

Pro Bono Economics/Civil Society Media results: 02 & 03 June 2020

Our weekly survey is designed to take the temperature of the civil society sector as the Covid-19 crisis continues to unfold, monitoring the pressures being faced by charities and voluntary organisations across the country and understanding how the picture is changing over time. Over the course of 02 & 03 June 2020, a total of 261 respondents filled in the survey. The respondents were split between 94 'small' charities (annual income of less than £500,000), 132 'medium' sized charities (income between £500,000 and £10 million), 32 'large' charities (income of £10 million or more), and 3 'other'.

Overall results

- 90 per cent said they expected Covid-19 to have a negative impact on their ability to meet their objectives over the next six months, with 41 per cent saying they expected it to be a "large" negative impact. One in ten (9 per cent) said they thought it would have a positive impact.
- Over half (58 per cent) said their level of concern about Covid-19's impact on their ability to deliver was broadly unchanged over the past seven days. 31 per cent said their concern had increased, lower than in previous weeks (34 per cent last week and around 40 per cent over the 4 weeks prior to that). 11 per cent said their expectations had improved over the previous seven days, similar to previous weeks.
- Nine-in-ten (88 per cent) said they expected Covid-19 to reduce their income over the coming six months relative to previous plans, very slightly lower than last week's 91 per cent. 38 per cent said they expected a reduction of up to 25 per cent; 28 per cent thought their income would be 25 per cent to 50 per cent lower; 18 per cent thought the drop would be 50 per cent to 75 per cent; and 4 per cent said they expected income to be down on previous plans by more than 75 per cent.
- Approaching three quarters (72 per cent) said they expected to see an increase in demand for their services over the next 6 months, compared to pre-crisis expectations. Around a third (31 per cent) expected to see an increase of up to 25 per cent; 27 per cent expect an increase of 25 per cent to 50 per cent; and 14 per cent expect to see more than a 50 per cent increase in demand for their services. 17 per cent said they expected to see a fall in demand for services.
- At least some charities in all sectors expected to see an increase in demand. Though sample sizes here are small, in our survey 89 per cent of charities working in Economic, Social & Community development and 78 per cent of charities working in Health expected an increase in demand for their services. Charities working in Culture & Recreation and Education were most likely to expect a fall in demand for services, 59 per cent and 30 per cent respectively.
- Two-in-five charities (41 per cent) said the single biggest issue they were facing was the impact of social distancing on their ability to deliver their services. 30 per cent said that the way in which Covid-19 had affected their ability to fundraise was instead the biggest challenge. 23 per cent pointed instead to its effect on their ability to plan ahead.
- Nearly all (97 per cent) of the respondents said they'd taken some form of action in response to the financial challenges raised by the crisis. The most cited response was the furloughing of staff and use of the government's Job Retention Scheme, with 61 per cent saying they'd done this. Close behind, 59 per cent said they'd reduced their activity in a "significant" way. 50 per cent said they'd sought funder flexibility on their spending plans, project delivery and reporting

requirements and 46 per cent said they'd drawn down on their reserves. 28 per cent said they'd applied for support from the government's charity-specific rescue package and 48 per cent had applied for non-government Covid-19 emergency funding.

- When asked to rate the sufficiency of the government's financial support for civil society in the face of Covid-19 (where 1 = entirely insufficient and 10 = entirely sufficient), the average score across all respondents was 4.4. Three-in-five (69 per cent) scored the response at five or below, with 43 per cent scoring it 1-3 and 12 per cent scoring it 8-10.
- 74 per cent charities said they thought it was "unlikely" that the financial challenge associated with Covid-19 would cause their organisation to stop operating altogether in six months' time. However, a significant minority of 12 per cent said they thought it was "likely" that they would cease operating – though only 2 per cent said it was "very" likely.

By size of charity

- There was no difference by size in charities' perception of the impact Covid-19 would have on their ability to meet their objectives over the coming six months, with 90 per cent of both small charities and those with incomes over £500k envisaging a negative impact.
- The impact of social distancing on their ability to deliver services was a bigger challenge for smaller charities than larger ones – 52 per cent of small charities said this was single biggest challenge they are facing, compared to 34 per cent of medium and large charities. Charities of all sizes reported fundraising being harder, with 26 per cent of small charities and 30 per cent of medium and large charities reporting this the single biggest issue they faced as a result of Covid-19. 27 per cent of medium and large charities said the biggest issue was the making planning for the future uncertain, but this was the biggest issue for only 16 per cent of small charities.
- For small charities, the most frequently mentioned response among the group was having reduced activity in a "significant" way (63 per cent), followed by applying for non-government emergency funding (55 per cent). Just 38 per cent said they had furloughed staff and accessed the Job Retention Scheme funding. In contrast, 74 per cent of medium and large charities said they had furloughed staff. Similar to small charities, 57 per cent of medium and large charities had reduced activity in a significant way.
- Small charities were less likely to think that Covid-19 would lower their income in the next six months relative to previous expectations, with 81 per cent reporting this versus 91 per cent in medium and large charities. 10 per cent of small charities expected a positive impact on their income, compared to just 1 per cent of medium and large charities.
- Small charities were significantly more likely to report very large potential reductions however. 28 per cent said they thought their income would be down on their plans by more than 50 per cent, compared with 18 per cent among larger organisations.
- There was a small difference too in relation to expectations for sustaining operations over the coming months. 13 per cent of small charities thought it was "likely" that they would no longer be able to operate in six months' time, compared with 10 per cent of medium and large charities.

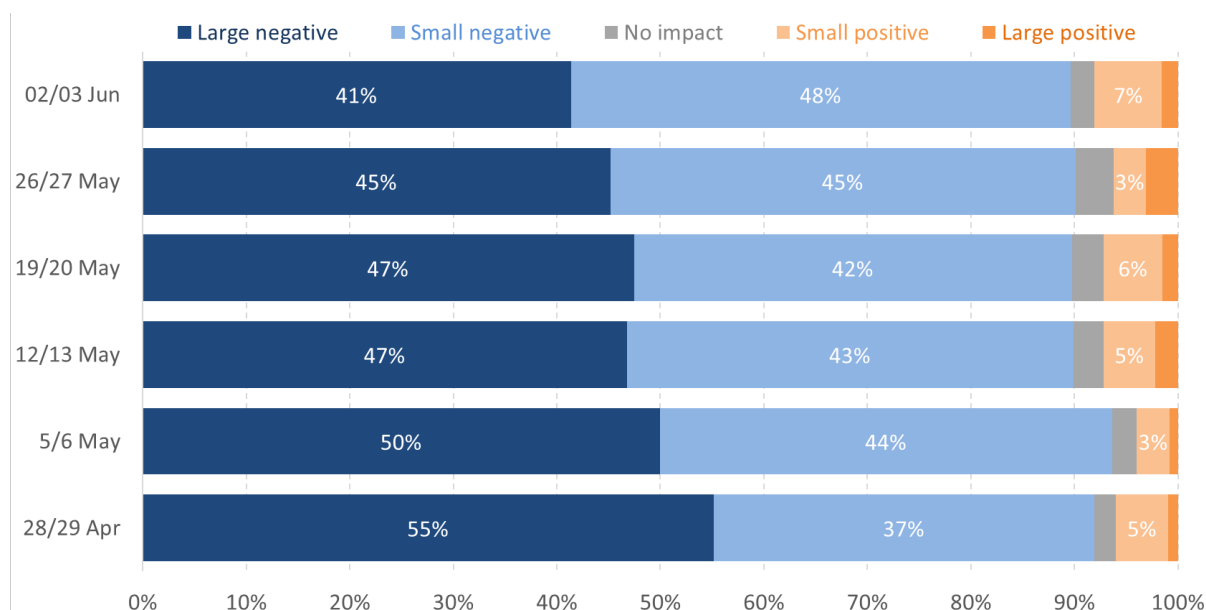
Commenting on the findings Anoushka Kenley, Research & Policy Director of Pro Bono Economics, said:

We're not yet seeing any big changes in mood in the sector. Similar to previous weeks, nine out of ten organisations felt as, or more, concerned over the past week about the impact of Covid-19. Things seem to be getting worse for small charities, where close to half felt increasingly concerned over the past week about the impact of Covid-19 on their ability to deliver. For medium and large charities, that figure was closer to one in five.

The impact of social distancing on service delivery is again this week the biggest negative impact of Covid-19 on charities, so we may see some shifts in those figures as lockdown restrictions are reduced.

We have seen some slightly more optimistic figures on organisations expecting no impact, or even a positive impact, on income – a rise from 8 per cent last week to 12 per cent this week. Nonetheless, we've seen very little change in the proportion of charities who believe financial challenges will force them to close – 12 per cent believe it's likely they will no longer be operating in six months. This is perhaps unsurprising given the income gap that's likely to emerge, not just from reduced access to finance but also from increased demand – 72 per cent of charities expect to face an increase in demand for their services over the next six months, compared to their pre-crisis plans.

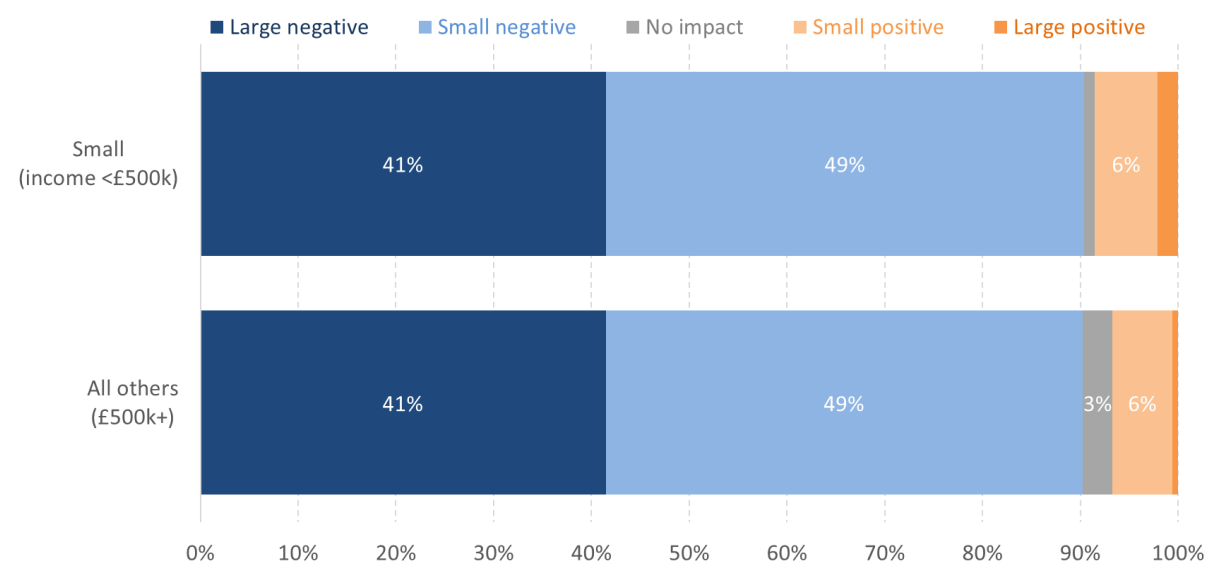
Figure 1: How do you expect Covid-19 to affect your charity's ability to deliver on its objectives in the next six months?



Notes: 02/03 June = 261 responses. Past weeks: 323, 196, 406, 126, 433 responses respectively.

Source: Charity responses to PBE & Civil Society Media survey.

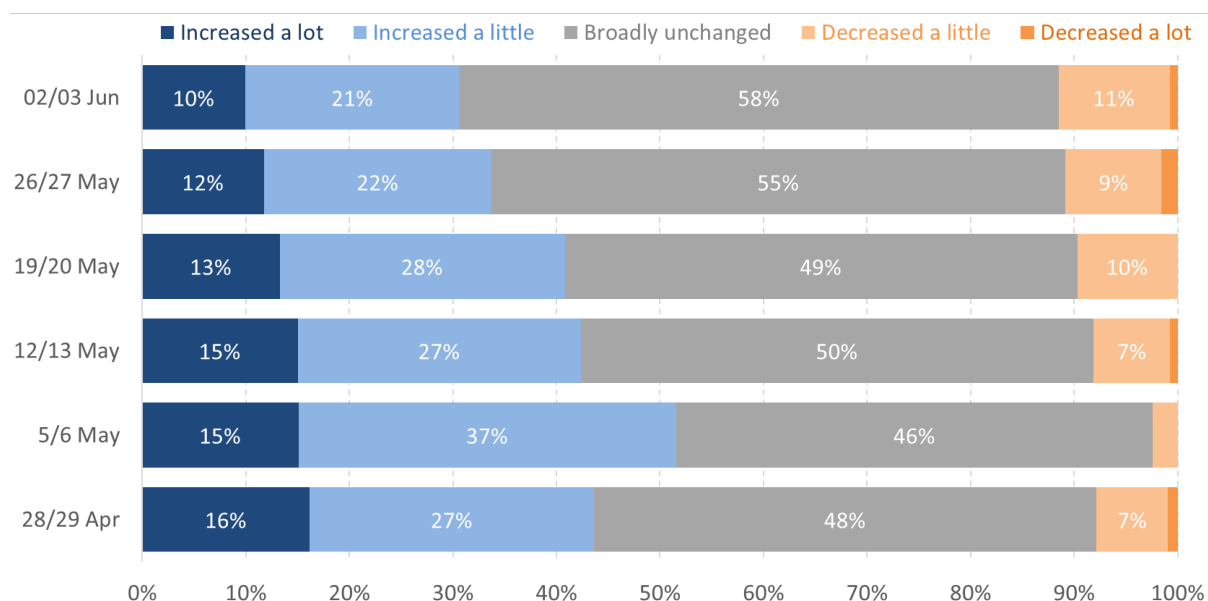
Figure 2: How do you expect Covid-19 to affect your charity's ability to deliver on its objectives in the next six months? 02-03 June, by charity size



Notes: 261 responses, comprising 94 'small' and 167 'all other'.

Source: Charity responses to PBE & Civil Society Media survey.

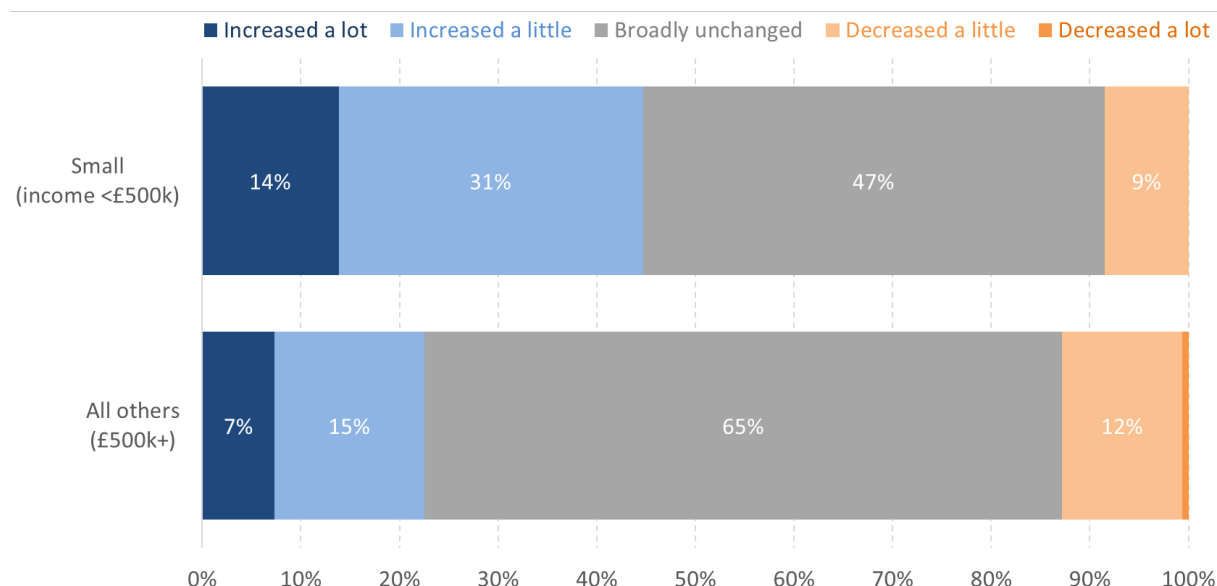
Figure 3: How has your level of concern about Covid-19's impact on your charity's ability to deliver on its objectives changed over the last seven days?



Notes: 02/03 June = 261 responses. Past weeks: 323, 196, 406, 126, 433 responses respectively.

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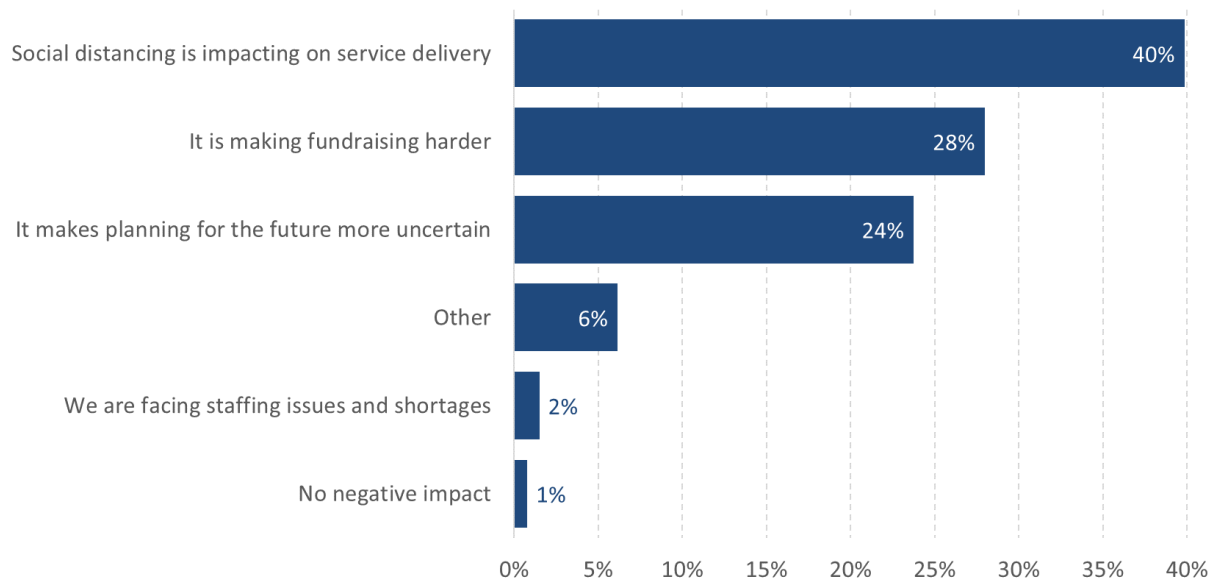
Figure 4: How has your level of concern about Covid-19's impact on your charity's ability to deliver on its objectives changed over the last seven days? 02-03 June, by charity size



Notes: 261 responses, comprising 94 'small' and 167 'all other'.

Source: Charity responses to PBE & Civil Society Media survey

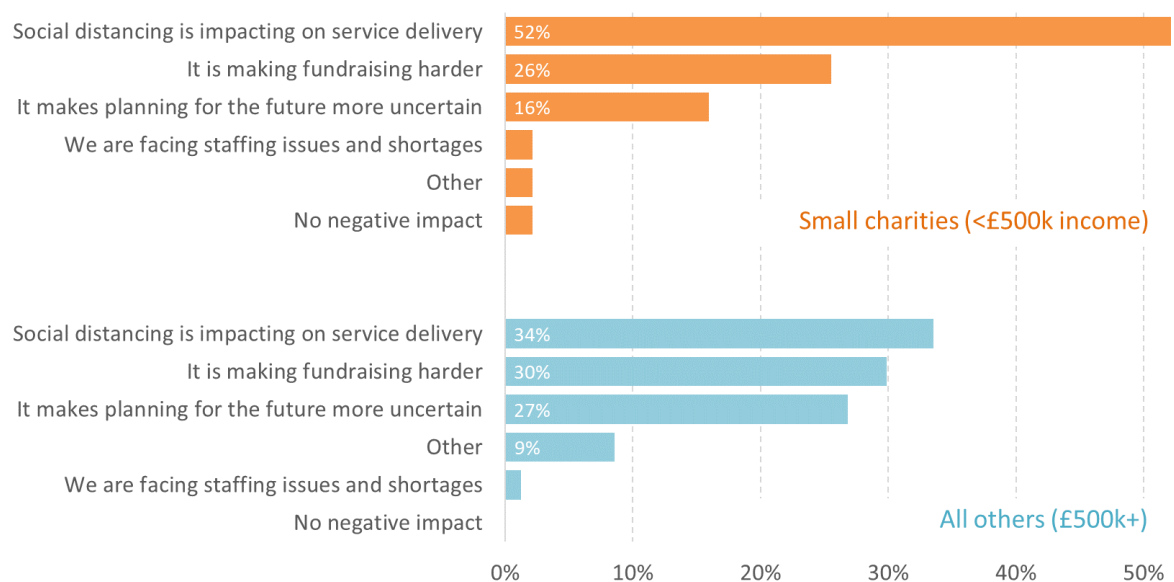
Figure 5: What is the current single biggest negative impact of Covid-19 on your charity's ability to deliver on its objectives? 02-03 June



Notes: 261 responses.

Source: Charity responses to PBE & Civil Society Media survey.

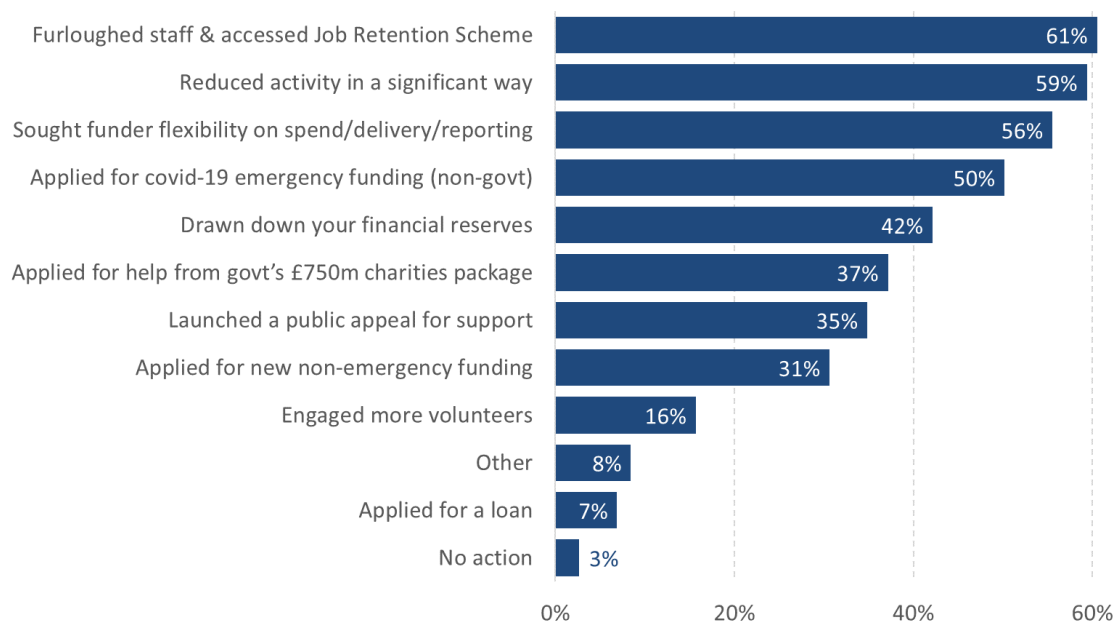
Figure 6: What is the current single biggest negative impact of Covid-19 on your charity's ability to deliver on its objectives? 02-03 June, by size of charity



Notes: 261 responses, comprising 94 'small' and 167 'all other'.

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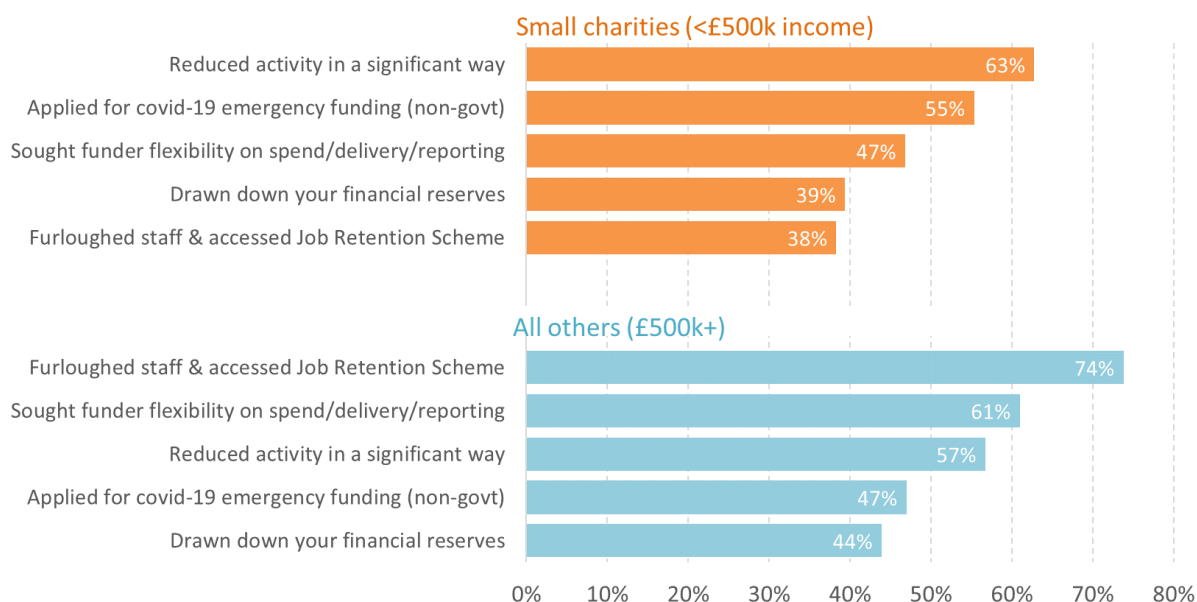
Figure 7: What actions have you taken in response to any financial challenges that Covid-19 have presented to your organisation? 02-03 June



Notes: 261 responses. Respondents were asked to tick all options that applied.

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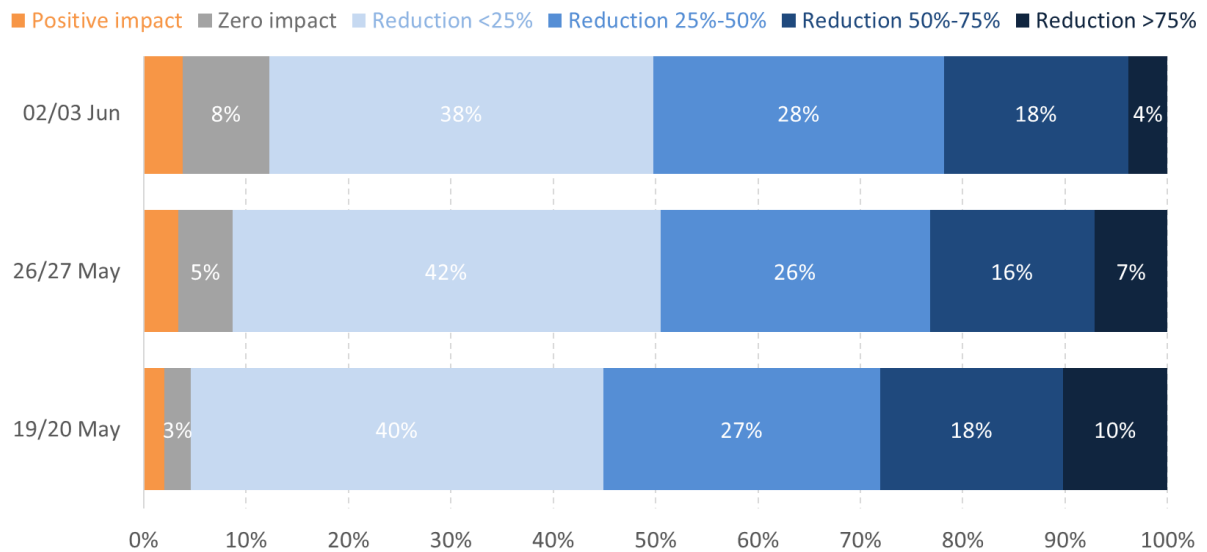
Figure 8: What actions have you taken in response to any financial challenges that Covid-19 have presented to your organisation? 02-03 June, by size of charity, top five shown



Notes: 261 responses, comprising 94 'small' and 167 'all other'. Respondents were asked to tick all options that apply.

Source: Charity responses to PBE & Civil Society Media survey

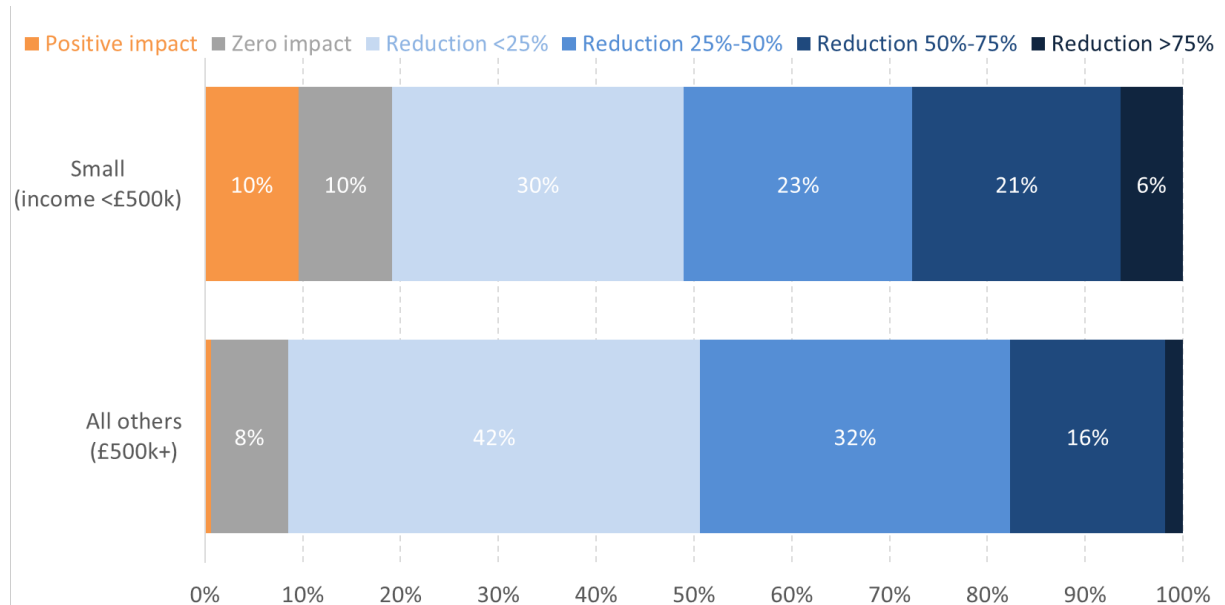
Figure 9: What impact do you expect Covid-19 to have on your organisation's income over the next six months relative to your pre-crisis expectations?



Notes: 02/03 June = 261 responses. Past weeks: 323, 196 responses respectively.

Source: Charity responses to PBE & Civil Society Media survey.

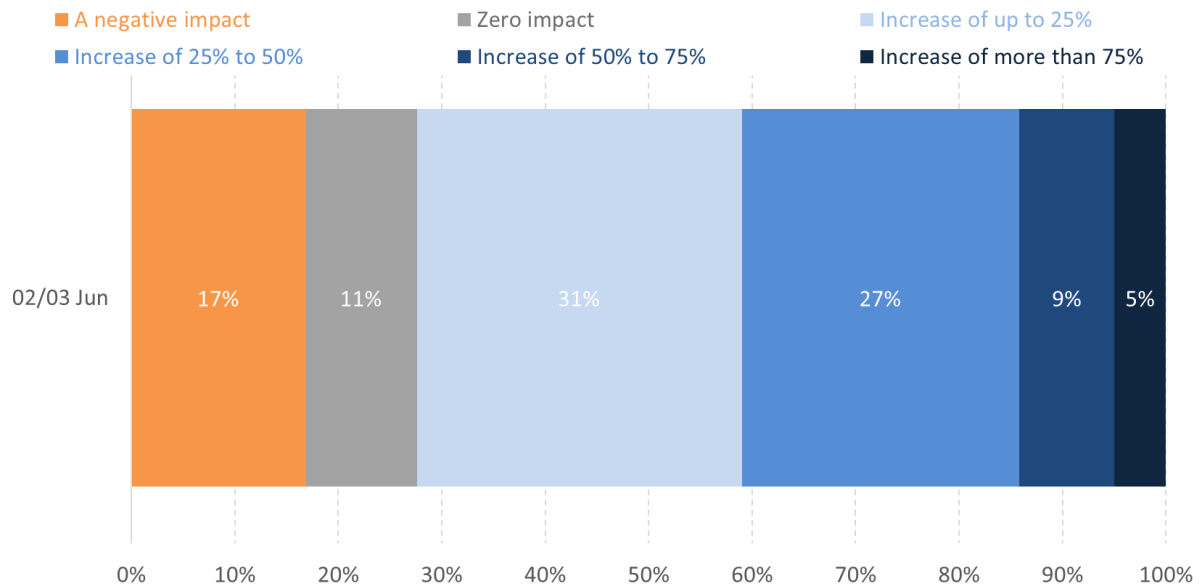
Figure 10: What impact do you expect Covid-19 to have on your organisation's income over the next six months relative to your pre-crisis expectations? 02-03 June, by charity size



Notes: 261 responses, comprising 94 'small' and 167 'all other'.

Source: Charity responses to PBE & Civil Society Media survey

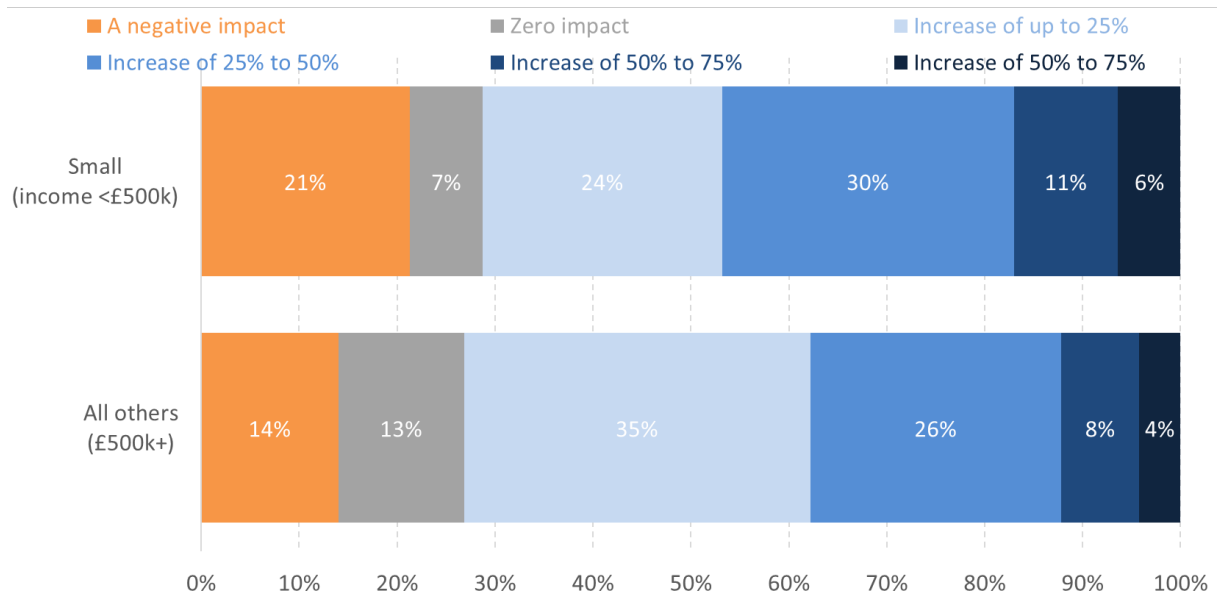
Figure 11: Roughly what impact do you expect Covid-19 to have on demand for your organisation's services in the next six months relative to your pre-crisis expectations?



Notes: 261 responses.

Source: Charity responses to PBE & Civil Society Media survey.

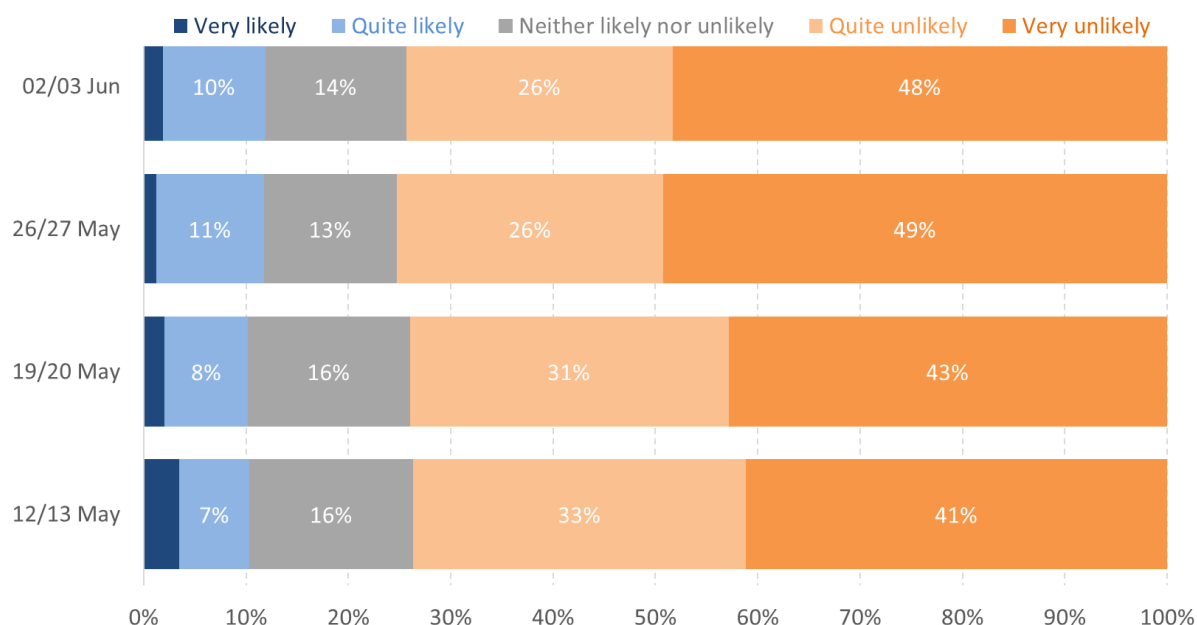
Figure 12: Roughly what impact do you expect Covid-19 to have on demand for your organisation's services in the next six months relative to your pre-crisis expectations? 02-03 June, by charity size



Notes: 261 responses, comprising 94 'small' and 167 'all other'.

Source: Charity responses to PBE & Civil Society Media survey

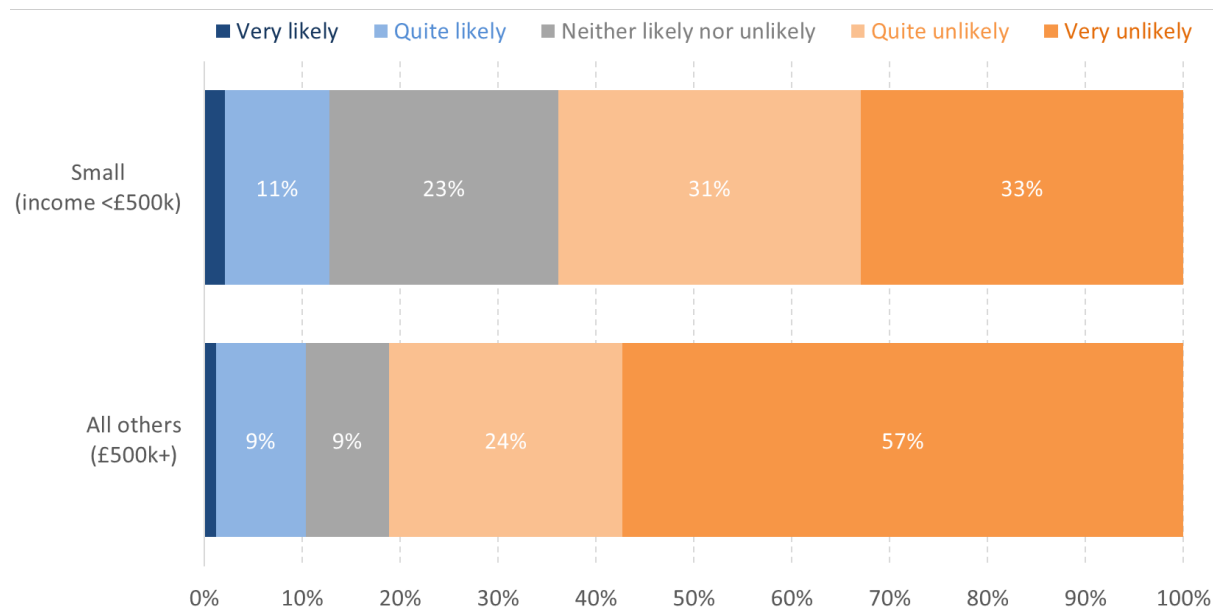
Figure 13: How likely is it that the financial challenges raised by Covid-19 will mean your organisation will no longer be operating in six months' time? 02-03 June



Notes: 02/03 June = 261 responses. Past weeks: 323, 196, 406 responses respectively.

Source: Charity responses to PBE & Civil Society Media survey.

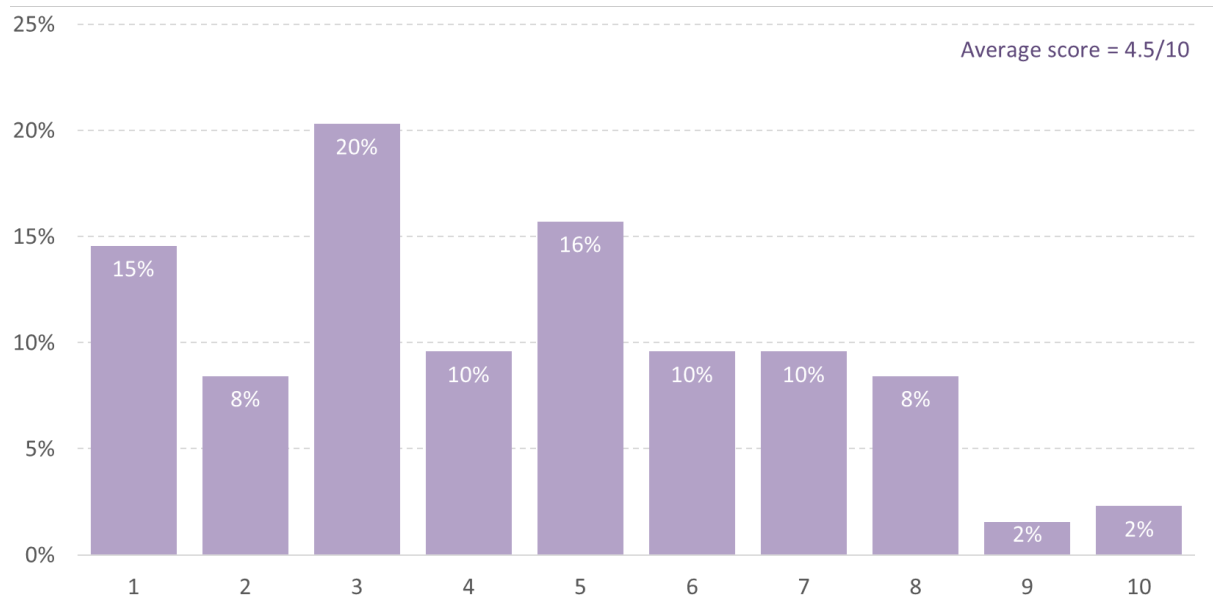
Figure 14: How likely is it that the financial challenges raised by Covid-19 will mean your organisation will no longer be operating in six months' time? 02-03 June, by size of charity



Notes: 261 responses, comprising 94 'small' and 167 'all other'.

Source: Charity responses to PBE & Civil Society Media survey

Figure 15: On a scale of 1-10 (1="entirely insufficient"; 10="entirely sufficient") how would you score the Covid-19 financial help being provided to civil society by govt? 02-03 June



Notes: 261 responses.

Source: Charity responses to PBE & Civil Society Media survey.

Figure 16: Add your comment on what Covid-19 means to your organisation and what more the government, funders or others could be doing to support you: 02-03 June (selection)

We are busier than ever but without funding or support we will have to close	Having to apply for funding is a real problem at a time when we have decreased capacity and resources	Our future needs are very different to that of businesses which makes trying to understand some of the govt's support schemes unclear at times. Our needs going into next year will be different especially as government will be relying on the sector to provide services for those with mental health, addiction, debt and relationship problems. Small local groups will be at the coal face and will really feel the pressure	Funding for retraining so we can deliver our programmes on line rather than in person	Some of the local authorities and others who fund our services will make cuts to the level of funding we can secure. We may have to make redundancies eventually, but are not doing so yet
Funding strategies by government and trusts need to focus on the COVID recovery phase, and take account of lower interest rates on savings which will impact on the ability to fund charities	Massive effect on funding. Government needs to address the real value the charity sector provides to the country and not under value it by 90%		Unless significant funding is secured... we will undoubtedly face closure after a period of 30 years of service provision to the most vulnerable in our society	Disability seems to be a forgotten / disregarded cause
				Easing lockdown is proving harder than going into lockdown

Notes: 261 responses.

Source: Charity responses to PBE & Civil Society Media survey.