

The value of giving back – the social return of charity shops

Executive summary - July 2023



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Foreword

Welcome to the executive summary of the first ever report identifying the social value associated with the UK's c. 10,200 charity shops. This remarkable document, created over six months during the first half of 2023, sheds light on the extent to which charity shops are more than ways of obtaining inexpensive and good value clothing and other household goods. As this summary makes clear, the sector provides individuals with benefits that go way beyond the excitement of having found a bargain or a unique item of vintage or retro clothing; to be honest even I was not expecting such a substantial ratio of investment to social value as this report has identified.

We are delighted that the rigorous and robust methodologies used by our researchers have been validated according to the most respected social value principles, and that the net result is such a positive one for the sector.

My grateful thanks go to Foot Anstey who have supported this report, the Advisory Group, the researchers whose deep understanding of this area has been the *sine qua non* of the project, and above all to CRA's Head of Research Olaia Alamos Castresana, whose project management of the activity within the organisation has been diligent in the extreme. It's been a fascinating and fruitful exercise, and of course could not have happened without the many staff, volunteers, customers, and donors that participated – we are extremely grateful to them as well. I hope you are as inspired by these results as we have been.

Robin Osterley
Chief Executive, Charity Retail Association

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“We are entering an unprecedented period when the power of 'good' is being recognised and valued by modern society perhaps as never before. Charities in the UK are an incredible force for the positive and charity shops often form their most accessible public face. It was no surprise to the Foot Anstey team that this research tangibly demonstrates the extent of social return on investment provided by charity shops beyond being a source of inexpensive and often more unique clothing or goods. The sheer extent and value which charity shops represent for social cohesion, lived experiences and the impact of giving back to people and the planet is staggering. Foot Anstey is proud to be a part of this opportunity to highlight the immense value of charity shops to society.”

Anna Phillips, Head of Charity Property, Foot Anstey.

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Overview and key outcomes

Commissioned by the Charity Retail Association (CRA), this Social Return on Investment (SROI) analysis aims to understand the social value generated by the UK charity shop sector. Aligning to the International Principles of Social Value and conducted in accordance with the SROI framework published by the Cabinet Office of the UK Government, a stakeholder-informed approach was used to show the social value generated. Particularly, the report uses the views of people who experience most material change or outcomes as a result of their engagement with charity shops: staff, volunteers, customers, and donors.

It is important to understand that this SROI is not an assessment of the savings to the state, environmental value, or benefit to the economy; instead, it looks at the value of the outcomes experienced by stakeholders.

Key results

- During the calendar year 2022, a total of £75.3 billion of social value was generated by UK charity shops.
- The SROI ratio was £1 : £7.35 – i.e., for every pound invested in charity retail, £7.35 of social value is generated – a vast positive impact on those people whose lives charity shops touch.
- Almost half (49%) of the total social value is about giving back to others (29%) or the planet (20%).
- Social interactions at charity shops generate significant value: 20% of the total social value generated is through customers and donors feeling met by charity shop staff with friendliness and compassion; and 9% of the total value is about feeling part of a community as reported by all 4 stakeholder groups.
- The highest social value per person was created for volunteers.
- The highest total social value per stakeholder group was for the large group of customers.
- The most important outcome for all stakeholder groups (staff, volunteers, customers, and donors) is ‘giving back’ to other people, and it is through enabling this that charity shops are making the most difference to people’s lives.

Recommendations

It is recommended that the findings from this SROI analysis, and the SROI toolkit that will follow (see additional resources), are used to:

1. Evidence value

Help the charity retail sector demonstrate its immense social value.

2. Inform charity shop strategies

By illustrating what outcomes are most important to stakeholders, this study can help charity shops to put actions in place to maximise the positive social value created.



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“We trust that the insights from this report will help the charity retail sector in demonstrating their immense value to our societies, and be a tool to maximise the positive social value created also in the future.”

Charlotte Österman
Partner and Sustainable Development Director at Pax Tecum
Global Consultancy, and Private Sector Lead for Social Value UK

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About the CRA

The Charity Retail Association represents the interests of charity retailers with around 450 members, who together run around 85% of all charity shops in the UK. CRA members range from national chains running several hundred shops to local charities running a single shop.

Its role as an association is to support its members through advocacy, benchmarking research, providing policy and operational advice, and offering networking and learning opportunities.

About the authors

The CRA commissioned this research from a team of independent consultants:

[Charlotte Österman](#), Partner and Sustainable Development Director at Pax Tecum Global Consultancy, and Private Sector Lead for Social Value UK

[Tim Goodspeed](#), Social Value Consultant at More Than Outputs, and Social Value UK Technical Lead

[Nicola Lynch](#), Social Value Consultant and Impact Management Specialist at LynchPin Support

The project was supported by an Advisory Group with 9 charity retail representatives, 3 external experts and 4 members of the CRA team.

Background and methodology

The value created by charity shops goes far beyond what can be captured in financial terms; however, the latter tends to be the only type of value that is measured and reported due to the complexity of capturing impacts that are not expressed in financial terms in real life.

The CRA recognised the need for better ways to account for the social, economic, and environmental value that results from the activities of charity shops; understanding this broader value is becoming increasingly important to support advocacy and media work on behalf of the charity retail sector.

Accordingly, the CRA was keen to create an independent SROI analysis of UK charity retail to quantify this significant range of additional benefits.

The research was conducted in accordance with the 8 Principles of Social Value (Chart 1), and the SROI framework published by the Cabinet Office of the UK Government, and successfully passed external assurance by Social Value International in Summer 2023. The certificate is included at the end of this executive summary of the work.



Chart 1: The Principles of Social Value
(Source: Social Value International)

SROI results

1. On the basis of the information set out within this SROI analysis, it was concluded that charity shops in the UK generated £75.3 billion of social value through their activities in January-December 2022. The SROI ratio of charity shops in January-December 2022 is £1: £7.35, with a sensitivity range of £1: £4.1-17.8.
2. The biggest difference to people's lives is made by enabling people to "give back". Nearly a third (29%) of the total social value generated by charity shops is through giving back to others and almost half (49%) of the total social value is about giving back to others or the planet (see page 7).
3. Giving back to others is the most important outcome in terms of the social value generated for all stakeholder groups, showing how incredibly important it is to staff, volunteers, customers, and donors to do something for others. For staff and volunteers, charity shops also significantly contribute to make them feel part of a community – such outcome represents the second highest social value for these stakeholders. This is also important for customers and donors, although slightly less so, possibly due to shorter time spent by these groups in shops.
4. Giving back to the planet is within the top 3 most important outcomes for staff, customers, and donors. The results and conversations during the qualitative research explain that it is important to these stakeholder groups to do something good for the planet, such as avoiding waste, recycling, and overall making more sustainable shopping choices and behaviours, and charity shops enable people to do that.
5. Social interactions at charity shops generate significant value: The second outcome generating the highest social value for customers and donors is being met by charity shop staff with friendliness and compassion, which also accounts for 20% of the total social value generated by charity shops. This is very important to people, and charity shops clearly provide this to a great degree. 9% of the total value is about feeling part of a community as reported by all 4 stakeholder groups.
6. Feeling more financial choice and independence is also an important outcome for all 4 stakeholder groups, accounting for 7% of the total social value generated by charity shops.
7. Overall, charity shops are having a huge total positive impact on the stakeholders. The highest social value per person was created for volunteers (£3,177), whilst the highest total social value per stakeholder group was for the large group of customers across the UK (£45.7bn, see page 7).

Social value: £75.3 billion

SROI ratio: £1: £7.35

Value of outcomes: aggregated results for all stakeholder groups

This table provides the financial value of the outcomes for all stakeholder groups (staff, volunteers, customers, and donors) after taking into consideration causality factors (displacement, drop off, attribution, deadweight), detailed in the full SROI report (see additional resources).

Outcome	Value	%
Feeling that I am 'giving back' to others	£22,136,126,049	29%
Feeling that charity shop staff meet me with friendliness and compassion	£15,092,075,244	20%
Feeling that I am 'giving back' to the planet	£14,952,768,472	20%
Excitement from the shopping experience	£10,659,962,289	14%
Feeling part of a community	£7,107,399,215	9%
More financial choice and independence	£5,235,149,196	7%
More self-confidence	£98,361,347	0.13%
More empathy	£49,190,904	0.07%
Feeling less distress (from H&S concerns)	£12,390,409	0.02%
Feeling adequately compensated financially for work	£4,366,034	0.01%

Sub-total value of outcomes per stakeholder group

Stakeholder group	Value for the group	Average value per stakeholder
Staff	£71,401,429	£2,664
Volunteers	£593,523,251	£3,177
Customers	£45,653,252,521	£2,107
Donors	£29,029,611,957	£1,157

Conclusion

This first ever report on the SROI of charity retail is clear – the fantastic value provided by the sector to its stakeholders goes way above the financial return provided to parent charities. It represents an unparalleled opportunity to re-evaluate the importance of the sector to inform public policy, media understanding, and the strategies of the charities that own and operate shops.

The charity retail sector is not just a source of inexpensive and high-value clothing and other goods – it is also a force for social cohesion, improving people’s lived experience, and generating social value in a myriad of ways.



Additional resources

The following resources were produced for the CRA as part of this project:

- ‘The value of giving back – the social return of charity shops’ report – includes the full SROI report, SROI Value Map, and academic style paper on the Wellbeing Valuation derived to support this SROI analysis. (Available on request)
- SROI toolkit for charity retailers to report on the social value/SROI generated by their shop(s) – includes a SROI calculator for charity shops, step-by-step guide on using the SROI calculator, and SROI report template. (Exclusively available to CRA members)
- SROI case studies in charity shops across the UK. (Exclusively available to CRA members)
- Webinar: SROI project overview and SROI toolkit demo. (Exclusively available to CRA members)



Statement of assurance awarded to the full SROI report

SOCIAL VALUE
INTERNATIONAL

**Statement of Report
Assurance**

Social Value International certifies that the report

**The Value of Giving Back – The Social
Return of Charity Shops**

satisfies the requirements of the assurance process.

The assurance process seeks to assess whether or not a report demonstrates a satisfactory understanding of, and is consistent with, the Principles of Social Value. Reports are independently reviewed by qualified assessors and must demonstrate compliance with the Social Value report assurance standard in order to be certified. The Social Value report assurance standard can be downloaded from the website socialvalueint.org.

Assurance here is against the Principles of Social Value only and does not include verification of stakeholder engagement, report data and calculations.

Awarded 13/09/2023



Signed
Mr Ben Carpenter
Chief Executive Officer
Social Value International



Social Value UK carries out the assurance service on behalf of Social Value International. Social Value International is the global network focused on social impact and social value. We are the global network for those with a professional interest in social impact and social value. We work with our members to increase the accounting, measuring and managing of social value from the perspective of those affected by an organisation's activities, through the standardised application of the Principles of Social Value. We believe in a world where a broader definition of value will change decision making and ultimately decrease inequality and environmental degradation.

Disclaimer: Social Value International will not be responsible for any actions that an organisation takes based upon a report that has been submitted for assurance. An assured report does not grant Accredited Practitioner status to the author/authors of the report unless it is part of a full application for Accredited Practitioner status.

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The voice of charity retail

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