

The sound of one hand clapping

2005 has been a productive year for the charity sector so far, but fundraisers have been strangely quiet throughout. Cathy Pharoah asks, if it's been so successful why can't we hear the fundraisers cheering?

It has been an exciting time for fundraisers. The unprecedented public response to the Tsunami appeal has heralded a new age of philanthropy according to many, and now the head of public steam is building up around the MakePovertyHistory campaign. Then there's the Charities Bill aimed at inspiring new levels of public trust in fundraisers; Guidestar aimed at providing new levels of public information on charities; the Rich List aimed at naming or shaming the wealthy; tax reclaim on donations worth well past half a billion pounds; and the charity wrist-band as a must-have fashion accessory.

So amid the voices of the media, celebrities, politicians and bureaucrats, why can't we hear the fundraisers cheering the boost to fundraising? Perhaps this is because underneath the surface noise, the daily experience of fundraisers has not actually changed that much. Fundraising continues to be hard work, and the figures for voluntary income for 03/04, shortly to be published in *Charity Trends*, would not suggest that we are about to experience any exponential change in levels of giving. In fact, the reverse might be the case.

For example, while legacy income has appeared to increase spectacularly, doubling in value from half a billion to £1 billion over the last decade among the top 500 fundraising charities, the underlying trend shows a rate of growth in legacy income which has been slowing steadily for twenty years. One of the problems is that charities are often content to see their bottom line increasing annually, and do not look at how their performance

compares with long-term trends in other kinds of consumer spending.

For example, increasing affluence over the last decade has not brought increased giving. While we have increased our overall spending on eating out and holidays, we continue to give about the same amount to charities. Although the donations have continued to grow in value, their share of the national cake has, in fact, declined slightly over the last decade. And while tax-efficient donations have grown exponentially in the last year or two, this does not appear to have generated an overall increase in giving.

The fate of legacies has a huge influence on trends in voluntary income, so it's not surprising that alongside declining growth rates in legacies, voluntary income as a whole has been experiencing a downward trend in growth rates. But this result also shows that trends in other kinds of fundraising have not been compensating for slower growth rates in legacies.

Some of the factors underlying this are completely outside charities' control. For example, the decline in charitable trusts' income which has led to lower levels of grantmaking over the last few years is a result of wider market factors. And lower profits have also suppressed any increase in corporate giving, but they do not fully explain the stagnation in corporate cash donations which is more likely to reflect a lack of engagement between voluntary and private sectors.

So what is needed? One of the weaknesses of recent initiatives is that they have emphasised cultures of giving rather than of fundraising. But giving and



fundraising are two sides of the same coin and need to be addressed together. Although there has been significant investment on the 'giving' side, with greater charity accountability, trust and information to boost donor confidence, there has been no investment in R & D on ways of using the new tools to raise more money. What steps, for example, will lead the existence of more charity information to more donations? This has never been spelled out, let alone translated into practical plans, though it has generally been regarded as important.

The potential in new developments such as the Summary Information Return and the scope of Guidestar needs to be translated into exciting new fundraising products and techniques. The public's response to the Tsunami showed the huge power for fundraising unleashed when evidence of human need, mass media communication, information on how to give and global electronic giving channels come together. If it is lucky, MakePovertyHistory might pull off another hat-trick. But the success of these one-off events needs to be translated into sustainable, long-term and effective fundraising techniques. The public can afford to give more. The sector needs to invest more in finding out how to get it.

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