

Public Faith and Finance: *Faith responses to the financial crisis*

SUMMARY REPORT



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Publicspirit 
Spirited debate on faith and public policy



Summary of the research

The report *Public Faith and Finance: faith responses to the financial crisis* (July 2016) examines how faith organisations have been responding to the impact of the financial crisis and the politics of austerity.

It is based on a scoping survey of the work of 90 faith organisations and 13 case studies of faith-based initiatives.



The research was conducted by a team based in the Centre for the Study of Ethnicity and Citizenship at the University of Bristol, and hosted by the Centre's online forum on religion and policy, *Public Spirit* (www.publicspirit.org.uk). The research is funded by the Barrow Cadbury Trust as part of an ongoing interest in promoting economic justice.

The role and impact of faith organisations in providing welfare services, and particularly in the context of economic recession and welfare reform, are well recognised. Faith organisations are not only plugging gaps in social or financial provision left by the market and state though: they also bring critical perspectives to questions of socially just economic organisation.

Across different religious traditions, faith organisations are mobilising values, people and resources to develop and innovate alternative approaches to market-based finance and credit.

The report focuses on the role of faith organisations in:

- 1) assisting those experiencing financial hardship;
- 2) engaging in activism on and campaigning for the reform of financial products and services;
- 3) advocating or providing alternatives to market-based finance.

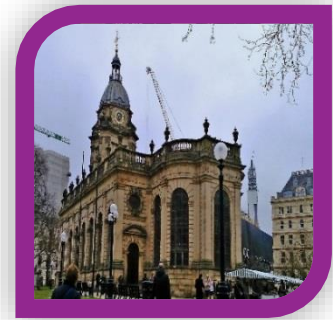


The report explores how faith organisations, particularly from minority religious groups, view the effects of the financial crisis and austerity on faith communities and neighbourhoods and the ways in which they are responding to these issues. It examines the ways in which they assist those experiencing financial hardship, the issues on which they campaign, and the alternatives to market based finance they are helping to develop or advocate. It looks at how and with whom they collaborate, and the values, models and practices that underpin their work.

Key findings

Faith values and organisational contexts

- Faith values are important to how and why faith organisations engage in providing assistance, activism or advocating alternative forms of finance, and these tend to drive holistic and personal approaches to addressing people's needs.
- Faith values can overlap with other faith and ethical values to enable successful forms of collaboration with others in relation to welfare, campaigning and developing more ethical approaches to finance.
- There are differences in the organisational features and capacities of faith groups across religious traditions – with minority religious groups often less institutionalised than Christian groups generally.
- Both organised and informal groups are nonetheless active in providing welfare and identifying and addressing issues of financial need.
- Some faith organisations express a desire for more support and guidance on issues of governance, financial transparency and charity regulations.
- This is particularly an issue for Muslim charities who fear reputational damage as a result of not meeting Charity Commission requirements due to under-developed governance mechanisms.



Faith-based approaches to assisting those in need

- Faith organisations play an important role in providing responsive and contextually sensitive support to people and often at critical moments, and where no other forms of support are available.
- Faith organisations tend to provide assistance to people regardless of their religious affiliation. This includes minority faith organisations who are playing an active role in providing assistance to those beyond their faith communities.
- A strong theme of faith-based approaches to assistance is the aim to provide holistic, sustainable services with an emphasis on dignity, equality and inclusiveness.
- Faith organisations often struggle with lack of resources and funding and occasionally suffer from spreading themselves too thinly.

Faith-based activism and campaigns

- Faith organisations draw on close links to communities on the ground and faith-based practices and values to campaign for reform of welfare policies and financial services.
- Faith-based campaigning entails both critical perspectives on policies and financial services, and engagement with government and financial organisations to address the (sometimes unintended) implications of policies and practices.
- Faith values are important for motivating campaigns, but campaigns are often more effective when faith perspectives and broader ethical concerns are linked.

Faith-based alternatives to market-based finance

- Faith organisations are promoting ethical alternatives to market-based challenges by drawing on religious beliefs and approaches to money, justice and liberation from debt.
- The creation of faith-based financial services and alternatives to payday lenders or high street banks faces design, logistical, financial and regulatory challenges.
- Faith organisations are more likely to be involved in advocating ethical or faith-based credit schemes, than directly providing alternative credit, lending or finance schemes.
- Faith organisations are offering a wide range of forms of financial education and training to promote better awareness of ethical and religious principles to enable people to apply these to their financial affairs.



Approaches to working with others

- Faith organisations are working, in often innovative ways, with other faith and non-faith groups to address the challenges created by welfare and public spending cuts.
- Being part of a larger network of faith and non-faith organisations can be beneficial for securing funding for welfare projects, and providing services to a larger set of beneficiaries in more efficient ways.
- Interfaith collaborations on welfare issues often happen under the radar, particularly in relation to food and welfare assistance.
- Interfaith cooperation is sometimes hindered by preconceived ideas, and perceptions that particular faith communities already have their own networks of support.
- Some faith groups have established links with the finance sector to create ethical finance initiatives. But faith organisations tend to lack information on how to develop successful partnerships with financial institutions or are unsure of how to develop more sustainable, long-term and ethical relations.

Recommendations

The report reveals the value of collaborative working by faith organisations with other faith and non-faith organisations to enhance their ability to meet the welfare needs of communities and to campaign effectively. It also shows some of the challenges faced by faith organisations with different organisational capacities in meeting governance and funding requirements, whilst responding to the needs of communities.

Based on these findings, some areas for possible future work and development for different audiences and sectors are highlighted in the following sections.

Faith groups

- Faith groups can benefit from sharing learning and practices with other faith groups and the wider voluntary sector, both in relation to the delivery of services and in focusing and innovating campaigns to build voice around issues of financial exclusion and austerity.
- Campaigns for reform of financial services or alternative approaches benefit particularly from collaboration and alliances with others and through linking faith communities' concerns with other aligned ethical agendas.



Faith leaders

- Faith leaders can play an important role in using their leadership and networks to build and strengthen collaboration with other faith and non-faith groups, social enterprises and ethical finance providers.
- Faith leaders could play a particular role in opening dialogue with financial institutions to build strategic alliances and contribute faith perspectives and grassroots experience.
- Some faith organisations face particular challenges in meeting regulatory requirements (such as from the Charity Commission). Faith leaders can play a role in identifying where support can be offered and by whom.

Secular organisations

- Secular voluntary groups can benefit from more dialogue and partnerships with faith organisations to strengthen their reach and enable joined up working.
- Faith organisations can provide insights into and expertise on the (spiritual as well as welfare) needs of particular communities which secular voluntary organisations can feed into their models of working.
- Existing infrastructure organisations such as the NCVO, or other agencies, can play an important role in supporting faith organisations to improve their governance and respond to the requirements of statutory agencies such as the Charity Commission.
- Collaborative approaches between community development finance institutions and faith organisations to provide alternatives to payday lenders could help develop and promote much needed affordable finance schemes for those who are financially-excluded.

Funders

- Funders can consider how they can use their resources to encourage collaboration between faith groups and support them to enhance the benefits of shared innovation and learning.
- Place-based funders could consider the geography of faith and faith organisations within their work and the presence and contribution of such groups within the local voluntary sector infrastructure to enable collaboration and shared learning.

Government and regulators

- Policy makers can recognise and respond to the diversity of faith organisations – not just in terms of different faith traditions and perspectives, but also in relation to their different organisational features and capacities: highly organised *and* informal groups play a key role in providing support and services, and frequently to people beyond their own faith communities, and would benefit from appropriate forms of support.
- Policy makers can seek to better understand faith communities' different attitudes and approaches to financial inclusion issues such as debt, and the role that faith organisations play in responding to these and identifying where needs and issues arise on the ground.
- Local authorities can explore additional channels for communication and joint learning with faith organisations to feed these experiences, insights and models into the delivery of local services.
- More support for improved governance, financial management, understanding of regulatory regimes and fundraising within faith organisations is needed, and particularly approaches that are suited to faith organisations of differing sizes and capacities.

