Charity and redistribution:
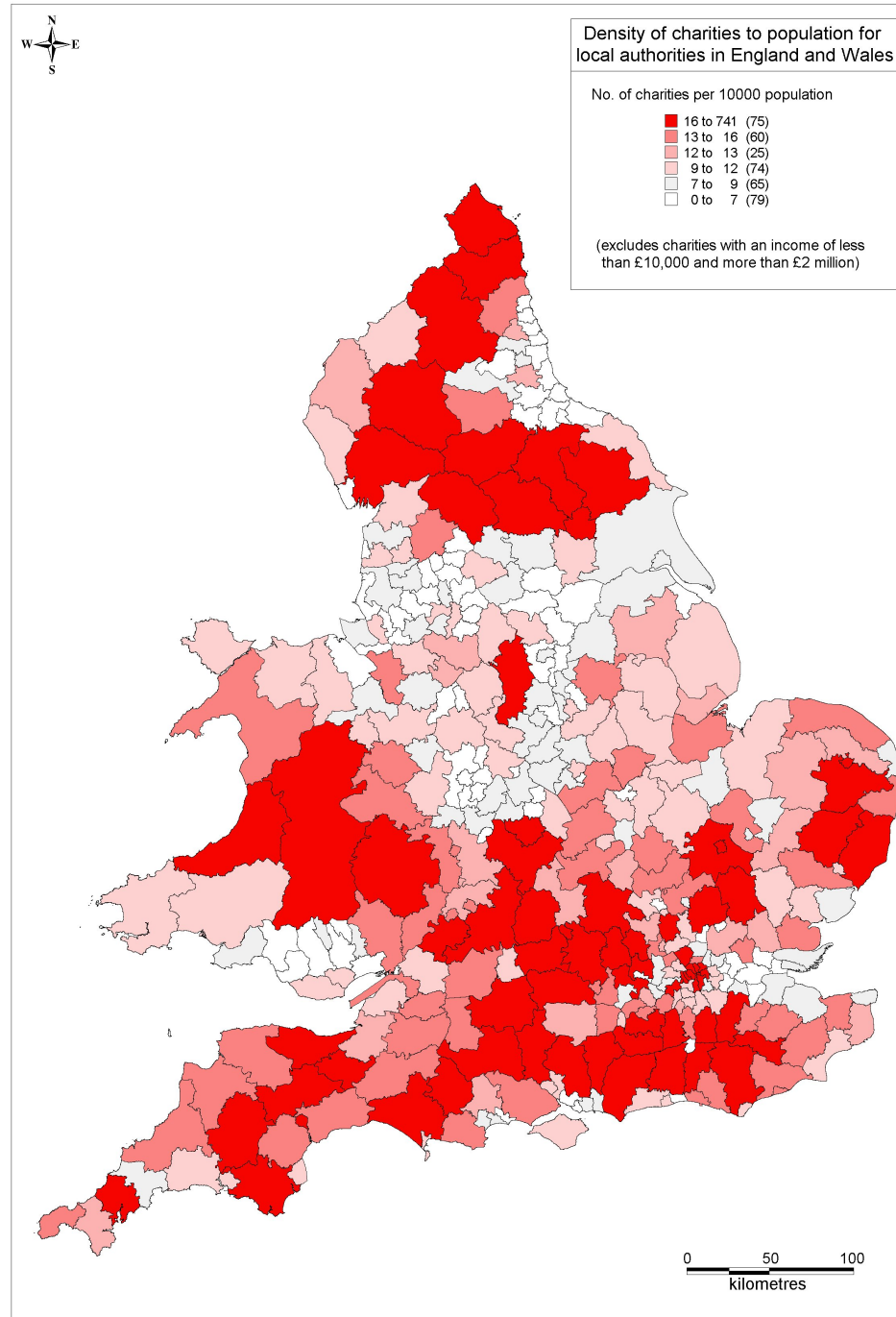
Quantitative and qualitative
perspectives

Perspectives on the distribution of charitable resources, past and present

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

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

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

No. of charities per 10000 population

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

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

0   50   100
kilometres

CGAP

Centre for Charitable Giving
and Philanthropy

Mapping the distribution of charitable resources

Need to distinguish:

- Distributions of charities

- Distributions of expenditures BY charities

- Distributions of charitable expenditures

- Distributions of different income sources

- Differential growth by region / locality

- Geographical differentials: funding for similar organisations across regions

Areas of benefit: locational information

266,450 individual charities

Location data:

- Postcode: primary address

- AOB: Area of Benefit

- More recent AOO (area of operation) field: lists local authorities and countries in which charity is active (formalised from 2007)

Textual information from AOB field

- NORTH YORK MOORS NATIONAL PARK AND ELSEWHERE

- ESSEX AND NATIONAL

- GREATER LONDON

- NOT DEFINED

- UNDEFINED – IN PRACTICE, HOLWORTHY

- ABBEY HULTON, STOKE, STOKE-ON-TRENT

- ANCIENT PARISH OF…

- WITHIN X MILES OF….

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

Place names extracted and referenced against gazetteer

Each identified placename matched to the smallest possible local authority division

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

UK, NATIONAL- tagged as **UK**

Issues in matching to geographical information

Where AOB/V5 is stated as:

- "UNDEFINED"

- "SEE OBJECTS"

- Over c. 21,000 charities

Spelling mistakes

- MANCHESER

Specific locations

- ST JOHN'S CHURCH / BURFORD SCHOOL PTA - wider public benefit?

Results from matching process

266,450 charities

- 138,419 matched at GOR and 'below'

- 13,139 matched as UK-level

- 12,372 matched as overseas

- 72,982 do not have an AOB or V5 specified

- C. 21,000 have AOB/V5 'undefined'
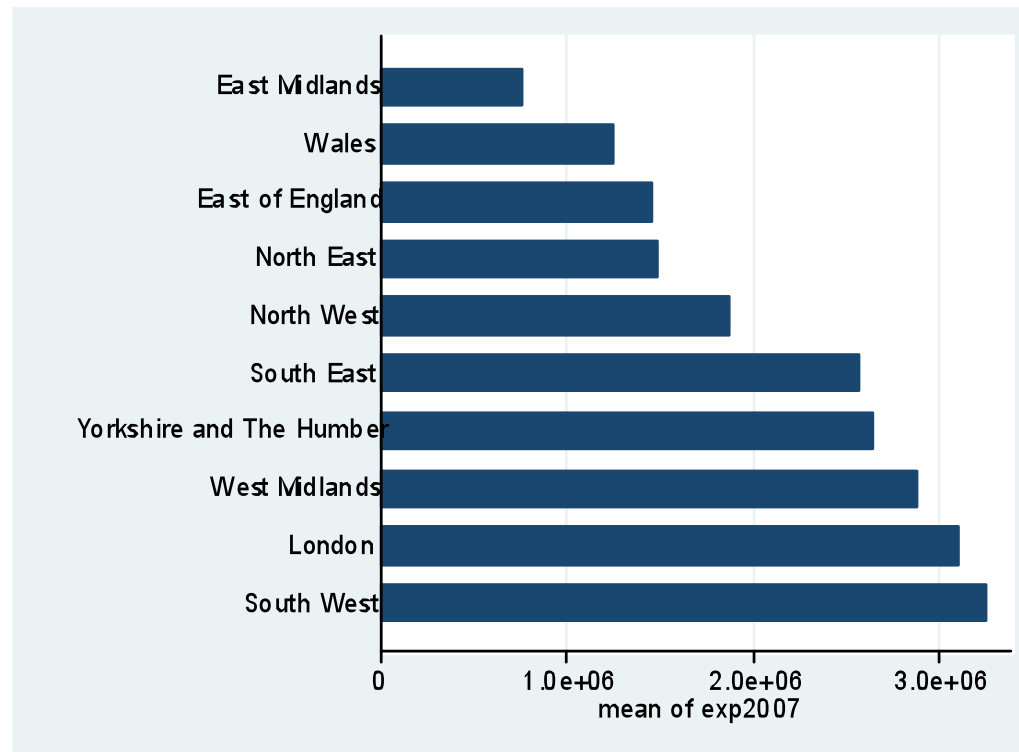
- Remainder (c. 11,000) not matched

Refinements: other possible methods for reapportioning expenditures

- National Survey of Third Sector Organisations (NSTSO) – cross-references type and size of charity against categories of geographical area

- Interdepartmental Business Register – as used by NCVO

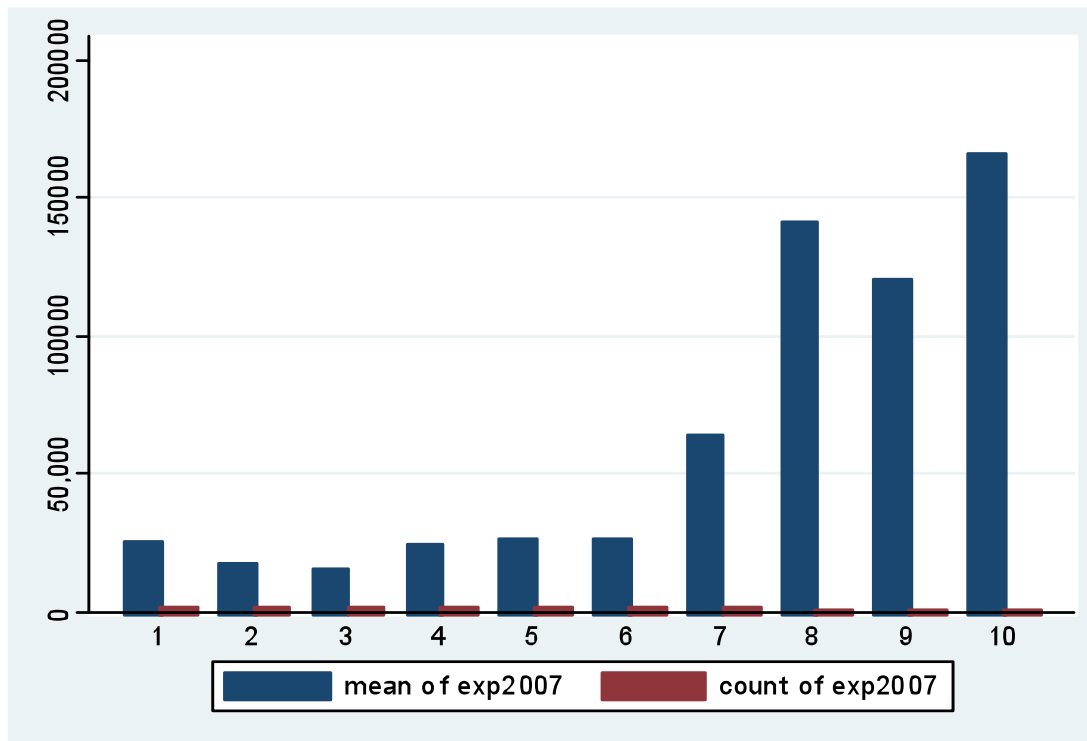- Information from large charities themselves about where they are operating (projects, branch structures)

Alternative perspectives: variations by cause by geographical area

- Variations in resources / assets / expenditures by commonly-occurring charities operating in different areas, e.g:

- Hospices by region

- Youth clubs / community centres by levels of deprivation

- Village Halls / Women's Institutes by degree of accessibility (rural / remote rural / etc)

Variations in hospice expenditure by region

Number and mean expenditure of general charities in economic and community development, by deprivation decile, 2008

Income concentration and differential growth: the "Tescoisation" question

- Data supplied by Guidestar and compiled from older data from the Charity Commission

- Tens of thousands of observations per year

- Income and expenditure data going back to 1995, but detailed data from 2002 to 2008.

- Other data on classification, location, area of benefit, year of foundation

Tescoisation: questions from a cross-sectional perspective

1. Is there a tendency for the biggest charities, as defined in a particular year, to account for a growing share of total charity income over the analysis period?

- 'the richest 1.6% of charities account for 67.5% of all charity income' (Duncan Smith 2005) - how has this changed over time?

This is the starting point for our analysis. Concentration ratios (for different parts of the distribution) over time.

- These have not been calculated before!

- NB this approach does not address underlying dynamics

Tescoisation: questions from a longitudinal perspective

- 'differential growth': do `small' (low-income) charities, defined at the beginning of the analysis period, tend to grow slower or faster than the `big' (high-income) charities?

- `mobility': to what extent is there `leapfrogging' during the analysis period, as initially smaller charities overtake the incomes of those that were initially larger?

- `turnover': to what extent do changes in income concentration reflect organisation turnover, with new charities forming and existing charities dissolving?

- Regional dynamics: is this affected by the changing fortunes of different regions?

Questions for discussion

- Validity of approach to assessing redistributive effects

- Relative merits of different methods

- Value for charities / funders / policy