

## PESTLE REPORT, 2017: 100 key facts

### Political facts

1. 68.8% of the population voted in the 2017 snap election, the highest number since 2001's drop to 59.4% but still well below post-war levels of 80% in 1950.
2. Membership of the three main parties has picked up from a historic low of 0.8% in 2013 to 1.3% in 2017, this remains in contrast with the early 80's when it reached almost 4%.
3. Public trust in charities has recovered from 47% in 2015, to 60% this year.
4. Trust in charities is the strongest among high social grades, young people and women, and on issues related to outcomes and integrity.
5. 37% of those who said they did not vote in the 2005 general election were members of, or active in, a charity, community group, public body or campaigning organisation.
6. nfpSynergy data shows that those who voted leave are less likely to trust charities than those who voted to remain (59% of Leave voters trust charities vs 69% of Remain voters).
7. In 2009, the reduction in public funding on the third sector under the coalition government was estimated at £11-12 billion, about 1/3<sup>rd</sup> of charities then total income.
8. The total value of public sector grant-making to the voluntary sector has plummeted from £6bn in 2003 to just £2.2bn in 2013.
9. There is a general trend towards government income via contracts versus the previous prevalence of grants, with income from government grants in 2013/14 dropping to less than half what it was in the previous decade.
10. There is a potential 29% of further cuts to council budgets over the current spending period
11. Charities have provided emotional support to 9.3 million adults and legal advice/support to 18.3m.

## Economic facts

12. This year has seen UK wage growth slow and start to lag behind inflation, meaning the amount people have to spend is going down in real terms
13. Consumer confidence has become more negative following the Brexit vote. It has been negative since 2015, following positive progress in 2013/14.
14. Those who say they have donated to charity in the last three months has dropped from 76% in 2010 to 68% in 2017.
15. nfpSynergy's giving expectations index (the difference between the % of people that will give more next year and the % that will give less) has reduced from 6% in April 2017 to 1% in July 2017.
16. In 2016, only 17% of charities expected Brexit to have little or no impact on their investment activities.
17. Research from Legacy Foresight in Spring 2017 revealed that growth in legacy income for charities had already slowed down since the vote,
18. Interest rates have remained extremely low ever since the 2008 crash with only a temporary rise in the real interest rate 2015.
19. In November 2017, the Bank of England's Monetary Policy Committee voted to increase the base interest rate from 0.25% to 0.5%, the first rise in a decade.
20. At the end of 2010 the charity sector had net assets worth £101 billion, including £19 billion of cash.
21. In 2009, 42% of 280 charities surveyed were struggling to deliver services because of low interest rates related to their extensive deposits or investments.
22. In 2009, almost half of 280 charities surveyed by CAF Bank had to dip into their savings or reserves to deliver essential services.
23. Many older people remain heavily dependent on savings and lower interest rates have therefore reduce their income and charity donation habits.
24. 2008-2009 saw a steep price drop in the housing market, although it picked up again by 2010.
25. No growth in the housing market is expected by the end of 2018.

26. Dips in housing prices impacts charities' incomes, particularly as it impacts legacies.
27. Legacy Foresight have already noted an income drop of 1.1% in the last year, even with higher death rates recorded, and blame 'flagging house prices and jittery stock markets' for affecting average residential values.
28. According to nfpSynergy data from 2017, 31% of the public who have already written a will (34% of the total population) have included charity beneficiaries, up from the lowest point of 15% in 2011.
29. 38% of the public would consider including charity beneficiaries in their will, compared to 28% in 2011.
30. Many big charities have been known to receive up to a third of their income from bequests
31. Since 1998, house prices have almost doubled in relation to earnings.
32. Younger donors and potential supporter groups are spending higher proportions of their income on rent or saving for deposits and therefore have less available for additional expenditure such as charity donations.

### **Social facts**

33. The average life expectancy in the UK is now 79 years for men and 83 years for women (based on 2013-15 mortality rates)
34. At the last census (2011) there were 9.2 million (1%) aged 65 plus, an increase of almost one million over the preceding decade.
35. In 2015, there were estimated to be over half a million people (556,270) aged 90 and over living in the UK, up from 194,670 people in 1985.
36. The over-60s population looks set to grow by 22% between 2016 and 2026, coming to account for 27% of the total population (up from 23% a decade earlier), with a particular increase in those over 75.
37. The state pension age is set to continue rising (currently forecast for 68 by the 2040's)

38. The global spending power of those aged 60 and above is forecast to reach \$15tn by 2020.
39. nfpSynergy data suggests that among the over 65s, 69% have recently donated to charity - the highest proportion among any age group, as found consistently over time.
40. 26% have volunteered for an organisation – higher than any age group but the 18-24s.
41. And a report by the Commission on the Voluntary Sector and Ageing found that if tomorrow's 65 plus population keeps donating time and money at the same rate as today's, the resulting income could be worth £6.5bn to the sector over the next 20 years.
42. 2017 nfpSynergy trust data reveals that the only age group to have seen a decline in trust for charities by Spring 2017 were those aged 65+ (60%), while the youngest show the highest levels of trust.
43. Western Europe has the highest old-age dependency ratio (the proportion of over-65s to the working-age population) in the world
44. The incidence of degenerative conditions such as Alzheimer's and dementia are set to continue rising along with our life expectancy, while UK care and support systems remains inadequate, according to charities and advocates for older people
45. Despite employment protections female workers remain particularly vulnerable on a range of issues from insecure contracts and zero or part-time hours, to fit-for-purpose parental leave and flexible working rights
46. By 2008, 74.2% of UK women were economically active, compared with just 59.3% in 1971.
47. More of our families than ever before are co-habiting or raising children alone, while fewer are living as married couples.
48. The mean age for both marriage and children continues to rise.
49. In 2015 3.296 million men and women aged 20-34 were living with their parents

50. The last census indicated that 13% of the population were born overseas by 2011, with high net immigration continuing.
51. 86% of the UK population identified in the 2011 census as White – down from 91% in 2001 and 94% in 1991.
52. In the 2011 census, Indian was the second most common ethnic identity, consistent with the prevalence of South Asian countries among the most common foreign-born countries of origin.
53. In the 2011 census, 59% identified as Christian (down from 72%), 5% as Muslim (up from 3%) and the proportion reporting no religious identification grew to 25% (up from 15%).
54. In the 2011 census, 93% reported English as their main language but 8% also reported another main language, a figure which rises to 22% in London.
55. Net migration predictions in 2017 are at 230,000, down from 332,000 in 2016.
56. Global remittances totalled around £424bn in 2015, three times that sent in aid.
57. ONS figures show that the gradually declining Christian-identifying population has a much older profile than the national average, while the non-religious tend to profile as much younger and the Muslim population younger still.

## **Technological**

58. In 2017, 88% of the public accessed the internet at least once a week, and this is expected to rise to 94% by 2025.
59. Frequent internet usage has doubled among those over 75+ (up to 78%).
60. 99% of those under 25 years old frequently use the internet.
61. ONS statistics found that in 2017, 22% of disabled adults had never used the internet.
62. nfpSynergy research from January 2017 24% of the population reported having visited a charity website in the previous three months.
63. Of the 67% of people who had donated to charity in the past three months, only 10% did so via a charity website.

64. Overall spending on online advertising in the UK has grown from 29.7% of total advertising spend in 2011 to 46.2% in 2016.
65. The proportion of charities' advertising spending that goes online has doubled from 2011-2016, but is still only 5% of total charity advertising spend.
66. In 2016, the charity sector spent more than half of its advertising budget on direct mail and door drops.
67. By 2020 it is predicted that 75% of the public will be engaging with social networking sites.
68. In 2015 Instagram reported 14 million monthly users in the UK alone.
69. The NoMakeUpSelfie raised £8million for Cancer Research UK in six days
70. Arthritis UK has recently introduced their own AI 'virtual personal assistant to answer service users' questions via a link on their website
71. In 2015, smartphones overtook laptops as people's primary way to access the internet.
72. In 2017 the proportion of adults who own/use a smartphone reached 76%.
73. 38% of the adult UK population used a banking app in 2016
74. 17% of all UK online donations in 2016 were made using mobile devices – an increase of eight percentage points since 2014.
75. In 2017 a third of all card payments were contactless in the UK, up from 10% in 2015.
76. In 2016, only 16.9% of the UK public had either used or were interested in using an app or mobile phone at the checkout to pay for something compared to 61% in China.
77. 49% of those over 65 perceive themselves as carrying less cash, and this number is higher among younger age groups.
78. Two in five adults stated that they have given less to cash collectors due to not carrying cash with them. However, cash donations to charities has not

- significantly decreased, with 27% of people donating this way in 2017.
79. In Finland this year, for example, blockchain technology has been used to support unbanked refugees, avoiding the traditional barriers that prevent refugees from accessing bank accounts and jobs without authenticated IDs
80. Alice, a donation transparency tool using blockchain technology has already been used by a number of charities including St Mungo's.

## Legal

81. nfpSynergy's research suggests 77% of MPs believe it acceptable for charities to highlight the impact of a policy on beneficiaries.
82. Labour MP's find it more acceptable for charities to challenge political parties and governments (86% vs 42% Conservative MP's).
83. Conservative MP's are more in favour of charities providing frontline services instead of the Government (89%) than Labour MPs (56%.)
84. The 2014 Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act was passed, imposing a 'regulated period' which requires organisations to scrutinise campaign activity from 12 months before an election.
85. Over 100 charities called for the 2014 Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act to be overturned, but this was denied.
86. Greenpeace incurred a £30,0000 fine for not registering with the Electoral Commission for the 2015 election and has argued its non-compliance is an act of civil disobedience against 'an illiberal law... which weakens democracy and curtails free speech'.
87. 63% of the public viewing it as acceptable for a charity to challenge government policy
88. For charities commissioned by Government or local authorities, 66% and 63% respectively still think it is acceptable to campaign to change the law or to campaign on issues affecting beneficiaries.
89. 6% of the public feeling put off giving to a particular charity because it campaigns to change the law.

90. Just before the Lobbying Act was passed in 2014, 15% of the public thought charities should be prohibited from lobbying, compared with 54% for oil and gas companies.
91. 47% of the public would opt in to hear what a charity has done with their donation
92. 16% of the public would opt in to be asked about future donations.
93. Only 5% of the public would allow their details to be shared to carefully chosen charities.
94. 1/5<sup>th</sup> of charities have not done anything to prepare for the new GDPR legislation, examples being training staff, auditing etc.

## **Environmental**

95. 51% of the public state that protecting the environment should come before economic considerations in cases where there is a trad-off between the two.
96. Over 60% of the public agree that significant world changes will be needed to cope with the effects of climate change.
97. Consumers increased ethical spending in their communities by 12% in 2015.
98. 53% of the public are now choosing to avoid buying products or services over concerns about their ethical reputation and 43% take ethical or social considerations into account at least some of the time when choosing which brands or suppliers they use.
99. 71% of the public feel that companies should be penalized for failing to care for their environment.
100. The ethical market is now worth £81.3 billion