Decision Making in Hard Times

Impact of the Economic Downturn on Charities

Report for Charity Commission

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Summary

Introduction

In January 2010 the Charity Commission commissioned MVA Consultancy to undertake a fourth quantitative survey to understand how the economic downturn is affecting charities and how well they are responding to the related challenges.

The specific aims of this survey were to establish:

- the extent to which charities have been affected overall by the economic downturn;
- the extent to which the economic downturn has affected income streams and service provision;
- perceptions of the impact of the downturn on income streams and services in the future; and
- measures put in place to respond to the downturn.

Between 25th January and 12th February 2010, a total of 1,010 interviews were undertaken with Chief Executives or senior staff of registered charities across England and Wales from the Charity Commission's database.

Equal sized quotas were set on four income bands and the final data were post weighted to reflect the actual number of charities in each of the income size bands on the database.

Overall impact of the economic downturn

Over half (59%) of all charities said that they had been affected by the economic downturn. This is a slight increase from the 3rd survey in July/August 2009 (3%) but it signifies a fourth consecutive increase since the surveys started in September 2008, when only 38% of charities had been affected.

6% of charities reported that they had been affected 'very significantly', 22% 'significantly', 31% 'not significantly' and 41% 'not at all'.

The largest charities were most likely to have been affected (81%), and small charities were least likely to have been affected (48%).

Most common sources of income

Fundraising, investments and membership fees have continued to be the most frequently cited sources of income. Forty five percent of charities generated income from public fundraising, 38% from investments and 30% from membership fees.

6% more charities raised money from membership fees than did so in July/August 2009. A smaller proportion of charities in this year's survey generated income through 'rents/property/land rental' or 'hire or hall/room/bar/facilities/café' than had done so in July/August 2009.

As charities increase in size they are more likely to generate their income through investment; grant making trusts/foundations/funds; public sector grants and contracts;

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legacies and trading. Medium sized charities are more likely to have an income from rents/property and land rental, and from hiring halls/rooms/bar/facilities/café than other sized charities.

Most important source of income

Income from fundraising from the public, investment and membership fees are also the three sources of income most frequently cited as the single most important source of income (23%, 21% and 17% respectively).

There has been a significant increase in the number of charities citing public fundraising as the single most important source of income, with 23% naming it as most important in this survey compared to 16% in July/August 2009. There has also been a significant increase in the number citing membership fees as the single most important source of income, with 17% naming it as most important in this survey compared to 12% in July/August 2009.

Charities in the two largest income bands were more likely to consider public sector grants and contracts as their most important income source of income, where as small charities were most likely to regard 'fundraising from the public' as their most important source of income.

Change in income as a result of the economic downturn

62% of charities reported a reduction in income related to the economic downturn over the last 12 months, 4% more than in January/February 2009.

Small charities were significantly less likely to report a reduction in income (52%) compared with charities overall (62%).

With the exception of income from investments, income from each source has stayed the same over the last 6 months for between half and three quarters of charities. Sixty two per cent of charities who used investments to generate funds reported that income from this source had decreased.

Some charities reported an increase in income for each of the income sources, the highest being income through trading where 18% of charities (generating income from this source) experienced an increase.

Anticipated change in overall income over the next 12 months

Almost two thirds of charities (63%) said that they expected their overall income to remain the same over the next 12 months; 13% expected their income to increase; 17% expected it to decrease, and 7% did not know what to expect.

Small charities were more likely to anticipate no change in their income over the next 12 months than other charities. They were significantly less likely to think that their income would increase, and along with medium sized charities they were also less likely to think that their income would decrease.

Income from each source is anticipated to stay the same over the next 12 months by at least 60% of charities - this proportion is at least 70% for those who generated income from legacies, fundraising and membership fees.

Around a quarter of charities generating income from public sector grants; grant making trusts/funds and investments anticipated that income from these sources would decrease in the next 12 months.

Around one fifth of charities generating income from membership fees and trading expected these sources of income to increase in the next 12 months. This supports the suggestion made in July/August 2009 survey that charities may be looking to increase their efforts in the areas where they have direct control.

Impact of the economic downturn on demand for services, public support, and opportunities

Nineteen per cent of charities reported an increase in the demand for their services related to the economic downturn (up 2% since July/August 2009); 60% said they did not experience an increase, and 21% did not provide services or were unsure. Increase in demand for services was more common amongst larger charities.

Three quarters of charities (75%) thought that public support for their charity had remained the same over the last 12 months; 11% reported an increase in public support; whilst 7% thought that there was less support now compared to 12 months ago. Charities in the two largest categories were more likely to have seen an increase in public support and medium sized charities were more likely to have seen a decrease.

6% of charities reported that opportunities had arisen for their charity as a result of the economic downturn. This was significantly more likely amongst the largest charities (19%) and less likely amongst small charities (4%).

How charities are responding

The number of charities that reported that they had implemented at least some measures to combat economic downturn has decreased by 8% from the last survey (from 52% in July/August 2009 to 44% in January/February 2010). Smaller charities were significantly less likely to have implemented measures.

Reducing administrative costs has remained the most popular measure to combat the economic downturn with one fifth (22%) of charities taking measures to reduce the cost of office supplies, mobile cost, stationary and similar.

Outlook for the future

A large majority (84%) of charities felt very or quite optimistic about the next 12 months. This is an increase of 15% compared to July/August 09.

A quarter (25%) of charities thought that increasing income will be their biggest challenge over the next 12 months. Around one tenth envisaged difficulties with maintaining their status quo (12%), helping more people / maintaining grants (10%) and recruiting new members of staff / maintaining numbers (9%).

1 Introduction

1.1 Background

1.1.1 In January 2010 the Charity Commission commissioned MVA Consultancy to undertake a fourth quantitative survey to understand how the economic downturn is affecting charities and how well they are responding to the related challenges.

1.1.2 The four surveys have been conducted over a 17 month period, as follows:

- 1st survey: September 2008;
- 2nd survey: January / February 2009;
- 3rd survey: July / August 2009; and
- 4th survey: January / February 2010.

1.1.3 This report describes the findings of the fourth survey. Where results are directly comparable with previous surveys, this data has also been included to enable tracking of results over time.

1.2 Aims and objectives

1.2.1 The specific aims of this survey are to establish (and where possible to track over time):

- the extent to which charities have been affected overall by the economic downturn;
- the extent to which the economic downturn has affected income streams and service provision;
- perceptions of the impact of the downturn on income streams and services in the future; and
- measures put in place to respond to the downturn.

1.2.2 The findings can be used by the Charity Commission to:

- enable it to better understand the challenges and opportunities faced by charities and measures they are taking to respond to the downturn, and thus help them to support, advise and guide charities through this time;
- raise awareness of the impact of the downturn on charities; and
- provide information that umbrella bodies, funders and professional bodies working within the sector can use to better support and facilitate charities in the downturn.

1.3 Methodology

1.3.1 Between 25th January and 12th February 2010, 1010 telephone interviews were undertaken with Chief Executives or senior staff who were aware of the charity's financial standing and the way that this has been affected by the economic downturn.

1.3.2 The questionnaire used in this survey contains some questions which have been used in previous surveys, and some new questions. The questionnaire is provided in Appendix A.

1.3.3 A sample of 10,000 registered charities was drawn from the Charity Commission's database for this survey. This comprised a random sample of 2,500 charities from each of four defined income bands. These were:

- Small charities: income under £10,000;
- Medium charities: income between £10,000 and £99,999;
- Large charities: income between £100,000 and £999,000; and
- Largest charities: income over £1 million.

1.3.4 As there are fewer charities in the highest income bands, equal sized quotas were set on the four income bands to ensure significant differences between charity sizes could be identified in the analysis. Within each income band a random sample of charities was selected for interview. The final data were post weighted to reflect the actual number of charities in each band on the Charity Commission database, thus ensuring the final sample was representative of all registered charities in England and Wales. Table 1.1 shows the quotas set, the achieved sample and the weighting factors.

Table 1.1 Weighting factors

Income band	Set quotas	Achieved sample	Registrations	Weighting factor
Under £10,000	250	251	84,190	335.4
£10,000-£99,999	250	250	50,430	201.7
£100,000-£999,999	250	259	20,045	77.4
£1 million or more	250	250	5,850	23.4
Total	**1000**	**1010**	**160,515**	

1.3.5 The figures provided throughout the report are based on weighted data. Weighted and unweighted bases are provided at the bottom of each table.

1.4 Profile of charities

1.4.1 This section describes the characteristics of the weighted sample of charities in the survey.

Income Band

1.4.2 Just over half (52%) of charities in the survey are small; just under a third (31%) are medium sized; 13% are large and 4% are very large. Table 1.2 shows a breakdown of charities by their income band.

Table 1.2 Charity profile by income band

Income band	Percentage (%)
Small: under £10,000	52%
Medium: £10,000-£99,999	31%
Large: £100,000-£999,999	13%
Largest: £1 million or more	4%
Total	**100%**
Unweighted base (all)	**1010**
Weighted base (all)	**160,515**

Type of Charity

1.4.3 Just over a quarter of charities (28%) in the survey undertake small, community-based activities; one fifth (20%) are involved in education or research, and a further fifth (19%) are involved in 'arts, culture, sport, or recreation'. Further classifications are provided in Table 1.3.

Table 1.3 Charity profile by type of charity

Type of charity	Percentage (%)
Small community based activity	28%
Education or Research	20%
Arts, Culture, Sport, Recreation	19%
Religion	12%
Health	11%
Social Services	9%
Helping the disadvantaged / elderly	6%
Housing	6%
Environment	4%
International	3%
Employment and Training	2%
Economic, Social & Community Development	2%
Animals	1%
Information, law, crime and civil rights	1%
Transport	1%
Family trust and support/loans/grants for other charities	1%
Housing Associations	Less than 1%
Other category	1%
Unweighted base (all)	**1008**
Weighted base (all)	**159,978**

Note: some charities are involved in more than one of the above

Use of staff, volunteers and grants

1.4.4 The majority of charities taking part in this year's survey use volunteers (83%); nearly one third (29%) employ at least one member of paid staff; and a quarter (24%) give out grants (see Table 1.4).

Table 1.4 Use of staff, volunteers and grants

Use of paid volunteers, paid staff and grants	Percentage (%)
Use volunteers	83%
Employ at least one member of paid staff	29%
Give out grants	24%
Unweighted base (all)	**998**
Weighted base (all)	**157,194**

2 Main Findings

2.1 Overall impact of the economic downturn

2.1.1 The number of charities affected by the economic downturn has increased for the fourth consecutive time since this survey was first conducted in September 2008. The percentage of charities reporting an affect has increased from 38% in September 2008 to 59% in January/February 2010.

2.1.2 The biggest increase in the number of charities reporting that they had been affected by the downturn was between September 2008 and January/February 2009, when the number of affected charities jumped by 14% (from 38% to 52%). The increase in those affected between January/February 2009 and July/August 2009, and between July/August 2009 and January/February 2010, was much less significant - 4% and 3% respectively.

2.1.3 Table 2.1 shows the effects of the economic downturn on charities over the four surveys.

Table 2.1 Effect of economic downturn over time

Extent charity has been affected so far	Survey 1 September 2008	Survey 2 January/February 2009	Survey 3 July/August 2009	Survey 4 January/February 2010
Very significantly	3%	6%	7%	6%
Significantly	13%	19%	21%	22%
Not significantly	22%	27%	28%	31%
Not at all	56%	45%	43%	41%
Don't know / not sure	6%	3%	1%	Less than 1%
Total	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**514**	**1003**	**1001**	**1010**
Weighted base (all)	**169,657**	**169,657**	**169,656**	**160,515**

2.1.4 There is a significant relationship between charity size and the extent to which they are affected by the economic downturn. Consistent with January/February 2009 and July/August 2009 survey findings, charities in the two largest income bands were more likely to report that they had been affected by the downturn than those in the lower income bands (78% and 81% versus 48% and 66% respectively).

2.1.5 Large charities were more likely to say that they had been very significantly affected by the economic downturn (11% compared with 6% overall); whilst small charities were more likely to report that the downturn had not had any impact on them (52% compared with 41% overall).

Table 2.2 Overall impact of the economic downturn by size of charity

Extent charity has been affected so far	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Very significantly	4%	7%	11%	6%	**6%**
Significantly	15%	28%	35%	39%	**22%**
Not significantly	29%	31%	32%	36%	**31%**
Not at all	52%	35%	20%	18%	**41%**
Don't know / not sure	Less than 1%	0%	2%	1%	**Less than 1%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**250**	**259**	**250**	**1010**
Weighted base (all)	**84,190**	**50,430**	**20,045**	**5,850**	**160,515**

2.2 Impact on income

2.2.1 Charities were asked to identify their income sources, and which income source they regarded as the most important. They were also asked to evaluate which of their income sources had increased, decreased, or remained the same over the last 6 months, and whether they felt each source would increase, decrease, or remain the same over the next 12 months.

Most common sources of income

2.2.2 Income from fundraising from the public, investment and membership fees have remained the most common sources of income. Nearly half the charities (45%) generated income through fundraising (up 4% compared to July/August 2009); 38% through investment (similar proportion to July/August 2009), and 30% from membership fees (an increase of 6% compared to July/August 2009).

2.2.3 A smaller proportion of charities in this year's survey generated income through 'rents/property/land rental' or 'hire or hall/room/bar/facilities/café' than had done so in July/August 2009 (7% versus 12%, and 4% versus 11% respectively).

Table 2.3 Most common sources of income

Sources of income	Survey 3 July/August 2009	Survey 4 January/February 2010
Prompted answers		
Fundraising from public	41%	45%
Investment income	39%	38%
Membership fees	24%	30%
Grant making trusts / foundations/ funds	12%	16%
Public sector grants/contracts	15%	15%
Legacies	15%	13%
Trading	14%	13%
Unprompted answers		
Rents/property/land rental	12%	7%
Hire or hall/room/bar/facilities/cafe	11%	4%
Funding agencies (e.g. Lottery, Children in Need, Gift Aid)	2%	2%
Donations/contributions (members, companies, private, unspecified)	10%	7%
Other	4%	4%
Unweighted base (all)	**1001**	**1010**
Weighted base (all)	**169,656**	**160,515**

2.2.4 Table 2.4 shows the income sources of charities in different income bands. The table shows:

- as charities increase in size they are more likely to generate their income through investment income; grant making trusts/foundations/funds; public sector grants and contracts; legacies and trading; and
- medium sized charities are more likely to have an income from rents/property and land rental, and from hiring halls/rooms/bar/facilities/café, than other sized charities.

Table 2.4 Most common sources of income by size of charity

Sources of income	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Prompted answers					
Fundraising from public	46%	44%	45%	36%	**45%**
Investment income	32%	41%	47%	51%	**38%**
Membership fees	27%	36%	31%	25%	**30%**
Grant making trusts/ foundations/ funds	12%	16%	31%	40%	**16%**
Public sector grants/contracts	8%	17%	36%	43%	**15%**
Legacies	8%	15%	25%	23%	**13%**
Trading	8%	16%	23%	30%	**13%**
Unprompted answers					
Rents/property/land rental	5%	12%	5%	4%	**7%**
Hire or hall/room/bar/facilities/cafe	2%	8%	3%	1%	**4%**
Funding agencies (e.g. Lottery, Children in Need, Gift Aid)	2%	4%	2%	2%	**2%**
Donations/contributions (members, companies, private, unspecified)	6%	10%	8%	10%	**7%**
Other	4%	2%	3%	6%	**4%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**250**	**259**	**250**	**1010**
Weighted base (all)	**84,190**	**50,430**	**20,045**	**5,850**	**160,515**

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Most important sources of income

2.2.5 Charities were asked to identify their single most important source of income. As in the previous survey, the three most important sources were 'fundraising from the public' (23%), 'investment income' (21%), and 'membership fees' (17%).

2.2.6 The percentage of organisations citing fundraising from the public and membership fees as their most important source of income has increased since July/August 2009 (an increase of 7% and 5% respectively).

2.2.7 On the other hand, the percentage of organisations citing 'rents/property/land rental' and 'hire or hall/room/bar/facilities/café' has decreased since July/August 2009 (a decrease of 4% and 6% respectively).

2.2.8 Table 2.5 shows most important income sources, as identified by charities, over the last two surveys.

Table 2.5 Most important income source

Most important source of income	Survey 3 July/August 2009	Survey 4 January/February 2010
Prompted answers		
Fundraising from public	16%	23%
Investment income	20%	21%
Membership fees	12%	17%
Grant making trusts / foundations/ funds	4%	6%
Public sector grants/contracts	8%	8%
Legacies	3%	3%
Trading	5%	7%
Unprompted answers		
Rents/property/land rental	10%	6%
Hire or hall/room/bar/facilities/cafe	9%	3%
Funding agencies (e.g. Lottery, Children in Need, Gift Aid)	1%	1%
Donations/contributions (members, companies, private, unspecified)	6%	4%
Other	4%	2%
Unweighted base (all)	**1001**	**999**
Weighted base (all)	**169,656**	**158,883**

2.2.9 Charities in the two largest income bands were more likely to consider public sector grants and contracts as their most important source of income (24% and 27% compared to 8% overall).

2.2.10 Small charities were most likely to regard 'fundraising from the public' as their most important source of income with just under a third (30%) stating so, compared to 23% of charities overall.

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2.2.11 Table 2.6 illustrates the most important income sources by size of charity.

Table 2.6 Most important income source by size of charity

Most important source of income	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Prompted answers					
Fundraising from public	30%	16%	13%	10%	**23%**
Investment income	23%	19%	16%	13%	**21%**
Membership fees	17%	19%	12%	13%	**17%**
Grant making trusts/ foundations/ funds	6%	4%	7%	10%	**6%**
Public sector grants/contracts	3%	7%	24%	27%	**8%**
Legacies	3%	2%	4%	3%	**3%**
Trading	6%	7%	11%	13%	**7%**
Unprompted answers					
Rents/property/land rental	4%	10%	5%	2%	**6%**
Hire or hall/room/bar/ facilities/cafe	2%	7%	1%	Less than 1%	**3%**
Funding agencies (e.g. Lottery, Children in Need, Gift Aid)	Less than 1%	1%	1%	1%	**1%**
Donations/contributions (members, companies, private, unspecified)	4%	5%	6%	5%	**4%**
Other	2%	2%	1%	4%	**2%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**249**	**247**	**225**	**248**	**999**
Weighted base (all)	**83,519**	**49,825**	**19,735**	**5,803**	**158,883**

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Change in income as a result of the economic downturn

2.2.12 Charities were asked whether they had experienced a reduction in income as a result of the economic downturn. 62% of charities reported a drop in income, 4% more than in January/February 2009.

2.2.13 Table 2.7 shows change in charity income over the last 12 months.

Table 2.7 Reduction in income related to economic downturn

Reduction in income related to economic downturn	Survey 2 January/February 2009	Survey 4 January/Feb 2010
Yes	58%	62%
No	34%	34%
Unrelated drop in income	1%	1%
Don't know / unsure	6%	3%
Total	**100%**	**100%**
Unweighted base (all)	**614**	**688**
Weighted base (all)	**88,501**	**93,514**

2.2.14 Small charities were significantly less likely to report that they had experienced a reduction in income compared with the rest of charities. Just over half (52%) of the small charities reported a decline in income compared to 62% of charities overall (see Table 2.8).

Table 2.8 Reduction in income related to economic downturn by size of charity

Reduction in income related to economic downturn	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Yes	52%	69%	70%	66%	**62%**
No	45%	25%	29%	30%	**34%**
Unrelated drop in income	1%	2%	0%	2%	**1%**
Don't know/ unsure	3%	4%	1%	2%	**3%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**120**	**163**	**202**	**203**	**688**
Weighted base (all)	**40,250**	**32,880**	**15,634**	**4,750**	**93,514**

Anticipated change in overall income over the next 12 months

2.2.15 When asked whether they expected their overall income to increase, decrease or remain the same over the next 12 months, almost two thirds of charities (63%) said that they expected their overall income to remain the same; 13% expected their income to increase; 17% expected it to decrease, and 7% did not know what to expect.

2.2.16 Table 2.9 illustrates charity expectations with regard to income change over the next 12 months broken down by size of charity. Most notable differences between charities of different sized income bands are:

- charities in the smallest income band were significantly less likely to think that their income would increase over the next 12 months compared to the rest of charities, and were more likely to anticipate no change; and
- a higher proportion of charities in the two largest income bands expected their income to decrease over the next 12 months compared to the two lower income bands.

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Table 2.9 Anticipated change in income over the next 12 months by size of charity

Anticipated change in income in next 12 months	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Increase	9%	17%	19%	22%	**13%**
Decrease	14%	16%	27%	29%	**17%**
No change	71%	59%	45%	43%	**63%**
Don't know/ unsure	6%	8%	8%	6%	**7%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**249**	**259**	**250**	**1009**
Weighted base (all)	**84,190**	**50,228**	**20,045**	**5,850**	**160,313**

The impact of economic downturn on individual funding sources

2.2.17 Charities were asked whether income from each of the sources from which they generated income had increased, decreased or stayed the same over the last 6 months. Table 2.10 illustrates changes in income from different funding sources. This shows:

- (with the exception of income from investments) income from each source has stayed the same over the last 6 months for between half and three quarters of charities;
- sixty two per cent of charities who used investments to generate funds reported that income from this source has decreased;
- for each funding source some charities reported an increase in income, the highest being income through trading where 18% of charities generating income from this source experienced an increase.

Table 2.10 Income change over the last 6 months from each source of funding

Income changes over the last 6 months	Public sector grants	Grant making trusts/ funds	Trading	Fund-raising	Legacies	Member -ship fees	Invest-ment	Others
Increased	13%	15%	18%	12%	8%	13%	4%	9%
Decreased	18%	29%	30%	29%	24%	12%	62%	14%
Stayed the same	69%	57%	53%	59%	68%	75%	34%	76%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**253**	**235**	**188**	**406**	**167**	**288**	**423**	**239**
Weighted base (all)	**23,752**	**24,517**	**20,360**	**67,530**	**18,632**	**46,255**	**58,493**	**37,563**

2.2.1 Table 2.11 illustrates how charities expect income from different sources to change over the next 12 months. In summary:

- income from each source is anticipated to stay the same over the next 12 months by at least 60% of charities - this proportion was at least 70% for those who generated income from legacies, fundraising and membership fees;
- around a quarter of charities generating income from public sector grants; grant making trusts/funds and investments anticipated that income from these sources would decrease in the next 12 months; and
- around one fifth of charities generating income from membership fees and trading expected these sources of income to increase in the next 12 months. This supports the suggestion made in July/August 2009 survey that charities may be looking to increase their efforts in the areas where they have direct control.

Table 2.11 Expected income change over the next 12 months from each source of funding

Anticipated income changes over the next 12 months	Public sector grants	Grant making trusts /funds	Trading	Fund-raising	Legacies	Member -ship fees	Invest-ment	Others
Increase	10%	11%	23%	15%	6%	22%	16%	18%
Decrease	27%	29%	12%	12%	18%	7%	23%	10%
Stay the same	63%	60%	64%	73%	77%	71%	61%	72%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**234**	**186**	**406**	**161**	**285**	**420**	**237**
Weighted base (all)	**23,348**	**24,618**	**20,081**	**67,601**	**17,839**	**45,899**	**57,932**	**37,587**

2.3 Impact of the economic downturn on demand for services

2.3.1 Charities were asked whether they had seen an increase in demand for their services over the last 6 months that they could link to the economic downturn. Nineteen per cent of charities reported an increased demand - this is a 2% increase from the July/August 2009 survey[1]. 60% of charities said that they did not experience any change; 16% that they did not provide services and a further 5% were unsure (see Table 2.12).

[1] Note: Questions asked over the 3 surveys were slightly different. Before Survey 3, the question did not specify the time period; in Survey 3, the question asked 'in the last 12 months'.

Table 2.12 Increase in demand for services related to the economic downturn

Increase in demand for services or charitable activities in last 6 months	Survey 1 September 2008	Survey 2 January / February 2009	Survey 3 July / August 2009	Survey 4 January / February 2010
Yes	21%	20%	17%	19%
No	63%	78%	65%	60%
Don't provide services	13%	Less than 1%	16%	16%
Don't know/ unsure	3%	2%	2%	5%
Total	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**514**	**1003**	**1001**	**1005**
Weighted base (all)	**169,657**	**169,657**	**169,656**	**159,746**

2.3.2 Table 2.13 illustrates increase in demand for services over the last 6 months (related to the economic downturn) broken down by charity size. Larger charities were significantly more likely to report an increase in demand, with 32% of large charities and 35% of the largest charities reporting an increase, compared to 14% of small charities.

Table 2.13 Increase in demand for services related to the economic downturn by size of charity

Increase in demand for services or charitable activities in last 6 months	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Yes	14%	22%	32%	35%	**19%**
No	62%	57%	56%	53%	**60%**
Don't provide services	18%	18%	7%	10%	**16%**
Don't know/ unsure	6%	4%	4%	2%	**5%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**250**	**249**	**256**	**250**	**1005**
Weighted base (all)	**83,855**	**50,228**	**19,813**	**5,850**	**159,746**

2.4 Impact of the economic downturn on public support

2.4.1 Charities were asked whether they thought public support for their charity had increased, decreased or stayed the same over the past 12 months. Table 2.14 illustrates charities' perceived change in public support over the last 12 months by charity size. In summary:

- three quarters (75%) of charities thought that public support remained the same; 11% reported an increase in public support; whilst 7% thought that there was less support for their charity now compared to 12 months ago;
- charities in the two largest income bands were significantly more likely to say that public support has increased, with 19% of large and 20% of the largest charities reporting an increase compared to 8% of small charities; and
- medium size charities were more likely to report a decrease in public support compared to the rest of charities (10% compared to 7% overall).

Table 2.14 Change in public support over the last 12 months by size of charity

Support for charity over past 12 months	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Increased	8%	12%	19%	20%	**11%**
Decreased	5%	10%	8%	7%	**7%**
Stayed the same	79%	73%	67%	67%	**75%**
Don't know / unsure	9%	5%	6%	7%	**7%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**244**	**245**	**251**	**245**	**985**
Weighted base (all)	**81,842**	**49,421**	**19,426**	**5733**	**156,422**

2.5 Impact of the economic downturn on opportunities

2.5.1 When asked whether they saw any opportunities that had arisen for their charity as a result of the economic downturn, 6% of charities said that they had. Table 2.15 shows a significant relationship between charity income and opportunities arising, with larger charities much more likely to report opportunities than smaller ones. 19% of the largest charities reported new opportunities compared to 4% of small charities.

Table 2.15 Change in opportunities over the last 12 months by size of charity

Opportunities as a result of economic downturn	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Yes	4%	6%	10%	19%	**6%**
No	96%	94%	90%	81%	**94%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**250**	**258**	**247**	**1006**
Weighted base (all)	**84,190**	**50,430**	**19,968**	**5,780**	**160,367**

2.5.2 The types of opportunities which had arisen, mentioned by at least three charities, were:

- more people come to them for encouragement, help or pastoral care;
- more income from people who use their premises, facilities or services, or hiring out of hall, sometimes as less costly than the private sector ;
- getting business from competitors, business mergers and securing contracts;
- more people are volunteering / more expert help from volunteers is available;
- more people require their training (e.g. for unemployed);
- there are more investment opportunities / trading has improved;
- there are more social issues and people requiring advice from them;
- more opportunities for funding diversification;
- more members;
- opportunities to reduce costs (e.g. by sharing resources with other organisations);
- increased donations; and
- people are using charity shops more.

2.6 How charities are responding

Measures charities are putting in place to deal with the economic downturn

2.6.1 Charities were read a list of measures and asked whether or not they had implemented any of them. The number of charities who reported that they had implemented at least some measures in response to the economic downturn has gone down from 52% in July/August 09 to 44% in January/February 2010.

2.6.2 Reducing administrative costs has remained the most popular measure to deal with the economic downturn. Slightly more than one fifth of charities said that they looked to reduce the cost of office supplies, mobile cost, stationary and similar. This proportion is similar to that in July/August (22% compared to 21%).

2.6.3 The biggest decrease since July/August 2009 has occurred in charities' efforts to increase their fundraising efforts (down 5% from the previous survey), charities reviewing their risk policies (also down 5% from the previous survey) and increasing the drive to take on volunteers (down 3% from the previous survey).

2.6.4 On the other hand, there was a slight increase in charities who delayed plans to invest in capital projects (from 3% to 5%) and charities who drew on reserve funds to combat the recession (from 10% to 12%) (see Table 2.16).

Table 2.16 Measures charities are putting in place to combat economic downturn

Measures in response economic downturn	Survey 3 July/August 2009	Survey 4 January/February 2010
Any measures	52%	44%
Looked to reduce cost of stationery, printing, mobile costs	21%	22%
Increased fundraising efforts	18%	13%
Reviewed risk policies	13%	8%
Increased the drive to take on volunteers	11%	8% / 10% *a
Drawn on reserve funds	10%	12%
Looked to diversity income sources	8%	7%
Changed investment strategies or reduced investments	7%	5%
Cut back or held off on delivering new services/projects	7%	5%

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Measures in response economic downturn	**Survey 3** **July/August 2009**	**Survey 4** **January/February 2010**
Reduced value of the grants given out	5%	4% / 13% *b
Reduced the number of grants made	3%	3% / 12% *b
Sought external support from local CVS or Capacity Builder	3%	2%
Reviewed or sold assets	3%	1%
Read/used the Charity Commission's Big Board Talk	3%	1%
Delayed plans to invest in capital projects	3%	5%
Frozen/reduced pay to staff	2%	3% / 10% *c
Reduced numbers of staff	3%	3% / 9% *c
Reduced staff hours	2%	3% / 7% *c
Left vacancies unfilled	Not asked	2% / 7% *c
Sought funding from new sources or increased funding from existing sources	Not asked	8%
Not put in any measures	48%	56%
Unweighted base (all)	**1001**	**1007**
Weighted base (all)	**169,656**	**160,158**

*a – the second figure is based only on those charities who use volunteers
*b – the second figure is the figure based only on charities who give out grants
*c – the second figure is based only on charities who employ at least one member of staff

2.6.5 Table 2.17 illustrates measures adopted by charities to combat economic downturn by size of charity. This shows:

- Larger charities were significantly more likely to implement measures to deal with the economic downturn than medium or small charities. Only 31% of the smallest charities and just over half (51%) of the medium size charities said that they had implemented at least some measures compared to 70% of large and 79% of the largest charities. This is consistent with July/August 2009 survey findings;
- Over half (59%) of the largest charities put in measures to reduce their administrative costs (such as printing, mobile costs, etc) compared to 12% of small charities. Similarly, 26% of the largest charities increased their fundraising efforts; whilst only 8% of the small charities did so; and

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- larger charities were also much more likely to reduce pay, staff hours or leave vacancies unfilled compared to small charities (18%, 15% and 13% versus 2%, 2% and less than 1% respectively).

Table 2.17 Measures charities are putting in place by size of charity

Measures in response economic downturn	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Any measures	31%	51%	70%	79%	44%
Looked to reduce cost of stationery, printing, mobile costs	12%	24%	47%	59%	22%
Increased fundraising efforts	8%	16%	23%	26%	13%
Increased the drive to take on volunteers	6%	10%	12%	12%	8%
Reviewed risk policies	3%	8%	25%	37%	8%
Looked to diversity income sources	3%	7%	17%	27%	7%
Sought external support from local CVS or Capacity Builder	1%	2%	4%	7%	2%
Read/used the Charity Commission's Big Board Talk	Less than 1%	2%	2%	2%	1%
Drawn on reserve funds	6%	16%	22%	23%	12%
Changed investment strategies or reduced investments	3%	5%	12%	18%	5%
Cut back or held off on delivering new services/projects	2%	3%	17%	20%	5%
Delayed plans to invest in capital projects	3%	3%	12%	17%	5%
Reduced value of the grants given out	2%	6%	7%	6%	4%
Reduced the number of grants made	3%	3%	8%	5%	3%
Frozen/reduced pay to staff	2%	2%	10%	18%	3%

Measures in response economic downturn	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Reduced numbers of staff	2%	1%	11%	15%	3%
Reduced staff hours	2%	1%	7%	8%	3%
Left vacancies unfilled	0%	2%	7%	13%	2%
Reviewed or sold assets	Less than 1%	1%	3%	5%	1%
Sought funding from new sources or increased funding from existing sources	4%	10%	19%	23%	8%
Not put in any measures	69%	49%	30%	21%	56%
Total	**100%**	**100%**	**100%**	**100%**	100%
Unweighted base (all)	**251**	**249**	**257**	**250**	1007
Weighted base (all)	**84,190**	**50,228**	**19,890**	**5,850**	160,158

2.6.6 Other unprompted measures which charities said they had put in place to deal with the economic downturn were generally expansions of previous responses relating to increasing income and decreasing costs:

- attempts to decrease costs included changing providers; in house rather than external training; cease production of the charity's publications; cheaper banking; pay suppliers less; less use of post; closure of office; reduced frequency of waste collection; and staff reduction measures;
- attempts to increase income included seeking additional funding (e.g. from trusts, universities, industry and funds such as the lottery fund); reviewing investments more often; increasing fees/membership fees and suggested donations, and increasing costs of hiring facilities.

2.6.7 Other measures, unrelated to the above, generally related to measures to increase profitability such as remarketing themselves; getting an independent financial advisor; reviewing financial matters more frequently; changing the company structure and use of project managers.

Merging, collaborating and forming a consortia

2.6.8 The overall number of charities that considered merging, collaborating or forming consortia with other charities has remained unchanged since July/August 2009. Only 9% of charities overall considered any of the above measures in response to the economic downturn (see Table 2.18).

2.6.9 When asked whether they had actually gone ahead with merging, collaborating or forming consortia with other charities, only 4% of charities in this year's survey said that they had done so. 3% had collaborated with another charity; 1% had collaborated with corporate donors/private sector organisations, and a further 1% had merged with another charity.

Table 2.18 Whether considered merging, collaborating or forming consortia with other charities in response to economic downturn

Other measures in response economic downturn	Survey 3 January/February 2009	Survey 4 January/February 2010
Any measures	9%	9%
Merging with another charity	5%	4%
Collaborating with another charity	7%	6%
Collaborating with corporate donors or private sector organisations	6%	3%
Forming consortia (e.g. to apply for contracts)	2%	1%
None of these	91%	91%
Unweighted base (all)	**1001**	**994**
Weighted base (all)	**169,656**	**157,729**

2.6.10 Table 2.19 illustrates whether charities had considered merging, collaborating or forming consortia with other charities by size of charity. Consistent with July/August 2009 findings, larger charities were more likely to have considered one of these measures with 22% of large charities and 21% of the largest charities reporting to have done so compared to 9% of charities overall.

Table 2.19 Whether considered merging, collaborating or forming consortia with other charities in response to economic downturn by charity size

Other measures in response economic downturn	Small charities Under £10,000		Medium charities £10,000-£99,999		Large charities £100,000-£999,999		Largest charities £1 million or more		Total	
	Considered	Gone ahead with	Considered	Gone ahead with	Considered	Gone ahead with	Considered	Gone ahead with	**Considered**	**Gone ahead with**
Any measures	6%	3%	8%	3%	22%	9%	21%	11%	**9%**	**4%**
Collaborating with another charity	4%	2%	5%	2%	17%	6%	17%	7%	**6%**	**3%**
Merging with another charity	2%	Less than 1%	4%	1%	10%	1%	7%	3%	**4%**	**1%**
Collaborating with corporate donors or private sector organisations	2%	1%	2%	Less than 1%	6%	2%	6%	2%	**3%**	**1%**
Forming consortia (e.g. to apply for contracts)	0%	0%	2%	0%	4%	2%	5%	2%	**1%**	**Less than 1%**
None of these	94%	97%	92%	97%	78%	91%	79%	89%	**91%**	**96%**
Unweighted base (all)	**245**	**245**	**250**	**250**	**249**	**249**	**250**	**250**	**994**	**994**
Weighted base (all)	**82,177**	**82,177**	**50,430**	**50,430**	**19,271**	**19,271**	**5,850**	**5,850**	**157,729**	**157, 729**

2.7 Outlook for the future

Optimism for the next 12 months

2.7.1 More than 80% of charities felt very or quite optimistic about the next 12 months. This is an increase of 15% compared to July/August 2009 (see Table 2.20).

Table 2.20 Optimism for the next 12 months

Optimism for outlook of charity	Survey 3 July/August 2009 for 6 months	Survey 3 July/August 2009 for future 6-12 months	Survey 4 January/Feb 2010 for next 12 months
Very optimistic	10%	10%	18%
Quite optimistic	61%	59%	66%
Quite worried	17%	16%	10%
Very worried	4%	3%	2%
Don't know/ unsure	9%	11%	4%
Total	**100%**	**100%**	**100%**
Unweighted base (all)	**1003**	**1003**	**1006**
Weighted base (all)	**169,657**	**169,657**	**160,011**

2.7.2 Large charities were more worried about the next 12 months than charities in other income bands with 18% saying that they were quite or very worried compared to 12% of charities overall (see Table 2.21).

Table 2.21 Optimism for future months by size of charity

Optimism for outlook of charity for next 12 months	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Very optimistic	15%	21%	23%	15%	**18%**
Quite optimistic	70%	65%	55%	70%	**66%**
Quite worried	9%	9%	14%	11%	**10%**
Very worried	2%	Less than 1%	4%	1%	**2%**
Don't know / unsure	4%	5%	5%	3%	**4%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**248**	**258**	**249**	**1006**
Weighted base (all)	**84,190**	**50,027**	**19,968**	**5,827**	**160,011**

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2.7.3 Table 2.22 shows charity outlook for the next 12 months by income source. The level of optimism across all income sources was over 80%. Charities generating income from membership fees and fundraising activities displayed slightly higher levels of optimism for the upcoming 12 months compared to those generating income from other sources.

Table 2.22 Optimism for future 12 months by income source

Optimism for outlook of charity for next 12 months	Public Sector	Grant making trusts /funds	Trading	Fund-raising	Legacies	Member-ship fees	Invest-ment	Total
Very optimistic	19%	16%	24%	18%	11%	19%	17%	**18%**
Quite optimistic	63%	65%	57%	66%	70%	69%	65%	**66%**
Quite worried	11%	14%	15%	11%	14%	9%	12%	**10%**
Very worried	2%	1%	1%	1%	1%	Less than 1%	1%	**2%**
Don't know/ unsure	4%	4%	2%	4%	4%	3%	5%	**4%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**261**	**249**	**193**	**429**	**181**	**297**	**431**	**1006**
Weighted base (all)	**24,547**	**26,398**	**20,951**	**71,701**	**20,895**	**48,045**	**60,259**	**160,011**

Charity sector recovery

2.7.4 Charities were asked whether they thought that the charity sector will recover from the economic downturn at the same speed, faster or slower than the economy as a whole.

2.7.5 Around half (47%) of charities expected a slower recovery for the charity sector; a quarter (25%) expected the same; 6% thought that the third sector would recover faster than the economy as a whole; whilst 22% could not comment.

2.7.6 Table 2.23 shows that there were no significant differences in the views of different size charities.

Table 2.23 Expectation of charity sector recovery compared to the economy as a whole by size of charity

Speed of recovery compared to economy as a whole	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
The same speed	22%	30%	24%	28%	**25%**
Faster	8%	5%	5%	7%	**6%**
Slower	48%	41%	53%	55%	**47%**
Don't know / unsure	23%	24%	18%	10%	**22%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**250**	**259**	**250**	**1010**
Weighted base (all)	**84,190**	**50,430**	**20,045**	**5,850**	**160,515**

2.8 Future challenges

2.8.1 Charities were asked to describe what they thought would be their biggest challenge over the next 12 months. Table 2.24 provides the responses given by at least 1% of those who answered. In summary:

- a quarter of charities thought that increasing their income will be the biggest challenge;
- around one tenth envisaged difficulties with maintaining their status quo (12%); helping more people / identifying where there is most need / maintaining grants (10%), or recruiting new members of staff/ maintaining numbers (9%).

Table 2.24 Biggest challenges over the next 12 months

Challenges	Percentage (%)
Raising funds / securing funds / increasing income	25%
Maintain the status quo / keeping going	12%
Helping more people / identifying where there is most need / maintaining grants	10%
Recruiting new members / students; maintaining numbers	9%
Meet increased demand for services	8%
Implementing planning projects; diversifying; making positive changes; expanding; mergers; new contracts	7%
Managing / increasing investment income and increased interest rates	7%
Maintaining / increasing fundraising efforts	7%
Paying bills / overheads / fees; cutting costs; keeping within budgets	7%
Maintain buildings/premises/land/security	7%
Getting / maintaining public support; getting premises used more; raising profile	6%
Finding/keeping volunteers; getting adults/parents involved	5%
Keeping members	4%
Renewing / renegotiating grants and contracts; policy decisions and changes	3%
Acquiring new buildings / premises / land	3%
Closing down	1%
Finding / keeping trustees	1%
Recruiting / keeping staff	1%
Unweighted base (all)	**844**
Weighted base (all)	**128,047**

2.9 Future support

2.9.1 11% of charities reported that they would benefit from additional support (which is not related to direct financial support).

2.9.2 Charities in the two largest income bands were significantly more likely to say that they would benefit from additional support compared to medium and small charities (22% and 19% versus 8% and 12% respectively) (see Table 2.25).

Table 2.25 Whether charity would benefit from additional support by size of charity

Additional support that could help	Small charities Under £10,000	Medium charities £10,000-£99,999	Large charities £100,000-£999,999	Largest charities £1 million or more	Total
Yes	8%	12%	22%	19%	**11%**
No	92%	88%	78%	81%	**89%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Unweighted base (all)	**251**	**250**	**256**	**249**	**1010**
Weighted base (all)	**84,190**	**50,430**	**19,813**	**5,827**	**160,259**

2.9.3 The type of support which charities said they would like can be categorised as follows:

More help / training / advise

- Expert financial advice / business advice / support;
- Support from Government / government agencies;
- Fundraising advice;
- Support in marketing / websites;
- Training for staff;
- Free advice (especially legal);
- Help from Borough Council / local authority; and
- External consultant / management assistance.

More financial help

- More grants / loans / speedier decisions;
- Reduction in water rates / bills / help from power companies;
- More project / contract work / business opportunities; and
- Exemption from VAT / tax concessions.

Other

- More volunteers;
- More people involved / public support; and
- Collaborating with partners / other charities.

Appendix

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Survey of How Charities are Affected by the Economic Downturn

January 2010

Final QUESTIONNAIRE

Introduction

- Good morning/afternoon. My name is …….. I am calling on behalf of MVA Consultancy, an independent research agency. We are conducting a short survey for the Charity Commission amongst registered charities to find out whether and how you are being affected by the Economic Downturn.
- Please can I speak to the person in your charity who is best placed to talk to about your charity's finances and the way that these are being affected by the economic downturn?

  OR

  Please can you confirm whether you are the best placed person to talk about your charity's finances and the way that these are being affected by the economic downturn.

  IF YES CONTINUE. IF NO, TAKE DETAILS OF APPROPRIATE CONTACT AND RESTART INTERVIEW WITH THEM.
- Would you mind answering a few questions for me. It will only take about five minutes.

  CONTINUE OR TRY TO ARRANGE AN ALTERNATIVE TIME TO CALL.

Q1	To what extent, if at all, do you think that your charity has been affected so far by the economic downturn? **READ OUT OPTIONS. CIRCLE <u>ONE</u> ONLY.**		
	Very significantly--	1	Go to Q2
	Significantly--	2	Go to Q2
	Not significantly---	3	Go to Q2
	Not at all--	4	Go to Q3
	Don't know/not sure--	5	Go to Q3
Q2	As a result of the current economic downturn, has your charity experienced a reduction in income? **READ OUT OPTIONS. CIRCLE <u>ONE</u> ONLY.**		
	Yes--	1	
	No---	2	
	Experienced a drop in income not linked to the economic downturn--------	3	
	Not sure / Don't know--	4	
Q3	Over the next 12 months do you anticipate that your charity will experience an increase in overall income; decrease in income; or no change? **CIRCLE <u>ONE</u> ONLY.**		
	Increase in income---	1	
	Decrease in income--	2	
	No change--	3	
	Not sure / Don't know---	4	

Q4	From which of these sources does your charity obtain its income or finances? **READ OUT, CODE ALL.**				
Q5	And which one of these is the single most important source? **READ AGAIN IF REQUIRED, CODE ONE.**				
Q6	**READ OUT EACH CIRCLED IN Q4 IN TURN AND CIRCLE ONE.** Would you say that income from [source if identified in q4] has increased, decreased or remained the same over the last 6 months?				
Q7	**READ OUT EACH CIRCLED IN Q4 IN TURN AND CIRCLE ONE.** And do you think that income from [source if identified in q4] will increase, decrease or remain the same over the next 12 months?				
		Q4 Circle **all** that apply	Q5 Circle **one** only	Q6 1 increased 2 decreased 3 same	Q7 1 increase 2 decrease 3 same
	a. Public sector grants / contracts (from local authorities, primary care trusts and so on)	1	1	1 2 3	1 2 3
	b. Grant making trusts / foundations / funds (e.g. family trusts, corporate foundations	2	2	1 2 3	1 2 3
	c. Trading	3	3	1 2 3	1 2 3
	d. Fundraising from public (includes street collections, charitable collections, direct debits, charitable events eg fetes, etc.	4	4	1 2 3	1 2 3
	e. Legacies	5	5	1 2 3	1 2 3
	f. Membership fees	6	6	1 2 3	1 2 3
	g. Investment income	7	7	1 2 3	1 2 3
	h. Other **Please specify**: ____	8	8	1 2 3	1 2 3

Q8	In light of the economic down-turn, have you put any of the following measures in place? **READ OUT AND CIRCLE <u>ALL</u> THAT APPLY.** Reviewed risk policies-- 1 Sought external support from bodies such as the local CVS, or Capacity Builder programmes -- 2 Increased fundraising efforts -- 3 Looked to diversify income sources e.g. looking at trading -------------------- 4 Increased the drive to take on volunteers -- 5 Looked to reduce cost of things like stationery, printing, mobile telephone bills, energy costs -- 6 Read/used the Charity Commission's Big Board Talk--------------------------- 7 Other positive measures (please specify) -- 8 Not put any positive measures in place -- 9
Q9	Has the charity had to implement any of the following in response to the economic downturn? **READ OUT AND CIRCLE <u>ALL</u> THAT APPLY.** Cut back or held off on delivering new services/projects/ programmes ------- 1 Delayed plans to invest in capital projects -- 2 Drawn on reserve funds --- 3 Reduced the number of grants made-- 4 Reduced value of grants given out-- 5 Reduced numbers of staff-- 6 Reduced staff hours -- 7 Frozen/reduced pay of staff-- 8 Reviewed or sold assets-- 9 Left vacancies unfilled--10 Changed investment strategies or reduced investments ---------------------------- -11 None of the above--- 12 Sought funding from new sources or increased funding from existing sources-- 13 Other (**please specify**)--- 14 ____________________________________

Q10	In response to the economic downturn, has your charity <u>considered</u> any of the following? **READ OUT AND CIRCLE <u>ALL</u> THAT APPLY**
Q11	And in response to the economic downturn, has your charity <u>actually gone ahead</u> with any of the measures I have just asked about – I will read through them again … **READ OUT AND CIRCLE <u>ALL</u> THAT APPLY.** **ASK Q10 AND Q11 IN ORDER - DO NOT ASK THEM TOGETHER FOR EACH MEASURE**

	Q10 Circle **<u>all</u>** that apply	Q11 Circle **<u>all</u>** that apply
Merging with another charity---	1	1
Collaborating with another charity---	2	2
Collaborating with corporate donors or private sector organisations------	3	3
Forming consortia (e.g. to apply for contracts)----------------------------------	4	4

Q12

Which of the following statements apply to your charity:

READ OUT AND CIRCLE <u>ALL</u> THAT APPLY.

We employ at least one member of paid staff------------------------------	1
We use volunteers ---	2
We give out grants ---	3

Q13

In the <u>last 6 months</u> have you seen any increases in the demand for services or charitable activities that you provide that you would link to the economic downturn?

CIRCLE <u>ONE</u> ONLY

Yes – increased demand ---	1
No increase in demand -- ---------------	2
Don’t provide services ---	3
Don’t know / unsure --	4

Q14	Do you consider that any opportunities have arisen from the economic downturn for your charity? **CIRCLE <u>ONE</u> ONLY** Yes -- 1 No -- 2 **IF YES:** What opportunities have arisen: **WRITE IN:**
Q15	Do you think public support for your charity, overall, has increased, decreased or stayed the same over the past 12 months? **CIRCLE <u>ONE</u> ONLY** Increased------ -- 1 Decreased------ -- 2 Stayed the same-- 3 Don't know / unsure --- 4
Q16	How optimistic are you for the outlook of your charity in the next 12 months? **READ OUT AND CIRCLE <u>ONE</u> ONLY** Very optimistic -- 1 Quite optimistic -- 2 Quite worried --- 3 Very worried--- 4 Don't know / unsure --- 5
Q17	What do you think will be your biggest challenge over the next 12 months? **WRITE IN**
Q18	Do you think the charity sector will recover from the economic downturn at the same speed, faster or slower than the economy as a whole? **CIRCLE <u>ONE</u> ONLY** The same speed --- 1 Faster ----------- --- 2 Slower-------- -- 3 Don't know / unsure -- 4

Q19	Aside from direct financial support, is there any kind of additional support that could help you through the economic downturn? **CIRCLE <u>ONE</u> ONLY.** Yes -- 1 No --- 2 **IF YES**: What kind of additional support would be helpful? **WRITE IN:**
Q20	Which of the following categories describes your type of charity? There may be more than one so I will read them all out. **CIRCLE ALL THAT APPLY.** Arts, Culture, Sport, Recreation (e.g. arts and music organisations, sports and social clubs)…………………….…..1 Education or Research (including child care/education, adult education, culture and language associations)………..2 Health (including health care, health promotion and education)……………………………………………………..……3 Social Services (e.g. day care, community or residential care, counselling and mediation, lunch clubs)…………..…4 Environment (e.g. natural and build environment, recycling, pollution)…………………………………………….…..5 Housing (e.g. tenants and residents associations, hostels/homelessness, house improvements or repairs)………...6 Housing Associations……………………………………………………………………………………………………..…7 Employment and Training (health and safety, IT training etc.)………………………………………………………………8 Information, law, crime, and civil rights (e.g. law centres and CABx, general financial or debt advice, equal opportunities and racial harmony)……………………… …………………………………………..……………………….9 International (including disaster relief, promoting overseas development)…………………………………………..…10 Religion (including religious organisations or religious culture)…………………………………………………………11 Animals (including animal rescue services etc.)……………………………………………………………………………12 Transport (e.g. community transport, shop-mobility)………………………………………………………………………13 Economic, Social & Community Development (e.g. planning & regeneration, rural or urban development business) 14 Small community based activity (e.g. village hall, PTAs)………………………………………………………………...15 **IF NONE ARE TICKED ASK** Other: What category would you describe yourself to be in?..16
Q21	**IF NOT ALREADY ESTABLISHED:** Would you mind if I asked for your name and your position in the charity **IF ALREADY ESTABLISHED:** Would you mind if I checked your name and your position in the charity Name: Position:
Q22	We may want to do some follow up research. Would you be willing for us to contact you again? Yes -- 1 No --- 2

<u>THANK AND CLOSE THEN COMPLETE Q22 and Q23 AND DECLARATION</u>

MUST BE COMPLETED FOR A VALID QUESTIONNAIRE.

All these questions are very important and the questionnaire will not be valid if not supplied

Q23	Enter charity serial number from telephone list:________________________________
Q24	Enter Income band from telephone list: Under £10,000--1 £10,000-£99,999--2 £100,000-£999,999--3 £1million plus--4
Q25	Enter phone number used for interview (for back checking purposes): ____

INTERVIEWER DECLARATION

I certify that I have conducted this interview with a person previously not known to me according to the Market Research Society Code of Conduct and the instructions provided.

SIGNED:

NAME:

DATE:

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