



**Impact of COVID-19 on the charity sector:
Briefing from the Institute of Fundraising, NCVO and Charity Finance Group**

March 2020

This briefing presents the key findings from a survey that was run by the Institute of Fundraising, National Council for Voluntary Organisations and Charity Finance Group to assess the initial impact of coronavirus on the charity sector. The survey ran from the 18th March to the 23rd March 2020. It was open to all charities and promoted widely across the charity sector. Over 1,100 respondents started the survey, but with different completion rates for individual questions.

There were 554 completed responses with different response rates indicated where they vary from this number. Percentages have been rounded down or up to the nearest whole number.

The responses received to the survey tended to be from larger organisations (income over £1m) and are therefore not representative of the sector as a whole. For more information on the response and comparison to the wider charity sector, see the further information provided below.

We are grateful to PwC for their support with this survey.

Key findings:

Financial impact:

- For those that had reforecast their voluntary income as a result of COVID-19, charities are expecting, on average, a **decline in voluntary income of 48%** against budget (337 charities).
- On average, charities expect a **decrease in total income of 31% against their total income** from the previous year (375 charities).

For reference, the voluntary income for the charity sector (donations and legacies) reported in the NCVO Civil Society Almanac 2019 was **£11.4 billion** and the total income was **£50.6 billion**.

Total voluntary income for 2016/17 was **£22.2 billion** (individuals, legacies, government, national, lottery, voluntary sector, private sector donations).

Impact on charitable services:

- **43%** predicted an **increase in demand for their services**
- **91% have or expect to have their cash flow disrupted**, with 62% indicating that these would result in reduced charitable activity, 42% saying it would leave them with a reduced ability/inability to cover payroll and 34% with a reduced ability/inability to cover utility bills/mortgage payments.
- 62% said that they would be able to mitigate the loss of income by a reduction in spending only 'a little' (49%) or 'not at all' (13%).

Actions charities are taking/intending to take:

- **52% of charities have reduced existing/previous levels of service, with a further 12% intending to in the future**
- 65% have already taken action to reduce all costs where they can, with 63% continuing to do this going forward alongside 62% who feel they need to use reserves to keep going in the future.
- 67% have taken action to do more digitally where they can.
- 59% have already cut back on implementing new plans/initiatives/programmes/policies

What role can charities play and what support do they need:

- **83% say that the most important thing for their organisation's resilience/sustainability over the coming 3-6 months is access to emergency grant funding**, and 53% say they want a reduction of bills and liabilities such as VAT or rent (from 540 charities for both).
- 84% of charities think their organisation could play/is playing a role in responding to the coronavirus outbreak or the impact it is having on people and communities.
- Of these, 73% say access to emergency funding would enable/empower their organisation to play a role.

- Only 19% said that access to free or low-cost loans or overdraft facilities would best enable/empower their organisation to play a role. This was the least popular available option from respondents who think their organisation could play/is playing a role in responding to the current situation.

A note on survey responses

Respondents are skewed towards large organisations

The survey data is skewed towards larger organisations. 35% of survey respondents have an income of more than £1m while this proportion is far lower for the whole general charity population in 2016/17 (4%). At the same time, survey data on organisations with an income below £100k is weak with only 26% of respondents in that income bracket compared to 82% for the whole sector.

%	Survey	NCVO Almanac 2019
Micro and small (below £100k)	26	82
Medium (£100k - £1m)	39	14
Large, Major, Super-major (above £1m)	35	4

Data likely to be skewed towards national and overseas charities

Based on matching survey data against the Charity Commission register, we were able to retrieve information on organisations' area of operation for 89% of respondents. Comparing the profile against the Almanac 2019 data, it seems that the survey respondents have a larger proportion of national and overseas charities (37%) than in the total UK charity population (24%).

Data likely to be skewed towards London and the South of England

Based on matching survey data against the Charity Commission register, we were able to retrieve information on organisations' registered address for 92% of respondents. Comparing the profile against the Almanac 2019 data, the survey is skewed towards organisations registered in London, the South East and the South West. 58% of survey respondents are based in those regions compared to 26% of the total UK charity population (excluding Northern Ireland).