



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

**The contribution of the voluntary sector to place:  
A study of Wales in comparative context**

**SUMMARY REPORT**



**June 2026**

## About the author

**Tony Chapman** is Director of Policy&Practice, St Chad's College and Honorary Professor in Social Policy, 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. 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 are currently collaborating with partners including: Wales Council for Voluntary Action, Lloyds Bank Foundation England and Wales and Millfield House Foundation to undertake the Third Sector Trends Study survey and analysis in 2025-26.

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

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



## Front and rear cover design

Tower Design Workshop

## Published by

Policy&Practice  
St Chad's College  
Durham University  
18 North Bailey  
DURHAM DH1 3RH

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

June 2026

## Key findings at a glance

This report was commissioned by Wales Council for Voluntary Action as part of a wider research project to build a clear statistical picture on the structure, energy, dynamics, purpose and impact of the voluntary sector in Wales. The study, which draws on data and techniques developed in the long-running Third Sector Trends study shows that the voluntary sector in Wales is large, energetic, productive and impactful.

- There are over 10,500 registered voluntary organisations in Wales.<sup>1</sup>
- The voluntary sector has an annual income of around £2.23billion and its expenditure is about £2.16billion.
- The total financial value of the sector to the economy is estimated at £2.56billion and produces £3.98billion of tangible social value through economic, fiscal and use value.
- Intangible 'added value' is judged to be at least equal to the energy invested in the voluntary sector's work and this adds up to £9.12billion as the total estimated economic value of the voluntary sector in Wales
- The work of voluntary organisations in Wales is supported by 212,200 regular volunteers.<sup>2</sup>
- Collectively, volunteers who regularly give their time to voluntary organisations in Wales deliver 15.3 million hours of work annually which is valued at between £186million (at National Living Wage) or £255million (at 80% of median wage).
- Voluntary organisations in Wales work effectively together: 76% of voluntary organisations work in complementary ways with others in the voluntary sector; 69% work quite closely but in less formal ways and 34% work in formal partnerships arrangements.
- There are some good relationships with the private sector: 31% of voluntary organisations receive money from business to help them work; 27% get free use of facilities or free goods and services; 16% benefit from time given by employee volunteers; and 18% get *pro bono* professional or technical support.
- The vast majority (86%) of voluntary organisations in Wales (of those which have a relationship with the public sector) feel that their work is valued by public agencies; 65% feel well informed about issues of importance to them; 44% are involved in the development and implementation of policy and 49% feel that public bodies act on their opinions when participating in consultations.
- Relatively few (8%) of voluntary organisations work 'for' the public sector by delivering public services under contracts - although the percentage bidding for or delivering contracts rises dramatically to 51% of the biggest voluntary organisations (with income from £1-25m).

---

<sup>1</sup> This includes the Charity Commission Register, Register of Societies/Mutuals Register, Register of Community Interest Companies and Register of Community Amateur Sport Clubs. There are thousands of unregistered voluntary organisations in Wales, which have not been assessed as part of this report.

<sup>2</sup> The term 'regular volunteers' refers to people who offer support to voluntary organisations that can be relied upon and scheduled into planned activities – not occasional or ephemeral volunteering. Many types of volunteering are excluded from this definition, see Section 4.2 of this report for further explanation.

# 1 Introduction

This report was commissioned by **Wales Council for Voluntary Action** to build a statistical picture on the voluntary sector in Wales. The study draws on data and techniques developed in the long-running Third Sector Trends study which covers England and Wales. The analysis involves comparisons with regions in England and area variations in Wales so as to explore voluntary sector structure, energy, dynamics, purpose and impact.

The *Third Sector Trends* study collated a database of 205,000 registered voluntary organisations across England and Wales in May 2025 – this includes data from the *Charity Commission Register*, *Register of Community Interest Companies*, *Register of Societies/Mutuals* and *Register of Community Amateur Sport Clubs*.

An online survey was undertaken across England and Wales in the summer of 2025 which received 8,860 valid responses including 709 in Wales. The survey was available in English and Welsh; 41 survey responses (5.7%) were submitted in Welsh.<sup>3</sup> This builds upon evidence from a previous Third Sector Trends survey in 2022 in Wales which collated 443 responses.

# 2 The voluntary sector in Wales

This report shows that the voluntary sector in Wales is a force to be reckoned with. Certainly, it is large, energetic, productive and impactful. There are over 10,500 registered voluntary organisations in Wales,<sup>4</sup> with an annual income of around £2.23billion and expenditure is about £2.16billion.

As such, the voluntary sector is a major resource in Wales as its direct contribution to the economy is estimated at £2.56billion and produces additional £3.98billion of indirect value through tangible economic, fiscal and use value. Intangible added value is judged to be at least equal to the energy invested in the voluntary sector's work and this adds up to a total estimated economic value the voluntary sector in Wales of £9.12billion.

The voluntary sector operates within the domain of civil society which sits at the intersection of private-sector business, the state and private households.<sup>5</sup> The sector is formed by thousands of autonomous voluntary organisations which are driven by their determination to support issues that they feel are important and deliver their work according to their own practice preferences to beneficiaries of their choice.

As such, voluntary organisations are 'particularistic' in their orientation to social issues, not 'universalistic' as is the state. This means that the voluntary sector as a whole in Wales should not be regarded as an integrated 'system' that can be shaped nor a resource that can be 'harnessed'.

That does not mean that voluntary organisations cannot work together effectively. As this report shows, 76% of voluntary organisations work in complementary ways with

---

<sup>3</sup> Full details are available in *Third Sector Trends in England and Wales: technical paper on research methodology and sample structure [third edition]*: <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>4</sup> This includes the Charity Commission Register, Register of Societies, Register of Community Interest Companies and Register of Community Amateur Sport Clubs.

<sup>5</sup> See the conceptual model on sector location as defined in Evers A, Laville J. Defining the third sector in Europe. In Evers A, Laville J. (eds) *The third sector in Europe*. 2005. Cheltenham: Edward Elgar.

others; 69% work quite closely but in informal ways and 34% work together in formally constituted partnership arrangements.

The voluntary sector in Wales also benefits from working well with the private sector: 31% of voluntary organisations receive money from business to help them work; 27% get free use of facilities or free goods and services; 16% benefit from time given by employee volunteers; and 18% get *pro bono* professional or technical support.

And with local government, Welsh and UK government departments and the NHS: 89% of voluntary organisations (which have a relationship with these organisations) feel that their work is valued by public agencies; 65% feel well informed about issues of importance to them; 44% are involved in the development and implementation of policy and 45% feel that public bodies act on their opinions when participating in consultations.

That stated, relatively few voluntary organisations (8%) work 'for' the public sector by delivering public services under contract (although the percentage rises dramatically to 51% of the biggest voluntary organisations with income from £1m-25m).

### 3 Financial wellbeing and outlook

All of this sounds like good news – but sustaining income and the people energy to get things done is not easy for voluntary organisations. Some of this financial pressure derives from the way the voluntary sector itself works. Because leaders are ambitious and determined, voluntary organisations often find themselves in competition over scarce resources of people to work for them, money to get things done and even beneficiaries. Arguably, there would never be enough resource to satisfy every voluntary organisation's needs – so this can lead to frustration and disappointment when expectations do not live up to reality.

In 2025, almost a quarter of voluntary organisations in Wales (23%) were struggling to some extent financially and were drawing upon their reserves solely to meet essential costs such as salaries, rent/mortgages and utility bills. Another 7% of organisations were using reserves for essential costs but were also using them to invest – suggesting that their financial situation was not quite so severe and confidence in the future remained robust.

Nonetheless, the voluntary sector is broadly optimistic about its future prospects (see Figure 1). In 2022, for example, 79% of voluntary organisations in Wales expected that their income could be sustained at the same or a higher level over the next two years (in 2019 it was 84%<sup>6</sup>). In 2025, 78% also expected that income would rise or remain the same (though fewer expected that income would rise in 2025 (25%) than in 2022 (32%)).

The voluntary sector in Wales has become a little less positive in its expectations about grant funding: 29% of voluntary organisations expected this would rise in 2022, but in 2025 it was 24%. In 2022, of course, there was something of a glut of free-flowing unrestricted grant funding due to the pandemic which may have influenced levels of optimism. Expectations about increasing statutory funding, have fallen from 20% in 2022 to 16% in 2025. Conversely, voluntary organisations were more optimistic about financial support from business, rising from 19% in 2022 to 24% in 2025.

In 2025, voluntary organisations expectations about partnership arrangements increasing over the next two years (41%) was slightly lower than 2022 (44%). The

---

<sup>6</sup> Third Sector Trends undertook a pilot study in 2019 to work at national level across England and Wales, drawing a sample of over 4,000 respondents). In Wales there were relatively few responses (n=108), however, so these statistics should be regarded with caution).

comparison is not, perhaps, a fair one because pandemic conditions suppressed partnership working to some extent in 2022.

Optimism about increasing the number of regular volunteer numbers is slightly muted in 2025 (28%) compared with in 2022 (33%), but again that may be related to pandemic conditions. Similarly, the higher level of expected demand for services voiced in 2022 (67%) may reflect the peculiar circumstances surrounding the pandemic as only 62% of organisations expected demand to rise in 2025.

<b>Figure 1 Voluntary organisations' expectations about the next two years in Wales</b> (Third Sector Trends in England and Wales 2019 & 2022)			
	<b>2019</b>	<b>2022</b>	<b>2025</b>
<b>Income will...</b>			
Increase	30.5	32.0	25.3
Remain similar	53.3	47.1	52.8
Decrease	16.2	20.9	22.0
<b>Grant funding from foundations will...</b>			
Increase	33.3	28.9	24.4
Remain similar	51.9	46.3	48.9
Decrease	14.8	24.9	26.7
<b>Funding from business will...</b>			
Increase	19.7	19.0	23.9
Remain similar	67.2	56.7	59.0
Decrease	13.1	24.2	17.1
<b>Funding from statutory sources will...</b>			
Increase	10.9	20.1	15.7
Remain similar	48.4	53.5	47.2
Decrease	40.6	26.4	37.0
<b>Working in partnership will...</b>			
Increase	38.1	44.2	41.2
Remain similar	42.9	52.2	53.5
Decrease	19.0	3.6	5.4
<b>Support from volunteers will...</b>			
Increase	27.6	33.0	27.9
Remain similar	57.1	53.3	58.3
Decrease	15.2	13.7	13.8
<b>The need for our services will...</b>			
Increase	58.7	67.1	61.6
Remain similar	34.6	31.0	36.2
Decrease	6.7	1.9	2.2
N=	108	443	709

It is a good thing that the voluntary sector generally has an optimistic outlook as this can energise leaders and strengthen organisational vitality – and when the survey is repeated in the summer of 2028 across Wales, it will be possible to assess whether the above expectations are realised.

## 4 Labour market dynamics

The wellbeing of the voluntary sector in Wales is heavily dependent upon sustaining its people resources. An urgent research priority in the 2025 survey was to assess whether labour market conditions had deteriorated. That concern derived from a general acceptance that the voluntary sector is a relatively 'low pay' sector. There are some plausible reasons for this – the general public would be suspicious if people working for voluntary organisations (especially when in leadership roles) were paid as highly as in the public and private sectors. The problem, however, is that 'low pay' is also common for employees on the front line delivering services such as social care.

The consequences of endemic low pay began to emerge even before the pandemic as organisations started to find it harder to fill posts when wages were higher in the public and private sectors. By the time Third Sector Trends examined this in 2022, 46% of voluntary organisations in Wales were struggling to recruit employees. That pressure eased to some extent in 2025 to 36%.

Staff retention problems affected 21% of voluntary organisations in 2022 when pressures on labour costs were rising. The situation worsened when the UK government raised levels of employer National Insurance Contributions and the National Minimum Wage. Nonetheless, the signs are that problems surrounding employee retention have not worsened. As in 2022, 22% of voluntary organisations were struggling in this respect in 2025.

A similar situation continues to affect volunteer recruitment and retention. Growing concern is regularly voiced in the voluntary sector press that those volunteers who left the sector during the pandemic have not returned. Furthermore, in 2025, 42% of voluntary organisations in Wales reported that they had yet to recover regular volunteer numbers to pre-pandemic levels. Over a quarter of voluntary organisations reported that retaining regular volunteers had become harder (27%) and 44% stated that recruitment became harder too. Volunteer retention problems were marginally worse in Wales than in any English region in 2025.

## 5 Variations across Wales

The situation of the voluntary sector in Wales is strikingly similar, statistically, to that of the whole of England and Wales according to many criteria presented in this report. In fact, Wales is more similar to the average England and Wales statistics than any English region.

But national statistics tell only one part of the story. Taken as a whole, the voluntary sector in Wales operates in a relatively 'typical way' (using England and Wales statistical averages as a benchmark), but most of the voluntary sector does not work at national level. On the contrary, most voluntary organisations in Wales are locally oriented: in 2025, 60% work just in one local authority area - and indeed – 30% of voluntary organisations limit their activities just to their local neighbourhood or village.

In the full report, a statistical profile of economy and society in Wales was provided. This demonstrated that as a nation, Wales is enormously varied when looking beneath the surface of national level statistics. Certainly, at a spatial level, population is distributed unevenly – with most of the urban population concentrated in South East and South West Wales.

Mid Wales and much of North Wales is sparsely populated – and some areas are relatively inaccessible to and remote from urban centres where core services such as health and higher education are located. There are also wide disparities in affluence in Wales which can compound problems in remote areas. Many former industrial

villages and townships are struggling economically which has produced high levels of social deprivation and few opportunities.

In rural areas, many residents are relatively poor - relying as they do on insecure, poorly paid seasonal work associated with the visitor economy. And yet, some sparsely populated areas are highly affluent, where many residents are well qualified and are well served by the local labour market – often commuting to jobs in industrial and public sector management and in the professions. Similarly, in the big cities of South Wales there are also wide disparities in affluence which puts different demands on voluntary organisations in richer or poorer neighbourhoods.

## 6 Voluntary sector relationships

The voluntary sector is often lauded by policy makers about its willingness to work collaboratively. And certainly, in Wales, there is strong evidence to demonstrate commitment to informal and formal interaction. Wales has a higher level of informal complementary working (76%) than most English regions.

Voluntary organisations in Wales and North East England and Wales are the most likely to work in semi-formal collaborative ways (69%). In Wales, 34% of voluntary organisations which is well above the English regional average (28%). Formal partnership working in the poorest areas is stronger in Wales (53%) than in any English region.

Private sector businesses support a substantial proportion of voluntary organisations in Wales, including financial support (31%), in-kind assistance (27%), help from employer volunteers (16%) and expert *pro bono* support (18%).

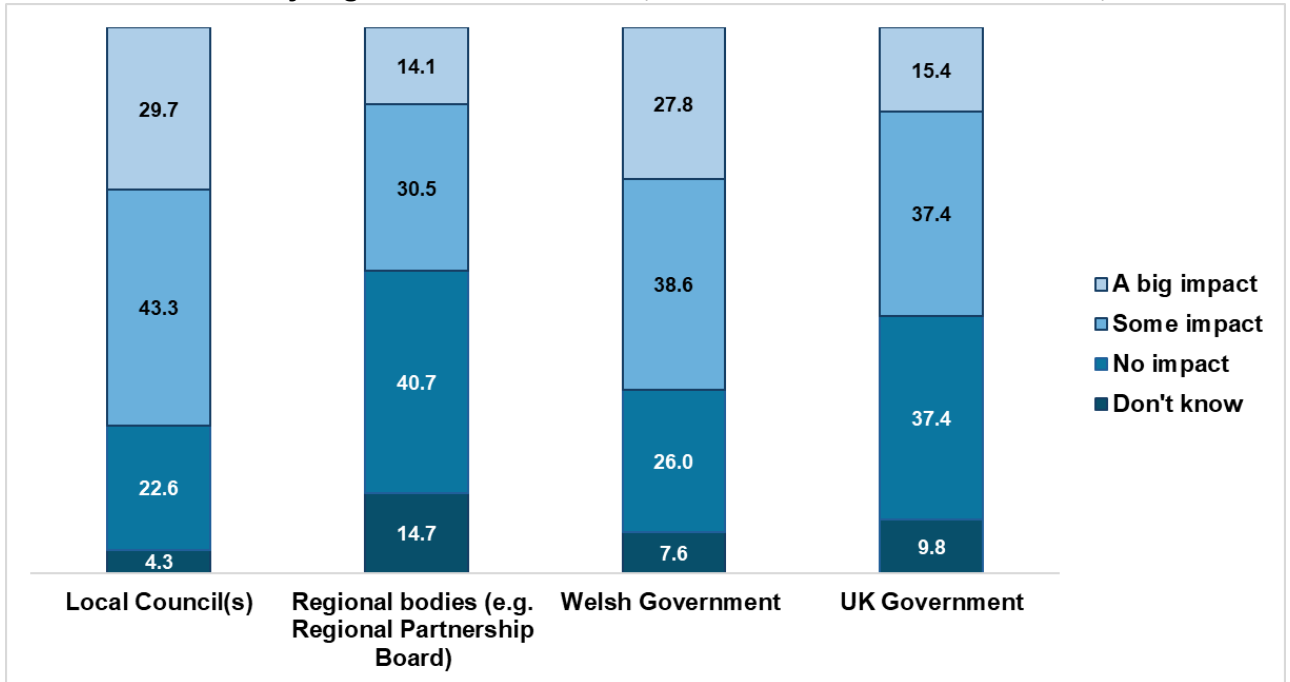
As for relationships with the public sector in Wales, most voluntary organisations feel valued (86%) and well informed on issues relevant to them (65%). Many voluntary organisations feel involved in policy processes (44%) and agree that local agencies act on their opinions (25%).

Many voluntary organisations in Wales are keen to get involved and have their say in public and social policy. The voluntary sector in Wales is the least likely to avoid political issues (66%) when compared with English regions. Voluntary organisations' level of engagement with local meetings and events is also comparably high in Wales (72%). The sector's willingness to campaign to further their interests in Wales (52%) is also higher than the England and Wales average (48%).

Over half of voluntary organisations in Wales campaign to influence policy and 48% work behind the scenes to influence policy. Voluntary organisations in Wales are most likely to trust their local CVC to represent their interests in policy circles (39%) than in England (31%).

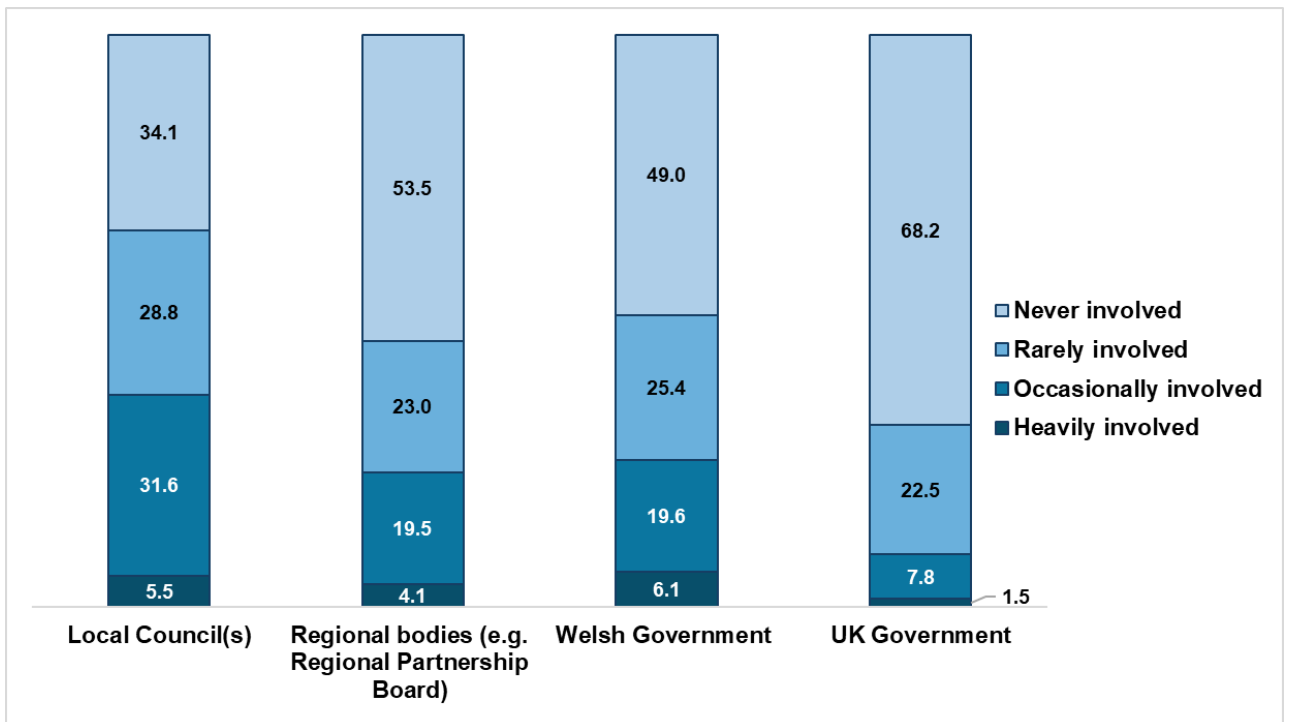
In Wales, separate survey questions were used to discern how well voluntary organisations work at levels of local and national government. Public sector decision making has a bigger impact on voluntary organisations at the local level and Welsh government levels (see Figure 1). Regional bodies clearly have a lower level of impact.

Figure 2 **The ‘impact’ of decision making at each level of government on the work of voluntary organisations in Wales** (Third Sector Trends in Wales 2025, n=709)



Voluntary organisations are most likely to get ‘involved’ in public sector policy-making processes at the local level, but very few are heavily involved (6%). About a half of voluntary organisations are never involved in policy making at regional and Welsh government levels – more than two thirds are never involved in UK government policy processes.

Figure 3 **Involvement in policy-making processes by voluntary organisations at each level of government in Wales** (Third Sector Trends in Wales 2025)



## 7 Presenting the voluntary sector in a positive light

What is abundantly clear from this report is that the structure of the voluntary sector tends to reflect local conditions. Certainly, voluntary organisations in major urban areas seem to feel the effect of local and national government decision making more keenly than in town and country areas. That is likely to be related to the concentration of work in areas of critical and pernicious social need in more densely populated deprived urban areas. Furthermore, location in major urban areas also affects the way they engage with local, regional and national public authorities – and especially so at Welsh government levels.

It would be a mistake, however, to claim that the problems the voluntary sector in Wales face in tackling social, economic, cultural and environmental issues are either universal or insurmountable. Talking down the sector's situation by making false claims about the sector's immanent demise is a dangerous route to take – because why, after all, would people want to invest their money or time in a sector that is on its last legs?

The voluntary sector in Wales is not in a crisis, but rather (as in most English regions), it is more of a question of swings and roundabouts – where many voluntary organisations have stable finances or are flourishing financially – while a minority of others are struggling. That is bound to happen in a complex and competitive social marketplace where highly committed, irrepressibly optimistic and ambitious leaders are hungry to achieve more. And such pressures can be heightened when the searchlights of funding organisations move in other directions, leaving voluntary organisations working in some areas of social benefit adrift financially, while others suddenly come back into favour.

There will always be winners and losers in the race to win the resources of people, money and ideas that bolster voluntary organisations' energy and potential. That is why projecting a positive and productive image of the sector to trusts and foundations, public authorities and a sympathetically-minded business community is vital to ensure that support continues to flow in the voluntary sector's direction. The findings from this report on the sector's enormous energy, productivity and achievement will hopefully help to underpin these positive messages whilst also alerting onlookers to disparities within the voluntary sector that may require urgent attention.

### More information on Third Sector Trends in England and Wales

Previous reports from Third Sector Trends are all available here:  
<https://www.stchads.ac.uk/research/third-sector-trends-in-england-and-wales/publications-from-third-sector-trends/>

Full details on the research methodology underpinning Third Sector Trends Study research can be found here: <https://www.stchads.ac.uk/wp-content/uploads/2022/10/Third-Sector-Trends-Research-Methods-2022.pdf>

A discussion on analytical techniques can be found here:  
<https://www.stchads.ac.uk/wp-content/uploads/2022/07/Third-Sector-Trends-Structure-and-Dynamics-of-the-Third-Sector-in-England-and-Wales-December-2020-Revised-June-2022-2.pdf>



**Policy&Practice  
St Chad's College  
Durham University  
18 North Bailey  
DURHAM DH1 3RH**

