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THE UK CIVIL SOCIETY

ALMANAC 2019

Data. Trends. Insights.

Cazenove Capital

NCVO

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FOREWORD

Cazenove Charities is pleased to sponsor the 18th edition of the NCVO Almanac.

We work with over 900 charitable organisations to help them meet their financial and social objectives. The Almanac continues to provide a valuable insight in to the trends within the voluntary sector and a powerful reminder of the importance it plays to the UK economy.

We are delighted that 2016/17 posted a new record for net assets, growing by 4% over the year to £131bn. Strong investment performance was a significant contributor to this growth. Whilst income to the sector from government and the public continues to plateau, investment income to support charitable organisations meet their aims has never been more important.

We are proud to continue supporting the Almanac and hope that you will find the analysis useful and interesting.

Kate Rogers
Co-Chair of Charities

INTRODUCTION

Looking back on my time at NCVO ahead of my retirement at the end of this year, one of my greatest delights has undoubtedly been seeing NCVO's Civil Society Almanac research programme go from strength to strength. Starting in 1996, the Almanac rapidly became the authoritative and indispensable source of knowledge on the sector's finances and staff that we know it as today.

NCVO invests considerable effort in the Almanac programme, and I know both we and the sector gain considerably from that. The value is particularly clear when you look back over two decades of data and consider the trends we've seen in this time, but also what might happen in the future.

But beyond the actual numbers, the scale and seriousness of the Almanac research is a reflection of that of the sector. For NCVO's part, producing this research helps furnish us with the credibility and authority we need in order to best represent the sector. I was particularly pleased a few years ago when the Office for National Statistics turned to NCVO and the Almanac to produce their assessments of the contribution that the sector makes to the UK's economy.

In 23 years we have made a lot of progress. The illustration of the data you'll see here is greatly more engaging and illuminating than the lacklustre greyscale charts of that first edition. And the Almanac website now makes finding data simple for anyone who might wish to. But there is more still to do. We thought that by this point in time data collection would be far simpler. In fact, we still need to use manual methods to extract figures from charities' annual accounts. This means we cannot yet go as far as we would like in, for example, producing regional data. However, I'm sure this will change in the future.

I would like to take this opportunity to thank the Economic and Social Research Council for their support for the Almanac over the years. We have consistently encouraged funders to recognise research on the sector is something worth investing in, and they are one of those funders which has most notably stepped up to contribute. They have also supported academic enquiry, exploring questions of change and continuity in the sector. When so many of us are busy with the day-to-day aspects of our jobs, such dispassionate analysis is an important way of holding a mirror up to what we do.

We should recognise that while the Almanac focuses on what can be readily measured, the sector is truly represented by its outcomes, by lives and places changed. Such outcomes are of course far harder to measure let alone aggregate in the way financial data can be. But any attempt to analyse the value of these outcomes would still need to start from a position of familiarity with the basic financial and human inputs.

That the Almanac is now a familiar, annual part of the landscape of research into the sector should not mean we take it for granted. It requires substantial expertise and is the result of a great collaboration of effort between NCVO and a number of other people and organisations. But I leave NCVO knowing this work will continue for many years to come. A commitment to valuing and creating good evidence is woven into the organisation's DNA, and all those with an interest in the charity sector will continue to be able to look to NCVO for clear and comprehensive analysis of the trends within it.

Sir Stuart Etherington
Chief Executive, NCVO

EXECUTIVE SUMMARY

THE TOTAL NUMBER OF VOLUNTARY ORGANISATIONS REMAINS RELATIVELY STABLE, BUT THERE IS NOTABLE GROWTH AMONG BIGGER ORGANISATIONS

There are 166,854 voluntary organisations in the UK. While total numbers have been relatively stable, the number of organisations with more than £100m have grown from 45 to 51, accounting for 0.03% of organisations and for 22% of the sector's total income. The majority of those organisations work on national or international level and are responsible for 30% of the sector's grant making. Despite the growth in bigger organisations, the voluntary sector is dominated by small organisations that operate locally. Eight in ten organisations have an income of less than £100,000.

THE PUBLIC AND GOVERNMENT REMAIN THE LARGEST INCOME SOURCES FOR THE SECTOR, HOWEVER IN 2016/17 OVERALL GROWTH WAS DRIVEN BY GRANTS AND INVESTMENTS

In 2016/17, the voluntary sector's economy continued to grow. Total income went up by 2% to £50.6bn, while spending and assets also increased. The public and government remain the largest income sources for voluntary organisations, but both of them plateaued. Growth in total income was instead due to increases in grants (£588.8m) and investments (£602.6m).

THE WAY IN WHICH THE SECTOR RECEIVES MONEY FROM THE PUBLIC IS SHOWING SIGNS OF CHANGE

The public remains the largest income source for the sector, accounting for 45% (£22.9bn) of its total income. For the first time in six years, there was a fall in earned income from the public, generated through fees paid for goods and services, membership subscriptions, sales from charity shops or fundraising events. At the same time, donations fell slightly by 2% from the previous year while legacies continued to rise.

THE AMOUNT OF INCOME FROM GOVERNMENT REMAINED STABLE BUT HAS FALLEN AS A PROPORTION

Government remains the second largest income source totalling £15.8bn. Over the last four years the amount of income from government has remained fairly stable, but it has fallen as a proportion of total income. It made up 37% of the total income in 2009/10 but dropped to 31% in 2016/17.

A GOOD YEAR FOR GRANT MAKING

In 2016/17, spending on grants grew by 5% to a new record high of £7bn. Over half (57%) of the money spent on grants stays within the voluntary sector, but notable amounts also go to individuals and other types of organisations like public sector bodies and universities. International development organisations receive by far the largest share (37%) of grant making from the sector.

NET ASSETS CONTINUED TO GROW MARKING A NEW RECORD HIGH

The sector's net assets grew by 4% to £131.2bn in 2016/17, marking a new record high. The continued growth is mainly a result of strong investment performance. Total liabilities were up by 12% reaching their highest levels with most of this due to rising pensions across organisations of all sizes.

THE VOLUNTARY SECTOR WORKFORCE IS HIGHLY EDUCATED AND LESS LIKELY TO EXPERIENCE SKILLS GAPS

The number of people working in the voluntary sector fell slightly to the previous year, but has grown by 11% since 2010. In 2018, a total number of 865,916 people worked for voluntary organisations. More than half of the sector's workforce is educated to degree level or higher. At the same time, voluntary organisations reported the lowest incidence of skills gaps compared to organisations in other sectors.

VOLUNTEERING RATES ARE STABLE, BUT DIVERSITY REMAINS AN ISSUE

Overall levels of volunteering have remained stable. More than one in five people volunteered at least once a month for a group, club or organisation. However, involvement varies for different backgrounds: formal volunteers are more likely to be older, well-educated and from higher socio-economic groups.

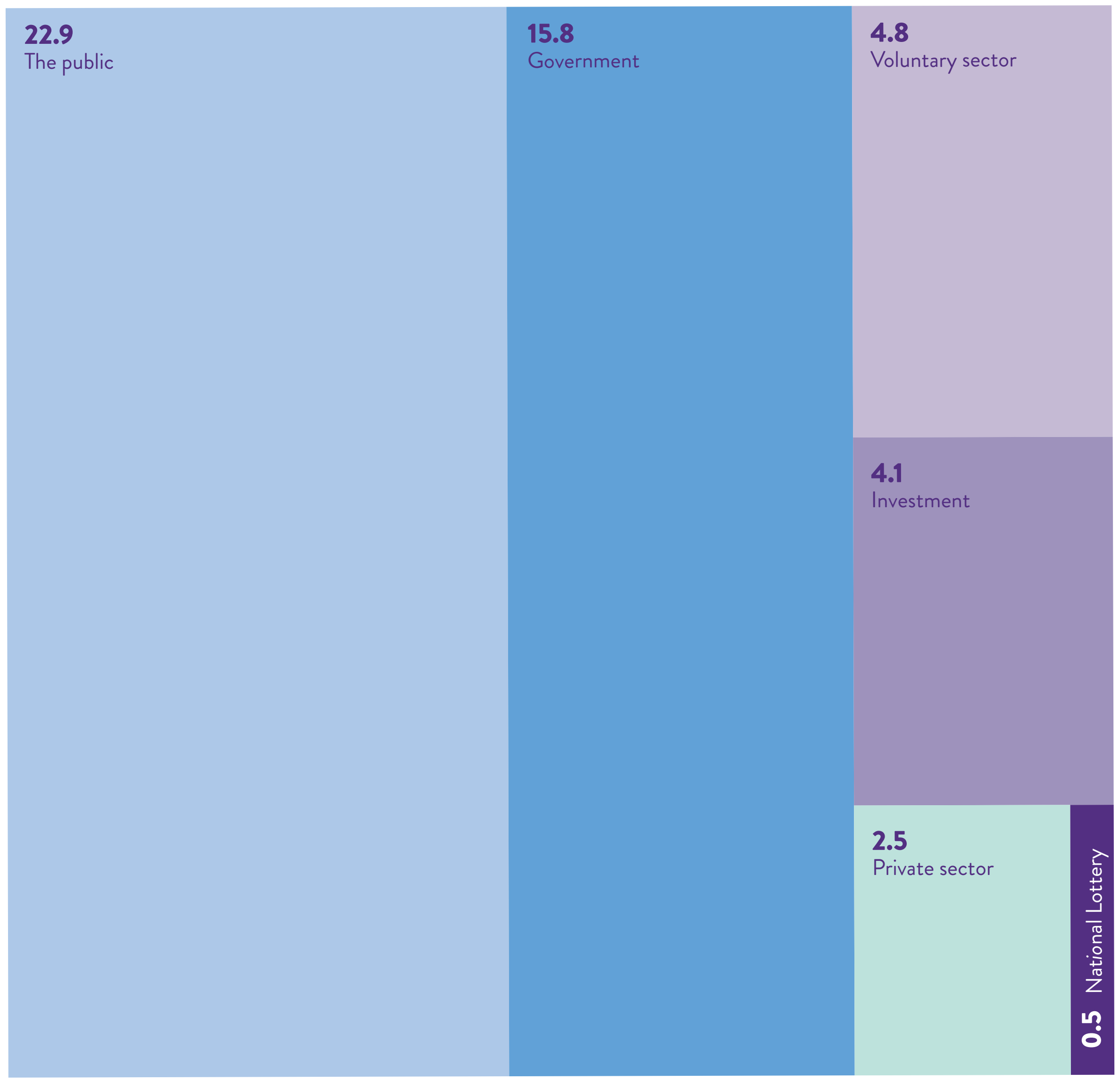
THE REACH AND IMPACT OF VOLUNTARY ORGANISATIONS IS WIDE-RANGING

Nine in ten UK households have accessed services provided by voluntary organisations at some point, with children and young people remaining the most common beneficiary group. In 2016/17, the sector contributed a total of £17.1bn to the UK economy, equivalent to the GDP of a small country such as Honduras. The value of volunteering was estimated at £23.9bn in 2016.

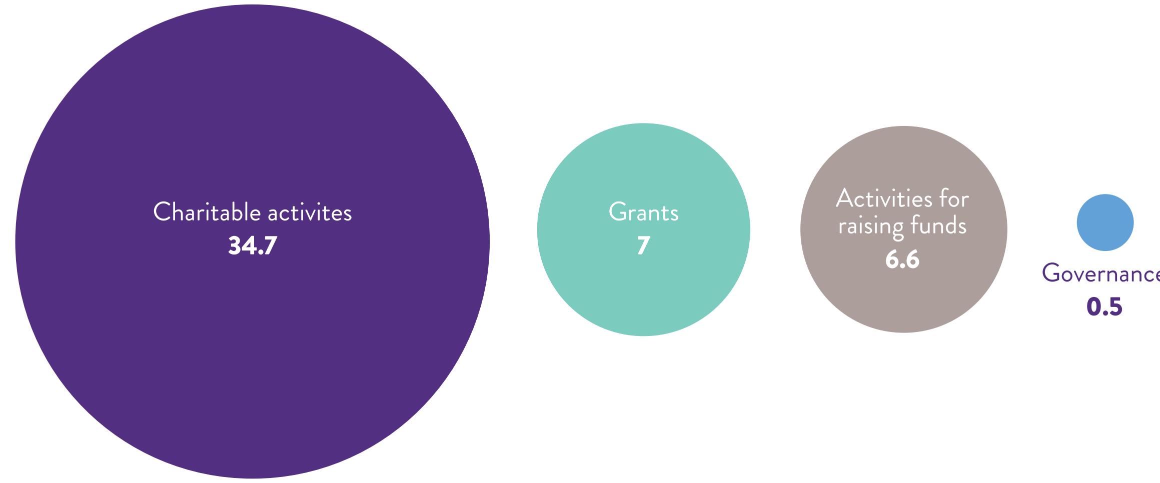
FAST FACTS

Income by source (£bn)

2016/17 **50.6bn** 2015/16 **49.7bn**



Spending by type (£bn)



Assets (£bn)

2016/17 **131.2**

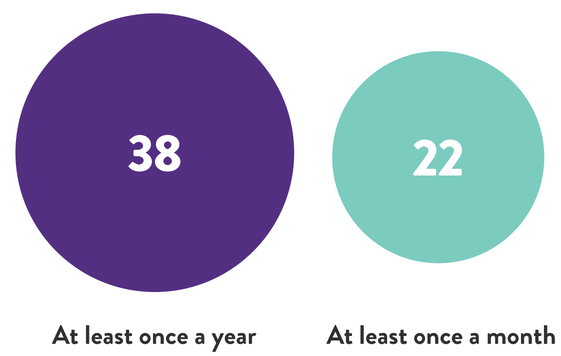
125.9 2015/16

Number of organisations

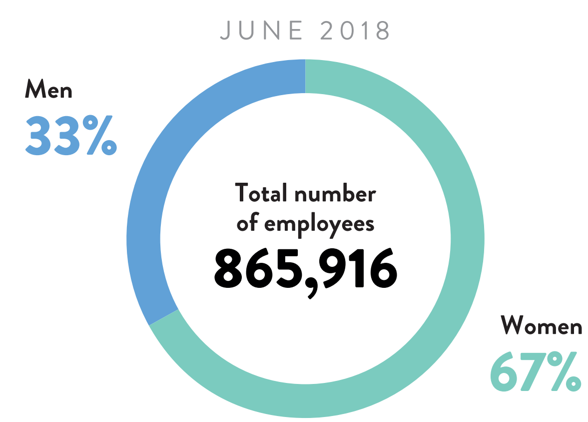
2016/17 **166,854**

166,000 2015/16

Proportion of people formally volunteering (%)



Number of employees



HOW MANY VOLUNTARY ORGANISATIONS ARE THERE?

THERE ARE 166,854 VOLUNTARY ORGANISATIONS IN THE UK, WITH THE MAJORITY BEING MICRO AND SMALL

Our analysis of the voluntary sector is based on our 'general charities' definition that allows comparison of figures from year to year. The definition was developed by NCVO and the Office for National Statistics and excludes organisations that:

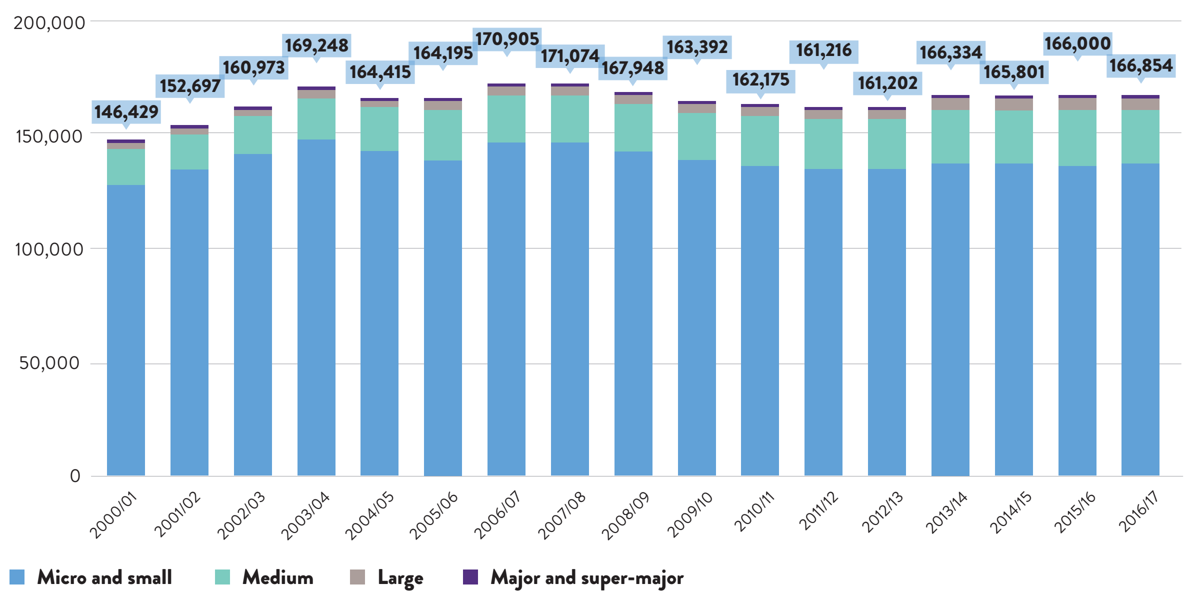
- are inactive, or subsidiaries of other organisations
- have charitable status, but are not independent of government, for example NHS charities, the British Council.
- belong elsewhere in civil society. These include housing associations, independent schools, universities, and trade associations.

Under this definition there were 166,854 active voluntary organisations in the UK in 2016/17. Active organisations are those that have submitted an annual return in the last three years.

OVER TIME

The number of organisations has gone up from its lowest levels in 2012/13 and has been stable since

Number of voluntary organisations, 2000/01 to 2016/17

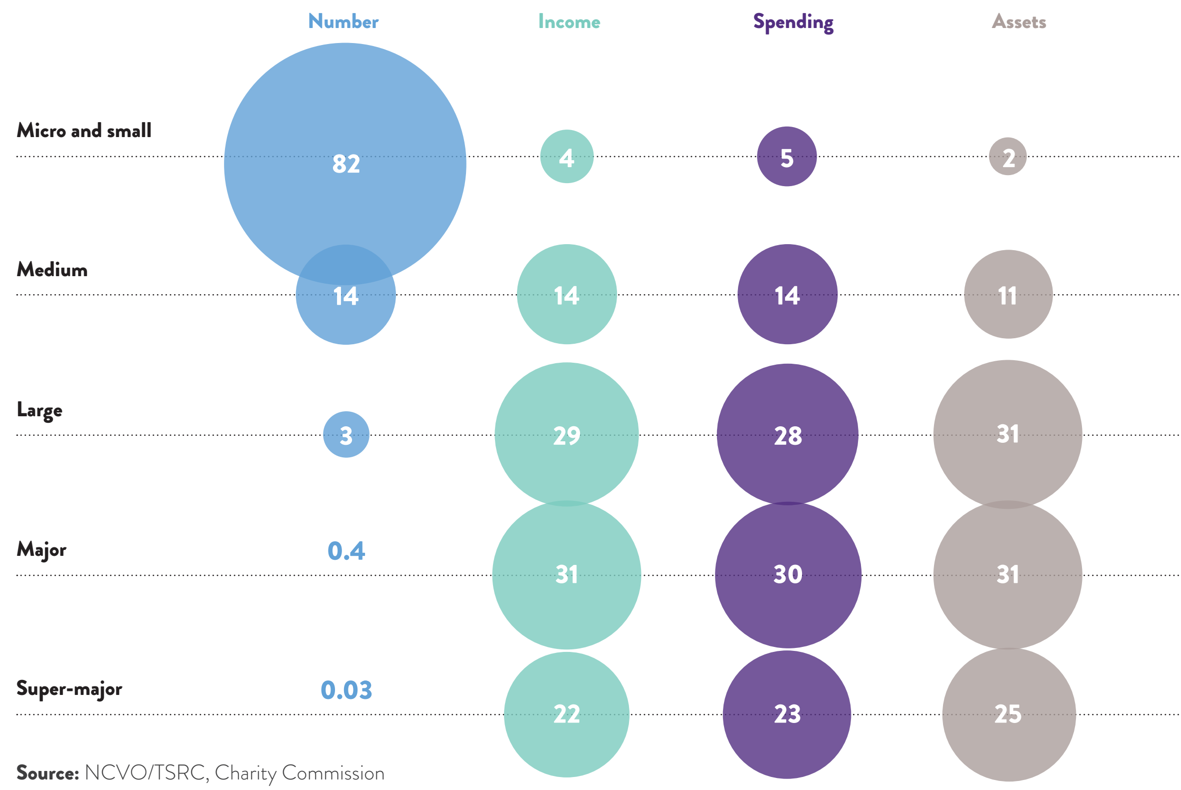


Source: NCVO/TSRC, Charity Commission

TOPLINE FIGURES

Organisations with an income over £1m are fewer in numbers but account for more than four-fifths of the sector's income

Proportion of number of organisations, income, spending, assets by size, 2016/17 (%)

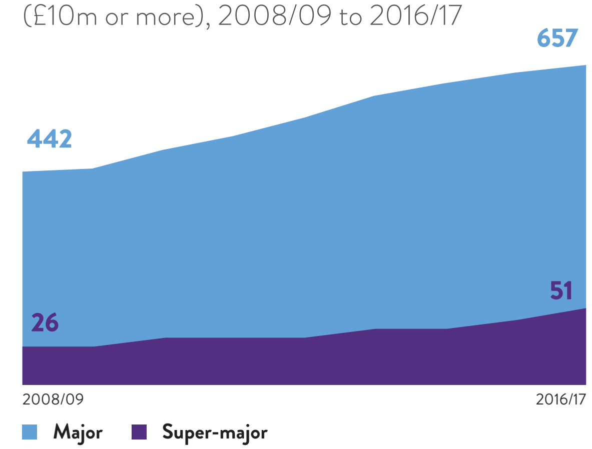


Source: NCVO/TSRC, Charity Commission

BIG ORGANISATIONS

The number of the biggest voluntary organisations continued to grow

Number of major and super-major organisations (£10m or more), 2008/09 to 2016/17



Source: NCVO/TSRC, Charity Commission

WHAT DO VOLUNTARY ORGANISATIONS DO?

VOLUNTARY ORGANISATIONS UNDERTAKE A RANGE OF ACTIVITIES ACROSS DIFFERENT SUBSECTORS

Within the Almanac we use the International Classification of Non-profit Organisations (ICNPO).

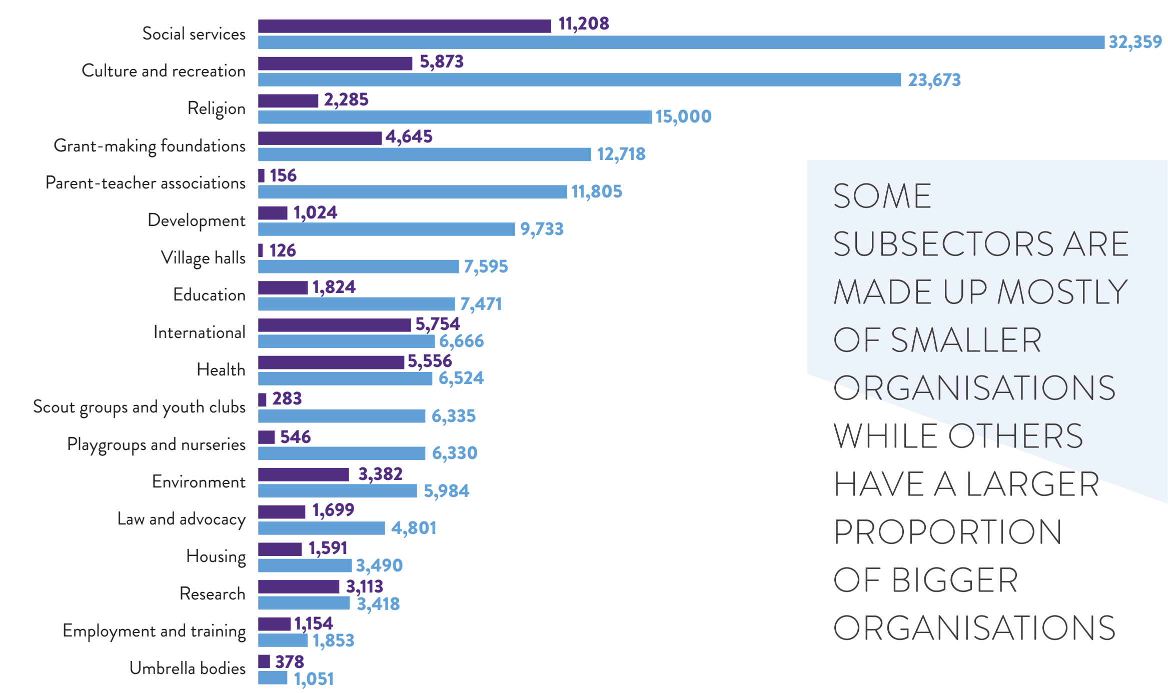
Organisations are classified into 18 subsectors. Some of these categories are very broad, such as social services which includes various types of organisations, and others are focused on one particular type of organisation, for example parent-teacher associations.

This classification is not perfect. In reality, many organisations undertake multiple activities (eg housing and advice) whereas the ICNPO classifies organisations into a single category based on their primary activity. However, this allows us to look at and compare discrete groups of voluntary organisations.

BY SUBSECTOR

Social services remains the largest subsector in terms of both number of organisations and income

Income and number of organisations by subsector, 2016/17 (£m)



SOME SUBSECTORS ARE MADE UP MOSTLY OF SMALLER ORGANISATIONS WHILE OTHERS HAVE A LARGER PROPORTION OF BIGGER ORGANISATIONS

Source: NCVO/TSRC, Charity Commission

THE TOP TEN

Voluntary organisations in health, children and international development dominate the list of the top 10 by income

Top ten voluntary organisations by income, 2016/17 (£m)

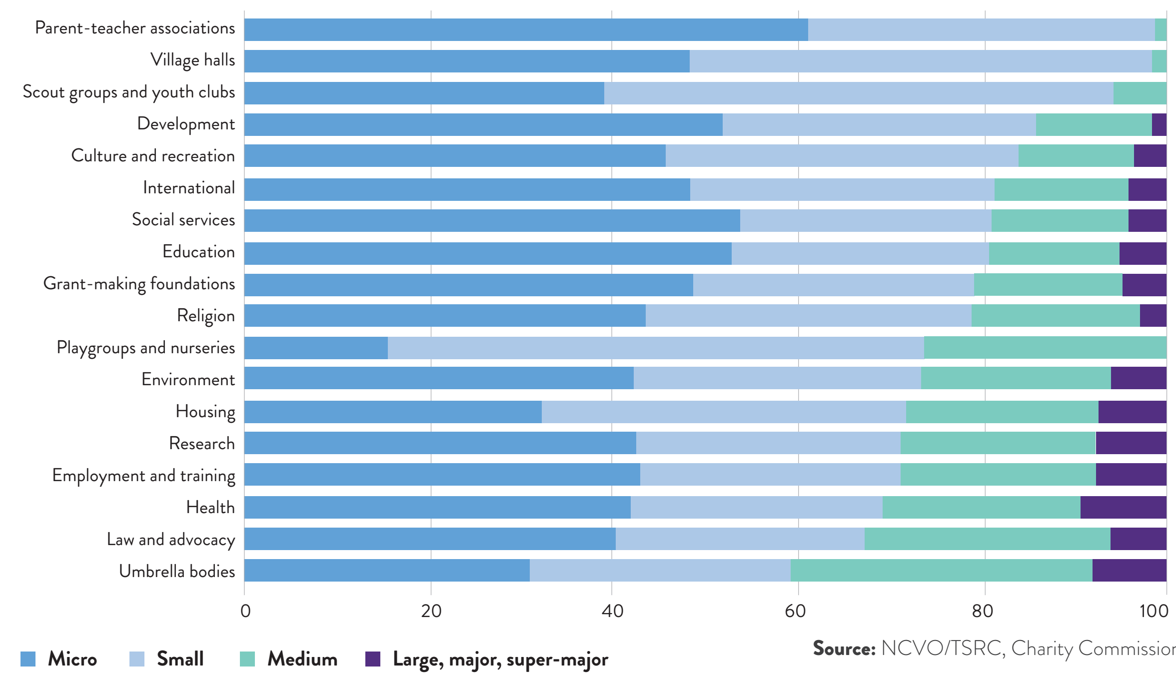
NAME	INCOME	SPENDING	ASSETS
Save the Children International	995	1,013	68
Cancer Research UK	679	666	384
National Trust	595	570	1,251
The Children's Investment Fund Foundation (UK)	475	237	3,856
The Save the Children Fund	413	418	43
Oxfam	409	402	77
Wellcome Trust	395	1,196	20,014
Barnardo's	313	301	2
Sightsavers	309	305	16
British Heart Foundation	308	315	80

Source: NCVO/TSRC, Charity Commission

BY SIZE

Almost all village halls, parent-teacher associations and scout groups are micro or small organisations

Proportion of different sized voluntary organisations by subsector, 2016/17 (%)



Source: NCVO/TSRC, Charity Commission

WHERE ARE VOLUNTARY ORGANISATIONS BASED?

WHERE ORGANISATIONS ARE BASED IS NOT NECESSARILY WHERE THEY OPERATE

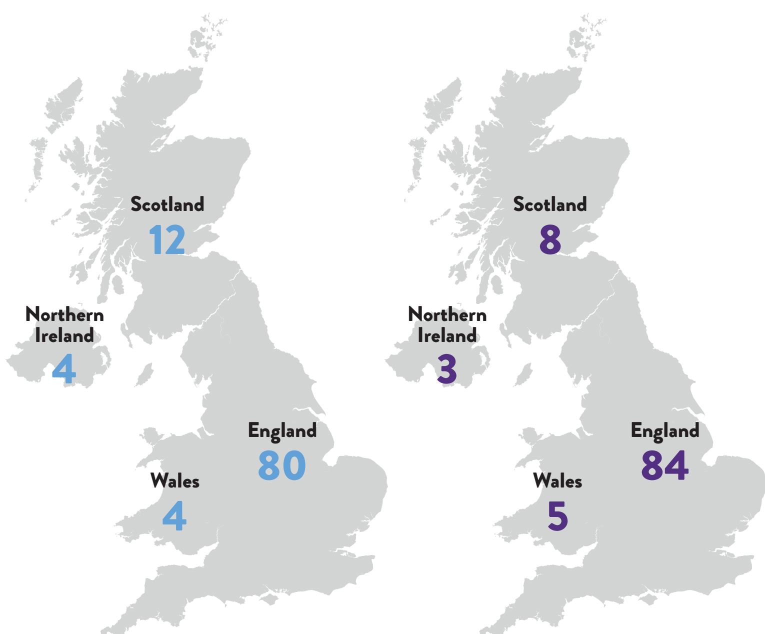
Voluntary organisations are assigned to a location based on the address registered with the Charity Commission. This means that organisations are mapped to where their headquarters are located, but not necessarily where they are active or deliver their services. One consequence of this is that the City of London has 131 voluntary organisations per 1,000 people, compared to an average of 2.6 organisations for every 1,000 people in the UK.

There is a clear rural/urban split in the distribution of voluntary organisations: on average rural local authorities have 3.3 organisations per 1,000 people compared to two in urban areas. However, organisations in urban areas have an income on average three times larger than those in rural areas.

ACROSS THE UK

The distribution of voluntary organisations across the UK is broadly in line with the population

Share of voluntary organisations and population by UK country, 2016/17 (%)



80% OF ALL UK VOLUNTARY ORGANISATIONS ARE BASED IN ENGLAND

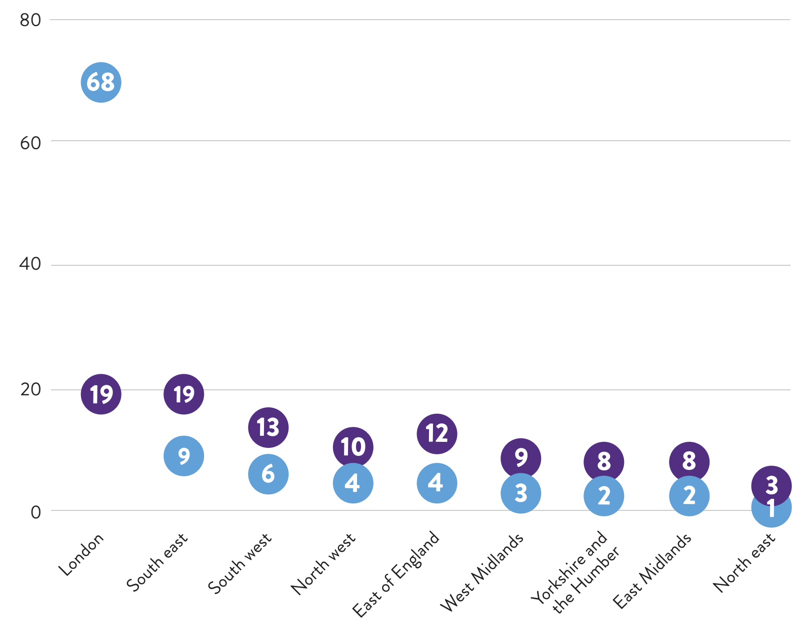
■ Voluntary organisations ■ Population

Source: NCVO/TSRC, Charity Commission

ENGLAND

Voluntary organisations with the biggest assets tend to be based in London

Share of assets and organisations by region in England, 2016/17 (%)



RURAL AREAS HAVE MORE VOLUNTARY ORGANISATIONS PER PERSON BUT THESE TEND TO BE SMALLER

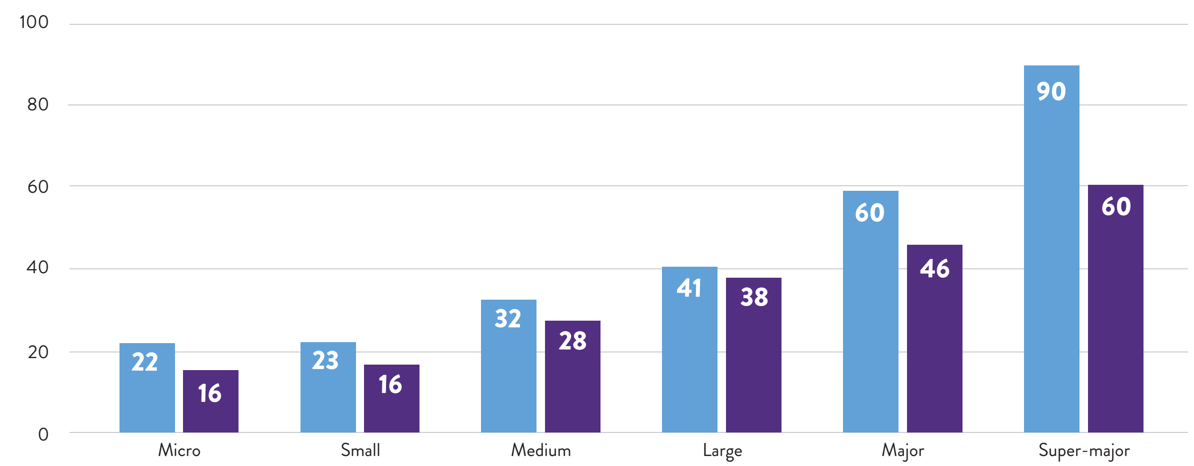
Source: NCVO/TSRC, Charity Commission

■ Share of assets ■ Share of organisations

LONDON

While big voluntary organisations are more likely to be based in the capital, they are active across the UK and overseas

Proportion of organisations that work nationally/internationally and are based in London by size of organisation, 2016/17 (%)



■ Work nationally/internationally ■ Based in London

Source: NCVO/TSRC, Charity Commission

WHAT'S THE STATE OF THE VOLUNTARY SECTOR'S FINANCES?

THE SECTOR'S FINANCES CONTINUED TO GROW

In 2016/17, the sector's total income grew by 2% to £50.6bn. The public continued to be the largest income source (£22.9bn) making up 45% of voluntary organisations' total income.

The total spending stood at £48.7bn, with the majority of sector's spending going towards charitable activities (86%). This includes direct charitable activities (£34.7bn) and grant making (£7bn).

Difference between income and spending (£1.9bn) does not necessarily imply that the sector has surplus income: capital expenditure on equipment or buildings is spread over the life of the asset, whilst total income includes items such as legacies that are spent over multiple years.

OVER TIME

Income and spending continued to grow but at a slower rate than in previous years

Total income and spending, 2000/01 to 2016/17 (£bn, 2016/17 prices)

Source: NCVO/TSRC, Charity Commission

ASSETS

Assets continued to grow mainly as a result of strong investment performance

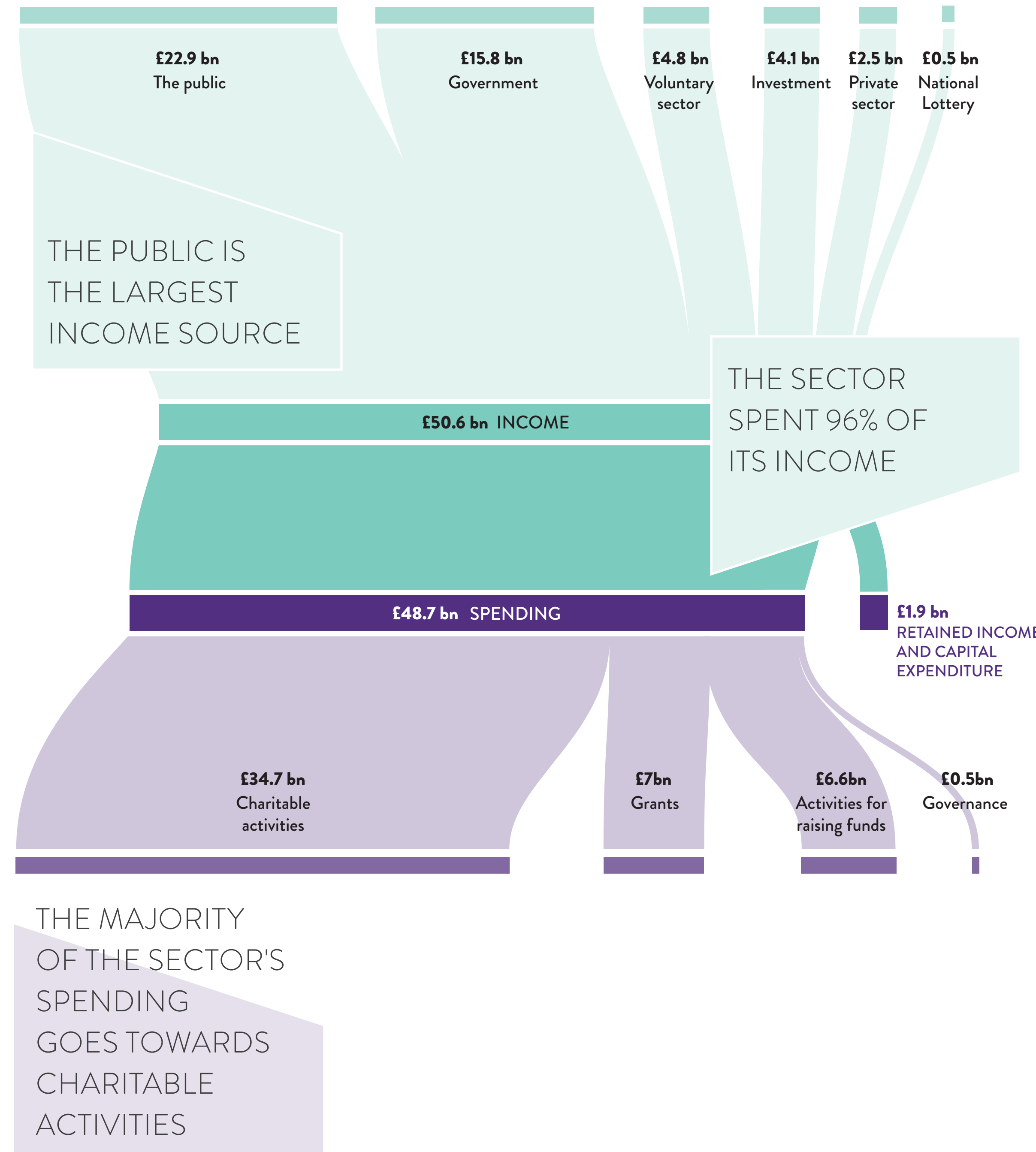
Nets assets and investments assets, 2000/01 to 2016/17 (£bn, 2016/17 prices)

Source: NCVO/TSRC, Charity Commission

INCOME AND SPENDING FLOWS

The sector generates money from a range of sources

Income and spending of the UK voluntary sector, 2016/17 (£bn)



Source: NCVO/TSRC, Charity Commission

WHERE DO VOLUNTARY ORGANISATIONS GET THEIR MONEY FROM?

INCOME SOURCES

Voluntary organisations generate money in many different ways and from a range of sources

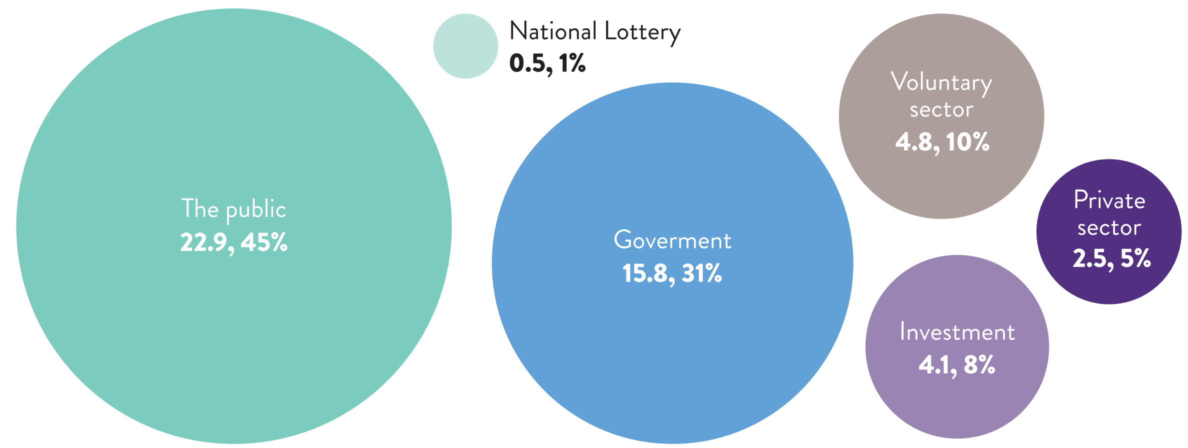
	VOLUNTARY	EARNED		TOTAL
	Donations and gifts Income freely given, usually as a grant, donation, or legacy, for which little or no benefit is received by the donor	**Charitable activities** Gross fees for goods and services that are provided as part of the charity's mission	**Activities for raising funds** Gross fees for goods and services provided to generate funds	£bn
THE PUBLIC The public, excluding payments from charitable trusts set up by individuals	Public donations (gross, including Gift Aid reclaimed); legacies; membership subscriptions without significant benefits	Fees for services provided in pursuit of charitable objects: membership subscriptions with significant benefits; rent from property where providing accommodation is a charitable purpose	Fundraising by organisations where benefit is recevied in return: charity shop turnover; sales of merchandise; raffles and lotteries; fees for fundraising events	22.9
GOVERNMENT Government and its agencies in the UK, the European Union and international governments	Funding grants; grants to charitable intermediaries	Public sector fees; payments for contracted services	Trading with public sector to raise funds	15.8
VOLUNTARY SECTOR Voluntary organisations such as trusts and grant-making foundations	Grants from charitable trusts; grants distributed by charitable intermediaries	Services provided under contract that are in line with the recipient charity's mission	Trading with other voluntary organisations to raise funds	4.8
PRIVATE SECTOR Excluding charitable trusts set up by businesses	Corporate donations and gifts in kind	Subcontracting, research, other services provided under contract	Corporate sponsorship	2.5
NATIONAL LOTTERY	Grants from National Lottery distributors			0.5
INVESTMENT Dividents, interest, rent				4.1
TOTAL		50.6		

Source: NCVO/TSRC, Charity Commission

INCOME SOURCES

The public remains the largest income source followed by government

Breakdown of income by source, 2016/17 (£bn, %)

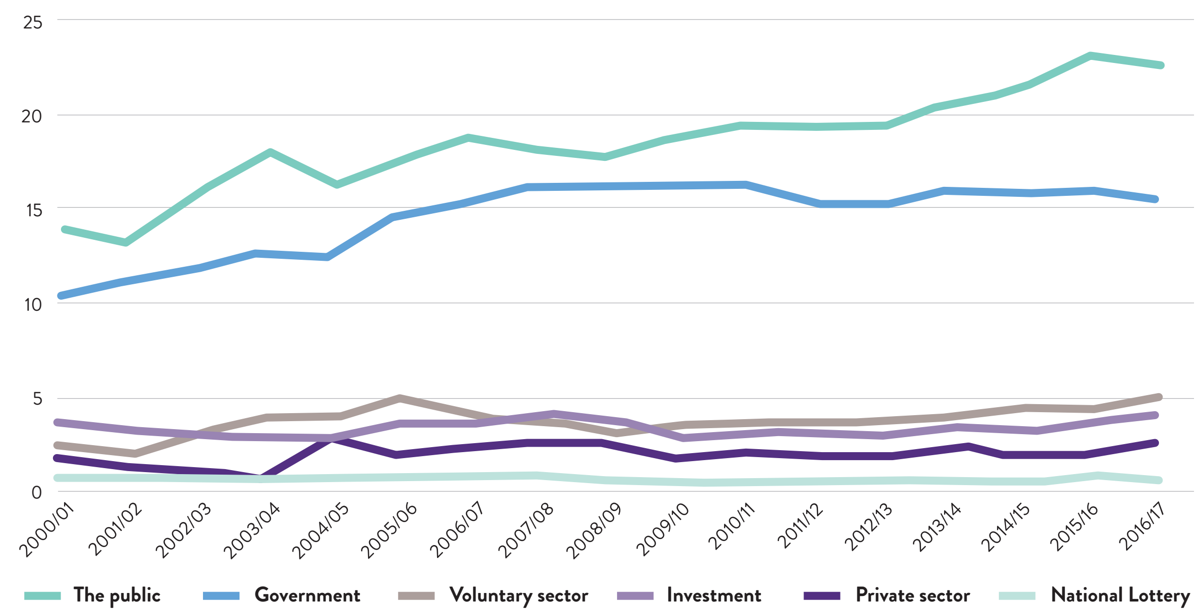


Source: NCVO/TSRC, Charity Commission

OVER TIME

Overall growth in income was driven by grants and investments, while income from the public and government plateaued

Income sources over time, 2000/01 to 2016/17 (£bn, 2016/17 prices)



Source: NCVO/TSRC, Charity Commission

HOW MUCH DO VOLUNTARY ORGANISATIONS GET FROM THE PUBLIC?

THE PUBLIC ACCOUNTS FOR ALMOST HALF OF VOLUNTARY ORGANISATIONS' OVERALL INCOME

The public account for almost half (45%) of voluntary organisations' overall income. In 2016/17, it remained the largest income source amounting to £22.9bn.

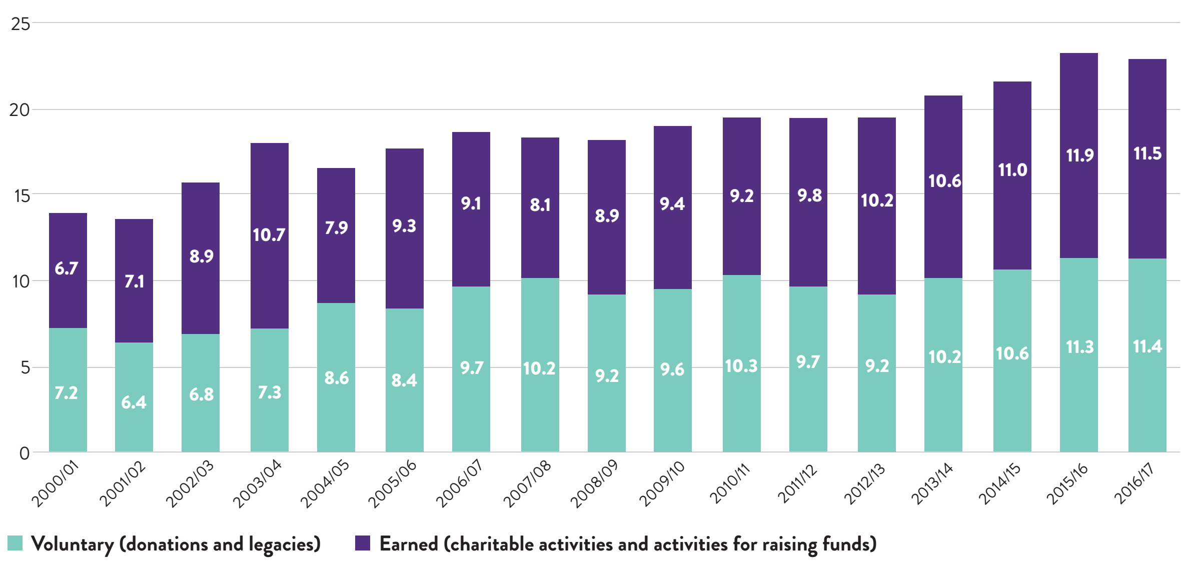
Half of the money from the public (50%) is 'voluntary income' in the form of donations, such as bucket collections, direct debits or sponsored activities, and legacies – money that people give to voluntary organisations in their wills.

The rest comes from what we call 'earned income', where people get something in return. It encompasses income from 'charitable activities' which include fees paid for goods and services such as rent for accommodation, membership subscriptions or fees for training courses depending on the charitable purpose of the organisation, and from 'activities for raising funds' which include sales from charity shops or admission fees for fundraising events.

OVER TIME

Income from the public has seen a slight dip for the first time since 2008/09

Income from the public, 2000/01 to 2016/17 (£bn, 2016/17 prices)

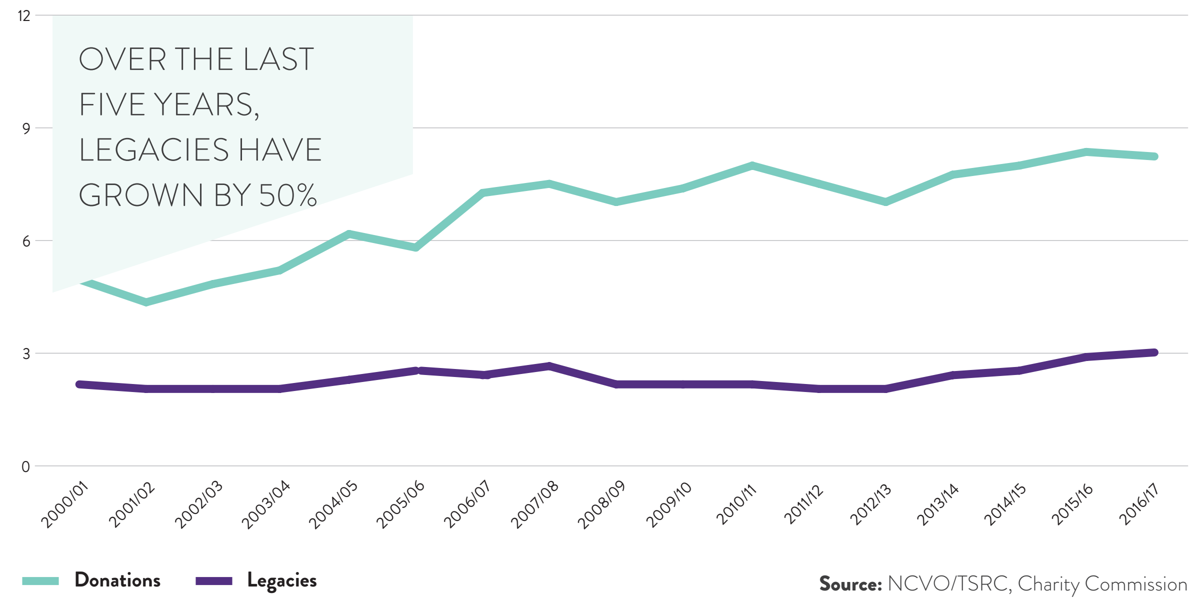


Source: NCVO/TSRC, Charity Commission

DONATIONS AND LEGACIES

Legacies continued to grow while donations dropped slightly

Breakdown of voluntary income from the public, 2000/01 to 2016/17 (£bn, 2016/17 prices)



Source: NCVO/TSRC, Charity Commission

BY SIZE

Micro and small organisations are least likely to receive legacy income

Breakdown of income from the public by size of organisation, 2016/17 (%)

Source: NCVO/TSRC, Charity Commission

HOW MUCH DO VOLUNTARY ORGANISATIONS GET FROM GOVERNMENT?

GOVERNMENT REMAINED THE SECOND LARGEST INCOME SOURCE FOR THE VOLUNTARY SECTOR

In 2016/17, government remained the second largest income source for the voluntary sector just behind the public. Income from government stood at £15.8bn and made up almost a third (31%) of the sector's total income.

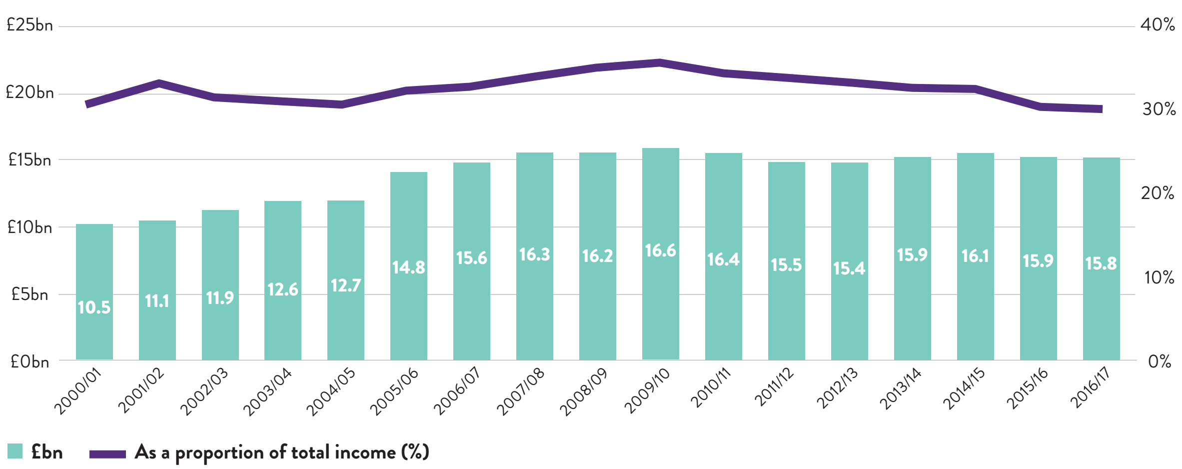
Income from government includes income from central government departments, local authorities, devolved and regional government, the EU and international governments, town and parish councils, NHS Trusts and a range of non-departmental public bodies (NDPBs). The income generally goes directly from the government organisation to the voluntary organisation, but there are sometimes more complex arrangements such as subcontracting, match funding and direct payments.

Although this income represents a significant amount for the voluntary sector, it accounts for only a small part of total government spending, around 2%.

OVER TIME

The amount of income from government has remained fairly stable over the last four years but it has fallen as a proportion of total income

Income from government in real terms and as proportion of the sector's total income, 2000/01 to 2016/17 (£bn, %, 2016/17 prices)

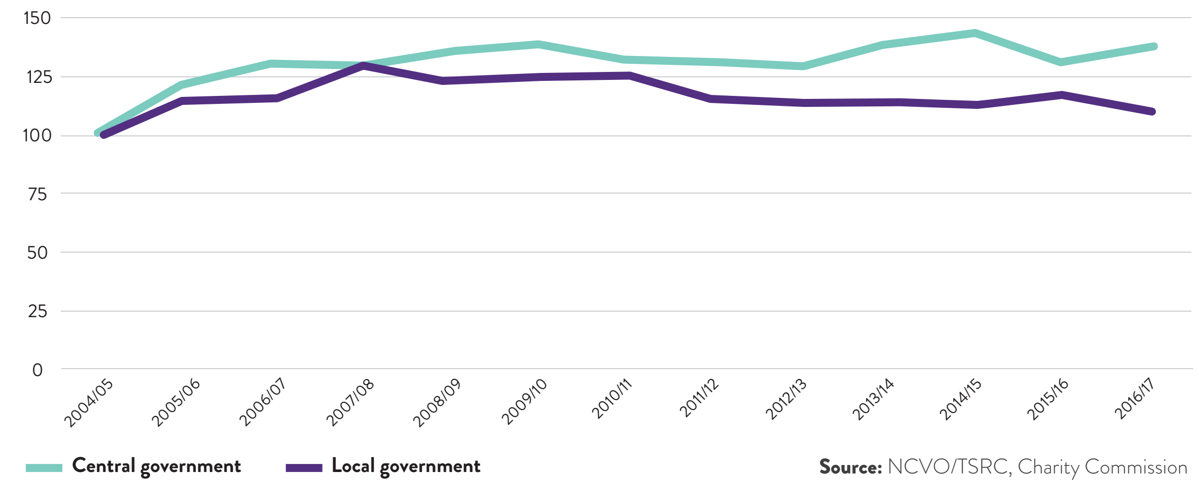


Source: NCVO/TSRC, Charity Commission

BY SOURCE

Income from local government has been falling while income from central government has grown slightly

Income from central and local government, 2004/05 to 2016/17 (indexed 2004/05=100, 2016/17 prices)



Source: NCVO/TSRC, Charity Commission

32%

proportion of income received from government by medium to super-major organisations

15%

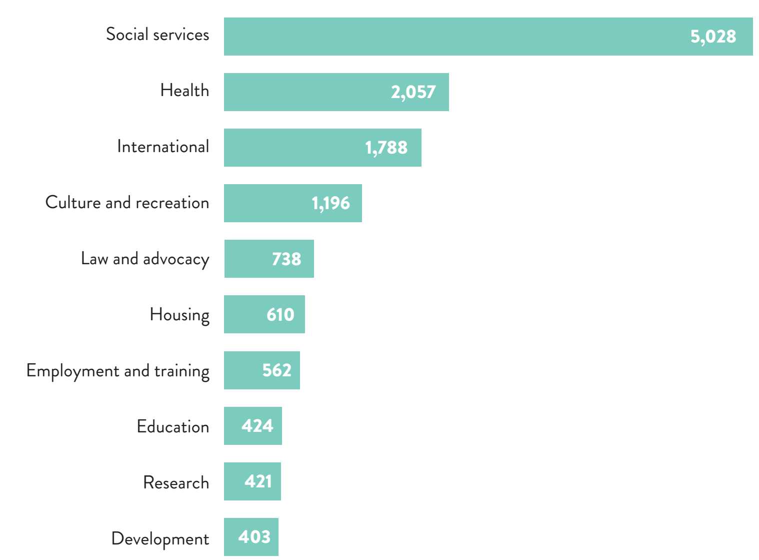
...proportion received by micro and small organisations

SMALLER ORGANISATIONS RECEIVE A LOWER PROPORTION OF THEIR INCOME FROM GOVERNMENT

BY SUBSECTOR

The social services sector continued to receive the largest amount from government

Income from government by subsector (top 10), 2016/17 (£m)



Source: NCVO/TSRC, Charity Commission

HOW DO VOLUNTARY ORGANISATIONS SPEND THEIR MONEY?

VOLUNTARY ORGANISATIONS SPEND THE MAJORITY OF THEIR INCOME ON DELIVERING THEIR MISSION

In 2016/17, voluntary organisations spent a total of £48.7bn representing 96% of their total income. Charitable activities make up the majority of spending.

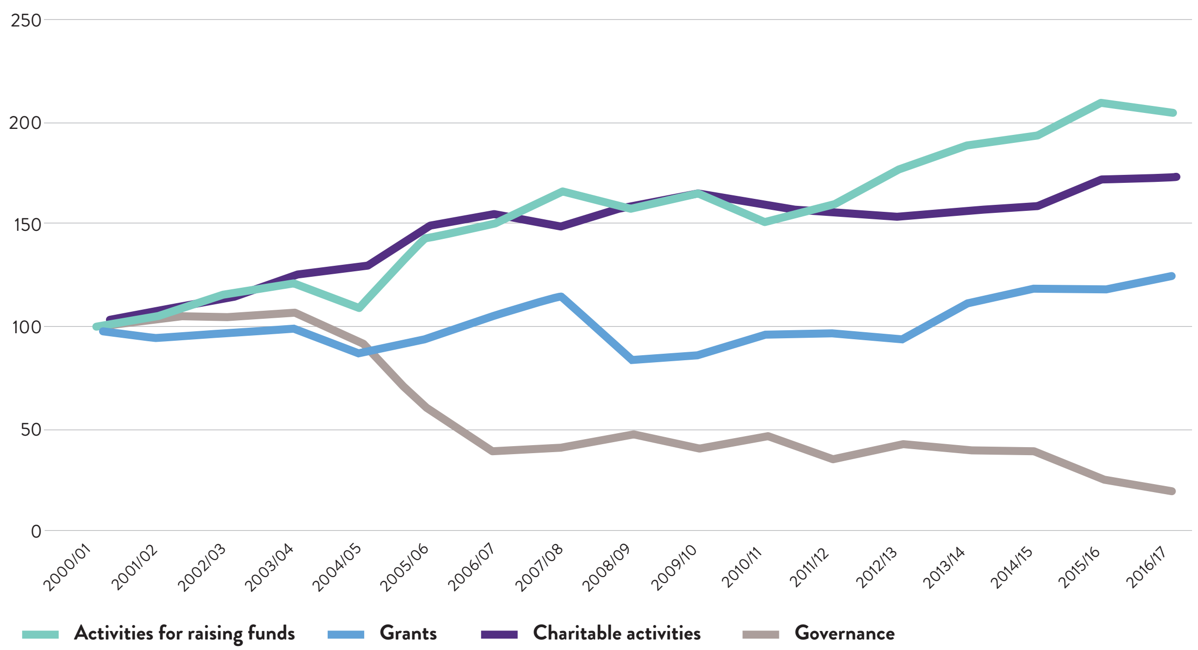
More than two-thirds (71%) was spent on charitable activities which includes things that are directly linked to an organisation's purpose like running a food bank or providing a mentoring service. A further 14% went towards grant making which can be seen as indirect spending on charitable activities.

Voluntary organisations also spent money on activities for raising funds, such as fundraising and trading, which made up 14% of the sector's spending.

OVER TIME

Both spending on charitable activities and grants have gone up

Spending by type, 2000/01 to 2016/17 (indexed 2000/01=100, 2016/17 prices)

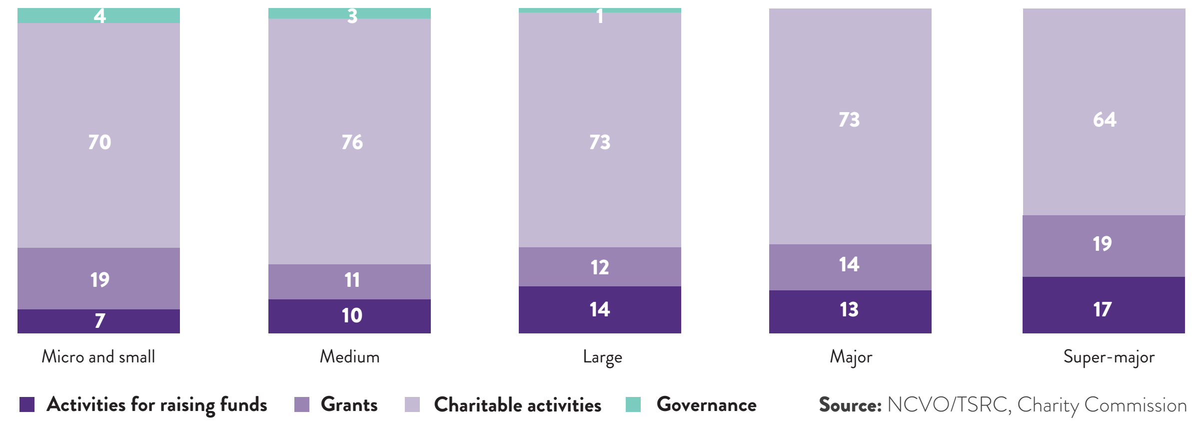


Source: NCVO/TSRC, Charity Commission

BY SIZE

Bigger organisations are more likely to spend money on activities for raising funds

Types of spending by size of organisation, 2016/17 (%)

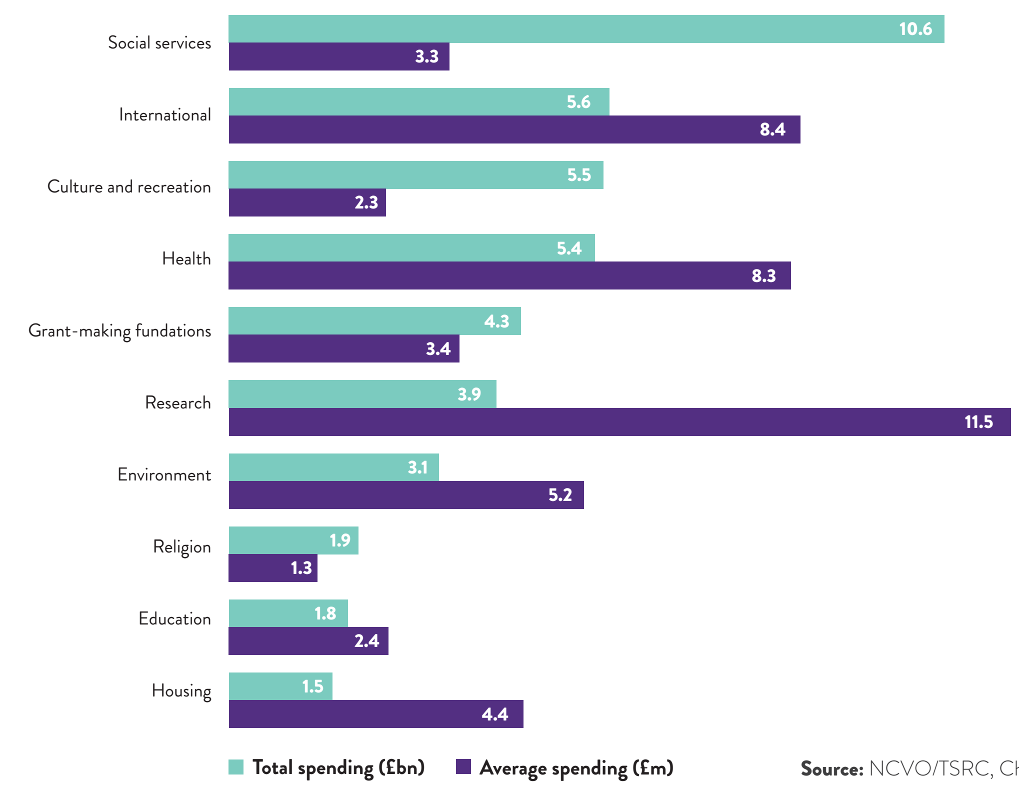


Source: NCVO/TSRC, Charity Commission

BY SUBSECTOR

Overall spending is highest for social service organisations, but average spending is highest for research organisations

Total and average spending by subsector (top 10), 2016/17 (£bn, £m)



Source: NCVO/TSRC, Charity Commission

WHAT DOES GRANT MAKING LOOK LIKE?

ONE IN SEVEN ORGANISATIONS SPENDS MONEY ON GRANTS

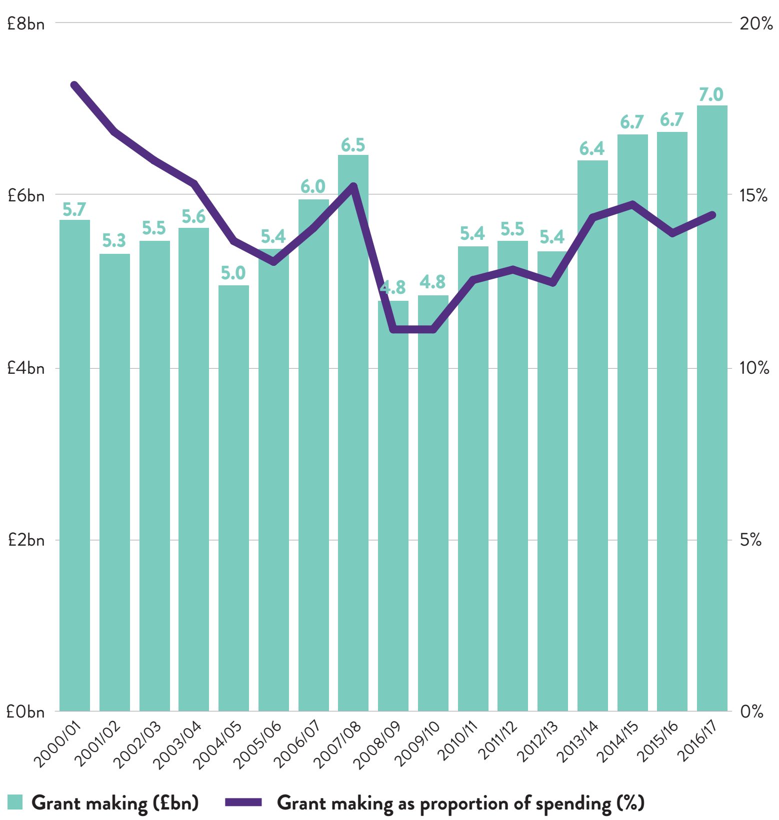
Around 22,000 voluntary organisations made grants in 2016/17, representing 14% of all organisations in the sector. This includes about 12,700 grant-making foundations whose main purpose is to give grants to organisations or individuals. The ten largest grant makers account for 29% of all grants made.

Over half (57%) of the grants made stay within the voluntary sector, but notable amounts also go to individuals and other types of organisations like public sector bodies and universities.

OVER TIME

Grant making grew by 5% from the previous year

Total grant making and as share of spending, 2000/01 to 2016/17 (£bn, %, 2016/17 prices)



Source: NCVO/TSRC, Charity Commission

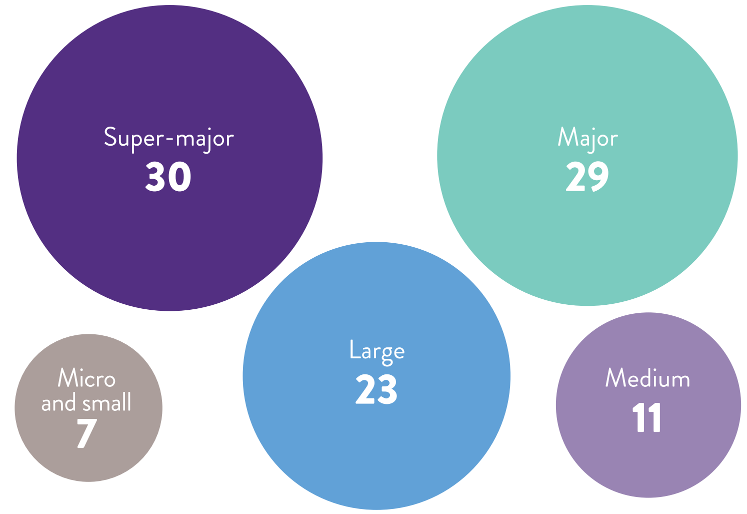
IN 2016/17, GRANTS GIVEN BY VOLUNTARY ORGANISATIONS STOOD AT

£7bn

BY SIZE

Organisations with an income over £10m account for the majority of grants made

Grants given as proportion of total grants by size of organisation, 2016/17 (%)



Source: NCVO/TSRC, Charity Commission

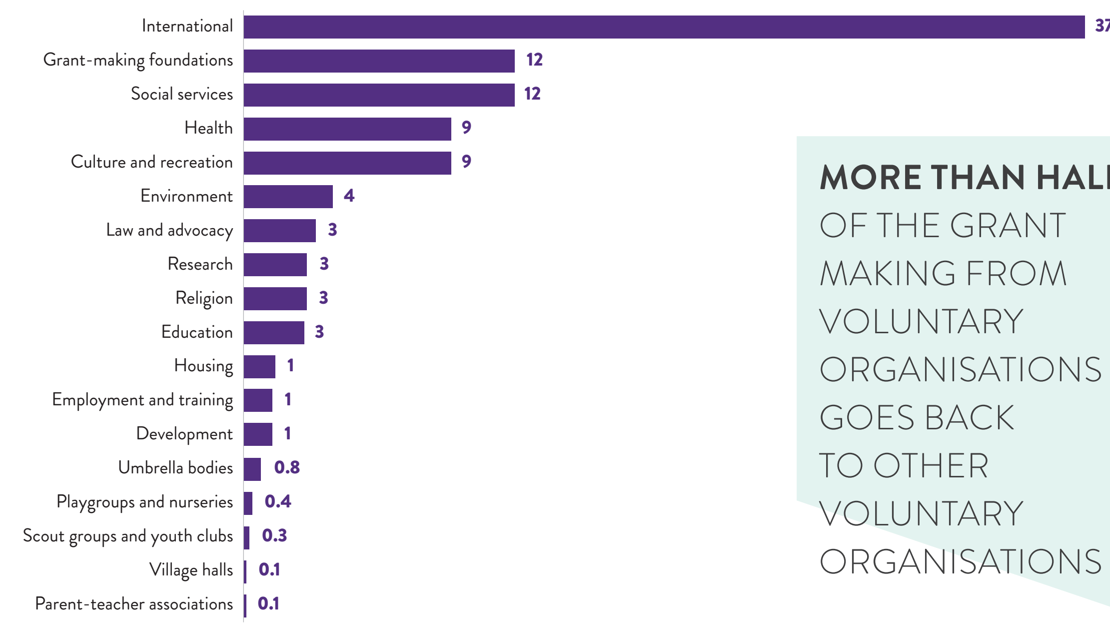
MAJOR AND SUPER-MAJOR ORGANISATIONS GAVE GRANTS WORTH

£4.2bn

RECIPIENTS

International development received the largest share of grants from grant-making voluntary organisations

Proportion of grants received from voluntary organisations by subsector, 2016/17 (%)



Source: NCVO/TSRC, Charity Commission

MORE THAN HALF OF THE GRANT MAKING FROM VOLUNTARY ORGANISATIONS GOES BACK TO OTHER VOLUNTARY ORGANISATIONS

WHAT ASSETS AND RESERVES DO VOLUNTARY ORGANISATIONS HAVE?

THE MAJORITY OF THE SECTOR'S ASSETS ARE FIXED ASSETS, INCLUDING BUILDINGS AND INVESTMENTS

Net assets represent the net worth of the sector and are calculated by subtracting all liabilities from the total assets. In 2016/17, the sector's net assets stood at £131.2bn.

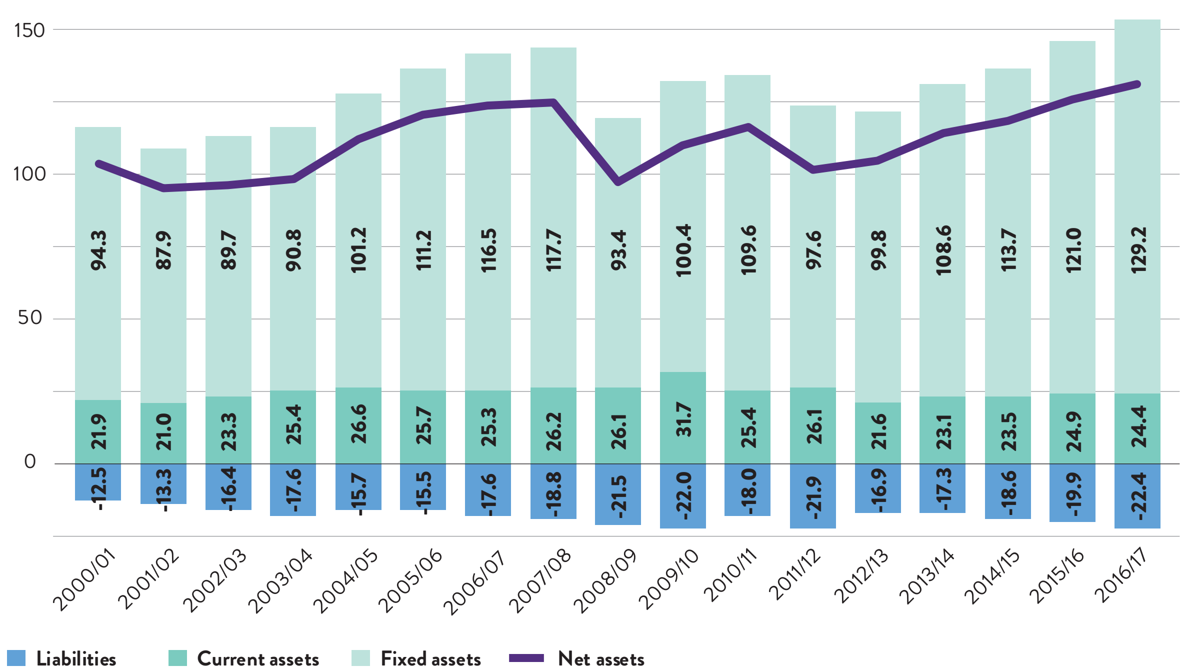
Fixed assets make up the majority (84%) of the sector's total assets. They include tangible fixed assets (buildings and equipment), investment assets (shares or investment property), and intangible fixed assets (intellectual property, software, etc). Current assets consist primarily of cash at the bank, stocks of unsold goods, and accounted for 26% of the total assets.

About 89% of voluntary organisations own some form of assets. But asset ownership is dependent on size with smaller organisations being less likely to hold assets, in particular fixed assets.

OVER TIME

For the last five years the sector's assets have grown

Assets and liabilities, 2000/01 to 2016/17 (£bn, 2016/17 prices)

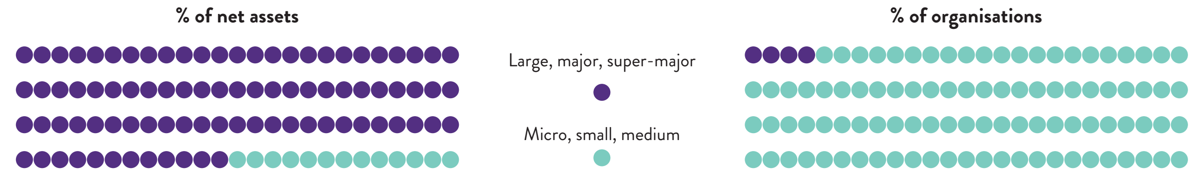


Source: NCVO/TSRC, Charity Commission

BY SIZE

The vast majority of the sector's assets are held by a small number of the biggest organisations

Proportion of net assets and organisations by size of organisation, 2016/17 (%)

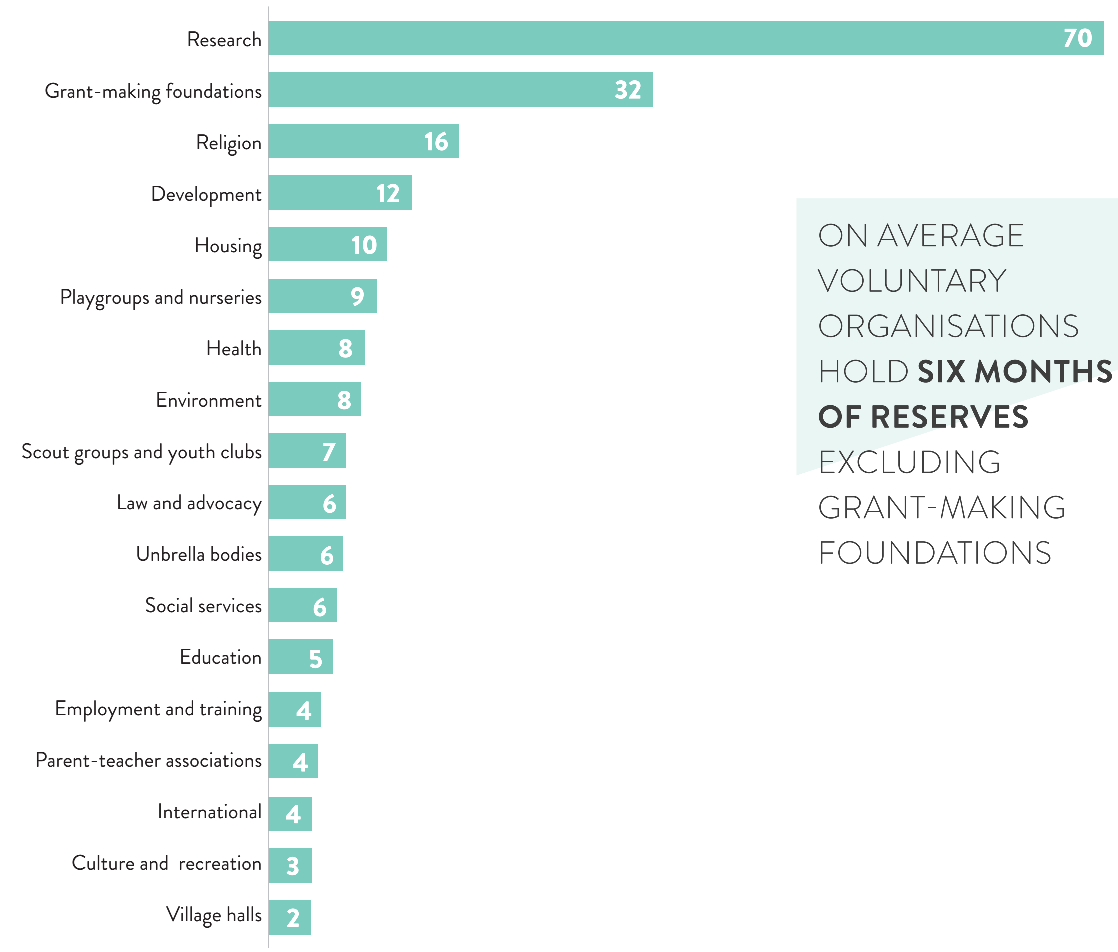


Source: NCVO/TSRC, Charity Commission

RESERVES

The level of reserves organisations hold differs notably across subsectors

Level of reserves by subsector, 2016/17 (as months of spending)



ON AVERAGE VOLUNTARY ORGANISATIONS HOLD **SIX MONTHS OF RESERVES** EXCLUDING GRANT-MAKING FOUNDATIONS

Source: NCVO/TSRC, Charity Commission

WHAT ARE THE FINANCIAL LIABILITIES OF VOLUNTARY ORGANISATIONS?

MORE THAN HALF OF THE SECTOR'S LIABILITIES ARE LONG-TERM

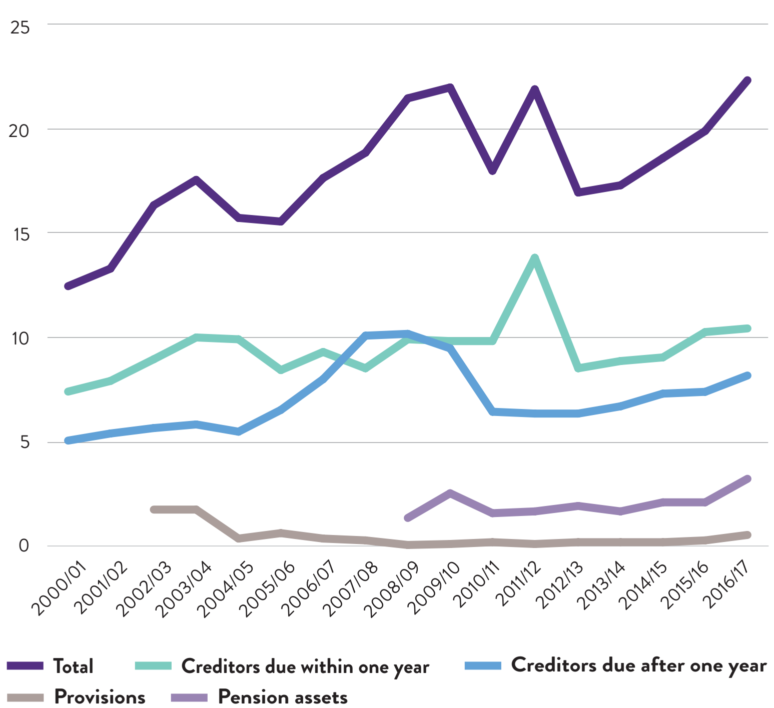
Liabilities show the money that voluntary organisations owe to others. These can be grants committed in advance, taxes owed and other creditors, and also include loans, mortgages, pensions and provisions. Liabilities can be short-term, to be paid within one year, or long-term, payable after one year. Liabilities were valued at £22.4bn in total in 2016/17, over half of which (53%) were long-term. The largest organisations in particular are more likely to have long-term liabilities.

A significant proportion of the sector's liabilities include loans, primarily in the form of mortgage finance. The value of sector loans is estimated at £3.7bn, making up about one-fifth (20%) of the total liabilities.

OVER TIME

Liabilities were up by 12% reaching their highest levels

Total liabilities and breakdowns of liabilities, 2000/01 to 2016/17 (£bn, 2016/17 prices)



IN 2016/17, THE SECTOR HAD LIABILITIES WORTH **£22.4bn**

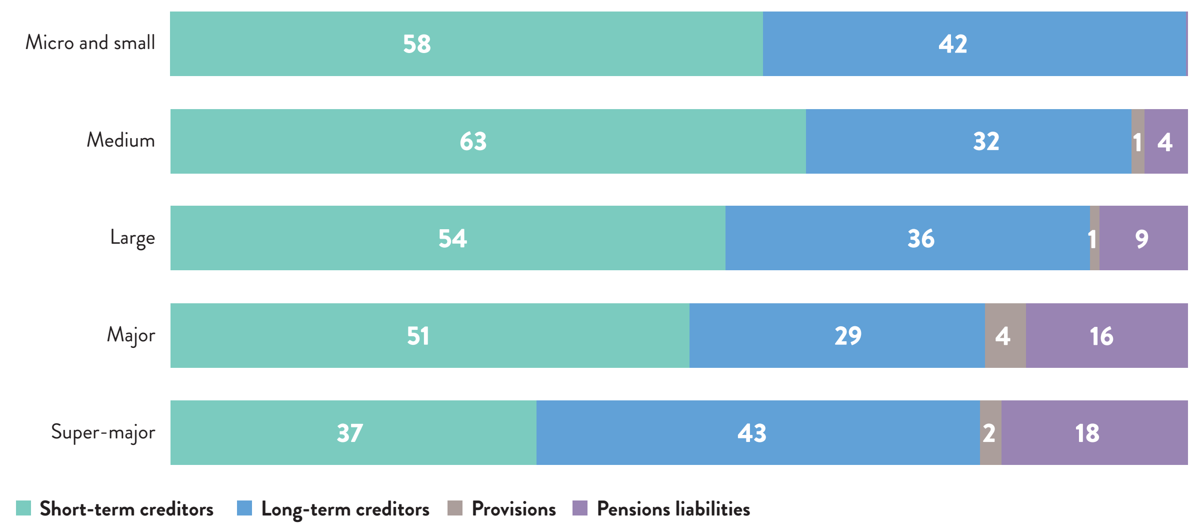
53% OF THESE WERE LONG-TERM

Source: NCVO/TSRC, Charity Commission

BY SIZE

Bigger organisations are more likely to carry long-term liabilities

Breakdown of liabilities by size of organisation, 2016/17 (%)

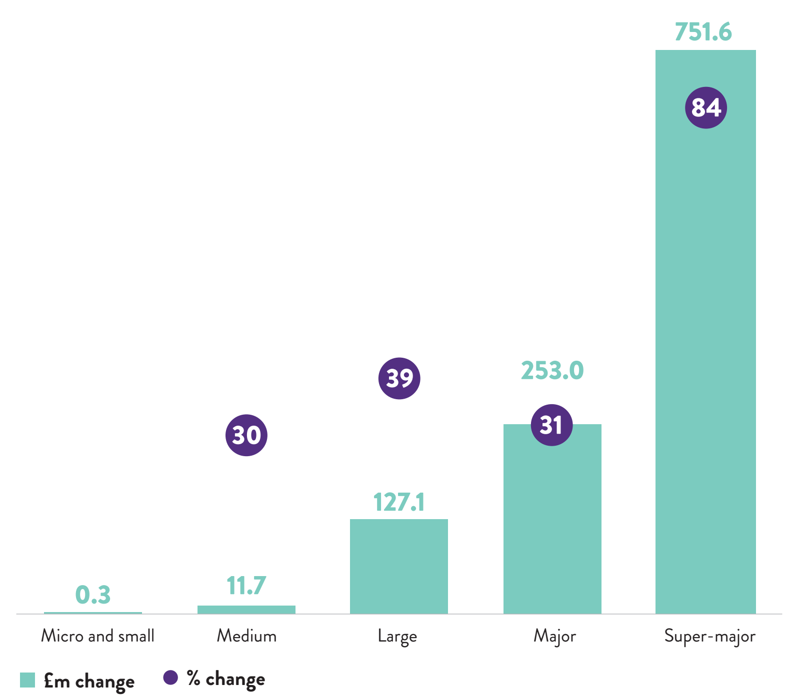


Source: NCVO/TSRC, Charity Commission

PENSIONS

Pension liabilities have grown across organisations of all sizes

Change in pension liabilities by size of organisation, 2015/16 to 2016/17 (£m, %, 2016/17 prices)



PENSION LIABILITIES GREW OVERALL BY 55% TO **£3.2bn**

Source: NCVO/TSRC, Charity Commission

WHAT DOES THE VOLUNTARY SECTOR WORKFORCE LOOK LIKE?

VOLUNTARY SECTOR EMPLOYEES MAKE UP ALMOST 3% OF THE TOTAL UK WORKFORCE

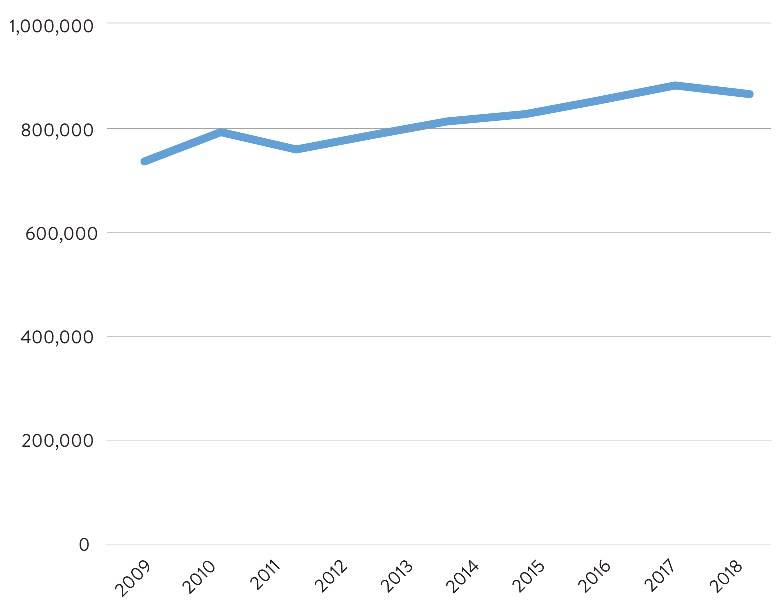
Since 2010, the voluntary sector workforce has grown almost continuously year on year, with the exception of 2011 and 2018 when numbers fell slightly. As a proportion of the total UK workforce, the number has stayed relatively stable around 3%.

Around two-thirds (67%) of the voluntary sector workforce are women, a similar proportion to the public sector but much higher than in the private sector (41%). The voluntary sector workforce is slightly older than the workforce in other sectors with 38% of employees aged 50 years and over compared to 35% for the public sector and 30% for the private sector. The proportion of employees from BAME backgrounds remains lower in the voluntary sector (8%) than in the private and public sectors (both 11%).

OVERVIEW

The voluntary sector has a paid workforce of 865,916, slightly less than in 2017

Number of employees in the voluntary sector, 2009 to 2018



THE VOLUNTARY SECTOR HAS GROWN BY 11% OVER THE LAST EIGHT YEARS

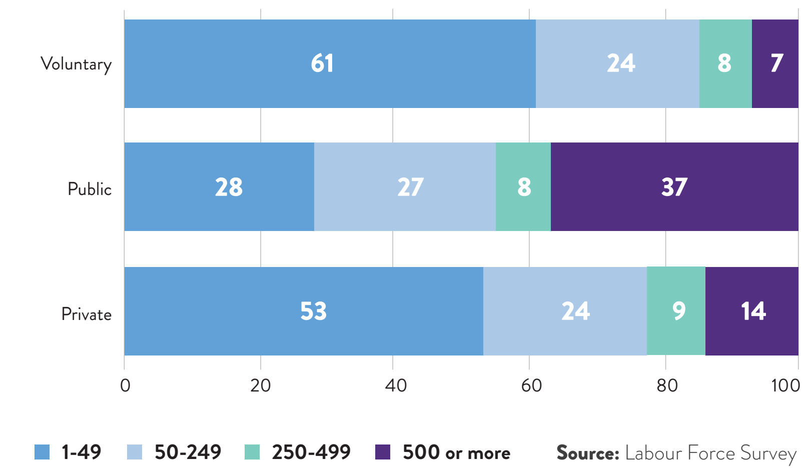
Source: Labour Force Survey

BY SIZE

The majority of voluntary sector employees work in organisations with less than 50 paid staff

Proportion of employees by size of organisation and sector, June 2018 (%)

OVER A THIRD OF THE VOLUNTARY SECTOR WORKFORCE ARE EMPLOYED IN SOCIAL WORK

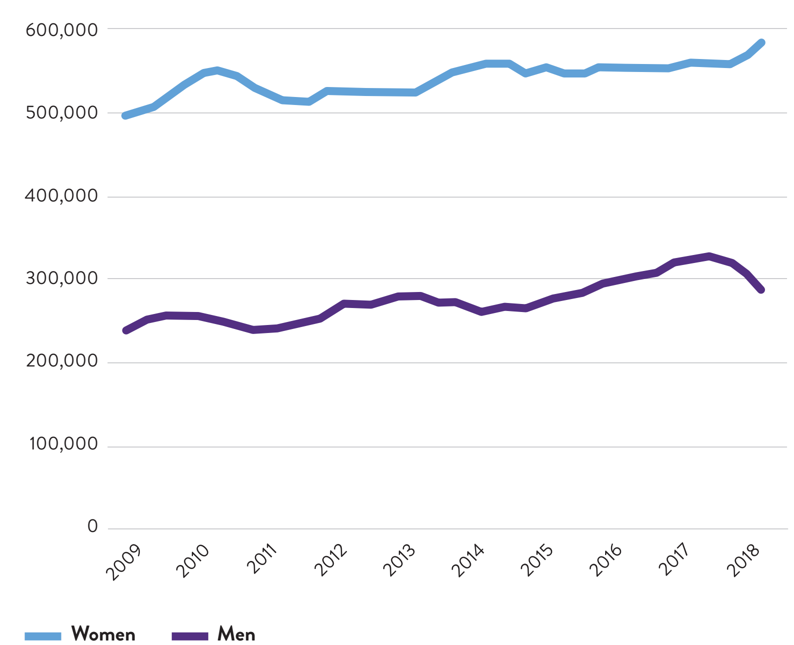


Source: Labour Force Survey

BY GENDER

After several years of growth, the number of men in the sector fell in 2018

Number of male and female employees in the voluntary sector, 2009 to 2018



WOMEN MAKE UP TWO-THIRDS OF THE VOLUNTARY SECTOR WORKFORCE

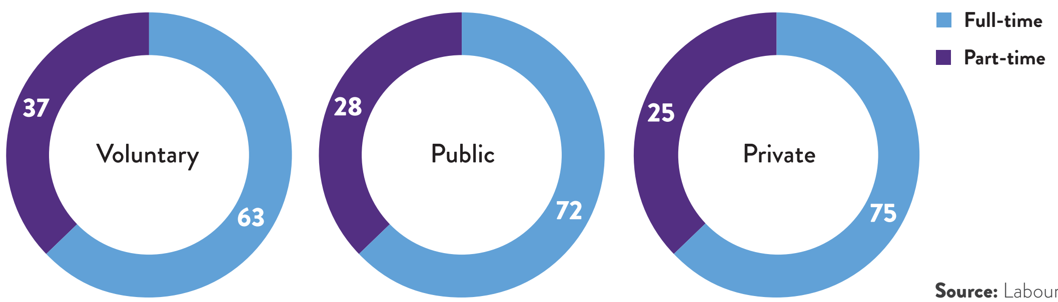
Source: Labour Force Survey

HOW ARE PEOPLE EMPLOYED AND WHAT ARE THEIR SKILLS?

FULL-TIME VS PART-TIME

Voluntary organisations have a higher proportion of part-time workers than organisations in other sectors

Work pattern by sector, June 2018 (%)

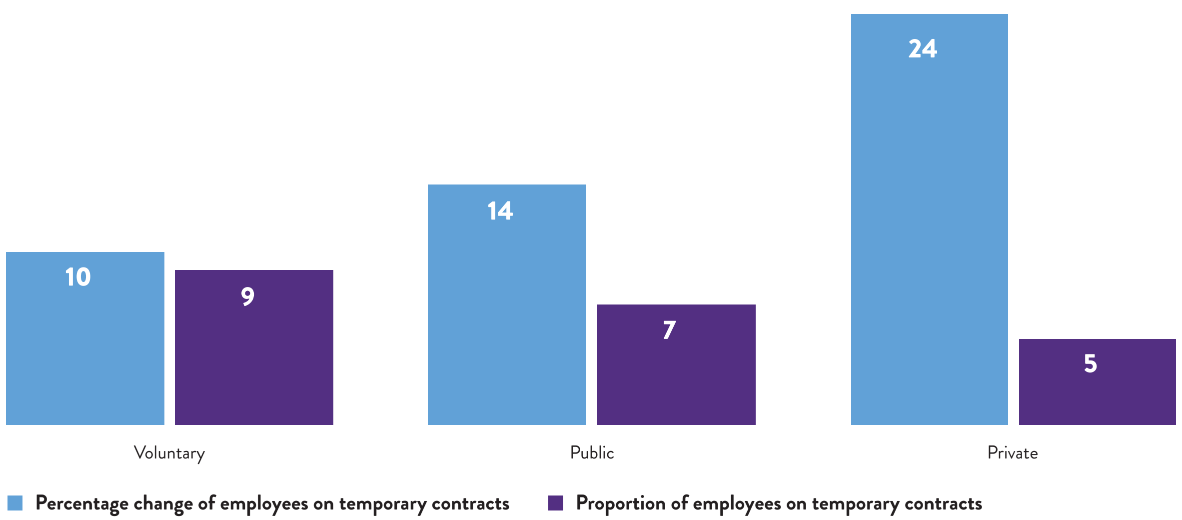


Source: Labour Force Survey

EMPLOYMENT TYPES

The voluntary sector has the highest proportion of temporary contracts but has seen the lowest growth in such contracts

Proportion of and percentage change in number of temporary contracts by sector, 2010 to 2018 (%)

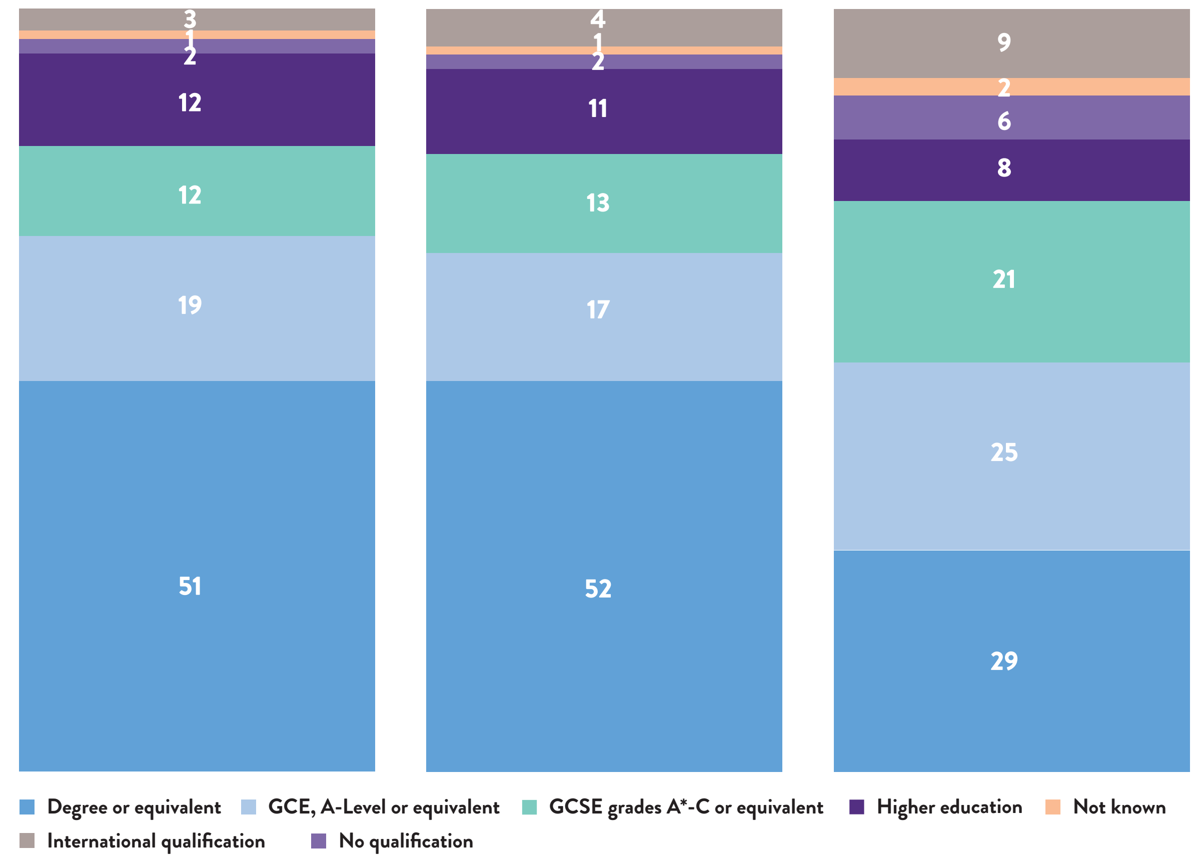


Source: Labour Force Survey

LEVEL OF EDUCATION

Over half of the voluntary sector workforce is educated to degree level or higher

Highest qualification by sector, 2018 (% of employees)



Source: Labour Force Survey

SKILLS GAPS

Voluntary organisations report the lowest incidence of skills gaps compared to organisations in other sectors

Incidence of skills gap in current staff or applicants by sector, 2017 (% of organisations)

Voluntary	Public	Private
14	22	17

Source: Employer Skills Survey

HOW MANY PEOPLE VOLUNTEER AND WHO ARE THEY?

20.1 MILLION PEOPLE VOLUNTEERED THROUGH A GROUP, CLUB OR ORGANISATION

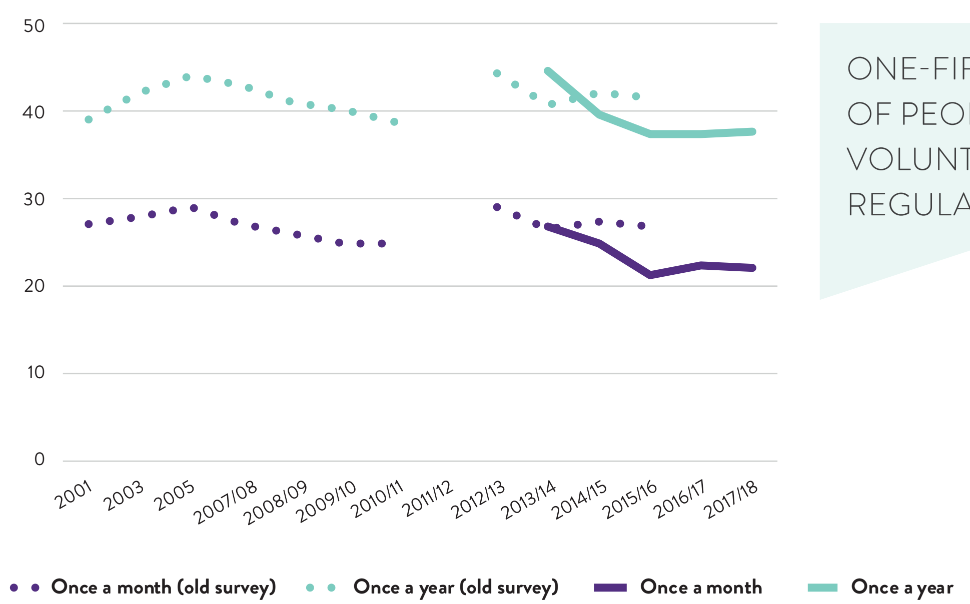
More than one third (38%) of people volunteered with a group, club or organisation at least once in 2017/18, giving an estimate of 20.1 million people. We define this type of volunteering as formal volunteering. Informal volunteering includes a wider range of activities and is defined as giving unpaid help to someone who is not a relative. In 2017/18, 53% of people informally volunteered at least once.

Most people have formally volunteered at some point in their lives, dipping in and out of volunteering over time. Only a small proportion (7%) have been consistently and heavily involved over time. However, involvement varies for people from different backgrounds: formal volunteers are more likely to be older, well-educated and from higher socio-economic groups.

OVER TIME

Overall levels of volunteering have remained stable

Formal volunteering rates, 2001 to 2017/18 (% of respondents)



ONE-FIFTH OF PEOPLE VOLUNTEER ON A REGULAR BASIS

Source: Citizenship Survey, Community Life Survey

LIFETIME PARTICIPATION

Most people have formally volunteered at some point in their lives, dipping in and out of involvement over time

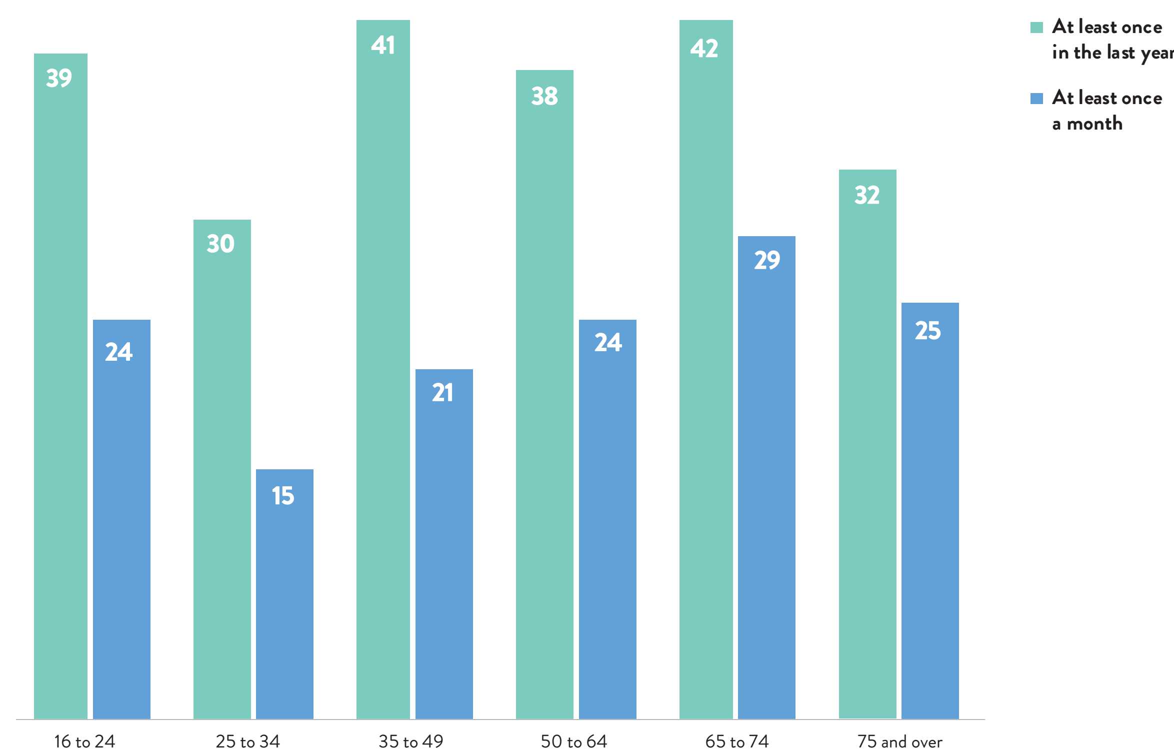
Consistency of involvement over lifetime, 2018 (% of people who have ever volunteered)

Source: Time Well Spent

BY AGE

Across different age groups, 25-34 year olds are least likely to volunteer and 65-74 year-olds most likely

Proportion of people formally volunteering by age group, 2017/18 (% of age group)



Source: Community Life Survey

WHAT MOTIVATES PEOPLE TO VOLUNTEER AND KEEP VOLUNTEERING?

INVOLVEMENT CHANGES OVER PEOPLE'S LIFETIME

People have multiple reasons for volunteering, but the most common reason is to improve things or help others. Involvement changes over time reflecting volunteers' lifestyles, values and priorities. People are most likely to leave volunteering because of changes in circumstances, such as moving away or changing job. However, it is how people experience the different elements of the volunteering journey that is important for both their overall satisfaction and the likelihood that they will continue.

MOTIVATIONS

The key reason people volunteer is to improve things or help others

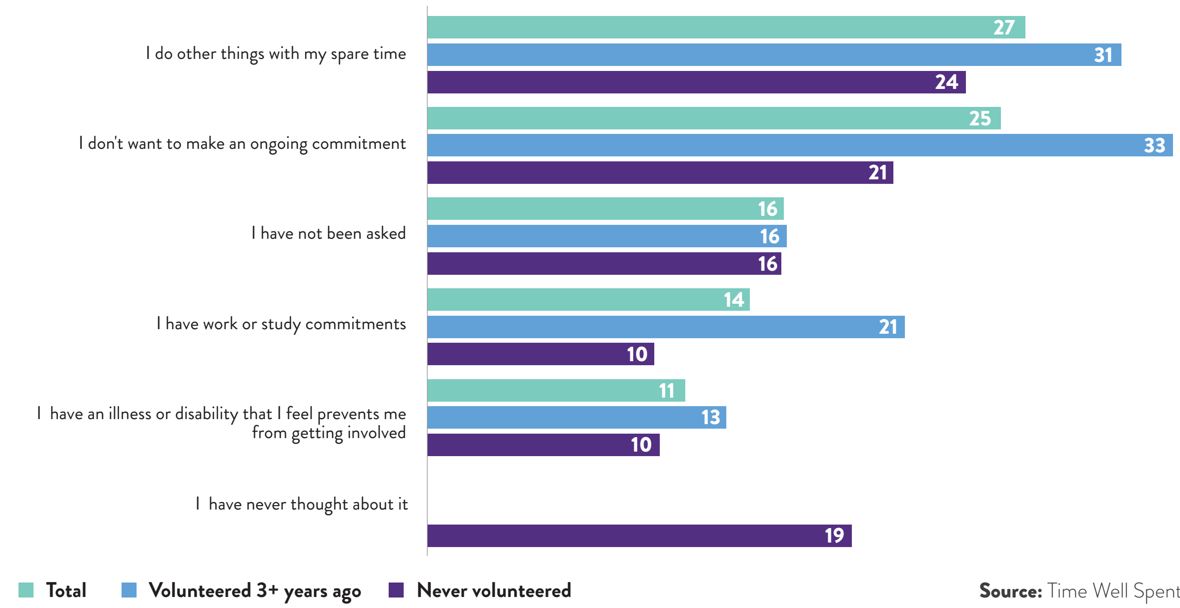
Motivations for first getting involved in volunteering with the organisation, selecting up to five reasons, 2018 (% of recent volunteers)

Source: Time Well Spent

BARRIERS

Perceptions around time and commitment can stop people participating

Top 5 ranked reasons for not volunteering, 2018 (% of those who had volunteered three or more years ago and never)



Source: Time Well Spent

LOOKING AHEAD

Fitting in with people's lives is important for encouraging future involvement in volunteering

Factors which would encourage people to get involved in volunteering, 2018 (% of those who had volunteered more than 12 months ago or never*)

Source: Time Well Spent

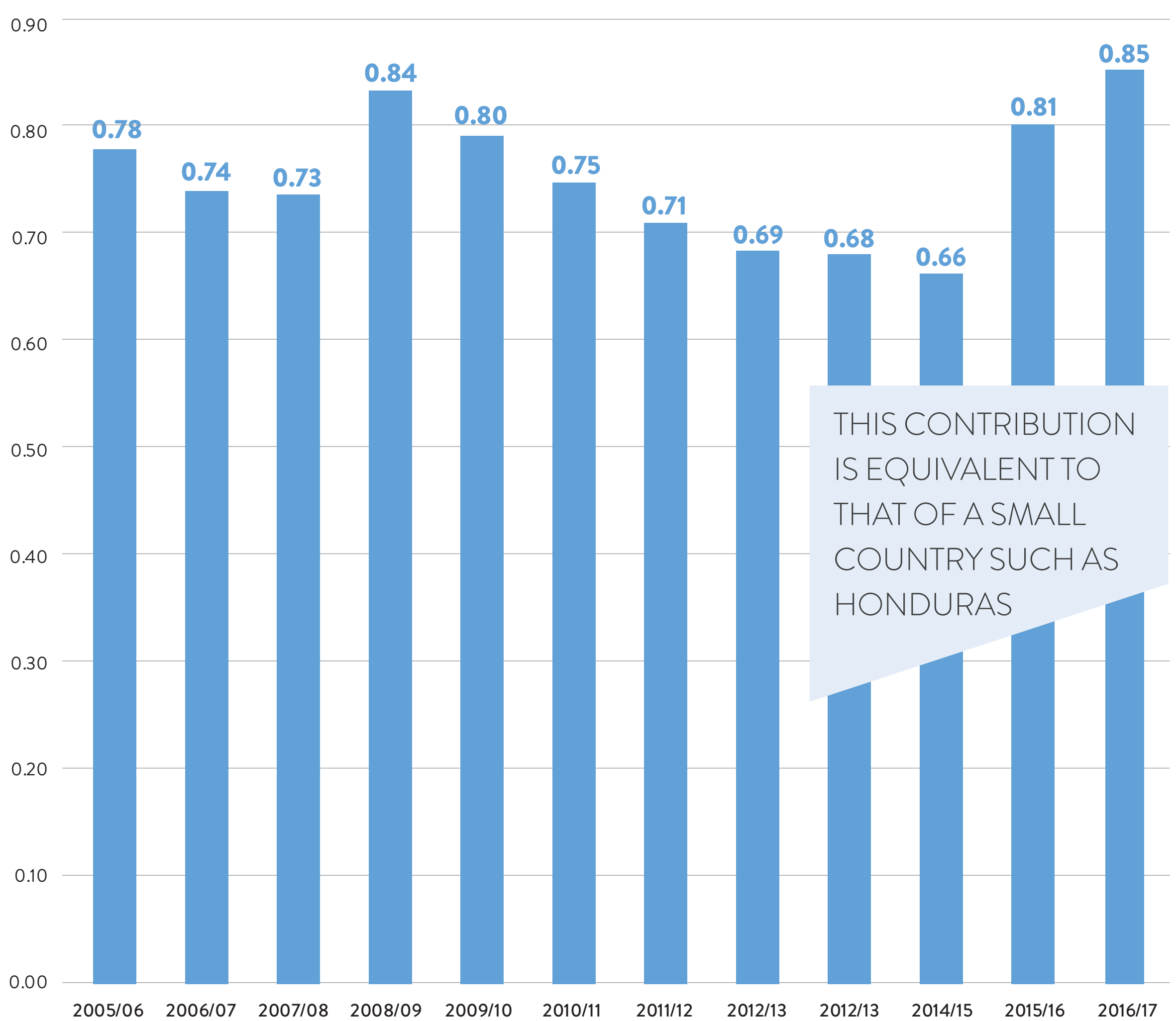
*who said that they would be encouraged by at least one of these factors

WHAT'S THE VOLUNTARY SECTOR'S CONTRIBUTION TO THE ECONOMY?

ADDED VALUE (GVA)

The voluntary sector contributed £17.1bn to the economy, representing around 0.85% of total GDP

Voluntary sector contribution to the UK economy, 2005/06 to 2016/17 (as % of GDP)

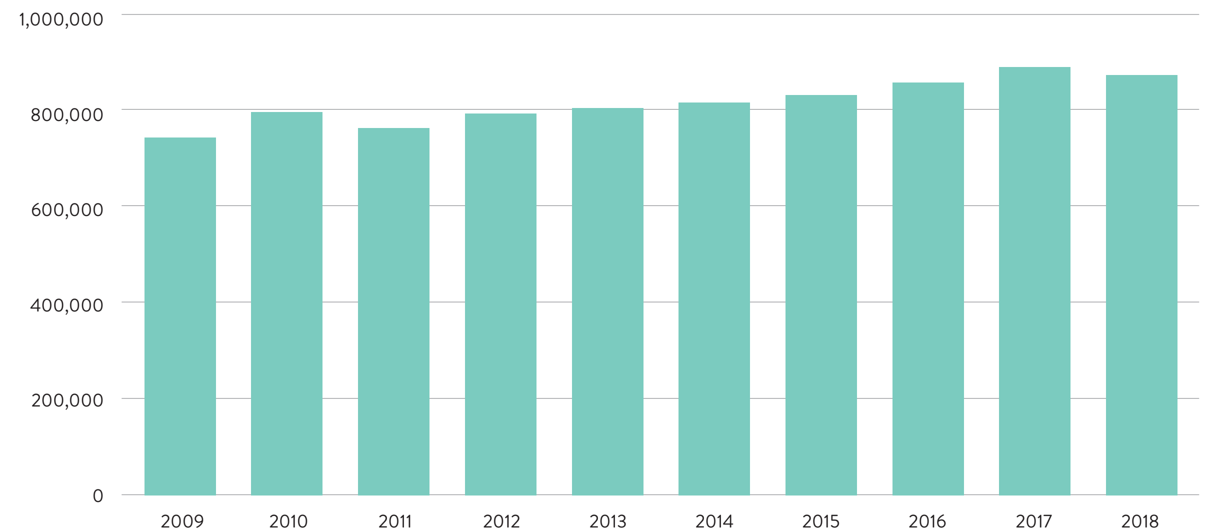


Source: NCVO/TSRC, Charity Commission

WORKFORCE

The sector employs approximately 870,000 people

Number of employees in the voluntary sector, 2009 to 2018

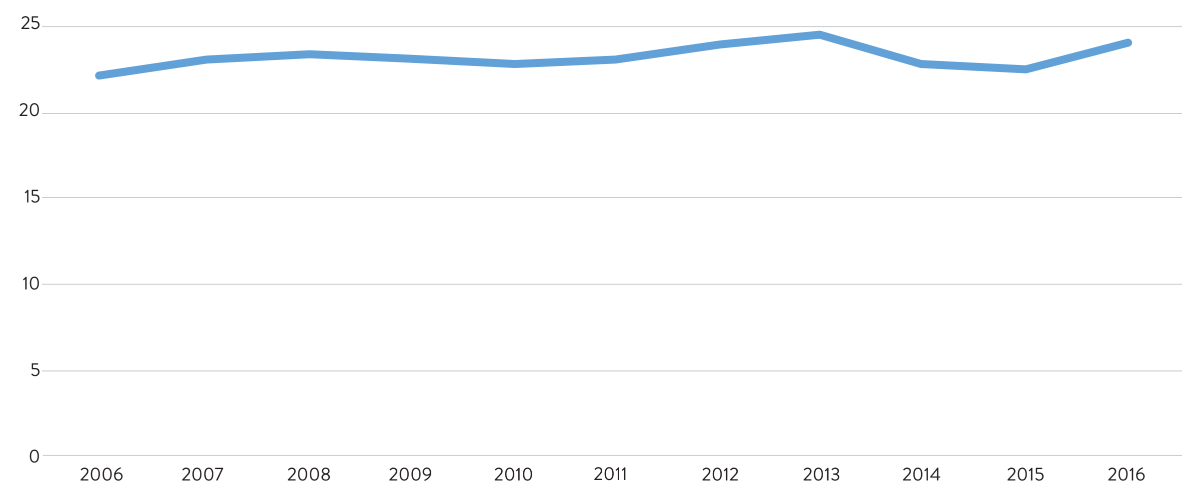


Source: Labour Force Survey

VOLUNTEERING

The value of formal volunteering has been relatively stable and stood at £23.9bn in 2016

Gross Value Added (GVA) of voluntary activity to the UK economy, 2006 to 2016 (£bn)



Source: ONS Satellite Accounts

WHO BENEFITS FROM THE VOLUNTARY SECTOR?

VOLUNTARY ORGANISATIONS CONTRIBUTE TO SOCIETY IN MANY DIFFERENT WAYS

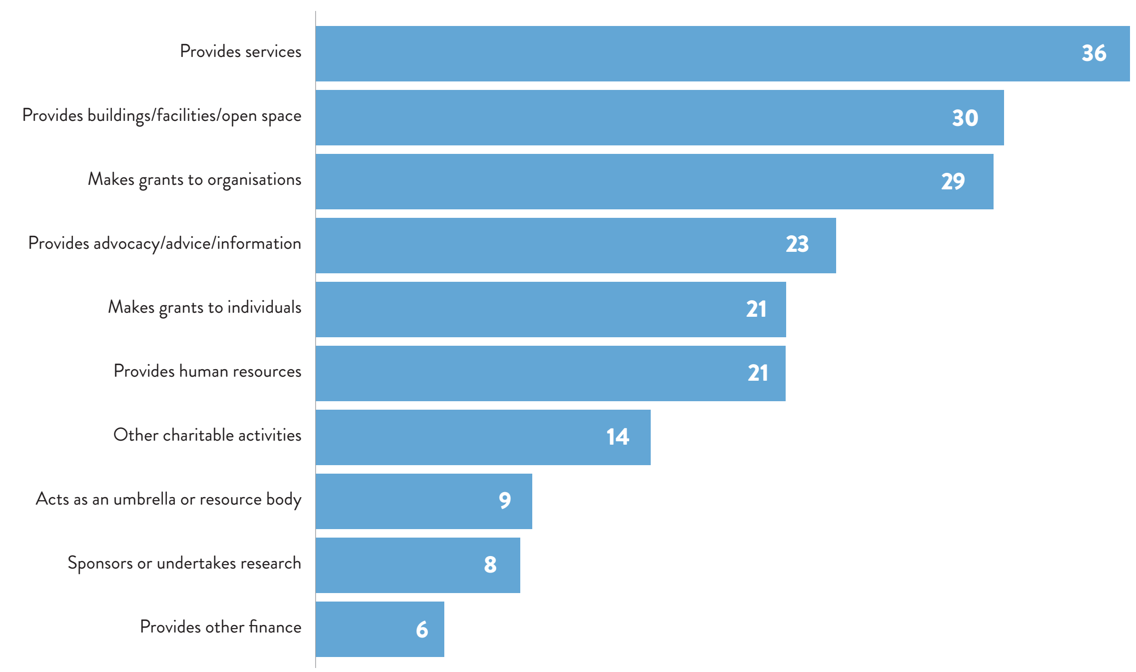
Voluntary organisations are set up for different purposes supporting a range of beneficiaries, including people, organisations and the environment.

Research by Johns Hopkins University provides a useful framework to help improve understanding of the sector's many contributions to society. It highlights five key roles: service delivery, innovation, advocacy, self-expression and leadership, and community building. This research involved a comparative study across different countries. It found that the service role is the most commonly expected contribution of voluntary organisations, followed by the innovation role.

TYPES OF SUPPORT

Service provision is the most common function of voluntary organisations

Number of organisations by type of support, 2016/17 (%)

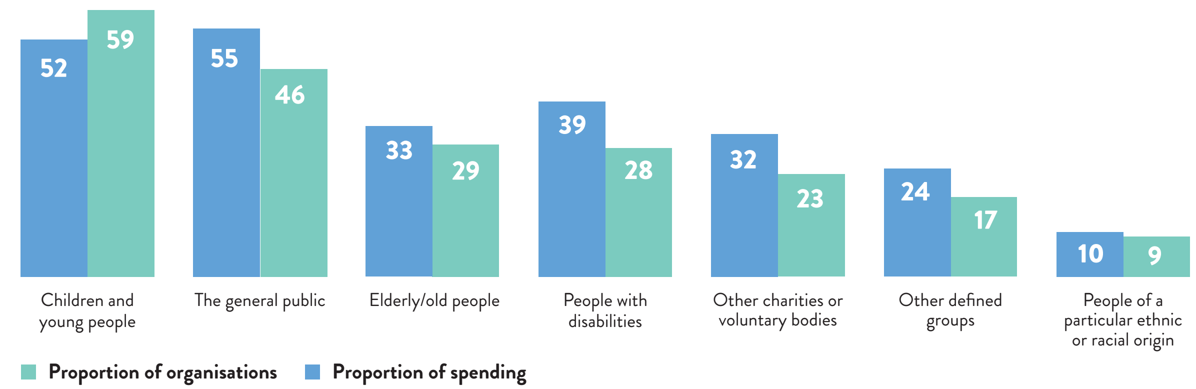


Source: NCVO/TSRC, Charity Commission

BENEFICIARIES

Children and young people are the most common beneficiary group of voluntary organisations

Proportion of all organisations and total spending by beneficiary group, 2016/17 (%)



Source: NCVO/TSRC, Charity Commission

THE PUBLIC

Voluntary organisations are widely used by households

Services accessed by UK Households in the last 12 months, 2018 (%)

Source: CAF Charity Street III

ABOUT THIS RESEARCH

OVERVIEW

We estimate the size and scope of the UK voluntary sector, including its finances, using two sources of data: data for all registered charities based on the Charity Commission register, and detailed financial data for a sample of charities using their financial accounts. This core data has been collected by NCVO for over 10 years.

(1) Data for the whole population of general charities: The Charity Commission register holds data for all registered charities in England and Wales, including their head office address, area of operation, activities, charitable objects, beneficiaries, and some basic financial information (total income and spending). This data is used to provide basic information on the whole population of charities after we have applied our general charities definition.

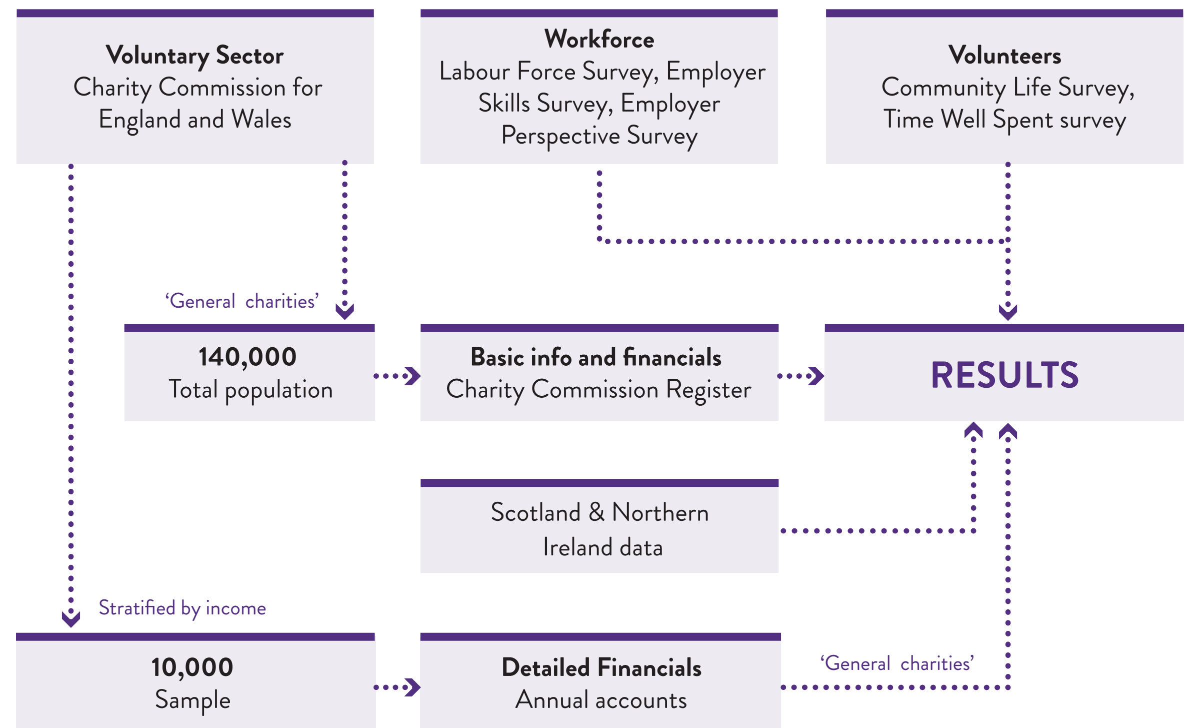
(2) Sampling the financial data: Data is obtained for about 10,000 charities by taking their financial accounts and manually inputting them into a database. We then include only those charities that meet our general charities definition. This data is weighted up to the total population, to provide more detailed information on income sources and types of spending.

Aggregate data for Northern Ireland and Scotland is added in to provide an overall picture for the whole UK.

In addition to the core data on the finances of voluntary organisations, we undertake analysis of regular survey data to produce insight on:

- volunteering – using the Community Life Survey from the Department for Digital, Communication, Media and Sports (DCMS), and the Time Well Spent survey by NCVO.
- the sector's workforce – using the Labour Force Survey from the Office for National Statistics (ONS), the Employer Skills Survey and the Employer Perspective Survey both run by the Department for Education.

Overview of data sources for the Almanac analysis of voluntary organisations



For more information on our methodology, visit our website data.ncvo.org.uk

ABOUT THIS RESEARCH

VOLUNTARY SECTOR DATA

Definition
In the Almanac, a definition of 'general charities' is used to provide estimates for the voluntary sector. The definition is based on common features of non-profit organisations and was originally constructed to also fit Office for National Statistics (ONS) national accounting purposes.

Included in the general charities definition are those registered charities that meet the following criteria:

- Formality (institutionalised to some extent)
- Independence (separate from the state)
- Non-profit distributing (not returning profits generated to owners or directors)
- Self-governance
- Voluntarism (involving some meaningful degree of voluntary participation)
- Public benefit

This definition excludes registered charities that do not meet these criteria, for example sacramental religious bodies or places of worship as well as organisations like independent schools, government-controlled bodies or housing associations.

Financial data
Financial information on voluntary organisations is based on financial accounts data submitted to the Charity Commission. As the data is somewhat limited, NCVO extracts additional data for a sample of charities. (see table below).

Data cleaning and classification
Within the Almanac, income of voluntary organisations is classified by type and source. The data is also cleaned and undergoes a series of checks to ensure validity, including detecting anomalies in trend data or ratios of financial variables, and manual checking of accounts.

Analysis by size of organisations
Within the Almanac, voluntary organisations are divided into six groups based on their income. Each group is named to make it easier to discuss the findings (income bands name). The sample, however, is selected in nine income bands to accommodate Charity Commission registration thresholds (income bands for sampling). These bands are aggregated to produce the six bands used in the Almanac.

Analysis by subsector
Subsectoral analysis in the Almanac is based on assigning organisations to categories in the International Classification of Non-profit Organisations (ICNPO).

Almanac voluntary sector population and sample for England and Wales, 2016/17

	MICRO	SMALL	MEDIUM	LARGE	MAJOR	SUPER-MAJOR	TOTAL
Income band bracket	**£0 - £10,000**	**£10,000 - £100,000**	**£100,000 - £1m**	**£1m - £10m**	**£10m - £100m**	**£100m and more**	
Registered with the Charity Commission	77,993	56,566	26,437	5,939	1,143	87	167,865
General charities	66,309	49,428	20,119	4,412	587	50	140,905
Sample	55	1,211	2,762	3,037	468	50	7,583
Sample (% of general charities)	0.1	2.5	13.7	68.8	79.7	100	5.4

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CHAMPIONING VOLUNTARY ACTION

NCVO

Registered charity number 225922

Full price £30
NCVO members £21

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