

Immediate Release 06/09/06 - LATEST GIFT AID RESEARCH...

CHARITIES MAKE PIG'S EAR OUT OF CASH COW BY STARING GIFT AID HORSE IN MOUTH



On average, scarce half (53%) of all a charity's existing eligible supporters have signed up to Gift Aid: despite 4 in 5 (81%) of organisations saying the scheme has made it "much easier to make supporters' gifts tax effective", and despite promotional sign-up methods like street fundraising proving highly effective when tried - according to new research out today.

Leading not for profit sector think tank and research consultancy's nfpSynergy's debrief, ***Gift Aid Horse Trough: Half Empty or Half Full?***, involved a survey of 140 charities, exploring their experiences of the Gift Aid scheme: the most effective methods for promoting it to supporters and the easiest supporter groups to convert. The study follows on from previous waves of research, in 2002 and 2003.

Other findings are that respondents rank "conversion during street fundraising" as the most effective promotional method (75% who had tried, reported "great success"), followed by "mailing to existing donors" (51% who had tried, reported "great success"); and that, in terms of supporter groups targeted, "new donors recruited face to face" were the easiest to convert (51% who had tried, found it "very easy"), followed by "existing donors with direct debits" (37% who had tried, found it "very easy"). Also, less than half (46%) of respondents have had a Gift Aid audit since the scheme was introduced in April 2000; and one in eight (13%) of respondents have had to repay some Gift Aid to the Inland Revenue as the results of such an audit.

SOME KEY REPORT FINDINGS

Overall

- As in previous research waves, a high percentage of respondents (81%) say that Gift Aid has made it "much easier to make supporters' gifts tax effective".
- The "average percentage of eligible supporters who have been converted to Gift Aid" has increased this wave to 53%, rising from 45.3% (2003) and 40.2% (2002) in previous waves.
- More specifically, the average percentage of a charity's cash/cheque donors who have been converted to Gift Aid is 47%; and the average percentage of direct debit/standing order donors converted is 61%.

Effective promotional methods

- Respondents rank "conversion during street fundraising" as the most effective promotional method (75% who had tried, reported "great success"), followed by "mailing to existing donors" (51% who had tried, reported "great success"), "telephone calls" (47% who had tried, reported "great success"), then Solus [exclusively aiming to promote Gift Aid] mailings (45% who had tried, reported "great success")

Easiest supporter groups to convert to Gift Aid

- In terms of specific supporter groups targeted for sign-up or conversion, “new donors recruited face to face” were the easiest to convert (51% who had tried, found it “very easy”), followed by “existing donors with direct debits” (37% who had tried, found it “very easy”), “new or existing donors giving online” (37% who had tried, found it “very easy”), then “existing high value donors” (32% who had tried, found it “very easy”)

Audits

- Only 46% of respondents have had a Gift Aid audit since April 2000, when Gift Aid was introduced; and only 29% have in the last two years.
- 13% of respondents have had to repay some Gift Aid to the Inland Revenue as a result of an audit.

nfpSynergy’s Driver of Ideas, Joe Saxton, said:

“The average percentage of a charity’s eligible supporters signed up to Gift Aid may have increased in this wave of research to 53% - rising from 45% (2003) and 40% (2002). However, since respondents also report many of the methods available to promote sign-up or conversion are highly effective, and certain supporter groups easy to convert, one could argue that the charitable cup is still very much half empty, rather than half full. Many charities still seem to be staring the proverbial Gift Aid horse in the mouth – making a bit of a pig’s ear out of a clear charitable cash cow! Many still fail to properly explain the scheme to their donors, existing or new.”

nfpSynergy conducts a whole raft of syndicated, cost-effective monitors, delivering subscribers with regular insights into key stakeholders including politicians, business leaders, health professionals, journalists, young people and the wider public.

For more information about nfpSynergy: www.nfpsynergy.net

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MEDIA INTERVIEWS: To interview nfpSynergy’s Joe Saxton about the research findings (available in full on request) and how charities can best promote Gift Aid to donors, existing and new, please contact:

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Notes to editors:

• nfpSynergy

nfpSynergy (www.nfpsynergy.net) is the UK’s *only* think-tank and research consultancy dedicated to the charity sector and not for profit issues. It provides ideas, insights and information to help voluntary and community organisations thrive in an ever-changing world. Regularly harvesting the social and charity-related views of public and parliament, media and business - not to mention not for profit organisations themselves - nfpSynergy has a vast and ever-growing knowledge pool from which to extract and deliver insights.

• Joe Saxton

Joe Saxton co-founded nfpSynergy in 2002 after fifteen years experience in the voluntary sector, including as a director of the RNID (Britain’s largest charity for deaf and hard of hearing people) and as a trustee of the RSPCA.

He is Chair of the Trustees of the Institute of Fundraising (www.institute-of-fundraising.org.uk) - the professional body for fundraising and the largest individual representative body in the voluntary sector, with 4000 individual members and 200 organisational members. Joe was recently named one of the hundred most influential people in UK social policy by *The Guardian* and has been repeatedly voted one of the ten most influential people in UK fundraising by *Professional Fundraising*, weighing in at the Number 1 slot for the last two years in a row.

A well-known and respected voice within the charity world and frequent face at sector conferences, Joe has contributed - via original research, opinion pieces and interviews - to a wide range of specialist and mainstream media, both print and broadcast, from *Third Sector* and *The Guardian* to *BBC Breakfast* and *BBC Radio 4*.