

JUNE 2020

# CAF CHARITY CORONAVIRUS BRIEFING

3 months into lockdown, how are charities in the UK faring?



## Introduction

We at Charities Aid Foundation (CAF) have been conducting research amongst charities for years. In these unprecedented times that we find ourselves in due to the COVID-19 crisis, we have increased the frequency we have been surveying charities, conducting a series of short surveys with charities to help inform the sector and beyond since 17th March. These surveys have been sent out by CAF via email to our charity clients (base sizes for each survey shown on the following charts) with surveys completed quickly to obtain a snapshot.

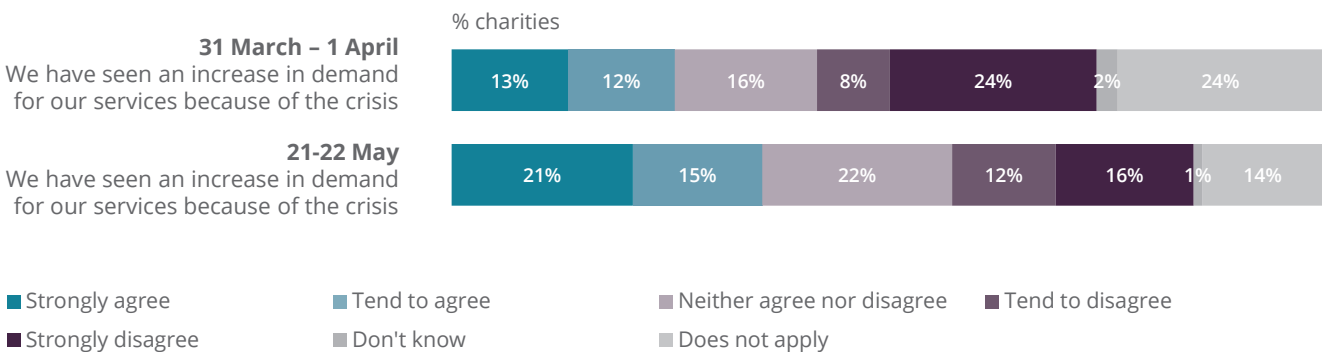
On 23rd March the UK Prime Minister Boris Johnson gave a televised address that brought in widespread lockdown measures. Three months on from that, we wanted to bring together all of our charity insight into this single briefing paper. We hope this paper adds to the debate around charities at this time. We will continue to publish our research as we conduct it, and this will be available on our specially created COVID-19 research hub <https://www.cafonline.org/about-us/research/coronavirus-and-charitable-giving>

# THE VIEW FROM CHARITIES

## What has been the impact on levels of demand?

Towards the start of the lockdown period, on 31st March we asked charities to what extent they agreed or disagreed that there had been an increase in demand for their services as a result of the crisis and we then repeated these questions much later in lockdown towards the end of May. As Figure 1 shows, the percentage saying that demand had increased went up significantly from 25% to 36% over this period. Meanwhile those disagreeing also decreased, from 32% to 28%. Over the two months, demand for charity services clearly increased.

**Fig 1. Thinking about the crisis caused by the global coronavirus outbreak (also known as COVID-19), please tell us to what extent you agree or disagree with the following statements.**



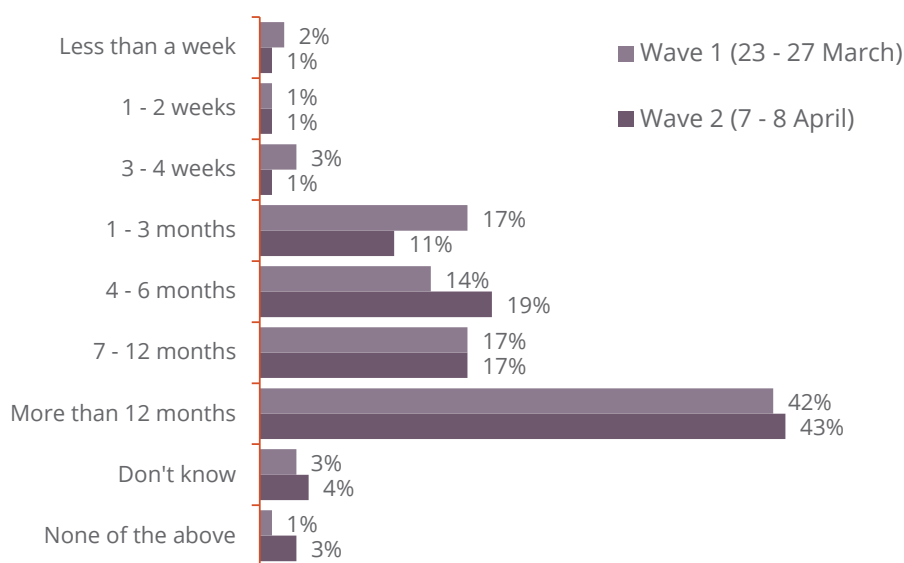
Pulse Survey Three. CAF Fieldwork 31 March - 1 April. Base, N=539 charities  
 Pulse Survey Nine: CAF Fieldwork 21 - 22 May. Base, N=416 charities

In May, when we repeated the question about demand for their services, we also asked those who had seen an increase in demand, how big that increase was. Concerningly, as many as a quarter told us that demand had gone up by more than 50%, and for a further third of these charities, there had been a 26% to 50% increase in demand.

## How long charities can survive?

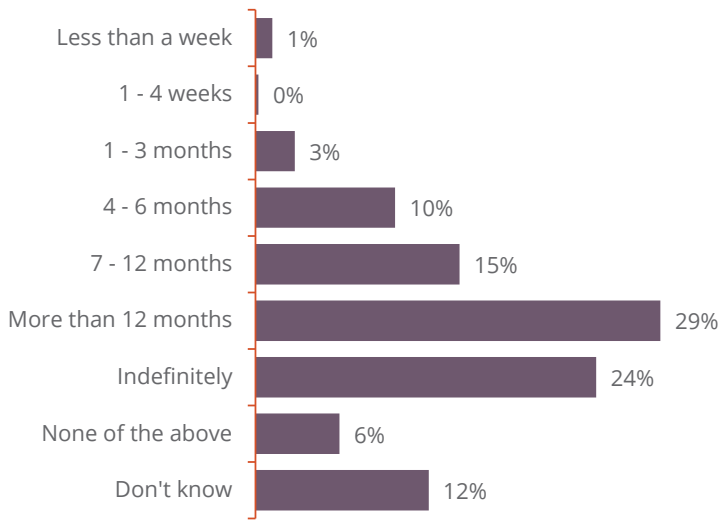
At the very start of the lockdown period we asked charities how long they thought they could operate in their current form assuming no extra help becomes available from Government or elsewhere. Six percent told us they could operate in their current form for 4 weeks or less, 37% up to six months and 54% up to 12 months. When we then repeated this question just a few weeks later, at the most acute end of the scale, 3% told us they could operate in their current form for less than 4 weeks, 33% less than 6 months and 50% up to 12 months. With slightly more certainty over time, there seems to have been an improvement in the outlook for some but half of charities were still telling us they would not survive more than a year.

**Fig 2. Assuming no extra help becomes available, either from the Government or elsewhere, how long do you think your charity can operate in its current form, given the coronavirus (COVID-19) crisis?**



Very early into lockdown at the start of April, we also asked charities the more direct question of how long their organisation had before it had to shut its doors for good if lockdown continued. When asked in this direct way, 14% told us less than 6 months and 29% less than 12 months. If this were to convert into actual closures, this would have a devastating impact not only on charities but on society more generally.

**Fig 3. If the lockdown continues, how long will it be before your organisation has to shut its doors for good?**

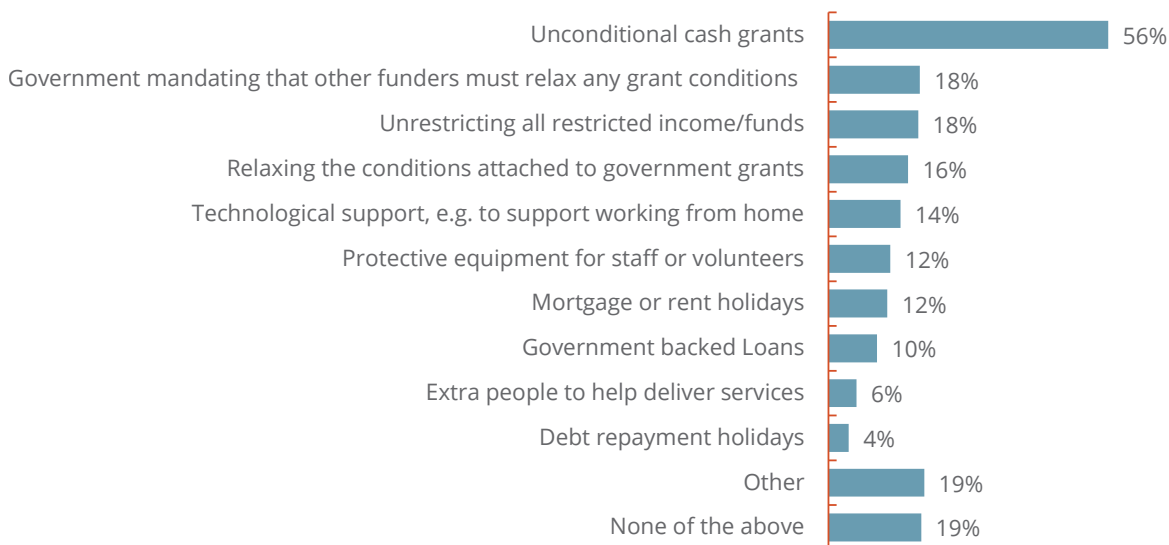


Pulse Survey Four: CAF Fieldwork 7 – 8 April. Base, N=503 charities

## Help from the Government

Prior to the Government announcing help for charities, and just before lockdown was announced, in our first poll, we asked charities what three things their organisation needed most from the Government to see them through the pandemic. Overwhelmingly they said unconditional cash grants (56%). Just under one in five said government mandating that other funders must relax any grant conditions, and unrestricting all restricted income/funds (18% respectively). It was clear that funding was the main thing that charities needed.

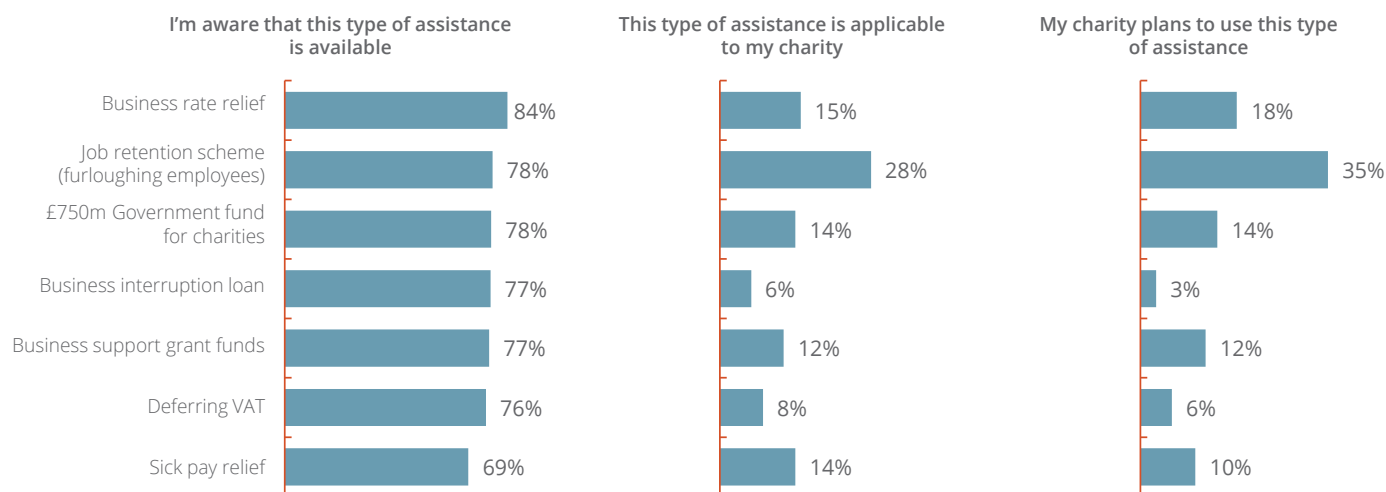
**Fig 4. What are the three things your organisation needs the most right now from the Government to help see you through the Coronavirus (COVID-19) outbreak?**



Pulse Survey One. CAF Fieldwork 18 – 26 March. Base, N=340 charities

In mid April after the Government had announced a range of financial assistance schemes, not necessarily directly for charities, we asked a series of questions to find out if charities were aware of the schemes, whether the schemes were applicable to them and whether the charity planned to use this type of assistance.

**Fig 5. The Government has announced a series of measures to assist organisations through the coronavirus crisis. For each of the following types of assistance, please tell us if you were aware it is available, whether it applies to your charity and whether your charity plans to use it.**



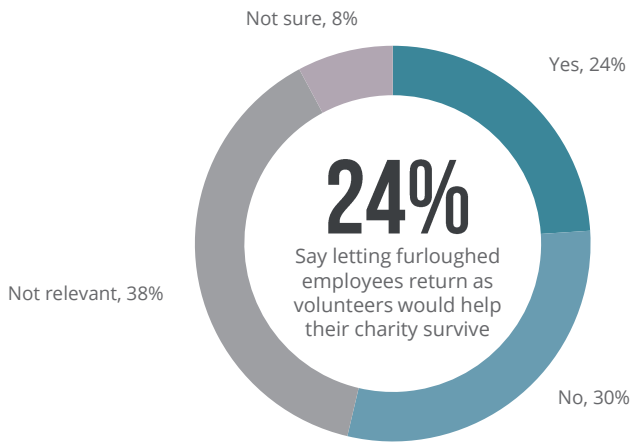
Pulse Survey Five: CAF Fieldwork 16 – 17 April. Base, N=408 charities

The vast majority of charities were aware of each of the schemes available, ranging from business rate relief at the top end (84%) through to sick pay relief at the bottom end (69%). When it comes to whether or not they think this is available to their charity, 28% said the job retention scheme would be and 35% said that they planned to use it. The next most widely mentioned was business rate relief which 15% thought would apply to their charity and 18% said their charity planned to use it.

On the whole, for the vast majority of charities, the schemes set up by Government were neither applicable to them nor were they likely to use them.

We have already seen that demand for charities increased as the crisis went on and that a number of charities intended to use the job retention ('furlough') scheme. This presented many charities with a Catch-22 situation, in which furloughing staff was becoming a financial necessity at the same time as staff were needed more than ever to meet the increase in demand. When, in mid April, we asked whether allowing furloughed staff to return to work in a volunteer capacity would make any positive difference to whether they could survive the crisis, around a quarter (24%) told us it would. This, however, was not an option available to charities.

Fig 6. If charities were allowed to have furloughed employees return to work in a volunteer capacity, would that make any positive difference to whether your charity can survive the crisis?

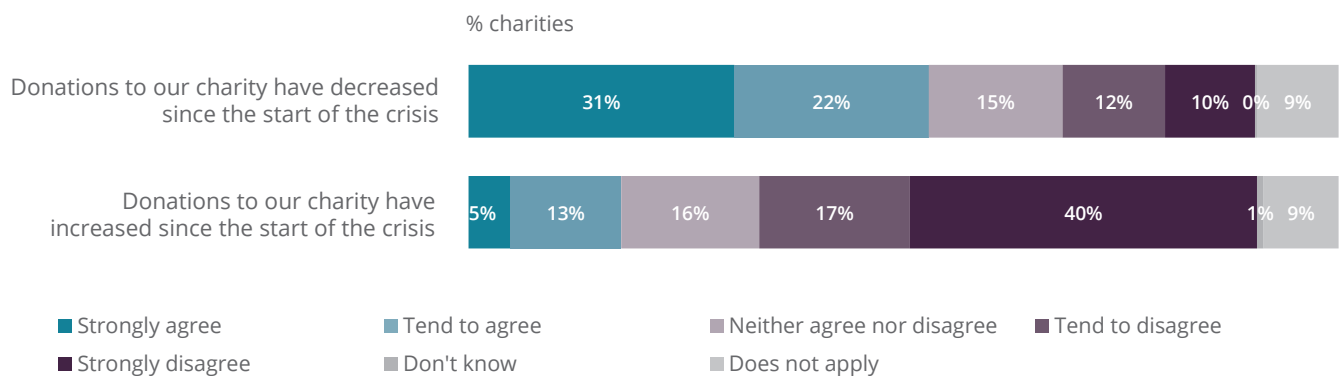


Pulse Survey Five: CAF Fieldwork 16 – 17 April. Base, N=434 charities

## The impact on charitable donations

When asked at the end of April about donations to their charity, 53% said that they had decreased since the start of the crisis whilst only 18% agreed that they had increased. This is perhaps unsurprising as we know from our latest UK Giving research<sup>1</sup> that not only do people have less disposable income but that the cause areas they are giving to have changed since the crisis began.

Fig 7. Thinking about the crisis caused by the global coronavirus outbreak, please tell us to what extent you agree or disagree with the following statements.



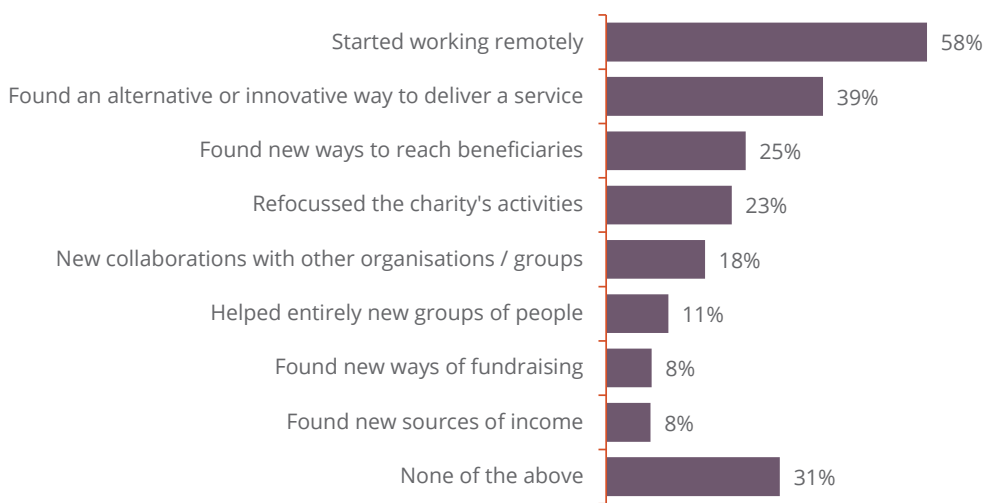
Pulse Survey Nine: CAF Fieldwork 21 - 22 May. Base, N=416 charities

<sup>1</sup> COVID-19: What it means for giving; <https://www.cafonline.org/about-us/research/coronavirus-and-charitable-giving>

## Resilience in the sector

We have been really humbled at CAF by all the stories we have heard anecdotally about charities adapting in these unprecedented times. When, at the end of April, we asked charities what changes they had made in response to the crisis, 58% told us that, like many across the UK, they had started working remotely. Two fifths (39%) had found an innovative way to work whilst a quarter had found new ways to reach beneficiaries or refocussed the charity's activities. Almost one in five (18%) told us they were taking part in new collaborations with other organisations.

Fig 8. Which, if any, of the following changes has your charity made in response to the coronavirus crisis.



Pulse Survey Six: CAF Fieldwork 27 – 28 April. Base, N=438 charities

## The role of technology

Many things in society have changed since this crisis began and one of those is carrying and using cash. Given that we know from our previous UK Giving research<sup>2</sup> that despite all the technological advances in society, over 50% of donations are still made via cash, this is bound to have an impact on charities.

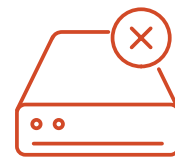
Fig 9. It seems likely that the spread of COVID-19 will accelerate moves towards a cashless society in the UK. Which of the following applies to your ability to accept digital donations from the public?



**THREE IN FIVE**  
are able to take digital donations



**ONE IN FIVE**  
are concerned about a shortfall in cash donations



**ONE IN TEN**  
can't afford the technology

Pulse Survey Seven: CAF Fieldwork 6 – 7 May. Base, N=385 charities

<sup>2</sup> CAF (2019): UK Giving 2019



When asked, overall 63% of charities said that they could accept some form of digital donations. Within this, 41% could accept donations via their website, 40% could accept via an online platform and only 24% could receive contactless donations. A significant number of 23% told us they could not accept digital donations, which should be of concern given the lower numbers of people carrying cash during the pandemic.

20% of charities told us that they are concerned that people carrying less cash will mean their charity will have less income and around the same number (19%) that they are not sure how they will make up the shortfall in cash donations. For 12%, they cannot afford to purchase new technology to help take contactless donations.

However, for some this is seen as an opportunity, with 18% having accelerated plans to move towards more online fundraising and the same number saying that they see the changes brought about by coronavirus as an opportunity to modernise.

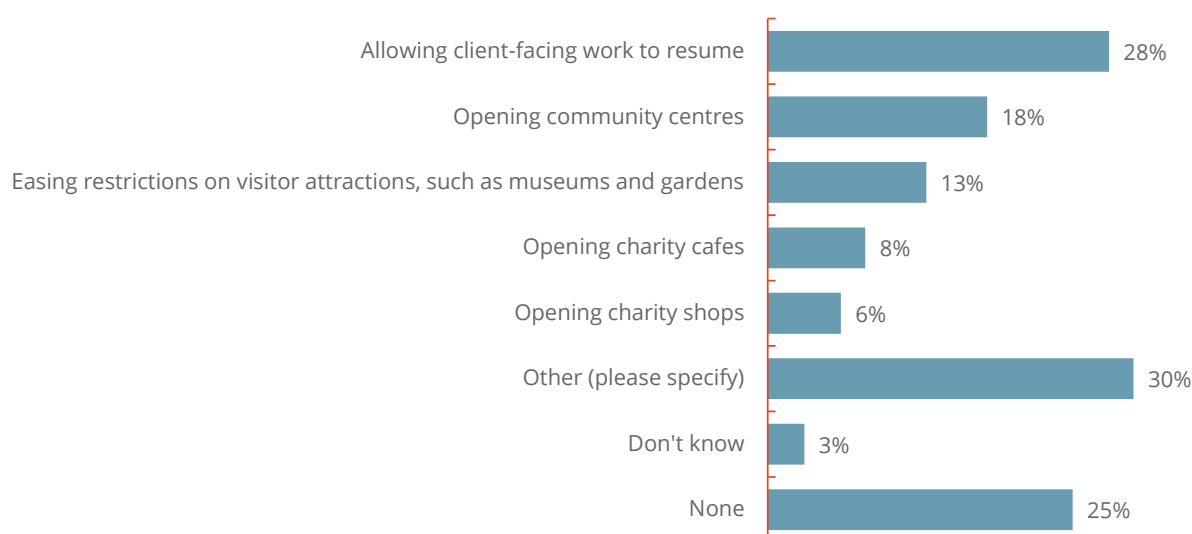
## Easing of lockdown Restrictions

Most charities (75%) say that the recent loosening of lockdown measures has made no difference to their ability to cope during the crisis. One in ten charities says it's made a positive difference and one in ten say it's made a negative difference.

When asked to identify the steps that would make the biggest difference to their ability to reopen many of their services, 28% singled out a return to face-to-face contact with clients. Others pointed to reopening of community centres (18%) and visitor attractions such as museums and gardens (13%).

The reopening of charity shops and cafes were also listed as being factors that will help charities to resume their full services.

**Fig 10. Which, if any, of the following lockdown-easing measures would most benefit your charity's situation during the crisis?**



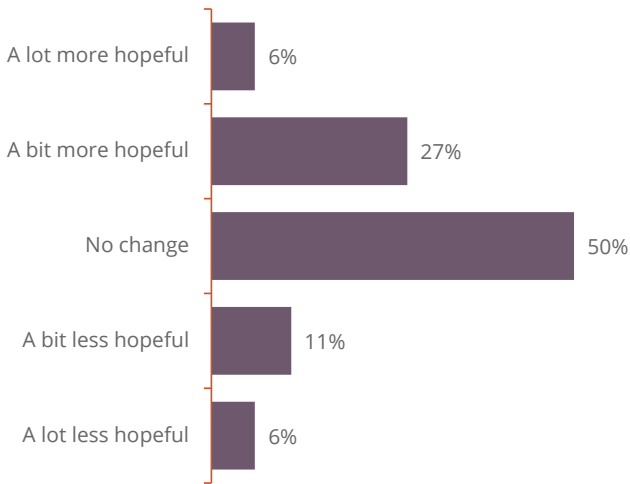
Pulse Survey Eight: CAF Fieldwork 13 – 18 May. Base, N=539 charities



## Looking to the future

In our last pulse poll before the three month anniversary of lockdown, we asked charities about the future. Firstly we asked them, compared to a month previously, whether they felt more or less positive for their charity's future. For exactly half (50%) there had been no changes but for a third (33%) they were more hopeful than they had been which is good news. However, for 17% they were less hopeful.

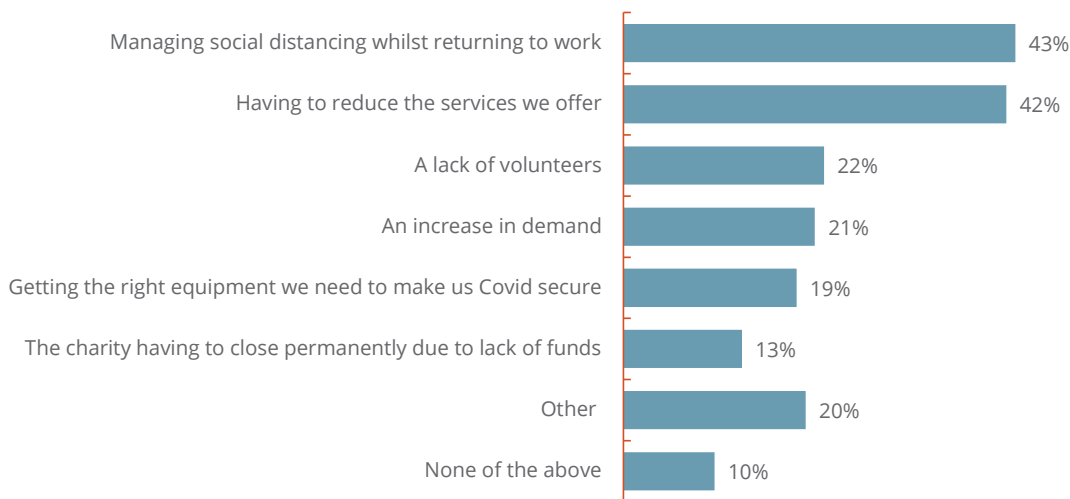
Fig 11. Do you feel more or less hopeful for your charity's future than you did a month ago?



Pulse Survey Twelve: CAF Fieldwork 11 – 15 June. Base, N=289 charities

We also asked charities what their biggest fears were over the next 8 weeks – social distancing whilst returning to work came out on top at 43%, closely followed by having to reduce the services they offer (42%). Around a fifth mentioned lack of volunteers (22%), an increase in demand (21%) and getting the right equipment to make them Covid secure (19%).

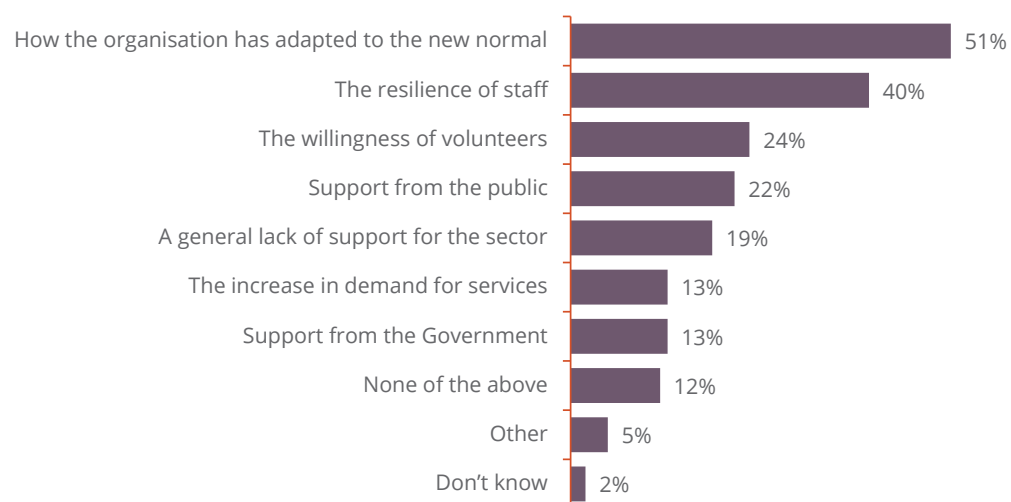
Fig 12. What is your biggest fear for your charity over the next eight weeks?



Pulse Survey Twelve: CAF Fieldwork 11 – 15 June. Base, N=289 charities

And finally, in terms of what has surprised people about their charity since the start of the outbreak, there are a number of mentions around resilience. 51% are surprised at how the organisation has adapted to the new normal and 40% said the biggest surprise is the resilience of staff. For a quarter (24%) it is the willingness of volunteers and 22%, the support of the public.

**Fig 13. What has surprised you most about your charity since the start of the coronavirus pandemic?**



Pulse Survey Twelve: CAF Fieldwork 11 – 15 June. Base, N=289 charities

These are uncertain and worrying times that we find ourselves in – every aspect is moving at pace and there is no doubt that research findings are quickly evolving. We hope you find this useful but for our most up to date insight as well as links to other key sources of insight, please do visit [www.cafonline.org/research/coronavirus-andcharitable-giving](http://www.cafonline.org/research/coronavirus-andcharitable-giving)

