PRESS RELEASE

77% OF CSR MANAGERS AGREE THAT LOCAL GOOD CAUSES ARE LOSING GOVERNMENT FUNDING; YET MOST FIRMS SUPPORT A HANDFUL OF BIG NATIONAL CHARITIES, FINDS SURVEY FROM THE GOOD EXCHANGE

75% agree that corporate fundraising is becoming more important to the local community, yet nearly 60% supported between just one and five good causes in the last year, largely due to administrative overhead

Newbury, – Not-for-profit, The Good Exchange, has today released the results of new research into the key drivers and challenges involved in charitable giving within UK organisations. Conducted by Censuswide Surveys, the research polled 201 corporate social responsibility (CSR) managers in Q1 2018.

More than three quarters (77%) of respondents agreed that many more local charities and good causes are losing or seeing cuts in funding from central and local government; nearly a third of respondents (32%) strongly agreed with this statement. Yet despite 75% of managers agreeing that corporate and employee fundraising activities are becoming much more important to the local community as a result, the majority (58%) reported that between just one and five charities/good causes had benefited from their CSR initiatives in the last 12 months. What's more, most of this funding was donated to national charities (42%), compared with just 20% being allocated to those operating at a local level.

According to the National Council for Voluntary Organisations[1], only 40 charities (0.02%) represent 18.4% of the sector's total income, while 87% (144,000) have an income of less than £500,000 per year[2]. The latter is therefore especially vulnerable to external facts such as cuts in government spending and/or charitable grants over which they have no control but that have a huge impact on their funding.

"Smaller charities and charitable initiatives provide essential support within communities that are dealing with the impact of years of local government cuts," said Ed Gairdner, chief operating officer of The Good Exchange. "However, they are missing out on vital corporate funding as they simply cannot compete with the big national charities when it comes to generating awareness of their funding needs and having the time and skills to identify and build relationships with the decision makers in businesses who decide which charities to give money to. What's more, for businesses that are aware of good causes in their local area, the paperwork involved in donating a portion of overall funds is the same as it would be to donate an entire annual charitable CSR budget to one national charity."

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[1] NCVO 'Big Charities Continue to Grow and Smaller Charities Struggle' https://www.ncvo.org.uk/about-us/media-centre/press-releases/1343-big-charities-continue-to-grow-as-smaller-charities-struggle?_ga=2.245581636.1341947738.1522855288-1121956549.1522855286

[2] nfpSynergy 'Understanding Charities in the UK' https://nfpsynergy.net/free-report/facts-and-figures-uk-charity-sector

Indeed, 43 percent of respondents agreed with the statement that 'the administrative burden on our CSR team restricts our ability to donate/raise money for multiple/local causes'.

Gairdner continued: "As the research shows, a combination of the arduous administrative burden and the fact that smaller charities are at a distinct disadvantage when it comes to marketing themselves in a sector dominated by the large national charities, results in the majority of businesses funneling money in to the same small pool of large national charities."

When it comes to transparency and accountability, 34 percent of managers responsible for CSR/Charitable activities say detailed information about each individual charity and their fundraising projects is not easy to find and that this is a challenge they face when trying to choose which charity/charities their organisation should support.

76 percent of managers said that outcome tracking, measurement and reporting and charitable programmes are important to their organisation, with 29% stating that it is extremely important. Yet 44 percent of CSR managers rely on asking the recipient organisation to provide results to measure the impact of their charitable giving. Moreover, just one percent of respondents have an online reporting system that displays results of their organisation's charitable giving.

"Technology makes it possible for resource-constrained organisational CSR/charitable fundraising teams and time-limited employees to proactively and collaboratively find, support and manage the right charitable projects for their business. Using an online platform, they can collaborate with other charitable grant makers without adding any new processes, using technology to manage the matching and cultivate the collaborative nature of giving. Technology also facilitates the provision of match-funding grants, where each pound raised for charity is matched by the organisation, effectively doubling the amount going to good causes. Think of a 'reverse-crowdfund' where a business or community of businesses, their employees, grant makers and donors work together to close the funding gap around a social cause or local need. That is powerful."

Further interesting survey findings include:

- 84 percent of CSR managers said it was important that their company's chosen charity/charities epitomise their desired corporate brand image, with half of those managers (42 percent) saying this was extremely important.
- Of the 54 charities mentioned by the managers surveyed as having been supported by their organisations over a 12-month period, 53% are one of the top 29 charities in the UK by income, an additional 31% (17) are also either national or international charities and only 16% (9) are local charities or good causes.

"Years and years of austerity has become the new reality so how can those with the money best drive social change and help those local to their business to really make a difference? Ensuring that charitable funds are distributed more equitably across the sector to those that need them most, not just the biggest or the most well-known, while introducing true transparency when it comes to how the money is used, are key to the enduring success of the charitable sector and the resolution of entrenched social issues," concluded Gairdner.

"Matching technology enables businesses and their fundraising employees to work more effectively with the charitable industry to rapidly and proactively identify and provide funding to those in need, even if they do not know each other. We believe it has a vital role in levelling the playing field for the distribution of charitable funds locally, regionally and nationally but with, importantly, less administrative effort - which is ultimately to the benefit of us all."

The full report detailing the survey's findings is available to download here
https://thegoodexchange.com/resources/csr-charity-survey/

About The Good Exchange

The Good Exchange is a transformational not-for-profit cloud platform specifically designed to match those organisations and individuals who have money to give to good causes with those who need it most; on a local, regional and national basis. As the only platform to bring together grant-making, donations, charitable projects and fundraising in one place, the automated matching system with its simple single on-line application form will revolutionise charitable giving, making it more accessible, transparent and collaborative. For the first time, those seeking to raise money for local good causes will be able to access **all sources of funding** including charitable trusts, corporate givers, fundraisers and public through a single process.

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