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NPC is a consultancy and a think tank, with more than ten years' experience working with charities and funders. These include organisations founded on religious principles and philanthropists who are driven to give because of their faith. In this paper we present some of the key issues surrounding faith and charities, drawing on research and our conversations with leading figures in the sector, with the aim to undertake further work next year.

We define faith-based charities as organisations that embody some form of religious belief in their mission, founding history or project content.

We can say with some certainty that the role of faith-based charities in the charity sector is changing; as is the context in which they work. And it is fair to assume that they have adapted to shifting political, social and economic conditions like other charities.

Britain is an increasingly secular society, with fewer people than ever professing a religious faith. Yet the number of faith-based charities has grown during the same period, both in terms of the total and as a proportion of all charities. There are 9,000 more today than in 2006 and—at 32,735—together they represent nearly 1 in 5 of all charities in the UK. They are found across all parts of the sector—from multi-million pound organisations with close ties to government to small, local enterprises reaching out within a single neighbourhood. In Southwark, where NPC is based, there are 464 religious charities. The majority (85%) are Christian, but Muslim, Hindu, Buddhist and Jewish groups are also represented, more or less in line with national religious demographics.¹

Changes to religious demographics: 2001- 2011

33.2m Christians—down 4.1m

2.7m Muslims—up 1.2m

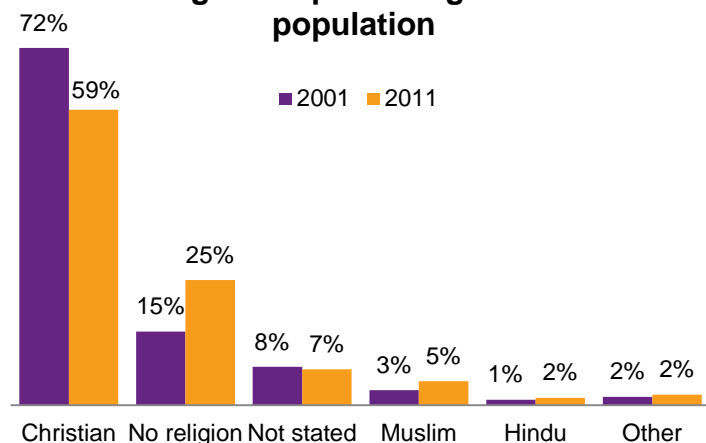
14.1m have no religion—up 6.4m

263,000 Jews—up 3,000

817,000 Hindus—up 1,000

423,000 Sikhs—up 87,000

Religion as percentage of UK population



Source: UK Census data; 'other' includes Sikh, Jewish, Buddhist and other

In terms of size, seven of the top 50 charities by income embody some form of religious belief—a little under their average representation in the sector at almost 15%. Most are small-medium sized, making up 33% of all charities within the £100k - £500k income band.²

¹ Community Action Southwark (CAS), extracts from a database of local registered charities, April 2012

² Charity Commission (2014), Register of Charities

Faith in our time

'Faith-based initiatives are accounting for more of our common lives as a society.' **Stephen Timms MP, Chair of the All-Party Parliamentary Group on Faith and Society**

'Dig deep and think of all the great things happening in your streets, in your communities ... Who's doing it all?' **Amrick Singh, Centre Director of the Nishkam Centre**

Mainstream donors who give to religious causes comprise barely one in ten of the population, but account for a third of all total donations. **Money for good UK, 2013³**

More money is given to charity in December than at any other time of the year. In the run up to religious festivals, including Christmas and Hanukkah, it is the perfect moment to think about how faith and charities interact.

This is a highly complex area, however, and we make no claim to cover a definitive set of issues facing faith-based charities, let alone a definitive set of answers. But with so many charities working in this space, collectively spending hundreds of millions of pounds each year and harnessing the skills of thousands of volunteers and paid staff, it is the right time to start thinking in more detail about faith-based charities.

Where do faith-based charities bring unique strengths to the sector, and where do they achieve the greatest impact for their beneficiaries? Where does faith help charities, and where does it hinder? What, for example, might a faith-based charity achieve that a non-religious charity cannot—and why? Why have some faith-based charities kept—and publicly promote—their religious roots, while others have evolved in such a way that they are now faith-based in name only? How do changes in the mix of faiths in the UK alter the way faith-based charities work? In what ways do these groups differ from one other and how are they unique in the wider sector?

The rest of this paper sets out some of these issues under six themes: purpose and focus; reach; delivery of services; collaboration; funding; and impact.

Purpose and focus

There are over 30,000 faith-based charities registered with the Charity Commission, plus many church charities which are exempt from standard Charity Commission regulations (called 'excepted' charities). We define a faith-based organisation as one that embodies some form of religious belief, although this can manifest itself in the founding history, mission, governance or staff.

How does this faith-based approach help a charity—as well as its staff and beneficiaries—understand what it exists to achieve? Are there particular fields of focus where these charities work?

*'We have to ensure that the general thrust of the organisation is something Quakers want to support—and this requires being transparent about what we do. In a way this community acts as a secondary regulator, which can only ever be a good thing.'*⁴

Judith Moran, Quaker Social Action

'It's not our mission to promote Christianity. Nonetheless, faith is absolutely central to what we do and how we go about it.'

Chris Mould, The Trussell Trust

³ Bagwell, S., Van Poortvliet, M., De Las Casas, L., and Abercrombie, R. (2013) *Money for good UK: Understanding donor motivation and behaviour*. New Philanthropy Capital.

⁴ All quotes contained in this paper are based on interviews conducted between November – December 2014.

Reach

Many faith-based charities work in deprived and difficult areas and are recognised for their hard work. Does faith play a role in their perseverance? How does a common faith enable them to help some of the most hard to reach groups? Can faith also limit their appeal? Does this affect how overt they are in their communication of their faith; and where does interfaith work fit in trying to reach more people? How does their community-based physical capital (like mosques, synagogues, gurdwaras and churches), acting as 'sites' from which charities can operate, contribute to their charitable work?

'The church, over and above the donor aspect, is hugely generous with its time and political activism. This applies to our volunteers across the country, but also bishops who represent an influential voice in the political sphere.'

Nigel Varndell, Children's Society

'We are at a period in time where the state is retreating, creating a challenge for charities who have to decide to what extent they are able and willing to fill that gap.'

Judith Moran, Quaker Social Action

Delivery of services

Religious organisations have played a role in the delivery of British public services for hundreds of years. With the rise of commissioned services and the fall of traditional charitable grants, all charities have had to consider how to engage. Are there particular considerations that are unique for faith-based organisations in commissioning? How is the issue of faith handled by central government, local government, health and criminal justice in commissioning? Is there a difference in engagement in commissioning with government contracts that is observable by faith?

'Service users often find it difficult to discern any tangible difference in the nature or quality of faith-based and secular religion.'

Centre for Housing Policy⁵

'With increased poverty here, Muslim charities are leading more and more work at home.'

Muslim Charities Forum, Abdurahman Sharif

Collaboration

Many faith-based organisations are tackling similar issues of poverty in their communities. Does faith play a role in facilitating collaboration to deal with a common cause? What are the types of collaboration observed within a single community (as between mosques in a single city), among different arms of one faith (as neighbouring Catholic, Baptist and Methodist churches might unite on a chosen issue), and through inter-faith initiatives?

'Previous years saw a springing up of inter-faith organisations. This has now narrowed down, but it does make it easier to know who your colleagues are and to share good practice.'

Jane Clements, Council for Christians and Jews

⁵ Johnsen, S., and Fitzpatrick, S. (2009) *The Role of Faith-Based Organisations In the Provision of Services for Homeless People*. Centre for Housing Policy.

Funding

Most faiths have a guidance on individual giving; for example, 2.5% Zakat in Islam, 10% tithe in Christianity, and 10% Tzedakah in Judaism. Many people from religious backgrounds give more in addition to this. A number of charitable foundations and trusts are also faith based: how does this affect their grant-making? What are the differences in how faith-based charities use their religious background to fundraise? Are there any innovative giving models that are facilitated by the faith of the funders?

‘Some faith charities are struggling to get funding because funders don’t want to give to religious charities.’

Isabelle King, National Council for Voluntary Youth Services

‘Whether some still identify us as a Christian organisation, or whether this perception has now broadened out to a moral one, we’re incredibly proud of our history because those core values still resonate with our core donors.’

Rachel Coffey, Barnardo’s

Impact

Charities are increasingly measuring and assessing their impact against their charitable goals—but how are they doing it, and if they are not, why not? Do some measure success in a different way from the rest of the sector to include wider religious goals? Does faith affect the theory of change of a faith-based charity? What are the types of data collected by charities to measure wider impact? Do mainstream tools accurately capture value in faith-based settings?

‘We gather data on all sorts of things, including faith demographics, so we can continue to shape the way in which we relate to our supporters and, importantly, tell them what we’re achieving.’

Nigel Varndell, Children’s Society

What does the future hold?

This is a mature sector which has grown in size and continues to attract significant support from donors and volunteers.

By exploring some of the questions in this paper, we hope to better understand faith-based charities. They already play an integral role in the voluntary sector and across our communities, but this is a changing landscape and one that could benefit from further exploration.

We plan to undertake further research next year and we would be grateful for your feedback—please do get in touch with Emily Darlington if you would like to be involved, at emily.darlington@thinkNPC.org.