



helping non-profits thrive



You can take a Gift Aid horse to water....

**A research report on charities' attitudes to Gift Aid
and its marketing**

**Joe Saxton and Alexandra Denye
February 2004**

Section 1: Headline results from the survey on Gift Aid

Introduction and methodology

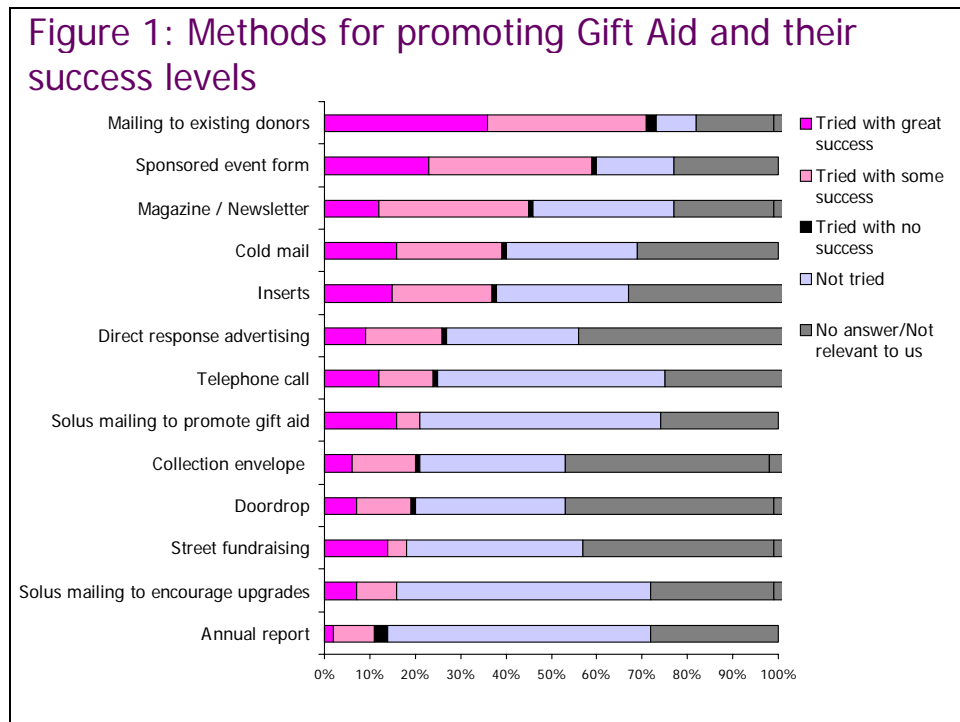
Gift Aid has been one of the key policies in the government's stated intent to create a giving nation. Implemented by the Chancellor on April 6th 2000, it has simplified the mechanisms for tax reclaim and reduced the giving commitment needed by donors in order to allow tax reclaim. At the same time as the introduction of Gift Aid, the Chancellor also made it easier to give shares to charities tax-effectively.

This report is the result of research in October 2003 into the ways that charities are using Gift Aid and their success in promoting it. A questionnaire was mailed to 500 charities in October 2003 and 139 charities responded by completing the questionnaire. The survey also included questions about the take-up and promotion of share giving and this will be reported separately. The research on Gift Aid is a repeat of research first carried out in the summer of 2002 by nfpSynergy.

Gift aid has undoubtedly made it easier for charities to reclaim tax, with 93% of charities saying it has made it easier to reclaim tax (and 83% of those saying much easier). In this section, the report focuses on how well charities are exploiting Gift Aid and which techniques are working the best. In section 2 the report provides some ideas on how charities can increase their take up of Gift Aid, as well as making recommendations on how the Government and Inland Revenue can improve the Gift Aid infrastructure overall.

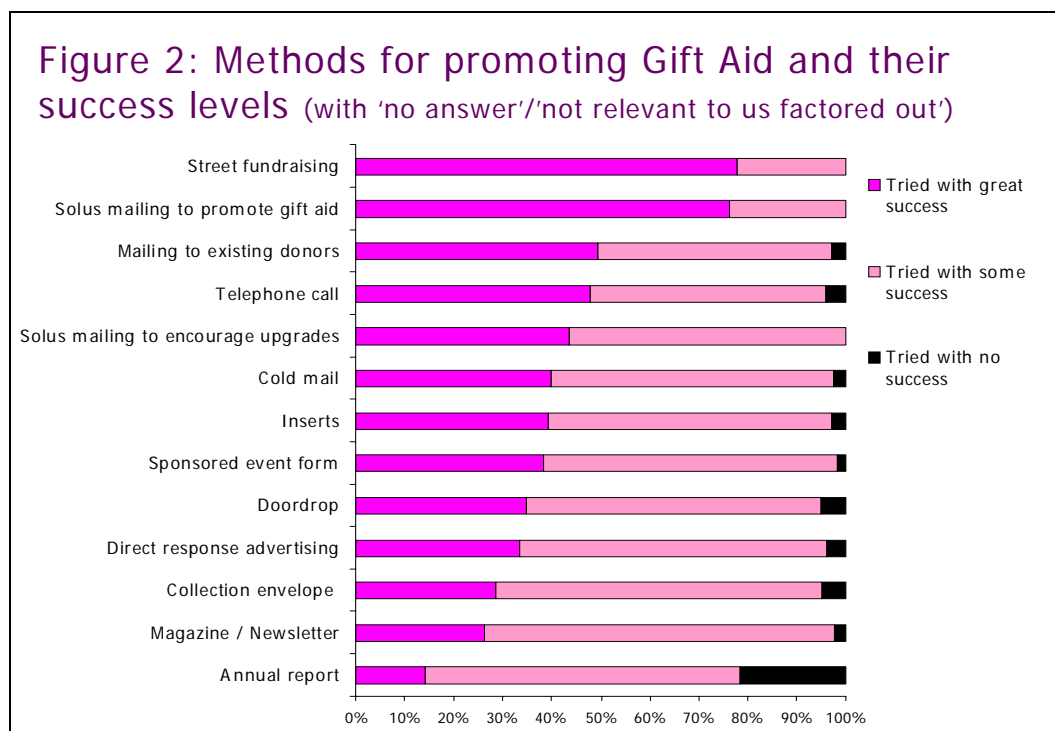
The breadth of marketing techniques used for Gift Aid

Charities are using a massive range of approaches to convert donors to Gift Aid. Figure 1 shows the extent to which the most common of these techniques are being used in Gift Aid conversion.



Perhaps the most striking thing about figure 1 is how many techniques have not even been tried by many charities. So while for example 'mailing to existing donors' is used by many charities (and with a fair degree of success), techniques such 'telephone call' and 'solus mailing'¹ to promote Gift Aid' have been tried by only around 25% of charities or less.

As figure 2 shows where charities have tried out techniques they are often highly successful. The dark bar on the left in figure 2 shows the percentage of organisations that having tried different techniques judged them to have been a 'great success'. This shows that 'street fundraising' and 'solus mailing to donors' have the highest success rate with around 75% of all charities who tried them judging them to be 'a great success' (even though not that many charities had tried them). Significantly while street fundraising is limited in its relevance to those who use the technique, 'solus mailings' are universally applicable and relatively cheap to carry out.



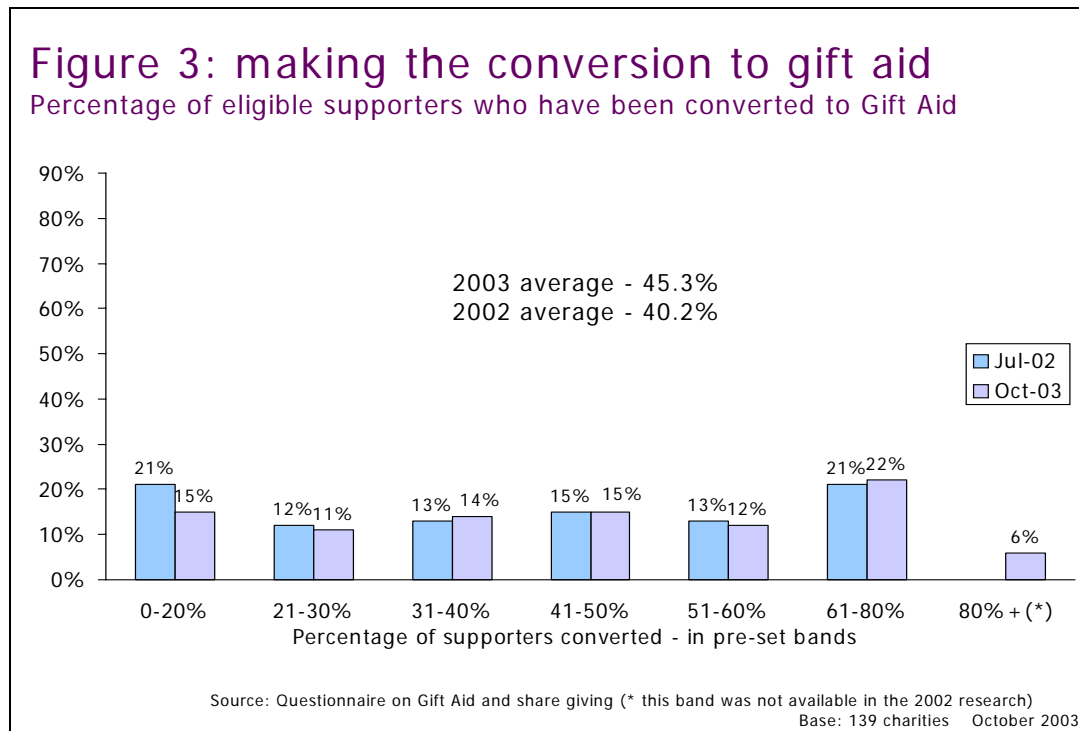
At the other end of the scale 'annual reports' appear to be the least successful technique with only a small number of organisations having found 'great success' and a significant number having found 'no success' in using the technique. This one less successful technique should not mask the overall conclusion: that where techniques are tried they are usually somewhat or very successful. The biggest issue for Gift Aid promotion is the low levels of what charities have tried, not that the techniques don't work.

Conversion of eligible donors

The acid test for the effectiveness of Gift Aid techniques is the level of conversion of eligible donors. Figure 3 shows the percentage of eligible donors converted to Gift Aid in 20% pre-set steps. When we first carried out this research in 2002 the number of responses was fairly even spread across the options with an average of 40% conversion. Sadly this average has increased little since 2002 with an average at 45%. There are 8 organisations who now have a conversion rate of more than 80%, with their permission

¹ A solus mailing is one where the only response requested is for Gift Aid conversion

we are pleased to name them all but two of them: Action Aid, Comic Relief, Plan UK, Salvation Army, Sovereign Giving and Woodland Trust.



Given all that figure 2 shows about the success of Gift Aid conversion techniques it remains astonishing that some charities have not even converted 40% of their donors, let alone 20%!

Ease of conversion of different kinds of donors

Not all donors are the same. Figure 4 shows the difference in ease of conversion of different types of donors. By factoring out the response from those charities for whom a particular type of donor wasn't relevant, we have calculated how the percentage of 'very easy to convert' responses in relation to the total. From this response it is clear that direct debits donors are very easy to convert (45% of charities with direct debit-ers found them 'very easy to convert'), as are high value donors (38%) and donors recruited through face to face fundraising (54% of charities using face to face found them 'very easy to convert').

At the other end of the scale it appears that people taking part in sponsored events (and their sponsors), cold mail, inserts and advertising recruited donors are the hardest to convert. Only 14% of charities using cold mail found them 'very easy to convert'. The comparable figure for donors recruited through inserts and advertising was 17% and those taking part in sponsored events was 19%.

Figure 4. Ease of conversion of donors to Gift Aid ranked by 'very easy to convert' as a % of charities with each type of donor.

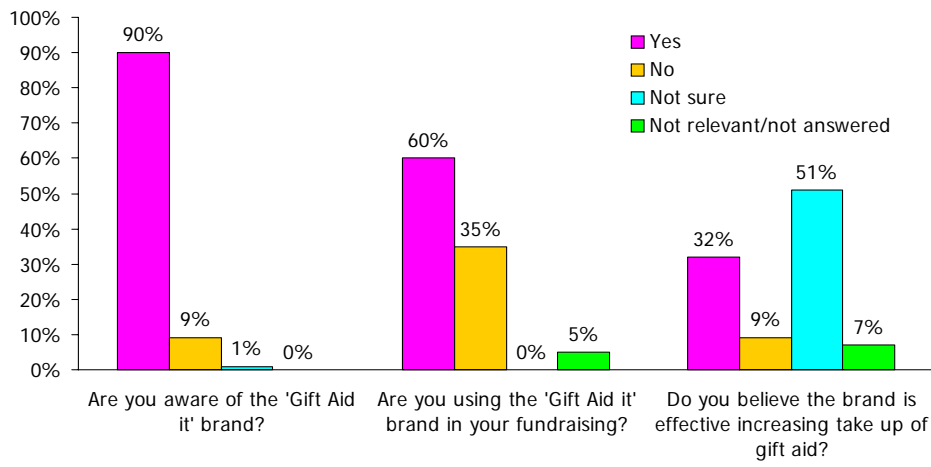
Type of donor	Very easy to convert'	Quite easy to convert'	Total % who had relevant donor types	Very easy' as a % of those with relevant donor types
New donors recruited through cold mail/door drops	5%	22%	35%	14%
New donors recruited through advertising/inserts	9%	35%	54%	17%
People taking part in sponsored events	12%	29%	62%	19%
Existing cash/cheque donors	23%	52%	88%	26%
New donors recruited through DRTV	3%	6%	11%	27%
Existing donors with standing orders	24%	40%	74%	32%
Existing high value donors	29%	35%	76%	38%
Existing donors with direct debits	24%	25%	53%	45%
New donors recruited through face to face	21%	13%	39%	54%

Success of the 'Gift Aid it' logo

As figure 5 shows the 'Gift Aid it' logo has a high awareness among charities, with 90% of respondents having heard of it, and 60% of charities using the brand. When asked if they thought the logo had increased take up of Gift Aid, respondents were more circumspect, with only 32% answering that it had increased take-up and just over 50% unsure whether it had increased take-up.

So the 'Gift Aid it' logo has achieved relatively high awareness and take-up within a limited period, but it is less clear that it has increased take up – though it is difficult to see how respondents could know for sure that it had.

Figure 5: Use of, and attitudes towards the 'gift aid it' brand



Source: Questionnaire on Gift Aid and share giving
Base: 139 charities October 2003

Section 2: Making it happen: maximising the Gift Aid benefit

Ten simple ways to increase your Gift Aid take-up

Of course your charity values tax-effective giving, and of course you want to make the most of it. But, as our research shows, keenness and enthusiasm aren't always sufficient to result in large amounts of tax-effective income. So here are some simple ideas to help you make the most of Gift Aid.

1. Appoint a Gift Aid (or even a tax-effectiveness) czar

Who is the person in your charity responsible for making sure you maximise the take-up of Gift Aid, or even tax-effective giving as a whole? Many organisations will manage to convert supporters to Gift Aid without a Gift Aid czar but the clarity of vesting responsibility in a single individual will make a big difference. However the Gift Aid czar will also need to have the power to name and shame departments that don't co-operate and report to the senior management team on a regular basis...and some budget for trying conversion techniques would also help.

2. Know your Gift Aid vital statistics and how much extra tax you could reclaim

Sad as the figures presented in the first section of this report are, they probably present an overly optimistic picture of the situation. The simple reason for is that organisations who do not have a clear idea of their own performance are unlikely to respond, and those whose figures are poor are unlikely to respond. In short, our research is probably (but we don't know) biased towards good performers. While bias in our research is one thing, the real losers in a lack of knowledge about a charity's vital statistics for Gift Aid is the charity itself.

Every charity should know their own figures for Gift Aid. People can debate how it is measured but without clear consistent performance figures it is impossible to mount an effective campaign to increase Gift Aid take up and know whether it works. The most basic figure that should be tracked is the percentage conversion of eligible donors. However this figure can be broken down; by the lifetime value of donors (those who given more than £100 etc); the percentage of newly recruited donors; donors with direct debits or standing order: cash/cheque donors: the percentage of income left unclaimed (as opposed to the number of donors) and so on.

3. Build your Gift Aid targets into your charity's performance indicators

It is not enough to know what your own organisation's Gift Aid vital statistics are, you have to drive them in the right direction. Gift-aid targets should be part of your annual report, in your standard information return (SIR), in your annual strategic plan and in people's individual performance objectives.

What's a suitable target for Gift Aid? Our research showed that 8 organisations had achieved a conversion of more than 80% (and we're pleased with their permission to name them once again: Action Aid, Comic Relief, Plan UK, Salvation Army, Sovereign Giving and Woodland Trust). If those organisations can achieve this level of conversion we believe high levels of conversion are realistic for most charities: in our first report on Gift Aid we set a target of 75% conversion and though slightly lower than 80% we believe this remains a good, achievable target for most charities, large and small.

4. Know your donors and identify their barriers to conversion

Those organisations who have achieved a high level of conversion haven't done so by accident, but through careful planning and hard work as our two case studies included in this report show. An integral part of any conversion campaign is to understand your donors and identify the barriers, both real (such as not paying tax or living overseas) and perceived (such as believing it's a commitment like a covenant). The easiest way to understand your donors is to do a simple questionnaire and ask people key questions that will help you build your relationship with them.

5. Mail non-converters with a solus mailing

We admit we go on about solus mailings and Gift Aid. It is for a good reason – they work. Figure 2 showed how those charities that had tried them found them highly effective and our profit scenarios in the next few pages show how a healthy profit is a very realistic outcome (if you're not sure what a solus mailing should look like email us at reports@nfpysnergy.net and we will send you some ideas). The other advantage of a solus mailing is that you can encourage people to tell you why they won't sign a declaration. This kind of feedback can be used to work out whether the barriers are real or perceived.

6. Telephone all non-responders to a solus mailing

The best thing to follow up non-responders to a solus mailing with is a phone call. If your donors are courteous enough to tell you they can't convert you should respect their judgement. However anybody who simply doesn't respond can be telephoned. After all they aren't being asked for more money, but simply being given the opportunity to make the most of their existing donations. Let's face it, it very easy to miss a letter offering the chance to convert to Gift Aid, and a telephone call is an appropriate way to ensure that donors understand about Gift Aid. Given that higher rate tax payers can reclaim the difference between basic rate and higher rate tax through their tax return the benefits to Gift Aid aren't only for the charity.

7. Put together a simple briefing on Gift Aid (and other tax-effective ways of giving) for all supporters

Simple as Gift Aid is, it is open to misunderstanding and a hostage to ignorance. Too many Gift Aid declarations don't have the courtesy to explain themselves in any detail. It is only to be expected that donors may have questions or concerns about Gift Aid, and a Q & A style briefing is an easy way to answer them.

8. Put tax-effective giving on your trustee agenda twice a year

Trustees should be making sure that they fulfil their financial duties. One way of doing this is to regularly examine the tax-effectiveness of people's donations to your charity. This should cover Gift Aid, payroll giving and share giving as a very minimum and would probably also do well to include legacies and corporate donations. The trustees should be ensuring that the charity is delivering the highest levels of tax-effectiveness income from both charity and donors. However just putting tax-effective giving on the trustee agenda puts a very clear message to fundraisers and other staff that the board cares about tax-effectiveness.

9. Develop fundraising income streams that complement Gift Aid

Donors like tax-effective giving and particularly Gift Aid because it makes their donation go further and appeals to many people's sense of delight in clawing something back from the tax man. Those charities which have taken the time and energy to secure high conversion

like Gift Aid because it adds substantially to their income with little extra cost and without continually asking donors for more money. The logical extension of this is to increase the proportion of fundraising income on which Gift Aid can be claimed. More income from individuals, from sponsored events, from collection envelopes from direct debit or standing orders and less money from collecting tins, events, and charity shops.

Taken one step further other types of income can be made to work synergistically with Gift Aid. For example, ask a corporate supporter to match the tax reclaim for the first 1000 responders to a Gift Aid solus mailing, or give £5 for every donor converted. This in turn will increase the number of people who respond to the conversion mailing.

10. Brief new staff, brief old staff and brief volunteers on the importance of Gift Aid and tax-effectiveness

Every charity has an induction process for new staff. The value and importance of Gift Aid and other forms of tax-effective giving should form part of that induction process. Indeed the importance of Gift Aid should also form part of more regular briefings to staff, and is a good topic for staff conferences, management team meetings and awaydays.

How good a Gift Aid lover are you? Try our simple quiz

Always look enviously at other charities at fundraising seminars? Ever wondered how you too could build relationships that other charities seem to find so easy? Ever lied or felt ashamed when asked about those hard to convert supporter segments? Help is at hand. Try our simple quiz and see just how good a Gift Aid lover are you?

Q1. Which of the following techniques have you tried to convert your supporters:

- a) Put Gift Aid tick boxes on our annual report
- b) Put Gift Aid tick boxes on all our appeal mailings
- c) Told our supporters how much money we've raised from Gift Aid
- d) Rung up those supporters who haven't yet responded
- e) Asked donors to increase their support because Gift Aid makes their money go further
- f) Reminded all our higher rate tax paying supporters to reclaim the extra tax back
- g) Written to our supporters just asking them to convert to Gift Aid

Give yourself one point for every technique you answered yes for, except for the technique g which is worth 5 points.

Q2. What is the percentage of your eligible supporters (named people with addresses, living in the UK, making donations) you have converted to Gift Aid?

- a) Up to 20%
- b) Up to 40%
- c) Up to 60%
- d) Up to 80%
- e) Up to 90%
- f) Over 90%

Give yourself 1 point for 10% points conversion, 2 points for 20% and so on, so 40% conversion is worth 4 points. If your conversion is 80% or more add a bonus 5 points. If you're not sure of your conversion rate lose 2 points.

Q3. At senior management meetings which of the following are most likely to take place:

- a) Who knows? There is no fundraiser at senior management meetings
- b) The CEO tries to increase fundraising income without increasing expenditure
- c) The CEO wants to know when the next £1million corporate tie-up will be
- d) The CEO offers to personally sign 500 letters to the most valuable supporters who haven't yet converted to Gift Aid

No points for option a, b or c and 3 points for option d.

- Q4. At trustee meetings which of the following are likely to take place:
- Fundraising is covered in the financial report and the discussion moves on as quickly as possible
 - The fundraising director is asked why the chair's husband's friend got an appeal mailing
 - The fundraising director is asked whether the charity could do more to help local groups
 - Current levels of Gift Aid conversion are included in board papers and the fundraising director is grilled for 20 minutes on how the conversion rate can be increased and conversion techniques that have been tried
- No points for option a, b or c and 3 points for option d.

How did you score.

0- 10 points. You're not much of a Gift Aid lover at all. If your charity was a person you'd have bad breath and greasy hair. What are the trustees and CEO up to?

11-20 points. Not too bad – but still a lot more Gift Aid loving that can be done. With a little effort your charity could be a bit of a dish.

20 plus points. You are hot. Those Gift Aid cheques will be flocking to your bank account while you'll know you're the envy of every other charity on the beach.

The financial case for conversion: sometimes money does grow on trees

Is converting donors to Gift Aid worth the effort? The answer in our view is an unequivocal YES! We don't say that out of ideology or tax reclaim fervour but simply the financial case is so compelling. The biggest disappointment in our results in both of the two waves of research is the low usage of solus mailings for conversion.

Don't be put off by the jargon. A solus mailing is simply an appeal on its own for Gift Aid conversion not marred or diluted by appeals for anything else. In our research those organisations which had tried Gift Aid solus mailings found them very successful. Figure 6 shows some income scenarios for a solus mailing. We have made some basic assumptions:

- The cost of a mailpack is 50p
- The mailing is 10,000 in size
- Converted donors will have on average 2 years of back tax that can be reclaimed once they converted
- Converted donors will on average give for another 2 years (a lifetime value of on average 4 years)
- Figure 6 shows a conversion success rate of 5% to 35% and an annual giving value of £10 to £100
- Figure 6 shows two scenarios: the profit after mailing expenses for the four years of Gift Aid reclaim and the profit for every pound spent in the bottom scenario

Take a simple average charity who does a solus mailing and manages to convert 20% of a mailing to 10,000 and the average donor's annual value is £20. Pretty easily achievable for most conversion mailings we think. Yet even this cautious scenario yields a surplus of over £40,000 (£40,128 to be precise) for an outlay of £5,000 or over an ROI of over 9 (9.03 to be precise) income for each £1 spent. Our spreadsheet is interactive and any organisation can plug in their own figures – email us at reports@nfpsynergy.net if you'd like a free copy.

**Figure 6: Profit (loss) projections for a mailing
converting 10,000 donors to Gift Aid**

Gross cost for each donor mailed

£0.50

Number of donors mailed

10,000

Average number of years claimed can be backdated

2

Average number of years donors is likely to go on giving

2

		Percentage of donors converted						
		5%	10%	15%	20%	25%	30%	35%
Average annual donation of each converted donor	£10	£641	£6,282	£11,923	£17,564	£23,205	£28,846	£34,487
	£20	£6,282	£17,564	£28,846	£40,128	£51,410	£62,692	£73,974
	£30	£11,923	£28,846	£45,769	£62,692	£79,615	£96,538	£113,462
	£40	£17,564	£40,128	£62,692	£85,256	£107,821	£130,385	£152,949
	£50	£23,205	£51,410	£79,615	£107,821	£136,026	£164,231	£192,436
	£75	£37,308	£79,615	£121,923	£164,231	£206,538	£248,846	£291,154
	£100	£51,410	£107,821	£164,231	£220,641	£277,051	£333,462	£389,872
	£150	£79,615	£164,231	£248,846	£333,462	£418,077	£502,692	£587,308

Payback projections for a 10,000 mailing converting donors to Gift Aid

		Percentage of donors converted						
		5%	10%	15%	20%	25%	30%	35%
Average annual donation of each converted donor	£10	1.13	2.26	3.38	4.51	5.64	6.77	7.90
	£20	2.26	4.51	6.77	9.03	11.28	13.54	15.79
	£30	3.38	6.77	10.15	13.54	16.92	20.31	23.69
	£40	4.51	9.03	13.54	18.05	22.56	27.08	31.59
	£50	5.64	11.28	16.92	22.56	28.21	33.85	39.49
	£75	8.46	16.92	25.38	33.85	42.31	50.77	59.23
	£100	11.28	22.56	33.85	45.13	56.41	67.69	78.97
	£150	16.92	33.85	50.77	67.69	84.62	101.54	118.46

Once you've tried a solus mailing once, a telephone call to convert donors is probably also worth a try. We estimate that using a commercial agency will cost on average £5 a call (less of course if you use volunteers) and 1,000 donors is probably a good number to start with. In this scenario costs are much more critical so negotiate hard with any external agencies (a number of charities have formed a syndicate with the telephone agency Pell and Bales to share the costs of calling). In this scenario a conversion rate of around 25% and an annual donation value of £50 is needed to get a decent(ish) payback. The benefit of telephoning donors is that valuable feedback can be gained as to why people won't convert to Gift Aid, so make sure non-converters are asked for their reasons.

Can it be done? Two case studies of organisations with over 80% of donors converted to Gift Aid: the Woodland Trust and the Salvation Army

The Woodland Trust

The Woodland Trust began planning a Gift Aid strategy from the moment the expanded scheme was announced. So when it was introduced in April 2000, the Trust was able to benefit from day one.

A campaign of constant promotion of Gift Aid on every single opportunity to donate, coupled with a later direct-marketing campaign targeted at members and supporters who had not yet ticked the box, has enabled the Trust to achieve over 80 percent of its eligible supporters donating with Gift Aid.

For an organisation with 130,000 members and another 180,000 occasional givers, that translates into a huge amount of money. In the year 2000 the Trust earned an extra £600,000 through the scheme; in 2001 it was £750,000. For each of the last two years, Gift Aid has been worth an extra £1 million to the Trust. With a total income of £16 million last year, including over £4 million in Gift Aid eligible donations, recovered tax represents a significant income stream.

"Because we are able to backdate donations for Gift Aid since 2000 under the six year rule, we've resisted high-profile and expensive quick recovery campaigns to gain from the scheme," said Douglas Seddon, marketing director at the Trust. "Instead we've preferred to go at it steadily, knowing we're going to get the money back to 2000, even if it takes us a bit longer."

That steady approach has meant that every single ask, direct mail and supporter update since April 2000 has offered the opportunity for donors to join Gift Aid. If supporters fail to join first time, the Trust knows they will on the second or third opportunity.

"From the start we've just been plugging away at every possible opportunity," said Seddon. "Because the Trust already mails its supporters regularly, gaining from Gift Aid that way has come at no extra cost at all."

For those supporters and members not picked up by low level Gift Aid reminders, the Trust has designed a direct-mail campaign specifically to recruit them to the scheme. The Trust keeps records of every supporter's giving history, so can work out how much their backdated Gift Aid is worth if they join up. That allows fundraisers to target donors likely to generate a maximum return.

"Each successive time we've used it, we've accumulated knowledge to make sure the responses from the next one will return way more than it costs," said Seddon.

Gift Aid is also promoted through other fundraising opportunities, such as in recruitment leaflets placed in magazines and via a box to tick when donating through the Trust's website. The charity's Annual Review helps promote the scheme because it allows the Trust to show exactly how much it has gained from Gift Aid every year before asking readers to Gift Aid their own donations.

The Trust's success with the scheme is a result not only of its fundraising strategy, but also because its donors are likely to be predisposed to the Gift Aid message. Most are older professionals who know, even if they do not fully understand, the tax system and so will respond. Adding a campaigning slant helps to improve results.

"People know the tax they've paid has gone, but can be persuaded that by joining Gift Aid it can now be turned into trees that will be around long enough to be enjoyed by their grandchildren," said Seddon.

The Trusts' two main barriers to supporters giving through Gift Aid are some suspicion of the Inland Revenue and simple inertia. Government support for Gift Aid and effective branding of the 'Gift Aid It' message has gone some way to tackling the first, though the Trust acknowledges there are some who will never overcome their fear of the tax system.

Addressing inertia is simply a case of continuing to work at it. That the Trust has achieved 80 percent Gift Aid coverage means there's still the best part of 20 percent to convert.

"That means there's another £200,000 out there amongst our current supporter base, and that money could go far. As a charity it's our duty to go for it," said Seddon.

Salvation Army

The Salvation Army has recovered millions of pounds by promoting Gift Aid through a once-a-year mailing campaign to supporters who have not signed up.

Rather than reminding existing donors about the scheme in every mailing or newsletter, the fundraising team decided a well constructed mailshot, just before the financial year end, would be more effective.

Each year the Army sends a 'Solus' mailing to around 200,000 supporters including 100,000 newly recruited supporters, identified from its database as having not yet joined Gift Aid or having not indicated they are ineligible for the scheme. They receive a letter that explains how the Salvation Army benefits from Gift Aid, with a detailed explanation of the scheme. They are asked to sign a pre-printed return form, indicating they will join the scheme or that they are not eligible.

The response has been phenomenal. Over half of those mailed return their forms, and eight out of ten respondents join. A follow up mailing to non-respondents brings in another 30,000 forms.

Over 200,000 of the charity's half-million regular donors now give with Gift Aid, and another 100,000 occasional supporters are also signed up. Last year Gift Aid was worth more than £5 million to the charity, and it is expected to top £6 million this year.

"We never ask for money as part of that mailing as we don't want to confuse the message," said Philomena Robson, direct marketing and database manager. "It's all about Gift Aid, presented as simply as possible. Many of those who aren't eligible to join send us a donation anyway, and that covers the cost of the whole mailing more than four times over."

In cold approaches to potential supporters, through direct TV, mailings or magazine inserts, the Army does not give Gift Aid a high profile, preferring to use the annual Solus mailing to Gift Aid their donations at a later stage.

The charity's main supporter base of over 65's is key to the approach the Army has taken. There is a high level of trust among supporters and the charity takes seriously its

responsibility to explain, in as much detail as possible, what the scheme is about. That's not possible with a one-line box to tick on a donation form.

"We're very precise about entering into an agreement with a donor, so they are really aware of the implications of their joining," said Robson.

Older supporters also tend to be familiar with giving to charities by covenant, so are used to tax efficient giving. They regard Gift Aid as a simpler way to do the same thing.

"Messages passed back to supporters about how Gift Aid is used is also important for increasing take up," said Robson. "In supporter newsletters donors are told how much *extra* money Gift Aid has brought the Salvation Army, and that it has funded *more* of the kind of projects they wanted to support."

The major barrier to using Gift Aid, at the beginning of the scheme, was the familiar fear that it would bring more red tape and administration than it was worth. Using modern technology, like scanning Gift Aid forms, and workshop training with the Inland Revenue, have made the process much simpler.

"We're able to make £1 million claims each time to the Inland Revenue through Gift Aid now so people see the benefits brought to the charity for almost no cost at all," said Robson. "We've invested in what needs to be put in place, and it pays for itself many times over, year after year."

Philomena Robson and Douglas Seddon were interviewed by Gideon Burrows from NGO:Media

Conclusion

'Frequent negative comments from The Giving Campaign re charities inability to promote Gift Aid are unhelpful.'

It appears that we will have disappointed at least one person who responded to our survey. While some charities clearly do an excellent job at promoting Gift Aid (those with more than 60% conversion) they are more than matched by those whose Gift Aid conversion rate is below 40%. These organisations all too often simply aren't using some of the techniques that other charities have shown to be highly cost-effective.

Our respondent who found The Giving Campaign's comments 'unhelpful' may take solace since The Giving Campaign will not be making them in the future. They won't exist. Our concern is that it is not clear who will be taking up the task of promoting Gift Aid in the future. The Inland Revenue is singularly unsuited to this task. They have shown little aptitude for understanding the needs of charities in the past. The campaign to increase Gift Aid is about 'hearts and minds' while the mindset of the revenue is about 'forms and processes'. Our belief is that the promotion of Gift Aid should be driven and owned by the fundraising community.

Despite all that we have said we remain very optimistic about Gift Aid and its take up by charities. The lack of success to date is not because charities have tried and failed, but they simply haven't tried. This can easily change. But it requires the voluntary sector in general, and the fundraising community in particular to focus on the substantial benefits of tax-effective giving for their own income streams and the value of each donation they receive.

Appendix 1: Gift Aid results in more detail

Q1. How would you say that Gift Aid (from April 6th 2000) has changed your ability to make your supporters' gifts tax-effective:			
Much easier to make tax-effective	83%	Slightly harder to make tax-effective	1%
Slightly easier to make tax-effective	10%	Much harder to make tax-effective	0%
About the same to make tax-effective	3%	Not sure	2%

Q2. Can you indicate the different ways that you have tried to promote Gift Aid and their relative success?						
Please only tick one box for each type of promotion of Gift Aid (<i>first five columns</i>) and tick <i>one</i> promotion which has been your most effective.	Not tried	Not relevant to us	Tried with great success	Tried with some success	Tried with no success	Our most effective promotion
Tick box on mailing to existing donors	9%	8%	36%	35%	2%	21%
Tick box on direct response advertising	29%	29%	9%	17%	1%	1%
Tick box on door drop	33%	32%	7%	12%	1%	1%
Tick box on cold mail	29%	20%	16%	23%	1%	2%
Tick box on inserts	29%	19%	15%	22%	1%	1%
Tick box on sponsored event form	17%	15%	23%	36%	1%	4%
Tick box in magazine/newsletter	31%	15%	12%	33%	1%	1%
Tick box on annual report	58%	16%	2%	9%	3%	0%
Telephone call to promote Gift Aid	50%	14%	12%	12%	1%	3%
Solus mailing to encourage upgrades based on Gift Aid	56%	15%	7%	9%	0%	3%
Solus mailing just to promote Gift Aid	53%	14%	16%	5%	0%	5%
Conversion during Street fundraising	39%	32%	14%	4%	0%	3%
Conversion of collection envelope donations	32%	33%	6%	14%	1%	3%
Q3. How much income have you reclaimed in tax from Gift Aid in the last year? (tick as appropriate)	£0-25k 34%	£26-50k 13%	£51-100k 7%	£101-250k 13%	£251-500k 8%	£501k+ 23%
Q4. What percentage of your eligible supporters have you converted to Gift Aid (tick as appropriate)	0-20% 15%	21-30% 11%	31-40% 4%	41-50% 12%	51-60% 16%	61-80% 22% 80%+ 6%

Q5. Of the following types of supporter listed below please tell us how easy you have found it to convert them to Gift Aid.					
Type of supporter	Very easy	Quite easy	Not very easy	Quite hard	Not relevant
Existing cash/cheque donors	23%	52%	12%	1%	7%
Existing donors with standing orders	24%	40%	9%	1%	17%
Existing donors with direct debits	24%	25%	4%	0%	35%
Existing high value donors	29%	35%	12%	0%	14%
People taking part in sponsored events	12%	29%	17%	4%	29%

New donors recruited through advertising/inserts	9%	35%	8%	2%	35%
New donors recruited through face to face	21%	13%	4%	1%	53%
New donors recruited through cold mail/door drops	5%	22%	8%	0%	53%
New donors recruited through DRTV	3%	6%	2%	0%	76%

giftaid it

Section B: The Brand -

Q6. This section looks at your awareness of The Giving Campaign's 'Gift Aid it' brand				
Please answer the questions below	YES	NO	Not sure	Not relevant
Are you aware of the 'Gift Aid it' brand (as shown above)?	90%	9%	1%	0%
Are you using the 'Gift Aid it' brand in your fundraising	60%	35%	0%	3%
Do you believe the brand is effective in increasing the take up of Gift Aid?	32%	9%	51%	4%

Additional free resources from The Giving Campaign:

The Giving Campaign has produced a number of guides on Gift Aid as well as a toolkit to help charities implement the 'Gift Aid It' brand.

The resources can be found at www.givingcampaign.org.uk

Additional free resources from nfpSynergy:

If you have found this report useful, informative or infuriatingly short on detail there are other free resources that we can send you to help. These are:

- The full data tables for the research which include breakdowns by size of organisation, type of organisation and income from individuals
- A copy of the full result in PowerPoint format – useful for internal presentations
- A copy of the Gift Aid payback spreadsheet and information about solus mailings
- And a list of our other reports in areas such as innovation, the internet and charities, branding and share giving

Any of these resources can be obtained by emailing reports@nfpsynergy.net

or visit our website at www.nfpsynergy.net