

State of the Sector V

Facts & Overview



SOSV Facts

		2008	2005
Voluntary and community organisations		4,700	4,500
		2006/07	2003/04
Total income		£570.1 million	£614.5 million
Voluntary income		£263.0 million	£392.2 million
Earned income		£290.0 million	£123.1 million
Investment income		£17.1 million	£8.4 million
Income from general public		£180.1 million	£199.6 million
Income from government		£259.1 million	£215.9 million
Income from voluntary		£54.0 million	£60.4 million
Income from Europe		£10.6 million	£57.9 million
Income from Lottery		£29.0 million	£32.6 million
Income from other sources		£37.3 million	£47.7 million
Total expenditure		£544.4 million	£590.5 million
Expenditure on charitable activities		£467.6 million	£422.9 million
Expenditure on generating funds		£20.3 million	£10.7 million
Expenditure on staff costs		£280.4 million	£312.3 million
Total assets		£737.5 million	£755.8 million
Total liabilities		£214.7 million	£192.8 million
Net assets		£522.8 million	£563.0 million
Giving		2008	2005
Average monthly donation		£14.22	£12.76
Proportion giving to charity		83.8%	93.8%
Workforce		2008	2005
Total paid workforce		26,737	28,932
Employment status	Full-time	60.5%	63.6%
	Part-time	39.5%	36.4%
Gender	Male	25.3%	25.0%
	Female	74.7%	75.0%
		2008	2005
Volunteering		87,723	75,780

Overview

There are an estimated 4,700 voluntary and community sector organisations in Northern Ireland.

The trend of an overall decline in the income of the voluntary and community sector has continued in 2006/07. Since 2003/04 income has fallen by 7.2% which reflects a reduction in the amount of funding available across a number of sources. Income in 2006/07 is estimated to be £570.1 million. Across some sub-sectors the reduction in funding has been more keenly felt. The most dramatic reduction was in the case of Peace II funding which now makes up just 1.9% of the overall income of the sector. For instance, in 2003/04 the community development sub-sector was dependent upon 21.2% of its funding from Europe, this figure is now 3.1%.

For the first time earned income has made up more than half of all incoming resources. Income from the sale of goods and services accounted for 50.8% of total income, up by 16.0% since 2003/04 as a proportion of total income. However, among the various sub-sectors there are significant variations in the nature of funding organisations receive. For instance, those organisations in the disability sector receive 82.5% of their total funding in the form of earned income (the sale of goods and services). However, organisations in the community development sub-sector are still very dependent upon voluntary income (80.0% of all funding is in the form of grants).

Income generated from donations made by the general public has fallen as has the number of people choosing to make donations to voluntary and community organisations (excluding donations made in a place of worship). The general public remains extremely generous and on average donates £14.22 per month. However the overall trends would suggest that the sector will experience greater volatility in relation to this source of funding as the economic environment continues to worsen. This potential loss or depletion of support from the general public may be felt most acutely in the health and wellbeing sub-sector where there are a number of organisations that are almost completely dependent upon the support of the general public.

Voluntary and community organisations spent an estimated £544.4 million in 2006/07. This figure is 95.4% of total income for the voluntary and community sector in 2006/07. There has been little fluctuation over the years in the amount of money spent by organisations as a proportion of overall income. This evidence suggests there is very little spare capacity in the sector in terms of generating reserves. However the rise in income derived from earned income means there is greater flexibility for organisations to generate modest reserves.

The amount of money organisations spend on generating funds has increased since 2003/04. The costs associated with generating funds represent 3.7% of total expenditure (£20.2 million). This is an increase from 2003/04 when

£10.76 million (1.8% of total expenditure) was attributed to the cost of generating funds. This could be as a consequence of falling income which gives rise to increased competition for funding and may result in organisations putting more effort and money into applying for funding, promoting fundraising campaigns or developing tradable activities.

Assets held by voluntary and community organisations in 2006/07

totalled £737.5 million, a decrease of 2.4% since 2003/04. The level of debt (liabilities) held by the voluntary and community sector in 2006/07 was estimated to be £214.7 million, an increase of 11.3% since 2003/04.

The amount of cash (in a bank or in hand) held by voluntary and community organisations decreased

by 7.5% between 2003/04 and 2006/07. Such decreases in the sector's current asset base could affect future liquidity if the trend of a shrinking and more competitive funding environment coupled with rising levels of debt continues.

There has been a decrease in the number of staff employed in the voluntary and community sector in Northern Ireland.

The sector now employs an estimated 26,737 individuals (this represents 3.7% of the total Northern Ireland workforce) compared with 28,932 in 2005. This decrease could be attributed to the reduced levels of funding available to the sector (ie the reduction in Peace II funding).

Raising or handling money is the most common activity for 43.9% of the 87,723 volunteers to be involved with a voluntary and community organisation.

Significant numbers of volunteers are also involved in organising and running events (25.8%) and serving on committees or other governing bodies (19.7%). Working with young people is also a popular activity for volunteers to undertake with voluntary and community organisations.

19.4% of organisations believe that the general health of their organisation will worsen over the next year.

Surprisingly however 46.8% of respondents have plans to increase services and 46.3% expect to increase expenditure over the next 12 months.

39.1% of respondents stated that they believe that mergers between voluntary and community organisations will increase over the next year.

61.2% stated that they will collaborate more with other organisations over the next 12 months. Interestingly 74.3% of respondents indicated that they believe the level of competitiveness in the sector will increase over the next 12 months. This indicates that organisations hope to work closely with each other because they realise that with increased competition collaborative working is prudent and may help them survive in the long term.

State of the Sector V 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 V 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 V 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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