**THIRD SECTOR TRENDS PRESS RELEASE**

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**Third Sector Trends 2022 first report: structure, purpose, energy and impact of the voluntary, community and social enterprise sector in England and Wales**

**Third Sector Trends** has been running since 2008. The study has been surveying the sector every three years since 2010 and as such is the largest survey of the voluntary, community and social enterprise sector in England and Wales.

In 2022, 6,071 responses were received across England and Wales (an average of ~600 responses in each region). Designed to complement NCVOs *UK Civil Society Almanac*, it is the only fully representative longitudinal survey which can produce robust and detailed comparative analysis at a regional and national level.

This is the first of five reports from Third Sector Trends 2022.

**Key findings:**

* There are about 200,000 registered voluntary and community organisations and social enterprises in England and Wales (including registered charities, cooperatives, community benefit societies, community interest companies, community amateur sport clubs and other non-profit making registered societies and businesses).
* Micro and small organisations (with income below £50,000) constitute 63 per cent of all registered organisations but only receive 0.6 per cent of sector income. The biggest organisations (income £1million to £25million) receive 72 per cent of sector income but comprise just 5 per cent of organisations in the sector.
* The sector employs about 1.1 million people, or 3 per cent of national employment. Employees provide about 80 per cent of sector energy while regular volunteers deliver about 20 per cent of sector energy.
* There are major disparities in sector distribution regionally. For example in South West England, there are 4.2 organisations per 1,000 population compared with 2.7 in North East England. In the most affluent areas the proportion of small and micro organisations is much higher than in the poorest areas.
* There are about 4.3 million regular volunteers working for VCSE organisations who deliver 312 million hours of work annually. If this work had to be paid for, it would equal £2.9bn (if valued at the level of the national living wage) or £4.9bn if valued at 80 per cent of average wages).
* The purpose and impact of the sector is hard to pin down because boundaries between different beneficiaries are blurred. Using broader clusters of activity, the report shows that:
  + 30 per cent of organisations say that they have a strong impact on improving personal health (including disabilities, physical and mental health), 33 per cent on social wellbeing (e.g. tackling social isolation).
  + 34 per cent of organisations say that they have a strong impact on community wellbeing, but only 20 per cent of organisations have a strong impact on financial security (such as poverty, homelessness and unemployment).

Many organisations cover more than one area of impact. For example, 22 per cent cover both personal health and social wellbeing. 8 per cent of organisations say they have an impact in all four areas of activity.

* The financial value of some sector activity can be measured – but much of the value of the sector’s work is ‘intangible’. But it is possible to give values to both types of impact. The value of the ‘energy’ the sector injects into society equals about £54 billion each year (that is the value of the time people put in to make things happen) – but the value added equals £191 billion or 3.2 times the injected energy.

Reflecting on the figures, Rob Williamson Chief Executive of the Community Foundation said:

***“This first report clearly shows the importance of the voluntary, community and social enterprise sector in terms of size and employment in England and Wales. We already know the sector is the glue that holds society together by providing help and support to many in need but at a basic level it employs and pays tens of thousands of people and puts millions into local economies. Without it we would be poorer in so many ways.”***

***“The vital role the sector plays is why we at the Community Foundation have set up a cost-of-living fund to support organisations which may be struggling with the double whammy of increasing demand and increasing costs.”***

Sarah Glendinning, North East England Regional Director of the CBI said:

**“Where both the private and voluntary sectors come together, both sides stand to benefit in spades. This report shows the huge value of the voluntary sector to the North East and the vital role it plays at the heart of local communities. Ultimately the deeper and more committed the partnership between businesses and the social sector, the greater the benefits for the region.”**

Rhiannon Bearne, Director of Policy and Representation, North East England Chamber of Commerce said:

**“Once again this important study shows how and why economic and social impact go hand-in-hand. In the North East charities don’t just offer vital services and support for our communities: they contribute a massive £1.6bn in value, creating good jobs and helping create a strong economy. With a difficult winter ahead of us all the Community Foundation Tyne & Wear and Northumberland’s new cost of living fund will make a real difference to this vital part of our region’s economy.”**

The report’s author, Professor Tony Chapman, St Chad’s College, Durham University said:

***“Where the added value generated by the voluntary sector ‘lands’ is hard to predict. This is because the impact of charities’ work isn’t always immediate. A real strength of the sector is its ability to accumulate energy and value which is produced collectively by many charities.***

***Keeping things ticking over in civil society often nips problems in the bud before they become critical needs. Without that support, individual needs are undermined and the strength of community ties can fray. And in times of local or national crisis, such as in the Coronavirus pandemic or the current cost-of-living challenge, the latent power of the sector can be released to tackle problems quickly and vigorously.”***

The full report can be downloaded here: [Third-Sector-Trends-in-England-and-Wales-2022-structure-purpose-energy-and-impact-November-2022-2.pdf (stchads.ac.uk)](https://www.stchads.ac.uk/wp-content/uploads/2022/11/Third-Sector-Trends-in-England-and-Wales-2022-structure-purpose-energy-and-impact-November-2022-2.pdf)

**NOTES TO EDITORS**

Third Sector Trends was established in 2008 and is the largest and longest running empirical study of the sector in the UK.

The analysis is underpinned by a dataset of 187,000 organisations drawn from the full range of registers of non-profit organisations so that survey evidence can be scaled-up reliably to produce credible and convincing findings on sector activities. It is designed to complement rather than replicate findings from the **NCVO UK Civil Society Almanac** and **360 Giving**.

In 2022, its survey which closed on 1st October received a nationally representative sample of over 6,000 responses from across England and Wales. The survey runs every three years.

Analysis of the findings from the major survey will be released in phases over the next nine months on separate topics including:

* Third Sector structure, purpose, energy and impact,
* People in the Third Sector (December 2022),
* Third Sector income and assets (January 2023),
* Third Sector inter-relationships (February 2023),
* The contribution of the Third Sector to localities (May 2023),

The project is funded in 2022 by ***Community Foundation Tyne & Wear and Northumberland, Power to Change, Barrow Cadbury Trust*** and ***Millfield House Foundation***.

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