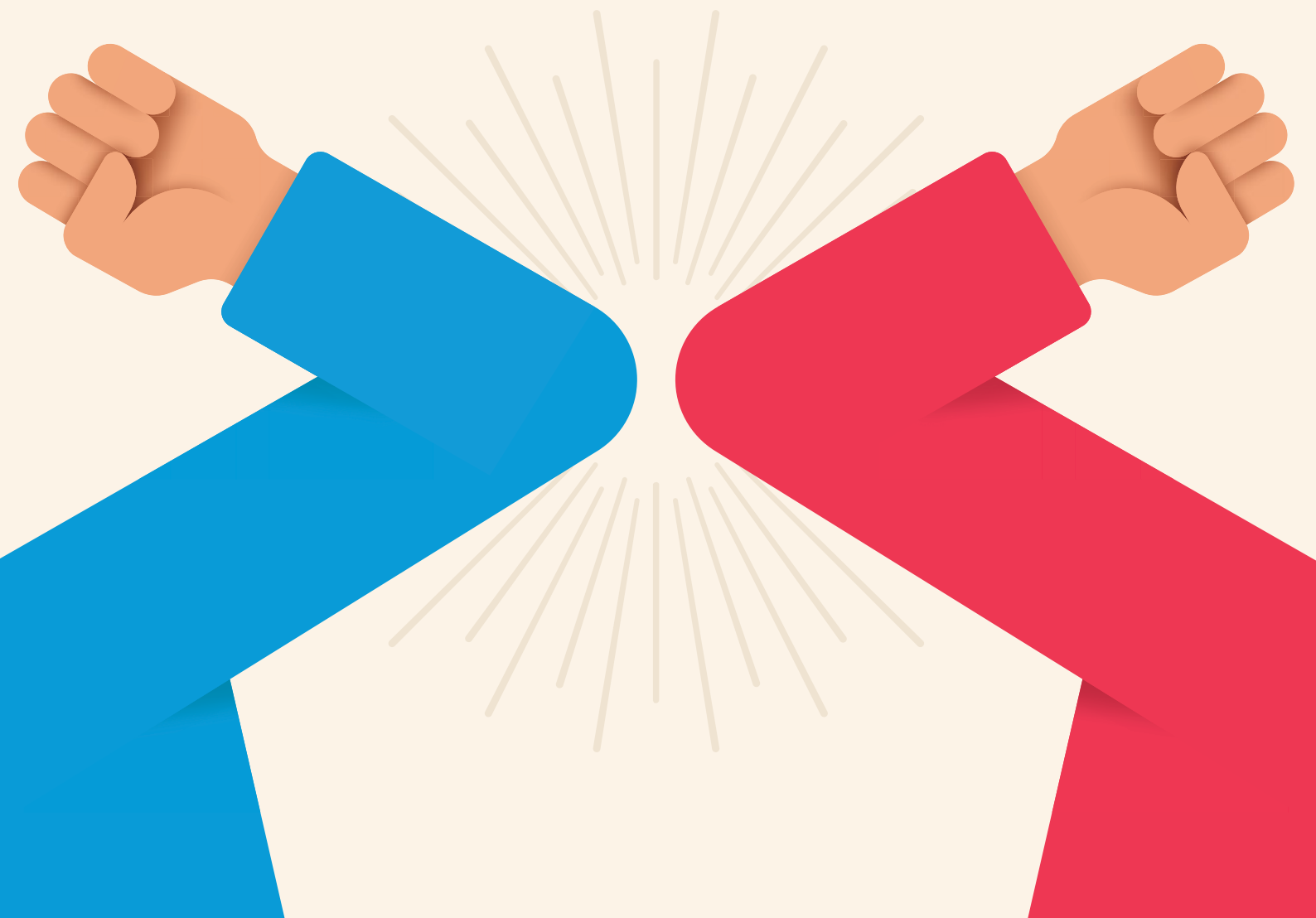


COVID-19

Community Sector Impact Survey

June 2021



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Where not-for-profits go for help



COVID-19

Community Sector Impact Survey

June 2021

The Australian community sector is contending with an increase in demand for services at the same time that many are facing a funding contraction and a collapse in volunteering. Despite the challenges, many organisations are optimistic about their future, with many keen and able to increase staffing and volunteer numbers – and invest in their development – if the money and personnel can be found to make this possible.

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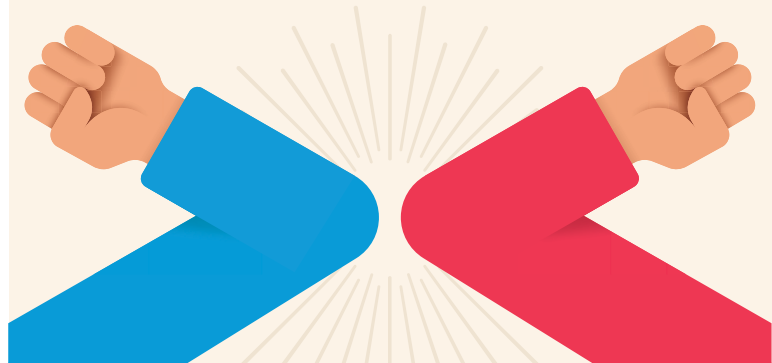
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Executive summary



1. Demand is up

Demand for services provided by not-for-profits shrank in the immediate wake of the pandemic emergency, but that situation has now reversed, with a majority of not-for-profits now contending with an increase in demand. Organisations providing family violence, homelessness, food relief and childcare services have been particularly hard hit by increased demand. Many organisations have experienced a mixed situation internally: an upsurge in demand in one area, and a downturn in others.

2. Fundraising

The fundraising income of the not-for-profit sector has not been as hard hit by the pandemic as appeared likely at first; yet the picture is still grim for many, with more than one in two organisations reporting a funding downturn. A large number have lost at least half of their fundraising income. The Federal Government's now-defunct JobKeeper scheme provided a lifeline for many organisations. Encouragingly, 37% of Australians who support not-for-profits say they plan to donate more this year than last.

3. Staffing

JobKeeper was touted as a business scheme but our survey reveals that it was also extremely important for the not-for-profit sector. With the worst days of the pandemic in the rear vision mirror (at least for now), there's optimism in the air. If funding can be found to allow the not-for-profit sector to scale up to match demand, we can expect an additional bounce in job numbers.

4. Reskilling

Communications, digital tech and social and emotional skills were targeted for skills development during the first 12 months of the pandemic, with more investment in training likely in coming months.

5. Volunteers

The pandemic has severely disrupted Australia's volunteer workforce, and there is no sign of a recovery on the horizon. Not-for-profit organisations

will need to adapt their recruitment and management strategies if they wish to see volunteer numbers return to pre-pandemic levels.

6. Shifting to digital

The pandemic has accelerated the not-for-profit sector's shift to digital technology, with most organisations significantly increasing their use of digital tech over the past 12 months, and more to come in the year ahead.

7. Support

Government support has been essential to the survival of the not-for-profit sector over the past 12 months. Thoughts are now turning back to age-old issues: funding, volunteers and staff.

8. Challenges and opportunities

Not-for-profits are anticipating budgetary/funding constraints, access to volunteers and staff, challenges managing demand for services, and management of digital tech will occupy much of their attention in the coming months. But some opportunities have opened up as well. Not-for-profits have welcomed greater community awareness of many of the issues they work to address. Many organisations have developed new relationships in the wake of the pandemic. Some have welcomed the opportunity to adopt digital tech, to diversify their revenue base, and to focus on governance and strategic planning.

9. The future

The not-for-profit sector is more optimistic now than it was 12 months ago; a third of organisations even believe they are stronger now than they were last year. The situation is patchy, however. Some organisations are doing well, some are struggling. Arts and culture organisations are struggling more than most.

10. Adapting to climate change

A worryingly small number of not-for-profit organisations appear to be taking the climate crisis seriously. Only 7% of respondents see "climate change" as a top challenge for the months and years ahead.

About

About the study

As the COVID-19 pandemic started bearing down on the Australian community sector in early 2020, a thirst for data about what was happening in the sector emerged. Thousands of words were being written about the impact of the pandemic on the business sector but what of those organisations that provide the social scaffolding for the nation?

Our Community set out to find out what was happening within the not-for-profit sector through a quick-response survey that was open for just two days in April 2020. Our Community is a social enterprise that has for the past two decades been at the forefront of providing practical support for the 600,000 community groups, not-for-profits and charities that serve as the engine room for Australia's social economy. We needed information quickly so we could respond quickly. A total of 366 individuals completed the 2020 survey.

What emerged was a sector in fear of the future and bracing to fight for cash, volunteers and, in many cases, survival.

Just over a year later, we set out to find out how the sector has weathered the COVID-19 storm, this time with Salesforce, which enables organisations of every size and industry to take advantage of powerful technologies – cloud, mobile, social, voice, and artificial intelligence – to connect to their customers in a whole new way.

With the peak of the pandemic now safely in the rear-view mirror, the survey was conducted over 14 days from May 7 to 20. A total of 907 individuals completed the 2021 survey, which was primarily promoted through the Our Community database.

A parallel consumer sentiment survey was conducted by YouGov from May 3 to 5. This survey comprised a nationally representative sample of 1027 Australians aged 18 and older. Following completion of interviews, the data was weighted by age, gender and region to reflect the latest Australian Bureau of Statistics population estimates.

About the Australian not-for-profit sector

There are more than 600,000 not-for-profit organisations in Australia, together employing more than 1 million people (almost 10% of the Australian workforce).

While the sector is well recognised for its enormous social contribution to Australia, what's less well appreciated is the fact that it makes a massive economic contribution as well. The 2017 Australian Charities Report found the sector had total revenue of \$146.1 billion – more than the mining and agriculture sectors combined.

The economic contribution of the sector is eclipsed by its contribution to building and maintaining the social fabric of the nation. The sector covers many activities and services, spanning health and wellbeing, housing and homelessness, disaster relief, animal welfare, sports, religion, the environment, education and social justice.

Around 59,000 not-for-profits are considered "economically significant". The majority of Australian not-for-profits operate "underneath the radar" at the local level. The direct impact of these local community groups on the national economy is small, but these groups play many crucial roles in our society:

- They give voice to communities of place and of interest and contribute to a more vibrant and participatory Australian democracy
- They improve the quality of life through groups, events and celebrations
- They provide a place for people to participate and engage with each other in community life
- They break down isolation and enable people from a diversity of backgrounds to join up and join in
- They provide the opportunity for people to share responsibility for changing our communities for the better
- They provide services that are responsive, relevant, and accountable to their communities.

About Our Community

Our Community is a social enterprise that services the Australian not-for-profit sector, and the organisations that support the sector.

Our Community's mission is to build stronger communities through stronger community organisations. We work towards that goal by providing sector-specific advice, connections, training, information and easy-to-use tech tools.

In response to the COVID-19 crisis, Our Community launched the Save Our Sector (SOS) campaign, providing news updates, instructional help sheets, policy templates and webinars designed to help not-for-profit organisations navigate the many challenges thrown up by the pandemic.

At the time of writing (May 2021), the peak of the pandemic has passed (at least for now) in Australia, but Our Community remains focused on the shifting needs of Australia's 600,000 not-for-profits.



About Salesforce

Salesforce.org is a social impact centre of Salesforce. We build powerful technology for, and with, our community of not-for-profit, educational and philanthropic organisations to help them operate effectively, raise funds and connect.

In a world where digital-first is no longer a choice, our Not-for-profit, Education and Philanthropy Clouds enable organisations to increase digital engagement, create a single source of truth, and generate actionable insights. Technology helps build resilience, maximise social impact, and build a better world. Together, we can close the gap between the impact created today, and the potential for impact in the future.

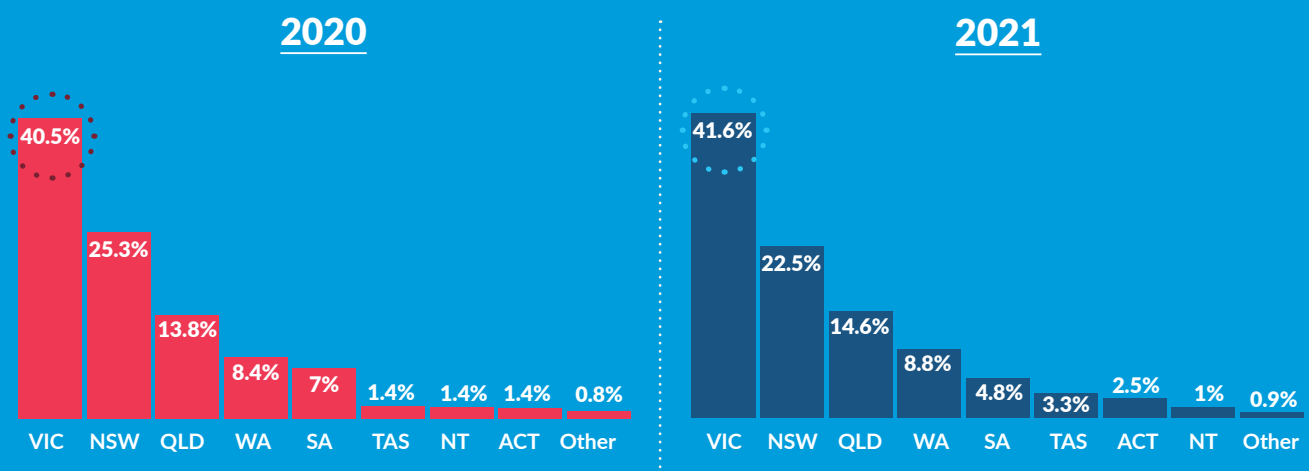
The sample

A total of 907 individuals completed the 2021 Our Community not-for-profit sector survey, compared with 366 last year.

Despite the fact that the 2021 survey attracted more than twice as many respondents as the 2020 survey, the distribution of respondents according to state was very similar. The sample was dominated by people from organisations from the eastern states, but all states and territories were represented.

A postcode analysis revealed that 55% of our sample were headquartered in a city, with 45% in rural and regional areas of Australia.

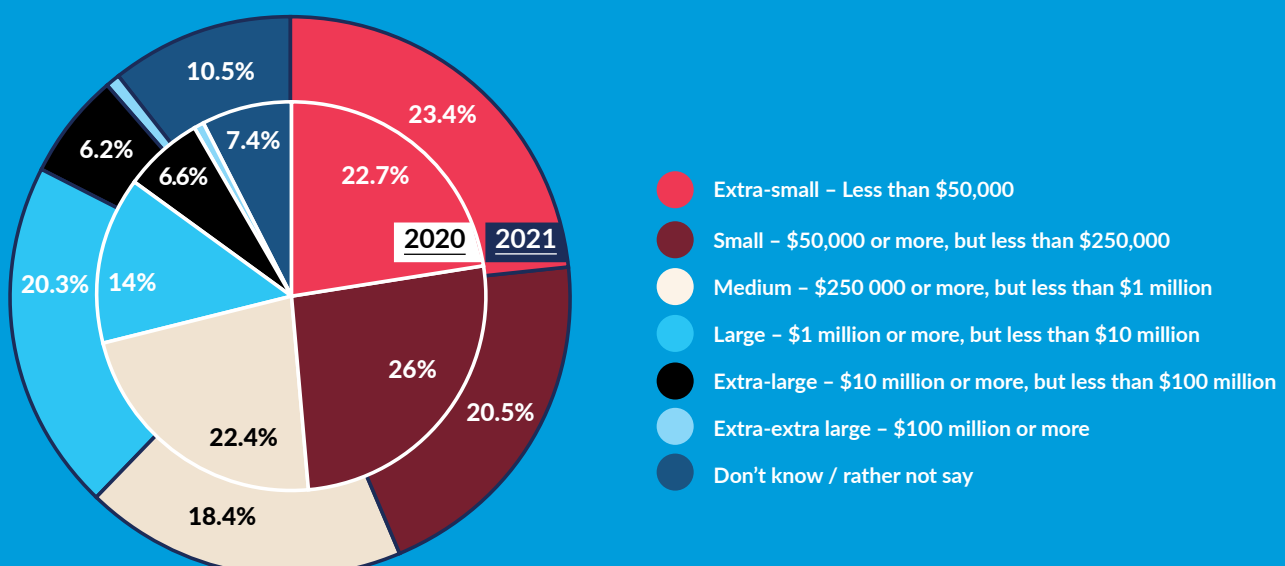
Organisation headquarters



Most respondents were representing small to medium not-for-profit organisations: 44% of respondents were from small organisations (with annual revenue of less than \$250,000); 18% were from medium organisations (\$250,000–\$1 million) and 27% were from large organisations (\$1 million+).




















This was a similar distribution to last year, though large organisations were more significantly represented this year (27%) than last (21%).

Organisation size (annual revenue)



A majority of respondents came from the disability/human services, community development, health and education sectors. Together these sectors comprised 56% of the sample. Sector distribution was similar this year to last.

Sector distribution

Disability & human services  <p>2020: 16% ↑ 2021: 19.1%</p>	Community development  <p>2020: 16.9% ↑ 2021: 18.7%</p>	Other  <p>2020: 13% ↑ 2021: 18.5%</p>
Health  <p>2020: 11% ↓ 2021: 9.6%</p>	Education  <p>2020: 8% ↑ 2021: 8.6%</p>	Sport & recreation  <p>2020: 11% ↓ 2021: 7.5%</p>
Arts & culture  <p>2020: 10.9% ↓ 2021: 7.2%</p>	Environment  <p>2020: 3% ↑ 2021: 3.1%</p>	Information & communications  <p>2020: 1.1% ↑ 2021: 2.1%</p>
Religion  <p>2020: 2% ↓ 2021: 1.3%</p>	Economic development  <p>2020: 0.8% ↑ 2021: 1.1%</p>	Animal welfare  <p>2020: 1.4% ↓ 2021: 1%</p>
Human rights  <p>2020: 1.4% ↓ 2021: 0.6%</p>	Agriculture, fisheries & forestry  <p>2020: 1.4% ↓ 2021: 0.4%</p>	Public safety  <p>2020: 0.8% ↓ 2021: 0.4%</p>
International relations  <p>2020: 0% ↑ 2021: 0.3%</p>	Public affairs  <p>2020: 0.5% ↓ 2021: 0.2%</p>	Science  <p>2020: 0.3% ↓ 2021: 0.1%</p>
Social sciences  <p>2020: 1.4% ↓ 2021: 0.1%</p>	<p>Note: It is possible that more than one person from the same organisation responded to this survey; thus there may be some double-counting of responses. Also note that due to rounding of percentages, there may be some minor discrepancies between the written copy and the graphs in some sections of this report.</p>	

Demand for services

Riding the rollercoaster

Our 2021 survey unearthed a sector that's split between organisations that have experienced a surge in demand for their services, and those experiencing a downturn in demand, with not many organisations in between.

Few organisations have been left unaffected by the pandemic; just 12% say they've experienced no impact on the demand for their services (compared with 8% in the 2020 survey).

A total of 52% of respondents say they have experienced increased demand (with 28% saying demand has increased significantly). At the other end of the ledger, 32% have seen a downturn in demand for their services (including 15% who say they have experienced a significant downturn).

It's interesting to compare the 2021 results with those from the 2020 survey, which was conducted in the immediate aftershock of the COVID-19 disruption. In the 12 months since the initial survey, we've seen a reversing of the situation relating to demand for services, with more organisations now in the "demand is up" camp (52% in 2021 compared with 33% in 2020) than in the "demand is down" camp (32% versus 49%).

It's worth noting, though, that many respondents commented on a mixed picture even within their own organisations – while demand for services like family violence, emergency relief, foodbanks, counselling, health communication, employment, housing, tech support, animal adoptions, outdoor leisure/shopping activities, mental health support and online training went up, demand for others (services involving social visits, face-to-face activities, entertainment, etc) went down. Family violence, homelessness, food relief and childcare services were particularly prominent in the comments citing an upsurge in demand.

Some organisations reported demand increased as they moved to fill a gap left by others (e.g. government agencies) in retreat, or in response to needs that emerged due to demographic shifts. Some respondents described the emergence of new cohorts of clients – “the new poor,” as one put it. “Since JobKeeper finished the original group are returning as well,” another said. The emergence of more complex clients (e.g. family violence involving more than one abuser; people with more complex counselling needs) also came through in the comments.

Some organisations describe quite a rollercoaster ride since the pandemic began; for example, several organisations involved in early years education spoke of a sharp downturn in demand when the pandemic began followed by a massive spike when childcare subsidies were announced.

Organisations have scrambled to bring in grants, donations and government funding to meet the demand, but many sound weary. “Our members have wanted more but have been reluctant to pay for anything. Our staff are burned out,” one person commented.

Just as in the business sector, many not-for-profits operating in the areas of travel, tourism and entertainment have reported being badly hit by the pandemic. Those whose services have traditionally centred on face-to-face interaction – men's sheds, community centres – have also suffered greatly.

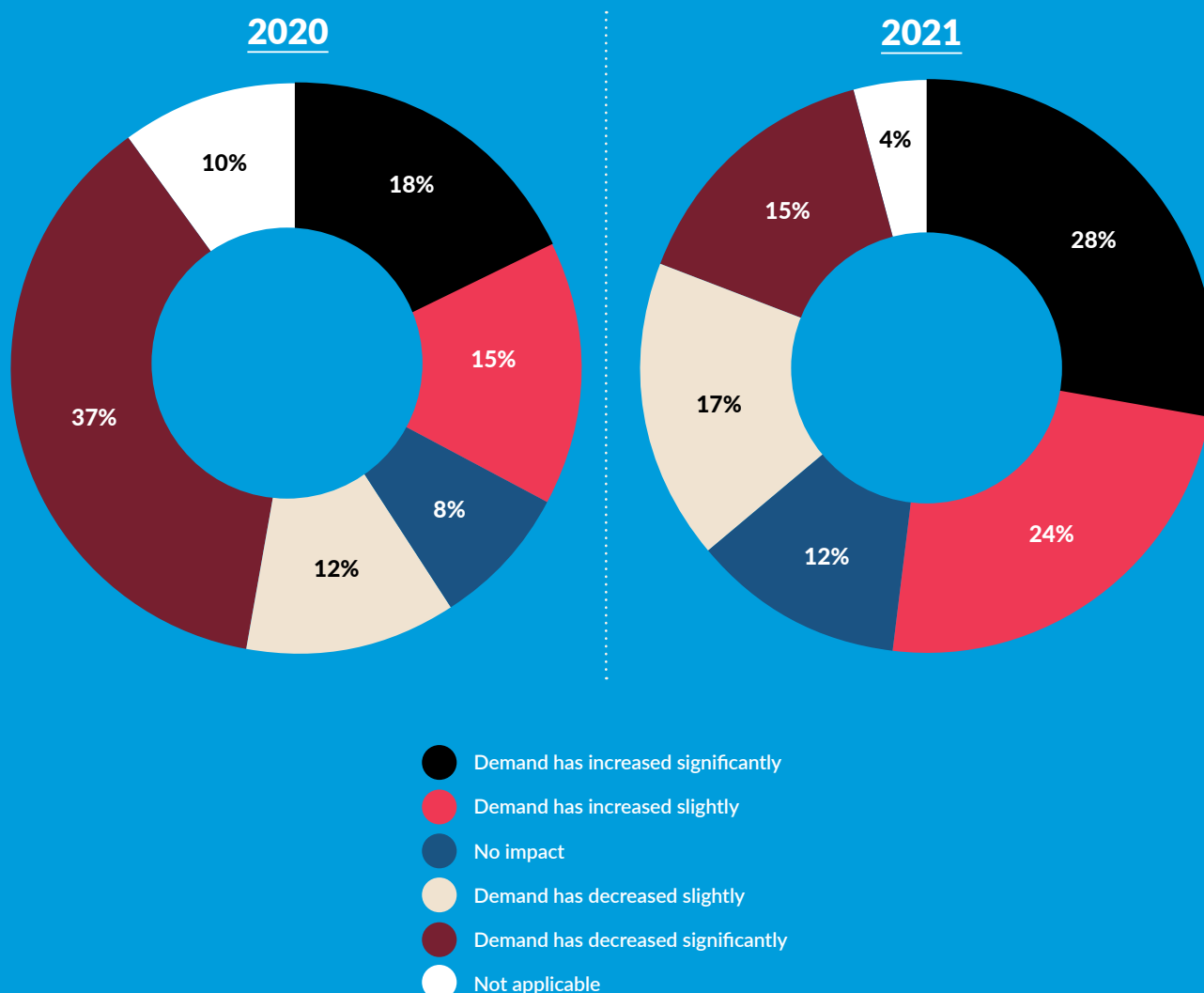
“Prior to COVID our community centre was a vibrant hub of activities, programs and supports. While we have started these things up again, it’s almost like starting from scratch and the number of people in the centre at any given time makes it feel deserted,” one respondent said. “Lockdowns mean closure,” said another.

There may be some cause for optimism, presuming lockdowns do not increase in number or severity over the months ahead. Several respondents who reported a downturn in demand said they felt the winds were starting to change again; it will be interesting to see what the story is another six or 12 months from now.

Respondents representing city-based organisations (55%) recorded a slightly higher increase in demand for services than rural/regional organisations (49%).

The takeaway: Demand for services provided by not-for-profits contracted in the immediate wake of the pandemic emergency, but that situation has reversed as the pandemic has ground on, with a majority of not-for-profits now contending with an increase in demand. Organisations providing family violence, homelessness, food relief and childcare services have been particularly hard hit by increased demand. Many organisations have experienced a mixed situation internally: an upsurge in demand in one area, and a downturn in others.

How has COVID-19 affected demand for your services?



Fundraising

Facing into the headwinds

When we surveyed the sector in April 2020, things were looking grim on the funding front. More than half of the groups we surveyed (67%) said they'd already experienced a decrease in fundraising income, with 47% reporting a *significant* decrease.

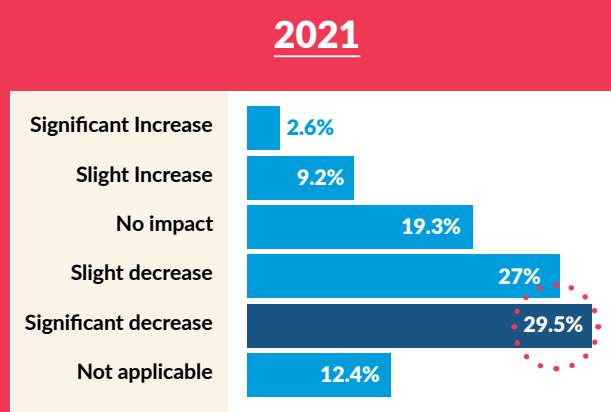
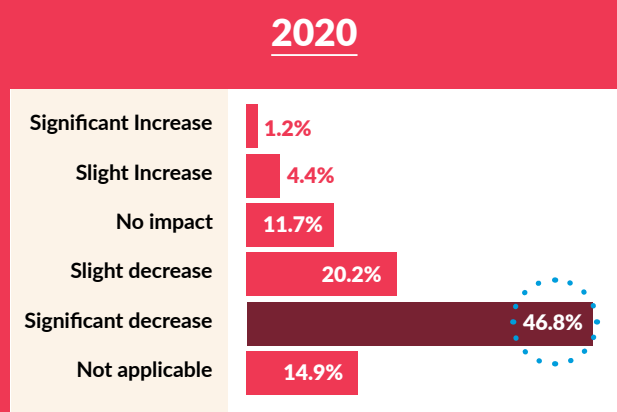
Decreases in income ranged from 1% to 100%, with a median estimated downturn of 53%; i.e. of all organisations that had experienced a downturn in fundraising income, the typical organisation had lost more than half its income.

A small portion of respondents said they'd experienced an uptick in fundraising income; in that group, the typical increase was around 10%.

One year on the picture looks a little rosier. The percentage of organisations reporting an increase in income doubled (though admittedly from a fairly low base) – from 6% in 2020 to 12% in the 2021 survey. Increases were modest (median of 10%). The percentage who experienced no impact on fundraising was also up – from 12% to 19%.

Meanwhile, the percentage of organisations reporting a significant decrease in fundraising income shrank from 47% to 30%. However, once you take into account those who reported a slight decrease, it's clear that the effects of the pandemic on fundraising income have been significant, with 57% reporting a downturn of some sort. The median decrease was 50%.

Effect of pandemic on donations and fundraising income



A close reading of the comments provided by respondents provides a fuller picture of what fundraising has looked like for not-for-profits in 2020 and 2021. Those reporting an increase in income referenced the Federal Government's JobKeeper scheme as a lifeline (see next section for more on JobSeeker), with some organisations saying philanthropic and government grants also provided significant support.

Those organisations that have experienced a decrease in fundraising income cite a range of reasons for the downturn. Some have opted not

to prioritise fundraising during the pandemic, considering it either unnecessary, given activities are on hold, or unethical when people have less money to give and others' need for help is so great. "People are out of work," one respondent explained simply.

Some organisations say they have simply been unable to carry on their usual fundraising or income-generating activities because of social distancing rules or COVID caution, or because they've had fewer helpers or sponsors able or available to chip in time or treasure.

Our analysis did not discern any difference between organisations in rural/regional and metropolitan areas of Australia.

Organisations in the arts and culture sector were more likely than others to report a downturn in income, with 73% indicating they'd suffered a decline during the past year, compared with 63% for education organisations, 57% for sport and recreation orgs, 54% for community development, environmental and health organisations, and 48% for human services organisations.

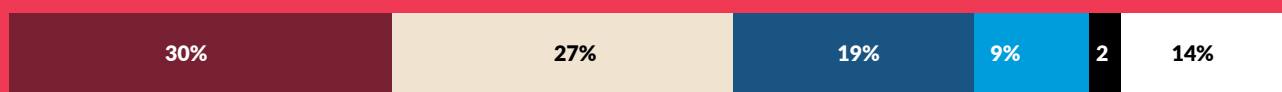
When we look at state-based differences, organisations in the ACT appear to have suffered the most from a drop in income, though this result must be viewed with caution because of the relatively low representation of organisations from the ACT in our survey. Among the remaining states, Queensland organisations reported the most significant losses in income, with 60% saying they'd experienced a decline, compared with the average across all states of 57%.

How has the COVID-19 pandemic affected your group's income from donations and fundraising?

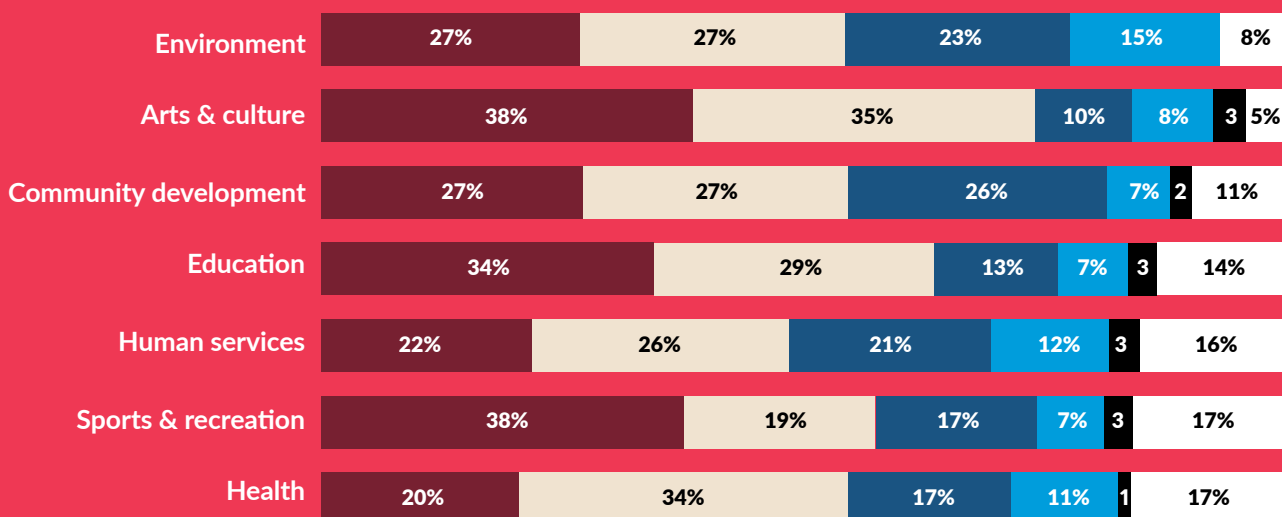
In regional/rural areas



In metropolitan areas

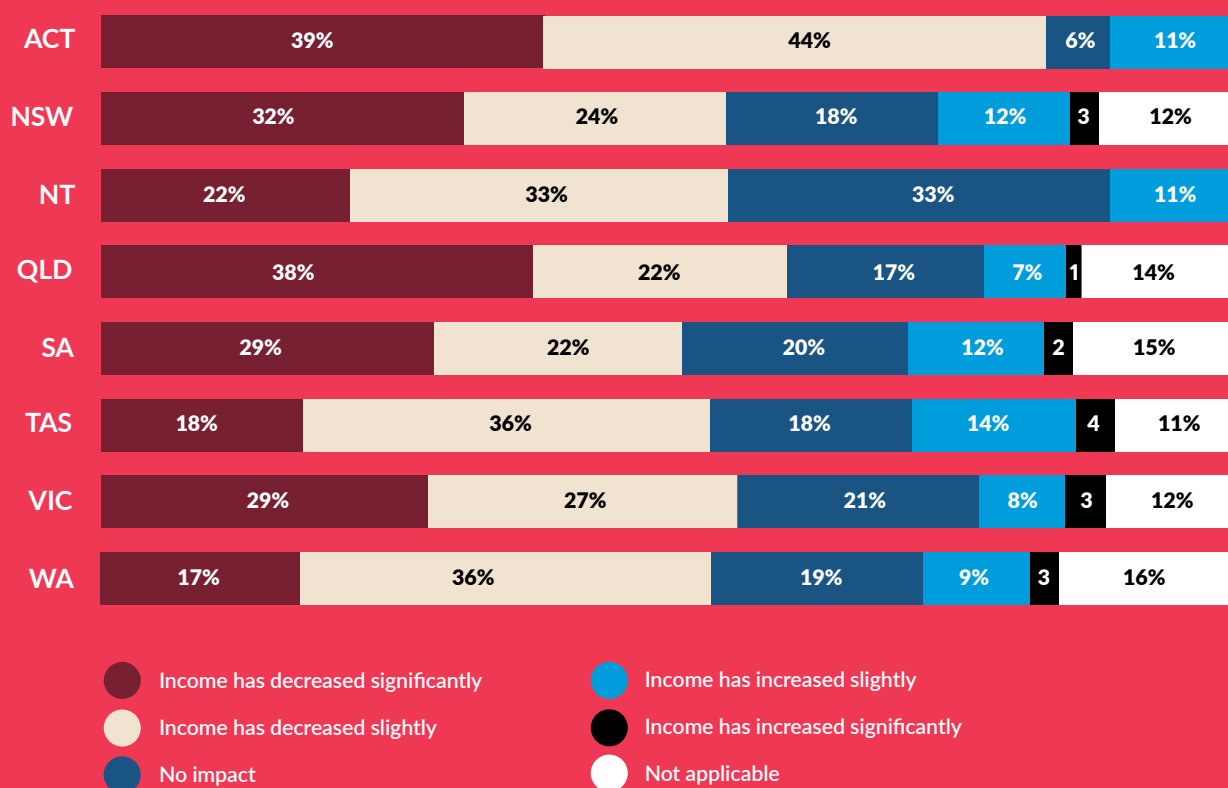


By sector



How has the COVID-19 pandemic affected your group's income from donations and fundraising?

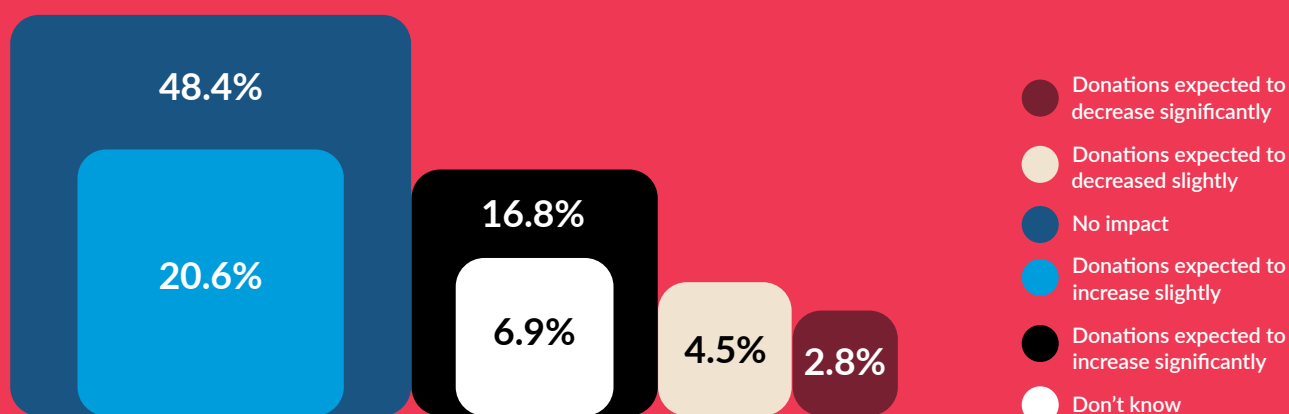
By state



Looking ahead

The YouGov consumer sentiment survey provides some good news for not-for-profits who have been hit by a downturn in donations. More than a third (37%) of Australians who support not-for-profits say they plan to donate more in 2021 than they did in 2020, with only 7% saying they plan to donate less.

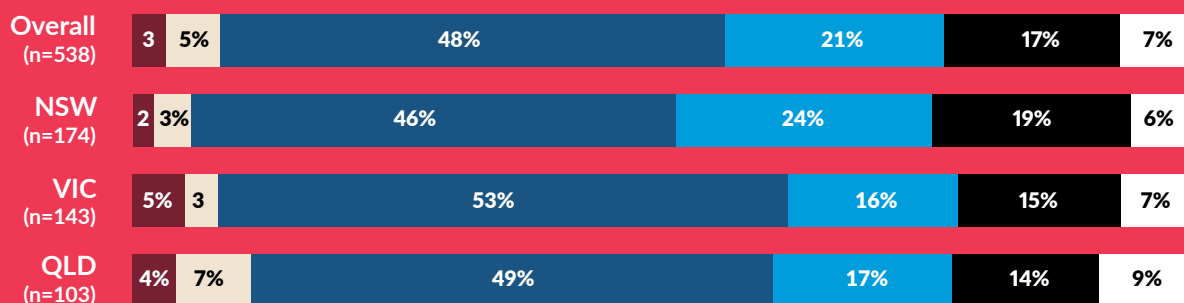
Change to donations in 2021



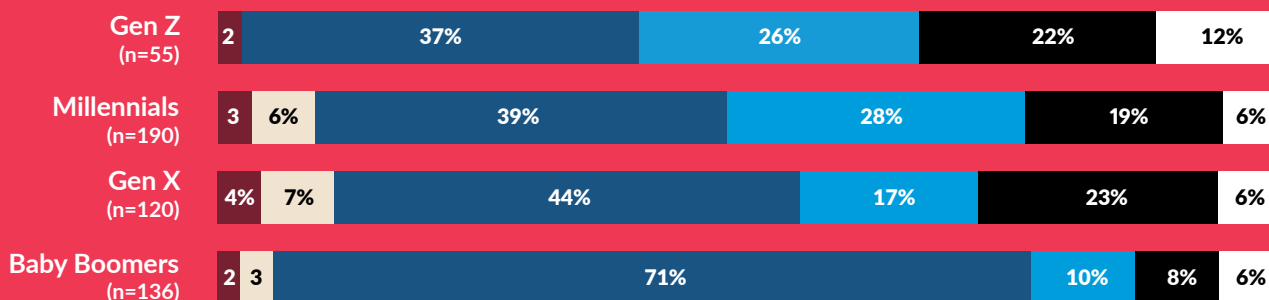
Among those who support not-for-profits, people from NSW (43%) are more likely than those in Victoria (31%) and Queensland (31%) to say that they plan to donate more in 2021, and young people – Gen Z (48%), Millennials (47%) and Gen X (40%) – are more likely than Baby Boomers (18%) to predict they will donate more this year.

Change to donations in 2021

By state



By age



Not surprisingly, people who believe not-for-profit organisations are important are more likely than those with little respect for or knowledge of the sector to have increased their fundraising efforts/support over the past 12 months.

The takeaway: The fundraising income of the not-for-profit sector has not been as hard hit by the pandemic as appeared likely at first; yet the picture is still grim for many, with more than one in two organisations reporting a funding downturn. A large number have lost at least half of their fundraising income. The Federal Government's now-defunct JobKeeper scheme provided a lifeline for many. Encouragingly, 37% of Australians who already support not-for-profits say they plan to donate more this year than last.

Staffing

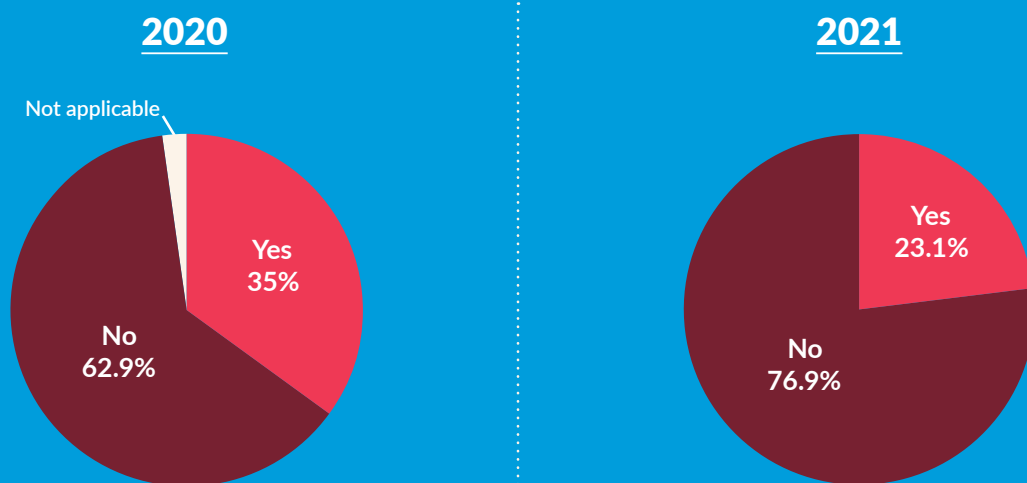
Optimism in the air

In April 2020 more than a third of the not-for-profits we surveyed (35%) had already reduced staff numbers, and a further 8% planned to do so, though many were hoping they may avoid large losses if they could qualify for JobKeeper. JobKeeper was a Federal Government scheme designed to help employees maintain a connection to their workplace during the pandemic by delivering a flat payment of \$1500 per fortnight via organisations that could demonstrate significant financial losses. The scheme was announced on March 30, about a month before

our 2020 survey, but payments did not commence until May. There was some confusion in the early days of the scheme about which organisations would be eligible for JobKeeper support.

This year's survey sample included an almost identical percentage of organisations with paid employees (71% this year compared with 72% in 2020). We asked again whether organisations had reduced staff numbers; 23% said COVID-19 had caused them to reduce staff, compared with 35% the year before. Again, many cited JobSeeker (which ended on March 28, 2021) as the key to keeping their staff numbers intact.

Has your organisation reduced staff numbers as a result of the pandemic?



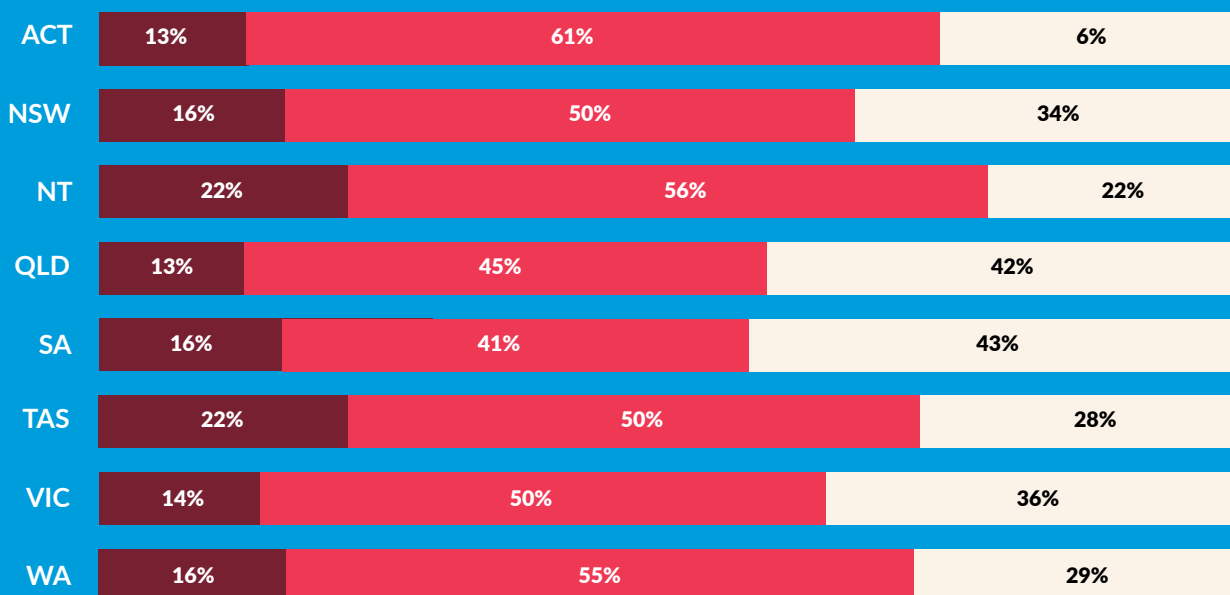
due keep **reduced** received **hours** required **volunteers**
employed **“JobKeeper”** COVID **Staffing**
allowed us keep **increased** government **work** One
services thanks **funding**

A word analysis applied to the responses of those who did not reduce their headcount reveals the importance of the Federal Government's JobKeeper scheme.

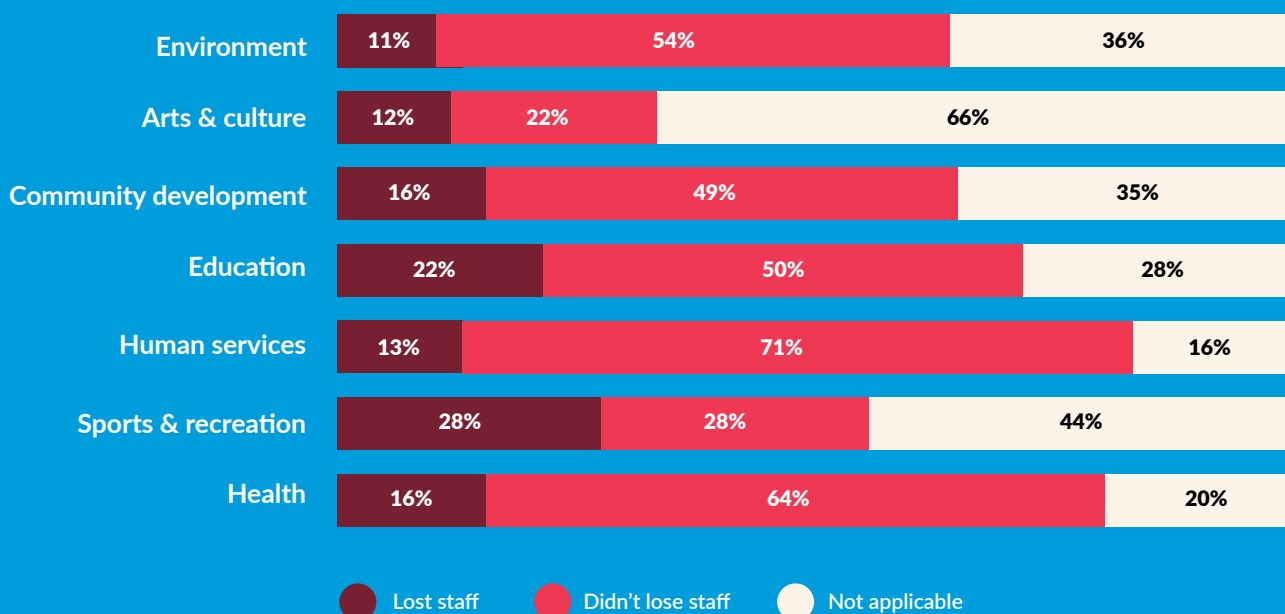
Staff losses appear to have been more pronounced in Tasmania and the Northern Territory, with 22% of the organisations in these states recording a loss in personnel, compared to an Australia-wide average of 16.5%.

Staff losses

By state

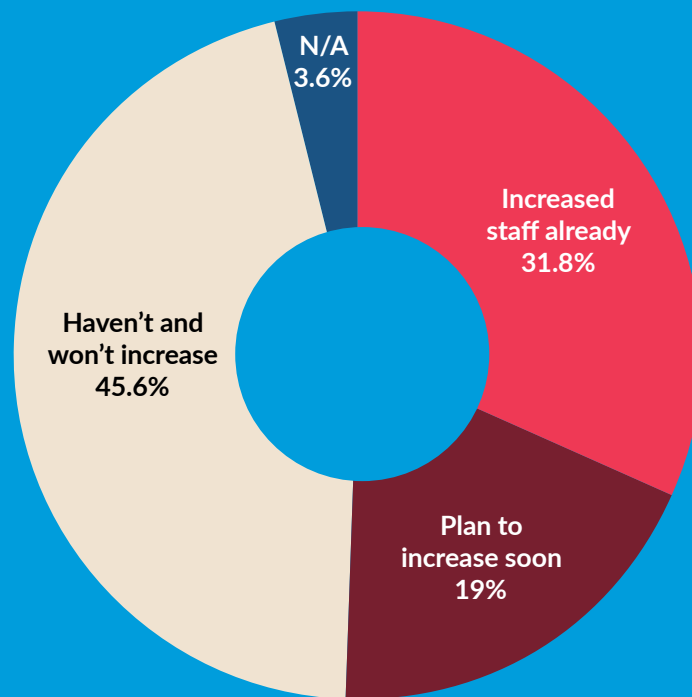


By sector



We also asked organisations whether they had increased staff numbers, or planned to do so. While 46% of respondents had not made and did not plan to make changes to their headcount, a relatively large number (32%) said they had increased staff numbers already, and an additional 19% said they planned to do so soon. This is perhaps not surprising when considered in the context of the increased demand for services reported on page 8 of this report. Indeed, our analysis confirms that the organisations experiencing increased demand, and those who have experienced an increase in income, are more likely than others to be planning staff increases.

Planning to increase staff



The takeaway: JobKeeper was touted as a business scheme but our survey reveals that it was also extremely important for the not-for-profit sector. Those who lobbied to ensure the not-for-profit sector was included in the scheme (including the Community Council of Australia and the hastily convened Charities Crisis Cabinet) did the sector a considerable service in getting its needs placed on the Federal Government's agenda. At the time of writing (May 2021), with the worst days of the pandemic behind us (at least for now), there's optimism in the air. If funding can be found to allow the not-for-profit sector to scale up to match demand, we can expect an additional bounce in job numbers.

Reskilling

There's no "i" in teams

Most not-for-profit organisations (61%) said they had undertaken some reskilling/retraining during the pandemic.

Zoom, Teams and other online conferencing, digital and cyber-security tools featured prominently in the comments. Other training themes included skills in online presentation, COVID-safe/occupational health and safety procedures and mental health first aid.

What skills has your organisation invested in?

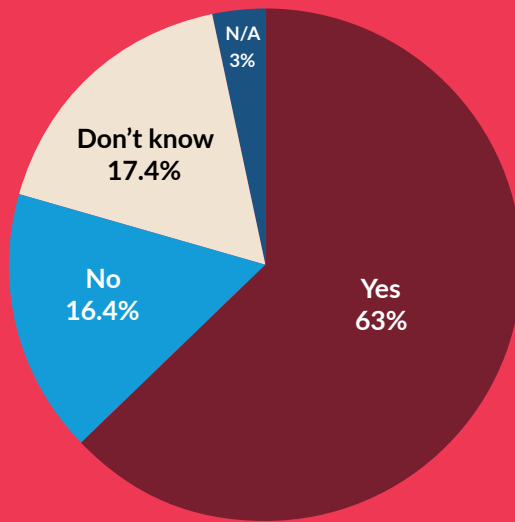
Social & emotional Cognitive skills
Marketing **Communications**
digital Data People management

The survey suggests upskilling is likely to continue. Social and emotional skills as well as digital, marketing, communications and people management training all look likely to be popular in the year ahead.

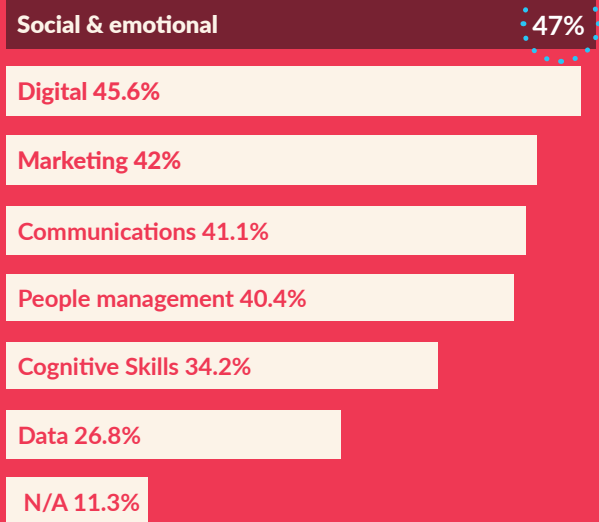
Respondents invested heavily in communications skills, digital skills, and social and emotional skills last year, and the sector anticipates demand for this sort of training will be less this year – 63%, 61% and 61% of organisations respectively said they'd invested in these skills last year, compared with 41%, 46% and 47% who expect to invest in these areas in the year ahead.

Respondents expect to invest more in marketing and cognitive skills in the year ahead than they did at the peak of the pandemic. Marketing was identified by 29% as a priority last year, compared to 42% who expect to invest in this area in the coming year. A total of 27% of respondents invested in cognitive skills last year, with 34% expecting to provide training in this area in the year ahead.

Will you need to further upskill in the near future?



What types of skills will you invest in in the near future?



mental health etc management
wellbeing need **development** Safety
part will First Aid staff training

Above: A word cloud analysis of free-text responses provides some signposts to the challenges that lie ahead.

The takeaway: Communications, digital tech and social and emotional skills were targeted for skills development during the first 12 months of the pandemic, with more investment in training likely in coming months.

Volunteerism

Tough times ahead

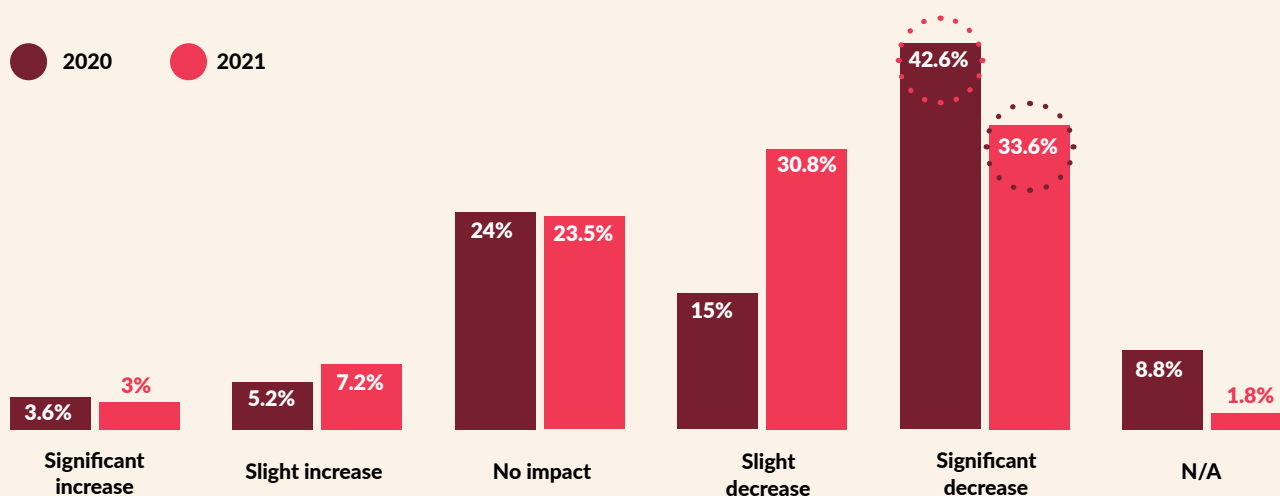
A total of 604 respondents to our survey (73% of the sample, compared with 72% in the 2020 survey) said they relied on volunteers to deliver programs or services.

When we surveyed in 2020, 58% of organisations who rely on volunteers said they had experienced a drop in volunteer numbers as a result of the pandemic, with 43% reporting a *significant* drop in numbers.

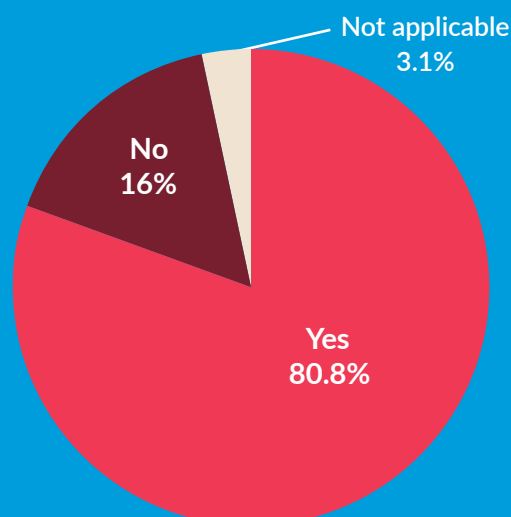
This year, the difficulties have become even more pronounced, with 64% of respondents reporting a drop in volunteers, though many are reporting less severe impacts than they did last year – in the latest survey 34% said they had experienced a significant decrease in volunteer numbers, compared with 43% last year.

The vast majority (81%) of 2021 respondents said the pandemic had affected their ability to manage and recruit volunteers.

How has the pandemic affected your volunteer workforce?



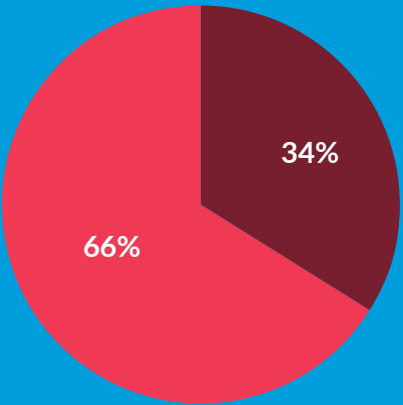
Has the COVID-19 pandemic affected your ability to manage and recruit volunteers? (2021)



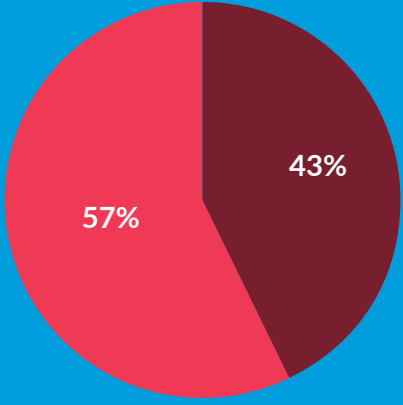
The survey throws into sharp focus the not-for-profit sector's reliance on older people to power the nation's volunteer army – and the sector vulnerability that results from this reliance.



The YouGov consumer sentiment survey confirms the findings of our not-for-profit sector survey. The survey of Australians found that Baby Boomers (those born from 1946 to 1964) and the Silent Generation (those born between 1918 and 1945) – i.e. Australians older than 57 – account for 43% of all days volunteered, despite the fact they make up only 34% of the population.

Share of population 18+



Share of days volunteered

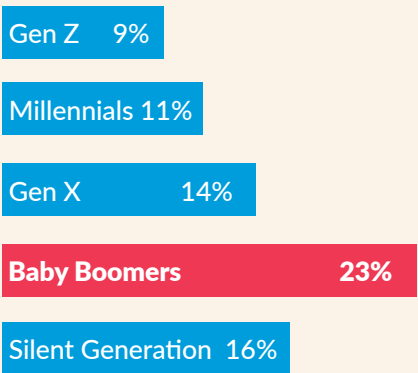


 Baby Boomers / Silent Generation (57+ years)
 Younger Australians 18-56 years

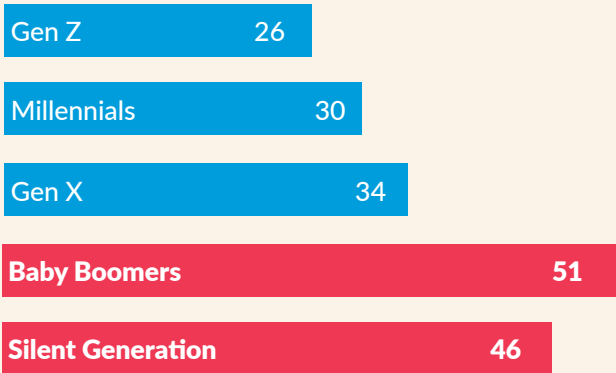
Among those who volunteer their time to not-for-profits, Baby Boomers (those aged 57 to 75) are more likely than all others to volunteer several times a week – 23% of them do so, compared with 14% of Gen Xers (those aged 41 to 56), 16% of members of the Silent Generation (those aged 76 to 103), 11% of Millennials (those aged 25 to 40) and 9% of Gen Z (those aged 18 to 24).

Viewed across a year the contribution of older generations to not-for-profits through volunteering is notable, the YouGov survey shows. On average, members of the Silent Generation are volunteering 46 times a year and Baby Boomers 51 times a year, compared to 34 times a year for Gen X, 30 times a year for Millennials and 26 times a year for Gen Z.

% who volunteer several times a week



Average number of times volunteered each year



The YouGov survey found that one in three (33%) Australians who volunteer their time to not-for-profits spent less time volunteering during 2020 than they had before COVID-19.

That result was confirmed in Our Community's not-for-profit sector survey, with many organisations reporting that volunteer numbers receded as older people were asked or opted to minimise their social contact, or when the demand for their labour dried up, or because organisations didn't respond quickly enough by shifting activities online.

For some organisations, it is proving hard to lure those volunteers back, a situation that should give some cause for alarm within the sector.

Has the pandemic accelerated the weakening of Australia's volunteer workforce?

Our data confirms the findings of research conducted by Volunteering Australia and the ANU Centre for Social Research and Methods, which

suggests that volunteering has been affected more severely by COVID-19 than paid work.

The **study**, which was published on May 20 (the same day that our survey closed), estimated that 2.3 million fewer Australians volunteered in April 2021 than did so in late 2019, and that volunteering hours fell by around 293 million over that 12-month period.

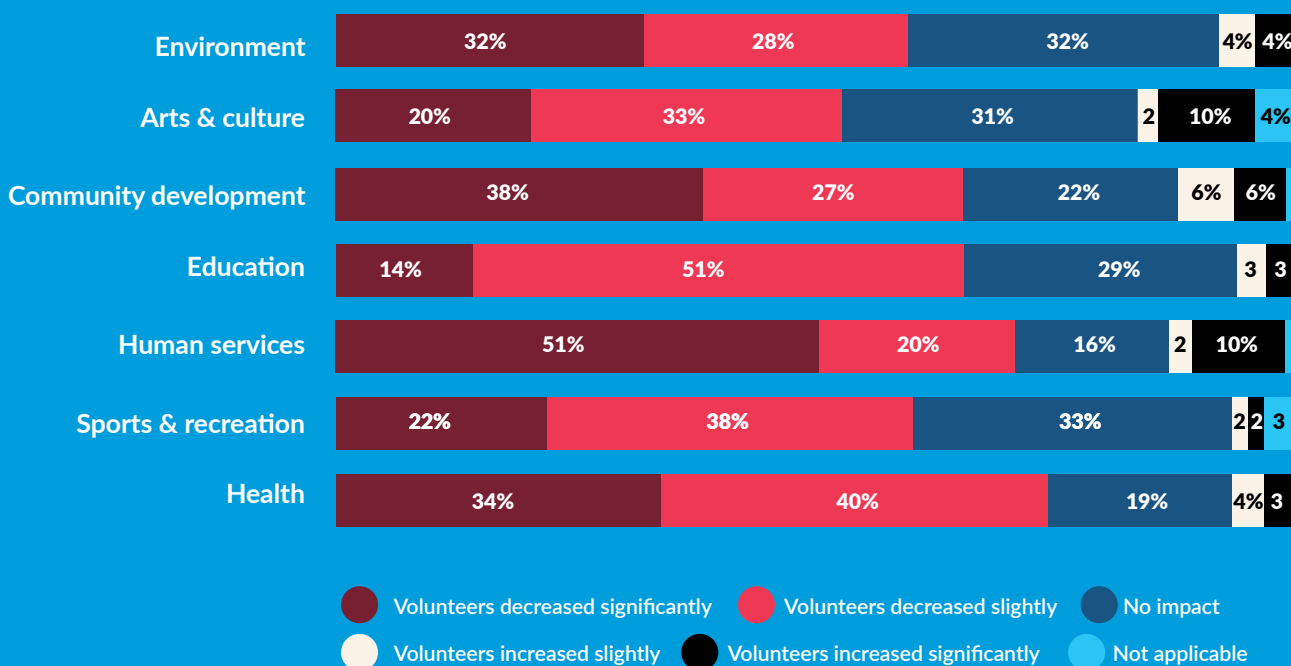
"Given the weak recovery in volunteering to date, there remains an important challenge ahead in reinvigorating volunteering. This will require further and sustained action by the volunteering sector and by governments," said Volunteering Australia CEO Mark Pearce on the release of the report.

Mr Pearce said further research was needed to understand which sectors were being worse affected by the decline in volunteering.

Our analysis shows that health and disability & human services organisations were among those to have suffered the most pronounced drops in volunteers, while arts and culture organisations fared best.

Drop in volunteer numbers

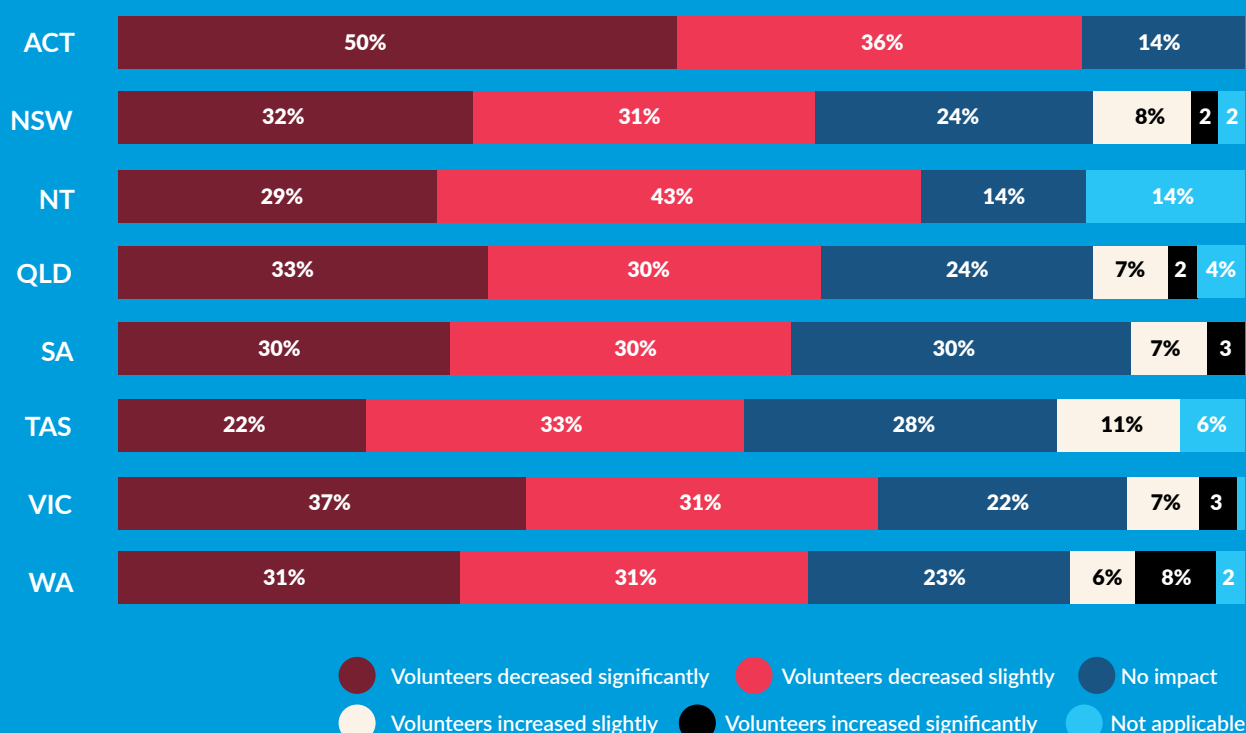
By sector



The drop in volunteerism occurred across all states and territories of Australia, our analysis shows. Metropolitan and rural organisations recorded practically identical results.

Drop in volunteer numbers

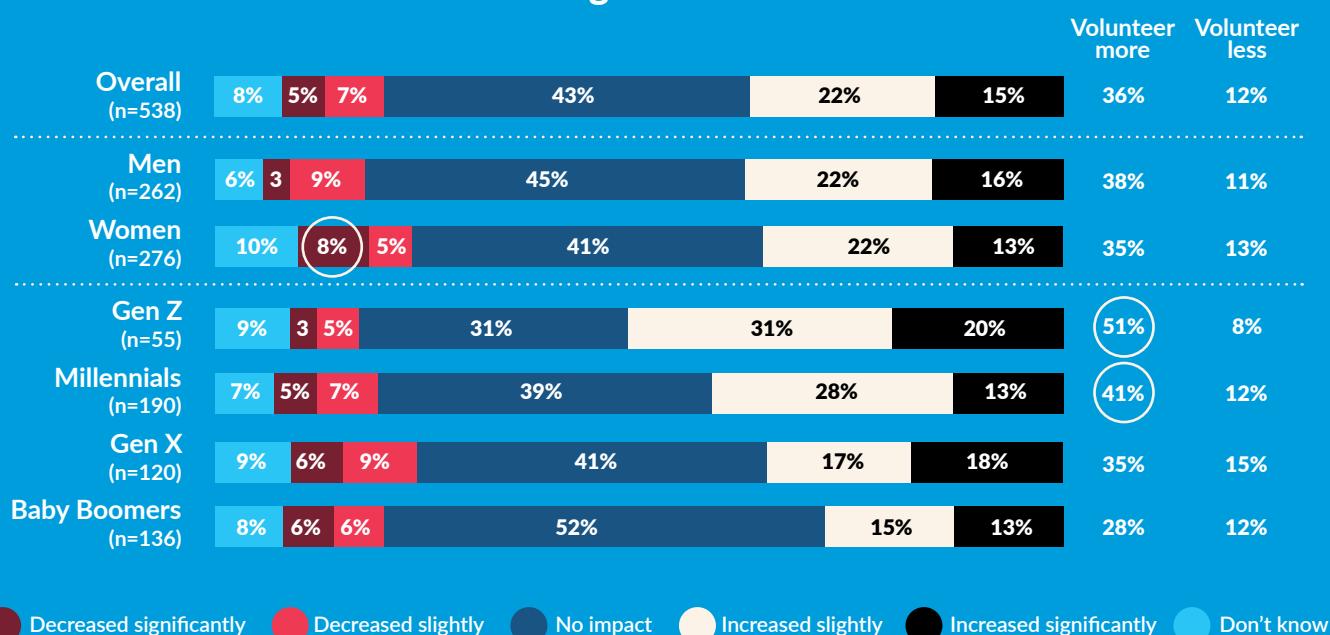
By state



The YouGov consumer sentiment survey provides a small flicker of light at the end of the tunnel for not-for-profit organisations battling a downturn in their volunteer workforce. More than one in three Australians who volunteer for not-for-profits (37%) say they plan to volunteer more this year than last.

Among this cohort, younger people – Gen Z (51%) and Millennials (41%) – are more likely than Baby Boomers (28%) to say they will volunteer more this year than last. Interestingly, women are more likely than men (8% versus 3%) to say that they plan to volunteer a lot less in 2021.

Volunteering intentions in 2021



Among those who do volunteer for not-for-profit organisations, more than half (57%) do so because they believe we all have a shared responsibility to do what we can to make the world a better place.

Other popular reasons for supporting NFP organisations include:

- It makes me feel good to volunteer / make a contribution to a worthy cause (46%)
- Not-for-profit organisations make a real difference in the world and without community support they could not survive (44%)
- It makes me feel part of the community / connected to the people in my local area (34%)
- I have enough to be able to share what I have with people who do not have enough to live comfortably (30%)
- I received support from a not-for-profit organisation in the past and now want to “pay it back” (15%)

Organisations searching for new tactics to attract and retain volunteers may be interested to learn

that more than half (56%) of the Australians who participated in the YouGov poll believe not-for-profits would retain more volunteers if they established an online community and engaged with them more. This sentiment is more popular among Millennials (63%) than Baby Boomers (48%).

Nearly half (49%) of Australian adults agree that volunteers want to connect with not-for-profit organisations on tailored volunteering opportunities, while 45% say it's difficult to find information on how to volunteer and what opportunities are available on not-for-profit organisations' websites.

The takeaway: The pandemic has severely disrupted Australia's already struggling volunteer workforce, and there is little sign of a recovery on the horizon. Not-for-profit organisations will need to adapt their recruitment and management strategies if they wish to see volunteer numbers return to pre-pandemic levels.

Shifting to digital

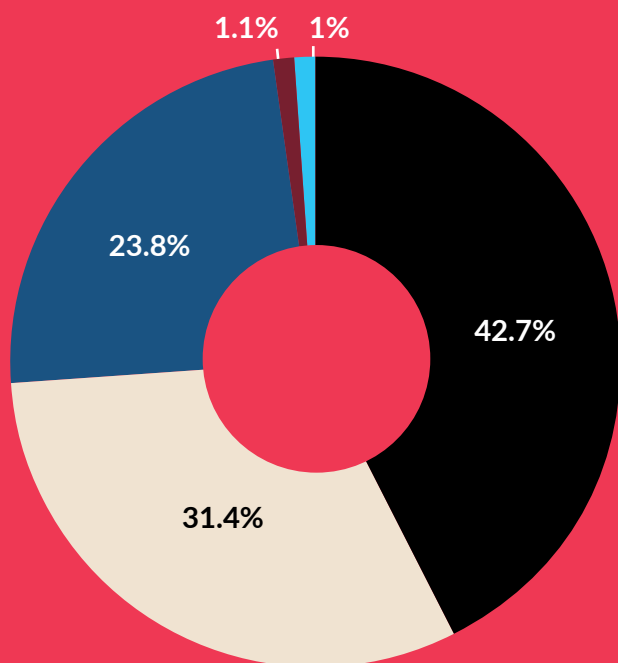
We've only just begun

In our 2020 report we posited the observation that one legacy of the pandemic would likely be the acceleration of the shift to digital technology for the not-for-profit sector. That prediction, not surprisingly, has been borne out in our latest survey results.

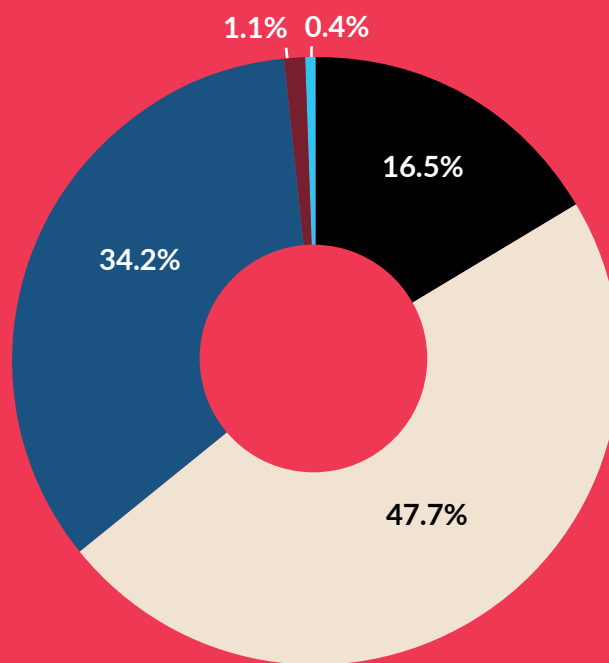
A total of 43% of respondents said they'd significantly increased their use of digital technology over the past 12 months (though it's interesting to note that 24% recorded no increase in their use of digital tech).

The not-for-profit sector is not done with tech yet: 64% of respondents say they plan further investment in or adoption of digital technology in the next 12 months.

Impact of the pandemic on your organisation's use of digital technology to connect to stakeholders



Plans to adopt/invest in digital technology over the next 12 months



● Significant increase ● Slight increase ● No impact ● Slight decrease ● Significant decrease

The takeaway: The pandemic has accelerated the not-for-profit sector's shift to digital technology, with most organisations significantly increasing their use of digital tech in the past 12 months, and most also planning a further adoption or investment over the year ahead.

Supporting the sector that supports our communities

Government steps up to the plate

Last year we were heartened to hear that 47% of respondents felt they'd received the support they needed from government, peak bodies and philanthropy in the early stages of the pandemic.

The comments revealed some fantastic examples of funders and other supporters providing useful or significant help, although there were some tales of woe as well.

Support continued for the not-for-profit sector as the pandemic wore on, our 2021 survey reveals.

Government was cited as the strongest supporter of the not-for-profit sector, with 28% saying they'd received significant government support, and 51% some or a little government support. Once again, JobKeeper was cited by many as having provided "massive and necessary support," as one respondent put it.

The philanthropic sector is often cited as a key supporter of the not-for-profit sector so it's interesting to note that 41% of our respondents said they received no philanthropic support at all over the past 12 months. In fact, philanthropy was eclipsed by the corporate sector, according to our survey, with 39% of our respondents saying they got some support from philanthropy (only 5% said that support was significant), compared with 44% who said they were supported by the corporate sector.

Philanthropy advisor Catherine Brooks, writing for the Funding Centre website, said those organisations that worked to build strong relationships were more likely to attract philanthropic support during the pandemic – see right.

Peak bodies and private donations were important in helping many not-for-profits through the pandemic, according to our results, with the former stepping up to provide important updates and moral support.

Continue applying for funds

We have heard from multiple funders that applications are down 30% at the moment, even though we know that there is greater need, particularly for those communities hardest hit by COVID-19.

While it is understandable that many organisations had to focus on service delivery and organisational changes last year, this also meant that some organisations didn't prioritise fundraising.

We implore you, apply for those grants! As the saying goes, "If you don't ask, you don't get."

This also means you should make the time to write solid project business plans and applications.

Build up relationships with funders

If you have applied for a grant and weren't successful, don't let that be the end of it.

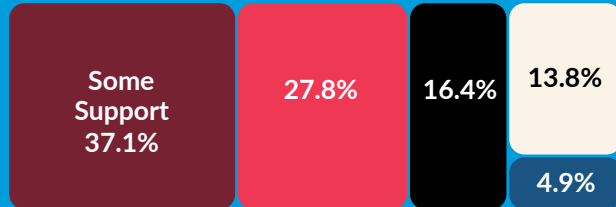
Recently we encouraged one of our clients to contact a funder and ask why their application wasn't successful and what further information would be beneficial to help the funder turn their answer from a "no" into a "yes". Through that conversation, our client was able to talk to the funder about their important work. Later that day, the funder came back to the client offering a smaller (but still helpful) grant to kickstart the relationship.

It takes time and effort to build up trust with a funder, but in our experience it is well worth the effort.

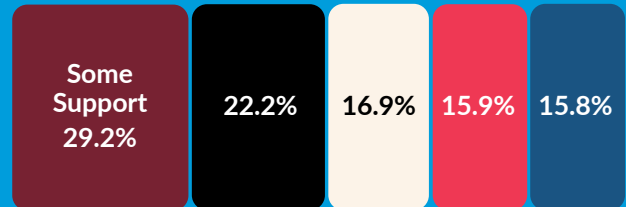
Catherine Brooks, Community Directors Council member and senior advisor at Wendy Brooks & Partners, published by the Funding Centre, April 20, 2021: www.fundingcentre.com.au

Has your organisation received the support you've needed from the following entities?

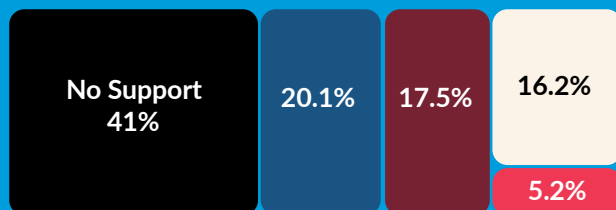
Government



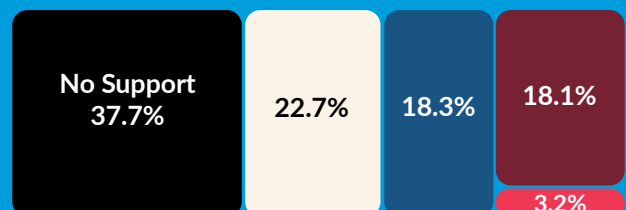
Peak bodies



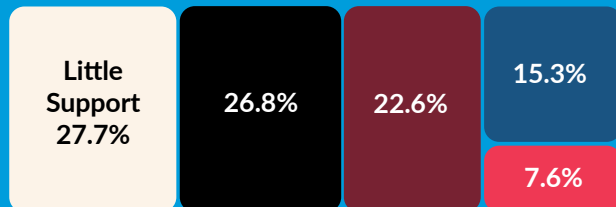
Philanthropy



Corporates



Private donations



helping donations Council philanthropic Business volunteer
 community financial support State Gov
 Federal Government grants Local Govt funding
 private donations Gov't peak body COVID pandemic
 services cash flow Jobkeeper Department local

Above: A word cloud analysis of free-text responses.

Like last year, we asked respondents to tell us what else they needed in the days and weeks ahead. We provided a free-text field to allow respondents to tell us their needs in their own words.

In last year's survey, many respondents were focused on emerging needs – getting access to new information channels; a desire to reopen soon; help transitioning to online ways of working; urgent financial support.

This year, it seems things are returning to normal for

the not-for-profit sector. Though there were some comments on the desire for borders to stay open and lockdowns to cease, the key themes to emerge were those that you might expect in any non-pandemic year: funding, volunteers, government support and staff.

Systemic reform is also top of mind for some. As one respondent described their needs over coming months: "Systemic change re the expectation to do more with less that has pervaded the not-for-profit sector for a long time."

workforce peak bodies small younger people govt resilience without able area years
offer will available development Aged ongoing recurrent members delivered operational
came help event etc month building meeting better recruitment greater secure
Government support pay financial support impacts access
recognition work run community activities increase training
government time volunteers COVID support
diversify funding well need sources staff costs grants
attract organisations future services sport people specific
financial admin additional key programs even group us level longer
increased funding survey cover changing corporate assistance skilled housing
sponsorship skills facilities relevant Understanding accommodation one workers given
contracts continue grant applications Local long term opportunities guarantee funding keep

Above: A word cloud analysis of free-text responses

The takeaway: Government support, particularly JobKeeper, has been essential to the survival of the not-for-profit sector over the past 12 months. As the urgency of the pandemic recedes into the distance (for now) thoughts are turning back to age-old issues: funding, volunteers and staff.

Challenges & opportunities

One door closes, another opens

We asked respondents to identify the three biggest challenges facing not-for-profit organisations.

Budget constraints, diversity of fundraising streams, access to volunteers, managing demand, access to skilled employees and digital tech were top of mind.

Flicking through the comments provides more context. A sample of responses is shown below.

Budget/funding constraints

"The funding for services is behind the costs by around 11% and increasing."

"Fundraising is particularly challenging in this post pandemic stage. Planning fundraising events is difficult while there remains the threat of circuit breaking lockdowns."

Access to volunteers

"Maintaining engagement with new volunteers and ensuring their experiences continue to be meaningful to them and us as an organisation."

Managing demand

"Not only is increased demand an issue, but clients are presenting with particularly complex issues that are not only much more time consuming, but often beyond the skills of volunteers and requiring the assistance and support of professional employed staff."

"There is a tsunami of welfare need coming over the horizon."

"Managing expectations around how we can continue to support community without additional COVID funding."

Access to skilled employees

"Recruitment. It is difficult finding staff for any roles at the moment."

Digital tech

"Volunteers accessing technology."

"Having to move to digital delivery was difficult when we did not have any funds to buy web cams or microphones needed for video calls. Simple upgrades like this for not-for-profits is such a difficult thing to fund, especially when it is needed quickly."

"While there are tech upgrade funds and capital works funds, these don't deal with the need that would have existed even prior to COVID, let alone the need in the wake of COVID."

Other

"Maintaining our positive work culture in a time of great change."

"Managing with COVID restrictions – particularly density applied to use of buildings. Could be with us for a while."

"Coping with bureaucracy & increasing requirements to comply with different levels of government."

"Psychological stress of a good number of members."

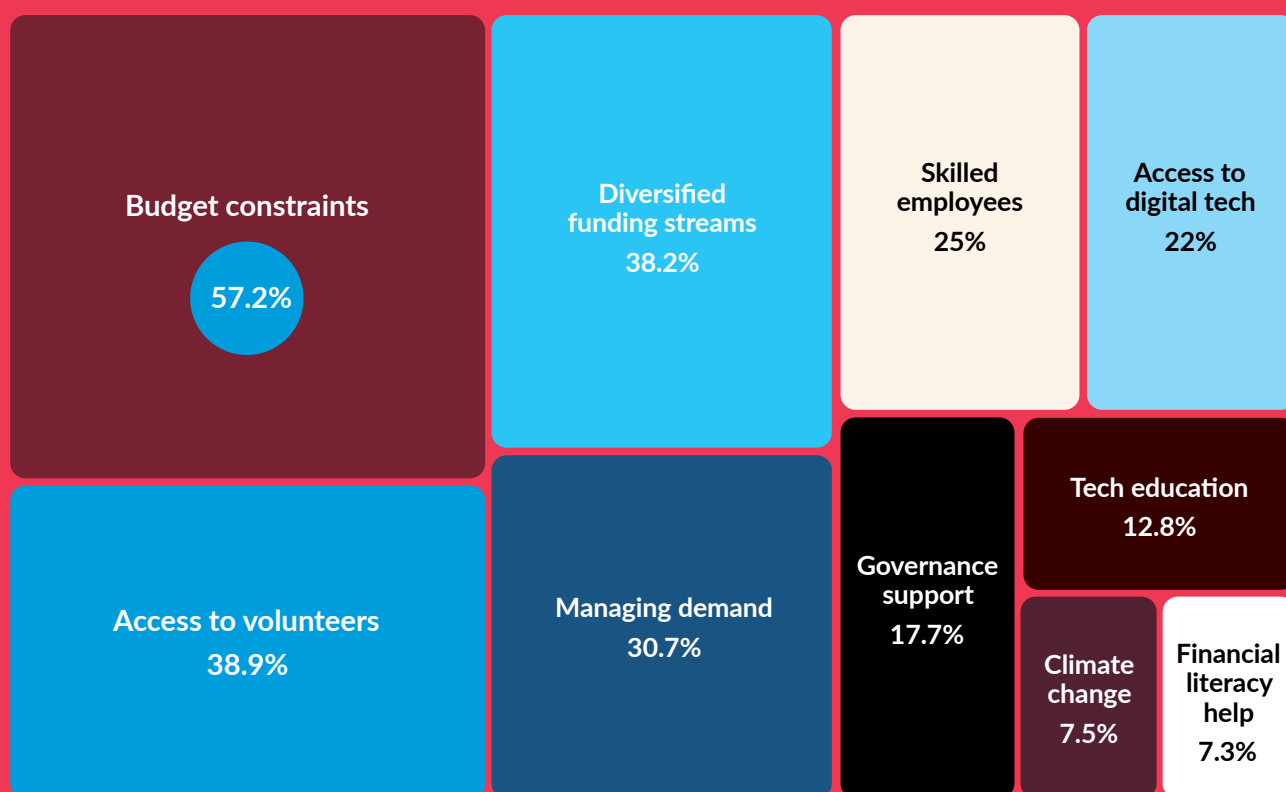
"Aging membership."

"The bureaucracy of all levels of government (many policies do not suit rural communities)."

"Management coping with change."

"I wish there was an 'all of the above' option."

Challenges resulting from the pandemic



We also asked not-for-profit representatives to identify any opportunities that had emerged as a result of the pandemic. Some interesting trends emerged.

Half of the not-for-profits surveyed felt that the pandemic had opened up the community's eyes to issues they had been dealing with for years.

Just over 40% had developed new relationships with business and other parties.

Well over a third (38%) had welcomed the opportunity to adopt digital technology (and the flexible work practices that opens up), and a similar number took the opportunity to diversify their revenue base.

And one in five had taken the opportunity to focus on good governance and/or conduct more strategic planning.

Reading through the comments revealed that not everyone was able to identify any opportunities arising from the pandemic ("Hard to see many positives," said one).

However, some comments do bear repeating here:

"The community cohesion that COVID encouraged that came with working together for the benefit of the whole community gave rise to some fantastic relationships and feeling of belonging."

"Many people have finally realised the importance of sport and recreation to the health of people in our community. We need to embrace this realisation, and make the most of it."

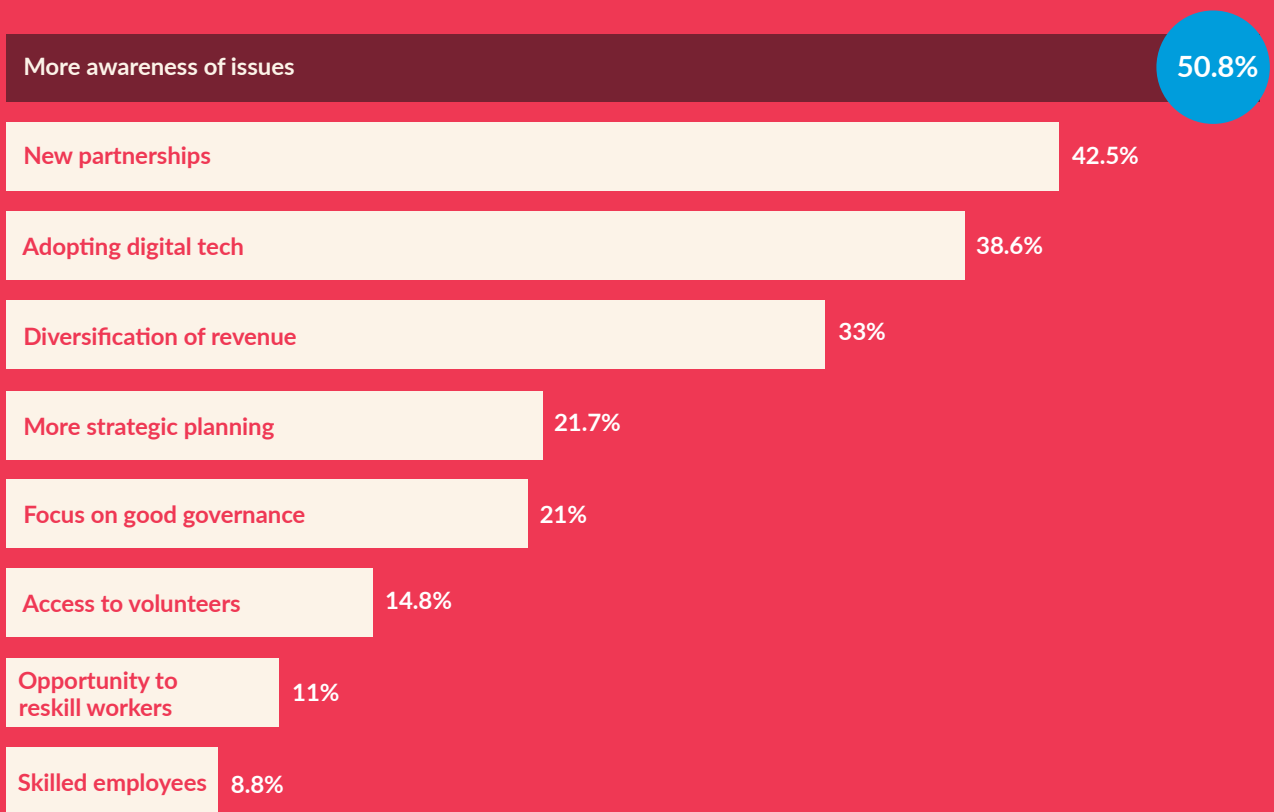
"Online training opportunities make it easier for not-for-profits to access training and support."

"In these extremely turbulent times, the only valid strategic planning is to better adapt and regularly pivot to rapidly changing conditions and landscapes. It is an extremely reactive period."

"Become a kinder, more compassionate community."

"Regaining community confidence in the organisation."

Opportunities resulting from the pandemic



The takeaway: Not-for-profits are anticipating budgetary/funding constraints, access to volunteers and staff, challenges managing demand for services, and management of digital tech will occupy much of their attention in the coming months. But some opportunities have opened up as well. Not-for-profits have welcomed a greater community awareness of their issues. Many have developed new relationships in the wake of the pandemic. Some have welcomed the opportunity to adopt digital tech, to diversify their revenue base, and to focus on governance and strategic planning.

What will the future hold?

Some surviving, some thriving

When we surveyed the not-for-profit sector in April 2020, more than half of the respondents said it was too soon to tell how their group might emerge at the end of it all.

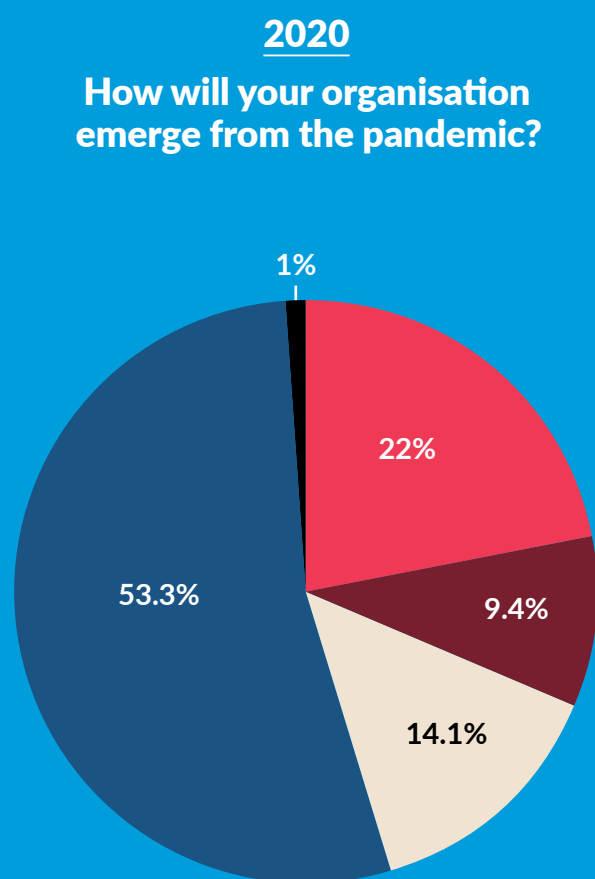
Notably, 22% expected to emerge from the pandemic stronger than they were before, with comments revealing many examples of the pragmatism, resilience and innovation that the sector is known for.

This year we asked respondents how they thought

they'd weathered the pandemic so far. It would appear that the sector, so far, has done even better than expected, with 33% of organisations saying they are stronger than they were before.

Again, though, we have a tale of two sectors. A worrying portion – 22% – say they are weaker now than they were at the onset of the pandemic, with arts and culture organisations appearing to have taken the biggest hit.

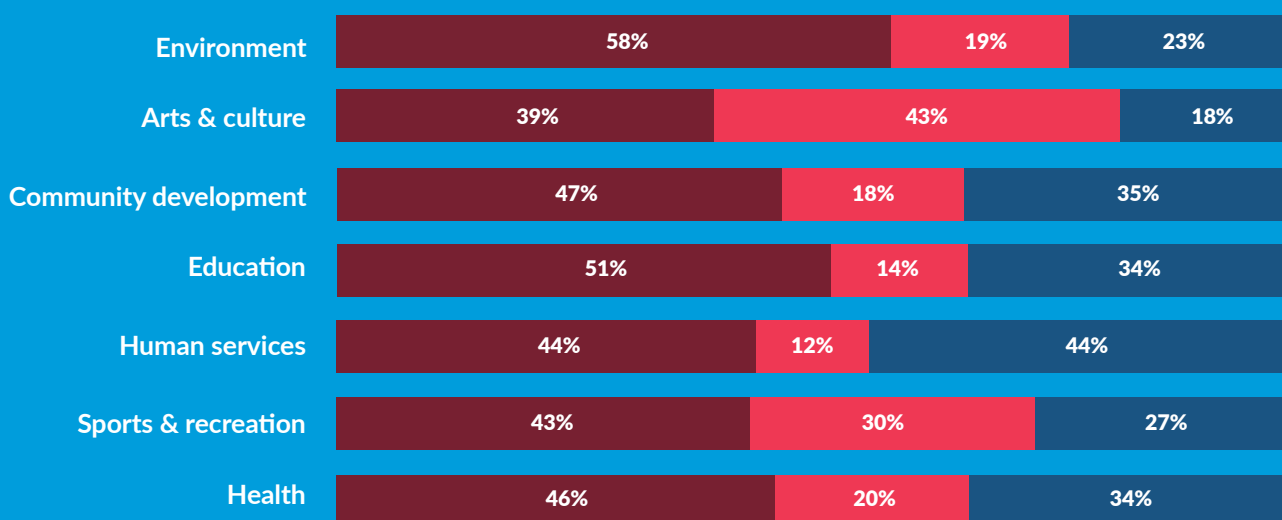
Most states recorded a similar experience, with no major difference between rural/regional and metropolitan organisations emerging either.



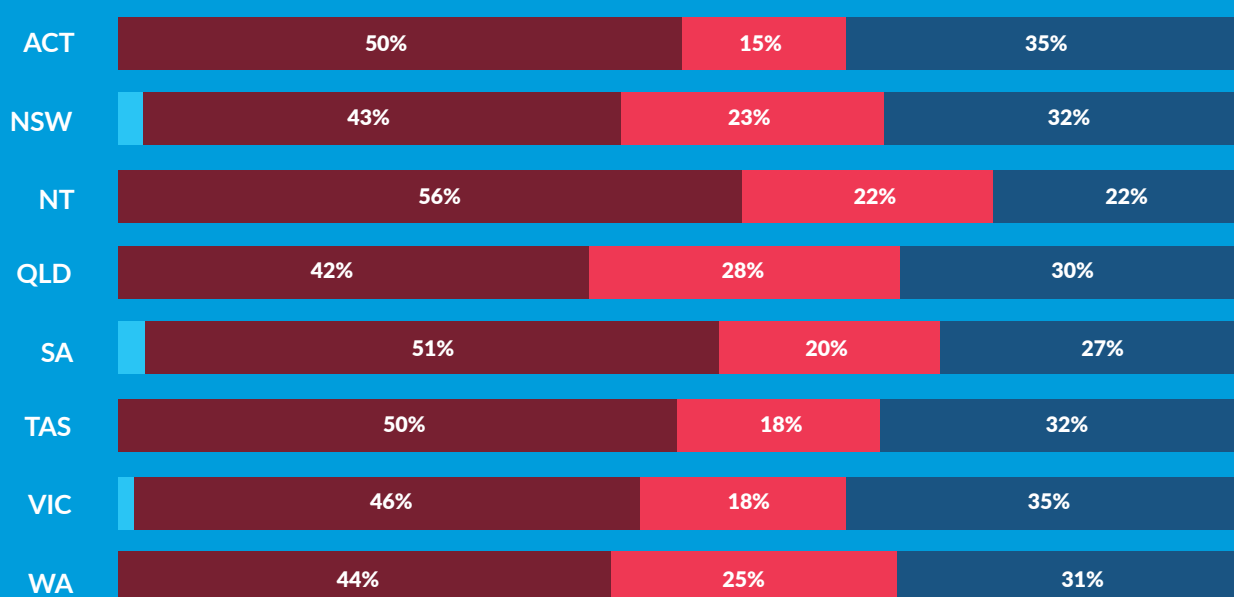
● Stronger ● About the same ● Weaker ● Too soon to tell ● Not applicable

How has your organisation weathered the pandemic so far?

By sector



By state



By region



About the same
 Weaker
 Stronger
 Not applicable

We also asked survey respondents to tell us how the COVID-19 pandemic had affected the viability of their organisation.

Twelve months ago, 72% of individuals surveyed said their organisation's viability was under threat (with 33% saying they faced a *significant* threat to their survival).

The worst predictions do not seem to have come to pass. A notable portion of respondents – 23% – say they are actually now more viable than they were before.

Many were right to be pessimistic, however. Almost half (49%) now say their viability is under threat, with 15% saying they feel under significant threat – lower numbers than 12 months ago but significant

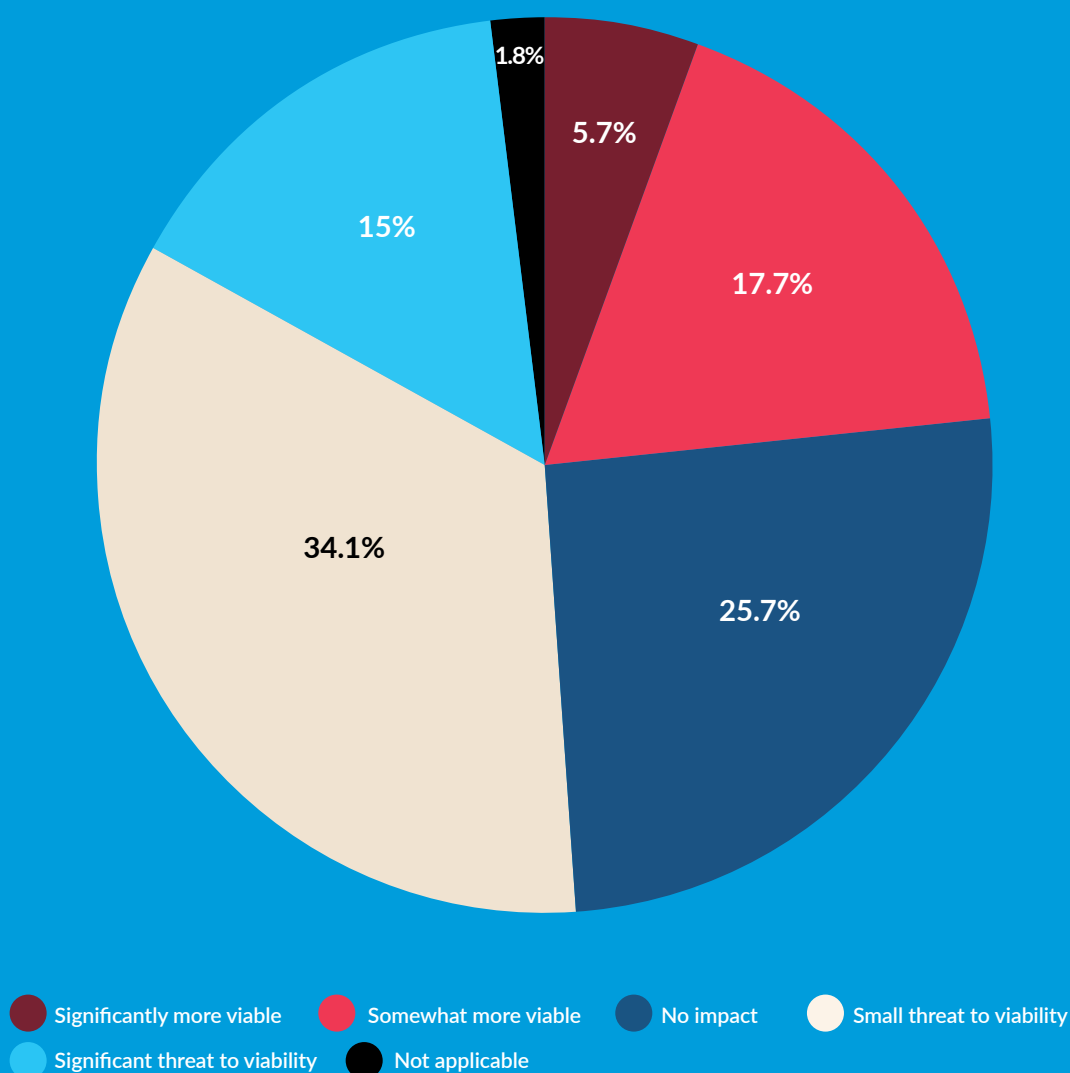
nonetheless. (It's possible, of course, that those who reported facing a significant threat last year have already exited the not-for-profit arena.)

Organisations in the ACT and NT seem to be less optimistic than organisations in other states, with 67% and 55% respectively saying their viability is under threat (though these figures should be viewed with some caution given our samples in those states were relatively small). There appears to be little difference between results for rural/regional and metropolitan organisations.

Organisations in the sport and recreation and arts and culture sectors are more concerned than others about their viability, with 67% and 66% respectively expressing concern about their viability.

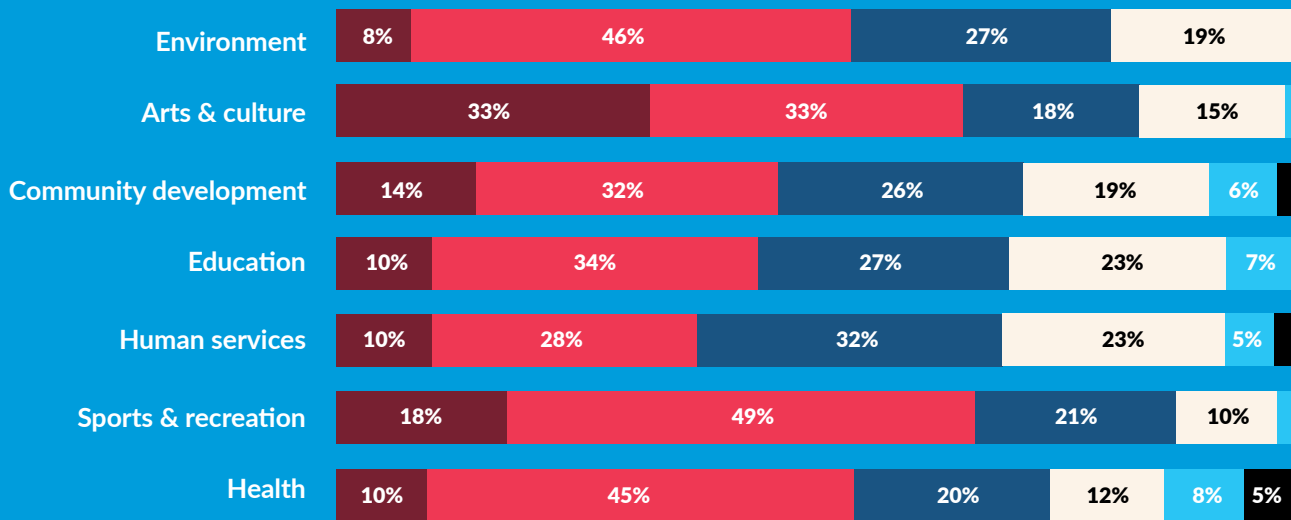
How has the COVID-19 pandemic threatened the viability of your organisation?

2021

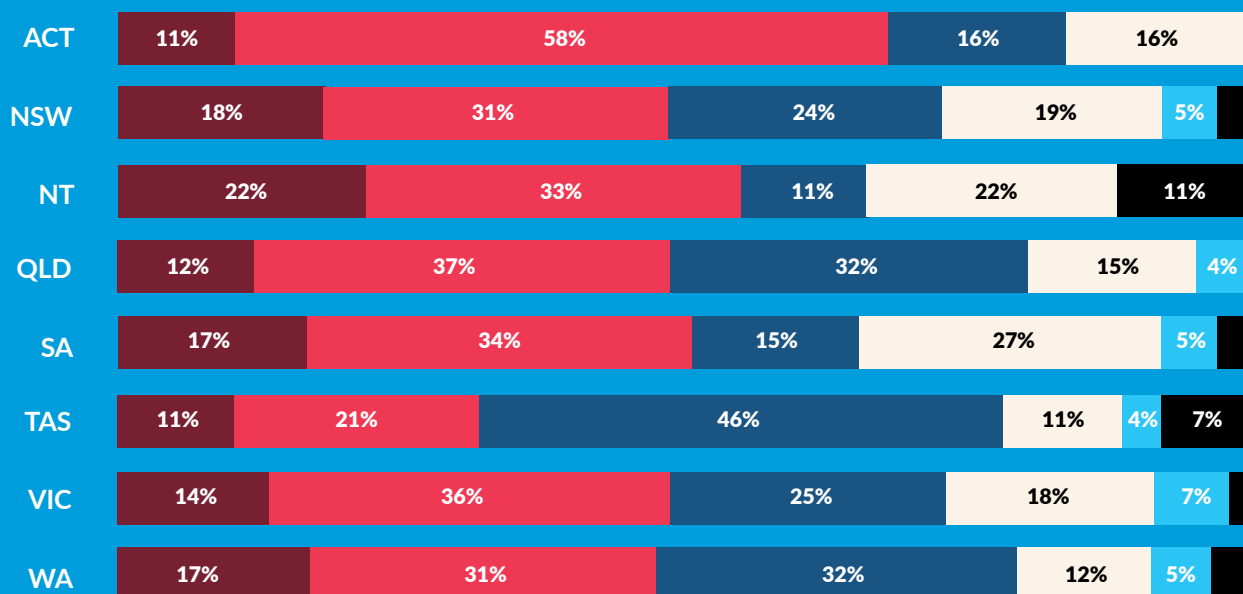


How has the COVID-19 pandemic threatened the viability of your organisation?

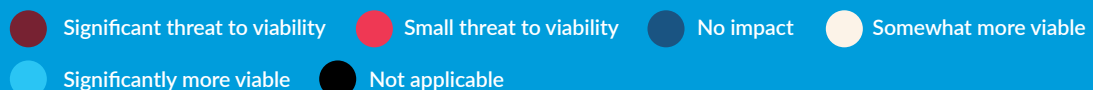
By sector



By state



By region



Responding to the climate crisis

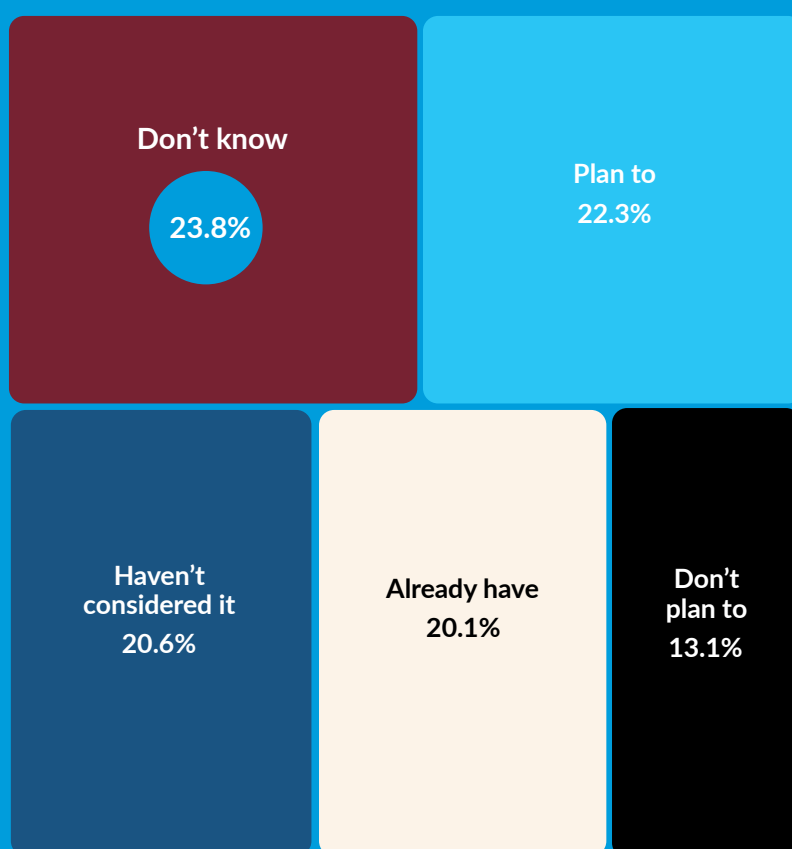
Though it's not directly related to the COVID-19 pandemic, we took the opportunity to question not-for-profit organisations about their intention to factor climate change into their governance agenda.

The findings are worrisome. Well over half (58%) of

the individuals we surveyed said their organisations did not know if they would be implementing climate change actions, or hadn't yet considered doing so, or did not plan to do so.

Only 7% of respondents tagged "climate change" as among the top three challenges they expected the sector to face in the months and years ahead.

Does your organisation, as part of its governance agenda, wish to implement climate change actions?



The takeaway: The not-for-profit sector is more optimistic now than it was 12 months ago; a third of our sample even believe they are stronger now than they were last year. The situation is patchy, however. Some organisations are doing well, some are struggling. Arts and culture organisations are struggling more than most. A worryingly small number of not-for-profit organisations appear to be taking the climate crisis seriously.

The final word

Last year we asked respondents to give us one word to describe what they thought the sector would look like in a year's time. The range of responses reflected the unavoidable uncertainty of the times. "Resurgent", "messy", "bruised", "disrupted" and "evolved" were among the most thoughtful and evocative descriptions received. "Relieved!" also stood out. Back then it was hoped that the Federal Government's JobKeeper scheme would offer an essential lifeline to hard-hit organisations.

This year's survey results confirm all of those predictions.

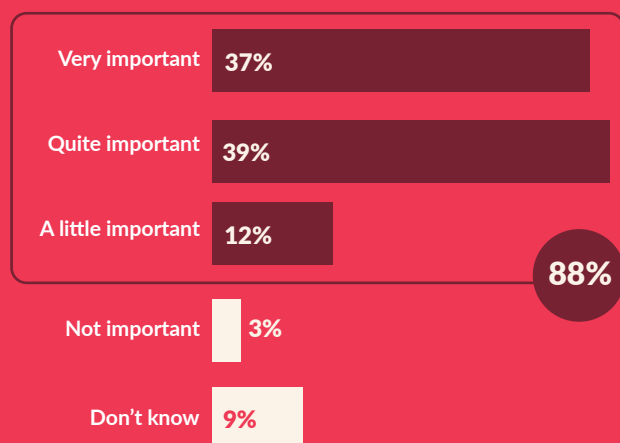
Our survey turns up some unforeseen results too: volunteerism has been smashed; maybe it will never

return to what it was before the pandemic. Demand for services contracted but has now rebounded strongly. Bolstering income, volunteers and staff have returned as key focuses for the sector.

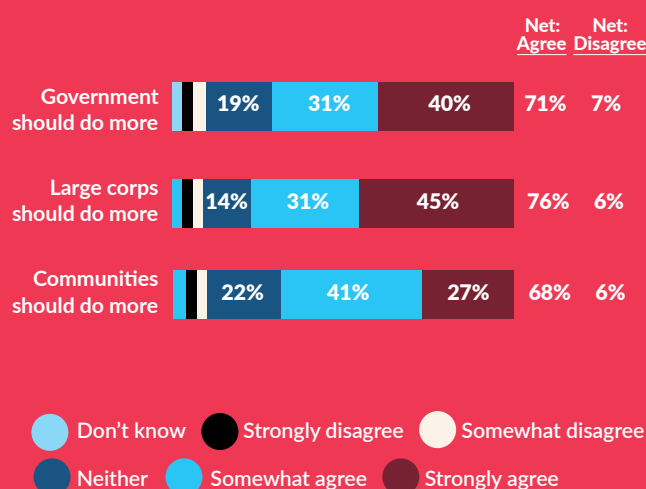
Still, the YouGov consumer sentiment survey provides some cause for optimism. Around nine in 10 (88%) of individuals say they believe not-for-profit organisations will play an important role in helping rebuild lives, communities and our society generally post-COVID-19.

Most Australians believe that governments (71%) and large corporations (76%) should do more to support not-for-profit organisations, while 68% believe communities should do more to support them.

Role of not-for-profits post Covid-19



Support for not-for-profits



The survey also provides some signposts for not-for-profit organisations wanting to enhance their engagement with the community, with 30% of respondents saying they believe it's hard to connect with local not-for-profits to offer support, and 42% saying they would volunteer more if they had more access to information about what opportunities were available.

Organisations wanting to tap into younger age groups should note that Gen Z (53%), Millennials (57%) and Gen X (45%) are more likely than Baby Boomers (24%) and members of the Silent

Generation (24%) to say they would volunteer more if they had access to information about opportunities and knew where to go.

And well over half of Australians (57%) say they would volunteer more if their employer organised opportunities or allowed time off for volunteering. This sentiment is particularly prominent among Millennials (73%), compared with Gen Z (55%), Gen X (51%) and Baby Boomers (31%).

It will be interesting to see how these trends play out as Australia's vaccine rollout continues and the pandemic rolls on over the next 12 months. ■

Being a good community director is hard work.

Join ICDA and we'll help you be great.



ICDA is an enterprise of Our Community. It's the best-practice governance network for the directors serving on Australia's 600,000 not-for-profit boards, committees and councils, and the senior staff who support them. ICDA members get access to a range of educational, capacity building and networking opportunities that build knowledge, connections and credentials. Get a leg up. Members and Fellows of ICDA (MICDA and FICDA designations) are best placed to apply for and win seats on not-for-profit boards and perform at their best to help those

organisations thrive. These are the best not-for-profit credentials you can have for joining a for-purpose board.

Membership options

No joining fees and low-cost annual commitment
Some associations charge hundreds of dollars just to raise a tax receipt. ICDA is the least expensive governance network of its type. No other membership organisation offers you access to this calibre of services and professional development at such a low cost.

Individual membership

For individuals looking to develop their understanding of their role, improve their professional capacity, and join a network of Australian community leaders.

JOINING FEE

\$0

ANNUAL FEE

\$65/year

Organisation membership

For organisations wanting to harness the power of their board, find better ways to govern, and ensure longevity and success. Membership includes up to 10 individual accounts.

JOINING FEE

\$0

ANNUAL FEE

\$230/year

ICDA leadership team

The Community Directors Council is ICDA's advisory arm and brings a wealth of talent, experience, skills and direction to the organisation.

The council is chaired by the inaugural Australian Charities and Not-for-profit Commission (ACNC) Commissioner, **Adjunct Professor Susan Pascoe AM** (pictured right).

Susan is assisted by the diverse group of not-for-profit advocates and thinkers below.



**Emeritus Professor Myles
McGregor-Lowndes**

Australian Centre for Philanthropy
and Nonprofit Studies,
Queensland University of
Technology Business School



**Professor Emerita
Cynthia Mitchell,
UTS**



**Dr Sonja Hood,
CEO, Community Hubs Australia**



**Ms Jahna Cedar OAM,
Director, Policy, Evaluation
and Indigenous Engagement,
IPS Management**



**Ms Jodi Kennedy,
General Manager, Charitable
Trusts and Philanthropy,
Equity Trustees**



**Ms Sheena Boughen OAM,
culture strategist, community
activist, arts leader**



**Mr Pablo Alfredo Gimenez,
social enterprise development
manager, Centre for Participation**



**Ms Catherine Brooks,
Senior Advisor,
Wendy Brooks and Partners**



**Adjunct Professor
Anne Cross AM,
Non-executive Director, former
Uniting Care Queensland CEO,
Adjunct Professor, School of
Nursing, Midwifery and Social Work,
University of Queensland**

For more information: communitydirectors.com.au



A platform for impact

**Transform your processes, empower your teams,
and fast-track your goals with Salesforce.**

For a small not-for-profit organisation, maintaining spreadsheets and jotting down notes about beneficiaries and donors may be a simple process. But as the organisation grows, it will quickly become apparent that this is not a scalable system, and information and processes will become siloed. This is where CRM comes in. CRM stands for 'customer relationship management', but at Salesforce it means so much more than that. Not-for-profit Technology built on the Worlds #1 CRM. With a single, scalable platform, not-for-profits can finally achieve the coveted 360-degree view of their organisation. Better visibility translates into greater efficiency, deeper insights, and richer connections, which will enable you and your team to focus on what matters: achieving your mission and driving impact.

Program Management

The backbone of any not-for-profit's mission is the programs and services it provides. Managing programs effectively means tracking processes and measuring outcomes. Not-for-profits are embracing Not-for-profit Cloud for program management because of its flexibility. Every not-for-profit works in its own unique way, but our platform is customisable with point-and-click tools – minimising coding required.

Fundraising

Having a complete view of every supporter is key for building long-term relationships. With our platform, all of your donor and supporter information is available in one place, giving you full visibility of all the different ways you're engaging with supporters, what their interest in your organisation is and their complete history with you. And with better insight into who is supporting you, you can create an optimised moves management strategy that nurtures people to a deeper level of engagement.

Engagement

As a not-for-profit organisation, nothing is more important than being able to tell your story to the right people, at the right time, with the right message. In today's digital world, there are a growing number of channels and touchpoints to master in order to reach the right audience. With our platform, it's easy to use data to make every message more powerful and personalised.

Analytics

Intelligent analytics are changing the way not-for-profits use data to better understand aspects of their business, to make big decisions, and measure the impact of their efforts in real time. If tracking metrics is your thing, then we have you covered. We can help you replace end-of-year reporting with measuring KPIs in real time, and our platform allows you to harness the power of big data to build intelligent reports and visual dashboards.

For more information: www.salesforce.org

COVID-19

Community Sector Impact Survey

June 2021

Find it online:

communitydirectors.com.au/research/covid19-community-sector-impact-survey