IMPACT

WORKING PAPER NO. 07/2015

Community-level impacts of the third sector: does the local distribution of voluntary organisations influence the likelihood of volunteering?

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This project has received funding from the European Union’s Seventh Framework Programme (FP7) for research, technological development and demonstration under grant agreement no. 613034.
Recommended citation information:

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1 Introduction

There is extensive evidence of community level variations in the distribution of charitable, voluntary or third sector organisations and it is also clear that these variations are long-standing. For example John Stuart Mill referred to the propensity of charity to generate a capricious distribution of resources, unrelated to measures of social need (Mill, 1848, quoted in Mohan and Breeze, 2016). It has been suggested that those variations are not, per se, substantively interesting (Salamon et al., 2000); what matters is whether they have wider social consequences. One possibility is that community-level variations in the distribution of voluntary organisations signal variations in the opportunities that citizens have for engagement. The third sector is held to contribute to a number of latent benefits to society over and above its direct benefits in terms of, for example, provision of services. One such latent benefit relates to its role in the formation of social capital. Face-to-face interaction through voluntary engagement is held to be crucial to that process. It is through face-to-face engagement that voluntary action provides not just direct benefits (in the form of accomplishment of tasks) but also latent benefits to society (in the form of tolerance and trust of our fellow citizens).

We know that the likelihood of voluntary engagement is related to individual characteristics which cannot be altered much by public policy. However, it is possible for public policy, and also for philanthropists and supporters of voluntary organisations, to influence the distribution of the third sector’s organisational base. A reasonable question in considering the impact of the third sector is therefore whether the distribution of third sector organisations itself has an impact on the likelihood of volunteering. It might be hypothesised that the likelihood of an individual engaging in voluntary action would be related to the accessibility of third sector organisations. This raises the question of how we might define third sector organisations for these purposes.

Institutional components of the third sector include entities which are: organisations, private, self-governing, noncompulsory, and totally or significantly limited from distributing any profits or surpluses (Salamon and Sokolowski, 2014). These entities vary from country to country. In the UK, however, registered charities account for by far the greater part of the total number of organisations in the third sector. There are 13 categories of ‘charitable purpose’ defined in the 2006 Charities Act, as set out in Table 1 (below).


Table 1: Charitable purposes or the public benefit as defined in the 2006 Charities Act.

| 1. The prevention or relief of poverty       |
| 2. The advancement of education             |
| 3. The advancement of religion              |
| 4. The advancement of health or the saving of lives |
| 5. The advancement of citizenship or community development |
| 6. The advancement of the arts, culture, heritage or science |
| 7. The advancement of amateur sport         |
| 8. The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity |
| 9. The advancement of environmental protection or improvement |
| 10. The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage |
| 11. The advancement of animal welfare       |
| 12. The promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services |
| 13. Any other charitable purposes not covered by the other descriptions of purposes and any new charitable purposes that may be recognized in the future as being similar to another charitable purpose. |

These categories replace the previous four ‘heads of charity’ (poverty, education, religion and ‘other’) which were established over 400 years previously, in the Statute of Charitable Uses 1601. The 13 categories are highly diverse and allow individuals to support almost any cause they wish. Arguably few purposes are explicitly excluded from this list, although public benefit tests generally prevent charities being set up to serve only their own members. This restriction has been interpreted (for example, by Brenton, 1985, p. 97) as excluding forms of voluntary action deemed to be more characteristic of working-class communities.

In England and Wales, the substantive focus of our analysis, there are around 170,000 active registered charities; a further 23,000 are registered in Scotland and the process of charity registration in Northern Ireland is ongoing. Other legal forms are available to third sector organisations, such as Companies Limited by Guarantee (CLGs), Industrial and Provident Societies (IPSs), and Community Interest Companies (CICs). There are over 100,000 such entities, but not all of these would comply with the above definition of the third sector. For instance, the 2008 and 2010 national surveys of third sector organisations and
social enterprises in England (e.g. Ipsos MORI, 2008) considered that the numbers of organisations taking other third sector legal forms added approximately 25% to the total number of charities. It is also difficult to relate these other third sector organisations to geographical areas, in contrast to registered charities. For the purposes of our study, our focus is therefore upon the distribution of registered charities in England and Wales.

We begin by reviewing the ways in which the distribution of these charities might be measured at the local or community level. We then consider the available survey data on volunteering and on the distribution of organisations. This is followed by a consideration of the steps we took to construct local-level indicators of the latter. Our analytical strategy is to model the likelihood of volunteering as a multilevel combination of individual and area characteristics. The former include a number of tried and trusted predictors of voluntary action (c.f. Musick and Wilson 2008). The latter include measures of material circumstances or neighbourhoods, and their urban/rural location, and the distribution of third sector organisations. This is arguably a study which is only possible in the UK because of the availability of both good-quality survey data on individuals combined with an established register of third sector organisations which, despite some criticisms, does allow for a reasonably fine-grained mapping of the pattern of organisations across communities.

2 Measuring the distribution and impact of third sector organisations

The role played by non-profit organisations in communities has received attention from a number of scholars. Community level benefits include quality of life (Ott, 2001) Wolpert, 1993; contributions to social capital formation (Putnam, 2000); catering for marginalised groups and for those who have been overlooked by government and/or the market; and providing outlets for socially orientated and for religiously-motivated initiatives (Ben-Ner and Van Hoomissen 1992; James, 1987). Generally, the argument has been made that non-profit institutions make communities better places to live (Salamon, Hems and Chinnock, 2000; Van Til, 2000).

However, the question of the equity of the distribution of voluntary organisations has also been raised. The literature suggests that affluent communities have extensive and diverse nonprofit landscapes (Bielefeld, 2000; Wolch and Geiger, 1983; Wolpert, 1993),
while in contrast, low-income communities have fewer nonprofit resources (Allard, 2009; Clifford, 2012; Gronbjerg and Paarlberg, 2001; Joassart-Marcelli and Welch, 2003; McDougle and Lam, 2013). Scholars have therefore warned about geographical unevenness in the distribution of nonprofits and suggested that this may eventually lead to inequities and inefficiencies in how nonprofit services are accessed (Clotfelter, 1992; Wolch, 1999). And the question of the capacities of the nonprofit sector to meet social needs has also been flagged. In the UK some commentators speak of “charity deserts” – for example Conservative-leaning think tanks such as the Centre for Social Justice (2013; 2014) – while in other societies there are examples of place-based initiatives which seek to redistribute philanthropic resources.

Spatial variations are interesting in their own right but, as has been observed, “the really significant question is whether the presence or absence of nonprofit organisations makes a difference, and if so, what kind and how much” (Salamon et al., 2000). Where it might make a difference is in the literature on neighbourhood effects on individual behaviours and social outcomes. An extensive literature has explored the connections between elements of the social environment, including the distribution of voluntary resources and of volunteering, and social outcomes in relation to well-being, health, and collective efficacy. In measuring variations in the social environment between neighbourhoods, authors tend to rely upon aggregations of individual propensities to join organisations, or to volunteer. Furthermore, indicators are often constructed at fairly large spatial scales, such as American states, which may not capture whether an organization is truly located within someone’s social environment. Sometimes the claims are large and use phraseology that is deterministic in character. An illustration is Putnam’s (2001, 152) contention that the speed with which citizens have their health bills reimbursed in Italian communities could be explained statistically in terms of patterns of community engagement, such as memberships of musical or recreational societies.

Less common are analyses which use the distribution of voluntary organisations as an independent measure of properties of the community social context. Putnam (2000, 291) constructed a summary index containing 14 dimensions of community social capital, two of which were the ratio of civic or social organisations to population, and the ratio of nonprofits to population. Sabatini (2008, 493) used the distribution of voluntary organisations per capita in Italian regions, which with one exception have populations of at least half a million people. Snyder and Freisthler (2010) postulated that non-profit density and non-profit expenditures might be related to the incidence of youth deviance, but this was not confirmed by their analysis, which was for 50 Zip codes in California.
Saxton and Benson (2005) explored the relationship between non-profit organisational foundations and local indicators of social capital for 284 US counties covered in the Social Capital Community Benchmark Survey, a source which covers communities that vary widely in terms of population. Rupasingha et al (2006) incorporated measures of associational densities in a county-level measure of social capital for the USA. Scheffler et al (2008) used employment in the nonprofit sector as a proxy for social capital - though whether this is a measure of something that influences the likelihood of engagement must be questionable.

Other studies have used the ratio of nonprofit organisations per capita (Rice and Sumberg (1997) for American states. Sampson (2012) used a measure of non-profit density in Chicago neighbourhoods (restricted to organisations of at least $25,000 annual expenditure) to predict the incidence of informal kinds of social action, activism, and protest, such as the making of claims on the state by community groups. He concluded that the presence of nonprofits was associated with variations in mobilisation, expressed in the ability of communities to make claims for additional resource, or to defend existing resources and services. This work found that dense networks of nonprofits appeared to provide a base around which other elements of community action could be organised. The stability of the distribution of nonprofit organisations over time was consistent with Sampson’s wider arguments that neighbourhoods are durable features of the social fabric.

In the UK the only relevant study to our knowledge is that of Andrews and Wankhade (2014 (see also Andrews, 2010)). They identified studies that reported a positive connection between the distribution of community groups and neighbourhood level outcomes including the performance of emergency services. Their measure of organisational density was the numbers of community, social and personal service associations per thousand population registered for Value Added Tax. Since that measure was not (as far as can be judged from the analysis) restricted to nonprofit legal forms it is possible that some commercial organisations were included. This measure also imparted a bias to larger organisations with a turnover of at least £79,000 (the threshold is variable; this was the 2013-14 figure). The median expenditure for registered charities in England and Wales is around £14,000 and only some 20% of charities have expenditure which exceeds the VAT threshold.

In short, these studies constitute precedents for analyses of the distribution of third sector organisations, and in some cases of the relationship between those distributions and certain social outcomes, but we are not aware of work which has considered the
relationship between those distributions, and the likelihood of individual engagement in voluntary action.

3 Measuring the distribution of opportunities to volunteer

We sought a measure, at the community level, of variations in opportunities for engagement. We might use the ratio of organisations to population, with variants on that theme depending on our view of which organisations to include and exclude; the financial weight of charitable organisations in the community, making the assumption that opportunities to volunteer were proportional to the size of the charitable sector there; and administrative descriptions provided by charities of the geographical areas in which they work.

Our focus is on registered charities in England and Wales. Quantitative data on their activities are generated through the process of registration with the Charity Commission, which is required for organisations above a certain size/turnover (currently £5000). The resultant data are publicly-available, and include (in varying degrees of detail depending on the size of the organisation): location; assets, income and expenditure; evidence of whether or not the charity is active; the nature of their activity by sector (e.g. health, disability, overseas aid, arts/culture, etc), function (how they carry out their charitable purposes, e.g. grant making, service provision) and beneficiaries (e.g. children / youth / the elderly/those from a particular religious or ethnic background). The more detailed returns compiled by larger organisations – those with income or expenditure greater than £500,000 in any given year – offer additional scope for analysing income sources (Morgan, 2011).

The availability of postcodes permits matching to socio-economic data at various geographical scales from Lower Super Output Areas (the smallest spatial unit deployed in capturing data in the decennial census) upwards. This information can be used to cross-reference the patterns against appropriate socioeconomic indicators; in this way indicators for spatial units can be constructed. There are substantial community-level variations in the distribution of charitable organizations. A total of 140,000 active charities were identified in England in 2011 (‘active’ being defined as having made at least one non-zero financial return to the Charity Commission in a five-year period), which equates to an average of around 2.5 charities per thousand people. However, when this ratio is calculated for each local authority (LA), the ratio of charities to population varies
by a factor of nearly 10, even discounting the outlier of the City of London, which has several hundred registered charities but a population of only 7,000; many charities are registered through solicitor’s offices, which are numerous in the City.

The geographical information is of course an administrative address, and the obvious challenge is establishing whether or not charitable activity all takes place in the locality in which the charity is registered. There are possibilities for apportioning charitable expenditures using two geographical fields captured by the Charity Commission: the area of benefit (AOB) of a charity, and the areas in which it operates (AOO).

On registration with the Charity Commission, an organization must provide a main contact address and they may (but are not required to) specify their geographic area of benefit. Only those who are residents of the prescribed area may benefit from the activities of the charity. On their annual returns, charities are also asked to supply information about their ‘area of operation’. The information derived in this way can in principle be used to work out which charities are operating where, but it can also be challenging for three main reasons: the ‘headquarters effect’, obsolescence and imprecision.

### 3.1 Headquarters effects

If we simply use the addresses of charity administrative offices to assess the distribution of charitable expenditures, we will overestimate expenditure and activity in regions or local authorities that have significant numbers of charity headquarters. At least 60 per cent of charities with incomes greater than £1 million [over 3000 charities] have a head office with branches in other regions. Thirty-five per cent of such charities were in London, whereas its share of the charity population as a whole was barely half that (18 per cent). Studies of voluntary action have shown that many large national organizations based in London actually conduct much of their activity through local branch structures (Mohan et al., 2011). A government dataset, formerly known as the Interdepartmental Business Register (IDBR) (now the Business Structure Database) can be used to disaggregate the expenditure of charities which have a headquarters in one region, plus branches in other locations, identified by the presence of employees at subsidiary establishments. The assumption made by Kane and Clark (2009) was that charitable expenditure by region was proportionate to charity employment. In terms of conceptualising opportunities to volunteer, however, an indicator of expenditure may not be valid; it is based on paid employment, not the distribution of volunteers.
3.2 Obsolescence

As many charities have long histories, their ‘area of benefit’ may become historically obsolete if it were defined in relation to an administrative unit that existed at the time the charity was founded, but has now ceased to exist. The governing documents of charities, completed at the time an organisation is established, give expression to the wishes of their founders. Such documents contain text descriptions of the area of benefit of charities. As an illustration, ancient parishes were formally abolished in 1851 but some 1,700 registered general charities continue to have areas of benefit defined in relation to such entities. Other illustrations would be urban or rural districts, and county or municipal boroughs, which were abolished at various dates (principally 1965, for some London boroughs, and 1974, in the case of boroughs outside London, and urban and rural districts). Several hundred charities still exist that are defined in terms of those extinct units.

While the great majority of charities defined in terms of obsolete administrative units or in terms of parishes are very small in terms of income, over 300 have mean annual expenditures greater than £100,000. Several established parochial charities in central London have expenditures above £1million. A charity associated with one former parish in an inner London borough serves an area that now has a population of some 9,000 people, but spends in excess of £1million per annum on the residents of that area, primarily in the form of social services oriented towards elderly people. This has the effect of raising per capita social services expenditure in that locality by some 30 per cent compared to the rest of the borough. It is reasonable to suppose that the composition of the population, and the needs to be met there, have changed considerably since that organisation was established and it is noteworthy that access to charitable resources can depend on historical accidents of this kind. Bryson et al (2002) give a similar example of how a charity based on an ancient parish boundary in the Midlands manages to exclude applications for support from residents of some very disadvantaged areas which lie outwith its area of benefit. This reflects the extent of socioeconomic change in that ancient parish since the charity was established – but it does point to the anachronistic character of the relationship between charities and communities.

3.3 Imprecision

Charities may, but are not required to, specify an area of benefit (AOB), although more than half leave this undefined. The AOB can range from UK-wide or international scales –
the Royal National Lifeboat Institution (RNLI) mounts rescue services within 100 miles of the entire coastline of Great Britain – while conversely many small charities, such as Parent-Teacher Associations, established to support particular schools, have an area of benefit defined as the ‘catchment area of the school’ – which, as many parents will testify, can be a very small area indeed, because of intense competition for places in some localities coupled with selection criteria which prioritise those who live closest to a school.

If areas of benefit do not provide a complete answer, what other information is available? The Charity Commission now gathers information about the ‘area of operation’. Charities are asked to report the names of the local authorities in which their activities take place; they can identify a single authority, between two and 10 (in which case they are requested to name them), a ‘wide’ area of operation (greater than 10 local authorities, not named), ‘England and Wales and international’, and ‘international only’. Using this information, and combining it with ancillary information about charities’ areas of benefit, we assess which charities have what kind of geographical reach. Around 3/5 of all charities operate within one local authority, but they are relatively small; the median expenditure for local authority-level charities is, at under £10,000, well below that of the median for the entire charity population.

Of those charities operating within a single local authority, some 40 per cent of these were accounted for by the following types of organization, according to the International Classification of Nonprofit Organisations (ICNPO) classification: economic, social and community development (7,600; this is a broad category which will include several thousand Women’s Institutes as well as community centres); parent-teacher associations (9,800); playgroups (5,800); uniformed groups (Scouts, Guides, Cubs, and so on) (4800); village halls (4800); sports and recreational groups (5000). These are typically small and account for limited proportions of total charitable activity, at least if we take recorded expenditure as a guide.

Another way to assess the distribution of charitable resources would be to use geographical information to generate estimates of the level of charitable expenditure in any given geographical area. However, the types of organizations for which this is feasible tend to be relatively small. The vast majority (at least four out of five) of the groups named above operate within a single local authority but their expenditures are quite low. In contrast, fields such as social services are characterized by a very different size distribution of organizations. In other work, we have shown that it is possible to allocate approximately 35 per cent of total charitable expenditures to named local authorities; the
remainder is spent by organizations that operate across at least 10 local authorities or on a national or international basis, so we are unable to specify precisely where spending and activity take place.

In short, if we wish to treat the distribution of registered charities as an index of the availability of opportunities to volunteer, we need to be careful about exactly what we are comparing. This discussion shows that it is possible to use some geographical information to aid us in this task. We define three classifications of scale of operation. The first, local charities, which in practice accounts for the majority of organisations in most local authorities, is charities that operate only within one local authority. The second, the within-region charities, is those which say that they operate within 2 to 10 named local authorities. The third is charities that operate on a “wide” basis, that is across more than 10 local authorities. We exclude a relatively small number of organisations that say they only operate internationally, on the grounds that we do not expect these organisations to be providing local people with chances to volunteer. We also make some use of information on areas of benefit, through which we achieve a more refined apportionment of the distribution of charitable resources than is possible through administrative returns. As explained below, however, our analysis focuses on local charities.

We also need to consider whether we wish to include all charities, or subsets of them. Two relevant points here are whether charities are active, and whether we wish to identify only those charities that would in principle provide opportunities to everyone from the community to become engaged in them.

We are relying on data from an administrative process of registration and annual reporting, though one which does not guarantee that every single charity files a return in each year. This is particularly the case for small and local organisations. Of those that are registered, over 90% return a nonzero financial figure in any given year and 3-4% will return a figure of zero. For example, in 2009 153,000 organisations were on the register but only 136,000 completed a nonzero financial return. We could ignore the zeros or missing values but this would exclude those that run entirely on voluntary labour and which remain on the Charity Commission for reputational reasons - signalling to potential volunteers and supporters that they have the brand of charitable status. Our approach to this challenge is to define an “active” charity as one that made at least one non-zero financial return to the Charity Commission in a five year period. This may underestimate the numbers of active charities but until a charity is formally removed from the register there is no decisive test that can be employed to determine whether it is dormant or has formally ceased to operate.
As is widely known, there are also important public benefit questions about charities, which might lead us to exclude some organisations on the grounds that they are not genuinely independent parts of the third sector. For instance, some researchers would leave out independent schools, certain types of "benevolent" charities (they do not provide benefits beyond limited sections of the population), some "government controlled" charities (on the grounds that they are not independent) and others such as non-departmental public bodies (e.g. the Arts Council) which exist to fulfil a mandated government purpose. The National Council for Voluntary Organisations (NCVO) have what they call a “general charities” definition which removes around 20,000 organisations on one or other of the above criteria (plus several others).

As an illustration of the effects of potential exclusions, around 170,000 charities in England and Wales appeared on the register of charities in the five-year period, 2007 – 2011; 155,000 were deemed “active” because they made at least one non-zero financial return; of these, 135,000 were “general” charities. For each local authority we generated counts of: the total number of registered charities; the total number of charities that were registered and active; and the total number of general charities that were both registered and active. We also subdivided these by geographical scale as indicated above – local, regional, and “wide” (meaning that they operate on a national or international basis). The counts were expressed as ratios per thousand population. Descriptive statistics for our 347 English and Welsh local authorities are given in table 2.
Table 2: Descriptive statistics for ratios of charities to local authority populations

<table>
<thead>
<tr>
<th>all charities</th>
<th>local (within one local authority)</th>
<th>regional (operate in up to 10 authorities)</th>
<th>national and international</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>registered</td>
<td>active</td>
<td>active general</td>
</tr>
<tr>
<td>mean</td>
<td>3.32</td>
<td>3.03</td>
<td>2.66</td>
</tr>
<tr>
<td>max</td>
<td>16.7</td>
<td>14.55</td>
<td>12.52</td>
</tr>
<tr>
<td>min</td>
<td>1.15</td>
<td>0.97</td>
<td>0.82</td>
</tr>
<tr>
<td>median</td>
<td>2.91</td>
<td>2.67</td>
<td>2.27</td>
</tr>
</tbody>
</table>

Figures are per 1000 population

Note: City of London excluded (this is a very small local authority, with a population of 7000)
These figures exclude one very specific local authority, which by any standards is an outlier – the City of London, which has a resident population of only 7000, but is the home of many charitable organisations’ administrative offices, due to the presence of many legal firms there. With this exclusion, we find that the ratio of organisations per thousand population ranges from 16.7 (Westminster) to 1.15 (Blackpool). Eleven local authorities are more than two standard deviations above the mean of 3.31, including several London Boroughs (Westminster; Camden; Islington) and eight rural areas (Eden, Cotswold, Isles of Scilly (note that this is even smaller than the City of London, with just over 2000 residents), South Lakeland, Derbyshire Dales, West Dorset, West Somerset, and Powys). The measures of the distribution of organisations are strongly correlated (see table 3; calculations exclude the City of London administrative area for the reasons given). We have four measures: ratios of organisations to population for all charities, and for local, regional and national-scale organisations. The “all charities” figures of course include every organisation within a local authority, regardless of the scale at which they operate, so we should not be surprised that correlations between the all-charity figures and the others are typically at least 0.6 or higher. The main differences are in the distribution of the charities that operate at the national or international scale, where there are no correlations at all between the distribution of these organisations and the distribution of charities operating at the local or regional scale. With over 300 observations, almost all of these correlations are highly significant, other than those for international organisations.
<table>
<thead>
<tr>
<th></th>
<th>Index of material deprivation (IMD)</th>
<th>All charities</th>
<th>Local charities</th>
<th>Regional charities</th>
<th>National or International Charities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Registered</td>
<td>Active</td>
<td>Registered</td>
<td>Active general</td>
<td>Registered</td>
</tr>
<tr>
<td>All charities</td>
<td>1</td>
<td>-0.37</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Registered</td>
<td>-0.42</td>
<td>0.99</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Active</td>
<td>-0.43</td>
<td>0.99</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Active general</td>
<td>-0.58</td>
<td>0.66</td>
<td>0.71</td>
<td>0.74</td>
<td>1.00</td>
</tr>
<tr>
<td>Local charities</td>
<td>Registered</td>
<td>-0.58</td>
<td>0.65</td>
<td>0.71</td>
<td>0.73</td>
</tr>
<tr>
<td>Registered</td>
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<td>0.70</td>
<td>0.75</td>
<td>0.77</td>
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<tr>
<td>Active</td>
<td>-0.62</td>
<td>0.69</td>
<td>0.74</td>
<td>0.76</td>
<td>0.97</td>
</tr>
<tr>
<td>Active general</td>
<td>-0.61</td>
<td>0.65</td>
<td>0.71</td>
<td>0.74</td>
<td>0.97</td>
</tr>
<tr>
<td>Regional charities</td>
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<td>0.74</td>
<td>0.69</td>
<td>0.66</td>
</tr>
<tr>
<td>Registered</td>
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<td>0.75</td>
<td>0.70</td>
<td>0.66</td>
<td>0.02</td>
</tr>
<tr>
<td>Active</td>
<td>0.02</td>
<td>0.76</td>
<td>0.71</td>
<td>0.68</td>
<td>0.04</td>
</tr>
<tr>
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<td>0.74</td>
<td>0.69</td>
<td>0.66</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Note: with the exception of the correlations with the distribution of national or regional charities, all correlations are significant at at least p<0.001
An extension of this project would be to consider third sector organisations which are not charitable, such as Industrial and Provident Societies (IPSs), Companies Limited by Guarantee (CLGs), and Community Interest Companies (CICs), since many of these also provide opportunities for voluntary action. We agree that this would be desirable, but we do not have comparable data on the geographical areas in which these organisations operate that is available for charities, so in this analysis we restrict consideration to charities.

4 Analysis

We analyse data from the 2009-2010 Citizenship Survey (CS2009), which features a large representative sample of approximately 9,300 adults from England and Wales, alongside a minority boost sample of over 6,000 ethnic minority respondents. The data capture self-reported demographics, attitudes, and behaviours of respondents including questions on civic engagement, faith, and feelings about community. Respondents were only selected for whom complete data for the dependent and independent variables were available, accounting for 12,189 respondents living in 279 local authorities in England.

We have previously described the construction of our measures of the local distribution of charitable organisations and their resources. In addition, contextual measures were included for the level of deprivation in the local authority, and whether it was urban or rural. These contextual measures were matched to the local authority codes for each individual in the survey thus allowing accurate and independent measures/estimates for the majority of local authority characteristics. Local authorities are higher levels of geographical analysis and are configured in relation to local community boundaries as well as physical features. The average population size of a local authority is around 160,000 people. Previous studies of contextual influences on volunteering have used spatial units which vary in size: US American states (Rotolo and Wilson 2011), counties (likely to have considerably larger populations than their British counterparts due to the methods adopted: Lim and MacGregor 2012), communities covered in the Social Capital Community Benchmark Survey (Borgonovi, 2008), or ZIP Code areas within Chicago (Sampson, 2012). Considered as spatial bases for engagement, none of these are perfect – the great majority of voluntary organisations are local in focus (see, for example, Clifford, 2012), suggesting that a small-area analysis would be appropriate. However, we do not have reliable measures of voluntary action at the local scale in the UK. We could link our survey responses to small-area census data (such as
Middle-Level Super Output Areas (MSOAs), which have average populations of about 10,000 people, to provide a better measure of local contextual conditions, but the variations in the distribution of charitable organisations at this scale are very considerable and highly skewed. We were able, with permission, to link the information on survey respondents to data for ratios of charitable organisations to population for all local authorities in England and Wales. The number of respondents in each local authority ranges from 1 to 332, with a mean of 43. The survey data relate to 2009-10, and we link information on charities that were on the register prior to 2007 and / or which recorded a non-zero financial return to the Charity Commission at any time between 2007-2011.

The analytical strategy involves a series of multilevel logit models containing both individual and area-level predictors. The dependent variables are dichotomous measures of whether or not a respondent reported formal volunteering (that is, volunteering through organisational structures rather than informal or “direct” volunteering, i.e. directly supporting individuals in one’s immediate community) in the previous month. We choose formal volunteering as our outcome measure because the survey question specifically relates to giving unpaid help to one of a number of possible types of formal organisation.

The Index of Multiple Deprivation (IMD) is used to indicate contextual-level disadvantage and is contained in the CS2009. The IMD is a composite measure created using the rankings of the local authority according to the following characteristics: income; employment; health deprivation and disability; education skills and training; barriers to housing and services; crime; the living environment.

First, we control for relevant individual-level demographic variables that have been associated with volunteering in past studies, capturing the sex, age, marital status, income, educational level, social class, ethnicity, birth location, employment status, number of people in the household, number of children in the household, health status, religious affiliation, housing tenure, length of residence in an area, and whether the respondent is actively practicing their religion. Age is a continuous variable that ranges from 16-69, and a squared term is also included to account for the curvilinear relationship reported by the majority of previous studies. Controls for marital status, level of education, social class (a collapsed version of Goldthorpe’s schema), ethnic groups (White, Asian, Black, and Other), housing tenure, whether or not the respondent was born in the UK or the Republic of Ireland, health status, religious affiliation, whether the respondent was actively practicing their religion, and employment status all take the form of dummy variables coded 1 for each separate category of these variables (e.g. in relation
to marital status there are dummy variables for each of the following categories: married, cohabiting, single, widowed, separated/divorced). Income is controlled for using an ordinal scale that reflects the eight categories of gross annual income provided in the survey. We control for the number of people in the respondent’s household, which ranges from 1-10, and the number of children below the age of 16 in the household, which ranges from 0-8. We also include the length of time spent in a neighbourhood. Respondents were asked how long they had lived in their current home with response options “less than a year”, “1-2 years”, “3-5 years”, “6-10 years”, “11-20 years”, “21-30 years”, and “more than 30 years”.

We follow a model building approach split into three steps. We begin with individual-level controls for sex, age, marital status, income, educational level, social class, ethnicity, birth location, employment status, number of people in the household, number of children in the household, health status, religious affiliation, housing tenure, length of residence in an area, and whether the respondent is actively practicing their religion. At the contextual level we present results of the inclusion of one of the twelvethree measures capturing the ratio of charity organisations per 1000 population (1. local registered charities; 2) local general charities; 3) active local general charities) to test whether it is associated with volunteering. We focus on the local charities in this analysis for reasons of space and because the other measures proved statistically insignificant in terms of accounting for variations in volunteering.

In the second step we then add three other measures of community context: an indicator of whether or not the locality is urban or rural and a measure of ethnic heterogeneity, which has been found in other studies to influence community cohesion. In the third and final step we include the level of social deprivation of the local authority because previous studies find that it is a strong and robust negative predictor of most social cohesion indicators compared to other contextual measures (Laurence, 2011; Letki, 2008; Twigg, Taylor, & Mohan, 2010; Wiertz, Bennett, & Parameshwaran 2014). We repeat this model building strategy for the three charity organisation ratio measures based on charities that operate within a single local authority as we argue that this measure is the one most likely to represent variations in the distribution of opportunities to volunteer. We summarise the results in table 4.

Our interest is in whether or not, once we control for individual characteristics, it is possible to detect any significant effects of the distribution of charitable organisations on the likelihood of engaging in voluntary action. Though the results are not presented here, we find that the distribution of all charitable organizations and charities operating at the
national or international scales are not associated with the likelihood of volunteering once we control for individual characteristics, and this holds whether we are measuring all charities that operate at these scales, just that are active, or just those that are active, general charities.

Conversely, the distribution of regional (results not shown here) and local (operating within one local authority) charities are positively and significantly associated with volunteering. These models also demonstrate that people living in urban areas have a significantly lower probability of volunteering compared to those living in a rural area. This is intuitively what would be expected: we would anticipate that local charities would recruit locally and that this would create volunteering opportunities for residents.

When we include in our models the level of social deprivation of local authorities, the results indeed demonstrate that the likelihood of volunteering is greatest in an area of low deprivation and lowest in an area of high deprivation. This effect is independent of compositional effects in the model, i.e. the social class, education and income of individuals, which, for the most part, are also significant predictors of volunteering. The inclusion of area deprivation removes the effects of the distribution of local charity organizations. In other words once we allow for material circumstances there is not an independent effect of the distribution of charitable organisations on the likelihood of engagement.

We summarise these findings in table 4; full model results are available from the authors on request.

Table 4 effects of distribution of charities on likelihood of formal volunteering

<table>
<thead>
<tr>
<th>Charities per 1000 population</th>
<th>No other contextual controls</th>
<th>With the addition of urban/rural indicator, and ethnic heterogeneity</th>
<th>With the addition of urban/rural indicator, ethnic heterogeneity and social deprivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local registered charities</td>
<td>+++</td>
<td>**</td>
<td>Not significant</td>
</tr>
<tr>
<td>Local general charities</td>
<td>+++</td>
<td>***</td>
<td>Not significant</td>
</tr>
<tr>
<td>Local active general charities</td>
<td>+++</td>
<td>***</td>
<td>Not significant</td>
</tr>
</tbody>
</table>

Note: * p<0.05; ** p<0.01; *** p<0.001;
In short we find that our three measures of the distribution of local third sector organisations have a significant and positive influence on the likelihood of volunteering when added to models containing individual-level predictors. However the addition of other relevant contextual characteristics changes this situation. The addition of an urban/rural classification, and of a measure of ethnic heterogeneity, depress the influence of all three measures of the distribution of volunteers. The finding of a negative effect of urban residence, and of ethnic heterogeneity, on volunteering are both consistent with earlier literature. When social deprivation is added as a contextual measure, however, the effects of the distribution of third sector organisations are no longer statistically significant. This effect holds after controlling for interactions between deprivation and the distribution of charities.

Note that this finding cannot be compared directly with other previous UK work. Mohan et al (2006) found no significant regional differences but did find an effect of deprivation at small geographical scales on the likelihood of engagement. In this work we are interested in the distribution of voluntary organisations, which is very variable and highly skewed for small areas, so we have not conducted our analysis below the level of local authorities. McCulloch et al (2012), which also found a negative relationship between volunteering and deprivation, was conducted using a survey dataset to which we were unable to match the distribution of voluntary organisations in the same way as has been done here.

5 Conclusions and further developments

Our models therefore suggest that once we have controlled for the level of deprivation in an area, the statistically significant effect of the distribution of charitable organisations becomes an insignificant explanation of the likelihood of volunteering. We are not aware of others tests of the relationship between the distribution of organisations and the likelihood of volunteering so these findings are novel.

We might test this further by refining the data in a number of ways. For example have we captured the full range of opportunities to volunteer? Further refinements would be to incorporate counts of organisations taking non-charitable legal forms such as Community
Interest Companies ((CICs) - social enterprises) and Companies Limited by Guarantee (CLGs), or Industrial and Provident Societies (IPSs). The latter two are non-profit legal forms but they are not charitable because in the great majority of cases the way the organisations are constituted means that the benefits they provide are restricted to particular classes of individual. In the case of community interest companies some restrictions associated with charitable status are relaxed, but CICs are still part of the third sector because of the social purposes which they are established and because of the “asset lock” which prevent distribution of surpluses to private shareholders. We know from survey data that these organisations add considerably to the population of third sector organisations in some communities – perhaps 25% or more. However, the data to which we have access on these organisations is limited – essentially to address information and whether or not they are currently registered – so we would just have to combine them with the “all charities” category; it would not be possible to determine whether they were currently active. In addition, since membership in many such organisations is limited to certain classes of people, it could be questioned whether or not they offer opportunities to all of the public to volunteer.

Secondly, we could incorporate a measure of the economic weight of organisations, although attribution of expenditures to geographical areas is highly problematic for the reasons given in the discussion of the challenges of mapping patterns of third sector organisations. The assumption would be that the likelihood of volunteering is influenced not just by numbers of organisations but also by a measure of their economic impact.

A further option which we considered but rejected would be the use of accessibility scores, which are commonly used in relation to mapping access to retail facilities or social services. These are calculated according to distances between points, though, and will therefore give undue weight to locations which happen to be close to concentrations of charity administrative offices. We believe that the administrative data used, which gives a local authority-level measure of the distribution of opportunities to volunteer, is superior.

We could also refine the modelling strategy. This is a cross-sectional analysis and it is not possible to test whether, for example, an individual moving between areas which differ in their local charitable structure would be more or less likely to volunteer as a result, holding other things equal. But other things may not be equal – there would inevitably be selection effects to consider in such analysis since residential moves are more likely to depend on job moves or family circumstances than opportunities to volunteer per se. A longitudinal analysis would be desirable but is not possible because of the absence of geographical information about scale of operation of charities and changes therein over
time. At present we only have reliable data on geographical identifiers for recent years (post-2009) and our only basis for constructing area-level measures for earlier years would be the assumption that charities’ area of operation had remained unchanged.

However, the initial findings from this work have important implications for debates about the wider benefits of the third sector on citizen engagement, and the role that deprivation plays in dampening participation. For example, while much policy has emphasised the creation of voluntary organisations in disadvantaged areas, it does not appear to be the case that doing so has substantial effects on increasing the likelihood that residents will engage. Instead, individual-level factors account for most of the variance in volunteering between communities. This does not mean that a strong third sector presence could not have beneficial effects, for example in relation to perceptions of trust, social cohesion, and quality of life, and these questions will also be explored in further work.
References


