

CAN YOU BRAVE THE CHARITY LANDSCAPE?

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

OPTIMISM FOR THE FUTURE

Charity leaders tend to be more optimistic about the future of their organisations than they are about the sector as a whole.

PUBLIC TRUST

Most charity leaders think that the sector has been badly impacted by negative media coverage, and that people do not understand the importance of charities.

BREXIT

Most charity leaders believed that Brexit will have a negative impact on their charity, on their beneficiaries and on the cause area in which they operate. Small changes year-on-year between 2016 and 2018 suggest a worsening outlook overall.

TECHNOLOGY

Charity leaders see technology as a double edged sword – nearly all think that technology will help them to innovate and find new ways to do good, but nearly three quarters believe that technology will change the nature of the problems that charities have to address.

CHALLENGES

Income generation remains the number one challenge for organisations, followed by meeting demand for services and reductions in funding. This comes at a time when over four in five charity leaders state that demand for their organisation's services had increased over the last 12 months.

GOVERNMENT

Few charities are optimistic about government support for the sector and most think that over the next five years, government will see them as a nuisance for criticising government policy.

What challenges are our charity leaders facing?

Generating more income continues to be the top challenge for 59% of charity leaders (62% in 2017), followed by meeting demand for services (unchanged at 33%) and reduction in public/government funding (32% and 29% in 2017).

More than eight in ten (83%) saw increased demand for services over the last 12 months and a similar proportion (86%) expect this to continue into the coming year. Amongst those expecting an increase in demand, nearly three quarters (72%) are confident that they will be able to meet it.

Do charities feel they will be supported by government over the next five years?

Only around a fifth (21%) of charity leaders feel that over the next five years government will value charities for their advocacy role and ability to offer constructive challenge, instead tending to see them as service providers – nearly all (92%) agree that they will be expected to fill in gaps in public service provision.

Around six in ten (59%) charity leaders think that over the next five years government will see charities as a nuisance for criticising

government policy, although they do not anticipate becoming irrelevant (only 16% agree that government will see charities as irrelevant or outdated over the next five years).

Is Brexit affecting the charity landscape?

At the time of our fieldwork most charity leaders felt that Brexit would have a negative impact on their charity (63%). The debate about leaving the EU has moved fast so this reflects their attitude to the process at the time. Since the 2017 survey, there has been no change in the anticipated impact on donations; 37% of charity leaders thought there would be a decrease whilst 36% thought donations would remain the same.

A quarter (23%) of charity leaders said that Brexit had already had an impact on their charity (negative or positive). Of those, a third (33%) reported issues with staff (e.g. shortages, difficulty recruiting and retaining staff) and around a fifth reported issues such as anxiety, uncertainty and fear (19%), the ending of EU funding or projects (19%), and a decrease in donations or non-EU funding (19%).

Do charity leaders engage enough with technology?

Investing in IT remains a key priority, 87% having done so previously or planning to do so in the next 12 months (83% in 2017). Whilst 59% say that they use new technology and social media effectively, only 29% agree that charities are using new technology effectively to increase giving.

Nearly all charity leaders continue to place importance on their social media presence – 95% have already increased or plan to increase social media presence, activities and campaigns – but fewer than half (45%) have a strategy in place for dealing with technological change, dropping to 38% of small charities.

How can we restore public trust in the sector?

Six in ten (59%) charity leaders think that the sector has been badly impacted by recent negative media stories (unchanged since 2017), but, despite this, a similar proportion (56%) are optimistic about public support for charities. A quarter (26%) believe that more success stories or media support would help rebuild public trust, and one in five (19%) think there should be more transparency in the sector.

Around seven in ten charity leaders agree that most people do not understand the importance of charities. Whilst more than eight in ten (85%) charities have introduced impact measurement (or plan to do so in the next 12 months) only around a third (35%) think that charities are good at demonstrating their impact to the public.

Charity leaders are optimistic in the face of a challenging social landscape

Charity leaders tend to be more optimistic about the future of their own organisations (75%) than they are about the future of the sector in general (54%) and overall economic conditions (7%). Optimism for the future of their organisations is unchanged since 2017 (73%).

However, not all charity leaders are feeling positive about the future – 14% say their charity is struggling to survive, and this rises to a fifth (21%) of smaller charities with an income of less than £1 million.

For more information about the survey method and the questions asked visit cafonline.org/charitylandscape