



Helping charities
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NEWS RELEASE
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Charities not investing ethically risk losing support of the public, survey finds

The majority (83%) of the general public would be less likely or unwilling to give to a charity if they found out it was not investing ethically, according to new research released today by the EIRIS Foundation.

The GFK NOP poll of 2,000 UK adults found that 52% of the general public would be unwilling to give to charities that are investing in a way that is against their objectives, and a further 31% would be less likely to give.

Almost all (91%) of those surveyed agreed that charities should be investing their money in an ethically or socially responsible way. This highlights a mis-match between public expectations and the number of charities actually investing ethically – a 2006 study by ACCA found that just 55% of large UK charities had an ethical investment policy.

The survey illustrates the growing public interest in the finances of charities, and the risks to both reputation and income that charities face by not investing in line with their mission. As the credit crunch bites, many charities are worried about the potential drop in their income from donations. It is therefore crucial that charities maintain the trust of the public and don't alienate donors through their investment policies.

Of those surveyed, 81% said that if they discovered a charity was not investing in this way it would negatively affect their view of the charity and 83% indicated that it would make them less likely or unwilling to give to the charity.

The survey also reveals that the public wish to know what charities do with their money. When asked how important it is to know where and how a charity invests its money, 41% of adults rated this as very important on a scale of 1 to 10 (where 10 equals very important). Just 11% rated this as 4 or below.

Public support for ethical investment has increased significantly since a NOP survey for the Charities Aid Foundation. In 2001 over 40% of the public said that they would



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prefer to support charities which invest ethically and a further 14% said that they were only prepared to support charities investing in this way.

Peter Webster, Executive Director of EIRIS, said "Ethical investment is something which each of the UK's 25,000 charities that have investments should be taking very seriously. It provides charities with real opportunities to further rather than counter their aims. If all the £56billion of UK charity investments was invested ethically this would send a powerful message to companies in terms of social, environmental and ethical corporate behaviour."

Sam Collin, EIRIS Charity Project Co-ordinator said "These findings come at a time when charities are coming under additional scrutiny from their supporters and face increased pressure from the Charity Commission to be more accountable and transparent. Charities should be responding to the concerns of supporters by demonstrating that they are using their finances in an ethical way."

A full copy of the survey is available on request.

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Notes to editors:

1. The GfK NOP survey, commissioned by the EIRIS Foundation Charity Project, was carried out between 17th and 22nd July 2008 as part of a random location omnibus. GfK NOP Consumer carried out a survey of 2036 adults aged 16 years and over using a random location sample. The sample was designed to be representative of all adults in the UK. Respondents were selected according to a random location method, with sampling points selected by probabilistic methods, and individuals in each sampling point selected by quota. Quotas were set in terms of sex within age and working status.
2. The EIRIS Foundation charity project increases awareness and understanding of ethical investment amongst charities. It builds the capacity of the charity sector to develop and implement an ethical policy through conducting research, producing resources and publications and organising events. It has also developed a website (www.charitysri.org) which provides clear, accessible and independent information on ethical investment for charities, their supporters and advisers.
3. The EIRIS Foundation (www.eiris.org) is a charity, established in 1983, that supports ethical investment. It researches the social and ethical aspects of companies and provides other charities with information and advice to enable them to choose investments which do not conflict with their work. Ethical Investment Research Services (EIRIS) Ltd, a subsidiary company of the Foundation, provides the independent research into corporate social, environmental and ethical performance that is needed by investors to make informed and responsible investment decisions as well as by charities wishing to screen their donors or suppliers.

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