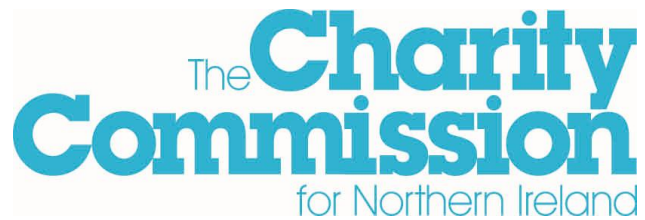


Version	Author	Reading ease score	Date approved
V1.0	PDM	100	01.10.2026

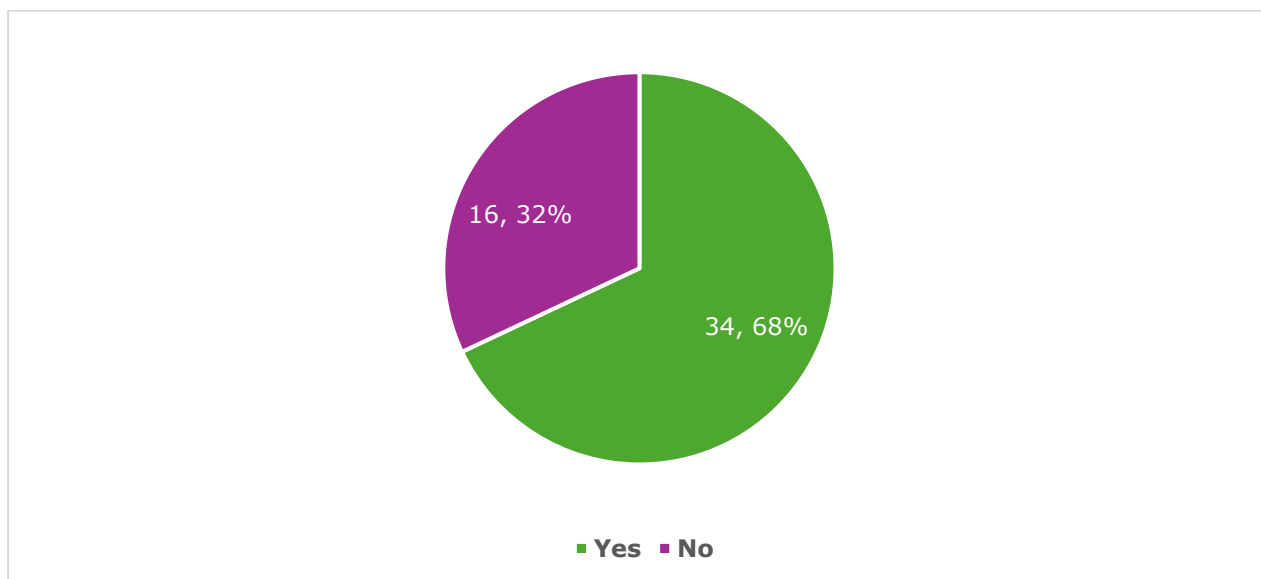


Why have some charity incomes fallen?

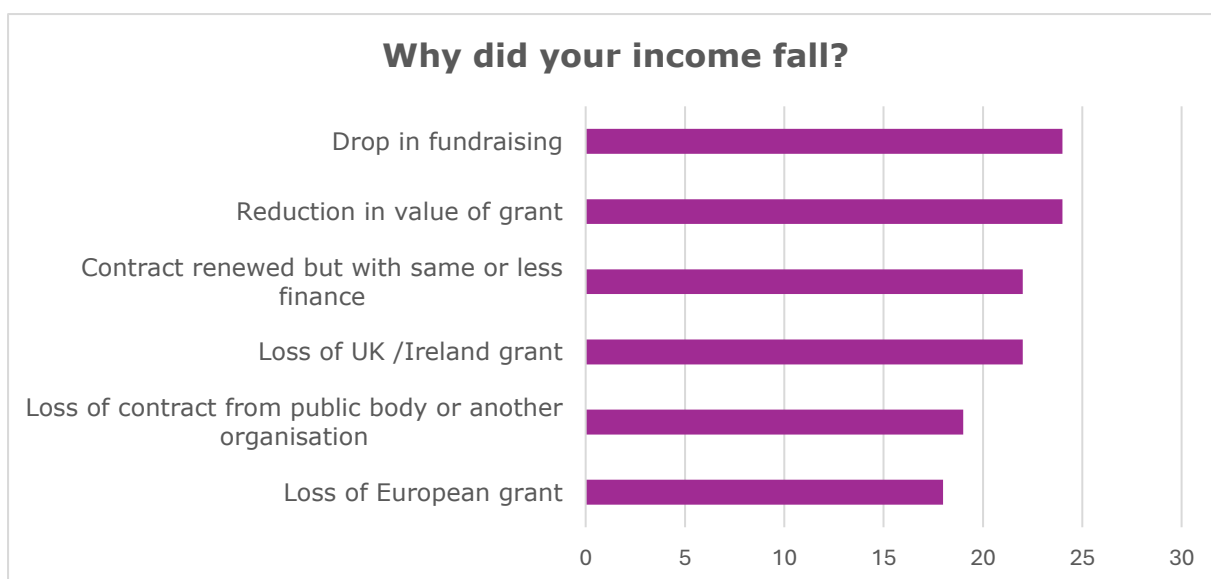
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Introduction

In October 2025, the Commission launched a short survey to understand why some charities had experienced a fall in income during 2024-25. We received 50 responses. Of these, 68 per cent (34 charities) reported a fall in income, while 32 per cent (16 charities) said their income had not fallen.



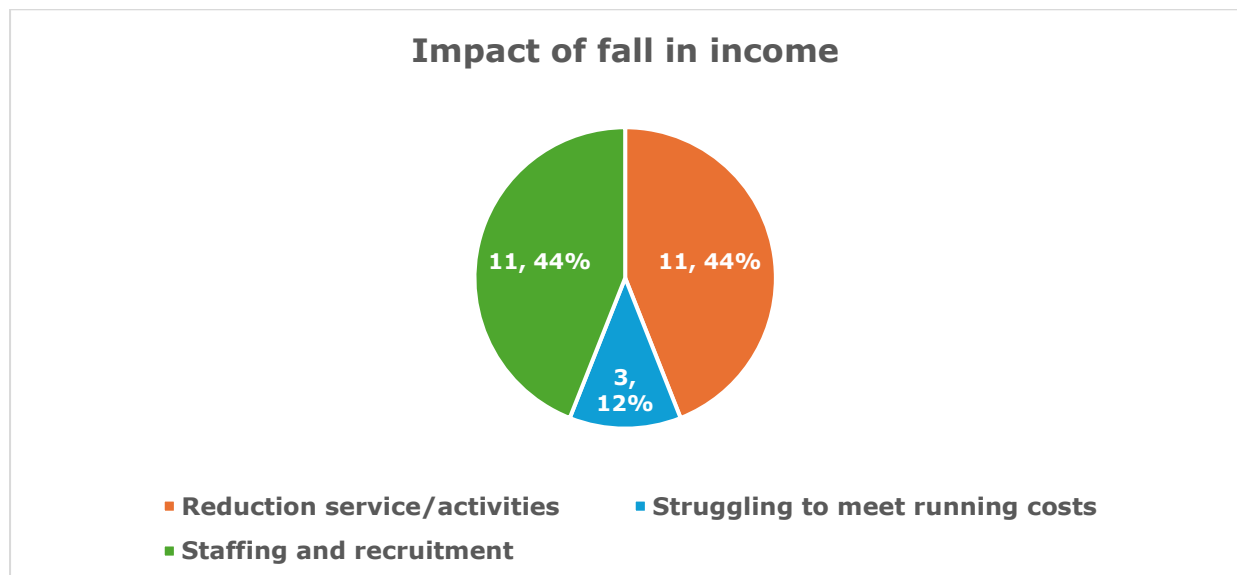
Those who reported a drop in income were asked to rank the reasons for the fall. Their responses are set out below.



Other reasons charities provided were:

- **Banking issues:** Bank unexpectedly closed the charity's account.
- **Recruitment and succession:** difficult to get volunteer fundraisers.
- **Competition:** Arrival of new large charity that have a regional professional fundraiser
- **Commercial:** Loss of tenant in commercial unit with additional rates to pay. And decline in rental income.
- **Previous income level was artificially high:** One charity had received a bequest in 2023/2024.

We asked what impact the fall in income had on the charity?

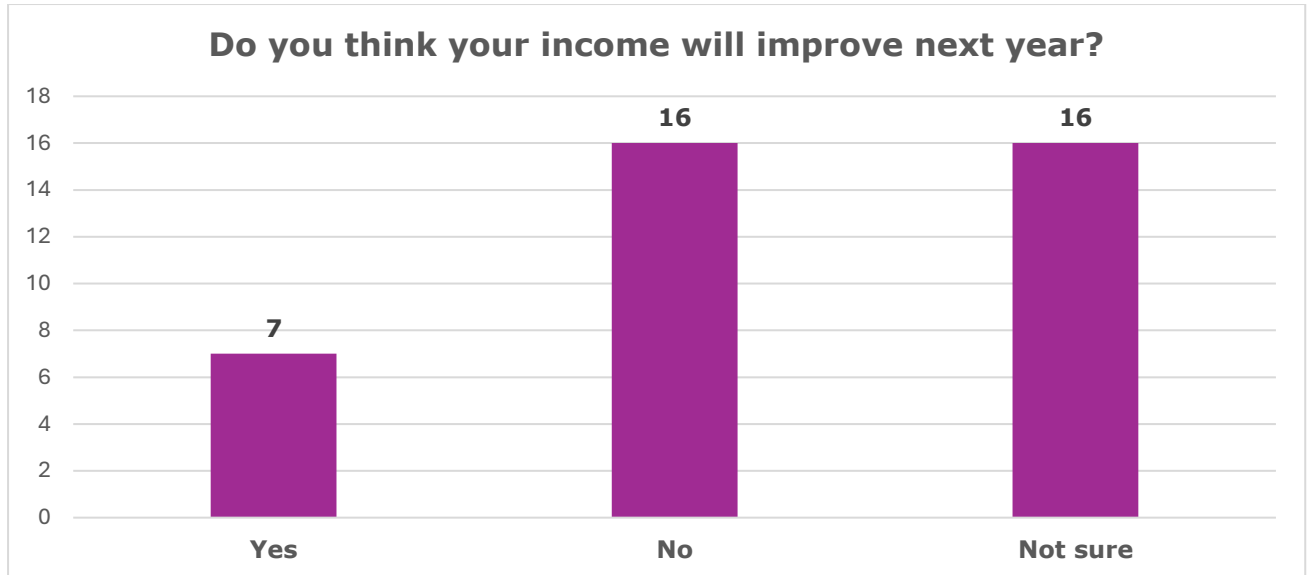


Three charities reported that the fall in income had little or no impact as:

- the fall was less than one per cent of overall income.
- The charity had cut its expenditure by more than the drop in income.
- The charity holds property in trust for a religious body and continues to receive financial support from the congregation.

We asked charities if they expected their income to improve over the next year.

Of the 39 charities that responded to this question, only seven expected their income to improve over the next year. The remaining 32 were evenly divided: 16 did not expect their income to improve, while 16 were unsure whether it would.



We asked charities what had influenced their views on their future income.

Most of the feedback suggests that uncertainty around public funding and the continuing impact of the cost of living on donations are likely to have a negative effect on charity incomes. The **main areas identified in the comments were:**

Funding Challenges

- Significant difficulty in securing funding; grant opportunities are decreasing while competition is increasing.
- Heavy reliance on time-bound funding and public donations, which are under pressure due to the cost of living.
- No clarity on future statutory funding.
- Some charities face reduced contracts and further cuts in the coming year.

Economic and organisational pressures

- Rising operational costs (insurance, NIC contributions, energy costs).
- Charity trustees are struggling with administrative and IT requirements for grant applications.
- Succession planning is impacted as charities struggle to recruit new trustees.

More information

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