

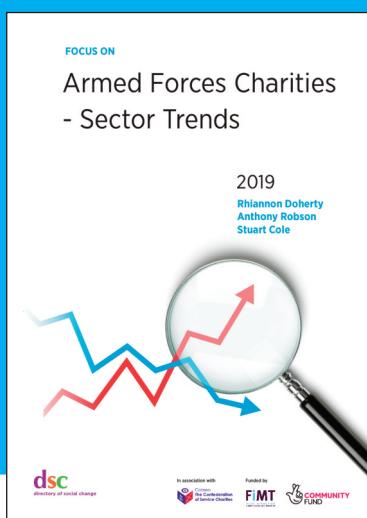
# Armed Forces Charities - Sector Trends

The charity sector is neither static nor homogeneous. Charities come and go as beneficiary needs change, economic and social pressures shift, and public support peaks and dwindles. Charities which serve the armed forces community are no exception to the changing face of the charity sector.

Examining trends in the charity landscape can help us to understand not just the current size and shape of the sector, but also how the sector has changed; in turn, giving insights into where the sector may be heading in the future. Yet, relatively little data exists on this topic for armed forces charities, a deficit which DSC's latest Focus On report addresses.

Focus On: Armed Forces Charities - Sector Trends explores the number of forces charities

operating, opening, closing and merging between 2012 and 2018. It also provides an overview of the sector's topography and financial trends during this period.



# Methodology

- DSC maintains a database containing information on 1,888 armed forces charities.
- To identify forces charities, researchers conducted keyword searches of DSCs database in addition to three charity regulator websites: (CCEW, OSCR and CCNI) and charities' websites.
- Data was gathered via the extensive examination of annual accounts, website content and charity regulator information.
- The report highlights significant sector trends from 2012 to 2018. The cut off for data collection was July 2018.

## Key findings

### Is the sector growing, shrinking or staying the same?

There are currently 1,888 armed forces charities (this makes up around 1.1% of all charities registered in the UK). DSC's 2014 Sector Insight report predicted that the sector would continue to contract until 2020. DSC's latest research shows the total number of armed forces charities has in fact, reduced by 65 since 2012.

Throughout 2012 to 2016, the size of the sector remained relatively stable (growing by less than 1.1% per year). However, from January 2018 to July 2018, the sector has shrunk moderately by 4.5%.

### Which types of charities are at risk of closure?

Association branches are particularly vulnerable to closure. In 2018, there were 152 less association branches operating compared to 2012. In total, 173 association branches closed since 2012, representing two-fifths (40.7%) of all closing charities and only 5.8% of all new charity registrations.

Welfare charities were also very volatile, with a high turnover between closing and opening charities. Since 2012, 135 welfare charities closed and 173 opened. Close to a third (32.9%) of all welfare charities to close from 2012 to 2016 had an operational lifespan of less than ten years.

The Scottish armed forces charity sector appears to be shrinking at faster rate than the rest of the UK. Since 2012, Scottish charities have been closing (111) at double the rate of those opening (56).

### What does analysis of forces charities' finances reveal?

Total sector income has grown annually from around £741 million in 2012 to £1 billion in 2016. Average income per charity remained relatively stable throughout the period, fluctuating between -3.5% to 5.2% growth or decline each year.

The sector's income is heavily reliant on a small number of charities. The 45 largest charities (2.4% of all forces charities), generate the bulk (74.1%) of the sector's total income.

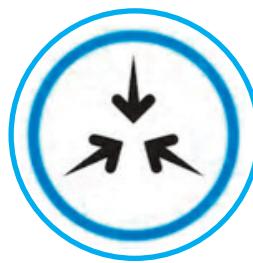
In contrast, micro and small charities (1,319) make up three-quarters (74.5%) of all forces charities but collectively contribute less than 2% of the sectors' total income.

Welfare charities account for two-thirds of all income (66.6%) and spending (67.8%). The average income of welfare charities remained relatively stable from 2012 to 2016. Despite some challenging conditions in the sector, including a lack of visible conflicts and calls to consolidate the sector, public donations to forces charities appear to have remained stable.



## There are currently 1,888 UK armed forces Charities

This makes up around 1.1% of all charities registered in the UK..



## The sector has shrunk by 65 charities since 201

In the last 2 years, the sector has shrunk by 4.6%.



## Total sector income has grown steadily since 2012

It grew from £741million in 2012 to £1billion in 2016.

## Recommendations & further research

Identifying armed forces charities is a hugely complex task. Regulatory sites do not currently offer a comprehensive method of finding these charities. Existing codes, such as the Charity Commission's 'Armed Forces and Emergency Services Efficiency' tag (code 114) have limited application and search results vary drastically from DSC's findings.

This presents a challenge for anyone wishing to undertake an independent analysis of regulator data on forces charities. DSC therefore, proposes introducing a universal tag across all three regulator sites which makes it easy for all interested parties to accurately search for armed forces charities. There would be an onus on the charities themselves to adopt the tag, which could be encouraged by the three regulators.

This report has provided a broad overview of forces charities operating at the national level, including a breakdown of those registered in England and Wales, Scotland and Northern Ireland. However, more work is needed to assess the level of provision available at the regional level and identify any gaps in provision. On a positive note, the 2021 Census will include questions targeted at the armed forces population for the first time. DSC has recommended this since 2016, and its inclusion is most welcome. This data, combined with future publication of the MOD funded Map of Need should help to highlight geographical areas which would benefit from the additional presence and support of armed forces charities.



## About the report

DSCs armed forces research continues to be generously funded by the Forces in Mind Trust.

The authors would like to thank all charities which provided invaluable information during the data-collection phase of the project.

Special thanks go to Cobseo, The Royal British Legion, The Royal Marines Charity, The Royal Air Force Benevolent Association, SSAFA and The Naval Families Federation.

This publication is the fifth of six thematic reports, to be delivered during 2017-2019 as part of DSC's Focus On series, which illuminates the armed forces charity sector.

The series follows on from DSC's Sector Insight reports, UK Armed Forces Charities, 2014 and Armed Forces Charities in Scotland, 2016.

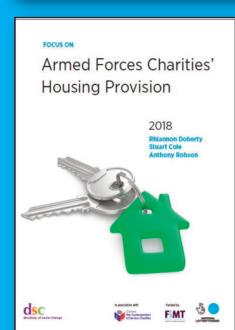
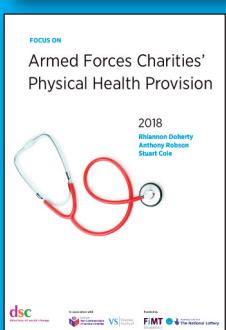
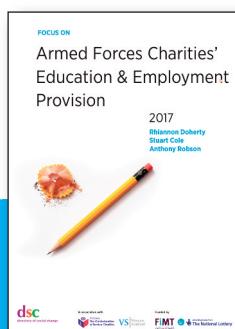
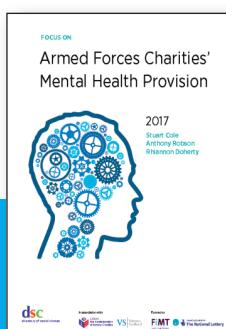
**'This report holds a mirror to the armed forces charity sector and highlights significant sector trends from 2012 to 2018. It contributes to DSC's growing evidence base which seeks to accurately profile the ever-changing armed forces charity landscape.'**

**Rhiannon Doherty, lead author.**



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## About DSC

The Directory of Social Change (DSC) has a vision of an independent voluntary sector at the heart of social change.

We help independent charities, voluntary organisations and community groups to achieve their goals by:

- Providing practical tools that organisations and activists need, including publications, training courses, conferences and research
- Acting as a 'concerned citizen' in public policy debates, leading campaigns and stimulating debate on key policy issues
- Carrying out research and providing information to influence policymakers



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