

NAVIGATING THE WAVES OF THE CRISIS

VIEWS FROM CHARITY LEADERS



CHALLENGES

Income and sustainability is a top challenge for more than half of charities



IMPACT

1 in 3 rank Covid restrictions as one of their three most pressing challenges



GOVERNMENT

85% expect charities to fill the gaps in public sector provision



TECHNOLOGY

A third of charity leaders are increasingly adopting online fundraising



PLANNING FOR THE FUTURE

Two thirds are confident they can meet demand over the next 12 months

Charity leaders tell us about the obstacles and challenges they are currently facing



INCOME AND SUSTAINABILITY ARE THE BIGGEST CHALLENGES FOR CHARITIES

More than half of charity leaders (55%) say that generating income and achieving financial stability is one of their top three challenges, although three in 10 (28%) do say that they now have more access to unrestricted funds than they did before the pandemic.

Three in 10 charities say they have been affected by grant funders freezing their normal funds to focus on the coronavirus. Amongst these charities, more than half (58%) say that they had made an application for grant funding which was put on hold because of the pandemic and they do not know when/if it will re-open. In addition, half (52%) were unable to identify sufficient grant funding to apply for in order to run their normal operations over the next year.



THE EFFECTS OF COVID ON THE SECTOR GO BEYOND THE FINANCIAL

The practicalities of being able to operate in a Covid secure way (33%) and managing social distancing restrictions (33%) are the next biggest challenges for the sector. For many charities, these concerns will not be easily overcome, as reflected in [separate research](#) by CAF which found that two thirds of charities anticipate having to reduce their services in the next three months as a direct or indirect consequence of the lockdown measures.

Against the backdrop of continued social distancing restrictions, concerns about maintaining volunteer engagement have also risen significantly – a fifth of charity leaders (21%) now put this in their top three challenges compared to just 7% in 2019. Separate public polling undertaken by CAF showed that rates of volunteering did indeed fall over the first months of the pandemic and remain lower than average ([UK Giving Covid-19 Special Report](#)). With some of the highest rates of volunteering often found amongst older people, who are more likely to be at risk from Covid-19, the pandemic may present a longer term challenge even once social distancing restrictions are lifted.

In addition to concerns about income and volunteering, more than half of charity leaders report that their beneficiaries have been more negatively affected by the pandemic than the general population. Of these, three quarters (76%) say that their beneficiaries have been socially isolated which has affected their mental health; two thirds (65%) report that their beneficiaries have not been able to access support services; and half (54%) say that their beneficiaries have less income, or are likely to have less income in the future. Half (51%) said that their beneficiaries' health had been affected by Covid-19.



MOST CHARITY LEADERS DON'T EXPECT TO BE SEEN AS IMPORTANT IN THE PLANNING FOR FUTURE CRISES

A large majority of charity leaders (85%) agree that, over the next five years, charities will be expected to fill the gaps in public sector provision; and over half (57%) think that the government will see charities as a vital connection to local communities. However, only three in 10 (29%) agree that they will be seen as an important source of insight in planning ahead for future crises.



A THIRD OF CHARITIES ARE INCREASINGLY ADOPTING ONLINE FUNDRAISING

Three quarters of charity leaders (77%) believe that technological change is relevant to their organisation whilst four in 10 (40%) have a specific strategy in place for dealing with technological change.

Only one in five (18%) charity leaders say they know how to effectively do online fundraising whilst around one in three (34%) say that they are increasingly adopting this way of raising money. Other CAF research with charities found that around a fifth of charities had used the crisis to accelerate their plans for online fundraising but one in ten couldn't afford the technology they needed ([CAF Charity Coronavirus Briefing](#)).



MANY CHARITIES ARE PLANNING TO DIVERSIFY THEIR INCOME STREAMS

Whilst three in five charity leaders (63%) are optimistic about the future of their organisation, fewer are optimistic about the future of the charity sector in general (28%) or about the prospects for future support from the public (46%) or government (4%).

In the past 12 months, many charities had also invested in IT (46%) and/or increased their social media presence (53%), with plans for around half of these charities being driven by the pandemic.

In addition, more than half of charity leaders had collaborated / partnered with another not-for-profit organisation (55%), although this was not driven by Covid-19. Increased demand is expected by the majority of charity leaders (63%) but most of these (69%) have confidence that their organisation will be able to meet that demand.

Many charities plan to diversify income (47%), make more of their reserves (43%) and increase their social media presence (43%) over the next 12 months, and around half of these charities say that this is a direct result of the pandemic.