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UK'S FIRST EVER "STATE OF THE THIRD SECTOR" SURVEY

1 IN 3 CHARITIES THINK BIG CHARITIES HAVE NEGATIVE IMPACT ON SECTOR

- 7 in 8 (87%) charities think that charitable delivery of public services will still be a major issue 10 years hence
 - 2 in 5 (38%) charities think irrecoverability of VAT has had a negative impact
 - Three quarters (73%) of charities think Gift Aid has had a positive impact
 - 9 in 10 (92%) charities claim public don't understand how modern charities work
 - 3 in 5 (59%) charities think charities are too cautious re campaigning
 - 1 in 4 (25%) charities back "not for profit" as most popular sector title
 - 2 in 5 (41%) charities cannot say which UK political party has the best policies for the sector

A third (33%) of all charities asked think very big charitable organisations have a negative impact on the sector as a whole – according to the UK's first ever comprehensive "State of the Third Sector" survey, conducted by leading not for profit sector think tank and research consultancy, nfpSynergy.

The study asked almost 300 professionals, from a broad cross-section of charities, about the main influences and factors effecting their own work and the sector as a whole - including the impact of Government initiatives and key sector bodies.

Other interesting findings include: 7 in 8 (87%) charities think that charitable delivery of public services will still be a major issue in 10 years time; almost 2 in 5 (38%) think irrecoverability of VAT has had a negative impact; over 9 in 10 (92%) charities claim the the "public doesn't understand how modern charities work"; 3 in 5 (59%) think charities are too cautious re campaigning; three quarters (73%) think Gift Aid has had a positive impact; 1 in 4 (25%) back "not for profit" as the most popular sector title; and 2 in 5 (41%) feel unable to say which UK political party has the best policies for the sector.

nfpSynergy's Joint Managing Director, Chris Greenwood, said:

"This survey throws up several surprises that should give the voluntary sector pause for thought. Surely it is far from a coincidence that the sector feels 'misunderstood' whilst spending little or no money on telling the public about itself. Or that many charities seem to adjudge themselves significantly more professional, effective, trustworthy and accountable than the sector as a whole, whilst the sector lacks a strong figurehead or united voice. And there is a staggering lack of awareness of some Government initiatives; and disbelief that others have any impact at all."

"We hope to repeat this unique wide-ranging survey annually in order to track and highlight the main priorities and issues charity professionals believe their sector faces. Whilst Government initiatives around Gift Aid and Volunteering get a big thumbs up, the majority of respondents think Government is generally exerting too much control and two fifths feel unable to say which main party has the best charity-related policies. Meantime, the 'mega-charities' may be unhappy to learn that a third of their fellow pros seem to think they have a negative impact on the sector as a whole!"

nfpSynergy “State of the Third Sector” survey: main findings...

- A quarter (25%) of respondents think “**not for profit**” the best name/title for the sector, followed closely by “**voluntary and community**” (23%). Only 1 in 7 (14%) think “**third sector**” best.
- Charities think their own organisations significantly more “**professional**” (56% v 34%), “**effective**” (52% v 35%), “**trustworthy**” (46% v 37%) and “**accountable**” (43% v 37%) than the sector as a whole.
- 1 in 7 (14%) find their sector “**conservative**” - 1 in 10 (9%) think it “**timid**” and 8% think it “**desperate**”.
- 9 in 10 (92%) claim the “**public doesn’t understand how modern charities work**”; 7 in 8 (87%) think that “**charity delivery of public services is still going to be a big issue in 10 years time**”; 3 in 5 (59%) think charities are “**too cautious about campaigning**”; the majority (54%) think “**Government is exerting too much control over the sector**”; and a third (33%) think “**very big charities have a negative impact on the sector as whole**”.
- Re Government initiatives, three quarters (74%) think **Gift Aid** has had a positive impact on the sector; two thirds (67%) think so of the **Government’s promotion of volunteering**. 3 in 5 (38%) think the **irrecoverability of VAT** has had a negative impact.
- There is an overall shocking lack of awareness of, or belief in, some Government initiatives - most notably the **six ChangeUp Hubs**. On average, a third (34%) of respondents have not even heard of any particular Hub; and, on average, a further third (36%) adjudge any particular Hub to have had no impact *whatsoever*.
- 3 in 5 (41%) cannot say which **political party they think has the best policies for the sector** – with over a quarter (27%) saying **Labour**; 1 in 10 (11%) saying the **Liberal Democrats**; and only 8% choosing **Conservatives**, trailed shortly behind by the **Greens** on 7%.
- The majority (55%) of respondents adjudge the **Charity Commission** to be the major “infrastructure body” that had had the “biggest impact” on their work; followed by the **NCVO** (43%), the **Directory of Social Change** (37%) and the **Institute of Fundraising** (35%).
- Two thirds (67%) of respondents cite “quality of work or services” as the “**most important charity attribute vis-à-vis creating a high impact on beneficiaries**”; followed by “quality of leadership” (58%) and “strength of values and vision” (55%).
- Four in five (81%) respondents cite “making a difference” as the “**biggest motivating factors for working in the sector**”; trailed by “collective or individual passion” (51%) and “driving social or political change” (49%).
- Two in five (39%) respondents cite “marketing” as their “**skill or expertise in shortest supply**”; trailed by fundraising (36%), web or digital media (27%), HR (27%) and evaluation (27%). Interestingly, almost a quarter think their organisation lacks expertise re “leadership” (23%), internal communications (23%) and governance/trustees (23%).
- Almost 9 in 10 (88%) think their **organisation works well with** clients, two thirds (67%) with volunteers and 3 in 5 (60%) with donors. Just over half think they work well with Government (55%) or media (53%).

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MEDIA INTERVIEWS: To interview nfpSynergy’s Chris Greenwood about the “State of the Third Sector” survey, 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.

- **Chris Greenwood, Joint Managing Director, nfpSynergy**

Chris joined *nfpSynergy* in September 2006, after eight years' experience of advertising and direct marketing planning, delivery, buying and evaluation – on both client and agency sides.

Most recently, Chris was the NSPCC's Head of Brand Marketing, since December 2002, where he managed the charity's awareness/public education function. His role also saw him working with some of the UK's top external marketing and publishing agencies – from Saatchi & Saatchi and NOP/HPI to Zenith and Redwood.

Major projects and achievements whilst working at the NSPCC include him taking lead responsibility for the research and design behind ChildLine & NSPCC's repositioning, known as "Branding for Children"; strategic input into the revised FULL STOP strategy; the commission, planning and launch of "Your Family", NSPCC's customer magazine (distributed through Early Learning Centre and recent winner of the PPA's Best Customer Magazine); and the NSPCC's website redesign (launched Sept 2006). His teams also won a clutch of Awards, including a Gold for direct marketing at the Cannes International Advertising Festival 2003; and a Gold for public sector advertising at Cannes International Advertising Festival 2004.

Previous work includes a year at direct marketing agency, Clark McKay and Walpole; eighteen months at integrated marketing, PR, media buying and consultancy not-for-profit sector agency Burnett Associates/LION (where clients included RSPB, Crisis, Royal College of Nursing etc); and two years at the RSPCA.

Chris is a Kennedy scholar and a graduate of Cambridge, London and Harvard Universities.