



# **Fundraising for Small and Medium Sized Charities: The views of East Kent charities**

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# Introduction

While public awareness of charities is dominated by 'big brands' such as Cancer Research UK, NSPCC and Oxfam, organisations such as these with trained professional fundraising staff are the exception. The majority of charities in the UK (53%) have no paid employees, while a further 30% have fewer than 10. Therefore, some 130,000 charities are reliant on untrained volunteers to raise money and/or engage in a fundraising activity for no payment. Volunteer fundraisers are individuals who raise money and/or engage in a fundraising activity for a charity for no payment and of their own free will. They are an extremely important resource for the charities they engage with. Over a fifth (22%) of the total income of UK charities comes from philanthropically donated funds, and over half of volunteers (52%) are involved in raising or handling money.

This report outlines the key discussions and recommendations emerging from three events held for small and medium sized charities in East Kent in June 2014. The events, held in Canterbury, Thanet and Deal, were attended by representatives of over 25 charities and social enterprises. The events comprised of a presentation of the work the Centre for Philanthropy has done on volunteering and fundraising, followed by discussion about the fundraising activities of small and medium sized charities.

This report brings together the discussion for the three events. It does so by summarising the debate in five sections: getting trustees on board; volunteers as fundraisers; attracting and retaining donors and raising charity awareness; approaching funding organisations and; methods of fundraising. It concludes with a set of recommendations based on responses to the key question posed at each of the three events: how can we work together?

## Getting Trustees on Board

It can be a challenge for charity staff (both paid and volunteer) to explain to their trustees the direction that they feel that the organisation should be going in terms of fundraising. Often it can be hard to communicate to trustees the need for clear ideas on what they want the funding for and who are the best donors/funders to approach. In some cases, situations were described where organisation staff felt that their trustees were, “almost throwing darts at a darts board” by submitting bids to all sorts of different funding organisations without any clear strategy for doing so. In such situations, charity staff can find it challenging to guide trustees in an agreed direction. For other organisations, however, volunteers and charity staff are delighted when their trustees simply let them get on with fundraising and don't interfere except to congratulate them when they are successful.

Some charities identified a problem with ‘multiple trustees’, who they described as those individuals who are trustees with a number of organisations. In these cases, charity staff can be left feeling that their trustees are giving more of their time to other organisations than to theirs. Charity staff want to feel that their organisation is a priority for their trustees, and when it is hard to get trustees to devote time this can be a point of conflict. One charity outlined how they had put in place a policy whereby they had conducted an audit of the skills of their trustees. This had also involved getting their trustees to write down what they were interested in doing, so when a project comes up the charity staff can say approach them with specific tasks based on their skills and interests.

There was also some frustration about trustees who wanted to enforce very strict financial governance. Charity staff complained that this had the effect of making it very hard for them to fundraise, as they were unable to make investments in order to generate returns. This was particularly a problem when donors were asking for their donations to be used on specific projects or events – trustees may be reluctant to hold donations in reserve rather than use them to balance the books, contrary to commitments the fundraiser has made to the donor.

Sometimes, charities ask their trustees to fundraise on behalf of the charity. There was a widespread feeling that trustees are reluctant to do so, telling charity staff that they find it uncomfortable and difficult and would prefer to leave it to fundraisers, many of whom are unpaid volunteers. Trustees may solicit some donations from groups they belong to (be they formal e.g. Rotary/church or informal e.g. friends/colleagues), but for big donations or grant applications it can often be that the only involvement the trustees have is when the chairman or treasurer is asked to sign off the bid or thank the donor.

Surprisingly, few of the charities at these events reported that their trustees donate money to the organisation, but in general organisations are happy to have trustees' time as a donation. Some organisations are wary of trustees who donate more than small amounts, in case that puts them in a situation where they feel pressured by individual trustees' financial input. Charities generally would be wary of a very large donation from someone who is a trustee.

There was general agreement that trustees who have bought into the fundraising ethos of an organisation can be a real asset to an organisation's fundraising. Where they are not, volunteers and paid staff need to seek to demonstrate to them the crucial role they can play in fundraising.

## Volunteers as Fundraisers

Volunteers are an extremely important fundraising resource, particularly for small and medium sized charities. The majority of voluntary organisations in the UK have no paid staff, while many of those with paid staff have no professional fundraisers. The responsibility for raising funds therefore often falls to volunteers, and many rise to this challenge. Fundraising is the most common task undertaken by volunteers in the UK, with the 2005 Citizenship Survey finding that 65% of current volunteers are involved in fundraising. On top of this, 50% are involved in the organising and running of charity events, a common source of fundraising.

Small and medium sized charities often only have small numbers of volunteers, particularly in terms of regular, active volunteers who want to engage in the day-to-day work of the organisation. This small group of volunteers are therefore a precious resource and need to be carefully managed. While we know that a large proportion of all volunteers are engaged in some form of fundraising – over half, nationally – it can often be hard for smaller organisations to persuade volunteers who prefer to provide hands-on help to instead do less hands-on and less client-facing work such as fundraising. For the very smallest organisations, to have a volunteer who deals solely with fundraising is a luxury which they don't have.

Organisations have tried to do skill audits and role descriptions for volunteers to capture their strengths and aspirations, but if what is needed by the organisation is not what volunteers want to offer then they may stop volunteering. This was cited as being particularly the case when small and medium sized charities seek to utilise the skills and enthusiasm of volunteers in the organising of events. As with other fundraising roles, persuading volunteers to take part can be tricky, particularly in specialist roles such as running a charity quiz. In some cases, the audience and donors may be there, but getting someone to run a good quiz or other similar events may be hard.

However, experiences from other charities suggest that people are happy to give their time and skills, but often have not been asked or, crucially, have not been asked in the right way. Therefore, there was the suggestion that it is about having the right conversation with volunteers to understand what their skills are and what they would like to help do. However, it is crucial to do this in a way that suggests an appreciation of the wishes of the volunteer, as well as the needs of the organisation. If volunteers feel that they are being asked to use skills in a way that does not fit their reasons for volunteering, this can put them off continued volunteering.

Giving volunteers ownership and responsibility over what they do in terms of fundraising and event organisation is important, but they need training if they are to feel confident in planning and delivering a campaign or event. Charities feel that when volunteers start they often know very little about fundraising, and some sort of education and training would be really helpful. When volunteers receive this, their fundraising activities can be truly exceptional and can help to support the work that organisations do over many years. As such, for many charities this is an investment well worth making.

## Attracting and Retaining Donors and Raising Charity Awareness

Small and medium sized charities often rely on charitable donations in order to raise the funds they need to operate. As well as switched on trustees and willing and able volunteers, charities therefore need a body of people who associate with their cause and wish to donate to it. For some organisations, concerned with mainstream and popular causes, this can be relatively straightforward. For others, it is much harder. This is particularly the case where popular perception is their either there is not a problem that needs solving or that it should not be left to charity to solve it.

Donors need to believe in a charity or cause if they are to donate to it. If potential donors do not think that their donation will have any impact, that it will be a drop in the ocean or will never result in any outcome, then they are unlikely to give. A local community project needs community support, but if there is a sense that it will never happen then the community is unlikely to get behind it. Charities need to be able to paint a picture of what the results of a donation (or a number of donations) will be, to encourage donors to buy into that vision.

For charities based in one area, a difficulty with organising a whole range of events – theatre nights, murder mystery events – can be that it is the same people buying the tickets and attending each event with their family members and friends. Charities are not therefore reaching the wider community and getting donations from them. Charities are good at inviting people who have had a long relationship with the organisation to their events and are able to maintain their donations. But it is harder to attract new donors to these events and convert them into long-term donors.

Charities depend on awareness in the communities in which they operate in order to attract volunteers and solicit donations. Potential volunteers and donors need to know what a charity does, where it works and how their time and money will be utilised to the benefit of its users. Donor misconceptions can be damaging to the possibility of raising donations, so it's important for charities to be clear about what it is that a charity does and how it is that they do it. Awareness can be built in a number of ways, both through the work undertaken by the charity and through its fundraising. Collections in shops and pubs, thank you letters, open house events and a whole range of other methods can help charities communicate with their donors.

For events in particular, awareness is crucial. A charity can have a strong idea and a strong team and can put lots of work into it and yet find that attendance at the event is poor. Publicising events on the charity's website, on Twitter, on Facebook, is not always reflected in attendance. It is a big problem for charities when they advertise an event widely and people do not attend – one charity told of emailing 800 contacts and only 2 turning up. There was a broad feeling that those who attend events tend to be people who are already bought into the organisation's work, they already have a relationship with it.

Getting publicity is hard for events and for general information about what charities do. It can be hard to find an angle that the media will want to pick up – just having a cheque handed over does not seem to cut the mustard any more, charities feel. If they want to publicise an event to bring people to it, it is very hard to get something into the newspapers without paying to take out an advert. What is most likely to be published in newspapers is personal stories of someone the charity has helped, but this is something that organisations struggle with, particularly if this is sensitive information.

Something that can be very powerful publicity wise is when someone who has received support writes a letter to the local newspaper which is printed on the letters page to express their gratitude, and quite often a newspaper will print a letter far more readily than they will publish a story from the charity direct. The feeling is that it is the service users and the recipients that the media is interested in.

Raising awareness locally and beyond is fundamental to fundraising. Volunteers – each of whom is embedded in communities both locally and beyond – can be a really useful way for charities to reach out to new donors and to raise awareness. We know that people are far more likely to give to a cause if they are approached by a friend or family member, and so having a group of enthusiastic and passionate volunteers out in the community spreading the word about your charity's cause can be a great way to attract new donors and to keep existing donors informed and involved about the charity's work. As such, it is really important to keep all volunteers informed about the work of the charity and of its fundraising needs. In doing so, you create a group of potential fundraisers, ready to explain the charity's needs to those they meet.

## Approaching Funding Organisations

Trusts and foundations can be a vital source of funding for small and medium sized voluntary organisations, particularly those working in more deprived areas. However, there is a perception that some of the biggest funders are very risk averse. There is feeling among some small charities that trusts and foundations will look at the charity, its staffing levels, how many people are involved and see it as a high financial risk. To smaller organisations, the major funding bodies come across like banks – they want to see that the money that they give as grants is going to be properly invested and to be confident that they will see a worthwhile return in terms of building something or doing something.

Smaller organisations reported often experiencing being told that they are too high risk to be awarded certain funds, worth tens of thousands of pounds or moreworth tens of thousands of pounds or more. Further to this, funders often want to be involved in a new project – they want fresh new pieces of work, and are reluctant to fund ongoing costs, even when projects have a clear and evidenced history of success. Charities perceive this as illogical, because they are able to get funding for a new project which might fail, but find it far harder to get funding for a project that has been running for years and has a strong track record.

An opportunity for smaller organisations to fund ongoing costs is Awards for All, which have changed their criteria and now provides funding for ongoing work, rather than just for new projects. It is only for small organisations who turnover under £100k, but if a charity is doing work that is good, this scheme is generally happy to fund it.

Small and medium sized charities often devote significant time and resources to making funding applications, so it can be particularly frustrating for them to receive no feedback on their unsuccessful bids. However, experience from the organisations who participated in these events suggests that funders will often turn them down with no feedback. In the past there was nearly always feedback which you could feed into future bids. Now, however, charities can spend days writing a bid and get a simple email back saying “You won’t be funded this time around”. This is very frustrating for charities as they are unable to learn from their mistakes. Charities understand that funders don’t always have resources to feedback in detail, but it’s so important for the charities who are trying to fundraise to understand why they weren’t funded. This lack of feedback can be particularly upsetting for volunteers who devote significant amounts of time, effort and emotional energy into bid writing only to see their proposals rejected without any explanation as to why. For these volunteers, the thought of doing all of that work again for a subsequent bid without knowing why they were previously rejected can be very unappealing.

## Methods of Fundraising

There are a wide range of methods which charities can adopt in order to raise funds. Knowledge of what methods work best for particular charities comes from experience, and often it is volunteers who have this experience of what has worked well over the years. Paid contracts in the voluntary sector, particularly for small and medium sized charities are often short term and staff turnover is therefore higher than volunteer turnover. As a result, volunteers often hold significant experience of what works well and are in a strong position to work alongside paid staff (where present) to plan and deliver fundraising activities. This section highlights ways in which experience can help future fundraising schemes, and the gives two specific examples of successful methods of raising funds.

Sadly, not all good fundraising ideas that charities have are successful and it can be hard for charities to know which will work and which will not. Sometimes, an idea which seems to be a really good one with low costs and a clear target market does not do as well as it was thought it would. The flip side of this is that sometimes ideas which do not seem at first to be likely to be big fundraisers may catch the interests of donors in a way that the charity did not expect. Often this is based on happenstance, or when an idea simply works well with the resources (people, donors, physical) that an organisation has. It can also be the result of uncontrollable factors – outside events will always be at the mercy of the weather. Sometimes though it is just luck – a street bucket collection might raise twice as much one week as the week before, with no obvious reasons as to why. Effort versus money raised is not a clear relationship; charities are not always able to tell what is going to do well. It is important therefore not to put too many eggs in one basket, not to invest too much in any one campaign in case it fails to catch-on.

Charities also find from experience that fundraising in some locations is more effective than the same efforts in another location. Charities which collect donations by leaving collection boxes on the tills in shops or on the bar in pubs find this can be a good way of attracting steady, if fairly low level, donations. However, the volunteers who place and collect the collection boxes soon work out that some locations have far higher donation yields than others. It depends a lot on how people pay in that particular shop, so in shops where people tend to pay by card (i.e. those that sell higher value items), collection boxes raise very little, while in those which sell smaller items (sandwich shops, newsagents), yields are much higher. Similarly charity collections in some pubs raise far more than others, so charities quickly cotton on to this and will target those which typically attract more donations rather than those which do not.

This section now looks at two specific funding methods: crowdfunding and social enterprise.

## Crowdfunding

Crowdfunding is a great way for smaller charities to raise money online while also raising awareness of the work they do. Websites such as Causes or Kickstarter will provide you with all you need to run a fundraising campaign, for a fee which varies depending on how much the campaign raises. Campaigns run for a specific time period and to a specific target, usually with the amount sought based on the cost of something the charity wants to purchase. Donors are offered rewards or perks in exchange for their donations, these differing in size depending on the value of their donation. So for example £10 may get a thank you postcard and badge, £25 this plus a t-shirt, £100 this plus a picture book, £1,000 naming rights for something in the charity for a set period of time.

Crowdfunding campaigns are in the noble tradition of fundraising campaigns, whereby you tell people about the campaign and hope that the target and rewards encourage them to make a donation. Not only does it help to raise money, but it also helps to raise awareness. One organisation present had received, as a result of their crowdfunding campaign, a major donation from someone who had become aware of their campaign through seeing it online. It also led to businesses making in kind donations of equipment or time, because they had seen the campaign. Not only did it raise money but it also helped build relationships and raise awareness of their work.

Crowdfunding can have a global as well as local reach. Another organisation present had run a campaign to purchase a new resource and got donations from individuals they had never engaged with before from all over the world. Then, when they went to buy their target, the organisation they were buying it from had seen the campaign and gave them two for the price of one. So there are unintended consequences to crowdfunding! All who had done it agreed very easy to do.

## Social Enterprise

Social enterprises are charities which use fees from their paid customers to fund their socially beneficial activities. They recycle resources from those who have them to those who do not, while at the same time providing those with resources with an experience which they like and are happy to pay for. Paid customers therefore get the double satisfaction of purchasing something and helping to provide for someone else to have it as well. It is important that the organisation looks like a commercial venture for those people who pay to use it, so they are not put off and left thinking that it is not for them. At the same time, it is useful to share with them the socially beneficial work that the organisation is doing, in the hope that they can be inspired by it. It is also important that those who are using it as a social enterprise – the beneficiaries – do not feel stigmatised and feel as though they are welcome there as equal partners. This model of funding is not so easy for charities who do not have any users with income who can cross-subsidise.

On a similar theme, a significant proportion of those who give to cultural organisations and events (as well as funding bodies who support them) are very keen on outreach work and taking the activities and events to those who would not normally engage with them. So it can be useful to develop and advertise opportunities for their donations to be used for both the main event and for outreach work in areas where arts and cultural activities don't attract donations.

## How Can We Work Together?

### By networking more

An almost universal theme among the charities who contributed to this report was a desire for more networking opportunities. The voluntary health sector was held up as a beacon of good practice for this, running regular networking events in the area. Organisations outside of this sector see these events are useful for the organisations that attend, and would like something similar but more generally focussed. Charities see networking as a quick and practical way of being inspired by and learning from others, whereby a whole mixture of different charities can get together to talk about common issues and successes and issues that volunteers, paid staff and organisations share.

It was suggested that quarterly events would be suitable, which are part-structured. This would allow some time for charities giving talks and training on the things they know about, but also ample time for individuals to talk to each other. However, creating this type of regular event needs someone or an organisation to facilitate it, because charities are often too busy to make these contacts themselves.

### By sharing knowledge and skills

Different charities have volunteers with different sets of skills. One charity might have a volunteer who is skilled at writing a risk assessment but may not have any one who can set up and manage a social media account. Another charity may be the other way around. Could there be a way of skill sharing that benefits everyone and means charities don't have to pay for certain services? There are all sorts of creative ways that organisations could help each other – they just need linking up so they know what is out there. It also needs volunteers to be keen to share these skills, so it is important when asking to be clear how this will benefit the charity they support.

As well as this, charities sharing their knowledge and skills is a good way to boost the base of people who know of the organisation and who may donate or volunteer with it. Charities find that going out to speak in schools, at churches, at luncheon clubs are all ways that they can broaden the number of people in the local community who know about them and the work that they do. So if a charity can offer another something – some training or support – then in return they can boost who knows of what they do, as well as having the possibility of receiving reciprocal support in exchange.

### By sharing facilities and equipment

The facilities and equipment that a charity owns or has access to are often quite random and the result of chance donations or encounters in the past. Often this means that charities have lopsided resource availability – they may have 20 trestle tables but no wine glasses. Another may have 100 wine glasses but no trestle tables. If a charity is running an event, they may not have all the equipment that they require for that event, but another charity may have what they need but not be using it that week. Charities are keen to connect with each other so that they can share these things and build relationships based on cooperation and not competition. Particularly, smaller charities are keen to explore whether it is possible facilitate an exchange between bigger and smaller charities to see if the larger ones can share resources, equipment and facilities with the smaller ones.

### By engaging more with infrastructure groups and training providers

There is lots of provision out there for charities, in terms of linking by infrastructure groups and training provision, but charity staff are often frustrated that this can appear ad hoc and delivered piecemeal by a range of providers. Charity staff want the "jigsaw to be joined up", with a database of what training and support is available from the range of providers. However, this requires a person or organisation to put it together and maintain it. Councils of Volunteer Service and Volunteer Centres hold some databases of charities in Kent, but organisations would like something to be developed which would be a one stop shop for charities looking for support and offering what they can in return.

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