

THE UK CIVIL SOCIETY

ALMANAC

2020

Data. Trends. Insights.

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CONTENTS

Sponsor's foreword	4
Introduction	5
Executive summary	6

PROFILE

What is the voluntary sector?	10
How many voluntary organisations are there?	12
What do voluntary organisations do?	14
Where are voluntary organisations based?	16

FINANCIALS

What's the state of the sector's finances?	18
Where do voluntary organisations get their money from?	20
What are the trends in income from the public?	22
What are the trends in income from government?	24
How do voluntary organisations spend their money?	26
What are the trends in grant making?	28
What assets and reserves do voluntary organisations have?	30
What are the financial liabilities of voluntary organisations?	32

WORKFORCE

What does the voluntary sector workforce look like?	34
How are people employed and what are their skills?	36

VOLUNTEERING

How many people volunteer and who are they?	38
What motivates people to volunteer and keep volunteering?	40

IMPACT

What do voluntary organisations contribute to the economy?	42
Who benefits from the voluntary sector?	44

ABOUT THIS RESEARCH

Overview	46
Voluntary sector data	48

SPONSOR'S FOREWORD

SARASIN & PARTNERS is pleased to be supporting the UK Civil Society Almanac 2020

Not every charity can afford or has been around long enough to build up significant financial reserves. However, it is worrying - as this Almanac draws out - that 23% of charities had no reserves going into the COVID-19 crisis. Reserves can make the difference between survival and otherwise or, as is the case with the many charity portfolio we manage, allow trustees to maintain their spending across good times and bad.

There is positive news. Those who wish to de-risk investment portfolios, selling assets to fund projects can do so from a position of strength given the recovery in markets. As the Almanac reports, income given by the public grew by £1bn, or 4% over the reporting period: a larger share of the nation's wallet is supporting charities. Third, the UK's Savings Rate has risen, from a low of 4% to a forecast 17% by the end of 2020. In summary, there is evidence that once charities turn on their full suite of fundraising activities, the public will support them.

As ever, the Almanac is a commendable piece of research. Sarasin & Partners is pleased to continue supporting the NCVO and the charity sector during these challenging times.



Richard Maitland,
Partner, Head of Charities
Sarasin & Partners

INTRODUCTION

The UK Civil Society Almanac is an important programme of work for NCVO and the sector, providing invaluable insights to policy makers and sector leaders. We are grateful for the ongoing support of the Economic and Social Research Council and would like to thank our sponsor, Sarasin & Partners.

It's the nature of the Almanac that there is a delay between events themselves and our analysis of them. We use charities' accounts to create the Almanac. This makes the figures highly robust, indeed the authoritative picture of the sector's finances, but, given the timescales involved in publishing these accounts, it means we must wait a while to find out definitively what happened to the sector's finances in any given year.

Normally, that's not a problem. Much of the value of the Almanac is in tracking trends over time. Looking at the Almanac series you can see, for example, the impact of the 2008 global downturn on the sector and the long road to recovery. You can trace the undulating topography of government income to the sector that describes the effects of public policy and spending shifts. It is these patterns that allow us to inform our thinking about the future.

This year, however, the contrast between current events and the picture painted by the latest edition of the Almanac is starker than even during the 2008 financial crisis. So much of the world's economic activity has come to a halt more abruptly than most would ever have considered possible.

What we can do with this Almanac, however, is get an idea of where the sector was going before it came head to head with the reality of 2020.

Before the storm, calm

This year's Almanac, which covers the financial year 2017/18, paints a picture of a sector experiencing modest growth. This continued the trend seen in the year before, where growth had started to slow somewhat from its previous rate.

Worryingly in the context of coronavirus, a notable proportion of this growth has been from earned income from the public - precisely the area that is most vulnerable to the effects of social distancing restrictions. While the pandemic has seen a burst of giving to some causes, it has seriously hampered most organisations' public fundraising.

It took years for the sector's assets to recover from the

2008 crisis, but by 2017/18 that recovery was clearly complete. While investment growth slowed, liabilities also shrank, leaving the sector's assets in a stronger net position than any time previously. But with much of the sector's investments since affected by the fall in values in 2020, it remains to be seen how comfortable a cushion many organisations' reserves will have provided in practice. The effects of diminished investment values may also be felt for a long time as they constrain the expenditure of foundations that rely on them to generate the income that they pass to other charities.

Our initial estimate at the start of the coronavirus crisis was that the sector stood to lose around £4bn in income over three months. We will have to wait some time to see how accurate that was, but there is no doubt at all that the impact has been significant and will continue to be.

The prospect of recession looms large, and even months into the crisis it remains far too soon to see what the final financial toll of the pandemic will be. Job losses are an inevitability in a sector that in 2019, as this Almanac shows, had grown to its highest employment levels ever.

There is no doubt that the sector will be smaller in the immediate future. The questions are: how much smaller and for how long, and which organisations won't make it? The effects of the pandemic are felt differently by different sorts of organisations with different income profiles. But the urgent challenge is finding paths to recovery.

The crisis is a tragedy for so many people throughout the country, and the world, who have lost loved ones. It is a tragedy for those whose businesses are collapsing and those who are rendered jobless. And it is a tragedy for the many people who rely on the services our sector provides - and for those who may need our support in the future - that we may be hampered in this task.

But I cannot tell you how much faith I have in the people I see around me, working and volunteering in charities, moving heaven and earth to help people in need and looking after the things that make life worth living. While the scale of the challenge is unprecedented, I have no doubt that the people and organisations in our sector will rise to it and continue their work to make the world around them a better place.

Karl Wilding
Chief Executive
NCVO

EXECUTIVE SUMMARY

The total number of voluntary organisations remains relatively stable

In 2017/18, there were 166,592 voluntary organisations in the UK, a slight drop from the previous year. Organisations with more than £100m income account for 0.03% of all organisations and for 23% of the sector's income. Most of those organisations work on a national or international level and are responsible for 30% of the sector's grant making. However, the majority of organisations are small and operate locally. Eight in ten organisations have an income of less than £100,000.



The make-up of the sector is changing but the real picture is more complex

The overall make-up of the sector appears to be shifting towards bigger organisations, with the number of charities with an income of more than £100m increasing in recent years. However, the detail behind the top-line data is more complex. Some of the growth in bigger organisations is linked to a natural expansion of income bands. Income-band classifications have stayed the same, however organisations' incomes have grown

with inflation resulting in movement between income bands. At the same time, some public-sector bodies have moved into the sector and other organisations have grown out of mergers. Even though the share of the sector's income going to smaller and medium-sized organisations is shrinking, the actual amounts have remained relatively stable since 2012/13, largely due to the growth of bigger organisations.

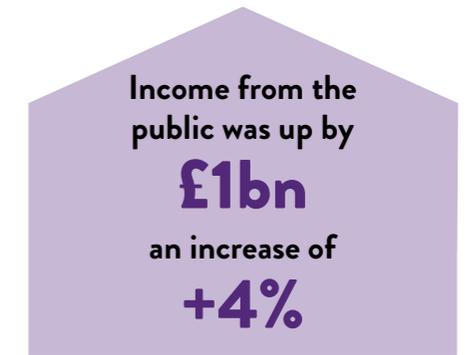
Voluntary sector income and expenditure are growing, but more slowly than in previous years

Both total income and spending of the voluntary sector grew in 2017/18, however growth is slowing down. Income was up by £1.2bn, representing a 2% increase. This is the same as the

previous year, but lower than income-growth rates of 3–6% between 2013/14 and 2015/16.

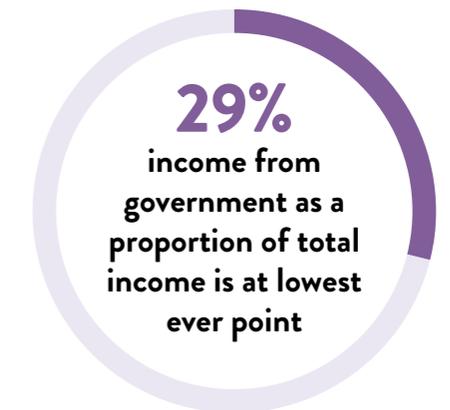
The public is driving overall income growth

In 2017/18, the public continued to be the largest income source for the sector, representing almost half (47%) of its income. Income from the public grew by £1bn to £25.4bn, accounting for 83% of all income growth. But this includes an increase of £629m in legacies, accounting for half of the increase in total income, which was largely due to two individual legacies. At the same time, other donations from the public remained stable, amounting to £8.8bn. Earned income from the public, including fees for services such as membership subscriptions and trading activities such as charity shop sales, grew by 3% to £12.6bn.



Government income as a proportion of total income is at its lowest point

The amount of income from government, £15.7bn in 2017/18, has remained largely stable in recent years. But with income from other sources growing at the same time, income from government as a proportion of the sector's total income has fallen almost continuously. Like the previous year, it is at its lowest-ever point of 29% of overall income since the start of the time series.



The growth of investment assets is slowing down

Net assets grew by 4% to £142bn, marking another record high. Investment assets make up two-thirds (67%) of the sector's total assets. Although they continued to grow (+4%) and accounted for most of the growth in total assets, the increase is smaller than in the last four years when they grew on average

by 7%. The sector's level of reserves amounted to £63.5bn, reaching pre-2007/08 financial-crisis levels for the first time. On average, voluntary organisations hold reserves worth seven months of spending (excluding grant makers). About a quarter (23%) of organisations do not hold any reserves.

EXECUTIVE SUMMARY

The sector's workforce has reached 900,000 for the first time

Since 2010, the number of people working in the voluntary sector has grown almost continuously. In 2019, a total of 909,088 people worked for voluntary organisations, representing almost 3% of the total UK workforce. Spending

on staff costs makes up 38% of the sector's total expenditure. The largest number of voluntary sector employees are working in social work (37%), 15% more than the previous year.

Volunteering rates remain largely unchanged, with those aged 65–74 most likely to volunteer regularly

Overall levels of volunteering have remained stable. More than one in five people volunteered at least once a month for a group, club or organisation. People aged 65–74 years old are the age group most likely to formally volunteer on a regular basis;

more than a quarter (28%) volunteered at least once a month compared to 15–24% for all other age groups. Less regular volunteering is more evenly spread across age groups.

The sector contributes more than £18bn to the UK economy

Nine in ten UK households have accessed services provided by voluntary organisations at some point, with children and young people remaining the most common beneficiary group. It is difficult to measure the value of the voluntary sector, and figures are often an underestimate. It is estimated that the sector contributed a total of £18.2bn to the UK economy in 2017/18, equivalent to almost 1% of the total GDP. The last estimate by the Office for National Statistics for the value of volunteering was £23.9bn in 2016.



£18.2bn
Contributed to UK economy by the voluntary sector in 2017/18

FAST FACTS

FAST FACTS	
166,592	Voluntary organisations in the UK in 2017/18
£53.5bn	Total income in 2017/18, up by 2%
£25.4bn	Income from the public in 2017/18, 47% of the sector's income
£15.7bn	Income from government in 2017/18, 29% of the sector's income
£53.1bn	Total spending in 2017/18
£142.0bn	Net assets in 2017/18, up by 4%
909,088	People working for voluntary organisations in 2019
36%	Of people volunteered at least once a year in 2018/19, equating 19.4 million people

WHAT IS THE VOLUNTARY SECTOR?

THE VOLUNTARY SECTOR IS AT THE HEART OF CIVIL SOCIETY

In the context of the Almanac, civil society is used to talk about a broad range of organisations, from faith groups and sports clubs to co-operatives and housing associations, with the voluntary sector at the heart.

Our analysis of the voluntary sector is based on our 'general charities' definition that allows comparison of figures from year to year. The definition was developed by NCVO and the Office for National Statistics and excludes organisations that:

- are inactive, or subsidiaries of other organisations
- belong elsewhere in civil society. These include housing associations, independent schools, universities and trade associations
- have charitable status, but are not independent of government, eg NHS charities, the British Council.

In the Almanac, the voluntary sector includes organisations that have six features in common

While we recognise that there is no perfect term or definition, the Almanac focuses on organisations that meet the following criteria.

1	FORMALITY They are formalised and institutionalised to some extent, with a recognisable structure and a constitution or a formal set of rules.
2	INDEPENDENCE They are separate from the state and private sector.
3	NON-PROFIT DISTRIBUTING They do not distribute profits to owners or directors but reinvest them in the organisation or use them for the benefit of the community.
4	SELF-GOVERNANCE They are truly independent in determining their own course.
5	VOLUNTARISM They involve a meaningful degree of voluntary participation through having, for example, a trustee board, volunteers, and donations.
6	PUBLIC BENEFIT They have social objectives and work to benefit the community.

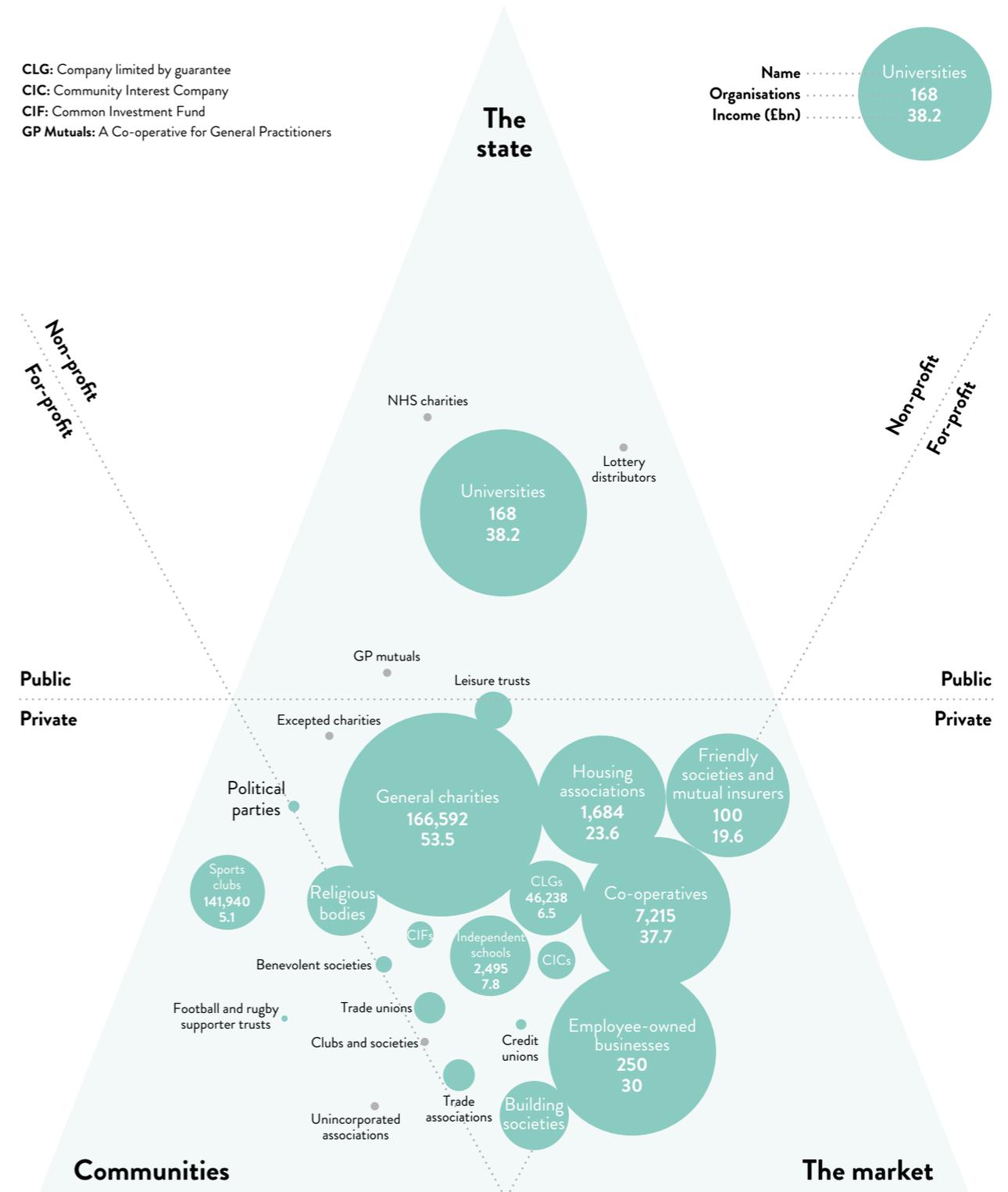
IT IS CHALLENGING TO DEFINE WHAT THE VOLUNTARY SECTOR IS AND TO DECIDE WHAT TO CALL IT

CIVIL SOCIETY

The voluntary sector is at the heart of civil society, a wide range of organisations

CLG: Company limited by guarantee
 CIC: Community Interest Company
 CIF: Common Investment Fund
 GP Mutuals: A Co-operative for General Practitioners

Name Universities
 Organisations 168
 Income (£bn) 38.2



HOW MANY VOLUNTARY ORGANISATIONS ARE THERE?

THERE ARE 166,592 VOLUNTARY ORGANISATIONS IN THE UK, WITH THE MAJORITY BEING MICRO AND SMALL

Under the 'general charities' definition there were **166,592** active voluntary organisations in the UK in 2017/18. Active organisations are those that have submitted an annual return in the last three years.

As trends often vary for organisations of different sizes, the Almanac groups organisations into six different income bands:

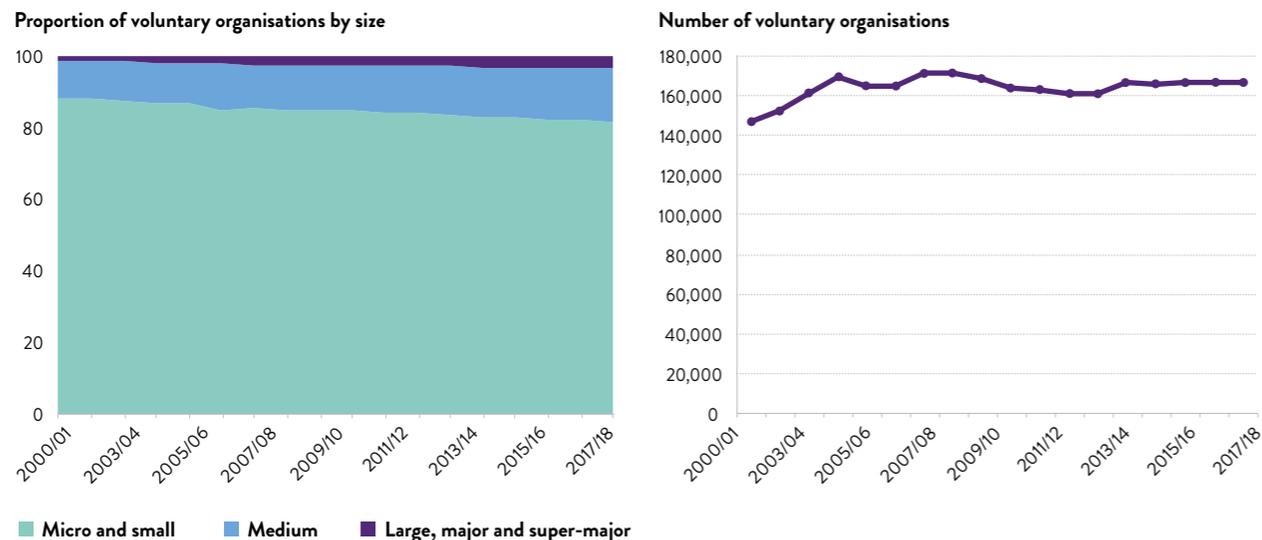
INCOME BAND	NAME	NUMBER OF ORGANISATIONS	% OF ORGANISATIONS
Less than £10,000	Micro	77,601	47
£10,000 to £100,000	Small	57,956	35
£100,000 to £1m	Medium	24,820	15
£1m to £10m	Large	5,464	3
£10m to £100m	Major	695	0.4
More than £100m	Super-major	56	0.03
All organisations		166,592	100

Source: NCVO, Charity Commission

OVER TIME

Overall numbers are stable, but the make-up of the sector is changing

Number of voluntary organisations, and proportion of voluntary organisations by size, 2000/01 to 2017/18

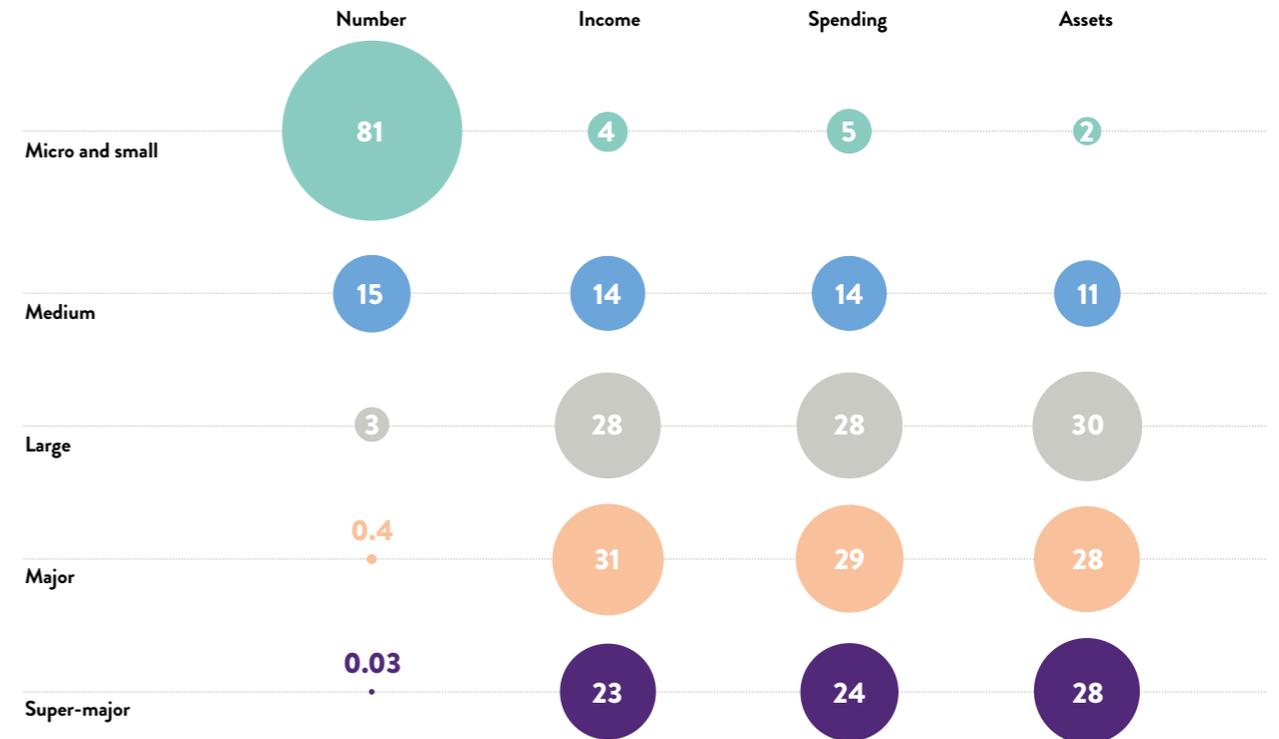


Source: NCVO/TSRC, Charity Commission

BY SIZE

There are fewer organisations with an income over £1m but they make up more than four-fifths of the sector's income

Proportion of number of organisations, income, spending and assets by size, 2017/18 (%)

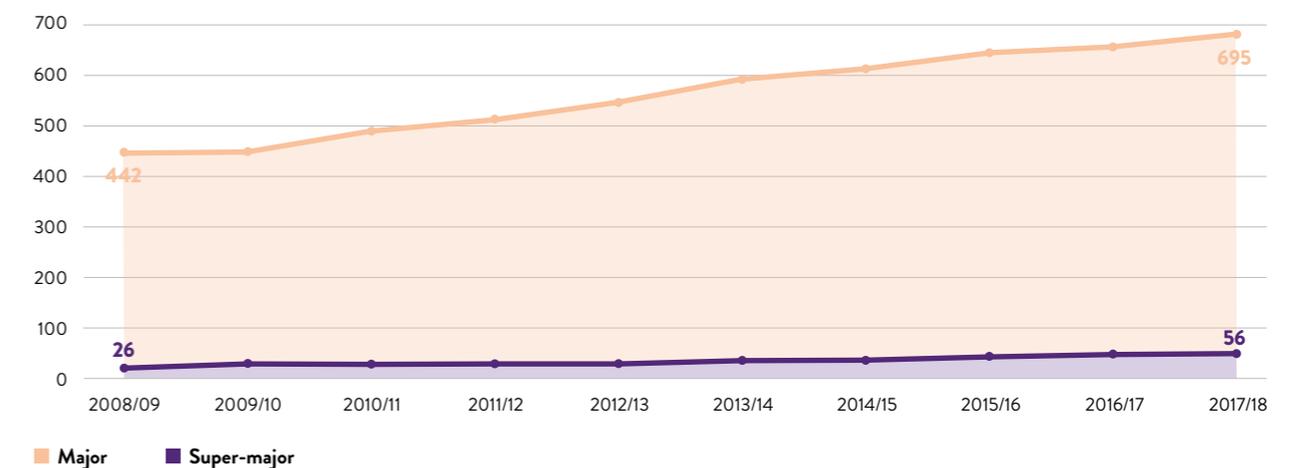


Source: NCVO, Charity Commission

BIG ORGANISATIONS

There were 56 super-major organisations in 2017/18, up from 51 in 2016/17

Number of major (£10–100m) and super-major (>£100m), 2008/09 to 2017/18



Source: NCVO/TSRC, Charity Commission

WHAT DO VOLUNTARY ORGANISATIONS DO?

VOLUNTARY ORGANISATIONS CARRY OUT A WIDE RANGE OF ACTIVITIES ACROSS DIFFERENT SUBSECTORS

Within the Almanac, we use the International Classification of Non-profit Organisations (ICNPO) to describe the activities of voluntary organisations.

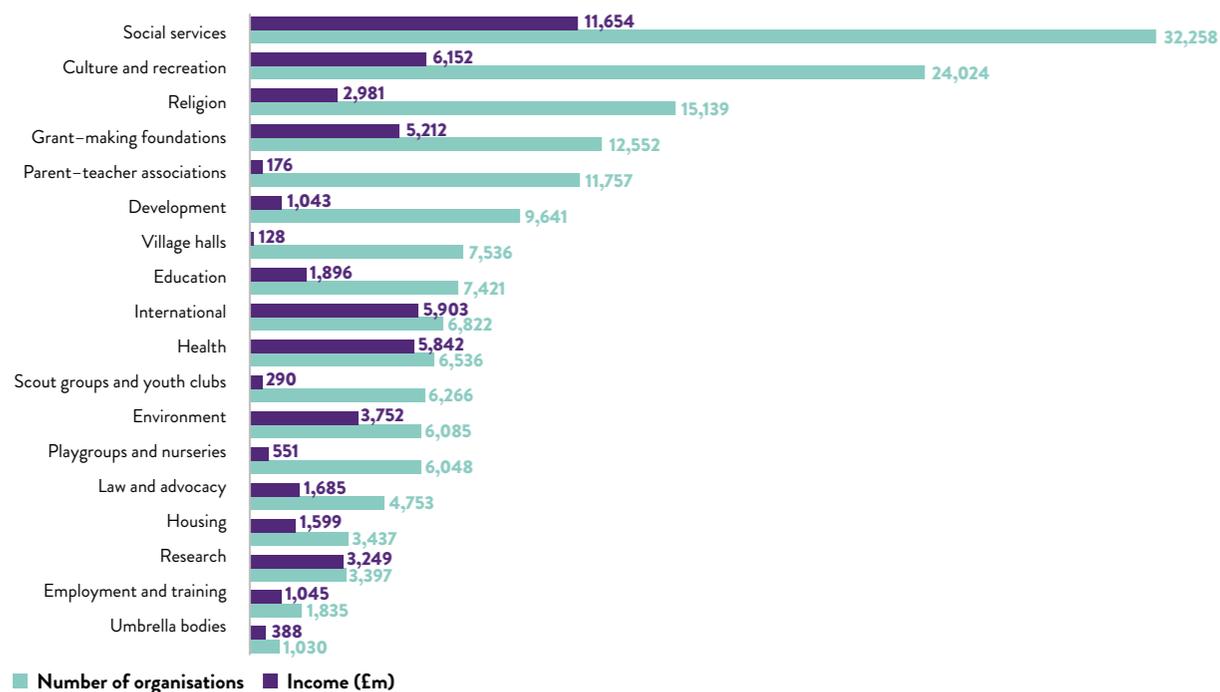
Organisations are classified into 18 subsectors. Some of these categories are very broad, such as the social services category which includes various types of organisations, whereas others are focused on one particular type of organisation, for example parent-teacher associations.

The classification is not perfect: it groups organisations into a single category based on their primary activity, whereas many organisations undertake multiple activities (eg housing and advice). However, this allows us to look at and compare discreet groups of voluntary organisations.

BY SUBSECTOR

The largest subsector is social services, both in terms of number of organisations and income

Number of organisations and income by subsector, 2017/18 (£m)



Source: NCVO, Charity Commission

TOP TEN

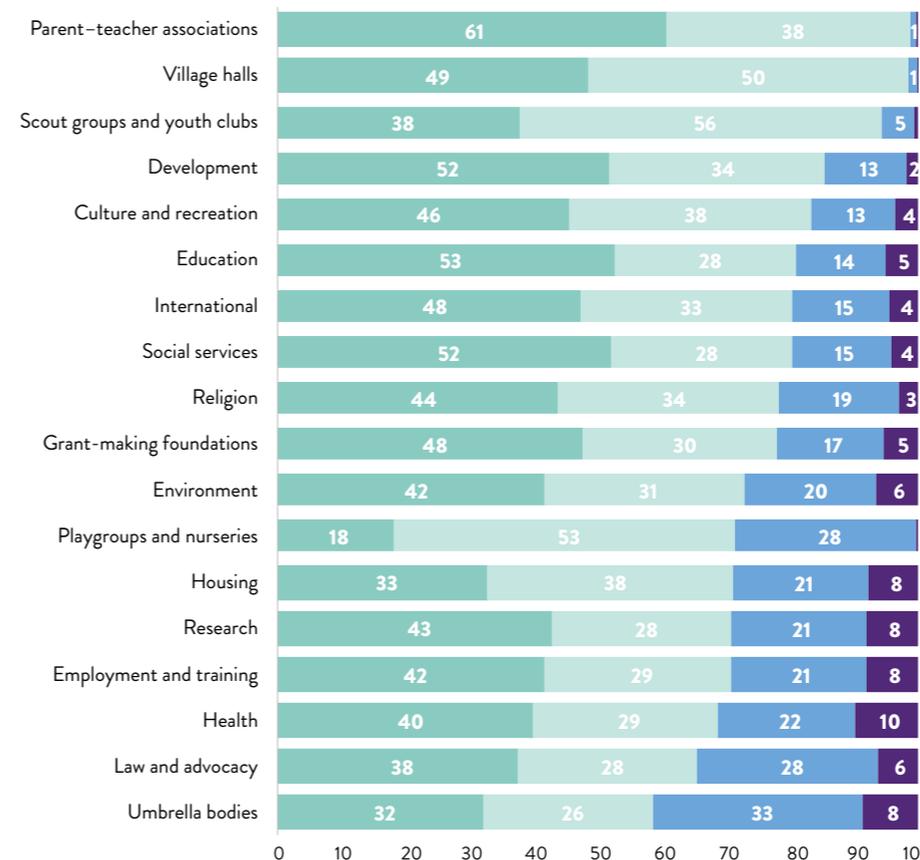
Voluntary organisations that work in health, children and international development dominate the list of the top 10 by income

Top 10 voluntary organisations by income, 2017/18 (£m)

NAME	INCOME	SPENDING	ASSETS
Save The Children International	957	962	58
Cancer Research UK	634	652	409
Oasis International Association	603	204	420
The National Trust	598	608	1,388
The Capricorn Foundation	436	0.2	436
Wellcome Trust	427	1,298	22,213
Oxfam	418	436	84
The Save the Children Fund	412	414	63
Royal Commonwealth Society for the Blind	326	326	17
British Heart Foundation	324	329	85

Source: NCVO, Charity Commission

BY SIZE



Source: NCVO, Charity Commission

Almost all parent-teacher associations, village halls and scout groups are small and micro organisations

Proportion of different sized voluntary organisations by subsector, 2017/18 (%)



WHERE ARE VOLUNTARY ORGANISATIONS BASED?

WHERE ORGANISATIONS ARE BASED IS NOT NECESSARILY WHERE THEY OPERATE

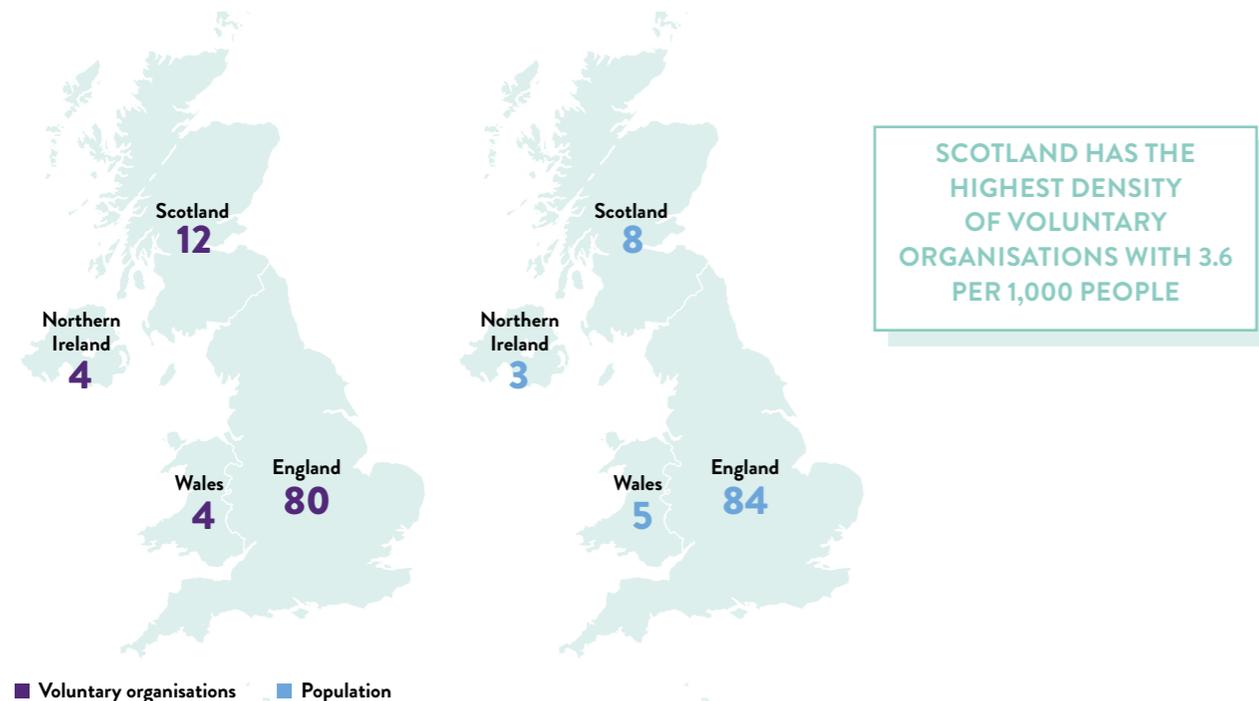
Voluntary organisations are assigned to a location based on the address registered with the Charity Commission. This means that organisations are mapped to where their headquarters are located, but not necessarily where they are active or deliver their services. One consequence of this is that the City of London has 138 voluntary organisations per 1,000 people, compared to an average of 2.5 organisations for every 1,000 people in the UK.

There is a clear rural/urban split in the distribution of voluntary organisations: on average rural local authorities have 3.2 organisations per 1,000 people compared to two in urban areas. However, organisations in urban areas have an income on average three times larger than those in rural areas.

ACROSS THE UK

The distribution of voluntary organisations across the UK is broadly similar to the population distribution

Share of voluntary organisations and population by UK country, 2017/18 (%)

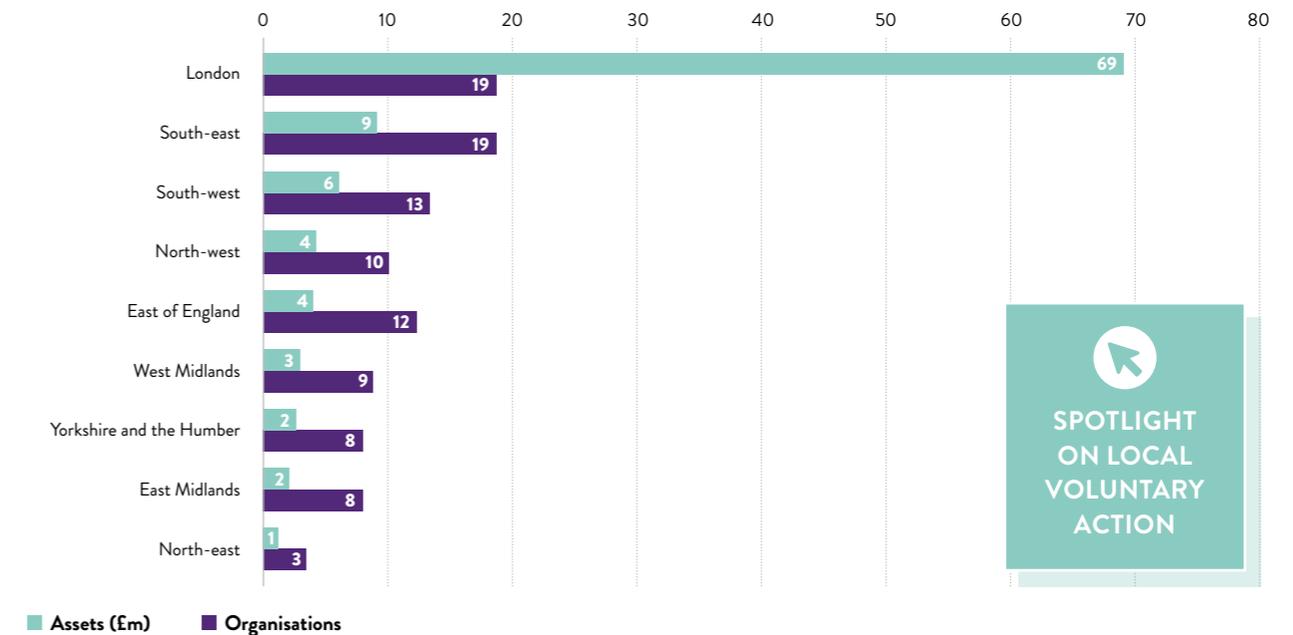


Source: NCVO, Charity Commission, ONS

ACROSS ENGLAND

The majority of voluntary organisations with large assets are based in London

Share of assets and organisations by region in England, 2017/18 (%)

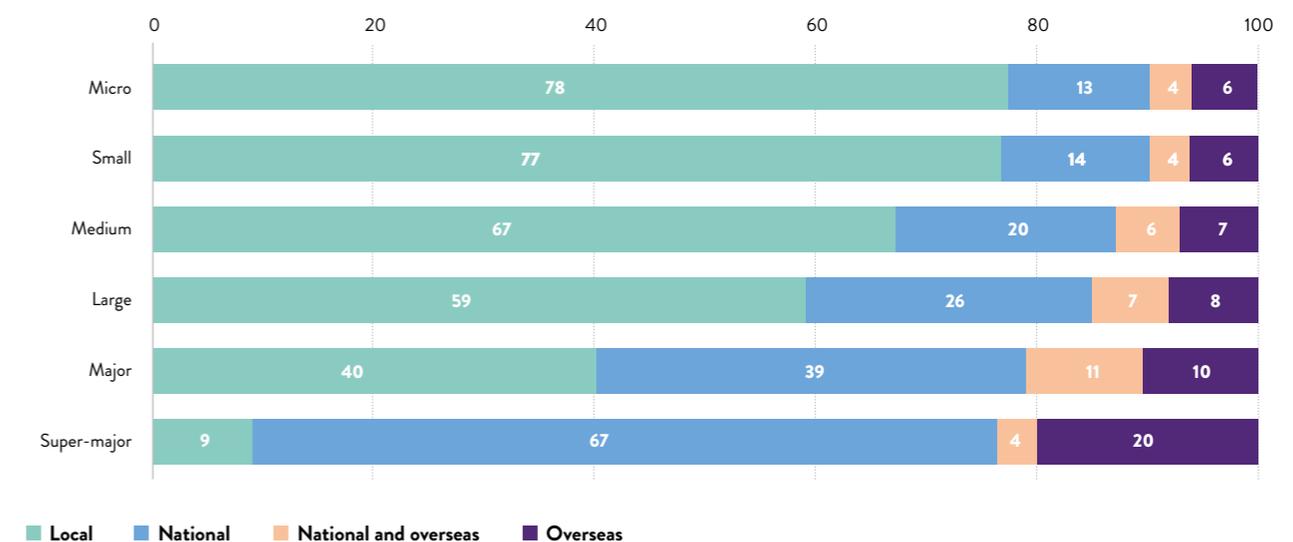


Source: NCVO, Charity Commission

AREA OF OPERATION

Smaller voluntary organisations are more likely to operate solely in their local area

Area of operation by size of organisation, 2017/18 (%)



Source: NCVO, Charity Commission

WHAT'S THE STATE OF THE SECTOR'S FINANCES?

THE SECTOR SPENDS THE VAST MAJORITY OF ITS INCOME ON CHARITABLE ACTIVITIES

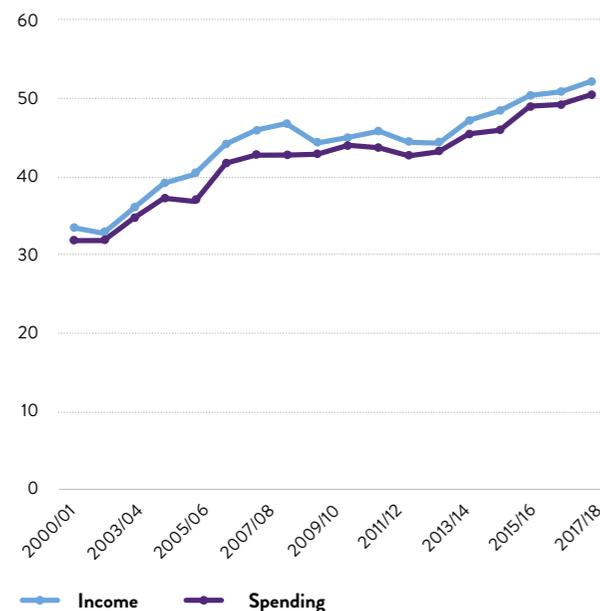
In 2017/18, the sector's total income was **£53.5bn**. The public continued to be the largest income source (£25.4bn) making up 47% of voluntary organisations' total income. Total spending stands at £51.3bn, with the majority of the sector's spending going towards charitable activities (85%).

The sector spends 96% of its income. However, the difference between income and spending (£2.2bn) does not necessarily imply that the sector has surplus income. Capital expenditure on equipment or buildings is spread over the life of the asset, while total income includes items such as legacies that are spent over multiple years.

OVER TIME

Income and spending have increased but growth is slowing down

Total income and spending, 2000/01 to 2017/18 (£bn, 2017/18 prices)

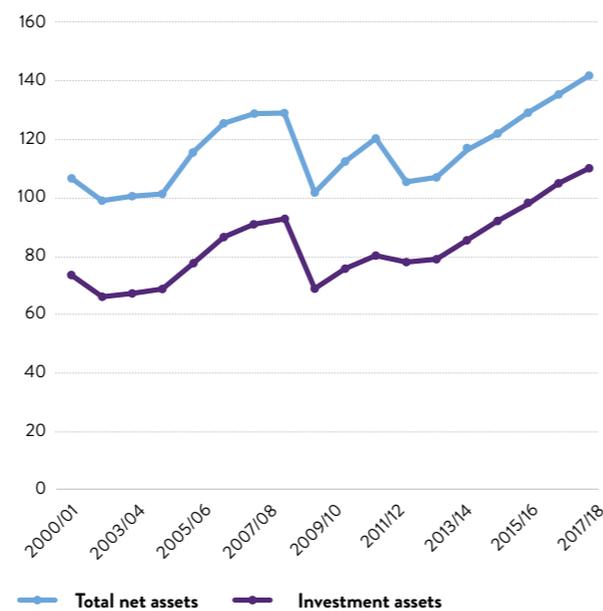


Source: NCVO/TSRC, Charity Commission

ASSETS

Assets increased as a result of growth in investments and falling liabilities

Net assets and investment assets, 2000/01 to 2017/18 (£bn, 2017/18 prices)

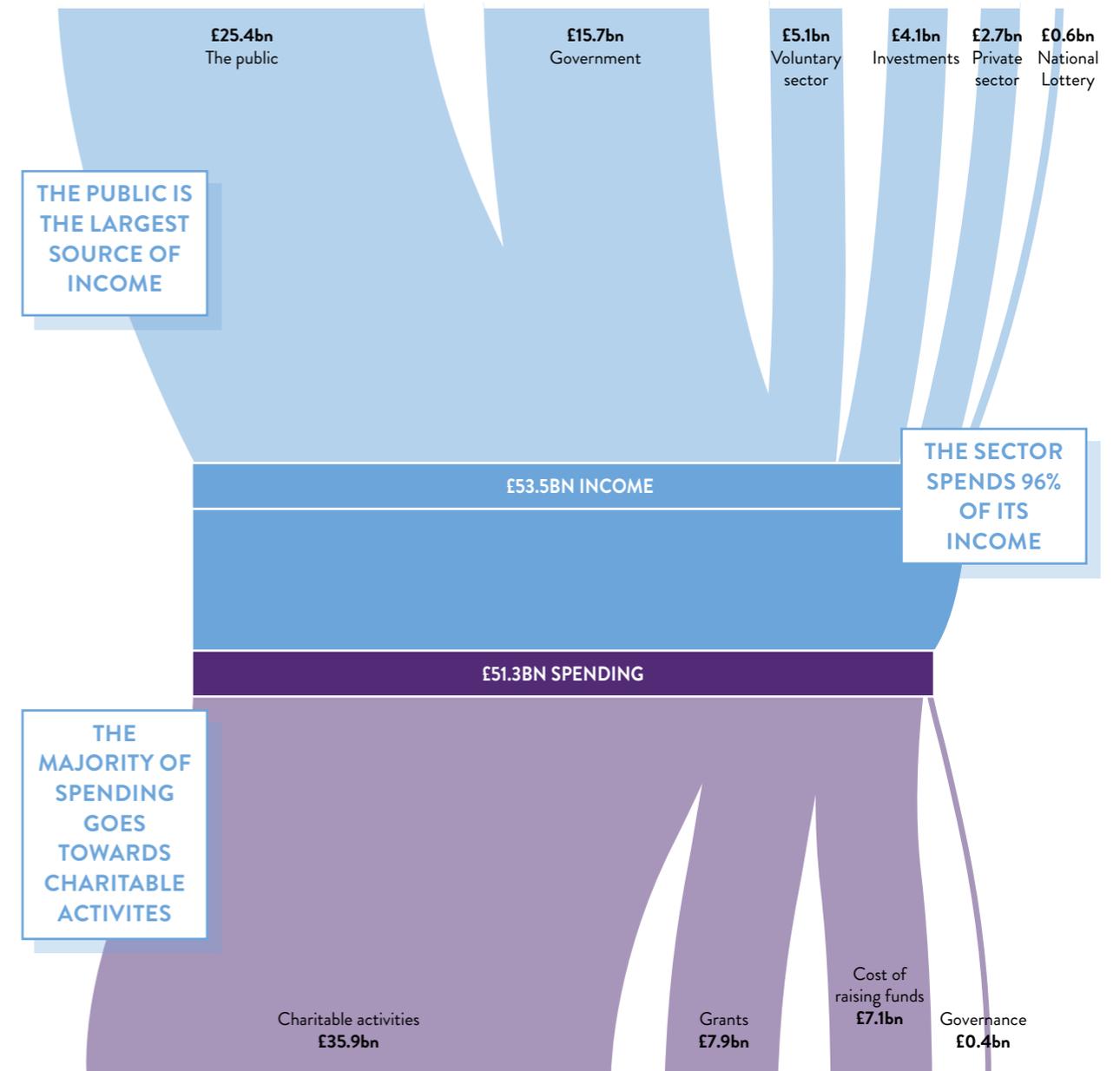


Source: NCVO/TSRC, Charity Commission

INCOME AND SPENDING FLOWS

The sector generates money from a range of sources

Income and spending of the UK voluntary sector, 2017/18 (£bn)



Source: NCVO, Charity Commission

WHERE DO VOLUNTARY ORGANISATIONS GET THEIR MONEY FROM?

INCOME SOURCES

Voluntary organisations get their money from a variety of sources

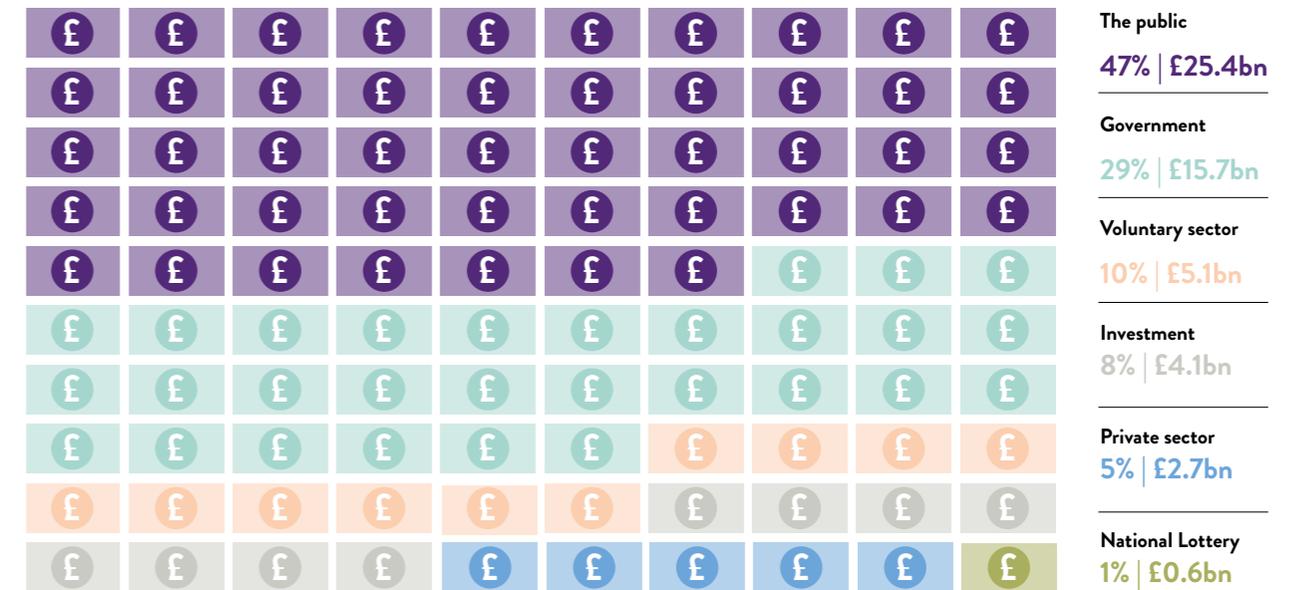
	VOLUNTARY		EARNED		TOTAL
	Donations and gifts Income freely given, usually as a grant, donation or legacy, for which little or no benefit is received by the donor	Charitable activities Gross fees for goods and services that are provided as part of the charity's mission	Activities for raising funds Gross fees for goods and services provided to generate funds		£bn
THE PUBLIC The public, excluding payments from charitable trusts set up by individuals	Public donations (gross, including Gift Aid reclaimed); legacies; membership subscriptions without significant benefits	Fees for services provided in pursuit of charitable objects: membership subscriptions with significant benefits; rent from property where providing accommodation is a charitable purpose	Fundraising by organisations where benefit is received in return: charity shop turnover; sales of merchandise; raffles and lotteries; fees for fundraising events		25.4
GOVERNMENT Government and its agencies in the UK, the European Union and international governments	Funding grants; grants to charitable intermediaries	Public sector fees; payments for contracted services	Trading with public sector to raise funds		15.8
VOLUNTARY SECTOR Voluntary organisations such as trusts and grant-making foundations	Grants from charitable trusts; grants distributed by charitable intermediaries	Services provided under contract that are in line with the recipient charity's mission	Trading with other voluntary organisations to raise funds		4.8
PRIVATE SECTOR Excluding charitable trusts set up by businesses	Corporate donations and gifts in kind	Subcontracting; research; other services provided under contract	Corporate sponsorship		2.5
NATIONAL LOTTERY	Grants from National Lottery distributors				0.5
INVESTMENT Dividends, interest, rent					4.1
TOTAL					53.5

Source: NCVO, Charity Commission

OVERVIEW

Money from the public remains the largest source of income for voluntary organisations

Breakdown of income by source, 2017/18

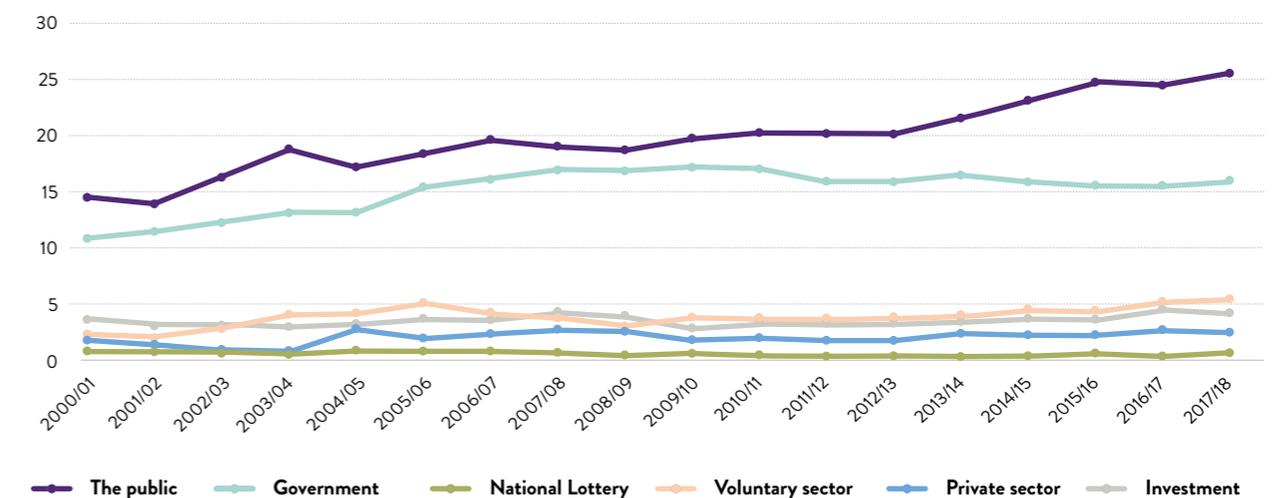


Source: NCVO, Charity Commission

OVER TIME

Both income from the public and government increased, with income from the public growing most

Income sources over time, 2000/01 to 2017/18 (£bn, 2017/18 prices)



Source: NCVO/TSRC, Charity Commission

WHAT ARE THE TRENDS IN INCOME FROM THE PUBLIC?

THE PUBLIC ACCOUNTS FOR ALMOST HALF OF THE SECTOR'S TOTAL INCOME

The public accounts for almost half (47%) of voluntary organisations' total income. In 2017/18, it remained the largest income source, amounting to **£25.4bn**.

Half of the money from the public (50%) is 'voluntary income' in the form of:

- donations, such as bucket collections or direct debits
- legacies – money that people give to voluntary organisations in their wills.

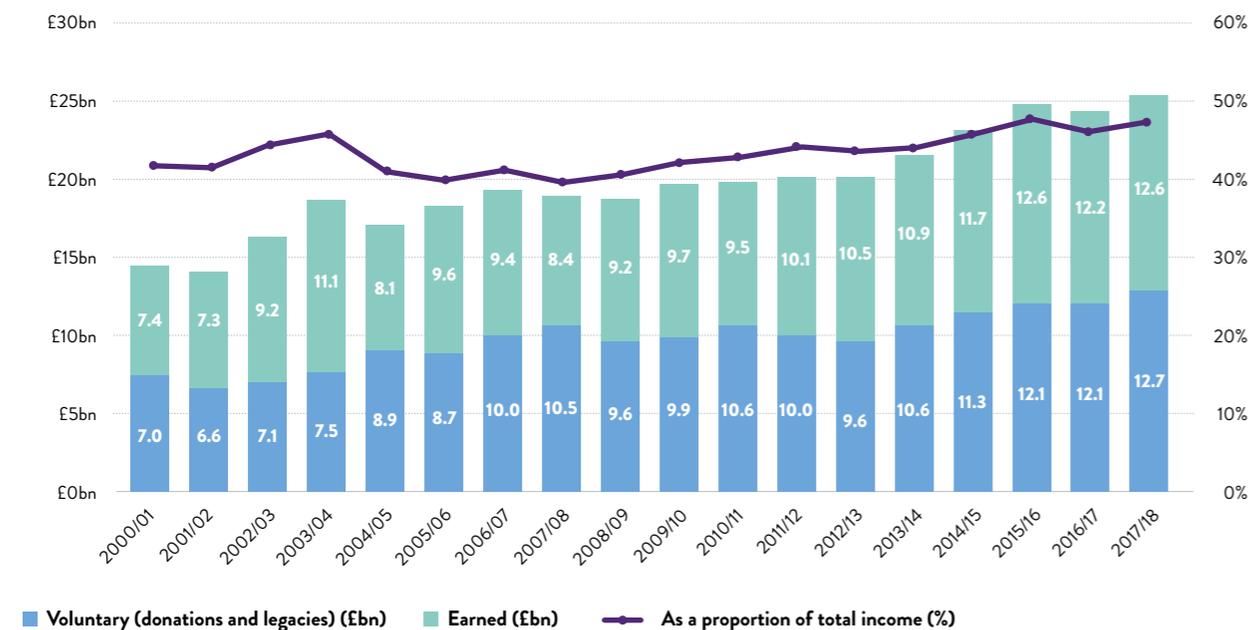
The other half comes from what we call 'earned income', where people get something in return. It encompasses:

- income from charitable activities, which include fees paid for goods and services such as rent for accommodation, membership subscriptions or fees for training courses, depending on the charitable purpose of the organisation
- activities for raising funds, which include sales from charity shops or admission fees for fundraising events.

OVER TIME

Income from the public grew in real terms and as a proportion of the sector's income

Income from the public in real terms and as a proportion of the sector's total income, 2000/01 to 2017/18 (£bn, %, 2017/18 prices)

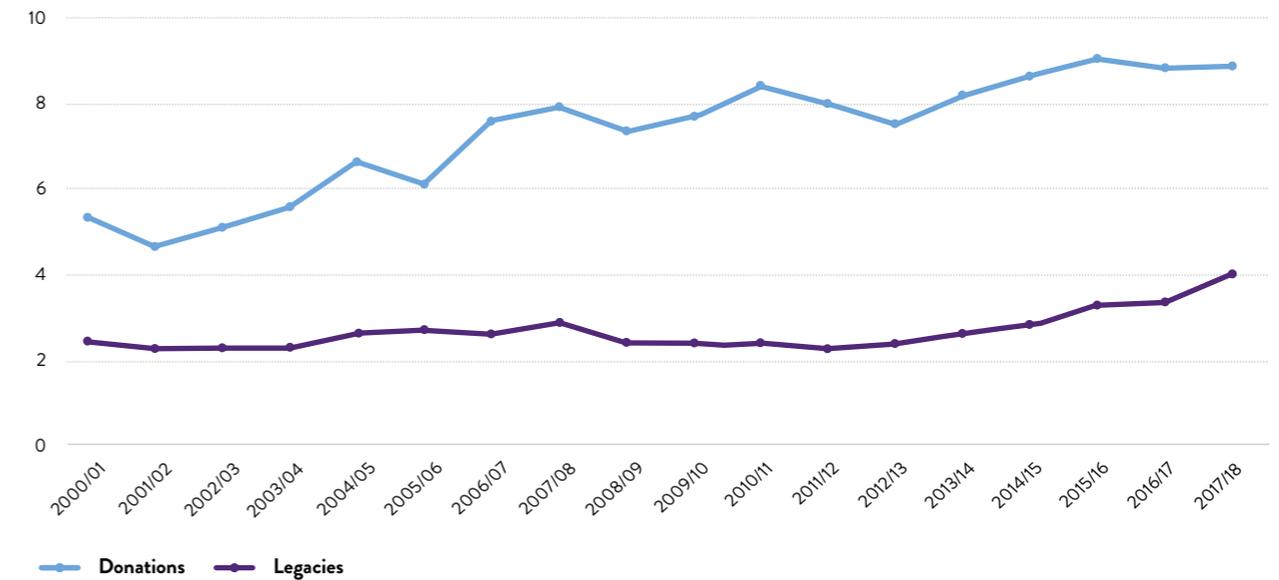


Source: NCVO/TSRC, Charity Commission

BY INCOME TYPE

Legacies continued to grow while donations remained stable

Breakdown of income from the public, 2000/01 to 2017/18 (£bn, 2017/18 prices)

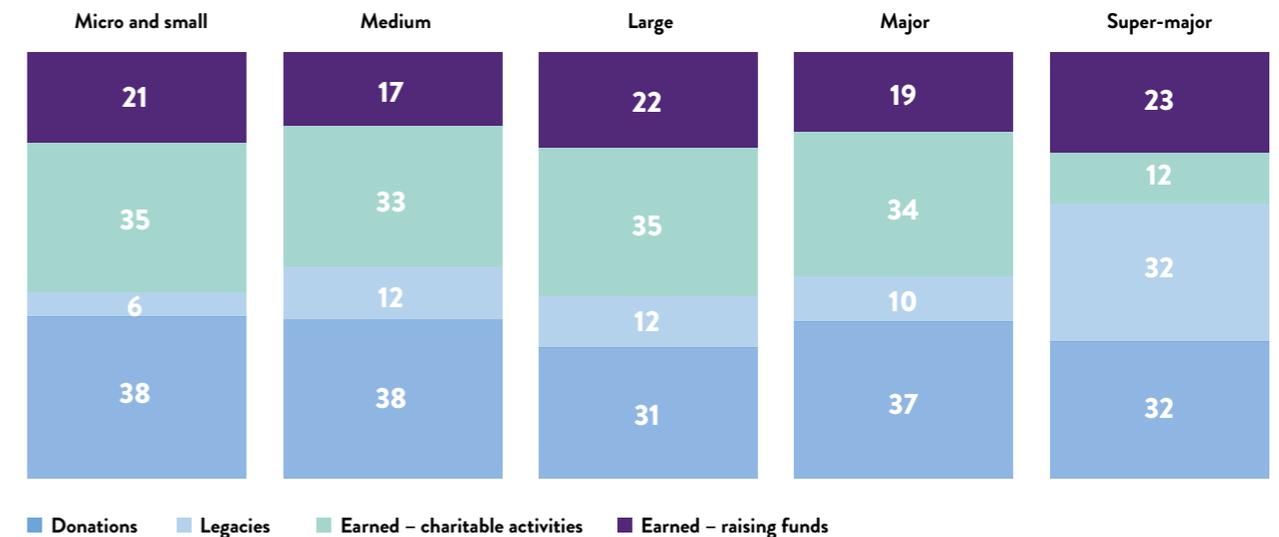


Source: NCVO/TSRC, Charity Commission

BY SIZE

Micro and small voluntary organisations are least likely to receive legacy income

Breakdown of income from the public by size of organisation, 2017/18 (%)



Source: NCVO, Charity Commission

WHAT ARE THE TRENDS IN INCOME FROM GOVERNMENT?

GOVERNMENT REMAINS THE SECOND LARGEST INCOME SOURCE FOR THE VOLUNTARY SECTOR

In 2017/18, government remained the second largest income source for the sector. Amounting to **£15.7bn**, it makes up 29% of the sector's total income, unchanged from the previous year.

Income from government includes income from:

- central government departments
- local authorities

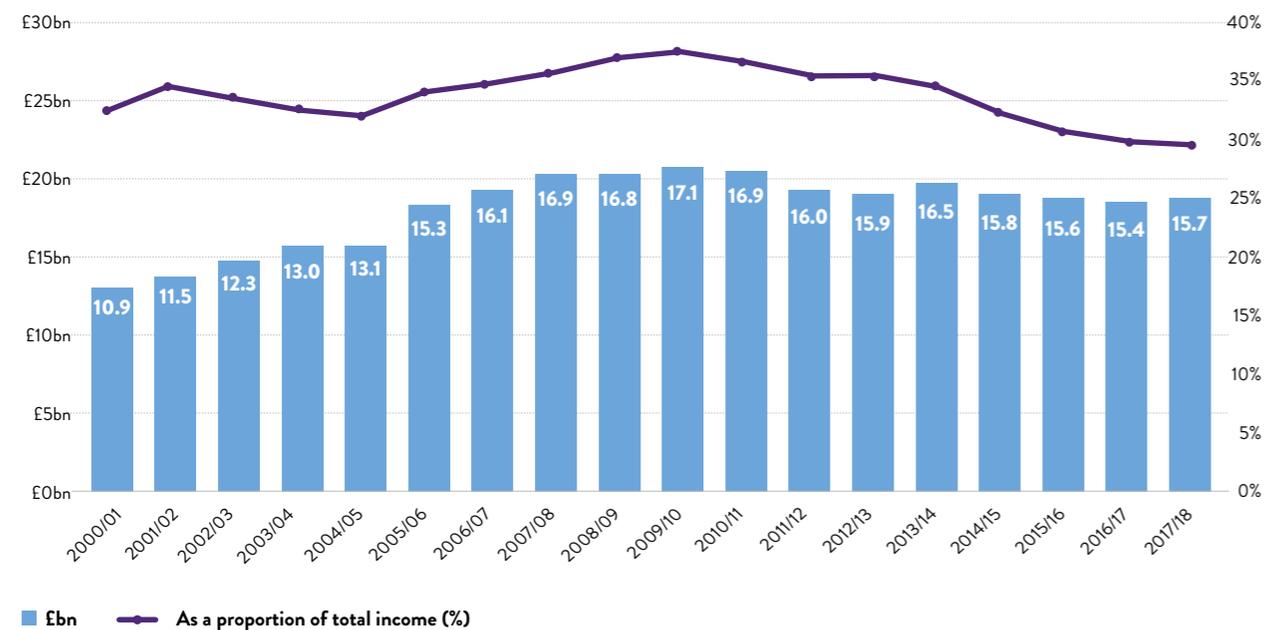
- devolved and regional government
- the EU and international governments
- town and parish councils
- NHS trusts
- a range of non-departmental public bodies (NDPBs).

Although this income represents a significant amount for the voluntary sector, it accounts for only a small part of total government spending, around 2%.

OVER TIME

The amount of income from government has remained fairly stable over the last four years but it has fallen as a proportion of total income

Income from government in real terms and as proportion of the sector's total income, 2000/01 to 2017/18 (£bn, %, 2017/18 prices)

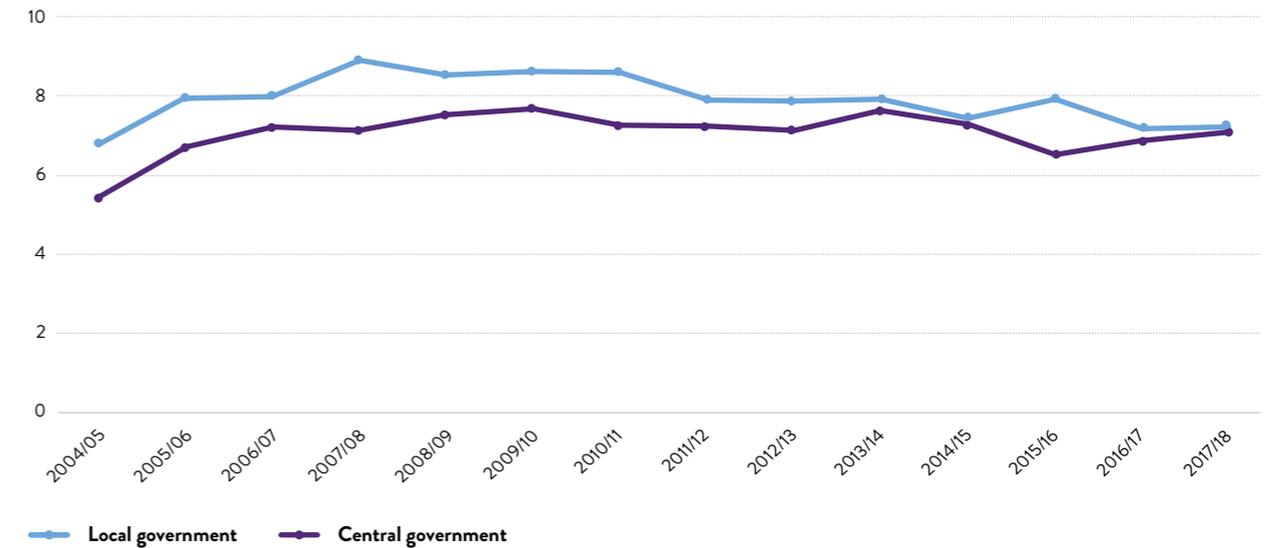


Source: NCVO/TSRC, Charity Commission

BY SOURCE

Income from local government and income from central government have reached similar levels

Income from central and local government, 2004/05 to 2017/18 (£bn, 2017/18 prices)

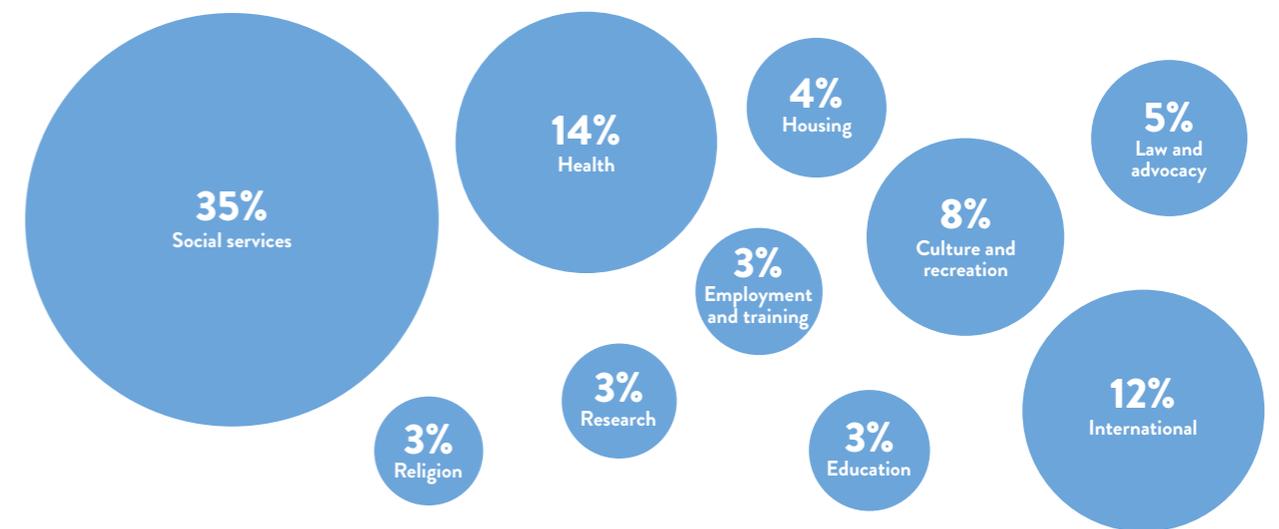


Source: NCVO/TSRC, Charity Commission

BY SUBSECTOR

Social services organisations receive the largest amount of income from government

Income from government by subsector (top 10) as a proportion of total government income, 2017/18 (%)



Source: NCVO, Charity Commission

HOW DO VOLUNTARY ORGANISATIONS SPEND THEIR MONEY?

VOLUNTARY ORGANISATIONS SPENT £51.3BN, WITH MOST OF THIS GOING TOWARDS THEIR CHARITABLE ACTIVITIES

In 2017/18, one fifth (19%) of all voluntary organisation gave grants.

More than two-thirds (70%) of their expenditure is spent on charitable activities which includes things that are directly linked to an organisation's purpose like running a food bank or providing a mentoring service. A further 15% goes towards grant

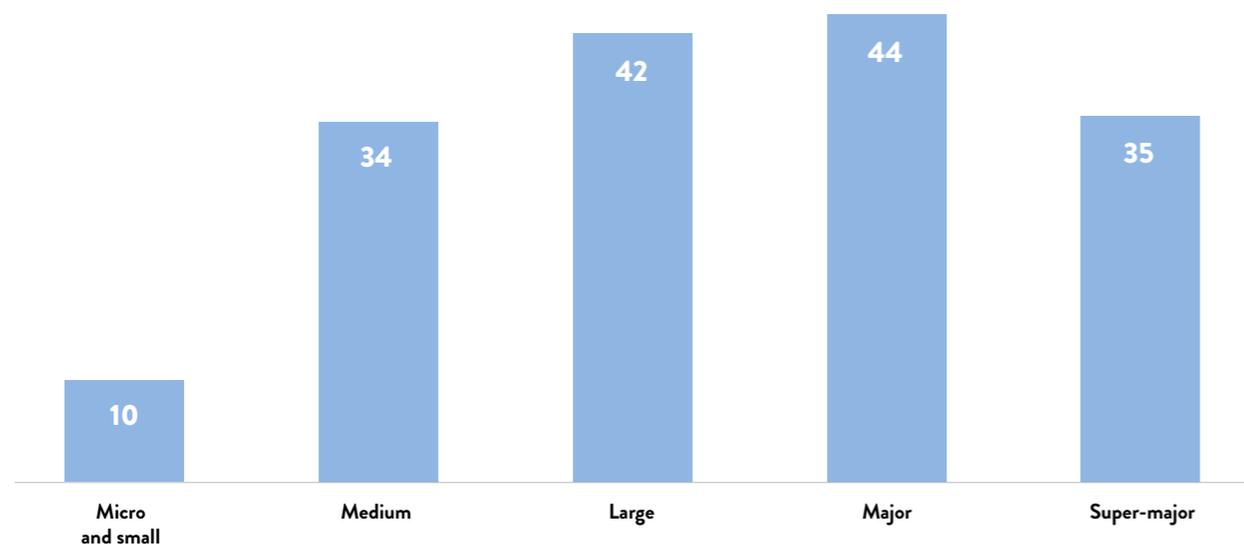
making which can be seen as indirect spending on charitable activities.

Voluntary organisations also spend money on activities for raising funds, such as fundraising and trading, which makes up 14% of the sector's spending.

STAFF COSTS

Smaller organisations spend a smaller proportion of their expenditure on staff costs

Proportion of staff costs of total spending by size of organisation, 2017/18 (%)

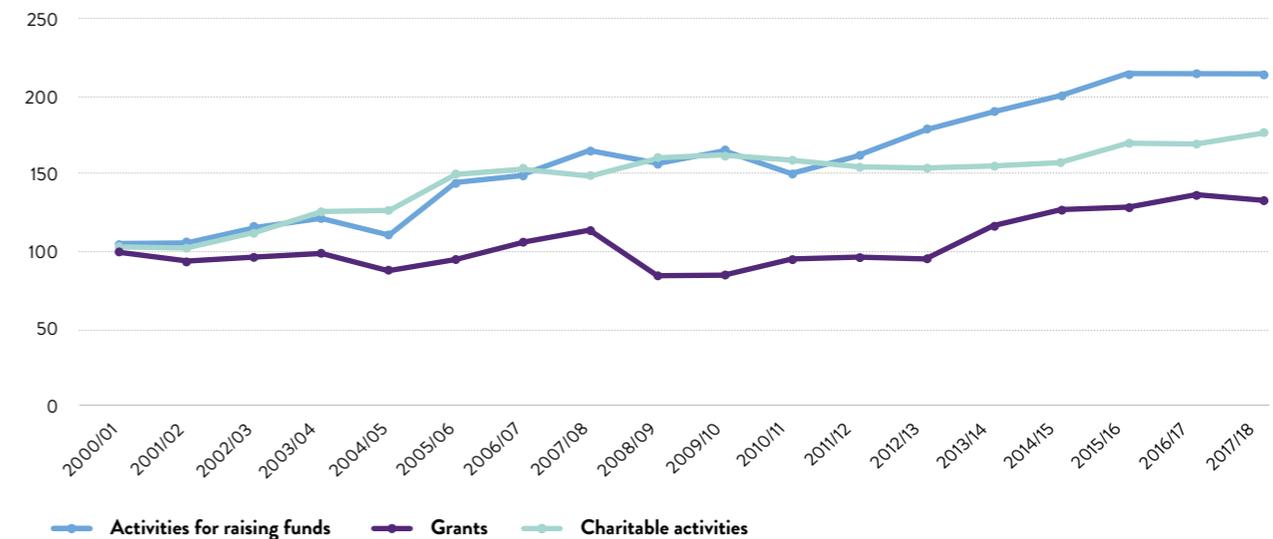


Source: NCVO, Charity Commission

OVER TIME

Costs on activities for raising funds have been growing faster than spending on charitable activities and grant making

Spending by type, 2000/01 to 2017/18 (indexed 2000/01=100, 2017/18 prices)

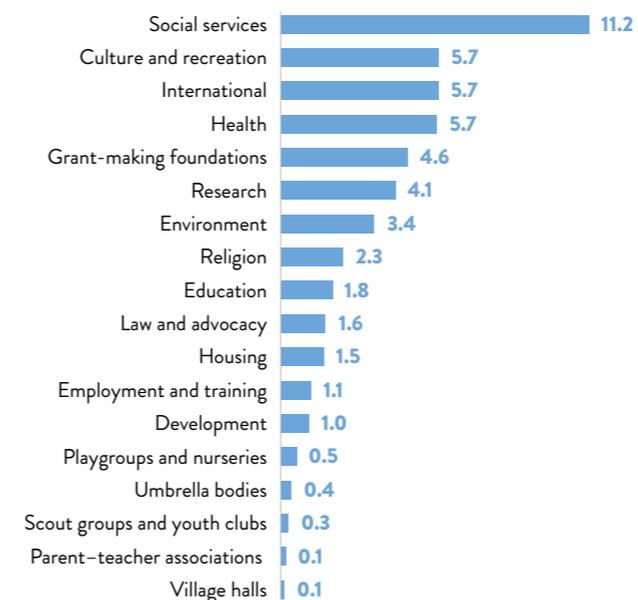


Source: NCVO/TSRC, Charity Commission

BY SUBSECTOR

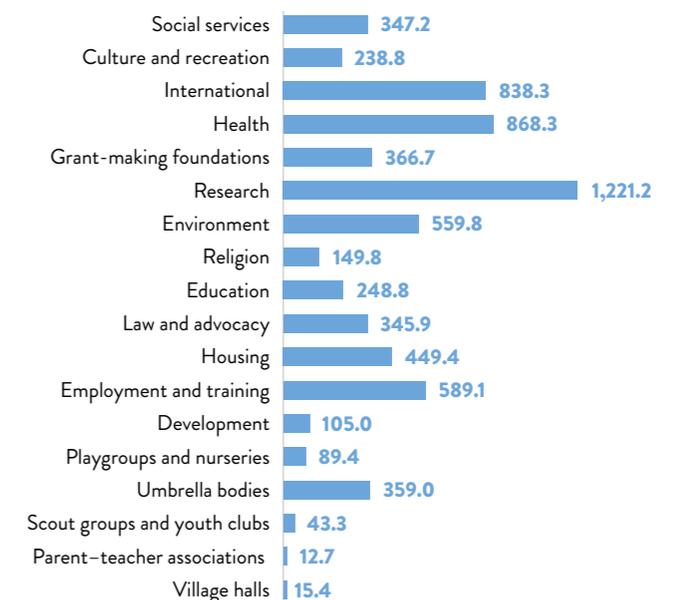
Overall spending is highest for social service organisations, but average spending is highest for research organisations

Total spending by subsector, 2017/18 (£bn)



Source: NCVO, Charity Commission

Average spending by subsector, 2017/18 (£k)



Source: NCVO, Charity Commission

WHAT ARE THE TRENDS IN GRANT MAKING?

ONE IN FIVE VOLUNTARY ORGANISATIONS MAKE GRANTS

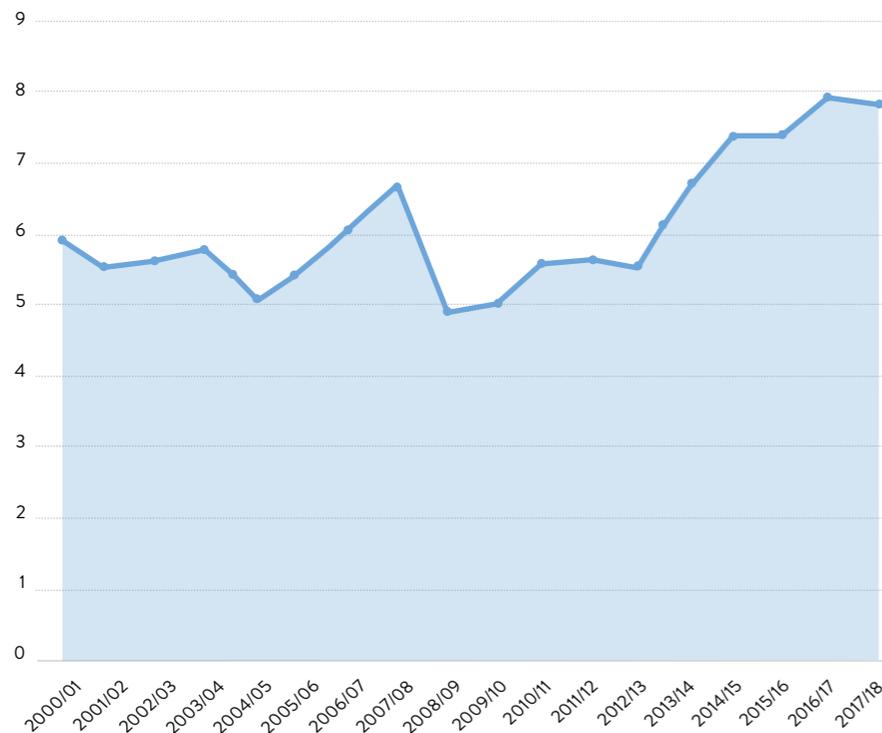
In 2017/18, one fifth (19%) of all voluntary organisations gave grants. This includes about 12,500 grant-making foundations whose main purpose is to give grants to organisations or individuals.

In 2017/18, voluntary organisations spent £7.9bn on making grants to other voluntary organisations, community groups, public sector organisations and individuals. Almost a third of all grants (£2.5bn) were made by grant-making foundations. Grant giving makes up 15% of the sector's total spending.

OVER TIME

Grant making fell slightly from the previous year

Total grant making, 2000/01 to 2017/18 (£bn, 2017/18 prices)



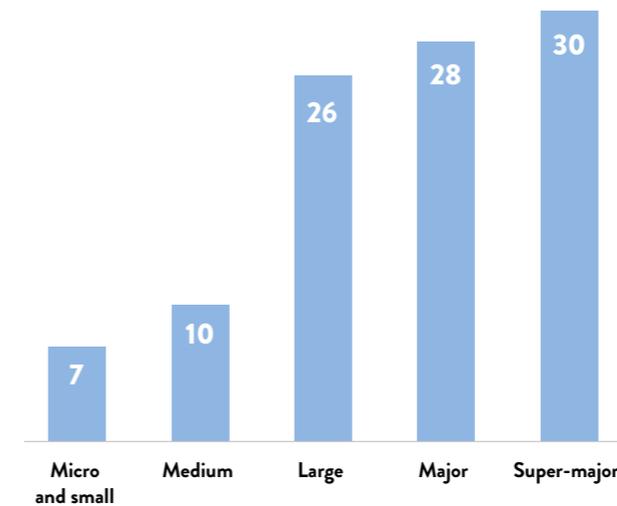
AROUND 30,600 VOLUNTARY ORGANISATIONS SPEND MONEY ON GRANTS, REPRESENTING ONE-FIFTH OF ALL ORGANISATIONS

Source: NCVO/TSRC, Charity Commission

BY SIZE

Organisations with an income over £10m account for the majority of grants made

Grants given as proportion of total grants by size of organisation, 2017/18 (%)



Source: NCVO, Charity Commission

TOP TEN

The 10 largest grant makers account for almost a third of all grants made

Grants given by the top 10 grant makers, 2017/18 (£m)

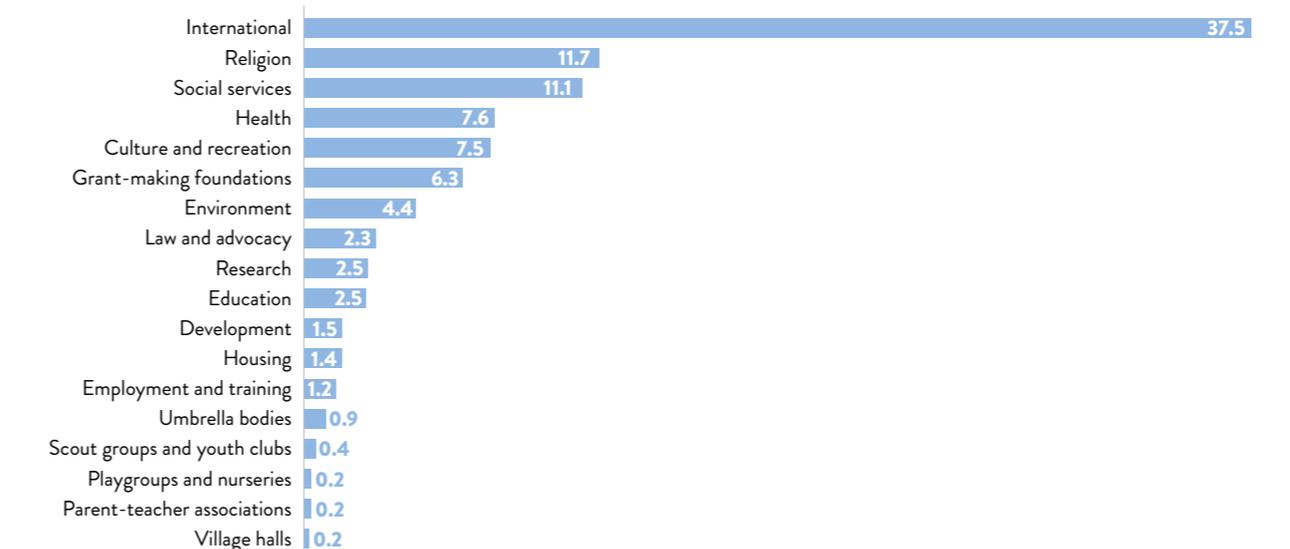
	NAME	GRANTS GIVEN
1	Wellcome Trust	1,040
2	Cancer Research UK	312
3	The Save the Children Fund	282
4	The Children's Investment Fund Foundation (UK)	710
5	British Heart Foundation	99
6	The Leverhulme Trust	75
7	Comic Relief	74
8	Oxfam	63
9	BBC Children in Need	63
10	Garfield Weston Foundation	62

Source: NCVO, Charity Commission

RECIPIENTS

International development receives the largest share of grants from grant-making voluntary organisations

Proportion of grants received from voluntary organisations by subsector, 2017/18 (%)



Source: NCVO, Charity Commission

WHAT ASSETS AND RESERVES DO VOLUNTARY ORGANISATIONS HAVE?

FIXED ASSETS MAKE UP THE MAJORITY OF THE SECTOR'S ASSETS

In 2017/18, the sector's total assets were worth **£164.4bn** while money owed to creditors and other liabilities amounted to £22.4bn.

The majority (84%) of the sector's total assets come from fixed assets, valued at £139.2bn. They include investment assets (£110.9bn), tangible fixed assets (£28.1bn) like buildings and equipment, and intangible fixed assets (£202m) like intellectual

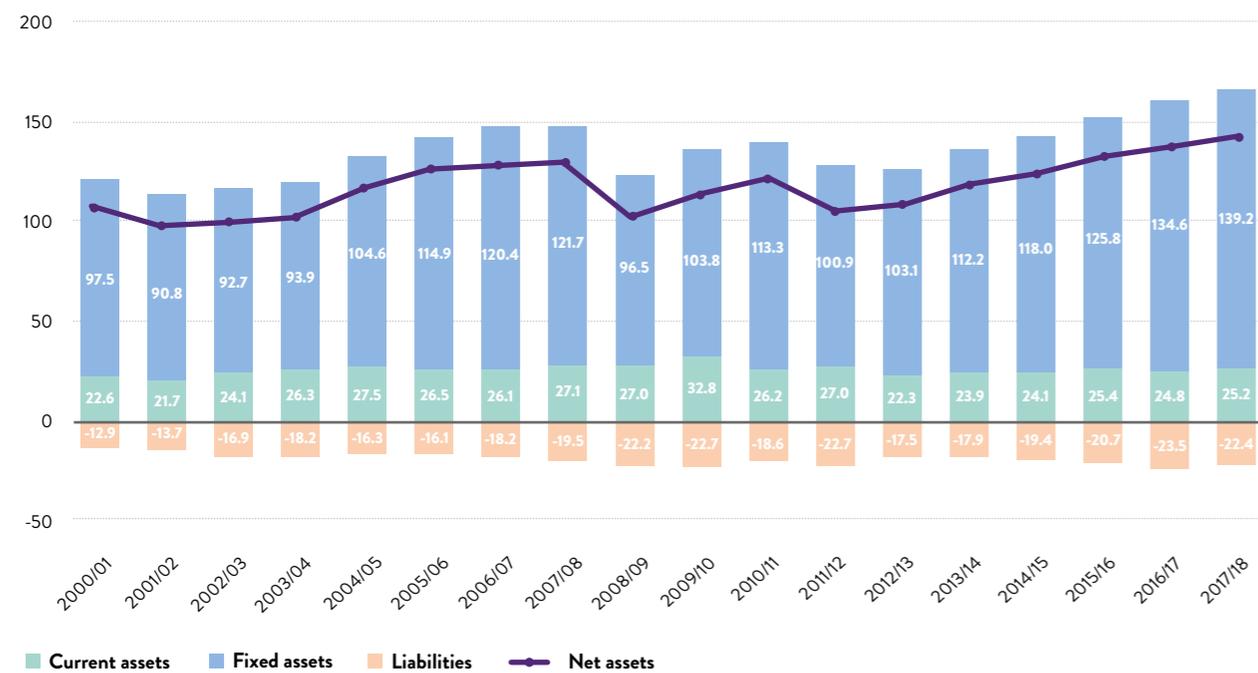
property.

Net assets represent the net worth of the sector (total assets minus liabilities). In 2017/18, the sector's net assets grew by 4% to £142bn, marking another record high. This was due to a continued growth in fixed assets and a decrease in liabilities.

OVER TIME

The sector's net assets continued to grow due to growth in investments and falling liabilities

Assets over time, 2000/01 to 2017/18 (£bn, 2017/18 prices)

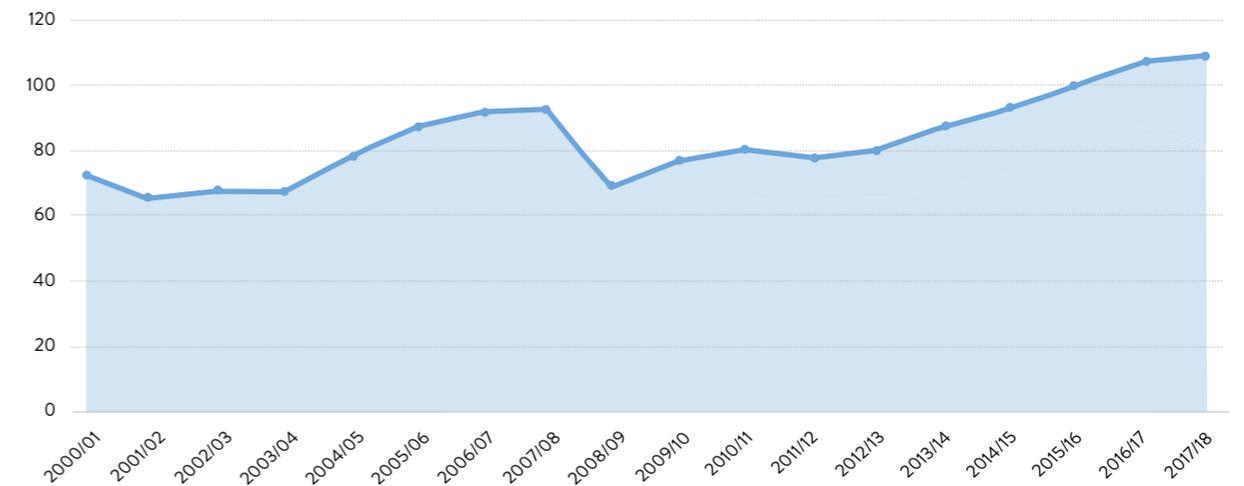


Source: NCVO/TSRC, Charity Commission

INVESTMENTS

Growth in investment assets is slowing down

Investment assets over time, 2000/01 to 2017/18 (£bn, 2017/18 prices)

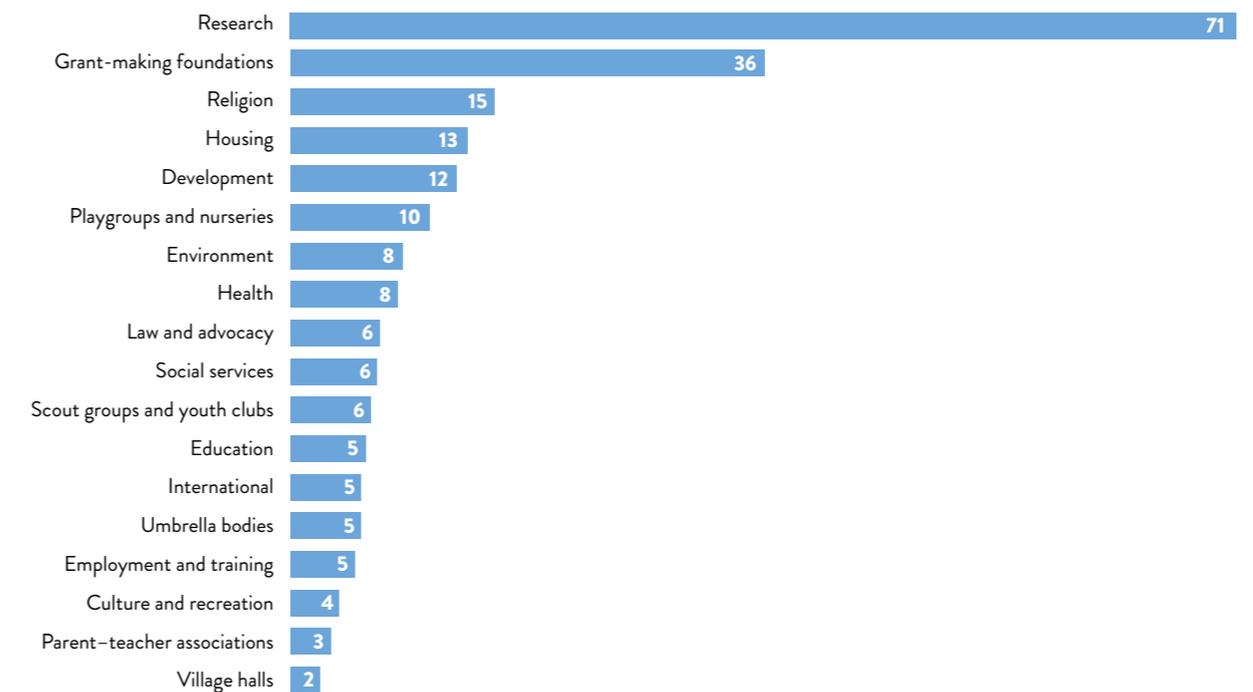


Source: NCVO/TSRC, Charity Commission

RESERVES

The level of reserves differs notably by subsector

Level of reserves as months of spending by subsector, 2017/18



Source: NCVO, Charity Commission

WHAT ARE THE FINANCIAL LIABILITIES OF VOLUNTARY ORGANISATIONS?

VOLUNTARY ORGANISATIONS HAVE LIABILITIES WORTH £22.4BN

Liabilities show the money that voluntary organisations owe to others. These can be grants committed in advance, taxes owed and other creditors, and also include loans, mortgages, pensions and provisions. Liabilities can be short term, payable within one year, or long term, payable after one year.

In 2017/18 the sector had liabilities worth £22.4bn and more than half of them (52%) were long term, including short-term creditors, pensions and provisions. The sector's pension deficit is £2.5bn and accounts for 11% of total liabilities.

OVERVIEW

More than half of the sector's liabilities are long term (payable after one year)

Breakdown of liabilities, 2017/18 (£bn, %)

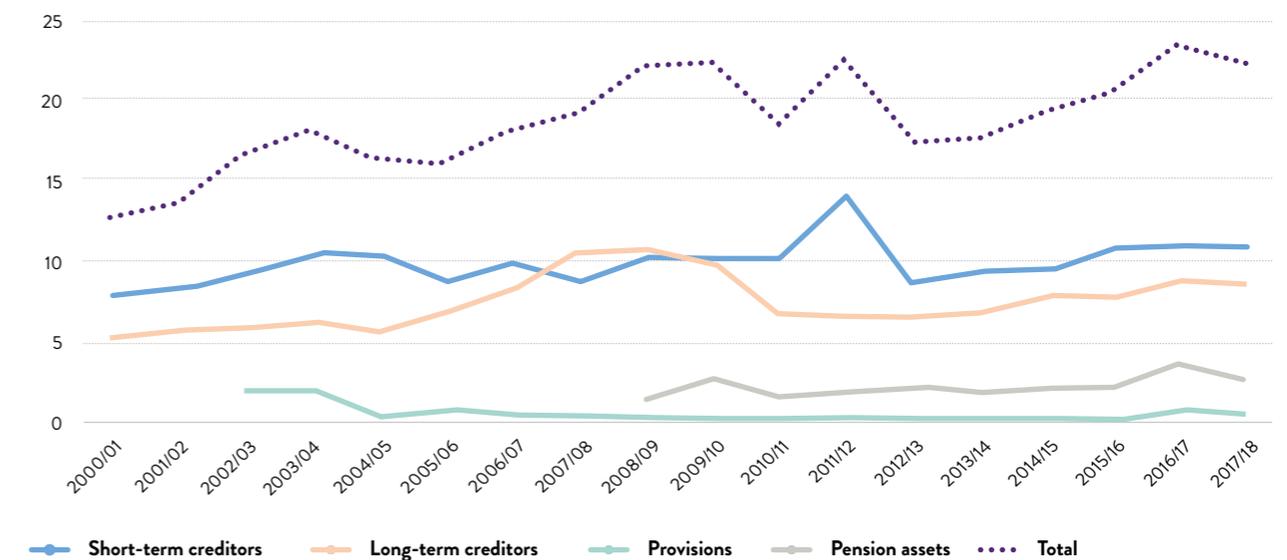


Source: NCVO, Charity Commission

OVER TIME

The sector's total liabilities fell for the first time in five years

Total liabilities and breakdowns of liabilities over time, 2000/01 to 2017/18 (£bn, 2017/18 prices)

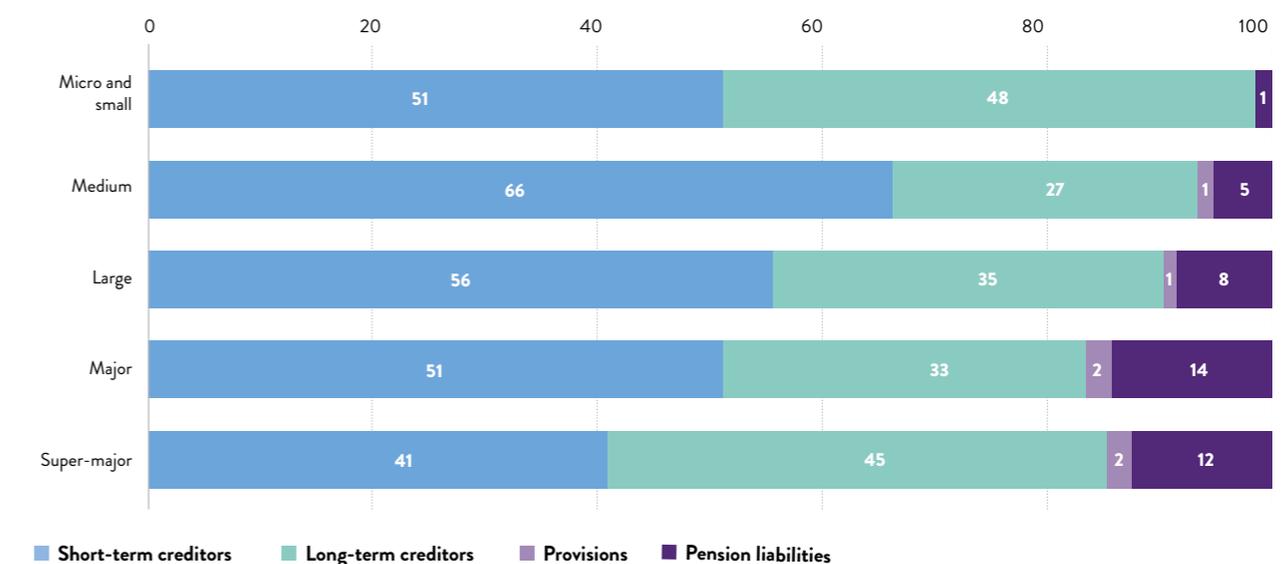


Source: NCVO/TSRC, Charity Commission

BY SIZE

Bigger organisations are more likely to carry long-term liabilities

Breakdown of liabilities by size of organisation, 2017/18 (%)



Source: NCVO, Charity Commission

WHAT DOES THE VOLUNTARY SECTOR WORKFORCE LOOK LIKE?

VOLUNTARY SECTOR EMPLOYEES MAKE UP ALMOST 3% OF THE TOTAL UK WORKFORCE

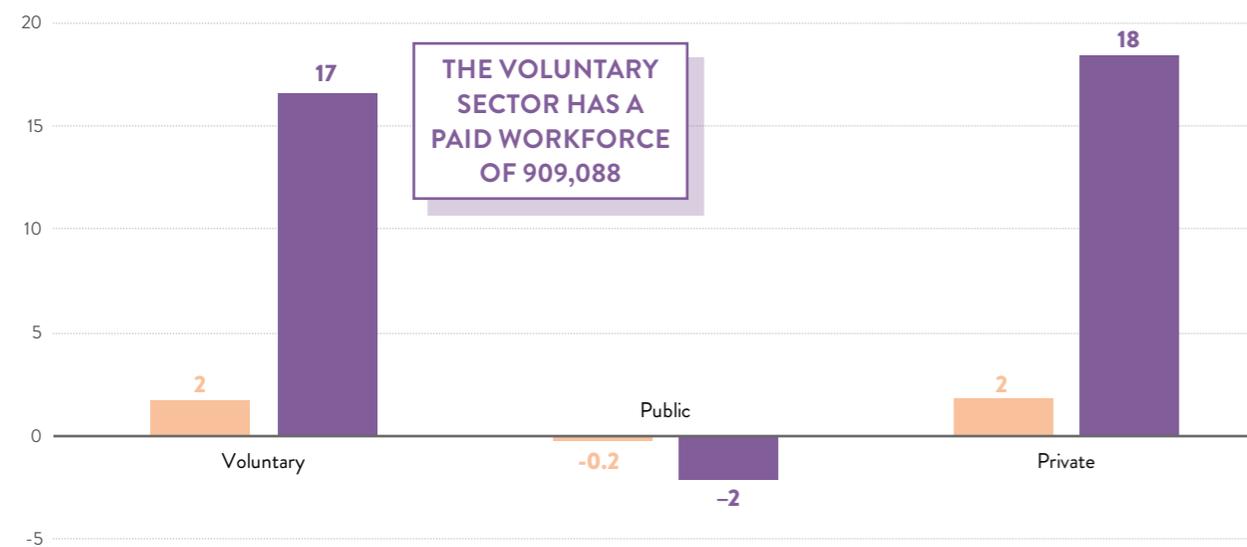
In June 2019, voluntary organisations employed **909,088** people representing almost 3% of the total UK workforce. The voluntary sector workforce has grown 17% since 2010, as has the private sector workforce (+18%). However, the public sector workforce has decreased (-2%) during this period.

The majority of the voluntary sector workforce are women, with men making up only a third of the total workforce. The sector's workforce is also older than the workforce in other sectors, with 37% of employees aged 50 years and over compared to 35% for the public sector and 31% for the private sector. The voluntary sector has a predominantly white workforce, with people from BAME backgrounds making up 9% of the workforce.

OVER TIME

The voluntary sector workforce has grown by 17% since 2010

Change in number of employees by sector, 2010 to 2019 (%)



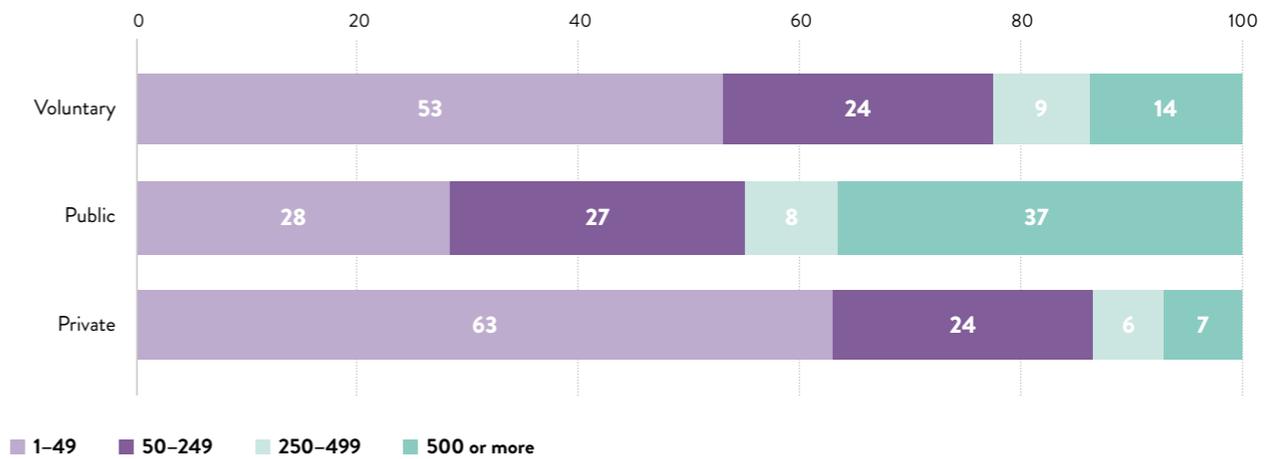
Legend: Average annual percentage change, 2010-2019 (orange); Percentage change, 2010-2019 (purple)

Source: Labour Force Survey

BY SIZE

The majority of voluntary sector employees work in organisations with fewer than 50 paid staff

Proportion of employees by size of organisation and sector, June 2019 (%)

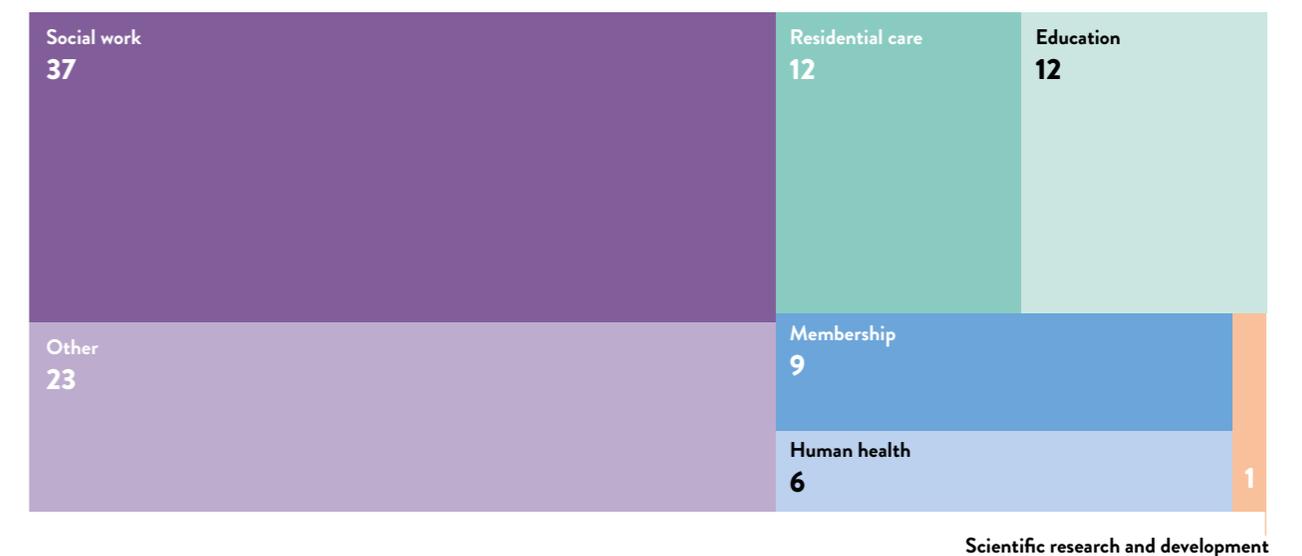


Source: Labour Force Survey

BY SUBSECTOR

Over a third of the voluntary sector workforce are employed in social work activities

Proportion of voluntary sector employees by subsector, June 2019 (%)



Source: Labour Force Survey

HOW ARE PEOPLE EMPLOYED AND WHAT ARE THEIR SKILLS?

VOLUNTARY SECTOR WORKERS ARE MORE LIKELY TO BE PART TIME AND EDUCATED TO DEGREE LEVEL OR HIGHER

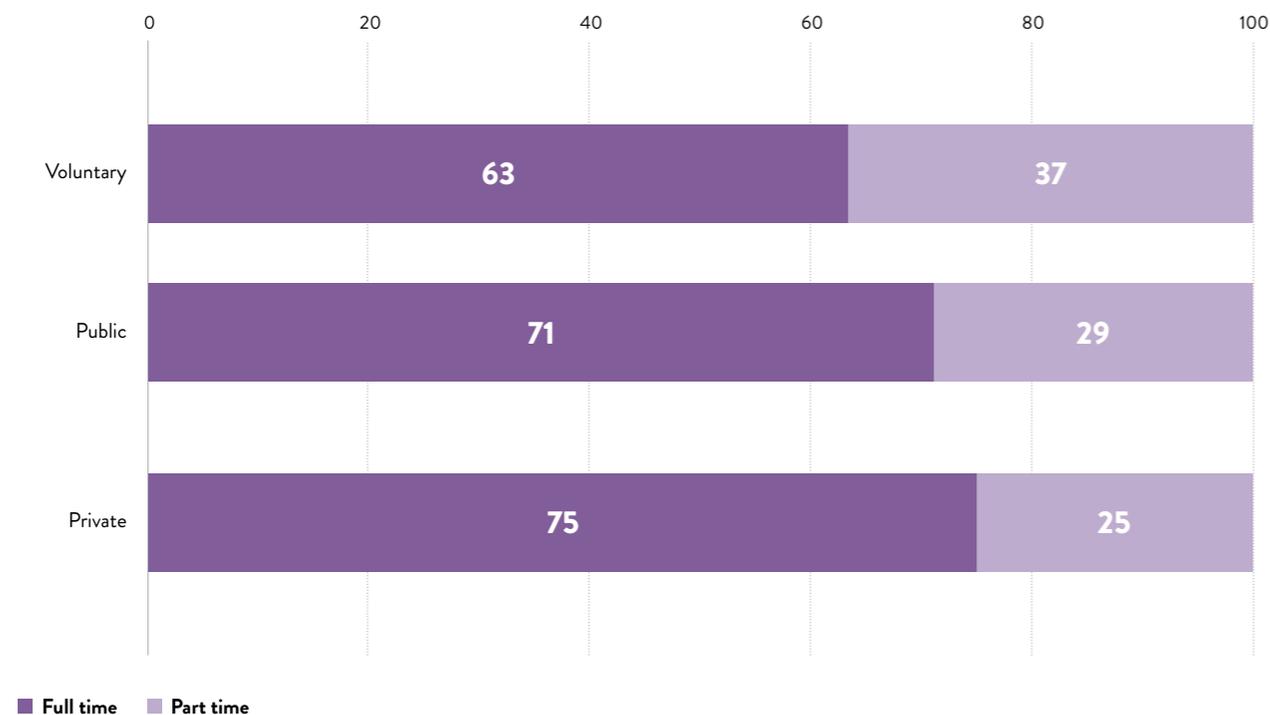
The composition of voluntary sector employees is similar to the public sector in terms of age profiles and types of roles. The workforce in both sectors is slightly older than in the private sector and they are more reliant on lower managerial positions, but voluntary organisations have a higher proportion of part-time employees than organisations in other sectors.

The voluntary sector is also very educated, with over half of the voluntary sector educated to degree level or higher, which is similar to those in the public sector. However, voluntary organisations also have the lowest incidence of skills gaps compared to other sectors.

BY WORK PATTERN

Voluntary organisations have a higher proportion of part-time employees than organisations in other sectors

Work pattern by sector, June 2019 (% of employees)

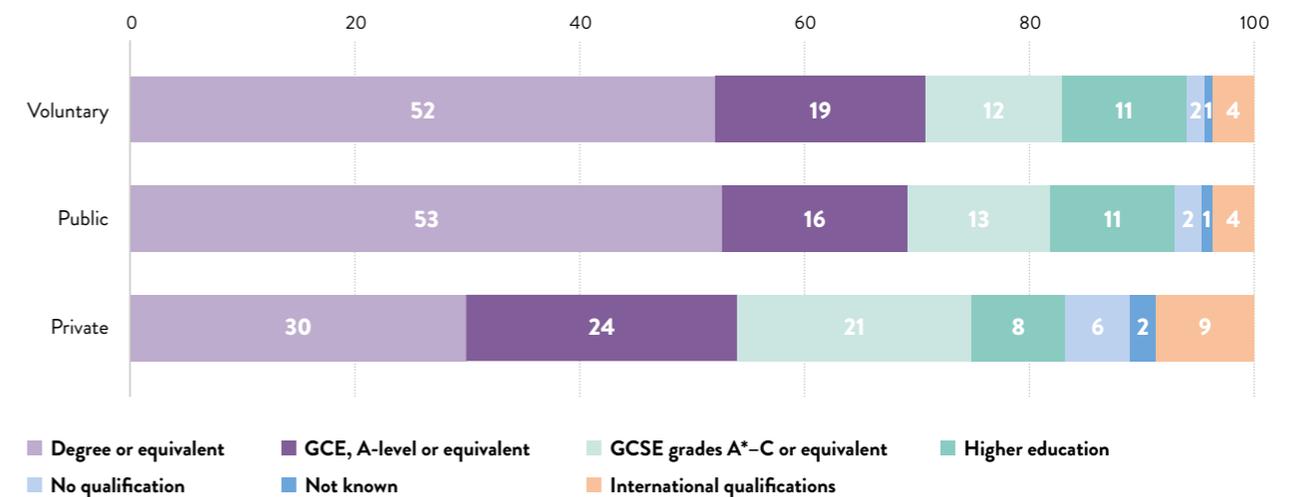


Source: Labour Force Survey

EDUCATION AND QUALIFICATIONS

Over half of the voluntary sector workforce is educated to degree level or higher

Highest qualifications by sector, June 2019 (% of employees)



Source: Labour Force Survey

SKILLS GAPS

Voluntary organisations have the lowest incidence of skills gaps compared to other sectors

Incidence of skills gap in current staff or applicants by sector, 2017 (% of employers)



Source: Employer Skills Survey

HOW MANY PEOPLE VOLUNTEER AND WHO ARE THEY?

19.4 MILLION PEOPLE VOLUNTEER THROUGH A GROUP, CLUB OR ORGANISATION

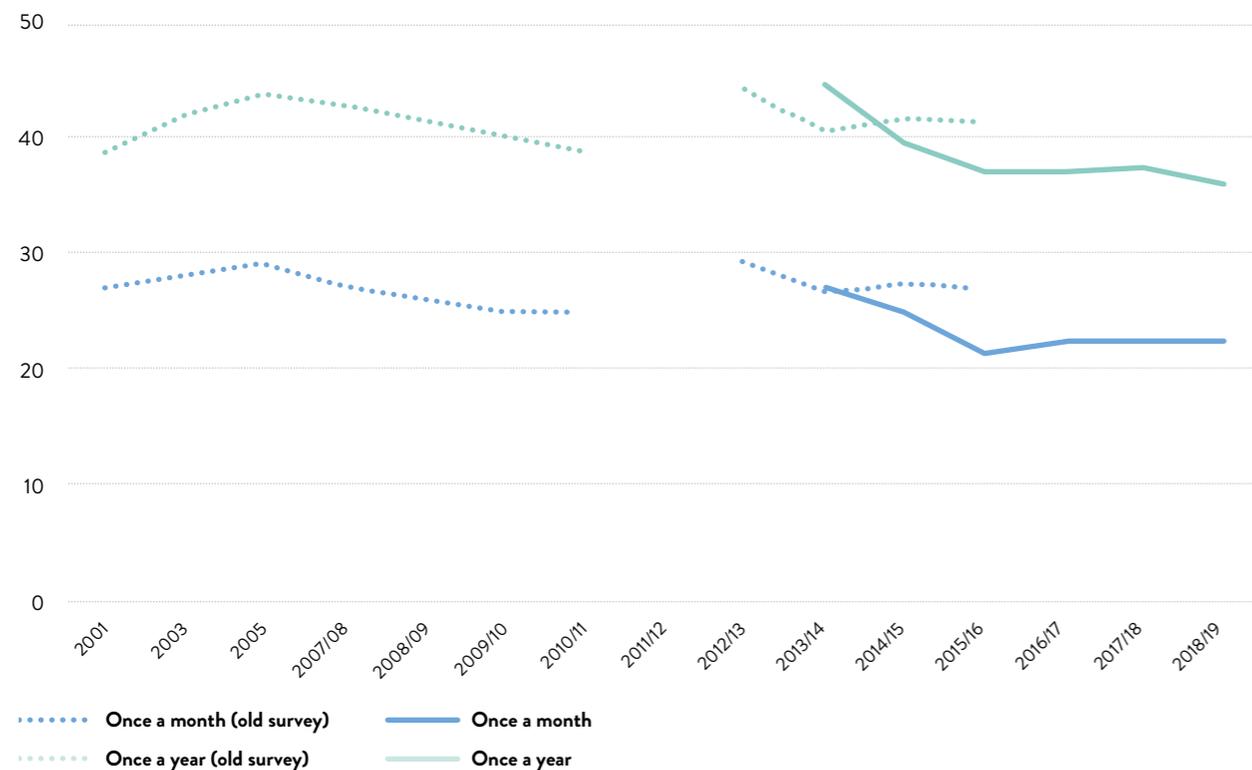
Over a third (36%) of people volunteered formally (ie with a group, club or organisation) at least once in 2018/19. This gives an estimate of 19.4 million people who formally volunteered during that year. Over one in five (22%) people formally volunteered regularly (at least once a month) in that year (11.9 million people).

Informal volunteering includes a wider range of activities and is defined as giving unpaid help to someone who is not a relative. In 2018/19, 52% of people informally volunteered at least once, and 26% of people took part in informal volunteering regularly.

OVER TIME

Levels of formal volunteering remain largely unchanged

Formal volunteering rates, 2001 to 2018/19 (%)

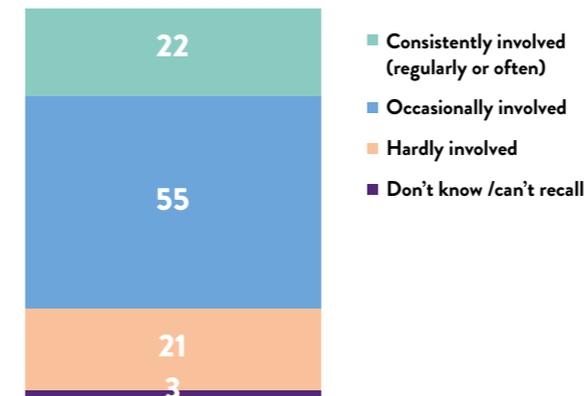


Source: Community Life Survey, Citizenship Survey

LIFETIME PARTICIPATION

Most people have formally volunteered at some point in their lives

Consistency of involvement of those who have ever volunteered over lifetime, 2018 (%)

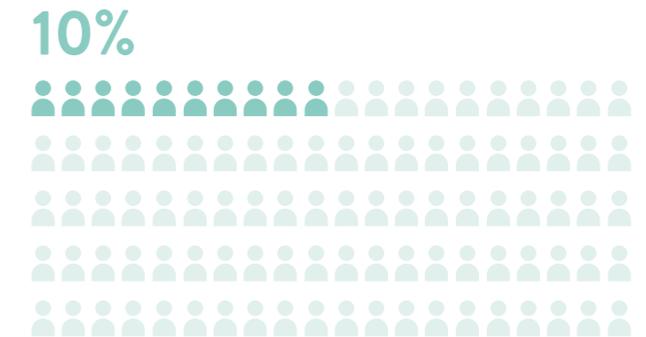


Source: Time Well Spent

EMPLOYER SUPPORTED VOLUNTEERING

Only a small proportion of volunteers are giving their time through employer supported volunteering (ESV)

Proportion of recent volunteers giving time supported by employers, 2018 (%)

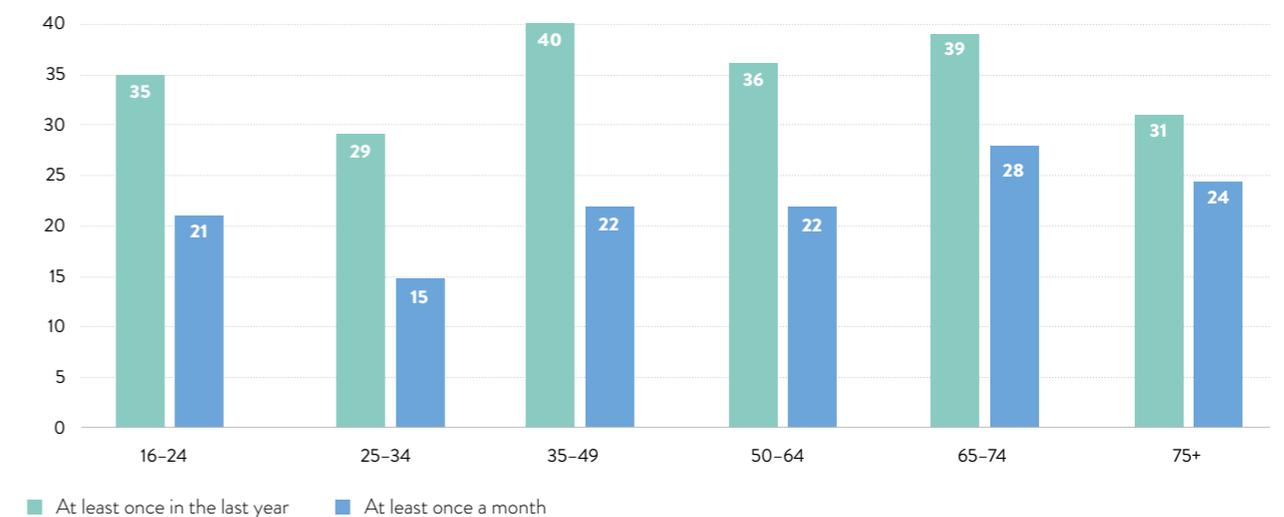


Source: Time Well Spent

BY AGE

People aged 65–74 are the age group most likely to volunteer on a regular basis

Proportion of people formally volunteering by age group, 2018/19 (%)



Source: Community Life Survey

WHAT MOTIVATES PEOPLE TO VOLUNTEER AND KEEP VOLUNTEERING?

POSITIVE EXPERIENCES ARE LIKELY TO LEAD TO CONTINUED PARTICIPATION

Volunteer journeys vary, therefore volunteer-involving organisations have a wide range of expectations to meet.

People have multiple reasons for volunteering, but their main motivations include wanting to improve things or help others.

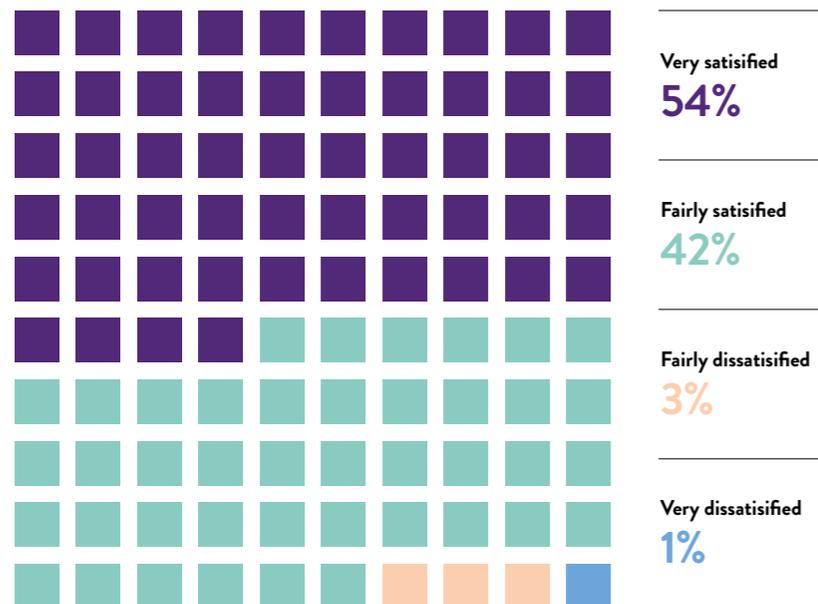
Positive experiences are likely to lead to continued participation. How people experience the different elements

of the volunteering journey matters for their overall satisfaction and likelihood to continue. Some groups tend to be less positive about certain aspects of their experience than others, including younger compared with older, occasional compared with frequent, public sector compared with civil society, and disabled compared with non-disabled volunteers.

OVERVIEW

Volunteering is a positive experience for most

Overall satisfaction of all recent volunteers with volunteering for their main organisation, 2018 (%)



Source: Time Well Spent



MOTIVATIONS

The most common reason people volunteer is to improve things or help others

Reasons for formal volunteering, 2018/19 (%)

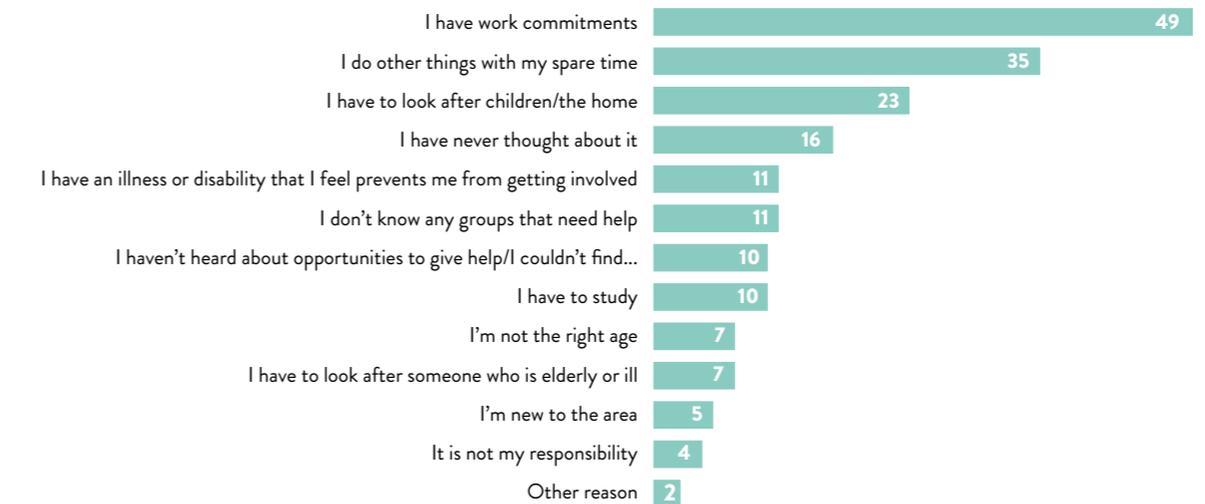


Source: Community Life Survey

BARRIERS

Competing priorities are the biggest barriers to volunteering

Reasons given for not taking part in formal volunteering or not volunteering more frequently, 2018/19 (%)



Source: Community Life Survey

WHAT DO VOLUNTARY ORGANISATIONS CONTRIBUTE TO THE ECONOMY?

THE VOLUNTARY SECTOR CONTRIBUTES TO THE UK ECONOMY IN MULTIPLE WAYS

The contribution to the economy of different sectors is measured by the Office for National Statistics (ONS) based on their production or output (Gross Value Added, GVA), similar to the Gross Domestic Product (GDP). Although voluntary organisations are included in ONS estimates as part of 'Non-Profit Institutions Serving Households' they are not synonymous with the voluntary sector.

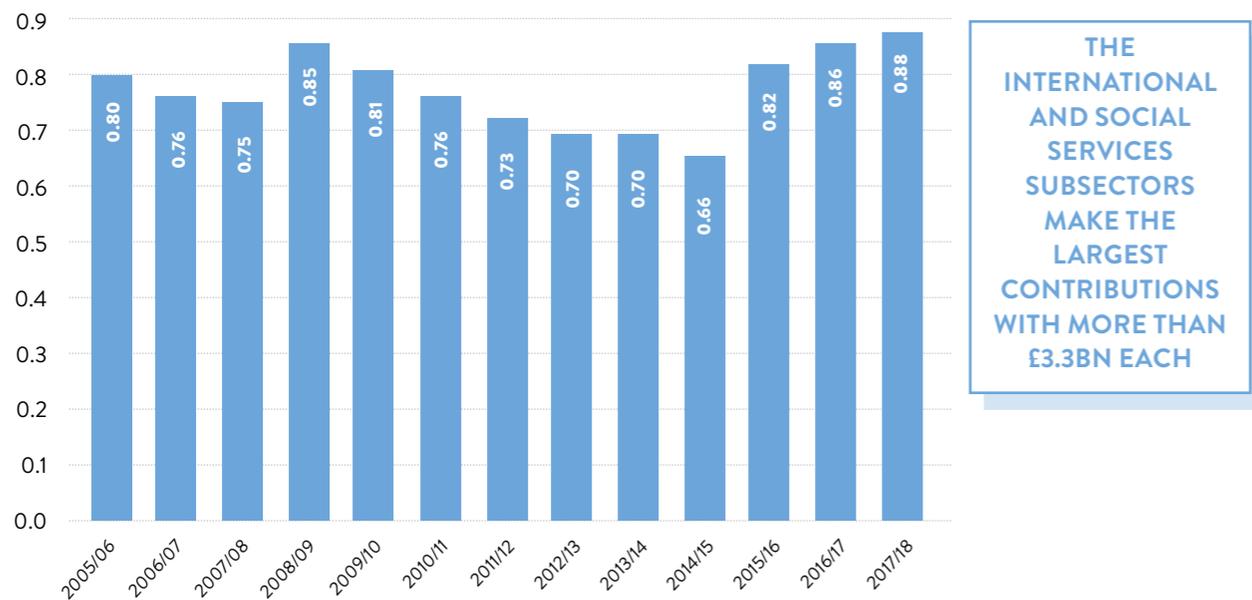
NCVO and ONS therefore developed a method of estimating the voluntary sector's GVA, in the early 2000s. Although it has its limitations, we judge that it provides the best indication of the economic value of the sector.

The method calculates GVA as follows: Staff costs + Expenditure on goods and services - Income from sales of goods and services.

ADDED VALUE (GVA)

The voluntary sector contributed £18.2bn to the economy, representing about 0.9% of total GDP

Voluntary sector contribution to the UK economy, 2005/06 to 2017/18 (as % of GDP)



THE INTERNATIONAL AND SOCIAL SERVICES SUBSECTORS MAKE THE LARGEST CONTRIBUTIONS WITH MORE THAN £3.3BN EACH

Source: NCVO/TSRC, Charity Commission

WORKFORCE

The sector employs approximately 910,000 people, about 40,000 more than in 2018

Number of employees in the voluntary sector, 2009 to 2019

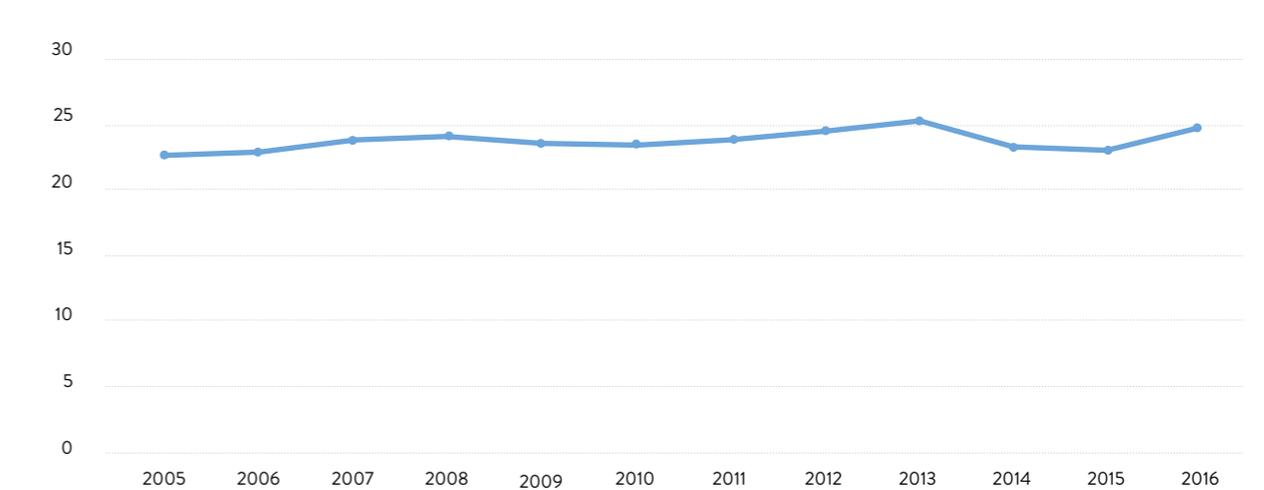


Source: Labour Force Survey

VOLUNTEERING

The value of formal volunteering was estimated at £23.9bn in 2016

Gross Value Added (GVA) of voluntary activity to the UK economy, 2005 to 2016 (£bn)



Source: ONS Satellite Accounts

WHO BENEFITS FROM THE VOLUNTARY SECTOR?

VOLUNTARY ORGANISATIONS CONTRIBUTE TO SOCIETY IN MANY DIFFERENT WAYS

Voluntary organisations are set up for different purposes that support a range of beneficiaries, including people, organisations and the environment. As such they make a difference in a wide range of ways.

Research by Johns Hopkins University provides a useful framework to help improve understanding of the sector's different contributions to society. It highlights five key roles:

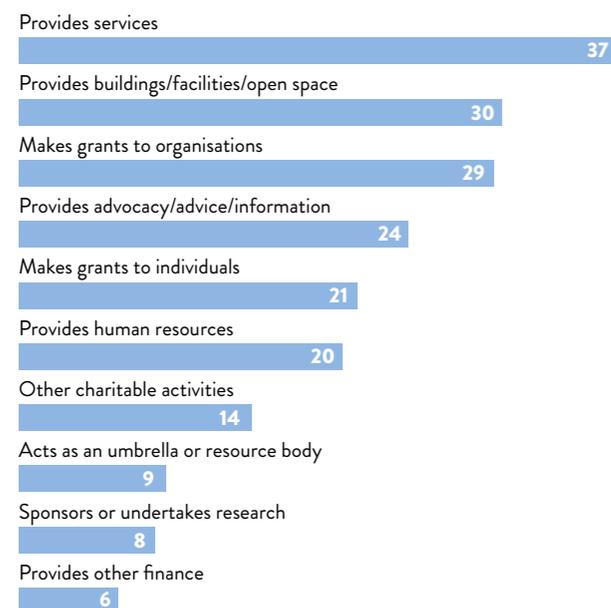
- service delivery
- innovation
- advocacy
- self-expression and leadership
- community building.

This research involved a comparative study across different countries. It found that the service role is the most commonly expected contribution of voluntary organisations, followed by the innovation role.

TYPES OF SUPPORT

Service provision is the most common type of support provided by voluntary organisations

Number of organisations by type of support, 2017/18 (%)

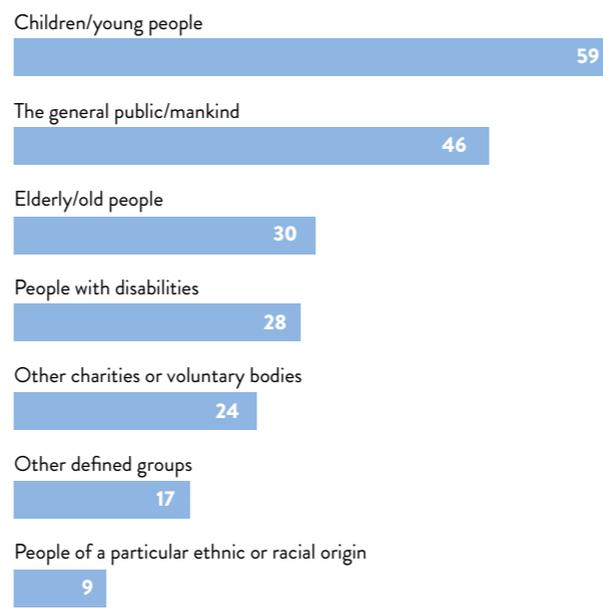


Source: NCVO, Charity Commission

BENEFICIARIES

The most common beneficiary group of voluntary organisations are children and young people

Proportion of organisations by beneficiary group, 2017/18

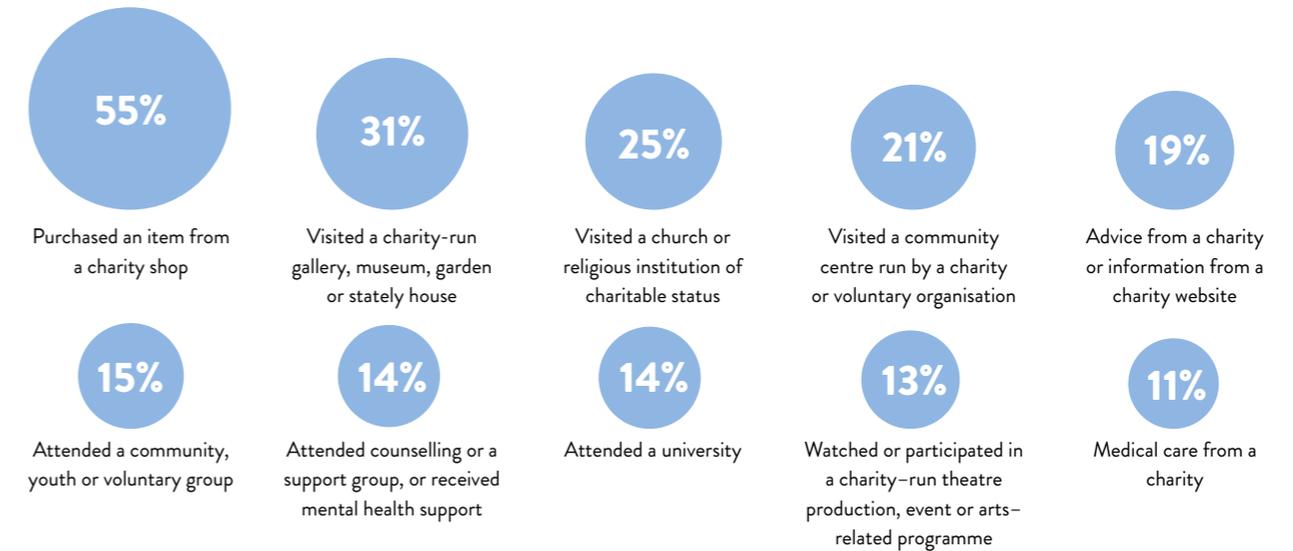


Source: NCVO, Charity Commission

THE PUBLIC

Voluntary organisations are widely used by households

Services accessed by UK households in the last 12 months, 2018 (%)

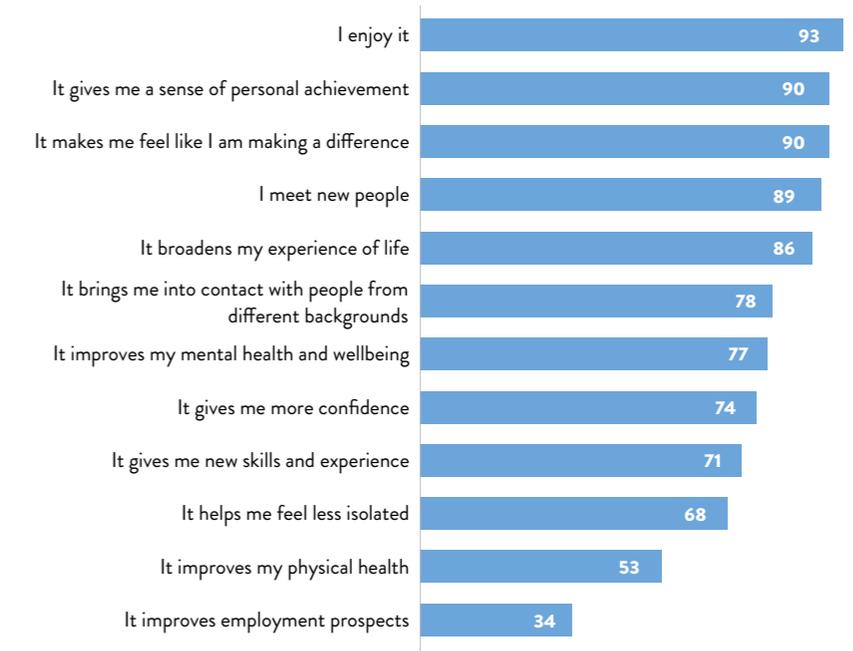


Source: Charities Aid Foundation Charity Street III

VOLUNTEERS

Volunteers feel they benefit from their volunteering in a range of ways

Perceived benefits of volunteering on recent volunteers, 2018 (%)



Source: Time Well Spent

THE ECONOMIC VALUE OF VOLUNTEERING IS ESTIMATED AT £23.9BN, BUT THIS DOES NOT CAPTURE ITS WIDER SOCIAL VALUE

ABOUT THIS RESEARCH

OVERVIEW

We estimate the size, scope and finances of the UK voluntary sector using two sources of data: data for all registered charities based on the Charity Commission register, and detailed financial data for a sample of charities using their financial accounts. This core data has been collected by NCVO for over ten years.

1

DATA FOR THE WHOLE POPULATION OF GENERAL CHARITIES

The Charity Commission register holds data for all registered charities in England and Wales, including their head office address, area of operation, activities, charitable objects, beneficiaries and some basic financial information (total income and spending). This data is used to provide basic information on the whole population of charities after we have applied our general charities definition.

2

SAMPLING THE FINANCIAL DATA

Data is obtained for about 10,000 charities by taking their financial accounts and manually inputting them into a database. For the purpose of the Almanac, we then include only those charities that meet the general charities definition. This data is then weighted up to the total population, to provide more detailed information on income sources and types of spending.

Aggregate data for Northern Ireland and Scotland is based on financial breakdowns in England and Wales to provide an overall picture for the whole of the UK.

In addition to the core data on the finances of voluntary organisations, we undertake analysis of regular survey data to produce insights on the following.

VOLUNTEERING

Using the [Community Life Survey](#) from the Department for Digital, Communication, Media and Sports (DCMS) and the [Time Well Spent](#) survey by NCVO.

THE SECTOR'S WORKFORCE

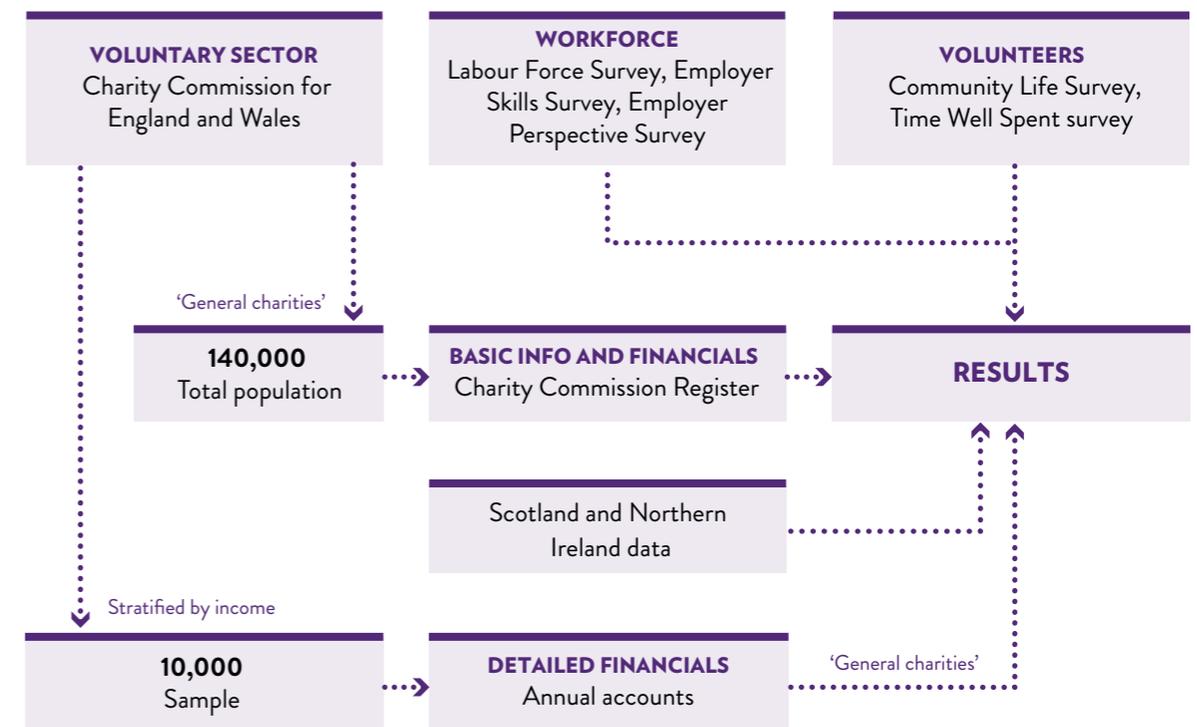
Using the [Labour Force Survey](#) from the Office for National Statistics (ONS), the [Employer Skills Survey](#) and the [Employer Perspective Survey](#) both run by the Department for Education (previously by the UK Commission for Employment and Skills).

CIVIL SOCIETY ORGANISATIONS

More widely using a range of secondary data sources.

MORE INFORMATION ON OUR METHODOLOGY

Overview of data sources for the Almanac analysis of voluntary organisations



ABOUT THIS RESEARCH

VOLUNTARY SECTOR DATA



GENERAL CHARITIES DEFINITION

In the Almanac, a definition of ‘general charities’ is used to provide estimates for the voluntary sector. The definition is based on common features of non-profit organisations¹ and was originally constructed to also fit Office for National Statistics (ONS) national accounting purposes.

Included in the general charities definition are those registered charities that meet the following criteria.

- Formality (institutionalised to some extent)
- Independence (separate from the state)
- Non-profit distributing (not returning profits generated to owners or directors)
- Self-governance
- Voluntarism (involving some meaningful degree of voluntary participation)
- Public benefit

This definition excludes registered charities that do not meet these criteria, for example sacramental religious bodies or places of worship, as well as organisations like independent schools, government-controlled bodies or housing associations.

FINANCIAL DATA

Financial information on voluntary organisations is based on financial accounts data submitted to the Charity Commission in England and Wales. As the data is somewhat limited, NCVO extracts additional data for a sample of charities (see table).

Almanac voluntary sector population and sample for England and Wales, 2017/18

	MICRO	SMALL	MEDIUM	LARGE	MAJOR	SUPER-MAJOR	TOTAL
Registered with the Charity Commission	77,522	57,050	27,064	6,073	1,165	89	168,963
General charities	65,484	49,497	20,525	4,557	626	54	140,743
Sample	37	1,237	2,873	2,913	517	54	7,631
Sample (% of general charities)	0.1	2.5	14.0	63.9	82.6	100.0	5.4

Source: NCVO, Charity Commission

DATA CLEANING AND CLASSIFICATION

Within the Almanac, income of voluntary organisations is classified by type and source. Before use, the data is cleaned to remove identified errors, and undergoes a series of checks to ensure validity, including detecting anomalies in trend data or ratios of financial variables, and manual checking of accounts.

ANALYSIS BY INCOME BAND

Within the Almanac, voluntary organisations are divided into six groups based on their income. Each group is named to make it easier to discuss the findings (income bands name). The sample, however, is selected in nine income bands to accommodate Charity Commission registration thresholds (income bands for sampling). These bands are aggregated to produce the six bands used in the Almanac.

ANALYSIS BY SUBSECTOR

Subsectoral analysis in the Almanac is based on assigning organisations to categories in the International Classification of Non-profit Organisations (ICNPO). The ICNPO is a classification system for non-profit organisations and was designed by the Center for Civil Society Studies at Johns Hopkins University in the US as part of efforts to draw up a UN Satellite Account for the non-profit sector. It is the most useful tool to classify and compare different groups of voluntary organisations, and is used throughout the Almanac.

1: Salamon, L. M., Anheier, H. K., List, R., Toepler, S. & Sokolowski, S. W., & Associates (1999) *Global Civil Society: Dimensions of the Nonprofit Sector*. Baltimore, MD: Johns Hopkins Center for Civil Society Studies. ; Kendall, J. & Knapp, M. (1996) *The Voluntary Sector in the UK*. Manchester: Manchester University Press

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NVO

**CHAMPIONING
VOLUNTARY
ACTION**

Registered charity number 225922

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