

# **Third Sector Trends in England and Wales 2025**

People, work, ambition and impact



Community  
Foundation  
North East

**December 2025**

### About the author

Tony Chapman is Director of Policy&Practice, St Chad's College, and Honorary Professor of Social Policy in the Department of Sociology, Durham University.

The contents of the report express the views of the author and do not necessarily reflect the views or policies of the commissioning partners.

### Third Sector Trends Study

Data in this report are drawn from the Third Sector Trends study which was conceived and originally commissioned by Northern Rock Foundation with research conducted by the universities of Southampton, Teesside and Durham. The Community Foundation North East was a co-founder of the research and is now responsible for its legacy.

The Community Foundation and St Chad's College have worked with partners: Lloyds Bank Foundation England and Wales, Wales Council for Voluntary Action (WCVA) and Millfield House Foundation to undertake the Third Sector Trends study survey in 2025-26

More information about Third Sector Trends can be found here:

[Third Sector Trends in England and Wales - St Chad's College Durham](https://www.stchads.ac.uk/research/third-sector-trends-in-england-and-wales/publications-from-third-sector-trends/)

All publications from the Third Sector Trends study are available free to download at this address:

<https://www.stchads.ac.uk/research/third-sector-trends-in-england-and-wales/publications-from-third-sector-trends/>

Current and previous reports are also lodged on the Community Foundation North East website:

<https://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/>



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# Contents

<b>Acknowledgements</b>	<b>4</b>
<b>Key findings</b>	<b>5</b>
<b>Section 1 Introduction</b>	<b>11</b>
1.1 Context	
1.2 Structure of the report	
1.3 Research methods and survey sample	
<b>Section 2 The third sector labour force</b>	<b>14</b>
2.1 Employee and volunteer workforce estimates	
2.2 Reliance on regular volunteers	
2.3 Labour market dynamics	
2.4 Workforce retention and recruitment	
2.5 Summary	
<b>Section 3 Investing in people</b>	<b>32</b>
3.1 Training and development priorities	
3.2 Investment in training, wellbeing and personal development	
3.3 Support for organisational development	
3.4 Summary	
<b>Section 4 Leadership</b>	<b>45</b>
4.1 Leaders' expectations	
4.2 How do leaders feel about their responsibilities?	
4.3 Diversity in sector leadership	
4.4 Perceptions about opportunities and challenges	
4.5 Summary	
<b>Section 5 Third sector impact</b>	<b>69</b>
5.1 Perceptions of impact	
5.2 How to value sector impact	
5.3 How can sector value be assessed?	
5.4 Summary	
<b>Section 6 Reflections on findings and next steps</b>	<b>79</b>
6.1 Reflections on findings	
6.2 Next steps	

## Acknowledgements

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Help to get people to respond to the survey has come from many local third sector infrastructure organisations and community foundations across the country by sending invitations to their lists of members or grantees, putting stories in their newsletters or promoting the study via social media. My thanks go to them for helping build the sample.

In the development of new themes and questions for the survey in 2025, I would particularly like to thank Mark Pierce (formerly Community Foundation North East), Suzanne Perry (formerly Lloyds Bank Foundation England and Wales), Cullagh Warnock (Millfield House Foundation), Natalie Zhivkova (WCVA) and Jo Curry (Sir James Knott Trust). In addition to their support in developing project themes, Mark Freeman (Cambridge CVS) and Matt Roche (The Mercers' Company) helped to frame the interpretation of findings in this report.

I am enormously grateful to the organisations which have contributed to the cost of undertaking the study in 2025: *Community Foundation North East, Lloyds Bank Foundation England and Wales, Wales Council for Voluntary Action and Millfield House Foundation.*

This is a long running study and it continues to benefit from the support of my colleagues Rob Williamson, Hannah Mackay-Christie, Adam Lopardo and Alastair Walker at Community Foundation North East. Their enthusiasm, advice and assistance is invaluable and much appreciated.

## Key findings

### ***Third sector work force***

The third sector in England and Wales employs about 1.15 million people, constituting an average of 3.1% of employment. It is estimated that this represents a small increase of around 25,000 full-time equivalent employees nationally since 2022. The full cost of employees to voluntary organisations is estimated at £43.7bn which represents around 67% of total organisational expenditure.

Third Sector Trends estimates the number of 'regular' volunteers upon whom TSOs can rely to provide practical hands-on support to achieve social impact. In England and Wales, regular volunteers number around 4.3 million people who contribute 308 million hours of work valued at between £3.8bn (at National Minimum Wage) and £5.6bn (at 80% median wage) in 2025.

Many TSOs have seen regular volunteer numbers increase over the last two years, but 38% report that they have yet to recover volunteer numbers to pre-pandemic levels. This strongly suggests a substantive decline in numbers of regular volunteers from 4.7m to 4.3m in England and Wales since 2022. That represents a fall of around 22,500 full-time equivalent regular volunteers.

### ***Reliance on regular volunteers***

Third Sector Trends only assesses 'regular volunteering' because voluntary organisations need to plan and practice their work with a clear idea about the people resources they can reliably draw upon.

- 85% of organisations 'agree' or 'strongly agree' that they rely mainly on volunteers who can commit time on a regular basis.
- Reliance on regular volunteers is conditional upon their ability to get on with their work without supervision in 79% of TSOs.
- 88% of organisations agree that they could not keep going without their regular volunteers.
- 67% of voluntary organisations state that many of their volunteers are/have been service users and beneficiaries.

Most of the people energy in larger TSOs comes from employees. Smaller voluntary organisations are much more reliant on regular volunteers: 96% of micro organisations state that they could not keep going without volunteers compared with just 55% of the biggest organisations.

### ***Labour market dynamics***

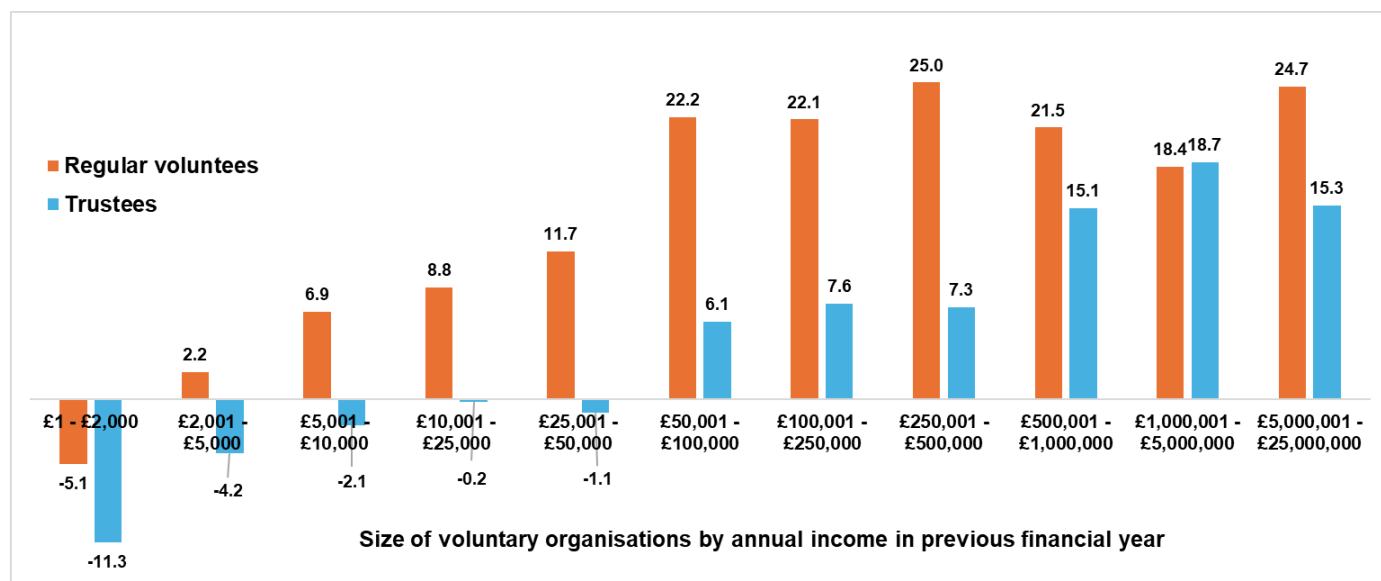
Beneath the headline that the number of employees in the third sector has risen, there is much complexity. In 2025, 26% of third sector employers reported an increase in full-time staff while 18% stated that numbers had fallen. Smaller employers have been more vulnerable to declining full-time staff numbers.

For regular volunteers, the situation remains challenging with 38% of TSOs not yet having recovered to pre-pandemic levels. Middling-sized and newer organisations have recovered best. Many TSOs in the poorest areas (45%) have struggled to recover to pre pandemic levels of volunteers compared with 35% in the most affluent areas.

The situation for trustees is most acute in smaller organisations where more TSOs have been losing trustees than those which have gained them. Given that a majority

of TSOs (64%) have income below £50,000 this *strongly* suggests substantive overall decline in trustee numbers.

Figure 1 **Net change in regular volunteers and trustees over the last two years by size of voluntary organisation** (Third Sector Trends in England and Wales 2025, percentage TSOs with 'rising numbers' minus 'falling numbers', regular volunteers n=7,455, trustees n=8,366)



## Investing in organisational effectiveness

Ensuring that people are highly motivated and properly equipped with the skills needed to do front-line work is generally thought to be an important aspect of organisational effectiveness.

It may be a matter for concern that only 28% of TSOs state that trustee development and training is a high priority. Investing in staff training of employees has declined since 2020 from 67% to 61% of TSOs whereas for regular volunteers it has fallen from 36% to 33%. Training budgets for staff are held by 93% of the biggest TSO employers compared with 23% of the smallest.

Leadership and management skills are important too – especially in fields such as people management, business planning and improving managers' and trustees' skills so that they make effective operational decisions. The reality is that TSOs prioritise income generation support above all these other aspects of organisational development. That may cause many TSOs problems further down the line because badly made decisions about money can be damaging reputationally and in operational terms.

## Where do voluntary organisations go to access support?

Organisational development is often tackled in house, but many organisations go to outside providers to help them.

- **Employment issues:** 43% of TSOs tackle employment issues in-house but a majority seek external support. The most popular source is via local private-sector providers (25%) while (19%) go to local third sector infrastructure organisations (LIOs).
- **Volunteering issues:** a majority of voluntary organisations deal with these issues in house (63%), some go out externally for support from LIOs (21%) or local trusts and community foundations (10%).

- **Governance and leadership issues:** about half of voluntary organisations deal with such issues in-house (54%) while many go to local LIOs (20%) or local trusts and community foundations (12%).
- **Income generation issues:** are predominantly dealt with internally (66%), but 17% of TSOs go to local trusts and community foundations as first port of call, followed by LIOs (9%).
- **Financial management issues:** around 18% of voluntary organisations go to professional firms (such as lawyers, investment managers or accountants) for help, but most deal with these issues internally 65%.
- **Local social and public policy issues:** are tackled in-house by nearly a half of TSOs but some go to LIOs (22%) or directly to local public sector organisations (17%).

## Sector optimism

The third sector is full of highly committed and ambitious leaders who want to make a positive difference. Inevitably, this produces competition over finite resources. In such a situation, there are bound to be winners and losers, but most leaders remain optimistic that their current resource levels will remain stable or increase.

- Almost 30% of leaders expect that their **income** will increase over the next two years while 55% think it will remain the same; only 16% believe it will fall.
- A quarter of TSOs think that **support from the private sector** will increase and 60% feel that it will remain similar; only 15% think that support will decline.
- **Grants from charitable trusts and foundations**, 27% of TSOs believe grants will increase and 52% think they will remain about the same: only one fifth of leaders think that grants will decrease.
- Optimism about **funding from statutory agencies** is much lower. Only 17% of TSOs think that statutory support will increase while half think it will remain the same. A third expect that statutory support will decline.
- **Volunteer support**, perhaps surprisingly, given the findings presented in this report, is also considered in an optimistic light: 27% of TSOs think support will increase and 60% think it will remain the same. Fewer than 15% of voluntary organisation expect that volunteer support will decline.
- **Partnership working** is also a subject of optimism, with nearly 30% of organisational leaders believing that it will increase and just 5% thinking it will diminish.

## How do leaders feel about their responsibilities?

The apparently unshakable optimism of many voluntary organisations' leaders is heartening, given the operational difficulties they can face in an uncertain and fast-paced political, economic and social operating environment.

- **Working collaboratively with other voluntary organisations:** 80% of respondents were involved in partnership working at some level. Very few felt worried about collaborations they were currently involved with. On the contrary, 11% felt excited about that prospect and 35% were quite excited.
- **Putting ourselves forward for awards to show how well we're doing:** while 54% of TSOs state that is not something they are interested in; amongst those organisations which are interested - 38% find this a more exciting prospect than a worrying one (7%).
- **Bidding for funding to do something brand new:** 75% of TSOs were actively involved in trying to get funding to do something new, amongst whom 41% of leaders were excited, while 25% were worried – only 32% were unconcerned.



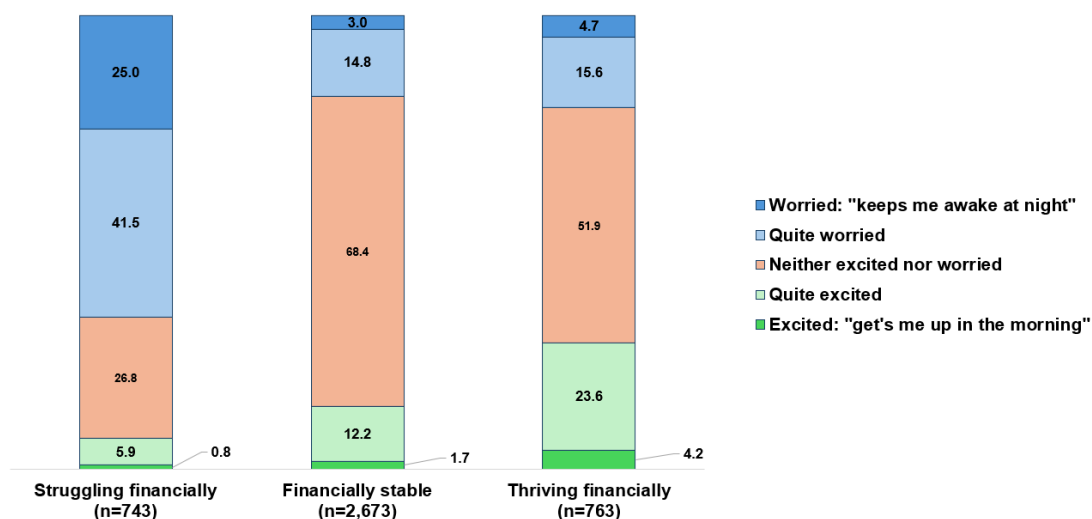
- **Campaigning to get the general public to see things our way:** nearly two thirds (63%) of leaders were currently involved in campaign work to persuade the general public to see things their way. Some were very excited about this (11%) while another a third of leaders engaged in campaigning were quite excited (32%). Worries about campaigning were affecting about 15% of leaders –3% were worried enough to be losing sleep about it.

Some operational aspects of running voluntary organisations worry many leaders.

- **Managing difficult interpersonal relationships (i.e. with volunteers, trustees, staff):** only 4% of organisational leaders stated that this issue was of no relevance to them. 18% of leaders were worried about such issues (and 5% were losing sleep). About 7% were quite excited about getting interpersonal relationship problems sorted out.
- **Managing with the financial resources we have to hand:** only 8% of TSOs were acutely concerned (“keeps me awake at night”) while another 24% were quite worried. That 15% of respondents were quite or very excited about managing with financial resources they have to hand (and that 53% were neither worried nor excited) is encouraging.

The extent to which leaders worry about working within their current budget is shaped by their organisations’ current financial position (Figure 2). Two thirds (67%) of leaders in TSOs which are struggling financially worry about managing within their current budget while 25% are losing sleep over the issue. In financially thriving organisations, only 20% of leaders are worried while 28% are quite or very excited about dealing with current levels of finance.

Figure 2 **Percentage of leaders who are worried or excited about working within their current budget depending upon their current financial position** (Third Sector Trends in England and Wales 2025)



## Diversity in sector leadership

In recent years, concerns have been expressed about equal access to leadership opportunities in the third sector for all members of the community who feel that they have a contribution to make. Debate was initially hampered by a lack of reliable data on diversity and inclusion in third sector leadership. In 2019 Third Sector Trends introduced new questions to provide baseline data which has been tracked since (see Figures 3(a) and (b)).

- A majority of TSOs are led by graduate chairs and CEOs (~67-70%) and this has changed little over the last six years.
- The percentage of women chairs has remained similar (~42-45%), but the proportion of women chief officers has increased from 55% in 2019 to 67% in 2025.



- The percentage of chairs with disabilities was higher before the pandemic (18%) but has since declined steadily to 7% in 2025. Chief officers with disabilities declined from 12% pre-pandemic to 8% in 2022; their numbers have since recovered slightly to 9%.
- The percentage of minority ethnic chairs continues to decline, from 10% in 2019 to 7% in 2025. The situation for chief officers is more promising, with an increase from 7% in 2019 to 10% in 2025.
- Retired chairs remain in the majority, but their proportion has fallen steadily from 64% in 2019 to 57% in 2025.

Figure 3(a) **Biographical and personal characteristics of board chairs 2019-2025**  
(Third Sector Trends in England and Wales 2025, 2019 refers to North of England only  
n=4,083, 2019 n=5,693, 2025, n=8,457)

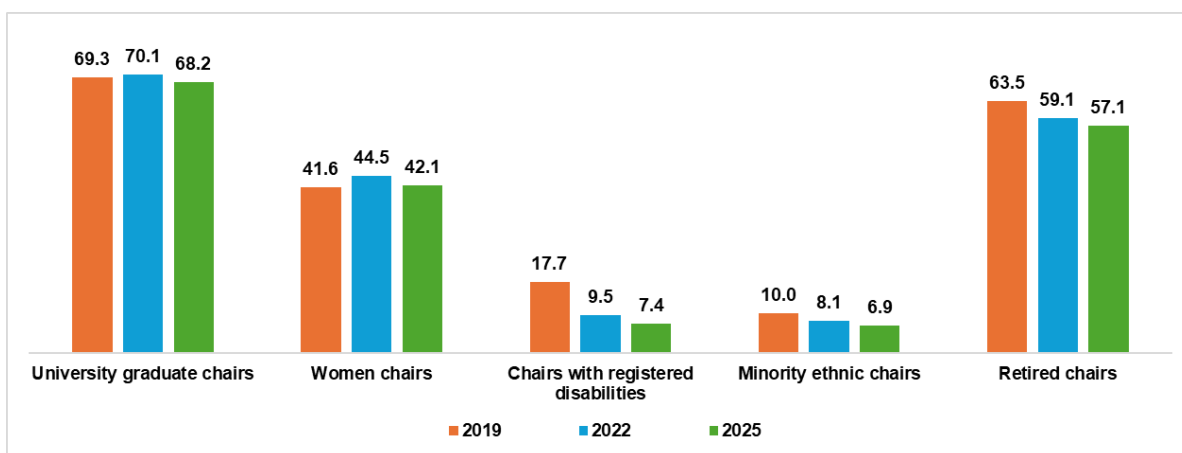
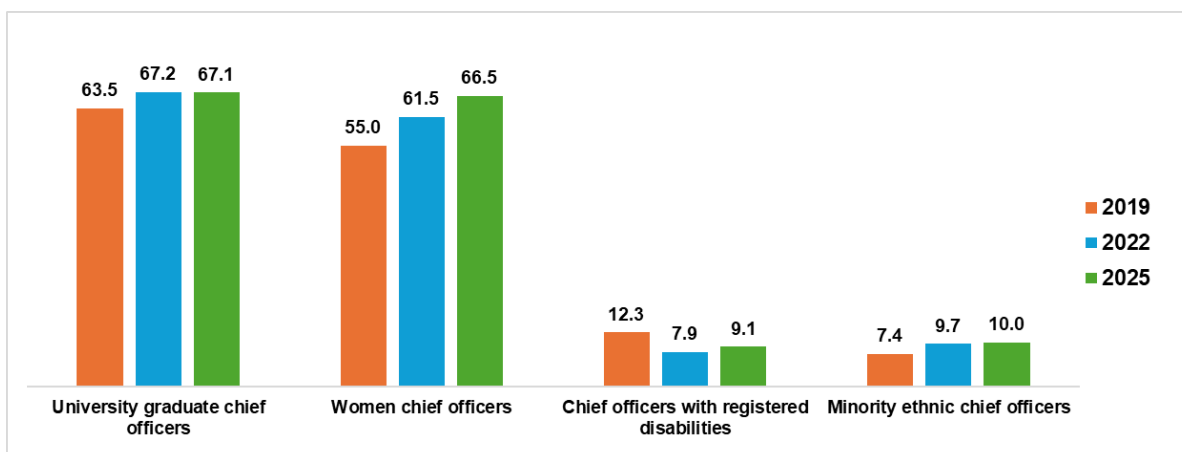


Figure 3(b) **Biographical and personal characteristics of chief officers 2019-2025**  
(Third Sector Trends in England and Wales 2025, 2019 refers to North of England only  
n=4,083, 2019 n=5,693, 2025, n=8,457)



## Sector impact

This report has focused on the people energy the third sector has at its disposal for individual TSOs to achieve social impact. This a complex problem (Figure 4) as there are many ways of considering the value of the third sector's work – some of which is more amenable to 'measurement' (such as *economic value* and *fiscal value*, while others necessarily rely on informed judgement – including *social value*, *community value* and *existence value*).

Using this approach, Third Sector Trends has made assessments of sector value using a standardised statistical model which produced a series of estimates (see Figure 5).

Figure 4 Realms of measurement and judgement

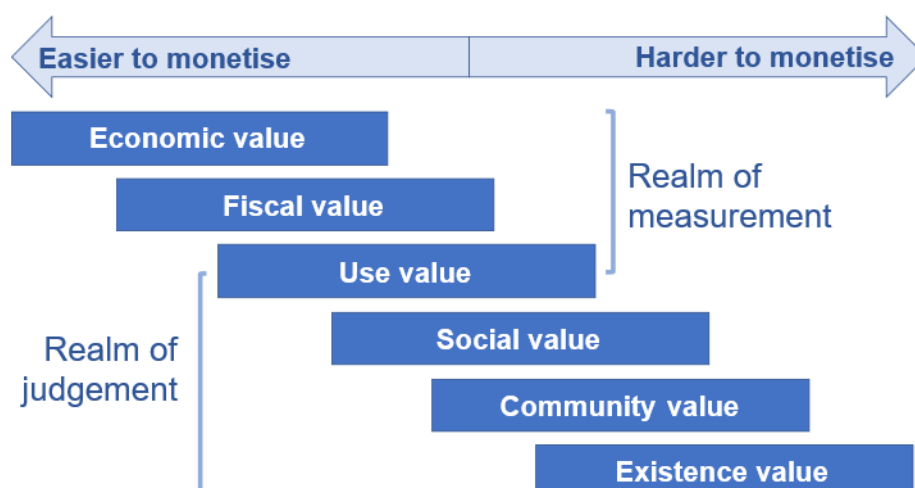


Figure 5 Estimates of total value produced by the third sector 2025

	Actual financial value of the third sector (£millions)	Added economic, fiscal and use value (£millions)	Added intangible social, community and existence value (£millions)	Total value (£millions)	Value per 1,000 regional population (£millions)
North East England	2,162	3,351	2,162	7,675	2.83
North West England	6,251	9,688	6,251	22,190	2.92
Yorkshire and Humber	4,261	6,605	4,261	15,126	2.70
East Midlands of England	3,321	5,147	3,321	11,789	1.94
West Midlands of England	5,040	7,812	5,040	17,891	3.58
East of England	5,527	8,566	5,527	19,619	3.03
London <sup>1</sup>	21,203	32,864	21,203	75,269	8.41
South East England	10,493	16,264	10,493	37,249	3.93
South West England	6,043	9,366	6,043	21,451	3.63
Wales	2,569	3,982	2,569	9,120	2.88
<b>England and Wales</b>	<b>66,867</b>	<b>103,644</b>	<b>66,870</b>	<b>237,379</b>	<b>3.90</b>

<sup>1</sup> The situation in London clearly requires further clarification to assess the extent to which value is distributed across English regions and Wales. In 2025, only 11% of organisations based in Wales and English regions (excluding London) worked at national or international level, compared with 35% of TSOs based in London. In London, only 39% per cent of organisations limited their work to their local borough, compared with an average of 68% of organisations in Wales and English Regions (n=8,663). Taking the analysis forward is difficult as response rates in London (2.8%) were barely half of that in all other English regions and Wales. Total responses in London amounted to 774, which is useful for many purposes, but are too few to undertake more complex analysis on the spatial range of TSOs' work with confidence.

# Section 1

## Introduction

### 1.1 Context

The third sector is a force to be reckoned with in England and Wales as it commands enormous resources of people energy to deploy. With the equivalent of about 1.3m full-time staff and regular volunteers at their disposal, voluntary organisations attend to a wide range of social, economic and environmental issues.

That does not mean the third sector is a single-minded entity, which is logically structured and systematically directed to achieve shared goals. On the contrary, it is pluralistic in structure and particularistic in its objectives – serving the needs of people or places according to the passions of those who lead and work within each and every voluntary organisation.

This report provides clear indications of the scale of impact that the third sector delivers through its work and makes plausible estimates on the value of that work. And because this is a longitudinal study, running back to 2010, it demonstrates how the third sector has sustained productive energy over the years.

That has not always been an easy task. In the lifetime of this research project, third sector leaders have had to deal with uncertainties that have come their way which were completely beyond their control. That series of challenges ranged from the 2008 global economic crash, almost a decade of government austerity policies, Brexit, the Coronavirus pandemic and now a ‘cost of living crisis’.

Often, the sector press carries news stories from doom-laden commentators or gloomy research report findings prophesising the imminent demise of the third sector. And yet, unenviable though their tasks may have been at times, this report will show that a majority of voluntary organisations are still led by people who are remarkably ambitious and optimistic.

Levels of confidence and vitality amongst leaders varies because they get excited and worried about different issues – depending upon the kinds of organisations they run or where they are located. The characteristics of leaders themselves is varied and continually changing. So this report looks at that issue too – and asks whether experiences of leadership vary depending upon spatial and organisational factors – and according to the biographical and personal characteristics of leaders.

Challenging though leadership can be, its experience is not shown to be one of relentless drudgery, fear or crisis management. Instead, this research report shows that leaders have the energy and ambition to tackle issues that are important to their organisations.

That is not to say that everything in the garden is lovely. Since the pandemic, many voluntary organisations have continued to face difficulties in holding on to or recruiting new employees in challenging labour market conditions. Support from regular volunteers during the pandemic declined and the evidence presented here shows that while there has been a measure of recovery – nearly two fifths (38%) of voluntary organisations have yet to get back to the levels of regular volunteer support they once enjoyed.

The clinical tone adopted to report findings about the overall wellbeing of the third sector, may jar with readers whose voluntary organisations are currently facing serious difficulties. But reports *must* adopt such a tone so as to alert those who work

with or invest in the third sector can reach a clearer understanding of why some are struggling while others are thriving.

While life in the third sector can be challenging and sometimes the pressure feels relentless, that does not mean that the people who lead organisations lose their verve. The confidence and ambition of most organisational leaders remains high. This is a vital story to tell if the third sector is to renew itself by continually bringing in new people to lend it support, to work, to regularly volunteer and lead.

## 1.2 Structure of the report

The report has four sections which present substantive findings from analysis of the Third Sector Trends survey which ran across England and Wales in 2025. Those findings are presented using interpretation based on previous rounds of the survey and from qualitative research and analysis which has run in parallel since the study began.

- Analysis begins with the presentation of estimates on the people energy of the third sector in England and Wales to include the number of employees and regular volunteers. The labour market is a dynamic entity and is subject to continual and often unpredictable change. This section looks at the extent of change in the employee, volunteer and trustee labour force since the study was last run in 2022 with a special focus on problems associated with retention and recruitment.
- To achieve its objectives, people in the third sector need to be fully prepared to carry out their duties. This section looks at how voluntary organisations invest in their people through training and support. Some of that support is delivered in house, but many TSOs look to other agencies to help them in developmental terms as this analysis will show.
- Effective leadership in the third sector is vital if organisations are to achieve their objectives. This section looks at the composition of sector leadership by tracking change in biographical and personal characteristics. The analysis also takes a new direction from previous rounds of the study by looking at the 'experience' of leadership to find out what gets people excited or worried before examining their ambitions and optimism.
- It is people in the third sector who achieve impact. This section makes estimates on the extent of impact and added value the third sector produces in England and Wales. These estimates are built upon a series of definitions of what constitutes value and how that can be assigned to aspects of the third sector's activities.

The final section presents some reflections on the key findings from the report and outlines next steps as the analysis proceeds to explore sector finance, assets and wellbeing in the next Third Sector Trends report.

## 1.3 Research methods and survey sample

Third Sector Trends was initiated in 2008 by *Northern Rock Foundation* in North East England and Cumbria as a longitudinal study to explore the structure and dynamics of the sector in the context of change. Surveys began in North East England and Cumbria in 2010. The field of study has widened to include Yorkshire and Humber in 2013, the remainder of North West England in 2016 and across England and Wales from 2019. There have been six iterations of the triennial survey.

In 2025, the survey was administered using *Online Surveys*<sup>2</sup> between June and September. A total of 8,680 valid responses were received. Responses were obtained using direct email invitations from listings collated from the Charity Commission register (there were 7,163 returns representing a 5.4% response rate from a sample frame of 133,161 charities). These data were supplemented by 1,517 responses to appeals to participate by local infrastructure organisations and community foundations across England and Wales.<sup>3</sup>

The national sample is fully representative of sector organisations by size (as defined by income levels) and is distributed appropriately across areas of relative deprivation and affluence when compared with Third Sector Trends Combined Register data. The survey dataset has good coverage in Wales and all English regions each with no fewer than 600 responses and apart from London, an average 5.6% response rate measured against the Charity Commission Register sample frame. A much lower response rate in London, as in 2022, stood at 2.8% but due to high organisational density, a reasonably credible sample of 774 was obtained.

The wide-ranging questionnaire asks respondents about beneficiaries served and what voluntary organisations feel that they have achieved. The survey also examines TSOs' energy by focusing questions on its people resources, property assets and financial situation. Leadership is a core element of the study too; asking participants how voluntary organisations invest in their *own* wellbeing so that they can serve their beneficiaries more effectively. And finally, it asks about inter-organisational relationships which was the topic of the first report.

The current series of Third Sector Trends reports relies almost exclusively upon quantitative data drawn from this and previous rounds of the survey. But the study does invite survey participants to tell us anything else they'd like us to know. Well over 2,000 respondents took that opportunity in 2025. Occasionally, quotations from these open-text statements are used to 'illustrate' points of interpretation but must not be confused with qualitative evidence.

Interpretative observations originate from quantitative analysis and previous in-depth qualitative studies from Third Sector Trends (and directly related projects) which are referenced accordingly. The most thorough of these studies ran from 2008 to 2022 with 50 voluntary organisations from the North East of England and Cumbria. The final report from that study, *Going the distance, how third sector organisations work through turbulent times*, has recently been revised and republished to accompany this series of quantitative reports.<sup>4</sup>

<sup>2</sup> Online Surveys is a powerful platform specifically designed for use by academics by JISC. Details on the platform's specifications can be found here: <https://www.onlinesurveys.ac.uk/>

<sup>3</sup> This is a fully representative national sample, as evidenced by comparison with combined register data (including the registers of the Charity Commission, Community Interest Companies, Register of Mutuals/Societies Register and Community Amateur Sport Clubs Register). A separate report which details research methodology, sample structure and characteristics is available here: [Archive of publications from Third Sector Trends - St Chad's College Durham](#).

<sup>4</sup> The report is available here: [Archive of publications from Third Sector Trends - St Chad's College Durham](#).

## Section 2

### The third sector labour force

Voluntary organisations are wholly dependent upon the people who volunteer, act as trustees or are employed to achieve objectives. In this section of the report, the size and dynamics of the third sector labour force will be examined. It will be structured as follows;

- **Headline data on the size of the third sector workforce** in England and Wales will be presented using estimates derived from a statistical model devised for Third Sector Trends.
- **Reliance on regular volunteers** remains very high amongst voluntary organisations. This section will look at the extent of and reasons for reliance upon regular volunteers – focusing on the experiences of organisations with different characteristics including age, size and spatial location.
- **Labour market dynamics** are changing. This section examines where employee and volunteer numbers have risen or fallen in organisations with particular characteristics.
- **Recruitment and retention** have become more challenging for the third sector in recent years. This section will focus on the recruitment and retention of employees, regular volunteers and trustees in organisations with different characteristics and spatial locations.

#### 2.1 Employee and regular volunteer workforce estimates

Third Sector Trends uses a statistical model to estimate the number of employees and regular volunteers in the third sector in England and Wales.<sup>5</sup> The model is also used to derive values for third sector impact which will be presented in Section 5.

The principles underlying the statistical model are applied rigorously using all available data from 8,680 responses in the 2025 Third Sector Trends survey and a Combined Register of 205,000 voluntary organisations which was compiled in May 2025.

The statistical model uses twelve categories of voluntary organisations delineated by size to estimate numbers of employees and volunteers in Wales and English regions.<sup>6</sup> Multipliers are used to create estimates for each size category based on survey data.

These multipliers are adjusted in each round of the study to take account of changing labour market conditions (such as issues surrounding employee/volunteer recruitment and retention factors). For employee estimates, financial data are

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<sup>5</sup> Given its complexity, full details on how the model generates estimates can be found in a separate report to save space here; see Third Sector Trends in England and Wales 2025: *Technical paper on sector structure and analytical techniques [third edition]*. available here: [Archive of publications from Third Sector Trends - St Chad's College Durham](#).

<sup>6</sup> In 2025 the model has been adjusted to include 12 income categories to produce more accurate estimates at lower geographical levels such as regions or combined authority areas. Previously, the statistical model used 5 income categories which produced slightly different findings. In the tables presented in this report, 2022 data have been reconfigured using the new 12 category model. This means that 2022 statistics will not directly match those published in reports on the 2022 survey data.

factored into the equation to ensure that values are realistic (i.e. that voluntary organisations have sufficient funds to pay staff).

## Employees

The third sector in England and Wales employs about 1.15 million people, constituting an average of 3% of employment in English regions and Wales (see Table 2.1). It is estimated that this represents a small increase of around 25,000 employees nationally since 2022. The full cost of employees to voluntary organisations is estimated at £61.3bn which represents around 67% of total organisational expenditure.

**Table 2.1 The contribution of the third sector to overall employment in England and Wales**

	Estimated number of third sector employees	Regional employment <sup>7</sup>	Estimated percentage of regional employment	Estimated full cost of employees (£millions)	Approximate percentage of sector income spent on wages
North East England	37,500	1,211,000	3.1	1,983.0	65.1
North West England	107,900	3,675,000	2.9	5,711.5	68.6
Yorkshire and Humber	72,300	2,693,000	2.7	3,868.7	66.4
East Midlands of England	55,700	2,476,000	2.3	2,944.0	67.5
West Midlands of England	86,500	2,945,000	2.9	4,609.0	67.5
East of England	93,100	3,301,000	2.8	4,946.1	75.0
London	173,700 (372,000)	4,964,000	3.5 (7.5)	19,987.1 <sup>8</sup>	82.9
South East England	178,700	4,934,000	3.6	9,548.3	76.1
South West England	101,600	3,027,000	3.4	5,404.3	68.7
Wales	42,600	1,457,000	2.9	2,258.1	67.3
<b>England and Wales</b>	<b>1,148,500<sup>9</sup></b>	<b>30,683,000</b>	<b>3.1<sup>10</sup></b>	<b>61,260.2</b>	<b>69.1<sup>11</sup></b>

## Regular volunteers

National estimates for the number of volunteers in the UK are published annually in NCVO's Civil Society Almanac.<sup>12</sup> It is reported that 16% of people volunteered at least once in the previous year with a group, club or organisation in the UK – this represents a decline from a recent peak of 23% in 2019-20. These are still impressive statistics which show that a culture of volunteering, in one capacity or another, is well established in the UK.

<sup>7</sup> Source: Nomis (downloaded September 27<sup>th</sup>, 2025) <https://www.nomisweb.co.uk/reports/lmp/por/2013265921/report.aspx#tabnrhi>

<sup>8</sup> Estimated cost for total London-based organisational employment. Costs will be exaggerated as expense incurred elsewhere in the UK or abroad are likely to be lower.

<sup>9</sup> Includes London-based organisational employees which are distributed elsewhere in England and Wales.

<sup>10</sup> Average regional percentage excludes London-based organisations' employees as it is not known how they are distributed across the UK and abroad.

<sup>11</sup> Average percentage cost excluding London.

<sup>12</sup> NCVO UK Civil Society Almanac 2024 <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/>.



Third Sector Trends estimates the number of 'regular' volunteers upon whom TSOs can rely to provide practical hands-on support to get things done.<sup>13</sup> This means that several other kinds of volunteers are not included in the analysis:

- Volunteers giving time to public bodies such as local public libraries (unless they are community-run entities) or the NHS (unless they are working directly for a TSO such as RVS).
- Volunteering in schools as governors, as members of informal/unregistered parent teacher associations, supporting teachers in the classroom, school trips and sports days, or general school fundraising activities.
- Volunteering for other public bodies such as the police as special constables, the criminal justice system as magistrates and so on.
- Employee supported volunteers or the provision of pro-bono support by employees or professionals (unless it is facilitated via a TSO such as Pro-Bono Economics).
- Volunteers participating in local or national fundraising appeals (for example, *BBC Children in Need*, *Comic Relief*, *Sport Relief*, or for large national charities such as *Save the Children* and *Oxfam*<sup>14</sup> etc.)

It is not being asserted that these forms of volunteering lack value or are of a lesser value than those working directly and regularly for local TSOs. It is simply a question of calculating the practical contributions regular volunteers make, via local voluntary organisations to society.

With these caveats in mind, it is possible to calculate the amount of energy which is produced through voluntarism in TSOs (see Table 2.2). In England and Wales, regular volunteers number around 4.3 million people who contribute 308 million hours of work valued at between £3.8bn and £5.6bn in 2025.

	<b>Number of regular volunteers</b>	<b>Estimated total hours worked (£millions)</b>	<b>Value at National Living Wage (£millions)</b>	<b>Number of full-time equivalent regular volunteers</b>	<b>80% average median regional wage</b>	<b>Value produced at 80% average regional (£millions)</b>
North East England	148,900	10.7	130.9	6,300	27,506	172.9
North West England	431,500	31.1	379.3	18,200	28,954	527.2
Yorkshire and Humber	310,300	22.3	272.8	13,000	28,072	367.7
East Midlands of England	289,700	20.9	254.7	12,200	28,459	347.9
West Midlands of England	342,400	24.7	301.0	14,500	28,700	414.7
East of England	437,700	31.5	384.8	18,500	31,762	586.8
London <sup>15</sup>	903,500	65.1	794.2	38,100	35,501	1,353.7
South East England	708,300	51.0	622.6	29,900	32,415	968.9
South West England	492,800	35.5	433.2	20,800	29,153	606.3
Wales	212,300	15.3	186.6	8,900	28,471	255.1
<b>England and Wales</b>	<b>4,277,400</b>	<b>308.0</b>	<b>3,760.2</b>	<b>180,400</b>	<b>29,899</b>	<b>5,601.1</b>

<sup>13</sup> Regular volunteers are defined as people who provide on average 72 hours of support to a TSO in one year (or an average of six hours per month). Calculations exclude occasional or ephemeral (i.e. 'one-off') volunteering. Ephemeral or occasional volunteering may include people who help with a fundraising appeal, people who are allocated to volunteer through, for example, employee supported volunteer initiatives or by university student volunteer programmes.

<sup>14</sup> Supporting large nationals as volunteers in local charity shops would be included providing that federated branches responded to the survey at a local level.

<sup>15</sup> Estimates of the number of volunteers may be over or underestimated in London because many larger organisations, such as charitable foundations, tend not to have volunteers. Large international organisations by contrast may have very large numbers of volunteers but they may not provide support in England and Wales.

As shown in Table 2.3, there has been a slight decline in numbers of regular volunteers in from 4.7m to 4.3m in England and Wales since 2022. That represents a fall of around 22,500 full-time equivalent regular volunteers.

**Table 2.3 Change in regular volunteer capacity for TSOs between 2022 and 2025**

	Number of regular volunteers		Estimated total hours worked (millions)		Number of full-time equivalent regular volunteers	
	2022	2025	2022	2025	2022	2025
North East England	163,997	148,929	11.6	10.7	7,057	6,285
North West England	468,616	431,455	33.3	31.1	20,165	18,209
Yorkshire and Humber	335,044	310,327	23.8	22.3	14,417	13,097
East Midlands of England	321,682	289,687	22.8	20.9	13,842	12,226
West Midlands of England	384,366	342,399	27.3	24.7	16,539	14,451
East of England	484,562	437,728	34.4	31.5	20,851	18,474
London <sup>16</sup>	1,024,431	903,481	72.7	65.1	44,082	38,131
South East England	777,450	708,229	55.2	51.0	33,454	29,890
South West England	531,867	492,764	37.8	35.5	22,886	20,797
Wales	224,229	212,277	15.9	15.3	9,649	8,959
<b>England and Wales</b>	<b>4,716,244</b>	<b>4,277,276</b>	<b>334.9</b>	<b>308.0</b>	<b>202,942</b>	<b>180,519</b>

## 2.2 Reliance on regular volunteers

Third Sector Trends is only interested in levels of 'regular volunteering' because they allow voluntary organisations to plan and practice their work with a clear idea about the people resources they can draw upon.<sup>17</sup>

Table 2.4 shows that 85% of organisations 'agree' or 'strongly agree' that they rely mainly on volunteers who can commit time on a very regular basis. Reliance on regular volunteers is, to some extent, conditional upon their ability to get on with their work without supervision. Over three quarters of TSOs agree that this is the case.

Furthermore, 88% of organisations agree that they could not keep going without regular volunteers. It is apparent that many volunteers do not just offer their time to help others. Instead, 66% of volunteers are reported to be service users and beneficiaries.

As Figure 2.1 shows, the extent to which voluntary organisations can rely upon regular volunteers has changed over the years. That reliance has increased – especially upon those volunteers who can work unsupervised. With declining numbers of people volunteering, that helps to explain why perceptions of reliance on

<sup>16</sup> Estimates of the number of volunteers may be over or underestimated in London because many larger organisations, such as charitable foundations, tend not to have volunteers. Large international organisations by contrast may have very large numbers of volunteers but they may not provide support in England and Wales. As a study of the local third sector, these estimates feel 'about right' when compared with other.

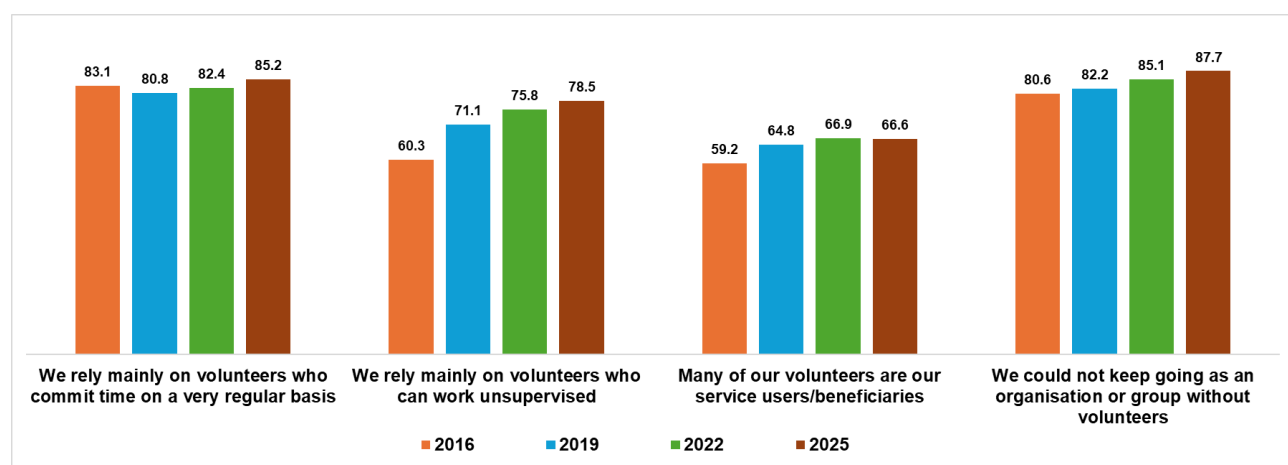
<sup>17</sup> As TSTS only has data from TSOs, several other kinds of volunteers cannot be included in the analysis including, for example, volunteers giving time to public bodies such as local public libraries or the NHS; volunteering in schools as governors, as members of informal/unregistered parent teacher associations, supporting teachers in the classroom, school trips and sports days, or general school fundraising activities; volunteering for other public bodies such as the police as special constables, the criminal justice system as magistrates, or as reservists in the armed forces and so on; employee supported volunteers or the provision of pro-bono support by employees or professionals; and, volunteers participating in national fundraising appeals (for example, BBC Children in Need or for large national charities such as Save the Children).

regular volunteers may be increasing. And as other research projects have shown, this may be putting greater pressure on those who remain involved.<sup>18</sup>

Much of the people energy of the third sector comes from employees. That explains why reliance on volunteers is much heavier in smaller organisations which generally employ none or few members of paid staff (see Figure 2.2). For example, 96% of micro organisations state that they could not keep going without volunteers compared with just 55% of the biggest organisations.

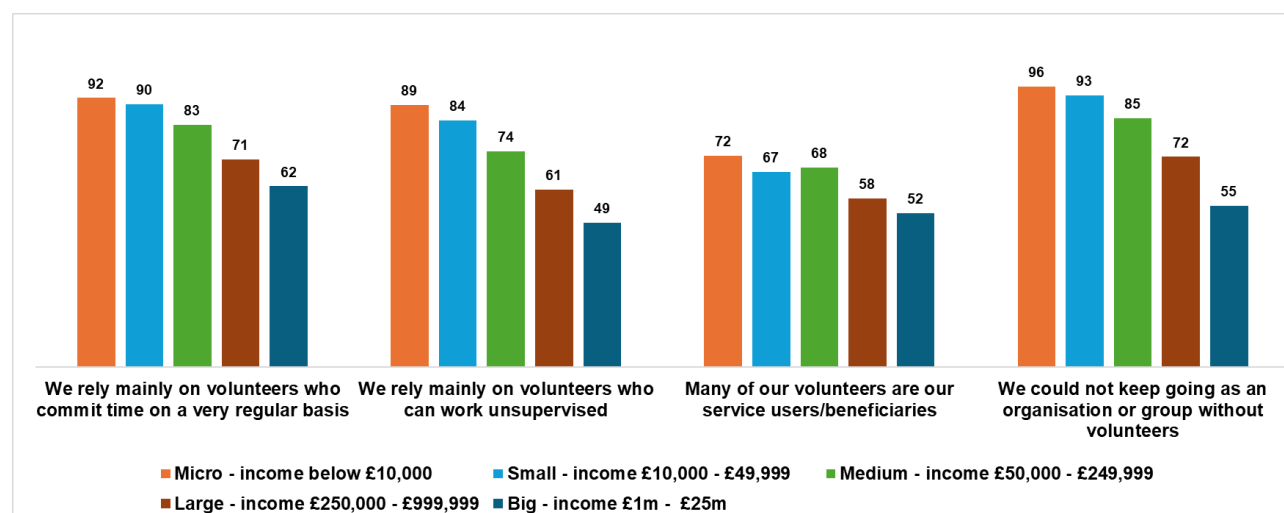
Table 2.4 <b>Voluntary organisations' reliance on regular volunteers</b> (Third Sector Trends in England and Wales 2025)				
	We rely mainly on volunteers who commit time on a very regular basis	We rely mainly on volunteers who can work unsupervised	Many of our volunteers are our service users/beneficiaries	We could not keep going as an organisation or group without volunteers
Strongly agree	51.4	34.8	22.7	65.1
Agree	33.7	43.7	43.9	22.6
Disagree	11.1	17.4	24.9	9.2
Strongly disagree	3.8	4.1	8.5	3.1
Total applicable n=	6,797	6,536	5,757	7,036
Not applicable n=	1,924	2,697	1,469	1,469
% not applicable	20.1	22.7	31.9	17.3

Figure 2.1 **Changing perceptions of the value of regular volunteers**  
(Third Sector Trends, percent 'agree' or 'strongly agree', 2016 n=3,613, 2019 n=4,083, 2022 n=5,963, 2025 n=8,512)



<sup>18</sup> Kanemura, R., McGarvey, A. and Farrow, A. (2023) *Time well spent: a national survey on the volunteer experience*, London: NCVO, <https://www.ncvo.org.uk/news-and-insights/news-index/time-well-spent-2023/download-this-report/>

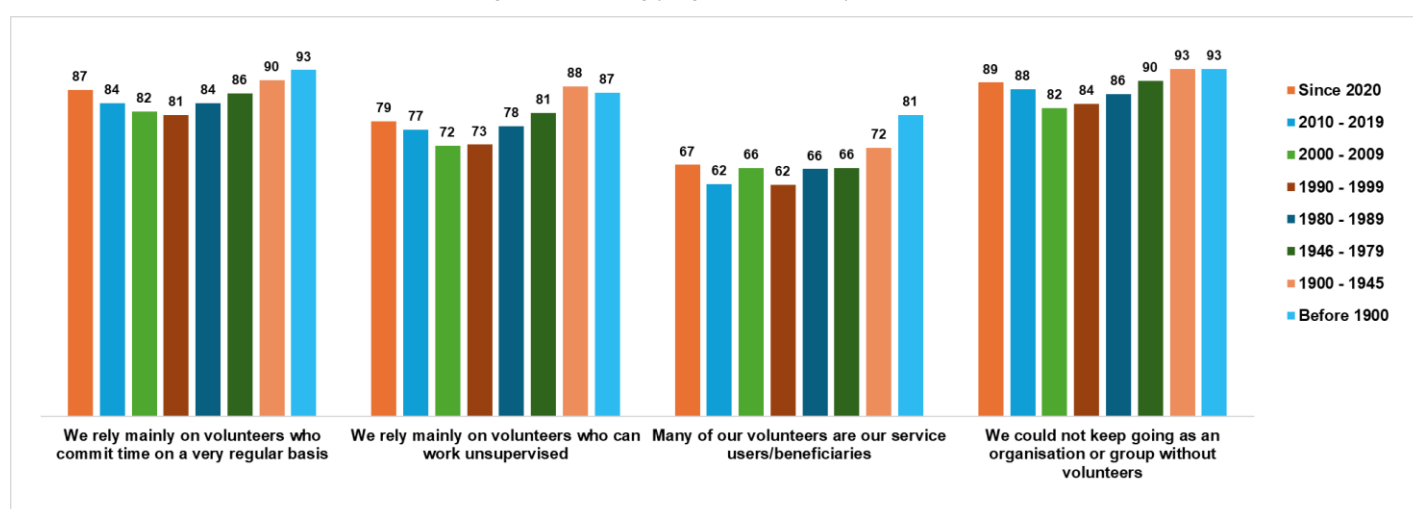
**Figure 2.2 Value of regular volunteers by organisational size**  
(Third Sector Trends in England and Wales 2025, percent 'agree' or 'strongly agree', n=8,452)



Depending upon their age, TSOs' levels of reliance upon volunteers vary (see Figure 2.3). The newest TSOs are heavily reliant upon their volunteers to commit time regularly (87%) and most need them to work without supervision (79%). Amongst these new voluntary organisations, 89% state that they could not keep going without volunteers.

Dependence on volunteers declines a little as organisations mature, but then rises again to their highest levels amongst the oldest organisations. And it is of particular interest that the oldest organisations are the most likely to have volunteers who are their service users (81%).

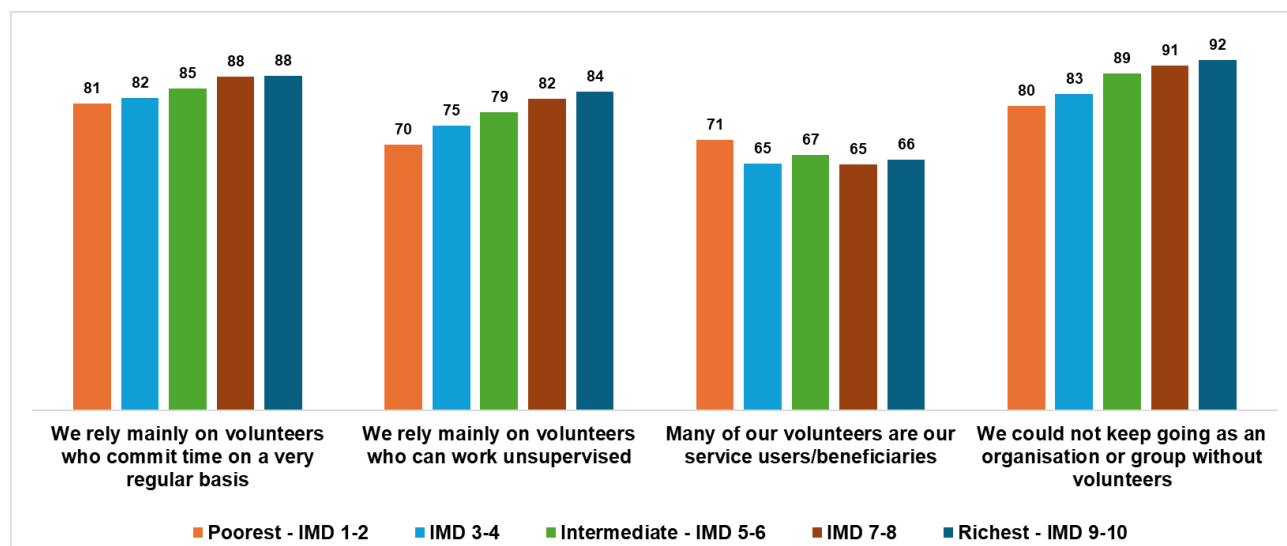
**Figure 2.3 Value of regular volunteers by age of voluntary organisations** (Third Sector Trends in England and Wales 2025, percent 'agree' or 'strongly agree', n=8,506)<sup>19</sup>



The characteristics of areas where voluntary organisations are based has a bearing upon TSOs' experiences of working with volunteers (see Figure 2.4). It is in the wealthiest areas where reliance upon volunteers working regularly is greatest (88%). Furthermore, in the most affluent districts, voluntary organisations are more reliant upon volunteers who can work unsupervised (84%): 92% of TSOs in these areas could not keep going without volunteers. In the poorest areas voluntary organisations are the most likely to be supported by service users/ beneficiaries (71%).

<sup>19</sup> There is a large number of age categories in this variable, but analysis remains viable because there are large sub-samples in each TSO age category: since 2022 n=757, 2010-2019 n=1,718, 2000-2009 n=1,134, 1990-1999 n=1,048, 1980-1989 n=891, 1946-1979 n=1,540, 1900-1945 n=785, before 1900 n=709.

Figure 2.4 **Value of regular volunteers by TSOs based in areas of wealth and deprivation**  
(Third Sector Trends in England and Wales 2025, percent 'agree' or 'strongly agree', n=8,639)

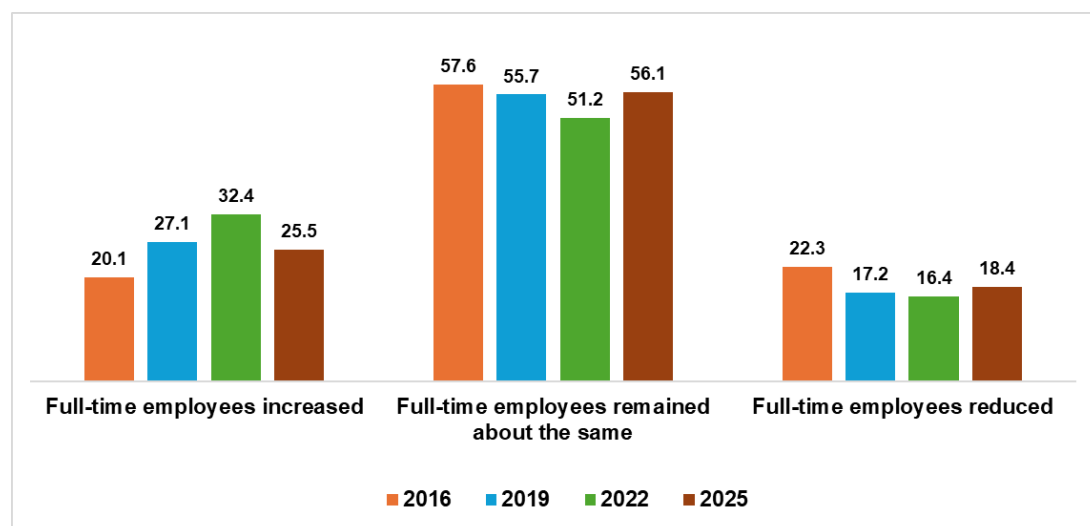


## 2.3 Labour market dynamics

Fluctuations the third sector labour force over the last decade are now considered. A series of charts detail change in the number of employees, regular volunteers and trustees for each phase of the Third Sector Trends survey from 2016 to 2025.

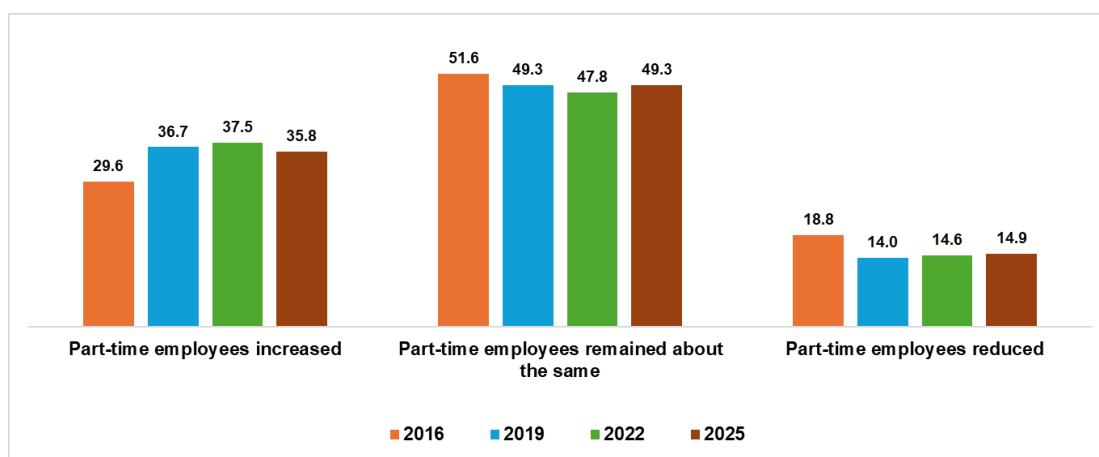
Figure 2.5(a) shows changes in full-time employment. In 2025, 26% of voluntary organisations (which have employees) report that full-time employment increased while only 18% stated that it had fallen. This indicates that more voluntary organisations have gained employees than those which have lost them. The 2025 survey data follow a similar pattern of increasing employment as reported in 2022 and 2019. Not since 2016 has there been clear evidence of declining full-time employment.

Figure 2.5(a) **Changing levels of full-time employment 2016-2025**  
(Third Sector Trends, 2016 n=1,800, 2019 n=1,566, 2022 n=2,142, 2025 n=3,065)



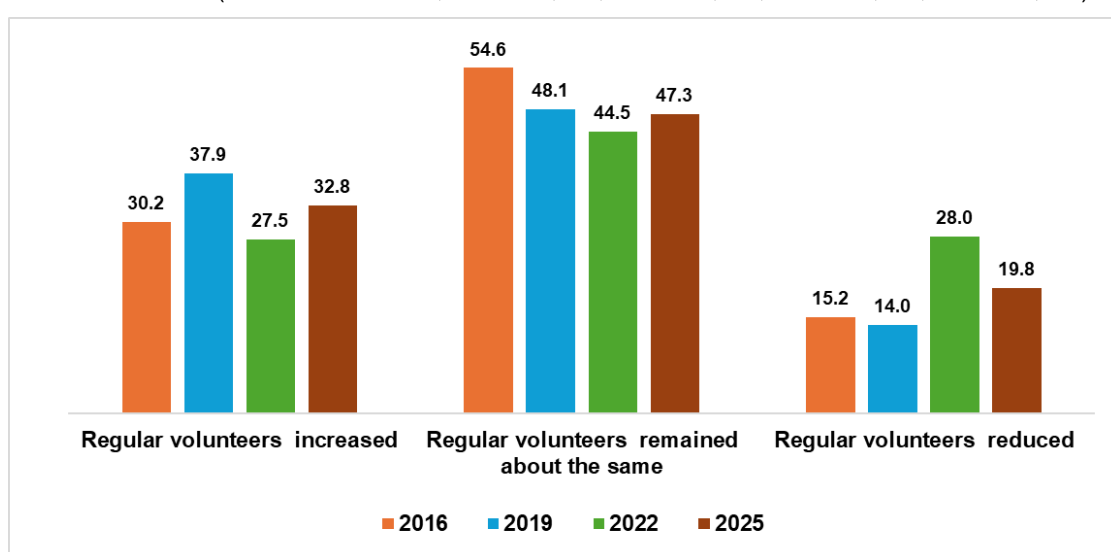
Part-time employment has become progressively difficult to assess as more employees work on flexible and fractional contracts. The indications are that more TSOs report rising than falling numbers of part-time employees in each survey since 2016. In 2025, 36% of voluntary organisations reported an increase in part-time staff while only 15% recorded a fall.

Figure 2.5(b) **Changing levels of part-time employment 2016-2025**  
(Third Sector Trends, 2016 n=2,149, 2019 n=1,915, 2022 n=2,956, 2025 n=3,917)



The situation with volunteers is complex due to changes brought about by the pandemic. In 2022, the evidence indicated an overall decline in numbers. In 2025 there are signs that volunteer numbers are recovering – with 33% of TSOs reporting an increase and only 20% a decrease. However, that increase has not fully compensated for earlier losses during the pandemic (see Figure 2.6 on recovery from pandemic).

Figure 2.5(c) **Changing levels of regular volunteer support 2016-2025**  
(Third Sector Trends, 2016 n=3,065, 2019 n=2,791, 2022 n=4,940, 2025 n=7,455)



Finally, Figure 2.5(d) shows changes in the number of trustees in voluntary organisations from 2016-2025. Overall, the number of trustees seems to have remained broadly similar. In 2025, specifically, 19% of voluntary organisations have seen trustee numbers rise while 17% have seen them fall.

The charts listed above presented headline data on the number of TSOs which experienced gains or losses in numbers of volunteers, employees and trustees. The next series of charts explore underlying factors. Figure 2.6 presents net percentage change in full-time and part-time employment by organisational size.<sup>20</sup>

A sizeable percentage of larger TSOs have increased full-time and part-time employees. The smallest employers report a net increase in the numbers of part-time employees but a net decrease in full-time employees. There has been a net loss in

<sup>20</sup> That is, the percentage of TSOs with increased employment minus those with falling employment. Very small organisations are excluded from the analysis.

full time employment amongst organisations with income between £50,000 and £100,000.

Figure 2.5(d) **Changing numbers of trustees 2016-2025** (Third Sector Trends, 2025 n=8,366, 2022 n=5,603, 2019 n=2,817, 2016 n=3,069)

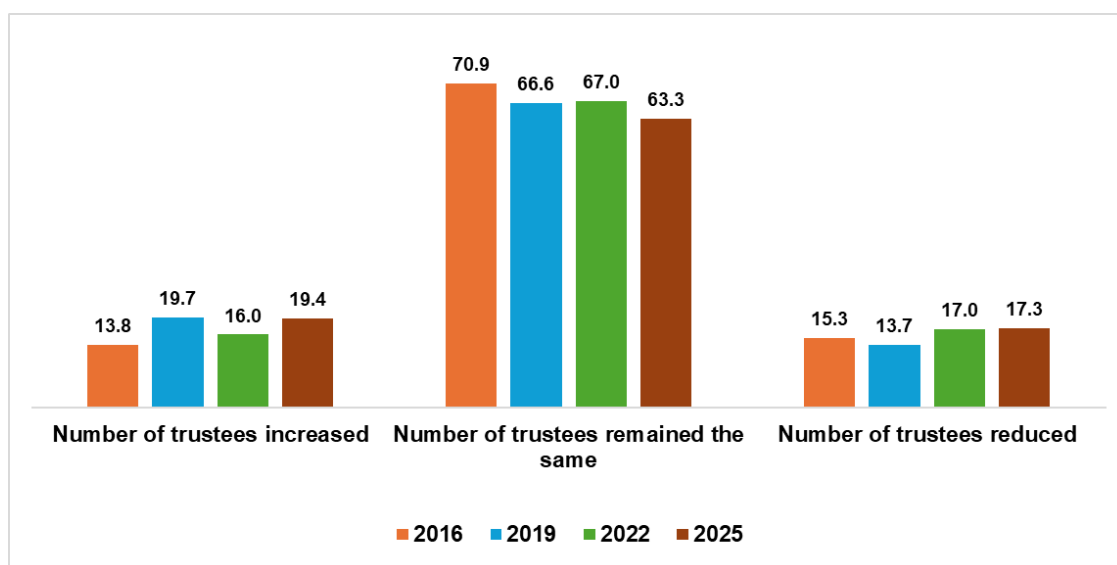


Figure 2.6 **Net change in levels of full-time and part-time employment over the last two years** (Third Sector Trends in England and Wales 2025, full-time employers n=3,065, part-time employers n=3,917)



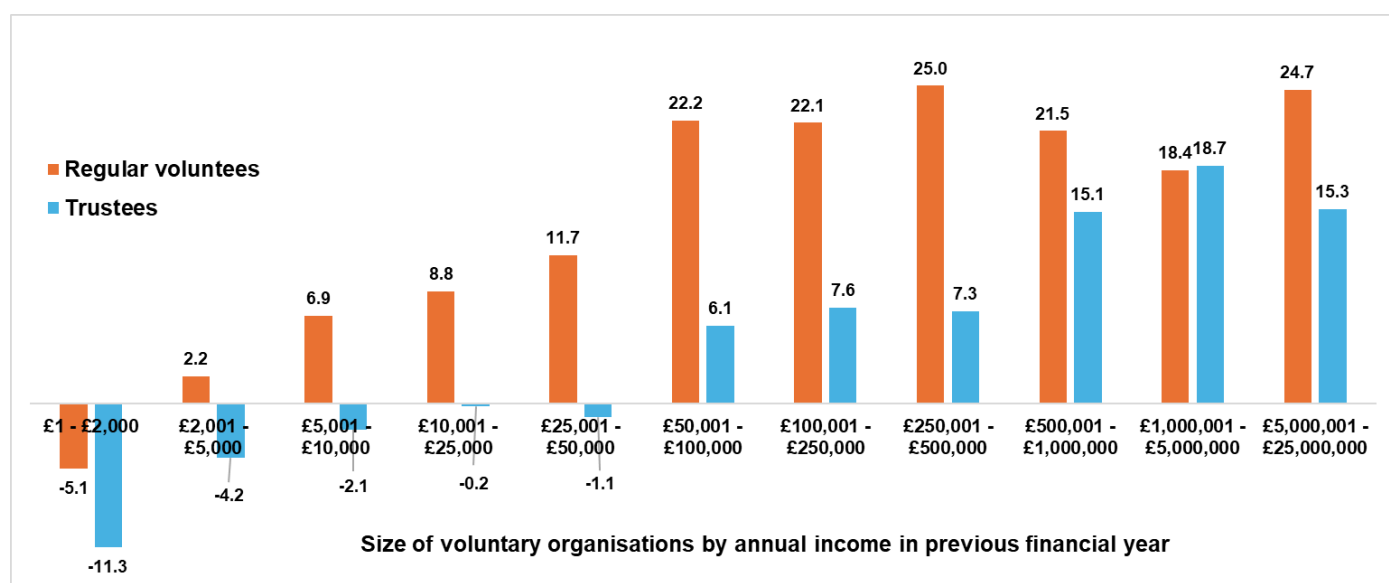
The situation for regular volunteers and trustees is more complex. Most smaller organisations (with income up to £50,000) have been losing trustees than those who have gained them. Given that a majority of TSOs have income below £50,000 this strongly suggests a substantive decline in trustee numbers.

Amongst larger organisations, the reverse is the case. Indeed, amongst those voluntary organisations with income between £1m-£5m, 19% more organisations report a rise in the number of trustees than those reporting a fall.

For regular volunteers the situation is quite challenging for the smallest organisations. Amongst voluntary organisations with income above £50,000, around 20% report a net gain in the number of regular volunteers. This does not necessarily mean, however, that numbers of trustees and regular volunteers have yet recovered to pre pandemic levels as will be demonstrated below.



**Figure 2.7 Net change in regular volunteers and trustees over the last two years** (Third Sector Trends in England and Wales 2025, percentage TSOs with 'rising numbers' minus 'falling numbers', regular volunteers n=7,455, trustees n=8,366)



Longitudinal studies are effective at observing change providing that great care is taken when interpreting findings. A surface interpretation of the above analysis would suggest that the number of regular volunteers is rising in all but the smallest TSOs. But it is not quite that simple because organisations are commenting upon rising levels of regular volunteering in the context of a very difficult period during the pandemic when lockdowns limited volunteering opportunities and may also have undermined many people's confidence or interest in continuing in future.

In short, the baseline from which TSOs made a judgement was low due to changes incurred during the pandemic. Consequently, respondents were asked a second question in 2025 to see if had they struggled to 'recover' volunteer numbers; 38% of TSOs' stated that regular volunteer numbers have not yet recovered to pre-pandemic levels.

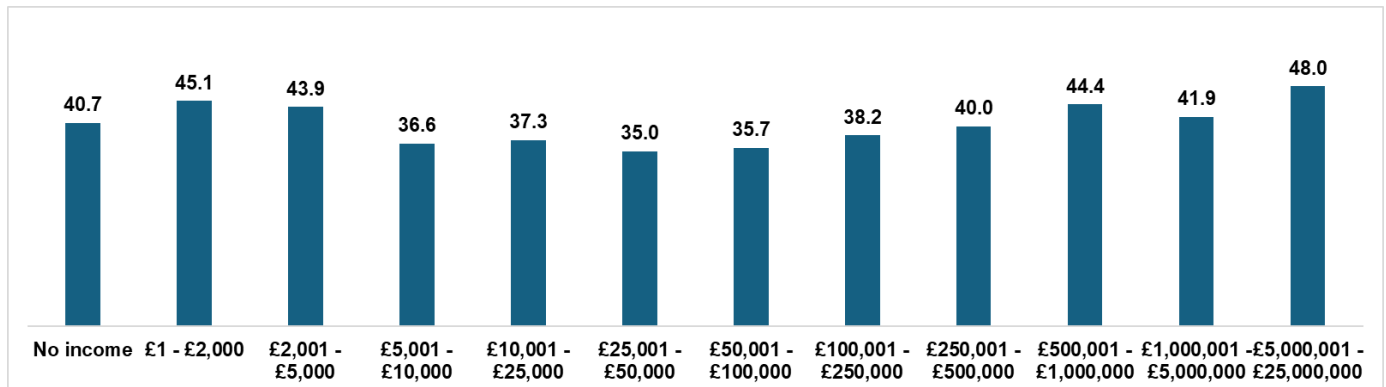
Looking below the surface of this headline statistic helps to explain which TSOs have struggled most. Figures 2.8(a)-(e) explore variations by organisational size, age, indices of deprivation, spatial range of activity and region.

- By **size of organisations** (using 12 income categories) percentages of TSOs struggling to recover to pre-pandemic levels range from 35% to 48%. Middling-sized voluntary organisations have recovered better than their largest and smallest counterparts.
- By **organisational age**, it is clear that newer organisations, set up 2010-2019 (31%), have struggled less than their older counterparts (39-45%).
- By **indices of deprivation**, there is a clear, though shallow association between area wealth and difficulties of returning to pre pandemic levels of regular volunteering: 45% of TSOs in the poorest areas continue to struggle to recover compared with 34% in the richest areas.
- By **spatial range of activity**, variations are indiscernible (38-40%) except amongst organisations working internationally where difficulties in returning to pre-pandemic levels of regular volunteering are lower (33%)
- By **region**, variations are identifiable but not clearly patterned. Organisations in North West England (44%) and Wales (42%) seem to be struggling the most, and London and South East England the least (36%).

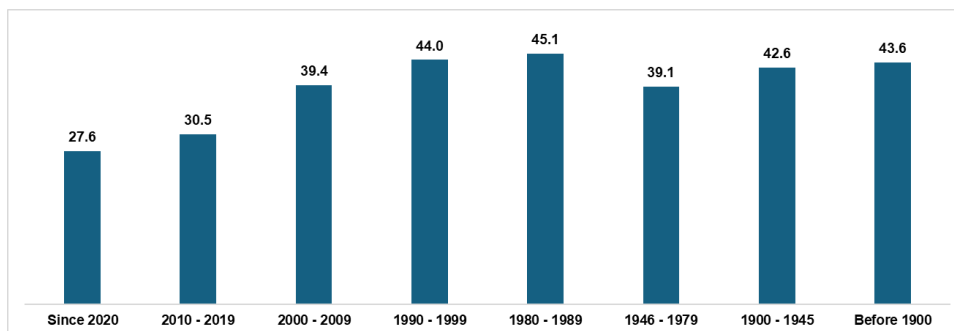
The next subsection looks more closely at recruitment and retention statistics.

Figure 2.8 (a-e) **Percent of TSOs struggling to return to pre-pandemic levels of regular volunteers**  
 (Third Sector Trends in England and Wales 2025, applicable by income n=6,195, by IMD n=6,195, by TSO age n=6,192, by spatial range of operation n=6,183, by region n=6,195)

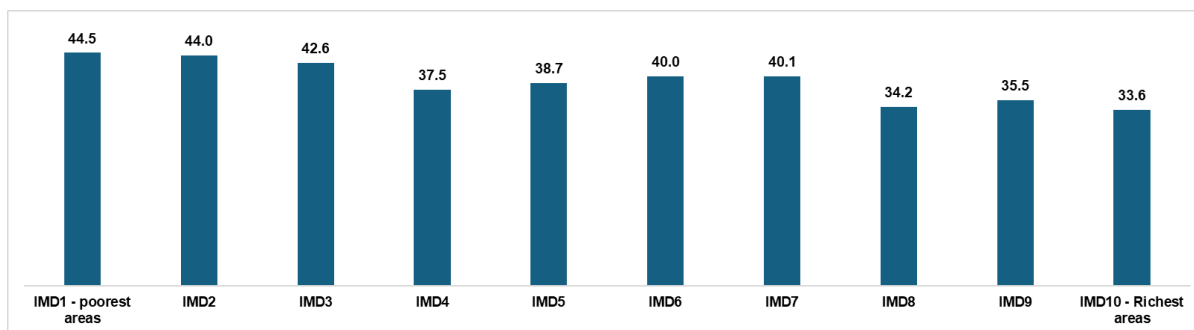
**(a) By organisational income**



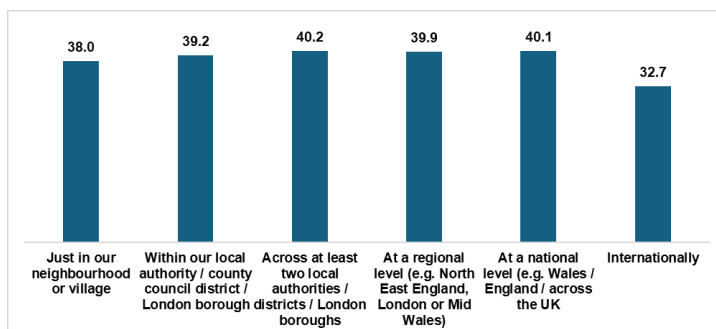
**(b) By organisational age**



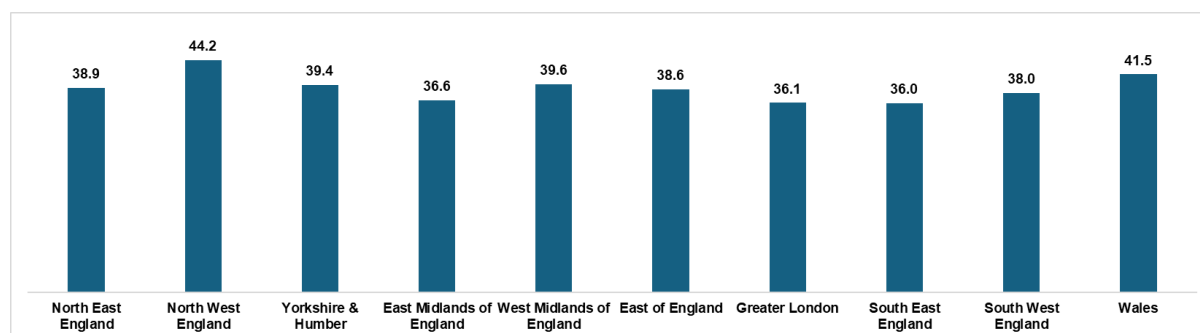
**(c) By indices of deprivation**



**(d) Spatial range of operation**



## (e) By region where TSOs are based



## 2.4 Workforce retention and recruitment

It has been shown in the previous sub-section, that voluntary organisations are heavily dependent upon regular volunteers to sustain their activities. Many TSOs also employ paid staff to perform work roles. This sub-section looks at current labour market dynamics for employees, volunteers and trustees.

The indications are that many voluntary organisations are working in a challenging labour market environment. However, these challenges should not be over exaggerated. As shown in Table 2.5, holding on to existing staff (19%), volunteers (25%) and trustees (16%) has become 'quite a lot harder' over the last two years. For a majority of TSOs, retaining staff, volunteers and trustees has not been a significant problem – though few have found it easier.

Recruitment has been more challenging. Recruiting new staff has been challenging for a third of organisations while very few (5%) have found it easy. Bringing in new volunteers has clearly been difficult for many organisations (44%); only 7% of TSOs have found this to be easier over the last two years. A similar pattern holds for trustees, where 36% of voluntary organisations have struggled to recruit while only 5% have found this easier.

**Table 2.5 Recruitment and retention of staff, volunteers and trustees**  
(Third Sector Trends in England and Wales 2025)

	Holding on to our existing staff	Recruiting new staff	Holding on to existing volunteers	Recruiting new volunteers	Holding on to our existing trustees	Recruiting new trustees
It has become quite a lot harder	19.1	33.1	24.8	43.5	16.0	35.5
Stayed about the same	77.8	61.5	71.7	49.3	81.6	59.3
It has become quite a lot easier	3.1	5.4	3.5	7.2	2.4	5.1
N=	5,957	5,450	7,409	7,405	8,212	8,088

Problems associated with the staff retention grows by organisational size from 16% for medium-sized TSOs to 25% of the biggest (micro and small are excluded as relatively few have employees).

The retention of regular volunteers becomes more of a challenge in larger voluntary organisations: rising from 23% of micro to 28% of larger TSOs. But as Figure 2.9 shows, the biggest organisations are under less pressure (24%).

The percentage of TSOs experiencing problems with retention of trustees is similar, irrespective of size (15-17%), except for the largest TSOs which are struggling less (9%).

Figure 2.9 **Retaining staff, volunteers and trustees by organisational size**

(Third Sector Trends in England and Wales 2025, percent of TSOs reporting that recruitment has become harder, staff n=3,165, volunteers n=7,409, trustees, n=8,212)

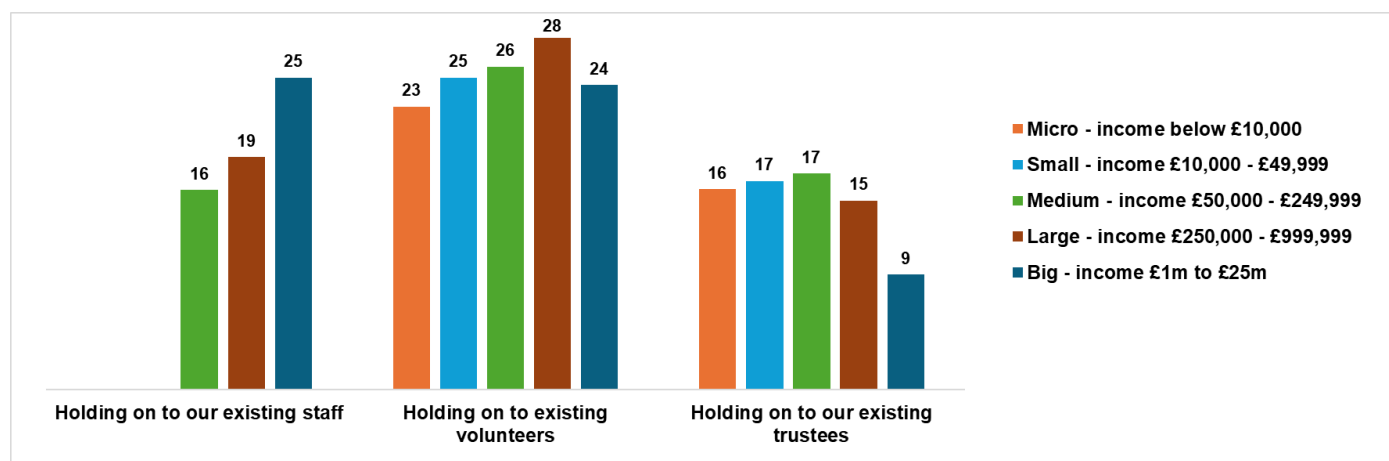
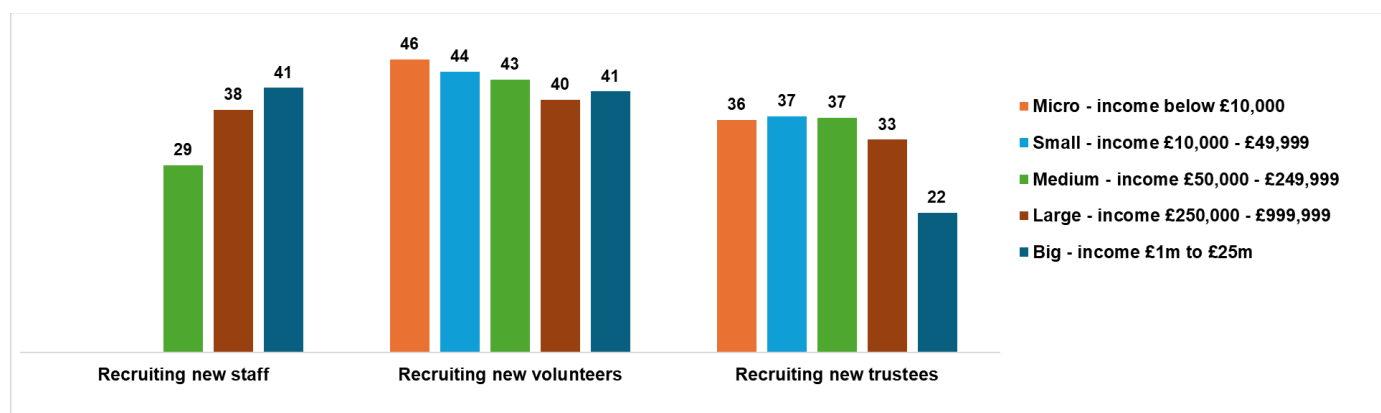


Figure 2.10 shows that staff recruitment problems are most acute in the biggest voluntary organisations (41%), falling to 29% of medium sized TSOs (smaller organisations are excluded from the analysis). The recruitment of regular volunteers is most severe in micro organisations (46%) and falls slightly to 40-41% of bigger organisations. Trustee recruitment problems are widespread for small to medium-sized TSOs (36-37%); the level of difficulty is *much* lower for the biggest organisations (22%).

Figure 2.10 **Recruiting new staff, volunteers and trustees by organisational size** (Third Sector Trends in England and Wales 2025, percent of TSOs reporting that recruitment has become harder, staff n=3,044, volunteers n=7,405, trustees, n=8,089)

The age of voluntary organisations has a bearing on staff retention and recruitment difficulties. The newest organisations, as would be expected, are the least likely to be struggling as they have only just got going (see Figures 2.11(a) and (b)). The same applies for the recruitment of new staff in the newest TSOs; but as organisations age, problems intensify for both staff retention and recruitment (although the pressure drops off substantially in the longest-established TSOs).

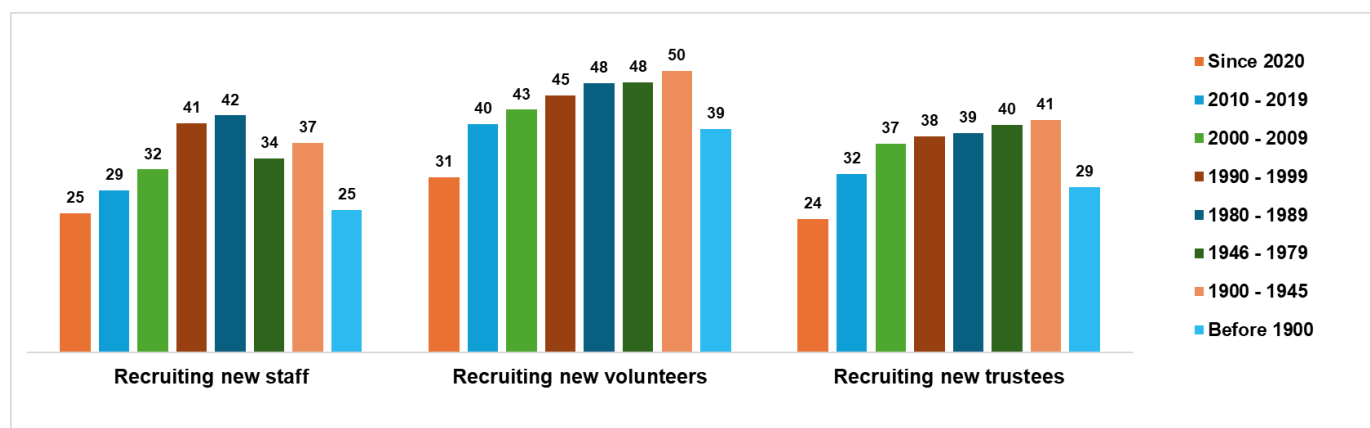
Volunteer recruitment is less of a struggle for newer organisations. That is quite surprising as Third Sector Trends qualitative analysis has shown that volunteer retention and recruitment often works best when people are persuaded to tread well-worn paths. Clearly the excitement surrounding new ventures also drives volunteering.

Trustee retention and recruitment become more difficult in older voluntary organisations (with the exception of those established before 1900). As may be expected, the newest TSOs have little difficulty as they have only just got off the ground.

Figure 2.11(a) **Retaining staff, volunteers and trustees by organisational age** (Third Sector Trends in England and Wales 2025, percent of TSOs reporting that retention has become harder, staff n=5,951, volunteers n=7,403, trustees, n=8,205)



Figure 2.11(b) **Recruiting staff, volunteers and trustees by organisational age** (Third Sector Trends in England and Wales 2025, percent of TSOs reporting that recruitment has become harder, staff n=5,448, volunteers n=7,399, trustees, n=8,082)



Holding on to and recruiting new regular volunteers becomes progressively difficult in organisations established as far back as the 1980s. This is explicable as many will have had older volunteers who, especially since the pandemic, have withdrawn. In the messages left at the end of the survey questionnaire, many long-since established TSOs bemoaned the difficulties they were facing in this respect.

*“Our greatest expense is people giving freely of their time. We worry that we as a group are getting older and recruiting “fresh blood” is difficult.”*

*“We are an ageing organisation. We record the local newspaper each week for the blind and visually impaired. Many volunteers are between 70 and 90. Our visually impaired clientele are similarly old. It is obvious that the newspaper will be obsolete soon and computer technology AI will replace human voices. Still, for the moment, we enjoy what we do, and our listeners appreciate the human contact .”*

*“Many of us are concerned about succession plans because we are getting older and younger residents are worn out with raising children, working, looking after parents, coping with the cost of living and can’t cope with any more ‘jobs’. We are looking at offering mini-tasks which can be done at any time rather than expecting people to volunteer on the same day of the week for a set length of time. We stopped opening on set days and offer entry to our organisation at a time and day to suit visitors and our volunteer curator. It is working well.”*

Older organisations seem to be having a tough time retaining and recruiting trustees. Many shared their experiences. It is important, nonetheless, to look closely at the evidence in Figures 2.7 and 2.8 which shows that the gradient of difficulties in retention is relatively shallow, not steep – which tells us that this is a *generalised* problem not just focused upon older voluntary organisations. And certainly, organisations established before 1900 seem to be doing quite well.

Despite their best efforts, recruitment becomes significantly harder as organisations age.

*“The real issue for us is succession. Our trustees are getting older and more infirm. I have been Chair of Trustees since 2008. We struggle to recruit new younger trustees. We may need to collapse the organisation in order for people to sit up and take notice!”*

*“We are finding it increasingly difficult to find people willing to take on trustee roles. The existing trustees are ageing, we keep trying to get new blood. We are financially viable with good reserves and income meeting costs and our property is in good condition, but no-one is coming forward despite our pleas and advertising. The charity may well have to close if/when a few key people become unavailable.”*

*“The strong point from us is the growing difficulty in obtaining volunteers to fill committee positions. We find this to be a common problem with other local voluntary organisations where committee members are getting older and older. One local group has disappeared for this reason and another - a village hall - has had to be taken over by its local parish council.”*

Where voluntary organisations are based also has an impact upon retention and recruitment difficulties. Retaining staff is considerably more difficult in the poorest (23%) areas than the richest (16%). Retaining volunteers is also harder in the most deprived areas (27%) and easier in the most advantaged (23%). For trustees, the same general pattern is repeated though to a lesser extent (Figure 2.12(a) and (b)).

Staff recruitment problems are most severe in the poorest areas (37%) and the least in the richest (29%). Volunteer recruitment problems are less patterned, and vary from 40-45%. Trustee recruitment problems are similar in all areas – though difficulties rise slightly from 34% in the richest areas to 36% in the poorest (Figure 2.14).

Figure 2.12(a) **Retaining staff, volunteers and trustees by area affluence** (Third Sector Trends in England and Wales 2025, percent of TSOs reporting that retention has become harder, staff n=5,957, volunteers n=7,409, trustees n=8,212)

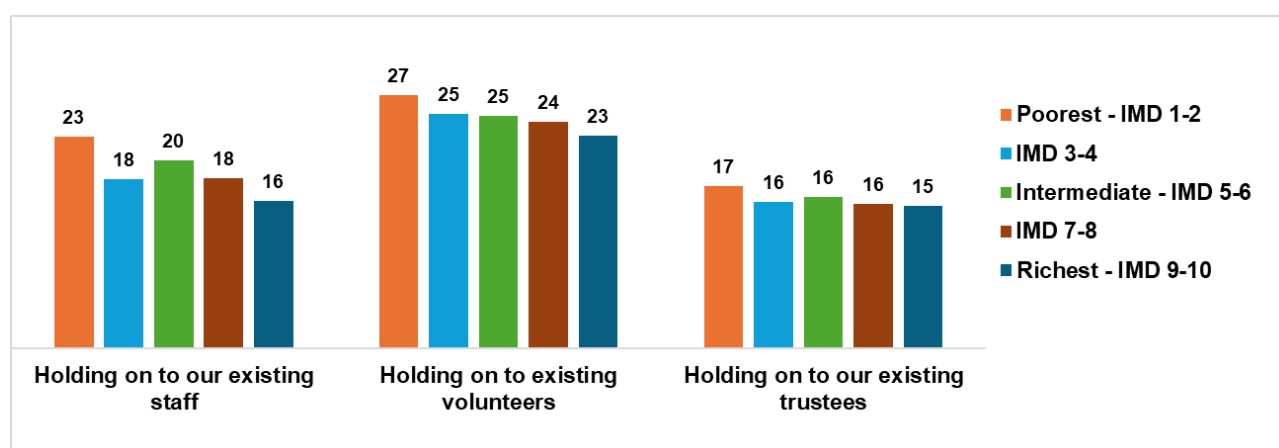
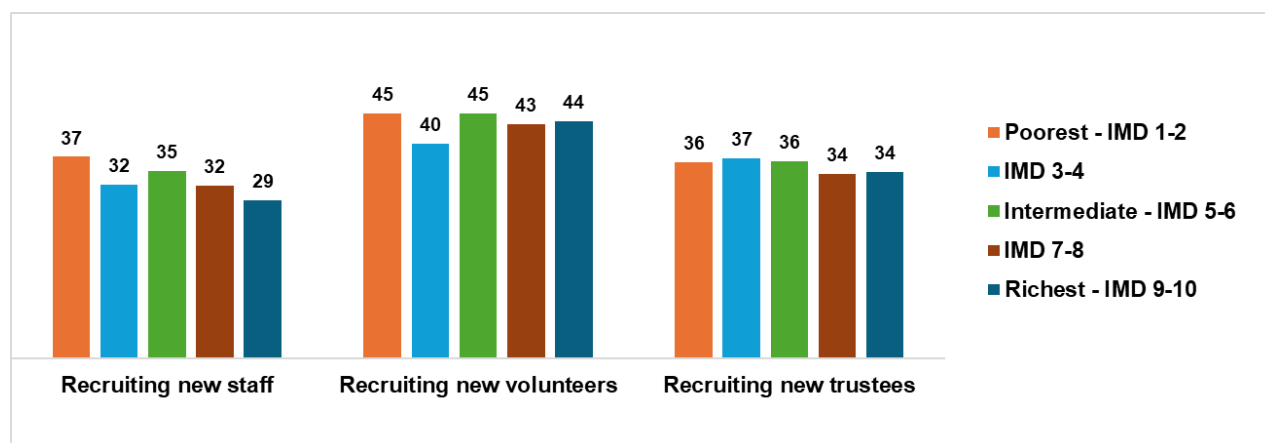


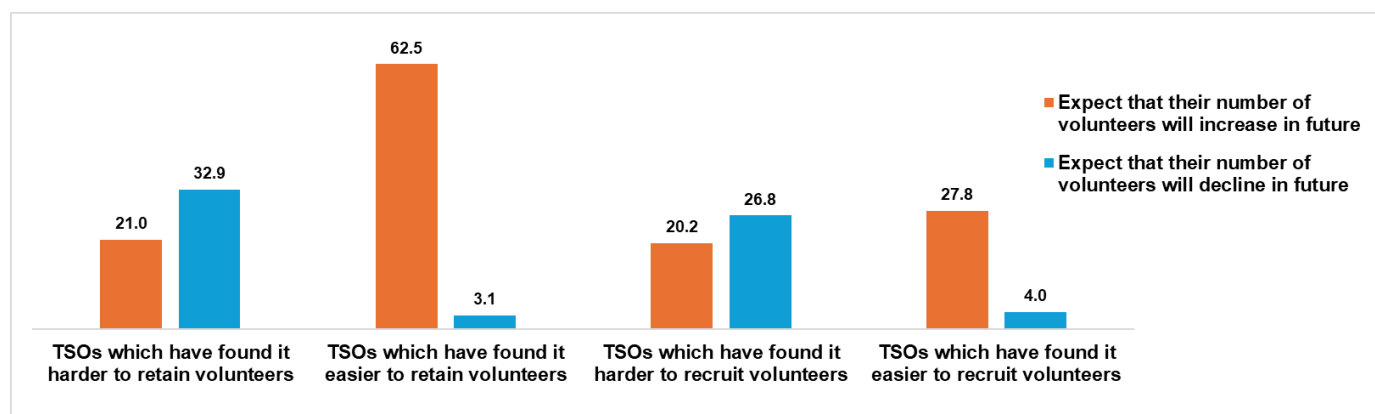
Figure 2.12(b) **Recruiting staff, volunteers and trustees by area affluence** (Third Sector Trends in England and Wales 2025, percent of TSOs reporting that recruitment has become harder, staff n=5,450, volunteers n=7,409, trustees n=8,088)



In the above analysis, it has been demonstrated that retention problems for staff, volunteers and trustees are quite common – but it is volunteer retention and recruitment which is generally causing the most serious difficulty. In these circumstances, it is not surprising that those organisations which have been struggling with retention and recruitment of volunteers are less confident about future workforce levels (see Figure 2.13).

Amongst TSOs finding it hard to retain volunteers, only 21% think the situation will improve (and 33% expect it will get worse). By contrast, voluntary organisations finding volunteer retention quite easy, 63% expect the situation to improve and only 3% think it will deteriorate. A similar, though less extreme pattern can be observed for attitudes about recruitment of volunteers.

Figure 2.13 **Confidence about future levels of volunteer recruitment and retention based on experience in the last two years** (Third Sector Trends in England and Wales 2025, retention n=7,347, recruitment n=7,350)

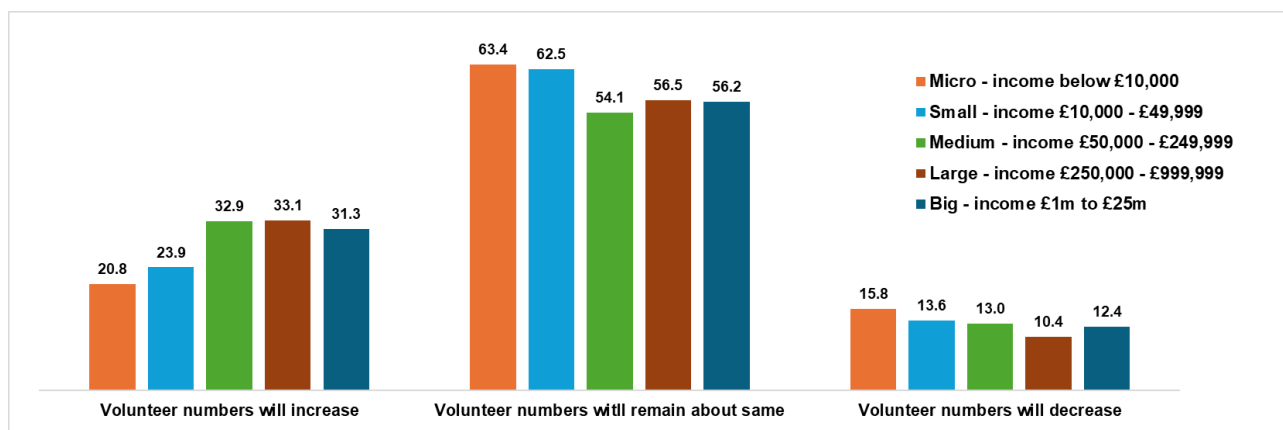


Finally, to get a sense of sector mood in general terms, the next series of charts shows the percentages of voluntary organisations expecting that volunteer numbers will increase, stay about the same or fall over the next two years.

Figure 2.14 compares expectations by the size of voluntary organisations. Smaller TSOs are less likely to feel that numbers of volunteers will rise - but about 63% feel that the situation will remain the same. Relatively few (around 16% of micro TSOs) expect that current volunteer levels will fall. About a third of medium-sized and larger voluntary organisations are confident about increasing volunteer numbers over the next two years.

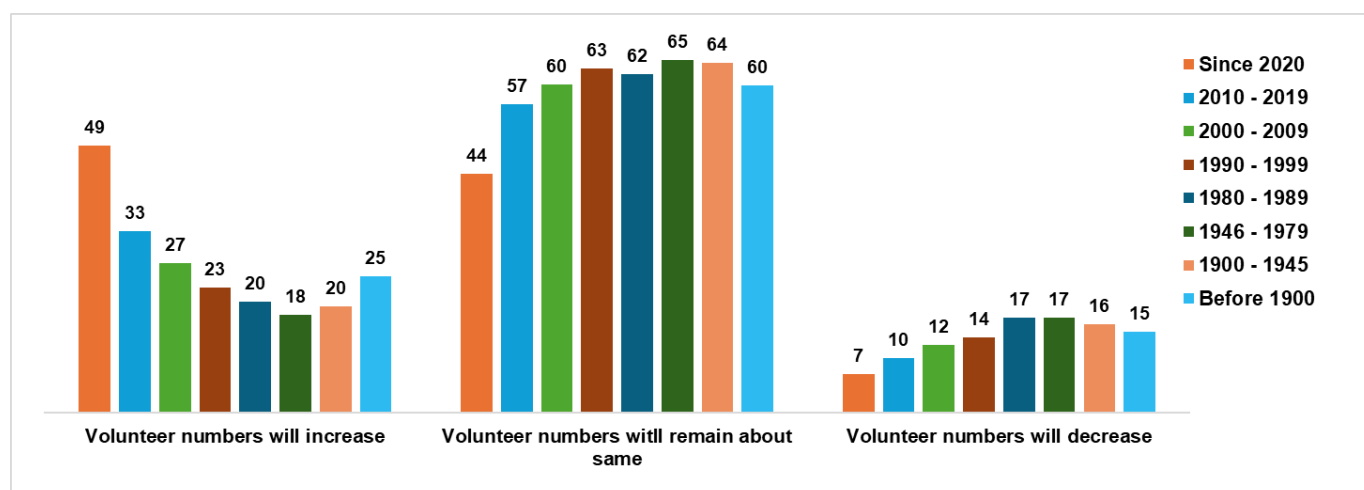


Figure 2.14 **Expectations about volunteer numbers in the next two years by TSO size**  
(Third Sector Trends in England and Wales 2025, n=7,647)



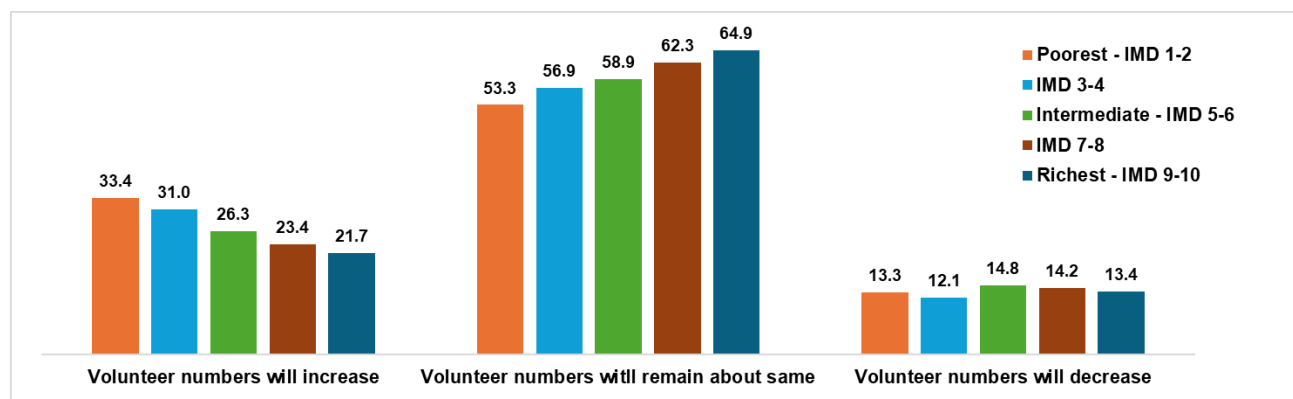
Expectations about volunteer levels vary more dramatically by organisational age (Figure 2.15). The newest TSOs are very much more confident about rising numbers of volunteers (49%) than those set up after the war (18%); although confidence picks up again amongst the oldest categories of voluntary organisations.

Figure 2.15 **Expectations about volunteer numbers in the next two years by age of TSOs** (Third Sector Trends in England and Wales 2025, n=7,642)



It was shown in the previous sub-section that problems with volunteer recruitment and retention are more widespread amongst TSOs based in poorer areas. That has not dented their optimism. As Figure 2.16 shows, TSOs in the poorest areas are considerably more confident that volunteer numbers will rise over the next two years (33%) than those in the richest areas (22%).

Figure 2.16 **Expectations about volunteer numbers in the next two years by area affluence**  
(Third Sector Trends in England and Wales 2025, n=7,647)



## 2.5 Summary

The third sector in England and Wales has an impressively large labour force constituting about 1.15m employees and 4.3m regular volunteers. Regular volunteers, taken together, constitute the equivalent of 180,000 full-time equivalent employees and deliver 308m hours of work.

So it is not surprising that Third sector organisations' reliance on regular volunteers is high: 88% of voluntary organisations doubt that they could survive without them and that reliance has increased from 82% in 2016.

Not all is well in the regular volunteer workforce. The smallest organisations are losing numbers of volunteers while bigger TSOs have done quite well in increasing them over the last two years. But these increases need to be understood in context, as 38% of voluntary organisations have yet to recover their regular volunteer numbers to pre-pandemic levels.

If this feels like grim reading, that does not reflect how the third sector itself feels about future prospects: 86% of TSOs believe that they will sustain or grow current regular volunteer numbers over the next two years.

Since the pandemic, the dynamics of the third sector's paid workforce have changed. The findings from this study are positive – the number of employees has risen over the last few years albeit marginally. But maintaining stability in the paid workforce has remained difficult. A fifth of TSOs are finding it harder to hold on to their existing staff while only 3% have found it easier over the last two years.

Employee recruitment, similarly, remains difficult for a third of TSOs while only 5% report that the situation has eased. Undoubtedly, it is the biggest voluntary organisations which are struggling the most (41%) while medium-sized employers are under less pressure 28%.

Third Sector Trends does not make estimates on trustee numbers but it tracks dynamics on trustee recruitment and retention. Over a third of voluntary organisations are struggling to recruit trustees (36%) while only 5% are finding it easier. Organisational size makes a difference: only 22% of the biggest TSOs are finding it harder to recruit trustees compared with 27% of middling or small organisations.

Organisational age also affects trustee recruitment problems: 24% of the newest TSOs are having difficulty compared with 41% of those set up before the war. Furthermore, these older voluntary organisations (20%) are finding it hardest to hang on to existing trustees.

Retaining staff, volunteer and trustees is surely dependent, to some extent, on them feeling valued, trusted, sufficiently skilled and motivated to carry on. The next section looks at how voluntary organisations invest in their staff to ensure that this happens.

## Section 3

# Investing in people

This section will explore how voluntary organisations invest in their own wellbeing by focusing upon the following issues:

- **Training and development priorities** of voluntary organisations with different characteristics to determine the extent of commitment to the improvement of organisational capability,
- **Investing in training, wellbeing and personal development** by voluntary organisations in comparative terms to find out if commitment to people development is increasing and where commitment is strongest by organisational characteristics.
- **Sourcing support for organisational development** will be explored to find out how many TSOs seek support externally from local infrastructure organisations, local trusts and community foundations, local public sector agencies and the private sector.

### 3.1 Training and development priorities

Ensuring that people are highly motivated and properly equipped with the skills needed to do their work is generally thought to be an important aspect of organisational effectiveness. This section opens with headline data on the extent to which voluntary organisations prioritise aspects of organisational management and development.

As Table 3.1 shows, the top training priority of voluntary organisations is ‘income generation’. Clearly, TSOs need money to rent or buy property within which to work, to buy kit and consumables to deliver services and to pay employees wages. But it is a moot point as to whether developing fundraising skills should be the top priority.

There could be stronger arguments, from an outsider’s perspective, to invest in business planning so as to work out what the money is needed for; and investing in the capability of managers and trustees to make sure that they’re making the right decisions.

As Third Sector Trends reports have argued many times, money is not always the *solution* to organisational problems. Sometimes it can be the *cause* of them if a voluntary organisation has neither the capacity nor skill to fulfil what they have promised to a funding body.<sup>21</sup> But the evidence is clear - relatively few voluntary organisations set ‘managing staff and volunteers’ (42%) and ‘business planning’ (41%) as high priorities and even fewer position trustee development and training as a high priority (28%).

To get a sense of how much voluntary organisations prioritise practical aspects of training and development, they were also asked about investment in operational digital skills (such as the use of financial accounting software) and artificial

<sup>21</sup> This point is developed fully in *Going the distance: how third sector organisations work through turbulent times* [new edition] (2025) available [here](#) (see Section 6, pp.40-46).

intelligence (AI). Only 23% of TSOs set training in operational digital skills as a high priority. AI is not considered to be a training priority by over half of voluntary organisation and only 11% think it is a high priority.

Headline statistics can mask what is going on beneath the surface. So the next step is to disaggregate these data by the size, age and location of voluntary organisations.

**Table 3.1 Prioritisation of training needs by voluntary organisations**

(Third Sector Trends in England and Wales 2025)

	Managing employees / volunteers	Trustee development and training	Business planning	Income generation	Practical digital skills (e.g. financial accounting software)	Artificial intelligence (AI)
High priority	41.6	28.0	40.8	67.5	23.1	10.9
Low priority	24.4	46.4	31.2	19.3	48.2	38.1
Not needed	34.0	25.5	28.1	13.2	28.7	51.0
Total	8,622	8,627	8,620	8,603	8,624	8,597

When survey data are disaggregated by size of voluntary organisations, it is clear that training in employee and volunteer management rises in importance as TSOs get bigger: only 21% of the smallest organisations see this as a high priority compared with 67% of the biggest TSOs (Figure 3.1).

**Figure 3.1 Training in employee and volunteer management skills by size of voluntary organisations** (Third Sector Trends in England and Wales 2025, n=8,622)

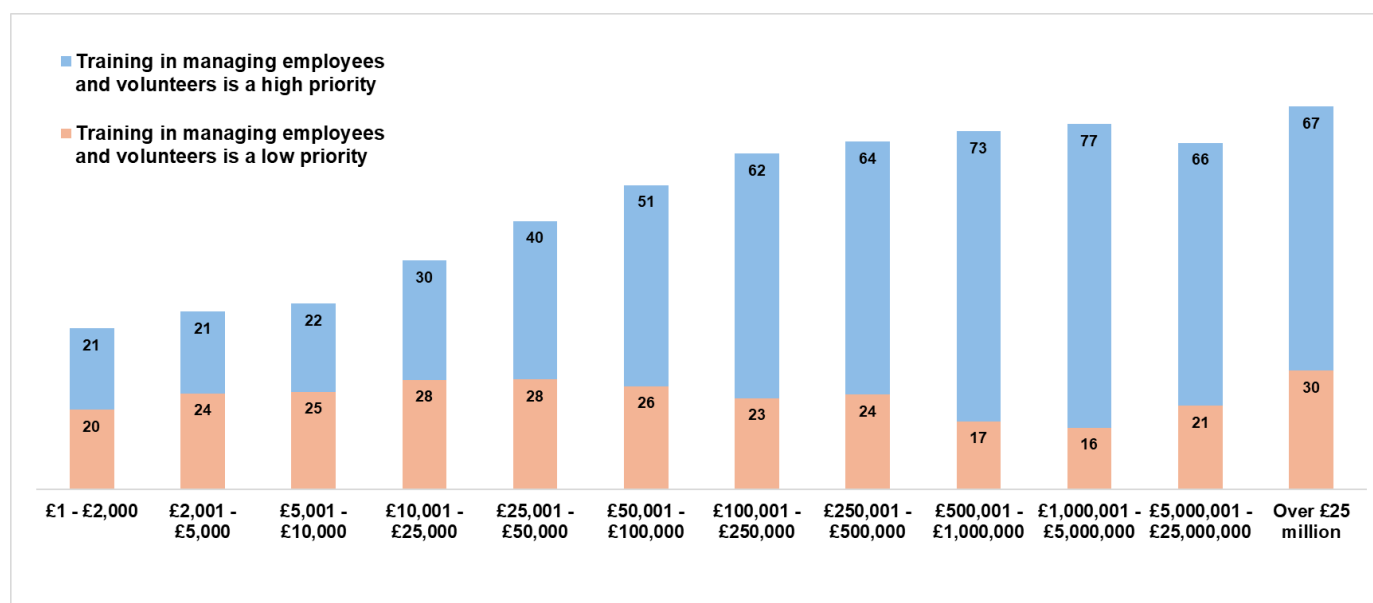


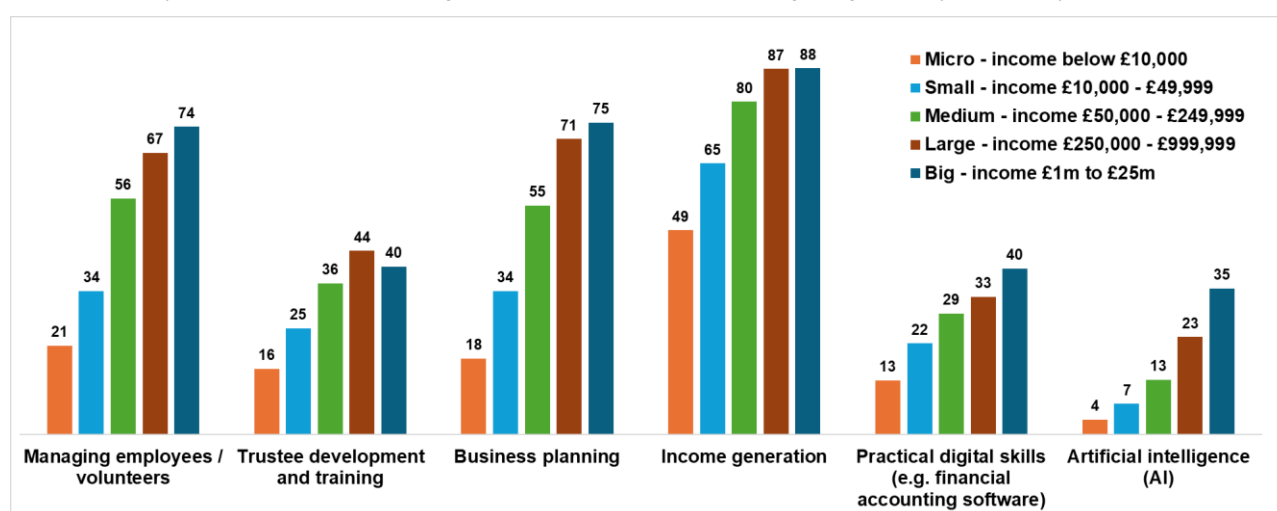
Figure 3.2 provides a simplified visual summary of training needs using five size categories of voluntary organisations. In each element of training, the percentages of TSOs prioritising training needs highly are shown.

- **Employee and volunteer management** is generally set as a higher level of priority: the degree to which training is prioritised grows by organisational size from 21% of the smallest to 74% of the biggest TSOs.

- **Trustee development and training** is a lower order priority for most organisations. Notably, the biggest TSOs set this as a lower level priority (40%) than large organisations (44%).
- The prioritisation of training in **business planning** grows substantially by organisational size from 18% of the smallest to 75% of the biggest TSOs.
- Training in **income generation** skills is the top priority for all organisations, irrespective of size; ranging from 49% of the smallest to 88% of the biggest TSOs.
- Training in **practical digital skills** (such as financial accounting) is a lower order priority for the smallest TSOs (13%) and rises to two fifths of the biggest
- **Artificial Intelligence** training is a lower order priority for all organisations – but its relevance rises steeply from 4% of micro to 35% of the biggest TSOs.<sup>22</sup>

Figure 3.2 Training priorities by organisational size

(Third Sector Trends in England and Wales 2025, percentage 'high priority', n=8,622)



As shown in Figures 3.3(a) and (b) the age of voluntary organisations has a significant effects on the prioritisation of training.

- Training in **staff and volunteer management** falls steeply as organisations age (from 52% of TSOs established 2010-2020 to 33% of the oldest organisations).
- **Trustee development** is a lower-order priority irrespective of organisational age. TSOs established after the war are the least likely to prioritise this (23%).
- Interest in training in **business planning** collapses as organisations age from 48% of the newest to 32% of those set up between 1900-1945. The oldest organisations are somewhat more interested in such support (35%).
- Training in **income generation** is of enormous importance to the newest TSOs (79%) but declines steadily to the oldest (54%).
- The prioritisation of training in **practical digital skills** drops steadily from 29% of the newest to 19% of the oldest TSOs.
- Putting a high priority on training in **artificial intelligence** is more than twice as high a priority in the newest organisations (16%) than the oldest voluntary organisations (7%).

<sup>22</sup> See Zoe Amar's report <https://charitydigitalskills.co.uk/> "Using AI tools in everyday work: Over a third (35%) say they are poor at this, while 29% say they don't do this. This means that almost two-thirds of charities (64%) either struggle with or are not using these tools. Only 4% feel they are excellent at using AI tools."

Figure 3.3(a) **Training in employee and volunteer management skills by age of voluntary organisations** (Third Sector Trends in England and Wales 2025, percentage 'high priority', n=8,608)

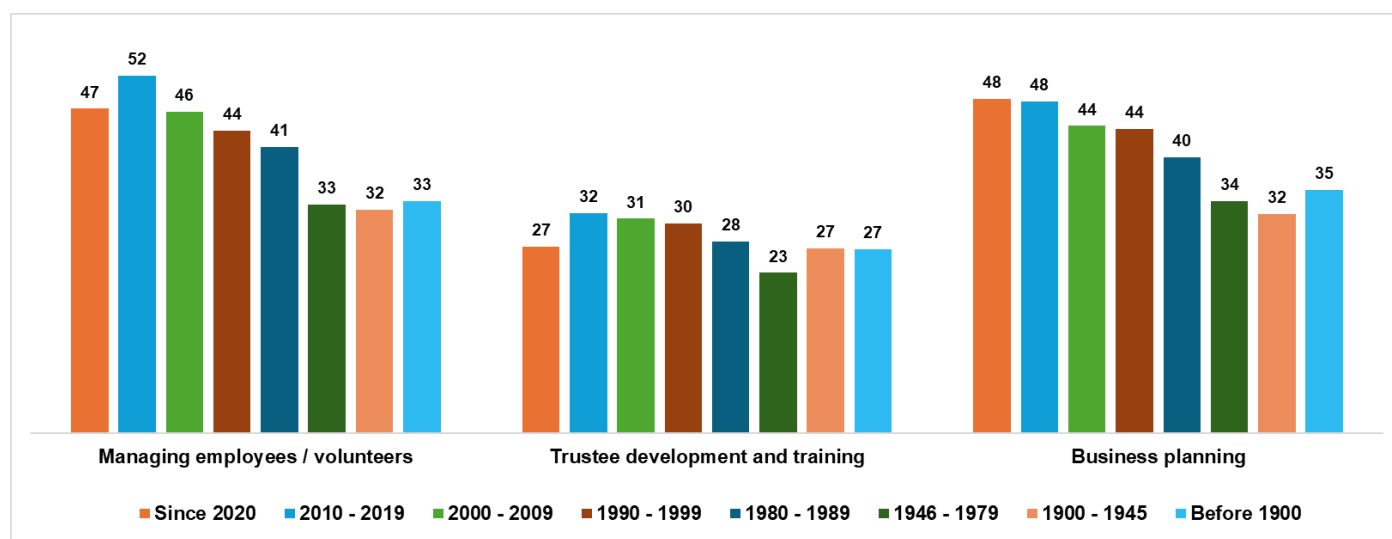
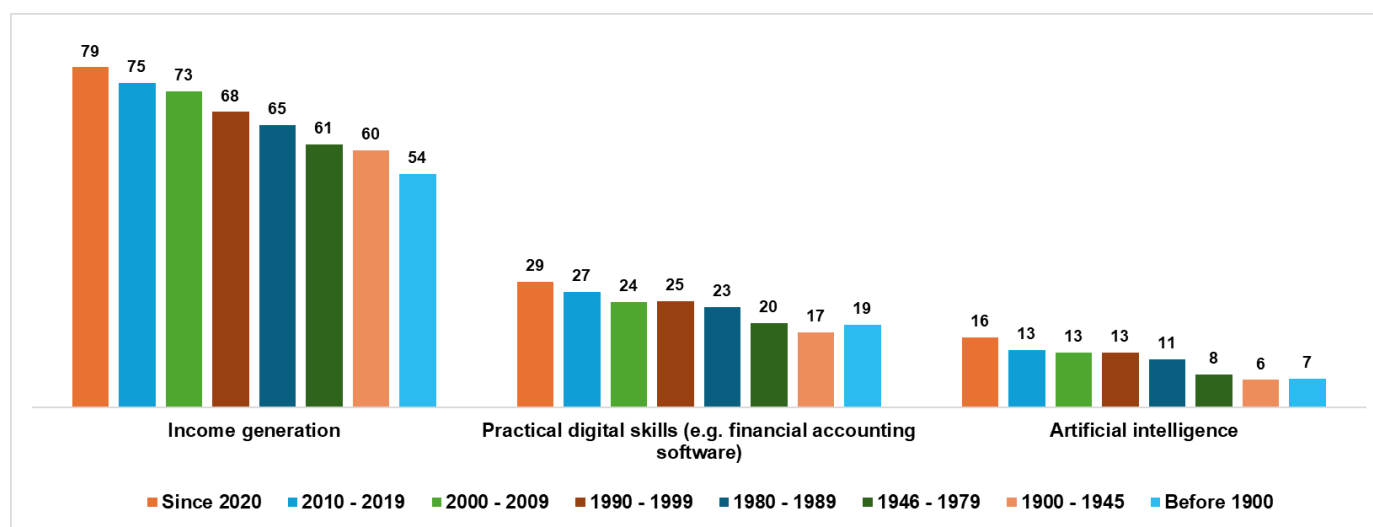


Figure 3.3(b) **Training in employee and volunteer management skills by age of voluntary organisations** (Third Sector Trends in England and Wales 2025, percentage 'high priority', n=8,608)



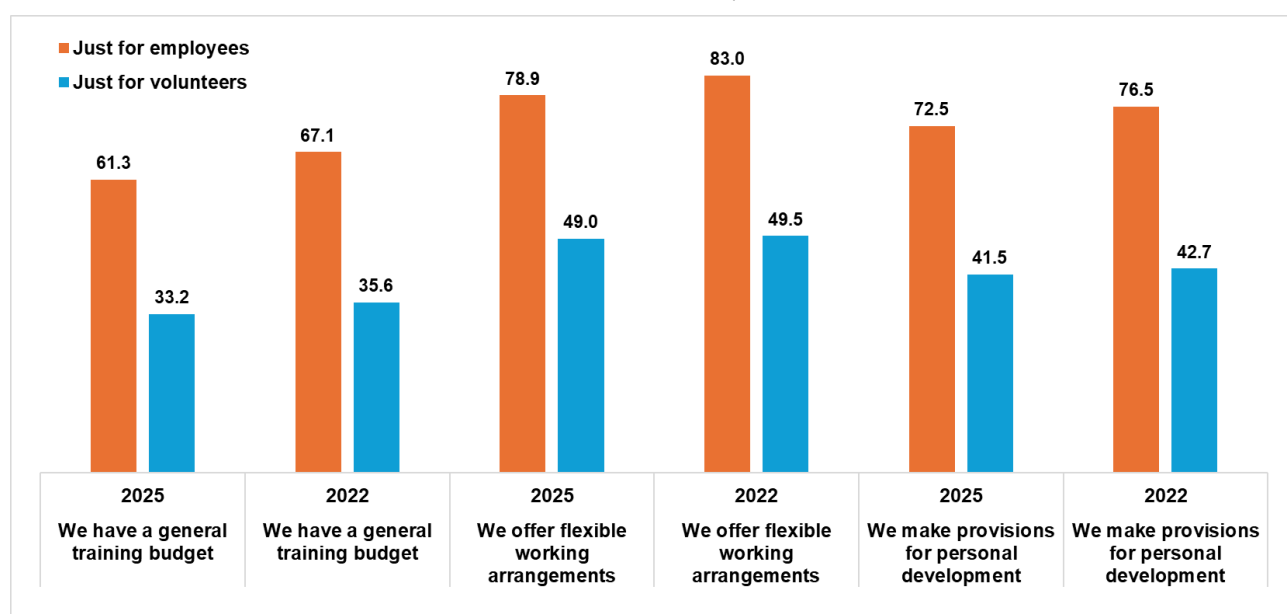
This subsection has focused attention upon training and development 'priorities' but tells us little about *how much* investment voluntary organisations make in training, development, employee/volunteer wellbeing and personal development. The next section will address these issues.

## 3.2 Investment in training, wellbeing and personal development

Investing in people is generally considered to be beneficial to organisational health and a major contributor to success in achieving objectives.<sup>23</sup> Table 3.2 presents headline data on the extent of voluntary organisations' investment in training, wellbeing (using flexible working arrangements as an indicator) and personal development. Only the first of these factors, holding a training budget, implies direct financial commitment from TSOs, but other factors will probably also involve direct or indirect costs. As Table 3.2 shows:

- 61% of voluntary organisations invest in a **training budget** for employees but only 33% do so for volunteers. There has been a fall in the level of investment in training for both employees and volunteers since 2022.
- **Flexible working** arrangements represent an investment in employee or volunteer wellbeing: in 2025, 79% of TSOs do this for staff and 49% for volunteers. Provision has declined for employees since 2022.
- Investment in **personal development** happens in 73% of TSOs for employees and 42% for volunteers. Investment in employees' personal development is lower now than in 2022.

Figure 3.4 **TSOs' investment in training and development for employees and volunteers**  
(Third Sector Trends in England and Wales, full and part-time employers only 2025, n=4,422, 2022 n=3,215; volunteers, 2025 n=8,624, 2022 n=5,794)



When disaggregated by organisational size, the underlying picture becomes more clear. As expected, bigger voluntary organisations are more likely to invest in training, flexible working and personal development for employees. For example, investment in staff training rises steadily from 23% of the smallest to 93% of the biggest TSOs.

<sup>23</sup> Academic studies of the public and private sectors generally show that investment in people through training, supporting their wellbeing and personal development enhances organisational effectiveness. For a critical view of the literature, see: Burgess, S., and Williams, I. (2009) 'Investing in your people works—can 40,000 organisations be wrong?', *Library Management*, 30(8-9), 608-618. The literature on third sector organisational training and development is patchy. See: Egan, T. (2017) 'Training and development in nonprofit organizations', in Ward, J. and Sowa, J. (eds.) *The Nonprofit Human Resource Management Handbook*, New York, Routledge (223-249). Routledge. Most literature in this field is generally focused on the wider objective of fundraising or social impact rather than improving organisations capability and wellbeing; see, for example: Green, E., Ritchie, F., Bradley, P. and Parry, G. (2021) 'Financial resilience, income dependence and organisational survival in UK charities', *Voluntas: international journal of voluntary and nonprofit organizations*, 32(5), 992-1008.



Training and development for volunteers generally occurs less often than for employees, but follows a broadly similar pattern by organisational size. It is interesting to note that support for both flexible working and personal development of volunteers levels off from medium-sized to the biggest TSOs.

Figure 3.5(a) **Training and development provision for employees by organisational size** (Third Sector Trends in England and Wales 2025, full and part-time employees only n=4,422)

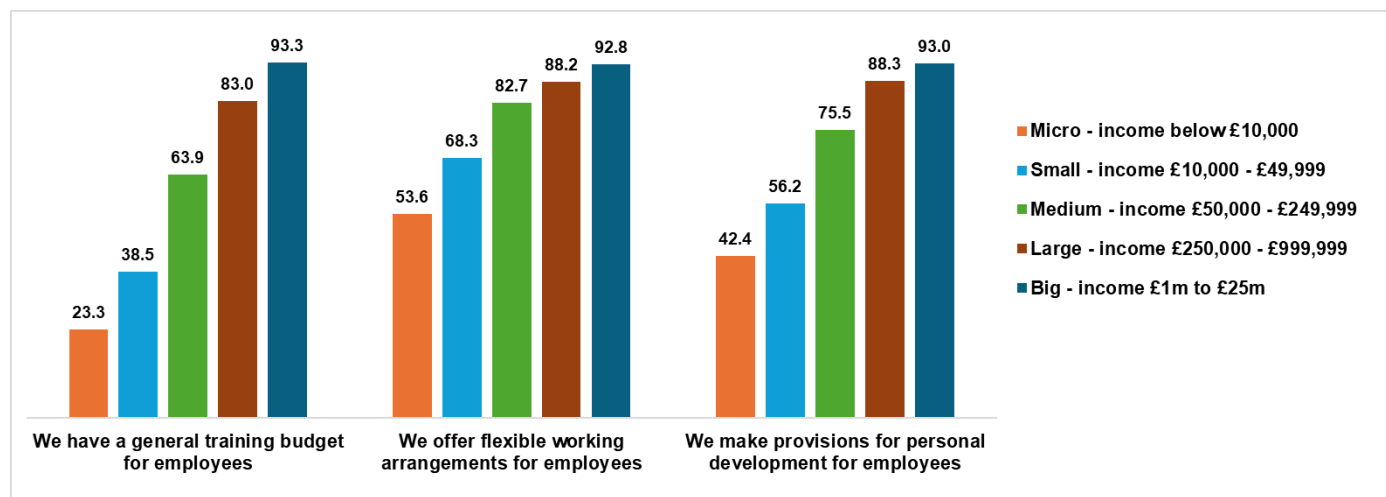


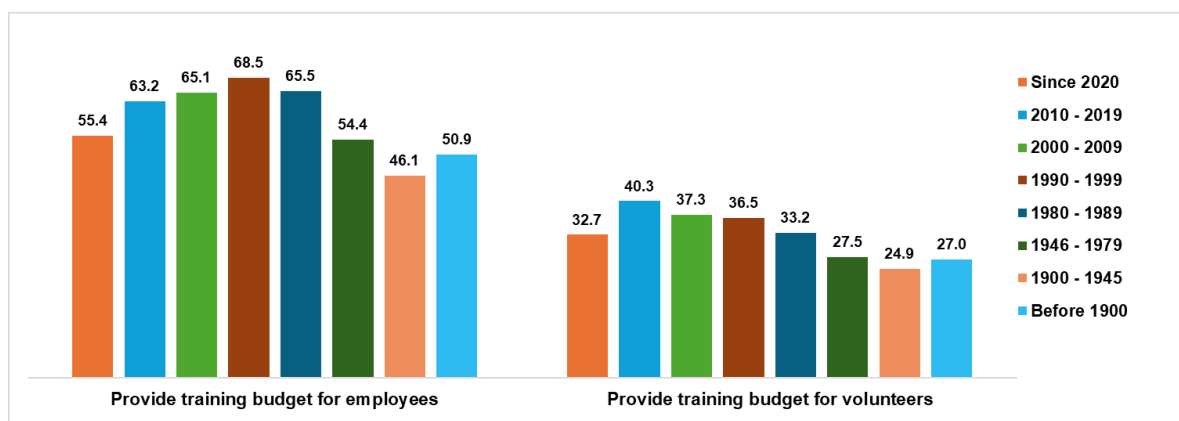
Figure 3.5(b) **Training and development provision for volunteers by organisational size** (Third Sector Trends in England and Wales 2025, n=8,603)



Financial support for training of employees and volunteers is quite low in the most recently established organisations (see Figure 3.6) but rises progressively to those established in the 1990s, before tailing off amongst older TSOs (with the exception of those which have been in existence since before 1900).

Training budgets for volunteers, by contrast, are most common amongst TSOs established in the last decade and slowly declines thereafter. Though not reported here, broadly similar patterns exist for flexible working and personal development.

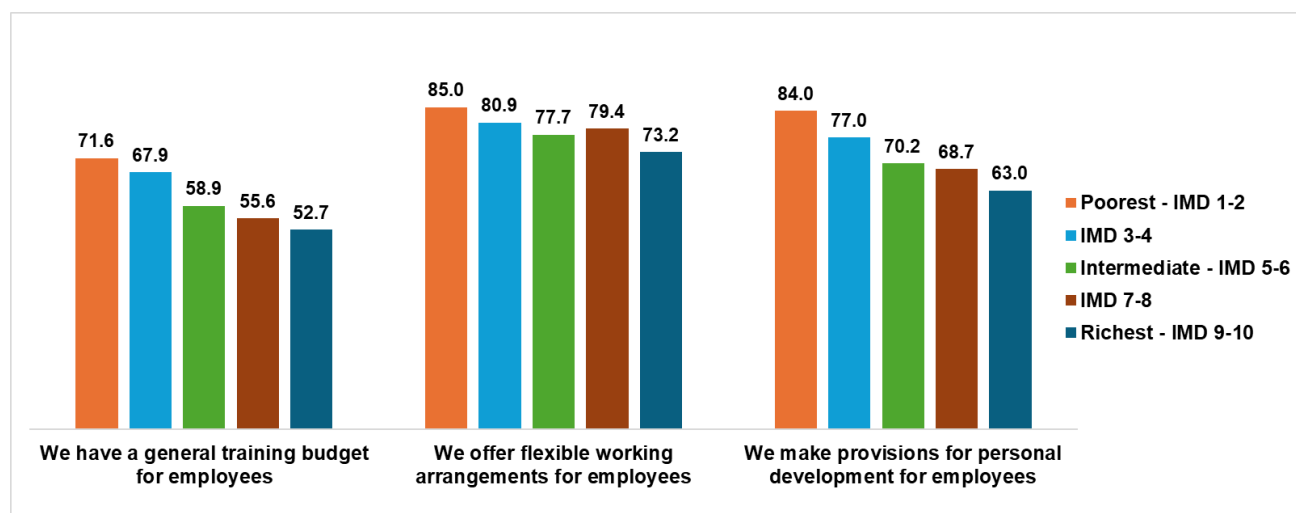
Figure 3.6 **Training budget provision by voluntary organisations' size** (Third Sector Trends in England and Wales 2025, employers, n=4,418, TSOs with volunteers n=8,491)



Interesting patterns emerge when comparing TSOs based in affluent or deprived areas (Figure 3.7(a) and (b)).

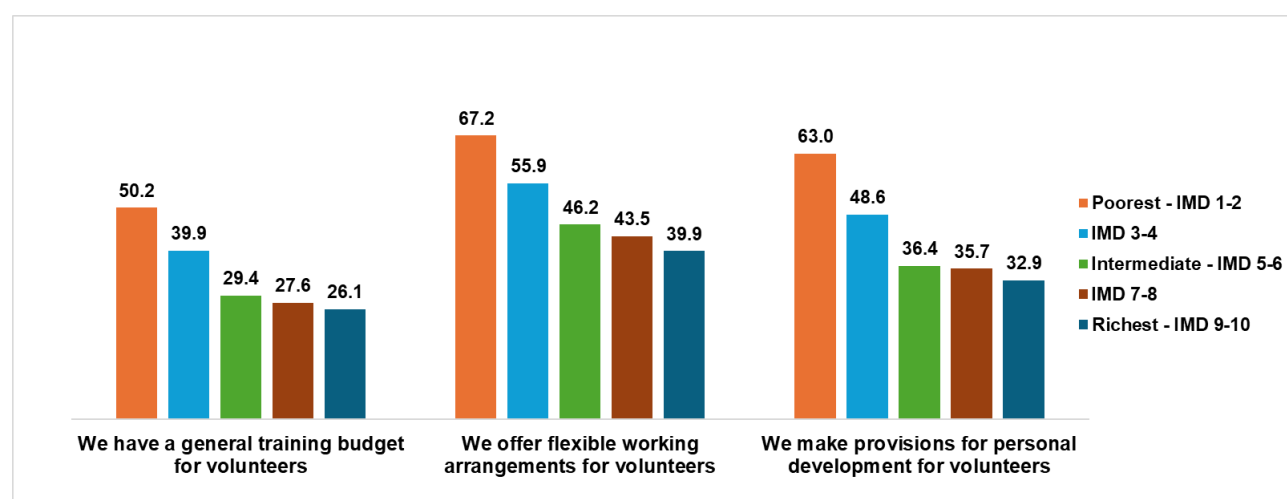
- Voluntary organisations in poorer areas are much more likely to hold training budgets and invest in flexible working and staff development than in the richest locations. This may partly be due to variations in the structure of the third sector as there are proportionately many more micro and small organisations in richer areas.
- Investment in training and support for volunteers is much higher in the poorest areas. This may be related to variations in levels of social and personal capital in rich and poor areas but will require further investigation in subsequent reports.<sup>24</sup>

Figure 3.7(a) **Training and development for employees by TSOs' location** (Third Sector Trends in England and Wales 2025, n=8,624)



<sup>24</sup> People in wealthier areas are richer in social, cultural and financial capital and are more likely to be members of the 'civic core' where their altruistic contribution to society is valued but also embeds aspects of social status. For a definition and empirical exploration of the 'civic core' see Mohan, J. and Bulloch, S. (2012) *The idea of the 'civic core': where are the overlaps between charitable giving, volunteering and civic participation in England and Wales*, Birmingham: third sector Research Centre Working Papers no. 73. <https://www.birmingham.ac.uk/documents/college-social-sciences/social-policy/tsrc/working-papers/working-paper-73.pdf>. While the ownership of social capital may imbue a strong sense of personal worth and confidence it does not, of course, necessarily imply the ownership of the appropriate *skills* to work effectively in voluntary organisations.

Figure 3.7(b) **Training and development for volunteers by TSOs' location** (Third Sector Trends in England and Wales 2025, n=8,624)



### 3.3 Support for organisational development

Organisational development is often tackled in house, as this sub-section will show. But many organisations go to outside providers to help them with issues as shown in Table 3.2. The analysis in this section applies only to England.

- **Employment issues:** many TSOs tackle employment issue in-house (43%), but a majority seek external support. The most popular source is via specialist local private-sector providers – most probably in the fields of personnel management and employment law (25%). A sizeable percentage of TSOs (19%) go to local third sector infrastructure organisations (LIOs), but some seek support from local grant-making organisations such as local trusts and community foundations (9%) or local public sector bodies (4%).
- **Volunteering issues:** a majority of voluntary organisations deal with such issues in house (63%), some go out externally for support from LIOs (21%) or local trusts and community foundations (10%).
- **Governance and leadership issues:** about half of voluntary organisations deal with such issues in-house (54%) while many go to local LIOs (20%) or local trusts and community foundations (12%).
- **Income generation issues:** are predominantly dealt with internally (66%), but 17% of TSOs go to local trusts and local community foundations as first port of call, followed by LIOs (9%).
- **Financial management issues:** around 18% of voluntary organisations go to professional firms (such as lawyers, investment managers or accountants) for help, but most deal with these issues internally 65%.
- **Local social and public policy issues:** are tackled in-house by nearly a half of TSOs but some go to LIOs (22%) or directly to local public sector organisations (17%).

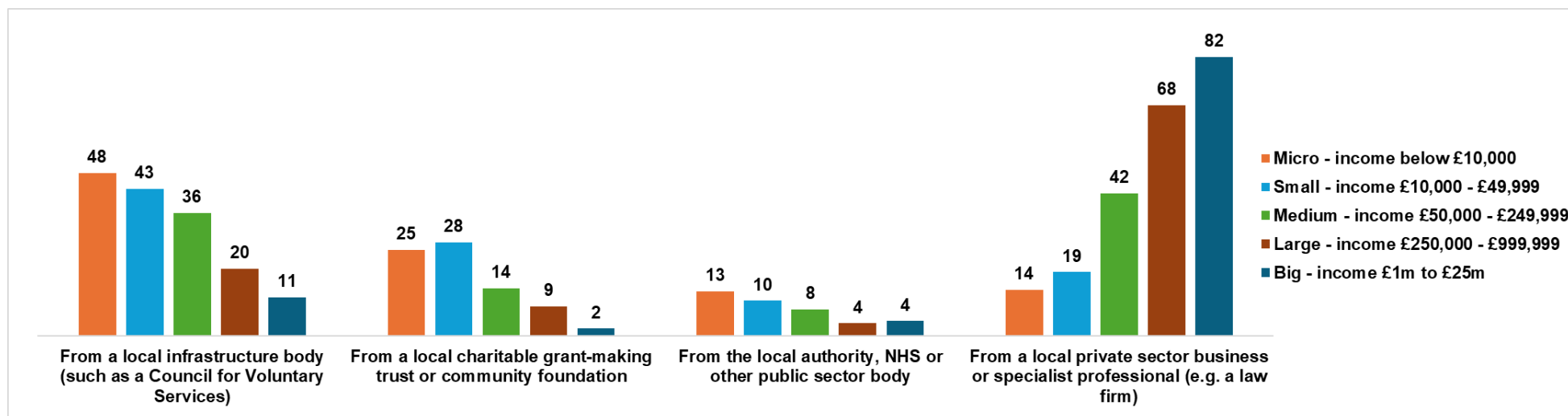
Table 3.2 Principal source of support for organisational management and development (Third Sector Trends in England 2025)						
	Employment issues	Volunteering issues	Governance/ leadership issues	Income generation issues	Financial management issues	Local social and public policy issues
From a local infrastructure body (such as a Council for Voluntary Services)	18.5	21.3	20.0	9.4	8.6	22.0
From a local charitable grant-making trust or community foundation	9.0	9.7	12.4	17.0	6.5	8.6
From the local authority, NHS or other public sector body	4.4	2.7	4.3	2.5	1.7	17.4
From a local private sector business or specialist professional (e.g. a law firm)	24.7	3.4	9.1	5.4	17.7	4.2
We'd do it ourselves	43.4	62.9	54.2	65.6	65.4	48.0
<b>Not applicable to us</b>	41.6	19.5	12.3	11.7	10.8	29.0
Total (England only) n=	7,859	7,880	7,865	7,876	7,865	7,821

The extent of reliance upon sources of support varies depending upon the size of voluntary organisations as shown in Figure 3.8(a) to Figure 3.8(f).

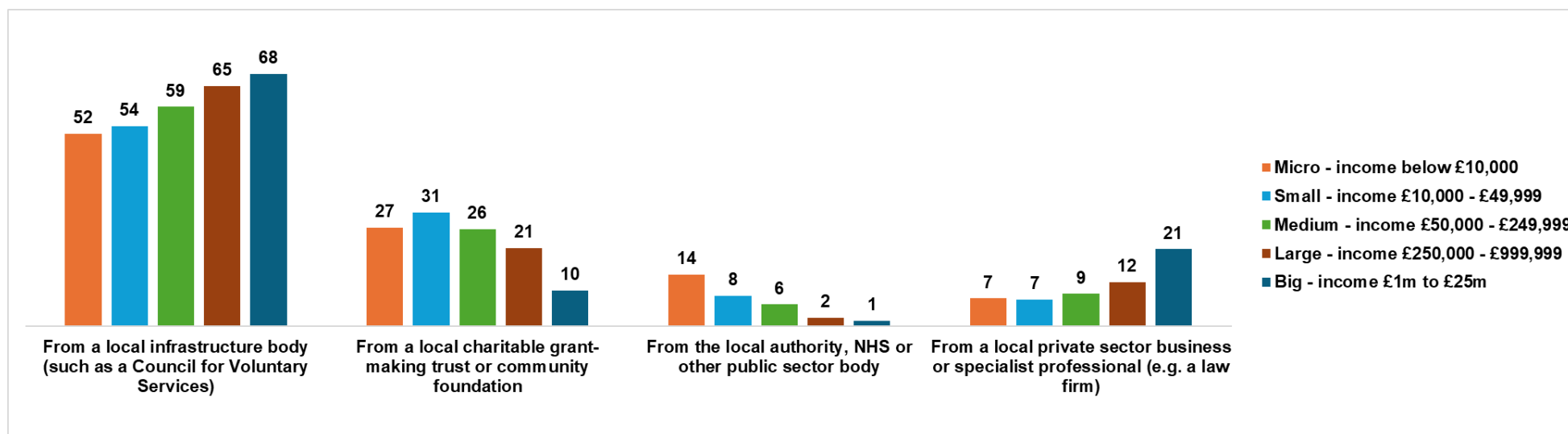
- **Employment issues:** smaller TSOs tend to go to LIOs or local trusts and community foundations for support. The biggest organisations almost exclusively seek private sector support (82%).
- **Volunteering issues:** LIOs dominate the market place in volunteer support. They are relied on more heavily by the biggest TSOs (68%) than the smallest (52%).
- **Governance and leadership issues:** a majority of the biggest organisations source support from the private sector (52%), but many (30%) go to LIOs. Smaller organisations mainly get support from LIOs and local trusts and community foundations.
- **Income generation issues:** local trusts and community foundations are the most common source of support for all but the biggest organisations. LIOs also have a significant role to play in providing assistance with income generation issues for TSOs of all sizes.
- **Financial management issues:** smaller TSOs are most likely to go to LIOs or local trusts and community foundations for support while bigger voluntary organisations mainly go to the private sector.
- **Local social and public policy issues:** about a third of TSOs, irrespective of size, go directly to local public sector agencies, but the principal location for third sector support is LIOs (~40-45%).

Figure 3.8 (a)-(f) **Where voluntary organisations source external support** (Third Sector Trends in England 2025)

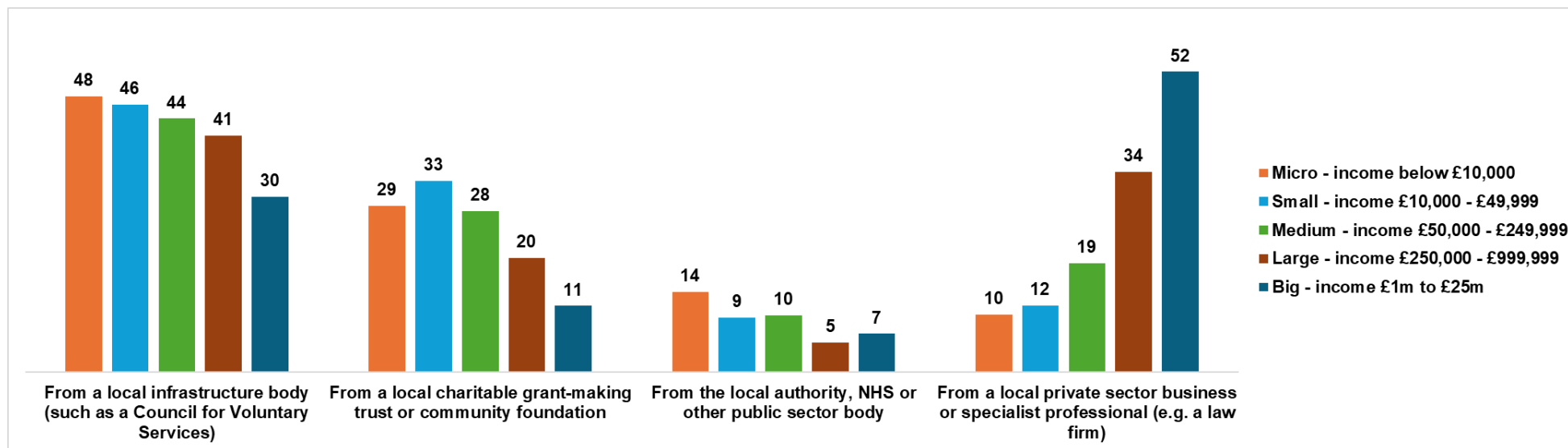
**(a) Employment issues** (n=2,596)



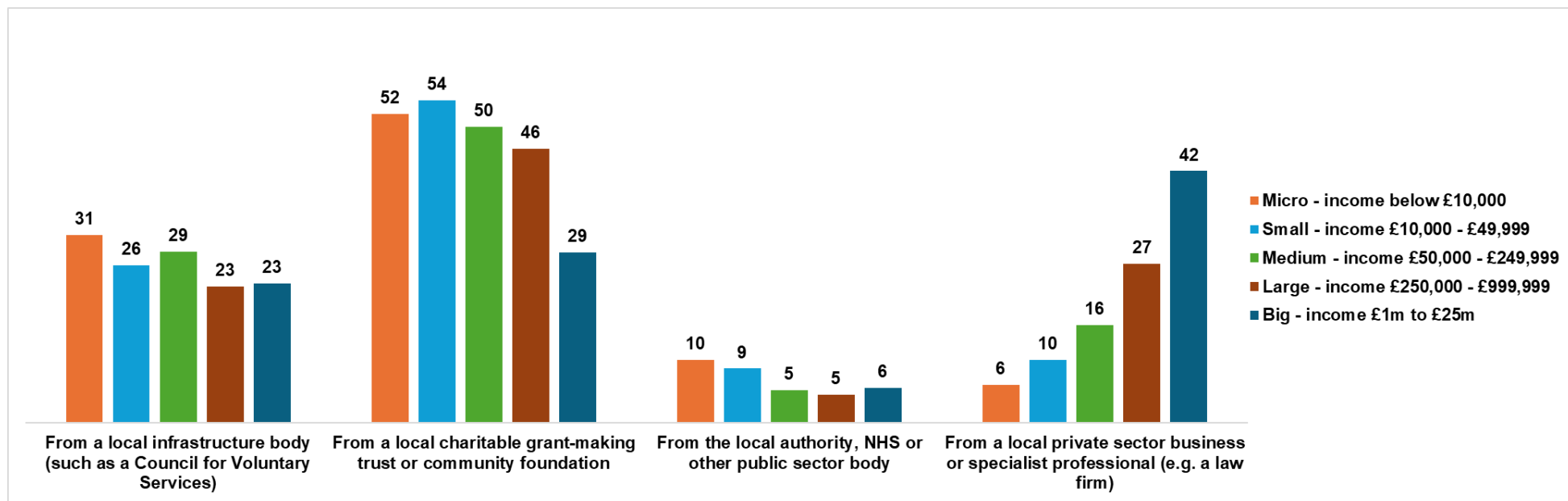
**(b) Volunteering issues** (n=2,354)

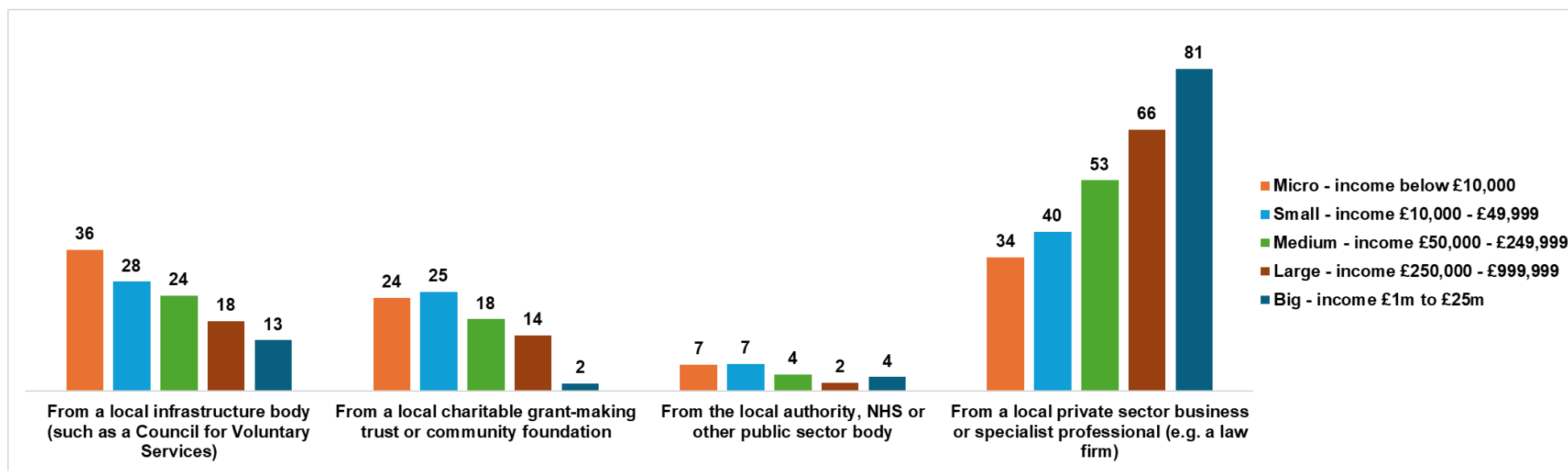
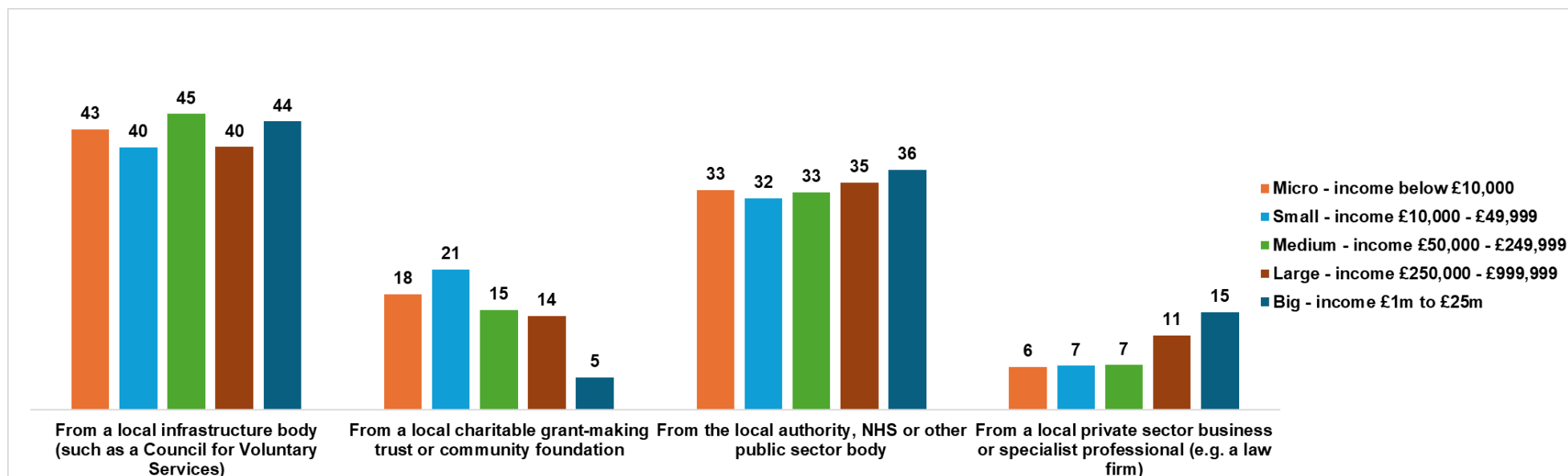


(c) *Governance and leadership issues* (n=3,160)



(d) *Income generation issues* (n=2,393)



**(e) Financial management issues** (n=2,424)**(f) Local social and public policy issues** (n=2,891)



## 3.4 Summary

This section of the report has shown that many voluntary organisations access external support for development purposes (from local infrastructure organisations, local trusts and community foundations, local public sector bodies and private businesses) but a majority of TSOs tend to tackle most issues in-house.

Many voluntary organisations recognise that training and development needs are a high priority – but they are in a minority. The only issue that commands a majority interest is support for ‘income generation’: over two thirds of TSOs think this is a high priority.

Core development issues such as *business planning, volunteer and employee management* and especially *trustee development and training* are regarded as lower order priorities. These findings, taking a more generous interpretation, could imply that voluntary organisations do not prioritise such investment because they are already fully prepared.

Third Sector Trends’ long-term qualitative study on voluntary organisations’ capabilities strongly suggests, however, that prioritising income generation over management skills can be a grave mistake.<sup>25</sup> Accepting grants or contracts, for example, if an organisation is ill-equipped to deliver them with the available funds can bring organisations down reputationally and financially.

Furthermore, if staff and volunteers are not properly skilled and motivated to deliver tasks this can be a recipe for disaster. Money is not the answer to all of the third sectors’ problems and certainly it can cause them if the consequences of accepting funds are not properly thought through by voluntary organisations’ leaders.

Leaders also need to understand what their organisation’s and their own personal weaknesses and strengths are – and in turn, they need to invest time and resource in themselves and their organisation to ensure they are ready to tackle the priorities they have set themselves. They must also continually appraise their external operational environment so as to prepare for opportunities or threats that are coming their way.

Leadership, in these terms, looks like an onerous task. So the next section will look at how leaders ‘feel’ about the prospects of their organisations and how they feel personally about tackling the many internal and external issues they must address.

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<sup>25</sup> These points are developed fully in *Going the distance: how third sector organisations work through turbulent times* [new edition] (2025) available [here](#) (see Section 6, pp.40-46).

## Section 4

# Leadership

This section of the report presents findings on the characteristics, expectations and ambitions of leaders in the third sector.

- The analysis will begin with an appraisal of leaders' expectations about what may change for their organisation over the next two years to provide general indications of current levels of sector optimism.
- This will be followed with preliminary analysis on a new Third Sector Trends question on the personal experience of leadership which looks at aspects of their role which are 'exciting' or 'worrying'. This will lay down foundations for further exploration in subsequent reports.
- Finally, the section will provide an update on the biographical and personal characteristics of leaders in the third sector, building upon previous rounds of the study in 2019 and 2022.

### 4.1 Leaders' expectations

Third Sector Trends is an independent and impartial study of the third sector. Its findings are presented to inform interested parties about the current situation in a comparative context. And because it is a big study, it is possible to disaggregate data so as to build a good understanding of variations in the experiences of voluntary organisations and draw conclusions about their origins or consequences.

This explains why the study, unlike so many others, has yet to present 'stark' or 'alarming' headlines about crisis conditions that affect the third sector as a whole. But that is not to say that life within the third sector is easy and many organisational leaders who took part in the survey in 2025 shared their concerns about the difficult situation they currently found themselves in.

Often these worries reflected a sense that problems were beyond the control of leaders.

***“Things are worse than ever now - poor funding, lack of long-term support - more and more young people socially isolated - we are overwhelmed with daily work yet massively underfunded and financially struggling.”***

***“It has never been harder to keep the show on the road. It is really hard to keep positive. Demand and costs are increasing, funding is decreasing. I am so worried.”***

***“We keep on keeping on but its hard not to despair!”***

***“It’s amazing work and I’m the happiest I’ve ever been professionally. But it’s also isolated, hard, the mental load serving participants can be overwhelming and the pressure to find repeat funding immense.”***

Many of the leaders' comments suggested that the problems they were facing impinged specifically upon voluntary organisations' like theirs.

*“It’s never been so hard in the sector and we’ve been around for 30 years. local authorities direct resource allocation increasingly and turn the tap on and off using resources to fill their own gaps. Nothing can be delivered consistently - it’s small last-minute contract delivery to the next contract - all to be delivered as 12 months worth of outcomes in 6 months timeframe... how can you plan in this climate?”*

*“It’s never been tougher for charities, particularly small local charities. I speak to other CEOs who are worried and burnt out. The demands on us, from society and government, have increased but the support and funding has not. The third sector has been left to support the most vulnerable people in the community, on good will and love. It’s hard to remain positive even though this work is a privilege.”*

*“Competition for trusts and foundations funding has never been greater - it feels almost impossible to get support for core costs but that is where the challenges lie with increased costs to utilities, infrastructure and employment. We can’t do the work without the people!”*

*“We fully expect to be out of business by the end of 2025 or early 2026. If people we employ and people who come to our sessions didn’t need what we do so acutely we would have thrown in the towel two years ago. Since lockdown ended we have seen more agencies move into the grant landscape and Hoover up what money is available to the sector. More competition, less funding available and a change of attitude from pressured professionals in grant-offering bodies has made the process of ‘selling our service’ a stress-inducing trial of stamina and resolve. Every month we collectively say ‘why bother?’ and then answer ‘because people we value need us to be here’. It can’t last.”*

The third sector is full of highly committed and ambitious people who want to make positive difference through their work. And while there’s little concrete evidence to suggest that sector finance has reduced in recent years, there is plenty of evidence to show that competition over the available financial and people resources carries on unabated. In such a situation, there are bound to be winners and losers.

Getting things into proportion is hard when leaders are up against it. But when compared with private sector businesses which are often saddled with debts, the risk of foreclosure is much higher than for voluntary organisations. This means that third sector leaders can choose to batten down the hatches rather than close, in the hope that something will come along to get them out of trouble.

Longitudinal qualitative evidence from Third Sector Trends has demonstrated that most voluntary organisations face periods of financial turbulence where the future feels uncertain and their prospects under threat. Sometimes, the research has shown, those threats which leaders faced were entirely beyond their control. On other occasions, however, organisations got themselves into hot water by making decisions (or not making decisions) that did them more harm than good.

To assert that the whole of the third sector is facing ‘existential threats’ or ‘perfect storms’ as so many reports do on the basis of survey responses to leading questions about the dire ‘state of the sector’ is irresponsible as it may deter people from joining the sector as employees, volunteers or trustees or may dissuade government, business and philanthropists from investing in the work of the sector.

As a recent Charities Aid Foundation report rightly concluded:

*“Charities are more positive about their own organisations than they are about the sector. Three-quarters (75%) of charity leaders are optimistic for their own organisation. But only 42% are optimistic about the charity sector*

*as a whole, suggesting that negative news within the sector leaves a lasting impression.*<sup>26</sup>

Third Sector Trends only reports on how respondents feel about their own organisation – not the sector in general – and finds high levels of optimism against a range of financial and non-financial factors as shown in Table 4.1.

- Almost 30% of leaders expect that their **income** will increase over the next two years while 55% think it will remain the same; only 16% believe it will fall.
- A quarter of TSOs think that **support from the private sector** will increase and 60% feel that it will remain similar; only 15% think that support will decline.
- **Grants from charitable trusts and foundations**, 27% of TSOs believe will increase and 52% think will remain about the same: only one fifth of leaders think that grants will decrease.
- Optimism about **funding from statutory agencies** is much lower. Only 17% of TSOs think that statutory support will increase while half of TSOs think it will remain the same. A third expect that statutory support will decline.
- **Volunteer support**, perhaps surprisingly, given the findings presented in Section 2 of this report, is also considered in an optimistic light: 27% of TSOs think support will increase and 60% think it will remain the same. Fewer than 15% of voluntary organisation expect that volunteer support will decline.
- **Partnership working** is also a subject of optimism, with nearly 30% of organisational leaders believing that it will increase and just 5% thinking it will diminish.

**Figure 4.1 Voluntary organisation leaders' optimism about the future of their organisations**  
(Third Sector Trends in England and Wales 2025)

	Income will...	Support from private businesses will...	Grants from charitable foundations will...	Funding from statutory agencies will...	Support from volunteers will...	Working in partnership will...
Increase significantly	4.0	2.6	4.0	2.4	3.2	5.7
Increase	24.5	22.8	23.0	14.6	23.4	33.9
Remain similar	55.3	60.0	51.5	50.4	59.7	55.3
Decrease	12.5	11.0	17.4	24.6	11.7	3.9
Decrease significantly	3.7	3.5	4.1	8.0	1.9	1.3
<b>Not applicable excluded</b>	<b>1.2</b>	<b>40.3</b>	<b>26.3</b>	<b>45.8</b>	<b>10.9</b>	<b>23.5</b>
n=	8,603	8,546	8,580	8,534	8,586	8,550

Taking stock of these findings from a distance, the optimistic outlook of the voluntary organisations' leaders may seem unrealistic. No judgement can be made on that until 2028 when the study is repeated. What can be done, however, in longitudinal research is to review how well optimism and experience matched in the past.

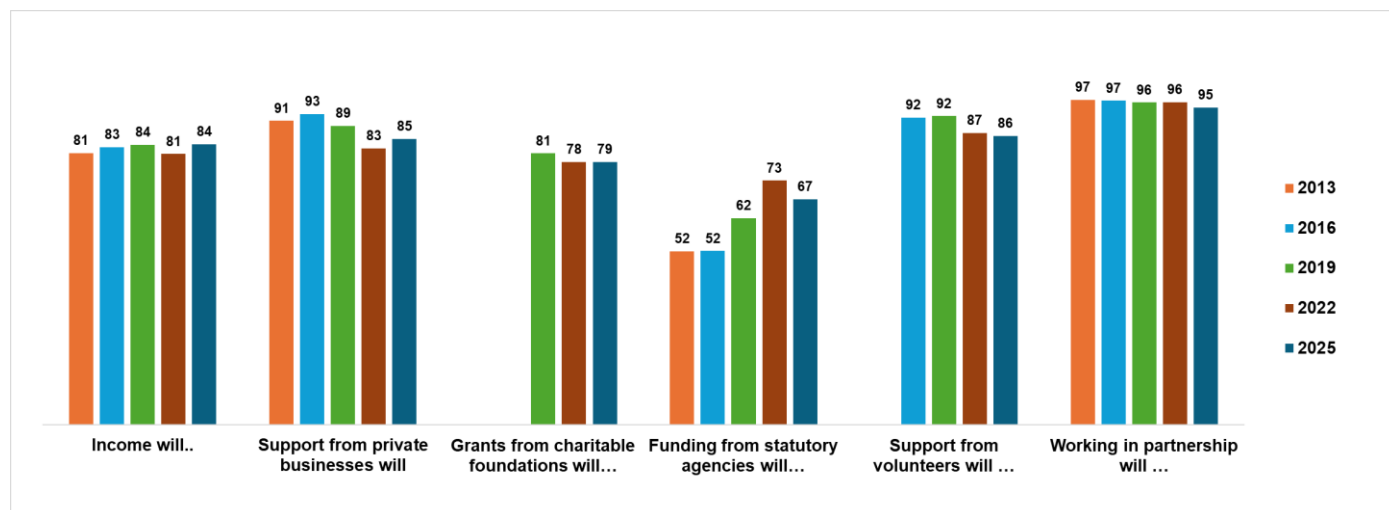
Over the last fifteen years, there have been several episodes of social and economic turbulence which have affected the operation of voluntary organisations. At each phase of the study, however, Third Sector Trends' evidence indicates that leaders remained *consistently* optimistic (Figure 4.1).

<sup>26</sup> Charities Aid Foundation (2015) UK Charity Insights Report 2025 <https://www.cafonline.org/docs/default-source/charity-insights/caf-uk-charity-insights-report-v4.pdf>

In light of a long period of austerity, the years-long distraction of government from social and public policies issues due to Brexit, the dramatic consequences of the Coronavirus pandemic and the current ‘cost of living’ crisis - the key finding from this analysis is that most leaders’ optimism in the third sector has remained unshakably resilient.<sup>27</sup>

Figure 4.1 **Levels of optimism of voluntary organisation leaders 2013 – 2025**

(Third Sector Trends, 2013, percent expecting either stability or improvement over the following two years, n=1,944, 2016 n=3,247, 2019 n=3,829, 2022 n=5,671, 2025, n=8,573)



Optimism is an important driver in *reflecting* leaders’ confidence and *shaping* the way they make decisions about the future direction of their voluntary organisations. There can be a downside to this, if ambitions cannot be realised when financial or other factors do not fall into place as expected. But the alternative would be far worse: if leaders adopted a wholly pessimistic outlook that would neither auger well from an organisational nor a sector point of view.

Care needs to be taken on the use of the terms such as ‘optimism’ and ‘ambition’ – to ensure that their origins and consequences are appreciated even if not fully understood. To some extent, high levels of optimism and ambition may be rooted in a mix of individual temperament, socialisation or the lived experiences of leaders. This is not a psychological study and no conclusions can be drawn about such factors. But what can be done is to disaggregate data to find out if levels of ambition and optimism are higher in some contexts than in others.

The series of charts presented below compare the situation of leaders in organisational context to see how that affects their predictions. To keep the scope of exploration within bounds – the analysis will be limited to leaders’ expectations about future income levels for their own voluntary organisation over the next two years.<sup>28</sup>

It should be noted, before the interpretation proceeds, that the term ‘optimism’ is not being used necessarily to reflect intentionality. Some voluntary organisations may not be seeking to increase income, though few, it would seem reasonable to assert, will want their income to decline.

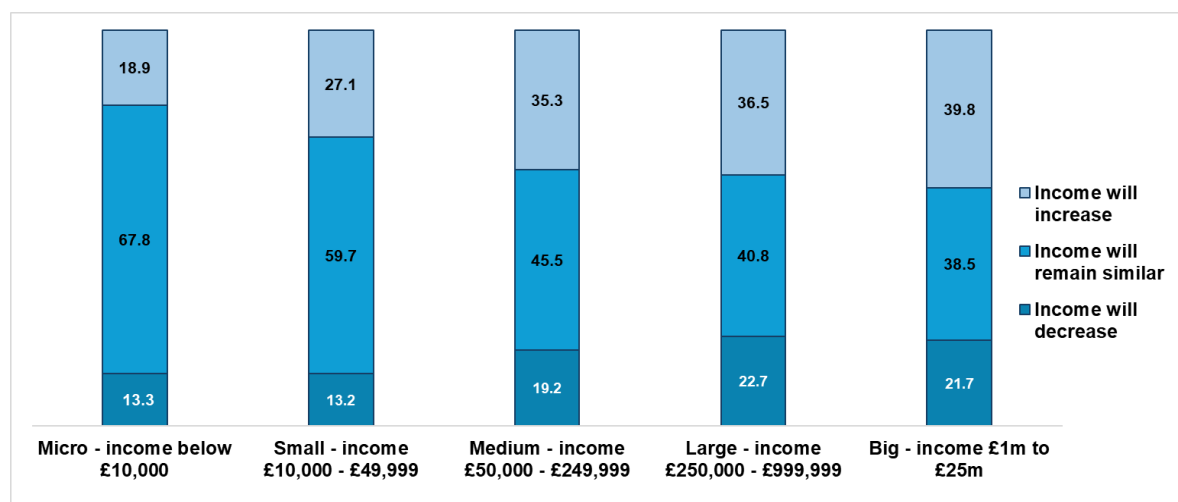
Figure 4.2 shows that optimism about rising income grows dramatically by organisational size from 19% of micro to 40% of the biggest TSOs. This does not mean that leaders in small organisations lack ambition – but it may indicate that financial issues are not necessarily connected to the ambitions they hold. Pessimism

<sup>27</sup> The only factor that has changed substantially is the level of optimism about statutory funding which were understandably low during the long period of government austerity policy.

<sup>28</sup> More detailed analysis on prospects in relation to more specific aspects of finance, volunteering and partnership will be provided in other reports in this series.

about the financial situation over the next two years also grows by organisational size - from 13% of micro to 22% of the biggest TSOs.

**Figure 4.2 Optimism about future finance by size of TSOs** (Third Sector Trends in England and Wales 2025, 'not applicable' excluded, n=8,504)



The age of TSOs has a bearing upon leaders' financial optimism (Figure 4.3). The most recently established voluntary organisations are by far the most optimistic – where 52% of leaders expect income to rise over the next two years. Older organisations are either more circumspect (having learned from experience about how hard it is to realise such ambitions) or they may have lesser purpose for increasing income.

The location of voluntary organisations in areas of wealth or deprivation also affects leader's optimism about future income levels (Figure 4.4). A more optimistic outlook is adopted in the poorest areas by 35% of TSOs compared with 25% in the richest. Pessimism in the least advantaged areas is higher than in the most advantaged (21% and 13% respectively). These percentage differences are partly, but not wholly explained by the preponderance of smaller organisations in rich areas and bigger organisation in poor areas.

**Figure 4.3 Optimism about future finance by age of TSOs** (Third Sector Trends in England and Wales 2025, 'not applicable' excluded, n=8,497)

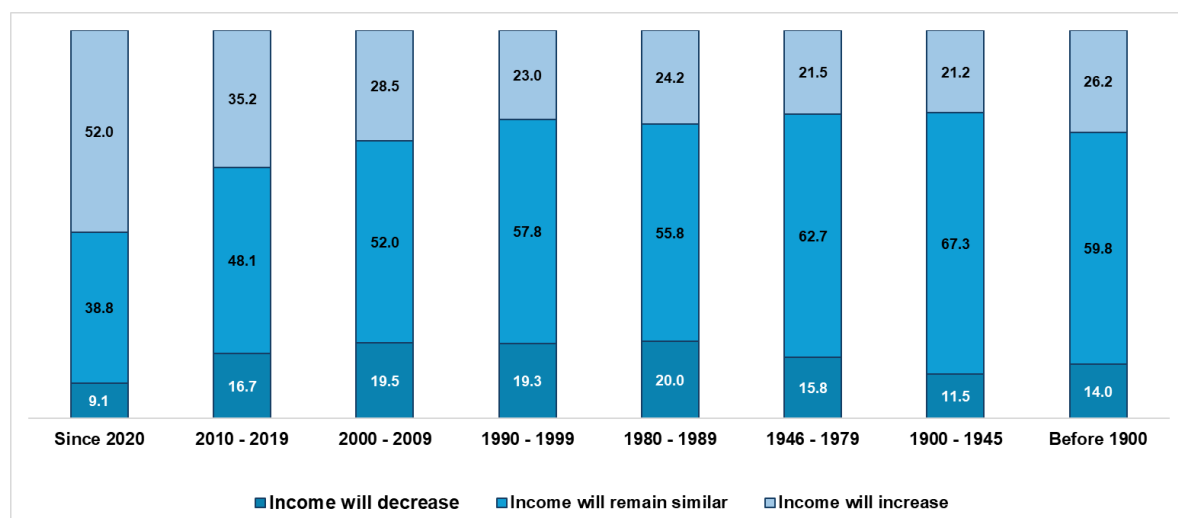
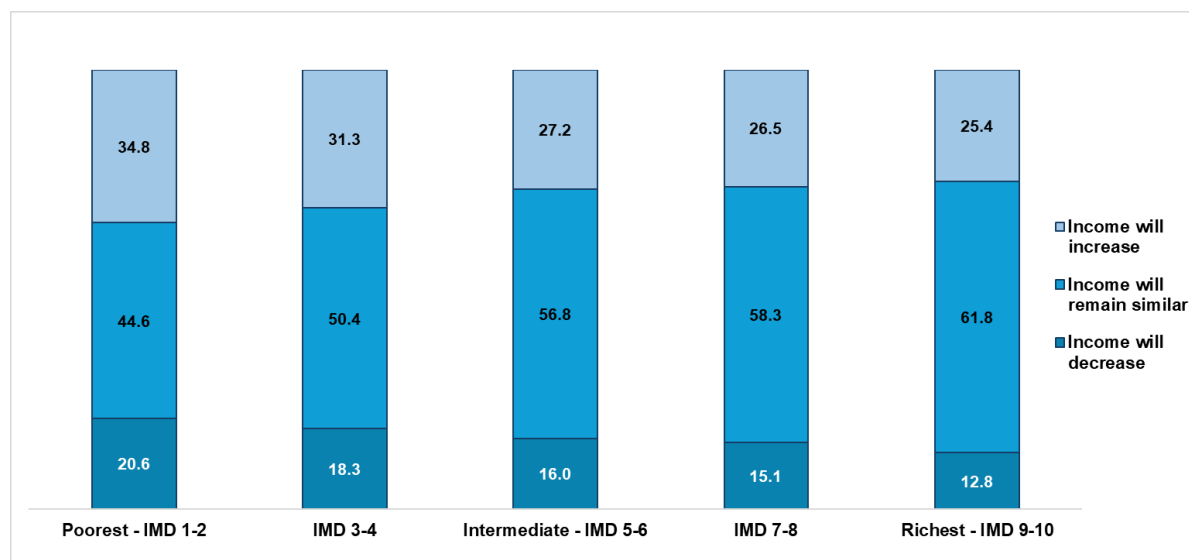


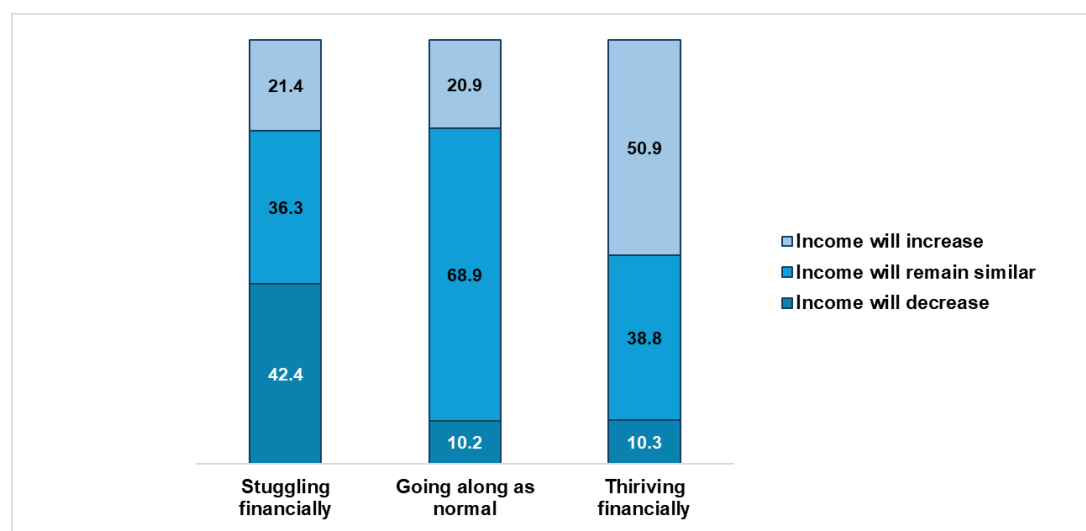
Figure 4.4 **Optimism about future finance by TSOs' location in areas of affluence or deprivation** (Third Sector Trends in England and Wales 2025, 'not applicable' excluded, n=8,504)



Optimism about income levels is muted amongst those voluntary organisations which are currently struggling financially (Figure 4.5). Only 21% of TSOs which are currently struggling are optimistic that income will increase compared with 51% of those which are currently thriving.

Voluntary organisations which are currently struggling financially are also much more pessimistic (42%) about income decreasing compared with those with stable finances (10%) and those which are thriving financially (10%).

Figure 4.5 **Optimism about future finance by TSOs' which are struggling or thriving financially** (Third Sector Trends in England and Wales 2025, 'not applicable' excluded, struggling n=753, level n=2,780, thriving n=768)



The above analysis, though robust in its own terms, is preliminary as further exploration of issues surrounding sector optimism and pessimism will be explored in more depth in the next section and in subsequent reports. Nonetheless, it has demonstrated that levels of optimism or pessimism are patterned by various factors, such as organisational size, age, location and the current financial predicament organisations found themselves in at the time of study and are not purely associated with leaders' personal biographies, characteristics or temperament.



Keeping these findings in mind, the next section looks at ‘emotional’ aspects of leadership by exploring how people *feel* about tackling various aspects of organisational management in the third sector.

## 4.2 How do leaders feel about their responsibilities?

The apparently unshakable optimism of many third sector leaders, as shown above, is heartening, given the operational difficulties they almost inevitably face in an uncertain and fast-paced political, economic and social environment.

Qualitative evidence from Third Sector Trends shows that a small minority of leaders exhibit signs of ‘blind optimism’ – believing almost fatalistically that ‘something will come along’ to resolve their current problems. A majority, however, are more measured in their assessments of what the future holds and take great care to scan the horizon for the opportunities or threats that may be coming their way.

The Charity Commission’s *Charity Sector Risk Assessment 2025* exercise provides a checklist of core issues that voluntary organisational leaders may need to be aware of when planning ahead.<sup>29</sup> That report assesses the whole range of potential risks to the sector from geopolitical turbulence to individual charities’ financial resilience - but is careful to put these observations in context.

*“Charting the risk landscape comprehensively presents its own risk of overwhelming charities, many of which are small operations run entirely by volunteers. The Commission’s role as regulator is to present a high-level picture of the threats we see facing the sector now or in the future, in order to help trustees take proportionate steps within their own context to prepare.*

*Our assessment above indicates a challenging environment for charities. But having been in existence for almost 175 years, the Commission stands testament to the extraordinary resilience of the sector it regulates: a sector which adapts to its climate with determination, in pursuit of its charitable objectives at home and abroad.”*

In 2025, Third Sector Trends has looked at how leaders<sup>30</sup> respond emotionally to the challenges that they face by asking them how they feel about a range of issues which may cause them serious trouble and worry, or make them feel energised and excited to get on with the job.<sup>31</sup> Table 4.2 presents headline data on responses to this new question - from which the following observations can be made.

- **Working collaboratively with other voluntary organisations:** this question aimed to affirm the level of commitment leaders have toward collaborative working – it demonstrates that 80% of respondents were involved in partnership working at some level. Very few felt worried about collaborations they were currently involved with. On the contrary, 11% felt excited about that prospect and 35% were quite excited.

<sup>29</sup> Charity Sector Risk Assessment September 2025 - <https://www.gov.uk/government/publications/charity-sector-risk-assessment-2025/charity-sector-risk-assessment-2025>

<sup>30</sup> The likelihood is that most respondents are either chairs or chief officers of organisations. It is not possible, however, to make a firm assumptions and ‘match’ evidence on the biographical characteristics of leaders (as discussed in the above sub-section) with the responses to this question with any measure of confidence.

<sup>31</sup> The precise wording of the question was as follows: “Leadership in voluntary organisations can involve a mix of ‘excitement’ and ‘worry’. How do you feel this week about these statements?” The emphasis on their current feelings was designed purposefully to distract them from generalised narratives about sector conditions and instead focus on their own experience at the present time. As such, no claim is being made that the findings ‘represent’ sector opinion on the topics at hand in generalised terms that is broadly applicable in all circumstances – but instead, that it provides a snap-shot of sector mood on a series of issues during the relatively short period of study between June and September 2025. That stated, there will be an opportunity to compare these data with future rounds of the study to see if they are more ‘typical’ than it is possible to determine at the present time. The questions follow a familiar pattern (as determined in the piloting phase) which is often used in survey design by alternating relatively positive against relatively negative statements so as to keep respondents alert.

- ***Managing with the financial resources we have to hand:*** the purpose of the question was to get a sense of leaders' confidence about current organisational finance. The balance of responses run towards 'worry' rather than 'excitement' – but only 8% were acutely concerned ("keeps me awake at night") while another 24% were quite worried. That 15% of respondents were quite or very excited about managing with financial resources they have to hand (and that 53% were neither worried nor excited) is encouraging.
- ***Putting ourselves forward for awards to show how well we're doing:*** this question aimed to determine how many organisations sought a measure of public recognition through the granting of awards; about 46% do so while 54% say that this is not something they are interested in. Amongst those organisations which put themselves forward for awards, leaders tended to be more likely to find this an exciting prospect (38%) than a worrying one (7%).
- ***Managing difficult interpersonal relationships (i.e. with volunteers, trustees, staff):*** by definition, leadership involves taking responsibility for managing difficult relationships between colleagues (including volunteers, trustees, employees and fellow managers). Problems associated with managing difficult relationships is almost universal - only 4% of organisational leaders stated that this issue was of no relevance to them. During the week within which they participated in the study, 18% of leaders were worried about such issues (and 5% were losing sleep, equal to 434 respondents). But not all leaders were worried. About 7% were quite excited about getting interpersonal relationship problems sorted out.
- ***Bidding for funding to do something brand new:*** this question was designed to distinguish between worries about managing within existing budgets (as discussed above) and more 'entrepreneurial' engagement with potential income streams to tackle a new issue and/or to do something differently. The findings reveal mixed emotions: 41% of leaders were excited, while 25% were worried – only 32% were unconcerned. The fact that only 25% of respondents were *not* engaged in bidding to do something new is significant in itself as it shows that 75% of TSOs were actively involved in trying to get funding to do something new.
- ***Campaigning to get the general public to see things our way:*** this question was designed to assess levels of leadership engagement with influencing at a moment in time. It indicates that nearly two thirds (63%) of leaders were currently involved in campaign work to persuade the general public to see things their way. Some were very excited about this (11%) while another a third of leaders engaged in campaigning were quite excited (32%). Worries about campaigning were affecting about 15% of leaders – and around 3% were worried enough to be losing sleep about it.

**Table 4.2 How voluntary organisation leaders feel about dealing with core organisational roles**  
(Third Sector Trends in England and Wales 2025, refers how to respondent felt “this week”)

	Excited: "get's me up in the morning"	Quite excited	Neither excited nor worried	Quite worried	Worried: "keeps me awake at night"	We don't do this	N=
Working collaboratively with other voluntary organisations	10.8	34.7	50.1	3.5	1.0	<b>20.2</b>	8,594
Managing with the financial resources we have to hand	2.1	12.4	53.2	24.0	8.2	<b>3.8</b>	8,582
Putting ourselves forward for awards to show how well we're doing	7.5	30.0	56.0	5.4	1.1	<b>54.0</b>	8,571
Managing difficult interpersonal relationships (i.e. with volunteers, trustees, staff)	1.3	5.9	67.1	20.7	5.1	<b>13.1</b>	8,578
Bidding for funding to do something brand new	9.4	32.8	32.1	19.2	6.5	<b>24.2</b>	8,569
Campaigning to get the general public to see things our way	10.6	32.1	42.9	11.8	2.6	<b>36.6</b>	8,543

These headline findings break new ground in understanding sector dynamics as they demonstrate clearly that leaders take substantially different emotional positions about core issues. As shown below, responses to questions are patterned by factors such as organisational size, age, location and financial wellbeing.

### **Organisational size**

Leaders' feelings about tackling challenges and opportunities vary depending upon the size of their organisations. As Figure 4.6 shows, leaders of larger TSOs are somewhat more excited about working collaboratively, putting the organisation forward for awards, campaigning or bidding for funding to do something new than leaders in smaller organisations.

Some aspects of leadership responsibility are more of a source of worry than excitement. Leaders of TSOs of all sizes are more likely to be worried about managing with their existing financial resources. The level of concern grows by size of organisation (except in the biggest). A similar pattern is repeated for dealing with difficult interpersonal relationships.

Lower levels of concern in the biggest organisations may be associated with leaders' ability to *delegate* roles to specialised staff – such as personnel managers to tackle problematic interpersonal issues. On the finance side, however, lower levels of concern are likely due to stronger medium-term financial resilience of the biggest TSOs (to be reported in the next Third Sector Trends report on organisational assets and financial resources).

### **Organisational age**

The age of organisation also has a bearing upon leaders' feelings about their responsibilities (Figure 4.7). Leaders in newer TSOs tend to be more excited about collaboration, putting their organisation forward for awards and campaigning than leaders in those organisations which have been established a long time. The exception is the oldest TSOs where excitement about collaboration picks up

somewhat. Bidding for funding to do something new is more generally experienced as a positive issue irrespective of organisational age.

A core aspect of concern is managing within current budgets. Leaders in newer organisations are generally more worried than their counterparts in older organisations – with the exception of the oldest (which are almost equally worried as leaders in the newest TSOs). Concern about managing difficult interpersonal relationships is fairly evenly distributed by organisational age – though concern deepens in the oldest organisations.

### ***Organisational location in richer or poorer areas***

Organisational leaders are more excited about collaboration in poorer areas (Figure 4.8). Excitement about campaigning to get the general public to see things their way is equally strong in the two most deprived IMD quintiles. Enthusiasm of leaders then dips before rising in those organisations based in the wealthiest areas. A similar pattern is shown for leaders interested in winning awards for their TSOs.

When bidding for funds to do something new – the trend is reversed when comparing levels of excitement about collaborative working. Organisational leaders in the wealthiest areas are the most excited about bidding for new funding (20%) while those in the poorest areas are the least (12%). This perhaps reflects a more general sense of worry amongst leaders in poorer areas about managing within current budgets (-24%) when compared with leaders in the richest areas (-10%).

Figure 4.6 **Net percentage of leaders' perceptions of 'excitement' or 'worry' about core organisational responsibilities by size of TSOs** (Third Sector Trends in England and Wales 2025, percentages represent % 'excited' minus % 'worried, n=8,594)

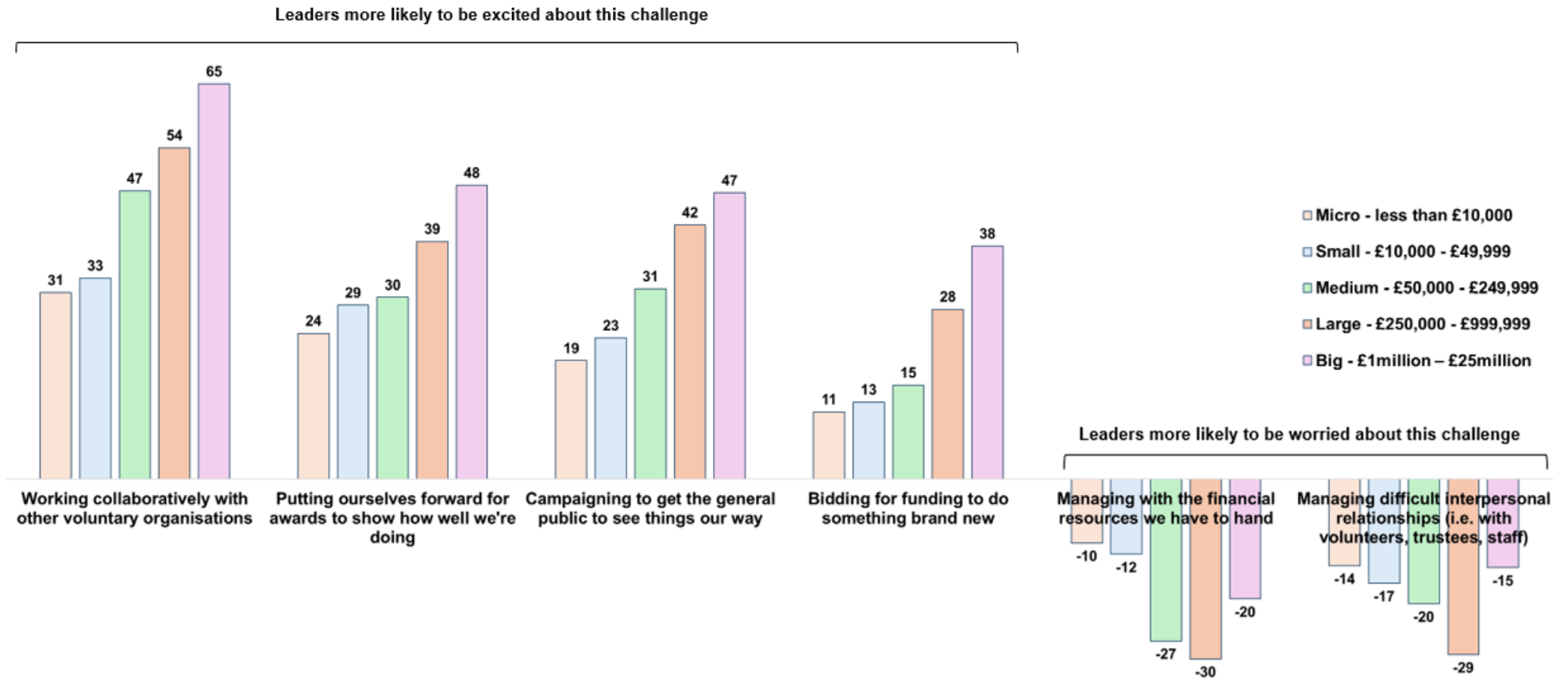


Figure 4.7 **Net percentage of leaders' perceptions of 'excitement' or 'worry' about core organisational responsibilities by age of TSOs** (Third Sector Trends in England and Wales 2025, percentages represent % 'excited' minus % 'worried, n=8,587)

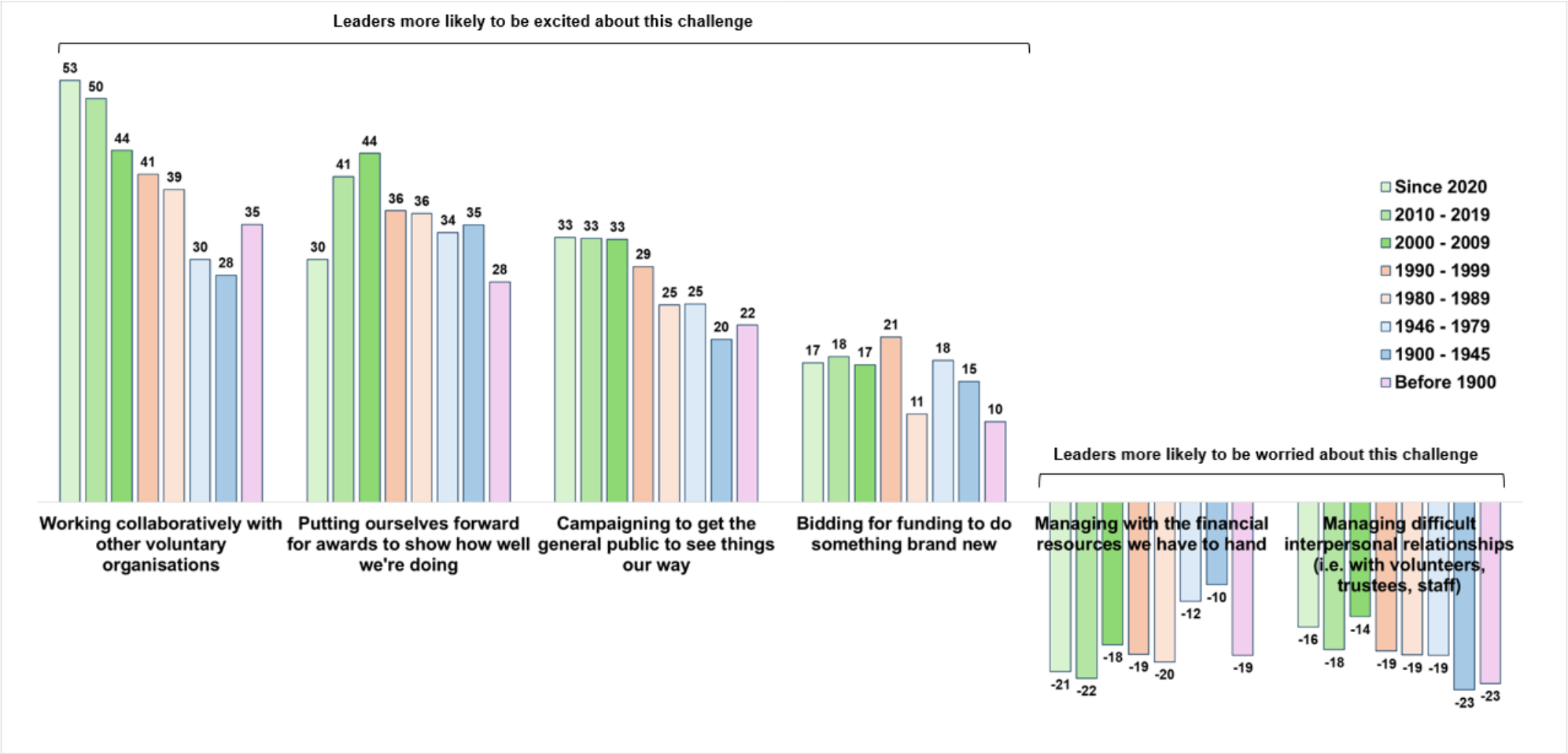
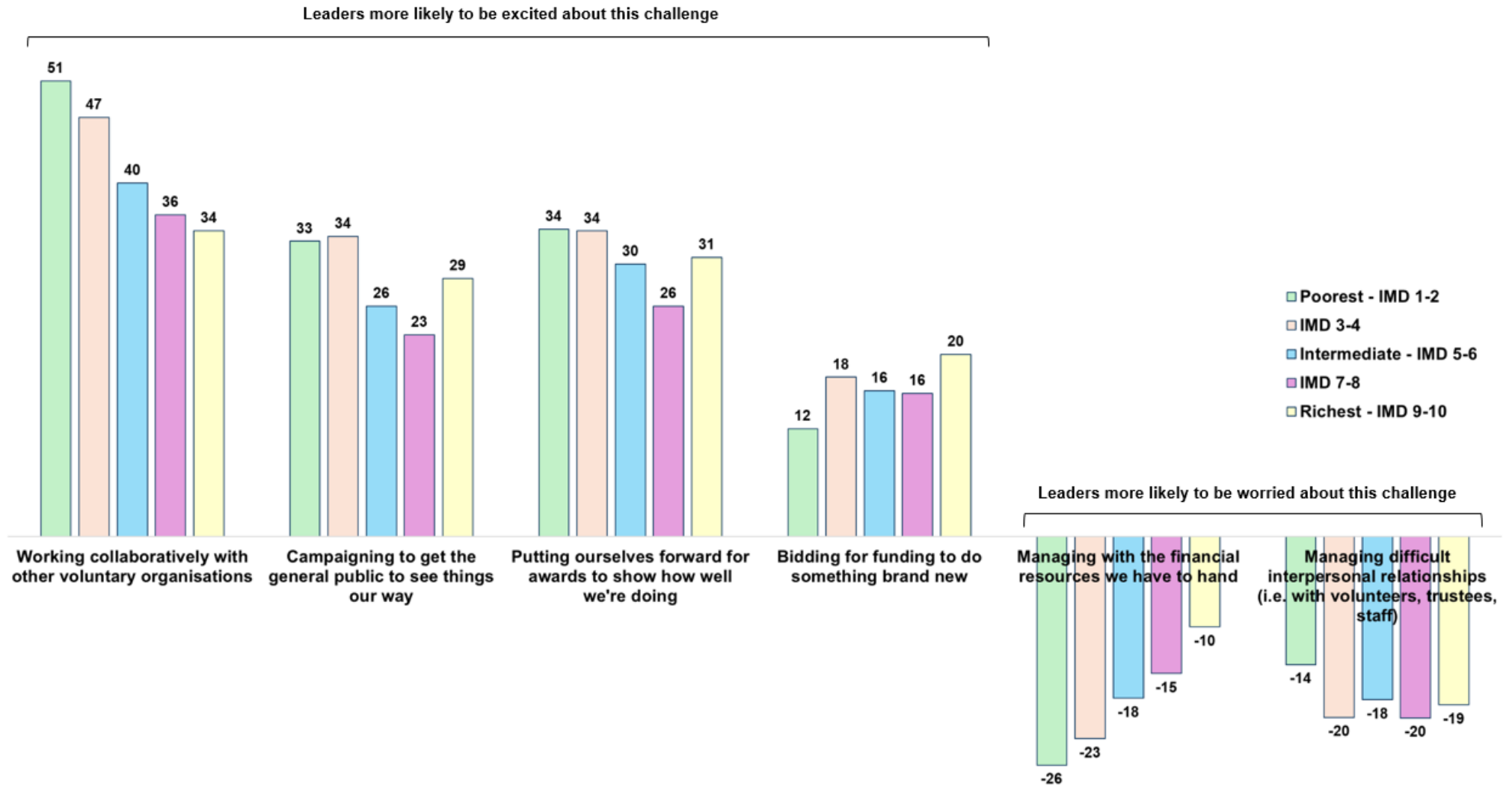


Figure 4.8 **Net percentage of leaders' perceptions of 'excitement' or 'worry' about core organisational responsibilities by area affluence of TSOs' location** (Third Sector Trends in England and Wales 2025, percentages represent % 'excited' minus % 'worried, n=8,594)





## 4.3 Diversity in sector leadership

In recent years, concerns have been expressed about equal access to leadership opportunities in the third sector for all members of the community who feel that they have a contribution to make. Debate was hampered by a lack of reliable data on diversity and inclusion in third sector leadership.<sup>32</sup> To help rectify this, in 2019 Third Sector Trends introduced new questions on diversity in sector leadership to provide baseline data. It is now possible to make comparisons with the situation in 2022 and 2025 to track changes.

Third Sector Trends can produce reliable evidence on aspects of the personal and biographical characteristics of sector leaders, but it is not possible to produce fine-tuned analysis due to the generalised nature of the study. Evidence from other studies, especially ACEVO's annual report on pay and equalities, deepen analysis on factors such as pay differentials, access to leadership training, personal development, work-life balance and support, and how chief officers allocate their time.<sup>33</sup>

There are several aspects of diversity and inclusion which are addressed in the analysis which follows. At present, the study focuses on race and ethnicity, social class, gender, disability and age.<sup>34</sup> Figure 4.9 shows the current situation across England and Wales. University graduate status (which is used as a crude proxy indicator of current social class position<sup>35</sup>) constitute 68% of 'chairs' of boards of governors or trustees – which is about the same as in 2019 and 2022.

The proportion of women chairs has remained similar from 2019-2025 (42-45%). The percentage of chairs who have disabilities appears to have fallen from (18% in 2019 to 7% in 2025) which may reflect the dramatic circumstances surrounding the pandemic. In 2025, 7% of chairs are Black, Asian or from other ethnic minorities (hereafter referred to as 'minority ethnic' chairs). This represents a set back in progress since 2019. The percentage of retired chairs has fallen slightly from 64% in 2019 to 57% now.<sup>36</sup>

<sup>32</sup> The research and policy literature on equality, diversity and inclusion was reviewed in more depth in *Diversity and inclusion in organisational leadership: evidence from Third Sector Trends 2020* which is available here: [THIRD-SECTOR-TRENDS-BRIEFING-DIVERSITY-AND-INCLUSION-IN-ORGANISATION.pdf](https://www.communityfoundation.org.uk/THIRD-SECTOR-TRENDS-BRIEFING-DIVERSITY-AND-INCLUSION-IN-ORGANISATION.pdf) ([communityfoundation.org.uk](https://www.communityfoundation.org.uk))

<sup>33</sup> ACEVO (2025) *Pay and equalities survey 2025*, London: ACEVO, available here: <https://www.acevo.org.uk/2025/11/acevo-pay-and-equalities-2025-survey-finds-pay-gap-narrows-but-inequalities-remain/>. The survey ran from 6<sup>th</sup> May to 9<sup>th</sup> June 2025 and attained 703 responses from across the UK.

<sup>34</sup> In 2019 questions were also piloted on sexuality and faith, but the willingness or inability of people to respond was limited which means that there would be too few data available to undertake convincing analysis. In 2022 a very small number of respondents commented that we had not taken a broader view on gender by using a simplistic male/female categorisation, one respondent made this comment in 2025. No comments were received on the issue of faith-based discrimination in leadership in 2019, 2022 or 2025. In relation to race and ethnicity, a small number of negative comments were received from respondents in 2022 and 2025 who believed that the question was insufficiently specific. And a small minority were vociferous in their opposition to the question even being included in 2022 and 2025. While respecting the views of those who criticised the approach taken, a balance has to be struck between the survey space needed and complexities surrounding the collection fine detail and its usage if attained, together with keeping people interested and moving quickly through the questionnaire. More detailed discussion of the rationale behind the approach can be found in a separate report on research methodology which can be found here: <https://www.stchads.ac.uk/wp-content/uploads/2025/10/Technical-paper-on-research-methodology-and-sample-structure-third-edition-Third-Sector-Trends-in-England-and-Wales-025-.pdf>

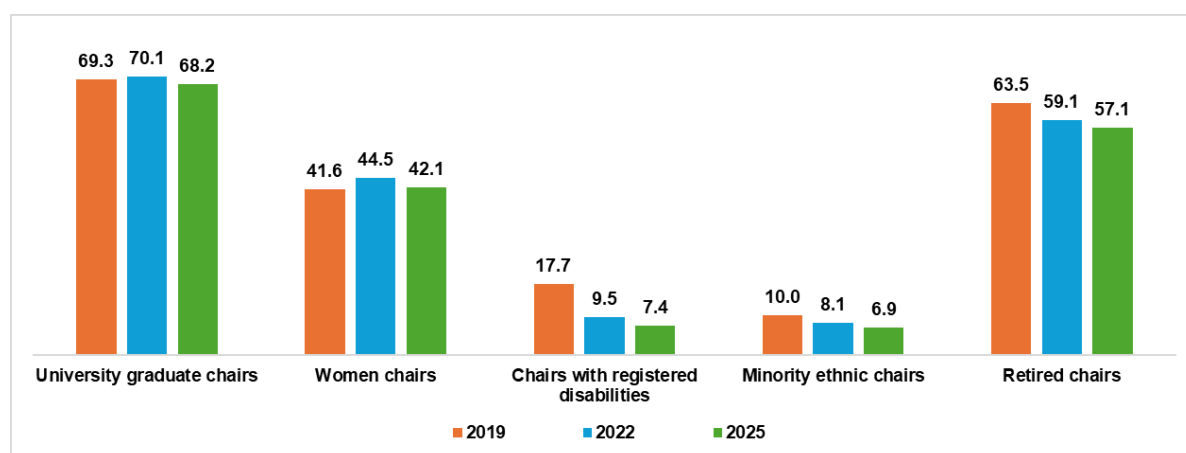
<sup>35</sup> It would be beneficial, analytically, if it were possible to examine social class 'origins' and 'destinations' in more depth in this study. This is not possible as respondents are guaranteed complete anonymity and confidentiality. Furthermore, the depth required in survey questioning (together with other factors such as ethnicity or types and levels of disability) would be extensive and reduce response rates substantially. Other studies are able to capture such evidence because they have a more specialised focus, such as ACEVO's annual pay and equalities survey, *ibid*: <https://www.acevo.org.uk/2025/11/acevo-pay-and-equalities-2025-survey-finds-pay-gap-narrows-but-inequalities-remain/>. A balance has ultimately to be struck between *volume* of data, so as to produce a fully representative and reliable evidence base, and the *depth* of data sought. As a generalised study, Third Sector Trends must opt for the former approach.

<sup>36</sup> A wide-ranging recent study by Charity Commission and Pro Bono Economics of the skills, experiences and demographics of 2,194 trustees across England and Wales reported slightly lower percentages of women chairs (35%) and Black, Asian or other minority ethnic chairs 9% BME. The study used a more complex approach to assess the social class of chairs and reported percentages of chairs from 'professional' (57%), 'intermediate' (13%), or 'working-class' (31%) backgrounds. Specific percentages

The biographical and personal characteristics of chief officers (in those voluntary organisations that employ staff) are shown in Figure 4.10. Graduate chief officers continue to outnumber non-graduates in similar proportions in the three waves of study. There are more women chief officers than men and their number continue to grow (rising from 55% in 2019 to 67% in 2025). The proportion of chief officers who have a disability has risen slightly from 7% in 2022 to 9% in 2025. There has been a patterned, though only slight increase in the percentage of minority ethnic chief officers since 2019: growing from 8% to 10% in 2025.

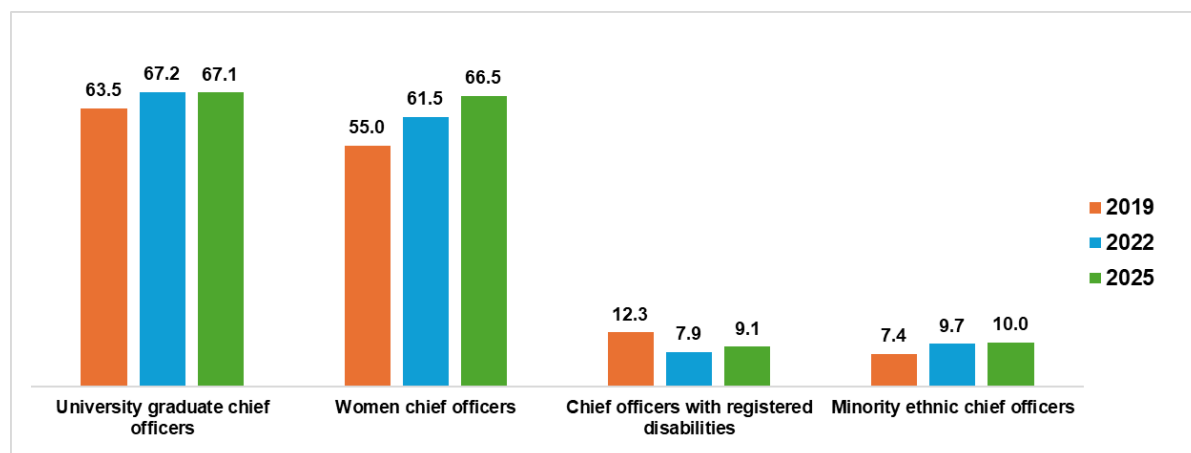
**Figure 4.9 Biographical and personal characteristics of board chairs 2019-2025**

(Third Sector Trends in England and Wales, 2019 n=4,083, 2019 n=5,693, 2025, n=8,457)



**Figure 4.10 Biographical and personal characteristics of chief officers 2019-2025**

(Third Sector Trends in England and Wales, 2019 n=4,083, 2019 n=5,693, 2025, n=8,457)



Confining analysis to 2025, Figure 4.11 shows that voluntary organisation size has a bearing upon the characteristics of chairs. Larger organisations are much more likely to have graduate chairs (87%) than the smallest organisations (62%). By contrast, there are more retired chairs in the smallest organisations (68%) but fewer in the largest (44%).

on retired or disabled chairs were not provided in that study. Harmer, D. and Ren, A. (2025) Trusteeship – a positive opportunity: Understanding skills, experience and demographics in England and Wales, London: Charity Commission / Pro Bono Economics: <https://pbe.co.uk/publications/trusteeship-a-positive-opportunity-understanding-skills-experience-and-demographics-in-england-and-wales/>. ACEVO's most recent annual report on pay and equalities has explored chief officers' satisfaction with board diversity: only 24% of CEOs are satisfied with ethnic diversity on their boards while 31% were content with representation of people with disabilities. <https://www.acevo.org.uk/2025/11/acevo-pay-and-equalities-2025-survey-finds-pay-gap-narrows-but-inequalities-remain/>

Variations in the proportion of women, disabled or minority ethnic chairs in larger or smaller organisations are less obviously patterned – although there are slightly more women chairs in the smallest organisations (45%).

Chief officers are more likely to be graduates in the biggest voluntary organisations (83%) than they are in the smallest (62%). Such differences would be anticipated given the higher levels of responsibility and expectations about educational credentials for senior staff working in more complex formal organisations (Figure 4.12).

Women are most likely to be chief officers in middle-sized organisations (68%) but still remain in a majority in the biggest (59%) and smallest (62%) TSOs. Chief officers with disabilities more generally manage the smallest organisations (12%) and half as many people with disabilities lead the largest TSOs (6%). Minority ethnic chief officers are progressively less well represented as organisations grow in size – falling from 15% in micro TSOs to 4% of the biggest organisations.

Figure 4.11 **Biographical and personal characteristics of chairs by size of TSOs**  
(Third Sector Trends in England and Wales 2025, average n=8,388)

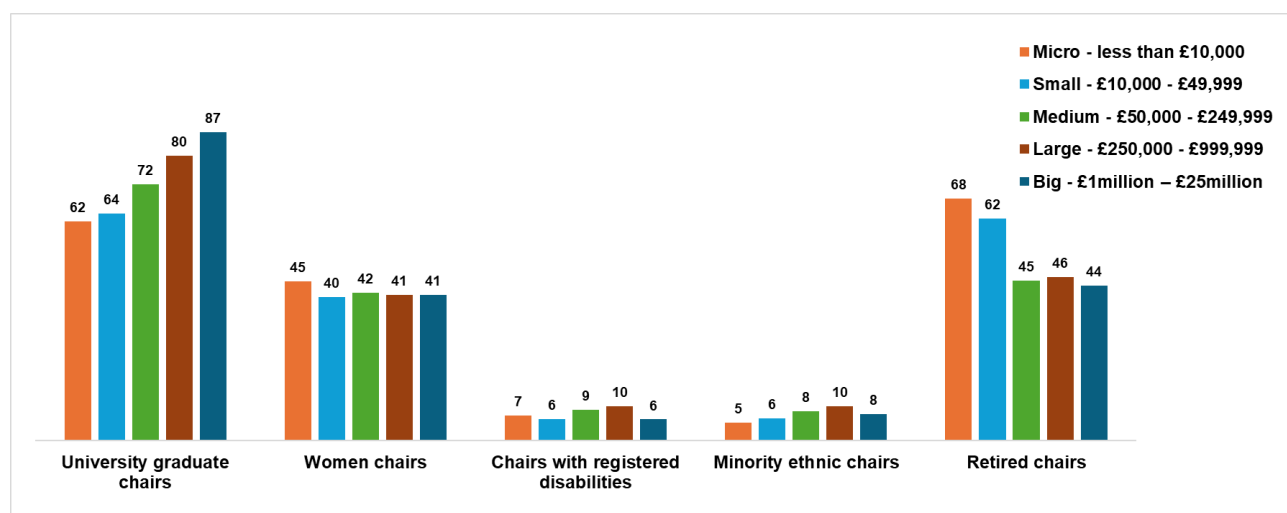
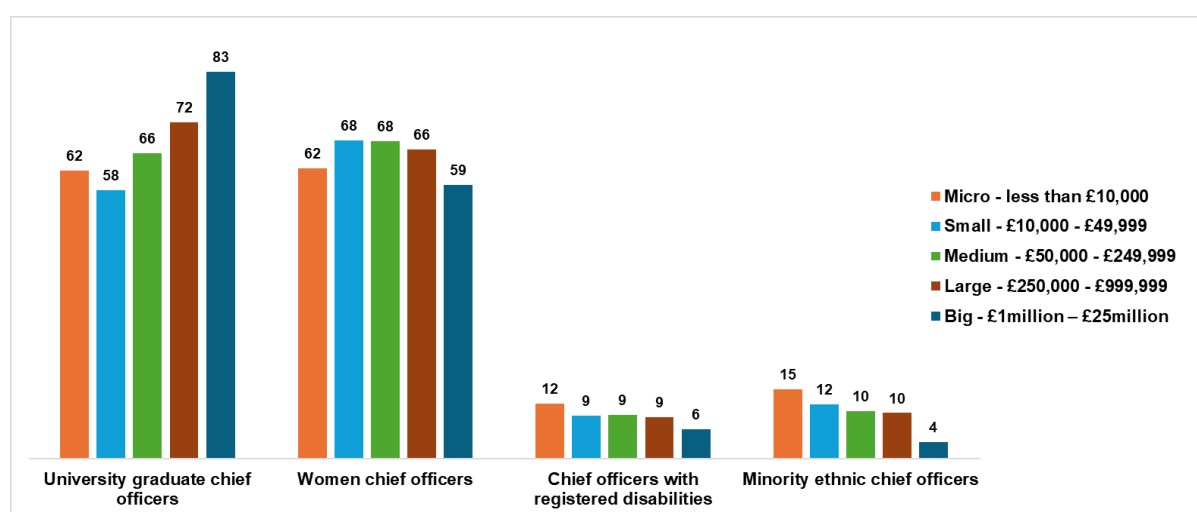


Figure 4.12 **Biographical and personal characteristics of chief officers by size of TSOs**  
(Third Sector Trends in England and Wales 2025, average n=3,854)



Background statistical analysis reveals how chairs' and chief officers' biographical and personal characteristics inter-relate as indicated below:

- Amongst chairs of boards of trustees, a similar percentage of women and men are graduates (66% and 68% respectively). Women and men chief

officers are also almost equally likely to be graduates (69% and 68% respectively).

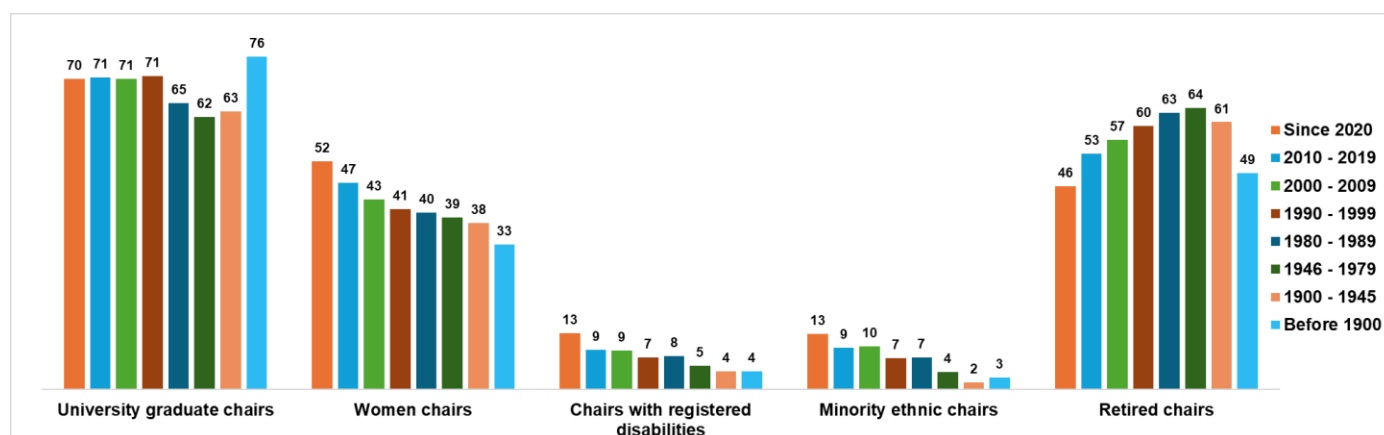
- Most minority ethnic chairs are graduates (80%) as is the case for chief officers (77%); amongst white chairs, 67% are graduates and 66% of white chief officers are graduates. 49% of minority ethnic chairs and 60% of minority ethnic chief officers are women.
- A majority of chairs of boards of trustees who are registered disabled are graduates (59%) and almost two thirds of registered disabled chief officers are graduates (64%); 48% of registered disabled chairs are women, 71% of chief officers with disabilities are women. 13% of minority ethnic chairs and 12% of minority ethnic chief officers have registered disabilities.

With these findings in mind, it is useful to look at variations by the age of voluntary organisations. As shown in Figure 4.13, the percentage of graduate chairs is consistent for TSOs established over the last 40 years (at around 70%) and then falls to 62-63% for older organisations. Those TSOs established before the turn of the last century are a notable exception with 76% chairs as graduates.

For women chairs, a different pattern is shown, where percentages fall from 52% of women chairing organisations started since 2020 to 33% in those established before 1900. The reverse is the case for retired chairs, who are a minority in the most recently started organisations (46%) but this rises to 64% of those TSOs set up in the years after the war. Thereafter the proportion of retired chairs falls rapidly to only 49% of the oldest organisations.

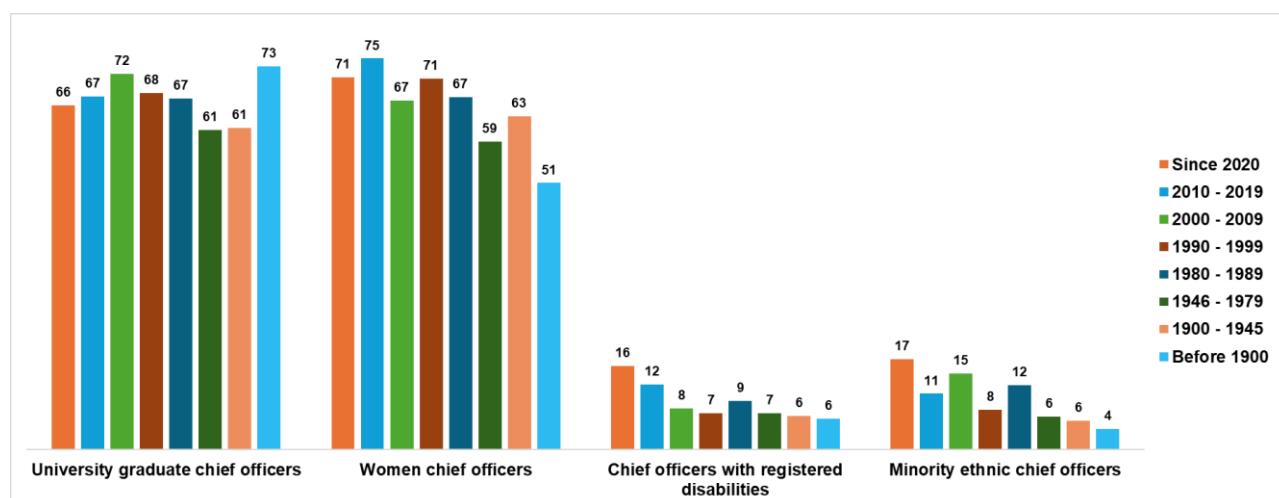
Chairs who have registered disabilities, or are from minority ethnic groups are most populous in newly established organisations – thereafter their number falls steadily as organisations age.

**Figure 4.13 Biographical and personal characteristics of chairs by age of voluntary organisations**  
(Third Sector Trends in England and Wales 2025, average n=8,381)



For chief officers, patterns are less consistent but the same general trends are evident (Figure 4.14). The percentage of graduate and women chief officers holds fairly steadily irrespective of organisational age (although there is a notable increase to 73% of graduates in voluntary organisations which have existed since before 1900 while the percentage of women in these organisations is at its lowest at 51%). The general trend for people with disabilities and from minority ethnic groups is downwards from the most recently established to the oldest TSOs.

Figure 4.14 **Biographical and personal characteristics of chief officers by age of voluntary organisations** (Third Sector Trends in England and Wales 2025, average n=3,852)



The affluence of the areas within which voluntary organisations are located has a bearing upon diversity in sector governance and management. As shown in Figure 4.15, graduate chairs, always in a majority, are distributed similarly across rich and poor areas. Women chairs are in a minority in all areas; and representation falls slightly in progressively affluent areas.

There are more than twice as many chairs with registered disabilities in the poorest areas (14%) as there are in the richest (6%). Minority ethnic chairs occupy just 3% of chairs in the most affluent areas and 14% in the poorest. The percentage of retired chairs rises progressively from 46% in the poorest areas to 65% in the richest.

Figure 4.8 presents equivalent data for chief officers. The distribution of graduate and women chief officers is fairly similar in rich and poor areas. While there are relatively few chief officers with disabilities, they are more likely to be situated in the poorest areas (13%). There are four times as many minority ethnic chief officers (16%) in the poorest areas as there are in the richest (4%).

Figure 4.15 **Biographical and personal characteristics of chairs by TSOs' location in rich and poor areas** (Third Sector Trends in England and Wales 2025, average n=8,388)

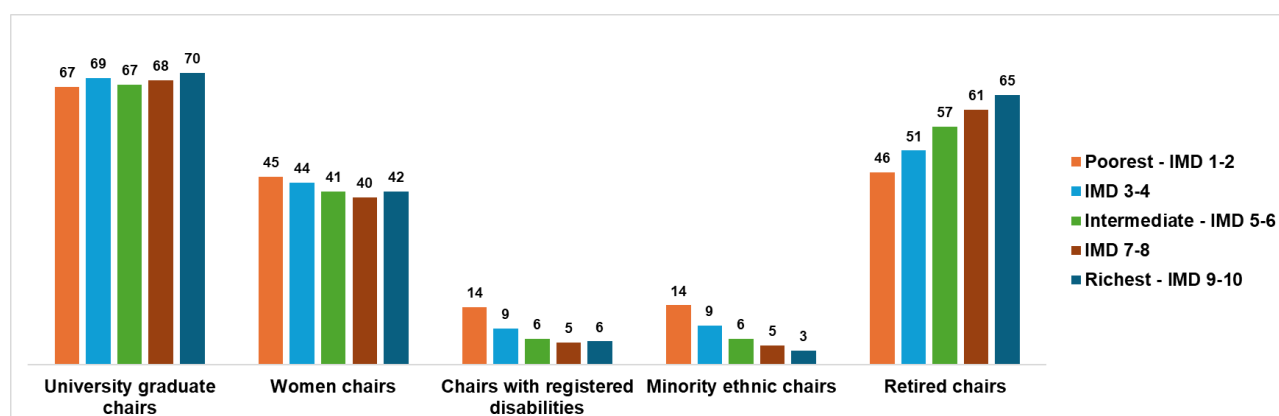
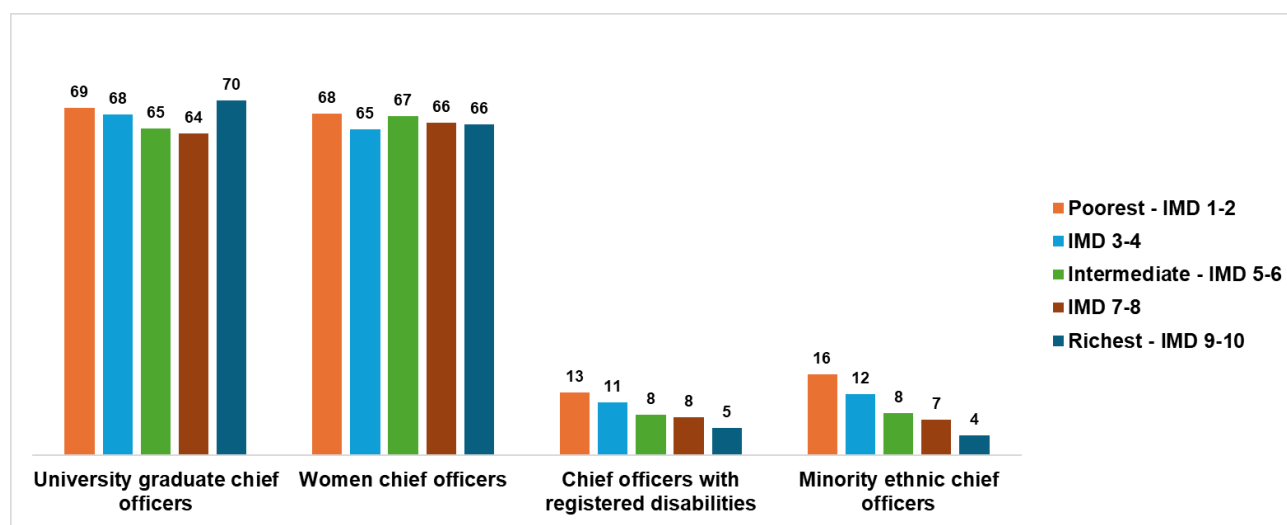


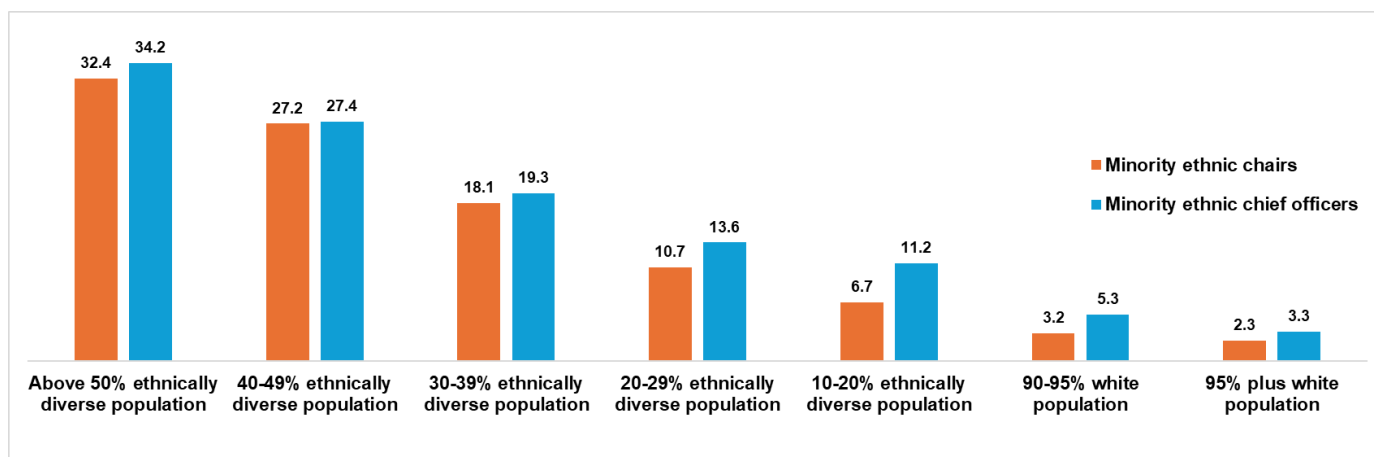
Figure 4.16 **Biographical and personal characteristics of chief officers by TSOs' location in rich and poor areas** (Third Sector Trends in England and Wales 2025, average n=8,388)



The low level of representation of minority ethnic chairs and chief officers in wealthier districts is worthy of further investigation. Figure 4.17 shows that the distribution of minority ethnic chairs and chief officers varies considerably depending upon the density of ethnic diversity in local authority areas.<sup>37</sup>

In overwhelmingly white local authority areas, there are fewer than 3% of minority ethnic chairs and just over 3% of chief officers. In the most ethnically diverse local authority areas, there are 32% minority ethnic chairs and 34% of chief officers. The patterns associated with area diversity are clear – in all categories of ethnic density in local authority areas, minority ethnic chairs and chief officers are under-represented by population averages.

Figure 4.17 **Minority ethnic chairs and chief officers by area diversity**  
(Third Sector Trends in England and Wales 2025, chairs n=574, chief officers n=375)



In summary, there is some evidence to suggest that progress has been made towards increasing ethnic diversity in sector leadership since 2019. However, those opportunities appear to be restricted in some areas and types of organisations. While minority ethnic chairs and chief officers are better represented in poor areas and districts with high levels of diversity – little inroad seems to have been made into the

<sup>37</sup> The current method for matching survey data with local authorities which have been categorised by density of minority ethnic residents is effective, but remains quite crude as many local authorities are highly varied in their social and spatial characteristics. As the research analysis progresses to explore community-level impact of the third sector, data will be matched with lower level geographies either by LSOA or Wards using NOMIS density delineations which are built upon Census data – this, in turn, can be configured to reflect area affluence using IMD variables which have already been established.

most affluent areas or into larger and older voluntary organisations. This situation may change because there is *strong* evidence to show that representation of minority ethnic chairs is much higher in recently established TSOs.

Currently stalled progress in addressing the issue of equality in leadership representation may have been exacerbated because this issue appears to have fallen off the agenda in most think tanks and some national infrastructure organisations as they have turned attention to others issues such as the pandemic, and the 'cost of living crisis'.

## 4.4 Perceptions about opportunities and challenges

Leaders from different types of voluntary organisations tend to be more optimistic than pessimistic about the future as shown in Section 4.2. Table 4.3 looks at perceptions according to leaders' biographical / personal characteristics.

- Voluntary organisations with graduate chairs and/or chief officers tend to be more optimistic about future income levels than non-graduates, but those with a pessimistic outlook are equally likely to be graduates and non graduates.
- Women chairs are equally optimistic as their male counterparts (28%); but men chief officers (39%) are more optimistic than women (33%).
- Chairs and chief officers who have registered disabilities are equally optimistic (36%); but there are more pessimistic chief officers with disabilities (25%) than any other categories of organisational leaders.
- Ethnic minority chairs (50%) and chief officers (49%) are particularly optimistic – more so than any other categories.
- Retired chairs are less optimistic (25%) than non-retired chairs (33%); but the same percentage of retired and non-retired chairs are equally pessimistic (16%).

Table 4.3 <b>Leaders' expectations about their organisations' income over the next two years</b> (Third Sector Trends in England and Wales 2025, optimism = percent expecting income to rise in income, pessimism = percent expecting income to fall)					
	Optimistic	Pessimistic		Optimistic	Pessimistic
University graduate chairs (n=5,732)	30.0	15.9	University graduate chief officers (n=2,641)	36.4	20.6
Non- graduate chairs (n=2,665)	24.8	15.5	Non- graduate chief officers (n=1,301)	32.7	19.0
Women chairs (n=3,529)	27.9	16.7	Women chief officers (n=2,595)	33.3	20.4
Men chairs (n=4,847)	28.4	15.3	Men chief officers (n=1,310)	38.9	18.5
Chairs with registered disabilities (n=604)	35.8	21.0	Chief officers with registered disabilities (n=338)	36.4	25.4
Chairs without registered disabilities (n=7,622)	27.6	15.5	Chief officers without registered disabilities (n=3,383)	34.9	19.4
Minority ethnic chairs (n=570)	50.5	15.3	Minority ethnic chief officers (n=372)	49.2	21.8
White chairs (n=7,677)	26.6	15.9	White chief officers (n=3,368)	33.7	19.7
Retired chairs (n=4,802)	24.6	16.2			
Non-retired chairs (n=3,605)	32.7	15.6			



Finally, the analysis turns to the current mood of chairs and chief officers (Figures 4.4(a) and 4.4(b)). Net percentage scores are presented, whereby the percentage of respondents who are 'worried' is subtracted from the percentage who are 'excited' about tackling a series of issues.

### ***Graduates***

Graduate chairs and chief officers are substantially more excited about the idea of collaboration than non graduates, as is so when considering putting their organisation forward for awards, bidding for funding to do something brand new and campaigning. On the other side of the coin, graduates worry more about handling difficult interpersonal relationships and managing with the financial resources they currently have to hand.

### ***Gender***

Women chairs and chief officers are slightly more energised by the prospect of working collaboratively than men, but are equally likely to be excited by the idea of putting their organisations forward for awards. Men tend to be more excited by the idea of bidding for funding to do something new than women. Women appear to be more worried about managing with the financial resources they have to hand and about tackling difficult interpersonal relationships than men. Men are slightly more excited about the idea of campaigning.

### ***Disability***

Chairs with disabilities tend to feel more excited about working collaboratively than other chairs, but chief officers with disabilities feel much the same as most others. Chairs and chief officers with disabilities are the most worried about managing with the financial resources they have to hand but seem to feel about the same as other leaders about managing troubling interpersonal relationships. While many chairs and chief officers with disabilities are quite excited about the prospect of campaigning to get the general public to see things their way, they are similarly disposed to most other organisational leaders.

### ***Ethnicity***

Minority ethnic chairs and chief officers are more energised by the idea of collaboration, putting their organisations forward for awards and campaigning than their white counterparts; but they are equally likely to feel excited about bidding for funding to do something new. Minority ethnic chairs worry more about managing within their current financial resources than chief officers. Worrying about interpersonal relationships is less common for minority ethnic chairs and chief officers than their white counterparts.

## **4.5 Summary**

This section has shown that ambition and optimism amongst third sector leaders remains remarkably high given the range of issues that they have had to deal with over the last few years. Some issues are beyond leaders' control, such as the longer-term impact of the pandemic on labour market dynamics. Others, however, centre on voluntary organisations' preparedness to invest in the skills, motivation and commitment of their people.

Leaders' optimism is a key driver in sustaining sector momentum and, ultimately, its positive impact. But this report has shown that leaders' levels of ambition and optimism vary in patterned ways, depending upon the characteristics of voluntary organisations and where they work.

Recognising these patterns has the potential to provide vital intelligence for those agencies that support TSOs, such as local trusts and community foundations, local third sector infrastructure organisations, public sector agencies and private businesses. And so, subsequent reports based on the 2025 survey will explore which

parts of the third sector are best and least prepared to frame objectives, garner energy and marshal their resources to achieve social impact.

To be successful, voluntary organisations cannot rely wholly upon ambition and passion for their beneficiaries. They also need to look after their people. That applies to sector leaders too, but until now there has been no substantive comparable evidence available with which to explore how leaders feel about issues and how those feelings might affect their practice.

No pretence is made that the analysis presented in this report is complete. But certainly, new ground has been broken through analysis of the *experience* of leadership which counters dominant 'crisis-ridden' third sector narratives. As the analysis proceeds in subsequent reports, it should be possible to explore statistical associations between leaders' confidence and ambition in relation to the role their organisation plays in place-based collaboration.<sup>38</sup>

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<sup>38</sup> See, for example, recent academic debate and empirical evidence on leadership in the context of locality: Rees, J. and Jacklin-Jarvis, C. (eds.) (2025) *Reimagining voluntary sector leadership: the influence and impact of place*, Bristol, Policy Press.  
<https://policy.bristoluniversitypress.co.uk/reimagining-voluntary-sector-leadership>

**Table 4.4(a) Leaders' 'excitement' or 'worries' about tackling managerial responsibilities by chairs' personal / biographical characteristics**  
 (Third Sector Trends in England and Wales 2025, respondents have a leadership role but may not be chairs or CEOs, percentages represent %excited minus %worried)

	Graduate chairs	Non-graduate chairs	Women chairs	Men chairs	Chairs with disabilities	Chairs without disabilities	Minority ethnic chairs	White chairs	All respondents	N=
Working collaboratively with other voluntary organisations	43.4	35.6	44.3	38.3	45.9	40.3	55.4	39.6	41.0	6,861
Managing with the financial resources we have to hand	-19.0	-14.2	-21.6	-14.7	-24.5	-17.0	-21.6	-17.2	-17.7	8,254
Putting ourselves forward for awards to show how well we're doing	32.3	28.9	31.8	30.7	33.8	31.1	36.2	31.0	31.0	3,944
Managing difficult interpersonal relationships (i.e. with volunteers, trustees, staff)	-19.6	-15.7	-19.7	-17.7	-19.7	-18.3	-4.8	-19.3	-18.6	7,454
Bidding for funding to do something brand new	17.8	14.8	13.8	18.8	13.2	17.3	18.6	16.8	16.6	6,497
Campaigning to get the general public to see things our way	30.3	25.2	27.0	29.4	29.4	28.5	37.3	27.6	28.3	5,415
For each set of columns N=	4,689	2,018	2,829	3,844	534	6,010	511	6,054		

**Table 4.4(b) Leaders' 'excitement' or 'worries' about tackling managerial responsibilities by CEOs personal / biographical characteristics**

(Third Sector Trends in England and Wales 2025, respondents have a leadership role but may not be chairs or CEOs, percentages represent %excited minus %worried)

	Graduate CEOs	Non-graduate CEOs	Women CEOs	Men CEOs	CEOs with disabilities	CEOs without disabilities	Minority ethnic CEOs	White CEOs	All respondents	N=
Working collaboratively with other voluntary organisations	55.3	42.5	52.3	49.0	50.3	50.6	56.7	50.3	41.0	6,861
Managing with the financial resources we have to hand	-30.1	-26.3	-33.4	-20.5	-39.1	-27.9	-21.6	-29.5	-17.7	8,254
Putting ourselves forward for awards to show how well we're doing	36.4	32.0	35.7	33.6	34.0	34.6	41.1	33.8	31.0	3,944
Managing difficult interpersonal relationships (i.e. with volunteers, trustees, staff)	-22.5	-18.7	-22.7	-18.4	-23.5	-21.3	-7.8	-22.5	-18.6	7,454
Bidding for funding to do something brand new	20.5	15.4	17.5	21.9	12.0	20.0	20.2	19.0	16.6	6,497
Campaigning to get the general public to see things our way	38.5	30.1	34.1	38.4	37.3	35.3	35.7	35.3	28.3	5,415
N=	2,439	1,127	2,362	1,163	314	3,039	353	3,014		

## Section 5

### Sector impact

This report has focused on the people energy the third sector has at its disposal for individual TSOs to achieve their objectives. This section turns attention, finally, to an assessment of the impact those people have. This a complex problem as there are many ways of considering the value of the third sector's work. This section explains the approach taken by Third Sector Trends to produces plausible, comparable and intelligible assessments of sector value.

What follows in an abridged version of a much fuller explanation of the principles underpinning the analytical process required to produce comparable impact indicators which can be accessed in this report: ***Structure and dynamics of the third sector in England and Wales: technical paper on sector structure and analytical techniques***, [third edition] which is available here: [Archive of publications from Third Sector Trends - St Chad's College Durham](#)

#### 5.1 Perceptions of impact

Currently, Third Sector Trends is the only large-scale study which collects substantive data on perceptions of sector impact. New questions were introduced in 2019 on the impact of the sector's work which were developed in collaboration with *Power to Change*. Respondents were asked "*at a community level, what kind of impact do you think you have?*" across several domains.

For each aspect, respondents were invited to tick one of the following responses: 'we have a very strong impact', 'we make an important contribution', 'we make some difference' and 'no we don't try to do this'. Response rates to each question were high (never falling below 94% for each statement) which bolsters the reliability of the findings.

It was a matter of concern, when this question was first launched in 2019, that people who took part in the survey might be tempted to 'over emphasise' the value of their work. But this did not turn out to be the case. Respondents were measured in their assessments of the areas of impact to which they contribute.

Table 5.1 shows the strength of impact that TSOs have on personal, social and community wellbeing. Two findings stand out. Firstly, a higher percentage of TSOs perceive that they have very strong impact on 'generalist' objectives such as 'health and wellbeing' (25%) or 'social isolation' (27%), while fewer make strong claims about more specialised or focused aspects of impact such as 'increasing employability' (6%) or 'improving the local environment' (8%).

**Table 5.1 Extent to which TSOs feel that they make an impact on aspects of social wellbeing**  
(Third Sector Trends in England and Wales 2025)

	We have a very strong impact	We make a good contribution	We make some difference	We don't try to do this	N=
Develop knowledge & skills through education & training	16.7	30.1	27.9	25.3	8,396
Improve health and wellbeing	24.6	35.3	26.7	13.4	8,451
Reduce social isolation	26.8	32.0	24.6	16.6	8,404
Encourage physical activity and improve fitness	12.5	20.8	23.3	43.3	8,254
Increase employability	6.0	13.4	22.5	58.1	8,178
Tackle the consequences of poverty	9.7	15.1	24.2	51.0	8,179
Improve people's access to basic services	10.5	15.6	20.3	53.7	8,155
Enhance the cultural and artistic life of the community	15.2	22.4	25.9	36.5	8,293
Improve the local environment	8.4	17.3	26.8	47.6	8,184
Promote community cohesion	18.4	28.5	29.8	23.2	8,303
Empower people in the community	17.8	24.5	26.2	31.5	8,212
Increase people's pride in their community	13.8	25.4	29.2	31.6	8,204
Give people confidence to manage their lives	20.1	23.0	23.5	33.4	8,239

Future reports will get beneath the surface of these headline findings, by exploring variations by organisational size and their locations (for example, areas of wealth or deprivation, rural and urban areas, and in areas with higher or lower density of ethnically diverse residents).

## 5.2 How to value sector impact

Third Sector Trends' approach to impact analysis has been designed to examine ways of assessing the contribution of the third sector as a complete entity to the social and economic wellbeing of localities. This represents a departure from most evaluation studies of sector impact which have tended to focus on the following.

- **Practice interventions** (such as programmes to address homelessness, teenage pregnancy, recidivism, cultural venues).
- **Organisational or partnerships interventions** (such as mental health recovery-college programmes, young people's employability programmes, enterprise and economic development).
- **Place-based interventions** which attempt to strengthen or revive local economy and society (such as Local Trust programmes or interventions to regenerate declining coastal towns).

A wide range of techniques have been developed to undertake evaluation of third sector activity such as *cost-benefit analysis* and *social return on investment*.<sup>39</sup>

<sup>39</sup> There is a large policy and practice literature associated with approaches to evaluation methodologies which cannot be reviewed here. There are several approaches to Social Return on Investment (SROI), see for example: New Economics Foundation (2004) *Social Return on Investment: valuing what matters*, London, New Economics Foundation. <https://www.nefconsulting.com/wp-content/uploads/2017/09/sroi-valuing-what-matters.pdf> For current practice provided by NEF, see: <https://www.nefconsulting.com/training-capacity-building/resources-and-tools/sroi/>. For a useful critical review of SROI see Arvidson, M., Lyon, F., McKay, S. and Moro, D. (2011) *The ambitions and challenges of SROI*, Birmingham: third sector Research Centre University of Birmingham. See also: Morris, A. (2003) *Models of Research Impact: a cross-sector review of literature and*

Third Sector Trends looks at social and economic impact in a different way by accepting that it is not possible to assemble sufficiently accurate data to produce reliable metrics. Instead, it is built upon evidence-based and shared judgements which are underpinned by an acceptance that:

- The third sector is a pluralistic entity: constructed of many organisations and groups which are varied in their legal structures, their size, assets, interests, objectives and approaches to practice.
- The third sector is made up of autonomous and independent organisations and groups which cannot be managed systematically or marshalled to serve the interests of the state, market or private individuals.
- Organisations in the third sector tend to be ambitious to achieve their objectives. This produces higher levels of demand for sector resources than can ever be supplied and therefore produces competition over finite resources of money, people and ideas.
- While competition over resources certainly exists, the evidence shows that there is a great deal of informal 'neighbourly' cooperation, semi-formal 'complementary' activity and more formalised 'collaborative' and 'partnership' working – all of which can help to accumulate impact.
- The principal areas of impact of third sector activity tend to be focused on 'softer outcomes' associated with personal health, personal wellbeing, financial security and community wellbeing.
- Third sector activity tackles many of the same complex issues from different standpoints. This can produce duplication and cross-overs of activity sometimes undermining the accumulation of impact.

If the value of the activities of the third sector were to be assessed and valued using precise metrics, then it would be necessary to define in clear terms what it is, precisely, that the sector does, for whom and with what outcomes. But that is too difficult because the sector is composed of organisations which are varied in their scale, structures, practices and more often than not they try to achieve many objectives.

Consequently, it makes little sense to attempt to 'force' third sector activity into systematic models which were developed to measure economic growth of private businesses which borrow money speculatively so that they can accumulate profit.

Voluntary organisations generally 'consume' money to 'produce' social benefit – as is the case in public sector bodies such as schools which prepare people to join the workforce. That does not mean that voluntary organisations share a common set of values or goals. As illustrated in Figure 5.1 sector activities are instead characterised both by inherent tensions and aspects of complementarity. Indeed, it is conceivable that a single voluntary organisation could do all the things listed in the following bullet points.

- **Protects**: when TSOs preserve or protect something which they feel has inherent importance or is, for some reason, under threat from others.
- **Challenges**: when TSOs question the attitudes and behaviour of others or encourage attitudinal or behavioural change.
- **Relieves**: when TSOs tackle an issue by meeting needs that are ignored, neglected or caused by others.

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*practice*, London: Learning and Skills Research Centre; and Nutley, S., H. Davies, et al. (2002) *Evidence Based Policy and Practice: Cross Sector Lessons from the UK*, London, ESRC UK Centre for Evidence Based Policy and Practice. Cost benefit analysis has been used extensively in public and social policy domains.

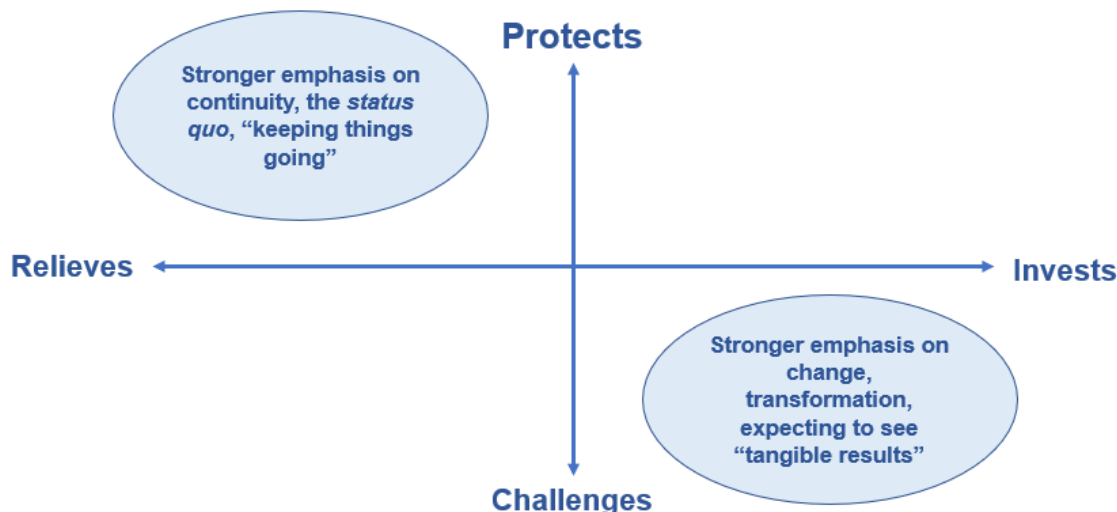


- **Invests:** when TSOs strengthen the resilience, capability or resolve of others to achieve an objective.

Finding a way to ascribe 'value' to each of these activities in a standardised way is not possible because the *inherent* value of the activity may be defined differently depending on the point of view of, for example: the people who lead and manage a voluntary organisation which delivers activity; the employees and volunteers who engage in hands-on delivery of services; those people who are the recipients of that activity; and, from onlookers (in the private or public sectors or the general public) who make their own 'value judgement' about whether the activity is worthwhile.

This is why the third sector can be conceived of as a force for stability and continuity, but also a force which challenges and produces change. It is inevitable that opinions will vary on what should be regarded as 'legitimate' or 'beneficial' action depending on the point of view of the observer.

Figure 5.1 What does the third sector do?



### 5.3 How can sector value be assessed?

This sub-section explains, in practical terms, how value can be assessed in four stages.

- The first step is to produce financial and proxy-financial estimates of the **energy** which the third sector has at its disposal to produce social and economic value.
- The second step is to define '**types of value**'. Six types of value are defined, three of which can, to some extent, be 'monetised'; three of which cannot.
- The third step is to present estimates for the **financial value of sector impact** for the local economy.
- Some types of value cannot be measured, but this does not mean that such forms of value do not exist. The final step therefore involves discussion of how to make **informed judgements about how to value the social contribution the sector**.

## Step 1 Estimating sector energy

The first step in the process of estimating the ‘added value’ the third sector contributes involves the identification of the amount of ‘energy’ which the sector has at its disposal to achieve its objectives. Rather than over-labouring the process of defining sector energy, a relatively simple approach is taken to include financial or proxy financial values under four headings:

- **The value of financial expenditure:** it is possible to make good estimates of sector expenditure. This sum captures the economic value of employee wages, spending on rent and consumables and the disbursement of grants to individuals or other TSOs together with contributions to local and national taxation.
- **The proxy-replacement value of volunteer time available:** in Section 2, calculations on the number of regular volunteers and the work time they invest were presented. Replacement values were attributed to this energy at National Living Wage and at 80% of median regional wages. A mid-point estimate is used to define the value of volunteering.
- **The proxy value of additional in-kind support:** in-kind support from the private sector and public sector is estimated. This support includes the free or low-cost use of facilities and services, pro bono advice and technical expertise, employee volunteer support and the provision of free goods such as surplus consumables.<sup>40</sup>
- **The proxy value of self-generated income:** this estimate is based on the regional share of the national value of income gained from retailing of pre-used goods. This represents the production of financial value from redundant articles and is not covered in the expenditure category (which would include income from other types of third sector trading).<sup>41</sup>

As shown in Table 5.1, these combined financial values reach substantial sums. But these statistics do not fully reflect the whole value of the economic and social impact the third sector produces. Instead, they simply signal the resource ‘energy’ that the sector has at its disposal.

<sup>40</sup> A report on the substantive contribution of business to the third sector has been produced as part of the Law Family Commission on Civil Society. See Chapman, T. (2021) *Going the extra mile: how business works with the local third sector*, London: Pro Bono Economics. Currently there are no equivalent studies of local public sector investment in the third sector using in-kind resources. However, it is likely that the non-financial contributions of public bodies such as NHS trusts, health authorities, police, fire and rescue and other agencies is likely to be at least equal to private sector investment. In-kind support would include the contribution of officers with responsibility for third sector liaison, research and intelligence and advice and guidance – but exclude contracts to the third sector to provide infrastructure support as this will be counted under third sector expenditure. Other forms of in-kind support would include free access to venues and equipment for third sector usage and beneficial arrangements such as peppercorn rents.

<sup>41</sup> The evidence from the Charity Retail Association suggests that charity shop retail produces about £331m in profits in 2018/19. On this basis, estimates were generated for Yorkshire and the three study areas. For further discussion of the value produced through charity shop recycling and retail see also, Osterley, R. and Williams, D. (2019) ‘The social, environmental and economic benefits of reuse by charity shops’, *Detritus* 7(1) 29-35. <https://digital.detritusjournal.com/articles/the-social-environmental-and-economic-benefits-of-reuse-by-charity-shops/244>. For further analysis on the value of charity shop retail, see Harrison-Evans, P. (2016) *Shopping for good: the social benefits of charity retail*, London: Demos <https://www.demos.co.uk/wp-content/uploads/2017/09/Shopping-for-Good-the-social-benefits-of-charity-retail-.pdf>. While charity retail declined during the pandemic due to lockdowns and closures, there are indications that business has bounced back in 2022: [Charity shops reveal surge in interest with sales 22% higher than pre-pandemic due to cost of living crisis \(inews.co.uk\)](https://www.inews.co.uk/news/charity-shops-reveal-surge-in-interest-with-sales-22-higher-than-pre-pandemic-due-to-cost-of-living-crisis/).

**Table 5.2 Estimates of the third sector's financial value**  
(Third Sector Trends in England and Wales 2025, £millions)

	Estimated third sector expenditure	Proxy-replacement value of volunteer time in each area (mid-point estimate)	Proxy value of additional in-kind support in each area	Proxy value of additional sources of self-generated income in each area	Total financial value of sector energy expended by the third sector in each area
North East England	1,897.7	151.9	100.5	11.7	2,161.8
North West England	5,465.9	453.3	297.4	34.1	6,250.6
Yorkshire and Humber	3,702.4	320.2	213.6	24.8	4,261.0
East Midlands of England	2,817.4	301.3	177.7	24.6	3,320.9
West Midlands of England	4,410.8	357.9	242.6	28.5	5,039.8
East of England	4,733.5	485.8	270.7	36.6	5,526.6
London	19,127.7	1,074.0	935.6	65.3	21,202.6
South East England	9,137.8	795.7	502.5	56.6	10,492.6
South West England	5,171.9	519.7	310.7	40.2	6,042.5
Wales	2,161.0	220.8	170.1	17.0	2,568.9
<b>England and Wales</b>	<b>58,626.0</b>	<b>4,680.7</b>	<b>3,221.4</b>	<b>339.3</b>	<b>66,867.4</b>

## Step 2 Defining types of value

The second step in the process is to define types of 'added value' that the third sector contributes to local economy and society. No claim is made that these distinctions are entirely original – instead, the approach draws upon the large policy and academic literature on the appraisal or measurement of impact which implicitly or explicitly embrace one or more of these notions of impact value.<sup>42</sup>

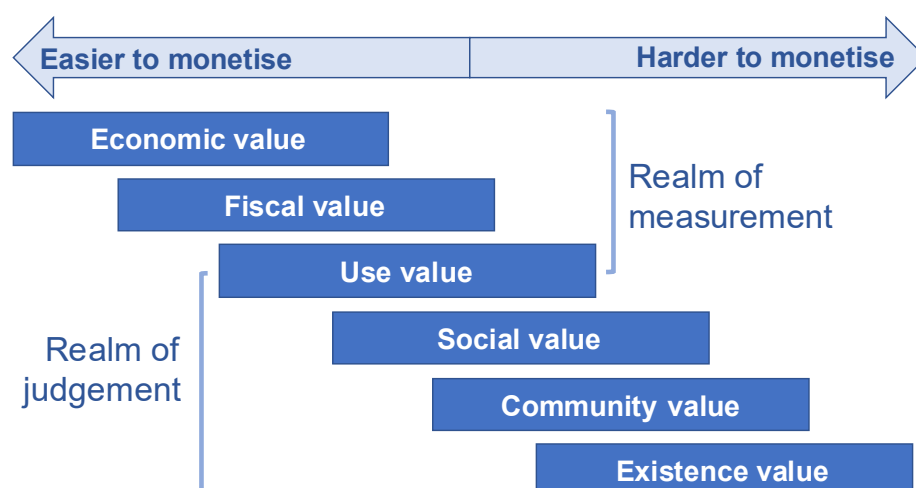
- **Economic value:** is defined as the economic contribution that the local third sector makes to the area through 'multiplier effects' driven by: organisational expenditure on local businesses; the spending of employees in the local economy and productivity from self-generated trading activities.
- **Fiscal value:** is defined as the savings gained by local public sector agencies and government departments because of third sector activity (either by delivering services under contract more efficiently or cheaply, or by reducing service need via third sector generated activity).
- **Use value:** is defined as the direct and immediate personal or social benefits gained by third sector service users which in turn incentivises, empowers and facilitates greater socially, economically or environmentally beneficial activity by the resident population in employment, self-employment, unpaid caring, running private businesses/social enterprises and volunteering.

<sup>42</sup> There is a large academic and policy literature on the definition and measurement of value. A useful contribution has been offered by Mulgan, G., Breckon, J., Tarrega, M., Bakhshi, H., Davies, J., Khan, H. and Finnis, A. (2019) *Public value: how can it be measured, managed and grown?* London: Nesta. There are many methodologies on offer to measure value, such as descriptive models of causation adopted in 'theories of change' which may result in impact; complex manipulation of evidence and predictive modelling in social return on investment strategies, and so on. Whichever approach is adopted, results can be contested depending on the value position of the observer. For further discussion, see Third Sector Trends discussion paper: *Measuring Impact: easy to say, hard to do*. Newcastle: Community Foundation North East. <https://www.communityfoundation.org.uk/wordpress/wp-content/uploads/2017/09/Measuring-Impact-easy-to-say-hard-to-do.pdf>

- **Social value:** the alleviation of the impact of specific social problems and investment in personal wellbeing to generate or embrace new opportunities to strengthen economy and society locally.
- **Community value:** strengthening the quality of life, enriching culture, and encouraging cohesion, tolerance, trust and belief in civil society through the collective contribution of the third sector working in neighbourly, complementary or collaborative ways.
- **Existence value:** when the third sector invests in social and community wellbeing which is valued by the general population though not necessarily 'used' personally. Existence value also includes extant third sector capacity and latent potential to produce energy and momentum to tackle unforeseen local challenges or crises.

As Figure 5.2 illustrates, some of these types of value are easier to 'measure' and 'monetise' than others. Economic, fiscal and use values are *more* amenable to measurement and monetisation. Social, cultural and existence values cannot easily be monetised or measured – but this does not mean that shared judgements cannot be reached about their value.

Figure 5.2 Realms of measurement and informed judgement



### Step 3 Devising multipliers based on judgement

The third step in the analysis is to apply standardised multipliers to each aspect of value. The multiplier estimates are more 'conservative' than those often adopted in evaluation work. This is because specific assessments of third sector practices attribute success within defined practice boundaries – but without necessarily considering how other interventions may have contributed to overall impact.<sup>43</sup>

It is accepted that the estimates may be 'too low' or 'too high'. And similarly, the possibility is not dismissed that there could be considerable levels of variation when looking at different aspects of sub-sector activity.<sup>44</sup> It would be expected that the

<sup>43</sup> For a brief overview of the limitations of approaches to economic impact analysis, see Westall, A. (2009) *Economic analysis and the third sector: overview of economic analysis in relation to the third sector*, Birmingham: third sector Research Centre Working Paper No. 14. [http://epapers.bham.ac.uk/801/1/WP14\\_Economic\\_analysis\\_and\\_the\\_third\\_sector\\_-\\_Westall\\_Dec\\_09.pdf](http://epapers.bham.ac.uk/801/1/WP14_Economic_analysis_and_the_third_sector_-_Westall_Dec_09.pdf). See also, Harlock, J. (2013) *Impact measurement practice in the UK third sector: a review of emerging evidence*, Birmingham: third sector Research Centre Working Paper No. 14, [http://epapers.bham.ac.uk/1800/1/WP106\\_Impact\\_measurement\\_practice\\_in\\_the\\_UK\\_third\\_sector\\_-\\_Harlock%2C\\_July\\_2013.pdf](http://epapers.bham.ac.uk/1800/1/WP106_Impact_measurement_practice_in_the_UK_third_sector_-_Harlock%2C_July_2013.pdf)

<sup>44</sup> There is a growing body of research literature on the social value produced by sub sectors. See for example Sport England's measuring impact guidance <https://www.sportengland.org/how-we-can-help/measuring-impact>. A review has also been produced for arts and culture activities, see: See also, Reeves, M. (2003) *Measuring the economic and social impact of the arts: a review*, London: Social Value UK, <https://socialvalueuk.org/report/measuring-economic-social-impact-arts-review/>. For a more critical

estimates, as given, may be subject to challenge as the quality of evidence on sector impact improves – but this would be welcomed if it helps to produce informed debate about third sector economic impact.

The resulting economic values, once multipliers have been applied to sector energy estimates are presented in Table 5.3.

**Table 5.3 Estimates of tangible added value produced by the third sector (£millions)**

	Total financial value of sector energy expended by the third sector in each area	Economic multiplier value (mid-point estimate 65%)	Fiscal multiplier value (mid-point estimate 55%)	Use value multiplier (mid-point estimate 35%)	Total contribution of multiplier contribution excluding direct financial value
North East England	2,161.8	1,405.2	1,189.0	756.6	3,351
North West England	6,250.6	4,062.9	3,437.8	2,187.7	9,688
Yorkshire and Humber	4,261.0	2,769.6	2,343.5	1,491.3	6,605
East Midlands of England	3,320.9	2,158.6	1,826.5	1,162.3	5,147
West Midlands of England	5,039.8	3,275.9	2,771.9	1,763.9	7,812
East of England	5,526.6	3,592.3	3,039.6	1,934.3	8,566
London	21,202.6	13,781.7	11,661.4	7,420.9	32,864
South East England	10,492.6	6,820.2	5,770.9	3,672.4	16,264
South West England	6,042.5	3,927.6	3,323.4	2,114.9	9,366
Wales	2,568.9	1,669.8	1,412.9	899.1	3,982
<b>England and Wales</b>	<b>66,867.4</b>	<b>43,463.8</b>	<b>36,777.1</b>	<b>23,403.6</b>	<b>103,644</b>

## Step 4 Defining intangible values

The fourth step involves making observations on how to value aspects of third sector activities that cannot easily be defined, let alone measured. It may not be possible accurately and consistently to measure value which is created through the individual and accumulated action of the third sector, but it does not mean that such value does not exist.

As shown in Table 5.1, voluntary organisations believe that they make a strong contribution to one or many aspects of social life. Similarly, it has been shown in previous Third Sector Trends reports that people in public sector and private sector organisations also value the activity of the third sector.

Finding a way of *accounting* for the social value that the third sector produces may not be easy to do, but there are some basic principles arising from the findings from Third Sector Trends that can help make informed judgements on sector strengths.

- **Value produced by TSOs is often shared:** only rarely, if ever, could an organisation claim to produce *all* the value that is required by its beneficiaries. Other organisations or groups also play a part as do people in private life (family, friends and neighbours), the private sector (local or national businesses) and public sector (health, education, police, fire and rescue and the local authority, etc.). While this might constitute some duplication or overlap

analysis of arts measurement, see Holdon, J. (2004) *The value of culture cannot be expressed only with statistics, audience numbers give us poor picture of how culture enriches us*, London: Demos:  
<https://www.demos.co.uk/files/CapturingCulturalValue.pdf>. Similar research has also been undertaken widely in the health and social care field, for an introduction to the field, see: [https://www.health.org.uk/topics/community-and-voluntary?gclid=Cj0KCQjw6NmHBhD2ARIsAI3hrM1eO53eusFbSpDO2pvaHgXGNvJRKr31zf2ucWS48sGtAQIvQ tNoaApJQEALw\\_wcB](https://www.health.org.uk/topics/community-and-voluntary?gclid=Cj0KCQjw6NmHBhD2ARIsAI3hrM1eO53eusFbSpDO2pvaHgXGNvJRKr31zf2ucWS48sGtAQIvQ tNoaApJQEALw_wcB)

at times, this is not necessarily a problem as social and personal needs require support of a multifaceted and continuous kind.

- **Value produced by the third sector can be cumulative:** because the responsibility for the production of value is shared, it is likely to accumulate. But it does so in unpredictable ways, depending on the circumstances facing beneficiaries. For example, support from one TSO may not produce benefit immediately, but can be realised later – in tandem with other forms of support or encouragement. Not all sector value production can be said to accumulate because TSOs sometimes inadvertently or purposefully engage in activities that undermine the value produced by others.
- **Value is not a constant:** it should be expected that the value the sector produces cannot always be ‘targeted’ or ‘fully utilised’, just as is the case with education or health systems. People make their own choices on what they want to take or leave from the advice or support they may receive. Or other factors beyond their control may increase or limit the extent to which value can be utilised. This makes it hard to determine the value of service or support given - relative to the energy invested.
- **Value does not last forever:** much of the value of the work undertaken by TSOs will disperse and dissipate over time. These processes occur as other interventions are established to tackle issues in new ways which often come about in response to social change and shifting social priorities. The work of the third sector is rarely finished – so activity must continually be renewed.

Dredging for ‘data’ to collate, categorise and count and then shoehorn into statistical models rarely looks convincing. It is better to recognise that making shared judgements about the value of sector activity that is already happening. There are two simple ways of recognising this.

Firstly, by taking into account the fact that a majority of TSOs are awarded grants and gifts from time to time, by trusts and foundations, local public bodies which operate small community grants, local parish councils, faith organisations, businesses or philanthropists, public giving and so forth. This shows that through the use of judgement, much of the work of the sector has already been assessed and invested in by people.

Secondly, and as importantly, the low levels of closures among voluntary organisations indicate that continuity and sustainability is the norm, not the exception. What this shows is that TSOs are relevant, purposeful and produce social and community activity that people value, contribute towards and use. It is a simple point to make: if the community did not value the work and sustain the resolve to keep it alive and active - the third sector would not exist.

If accepted, in principle, that the added social, community and environmental value that the third sector accumulates is at least of equal value to the energy the sector expends - that is far as financial evaluation exercises on intangible sector-wide impact need to go – the results of which are presented in Table 5.3.



Table 5.4 Estimates of total value produced by the third sector 2025

	Actual financial value of the third sector (£millions)	Added economic, fiscal and use value (£millions)	Added intangible social, community and existence value (£millions)	Total value (£millions)	Value per 1,000 regional population (£millions)
North East England	2,162	3,351	2,162	7,675	2.83
North West England	6,251	9,688	6,251	22,190	2.92
Yorkshire and Humber	4,261	6,605	4,261	15,126	2.70
East Midlands of England	3,321	5,147	3,321	11,789	1.94
West Midlands of England	5,040	7,812	5,040	17,891	3.58
East of England	5,527	8,566	5,527	19,619	3.03
London <sup>45</sup>	21,203	32,864	21,203	75,269	8.41
South East England	10,493	16,264	10,493	37,249	3.93
South West England	6,043	9,366	6,043	21,451	3.63
Wales	2,569	3,982	2,569	9,120	2.88
<b>England and Wales</b>	<b>66,867</b>	<b>103,644</b>	<b>66,870</b>	<b>237,379</b>	<b>3.90</b>

## 5.4 Summary

This section has outlined the principles underpinning Third Sector Trends' approach to impact assessment. That approach dismisses the prospect of devising a methodology that is wholly reliant on metrics. Instead, it is accepted that some aspects of voluntary-sector impact cannot be 'measured' and must, therefore, be assessed using aspects of 'informed judgement'.

Intelligibility, plausibility and comparability are vital elements in the mix when assessing impact. The methodology employed attempts to meet these requirements by avoiding unnecessary complexity in statistical terms (and especially so if data put into such models are incomplete or inadequate) and applies simple principles that everyone can understand.

That is important because sector value is multifaceted. Certainly, some elements of value are financial, such as the *economic* impact of sector activity or the *fiscal* value produced by saving the government money. Others, such as 'use values' can sometimes be monetised (such as journeys taken by people on community transport or the value of a meal provided by a community kitchen) while others cannot.

Some aspects of value are, and will likely remain murderously difficult to define consistently, let alone value financially. That is because all aspects of social, community and existence value are 'intangible' and endlessly contested. If, however, views on such forms of value were not shared to some extent – they would not exist because nobody would invest their time in making such things happen and nobody would come along to use that which was put on offer.

<sup>45</sup> The situation in London clearly requires further clarification to assess the extent to which value is distributed across English regions and Wales. In 2025, only 11% of organisations based in Wales and English regions (excluding London) worked at national or international level, compared with 35% of TSOs based in London. In London, only 39% per cent of organisations limited their work to their local borough, compared with an average of 68% of organisations in Wales and English Regions (n=8,663). Taking the analysis forward is difficult as response rates in London (2.8%) were barely half of that in all other English regions and Wales. Total responses in London received amounted to 774, which is useful for many purposes, but are too few to undertake more complex analysis on the spatial range of TSOs' work with confidence.



## Section 6

# Reflections on findings and next steps

### 6.1 Reflections on findings

This report has focused upon the people energy that the third sector has at its disposal to achieve social benefit. Keeping people engaged and committed to their work as volunteers, trustees or employees is vital to the success of voluntary organisations – but as the report shows - not only has staff and volunteer retention become more difficult, but many voluntary organisations are also experiencing problems with recruitment.

Looking after the wellbeing of people in organisations is a crucial element in sustaining organisational capability and drive. This can be assisted by focusing on the personal development of staff, trustees and volunteers – together with training to prepare them for their roles. So it is concerning that the imperative to do so has declined slightly since the last round of the study in 2022.

Successful voluntary organisations need to be well led so that good decisions are made when tackling new opportunities or when problems have to be dealt with. As a recent ACEVO report stressed, these responsibilities can weigh heavily upon leaders and concluded that many received insufficient support to prepare them for their roles.<sup>46</sup>

For the first time, in 2025, Third Sector Trends devised questions on the ‘emotional’ aspects of leadership by asking about those aspects of their work that they found exciting or worrying. Their most common worries centred on managing within their existing budgets and managing difficult interpersonal relationship problems amongst volunteers, employees and trustees.

Challenging though these aspects of leadership can be, this study shows that the mood of many leaders in the third sector is quite upbeat. Certainly, many are optimistic and a clear majority feel that their finances will be stable or improve over the next two years. Being optimistic about finances is, however, a double edged sword. Feeling positive helps leaders to drive their organisations forward, but if expectations are not realised, it can lead to disappointment.

Participants in the study were asked how they felt about bidding for funding to do something new. Almost everyone had a view on this question, of whom only 24% stated that that their organisation was not bidding to do new things. Three quarters of TSOs were actively engaged in developing new activities. That is a remarkable finding as it demonstrates widespread *vitality* in third sector thinking and practice.

Bidding for funding to do something new, from a leadership perspective, can be a mixed blessing. Of those who were actively bidding, 42% of leaders were ‘excited’ by this (of whom 22% stated that this is what ‘gets them up in the morning’). Others,

<sup>46</sup> ACEVO (2025) *Pay and equalities survey 2025*, London: ACEVO, available here: <https://www.acevo.org.uk/2025/11/acevo-pay-and-equalities-2025-survey-finds-pay-gap-narrows-but-inequalities-remain/>.

however, found it 'worrying' (26%), of whom a quarter could not sleep at night because they were so concerned.

If three quarters of third sector leaders were bidding to do something brand new, that means that there will be intense competition over finite resources. But would it be taking the argument too far to assert that *no matter how much* money was on the table – it would never be enough to meet demand?

With new data available on leaders' personal feelings about a range of challenges that they face, there is scope to get a better understanding of how the *circumstances* that TSOs find themselves in, shape leaders' mood.

Leaders in all voluntary organisations have 'agency' – that is, the power to take stock on their organisations' position and decide what to do. For example, leaders can *choose* whether their organisation should work entirely alone and remain *ruggedly independent*, work alongside other organisations in *complementary or collaborative* ways, or whether to enter into *formal partnership* arrangements with other TSOs.

Interestingly, these choices may both shape and reflect how leaders feel about their responsibilities in patterned ways. As Figure 6.1 shows, leaders in organisations which work in formal partnerships are incredibly up-beat – a clear majority are 'excited' to be working this way. Those leaders who work in organisations that work informally with other organisations are also pretty positive about collaboration.

In voluntary organisations which work alone, leaders tend to be less excited about effecting 'change' (by doing something new/innovative or campaigning) than those who are enthusiastic about working in complementary or collaborative ways with other TSOs. That is not to say that their work is less impactful, but this issue needs to be explored further in subsequent reports on area-based accumulation of impact through collaborative or autonomous working.

The financial circumstances of voluntary organisations also affect leaders' feelings about tackling core issues at work as, shown in Figure 6.2.

- Levels of excitement about working collaboratively with other voluntary organisations are similar amongst leaders in TSOs - whether they are 'struggling' or 'thriving' financially.
- Leaders in organisations which are thriving financially are much more excited about campaigning than those which are struggling.
- The willingness of leaders to put their organisation forward to win awards is considerably higher in financially thriving than struggling organisations.
- Leaders in organisations which are struggling financially worry much more about bidding to do something brand new – and probably with good reason, as their future may depend upon leveraging that funding.
- Managing within current budgets worries a clear majority of leaders in TSOs that are struggling financially while some leaders in financially thriving organisations are actually quite excited about this.

Figure 6.1 **How leaders feel about core organisational issues, by TSOs' partnership working arrangements** (Third Sector Trends in England and Wales 2025, 'net scores' = %'excited' minus %'worried'; 'rugged independents' n=1,296 'work informally with other TSOs' n=4,238, 'work formally with other TSOs' n=2,339)

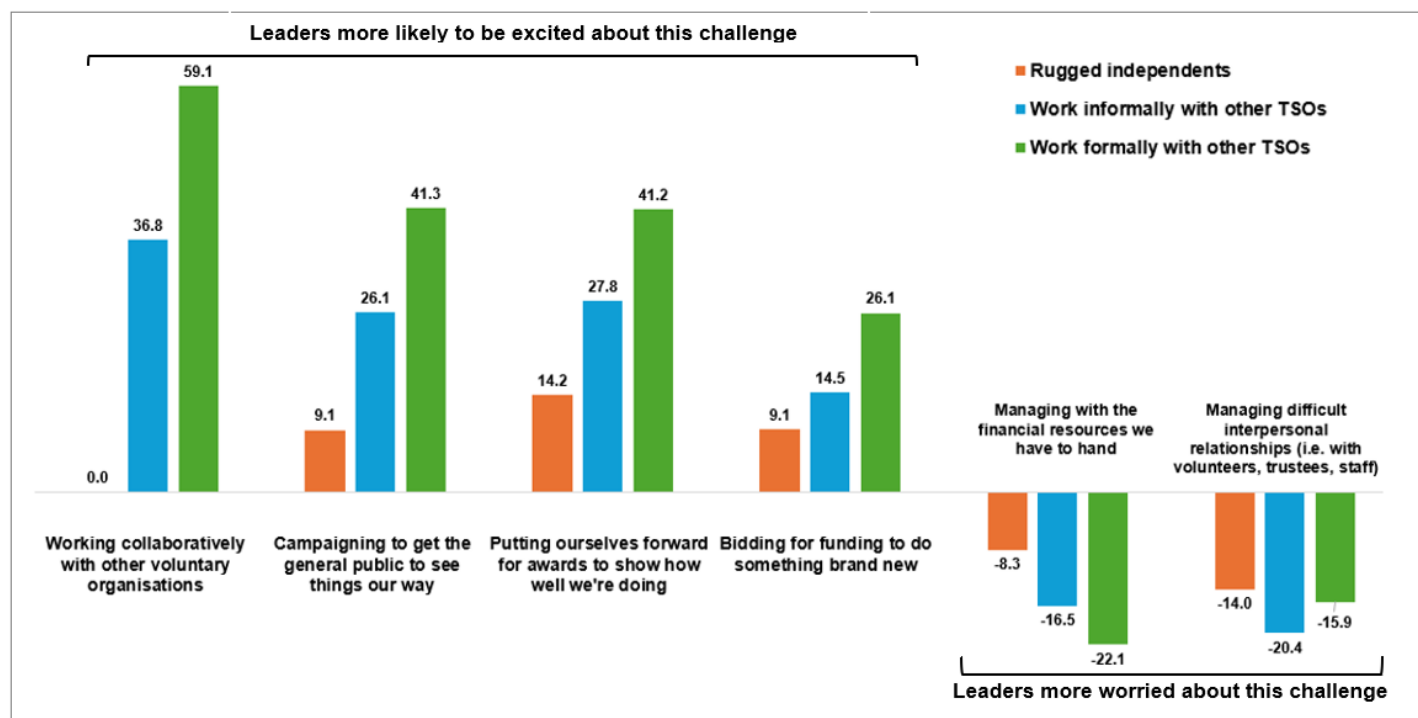
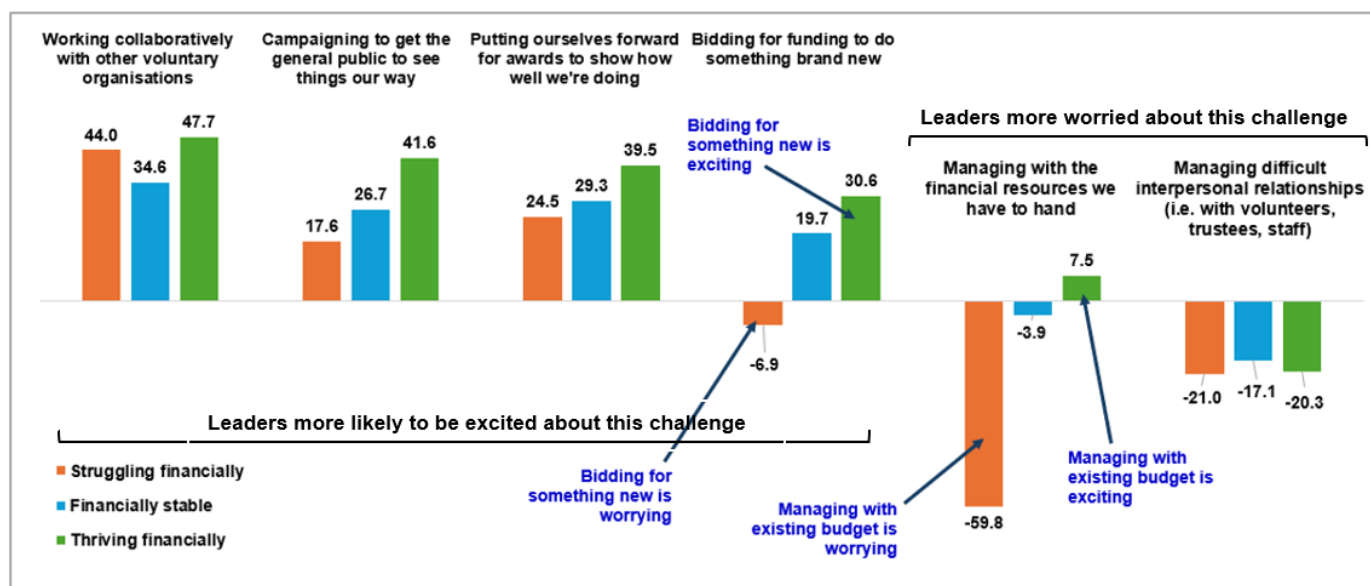


Figure 6.2 **How leaders feel about core organisational issues, by TSOs' financial wellbeing** (Third Sector Trends in England and Wales 2025, 'net scores' = %'excited' minus %'worried', 'struggling financially' n=763, 'financially stable' n=2,804, 'financially thriving' n=772)



Leadership in voluntary organisations is, in many ways, an unenviable task given the uncertain environment within which they work. It is gratifying, nonetheless, that this report shows how optimistically minded so many leaders are. This message is an important one because it signals to those commentators who continually prophesise doom for the third sector that their warnings go largely unheeded.

## 6.2 Next steps

Third Sector Trends reports do not stand alone. Instead, they progressively build a picture about the structure, dynamics, energy, purpose and impact of the third sector as analysis proceeds. Reports need to be produced sequentially and quickly to get key findings out and get leaders of TSOs, grant-making trusts and foundations, public sector agencies and third sector infrastructure organisations talking about what these messages mean to them and how they may, potentially, help shape aspects of practise.

There is another reason why it is best not to wait until the analysis is complete. That is because it never will be. Every round of the survey produces surprises which beg new questions. And nothing stands still, which means that robust conclusions about how the third sector worked at one time, may not hold water now.

The first report looked at relationships in the third sector. The findings strongly indicated that complementary, collaborative and formal partnership working are essential ingredients of sector culture and practice. But it also indicated that the impetus to engage in joint working is changing and that organisational leaders are becoming more selective about the choices they make.

The next report will be on third sector organisations' income sources, assets and financial wellbeing; this analysis will explore the following issues:

- Sources of third sector income and how they are valued in comparative terms by voluntary organisations with a range of characteristics. Time-series analysis will show how voluntary organisations' perceptions of the value of income sources has changed since 2013.
- More detailed exploration will be undertaken, by organisational type and spatial location on grants, contracts and trading income. This will be complemented with additional analysis on the current financial outlook from the perspective of voluntary organisations.
- Holding reserves is often regarded as a core element of organisational financial wellbeing. This report will explore which types of organisations have reserves and what they use them for (such as investment in new areas of practice or for emergency use) together with time-series analysis to assess aspects of change.
- Property assets are held by over a quarter of third sector organisations. During the pandemic, property ownership was shown to be more of a hindrance than a help to many voluntary organisations. This report will look at the benefits of property ownership in a more normalised operating environment.
- Finally, the report will pick up threads developed in the first two reports from Third Sector Trends on organisational wellbeing by identifying the characteristics of those organisations which are thriving or struggling financially in 2025.

# NOTES



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