful for analysing and comparing discreet groups of charities, means that some faith-based charities are not categorised as such and are instead categories based on the area they work in (eg, housing).

As these methods underrepresent the true number of faith-based charities, we developed our own approach over a number of months—combining existing classifications with text analysis to create a more comprehensive dataset. We believe this is the most advanced and up-to-date analysis of faith-based charities in Great Britain.

¹ Excludes charities based in England and Wales with an income below £5,000 and other excepted or exempt charities, see: <https://www.gov.uk/guidance/how-to-register-your-charity-cc21b>. The Charity Commission register includes charities that have not filed accounts in previous years and may be inactive.

²

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/410515/Guidance_to_help_complete_the_annual_return_for_2015.pdf

³ <https://www.gov.uk/government/publications/charitable-purposes/charitable-purposes>

⁴ <http://data.ncvo.org.uk/datastore/datasets/dataset-4-icnpo-classification-of-charities/>

In order to identify faith-based charities we combined the three classification approaches with text analysis of key words and developed our approach based on a series of 'logics' (rules). However we recognise that different researchers undertaking the same task could have come up with different approaches, for instance different but equally valid 'logics', or the same 'logics' but with a slightly different list of key words. We are presenting our methodology here to be transparent about the approach we have taken, allowing people to form their own views on the strengths and weaknesses of this. We do not claim that this provides a 'correct' answer, but it is a significant improvement on what was possible before. Various caveats apply, as detailed at the end of the paper.

Illustration of the different charity classifications available

Charity name and number: The City of Leeds YMCA (1046439)

Classification of purpose on Charity Commission register:

- General charitable purposes
- Education / training
- Amateur Sport

['Religious activities' not selected]

ICNPO/NCVO classification:

- Social services

Charitable objects:

- To unite those who, regarding Jesus Christ as their God and saviour according to the holy scriptures, desire to be his disciples in their faith and in their life, and to associate their efforts to the extension of his kingdom.
- To lead young people to the lord Jesus Christ and to fullness of life in him.
- To encourage young people to lead a life fashioned on Christian principles.
- To set and maintain high standards in social and moral behaviour
- To provide for the spiritual cultural, intellectual, physical and social needs of its members.
- To provide or assist in the provision, in the interests of social welfare, of facilities for recreation and other leisure time occupation for men and women with the objects of improving their conditions of life.

NPC classification for faith-based charities research:

- Faith-based, Christian

Source data used

Charity Commission of England and Wales

Records: 165,226

Extract as of: February 2016 data release

Source: <http://data.charitycommission.gov.uk/>

Data definitions: <http://data.charitycommission.gov.uk/data-definition.aspx>

Data collection details: <https://www.gov.uk/send-charity-annual-return>

Office of Scottish Charity Regulator (OSCR)

Records: 22,269

Extract as of: 10 March 2016

Source: <http://www.oscr.org.uk/charities/search-scottish-charity-register/charity-register-download>

Data definitions: <http://www.oscr.org.uk/media/1895/description-of-charity-register-download-fields.xlsx>

Data collection details: <http://www.oscr.org.uk/charities/managing-your-charity/annual-monitoring>

Identifying faith-based charities

We used a combination of approaches to identify faith-based charities and have explained them in more detail below. It is possible to use just one approach but the results generated would not be as accurate. Using a combined approach allowed us to accurately identify more faith-based charities than with a single approach.

Logic 1: Using self-selected categorisations

A charity can identify itself as a faith-based charity in the data it sends to the Charity Commission or OSCR register.

Charities in England and Wales

A charity can select one or more of the 34 available classes that categorise a charity's purposes. If a charity has selected: **Class 108 'RELIGIOUS ACTIVITIES'** we have considered that a faith-based charity.

Charities in Scotland

Method A: The Charities and Trustee Investment (Scotland) Act 2005 sets out 15 purposes and one analogous purpose. A charity can select one or more of these purposes. If a charity has selected the **advancement of religion** we have considered it a faith-based charity.

Method B: The Charities and Trustee Investment (Scotland) Act 2005 gives the OSCR power to designate a charity as a **designated religious charity**. This applies where a charity has the advancement of religion as its principal purpose and where its principal activity is the regular holding of public worship.

A designated religious charity must have been established in Scotland for at least 10 years and have an adult membership resident in Scotland of at least 3,000 persons. Such charities have been identified in the data using a specific data flag. If a charity has been flagged as a **designated religious charity** we have considered that charity as faith-based.

Logic 2: Using NCVO classification

NCVO has classified organisations into categories, based on the International Classification of Non-profit Organisations (ICNPO). Only registered charities in England and Wales (based on the Charity Commission register of charities) were included. If a charity was classified in this study as having a NCVO code as **Code 10 'Religion'** we have considered it a faith-based charity.⁵

⁵ <http://data.ncvo.org.uk/datastore/datasets/dataset-4-icnpo-classification-of-charities/>

Logic 3: Automated text analysis of key words

Step 1: Create faith-based key word list

Working with various members of our reading group we identified key words that can be associated with faith generally and with specific religious groups. We created lists of key words for the seven religions that our research is focused on (Buddhism, Christianity, Hinduism, Islam, Judaism, Sikhism and Quakers) plus a list of more general faith words that are used across religions. We also created some additional lists of key words for other groups, religions and denominations.

Step 2: Compare key words against a charity's name and objects

We then compared our key words against each charity's name and objects (a charity's objects is the body of text of the register where the charity describes its objectives and purpose).

Step 3: Create key word score for each charity

Each of the key words that were matched in a charity's name and objects was assigned a score of 1.

Example (fictional charity)

Charity name: West London Buddhist Centre.

Charitable object: To promote Buddhism to residents in West London.

This charity would have a Buddhist score of 2 because it has the word 'Buddhist' in its name and 'Buddhism' in its object.

Step 4: Create an overall key word score

Example (fictional charity)

Charity name: West London Buddhist & Sikh Centre.

Charity object: To promote Buddhism & Sikhism to residents in West London.

- Buddhist score = 2
- Christian score = 0
- Hindu score = 0
- Jewish score = 0
- Muslim score = 0
- Quaker score = 0
- Sikh score = 2
- General religious score = 0

Overall key word score = 4

If a charity has an overall key word score greater than zero we have considered that a faith-based charity.

Text analysis has known limitations. The analysis can identify exact key words, but it cannot detect the context and meaning behind the purported use of these words easily. It can also not pick up misspelt words unless they have already been identified as such. Checks have shown that our current methodology is effective in identifying faith-based charities, but we can not preclude instances of incorrect identification of faith-based charities in specific circumstances.

Logic 4: Further automated text analysis and manual overrides

Because of the known limitations of text analysis, we have carried out significant manual checking for specific groups of charities.

Example (fictional charity)

Charity name: WLB Centre.

Charity object: To encourage healthy eating to residents and regardless of their gender, class or religion.

In this example the charity would have initially been identified as a faith-based charity because of the word 'religion' in its objects. However, the context of these words shows us that this charity is stating that religion does *not* play a role in who the charity works with. To help us identify charities incorrectly categorised as faith-based we developed a list of key phrases to override the religious key word score in cases where the context of the words signified the charity was non faith-based. Charities were also manually classified when the category was still unclear.

Classifying faith-based charities into specific religious groups

Group 1: Faith-based charities with a single religion

Example (fictional charity)

Charity name: West London Buddhist Centre.

Charity object: To promote Buddhism to residents in West London.

This charity would be classified as 'Buddhist' because it only has Buddhist words in its name and/or objects.

Example (fictional charity)

Charity name: West London Buddhist Centre.

Charity object: To promote Buddhism & other religions to residents in West London.

- Buddhist score = 2
- Christian score = 0
- Hindu score = 0
- Jewish score = 0
- Muslim score = 0
- Quaker score = 0
- Sikh score = 0
- General religious score = 1

Overall religious text word score = 3

This charity would be classified as 'Buddhist' because the Buddhist score overrides the general religious score.

If a charity had a overall score comprising of only one score in a specific religion, as well as one score in general religious, we classify that charity by the specific religion.

Group 2: Faith-based charities with multiple religions

Example (fictional charity)

Charity name: West London Buddhist & Sikh Centre.

Charity object: To promote Buddhism and Sikhism to residents in West London.

This charity would be classified as a 'Multi-faith Buddhist Sikh' faith-based charity because it has two valid religious scores in separate faiths. Charities falling into this group were also manually checked and classified.

Group 3: General religious charities with no specific religion identified

Example A (fictional charity)

Charity name: WLB Centre.

Charity object: To encourage healthy eating to residents and advance religion.

This charity would be classified as a 'General religious words only' faith-based charity because it has a score in the general religious category and no score in any specific religions. The charity had also **not** self-selected Class 108 'RELIGIOUS ACTIVITIES'.

Example B (fictional charity)

Charity name: WLB Centre

Charity object: To encourage healthy eating to residents.

Has ticked: Class 108 'RELIGIOUS ACTIVITIES'.

This charity has no specific religious text scores, but has identified itself as having a "Religious Activities" purpose, so it is categorised as 'General religious category only'.

Caveats

Defining what it is to be 'faith-based'

In the context of the data, we have applied a methodology that can systematically identify faith-based charities on a rules-based approach. This does not exclude the possibility of further rules being added to our approach to refine and more accurately identify charities in future analysis.

Incorrectly identified faith-based religions

Every rule based methodology will result in false positives and negatives (ie, identifying a non-faith-based charity as being faith-based, or vice versa) and inaccurately identified positives (ie, classifying a charity that is actually Christian as 'generally faith-based'). In the context of over 187,495 charities (combined CC and OSCR data) and the quality of the data available, we have applied a systematic approach to identify faith-based charities. Structured feedback and changes to the data collection and processing process will reduce the number of incorrectly identified charities in the future.

Duplicated records across OSCR and the Charity Commission

There are around 870 charities that are registered both with the OSCR and with the Charity Commission for England and Wales. This represents less than 0.5% of the total sample so should not affect the general analysis conclusions. However, further analysis is feasible to identify and then apply appropriate rules to accommodate such charities.

Comparisons to the NCVO Almanac

For this analysis we use a slightly different population from the analysis presented in the NCVO Almanac, and numbers should therefore not be directly compared.

The main differences are:

- NCVO analysis is based on England, Wales, Scotland and Northern Ireland. Our analysis is based on England, Wales and Scotland only.
- NCVO excludes a range of organisations from its analysis of the Charity Commission database for England and Wales (such as NHS charities, housing associations and faith groups). Our analysis includes all organisations registered with the Charity Commission (though our analysis, like NCVO's, does not include subsidiaries).
- NCVO analysis excludes charities as 'inactive' if they have not submitted accounts for the last three years or more. We have not excluded these organisations from analysis at this stage. The Charity Commission reports that small charities, in particular, struggle to properly submit their accounts—even while they remain active. We therefore have not excluded any charities on the basis of being 'inactive' to avoid excluding active charities in error.

If you have any questions about our research, or would like to support our programme of work, please get in touch with Rachel Wharton via info@thinkNPC.org.

With thanks to our funders and cross-faith reading group for their support of this work.

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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