

CHARITY STREET

THE VALUE OF CHARITY TO BRITISH HOUSEHOLDS

REPORT

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IDEAS to
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Erratum

Page 24: a note has been added to recognise that the financial proxies provided by the Social Value Bank, developed for the Housing Association's Charitable Trust (HACT), are published under a creative commons licence, which sets out the terms under which they can be used and reproduced and includes a commercial licensing regime for some uses.

SUMMARY

Charities play a vital and varied role in all aspects of our national life, from promotion of the arts to campaigning for change to the delivery of public services. The size and variety of the charitable sector in the UK means that many of us have had contact with charity in a myriad of different ways at some point in our lives, whether as donors, service users or volunteers. Over half of the UK population donate to charitable causes (CAF 2014a); 29 per cent of us volunteer at least once a month, and 44 per cent at least once a year (Cabinet Office 2014). But in recent years charities have come under increasing pressure, with demand for services steadily growing as charity income has fallen.

While there is good data on the scale of the sector and the value of charitable giving, there is a much less comprehensive picture of the way in which we collectively use and benefit from the wide range of charities that exist. Many individual charities set out in their annual reports their value to their target beneficiaries and overall measures of service efficiency and cost effectiveness. These reports can provide a good picture of individual charities, but are less helpful as a guide to the impact of the sector as a whole. In order to build a more comprehensive and nuanced picture of the impact of charities on British society, it is important to go beyond ‘supply-side’ perspectives and instead consider their value from the perspective of individual beneficiaries and their households.

The value of charity to different individuals will naturally vary greatly according to their circumstances. Different types of households will use voluntary organisations in very different ways depending upon their location, composition and income. In order to understand this variation, IPPR North and the Charities Aid Foundation carried out a new online poll and a number of case study interviews.

Key poll findings

Our poll of a representative sample of 2,070 adults¹ revealed the following:

- In total, more than nine of every 10 households (93 per cent) have used at least one charitable service at some time in the past, with nearly four-fifths (79 per cent) having used a service in the last 12 months and half (51 per cent) in the last month. The most common ways in which respondents have engaged with charitable services are by making purchases from charity shops, visiting charitably run institutions (such as churches or community centres), or attending events organised by a charity. Substantial numbers also reported having sought advice from a charity or a charitable website.
- Among those who say they have used or accessed charities within the last 12 months, many are using more than one type of charity – an average of three different services in the past year.² Just over half of all respondents who say they have used or accessed charities report doing so at least once a year (54 per cent); around 12 per cent say they use charitable services at least once a week.
- In terms of overall usage, women are more likely to use charitable services, with 83 per cent having done so in the last 12 months, compared to 75 per cent of men. Usage also appears to increase with age: 85 per cent of those aged 65 or over report having used a charity service in the last 12 months, compared to only 75 per cent of those aged 18–24. However, in terms of multiple service

1 Online poll, conducted by Populus for IPPR and the Charities Aid Foundation in July 2014.

2 See section 2.1 for detail on ‘types’ of charity in our research.

use, the trend is reversed, with younger people using a greater breadth of different charity services.

- When our findings are broken down by household type, families with older children are most likely to have used a charitable service within the last 12 months (89 per cent), followed by older couples and lone parents (both at 84 per cent). However, they are not the *most frequent* users: among the different household types, multiple service use is highest among young single adult households.
- There is also significant variation in the way different households are accessing charities of varying types. For example, older couples are much more likely than average to have bought an item in a charity shop (72 per cent, versus 61 per cent overall), while lone parents are more likely to have visited a community centre run by a charity or voluntary organisation (33 per cent, versus 18 per cent overall).
- There does not appear to be a direct linear relationship between higher income and reduced use of charitable services. Those with the highest recorded incomes (over £55,000) are more likely to use multiple charity services: an average of 3.9 used in the last 12 months, compared to 2.7 among those with the lowest incomes (less than £7,000).
- 68 per cent rated the role of charities in society as highly important (8–10 as a score out of 10).
- Those households that are using charities the most – families with older children – are most likely to see them as making a difference to their lives (64 per cent). A third of lone parents consider the charity services that they receive as *central* to their lives, and say they would struggle without them.

Case study research







Our poll findings make plain the need to broaden the way in which we evaluate the impact of the charitable sector. It is clear that traditional measurements – usually focused on evaluation of a single charity, or single type of charity – do not capture all the ways in which households are benefiting from their use of the charity sector as a whole, nor the variation in how different household types experience charity use. In order to explore this in greater depth, we carried out a series of case studies with households living in different parts of the country and representing different household types. In each case, we sought to put a value on the multiple interactions each household has with charities in order to capture the overall benefit of charity to the household over a given time period.

We explored a range of approaches to this process, including the popular social return on investment (SROI) model. In the end, we applied a version of the Wellbeing Valuation methodology, developed by Daniel Fujiwara (2014), using pre-existing financial proxies from the Social Value Bank.³ These help to measure the success of an intervention's impact by putting a value on the extent to which it directly increases the participant's overall level of personal wellbeing. For each case study, a calculation was made for the total number of interactions a household had with different types of charity that led to a clearly defined outcome. These were added together to estimate the overall value of charities to the household over a particular time period. However, it is important to note that this sum does not account for the costs involved in achieving these outcomes, and so cannot provide a robust ratio of outcomes generated to investments made.

Our case study findings are summarised in the following table.

³ See section 3.1 for more detail on our methodology.

Table A1
Summary of case studies

Household	Household type	Services used	Estimated value
Alison , 34, police officer, single mother	 Lone parent (young children)	Housing association Charity shops Breakfast / afterschool clubs Scouts, boxing, keep-fit groups	£9,606–£11,301 per annum
Ben , 52, sales executive, married, two older children	 Family (older children)	Local caravan club Counselling services for daughter's health condition	£18,082–£21,274 over past 5 years (£3,616–£4,255 per annum)
Charlene , 45, accountant, married, young daughter	 Family (young children)	Debt advice Partner used self-help support group Advice / campaign group for daughter's allergy	£10,184–£11,981 over past 5 years (£2,037–£2,396 per annum)
Dani , 46, unemployed, single	 Older single adult	Charitable counselling service Debt advice and charitable grants Volunteering with community centre	£42,068–£49,493 over past 5 years (£8,414–£9,899 per annum)
Eric , 46, lighting engineer, widower	 Older single adult	Charitable counselling service associated with partner's terminal illness	£31,200–£36,706 in past year
Fiona , 33, teaching asst., married, infant son	 Family (young children)	Playgroup Vocational training / qualification	£2,210–£2,599 in past year

Conclusions

Charities clearly play an important role in the lives of many households, though very often in combination with other service providers. Without compromising the independence of the sector and the role that it plays, government and charities could do more to ensure that they recognise the complementary nature of their activities and support one another to provide holistic support to households in different circumstances. This is likely to become increasingly important as more public services are delivered through a mix of government, private company and

charity provision. Working together to understand how the various pieces of the jigsaw fit together will be vital.

Charities are getting better at demonstrating their overall impact and value for money, but they rarely consider this from a household perspective or show how their services combine with those of other charities and service providers to have an overall impact on a particular household. While households do develop particular loyalties to local or specific charities, charities could do more to recognise and demonstrate their combined impact on households and the social value that this generates. They could also do more to understand the kinds of household type that most readily access their services, allowing them to target services more effectively for their existing beneficiaries, or to support any efforts to extend their current reach.

Understanding the overall impact of charities – in combination with other service providers – on particular types of household using ‘social value’ measurements is a new and relatively untested field of inquiry. It would be fruitful for the methodology developed in this study to be used more widely and tested more rigorously.

As shown through this research, charities can be closer to people than many other government or commercial bodies, with charitable services permeating every aspect of life. Despite this (or even because of it), it can sometimes be easy to forget the very real impact that charities have on peoples’ lives, and the value that charities add to society – not just by providing much-needed support and assistance but also by enriching lives through the arts, science and education. It is important that this value is recognised, not only by the general public who continue to give their time and money generously, but also by government in the policies it sets and the support it offers to the charitable sector in the years to come.

INTRODUCTION

Charities play a vital and varied role in all aspects of our national life, from promotion of the arts to campaigning for change to the delivery of public services. There are over 161,000 charities in the UK, active in areas across the spectrum of civil society, and comprising a paid workforce of 0.8 million people.⁴ The size and variety of the charitable sector in the UK means that many of us have had contact with charity in a myriad of different ways at different points in our lives, whether as donors, service users or volunteers. Over half of the UK population donate to charitable causes (CAF 2014a). More than a quarter of us (29 per cent) volunteer at least once a month and 44 per cent at least once a year (Cabinet Office 2014).

Interacting with charities is a regular part of our lives, with 40 per cent of people in England and Wales reporting that they or their close friends and family have benefited directly from using charity (Ipsos MORI 2014). This is reflected in charities' positive reputation among the public, and the high value attributed to their work. Charities are also considered to contribute a unique and significant social value to public life by the majority of the UK public, with 96 per cent saying that they play an essential, very or fairly important role in society (ibid).

In addition to their role in UK civil society, charities also contribute significantly to the UK economy. In 2011, charitable organisations earned an overall income of £39.2 billion and held net assets worth nearly £105 billion. In that year alone, they contributed £11.8 billion to the economy, equivalent to almost 1 per cent of the gross value added of all industries in the UK (ONS 2013a).

However, despite widespread consensus on the socioeconomic value of charity and its contribution to society, the current climate of austerity presents a number of serious challenges to the charitable sector. As a result of austerity measures, charities are delivering more public services and are involved in more complex delivery arrangements, while experiencing a surge in the level of need and demand for their services (Hedley and Joy 2012).

Due to the prevailing economic conditions, the levels of charitable donations reported by individuals remain consistently below 2007 levels. This is compounded by the fact that a large number of charities receive a significant proportion of their funding from public sector budgets, which are being reduced as part of the government's austerity programme. In response, charities have had to make a number of difficult choices. Many have reduced staff and cut the number and length of services they offer (ibid). Although levels of trust in charities remain high across the general public, charities are also increasingly experiencing negative coverage in the media relating to CEO salaries and fundraising techniques. This has an impact on public perceptions, with an increasing proportion of the public raising these issues as concerns (Ipsos Mori 2014, Wixley and Noble 2014).

These developments have significant implications for the way in which people access and benefit from charities. While there is good data on the scale of the sector and the value of public contributions, a much less comprehensive picture exists of the way in which we collectively use and benefit from the charitable sector. Many individual charities produce impact reports or set out in their annual reports their value to their target beneficiaries alongside overall measures of service efficiency and cost effectiveness. These reports can provide a good view of individual charities but are less helpful as a guide to the impact of the sector as a whole.

4 See the NCVO UK Civil Society Almanac at: <http://data.ncvo.org.uk/>

Over the last 10 years many charities have adopted the ‘social return on investment’ (SROI) approach to impact measurement, which aims to identify and measure the environmental and social value of an investment (not currently reflected in conventional financial accounts) relative to the resources put in. In the current climate of austerity, this method is likely to remain an important way of justifying their wider societal role and current funding agreements, and its methods continue to gain in sophistication.

Attempts have also been made to calculate both direct and indirect benefits of voluntary activity and in some cases to give this a financial value, particularly in the context of public expenditure and service delivery. Again, this can be useful as a measure of the value of a particular charity or service, but does not go far enough in demonstrating the overall value of the sector to households or to society more broadly. Current approaches also fail to incorporate the way individuals may use multiple charities, and the way in which the individual impacts of these various charities may sum up to provide an overall benefit that is ‘greater than the sum of its parts’.

In order to build a more comprehensive and nuanced picture of the impact of charities on society, it is important to go beyond ‘supply-side’ perspectives and instead consider their impact from the perspective of individual beneficiaries and their households. The value of charity to different individuals will naturally vary greatly according to their circumstances. Different types of households will use voluntary organisations in very different ways depending upon their location, composition and income. However, it is possible to develop a wider understanding of the way different households experience various types of benefits received from charities through the use of in-depth case studies.

This report will seek to address some of the gaps in the existing literature by exploring and quantifying the impact of the charity sector on different household types in Britain. It will consider the following key questions:

- How do different types of household benefit from charities – both directly, in terms of services received, and indirectly, in terms of the wider social benefits associated with a charitable service and active civil society?
- Is it possible to place a value on those direct and indirect benefits, with a view to understanding the aggregate value of charities to different households?
- How do households perceive their relationship with charities, both in terms of giving and receiving?
- What are the implications of our findings for charities, for households and for local and national government?

To investigate these questions we adopted a mixture of both qualitative and quantitative methods, including an online poll and a number of telephone and face-to-face case study interviews. Populus conducted the poll on behalf of IPPR and the Charities Aid Foundation (CAF) in July 2014, surveying a representative sample of 2,070 British adults. To supplement this data, we conducted in-depth interviews with a small number of households from different parts of England; interviewees were sourced through both direct canvassing and formal recruitment.

The rest of the report is structured as follows. Chapter 1 provides an overview of the recent literature on the role and value of charities in the UK, to provide context for the discussion. Chapter 2 sets out the findings from our quantitative research, while chapter 3 reports on our household case study interviews. A final chapter draws some conclusions, and identifies key questions for further investigation.

1. RECENT TRENDS IN PUBLIC ENGAGEMENT WITH CHARITIES

This report aims to identify how different types of household benefit from charities in terms of the support they receive, and to place an aggregate monetary value on the impact of these charitable services on different types of households. To put this in context, we reviewed the latest evidence on a number of key questions, including:

- patterns of charitable giving
- how the public interact with and view charities
- the impacts and benefits of engagement with charities.

1.1 Patterns of charitable giving

Making donations is one of the most common ways in which the UK public interacts with charitable organisations. CAF's series of 'UK Giving' reports provide valuable insights into the patterns of reported charitable giving across demographic groups throughout the UK. In its most recent report (for 2012/13) more than half (57 per cent) of people reported that they donate to charitable causes in a typical month. If applied to the population as a whole, this would translate to an estimated total of £10.4 billion donated to charity by adults in that year. This remains below the previous financial peak reported in 2007/08 which, when adjusted for inflation, was estimated at £12.9 billion. This clearly reflects the impact of challenging economic conditions in the years since (CAF 2014a).

By analysing the amount donated to different types of charity by different groups, the UK Giving report provides an insight into the types of people interacting with charitable organisations and their preferences for specific charities. For example, it highlights the fact that, on average, more women than men donate. The research also reveals that charities that specialise in medical research, hospitals/hospices and children and young people receive the highest proportion of donations from both men and women, and overall.

Further information on which groups most commonly interact with charity comes from *Britain's Civic Core*, also from CAF, which analysed how many individuals donate regularly and how often they volunteer with a charity. The report identified that 9 per cent of people accounted for 66 per cent of these types of charitable activity, and that this 'civic core', predominately comprised of professionals, women and retirees, tended to take part in a broader range of charitable activities, such as helping out at schools (CAF 2013).

Quantitative surveys can only provide a limited amount of information about the reasons why people give to charity. However, the *Money for Good UK* report by New Philanthropy Capital identifies a number of overall trends in donor motivations. This research found that 47 per cent of the population believe that people should donate to charity if they have the means, while 70 per cent of 'mainstream' donors (defined as those with a household income up to £150,000 a year) have donated to the same charity in each of the last three years. The report also suggested that the specific cause promoted by individual charities was the defining factor in motivating donors. Taken together, these findings suggest that a significant proportion of

the public feel that they have a duty to donate to charity and remain loyal to their chosen cause for a significant period of time (Bagwell et al 2013).

Other research by CAF supports these findings. When asked why they give, 97 per cent of people highlighted their personal values as a primary factor in their decision, while 75 per cent had a specific belief in the cause. They also found that 61 per cent of people were driven to donate due to a personal experience, which suggests that a significant proportion of the population may have had positive contact with a charitable organisation previously (CAF 2014b). These findings strongly suggest that the majority of donors are motivated to donate by their own experiences and values, and a personal belief in the value of charity.

1.2 Public perceptions of charity

The public's motivations for charitable giving are shaped by a number of other factors, such as their perceptions of and trust in charities as a whole. A report by Ipsos MORI for the Charity Commission, *Public trust and confidence in charities*, reveals that the public have a high level of trust in charities, which is only surpassed by trust in doctors and the police. While there is some evidence of increasing concern about how donations are spent (the proportion going to costs/overheads rather than beneficiaries, for example), the proportion of people reporting that their trust in charities has increased rose from 9 per cent in 2012 to 10 per cent in 2014 (Ipsos MORI 2014).

The same survey shows that the vast majority of the public perceive charities positively, with 96 per cent of the population saying that charities play an 'essential', 'very important' or 'fairly important' role in society. Levels of contact have also increased: 40 per cent of the public now say that they or members of their family and friends have benefited from or used a charitable service at some point in the past, an increase of 6 percentage points from 2012 (ibid). This proportion has steadily increased since 2005, when only 9 per cent reported that they had ever used or benefited from a charity. This suggests that more people now need to access charity and, as a consequence, are becoming more aware of the services available.

Although it is difficult to draw a direct causal link, it is possible that charities may be filling gaps in public service provision that have been created by recent austerity measures. PwC's report *Managing in the new normal* – the latest instalment in the 'Managing in a downturn' survey series – shows that 69 per cent of charities highlighted year-on-year increases in demand for their services during 2013, and 68 per cent expected a higher demand for services in 2014 (PwC 2014).

While the report suggests that there is some cautious optimism among charities about the future of the sector, nearly two-fifths (37 per cent) believe that they will have to cut services in other areas to meet this demand. This has an effect on their resources, with 44 per cent having drawn on their financial reserves already, and 31 per cent planning to do so in the next year (ibid).

1.3 The benefits provided by the charitable sector

A number of studies have attempted to assess the benefits and impact of charitable giving and volunteering on wellbeing by adopting a psychological approach that uses mass survey data (see for example Choi and Kim 2011, Anik et al 2012). Another approach uses qualitative and quantitative methods to measure the social value of impacts resulting from specific charitable interventions. This approach has become popular with third sector organisations as they have come under increasing pressure to demonstrate the impact and effectiveness of their interventions. While the private sector can easily measure its impact in monetary terms and demonstrate a financial return on its investment, it is much more complex for charities to quantify the value of impacts which are so

diverse, covering anything from increased life expectancy to improved personal relationships. For the charitable sector, measuring impact therefore involves measuring the *social* value that results from its interventions.

This has led to the development of the social return on investment (SROI) approach, which reviews the inputs, outputs, outcomes and impacts made and experienced by different stakeholders in relation to the different interventions carried out by a particular organisation. This approach then places a monetary value on the social and environmental benefits and costs created by an organisation, using financial proxies to express the social value of an intervention. The outcome is then related to the investment made and expressed as a ratio, akin to a cost-benefit analysis. Crucially, however, using monetary values in this way is not intended to express financial values as such but instead to denote ‘the currency of social value’.

This approach has been used by organisations such as the New Economics Foundation (NEF), which adopts an SROI approach to analyse community development work based on a common outcomes framework. For example, their 2010 report *Catalysts for Community Action and Investment* tracked the costs and benefits of four local authority community development teams by placing a social value on the impact of volunteering within these neighbourhoods (NEF 2010). This study found that for each £1 invested in community development activities, £2.16 of social value was created. The report also calculated that for every £1 a local authority invested in a community development worker, £6 of value was contributed by community members in volunteering time. Smaller organisations and community groups have also used this approach to identify their social impact (see for example Off Centre 2012).

Others use the ‘Wellbeing Valuation’ approach. In contrast to SROI, Wellbeing Valuation measures the success of a social intervention by the improvement to an individual’s wellbeing that results from a particular organisation’s intervention. Analysis then calculates the equivalent amount of money needed to increase that person’s wellbeing by the same amount. While SROI uses a number of different measurements drawn from different places or through different methodologies, Wellbeing Valuation uses data on self-reported wellbeing and life circumstances drawn from national surveys. Consistency in the way these values have been derived from various surveys using the same methodology allows for ‘like for like’ comparisons when examining the values of different types of outcome. Wellbeing Valuation develops its proxies from information drawn from people’s *actual experiences*, thus creating values which can be applied more consistently.⁵

Although these approaches provide us with increasingly sophisticated ways of measuring the value of impacts that don’t fall neatly into a market-focused analysis, both approaches have tended to be used by charities to measure single interventions. By contrast, this report instead aims to use the Wellbeing Valuation approach to show how the impact of the charitable sector as a whole could be measured. We do this by looking at the impact of the sector through individual case studies, and explore the way in which the use of multiple charities impacts on the everyday lives of different households.

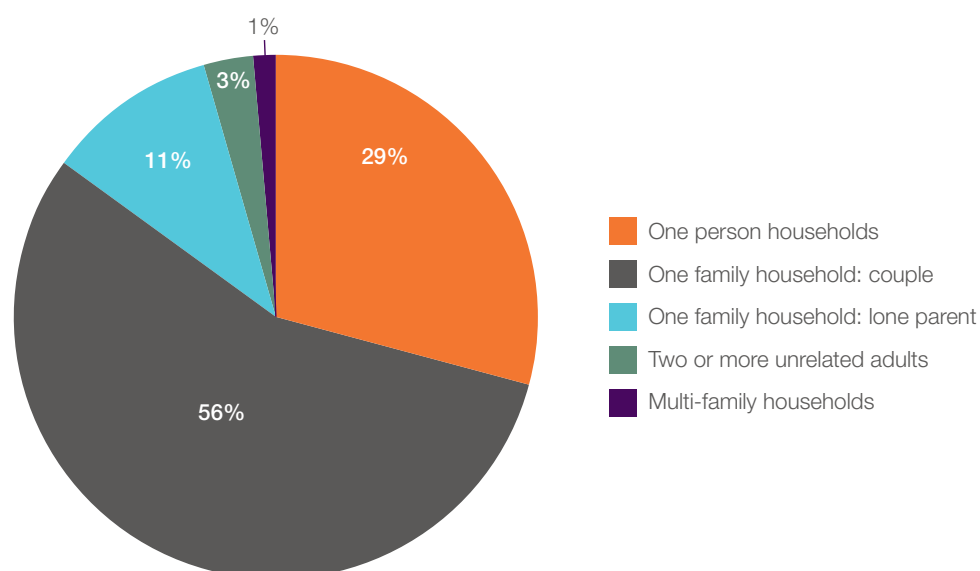
5 See section 3.1 for more detail on the Wellbeing Valuation approach.

2. QUANTITATIVE FINDINGS

Chapters 2 and 3 set out the key findings from our new research. Through a quantitative survey and in-depth qualitative interviews, we have aimed to develop a clearer picture of the way in which individuals interact with and benefit from the charitable sector, and the overall value that this represents. As discussed in the previous chapter, there is already a wealth of data on the British public's record of volunteering and charitable giving. Although we asked about these aspects in both the poll and interviews, we chose to focus in more detail on under-researched questions concerning households' direct use of charitable services.

Here, we analyse the key findings from the opinion survey, looking at the type of charitable services that are being used and by whom, the frequency with which these services are used, and the benefits that households report receiving. In exploring the social benefit provided to typical British households, rather than single individuals or discrete groups of charity beneficiaries, we have reviewed data not only by standard demographics (including age, gender and region) but also by household type. Our definitions are based on the mix of adults and children within a household, and seek to reflect those used by the Office for National Statistics in their 2013 families and households analysis, which profiles the 26.4 million UK households (as shown in figure 2.1).

Figure 2.1
UK households by type (2013)



Source: ONS 2013b

Of the 14.8 million households comprising couples (married, civil partnerships or cohabiting), approximately 5.9 million also have dependent children.

2.1 What kind of charitable services are households using?

In order to understand how British households engage with charities, we asked poll respondents about their household's use of a wide range of charitable organisations or services, focusing on six broad categories:

1. **Advice** – received advice or information from a charity or charity website, such as the Samaritans or the Citizens Advice Bureau.
2. **Direct support** – received medical or social care from a charity; attended counselling, a support group or mental health support; or received ongoing assistance, such as 'meals on wheels', disability support or financial support for food and bills.
3. **Community involvement** – watched or participated in a theatre production, event or arts-related programme run by a charity; visited a charity-run gallery, museum, garden or stately house; visited a church or religious institution of charitable status; visited a community centre run by a charity or voluntary organisation; attended a community, youth or voluntary group, or attended an event hosted by a charity.
4. **Housing** – bought or rented a property through a charitable housing association, or stayed in a charity-run hostel, such as the YMCA.
5. **Education** – attended an independent university, school or nursery of charitable status.
6. **Retail services** – purchased from a charity shop or adopted a pet from a charity, and similar activities.

In total, more than nine out of 10 households (93 per cent) have used at least one charitable service at some time in the past, with nearly four-fifths (79 per cent) having used a service in the last 12 months, and half (51 per cent) in the last month. This clearly demonstrates the prevalence of charity use among the British public.

To start building a profile of charitable users in the UK, we broke down the data by different types of household.

As figure 2.2 shows, we found a consistently high level of engagement with charities across all different household types. However, there are some differences linked to the age-profile of the household.

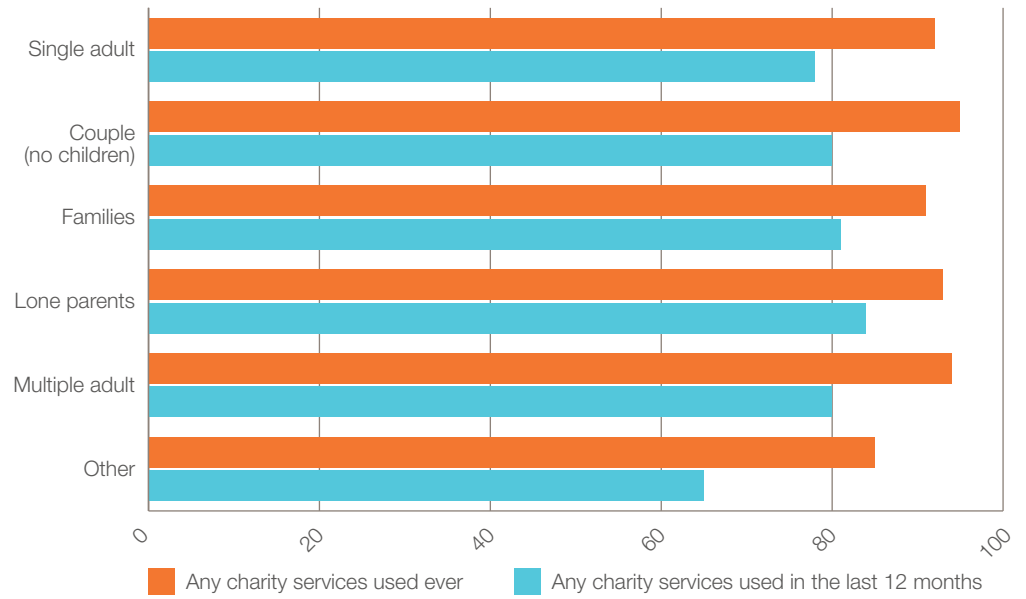
As shown in figure 2.3, over the last 12 months, older couple households (without children) and older family households in particular are more likely to be accessing charities than their younger counterparts. This age split can be observed across all different household types.⁶

As shown in figure 2.4, the most common ways in which respondents have engaged with charitable services are through making purchases from charity shops, visiting charitably-run institutions (such as churches or community centres), or attending events organised by a charity. Substantial numbers also report having sought advice from a charity or a charitable website.

6 In the data, 'young single adults' and 'young couples' are respondents aged 44 or under; 'older single adults' and 'older couples' are aged 45 or older. 'Young children' are those aged 10 or under; 'older children' are aged 11 or older. In some cases, households with multiple children of different ages may appear in both age categories. Only children living at home at the time of the survey are counted. The sample sizes for the two 'lone parent' categories are very small and so results should be treated as indicative only.

Figure 2.2

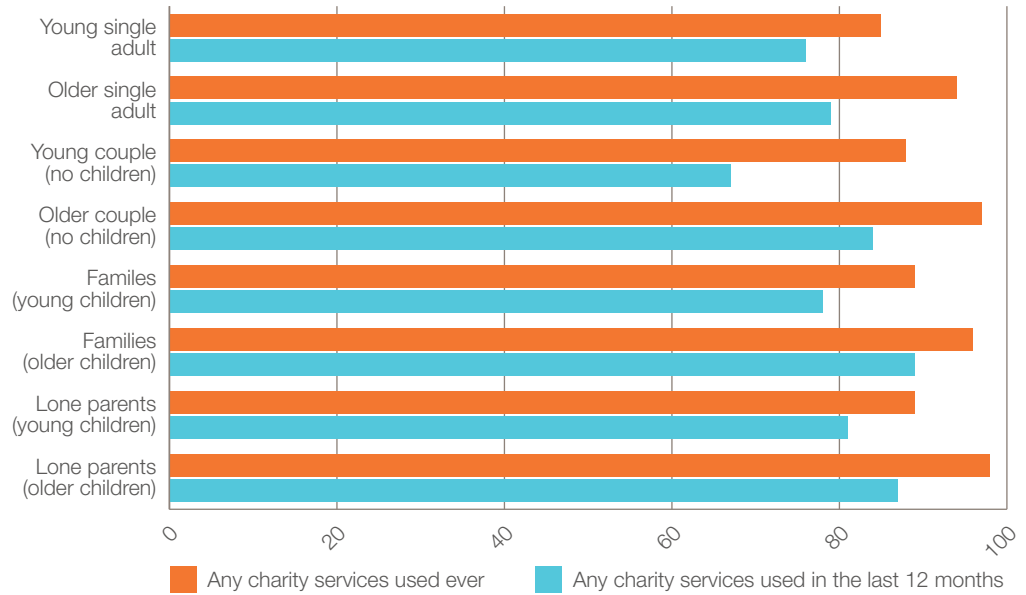
Overall use of charities, by household type and timespan (%)



Source: IPPR/CAF survey

Figure 2.3

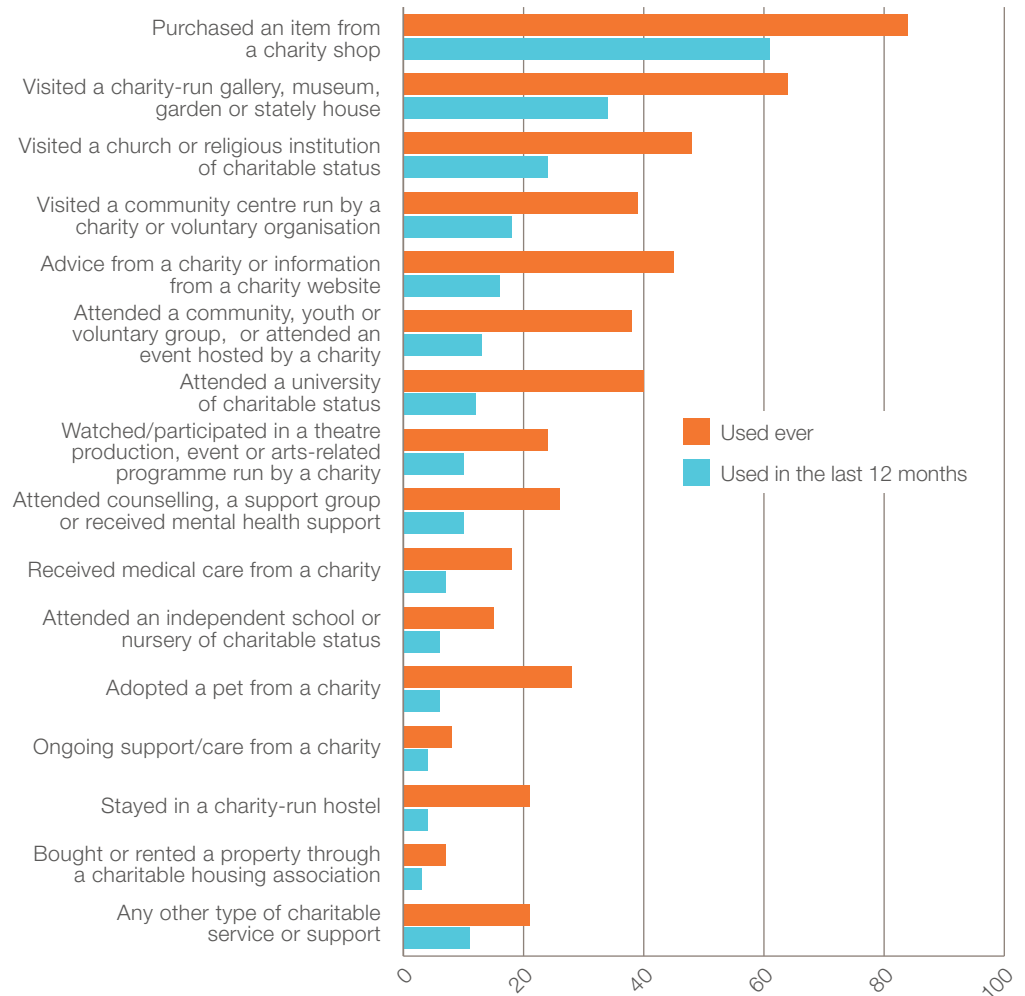
Overall use of charities, by household type, timespan and age (%)



Source: IPPR/CAF survey

Figure 2.4

Use of charities, by service/activity and timespan (%)



Source: IPPR/CAF survey

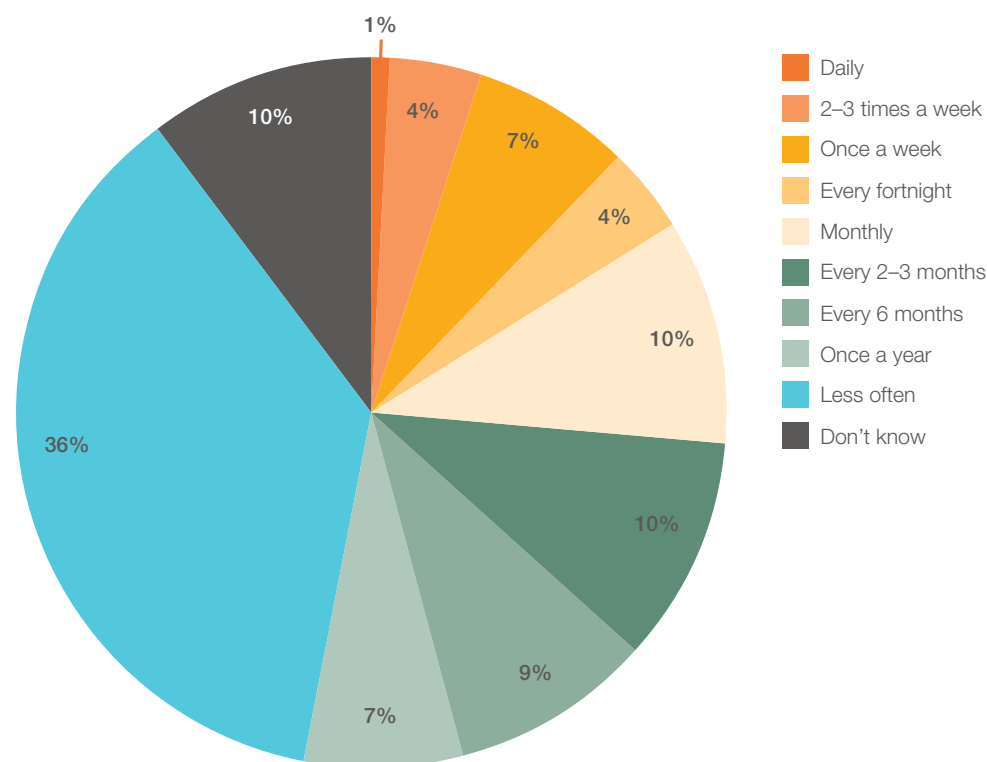
Over three-fifths (61 per cent) of respondents have purchased something from a charity shop in the previous 12 months, with 84 per cent having done so at some point in the past. Significant proportions have visited a charitably-run museum, gallery, garden or stately house, with 34 per cent having done so in the last year and 64 per cent having ever done so. Fewer respondents report accessing direct support services from a charity. In the previous 12 months, 10 per cent have attended counselling, a support group or received mental health support, 7 per cent have received medical support, and just 4 per cent have received other forms of ongoing assistance (such as meals on wheels or help with food and bills).

The data suggest that households are engaging with charities in a variety of ways. Our data shows that, for those who say they have used or accessed charities in the last 12 months, many are using more than one type (an average of three different services in the last 12 months). This reinforces the need to broaden the way in which we evaluate the impact of the charitable sector, since it is clear that traditional measurements – usually focused on evaluation of a single charity, or single type of charity – do not capture all the ways in which households are benefiting from their use of the charity sector as a whole.

2.2 How frequently are households making use of charitable services?

Our poll asked respondents how frequently they had made use of any or all of the charitable services mentioned. As figure 2.5 shows, just over half (54 per cent) of all respondents who say they have ever used or accessed charities report doing so at least once a year. Around 12 per cent say that they currently use charitable services at least once a week. Of those who report using charities at least once a year, the most common frequency of usage was monthly or every 2–3 months.

Figure 2.5
Frequency of use of charities (%)



Source: IPPR/CAF survey

2.3 Who is using charitable services?

The survey data give us an insight into the profiles of those using charitable services. In terms of overall usage, women are more likely to use charitable services, with 83 per cent having done so in the last 12 months, compared to 75 per cent of men. Usage also appears to increase with age, with 85 per cent of those aged 65 or over having used a charity service in the last 12 months, compared to 75 per cent of those aged 18–24. However, in terms of multiple service use, the trend is reversed, with younger people using a greater breadth of charity services.

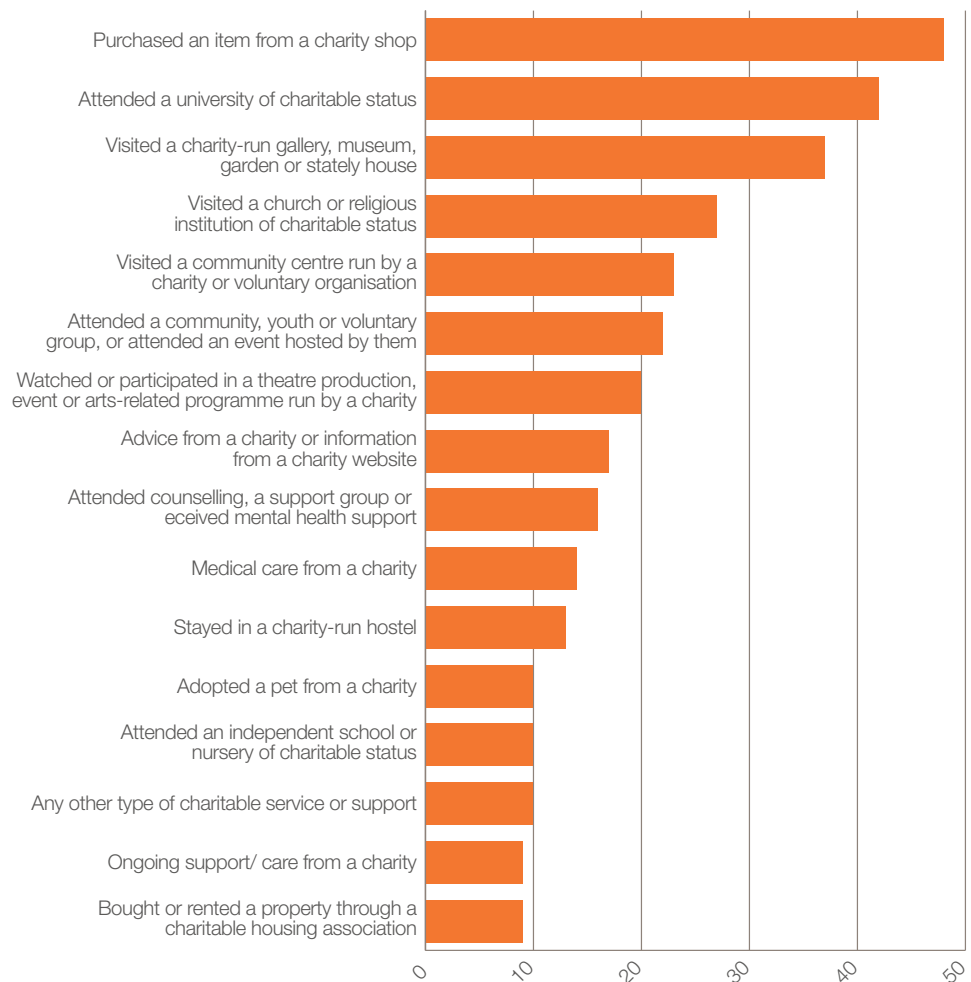
Table 2.1
Use of charities, by age

	Percentage reporting using any services in the last 12 months	Average number of services used in last 12 months
18–24	75%	4.4
25–34	72%	3.7
35–44	78%	3.3
45–54	80%	2.8
55–64	83%	2.4
65+	85%	2.4
Average	79%	3.0

Source: IPPR/CAF survey

As shown in figure 2.6, every type of charity was accessed by at least 10 per cent of respondents aged 18–24 in the last 12 months, with just two exceptions (receiving ongoing care or support and renting a property).

Figure 2.6
Use of charities among 18–24 year olds in the previous 12 months, by service/activity (%)



Source: IPPR/CAF survey

Households in which a member has a disability are more likely to use charitable services (85 per cent in the last 12 months, compared to 77 per cent in other households), as are those who are reliant on a state pension (90 per cent, versus 79 per cent overall). This shows that the most vulnerable in society continue to rely on charities for support.

Families with older children are most likely to have used a charity within the last 12 months (89 per cent), followed by older couples and lone parents (both at 84 per cent). The average number of charity services used by all households was 3.0; though usage was higher than this average among all household types except older single people and older couples with no children living at home.

Table 2.2

Use of charitable services used by household type

Household type	Percentage reporting using any services in the last 12 months	Average number of services used in last 12 months
Young single	76%	3.9
Older single	79%	2.4
Young couple (no children)	67%	3.4
Older couples (no children)	84%	2.4
Family (younger children)	78%	3.5
Family (older children)	89%	3.8
Lone parent	84%	3.4
Multiple adults	80%	3.1
Other	65%	3.4
Average	79%	3.0

These survey findings on the use of charities were supported by our case study interviews – all of the respondents that we spoke to further had interacted with a range of different charities, often for different purposes.

The specific charitable services used over the last 12 months differs by household type, reflecting different life-stages and needs. Families with older children are more likely than average to purchase items from a charity shop (74 per cent), attend a school/nursery or university with charitable status (18 per cent and 20 per cent respectively) or watch or participate in a charity-run theatre production (19 per cent). Older couples are much more likely to have bought an item in a charity shop (72 per cent, versus 61 per cent overall), while lone parents are more likely to have visited a community centre run by a charity or voluntary organisation (33 per cent, versus 18 per cent overall).

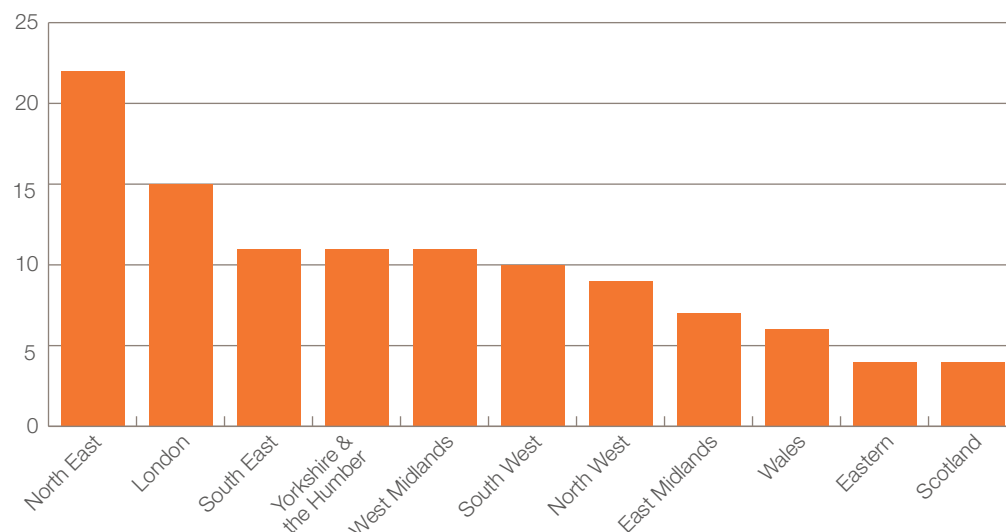
There does not appear to be a direct linear relationship between higher income and reduced use of charitable services. By income band, the highest level of charity use in the last 12 months (86 per cent) is among those with incomes of £41,000–£48,000, while the lowest occurs among those earning only slightly less (75 per cent, among those earning £34,000–£41,000). For those on the lowest household incomes (less than £7,000), 85 per cent have accessed a charity service in the last 12 months. Interestingly, it is those with the highest recorded incomes (over £55,000) that are more likely to use multiple services, with an average of 3.9 used in the last 12 months, compared with 2.7 among those with the lowest incomes. This suggests, therefore, that factors other than income are more influential in driving charity use.

While results were consistent across the different regions of the UK concerning engagement with most types of charitable service, there were a few divergences. For example, in the last 12 months, respondents from the North East were more likely to have attended counselling or a support group or having received mental

health support from a charity (22 per cent, versus 15 per cent in second-placed London). In other areas, the proportions ranged from 4–11 per cent.

Figure 2.7

Use of charitable counselling, support group or mental health support services in the last 12 months, by region (%)



Source: IPPR/CAF survey

Again, further qualitative research would be required to determine the reasons for this, such as whether there is a shortfall in mainstream provision of services in these areas.

2.4 What benefits do people receive from accessing charities?

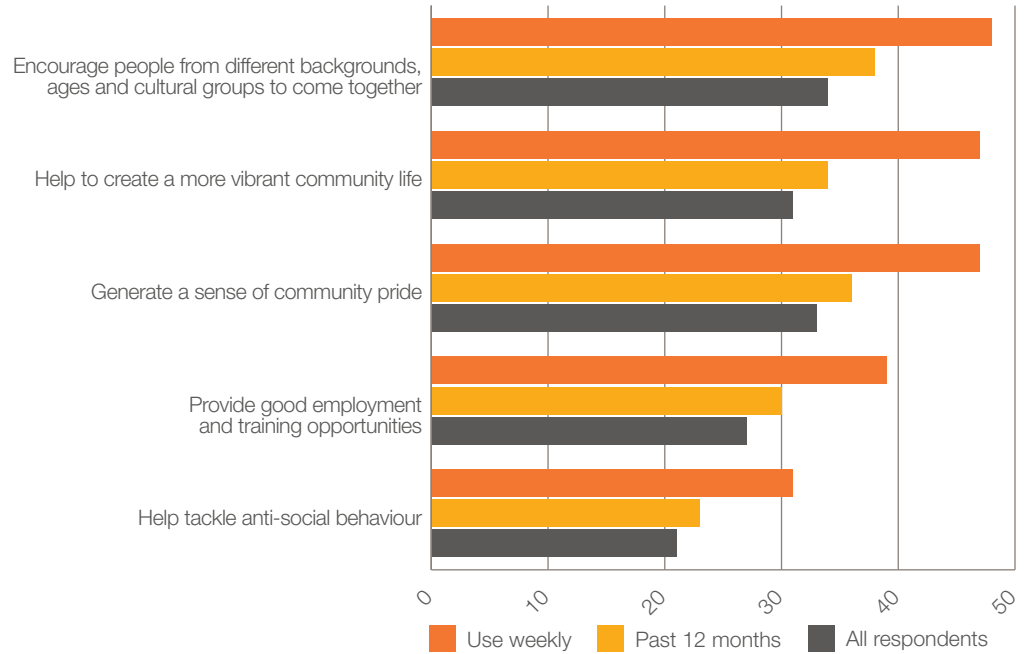
Through this research we have aimed to get a sense of people's views on the overall value that charitable services represent. In general, respondents were very positive about the role that charities play in society. Asked how important or unimportant this role was, as a score between one ('not at all important') and 10 ('essential'), 68 per cent rated the role of charities as highly important (score of 8–10). Among those reporting use of a charity in the last 12 months, this rises to 73 per cent, and to 82 per cent among those who interact with charities on a weekly basis.

We also asked respondents to comment on their perceptions of the impact that charities were having in their local area. Between a fifth and a third of respondents agreed strongly (rated 8–10 out of 10) that their local area benefited from charity in each of the ways described. Unsurprisingly, those who have engaged with charities more recently give consistently higher ratings for each of the potential benefits mentioned (see figure 2.8).

The poll also asked people who reported ever using charities to comment on the types of benefit they or members of their household have received from charities. Respondents were allowed to select more than one type of benefit, or none at all (see table 2.3).

Figure 2.8

Perceptions of the impacts of charitable services, by impact/benefit and usage category (% rating 8–10 out of 10)



Source: IPPR/CAF survey

Table 2.3

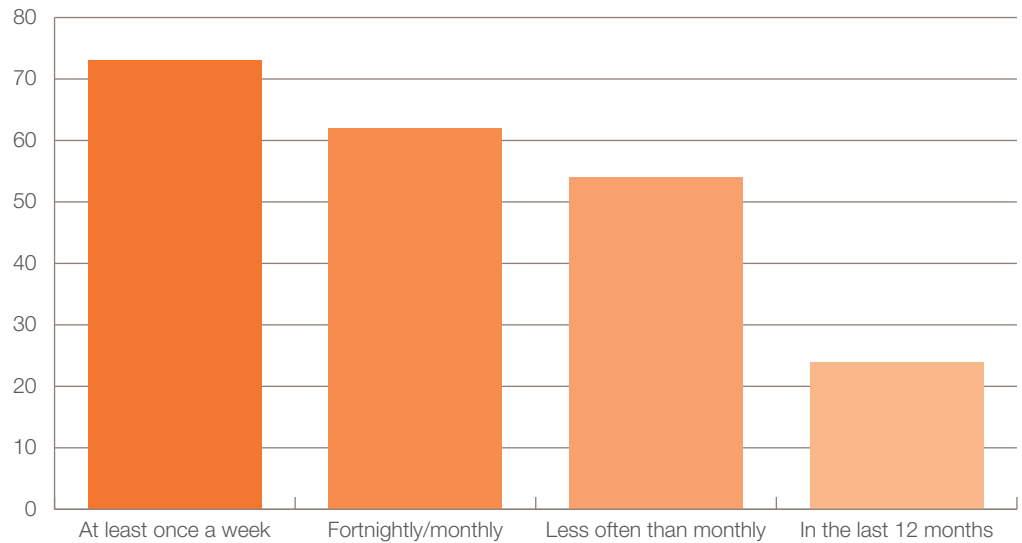
Personal benefits perceived by those who have used charities

	Mentioned by % of respondents
Emotional support or counselling	14%
An enjoyable or fun experience	13%
Legal advice or support	12%
Support or help with health/illness/medical treatment	11%
Advice or support on dealing with debt or other financial issues	9%
Advice or support relating to a mental health concern	8%
An opportunity to meet new people / make new friends / socialise	7%
An opportunity to undertake a new activity or learn a new skill	6%
Social care services	5%
Advice, support or training to help secure a job	4%
Financial help (money or a loan)	3%
Advice or support following redundancy	3%
Assistance from a food bank	3%
Support with childcare or participation in afterschool care and activities	2%
Personal care from a charity worker	2%
Any other type of assistance	2%

Interestingly, nearly half of all respondents (47 per cent) who report having ever used charities or support services feel they have not received *any* of this wide range of benefits associated with the use of charitable services. On closer inspection, it becomes clear that the more frequent the interaction with charity, the more benefit the recipient perceives they have received (and vice versa) (see figure 2.9).

Figure 2.9

Charity users reporting at least one personal benefit, by frequency of charity use (%)



Source: IPPR/CAF survey

Note: Excludes 'don't know' responses.

Different benefits are felt to have been gained by different household types, no doubt reflecting the type of charitable services used, as well as people's own motivations for using that service or services in the first place. Younger, single adult households are more likely than average to highlight that the service used provided 'an enjoyable or fun experience' (24 per cent, versus 13 per cent overall). Families with older children are more likely to highlight the opportunity to meet new people and socialise (11 per cent, versus 7 per cent overall) or to undertake a new activity/learn a new skill (10 per cent, versus 6 per cent overall). Lone parents are most likely to recognise the personal benefits of interaction with a charity, with two-thirds (65 per cent) highlighting at least one personal benefit received from their charity experience (compared to 49 per cent overall).

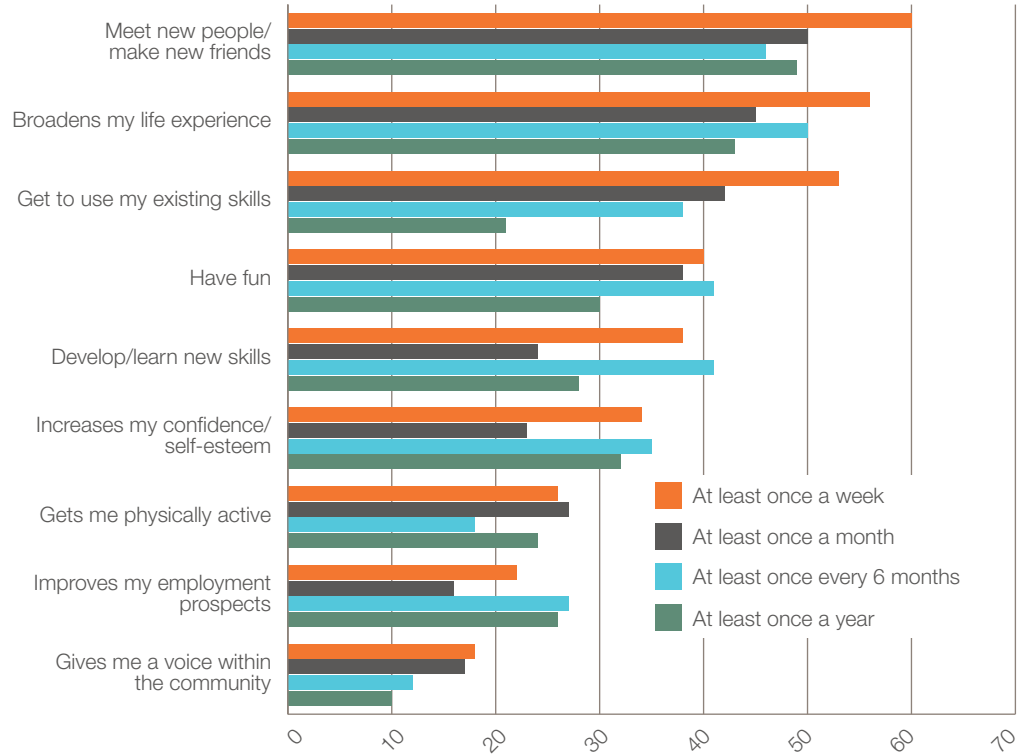
We also asked people who reported volunteering for a charity about the benefits that they felt this gave them. The most common benefits mentioned were the opportunities to meet new people, broaden life experience, and use existing skills. For all of these benefits, respondents were more likely to report them if they were volunteering at least once a week, confirming the value of regular voluntary engagement with charitable services (see figure 2.10).

When asked about the importance of charities to themselves and their households, nearly a fifth (18 per cent) of the respondents who have ever used charities stated that the services were 'central to their everyday lives'. Overall, nearly half (47 per cent) felt that charities were either central or that they made a difference to their lives even if they wouldn't struggle without them (see figure 2.11).

Those households that are using charities the most – families with older children – are also most likely to see them as central or difference-making (64 per cent). A third of lone parents consider the charity services that they receive are central to their lives, and that they would struggle without them. Interestingly, while older couple households are relatively heavy users of charitable services (84 per cent in the last 12 months), they are not as likely as other households to see them as making a real difference to their everyday lives, which may reflect the specific types of services being used.

Figure 2.10

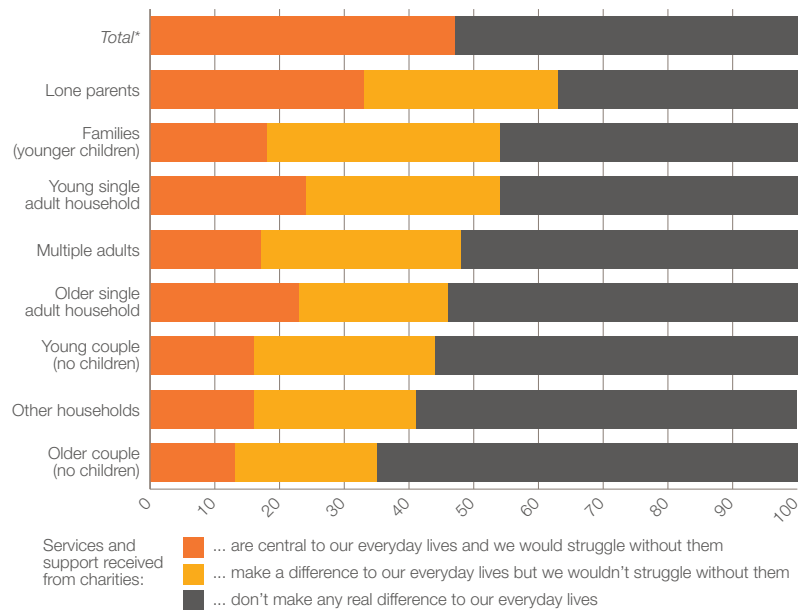
Benefits perceived by those who have volunteered for a charity in the last year, by frequency of volunteering (%)



Source: IPPR/CAF survey

Figure 2.11

Households' experience of using charitable services, by household type (%)



Source: IPPR/CAF survey

* The orange bar shows an aggregate of all 'central' and 'makes a difference' responses.

3. CASE STUDIES

While the poll findings give us an interesting insight into the ways in which the British public use a wide variety of charitable services, they can only provide limited insight as to the overall impact that these services are having on the wellbeing of individuals and their households. We therefore conducted a series of in-depth telephone and face-to-face interviews with people from different parts of England to learn more about how they were using and benefiting from charities. These case study interviews are not representative of the views of the UK public, both because of their limited number and geographic scope.⁷ However, they do provide a richer understanding of the nature of public engagement with charities than can be given by statistics alone.

3.1 Methodological benefits and limitations

We conducted a series of case study interviews to help us quantify the impact of the charitable sector upon the individual households concerned. As discussed in chapter 1, there are a number of different ways of measuring non-economic impacts, of which the best known is social return on investment, or SROI. As charities have become increasingly involved in the delivery of public services, many have started using SROI in order to be accountable to the taxpayer and to demonstrate the added value of their impacts beyond traditional economic measurements (Arvidson et al 2010).

SROI provides a basis for forecasting, planning and managing interventions and the evaluation of their particular impact. This is achieved through analysing the inputs, outputs, outcomes and subsequent impacts of an intervention on a diverse range of stakeholders and beneficiaries, and ultimately by placing a financial value on non-monetary benefits (Cabinet Office 2009). By applying financial proxies for any individual impact, SROI provides results in the form of a ratio of social value in monetary terms to initial investment made. By expressing social values in monetary terms, SROI recognises the importance of non-market impacts, which were previously excluded from traditional market measurements, and encourages further investigation beyond predefined financial impacts (ibid).

However, there are a number of issues regarding the theoretical and technical challenges of applying monetary values to intangible social impacts. Questions are often raised about whether placing a financial value on non-monetary impacts will ever adequately express a realistic or meaningful sense of value (Arvidson et al 2012). The use of financial proxies is problematic, due to the multiple sources and methodologies used in creating such proxies. And its emphasis on public sector savings fails to capture social value in terms of improvements in personal utility (Trotter et al 2014).

Despite the popularity of SROI, its failure to capture the benefits of impacts in terms of improvements in an individual's quality of life or wellbeing has led to the development of alternative approaches. One such alternative is 'Wellbeing Valuation', which we have adopted for the purposes of this study, as it uses financial proxies to measure the success of an intervention's impact by assessing how much it increases the participant's overall level of personal wellbeing. Increasingly, this approach has come to dominate current thinking on social impact measurement

⁷ The qualitative interviews were conducted with respondents in London, Bristol and Sutton Coldfield over a two-week period in August 2014.

among key stakeholders in the third sector, government and academia, and has recently been included in the Treasury ‘Green book’, which provides guidance on commissioning and assessment in the public sector (ibid).

Wellbeing Valuation – the methodology

Wellbeing Valuation uses financial proxies to measure the success of an intervention’s impact, by assessing how much it increases the participant’s overall level of personal wellbeing. One of the particular strengths of Wellbeing Valuation is its analysis of existing data sets from national surveys to reveal effects on wellbeing over time, rather than relying on participants’ stated preferences or their perception of the value of a non-market outcome. In this model, the surveys used to create the financial proxies for social value use data on self-reported wellbeing and life circumstances to create values based on actual personal experiences. As a result, the proxies used in this study are more robust, consistent and easily applicable.

The financial proxies⁸ applied to the case studies were not developed by IPPR but are taken from the pre-existing Social Value Bank,⁹ which was developed for the Housing Association’s Charitable Trust (HACT 2014).¹⁰ In order to ensure that the social value proxies used were as applicable as possible, our questionnaire and case study questions were designed to resemble the survey questions used by HACT.

The proxies take two forms: activity values and outcome values. Activity values are obtained by the person simply undertaking an activity, such as regularly attending a youth group. The social value is then expressed as the value an average person receives from attending a group and participating in the activity. Outcome values, on the other hand, are obtained when something has changed for an individual as a result of their participation in an activity or receipt of a service.

We then applied these value proxies to the activities and outcomes evidenced in our case studies, in accordance with Social Value Bank guidelines. Case study participants were asked a number of different questions covering the key themes of the Social Value Bank. These questions aimed to gauge whether participants had experienced a change in their wellbeing after using or interacting with a charity. They were asked to rate their levels of wellbeing on a scale of 1–10 before and after using charity, and to identify the source of this change, in their view. The two highest points on the scale for each answer are considered ‘valuable’, and a proxy value was only applied if participants identified a change from a ‘non-valuable’ to a ‘valuable’ answer. The questions were designed to identify a positive change in the individual’s wellbeing but not to measure the size of that particular change, so a standard proxy value was applied for any ‘valuable’ change, regardless of the degree of improvement in wellbeing.

If a change could not be accurately identified, a standard activity value (calculated as 10 per cent of the relevant outcome value) was applied.

The purpose of the case studies is to explore the overall social value of an individual household’s interactions with the charitable sector, and not the impact of a single charity programme or intervention. In light of this, we have not adopted the complete Wellbeing Valuation methodology – in its complete form, this would extend to a ‘value for money’ assessment of social value against investment made, as for SROI. Instead, we have simply applied the relevant proxy values to the activities or outcomes identified by each household and calculated their cumulative value to find the overall social value of the sector’s impact to that household. In a project of this scale, it is not possible to identify the budgets and costs of each charitable activity accessed by participants, in order to calculate the ratio of social value to charitable investment across multiple interventions. However, with further research, it should be possible to apply the complete methodology to a case study and generate such a ratio.

Values in the Social Value Bank were selected to cover the most popular community investment activity-related outcomes, and as a result are not exhaustive. There are therefore a number of activities or interactions with charities referred to in our case studies that are not represented by the existing values – as a result, these are not included in our final calculations.

8 Further information about the underlying calculations used to estimate these proxies is included in the appendix to this report.

9 See <http://www.hact.org.uk/social-value-bank>

10 These values are published under a creative commons licence, as follows:–
Title: Community investment values from the Social Value Bank; *Authors:* HACT and Daniel Fujiwara;
Licence: Creative Commons Attribution-NonCommercial-NoDerivatives license. For details see:
http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB

Wellbeing Valuation is particularly well suited to this study. We are attempting to measure the impact of the charitable sector on a household's overall wellbeing, rather than the impact of one specific charity and the cost-effectiveness of its investment, as would be the traditional approach. Wellbeing Valuation also enables us to approach social impact from the recipient's perspective, in contrast to methods such as SROI, which adopt a top-down approach and often tend to focus on the impact and needs of the organisation that is delivering the service (HACT 2014).

These case studies do not allow us to draw any firm conclusions about the overall non-financial impact of the charitable sector in the UK, especially since they do not take account of the investment that was made to achieve the impact. However, they do point to some innovative ways of using impact measurement methodologies to assess the value of a given household's interaction with charities as a whole, rather than just one specific charity. The case studies are therefore a preliminary attempt to express and represent the social value of the charitable sector in an accessible way, with a view to sparking further discussion and investigation.¹¹

3.2 Case studies

Case study 1: Alison is a 34-year-old police officer living in Bristol; she is a single mother with a nine-year old-son and one-year-old daughter

Alison has contact with a number of charitable organisations, including breakfast and afterschool clubs, and participates in a charity festival and carnival in her area. Alison also rents her home from her local housing association and shops regularly in charity shops. However, her main involvement with charities comes through her son, who regularly attends Scouts and boxing classes. Alison often attends family days and fundraising events for these groups.



'The housing association has been a big help as I was living with my Mum before my daughter was born, and I was desperate to get my own place. The house prices in the area are very expensive though, so I wouldn't have been able to afford to get my own place and rent my home without going through them.'

Alison also reported that she used 'the breakfast and afterschool clubs a lot for childcare'. She works the night shift, so the breakfast club is really helpful, as it allows her to drop her son off a little earlier than normal so she can get home and get to sleep sooner. Alison mentioned that her mother helps a lot with the childcare as well: 'she finishes work at five but I start work again at six'. So for Alison 'the afterschool club is great' as it helps her to 'swap over with my Mum, because it's a really tight turnaround'.

'Charities really support me to manage work and childcare more easily.'

Alison already lived in Bristol but recently moved to a new neighbourhood where she didn't really know anyone and where her son was starting a new school. Alison encouraged him to join some clubs as she thought it would help him to make new friends.

'It's been great, as Scouts has given him a chance to become involved, and learn new things and experience different experiences that he wouldn't normally get to do.'

¹¹ All names have been changed to protect the identity of interview participants.

'He's also made a lot of new friends there and it's really helped him settle in, as he wasn't going into a totally strange place, because a lot of boys from Scouts go to the same school. My neighbour's little boy goes to Scouts as well and they've become very good friends. I've also got to know his Mum as well and we take turns dropping the boys off, which makes things easier. I've also met a lot of parents through the club's family days and it's helped me make links in the area and become more involved in the community, whereas I might not have been able to get to know as many people if we hadn't gone.'

Alison also felt that since moving to the area as a family they had become much more involved with charities.

'In my old area we didn't really do as many things like this, and I wasn't aware of as many clubs and groups in my old neighbourhood. I don't think there was as much going on and available.'

After her involvement with charities, Alison has become more positive about them.

'[I] was positive about them before, but now I feel a lot more positive, as getting involved in the housing association has really helped me and I feel quite grateful. I do think it's made a real difference to our lives, as it's helped my son become more active. I think I'd definitely seek out charities now. They've become a really important part of our lives. I think you use them more than you think you do, because when I went to drop my son off at boxing I took my daughter to the play park next door, and I realised that it was actually a charity and it is run by volunteers. So sometimes I think you don't realise how often you use them.'

What are charities worth to Alison?

Alison reported two clear outcomes as a result of using charity that resulted in a positive change in her circumstances and overall wellbeing. As a result we can apply a monetary value to express the social value generated as an outcome of these changes.

1. **Use of a housing association**, which enabled Alison to move into her own home and to afford to pay the rent for her property. The outcome value for this change for a person of Alison's age living outside of London is identified by the Social Value Bank as **£8,550**.
2. **Increased feelings of belonging** within her neighbourhood as a result of taking her son to youth groups and participating in family days. The outcome value for this change for a person of Alison's age living outside of London is identified within the Social Value Bank as **£2,252**.

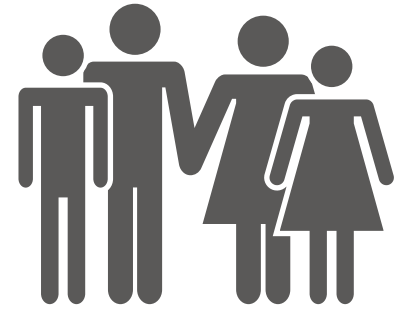
Alison's son also participates in a number of activities, which have a value in themselves.

3. **Regular attendance at a youth group**, in this case Scouts once a week. The activity value for this activity for a child living outside London is identified within the Social Value Bank as **£246**.
4. **Regular attendance at a keep-fit class**, in this case boxing once a week. The activity value for this activity for a child living outside London is identified within the Social Value Bank as **£253**.

The social value of the charitable sector's overall impact on Alison's household in the last year ranges from £11,301 to £9,606 (before and after deadweight calculations are applied¹²).

12 See the appendix for more detail on deadweight calculations.

Case study 2: Ben is a 52-year-old, married sales executive, living in Sutton Coldfield, with two children (a son aged 20 and a daughter aged 23), both living at home



Ben is regularly involved in supporting charities and participates in a number of fundraising events through his local caravan club. Ben really enjoyed the fundraising activities.

'[The club] chooses a charity once a year and we do all sorts of events about four times a year for the charity. I've taken part in quite a few things like sponsored walks and a charity bike ride.

'It gets you a bit more active, and I can dust the bike off and get out a bit ... The sponsored walks are really good as well, as you always end up at a nice pub or café, don't you?'

Ben also felt that these events enabled him to become much better acquainted with other people in the club.

'People can just come along and get a bit of exercise, and I suppose in a way they're social events too. I knew the people a bit already, but as you're walking you get talking and have a bit of a natter, so I got to know quite a few people a lot better.'

Ben also regularly shops at charity shops, and occasionally visits National Trust properties.

Ben's household's main point of contact with charities has been through the Scoliosis Association. Ben's daughter has the condition, and SA UK supported the family during her treatment. They used the Scoliosis Association for advice and support.

'[When she was diagnosed, we] didn't really know what it was and what it would mean, so we found SA UK and we were put in touch with people who'd been in a similar situation, and we could talk to someone who'd actually had first-hand experience.'

Ben found this experience 'really helpful' as SA UK were 'very supportive', and Ben and his wife felt that this helped them to understand the condition. The SA also 'got in touch to see how things were going after the operation'.

Ben and his wife contacted SA UK because:

'... it was harder to get information from the hospital and surgeon. It was a bit like a conveyer belt. And they just told you what they were going to do or what my daughter couldn't do, not really what it would mean or why she couldn't do it.'

However, Ben and his wife found that the advice from the SA helped them a lot more:

'... with understanding the affects of the operation and what it would mean for the future, because we could talk to people who'd already had it.'

Both Ben's wife and daughter continue to be involved with SA UK.

'They also asked my wife and daughter whether they would give advice to other people going through the same thing, from their perspectives as people who'd already been through it.'

'They volunteer quite often, just whenever anybody needs to talk or a bit of advice. My wife does it the most regularly, as it's parents who most often get in touch ... [They] get a lot from being involved like that, and it's nice for them to know that they're helping people in a similar situation, like we were helped ... People just don't really know a lot about it until they go through it.'

Ben's daughter also underwent a short counselling session with Children and Adolescent Mental Health Services (CAMS) after her operation, which occurred when she was in her mid-teens, as Ben felt that 'she was playing up a bit and having a difficult time'.

'She had been through a lot with the operation, it was an horrendous operation – 8 hours – and it was a lot for her to take on ... She was very down in herself and just wasn't feeling good about herself at all.'

Ben felt that the counselling really helped his daughter.

'It allowed her to say what she really felt. It was just someone different to talk to, and it made a real difference to her ... At the time she had a lot of friends at school but nobody really close, and you don't always want to talk to your Mum and Dad do you? ... [She] was so much better afterwards it was unbelievable.'

Ben also found that it helped him and his wife to understand their daughter's situation better, as his wife observed the session.

Ben felt that overall, his family's experience of using charities helped him to 'understand more about the work that they do'.

'Unless you're in that situation you just don't really know about what's going on ... I don't think that you really understand or know what charities do unless you need them.'

What are charities worth to Ben?

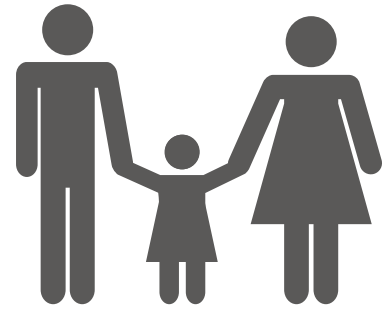
Ben reported two clear outcomes for his household as a result of using charity that led to a positive change in his family's relationships and his daughter's overall wellbeing.

1. **Use of a charitable counselling service**, which enabled his daughter to improve her mental health and reduce her levels of anxiety. The outcome value for this change for a child living outside London is identified within the Social Value Bank as **£11,819**.
2. **Improved levels of confidence** as a result of using a counselling service. The outcome value for this change for a child living outside of London is identified within the Social Value Bank as **£9,455**.

The social value of the charitable sector's overall impact on Ben's household over the last five years ranges from £21,274 to £18,082 (before and after deadweight is applied).

Case study 3: Charlene is a 45-year-old systems accountant living in Bristol with her husband and nine-year-old daughter

Charlene's household is involved with charities in a number of ways. They purchase items from charity shops, attend events run by a charity called Milestones (which helps people in the Bristol area who have learning disabilities and mental health problems), and engaged with a local church when Charlene's daughter decided that she wanted to be christened.



A number of years ago, Charlene used a charity called StepChange, which provides advice and support on managing debt.

'They went through all my income and outgoings and gave advice that helped me manage that process myself by writing to all my debtors and coming to agreements with them ... In a situation where it was feeling unmanageable and I was losing control, they helped straight away and gave me the information and template letters I needed to manage it.'

Currently, Charlene's primary engagement with charities relates to health issues experienced by members of her family. Her husband has received cognitive behavioural therapy for mental health issues, and regularly seeks advice on managing an acute anxiety disorder from the charity Anxiety UK. He has sometimes found it difficult to get the understanding and treatment he needs from doctors, so he has used charities as a way of reaching out to people who understand or are in similar situations. For example, AnxietyUK's website has a forum where other people share their experiences of living with anxiety

'To know that there's so many other people that are thinking [like him] has been really helpful ... just to know that he's not alone.'

Charlene's daughter has suffered from anaphylactic allergies to a number of different foods since she was born. After discovering this when she was six or seven months old, Charlene tried to get a referral for further testing from the local children's centre, but she was told by the hospital that it was something her daughter would grow out of and that they should wait until she was older for further testing. At this point she reached out to the support charity Allergy UK, who she described as being 'incredibly helpful' in putting her in touch with doctors who were able to refer her daughter for the tests that were needed. Around this time, she also started engaging with the Anaphylaxis Campaign, a charity which supports people suffering from severe allergies. Charlene has attended parent workshops, and regularly uses their website and Facebook page as a source of information about new developments and coping mechanisms.

She describes the support provided by the allergy charities as 'invaluable', as they gave her the information she needed to ensure that her daughter's school was taking her health needs seriously.

'[Anaphylaxis Campaign] gave me loads of information, factsheets and things like that to give to the school to improve their knowledge as well, and that's been really supportive.'

This had had additional benefits for her daughter's confidence in managing her own allergies, since she knows that Charlene is 'clued up on it'.

Charlene and her family primarily use charities as a source of information, and to fill in the gaps where official support hasn't been available for one reason or another.

'They give you the tools to help manage things yourself ... they can't do the work for you.

'I would feel a bit adrift without them ... every charity we've reached out to has been one we've needed information from, and they've helped.'

What are charities worth to Charlene?

Charlene reported one clear and one indirect outcome as a result of using charity that resulted in a positive change in her household's circumstances.

1. **Improved financial situation** as a result of accessing charitable advice and support. This resulted in relief from being heavily burdened with debt. The outcome value for this change for a person of Charlene's age living outside London is identified within the Social Value Bank as **£10,520**.
2. Her husband's **regular access to advice and support forums** run by Anxiety UK, to help manage his anxiety by reaching out to other sufferers for support and reassurance. This helped him to feel more in control of his life. The outcome value for this change for a person of Charlene's husband's age living outside of London is identified within the Social Value Bank as **£1,305**.

Charlene also participates in an activity, which has an activity value in itself.

3. **Regular attendance at a support group**, in this case Anaphylaxis Campaign workshops and advice forums once a month. The activity value for this activity for a person of Charlene's age living outside London is identified within the Social Value Bank as **£156**.

The social value of the charitable sector's overall impact on Charlene's household over the last five years ranges from £11,981 to £10,184 (before and after deadweight is applied).

Case study 4: Dani is a 46-year-old, single woman living in north London; she is currently unemployed

Dani has been involved in a number of different charities over the last five years, as both a service user and a volunteer. As a service user, Dani has undergone a period of counselling with a charity, and receives physical therapy from a charitable centre. As a volunteer, Dani has been a befriender for both the Royal National Institute of Blind People and the Terrence Higgins Trust. She became involved in these activities as she 'wanted to support people and I was curious and wanted to understand a little more about what it was like to live with these conditions'.



Dani has attended counselling at a nearby women's centre as part of a counselling course at the local college.

'People have always been my main interest and I've always enjoyed listening to people. I've got a very curious mind and people intrigue me. So I wanted to understand and gain an insight into how people think a little bit more.'

Although Dani underwent counselling herself as a requirement of the course, she found it personally very helpful.

'We covered a lot of ground, and at that particular time I was going through a lot of problems with my boyfriend. So it really came in handy in helping me to face the problems, and to see them differently from how I was seeing them before ... it gave me a new way of looking at things.'

Dani went on to become a counsellor herself, and volunteered with a local bereavement centre for a year, an experience which she found very rewarding.

'When you're having to deal with death, you get to find out how different people deal with it differently, and I was able to learn how to respond to different reactions and support people.'

'[My counselling] gave me a deeper insight and helped me protect myself emotionally.'

Dani gave up her volunteering after becoming seriously ill at the end of 2012. After being in hospital following a kidney transplant, Dani felt that her 'body had become polluted with all kinds of drugs and was very stiff' and she started having body massages at the women's centre as part of her recovery.

'Using the centre has really helped me recover, and I wouldn't be able to afford a massage without it. I know if I go there I can have a cup of tea and see what's going on there.'

Dani also used the centre to attend a creative writing class.

'It's a great place to try new things, and I was able to meet new people and gain a new skill. I've always felt like a frustrated writer, and this allowed me to express my creativity – it helped me explore it, as that side of me was hidden before, as I'd pushed it away as wishful thinking.'

After her operation Dani found herself facing financial difficulties paying her energy bills, as she was at home 'all the time recovering during the winter, so my bills went sky high'. She applied for and received grants from charities.

'This was a big help, as I just wouldn't have been able to afford to pay them otherwise.'

These grants allowed her to fill the gap until she was fully recovered and her bills returned to normal.

Dani also felt that volunteering had effected her perception of charities.

'Until you need help you don't realise that it's not as straightforward as you'd think ... But now I'm more prepared to go through the process and it's a lot easier, I'm now more familiar with the whole procedure, and the different types of support you can get.'

'It's only after volunteering that I know more about different charities. When you're a volunteer you're focused just on your charity and what you're doing, but when you step back or have to use them, you see how many there are.'

'You don't have to have a problem to get help and support from charities. You can use them to support your general wellbeing and boost yourself.'

What are charities worth to Dani?

Dani reported three clear outcomes as a result of using charity that resulted in a positive change in her circumstances and overall wellbeing.

1. **Use of a charitable counselling service**, which enabled her to improve her mental health and reduce her levels of anxiety. The outcome value for this change for a person of Dani's age living in London is identified within the Social Value Bank as **£38,053**.

2. **Improved financial situation** as a result of charitable grants and support resulting in removal of debt. The outcome value for this change for a person of Dani's age living in London is identified within the Social Value Bank as **£956**.
3. **Improved financial situation** as a result of charitable grants and support resulting in financial comfort. The outcome value for this change for a person of Dani's age living outside of London is identified within the Social Value Bank as **£10,378**.

Dani also participates in an activity, which has an activity value in itself.

4. **Regular attendance at a charity-run community centre**, once a month. The value for this activity for a person living in London is identified within the Social Value Bank as **£106**.

The social value of the charitable sector's overall impact on Dani's household over the last five years ranges from £49,493 to £42,068 (before and after deadweight is applied).

Case study 5: Eric is a 46-year-old widower from Sutton Coldfield, currently working as a lighting engineer



Eric's main contact with charities has been through a counselling service linked with the John Taylor Hospice and the Motor Neurone Disease (MND) Association, which he used for advice, and to help him support and manage his wife's medical care. She suffered from MND for a number of years before passing away in May 2014.

Eric gave up his job to care for his wife five years ago and as he wasn't able to work, they applied to 'lots of organisations like the NHS and charities like the MND Association and the patient liaison service at the John Taylor Hospice, for things like equipment and caring support'.

Eric initially experienced some difficulties.

'We had some problems with finding appropriate equipment and staff, because it's all very difficult – it's a full-time job, and exhausting.'

'One charity just came in and treated our situation like a textbook – they weren't flexible at all. They just wouldn't do certain things, even though they would help my wife and make things easier for her, like lifting her the way she liked to be lifted, even though it wasn't unsafe. They just didn't accommodate our opinions, even in our own home.'

However, Eric's experience of the MND Association was very positive, and he and his wife used the charity for a number of different reasons.

'[The MND Association] was incredibly helpful, and because of the nature and seriousness of my wife's condition they were very attentive.'

The charity also helped Eric financially with his household bills, as he found the power companies to be 'very difficult'.

'Our home had to become a hospital for my wife and everything had to be plugged in. So our bills were out of control, but they just didn't take her illness into consideration – they just didn't want to know.'

The MND Association helped Eric with filling in the forms.

'We were exhausted, and the whole thing is very debilitating ... They would phone other agencies and organisations for us and they acted like a general advocate for us with the companies.'

'They knew the situation and were really accommodating. They knew all the problems we were facing at home, and they were very good, even though they were facing a lot of cuts in their funding, as they're not very well known.'

Eric also felt that the MND Association was a great support to him personally as a carer.

'They didn't need to know everything, they didn't make me feel as though I had to justify who I was and what we were doing. They were just really good and very professional and just very human.'

Eric also sought counselling for two separate periods of four and six months from the John Taylor Hospice service, and built up 'a network of services and counselling'.

'It was a very difficult time, but we just took things a day at a time, and that's all you can do ... It's one of the most difficult things anyone can ever go through.'

Eric felt that the counselling was very helpful as he felt very supported by them and 'didn't feel quite so alone', as it just gave him 'a huge relief'. Eric found that just knowing that 'there's somebody out there' made 'all the difference' and it gave him the 'energy to kick in and get back on track'. It meant a lot to Eric, as 'you realise that other people understand'.

For Eric the counselling provided 'just a connection with someone' so he didn't feel as 'isolated, because that's a very difficult place to be for anybody, is to feel isolated and alone'. Although Eric has a very supportive network of friends and family, he also needed further support.

'... [from] someone who knows, someone who's been through what you've been through, because it's very difficult for people to support you when you're going through what we went through ... Whereas you know that the counsellor and the charity know.'

Eric also felt very supported after his wife passed away.

'The services we'd been using came to support me for two weeks. They popped in to see if I was ok, and I had a lot of correspondence from the charities with their condolences.'

However, he hasn't really used charities as a support since.

'They're there if I need them but they don't promote themselves. I know I can always call on them, and my counsellor will see me whenever I need.'

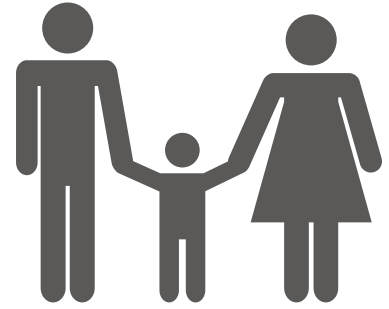
What are charities worth to Eric?

Eric reported a clear outcome as a result of using charity that resulted in a positive change in his overall wellbeing:

- 1. Use of a charitable counselling service**, which enabled him to improve his overall levels of mental health. The outcome value for this change for a person of Eric's age living outside of London is identified within the Social Value Bank as **£36,706**.

The social value of the charitable sector's overall impact on Eric's household in the last year ranges from £36,706 to £31,200 (before and after deadweight is applied).

Case study 6: Fiona is a 33-year-old, married teaching assistant living in Sutton Coldfield with her 18-month-old son



Fiona's main contact with charities is through her son's playgroup, which supports her with childcare. Fiona also attends family-friendly fundraising events 'whenever she can' and shops regularly at her local charity shops, which she says are 'brilliant and really good value'. Fiona makes a special point of shopping at charity shops whenever she needs anything.

'I'm all for charity shops ... I buy a lot of furniture and baby clothes from them, because I like to upcycle little bits and pieces and put my own spin on things and get a bit creative.'

Fiona also volunteered at a fun day for John Taylor Hospice.

'I felt quite glad that I was asked, as my granddad was a patient there, so it kinda felt like I was giving something back ... I saw the volunteers, and it did make me think that when my son's a little older it would be a really good thing to do, as everyone's going to need some support at some point, so it puts things in perspective.'

Fiona's husband has also used St John's Ambulance to gain a first aid qualification: 'he's the first aider at work and every three years he renews his qualification with them'. Fiona said that her husband 'really enjoyed' the experience. Since having their son, he has renewed his qualification and Fiona felt that 'it's been helpful with family life' as it has made her husband 'more confident if anything happens with our little boy'. Fiona also felt that 'it was a personal thing' for her husband and that it was 'good for work', and was also a 'great thing to have' in general.

Fiona's main contact with charity has been taking her son to the local playgroup. Not only has this 'been good for him, and helped with childcare', but Fiona and her family have found the experience helpful and enjoyable as well, especially as this was her first child.

'When you have a baby you need to get out of the house a little bit, so we started going to a playgroup for little ones and now he's at the local one for toddlers run by the church.'

Fiona used to go twice a week with her son but 'the lady has had to cut down to once a week due to illness'. Fiona felt 'quite upset' when she found out.

'I look forward to going, as it's helped me make lots of new friends, as well as being great for my son. A friend of mine from the group has just been round with her little girl actually, so it's really extended from there and it's definitely had a positive impact. And I've made good friendships.'

The experience has given Fiona 'more confidence, especially as a first time Mum'.

'It's harder to go to different places and meet people when you have a baby, so it's definitely given me more confidence. My friends all had children in their early 20s, and I was the last one to have children.'

Fiona felt that she 'was quite anxious at first', as all her friends were at work.

'So without the playgroup and meeting new people, things could have been really different ... I might not have enjoyed parenthood as much as I have done.'

Fiona feels that when she goes back to work after the summer holidays she's 'going to really miss dropping him off', and feels 'quite upset' that she won't get to go herself.

'[That shows] how much a big part of my life it's become. My husband comes with us when he can as well and he loves it, so it's a big part of our family life.'

Fiona also felt the group has helped her become more involved in the community.

'Until you become part of a group you don't really think about being part of a community, but when you get involved you feel more positive about the area, as you know more about what's going on and what things are available ... The group is a great service, I mean I know it doesn't have to be there, but it's much needed.'

Overall, Fiona feels that her household's experiences with charities have been very positive.

'Charities are wonderful things, definitely. They really help out a lot of people, but I don't think people realise exactly what's out there, and I think that if more people knew what services there are they would use them a lot more.'

What do charities mean to Fiona?

Fiona reported one clear outcome as a result of using charity that resulted in a positive change in her overall wellbeing:

1. **Increased feelings of belonging** within her neighbourhood as a result of taking her son to playgroup. The outcome value for this change for a person of Fiona's age living outside of London is identified within the Social Value Bank as **£2,252**.

Fiona's son and husband also participate in a number of activities, which have an activity value in themselves.

2. **Regular attendance at a youth group/playgroup** once a week. The activity value for this activity for a child living outside London is identified within the Social Value Bank as **£246**.
3. **Vocational training**, in this case first aid training, resulting in a two-year qualification. The activity value for this activity for a person living outside London is identified within the Social Value Bank as **£101**.

The social value of the charitable sector's overall impact on Fiona's household in the last year ranges from £2,599 to £2,210 (before and after deadweight is applied).

4. CONCLUSIONS

Charities play a vital role in the life of our nation, providing a very wide range of services and complementing the activities of the public and private sectors. From using charity shops and visiting museums and galleries, to seeking advice or receiving medical care, over 90 per cent of all households have used charities in the past, with eight out of 10 saying that they have done so in the previous 12 months, and half in the last month.

However, different households are using charities in very different ways. Families with older children, older couples and lone parents are the groups most likely to have used charities, but younger household types are the *most frequent* users. Households with higher incomes are also more likely to have used multiple services. And, unsurprisingly, different households use different types of service.

People experience a wide range of different benefits from their involvement with charities. Nearly half of households surveyed said that charities were central to their lives or that they made a real difference to everyday life, with those who use charities most frequently recognising their benefits most strongly.

Our case studies illustrate the varied ways in which people are accessing charitable services. While it is not always helpful or easy to quantify the value of these services, a number of our case studies show that households may be receiving around £10,000 worth of ‘social value’ in any given year, and in one case this amount rose to over £35,000.

Our findings have a number of implications:

- Charities clearly play an important role in the lives of many households, but very often do so in combination with other service providers. Without compromising the independence of the sector and the role that it plays, government and charities could do more to ensure that they recognise the complementary nature of their activities and support one another to provide holistic support to households in different circumstances. This is likely to become increasingly important as more public services are delivered through a mix of government, private company and charity provision. Working together to understand how the various pieces of the jigsaw fit together will be vital.
- Charities are getting better at demonstrating their overall impact and value for money, but they rarely consider this from a household perspective or show how their services combine with those of other charities and service providers to have an overall impact on a particular household. While households do develop particular loyalties to local or specific charities, charities could do more to recognise and demonstrate their combined impact on households and the social value that this generates. They could also do more to understand the kinds of household type that most readily access their services, allowing them to target services more effectively for their existing beneficiaries, or to support any efforts to extend their current reach.
- Understanding the overall impact of charities – in combination with other service providers – on particular types of household using ‘social value’ measurements is a new and relatively untested field of inquiry. It would be fruitful for the methodology developed in this study to be used more widely and tested more rigorously.

- As shown through this research, charities can be closer to people than many other government or commercial bodies, with charitable services permeating every aspect of life. Despite this (or even because of it), it can sometimes be easy to forget the very real impact that charities have on peoples' lives, and the value that charities add to society – not just by providing much-needed support and assistance, but also by enriching lives through the arts, science and education. It is important that this value is recognised, not only by the general public who continue to give both their time and money generously, but also by government in the policies that it sets and the support it offers to the charitable sector in the years to come.

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APPENDIX: QUALITATIVE METHODOLOGY

The proxies in the Social Value Bank were developed using numerous data sets and formulas developed by Daniel Fujiwara, which are explained in detail in his methodology paper (Fujiwara 2014). Wellbeing Valuation does not seek to value each individual's experience of an intervention but instead represents the experience of the average person, which is then applied to give a general indication of the social value of a particular intervention's impact. For the purposes of this report we have applied these average values to the experiences of different households using case studies to provide a window into people's relationship with charity, in an attempt to shed light on the multiple ways in which charities interact and impact on the everyday lives of different households, and to give an indication as to the overall social value of the charitable sector's impact.

The overall social value of the charitable sector for each case study was then expressed using a range of values and represents the overall social value of charity with and without 'deadweight'. Deadweight is a measure of the amount of outcome that would have happened even if the activity had not taken place. The measurement of deadweight applied in our calculations is 15 per cent of each relevant value, in accordance with HCA Additionality guidelines.¹³ Unfortunately this measure of deadweight does not capture the context in which each outcome takes place, and fails to take into account that some outcomes are more likely to be generated regardless of an intervention depending upon contextual factors. Due to the scope and scale of this study, however, we were unable to establish individual measurements of deadweight for each value within the individual case studies, although the standard HCA measurement applied is a useful alternative. For future research it will be possible to increase the accuracy of deadweight and subsequent measures of overall social value by conducting more extensive research into the contextual and demographic factors which may affect a particular intervention, such as age, income or access to services.

In calculating these values, the Wellbeing Valuation approach uses life satisfaction in order to estimate the impact of community outcomes and income on subjective wellbeing. To measure the impacts, this approach follows Fujiwara's use of mixed multivariate regression and instrumental variables (IV) methods. This method uses a control function approach for IV rather than more typical IV estimators such as the Wald estimator or two-stage least squares. The framework followed in this report is set out in Fujiwara et al 2013,¹⁴ which represents the latest developments in Wellbeing Valuation methodology, in line with Treasury's 'Green book' recommendations.

An example of the methodology behind the Wellbeing Valuation approach can be seen in the following scenario. Say we are interested in identifying the value that people place on doing voluntary work. In order to achieve this, data on life satisfaction is used to estimate the impact that volunteering once a week has on an individual. This is then found to result in a hypothetical increase of 5 per cent in a person's life satisfaction due to the enjoyment and sense of purpose they experience as a result of volunteering (this is estimated as βQ). The second stage

13 Dancer S (2014) *Additionality Guide: Fourth Edition*, London: Homes and Communities Agency

14 Fujiwara D, Oroyemi P and McKinnon E (2013) 'Wellbeing and civil society: Estimating the value of volunteering using subjective wellbeing data', working paper, London: Cabinet Office

is to identify the Money Policy outcomes or the amount of community investment needed to achieve the particular outcome. The third stage is to identify the exact amount of money that would induce the same 5 per cent positive impact on life satisfaction, which can also be estimated using the same types of statistical methods (this is estimated as βM).

For example, the analysis may find that a hypothetical £8,000 per year in extra income would also induce a 5 per cent change in life satisfaction (this result is derived from the estimate of βM). Then it is possible to conclude that the value of volunteering to the individual is on average £8,000 per year for the sample we looked at. This is an exact measure of monetary value that aligns with welfare economic theory.

In effect the value of community investment outcomes can be estimated from the ratio of impacts (which in economics is known as the marginal rate of substitution (MRS), equal to βM over βQ).