



#CharityFacts

We've all been there. Chatting at a family dinner or social gathering, and the *'so what do you do?'* question comes up.

'I work for a charity' you reply, to be met with umpteen opinions and factoids about how to do your job, fundraising, or charities generally.

We're here to help. Don't let those conversations wander into the weeds of urban myth and uninformed opinion. Armed with these **#charityfacts**, you'll be ready to take on any conversation.



‘Charities don’t pester people for money’

If you don’t ask, you don’t get. The evidence shows that people give when asked and not spontaneously. Most people are happy to be asked and happy to give.

- The British public gives generously - levels of donations are remarkably stable at around £10bn per year. This massive total consists of millions of individual donations – produced by far more requests.
- Over 80% of people give after being asked. On average only 6% of people receive a postal mailing, with just 4% receiving emails or texts asking for a donation.
- Charities are working to stop poor fundraising practice. People can stop communication from specific charities by contacting the Fundraising Regulator. So far it has received around 17,000 such requests from around 5,700 people. This is a tiny proportion of the millions of donors and billions of individual fundraising requests.



‘Charities don’t spend your donation on big salaries’

Most charities are run by volunteers. When charities need to pay staff, the salary usually reflects the scale of the challenge and the skills needed to do the job.

- Fewer than 10% of charities employ people, but employees are an important part of the charity sector - around 880,000 people work across the sector for general charities in a wide range of roles. Around 305,000 people are employed in social work, which equates to around 35% of the voluntary sector workforce.
- Just over 0.5% of charities had any employees earning £100,000 or more in 2017. The average salary for a charity CEO is £55,000 - far lower than comparable roles in other sectors.
- Higher earning CEOs are typically running larger, complex charities with annual incomes in the tens of millions, employing thousands of staff and mobilising tens of thousands of volunteers.
- CEO salaries are decided by volunteer boards of trustees that are legally accountable for the charity. They decide what the charity can afford and what the job is worth. If you don’t like salaries at the charity you support, then complain - or stop donating or volunteering and support another charity.



‘Charities spend your donation on the cause’

All the money donated to charities goes to support ‘the cause’, otherwise, it’s illegal. Charities, by law, must spend all income and donations on their charitable mission, which is set out in their legal documents.

- Spending ‘on the cause’ legitimately includes raising funds, the costs of running the organisation, and employing people to run the charity effectively. For example, highly qualified charity accountants help make sure donations are used correctly and the financial rules are followed.
- Out of the charity sector’s total spending of £46.5bn, £6.4bn (or just 14%) goes on generating funds. Without this, many charities wouldn’t exist or do their important work at the same scale.
- Over 70% charities have less than £100,000 annual income. But running these small charities isn’t free: they still need money to pay for things like a room or an office, materials, or to train volunteers.



‘Charities are run by volunteers’

Literally millions of volunteers run UK charities – for free. These people are charity trustees, and they’re legally accountable for the charity. Without them, charities can’t function.

- Charities are governed by 700,000 volunteer trustees in England and Wales (in a few exceptional cases the regulator allows individual trustees to be paid for their work). Any paid staff work for the trustees.
- Almost 12 million people volunteer once a month, almost 20 million once a year – charities mobilise the vast majority of this volunteering.
- 70% of trustees – almost half a million people - support small charities with almost no paid staff and low income. 80% of trustees have no staff or other volunteers to support them in their role.



‘Charities aren’t hoarding cash’

Putting money aside for a rainy day or to make an investment is no different for charities – in fact charity law encourages it.

- Charities are required to have a reserves policy stated in their annual report. 75% of charities have some reserves but many, in particular smaller ones, have none or very few. On average, reserves can cover just six months of expenditure.
- Sometimes charities build up reserves to invest in an asset – for example a new building. This is entirely legitimate and a prudent way of doing business.
- Overall the charity sector spends 97% of its income. But charities work in fast-changing environments: demand for services drops or rises, volunteers leave or arrive, funding is cut, costs increase. Keeping some cash on hand means that in tight times they can still serve beneficiaries.



‘There aren’t too many charities’

In fact, we need more. More charities mean more volunteers, more civic responsibility, more choice for donors, volunteers and beneficiaries.

- Charities that can’t attract funding, trustees, volunteers or beneficiaries don’t survive – those that do exist get support and are needed.
- The geographical spread of charities is uneven - there are still people in the UK who aren’t helped by the state but whose needs remain unmet because there aren’t enough charities in those areas either.
- No two charities are the same, even if they appear to be doing the same work. They have different methods, values and approaches. If you saw a need and wanted to set up a charity to address that need, would you appreciate some politician or regulator telling you that you couldn’t?

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‘Charities are trusted’

British people overwhelmingly trust charities – they donate to them, volunteer for them and use their services.

- The Edelman Trust Barometer shows Non-Governmental Organisations – including charities – to be the most trusted institutions above business, government and media in the UK.
- But you really have to look at what people do, not what they say. British people donate to charities, use their services and volunteer for them at high levels, which compare favourably with other countries.

- UK charities receive £22.3bn of income annually from individuals – providing 46% of all charity income (this includes donations and gifts, earned income through goods and services provided, and own fundraising activities). Almost 20 million people volunteer for charity each year. 90% of households have used charity services at some point, and 74% used a charity service in the last 12 months.
- Satisfaction with charity services is higher than the average and higher than for 13 other sectors. Charities score above average on speed of resolving complaints, staff attitude, and being open and transparent.



‘Charities don’t get tons of money from government’

In fact, charities actually get relatively little – and usually have to compete for it. Big subsidies and grants go mostly to the private sector.

- Charities only get 5% of the government’s spend on grants and subsidies. 95% goes elsewhere, mostly to the private sector.
- Government spending on charities accounts for just 2% of its total spending. Much of this income is payment for services.
- Small charities – the bulk of the sector – get most of their money from individuals (58%), and the smallest proportion of income from government (15%).
- Income from government grants has massively decreased over the last decade - from £6bn to just £3.8bn.



‘Charities answer to almost everybody’

The charity sector is one of the most scrutinised in the UK and is highly regulated by international comparison.

- Charities have to answer to their auditors, various regulators, the media, donors, funders, volunteers, beneficiaries, employees, trustees, local MPs, the local authority and the communities in which they operate.
- Charities have a dedicated regulator in all countries of the UK, must comply with complex and long-standing charity law, and publish annual reports and accounts that are available online.
- Charities also often answer to multiple regulators ranging from the Care Quality Commission, HMRC, Ofsted, Ofgem, the Information Commissioner’s Office and the Electoral Commission, the Financial Conduct Authority are amongst many.
- Good charities will always acknowledge and act on complaints. Anybody can report a charity to the Charity Commission if they believe it is doing something wrong, and the Commission will investigate. It has strong powers to demand action from charity management and trustees, and can even ban them or wind charities up in severe cases.

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