

THE IMPACT OF THE
COVID-19
CRISIS

**Member Survey
September 2020**

**the
wheel**

**Stronger Charities.
Stronger Communities.**

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INTRODUCTION

Between 28 July and 24 August 2020, The Wheel conducted a survey of its members to identify the current and anticipated impact of the COVID-19 crisis on charities and the community and voluntary sector in key areas such as income, fundraising, staffing and services.

The survey findings indicate that charities are facing serious uncertainty about the security of their incomes next year, and many are still dealing with the effects of a collapse in earned and fundraised income this year. The sector needs considerable investment from the Government to sustain the work of charities in 2021.

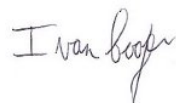
Half of the 118 organisations that took part in the survey have experienced increased demand for their supports and services, but their ability to meet even existing, let alone increased demand, has been reduced, with many organisations cutting hours for paid staff. Despite innovative efforts to pivot supports and services online, this will - if the situation continues into the future, - have a negative impact on the quantity and quality of supports, and the wellbeing of beneficiaries.

Many organisations are also reporting drastically reduced engagement with volunteers, and there is considerable worry about the ability of organisations to maintain engaged volunteer cohorts in the period ahead. This is primarily due to the fact that volunteers engage through the types of activities that have had to be curtailed to meet social distancing requirements.

This reduced level of volunteer engagement could translate into a long-term decline in volunteerism in Ireland – which in turn could have a very serious effect on the nature of Irish society itself – which is characterised by high levels of community volunteering and community engagement. Innovative thinking and funding are required now to ensure volunteers remain engaged.

The survey findings also indicate the central importance of the temporary Wage Subsidy Scheme (and its successor the Employment Wage Subsidy Scheme) to charities' ability to continue to provide services, and the importance of the emergency COVID-19 Stability Fund for Community and Voluntary, Charity and Social Enterprises. The continuation of these two initiatives will be vital in the period ahead, both of which (the COVID-19 Stability Fund for Community and Voluntary, Charity and Social Enterprises and the Wage Subsidy scheme) have significantly off-set the negative impact of the collapse of earned and fundraised income in the sector. Without these initiatives, the sector would have been decimated.

Hearteningly, the survey respondents also indicate that relationships between charities and their public sector funders have been very positive during the crisis, with over 80% of respondents indicating positive experiences. It should also be noted that most, if not all, public funders have committed to continue their support for the organisations they fund by facilitating the flexible service-adjustments required. We look forward to such flexibility to continue in the period ahead.



Ivan Cooper
Director of Public Policy

Methodology

- Online survey of members of The Wheel conducted between 28 July and 24 August 2020.
- Total respondents: 118

IMPACT ON INCOME

Income and Funding

- Almost half (48%) of charities anticipate an income/funding loss of up to 75%, and 12% anticipate an income/funding loss of up to 100% by the end of 2020.
- Almost three-quarters (74%) of respondents reported a severe impact on their organisation's income for the year to date.

The Wage Subsidy Scheme

- 79% of total respondents were eligible for the Wage Subsidy Scheme and 38% of eligible respondents had received funding through the Wage Subsidy Scheme at the time of this survey.
- 37% of eligible respondents had not applied for the Wage Subsidy Scheme.

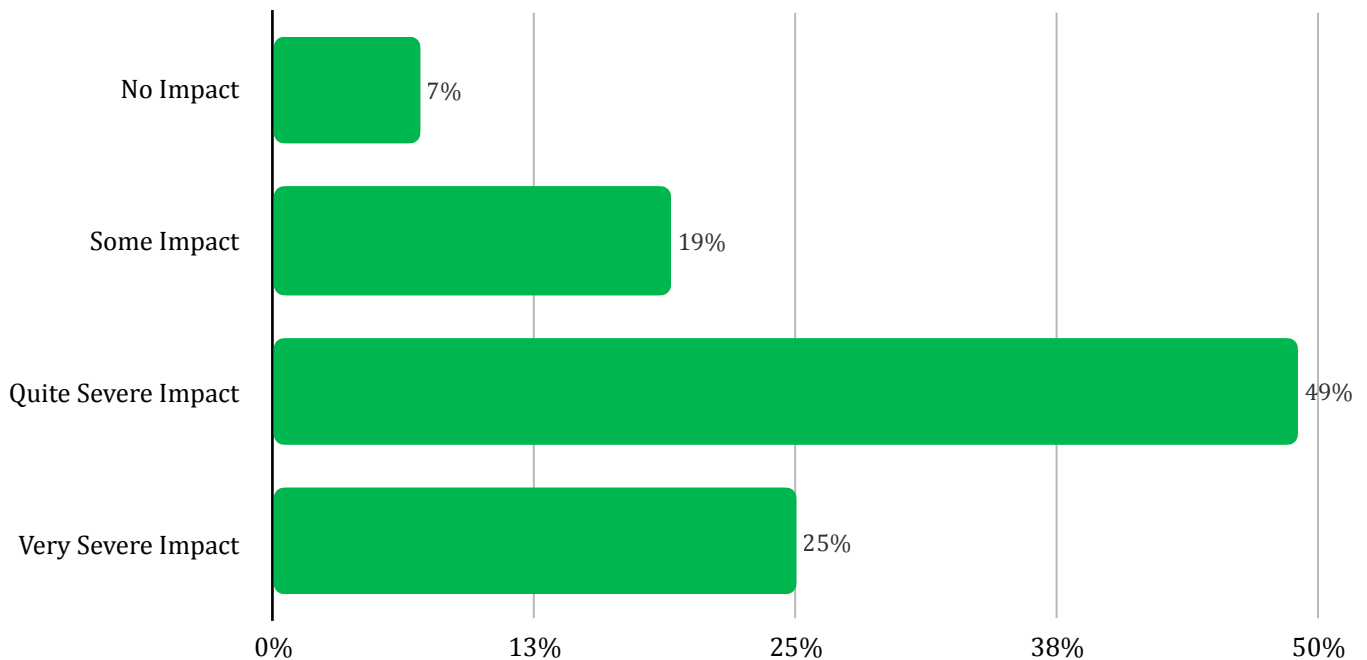
COVID-19 Stability Fund for Community and Voluntary, Charity and Social Enterprises

- 74% of all respondents were eligible for the fund.
- 15% of eligible respondents had received funding through the scheme by the time the survey concluded.

Relationship with Funders

- 52% of respondents reported a positive relationship with funders throughout the COVID-19 crisis.
- A majority of respondents report that statutory funders have shown flexibility (81%) and a willingness to continue funding (88%).

How would you rate the severity to-date, of the impact of COVID-19 restrictions on your organisation's income for 2020?



“Our traded income was lost. Our coffee shop had to change to take-away service only due to space issues.”

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IMPACT ON HUMAN RESOURCES



40%

of organisations with paid staff have reduced their staff's working hours

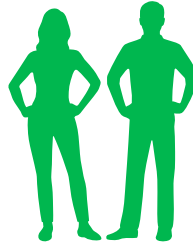


25%

of respondents say that all their staff are now working remotely

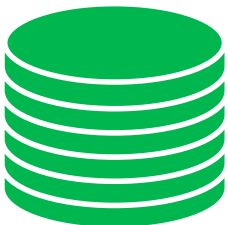
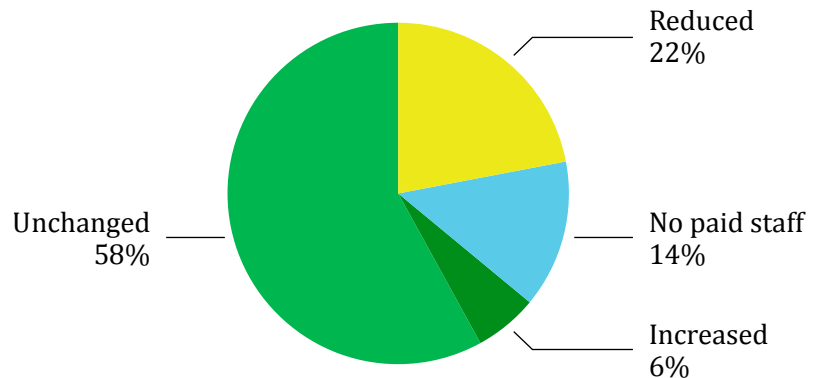
64%

reduction in volunteers as a result of COVID-19 restrictions



Just under a quarter of respondents have reduced their paid staff.

Paid Staff



38%

of eligible respondents received the Wage Subsidy Scheme



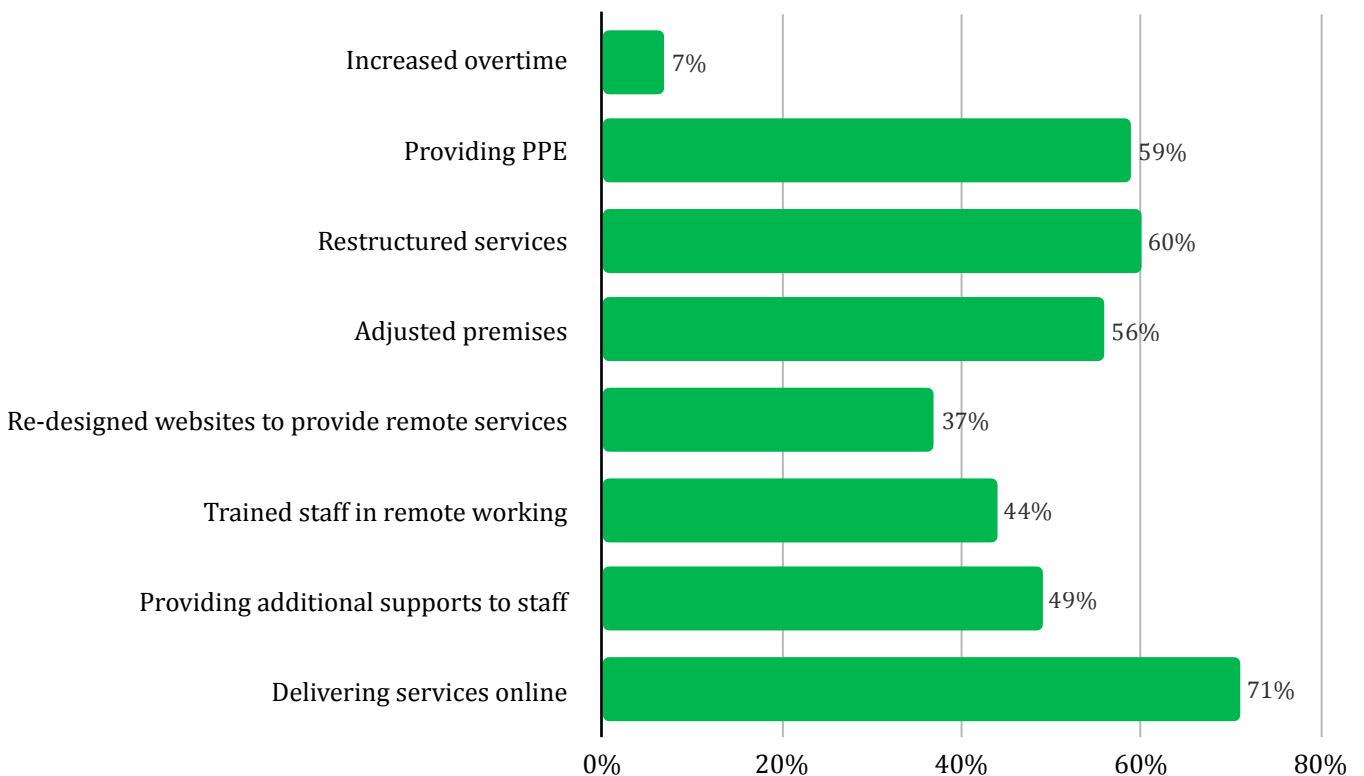
“Our main challenge is keeping staff in the community safe and ensuring [that] office-based staff social distance.”

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IMPACT ON SERVICES

- 82% of respondents were very concerned about whether they will have sufficient funds to provide their services in 2021.
- Half (50%) of respondents have experienced an increase in demand for their services.
- 65% of respondents report that COVID-19 restrictions have reduced their ability to deliver services.
- 43% of respondents have increased collaborative working, partnerships working and/or initiated mergers.

What changes if any, have you made to your service delivery as a result of COVID-19 restrictions?



"We are able to meet demand, but any further increase would place us under severe pressure..."

OVERVIEW OF FINDINGS

Fundraising/Earned Income and the Funding Schemes

Fundraised and earned income makes up a vital source of revenue for charities, community and voluntary organisations and social enterprises. In a sector that manages a turnover of €14.2bn per year, over half of this income (more than €8.3bn) is raised by the organisations themselves, significantly subsidising the cost of public services in Ireland.

This significant income stream was devastated by measures associated with controlling COVID-19. Almost half (48%) of charities anticipate an income/funding loss of up to 75% and 12% anticipate an income/funding loss of up to 100% in 2020.

Without additional funding support this would undoubtedly mean the closure of some essential services that provide supports to the most vulnerable in our communities. Based on their ability to fundraise in the current circumstances, 82% of respondents were very concerned about whether there would be sufficient funding to continue to provide services in 2021.

The Wage Subsidy Scheme announced at the end of March has played a very significant role in helping organisations in the community and voluntary sector to retain the majority of their staff. 79% of respondents were eligible for the Wage Subsidy Scheme and 38% of eligible respondents had received funding under the Wage Subsidy Scheme at the time of this survey. However, just over 30% of respondents did not apply to the Wage Subsidy Scheme for various reasons (including a conflict with their own statutory funding agreements or having no paid staff) and further research is needed to ensure that this vital support is available to all charities that need it.

The COVID-19 Stability Fund for Community and Voluntary, Charity and Social Enterprises (announced in May 2020 and having now benefited almost 500 charities with further disbursements expected soon) was a welcome recognition by the

Government of the urgent need for additional (non pay-related) funding supports to be made accessible to charities, community and voluntary organisations and social enterprises. 74% of total respondents were eligible for the fund and almost all of these had applied for support through the fund at the time of the survey, indicating its extreme significance and importance.

It should be noted however that this €35m short-term lifeline for charities cannot offset the COVID-19 related projected €445m gulf in earned/fundraised income projected for 2020 – and very significant additional government support for the work of charities will be required in 2021 (see our Budget Submission Recovery for Community for further information).

Staff Numbers, Volunteers, and Service Delivery Challenges

The extraordinary circumstances brought about by COVID-19 posed major organisational and operational challenges requiring services to adapt or reduce their activities significantly. Charities in earlier surveys reported concern that their organisation would be adversely affected by COVID-19 restrictions through cancellation of events, withdrawal of services, and temporary shutdowns of their organisation.

At the time of this survey, 50% of respondents had experienced an increase in demand for their services, while simultaneously 65% of respondents reported that COVID-19 restrictions have reduced their ability to deliver services. Additionally, 40% of organisations with paid staff had to reduce staff working hours.

Clearly, if 50% of charities are experiencing an increased demand for their services and 65% of charities have had to restrict their services, there is a significantly increased risk of negative impacts and unmet need in communities, which could lead to a further increase in demand for services in the long term into 2021

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It can be seen that the vast majority of organisations have dramatically adapted their services and transitioned to online service-provision to continue to meet existing and increased demand.

We asked our members about the challenges they faced and the adaptations they made in response to them. Respondents experienced challenges in adapting premises and physical spaces to comply with guidelines and in some cases had to abandon premises altogether; paying and retaining core staff; sourcing the additional technology needed to shift services to online and phone support; keeping residential services open in a safe and appropriate way; making necessary and planned property acquisitions for people in homelessness; providing services that cannot be replaced with distance initiatives, such as social supports, rehabilitation from addiction, residential services for vulnerable groups and transportation services.

Respondents have adapted services as follows to respond to the COVID-19 crisis:

Provision of PPE - 59%; Re-structuring of service - 60%; Adjustments to premises - 56%; Re-designing websites to provide remote services - 37%; Training staff in remote working - 44%; Providing additional supports to staff - 49%; Delivering services remotely - 71%; Introduction of telephone helpline supports - 30%

What can Government do to support the sector and those the sector serves?

In our survey, we asked respondents to provide detailed answers to the above question.

A medium sized organisation working in the area of social services expressed the need for Government to “Prioritise the needs of vulnerable groups and recognise and support the role that the community and voluntary sector play in providing and coordinating important responses to the needs of these groups in communities across the country. To also provide financial support to organisations with proven track records of impact and support of these groups - particularly during the pandemic. A recognition that the support is needed now more than ever and organisations have had to invest in changing their models to continue to meet client and participants needs in this ever-changing environment”.

The feedback and data provided by our members is captured succinctly in this response. It demonstrates the essential role of the sector not only throughout the COVID-19 crisis, but the ever more important role of building resilience in communities and supporting vulnerable individuals in their recovery from COVID-19.

CONCLUSIONS AND RECOMMENDATIONS

In The Wheel's pre-Budget 2021 submission: Recovery Through Community, we have advised the Government that the devastating impacts on fundraising and earned income for organisations has created a €445m funding gulf that casts a shadow of uncertainty over the future of the sector, despite the adaptability and resilience shown by so many organisations in their rapid response to the urgent needs, existing and new, of communities, posed by the COVID-19 pandemic.

In line with our goal of securing the future of charities, community and voluntary organisations and social enterprises (and the people and communities they serve), The Wheel has recommended to the Government that it provide adequate and sustainable funding for the sector including:

- Provision of €445m additional funding for the community and voluntary sector to compensate for the projected total COVID-related earned/fundraised income shortfall (un-recoupable through any other scheme or source)
- Introduction of multi-annual (three to five year) funding arrangements.

In conclusion, we now know that organisations are operating in an increasingly complex and challenging environment, where 50% report increased demand for their services while experiencing a 64% reduction in volunteers and 40% having to reduce staff working hours and 65% have had to reduce their services. The spike in demand coupled with restricted service levels and the dearth in earned income threatens hitherto resilient charities' ability to continue to provide essential services. If we have learned anything from the COVID-19 crisis, it is that Ireland has the capacity to put community and the health and well-being of its people first.

39% of our members reported increased collaboration with peer organisations and with the state and 80% reported a positive experience with funders. We must build on the flexibility, partnership and the community-centred approach we saw in the early stages of the crisis to ensure a resilient future.



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Stronger Communities.**

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