



CGAP

Centre for Charitable Giving
and Philanthropy

Charity and redistribution:

Quantitative and qualitative perspectives

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The “big society”

Does state intervention “crowd out” charitable initiative?

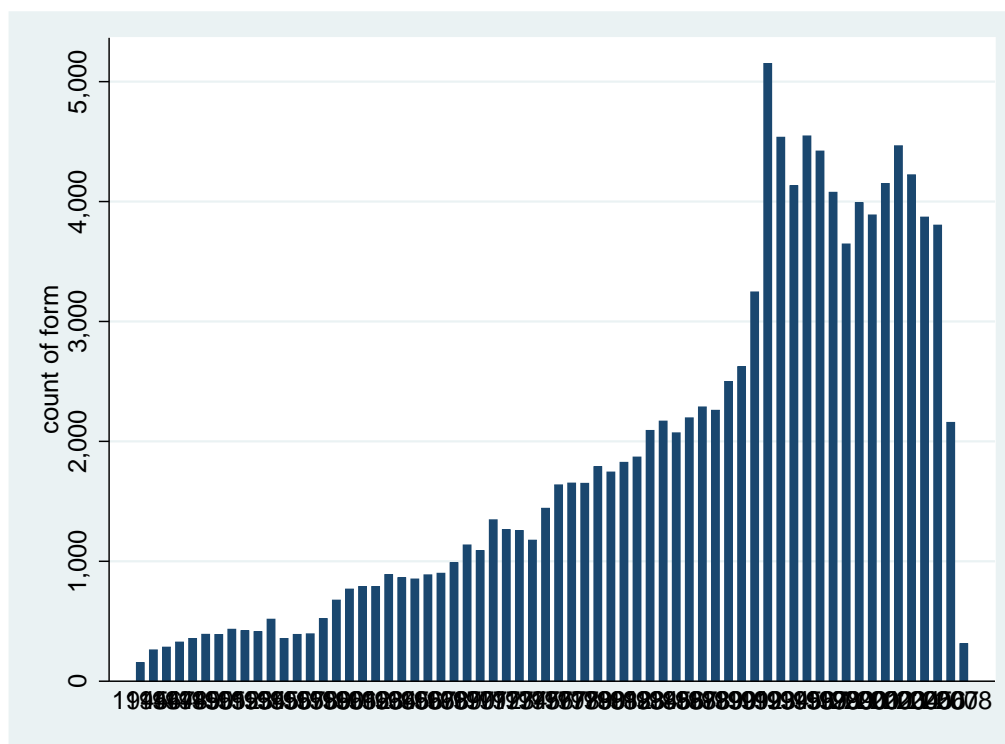
**Data on approximate date of charity foundations extracted from
Charity Commission register**

Pattern shows continued steady expansion throughout post-1945 period, i.e. during the expansion of the welfare state

If correct this suggests there is no necessary connection between high levels of state intervention and the growth of charities

Some suggestion that more charities formed in the most disadvantaged areas under Labour (post-1997) than under Conservatives when the majority of charities established were in more prosperous locations

Numbers of charity foundations 1945-2005



Perspectives on the distribution of charitable resources, past and present

Charity almost always does too much or too little: it lavishes its bounty in one place, and leaves people to starve in another (Mill, *Principles of Political Economy*, 1848)

**“We will prioritise work in charity deserts to establish new volunteer-led organisations where none previously existed”
(*Voluntary Action in the 21st Century*, 2008)**

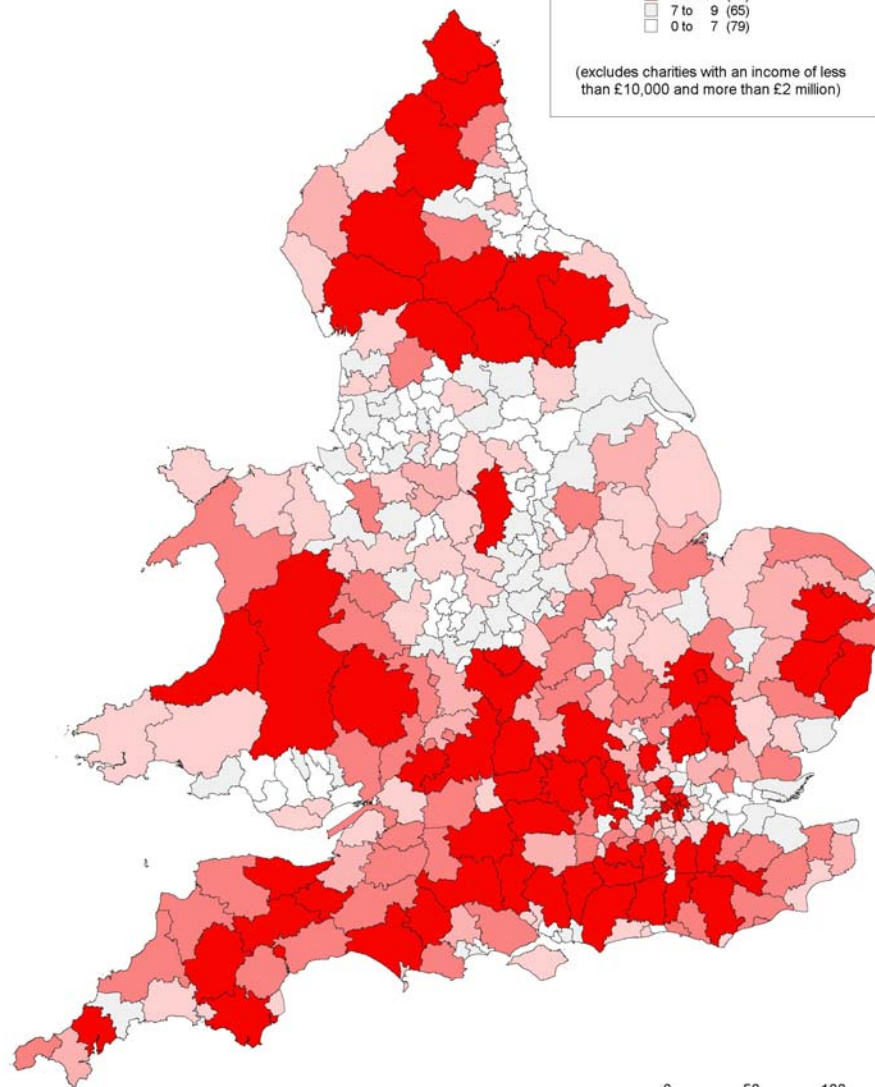


Density of charities to population for local authorities in England and Wales

No. of charities per 10000 population

■	16 to 741	(75)
■	13 to 16	(60)
■	12 to 13	(25)
■	9 to 12	(74)
■	7 to 9	(65)
■	0 to 7	(79)

(excludes charities with an income of less than £10,000 and more than £2 million)



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Mapping the distribution of charitable resources

Need to distinguish:

- Distributions of charities
- Distributions of expenditures BY charities
- Distributions of charitable expenditures
- Distributions of different income sources
- Differential growth by region / locality
- Geographical differentials: funding for similar organisations across regions

Locational information on activity of charities

266,450 individual charities

Location data:

- Postcode: primary address – allocate to local authority, LSOA, IMD, etc.
- Alternative (operational) addresses where available
- AOB: Area of Benefit
- More recent AOO (area of operation) field: lists local authorities and countries in which charity is active (formalised from 2007)

Distribution of expenditures by charities: using AOB information to reallocate spending

Place names extracted and referenced against gazetteer

Each identified placename matched to the smallest possible local authority division

Any location not within the United Kingdom - tagged as **Overseas**

UK, NATIONAL- tagged as **UK**

Results from matching process

266,450 charities

- 138,419 matched at GOR and 'below'
- 13,139 matched as UK-level
- 12,372 matched as overseas
- 72,982 do not have an AOB or V5 specified
- C. 21,000 have AOB/V5 'undefined'
- Remainder (c. 11,000) not matched

Area of operation

- Charity Commission asks organisations to complete list of main local authorities – and countries – in which they work
- Can use to apportion expenditure to geographical units
- Some anomalies e.g. small charities linking a community in UK with an overseas project / charity – though these are of interest in themselves

National Survey of Third Sector organisations

- organisations asked about geographical scale of activity – neighbourhood, local authority, county, region etc.
- Can cross-reference to type of charity and use to apportion expenditure to geographical units

Primary area of operation of charities by size of charity (NSTSO data)

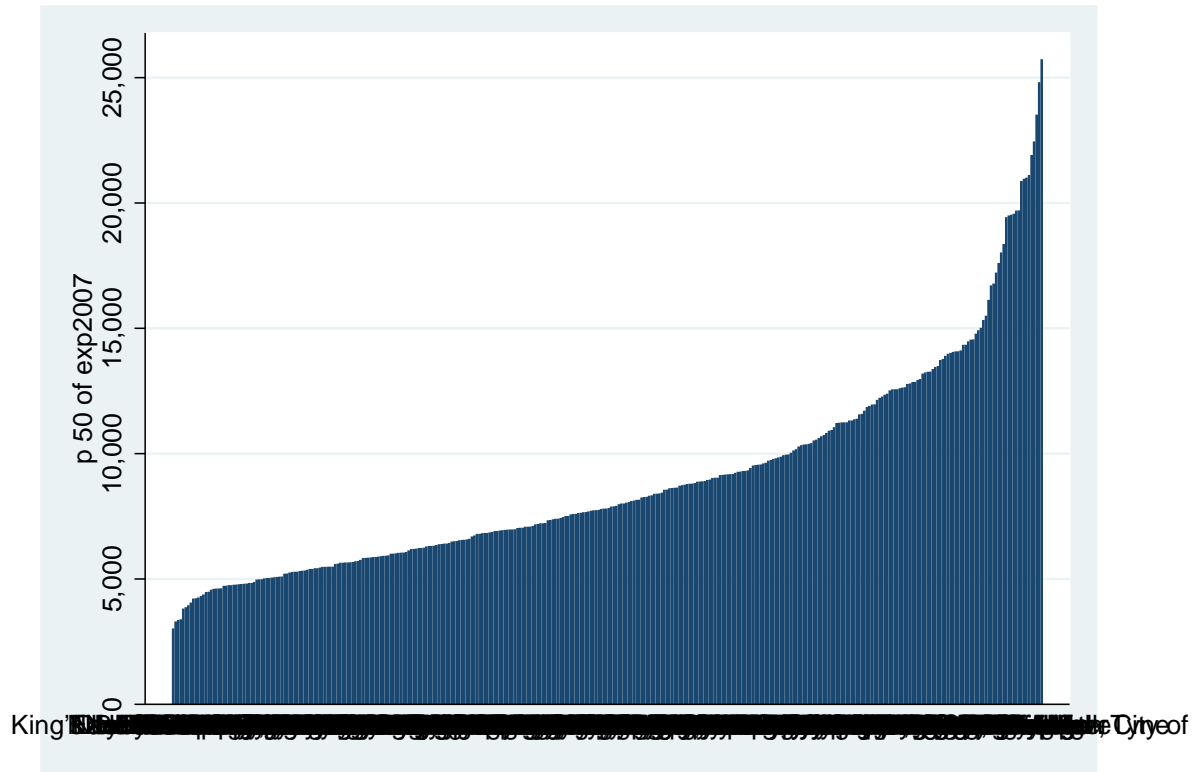
	LA	County	Region	National	International	total
None	620	16	52	59	90	838
Under 10k	6677	171	473	355	501	8177
£10k-100k	4934	179	505	465	585	6668
£100k-£1M	1572	121	297	287	219	2496
over £1m	245	21	127	105	60	558
						18737

Other ways of reallocating expenditures

- Interdepartmental Business register
- Business database created by government with details of branch structures of businesses and nonprofits
- Regional distribution of employment can be used to estimate extent to which organisations spend money in more than one region

Alternative perspectives: variations by cause by geographical area

- Variations in resources / assets / expenditures by commonly-occurring charities operating in different areas, e.g:
- Hospices by region; Youth clubs / community centres by levels of deprivation; Village Halls / Women's Institutes by degree of accessibility (rural / remote rural / etc)
- Variations between local authorities in median levels of expenditure (to minimise effects of large organisations on mean expenditures; see next slide – 3-fold variation)



Questions for discussion

- Validity of approach to assessing redistributive effects
- Relative merits of different methods
- Value for charities / funders / policy