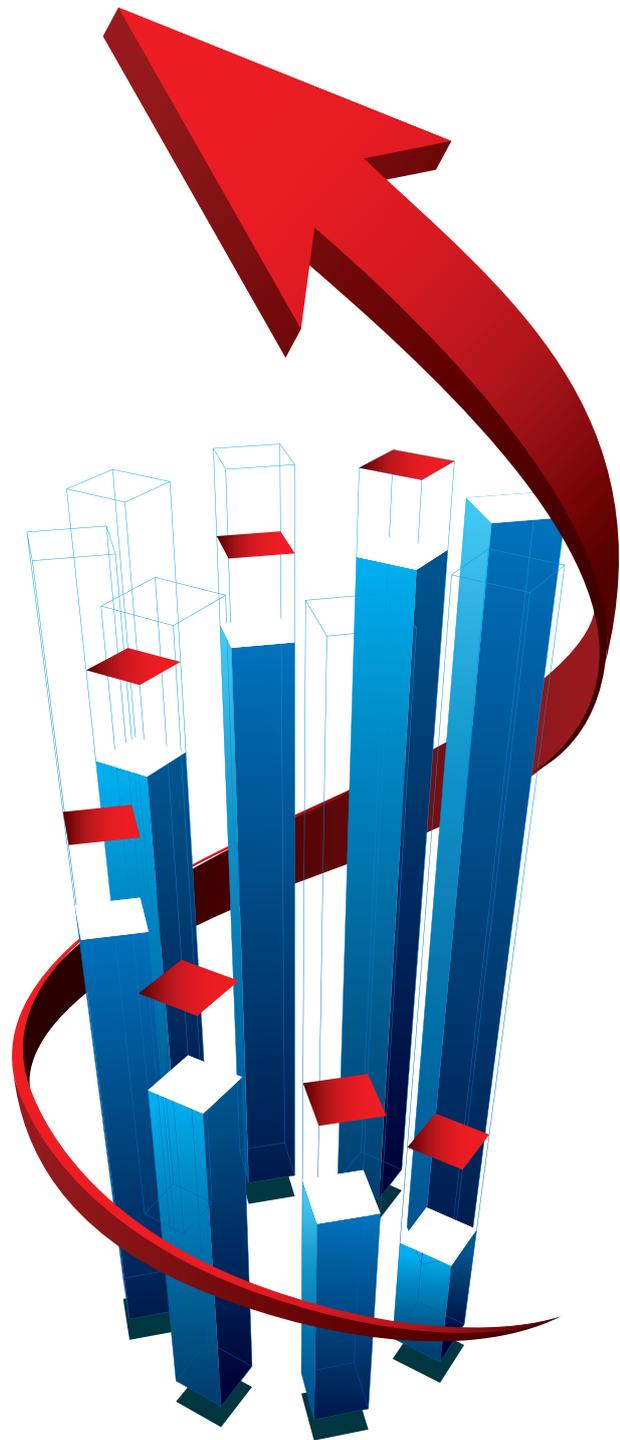


State of the Sector VI

Overview



A guide to *State of the Sector VI* estimates

A key aim of the State of the Sector series has been to ensure consistent reporting of data in order that these could be compared over the years. While each report is specific to a certain time frame, developments and trends in the voluntary and community sector can be traced through each of them and comparisons with previous reports can be made. State of the Sector VI is, however, a departure from the series to date and relies in the main on information obtained from source, rather than generated from a sample. As a result, some of the headline data reported in State of the Sector VI are not directly comparable with earlier reports. An overview of the main changes is outlined below.

Income from government

Identifying income from government to the voluntary and community sector has become easier over the years, particularly in the period accounted for in the current report. Accordingly information on income from central and local government, including Education and Library Boards, the Health Board and Trusts is now collected in a more systematic way and is more readily accessible to organisations outside government. As a consequence of this methodological change data was provided to the research team from source. This replaced the need to generate estimates derived from sets of accounts returned as part of the survey. Direct comparisons with previous reports should, therefore, be undertaken with caution.

Income from the general public

Income from the general public is based on data from the *Northern Ireland Giving Survey 2010*. The data presented are directly comparable to that reported in previous reports and, where appropriate, direct comparisons have been made with previous research into charitable giving in Northern Ireland.

Income from Europe

In *State of the Sector V* the figures presented accounted for income to the voluntary and community sector from a limited number of European programmes, namely Peace II and Interreg II A. This report takes a broader view and defines European income more broadly to include Peace III, Interreg IVA and the European Social Fund.

Income from Lottery

For this report there was no change in the way data on Lottery funding to the sector was generated ie the data was generated at source.

Income from voluntary sources

In previous reports this category included both funding from charitable organisations, including Trusts, and funding derived from the sale of goods and services within the voluntary and community sector. *State of the Sector VI* has limited the data to that derived from charitable organisations and Trusts. The figures are again generated at source from the funders.

	2011
Income	
Income from general public	£220 million
Income from government	£392.1 million
Income from Europe	£70.1 million
Income from Lottery	£31.1 million
Income from Trusts	£28.5 million
Total income	£741.9 million
Earned income	£430.3 million
Total expenditure	£719.6 million
Total assets	£863.8 million
Giving	
Average monthly donation	£25.35
Proportion giving to charity	83%
Workforce	
Total paid workforce	27,773
Employment status	
Full time	59.5%
Part time	40.5%
Gender	
Male	22%
Female	78%

Overview

There are approximately 4,836 voluntary and community sector organisations in Northern Ireland.

Income from all main sources in 2009-2010 is estimated to be £741.9 million.

The main source of funding income is from central government (34.2%), followed by the general public through charitable giving (29.7%), and a range of non-departmental public bodies and statutory agencies (17.4%).

Through analysis of the accounts, it appears that the general trend of earned income making up the majority of the sector's income is continuing, with an **estimated 58% of the sector's income coming from the sale of goods and the delivery of services.** The distribution of income throughout the sector has not changed significantly since 2008-2009.

Direct departmental expenditure in 2009-2010 in the voluntary and community sector accounted for approximately £254 million. Local government, non-departmental public bodies and statutory agencies within the health and education spheres continue to distribute a significant amount of resources to the voluntary and community sector, with a combined **total of around £138.2 million in 2009-2010.**

We also report that a total of **£220 million was made in donations to charities** in 2009-2010. The general public has remained extremely generous to the sector in their financial contribution, with **the average donation rising to £16.75 from £14.22** in *State of the Sector V*, despite

these being tough economic times. Only a small number of donors (14%) indicated that they had decreased the amounts they gave over the last year; 84% had either increased or maintained their level of giving.

In terms of addressing the question, 'who gives to charity?' **the most likely groups to give are females, people aged 39-49, those who are married or cohabiting, and individuals earning £250 plus per week.** With regard to the popularity of charitable causes **the top five most popular charitable causes are religious organisations, children and young people, medical research, health and disaster relief.**

Analysis of voluntary and community sector accounts suggests that the total **expenditure of the sector in 2009-2010 was in the region of £719.6 million**, 97% of the sector's total income. Through an analysis of the accounts, we can estimate that **the assets of the sector are £863.8 million**, with £475 million in fixed assets and £388.8 million in current assets. This overall figure compares with the figure of £735.5 million reported in *State of the Sector V*.

Over one quarter (27.6%) of respondent organisations are located in the Belfast City Council area, a figure which is identical to that returned in *State of the Sector V*. This is followed by the Derry City Council area (7%) and Craigavon Borough Council area (5%). Most voluntary and community organisations (80%) are based only in Northern Ireland, a figure very much in line with that reported in *State of the Sector V* (83%).

The voluntary and community sector cannot be treated as a single homogenous entity, but should be viewed as a sector of great diversity and difference that is nevertheless connected by some fundamental similarities. In relation to primary sub-sectors and beneficiaries the results from *State of the Sector VI* are consistent with those reported in *State of the Sector V*. **With regard to the major sub-sectors that form the overall voluntary and community sector in Northern Ireland, ‘community development’ (15%) and ‘children and families’ (14%) are very much to the fore**, consistent with the previous report. These are followed by projects operating within health and wellbeing (8%) and education and training (7%).

In terms of beneficiaries, the pattern established in *State of the Sector V* is again very much in evidence, with generally only minor variations. **Preschool (0-5 year olds) was the most commonly reported primary beneficiary group (11%)**.

There has been an increase in the number of staff employed in the voluntary and community sector in Northern Ireland. The sector now employs around 27,773 individuals (this represents 4% of the total Northern Ireland workforce) compared with 26,737 reported in 2008. However, this is still fewer than the 28,932 reported in *State of the Sector III* (NICVA, 2005). This finding clearly illustrates that the sector remains an important employer in Northern Ireland.

The predominance of females in the workforce continues to be a feature of the voluntary and community sector.

Seven out of ten employees are female (72%). This is significantly higher than the female composition in both the public sector (52%) and the private sector, where less than half of employees are female (46%). **A change in this trend can be seen with regard to the number of chief executives that are female.** *State of the Sector V* (NICVA, 2008) reported that almost two out of every three chief executives in the Northern Ireland voluntary and community sector are male. The 2010 *Salary Survey* (NICVA), however, reports that there is a gender balance with females now accounting for 48% of these positions.

Over 40% of the entire voluntary and community sector workforce is employed by organisations with an income of over £1 million. However, there has been an 8% decrease in the number of employees who work for organisations in this income band since 2008.

29.1% of organisations believe that the general health of their organisation will worsen over the next year. This is an increase of 10% since 2005 and is a clear indication that respondents believe that the next 12 months will be a very challenging time for their organisation. **9% of organisations anticipate employing more staff within the next year.** This is a significant decrease on the percentage of organisations that responded in 2005 (26.6%).

This research found that 63% of organisations anticipate working in collaboration with other organisations.

7% of organisations responded that they anticipate a merger between themselves and another organisation. As a result of the current economic environment, 17% of organisations anticipate reducing their services in the next 12 months. This is an increase of 11% since 2008.

Nearly 3% of respondents have indicated that they anticipate closing in the next 12 months.

This research was conducted at a time when the cut in public sector funding was only starting to be visible. The impact of cuts over the next three years will be significant, and the number of organisations that anticipate closing could increase dramatically. Economic barriers are considered to be the biggest obstacle for organisations in terms of achieving success (73%).

State of the Sector VI is the latest edition in the *State of the Sector* research programme. The previous *State of the Sector* reports have developed the only comprehensive picture of the scale and scope of the economic activities of the Northern Ireland voluntary and community sector. The publication of each *State of the Sector* report represents another step in the evolution of this type of statistical analysis and as such adds to the already broad and in depth knowledge of the sector, by examining many of the key issues currently affecting and shaping it.

State of the Sector VI provides high level statistics on the various types of resources available to the sector and the relationship between voluntary and community organisations, government, funders and the general public. *State of the Sector VI* is invaluable to all those who need an up-to-date and reliable source of statistics and commentary on the voluntary and community sector in Northern Ireland. People working in the sector – academics, decision-makers, social science students and journalists – will all find this publication useful.

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