

# Largest study of voluntary organisations reveals devastating financial impacts of COVID-19

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The first results from the new COVID-19 Voluntary Sector Impact Barometer show that two in five (39%) charities and community groups

are now reporting a deteriorating financial situation.

With over half (56%) of organizations expecting demand for services to surge over the next month as the impact of local lockdowns and rising unemployment filters down to communities, many voluntary organizations are being forced to adapt the way they operate if they are to continue to meet the needs of those they support into the future.

The study also found that the vast majority of voluntary sector organizations fear COVID-19 will continue to disrupt their plans in the year ahead. eight out of 10 organizations (80%) predicted a negative impact on delivering their planned objectives over the next 12 months, and one in 10 (10%) think it likely they'll be forced to close.

60% of organizations responding said that COVID-19 related safety measures have increased their operating costs.

Researchers also found numerous examples of voluntary organizations using creativity and ingenuity to innovate in response to the new challenges that the pandemic brings, with many organizations demonstrating their ability to adapt, scale and pivot services. From moving existing face-to-face services online, to funders supplying local charities with Zoom licenses, it's clear that COVID-19 is accelerating a digital transformation in the voluntary sector, with 92% of organizations reporting an increase in delivering their services online.

The COVID-19 Voluntary Sector Impact Barometer is a part of a major new study using real-time data to explore how voluntary organizations are being impacted by the coronavirus pandemic over the next year.

The largest research project of its kind, the Barometer surveyed almost 700 voluntary organizations over the last month through an [online survey](#). The project is a partnership between Nottingham Trent University, the

National Council for Voluntary Organizations (NCVO) and Sheffield Hallam University.

Karl Wilding, chief executive of NCVO said: "Not only are charities and volunteers crucial to helping people through crises such as COVID-19, but they also underpin so much of community life and bring people together. Whether through falling income from charity shops and fundraising events, or a surge in demand for services from those facing the brunt of the pandemic, charities are under pressure like never before. Earlier in the year we saw an incredible community response snap into action, with many changing how they operate or digitalising their life-saving services overnight. Now as a hard winter period looms with more stringent local lockdowns, charities again need to step up their services and support those in need. With charities facing an estimated £10 billion funding gap over six months, the charity sector is in serious trouble. Public funds are incredibly stretched and the government must think creatively about where we can find funds to support communities in need, repurposing £500m from the National Fund charity as emergency funds to support the voluntary sector or creating a longer-term £2bn endowment to support disadvantaged communities from unclaimed stocks and shares."

Becky Jenner, CEO of Rett UK, a national charity that supports families affected by Rett syndrome, a rare neurological disorder said: "At the start of lockdown we saw our event-based fundraising income wiped out almost overnight. Seven months on we are in a better financial position, thanks to an emergency appeal, some emergency grant funding and drastically reducing our expenditure. And by canceling events and moving services online we have made savings. But as the emergency funds dry up, we remain concerned for the medium to long-term financial sustainability of the [charity](#)—and even more worried about the impact on the mental health and wellbeing of the very vulnerable families we support."

Real-time data from the Barometer is being made available via an interactive online dashboard, allowing practitioners, policymakers and researchers to drill-down to explore impacts in different regions, such as those under different local COVID-19 alert levels.

The Barometer is one part of a major new research project—Respond, Recover, Reset: The Voluntary Sector and COVID-19—led by Nottingham Trent University, the National Council for Voluntary Organizations (NCVO) and Sheffield Hallam University. As well as the monthly Barometer survey, over the next 14 months researchers will also carry out in-depth interviews with over 300 voluntary organizations and produce regular insight reports to inform policymakers and practitioners.

Daniel King, Professor of Organization Studies at Nottingham Trent University and project lead said: "Our research is confirming what many working in the voluntary sector already knew: charities and community organizations are facing the biggest challenge in a generation, and sadly some will be forced to close their doors. But against this backdrop, there are encouraging signs of resilience, creativity and innovation as charities transform their approach. The voluntary sector includes thousands of passionate volunteers, staff and organizations, and we hope our research will continue to provide examples of best practice for others to follow."

The next COVID-19 Voluntary Sector Impact Barometer survey is currently open to responses, with findings expected in mid-November.

**More information:** COVID-19 Voluntary Sector Impact Barometer: [cpwop.org.uk/what-we-do/project-organisation-responses](https://cpwop.org.uk/what-we-do/project-organisation-responses)

Provided by Nottingham Trent University

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