



Social Mobility in the Charity Sector

Summary of Literature Review

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April 2024

 EY Foundation

There is considerable evidence that people from lower socioeconomic backgrounds are underrepresented in the charity sector. Our aim is that the sector becomes accessible to a broader range of people by overcoming barriers and providing opportunities to join the sector, thrive and progress. More widely, we hope the sector becomes a trailblazer for improving social mobility in the wider economy.

To build a deeper understanding of the barriers that exist, we commissioned Duncan Exley, author of “The end of aspiration” and former Director of the Equality Trust, to undertake a review of existing research into social inclusion in the sector.

In addition to his findings, Duncan’s report includes recommendations designed to tackle the issues he identified. The EY Foundation will use this as a basis for taking an action-based approach – working in collaboration with others – to tackle recruitment, retention, and progression in the charity sector.



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What the data shows

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Which socioeconomic groups are underrepresented in the charity sector?

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A general lack of data on the socioeconomic backgrounds of charity staff was identified by several sources [e.g., Harding and Graver, 2022; Wait, 2022].

The sector overall: individuals from “more advantaged backgrounds” are more strongly represented – in “civil society”¹ jobs as a whole, and in “higher-class occupations” within the sector – to a greater extent than in the wider economy [Department for Culture, Media and Sport, 2023].

Among charity CEOs:

- ▶ All socioeconomic backgrounds except ‘professional and managerial’ are substantially underrepresented (i.e., not just ‘working-class’ but also ‘intermediate’ groups).
- ▶ The proportion who attended fee-paying schools is approximately double the rate in the wider population (rising to triple in the largest charities).
- ▶ The proportion whose parents were graduates is similar of that in the wider population as is the proportion who were, as children, eligible for free school meals. [ACEVO, 2022].

Charity trustees from households in the top half of the income distribution outnumber those from households in the bottom half by 3 to 1 [Moreau, 2022].

‘Higher’ socioeconomic backgrounds appear to be concentrated in specific roles & departments within charities, e.g., “policy, campaigns, communications, fundraising, senior management and board rather than ‘backroom’ roles in HR, Finance and IT [Harding & Graver, 2022].

People from ‘lower’ socioeconomic groups (and other underrepresented groups) are likely to be concentrated in organisations that focus on issues (e.g., poverty) particularly related to their demographic group, (perhaps because the organisation values lived experience or because individuals’ experience has motivated them to participate). This means individuals may become pigeonholed [Ide, 2023] while other organisations, whose intended beneficiaries include a broader spectrum of society, are less likely to include people from a broad spectrum of society.

1. Charities, voluntary organisations or trusts, social enterprises, mutuals and community interest companies.

Barriers to participation and development

There was little apparent material on the barriers to (or enablers of) participation and development of staff in the charity sector, especially relating to socioeconomic background.

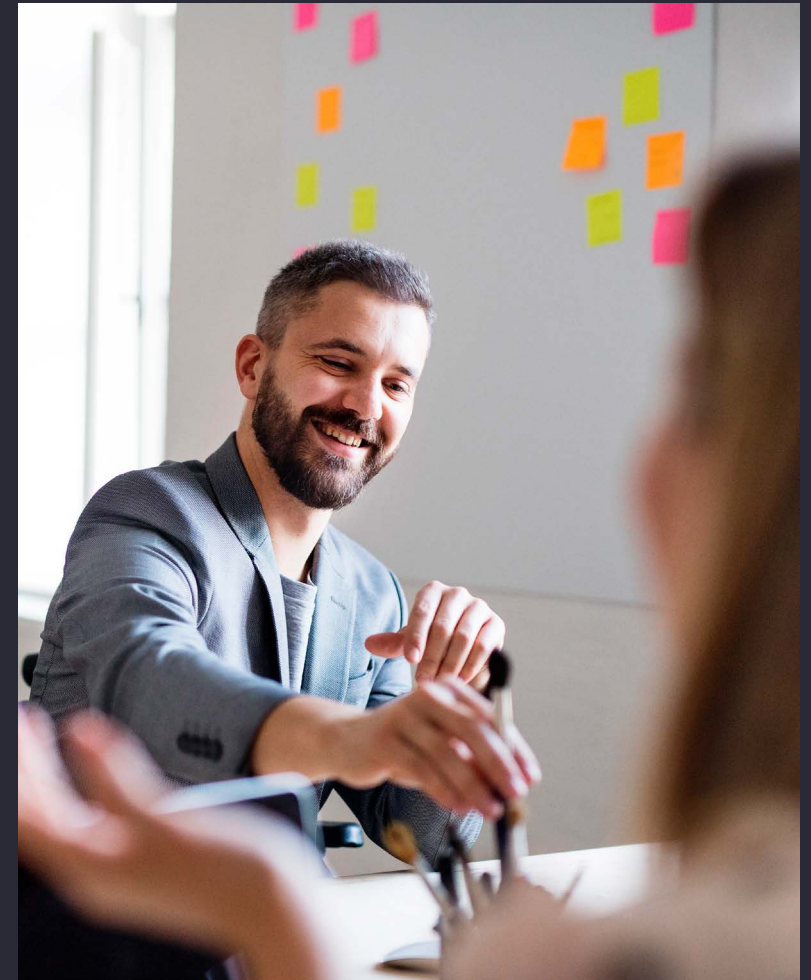
Employers' levels of commitment and ability

Widespread awareness of a diversity, equity and inclusion (DE&I) problem (not limited to socioeconomic background): 78% of charity leaders say their staff are not fully representative, 88% in "major" charities². [New Philanthropy Capital, 2020].

However, this may not always translate into action: "good DE&I is found in pockets of the sector rather than in widespread use ... Diversity is not prioritised as an issue that needs to be addressed" [Thorn, 2022].

Barriers to action:

- ▶ The barriers that organisations reported in relation to their efforts to be more inclusive were limitation of financial resources (20%), limited staffing capacity (15%), lack of human resources skills, knowledge and capacity (12%), and lack of equity, diversity and inclusion knowledge or skills (11%) [CPWOP et al, 2021].
- ▶ Some organisations may be deterred from acting on DE&I because they view it as intimidating and confusing. Some materials contribute to this e.g., "DE&I is vast and complex ... it is better to get started and make some mistakes than not start at all but it can actually be counter-productive to instigate some initial work around DE&I, build expectations and then fall at the hurdle of taking action". [DE&I Coalition, 2021]. Charities – especially those with limited HR resources – may also find it hard to identify which of the competing sources of guidance is relevant to themselves.



2. "chairs/trustees or 'external facing' directors of charities in England & Wales" with incomes over £10,000.

- ▶ As outlined below, the lack of knowledge about where to find good, generally applicable guidance may also be a problem.
- ▶ Sometimes the problem is discomfort talking about class (and other underrepresented characteristics). “There is discomfort across the sector discussing these issues” ACEVO, 2019 which, as Yates-Lu [2019] says, is a discomfort that needs to be embraced if the organisation is to grow to greater effectiveness.

That **lack of action on DE&I is part of a wider issue of under developed HR practices in the sector** was suggested by several sources:

- ▶ “Lack of diversity and inclusion activity reflects a wider lack of support for people (such as limited career progression pathways ... and the absence of a nonprofit sector umbrella body for HR”. [Thorn, 2022].
- ▶ “Training and personal development ... in the sector as a whole is quite limited ... a situation that makes it hard for individuals without high levels of social and cultural capital [and] also weakens the effectiveness of charities overall”. [Chapman, 2022].



A tendency, even among charities that are taking a proactive approach to DE&I, to neglect to consider socioeconomic background. E.g., Charities' participation in Social Mobility Foundation's Employer Index is low in relation to the size of the sector [Social Mobility Foundation, 2022], and whereas 79% of respondents to ACEVO's Pay and equalities survey collect age and gender data, only 14% collect it on social class. [ACEVO, 2022]. This may be caused by:

- ▶ A perception that socioeconomic background “isn't straightforward, due to the subjectivity that comes into it, the mobility some will experience during the course of their lives and the role of self-identification” [Moreau, 2022].
- ▶ “Employers tend to take one diversity at a time” (Passant, n.d.) which means not only is socioeconomic background struggling to be considered, but that intersectional issues are neglected, and progress on one characteristic is likely to be abandoned when a different characteristic becomes prominent.
- ▶ Socioeconomic background not being one of the protected characteristics listed in the Equality Act 2010 was identified as a problem by numerous sources [e.g., Wait, 2022; Jerwood Arts & the Bridge Group, 2019; Tulsiani, 2023].
- ▶ The lack of comprehensive, comparable data, which itself arises from a lack of a widely shared standard of what data should be collected and how.

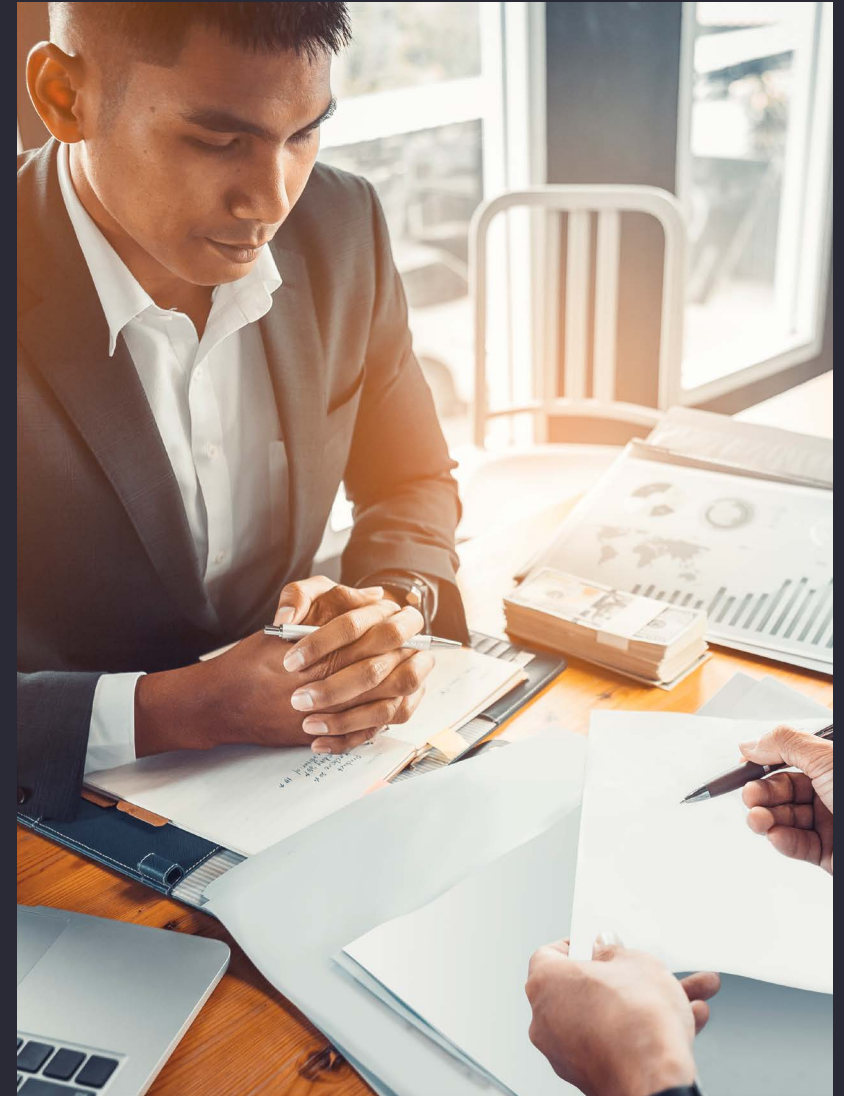
Role of funders

Funders have a way to go on DE&I and on socioeconomic background: a survey of foundations found that *“Diversity (in general) remains the weakest pillar”*. Of 100 foundations studied, just one *“reported on the social class of its staff members. None in the main sample of 100 foundations reported on the social class of its board. KPMG Foundation, which opted in and so is outside the main sample of 100 foundations, did report on this... No foundation’s diversity plans reported specific targets for either the lived experience or social class of staff and for trustees”* [Friends Provident Foundation, 2023].

Organisations led by people from ‘lower’ socioeconomic groups receive smaller grants: the average amount the foundation awarded to organisations *“led by people who are educationally or economically disadvantaged was 27% lower ... than our total funding portfolio average”*[Esmee Fairbairn Foundation, 2022]. While that data should be used cautiously³, other sources identify numerous challenges faced by organisations led by people from ‘lower’ socioeconomic backgrounds [Denselow et al, 2023].

Connected to the demographics of the funders themselves: *“84% of respondents (grant-making staff in trusts and foundations) felt that the lack of class diversity of Foundation trustees influences who charities recruit to their own boards”* [Grant Givers’ Movement, 2018]

Funders play a powerful role in influencing to what extent charities engage with issues of diversity, equity and inclusion (with regard to their personnel, supporters and beneficiaries). Silence on the issue itself sends a powerful, unhelpful message. It is unclear from the literature to what extent funders offer clear expectations and support in this regard.



3. Data applies to only one funder, and “educationally or economically disadvantaged” is measured using guidance in [Funders Collaborate Hub, 2022], about which I raise concerns below.

Role of trustees

Modelling good (or poor) practice: the way in which trustees are recruited (and other DE&I practices with regard to the trustee board) may have a role in sending signals to trustees and senior staff about the importance of diversity, equity and inclusion. However, *“90% of charities report that they recruited most of their current trustees through word of mouth and existing networks”*. [Moreau, 2022]; *“Two thirds ... of charities say they are actively looking to recruit trustees from more diverse backgrounds but trustee referrals are still the most popular method of recruitment [Ecclesiastical, 2021] “it is not really open recruitment if it sets criteria that some parts of society are much more likely to be able to meet than others” [Wilson, 2022].*

To what extent trustee boards actually engage with the various sources of guidance relating to DE&I is not clear from the literature.



What charities require of potential employees

Overall, *“there are clear barriers-to-entry facing those young people from ethnic minorities and lower socioeconomic backgrounds”*. [EY Foundation, 2022].

Volunteering as a route into charity jobs

There is much more material on charity volunteers than there is on their staff, and it forms a large section of this summary due to its importance as an entryway to paid charity work (*“a massive emphasis on showing your commitment to the cause, which very often means having done unpaid work ... if that’s not affordable then you’re stuck.”* [Sarah Atkinson, quoted in Cooney, 2022].

Those from lower socio-economic groups were most likely to say they had never volunteered (40% vs 25%) [Donahue et al, 2020].

Issues include:

- ▶ Volunteer leaders tend to come from more privileged backgrounds when measured by educational level [Pepper & Rogers, 2022]. This is likely to mean *“those who are not connected to relevant social networks will simply not be asked to get involved”* and relatedly examples of discrimination and exclusion of working-class individuals in charity-volunteering environments [Delahunty, 2021]. Other individuals may be *“apprehensive about seeking volunteering opportunities through fear of discrimination”* [Thorn, 2022].
- ▶ Volunteer opportunities are disproportionately high (relative to the population) in London, South East and South West [Chapman, 2022].

- ▶ In addition to the opportunity cost of foregone paid work, 18% of 18-24 year olds gave 'I'd be worried I might end up out of pocket' as a reason for not getting involved.
- ▶ *"Diversity, equity and inclusion is one of the many areas within a volunteer manager role or remit that is often considered already overloaded and unrealistic. Typically, volunteer managers lack capacity"* [Donahue et al, 2020].
- ▶ When volunteering is undertaken by working-class individuals, it may not be an effective route to employment: *"social class mediates access to volunteering opportunities most likely to convert into employment"*. [Hoskins, Leonard & Wilde, 2020]. Dean [2022] finds that informal volunteering, which is more prevalent in working-class communities, is less likely to be seen as legitimate experience. It is also less likely to take place in organisations that offer a route to employment. Similarly, *"Organisations that serve minority communities tend to attract volunteers from those groups in larger numbers but tend to be smaller organisations outside of the mainstream voluntary sector"* [Donahue et al, 2020].

Some evidence of going beyond the adaptation of existing outreach practices, by adopting additional practices specifically designed to offer 'entryways' to individuals outside the organisations' usual demographics. These are usual individual employers or small groups of employers, and include:

- ▶ Paid internships which are hard to find and rarely advertised" [Thorn, 2022].
- ▶ Charity graduate schemes "extremely competitive, made even more so by their scarcity" [Thorn, 2022].



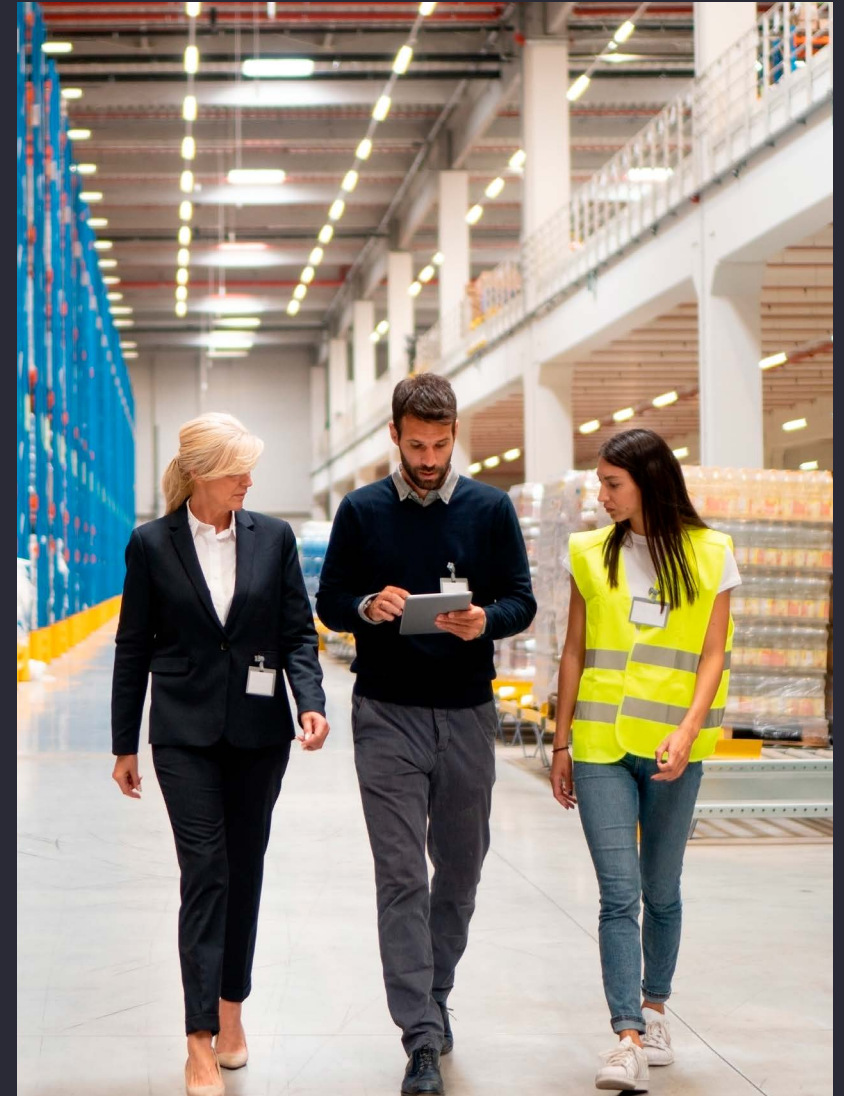
- ▶ Other traineeships (e.g. see Action for Conservation et al, 2021; Broad, 2019; Charityworks, 2023).
- ▶ Degree apprenticeships and general apprenticeships [e.g. Weakley, 2021].

Exclusion on grounds of educational backgrounds:

- ▶ A widespread practice of unnecessarily **requiring applicants to be graduates** (which disproportionately excludes people from 'lower socioeconomic backgrounds) or ambiguous references to 'equivalent experience' [Burgess, 2021].
- ▶ *"The standard CV or career path is set as the norm ... good school, good university but minorities don't tend to have trodden such a conventional path. So the recruiter typically excludes those applications ... and they come up with the usual suspects"* [Tulsiyani, 2020].
- ▶ *"The average number of universities an employer recruits from was 28 ... Sectors hiring from fewer universities than average included banking, financial services and insurance (17); law (17); real estate (13); fast-moving consumer goods (9); and the third sector (9)"* [Social Mobility Foundation, 2021].

Geographical origin as an excluding factor:

- ▶ In England and Wales, charity jobs are concentrated in London (even accounting for population) and in the South East they are approximately proportional to population; all other regions have a relative scarcity of such jobs [Chapman, 2022].
- ▶ *“Left-behind neighbourhoods⁴ ... are less than half as likely to have a registered charity in their local area than the average across England as a whole”* [Oxford Consultants for Social Inclusion, 2021].
- ▶ This especially affects individuals from low-income backgrounds because they are more likely to lack the resources to meet the up front costs e.g., rental deposits, of relocation, for both volunteering and paid work.
- ▶ Funders play some role in this: *“In 2019, London-based small charities received nearly a third (30%) of funding from independent trusts and foundations to small charities around England and Wales. Small charities in the East Midlands received the lowest share of grants from independent funders, at 5% of funding.”* [Small Charities Data, 2023].



4. “Places that rank highly on the indices of multiple deprivation and lack social infrastructure” (specifics here: <https://localtrust.org.uk/policy/left-behind-neighbourhoods/>)

Pay, experience and other benefits charities offer to potential employees

The role of low and insecure pay, especially in entry-level roles:

- ▶ More than 1 in 6 third sector workers are paid below the real Living Wage [Richardson, 2021].
- ▶ *“Entry positions into the third sector are poorly paid or unpaid, which is financially inaccessible to a lot of Black, Asian and Minority Ethnic people due to the prevalent intersection between being an ethnic minority and working-class within the UK ... anybody from a lower-class background may not have the financial security to work their way up the third sector career ladder. This generates a predominantly White, middle-class, work culture, especially within management teams”* [Mohideen, 2020].
- ▶ *“If you’re a working-class individual who’s not only got to make money for themselves, but their family probably rely on you, how are you ever meant to think that’s a good proposition for you?”* [Sophie Pender, quoted in Wait, 2023].
- ▶ The prevalence of *“Insecure contracts”* means entry-level charity jobs may present an unacceptable financial risk to individuals whose families cannot provide a financial ‘cushion’ [Harding and Graver, 2022].
- ▶ Factors flagged as the best way to encourage consideration of a career in the charity sector by young people from low-income households: *“51% said improved pay, benefits and flexibility”* [EY Foundation, 2022].

Perceptions of poor levels of pay, security, progression prospects should be considered in combination with:

- ▶ The increasing attractiveness of employers outside the sector to candidates seeking ‘purpose-driven’ careers. [Segal, 2023]. *“The pay sacrifice employees are willing to make to gain flexibility and purpose is likely to shrink as more sectors prioritise wellbeing”* [NCVO 2023].
- ▶ Barriers to entry facing non-graduates in the sector: *“People with higher levels of qualifications are earning an average £40,000 less over their working lifetimes in the charity sector than their similarly qualified peers in the rest of the economy.”* [O’Halloran, 2022].





Outreach

There appears to be widespread awareness, including in low-income groups, that the charity sector offers career opportunities: among 16-24-year-olds with household income below £16,000 (approximate Free School Meals qualifying level) 70% know the charity sector offers careers in “*professional functions such as: human resources, legal services, strategy and governance, finance and communication*” [EY Foundation, 2022].

However, knowing that opportunities exist is not the same as a likelihood to think, unprompted, about the sector:

- ▶ Potential candidates may be more likely to be prompted to think about other sectors much more often. The more this happens, and the better the information, the less likely one is to regard the sector as an unknown and thus a risk (one of the reasons why the offspring of medics are 24 times more likely to pursue a medical career themselves than are the rest of us⁵).
- ▶ Roles may not appear to be for ‘people like me’. A vicious circle – of a lack of relatable role-models leading to a lack of applicants leading to a lack of role models– was mentioned by both Thorn, 2022 and Harding & Graver, 2022.

Knowing about opportunities also isn’t the same as knowing how to find them: “*The most common reasons identified by those who wouldn’t consider working in the sector include... 25% don’t know where to search for and apply for jobs*” [EY Foundation, 2022].

5. Friedman & Laurison (2019) The class ceiling: Why it pays to be privileged; Bristol UP.

Some people from low-income groups may have poor perceptions of charities: Individuals classified as having “low [economic] security” are less likely to trust charities, and to prefer those that are local and volunteer-run. [Charity Commission, 2023]. Several sources pointed to the deterrent effect of feeling patronised by charities (“*experiencing charity as something that is ‘done to’ working-class people rather than ‘done by’ them*” [Harding & Graver, 2022]).

Concerns about the quality of jobs available: “24% think there are poor opportunities to develop a career; 23% think there is a poor variety of different job roles in the charity sector 20% believe charities do not pay staff fairly or offer good benefits and flexibility” [EY Foundation, 2022].

Worries that the risks outweigh the opportunities: Jobs in charities, or the route to them through volunteering, may be seen as involving unacceptable risks not limited to investing scarce resources in pursuing a career that may not materialise. E.g., “*The environmental sector is a White and middle-class movement, and it is mostly seen through protests where the main tactic is arrest, meaning it is not accessible to all*” [Involving Young People Collective et al, 2021]. Whereas activism can have career and social benefits for middle-class people, it may carry risks for others by antagonising employers, social security systems, immigration officials, etc.



Across sectors, issues that create barriers to participation at the outreach stage include:

- ▶ Messaging that fails to consider that motivations to participate differ between groups, and therefore uses messages that appeal to the organisations' usual demographic on the mistaken assumption that these messages are universally appealing.
- ▶ Media and messengers that do not reach, or are not as appealing to, underrepresented demographics.



Selection and Onboarding

There is some guidance aimed at charities that deals with issues including application procedures, shortlisting criteria, interview practice etc., (see Institute of Fundraising, 2020 for a good example) but there is limited material as to what is happening in this area. This example on arts organisations (many of which are constituted as charities) is an exception:

*“Hiring can be a form of **‘cultural matching’**, excluding those who do not have the shared tastes of specific social groups. This is especially true in cultural and creative occupations and is an important and subtle barrier for those seeking to work in the sector” [Brook, O’Brien and Taylor, 2017].*

Across sectors, issues that create barriers to participation at the Selection and Onboarding stage include (among many others):

- ▶ Interviews that test social confidence rather than ability.
- ▶ Assuming that candidates know the protocols (e.g. what to wear for an interview).
- ▶ Costs of application that appear trivial but can be excluding. For example, the substantial upfront costs to taking a job - especially a first job - including relocation costs like upfront rent and deposit, clothing, equipment, travel costs etc; where salary is typically paid in arrears and the first payment may not cover upfront costs.

Workplace culture, expectations, and protocols

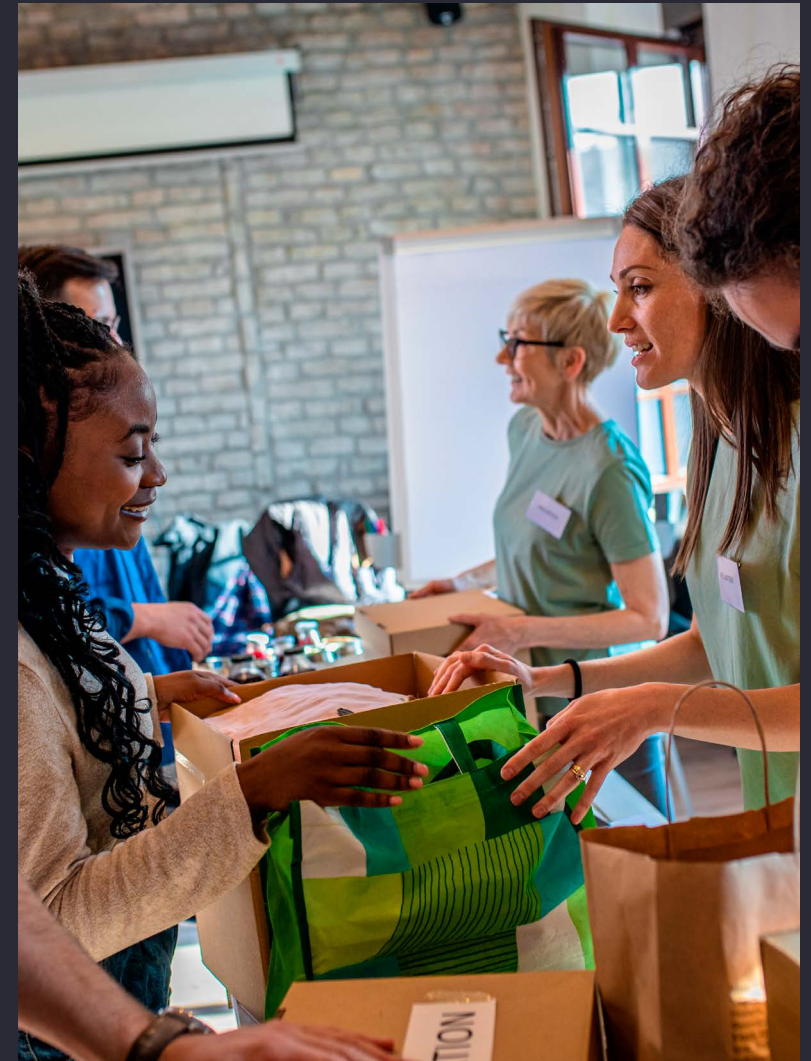
Inclusivity appears better than in other sectors: the Social Mobility Employer Index report says 80% of respondents in the third sector said *“the workplace culture in my organisation is inclusive of class backgrounds”* (compared to 76% in the private and 56% in the public sectors [Cooney, 2022]).

But there are issues with ‘cultural inclusivity’:

- ▶ There are numerous testimonies of charity staff feeling belittled, stigmatised or othered as a result of their class backgrounds, often leading to background-masking or adapting one’s persona [Harding & Graver, 2022; Wait, 2022; Legraien, 2023]. Evidence elsewhere suggests the cognitive burden of such ‘coping strategies’ and the effect on self-esteem, are considerable⁶.
- ▶ *Middle-class people in charities “assume that people from working class backgrounds are not in the room... terms that were often abstract, needlessly complex or inadvertently patronising or insulting... about ‘they’ and ‘them’”* [Harding and Graver, 2022].
- ▶ Cooney [2022] spoke of the unspoken codes of middle-class ‘office craft’ and language. While these codes are expected to be known, they are not explicitly taught, often bewildering outsiders. Those who fail to use them could even be perceived as being “rude or aggressive”.

Management styles: *“The style of leadership in many nonprofit organizations... was described by some young professionals currently working in the sector as ambiguous, lacking clear feedback and missing the right support from management”* [Thorn, 2022, citing Manzano] Such ambiguity benefits those whose social circles include people in similar organisations or in occupations with similar demographic profiles who can act as guides.

Financial issues, such as assuming people will have enough money in the bank to pay out of pocket expenses and be paid back later. [Wait, 2022]



6. Ashley, L and Empson, L (2017) Understanding Social Exclusion from Elite Professional Service Firms: Field Level Dynamics and the Professional Project. Work, Employment and Society.

Barriers to participation
and development



Development

‘Who you know not what you know’ appears less of a problem in the sector than elsewhere: in the 2021 Social Mobility Employer Index survey, the percentage of employees who responded ‘agree’ to *“People get ahead at my workplace because of who they know”* was 19% among third sector respondents (compared to 20% in the private sector and 50% in the public sector) [Social Mobility Foundation, 2021].

However, some sources identify some problems in this regard:

“expectations that a CEO would come with ‘a network of investment bankers who are going to give money to the charity’... Larger charities CEOs are often of a professional standing, and are appointed through having a good address book” [Wait, 2022].

Lack of clear structure is, identified as a problem: e.g., *“lack of clear, defined entry routes and clear career progression routes”* [Cooney, 2022]. Among factors flagged as the best way to encourage consideration of a career in the charity sector by young people from low-income households, *“24% identified the need for clear progression routes”* [EY Foundation, 2022].

Across sectors, issues that create barriers to participation at the Selection and Onboarding stage include (among others):

- ▶ Availability of jobs to progress into.
- ▶ Clarity about what opportunities are available and how one might make oneself eligible for them.
- ▶ A proactive approach to developing staff at all levels.



Retention

This is usually a matter of good practice on the issues identified above.

Insecure jobs, as a result of short term funding should, however, be flagged up. In addition to being a deterrent to entry as advertised above, it may also affect retention of people whose wider family finances provide little resilience to shocks, especially those who, for example, want to have children.

Feedback & learning

Representative groups: whereas in some organisations there are structures whereby staff from underrepresented socioeconomic backgrounds can provide feedback to management (and support to each other)⁷, I did not find examples of this in the charity sector.

Few organisations in the sector collect data about socioeconomic background, as noted above.

7. E.g., see Bernadette Kelly (2019) "Social mobility and the People Survey"; Civil Service blog 18Oct19; <https://civilservice.blog.gov.uk/2019/10/18/social-mobility-and-the-people-survey/>

Issues with the data

Variations in the different but overlapping groups of organisations and individuals that are being discussed, and in the terminology used, creates problems with the comparability of data:

- ▶ Some data looks at 'civil society', some at registered charities, some at 'the third sector' etc.
- ▶ Some sources e.g., ACEVO 2022, use the Social Mobility Commission's recommended measures⁸ of socioeconomic background, which are comparable with wider society, but most do not. Some guidance effectively encourages non-comparable data collection e.g., *"People who are educationally or economically disadvantaged ... will be defined by the organisation."* [Funders Collaborative Hub, 2022]).

This confusion around terms also makes it **hard for charities wanting guidance on socioeconomic diversity, equity and inclusion to search for it.**

Most survey-sources are prone to **self-selection bias.**

Guidance

Charities' lack of knowledge about the existence of guidance, or where to find it, may be a substantial factor contributing to problems with class-related diversity, equity and inclusion:

- ▶ 18% of small and 19% of medium charities say that they didn't know who they needed to recruit to become more diverse (vs 8% of major charities) [New Philanthropy Capital, 2020].

- ▶ *"There are some sensible guidelines available, but these do not seem to have reached key audiences nor have achieved the recognition and accredited status necessary for common adoption".* [Thorn, 2022].



8. <https://socialmobilityworks.org/toolkit/measurement/>

There is a widespread incidence of guidance that appears to be about DE&I in general, but does not include socioeconomic background in its list of characteristics which contributes to the tendency of organisations to misunderstand ‘diversity, equity and inclusion’ as a euphemism for one or two specific characteristics⁹. E.g.:

- ▶ Principle 6 – “*Equity, diversity and inclusion*” – was added to the Charity Governance Code in 2018. It recommends that boards adopt “*a clear, agreed and effective approach to supporting equity, diversity and inclusion throughout the organisation and in its own practice*” and includes a case for action on DE&I. It has information on making the board itself more diverse and inclusive, but does not specify any attributes (e.g. socioeconomic background) associated with disadvantage (and lacks guidance or signposting on how to set expectations for, and assess, DE&I-related policies and practices relating to staff (or volunteers, beneficiaries, supporters, collaborators etc).
- ▶ The Charity Commission has been lobbied to require that charities’ annual returns include standardised diversity data, but the proposal is limited to senior leadership and to protected characteristics listed in the Equality Act 2010. The Commission made positive noises about the principle but, citing problems of practicality, have not put anything into effect. [Money4You, 2022].

9. See Moreau, 2022

A lack of a widely-known ‘one stop shop’ is a problem:

- ▶ Some good guidance [e.g., ACEVO, 2020; Moreau, 2022] presents itself as specific to certain parts of the sector (the former to fundraising, the latter to board diversity).
- ▶ The competing guidance that deals with different attributes is confusing, especially for small organisations who have limited time, and is likely to lead to them putting DE&I as a whole in the ‘too hard’ pile. This suggests that guidance on widening participation with regard to people from underrepresented socioeconomic backgrounds should not be issued as a stand-alone item that then competes for attention with protected characteristics etc, but should be incorporated into general guidance on DE&I in charity HR.

Numerous of the guidance materials contain a case for action on DE&I in general or on socioeconomic background in general.

Issues and initiatives relating specifically to young people



Key points

“Diversity, equity and inclusion is not prioritised in the charity sector as an issue that needs to be addressed, and there is no sector-wide push to take ambitious action, particularly on the issue of embedding good DEI practice in attracting and retaining young people as employees”. [EY Foundation 2022]

Key points

There are clear benefits to increasing the number of young people from lower socioeconomic backgrounds into charity sector jobs. There are also challenges that include accessibility and progression in the sector.

There is a case for individual organisations to act and for strategic action on the part of the sector and its representative bodies.



Intersectionality considerations

Intersectionality ...



There are indications that some aspects of intersectionality are being considered in the sectors' analysis and action around opportunities for young people (e.g. 'young people from underrepresented backgrounds'). However, this often appears limited in the range of demographic groups and mechanisms of exclusion that are considered (e.g. schemes that aim to engage "a wide diversity of characteristics and backgrounds" but are limited to graduates).

Mechanisms of exclusion

Visibility, and perceived relevance, of career opportunities in the charity sector

Early exposure & social capital

Career choices are typically influenced by long-term exposure that makes relevant sectors and occupations seem familiar, safe and relevant (hence doctors' children being 24 times more likely to become doctors than are the rest of us [Friedman & Laurison, 2020] and the role of social capital in individual's likelihood to undertake volunteer work [Wilson et al, 2020]. Chances of such exposure are related to the occupation and social capital of families and related networks.

Individuals' early-life decisions, which are taken in the context of the above social environment, have an outsized influence on individuals' career



direction. As a former Education Secretary pointed out, "by the age of sixteen, 93% could not become an engineer without a dramatic change of track". [Willetts, 2016].

Online visibility

Internet searches for charity jobs may lead young people to believe charity jobs are for graduates, or not show charity jobs to non-graduates:

- ▶ A search for 'career charity sector' "young people" UK produced a link to a page on the Prospects site on "Getting a graduate charity job". Prospects specialises in graduates and the page points out that "For some charity jobs, such as charity fundraiser, volunteer coordinator and charity officer, there are no specific degree requirements... However, that said around half of the voluntary sector workforce is educated to degree level or higher". [Smith, 2022].
- ▶ Other prominent results of searches included a page on "Graduate schemes and internships in the charity or not-for-profit sector" produced by TargetJobs, which describes itself as "Your ultimate graduate careers hub". [TargetJobs, 2023]
- ▶ The job categories and sectors listed on the National Careers Service website (not targeted at graduates) do not include charity or 'third sector'. A search within the site for "charity" produces profiles for two job profiles for a "Charity director" and "Charity fundraiser". Other results among include "Social services manager and "business adviser". [National Careers Service, 2023].

Mechanisms of ...

Volunteering

As noted earlier, if volunteering makes a candidate more likely to be selected for a paid role, it creates particular barriers for individuals who lacked access to volunteering opportunities (as a result of location, information, the need to undertake paid work etc), or who have undertaken types of volunteering that are not recognised (by the candidate or the recruiter) as valid.

There is also an issue that volunteering is often seen by young people as a route to a charity job but may only be useful in combination with other skills or experience which the individual doesn't know are necessary or from which they are excluded. [Taylor-Collins, 2019; Hoskins, Leonard & Wilde, 2020]

Pay and conditions in early-career roles

As referred to in the previous section, early-career roles which young people are most likely to be offered (including the roles likely to be offered on completion of an internship or placement) are disproportionately those that offer low pay and low security. For example, the jobs may be funded by a time-limited grant. Insecurity is a particular deterrent to those who lack a family that is able and willing to support them between jobs.

- ▶ A review of the evidence on younger people from low-income backgrounds and their access to employment in the charity sector, published in March 2022 by the Centre for Charity Effectiveness, found that 'entry positions into the third sector are poorly paid or unpaid, which is financially inaccessible to a lot of Black and ethnic minority people due to the prevalent intersection between being an ethnic minority and working-class within the UK'. [Hargrave, 2022]

Pipeline problems

There is a preference for candidates who can 'hit the ground running', with limited capacity for, or culture of, developing staff skills (partly - but not wholly - as a result of many charities being dependent on project-specific funding). [Thorn, 2022; Chapman, 2022]. This catch-22 - of no experience leading to no opportunity to attain the experience - is a problem for young people wanting to enter the sector. It is also a problem for the sector itself because it creates a limited and unrepresentative talent pipeline.

Entry level pathways into the charity sector for young people from lower socioeconomic backgrounds

It was noticeable that searches for such initiatives produced few relevant results.

Types of initiatives listed by Thorn, 2022 include:

- ▶ Paid internships in the third sector hard to find and rarely advertised
- ▶ Degree apprenticeships.
- ▶ Apprenticeships and traineeships: charity graduate schemes are extremely competitive, made even more so by their scarcity. You'll typically need a 2:1 undergraduate degree and a specific number of UCAS points to be eligible.

Specific relevant initiatives that were found include:

CharityWorks [<https://www.charity-works.co.uk/>]

- ▶ CharityWorks' mission includes "ensuring that sector leadership is representative of a wide diversity of characteristics and backgrounds". Its eponymous programme lasts 12 months and offers participants "a full time job in a partner charity or housing association" and "an ILM-recognised leadership development programme where you'll also have access to an external mentor".
- ▶ They "have worked with over 450+ non-profit organisations in the last 15 years".
- ▶ It describes itself as "the UK non-profit sector's graduate scheme".

- ▶ The organisation also offers the Programme, which focuses on recruiting people from underrepresented groups (not specifically young people) to roles in "grant-makers and impact investors". It also participated in the government's now-withdrawn Kickstart initiative (a 6-month programme for young people claiming Universal Credit).



Entry pathways into ...

Oxfam's Trainee Scheme [www.oxfam.org.uk/about-us/working-oxfam/oxfam-trainee-scheme]

- ▶ The scheme's webpage makes clear that "trainees do not need to have a degree or other qualifications, nor do they need to have worked for a charity before".
- ▶ Their "trainees work on different projects and can expect to get a good understanding of how a large aid and development organisation works. They develop general skills, such as project management, writing, communication and research, as well as learn specifically about what Oxfam works on... trainees are paid above the living wage and the recruitment is conducted in a way, we hope, makes the opportunity accessible to all, regardless of their background".
- ▶ Good practices include not limiting opportunities to London (trainees can also be based in Oxford, Manchester or Newcastle).

London Wildlife Trust Keeping it Wild [www.wildlondon.org.uk/keeping-it-wild]

- ▶ Urban nature opportunities for young people in London took part in Environmental Social Action Projects in their local communities, completed Paid Traineeships and were involved in their Youth Forum.
- ▶ "The programme focused on young people who are typically underrepresented in the environmental sector, with 93% of young people coming from at least one of the target groups: Black, Asian or minoritised ethnic heritage (76%), disabled young people (30%) or young people from lower socio-economic communities (41% of Keeping It Wild participants live in the top 20% most deprived communities in England)".

9. See Moreau, 2022

- ▶ Caveat: use of disadvantaged areas, rather than metrics related to individuals, should be treated with caution: many 'deprived' families live in 'non-deprived' communities and vice-versa. We see this in higher education, where "POLAR, an indicator of university participation by local area... is very poorly correlated with low family-income (correlation = 0.22).

Race for Nature's Recovery

- ▶ Used the government's (now discontinued) Kickstarter scheme to put underrepresented young people in 6-month work-&-training placement in environmental charities, with the host charity paying to top up the 'National Living Wage' to real Living Wage levels & hosts being provided with DE&I training.



BOND and Multiverse [see Weakley, 2021]

- ▶ In 2019 Bond partnered with Multiverse, a technology start-up that runs apprenticeships as an alternative to college or university, which has helped get 57 apprentices into the NGO sector.
- ▶ Steven Waugh, Unicef UK's executive director, said: "The apprenticeship programme creates different entry points to employment at Unicef UK, which helps us reach a wider audience, bring in more diverse perspectives and ways of thinking, and helps challenge accepted ways of working. It's also a good way to develop a future talent pipeline, particularly for areas that are harder to recruit for."

Consultants

- ▶ e.g. HUDL, who "partner with organisations that are actively seeking to develop and evolve how they involve young people... from low socio-economic backgrounds" and whose offer includes "actively engaging schools, colleges, universities and voluntary sector organisations to provide recruitment opportunities". [hudl.org.uk]

Despite the apparent paucity of initiatives, and the low numbers of participants compared to the size of the sector, there are substantial benefits for charities that participate in such initiatives: Chaudhry, 2023 says degree apprenticeships & T-Levels, both of which involve someone "working at an organisation whilst also studying", are low-cost to the organisation, and recruit a more diverse intake.



Recommendations



The EY Foundation will use these recommendations as a basis for taking an action based approach. Duncan Exley's recommendations are based on a review of existing literature that itself identified gaps in the literature. The recommendations include means of acquiring information to fill those gaps, and in the meantime the below should be regarded as interim recommendations.

Getting buy-in

Evidence suggests that while charities see DE&I as a “good thing”, it is not widely seen as a *priority* or as having much relevance to organisations’ core mission. This especially applies to socioeconomic background. There is therefore an initial requirement to secure buy-in for DE&I in general and the consideration of socioeconomic factors.

- ▶ Communications with potential partners.
- ▶ Promotion of guidance and toolkit (see below).
- ▶ Sector media, events, and conferences.
- ▶ Direct communications via networks.
- ▶ Topics related to DE&I can be framed and covered under wider recruitment, organisational culture and people-related topics such as recruiting staff.

Getting buy-in



Data-gathering

Charities should collect data on the socioeconomic backgrounds (and other demographic attributes¹⁰) of their staff (and trustees and volunteers) as part of their staff surveys or surveys gathering data from job applicants.

Socioeconomic backgrounds should be measured using the questions recommended by the Social Mobility Commission (SMC) to ensure comparability with other charities, other sectors, and the demographics of the wider public. This should be broken down by department and seniority to identify specific sites of underrepresentation in the sector.

- ▶ Work with organisations that have connections and influence in the sector (e.g., NCVO, ACEVO) and those for subsectors (e.g., BOND for international development), to produce a recommended industry standard questionnaire on demographics and inclusivity-related experiences (of staff) and policies (of organisations).
- ▶ Request that organisations submit data from staff questionnaires, together with questions on the organisation's policies, subsector, size and number of responses to calculate proportions.
- ▶ Give due consideration to security and confidentiality measures (and disclosure of these) to maximise take-up.
- ▶ Work with funders to promote the above and to include collection of demographic data in their own requirements of grant-recipients.



Data-gathering

10. Including the protected characteristics listed under the Equalities Act 2010

Guidance

Given the suggestion above that *“guidance on widening participation with regard to people from underrepresented socioeconomic backgrounds should not be issued as a stand-alone item that then competes for attention with protected characteristics”*, I recommend that the project should -

- ▶ Create a general guide for DE&I in the sector that includes socioeconomic background as well as the usual Protected Characteristics (and possibly other characteristics such as nationality¹¹, caring responsibilities, care experience, neurodiversity.)

This could be done by:

- ▶ Reaching out to “organisations with connections and influence in the sector” (see under “Data gathering”, above), plus organisations who have previously issued guidance (to make collaborators of potential competitors and for basic courtesy & diplomacy), plus organisations who act as representatives of demographic groups (e.g., Fawcett Society, Runnymede)
- ▶ Using some of the existing guidance to avoid reinventing wheels and avoid the large group of stakeholders becoming an unacceptably unwieldy one.
- ▶ Identifying what should be added or augmented to ensure issues relating to socioeconomic background are addressed.

- ▶ Asking the organisations above to submit input on what should be added or augmented to ensure issues in their remit are addressed and the material is up to date.
- ▶ Asking the above organisations to assist in dissemination and promotion.
- ▶ Ideally issued as an online resource that can be updated as necessary.

Guidance should include:

- ▶ A case for action.
- ▶ Recommendations on Data Gathering (see above).
- ▶ Reassurance for those who fear it’s a minefield.
- ▶ A statement that the guidance is mainly about staff but also applicable to trustees (and maybe volunteers).
- ▶ A recommendation that trustee boards should have, at regular intervals, a scheduled discussion of: the demographics of the organisation and its constituent departments and levels-of-seniority (including the trustees themselves); relevant policies, practices and progress. Also, that they should consider discussing this in relation to the demographics supporters and audiences.

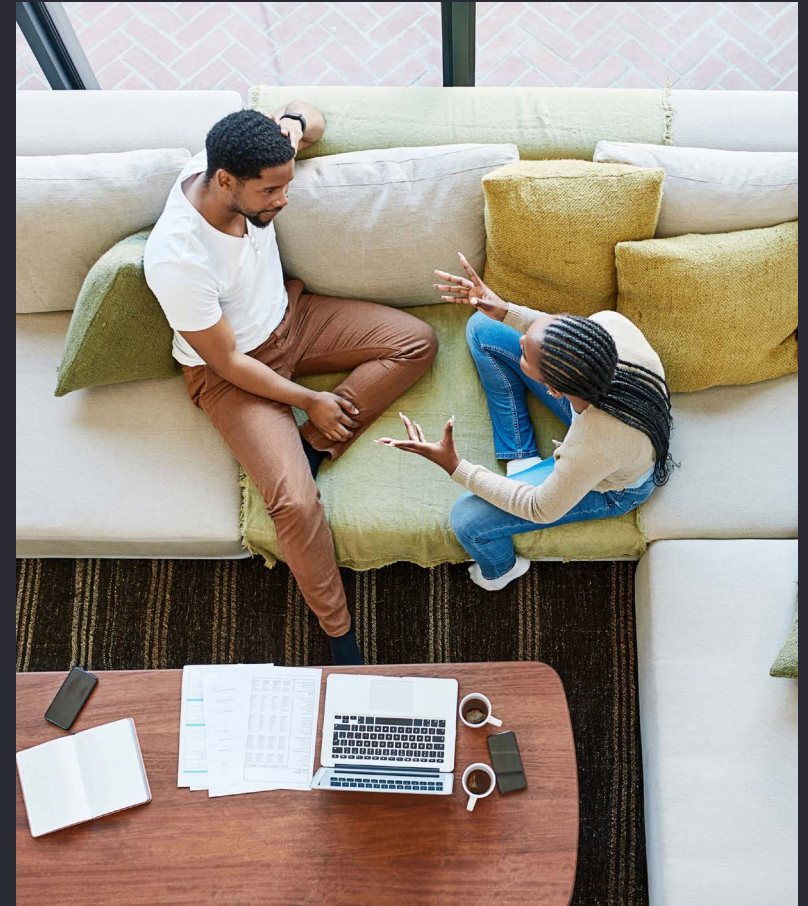
At a later date, a similar initiative should be considered with regard to guidance for volunteer managers and others working with volunteers.

11. Nationality is not included in the equalities as a characteristic that is protected against discrimination because other legislation specifically discriminates on grounds of nationality, most obviously by limiting rights to UK citizens.

Influencing

- ▶ Lobbying the Charity Governance Code steering group to include a referenced list of characteristics, including protected characteristics and socioeconomic background.
- ▶ Participating in the influencing of the Charity Commission and relevant ministers and shadows) to implement the requirements for diversity data disclosure and to include socioeconomic background using measures recommended by SMC.
- ▶ Working together with other funders to influence funders to:
 - ▶ Calculate and manage their own demographics in a way that includes socioeconomic background.
 - ▶ Consider the effects of short-term funding on deterring some groups from charity careers.
 - ▶ Ask grant applicants to report their demographics (including socioeconomic background) and approach to addressing any under representations.
- ▶ Working with organisations that have connections and influence in the sector, to:
 - ▶ Influence career guidance bodies to improve the promotion and explanation of charity careers.
 - ▶ Explore the feasibility and likely impact of creating a nonprofit sector umbrella body for HR (informal structure to act as a site for of mutual support and best practice).
 - ▶ Engage with the Association of Volunteer Managers about socioeconomic diversity and DE&I guidance.

Influencing



Conclusion

Duncan Exley's research alongside the research we have done at EY Foundation shows us that we need to work harder to showcase the benefits of the sector and reach young people who don't know what a charity job might look like.

The EY Foundation will use the recommendations in this literature review as a basis for taking an action-based approach – working in collaboration with others – to tackle recruitment, retention, and progression in the charity sector.

We are particularly keen to address the early talent pipeline, we want to work with other charities to develop a deep understanding of the entry level pathways available across the sector and what can be done to make them as appealing and inclusive as possible. If you share our ambition and you would like to discuss this work in more detail, please contact Ewan Bennie, Director of Communications & Influence on ewan.bennie@eyfoundation.ey.com



About the EY Foundation

The EY Foundation is a UK registered charity that works directly with young people, employers and social entrepreneurs to create or support pathways to education, employment or enterprise. EY Foundation operates and is incorporated independently of EY and is governed by a separate trustee board.

The EY Foundation is a charitable company registered in England and Wales and Scotland with registered charity number 1157154 and SC045076. It is also a member firm of Ernst & Young Global Limited.

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UKC-033068.indd (UK) 04/24. Artwork by Creative UK.