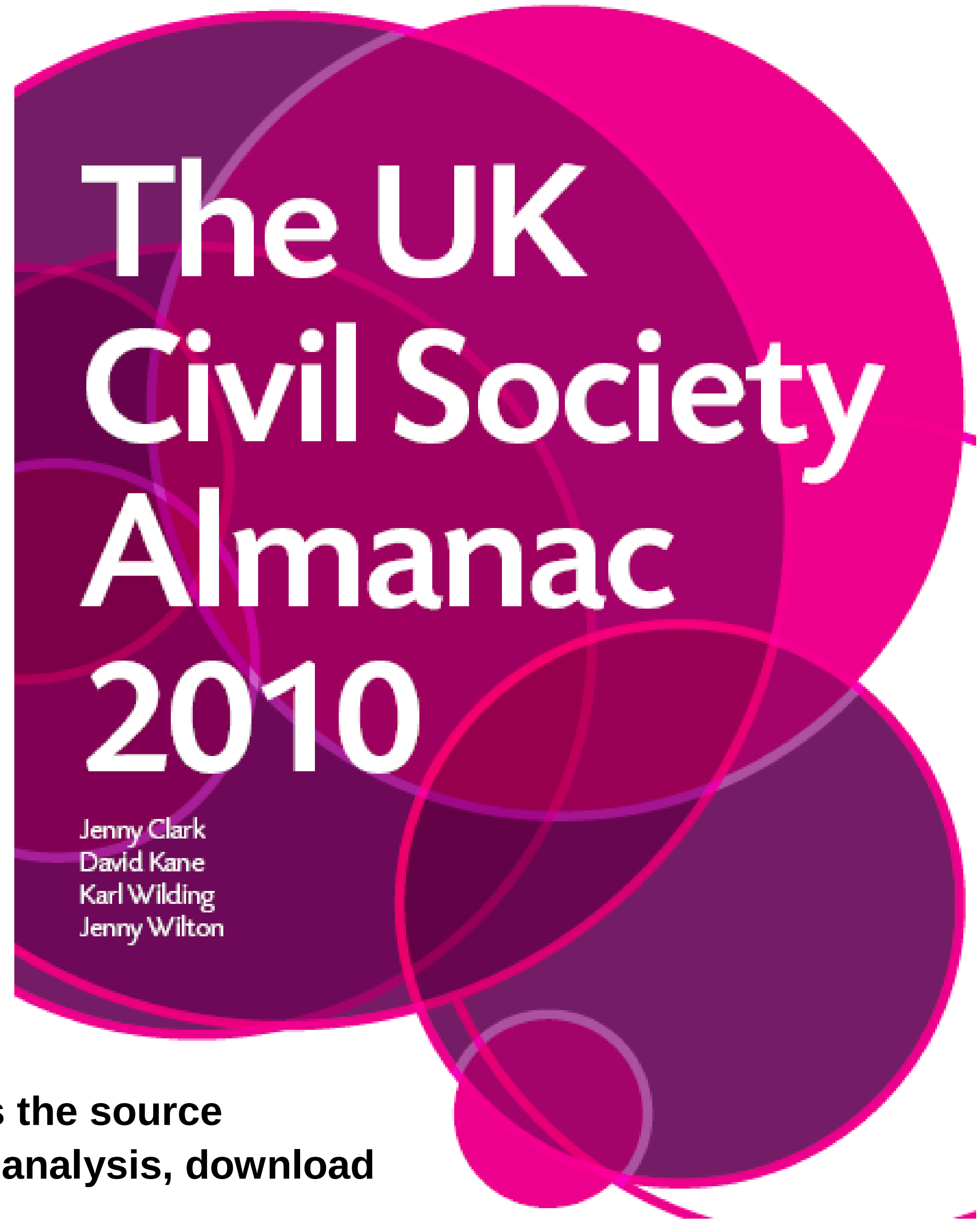
The UK
Voluntary Sector:
funding and resources

Findings from the Civil Society Almanac 2010



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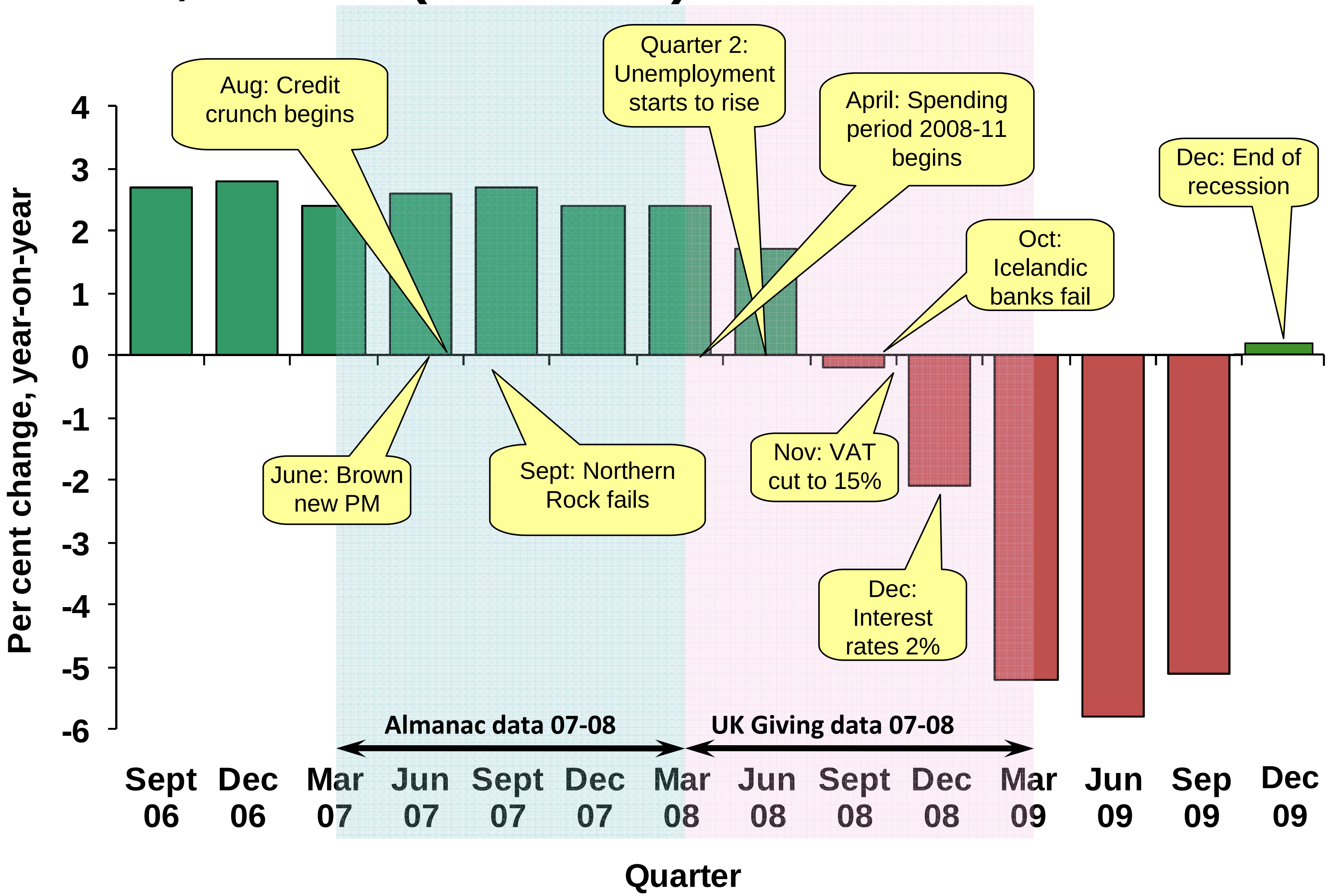
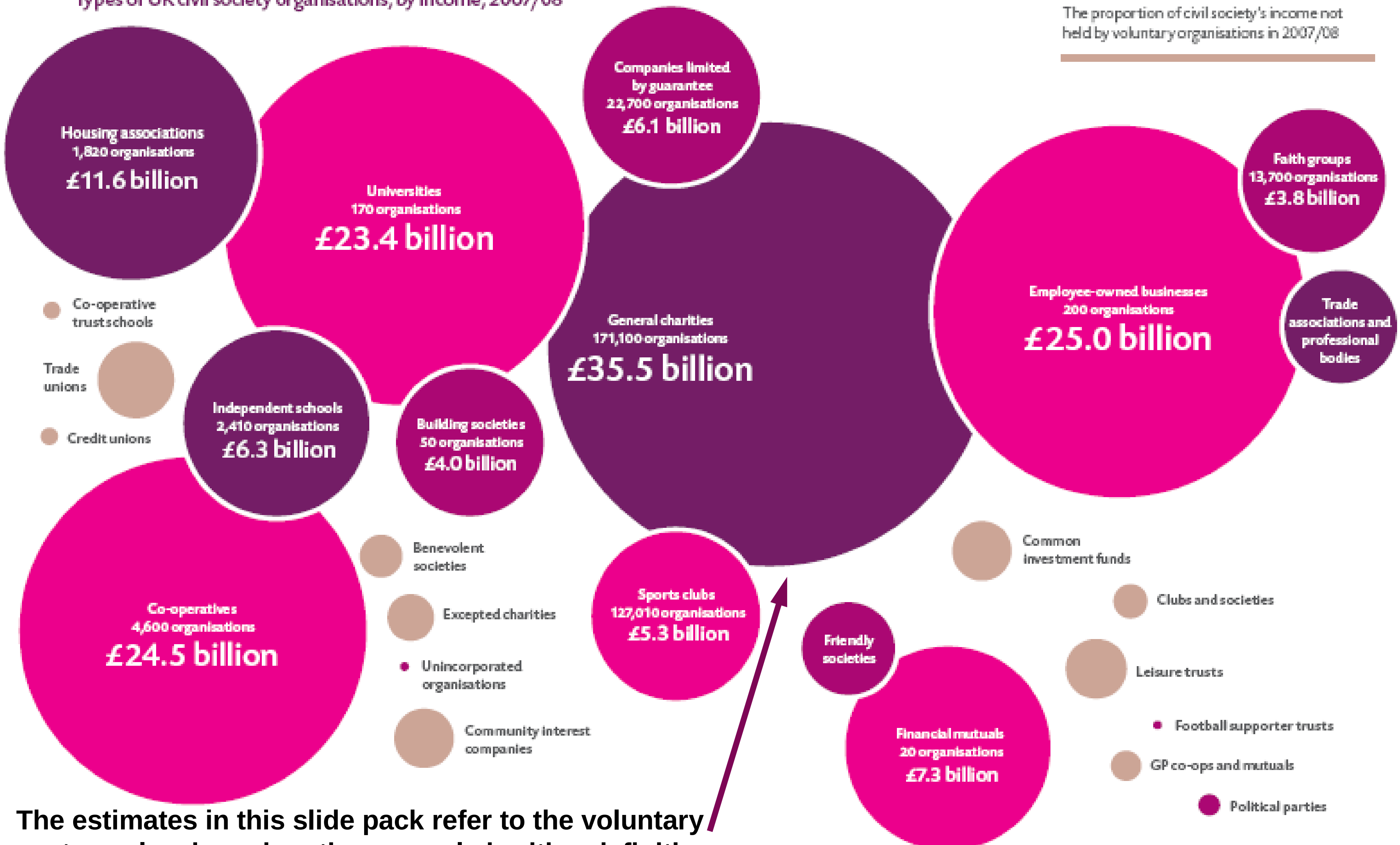
Most of our charities data cover the credit crunch, not the (technical) recession



What is civil society?

Types of UK civil society organisations, by income, 2007/08



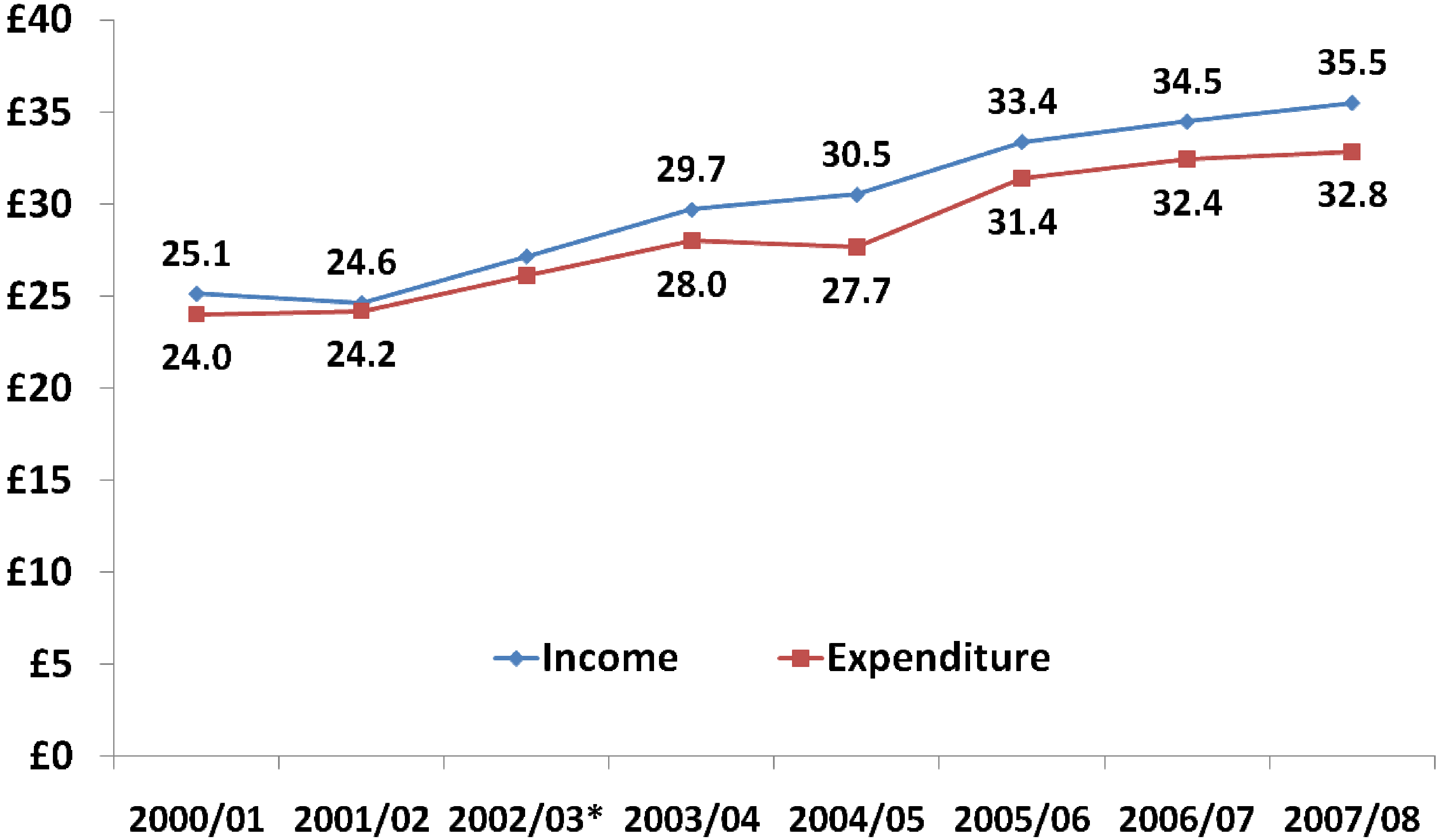
77%

The proportion of civil society's income not held by voluntary organisations in 2007/08

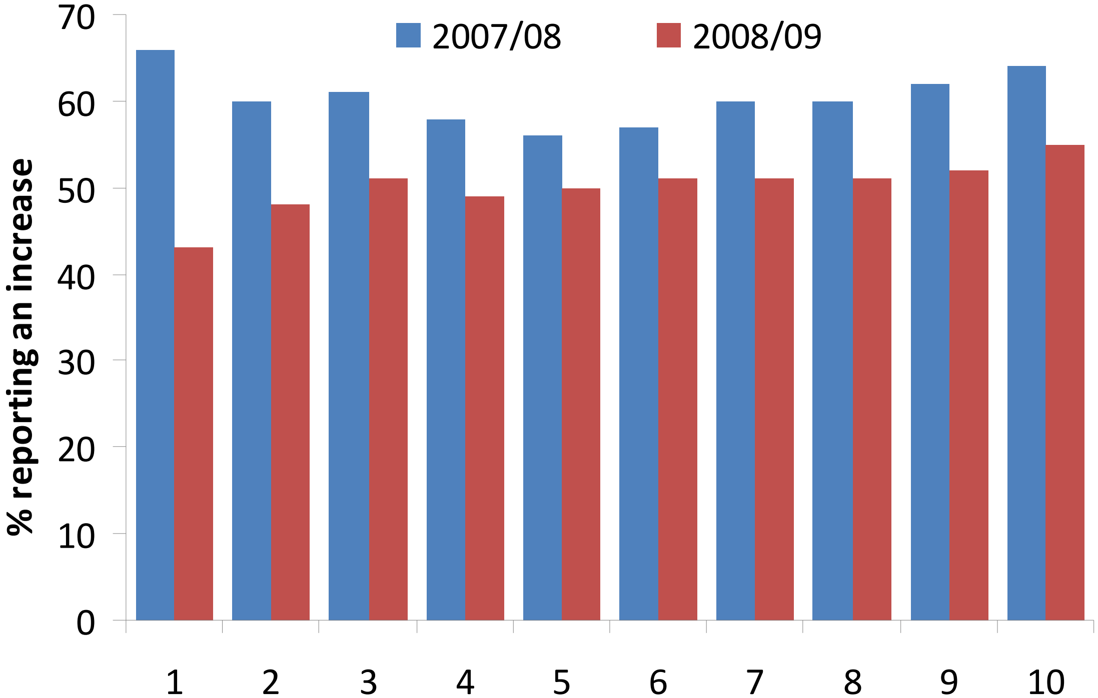
The estimates in this slide pack refer to the voluntary sector only – based on the general charities definition

1. Trends in aggregate funding

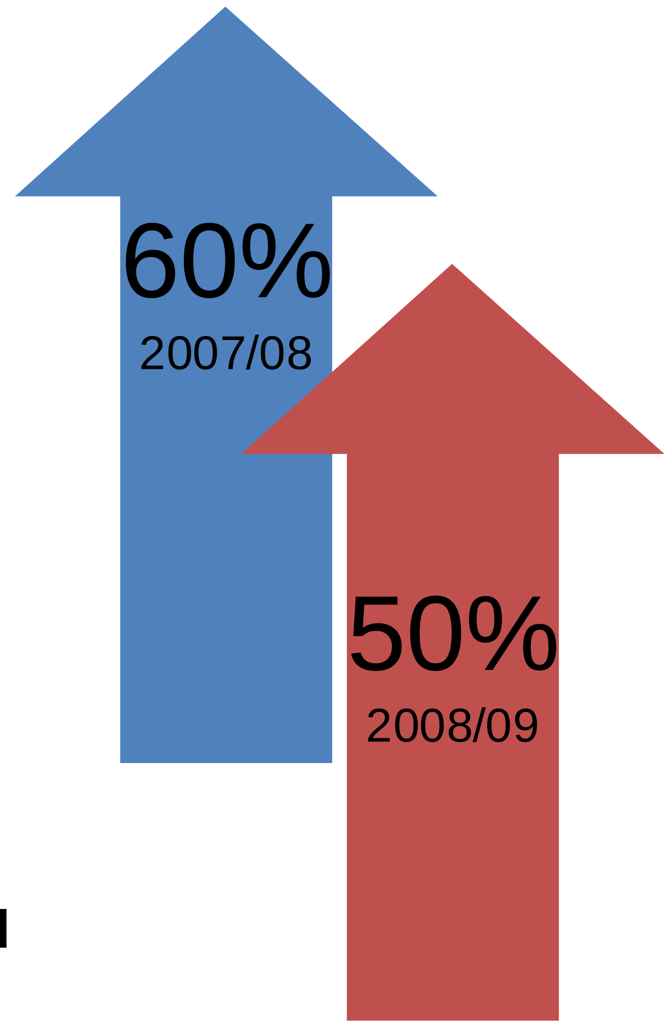
The slowdown in expenditure growth may indicate activity levels have peaked…



With early filers for 2008/09 confirming this…



What % of organisations have reported an increase in income? (By decile)

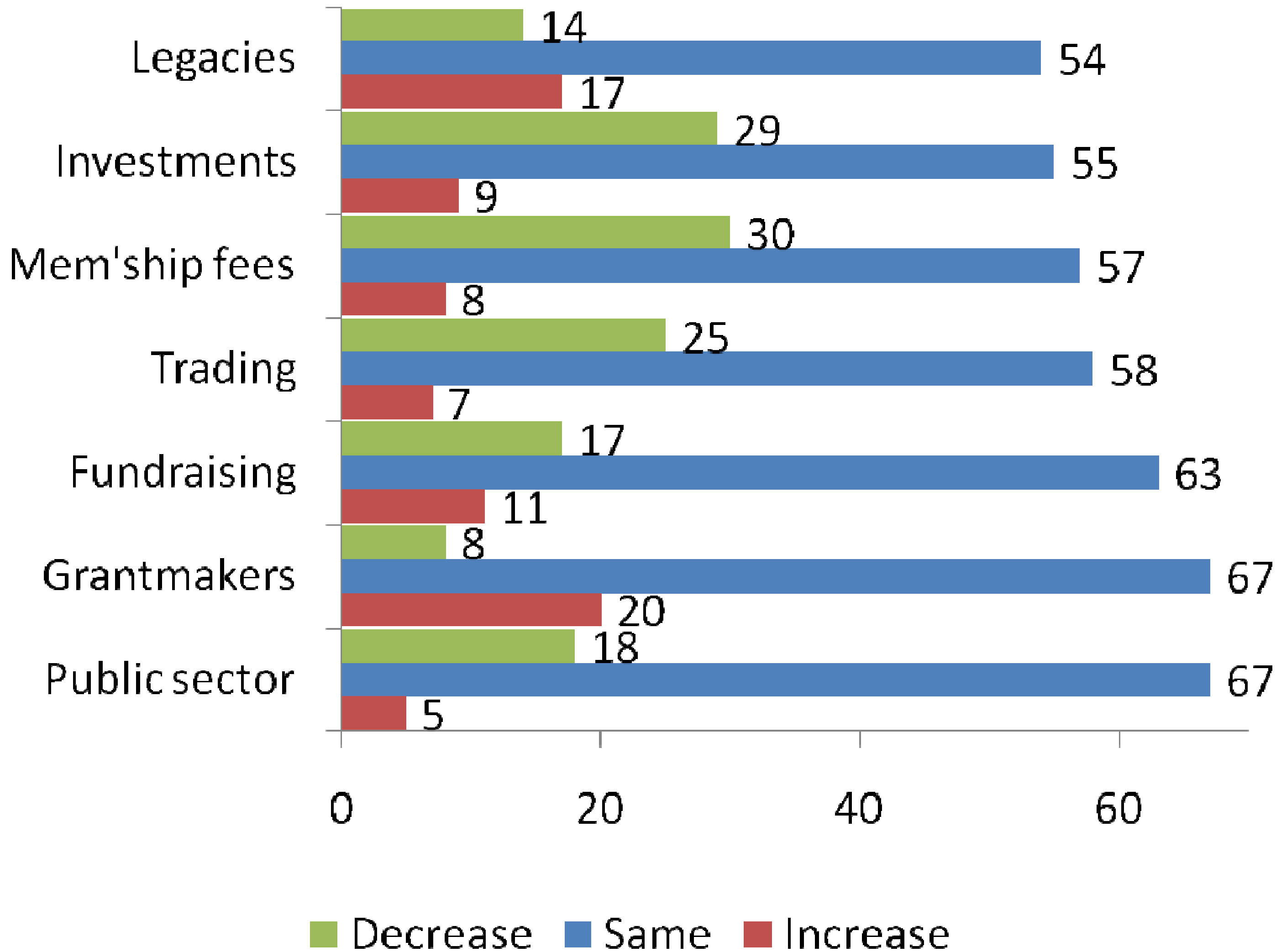


All sample

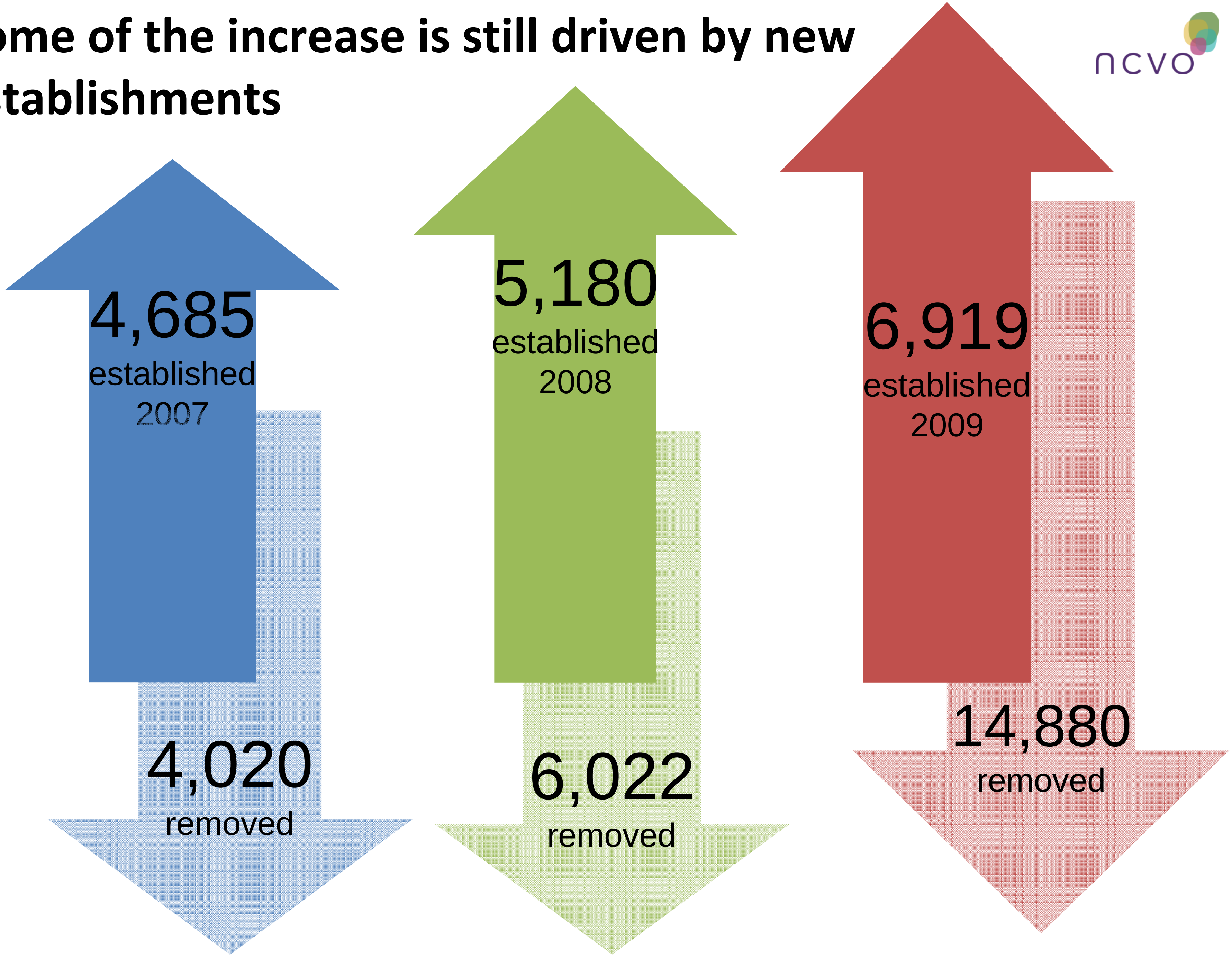
Many expect no change in income in the short term…

Will income change over the next 12 months?

Charity Commission recession survey, August 2009 (D/Ks excluded)



Some of the increase is still driven by new establishments

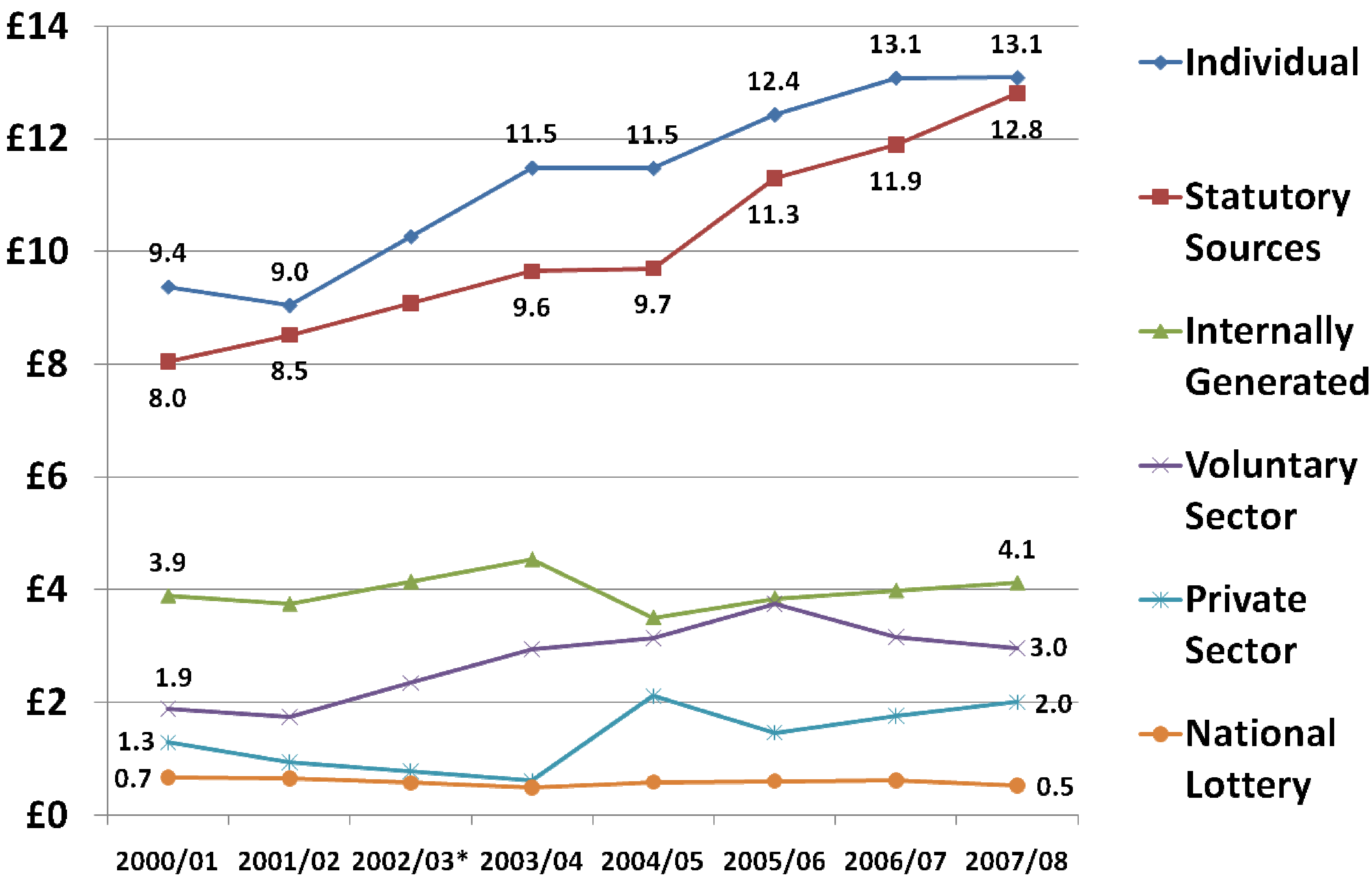


Reflections #1

- The sector is still growing
- Competition for funds has not been diminished by widespread merger/closure
- Grant-makers most widely perceived as a future income opportunity

2. What is driving change in aggregate funding?

How to grow by £10bn: donors + delivery



Though charitable giving dipped by 11% in 2008/09

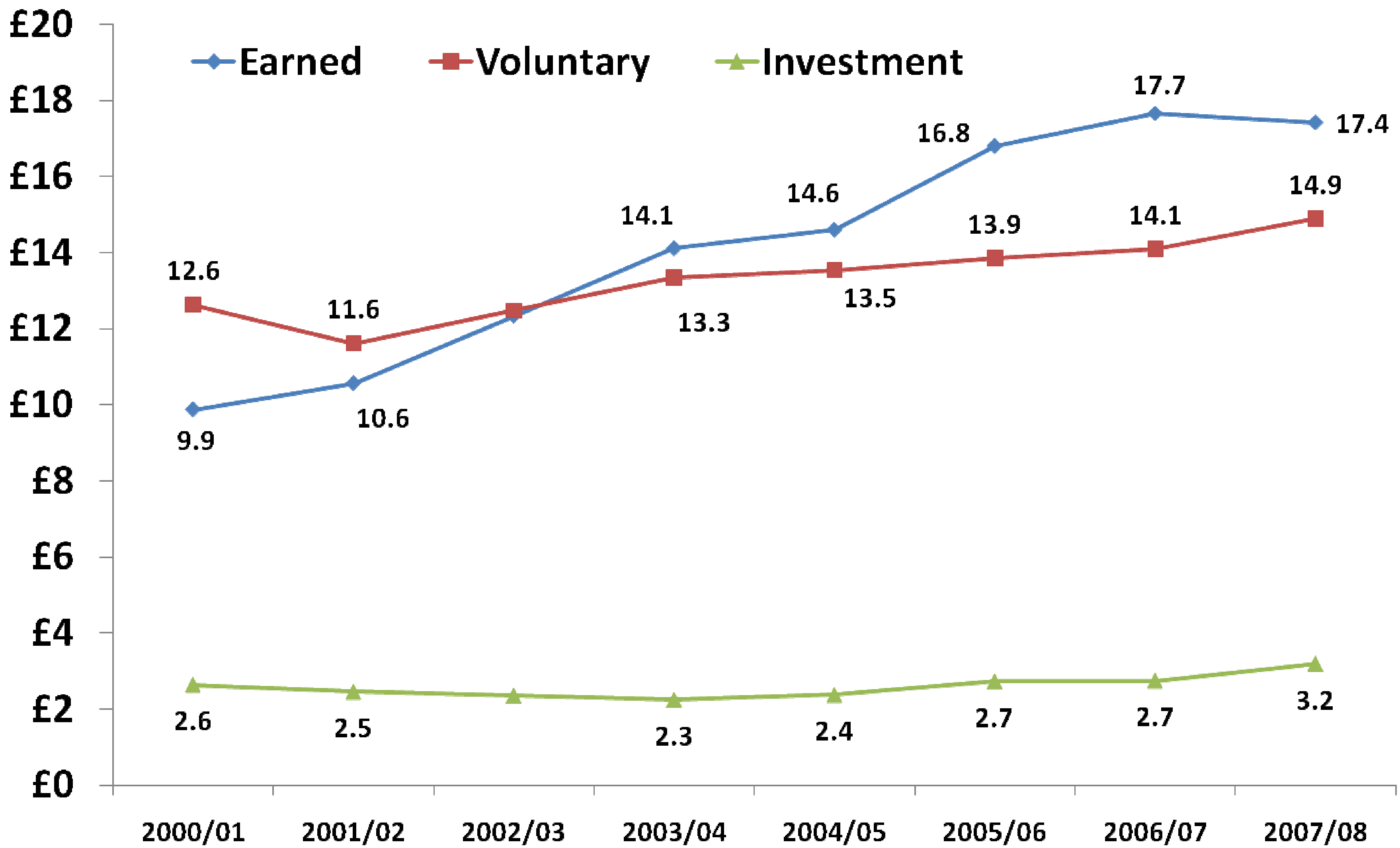
Philanthropy dipped in 2007/08:

£ million+ donations fell in value from £1.6bn to £1.4bn (13%)

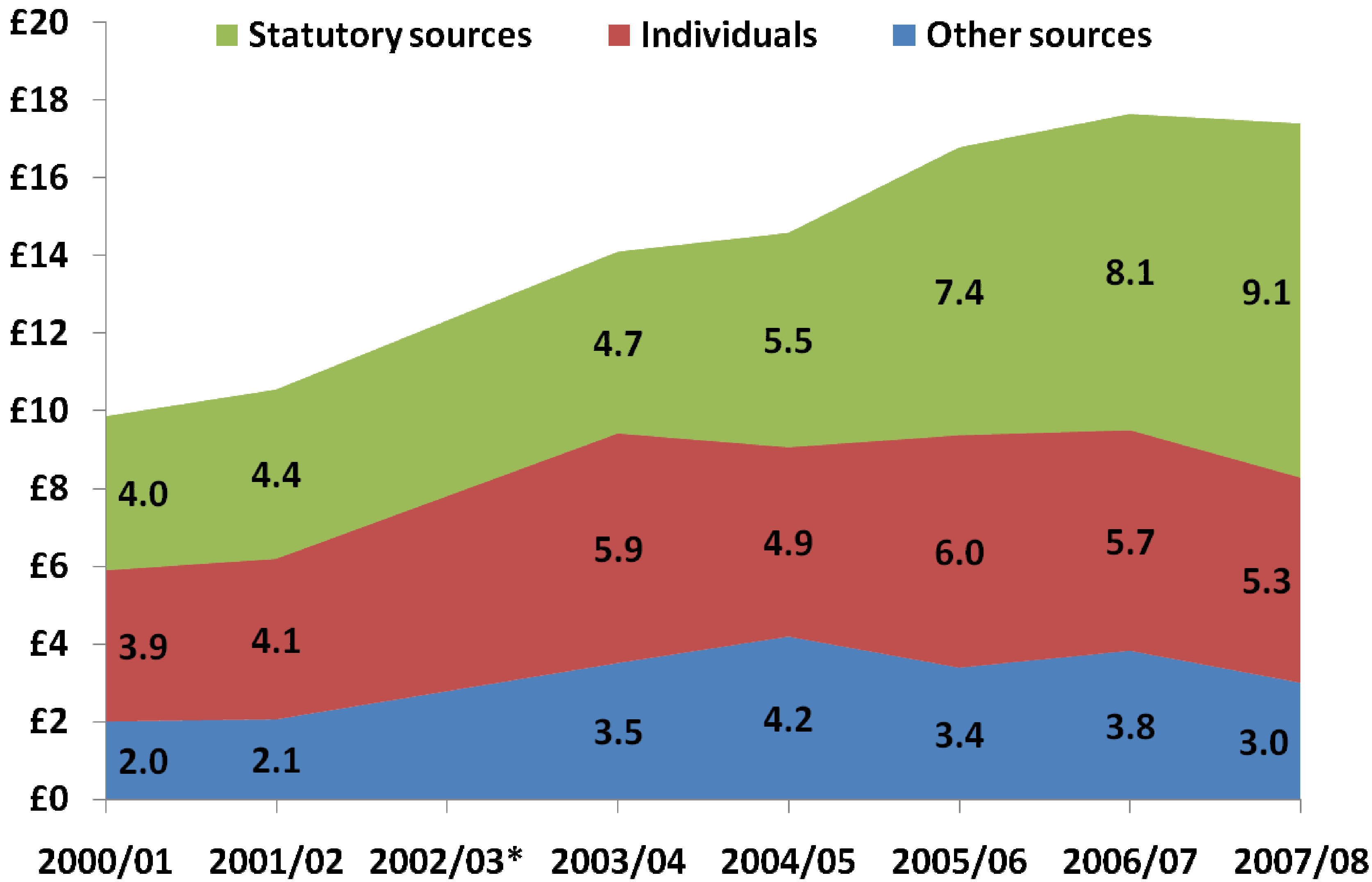
Individual giving in the USA fell 6.3% in 2008

Source: CAF/NCVO

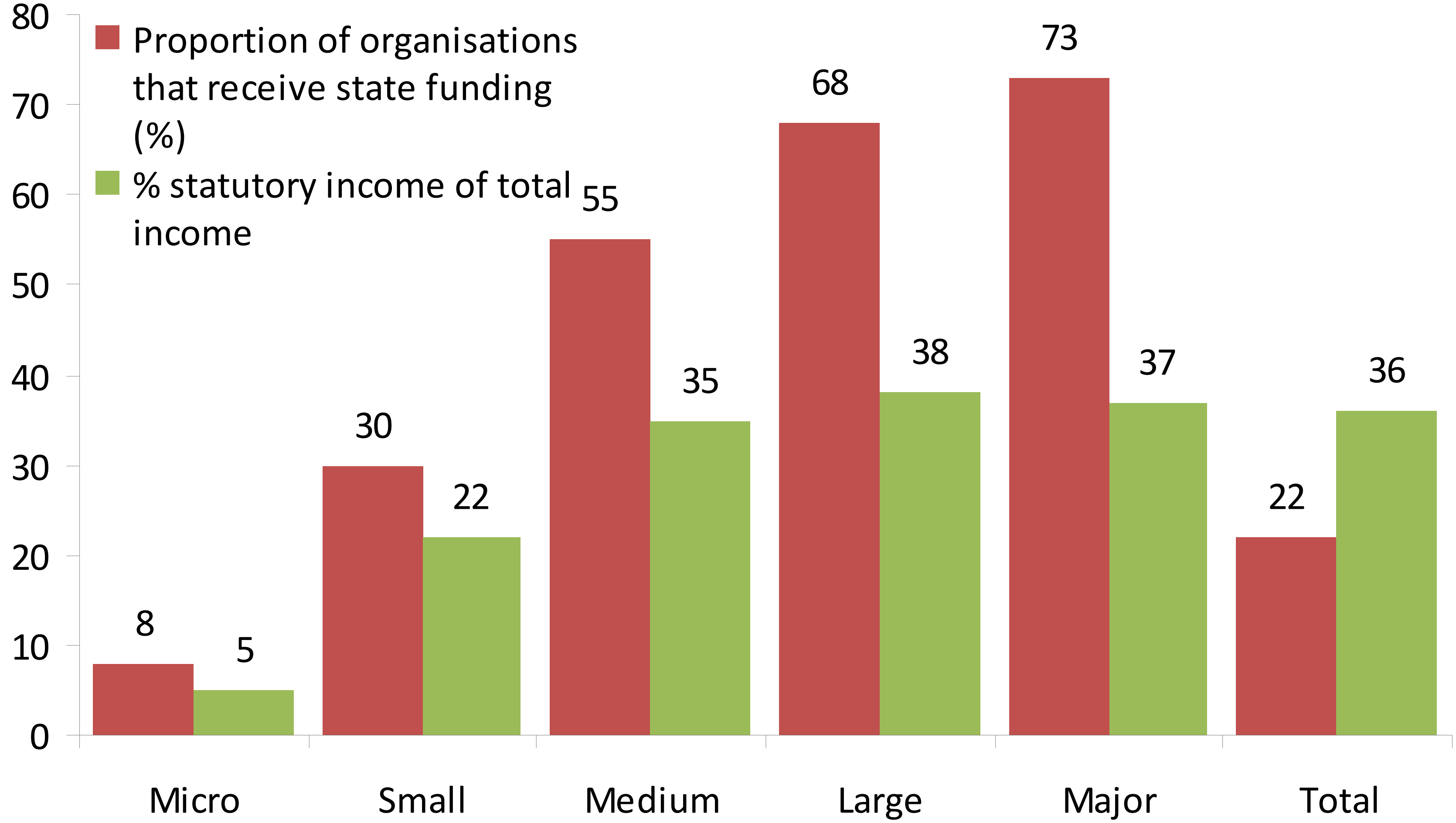
Earned income



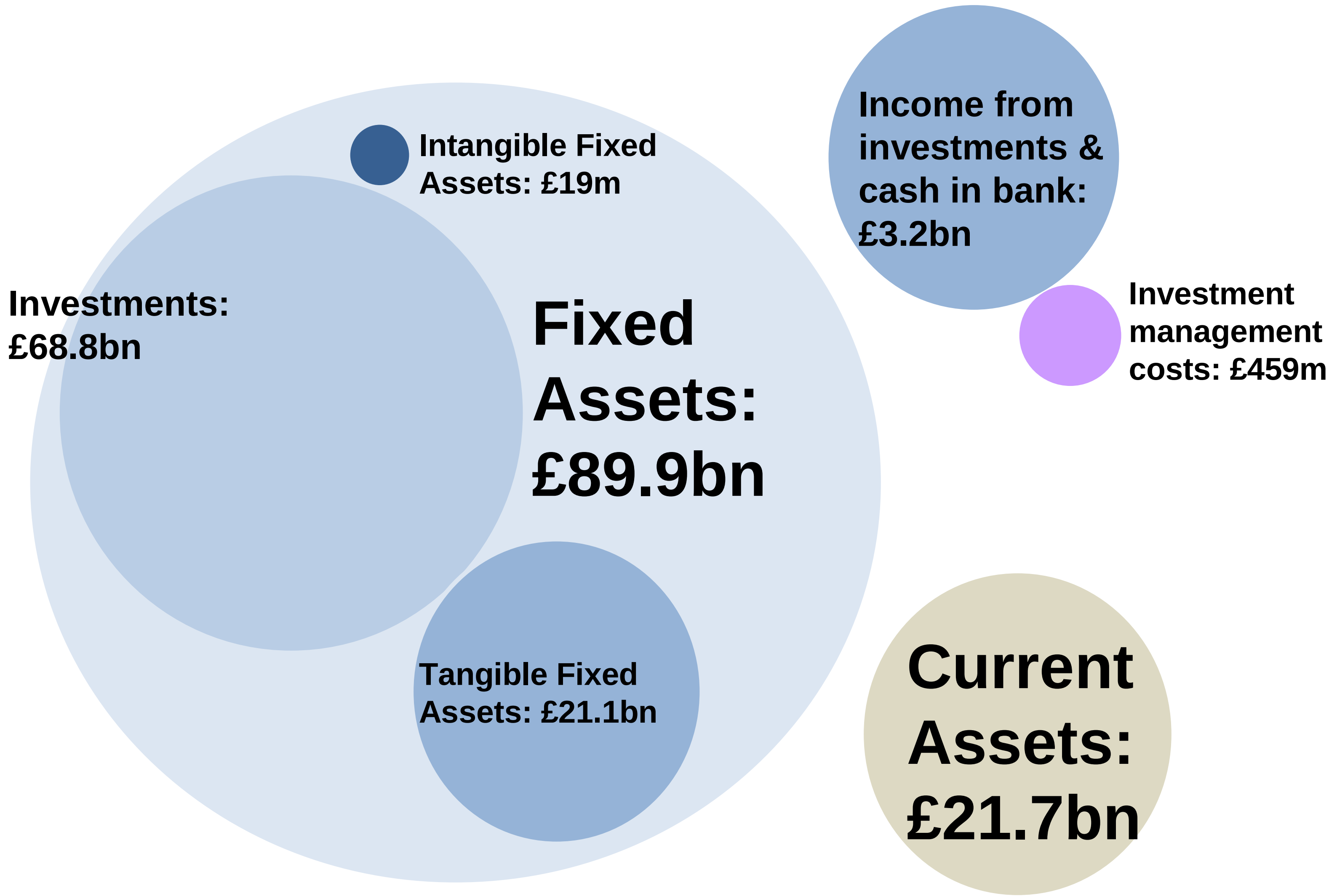
Earned income only: contracts are driving growth, not sales to people/other sectors



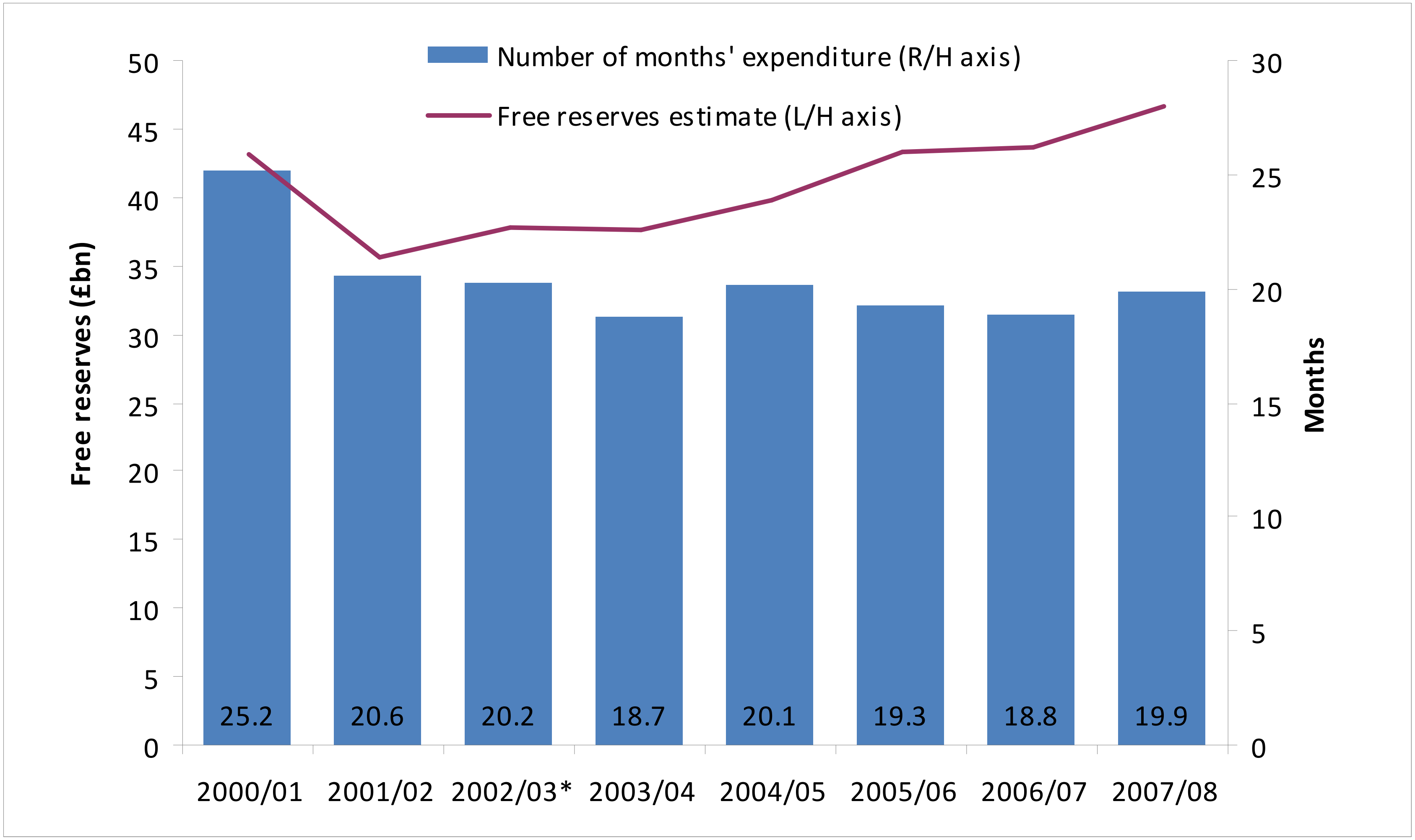
Statutory income = £12.8 billion



Can we invest to generate more income?

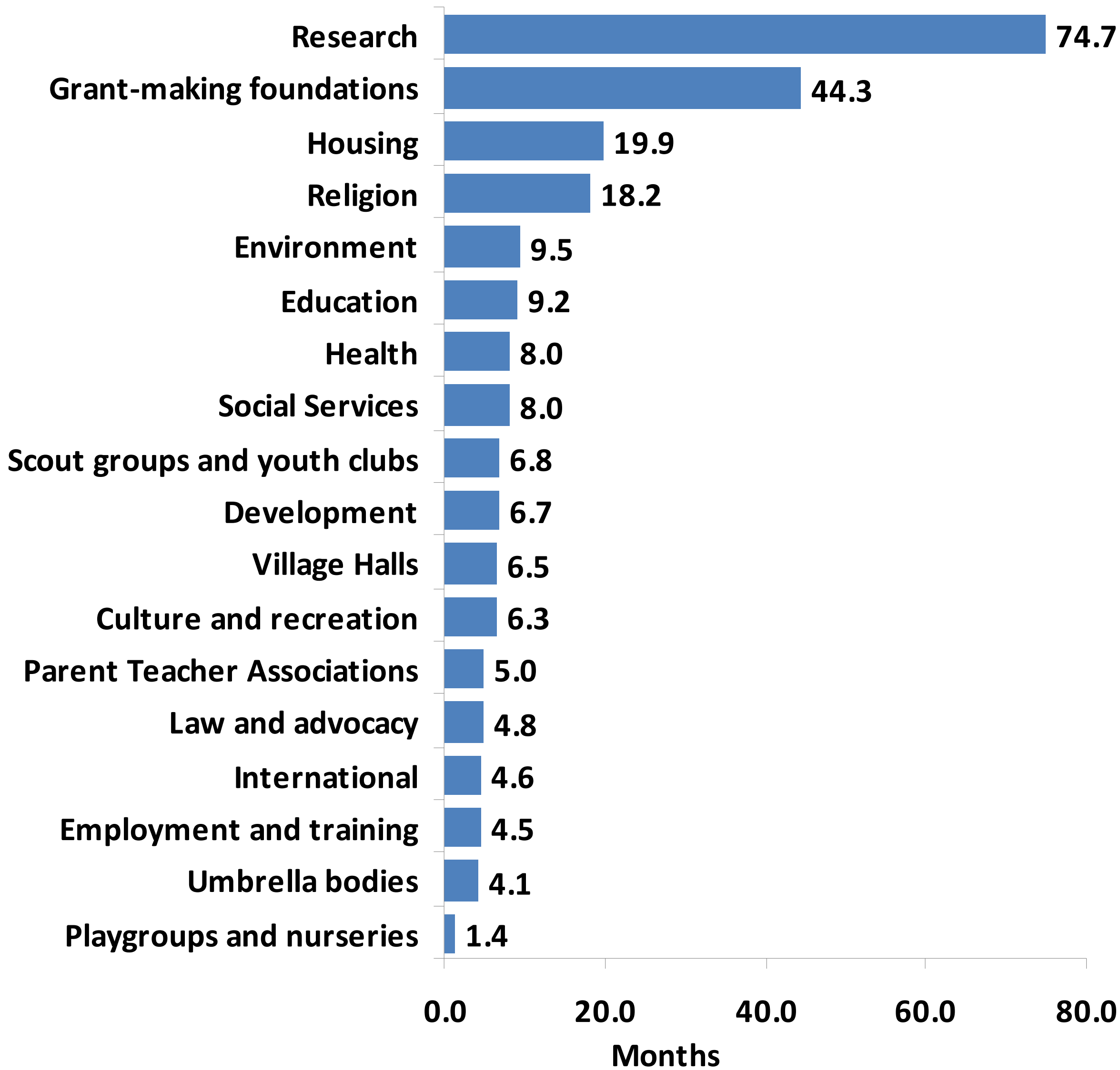


Reserves



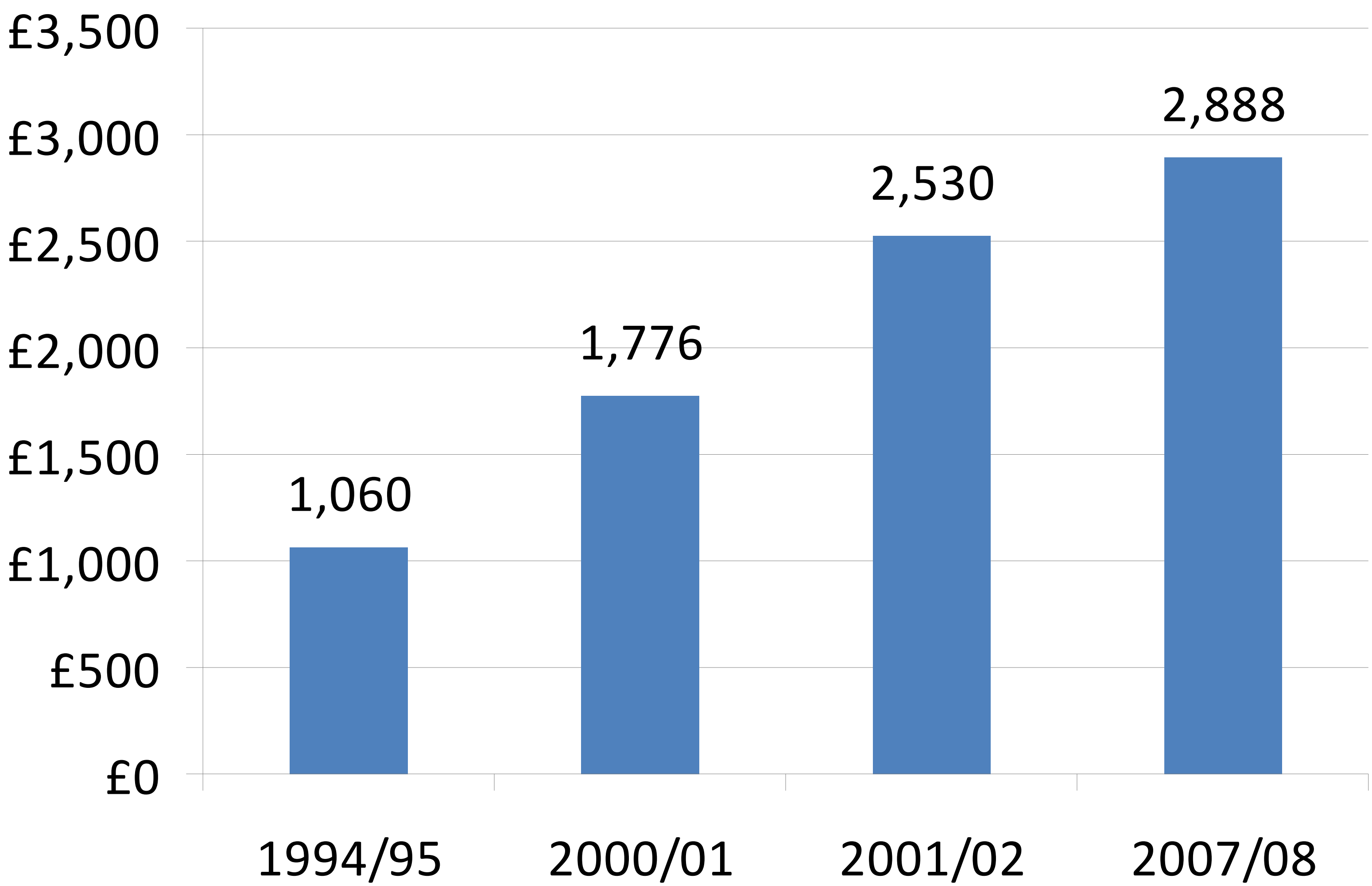
Number of months' expenditure (R/H axis)
Free reserves estimate (L/H axis)
Free reserves (£bn)
Months
50
45
40
35
30
25
20
15
10
5
0
30
25
20
15
10
5
0
25.2
20.6
20.2
18.7
20.1
19.3
18.8
19.9
2000/01
2001/02
2002/03*
2003/04
2004/05
2005/06
2006/07
2007/08

Reserves



Research 74.7
Grant-making foundations 44.3
Housing 19.9
Religion 18.2
Environment 9.5
Education 9.2
Health 8.0
Social Services 8.0
Scout groups and youth clubs 6.8
Development 6.7
Village Halls 6.5
Culture and recreation 6.3
Parent Teacher Associations 5.0
Law and advocacy 4.8
International 4.6
Employment and training 4.5
Umbrella bodies 4.1
Playgroups and nurseries 1.4
0.0
20.0
40.0
60.0
80.0
Months

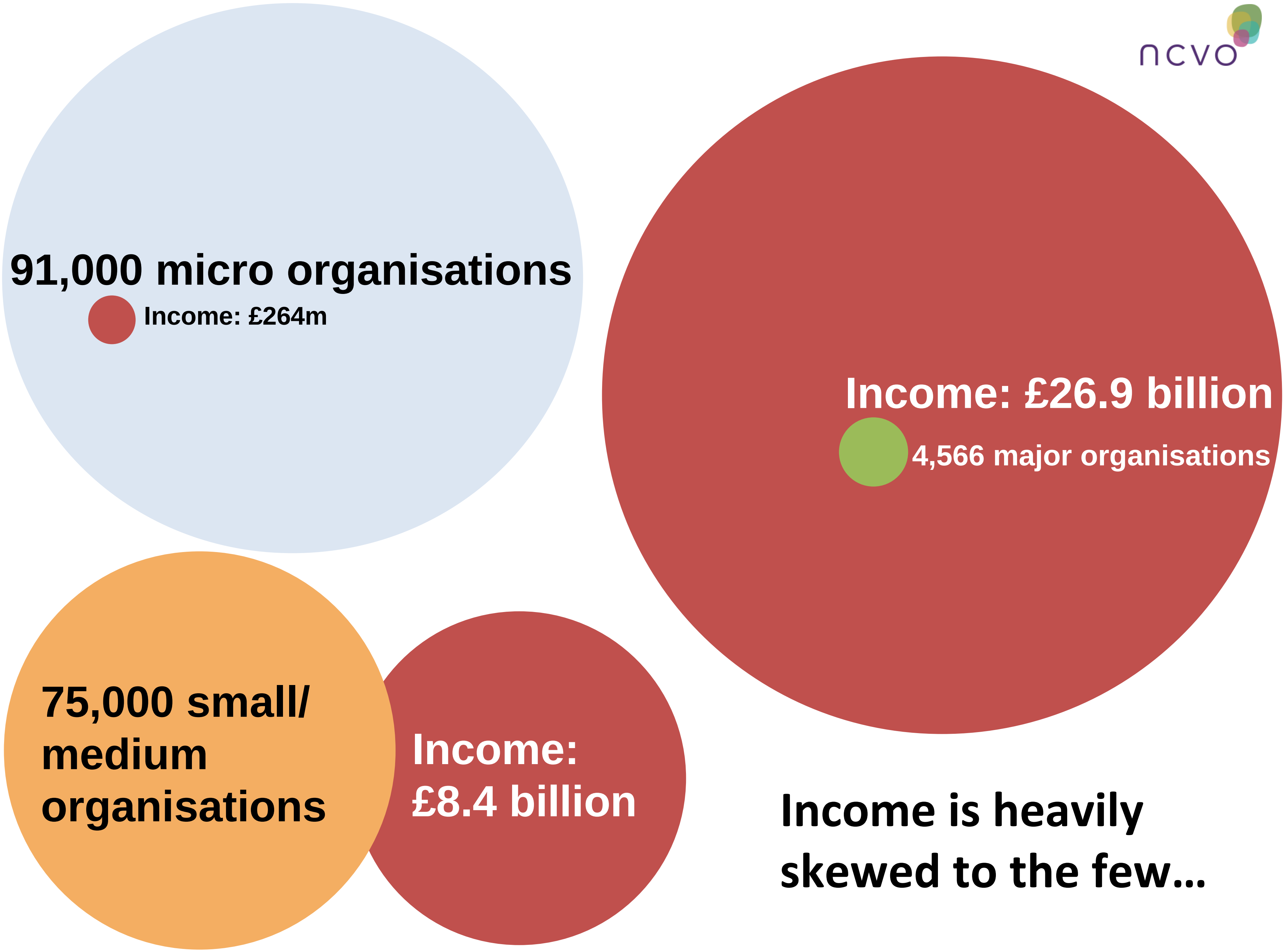
Loan finance



Reflections #2

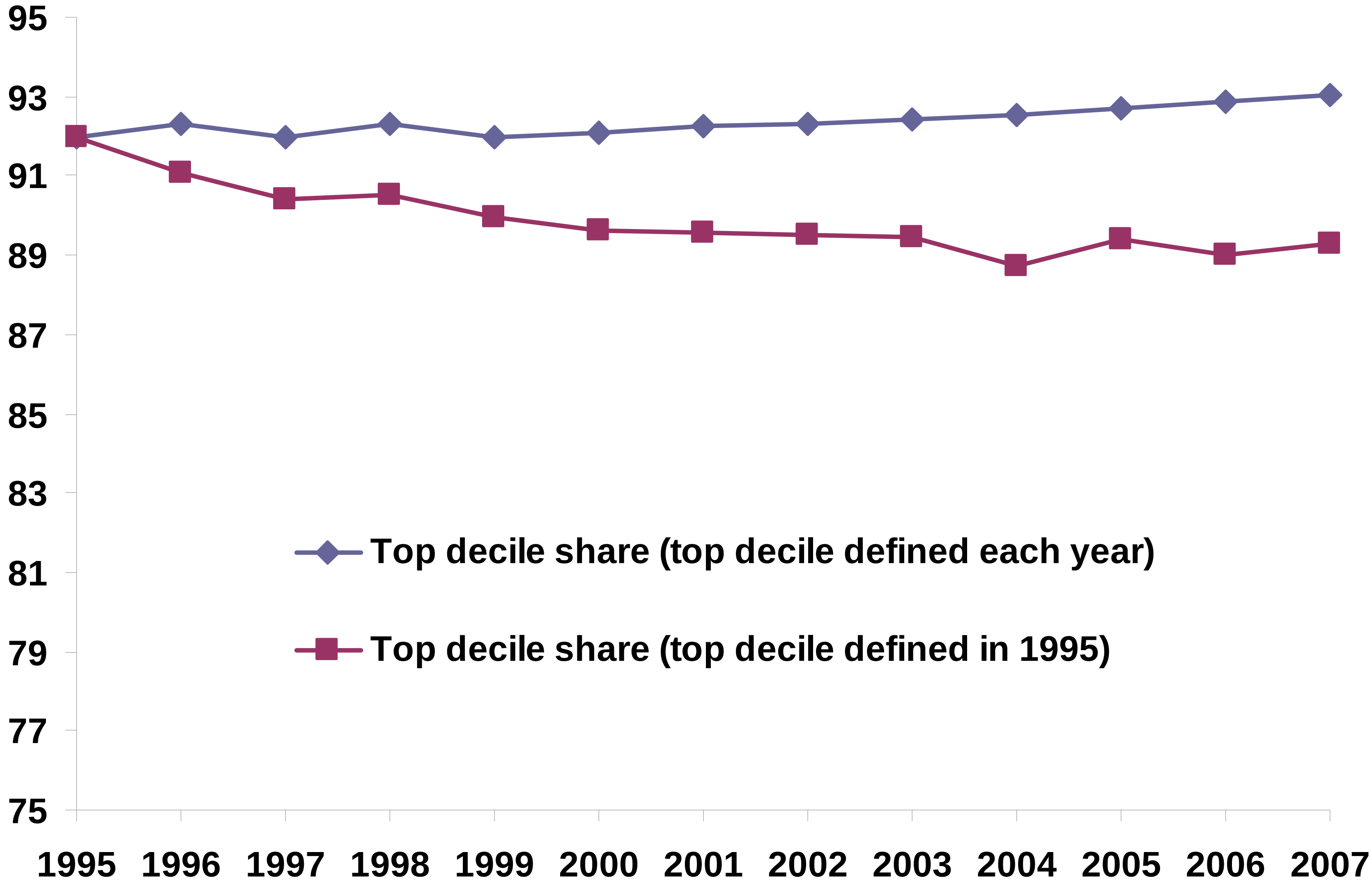
- If statutory income growth reverses, are individual donations realistically the only large-scale alternative?
- If the organisations continue to grow in number, will the ‘minor’ sources grow with them?
- It’s difficult to ignore statutory fee income and its dominance of the funding landscape
- And what of prospects for earning income other than from the commissioners?

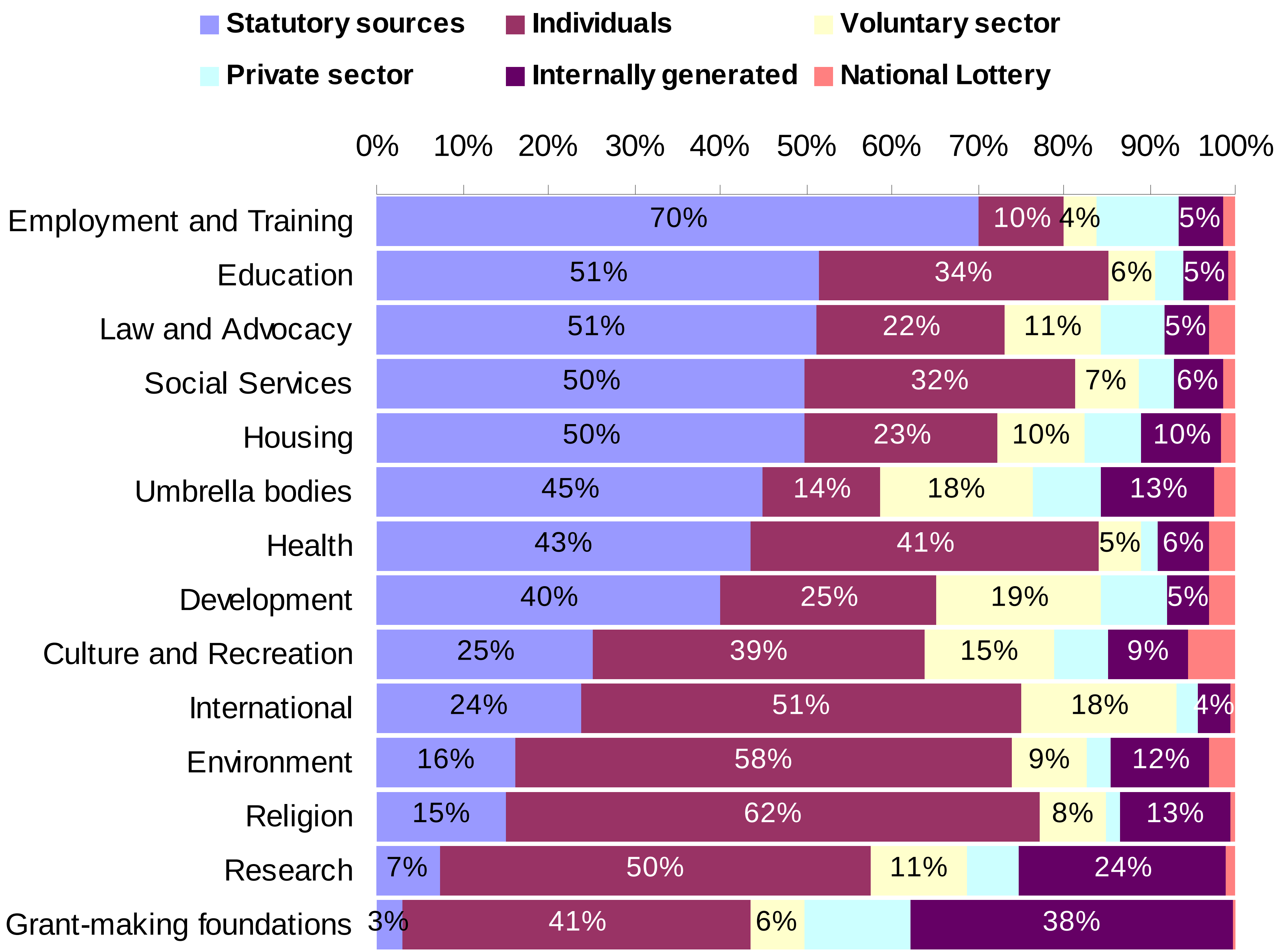
3. How is this aggregate funding shared-out?

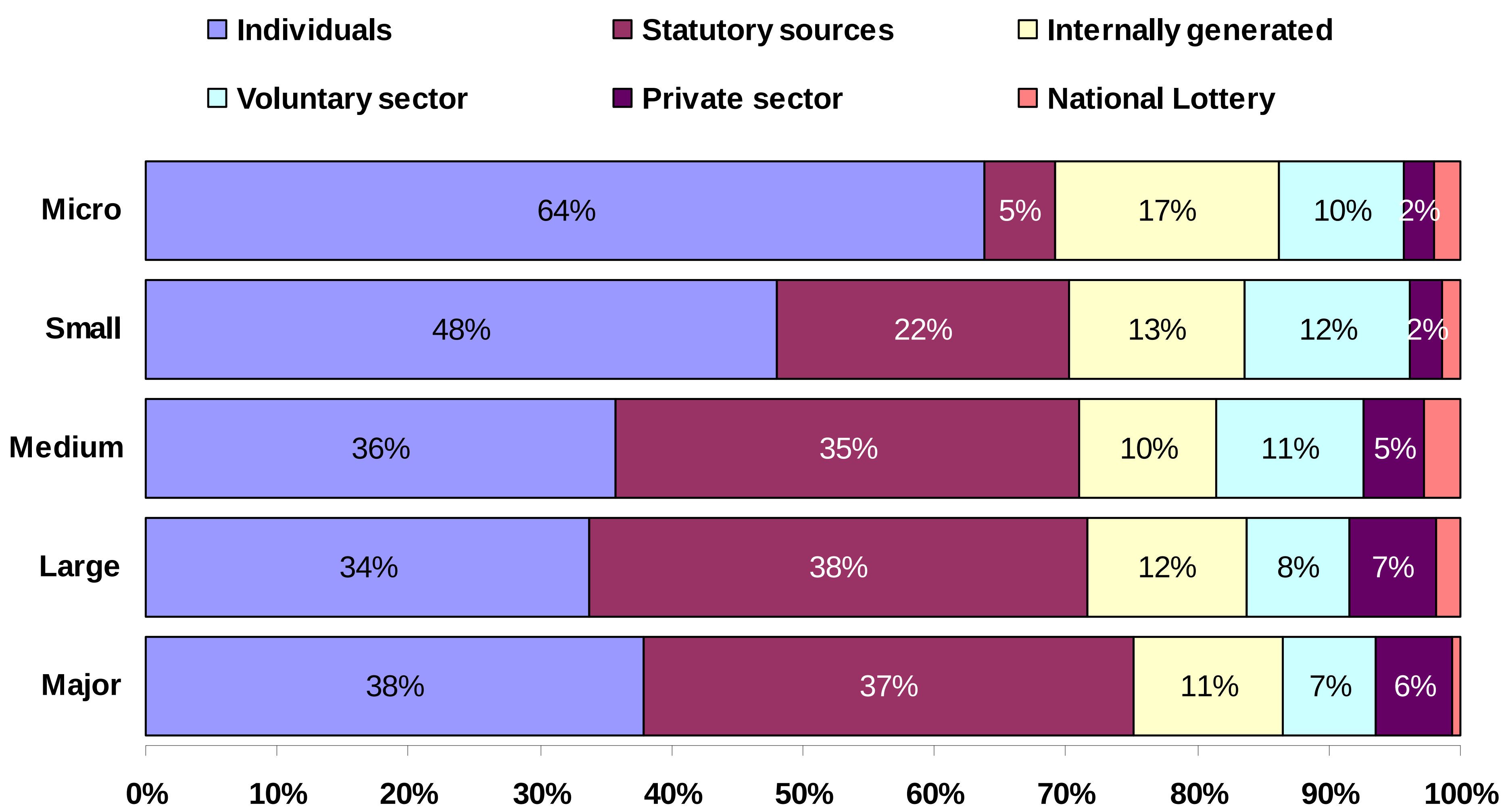


Income is heavily skewed to the few…

But evidence might suggest that this is not getting any worse…




Statutory sources
Individuals
Voluntary sector
Private sector
Internally generated
National Lottery
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Employment and Training
70% 10% 4% 5%
Education
51% 34% 6% 5%
Law and Advocacy
51% 22% 11% 5%
Social Services
50% 32% 7% 6%
Housing
50% 23% 10% 10%
Umbrella bodies
45% 14% 18% 13%
Health
43% 41% 5% 6%
Development
40% 25% 19% 5%
Culture and Recreation
25% 39% 15% 9%
International
24% 51% 18% 4%
Environment
16% 58% 9% 12%
Religion
15% 62% 8% 13%
Research
7% 50% 11% 24%
Grant-making foundations
3% 41% 6% 38%



Individuals
Statutory sources
Internally generated
Voluntary sector
Private sector
National Lottery
Micro
64%
5%
17%
10%
2%
Small
48%
22%
13%
12%
2%
Medium
36%
35%
10%
11%
5%
Large
34%
38%
12%
8%
7%
Major
38%
37%
11%
7%
6%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

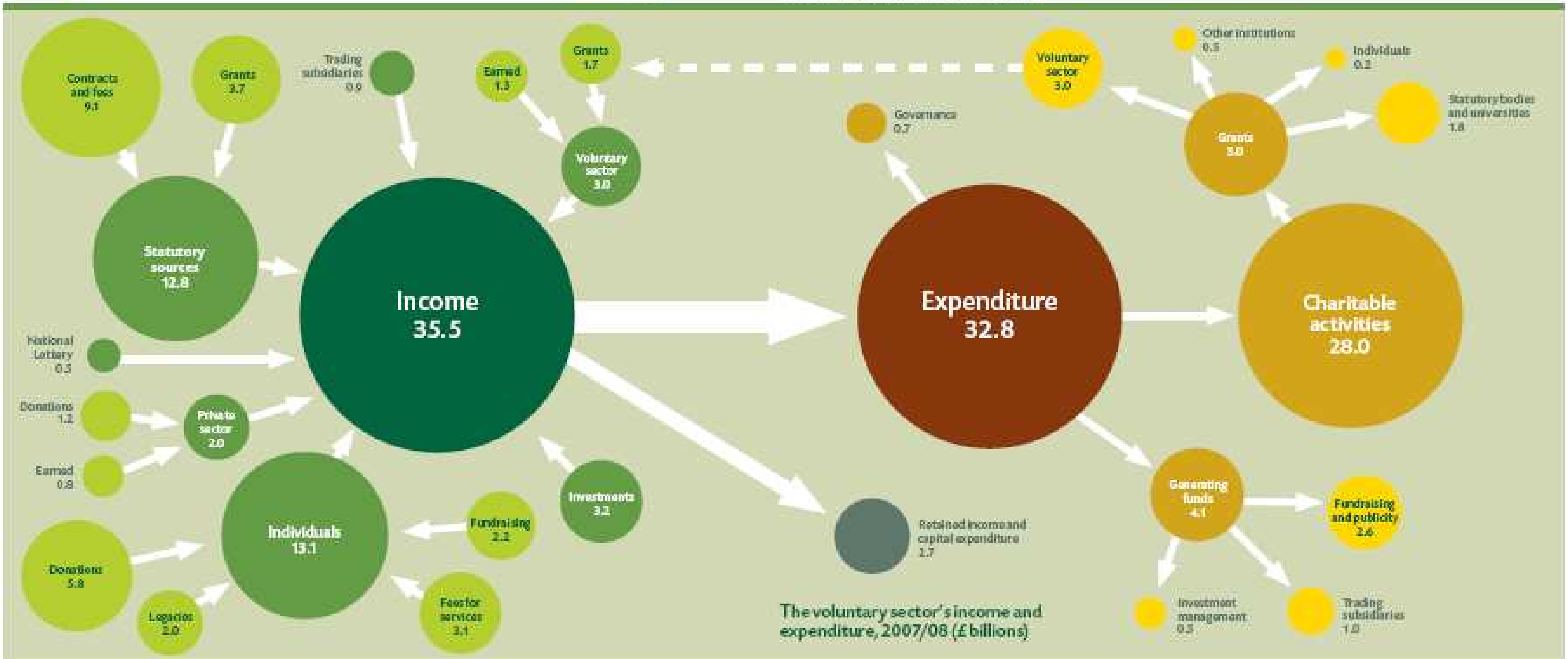
Reflections #3

- All formal resources – income, assets, workforce – are heavily skewed towards the largest
- Although the public give more to large charities, micro/small organisations rely more on charitable donations
- Driving-up charitable giving in itself might not help these?

Question 13...
What is the voluntary sector's total income and expenditure?

£32.8 BILLION

Total current expenditure of the voluntary sector[1]



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