

Regulating in the public interest

The relationship between Charity, charities and the general public

May 2020

Populus



**CHARITY COMMISSION
FOR ENGLAND AND WALES**

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About Populus

Populus is a leading research and strategy consultancy and is a trusted adviser to some of the UK's best-known companies, public bodies and brands. We use polling, research, evidence and expertise to provide clients with the critical knowledge they need to succeed.

About the Charity Commission

The Charity Commission for England and Wales registers and regulates charities to ensure that the public can support charities with confidence. It is an independent, non-ministerial government department accountable to Parliament.

Introduction

These are challenging times for the country and the wider world. They have shown among other things both the power of Charity and its essential fragility. Charities help harness our generosity and goodwill for the benefit of others and they in turn rely on the support we give them in small and myriad ways as we go about our daily lives. Disrupt that support and many charities very quickly become vulnerable.

As the regulator of the charitable sector, part of the Charity Commission's job is to help make Charity more resilient; to ensure that it can thrive and inspire trust in tough times as well as good, and to do so in a world where the demands for greater scrutiny and accountability sit side-by-side with calls for charities to do more and be more. Building resilience means upholding the special status of Charity and recognising that the regulator and the regulated both have a responsibility to justify the privileges enjoyed in its name.

For the Charity Commission increasing resilience also means bringing the public interest to the fore. It has set out to be more responsive and inclusive in the way it listens and responds to different parts of the public, including volunteers and charity supporters up and down the country.

As part of this, the Commission has over the past two years, conducted several research studies among the public and charity trustees, involving many thousands of people drawn from all parts of the population and the charitable sector. This report draws together the main findings of that research to offer a better understanding of the public in whose interest the Charity Commission regulates, of the views of trustees and of the contemporary world in which everyone must operate.

Public opinion is not monolithic. People's circumstances and outlook on life often vary greatly and these variations have a large influence over their views about Charity and charities. There are though common themes which transcend those differences in background; the fact that the way charities go about their work is as important as the work that they do; that all charities share a collective responsibility to uphold the reputation of Charity more widely; and that registered charity status brings with it in the public mind a level of reassurance about conduct, efficiency and impact. When expectations are as widely held as these in a society which has been so divided in many other ways, they demand respect. So, it is encouraging that most trustees the Commission has surveyed say they understand and take such expectations seriously.

The following explores the relationship between the public's view of Charity and charities and the role of regulation; and trustees' views of public expectations and of the Commission. It is published here in the belief that a better understanding of the public will lead to a more informed discussion about how best to regulate in their interest in future. If charity is to be a unifying force in a sometimes divided world, those most responsible for the reputation of the sector need to understand where people divide and unite on charity.

Public thinking about charities

Who are 'the public'?

Understanding public opinion means recognising we are all products of our backgrounds and circumstances, and in many cases differences in our past and current lives go a long way to explaining differences of opinion and behaviour when we relate to the world around us. They also help to explain why sometimes these differences can be so difficult to handle. Associate professionally and socially only with people from your own social and educational background and you risk two things: overestimating the extent to which people outside your direct experience agree with you; and demonising those who disagree with you.

Better then to start with some dispassionate analysis of the general population. Imagine a map of the country where people or the communities they live in are located not by their latitude and longitude but by how high or low they score relative to the rest of the country on two independent measures derived from census data.



These are *security*, combining measures of health, wealth and wellbeing such as income, occupation and education; and *diversity*, a combination of factors including ethnicity, culture and population density which determine how close you are to your neighbour in terms of distance and or background.

The result is a breakdown of the country along these lines into quarters representing areas or people with higher and lower, security and diversity scores than the national average. From this we can link other

pieces of information from public and private data sources, including polling data, and plot these on the map we've created.

Take something like media consumption. Here is the average position on the diversity/security map of a representative sample of England and Wales of those who say they get their news at least once a week across all platforms from the sources shown. You can of course find readers or viewers of any particular source anywhere on the map, but these plot points show where you are more likely to encounter them.



Demographically representative online survey of 4,033 adults in England and Wales
Fieldwork conducted between 1st and 7th May 2018

Where the public are when it comes to charity

The same is true when it comes to particular points of view about charities, whether people prefer charities with a national or international focus, ones run by professionals or volunteers, or over the standards charities should be held to. You can encounter different points of view on issues like these anywhere in the population, but certain perspectives are more prevalent among some parts of the public than others.

Those prevalences reflect the different experiences and circumstances which shape people's thinking and behaviour. The differences are real and worthy of our respect but it is important to keep them in proportion and to understand that some issues involving charities transcend them. So, for instance, from the same representative sample of the population in England and Wales we can see the balance of opinion towards levels of charity CEO pay and the proper role of the charity regulator broken down by the different parts of our security/diversity map.



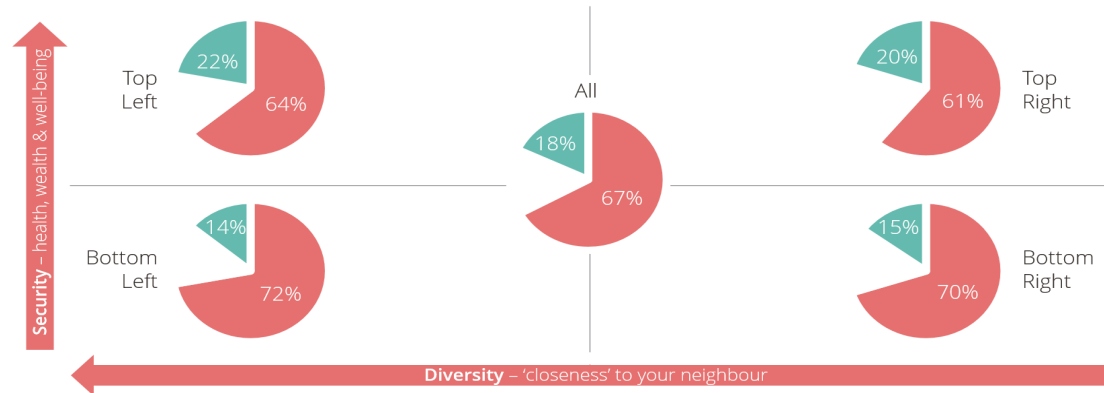
Demographically representative online survey of 4,042 adults in England and Wales
Fieldwork conducted between 5th and 11th February 2020

Here there is broad agreement across the map; the difference is in the matter of degree. In fact, we have learned that on some of the most significant matters which attract comment or criticism involving charities there is broad agreement across different parts of the population. Simply dismissing these views as ill-informed or not widely held when they are uncongenial is not only an inadequate response it is also unwise. Those who donate to or support charities are to be found everywhere among various sections of public opinion and all have a right to be represented and taken seriously by the Charity Commission.

If a charity is as big and complex as some businesses in the private sector, the charity's CEO should be paid the same as CEOs for business in the private sector

vs

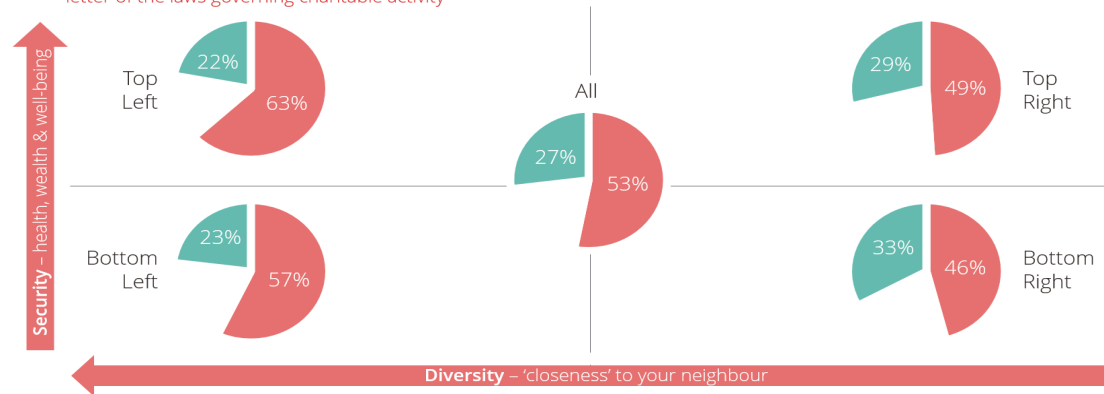
The nature of charity work means that it is wrong that some charity CEOs are paid the same as CEOs in the private sector



The charity regulator should confine its role to making sure charities stick to the letter of the laws that govern charitable activity

vs

The charity regulator should try to make sure charities fulfil their wider responsibilities to society as well as sticking to the letter of the laws governing charitable activity



Demographically representative online survey of 4,042 adults in England and Wales
Fieldwork conducted between 5th and 11th February 2020

Shared expectations across different parts of the public

While there are distinct groups within public opinion based on different perspectives, certain expectations about charities transcend those differences, expectations which, because they are held by such large numbers of people across the population, are most important in defining the relationship between charities and public trust. These are expectations held of all charities, large and small, locally or globally oriented, serving causes popular or unpopular. They are also expectations which, as we will explore later, most charity trustees share for themselves and for their fellow charities. These are:

1. That a high proportion of charities' money is used for charitable activity
2. That charities are making the impact they promise to make
3. That the way they go about making that impact is consistent with the spirit of 'charity'
4. That all charities show a collective responsibility to each other in adhering to the above

Expectation 1: Knowing where the money goes

It is difficult to overstate the importance of this expectation in influencing public trust towards the charity sector.

When the public are asked which factors are most important to them when it comes to the way a charity operates, by far the most important is 'that a high proportion of the money it raises goes to those it is trying to help'.

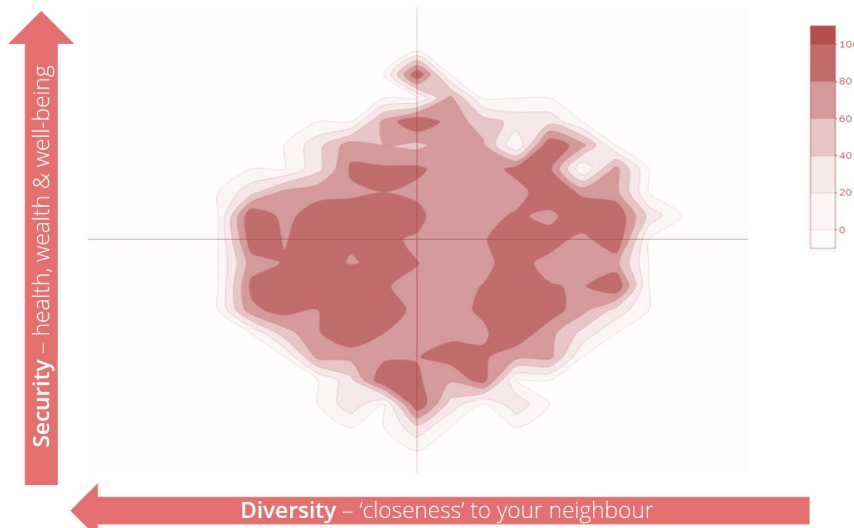
Most important factors when it comes to the way a charity operates (select up to three)



Demographically representative online survey of 4,042 adults in England and Wales
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It is the most important factor regardless of which strand of public opinion people belong to as the opposite 'heatmap' shows, which is why the darker red sections (higher concentrations of agreement) are largely evenly distributed across the map.

Heatmap: % who select a high proportion of money reaching the end cause as important



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This uniformity of view is supported by the results of qualitative work conducted among the different groups of the public described earlier.

From our qualitative research it is clear knowing that money is used well and makes maximum impact on beneficiaries is important to people because it is indicative of motive, which matters hugely to the public at large and the way they view charities particularly in today's more sceptical environment.

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“That's the whole point of a charity. A high proportion of the money should be going to benefit rather than administration costs and wages.”

“You would hope that whatever income they're getting is being poured back into that charity to help people that need help.”

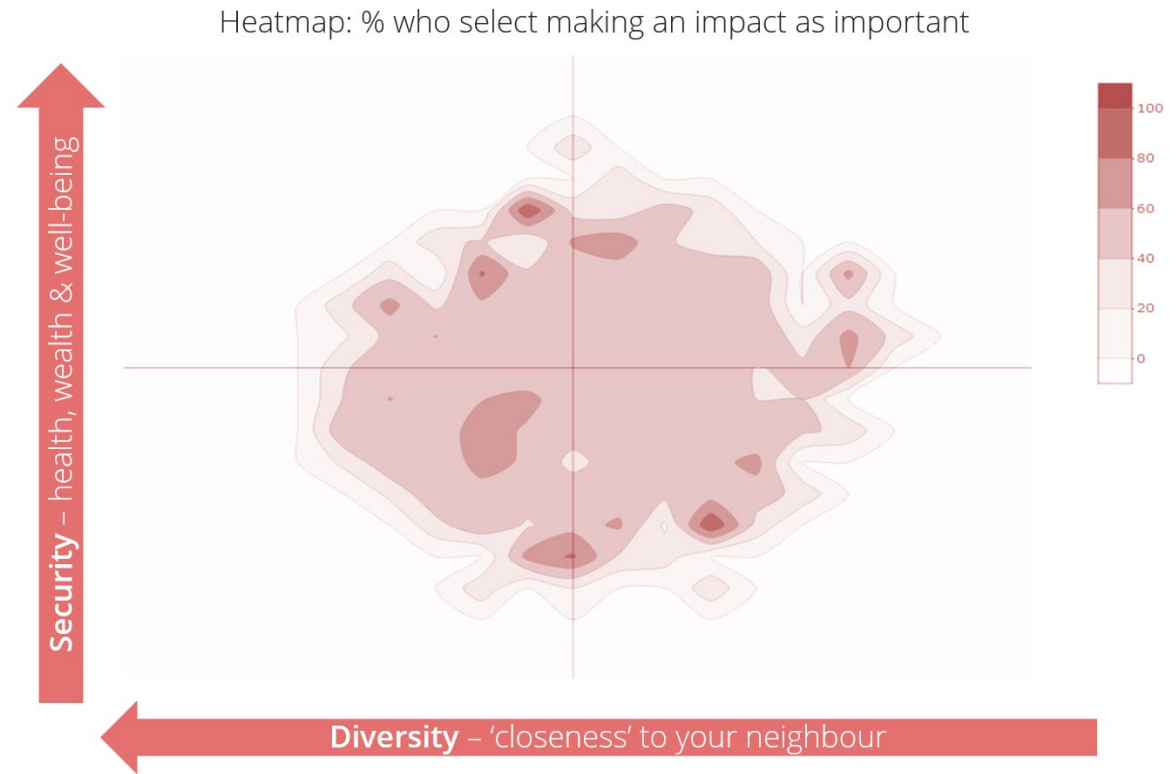
“I feel we're becoming more aware when people are raising money for charity. I pay more attention to what percentage people say is going to go directly to that cause.”

“If I've got a spare fiver, who am I going to give it to? I'm probably going to give it to the charity that I have been led to believe will use £4.50 of it for the right people, as opposed to the uncertainty of where everything else is going.”

All quotes throughout this report are sourced from in-depth qualitative telephone interviews conducted with 20 adults between 25th and 26th March 2020, of a range of gender, age, ethnicities and world-views

Expectation 2: Fulfilling the promise of impact

The second most important expectation across the map of the public opinion is that charities are making the impact they purport to.



*Demographically representative online survey of 4,042 adults in England and Wales
Fieldwork conducted between 5th and 11th February 2020*

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“If your money's not going directly to the root cause, then it's not going to make any impact.”

“There are so many different charities in the world and you want to know that you're supporting a charity that does make an impact.”

“Delivering on what they say they're going to deliver is very important.”

“If it's well run and they are giving as much money as they can to that end cause, then it is going to have the best possible impact.”

“I think if charities were really specific about what money was going to, at what point, and open about the fact that that changed, and updated people in a really authentic way. I think that would create more of a dialogue and also more of an interest and investment from people who cared about those charities and the work they were doing.”

Once again our qualitative research found that “impact” is very much tied up with how well charities use their money and how much difference they make. People want evidence about how far their donations are going.

Reassurance requires real examples, if not always hard statistics though these do help to inspire trust.

Examples of lives that have been changed, equipment that has been acquired, or policies that have been implemented all help to reassure the public that charities can be trusted to fulfil their purpose.

Expectation 3: That the “how” matters as much as the “what”

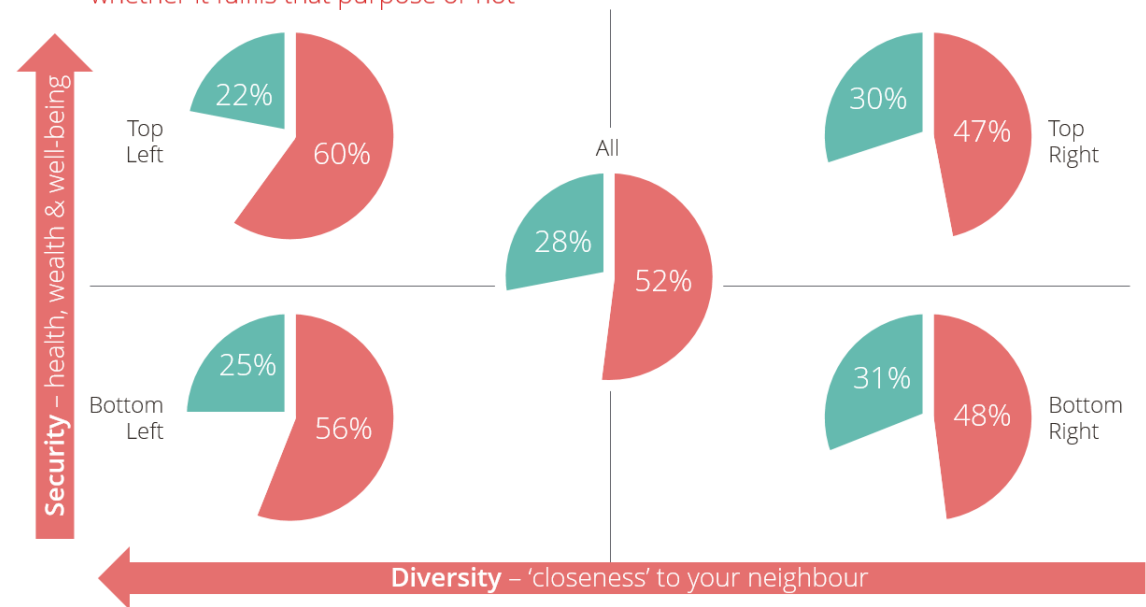
Motive is part of what makes charity special in the eyes of the public. It isn't enough for charities to simply have an impact. The way they go about making a difference is as important as the difference they make.

By almost a two to one ratio, the public thinks that the way charities go about meeting their purpose is as important as whether they fulfil it or not.

It is more important that our charity fulfils its charitable purpose than how it goes about doing so

vs

The way our charity goes about meeting its charitable purpose is as important as whether it fulfils that purpose or not



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Part of the reason for this is that charities are not viewed in the same way as other organisations. They are marked out by what are presumed to be their intentions as well as because of the results they achieve, and that is reflected in the way the public describe them.

Top five words used by the public to describe **charities**

Well-meaning
Responsive
Principled
Shares my values
Independent

Top five words used by the public to describe **businesses**

Ruthless
Independent
Professional
Arrogant
Innovative

*Demographically representative online survey of 4,042 adults in England and Wales
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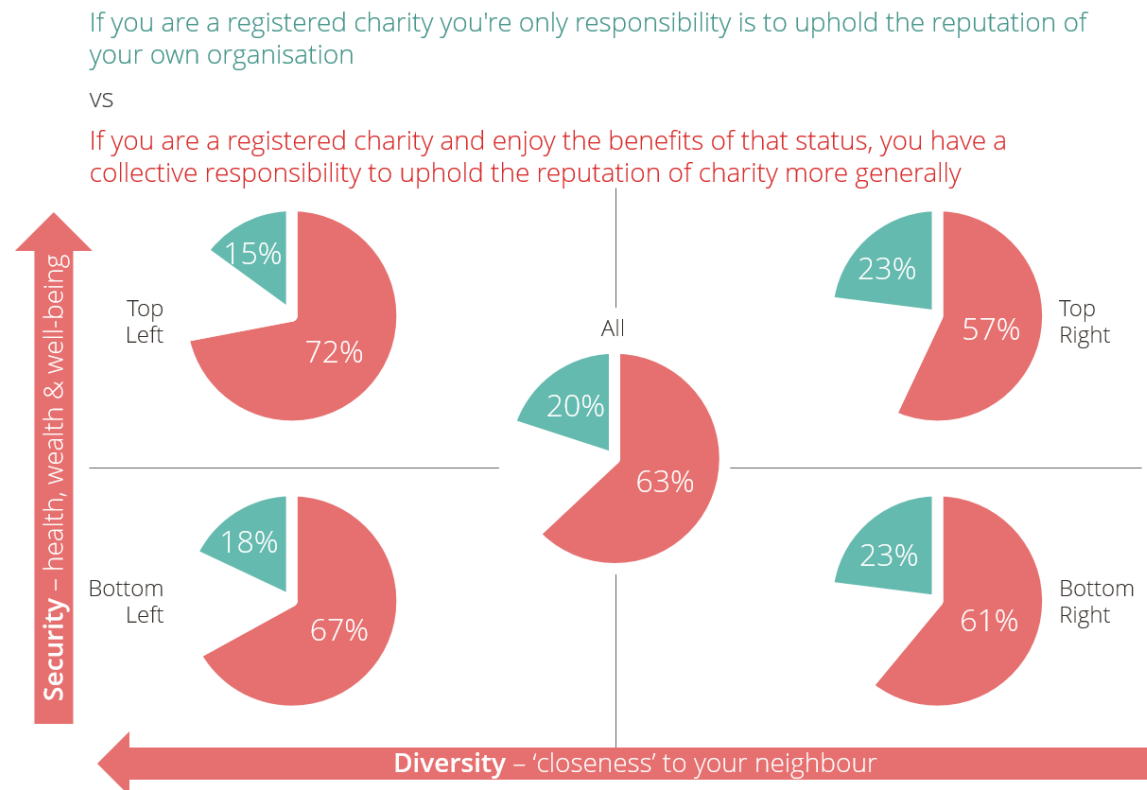
“Charities aren't set up as a business. They're set up almost as a portal, or a funnel, to get money from people to the people or issue that needs it.”

“When you think of charities, you hope that the highest calibre of people, with the best morals and the best outlook are running it and are trustworthy to put the money where you've hoped.”

“These much bigger organisations, that have got multi-layers of management and I think they ought to be absolutely accountable, because they are taking in big money.”

Expectation 4: That all charities are in this together

Underlying each of those expectations shared by different parts of public opinion is a final, widely held expectation; that enjoying the benefits of being a registered charity brings with it the collective responsibility to uphold the reputation of Charity more generally.



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“It would make sense that as a sector they hold each other accountable, because it affects the image of charities overall.”

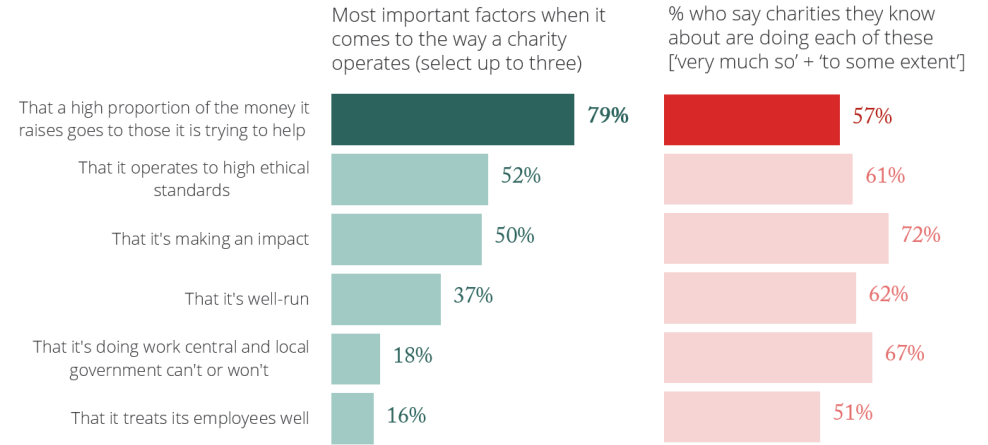
“Some charities basically just hoped the scandal would pass. I respect the ones who say, ‘we haven't been perfect, these are the changes we're prepared to make, please don't give up on us because this money's really needed.’”

Our qualitative research suggests that the behaviour of high-profile charities – even those that do not rely on donations from the public can have significant consequences on the perception of charities generally, including those who do rely on popular support. In the public mind charities are all in this together.

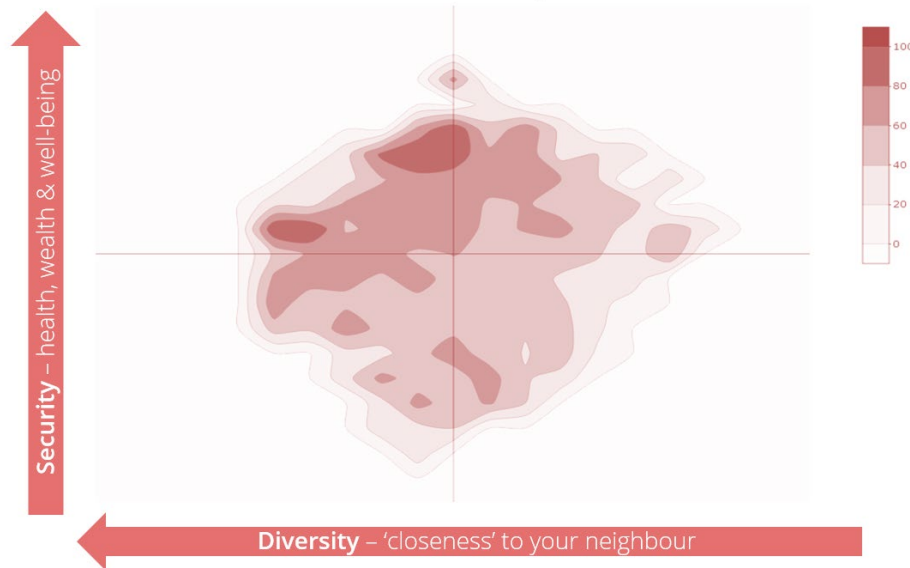
Are charities meeting public expectations?

Room for improvement

While a majority of the public thinks that charities *they know about* are at least to some extent ensuring a high proportion of the money they raise goes to the causes they are trying to help, only one-in-seven say they 'very much' believe this to be the case.



Heatmap: % who think a high proportion of money reaches the end cause for charities they know about



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In fact, break down public opinion more closely and interesting differences emerge. The heatmap to the left shows that the proportion agreeing that they know where the money goes when it comes to charities they are familiar with increases the further away you move from low security, low diversity respondents.

If you never stepped outside the most secure and diverse top-left quadrant of the map, which represents our most cosmopolitan areas where professionals mainly live, work and socialise with each other, it is easy to think there was no challenge for charities to address here. However, in our qualitative research many brought up this issue unprompted and it dampened trust in charities overall, particularly among those drawn from outside the top-left sector.

Similarly, while an overwhelming majority of the public thinks that the charities they know are having an impact at least to some extent, our qualitative studies clearly suggest that people expect charities to do more to demonstrate that they are operating to high standards as well as making a difference.

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“There are people out there that are unscrupulous, and the funds don't get to where they're supposed to.”

“I think quite a lot of them run out of lovely offices and that's not all coming free.”

“I think the media has raised concerns about our contributions to charity. Do they just reach the people that need it?”

“I once saw a list of all the directors of the charities and what their salaries were, and I was quite outraged by it to be honest with you.”

“ ”

“I think charities have to be transparent. Have those difficult conversations which are, for example, ‘we might not have done it right in the past, but these are the steps we're taking to ensure we do it right in the future’.”

“It's like a broken relationship that we need to just fix and mend to regain trust.”

“The way they get their results matters: being fair with how they're treating people around them and those who are involved with them. Just doing things with respect, honesty and integrity.”

Trust scores have improved but have not recovered to their pre-2014 levels

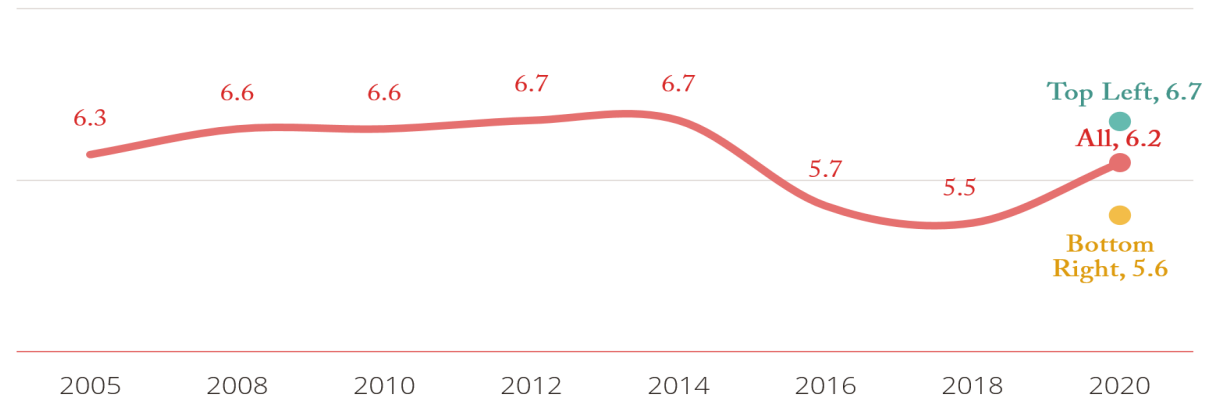
In a pre-pandemic world, all of this translated into a trust score of 6.2/10, when people were asked on a scale of 0 to 10 how much trust and confidence they have in charities they have overall. This is up on recent years but still below pre-2014 levels.

Around half of the English and Welsh public trust charities (51% give a trust score of 7-10 on a 0-10 scale), and another large swathe of the

population are on the fence (39% give a score of 4-6). Only one in ten (10%) say they don't trust charities at all (0-3).

Again though, these headline measures hide differences between different parts of public opinion. Those drawn from the most secure and diverse part of the population, the top left quarter of our demographic map, have significantly greater trust and confidence in charities than those from the less secure, less diverse part.

Overall trust and confidence in charities over time



*From 2018 onwards, the survey was conducted online rather than via telephone. This question, however, was also asked on a concurrent telephone survey as a comparison in 2018, giving a mean score of 5.7/10 (a difference of +0.2). Q1

2020 Fieldwork conducted between 5th and 11th February

Among the population as a whole, charities fare better against sectors and parts of society with beleaguered reputations – banks, private companies, newspapers, and politicians and, in a change from 2018, better than the ordinary man/woman in the street. They still perform less well than police and doctors.

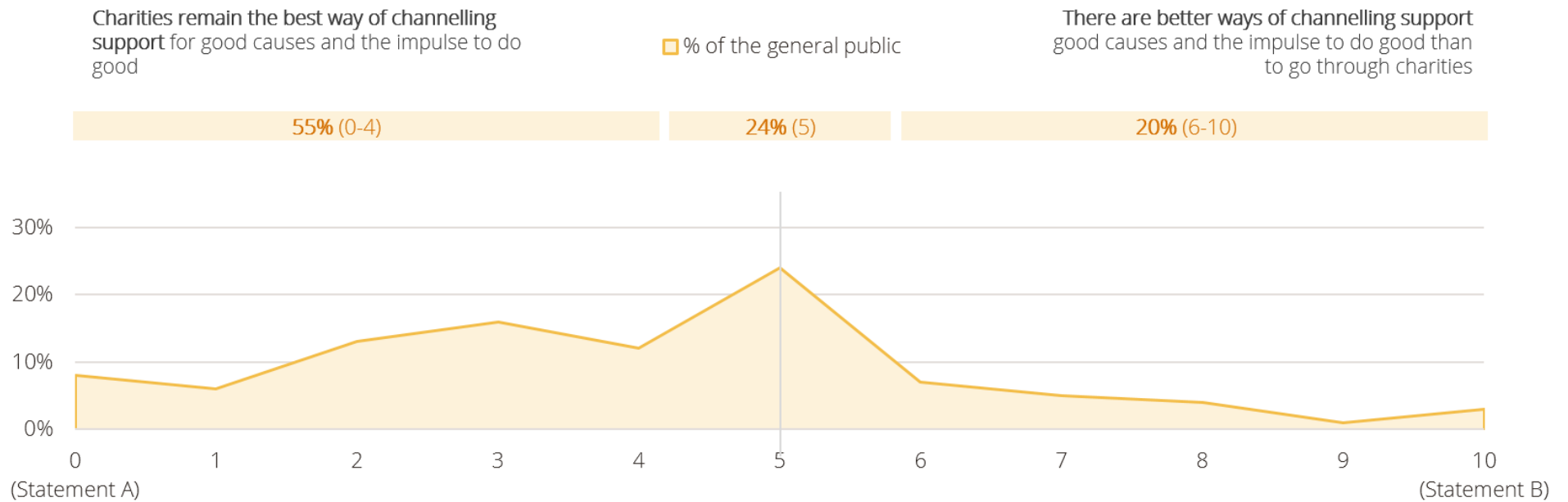
All of this represents a welcome uptick. To continue rebuilding trust and confidence, though, charities need to do a better job of responding to public expectations not least because they are not alone in being expressions of the nation’s charitable impulses.



Demographically representative online survey of 4,042 adults in England and Wales
Fieldwork conducted between 5th and 11th February 2020

Charities are seen as the best but not the only way to channel generosity

Slightly more than half the public see charities as the best way of channelling support for good causes, however even before CV-19, there were few takers in any part of the population for the idea that charities had a monopoly over charitable endeavour.



Demographically representative online survey of 4,042 adults in England and Wales
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“I'm probably more likely to donate now if it's a charity that's slightly smaller and more specific, and one that I feel like I relate to directly.”

“I don't think a lot of the money that should be going into the charity actually goes in there unfortunately. I think the local ones tend to be a little bit more legit.”

“We're so much more cautious about who we give to and we tend to do it less blindly.”

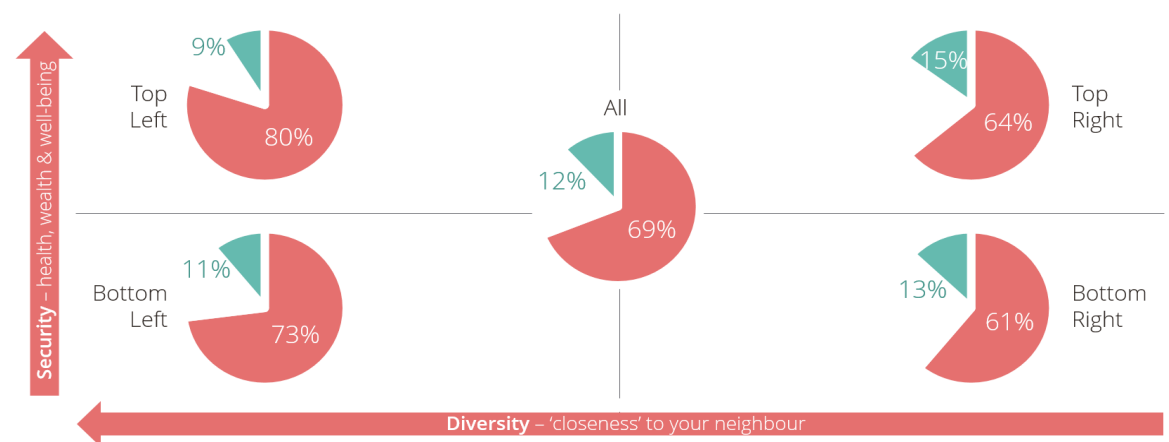
“Well, I think, given the current situation, it has proved that it can be done through other ways. The government ... asked for 250,000 volunteers. All of a sudden, within 24 hours, there were half a million.”

Our qualitative research indicates that some people – particularly among lower security, lower diversity parts of the public – have turned more to giving support directly to worthy local causes (for example by volunteering to help others in their community, or giving food directly to food banks), rather than supporting larger, established charities. Others say they are more wary of supporting charities at all.

Charitable endeavor is something that only charities do

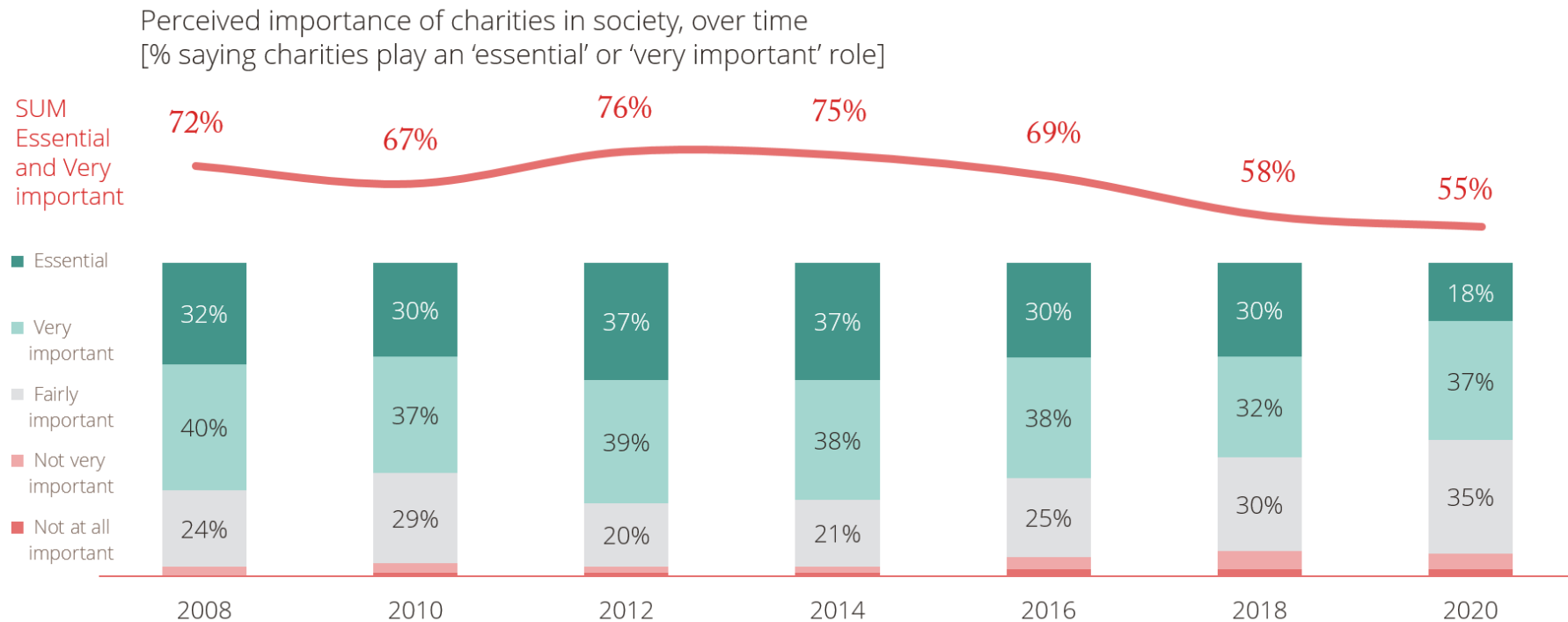
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Charitable endeavor is something anyone can undertake



Demographically representative online survey of 4,042 adults in England and Wales
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These findings perhaps explain why it is that though people in large numbers still look to charities to play a significant part in society, the proportion who describe that role currently as 'essential' or 'very important' is in decline.



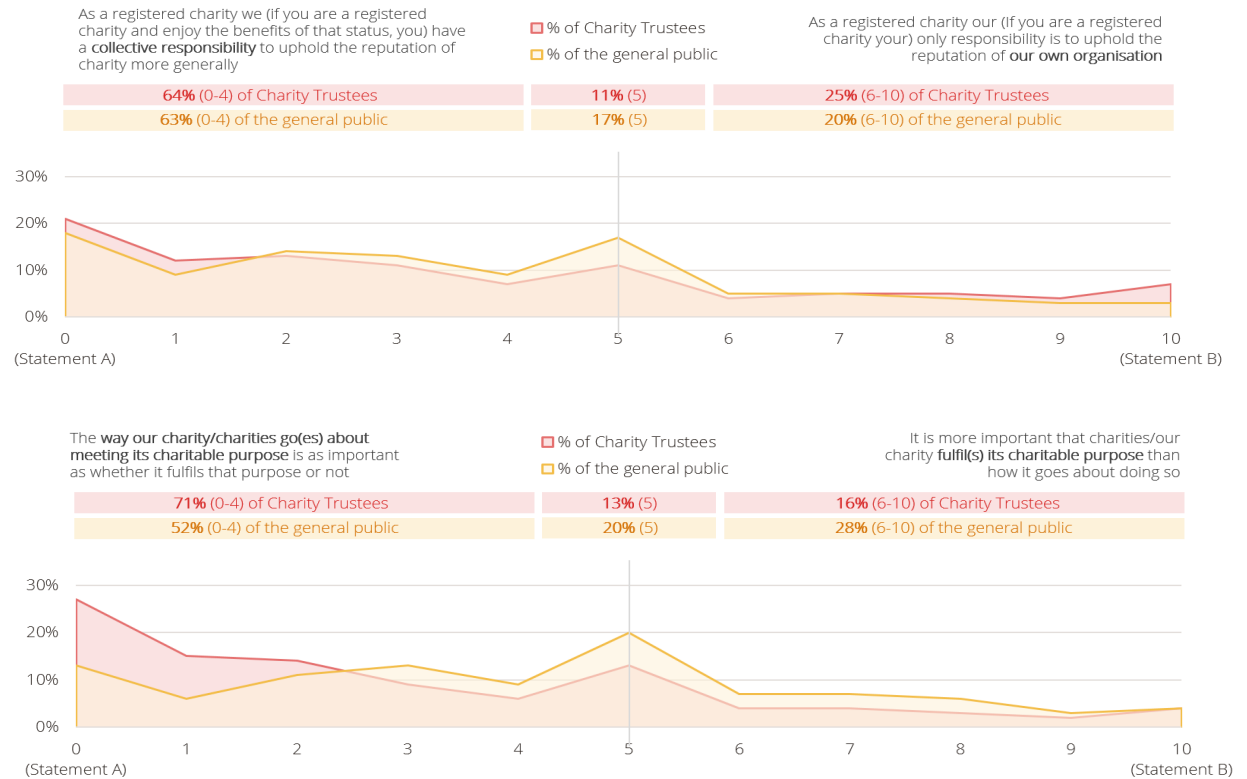
*From 2018 onwards, the survey was conducted online rather than via telephone. This question, however, was also asked on a concurrent telephone survey as a comparison in 2018, giving a percentage of 62% (a difference of 4%, and confirming the significant decrease)

*Demographically representative online survey of 4,042 adults in England and Wales
Fieldwork conducted between 5th and 11th February 2020*

Charity trustees and the public are mostly aligned on expectations

Charity trustees are the first line defence in upholding the good name of Charity generally and in making sure that their organisations comply with charitable law in particular. Our research among trustees shows that the majority have similar views to the public on its expectations for charities. For instance, there is little difference in the position of the public overall and trustees when it comes to the notion that charities have a collective responsibility to uphold the good name of Charity. Nearly two-thirds of both agree with this proposition.

And trustees feel more strongly than the public that the way a charity goes about meeting its purpose is as important as whether it fulfils that purpose or not. Nearly three-quarters (71%) of trustees think this compared with just over a half (52%) of the public.

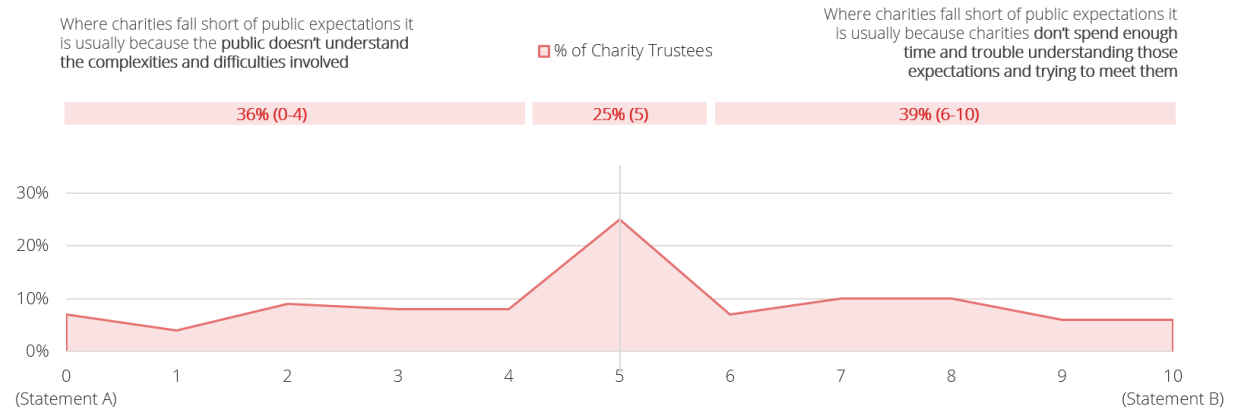
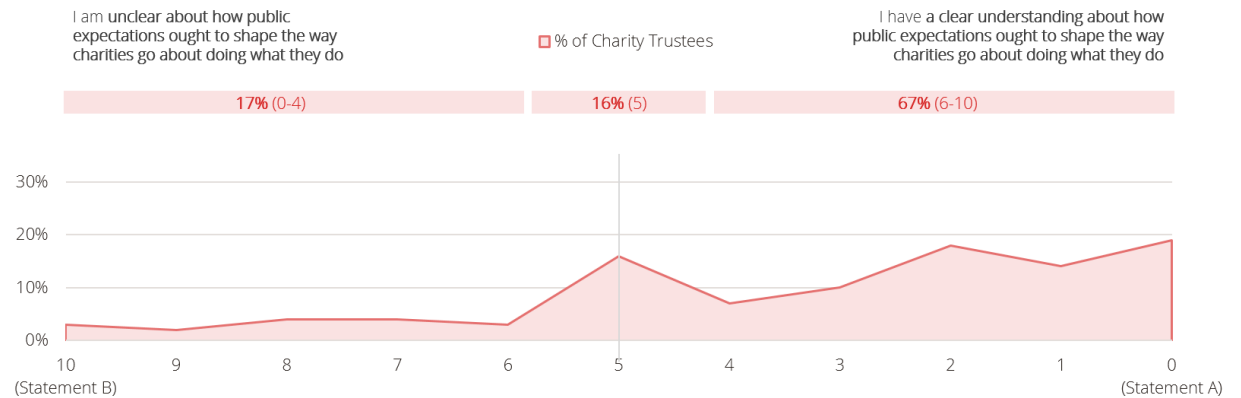


Online survey of 2,200 charity trustees sampled from the register of charities
 Fieldwork conducted in two waves between 19th December and 22nd March 2020
 Demographically representative online survey of 4,042 adults in England and Wales
 Fieldwork conducted between 5th and 11th February 2020

Overall two-thirds of trustees surveyed (67%) say they have a clear understanding about how public expectations ought to shape the way charities go about doing what they do.

However when charities fall short of public expectations nearly as many (36%) say it is because the public doesn't understand the complexities and difficulties involved as say that it's a question of charities not spending enough time and trouble understanding public expectations and trying to meet them (39%).

This is disappointing and potentially dangerous for the longer term legitimacy of the charitable sector. Not only do charities owe their privileged status to public support but it's clear that in the public mind registered status provides assurance that their expectations are being met.



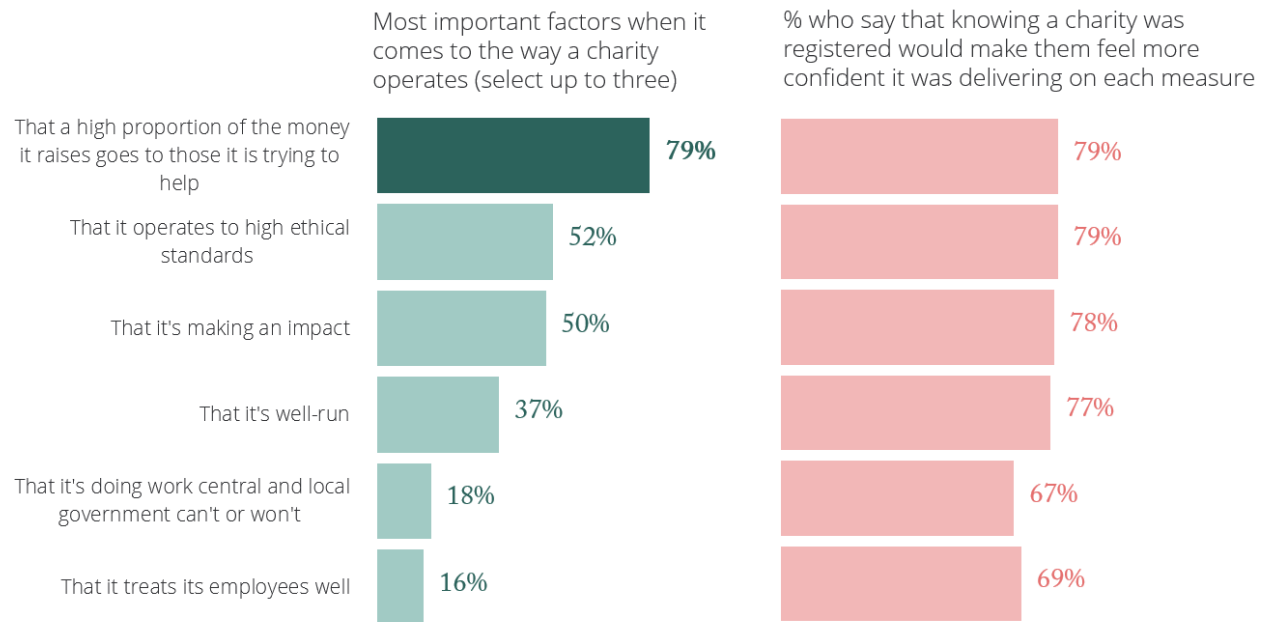
Online survey of 2,200 charity trustees sampled from the register of charities
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What does the public expect from the regulator?

Looking for a guarantor

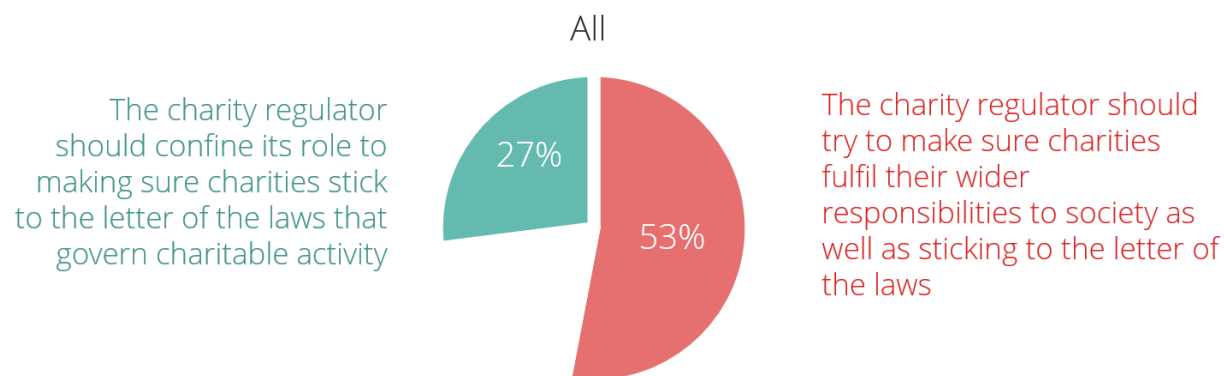
It is clear from our continuing consultations with the public and our growing understanding of their attitudes towards Charity, that there is a difference between the reasonable expectation the public have about what being a charity registered by the Commission ought to imply and what it actually means under current law. This is less about the confusion over which institutions do or don't count as charities and is more to do with what they expect when they are presented with known charities.

An overwhelming majority of the public views any charity's registered status as a mark of confidence allowing them to make basic assumptions about its efficiency, impact and conduct. Between 70% and 80% say that knowing a charity is registered makes them feel more confident in these regards and that pattern is consistent across different types of public opinion and all parts the country's demographic map.



Demographically representative online survey of 4,042 adults in England and Wales
Fieldwork conducted between 5th and 11th February 2020

In terms of awareness of the regulator, around half (53%) of the public say they have heard of the Charity Commission and of these just over third (36%) feel they know what it does, meaning about one in five (19%) of the population as a whole are both aware and familiar with its work (up from one in eight – 13% - in 2018). This overall figure for awareness and familiarity with the Commission varies from just over a quarter (26%) of high security, high diversity respondents to barely one in ten (11%) of low security, low diversity ones.



*Demographically representative online survey of 4,042 adults in England and Wales
Fieldwork conducted between 5th and 11th February 2020*

Beyond the letter of the law

While those with a detailed understanding of the Commission's work are few in number, twice as many (53% to 27%) think the charity regulator should try to ensure that charities fulfil their wider responsibilities to society rather than just making sure they stick to the letter of the law. This view is more pronounced among high security, high diversity respondents (63% compared to 22%) than among low security, low diversity ones (46% to 33%).

This is borne out by our qualitative research also.

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“Whoever's running the Charity Commission, they need to make the public aware of whether the money they've put in, however small it is, has been put to the intended use.”

“They should be making sure that those charities are well run, treating their staff properly, have the right set of ethics, and are using as much profit as possible every single year to have an impact.”

“They should be able to scrutinise where the money's going.”

“I think you've got to always be a little bit cautious in this day and age that if you are going to give to charity that you do check that they are registered, rather than just somebody knocking on the door saying they're collecting for x charity.”

“To say that something's registered, you would think that then there is a governing body that looks into how they appropriate their funds, and how they're distributed. Yes, being registered would be very, very important.”

“Well, the biggest power would be to open or close any charities. If somebody applies for a charity, then they'll be assessed based on - well it should be based on the costs of running that charity versus the expectation - how they're going to get donations they expect, and the most important thing of all, what is your purpose?”

Conclusion

In launching its statement of strategic intent eighteen months ago, the Commission said:

“When charity thrives, everyone benefits: the millions of people in every community who give to and benefit from charity at home; the millions more beyond our shores who are helped through our global charities; but above all our country. Put simply we are stronger and better as a country the more benefit charity delivers.”

If this was true before the national emergency, it is being brought home as never before during and after it. Society needs Charity to thrive. In turn charities need public support and the trust and confidence which underpins it. Meeting public expectations is vital here. What are those expectations? That a high proportion of charities' money be used for charitable activity; that charities make the impact they promise; that they go about making that impact in a way which is consistent with the spirit of 'charity'; and that all charities understand their collective responsibility to uphold that spirit. These demands are both reasonable and widely held.

Much is made of the need to educate the public about the role and value of charities in wider society, especially when their reliance on public support has been so dramatically illustrated, but understanding is a two-way street. Knowing what drives public support, being prepared to accept that and to take it into account as charities go

about their daily work is essential for the future health of Charity in this country. That is what respecting the public means and it is what the Charity Commission will continue to do.

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