

# **INCOME AND VOLUNTEERING CHALLENGES IN THE CHARITY SECTOR IN 2023**

15 June 2023 | 11:00am – 12:00pm

Please put any questions and comments in the  
chat box during the presentation



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1. **Income trends in the charity sector**
2. **Volunteering trends in the charity sector**
3. **Challenges in the charity sector** (cost of living, supporting staff, trustees and volunteers, new laws and regulations, funding environment and commissioning)
4. **About NCVO's Almanac**
5. **Q&A**

# INCOME TRENDS IN THE CHARITY SECTOR



# A MILLION STRONG WORKFORCE



- A million strong workforce (950,000 workers) in 2022.
- For comparison, the workforce is almost two-thirds the size of the NHS workforce.

# 1% OF THE COUNTRY'S GDP

**The charity and voluntary sector contributes 1% (£20.2bn) of the country's GDP**

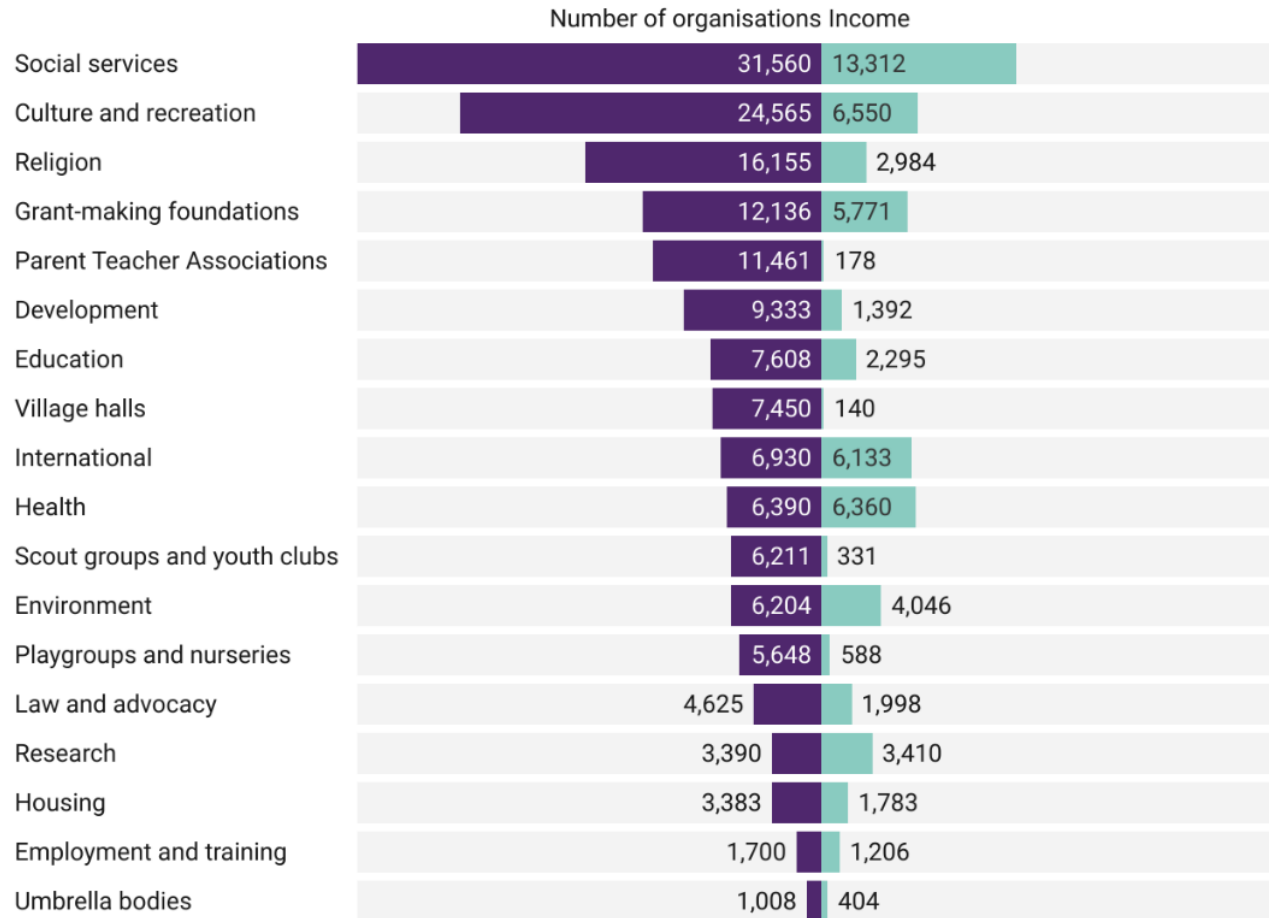
Voluntary sector contribution to the UK economy, 2005/06 to 2019/20 (as % of GDP)



Source: NCVO/TSRC, Charity Commission, ONS • Created with Datawrapper

# SOCIAL SERVICES IS THE BIGGEST SUBSECTOR

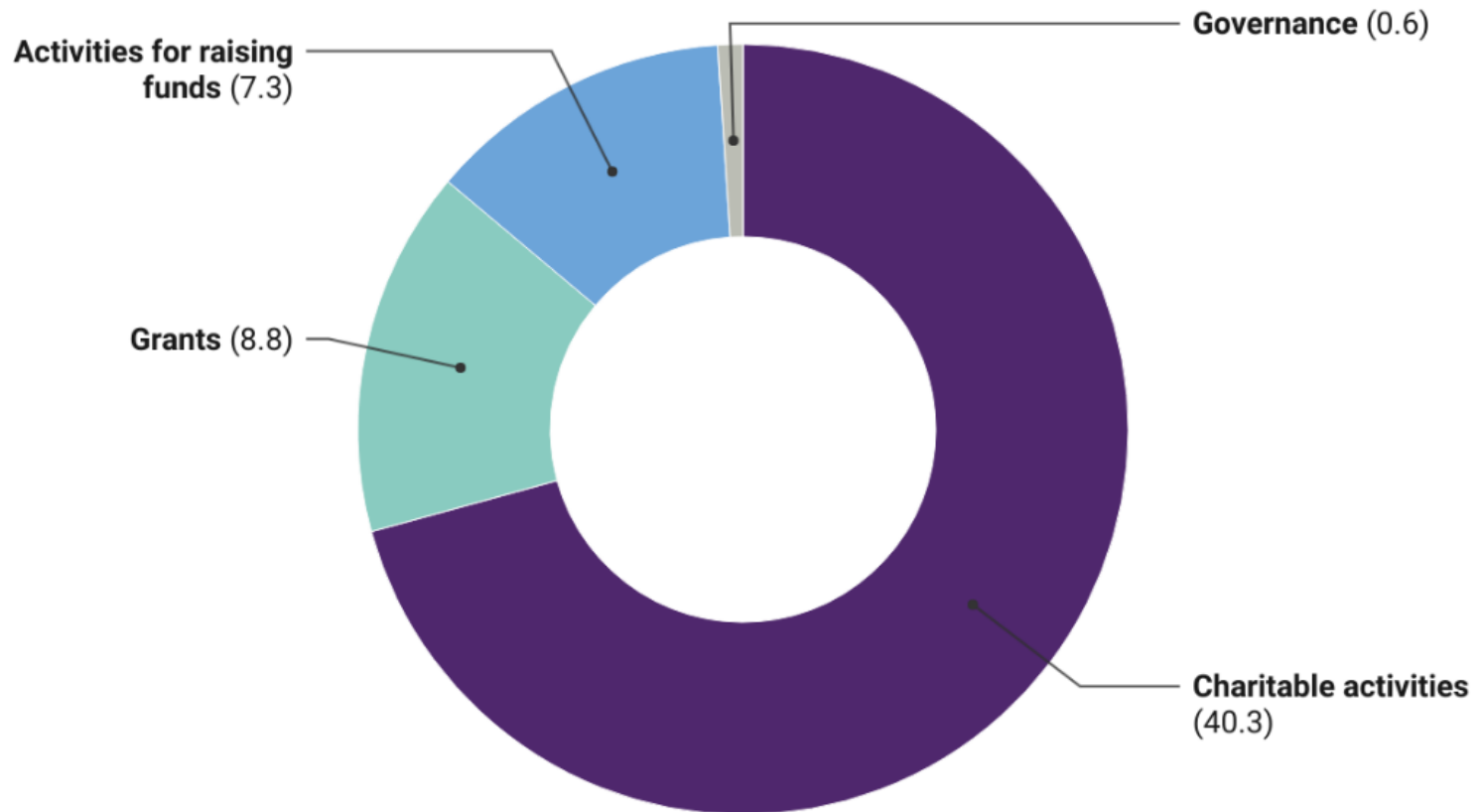
Number of organisations and income by subsector, 2019/20 (n, £m)



Source: NCVO, Charity Commission • Created with Datawrapper

# MOST SPENDING IS ON CHARITABLE ACTIVITIES

Voluntary sector spending by type, 2019/20 (£bn)



# SMALLER CHARITIES DECLINING

Number and percentage of voluntary sector organisations by size, 2019/20

Income band	Name	Number of organisations	% of all organisations
Less than £10,000	Micro	74,242	44.79
£10,000 to £100,000	Small	58,546	35.32
£100,000 to £1m	Medium	26,253	15.84
£1m to £10m	Large	5,872	3.54
£10m to £100m	Major	782	0.47
More than £100m	Super-major	64	0.04
<b>All organisations</b>	<b>Total</b>	<b>165,758</b>	<b>100.00</b>

Source: NCVO, Charity Commission • Created with Datawrapper



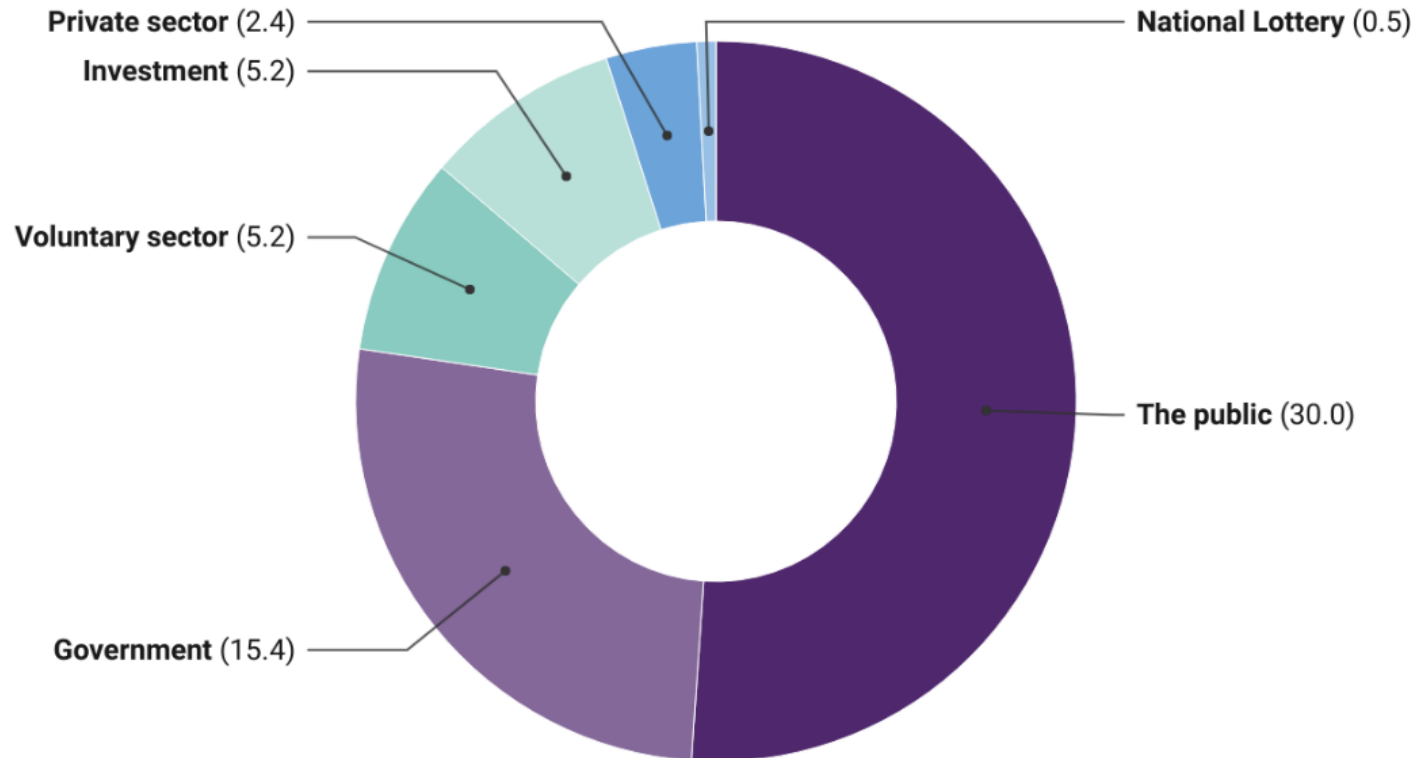
# AUDIENCE POLL 1

WHAT IS THE HIGHEST INCOME SOURCE FOR CHARITIES?



# INCOME FROM PUBLIC HIGHEST IN 20 YEARS

Voluntary sector income by source, 2019/20 (£bn)

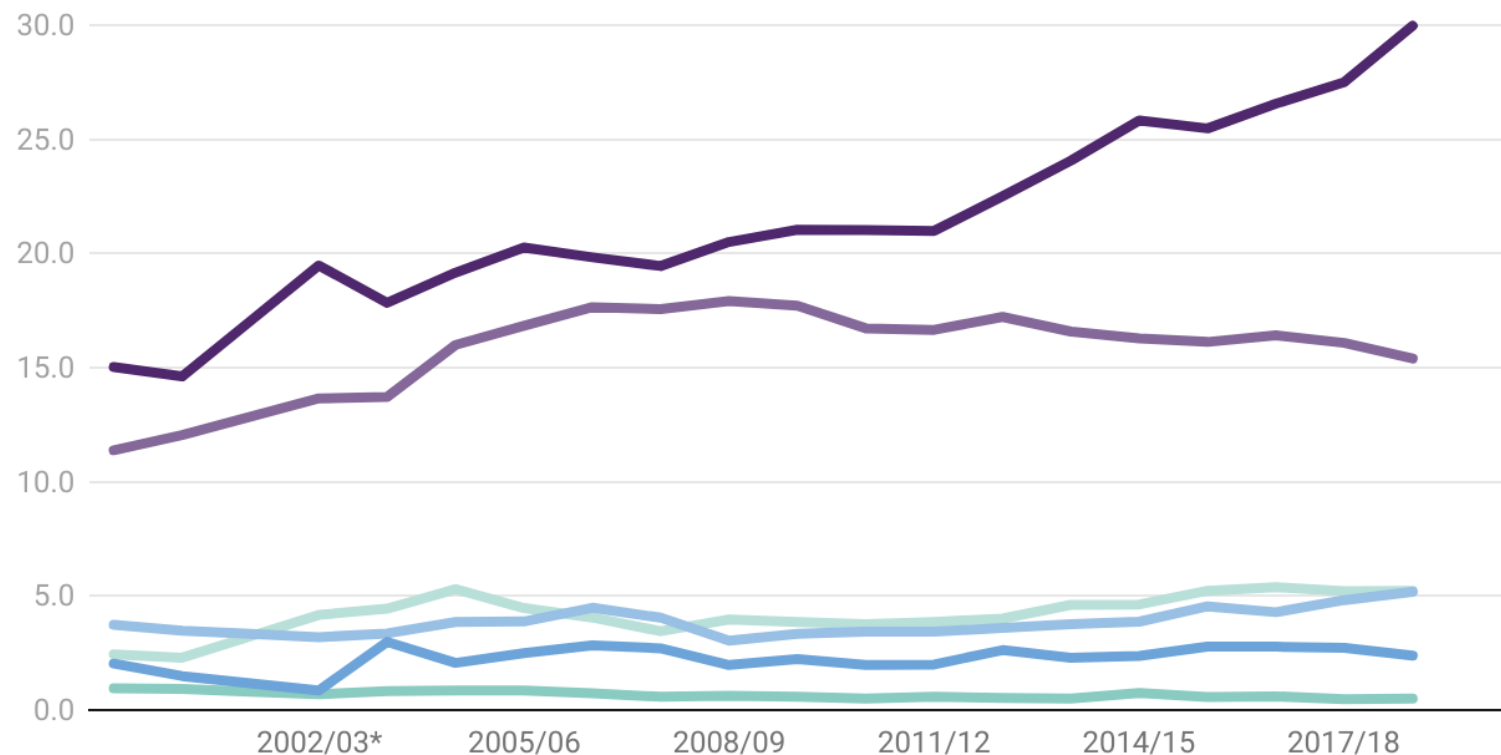


Source: NCVO, Charity Commission • Created with Datawrapper

# INCOME FROM GOVERNMENT DECLINED

Voluntary sector income sources over time, 2000/01 to 2019/20 (£bn, 2019/20 prices)

■ The public ■ Government ■ National Lottery ■ Voluntary sector ■ Private sector ■ Investment



Source: NCVO/TSRC, Charity Commission • Created with Datawrapper

# **VOLUNTEERING TRENDS IN THE CHARITY SECTOR**



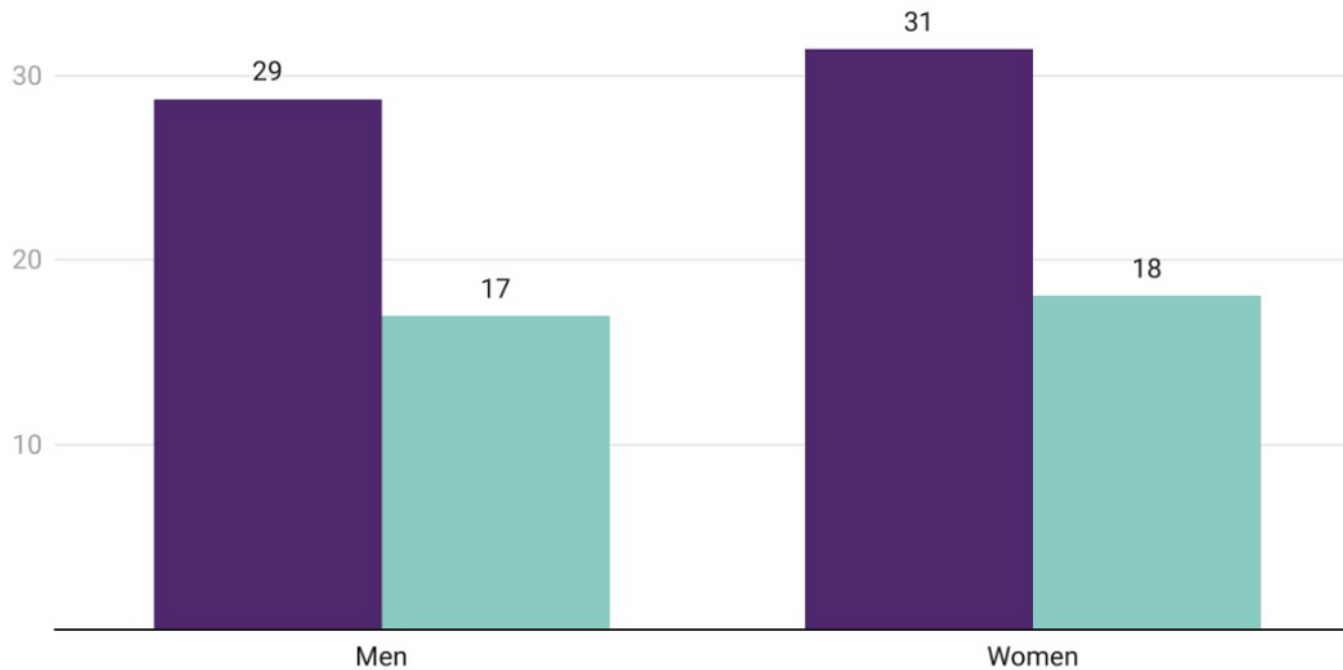
# WHO VOLUNTEERS IN THE CHARITY SECTOR?



# WOMEN ARE WELL-REPRESENTED IN VOLUNTEERING

Levels of participation in formal volunteering by gender, 2020/21 (%)

■ At least once a year ■ At least once a month

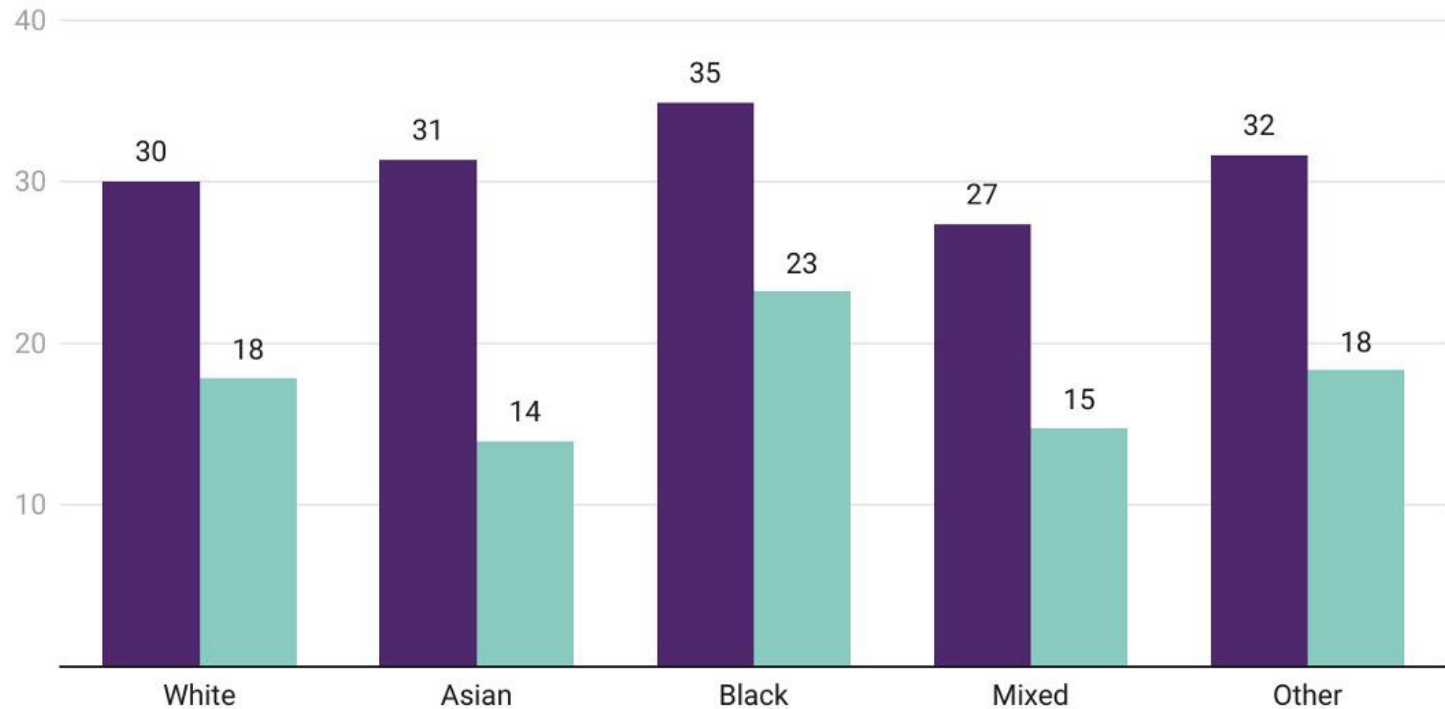


Source: Community Life Survey • Created with Datawrapper

# HIGH NUMBER OF BLACK VOLUNTEERS

Volunteering participation by ethnicity, 2020/21 (%)

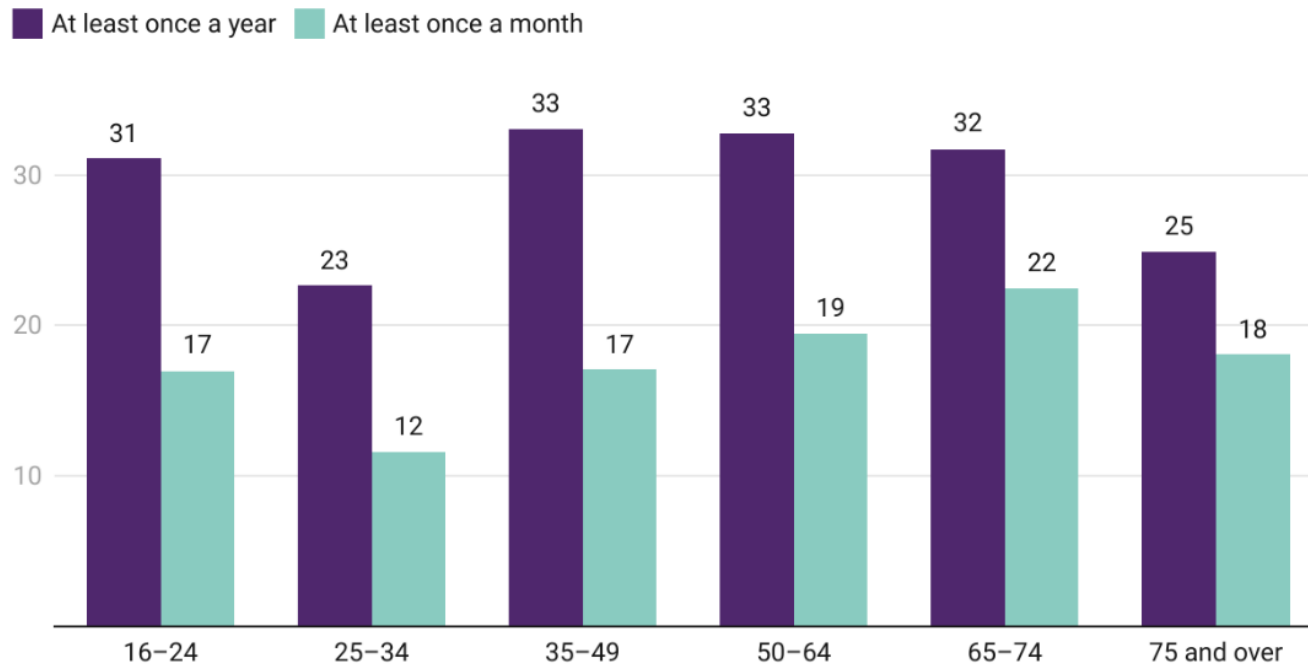
■ At least once a year ■ At least once a month



Source: Community Life Survey • Created with Datawrapper

# OLDER VOLUNTEERS AT RISK OF DECLINING; YOUNG VOLUNTEER NUMBERS LOW

Levels of participation in formal volunteering by age group, 2020/21 (%)



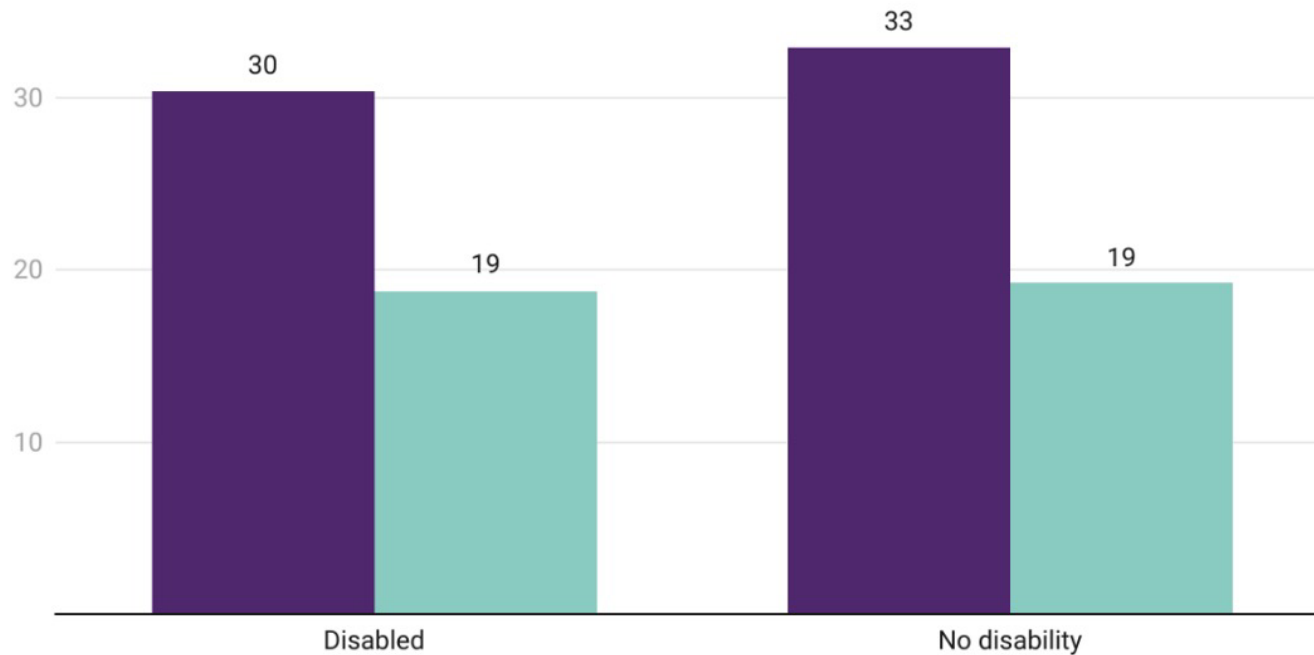
Source: Community Life Survey • Created with Datawrapper



# GOOD REPRESENTATION OF DISABLED PEOPLE IN VOLUNTEERING

Level of participation in formal volunteering by disability status, 2020/21

■ At least once a year ■ At least once a month

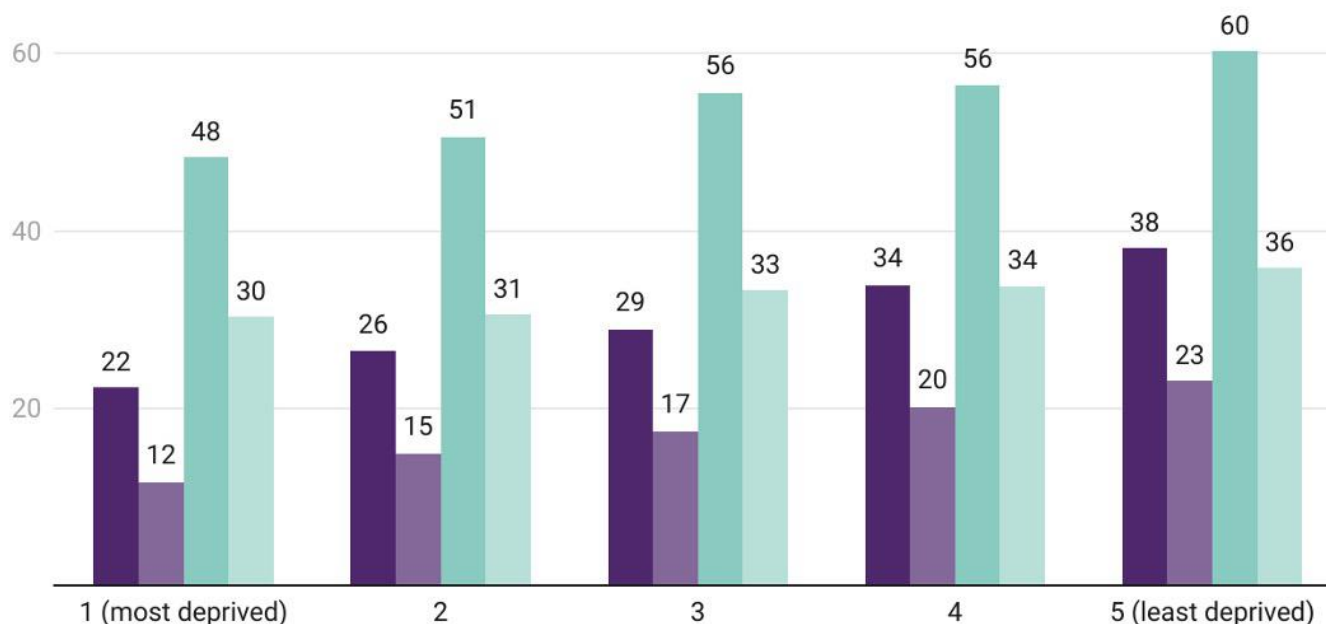


Source: Community Life Survey • Created with Datawrapper

# LOW NUMBERS IN FORMAL VOLUNTEERING, BUT LITTLE DIFFERENCE IN INFORMAL VOLUNTEERING

Levels of participation in formal and informal volunteering by deprivation index, 2020/21 (%)

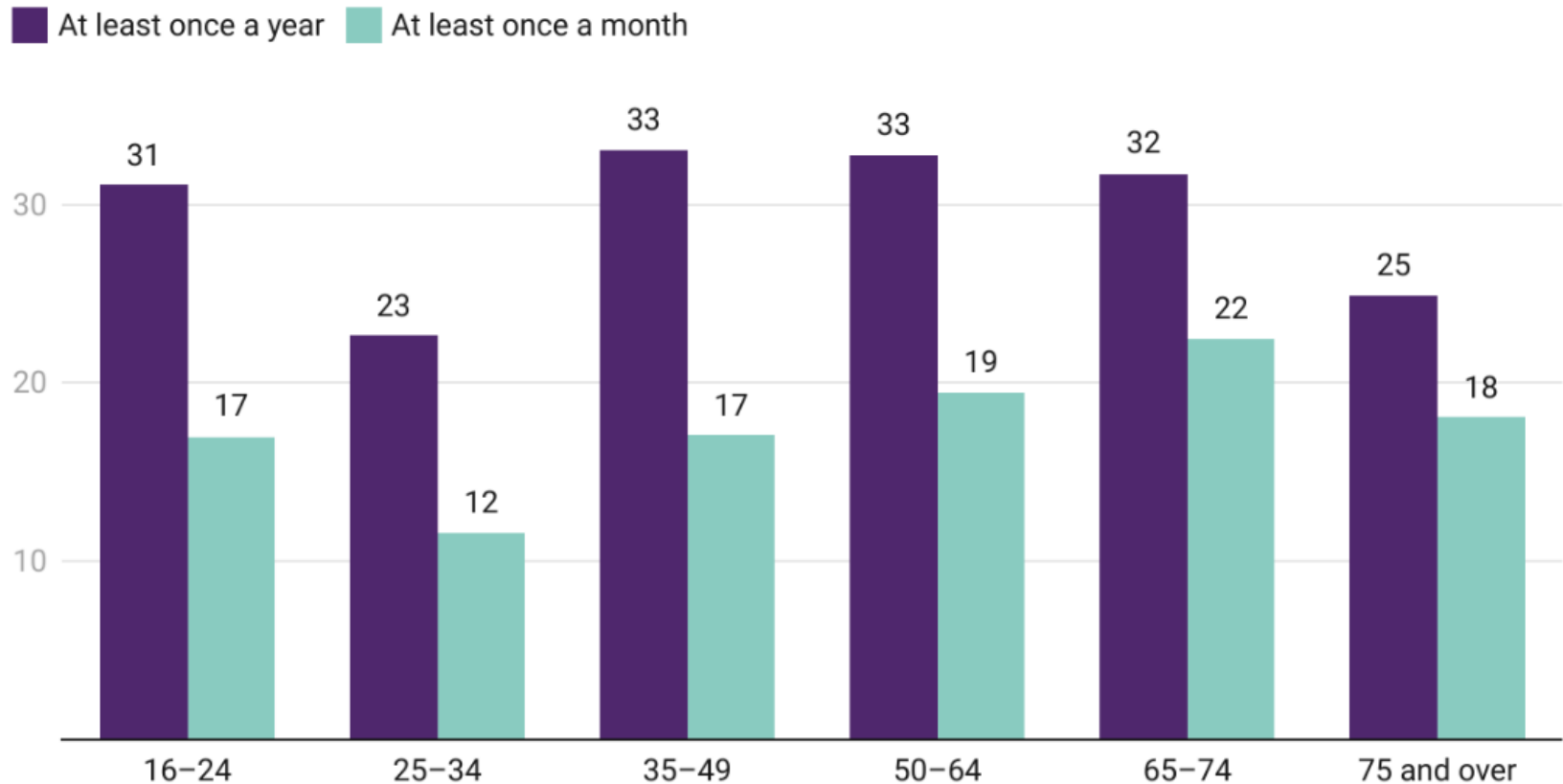
■ Formal volunteering – at least once a year ■ Formal volunteering – at least once a month  
■ Informal volunteering – at least once a year ■ Informal volunteering – at least once a month



Source: Community Life Survey • Created with Datawrapper

# RETAINING OLDER VOLUNTEERS GETS CHALLENGING

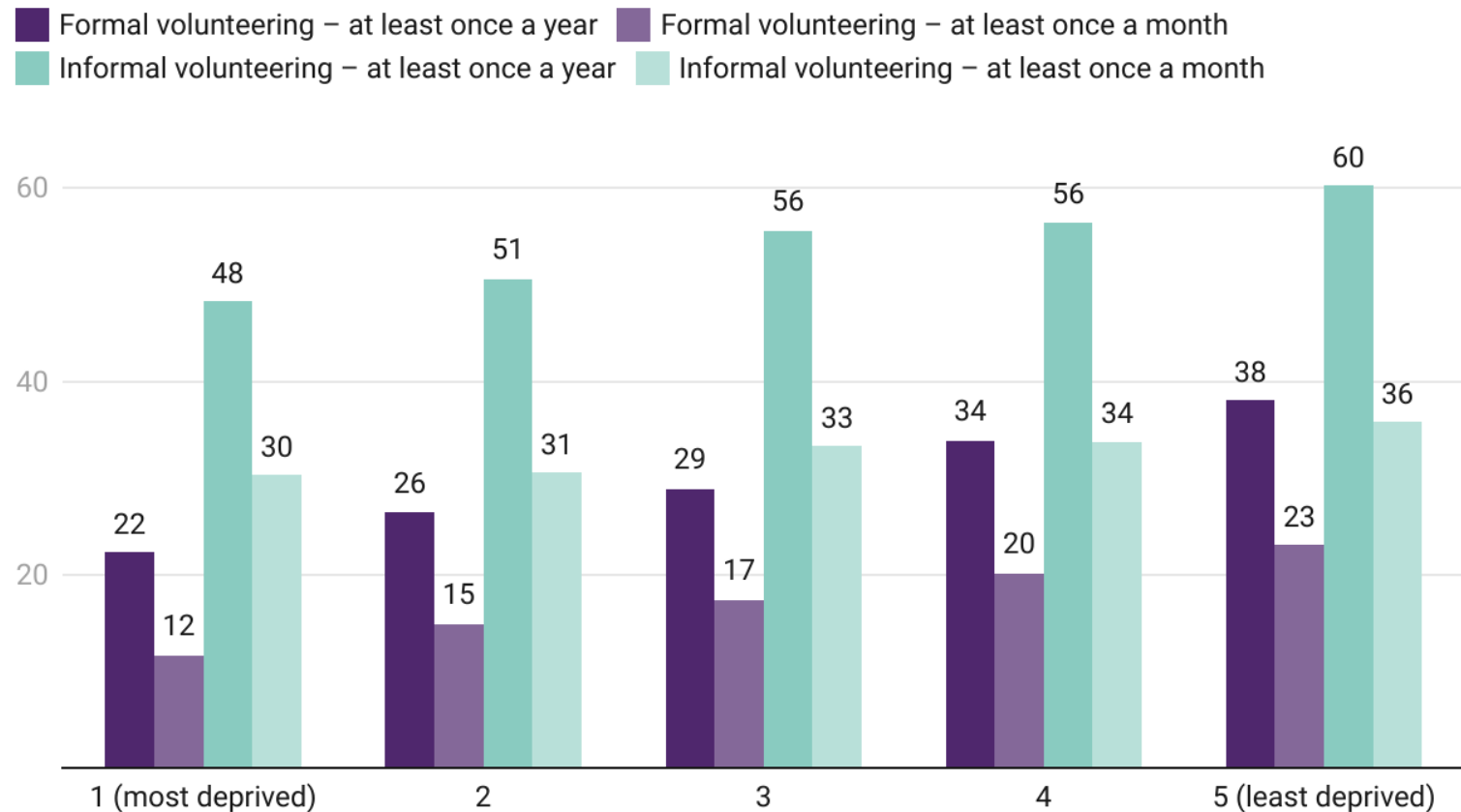
Levels of participation in formal volunteering by age group, 2020/21 (%)



Source: Community Life Survey • Created with Datawrapper

# RETAINING VOLUNTEERS FROM DEPRIVED AREAS GETS CHALLENGING

Levels of participation in formal and informal volunteering by deprivation index, 2020/21 (%)



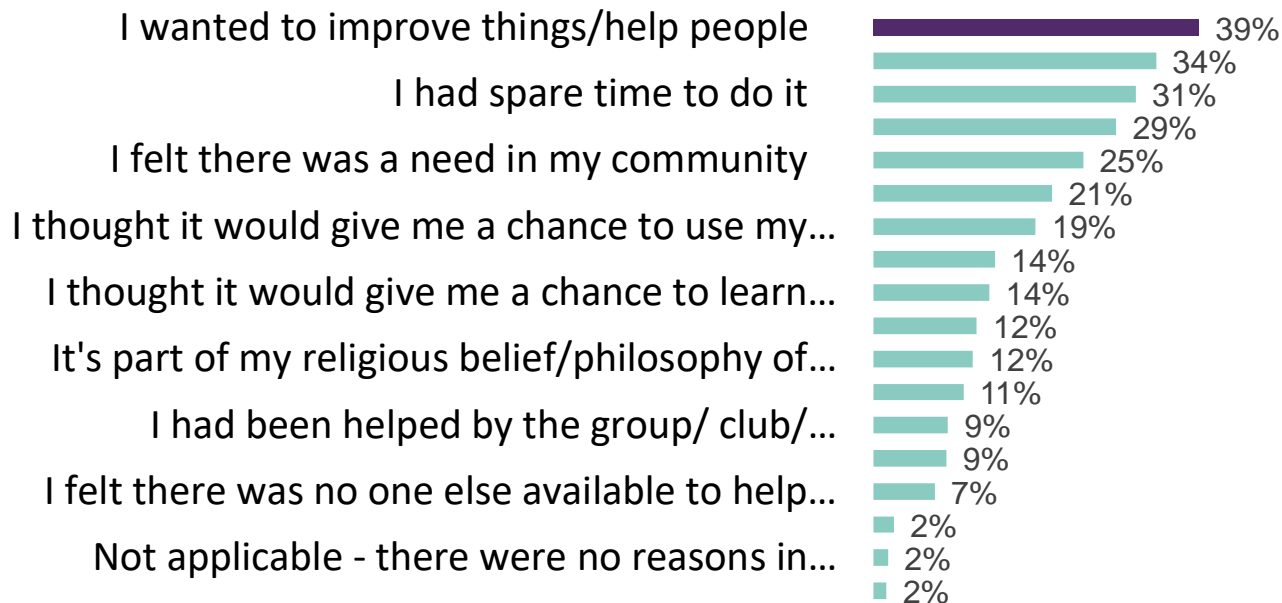
Source: Community Life Survey • Created with Datawrapper

# AUDIENCE POLL 2

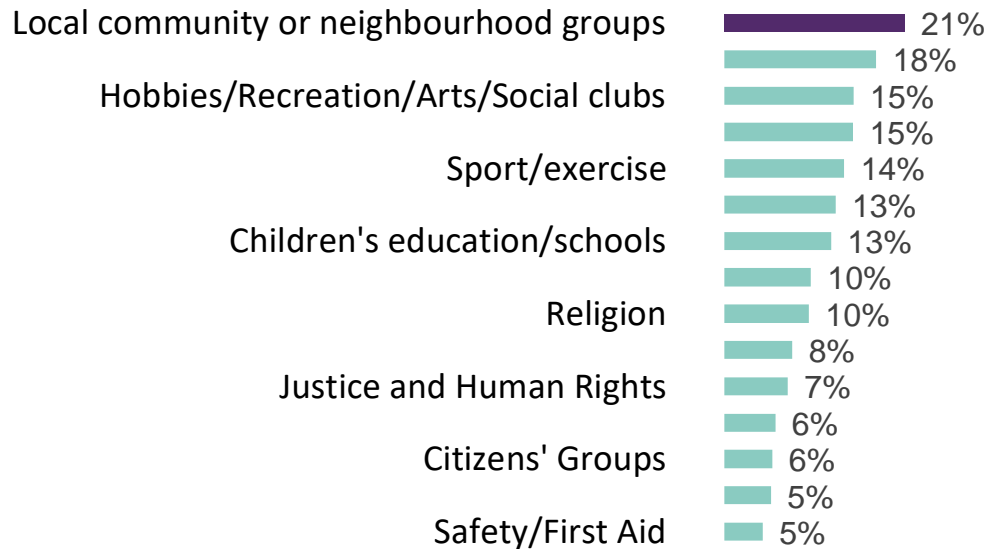
WHAT ARE VOLUNTEERS MOST MOTIVATED BY?



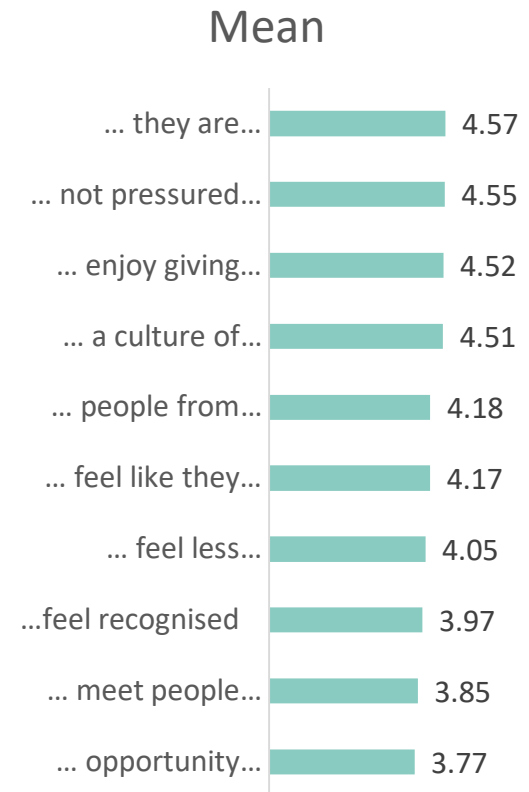
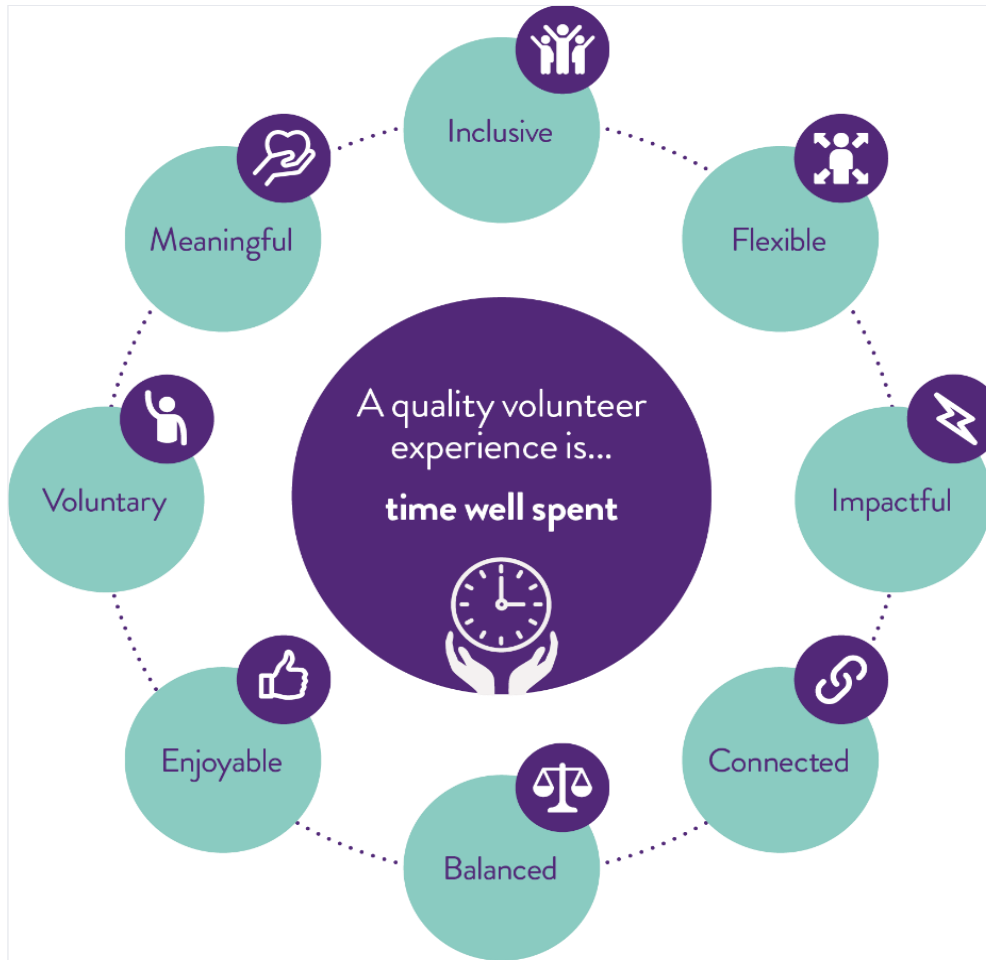
# VOLUNTEERS ARE MOTIVATED BY WANTING TO HELP PEOPLE



# WHAT CAUSES ARE VOLUNTEERS MOST INTERESTED IN?

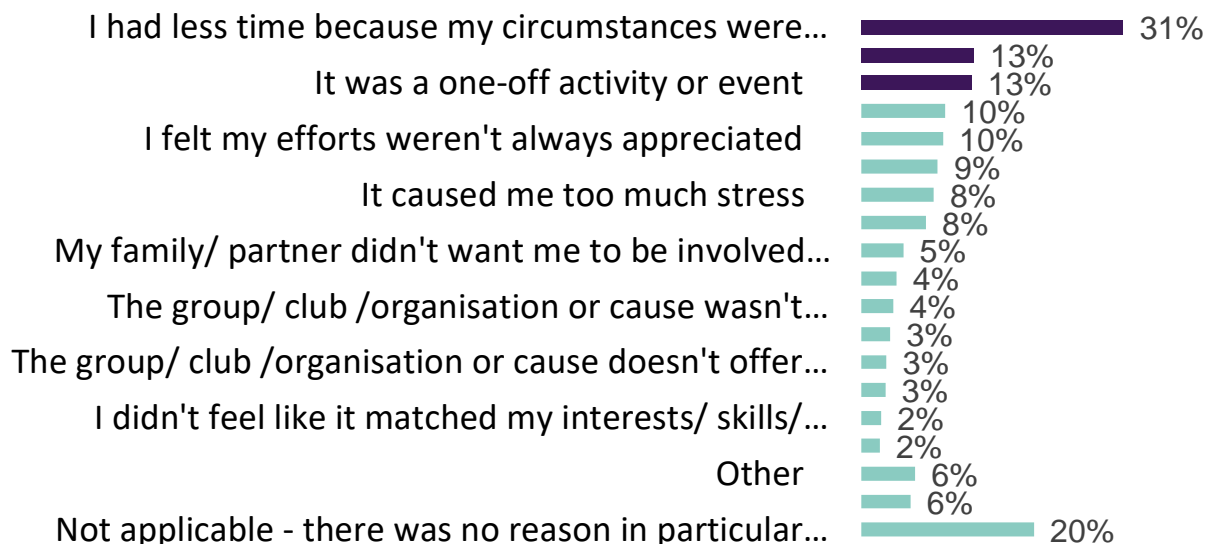


# WHAT MAKES A QUALITY VOLUNTEER EXPERIENCE?





## OVERALL POSITIVE EXPERIENCES, BUT REASONS TO STOP VOLUNTEERING BECAUSE



# CHALLENGES IN THE CHARITY SECTOR



# THE ONGOING IMPACT OF COST OF LIVING

- Cost of running a voluntary organisation will rise
- Income will be at risk
- Less public sector income
- Increasing demand from service users

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## *Steps you can take*

- Check budgets are realistic
- Always focus on your public benefit
- Consider new collaborations or ways of working

## SUPPORTING STAFF, TRUSTEES AND VOLUNTEERS

- Recruiting staff may be challenging
- Pay will affect recruitment and retention
- Flexible working & supporting wellbeing is key

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### *Steps you can take*

- Check pay, especially for the lowest paid
- Embed flexible & remote working
- Support & engage your volunteers

# RESPONDING TO NEW LAWS AND REGULATIONS

- New guidance on charities investments due
- Range of new laws will impact charities big & small
- Get set for new reporting duties

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## *Steps you can take*

- Stay up to date: sign up to our newsletter
- Plan ahead for new annual return questions
- Look out for our new campaign...

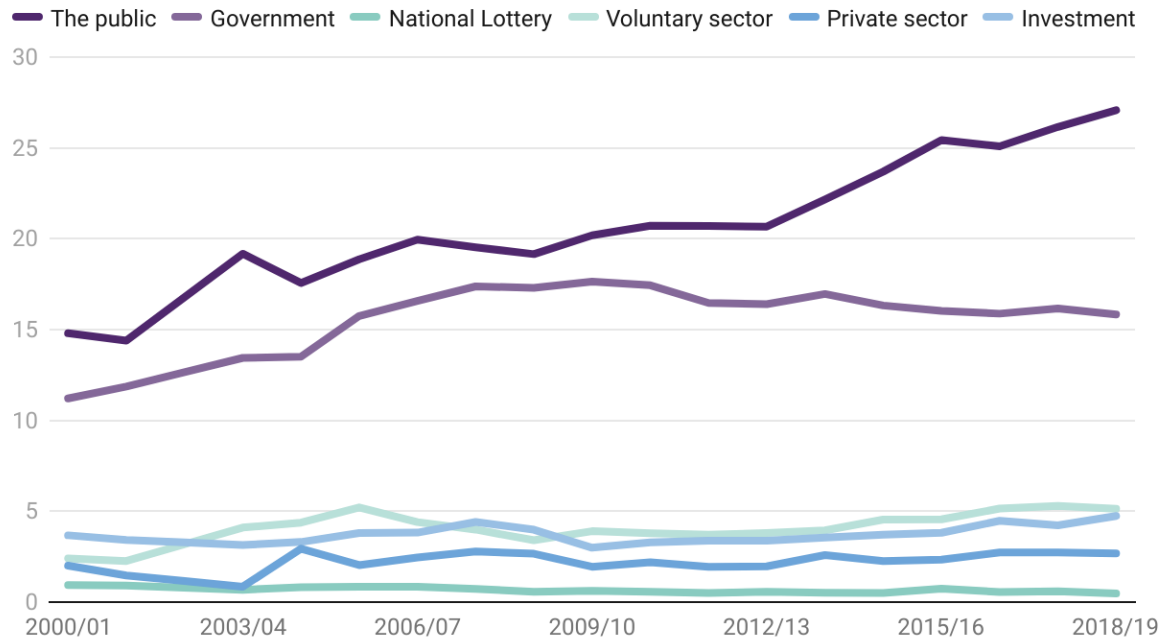


# FUNDING ENVIRONMENT AND COMMISSIONING

- Competitive
- Short term and last minute
- Generic services
- Not true cost of delivery
- Scale of delivery
- Complex processes exclude smaller charities

# INCOME FROM GOVERNMENT HAS FALLEN AS A SHARE

Voluntary sector income sources over time, 2000/01 to 2018/19 (£bn, 2018/19 prices)



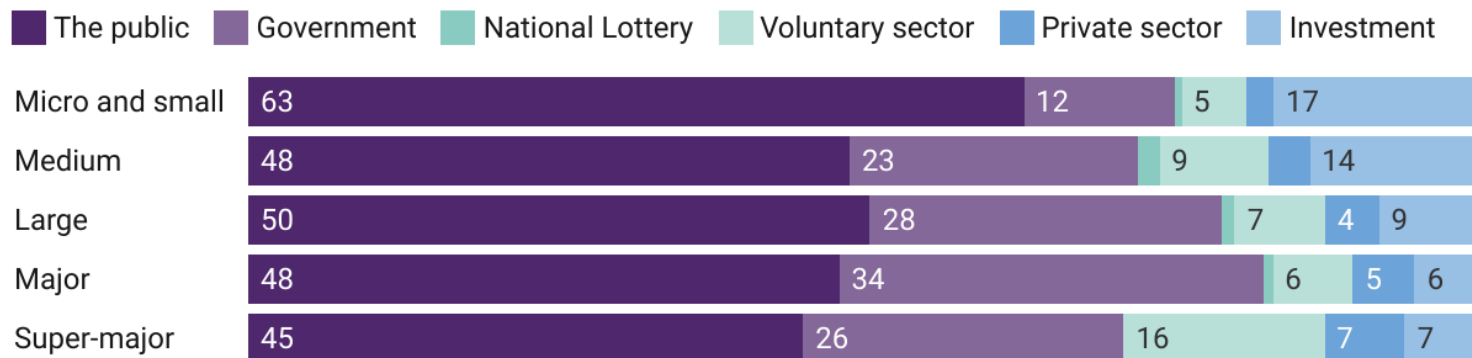
Source: NCVO/TSRC, Charity Commission • Created with Datawrapper

Government income to small charities has declined by 20% in real terms over a 5 year period as public bodies move to larger contracts over grant schemes

# INCOME FROM PUBLIC MATTERS MOST TO SMALLER CHARITIES

Charities under £100k depend more on public money and less on government for income than larger charities

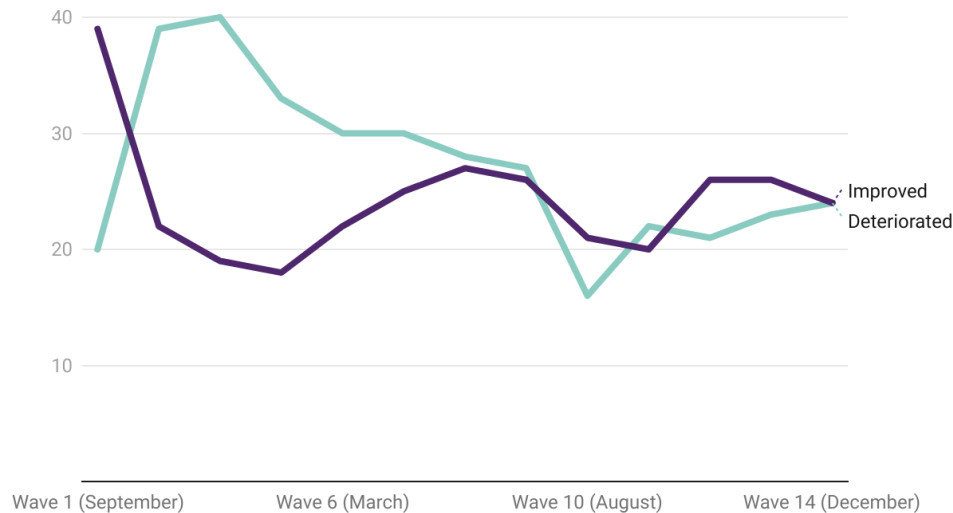
Income by size and source, 2018/19 (%)



Source: NCVO, Charity Commission • Created with Datawrapper

# IMPACT OF THE PANDEMIC ON FINANCES

Change in financial position over the last month, September 2020 to December 2021 (% of respondents)



Source: NTU • Created with Datawrapper

23% of charities with an income under £100k have no reserves

46% of all charities used reserves during the pandemic


Situation worse for charities under £100k

## GROWING COMPETITION

“Many trusts are now only accepting applications from charities that they have supported in the past.

This coupled with the local government cuts means the charitable trusts open for grants are inundated with charity applications competition is fierce and the chances of success are becoming increasingly rare.”

*A learning disability charity*

Two large, overlapping, light grey abstract shapes resembling stylized leaves or petals are positioned on the left side of the slide. The top shape is partially behind the bottom shape.

“Often commissioning practices are difficult and cumbersome and favour large semi-corporate organisations and often decisions are last minute”

*A domestic abuse charity*

# FUNDING ENVIRONMENT AND COMMISSIONING

- Competitive
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## *Steps you can take*

- Improving commissioning and procurement through rules
- Keep it local
- A Community Wealth Fund
- Levelling up agenda and funding
- Encouraging giving

# ABOUT THE ALMANAC





# WHAT IS THE ALMANAC?



## ➤ State of the sector publication

- 25 years
- Data map of the charity sector
- Finances, workforce, volunteering

## ➤ Data resource

- Most of it available for free

## ➤ Fulfils a data gap in the sector

- Charities, local authorities, members – funding, fundraising, strategic work
- Policy and influencing, ONS, Charity Commission,
- Contact us

# HOW THE ALMANAC DATA CAN HELP YOU AND YOUR ORGANISATION



## ➤ Influencing

- Influence policy and strengthen campaigns

## ➤ Strategic organisational work

- inform financial plans and fundraising strategy
- inform your board's strategic thinking
- compare your organisation against others

## ➤ Wider sector

- Information about the sector
- Contact us

# BECOME A MEMBER

Join 17,500 voluntary organisations

[ncvo.org.uk/join](https://ncvo.org.uk/join)

[membership@ncvo.org.uk](mailto:membership@ncvo.org.uk)

NCVO

CHAMPIONING  
VOLUNTARY  
ACTION

NCVO  
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ACTION

# Save time, money and resources when you join NCVO



Info, research, templates, tools and downloads



Free networking events, webinars and assemblies



Discounts with trusted suppliers



Big discounts on training, events and venue hire



Updates that keep you informed and support your planning



Policy and campaigns

## NCVO'S FOUR PILLARS OF SUPPORT

- Small Charity Helpdesk
- Online help and guidance
- Practical support webinars
- Practical support bulletin

<https://www.ncvo.org.uk/about-us/our-services/support-small-charities-voluntary-organisations/#/>

## WHAT CAN WE HELP WITH?

Come to us with any guidance you need on setting up or running your charity or voluntary organisation. No question is a silly question!

We can help with a range of topics, including:

- Charity set up
- Governance
- Volunteering
- Funding and income
- Financial management
- HR and people management
- Safeguarding
- Digital

# Q&A

## QUESTIONS TO CONSIDER

1. What are the biggest challenges facing your organisation?’
2. What is going well for you?
3. Are you doing anything that you think other organisations could learn from?

