the first time there was someone dedicated to the sector and who actually turned up at events,” says Allsop. “Even if he didn’t quite know what he was talking about, he seemed to have a willingness to understand, which I think is a marked difference from some of the recent ministers we’ve had.”

He adds that New Labour was tonally quite different to the present government, even if its lasting achievements can be questioned.

“I think there was a sense that a Labour government was more likely to be on charities’ side, and certainly there weren’t any of the campaigning and lobbying criticisms that have cropped up since.

“New Labour’s support for the sector all came crashing down with the credit crunch, and I don’t know if they actually got more done than the current government or not. But it would have been a huge surprise for anyone in government to openly challenge either an individual charity or the concept of what charities were doing.”

Allsop agrees that a lot of the talking points during his time as editor were the same as they are now, highlighting standards of governance, the need for core funding, payment of trustees, transparency and impact. However, he believes the external environment has changed markedly in terms of media coverage. “There were criticisms of some charities, but I don’t think it was quite the same

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Then versus now: insights from the world of research

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WHAT DID the charity world in Britain look like when Charity Finance was first published in 1990, and how has it changed since? There were some familiar faces at the top of the rankings of charities: that year’s edition of CAF’s Charity Trends listed Oxfam, the National Trust, RNLI, the Imperial Cancer Research Fund and Save the Children as the top five fundraising charities. And the top ten grant-making trusts was headed by the Wellcome Trust, and included the Gatsby Foundation, the Wolfson Foundation and the Leverhulme Trust. Most of those organisations are still active and their relative rankings have not changed much.

There has been growth, certainly, since the 1990s. The total expenditure of registered charities in England and Wales was estimated at around £16bn in 1990, whereas now the figure is some £70bn. That said however, the CAF data for 1990 doesn’t include NHS-related charities (many of which only transferred to the register at a later date), the colleges of Oxford and Cambridge universities, housing associations, leisure trusts, and other former parts of the public sector subsequently transferred to charitable ownership.

A better guide is the expenditure of the median charity – the organisation which would be in the middle of the distribution if we ranked all charities in order of expenditure. We have limited data for the early 1990s but comparisons suggest that median growth from the mid-1990s to the present day is of the order of a little over 2 per cent per annum after inflation. So for those organisations that have stayed on the register, the period has generally been one of expansion.

The total number of charities has also grown. However, registration data is not always a secure guide – much of the increase in numbers in the early 1990s came as a result of efforts to capture organisations that probably should have been on the register anyway, such as parent-teacher associations and providers of pre-school services. Furthermore, the ratio of charities to population has actually dropped recently after a long period of stability – it has gone from around 3.1 charities per 1,000 population in the early 1990s to 2.85 now, which is roughly a 10 per cent drop. These figures suggest some rationalisation of the charity sector population.

The post-1990 period saw steady economic growth through to the great recession, but the subsequent decade has been challenging, characterised by much doom-laden rhetoric about the survival prospects of charities. The evidence for this is often anecdotal but there is now authoritative evidence from Dr David Clifford of recessionary impacts. Since 2008, median real annual growth in income – in other words, he is measuring the income of the “typical” charity – was negative for six consecutive years, leading to a sizeable cumulative reduction in income over the period. Mid-sized charities, and those in more deprived local areas, have been most significantly affected, consistent with concerns about a “hollowing out” of the charitable sector and about the uneven impact of austerity.

INCOME DISTRIBUTION
What about changes in the income distribution of charities? An influential early 1990s report by Barry Knight postulated a “ bifurcation” between large charities concerned primarily with public sector contracts and with substantial numbers of paid staff, and those reliant largely on volunteers and private donations. The rhetoric was picked up by Conservatives, with Iain Duncan Smith railing against the “uniformity of thought and action” of large charities. The suggestion was that the large organisations, bloated on public sector contracts, were inexorably squeezing out the smaller ones.

In fact, they probably don’t fish in the same pond for funding. Academic
as what has characterised the last few years, which is an attack on almost the idea of charities in general. Everything is now lumped together, there’s misinformation, and some of the stories are not even true. “If charities have done something wrong then I would expect the national press and the trade press to hold them to account for it, but some of the reporting that came after the fundraising scandals in 2015 was way over the top. And I think there’s a sense that there’s a political agenda rather than it being good journalism.”

Ailsop was editor until 2009, meaning he was in post for the financial crisis of 2007–2008. He sees similarities between that time and where we are now, anticipating Brexit. “A lot of what we were writing then was about whether the sector would survive the likely government austerity, and if so how. There was always a lot of optimism that charities would survive because that’s what they do, and I think that’s probably been borne out. Although some have fallen by the wayside, most have managed with less funding at a time when more needs to be done. “It feels like we’re in that situation again with all the uncertainty over Brexit. No one knows what’s going to happen, but there is that sense that charities will have to be there to pick up the pieces again.”

analyses – admittedly for only a ten-year period – showed that these risks were overstated. There is some suggestion that large charities increased their share of resources but this has not been at the expense of the small organisations.

What is certainly true is that there has been an expansion of government contracts, which more than doubled in value in real terms from the early 2000s onwards, peaking at the end of the Labour government. Statutory income has dropped subsequently, but has by no means returned to the levels of the pre-Labour era.

As to individual donations, John Major was prime minister at the start of the 1990s and he expressed the hope that a growing share of national wealth would be transferred to charities. The disappointment here is that giving is flattening. The economist Sarah Smith and colleagues have tracked individual giving spanning over thirty years of household expenditure surveys, and we are not becoming more generous. In fact compared to the generations that preceded us, recent cohorts are less generous than their predecessors. Doing something about that is a major challenge for the sector.

The same is true of volunteering. The proportion of people who volunteer has changed very little in the past quarter of a century, and survey estimates of how people use their time suggest that the amount of time going into voluntary action has dropped. So how can this be reconciled with growth in the sector? One answer is that numbers of paid staff have grown significantly and steadily. According to the Labour Force Survey (LFS), the number of people saying they work for a “charity, voluntary organisation or trust” has more than doubled since 1993, when the question was first asked. And this is actually an underestimate, because adding up the staff numbers reported by charities individually gives a figure greater than the 750,000–800,000 range reported by the LFS.

“Recessionary impacts have been severe”

PUBLIC ATTITUDES

Some things don’t change. There is no great appetite for a substantial shift in responsibility from government to the voluntary sector – a consistent feature of the British Social Attitudes Survey (BSAS) over the years has been the public’s strong preference for statutory provision of welfare services.

There are also consistencies in the public’s evaluation of charity performance. BSAS data for 1991 suggests that people thought most charities were wasteful in their use of funds, and that it was difficult to differentiate one charity from another. Opinion had hardly shifted at all by 2015, when Beth Breeze and I replicated some of the 1992 questions. If charities are getting better at measuring their impact, the message isn’t getting across to the general public and more needs to be done to communicate it.

WHERE DOES ALL THIS LEAVE US?

On the one hand there is continued large-scale support for charitable giving – the bulk of the population do give something to charity in a typical year – and a steady increase in the aggregate resources of charities (albeit attributable partly to organisations moving out of state control). Writing this shortly after the prime minister has announced the end of austerity, public funding for the sector has not taken the hit that was anticipated – even if the policies of the post-2010 governments have brought no obvious dividend.

On the other hand, recessionary impacts have been severe, with organisations in the most disadvantaged areas being especially vulnerable. And the sector has not been helped by what the historian Matthew Hilton has characterised as “sticking the boot in” to charity. Criticisms of the failure to safeguard vulnerable individuals, or of aggressive fundraising tactics, need to be taken seriously but the constant carping about salaries, acceptance of public funding, and legitimate attempts by charities to raise questions about unmet social needs are unhelpful at a time when, once again, charities seem likely to continue to be on the front line in meeting social needs in challenging circumstances.