



The Fundraising Landscape

Survey Results

From a survey conducted in October/November 2020 to understand the impact of the Covid-19 pandemic on the Third Sector in the UK and what support charities need moving forwards.

December 2020

Introduction

In October 2020, Gifted Philanthropy launched a survey to gain data to ascertain what impact the Covid-19 pandemic has had on charities in the UK, in order that we might understand how best to offer support and guidance.

The survey was distributed electronically through Gifted's database, to over 1500 contacts, through social media networks and organisations such as the Association of Fundraising Consultants and the National Churches Trust, amongst others. 35 responses were received, and whilst this number is disappointing, it perhaps reflects the number of fundraising team members who may be furloughed at this time and were unable to access emails.

Regardless, the data certainly gives us a starting point to assess the landscape as it stands.

The following pages give an overall view of the Third Sector, and are also broken down to show the sectoral differences, split across the following*:

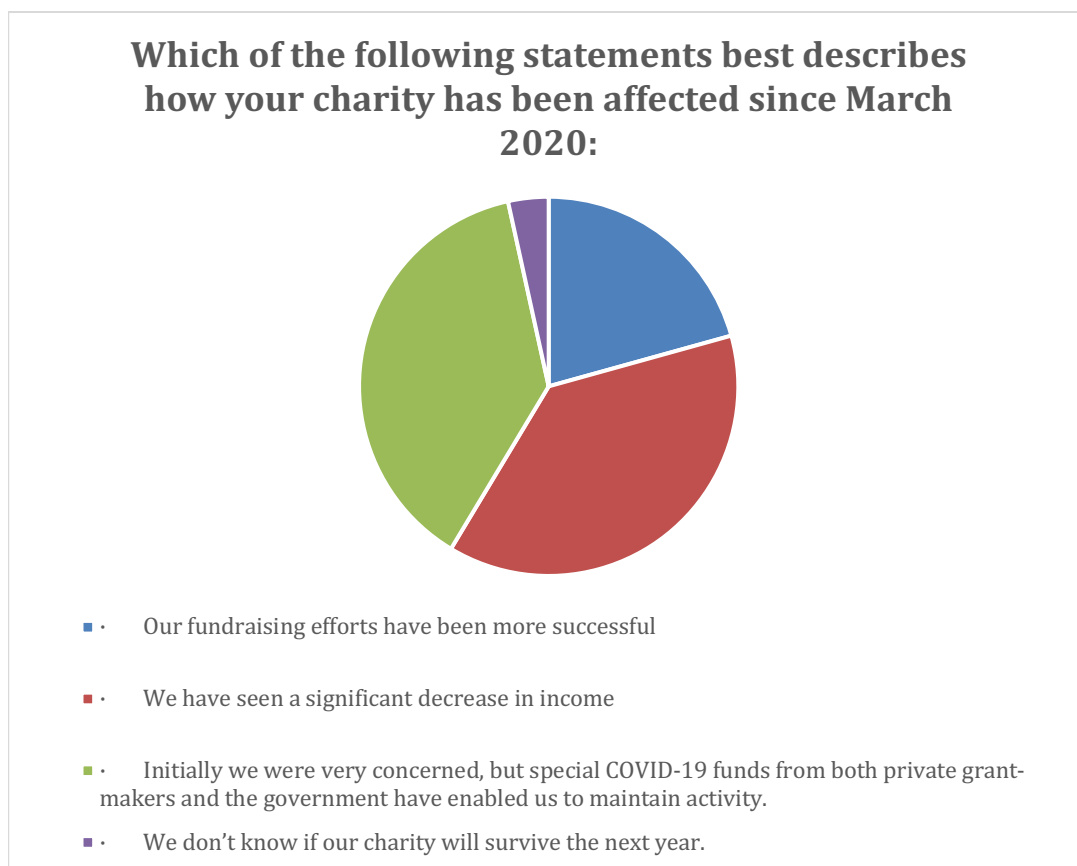
- Arts, Culture and Heritage
- Education and Youth
- Health and Welfare
- Church and Cathedral
- Civic and Community

*A sixth sector, Sport and Recreation, were included in the distribution of the survey, though we didn't receive any responses, so they are omitted from the data.

Overall Results

The compiled results were as follows:

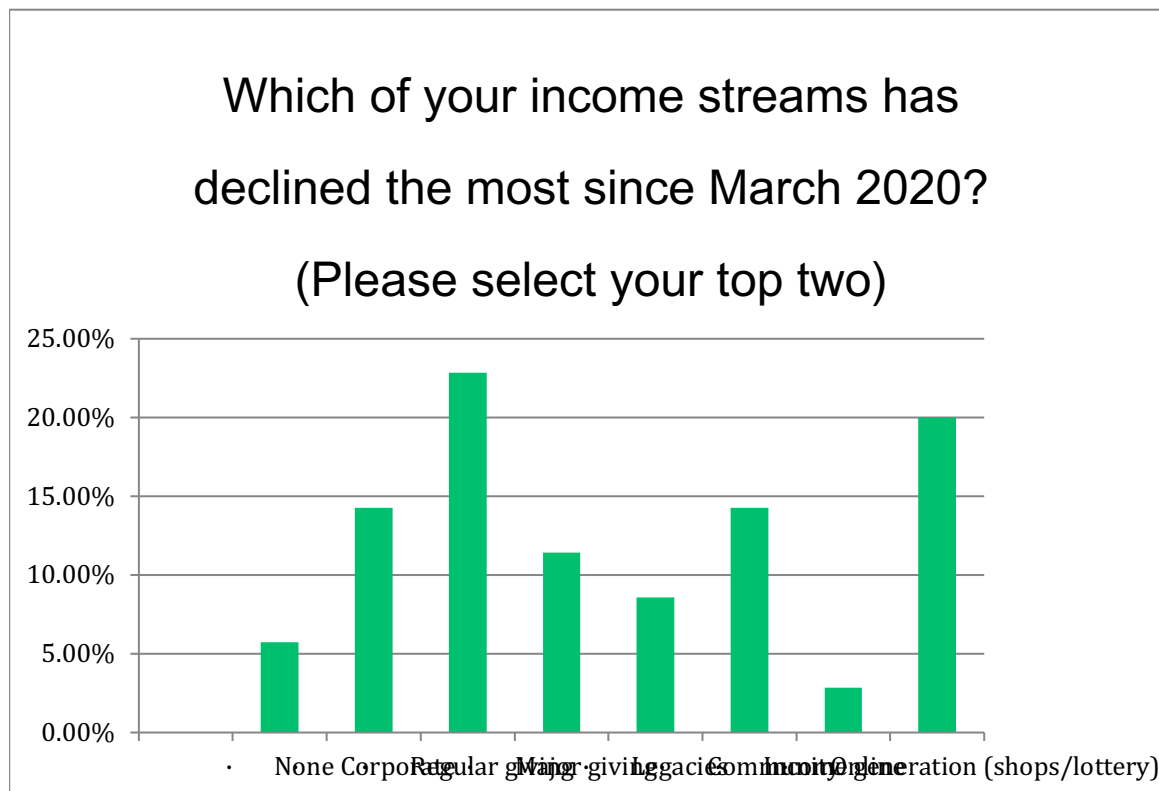
Question 1 – Overall effect of the pandemic



Reflections:

- 21% reported fundraising has been more successful, demonstrating how some sectors have been able to capitalise on fundraising opportunities.
- 38% saw a significant decrease in income, which is not surprising as charity shops closed and community fundraising as we knew it halted.
- 38% were initially concerned but were boosted by special Covid-19 funds, which shows just how important it was that funders stepped up with recovery programmes during 2020.
- Thankfully, only 3% were unsure if they'd survive the next year.

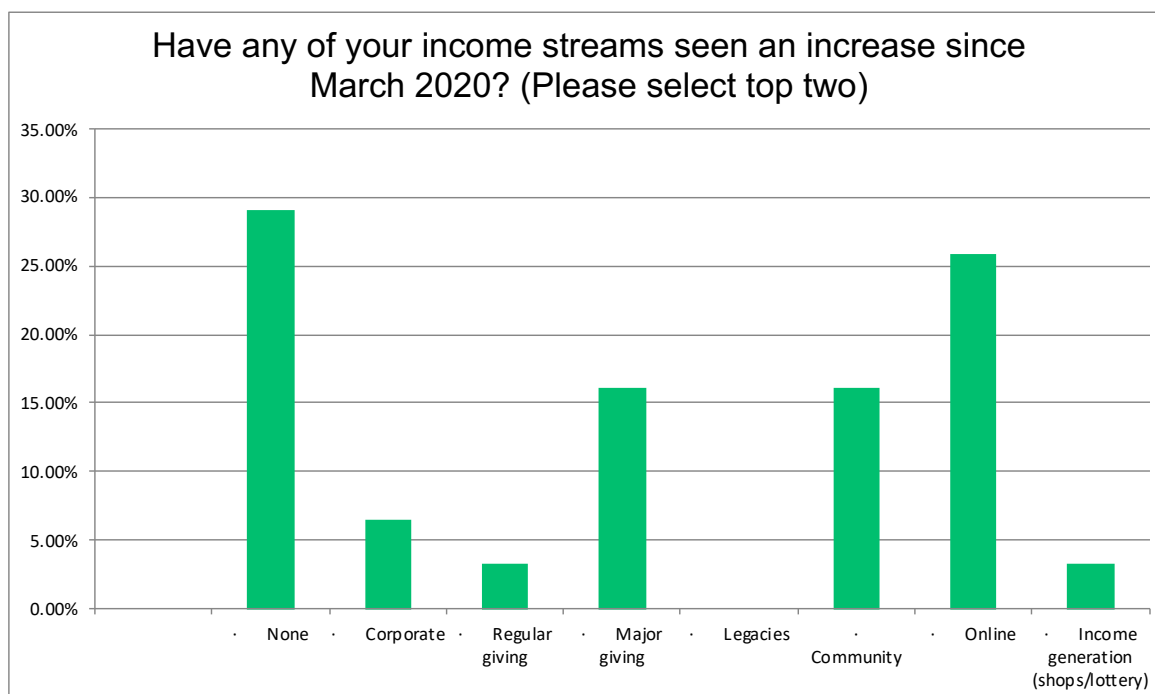
Question 2 – Decreases in income



Reflections:

- It is interesting to see regular giving the highest amount – the following pages will consider whether there was a big sectoral difference here.
- The other highest-ranking income streams for decline are no surprise:
 - Income generation: charity shops closed for a large part of the year
 - Community: community fundraising as we knew it dropped off with no public, in person events
 - Corporate: Many businesses suffering and thus pausing or stopping support and not making new commitments.

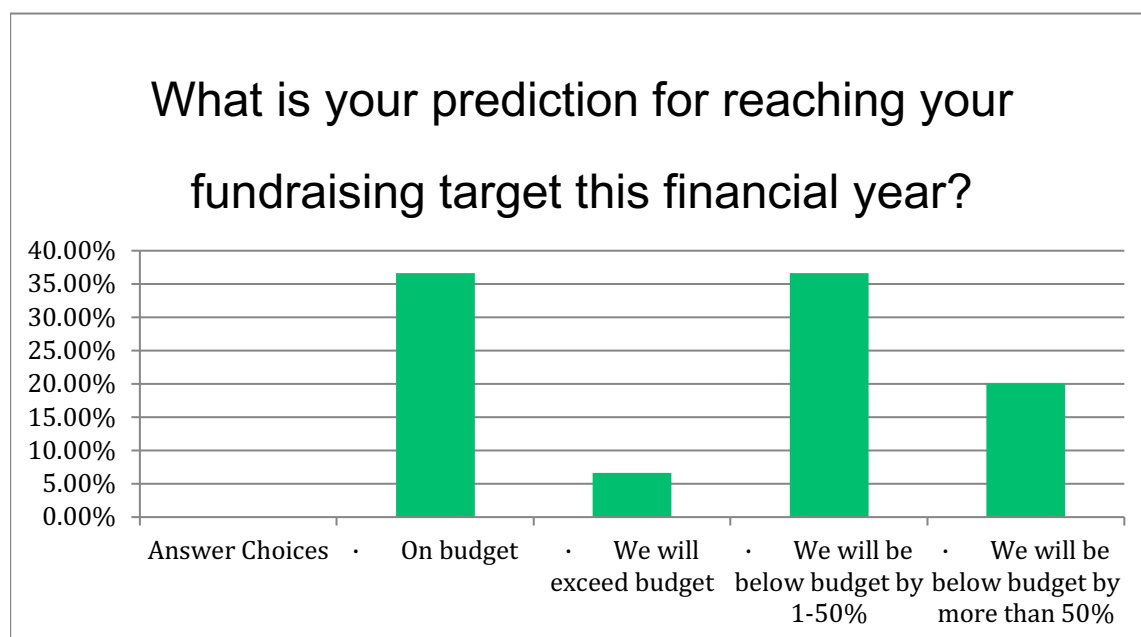
Question 3 – Increase in income



Reflections:

- 29% didn't see any income streams increase. This is likely many of the 38% from question one who had seen a big deficit, and those not set up for online giving such as smaller charities and churches.
- It is encouraging to see 16% report major giving increased, proving in difficult times, people continue to support those cause they care the most about.
- Online giving was the highest increase with 26%, reflecting the move to a virtual world as we were required to isolate.
- 16% seeing an increase in community seems to contradict the earlier statistic on community income declining, but this may be those charities who very effectively took their community events online and were able to continue fundraising in this way.

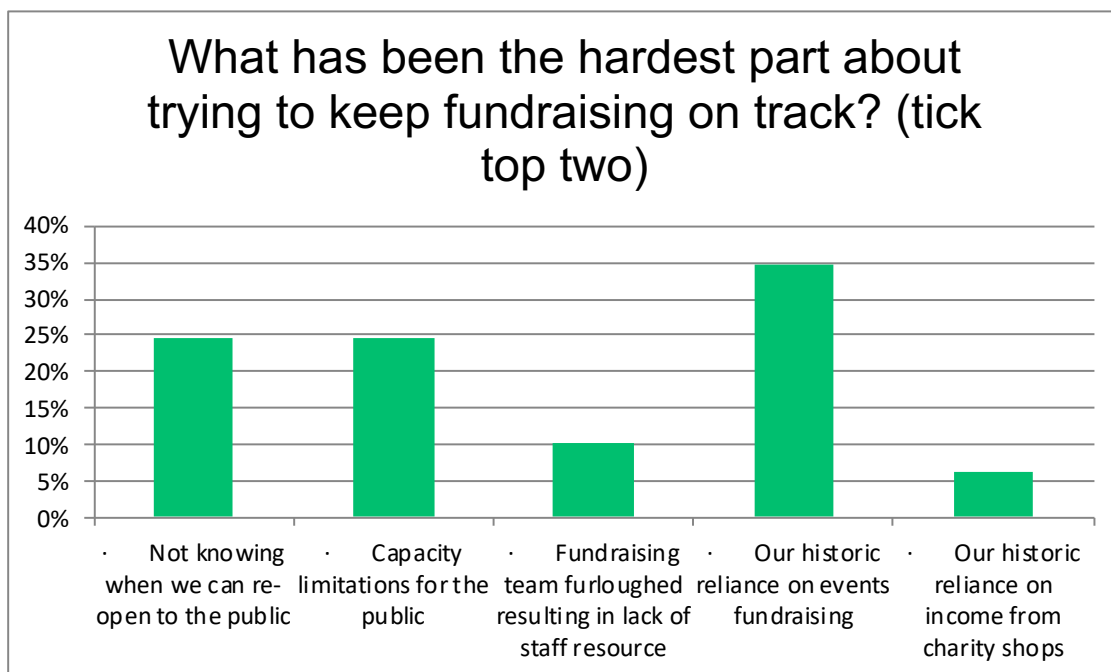
Question 4 – Income predictions



Reflections:

- It is encouraging that around 1/3 of respondents target to be on budget, with 7% aiming to exceed budget.
- However almost 57% will be below budget, which demonstrates the need for those charities to review their strategy for the coming year and take action swiftly.

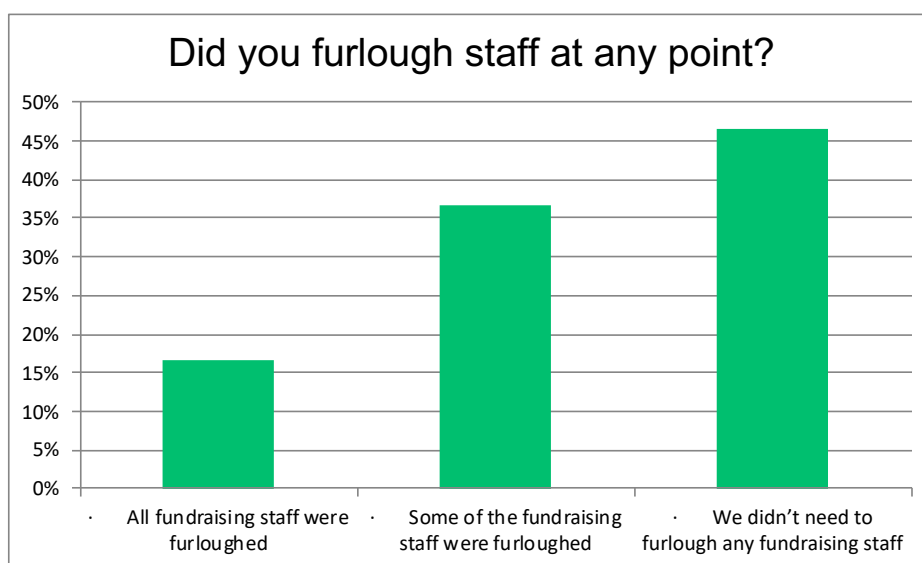
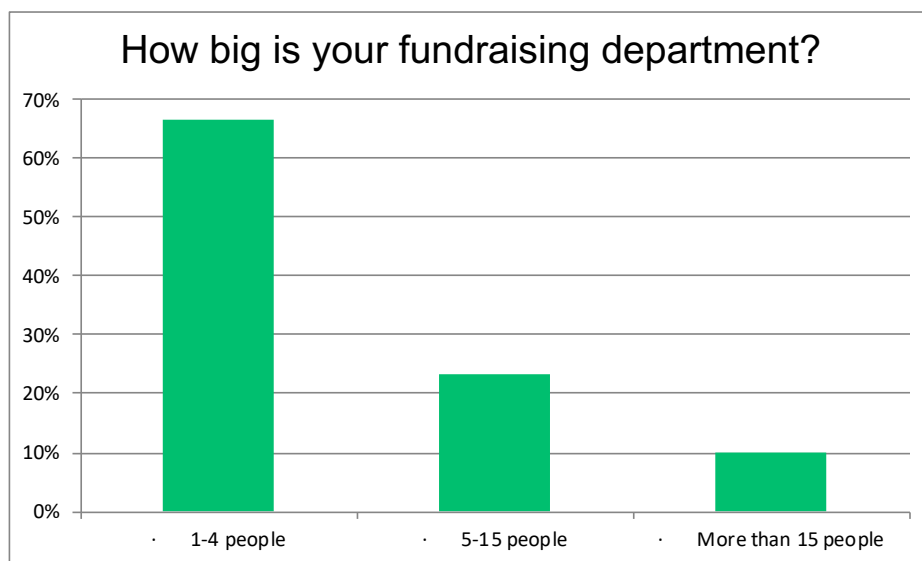
Question 5 – Strategic learnings



Reflections:

- These statistics show that over 40% of respondents are too heavily reliant on specific income streams, which when stopped, have a significant impact on the ability to operate.
- Other factors brought on by the pandemic cannot be predicted, or in many cases negated against:
 - Uncertainty over when the charity can re-open
 - Capacity limitations for social distancing
 - Lack of team capacity through necessary furlough

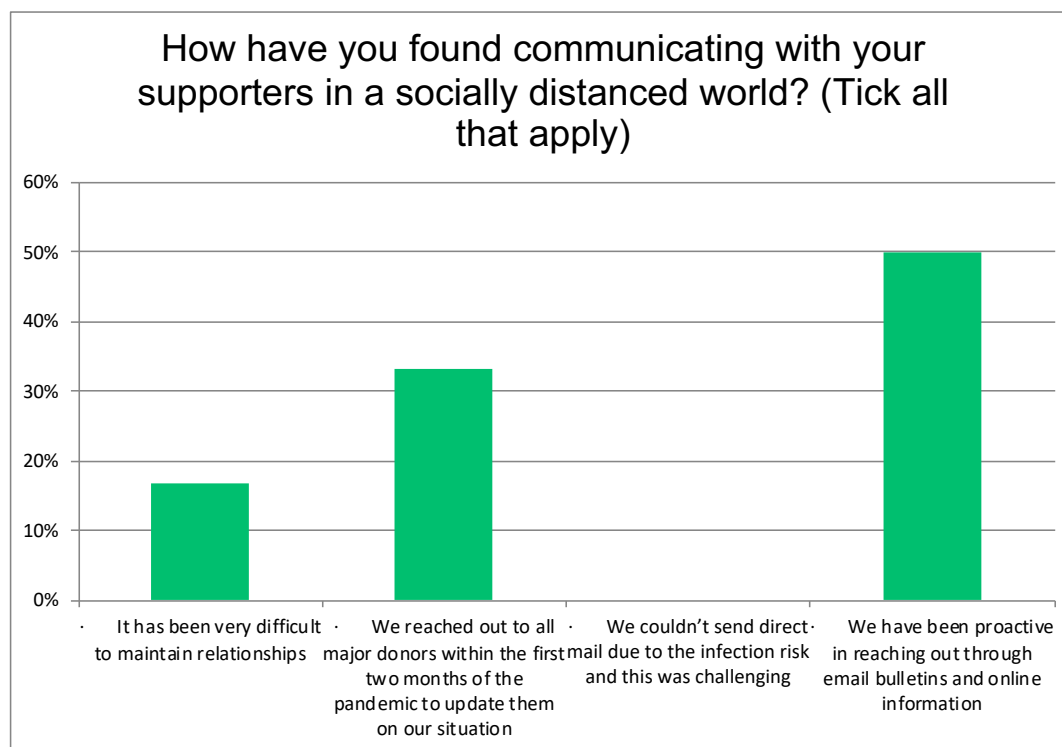
Question 6 and 7 – Team capacity



Reflections:

- Almost half the charities didn't furlough any fundraising staff – it will be interesting to see how this breaks down across the sectors.
- The 17% who furloughed all fundraising staff should review strategy with urgency.

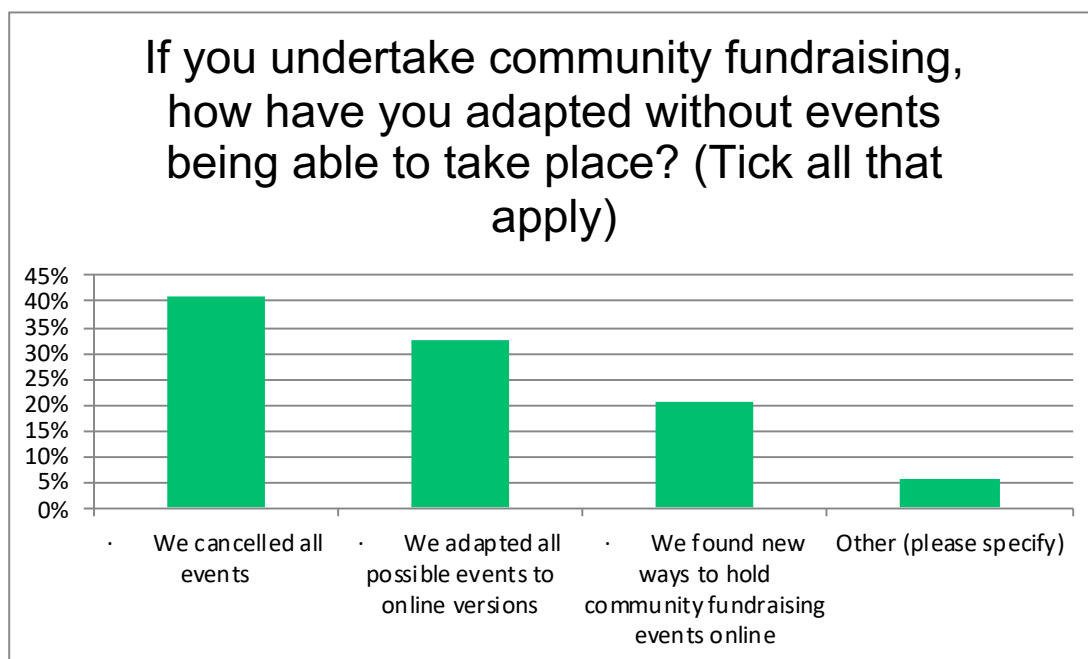
Question 8 - Communications



Reflections:

- 50% of respondents claim to have been proactive in their ongoing communications, which is fantastic.
- This is further supported by 33% reaching out to major donors within the first two months, demonstrating good donor stewardship.
- The 17% who found it hard to maintain communications are primarily smaller charities but not necessarily those who had to furlough team.

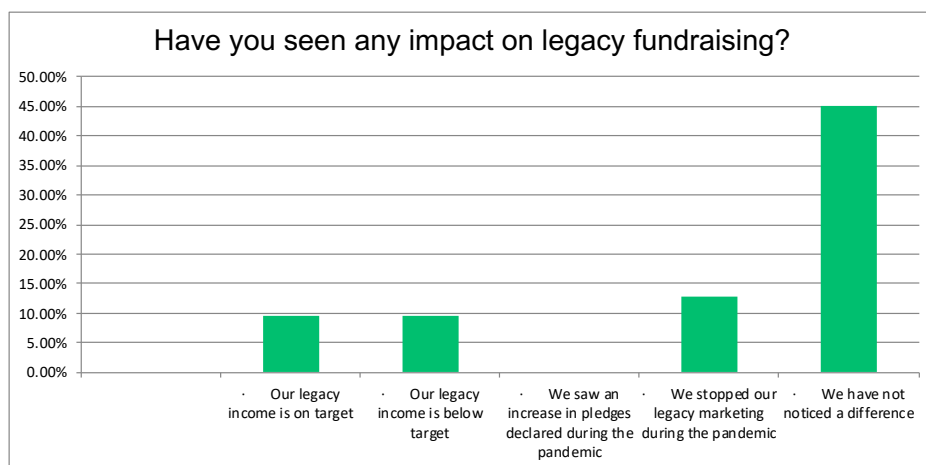
Question 9 – Community fundraising



Reflections:

- 40% of respondents cancelling all community fundraising events is perhaps due to not having the capacity to run the event online.
- 53% being able to move events online and find new ways of holding community fundraising demonstrates the tenacity and creative nature of fundraising professionals in the UK.
- The 'other' examples include continuing to hold events with smaller numbers and in a socially distanced way.

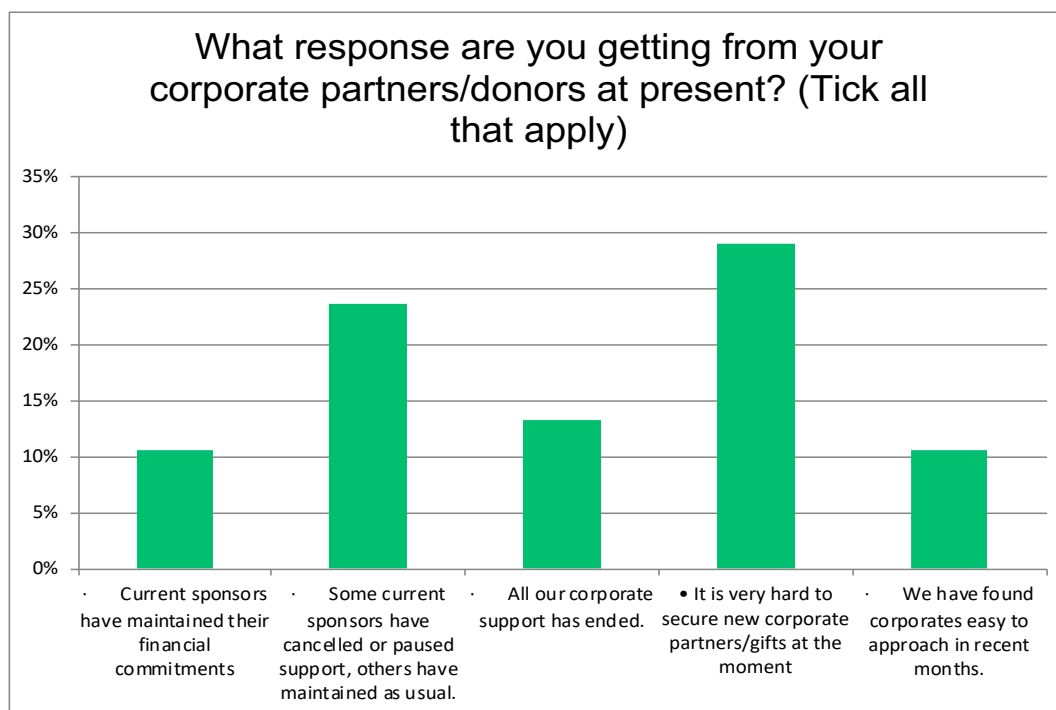
Questions 10 and 11 – Legacy giving



Reflections:

- It is pleasing to see that 66% felt legacy giving is more important than ever – a legacy programme launched in the right way, should never cause offence or be deemed insensitive.
- In the sector specific results, we will uncover whether there are significant differences, as some charities will feel more sensitive to legacy fundraising than others at a time when lives are at risk.

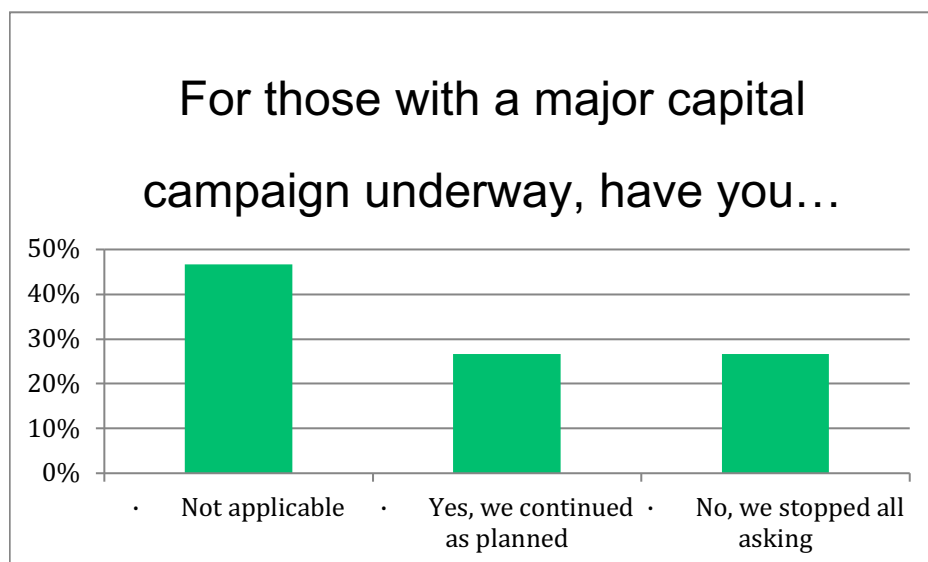
Question 12 - Corporates



Reflections:

- Given the economic statistics and forward projections, none of these results are surprising.
- It is encouraging to see almost 35% of corporates maintaining their support, reflecting either very strong relationships with the charity and/or their company thriving during the pandemic due to sector specific factors.

Questions 13 and 14 – Major gifts

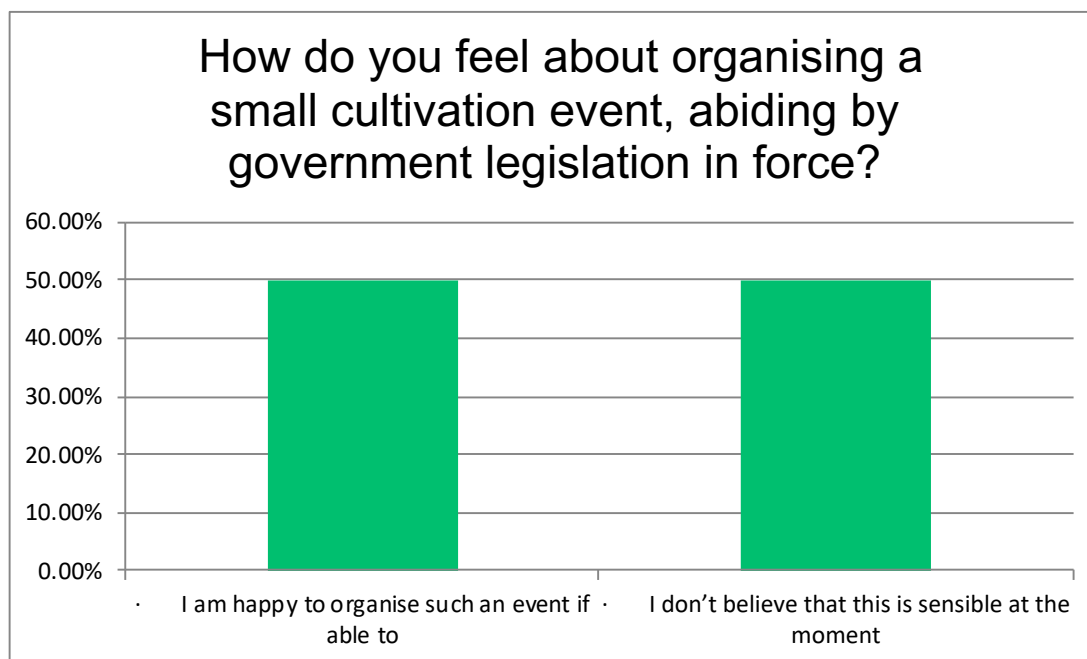


Reflections:

- Of those with a major capital campaign, it is a 50/50 split between those who continued and those who stopped completely.
- Although 50% are willing to meet a major gift prospect face-to-face, (within guidelines) there is clearly some anxiety about this more than 30% not willing to

suggest this themselves, and 17% not planning on meeting anyone face-to-face for some time.

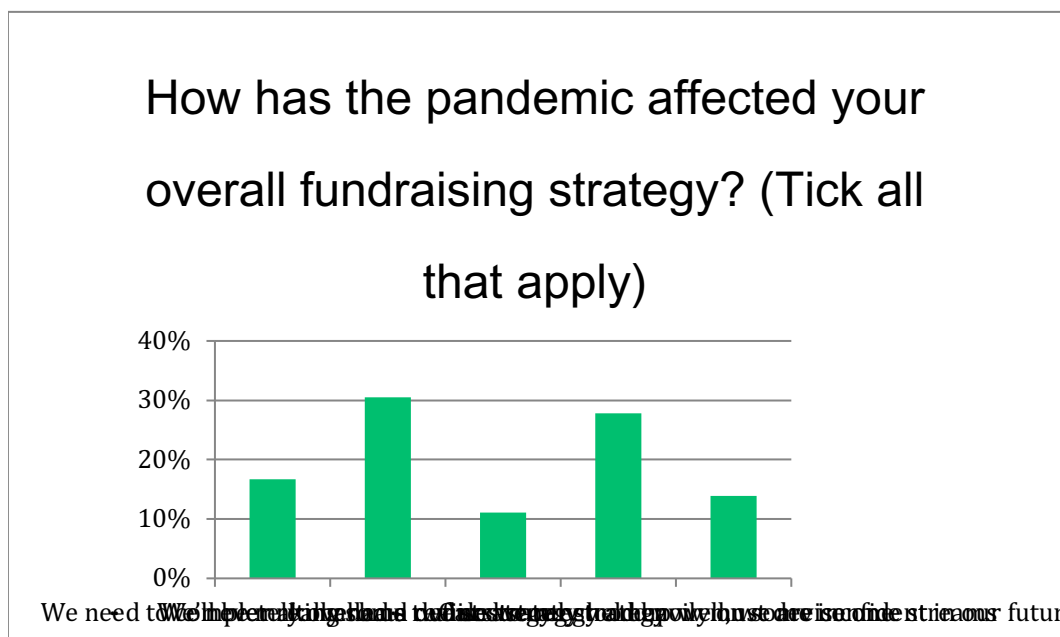
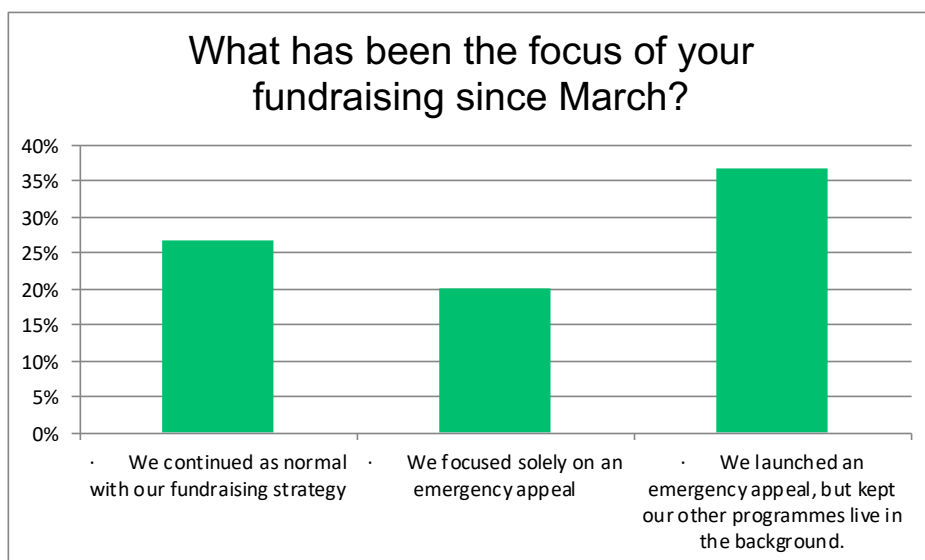
Question 15 – Cultivation Events



Reflections:

- Again, the results are split, with 50% of people confident of holding Covid-secure events and 50% not.
- Anxieties could be due to safety, or perhaps that respondents feel turnout would be too low to justify the event planning and expenditure.

Questions 16 and 17 – Your Fundraising Strategy



Reflections:

- It is great to see that 37% managed to keep their fundraising progressing, whilst also launching an emergency appeal.
- 86% of respondents need to revisit their Fundraising Strategy in some way, whether minor tweaks or a complete overhaul.

Cross-sector Comparisons

After considering the overall result, here we look more closely at the differences between sectors and see if there have been specific challenges affecting some and not others. The sectors are split into the following five categories:

- Arts, Culture and Heritage
- Education and Youth
- Health and Welfare
- Church and Cathedral
- Civic and Community

Impact on philanthropic income

Our findings tell us that the sector that has seen the biggest negative impact on income during the pandemic is churches and cathedrals, with 67% having seen a significant decrease in income and none reporting an increase. This reflects the impact that the closure of places of worship had on income levels, especially for small churches and is further supported by churches and cathedrals reporting regular giving as the income stream which decreased the most since March. Whilst all other sectors saw online giving increase significantly over the last nine months, again this was not reflected in the results for churches and cathedrals, likely due to a combination of older worshippers not comfortable with giving money online and many churches not even having an online giving capacity on their websites.

Conversely, health and welfare charities came out on top, with only 14% reporting a decrease in income, 29% reporting an increase, and 57% stating they feared for their income levels, but special, Covid-related funds from government and private funders meant they were able to continue delivery of services. Of course, we saw a hugely successful fundraising programme by [NHS Charities Together](#), spurred by the success of Sir Captain Tom Moore's efforts and the majority of NHS charities, along with hospices and others launched Covid-19 Crisis Appeals or Emergency Funds to provide funding for the much valued medical teams continuing to care for the country. Likewise, the arts, culture and heritage sector was seemingly saved by the rescue packages that were launched by government and private funders, with 67% reporting it was that which enabled them to continue to operate throughout 2020. This demonstrates how important the resilience-based awards from the [National Lottery Heritage Fund](#), [Arts Council](#) and others have been

in ensuring charities within these sectors remain viable. However, arts, culture and heritage was the only sector where some charities were not sure if they would survive, with 17% indicating this.

The sector we can perhaps consider the most stable during the pandemic is education and youth, with 56% on course to meet their fundraising targets this year. It is likely that this sector saw the least impact, given education fundraising such as that undertaken by independent schools in the UK, does not tend to rely on events fundraising and income generation activities like charity shops and lotteries to drive revenues. Again, health and welfare fared well, with no charities predicting of finishing the year 50% or more below budget and 14% hoping to exceed budget. Similarly, churches and cathedrals have seen the biggest impact with only 17% due to meet budget and the remainder to be below budget by between 1-50% (67%) and 50% or more (16%).

Corporate giving

Corporate giving was the one area where churches and cathedrals didn't take a hit, with 67% reporting that all current sponsors maintained their financial commitments. A further 33% said they found it easy to ask corporates for support at this time. Education and youth saw the sharpest declines with 57% losing some support and 28% losing all of it, along with community and civic, 50% of whom reported they lost all corporate support. Arts, culture and heritage also felt the pinch on this income stream with 33% losing some sponsors and a further 33% losing all. Health and welfare were the only sector apart from church and cathedral who saw an increase in corporate support, with 29% stating this.

Community fundraising

Education and youth responded most dramatically with community fundraising, with 63% cancelling all events and only 37% adapting to online offerings were possible. Churches and cathedrals also cancelled 60% of events. Charities in the health and welfare sector clearly took immediate action in a proactive way with 71% converting events to online versions – this was probably driven by necessity, with many hospices and hospitals relying heavily on community fundraising and sponsored events to raise funds. Indeed, 72% of respondents from this sector cited a historic reliance on events fundraising as the primary challenge in keeping their fundraising on track this year.

Major gifts and capital campaigns

The arts, culture and heritage sector were the first off the mark to protect major gifts, with 67% stating they made personal contact with all their major donors to update them on the situation within the first two months of the pandemic. This was followed closely by health and welfare at 57%. However, across all the sectors, response rates were between 50% and 100% when asked if they had been proactive in reaching out through email bulletins and online information. The lowest was church and cathedral, with 50%, again perhaps indicating a lack of online facilities for smaller churches.

With regards to major capital campaigns, this wasn't applicable from a number of respondents, but from others yet again, churches had the lowest scores with 50% cancelling all asking for the project. We suspect this may be due to capacity issues, with many smaller churches being volunteer led with no fundraising staff, guided by the vicars who have been under incredible pressure supporting the vulnerable in their congregations and communities during the pandemic. However, 33% reported continuing as planned and these were likely to be the larger churches or cathedrals. The other sectors had a relatively even split, but with the majority having continued with campaigns rather than stopping.

Interestingly, all sectors scored highly when asked if they were happy to meet prospects to ask for major gifts at this time, with only a small number of charities in health and welfare (28%) and education and youth (33%) stating they would not be making face-to-face major donor asks for some time.

Small cultivation events were a divisive proposition but saw a relatively even split across all sectors with roughly half believing Covid-secure events are suitable and roughly half believing any cultivations events were not sensible at present, across the board.

Legacy giving

On the whole, respondents reacted positively to the question of legacy giving, with 100% community and civic and health and welfare sectors stating that they felt comfortable launching legacy programmes in the current climate and that legacy giving is more important than ever. Education and youth and arts, culture and heritage also expressed some positivity with 56% and 50% respectively. Only church and cathedral charities took a more cautious approach, with 60% thinking a legacy programme would be insensitive at this time.

In terms of legacy income, the majority had not noticed a difference as yet, with arts, culture and heritage the highest score at 75%, followed closely by health and welfare with 71% and education and youth with 62.5%. All health and welfare and community and civic charities continued with legacy marketing as planned, with church and cathedral again expressing caution – 50% stopping legacy marketing during 2020. 25% of arts, culture and heritage charities also stopped marketing, along with 12.5% of education and youth organisations.

Fundraising focus and strategies

During the tumultuous times of 2020, different organisations understandably took different approaches to their fundraising strategies, with some able to take advantage of fundraising opportunities. For example, health and welfare organisations were able to seize the enormous good will towards the NHS and other medical teams and care givers and use it to launch hugely successful Covid appeals. Although other sectors such as arts, culture and heritage have arguably had the most difficult scenarios to deal with, with the forced closure of venues and activities, they were able to launch crisis appeals and apply for the gratefully received grants available from both statutory and private funders. This was reflected in the results when respondents were asked if they continued as normal with their fundraising strategy, focused solely on an emergency appeal, or did both. 72% of health and welfare charities reported they launched an emergency appeal but continued with other fundraising programmes in the background along with 50% of arts, culture and heritage organisations and 100% of community and civic. Education and youth was the sector which saw the least impact, with 67% continuing as normal with their strategy. As we have learned already, they will of course, have seen a much smaller impact with the loss of particular incomes streams, and therefore been able to proceed as originally planned.

Arguably the most interesting overall finding from the survey, was how the organisations felt about their fundraising strategies on reflecting how the year has panned out. Unsurprisingly, both health and welfare (71%) and arts, culture and heritage (67%) have realised that they were too highly reliant on certain income streams and must readdress the balance. Across the board, only very small numbers felt their fundraising strategy had held up well and they were content. The majority felt their strategy either needed a complete overhaul or some review, and 33% of both church and cathedral and arts, culture and heritage charities admitted they never really had a defined strategy and now must devise one.

Conclusion

Surveys of this nature, especially with a small number of participants are understandably limited when it comes to gaining a laser sharp view of the emerging fundraising landscape. However, they do provide a starting point from which to reflect and learn.

The most striking result from this survey is that it has highlighted the importance of a robust fundraising strategy. If there is one positive impact that the Covid-19 pandemic has had on the Third Sector it is that charities in future will be stronger for having gone through this challenging time. The pandemic has forced charities to look long and hard at their strategies, to take action and make difficult decisions that have often improved their sustainability. It has evoked tremendous creativity, with fundraisers, volunteers and charity leadership devising new and engaging ways of raising money in the face of adversity. It has forced fundraisers to reach out and has resulted in strengthened relationships and increased levels of major giving. Long-term, these are all things that will ensure a stronger, more sustainable Third Sector.

As a sector, now is the time when we must come together and support each other. We need to learn from contemporaries in other charities; offer advice to fellow fundraisers through forums, webinars and seminars; support colleagues working remotely to maintain that team atmosphere and keep morale high - and most importantly, celebrate the wins! Despite the pandemic and the dire economic predictions, money continues to be raised in huge amounts across the UK. We must celebrate the inspirational acts of philanthropy we continue to see day by day and work hard to ensure that our sector comes out of the pandemic more resilient than ever.

Gifted Philanthropy Ltd

