

'This is why people aren't donating any more': The outcry over charity CEOs' six-figure salaries



Amid cut services, disbanded helplines and mass redundancies, the non-profit sector is struggling – but those in charge are still cashing in

Olivia is exhausted. She runs a charity shop in a regional town centre and earns just under £23,000 a year – as a result, she can barely afford rent and bills, let alone new clothes, holidays or meals out. Her day starts at 9am, finishes at 6pm, and she rarely has time for a lunch break.

“I’m lucky if I wolf down a sandwich without customers asking questions or clothing needing to be tagged or sent off,” she says. “But whenever I ask for more money, I get told there is nothing left – with the implication that if I really cared about the organisation I wouldn’t be looking for a raise. But if that is the case, how come our CEO is earning over £100,000? It feels very unfair.”

Olivia – who has previously suffered from the illness her charity raises money for – is not alone. The public increasingly sees six-figure CEO salaries as the number one reason to stop giving. The sector is struggling more than ever – services are being cut, helplines are being disbanded and entire teams are being made redundant – and yet those ensconced in the executive suites are earning healthy salaries.

One institution that has come under flak is Macmillan, whose CEO, Gemma Peters, earns £190,000 a year. It has been a tough year for the cancer charity: earlier this year, it announced that it would be making 400 people redundant and axing its flagship grant scheme. This month, more cuts have been made, most notably to its £14 million advice helpline, which will no longer offer in-depth advice.

“The board – the same people who agreed my salary – hold me to account and drive a very high standard,” says Gemma. “I get it; there are people who think it’s a huge amount of money, but there are other people who think it’s a big job and paid commensurately.”

At the same time, the company is hiring a handful of senior roles, including a director of strategy and transformation on £119,000 a year, a head of product (£88,500), a head of corporate partnerships (£88,500) and a head of national partnerships (£76,000).

One former employee said to The Guardian: “Staff are utterly dismayed by changes made to key services... while Macmillan not only remains a hierarchical organisation but hires yet more managers and senior managers with huge salaries.” The charity has responded by saying that a recruitment freeze was put in place during the restructure last year but that these roles now urgently need to be filled.

Macmillan is not alone in closing services and initiating redundancies – and in many cases these decisions are being made by executives on six figures. Scope, a disability charity, is set to cut up to 124 jobs while also closing a number of stores, and yet its CEO, Mark Hodgkinson, earns £150,000. Age UK is closing various sites around the UK with CEO Paul Farmer on £192,000, while Cancer Research UK has announced that it has 19 per cent less money to invest than it did five years ago, with a chief executive, Michelle Mitchell, earning a base salary of £276,000.

“The investment in our leadership has been carefully considered, to ensure the best use of our supporters’ donations, to accelerate life-saving cancer research,” says a spokesperson for Cancer Research.

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