

#EVERYHOURCOUNTS

THE POWER OF FINANCIAL VOLUNTEERING IN THE NON-PROFIT SECTOR



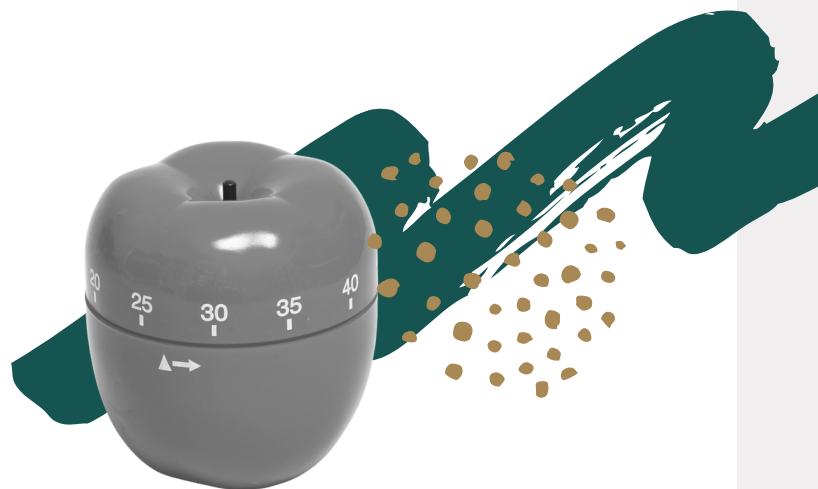
EVERY HOUR COUNTS

This whitepaper, "Every Hour Counts: The Power of Financial Volunteering in the Non-Profit Sector" produced in partnership with Marks Sattin, highlights the critical role of finance professionals in supporting the non-profit sector. Facing unprecedented challenges, including reduced donations and increased demand, non-profits urgently need skilled financial volunteers. However, current volunteering levels are alarmingly low, particularly among younger demographics.

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Our comprehensive analysis from industry research and a series of stakeholder events, identifies strategies to enhance volunteer recruitment, support, and retention, calling for a collaborative effort to mobilise finance professionals, ensuring their skills make a positive impact in building a more financial resilience non-profit sector.



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In September 2022, [Charterpath and Marks Sattin formed a new strategic partnership](#) to inspire more finance professionals into volunteering with the aim of building a financially more resilient non-profit sector. Since this launch, Charterpath and Marks Sattin have been actively engaging with non-profits, finance professionals, and their employers across the UK through various [#EveryHourCounts](#) events, from networking in Birmingham and Leeds to panel debates in Manchester, and beyond.

It's clear that it continues to be an exceptionally challenging time for the non-profit sector. The severe financial pressures that started in the pandemic have only got worse - with the cost-of-living crisis hitting even harder.

In terms of income, non-profits have seen significant declines in donations in the past year - with [6 in 10 people reducing how much they contribute to charities](#).

This is coupled with record demand for their services - with [81% of charities saying that demand for their services has increased compared to a year ago](#) - whilst inflation is increasing the costs of providing these services.

At the same time volunteering levels are at an all time low. According to the [UK Government's Community Life Survey](#), in 2014, 27% of adults volunteered regularly - yet in 2022 this was down to 16% - and most concerning, its people aged 25-34 where the biggest declines are seen at just 10% volunteering regularly - signalling a concerning trend for the future.

What does this mean in real terms? [Recent research by the NCVO](#) found that 1 in 5 charities may potentially be forced to close until things improve, leaving people and communities at risk.

To further explore these themes, Charterpath and Marks Sattin co-hosted a breakfast roundtable in London in November 2023, to bring together leaders and volunteers from a range of non-profit organisations to exchange ideas, insights, and experiences of navigating the cost-of-living crisis and the positive impact that even a few hours of volunteer skills can make.

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The roundtable was structured around the following topics:

- 1. An insight into the financial challenges facing non-profits.**
- 2. The positive impact of skills-based volunteers on non-profits.**
- 3. The challenge in recruiting volunteers with finance skills - and how we can improve this.**
- 4. How to best support finance professionals already in a volunteering role.**

1. AN INSIGHT INTO THE FINANCIAL CHALLENGES FACING NON-PROFITS

The cost-of-living crisis is understandably front of mind for all charities, schools and community groups. In certain areas of business and society, there has been an easing of financial pressures as inflation has slowed.

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Many non-profits, however, are yet to feel any relief. Currently, the sector is facing a triple threat of:

- Reduced donations
- Increased demand for services
- Cost inflation

According to the latest report, [A Tale of Two Sectors by Pro Bono Economics](#), almost 36% of charities report that their financial position has declined in the past three months. Moreover, it is small charities who are facing the greatest hardship. There is a clear dichotomy between large and small non-profit organisations. Large charities, classed as organisations with over £1m in income per annum, represent only 4% of all voluntary sector organisations according to the [UK Civil Society Almanac 2023](#). However, they account for 82% of spending and 86% of assets. Whereas charities with an income of less than £100,000 make up 80% of the third sector.



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As a result, large charities are better equipped to step up to the challenges posed by the cost-of-living crisis in a way that smaller charities cannot. Primarily, they have achieved this by expanding their employed workforce. Smaller charities rely on volunteers, but are having tremendous difficulties recruiting volunteers, and paid employees.

Salary inflation conundrum

One founder of a medium-sized London-based non-profit, who works with women who have survived trafficking and sexual exploitation, reported as part of the London roundtable that salary inflation had posed a problem when recruiting permanent employees.

According to Pro Bono Economics, year-on-year realised wage growth in the private sector was up 5.6%, but in the charity sector, it is only up 3.8%. The same study said the non-profit sector would have to spend an additional £3.3bn by 2024 to ensure wages do not fall in real terms.

Grant funders are often reluctant to cover salary increases, despite non-profit pay already perceived to be out of sync with the corporate sector, making it hard to attract and retain top talent. Sector-wide there is a real concern around people, paid and unpaid, burning out under mounting pressure.

Coping with increased demand

At the Charterpath x Marks Sattin panel event in Manchester held in October 2023, representatives from a well known food bank spoke about the “unrelenting” mental and physical effects on staff trying to deal with expanding workloads and the emotional burden of supporting increasing numbers of destitute and emotionally traumatised clients.

This has resulted in that same organisation introducing a package of health and well-being support for its staff and volunteers in September 2023, including mental health first aid training, face-to-face appointments with GPs and counsellors, and access to a helpline provided by the Samaritans. This is a blueprint for larger charities to support and protect their people, but sadly not necessarily feasible for smaller charities due to size and budget constraints.

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2. THE POSITIVE IMPACT OF SKILLS-BASED VOLUNTEERS ON NON-PROFITS

In light of the extremely challenging economic environment, non-profit leaders at the #EveryHourCounts events said financial skills continue to be the number 1 skill-set that they are looking for. This is consistent with [research from the Department for Education](#) which confirmed financial skills as most in demand for school governing boards.

Over 80% of the 400,000 non-profits in the UK are classified as micro or small organisations in terms of their income (<£100k) according to the [UK Civil Society Almanac 2023](#), and most often the person in charge of day to day operations in these organisations is also responsible for HR, legal, premises and finance.



The non-profits told us they often cannot afford to employ people who are technically trained in finance, and it is expensive 'to engage with professional services firms with financial expertise even for short pieces of work.

As a result of the reduction in public donations due to the cost-of-living crisis, many non-profit organisations are more reliant on support from grants and corporate sponsorship. The competition for such funding is increasingly competitive and the application processes are complex. A Charterpath non-profit partner shared:

“Things are becoming increasingly challenging for small charities like us when we apply for funding. Funders are raising governance standards all the time. Financial reports, impact data and policy documents are increasingly critical before we can even get our case considered”.

It is viewed that finance professionals can provide valuable support for these types of processes where data collation and presentation is typically second nature to them.

A recurring theme has been that both non-profits and finance professionals underestimate the immediate difference that even just a few hours of volunteer financial skills can make. For non-profit leaders, often they are unsure specifically what finance skills they need or tasks they require support with. Equally finance professionals who do not volunteer are unaware how transferable their broader experience and skills can be to the non-profit sector.



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A non-profit perspective:

The leader of a small start-up charity supporting young cancer patients explained how transformational volunteer financial skills had been for her. She was successfully running her charity and coping with much bigger than expected demand, however found herself increasingly overwrought with the financial reporting requirements. A letter from HMRC about tax returns particularly confused her and left her concerned about what she might be missing.

Charterpath found her a volunteer with finance skills who immediately set her mind at rest. He explained some of the technical language used and what was required. He also created a number of simple spreadsheet templates for the charity - things which took him a couple of hours but would have been weeks of work for her. She described the huge sense of relief that she felt in having this volunteer going forward to act as a sounding board. The finance professional himself was delighted at having been able to make such an impact with only a modest amount of effort.

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A finance professional perspective:

One experienced Finance Director who attended the London roundtable described volunteering for an organisation in Nigeria, which despite managing \$20m in invested funds, were reliant on highly manual processes and number of different spreadsheets extracted from written records. He was able to implement a new financial system for the charity through a one-off volunteer project with relative ease and at low cost. This was critical to strengthening their financial controls and securing future investment to deliver on their charitable aims.



3. THE CHALLENGES IN RECRUITING VOLUNTEERS WITH FINANCIAL SKILLS - AND HOW WE CAN IMPROVE THIS

Volunteering levels in the UK are at an all time low. If you rewind to 2014, 27% of adults volunteered regularly - for 2022 this is down to 16% according to the [UK Government's Community Life Survey](#)- and most concerning, its people aged 25-34 where the biggest declines are seen at just 10% volunteering regularly - which gives us an idea of where this is likely to trend.

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There are currently a staggering [100,000 vacancies for charity trustees in the UK](#), adding a lot of strain to both non-profit employees and existing volunteers. Many charity boards are forced to recruit from word of mouth and their own networks with [90% of charity trustees sourced in this way](#). In turn, this leads to a lack of diversity – [the average trustee in the UK](#) is a white, male, aged 55-64, with above average education and income - often very different to the people the charity is supporting. In fact [3 in 10 large charities have all-white boards](#) and [less than 3% of trustees are under 30](#).

Whilst there are well over 500,000 professionals with financial skills in the UK, non-profits struggle to recruit volunteers with financial skills. This is unsurprising, as it is [estimated by Charterpath](#) based on figures disclosed by BIG 4 accountancy firms, that only 10% of finance professionals currently volunteer their skills to non-profits each year.



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From the Charterpath x Mark Sattin events held over the past year, three common themes emerged as to why finance professionals do not currently volunteer:

- **Available time**
- **How to get started**
- **Unsure if skilled enough**

This is consistent with [previous research from Charterpath](#) which found that 55% of finance professionals do not volunteer due to their existing work commitments and 32% of finance professionals do not volunteer because it had never occurred to them.

Available time

There is a broad misconception amongst finance professionals that volunteering for a charity is onerous and time-consuming - requiring frequent and long term commitment. The level of time commitment of a charity is typically quite modest at [30 hours a year](#). This contrasts with the [average annual Netflix viewing in the UK of over 1,150 hours](#).

Non-profits, particularly small charities, communicated that they are increasingly keen to access one-off or project related financial skills, be that to support with the implementation of a new financial system or completing an independent review of their financial statements.

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There is currently a disconnect in these perspectives.

How to get started

At Employer Roadshows up and down the country, finance professionals had made it clear to Charterpath that they were keen to volunteer but did not know how to get started. There are many organisations set-up to help volunteers and a myriad of training and resources online, however it is a fragmented environment and can be incredibly time consuming to access and use.

In addition, given the nature of their work and more pressing priorities, the charities at the roundtable acknowledged they are not always the most responsive to volunteers offering their support. Failing to respond, or being slow to acknowledge applications means potential volunteers may become disheartened and disengage with the process. Charterpath said that they warn candidates that it may take time for them to hear back from non-profits but not to give up and more education was needed to manage expectations around this.

Unsure if skilled enough

Another challenge to recruiting volunteers is the perception that you must be more experienced in your professional career to volunteer your skills - undervaluing the technical and broader business skills that finance professionals learn earlier on in their career, such as use of spreadsheets and time management.

One volunteer with considerable finance volunteering experience stated that there could be real value in connecting part-qualified and junior finance professionals (and their training bodies) with volunteering opportunities. A Chair of an international non-profit stated that they go even further and welcome A-level and college students to volunteer their skills with non-profits.

A win-win

Everyone present at the London roundtable was unanimous in agreeing that volunteering had delivered as many benefits for them as an individual as to the organisation they had supported.

Examples included, developing new skills, expanding their professional networks and the feel-good factor with clear health benefits - with 77% of volunteers reporting that volunteering improves their mental health. It was felt that the narrative needed to change from volunteering being simply about 'giving-back' to being a Win:Win - a win for non-profits and a win for the volunteer.

4. HOW TO BEST SUPPORT FINANCE PROFESSIONALS ALREADY IN A VOLUNTEERING ROLE

Given the well documented challenges to recruit volunteers with financial skills, once a finance professional is in role, attention should ideally turn to retention and succession planning. Unfortunately, given the competing priorities, this is often not the case for non-profit leaders, resulting in both ends of the spectrum - short tenures due to mismatch in expectations or very long tenures as the volunteer feels unable to move on.

Volunteering is typically found to be a very rewarding experience by the vast majority of volunteers. However [NCVO's Time Well Spent Survey](#) in June 2023 found that volunteer satisfaction had slightly reduced in recent years. Among those who had volunteered in the last 12 months through a group, club or organisation, 92% said they are either very or fairly satisfied with their experience, down from 96% in 2018. One of the driving factors behind this reduction appears to be from volunteers thinking that their volunteering group or organisation had unreasonable expectations of how much they did (17% in 2018 compared to 24% in 2022).

Those at the roundtable agreed that the more effective your support for the non-profit as a volunteer, the more you were relied upon and as such it is important to establish clear boundaries.

At the London roundtable there was strong alignment on areas of focus to improve the support for finance professionals already in a volunteering role.

- **Greater clarity on mutual expectations**
- **Collective responsibility for finances**
- **More peer support**
- **Open minds to succession**

Greater clarity on mutual expectations

Managing expectations was seen as critical for both non-profits and financial professionals.

Increasingly non-profits are approaching volunteer roles in a similar way to paid employed roles, with job descriptions and onboarding plans, albeit the feedback from finance professionals was that these often omitted a number of tasks and responsibilities causing issues later. In addition, it was evident that finance professionals “need to be honest about the time they have available” to avoid bottlenecks or delays in the non-profit given the key person dependency.

One non-profit relayed their experience of appointing a volunteer Treasurer to their organisation, only for this person to resign within a few weeks as they couldn’t keep up with the commitment. The group agreed that for non-profits to retain talent, volunteers must take a step back and evaluate their commitments before volunteering. Likewise, charity leaders need to be able to have difficult conversations to navigate these types of situations effectively.



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Collective responsibility for finances

There was an acknowledgement across all stakeholders on the fact that many charity boards become overly reliant on a single individual - typically the treasurer - to deliver their collective responsibility for financial governance and oversight. [A survey from Charity Finance Group of 200 charities](#) found that whilst 99% of charities consider it important to have more than one trustee involved in their charities finances, only 56% make training and development on handling finances available for trustees.

More peer support

The finance professionals explained that being a treasurer or volunteer responsible for finances can be a lonely experience - particularly in small charities where there will not likely be employed resources dedicated to financial matters. This means there is often no one to bounce ideas off or ask for more technical advice, resulting in re-inventing the wheel to develop a solution - which requires even more time investment by the volunteer. Increased access to peer support was a common ask across finance professionals spoken with this past year.

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Open minds to succession

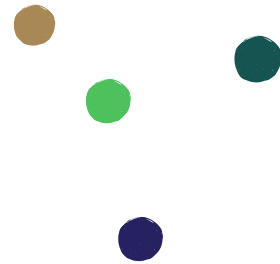
A further discussion point during this London roundtable was around succession planning. A number of finance professionals explained that chairs and fellow trustees often had a preconceived view of the typical treasurer or financial volunteer they may be after, compounding the diversity issues already experienced. There was total alignment on the need for robust succession plans for what happens after the volunteer decides to step away from the role - recognising there is no guarantee that a role will be filled straight away and the need for a more open mind as to who could fill that vacancy.

It was suggested that these issues could also be addressed if charities had multiple finance volunteers buddying together or role sharing to manage the workloads and utilise different skill sets, but that is easier said than done.



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KEY TAKEAWAYS AND RECOMMENDATIONS



In the face of the unprecedented financial challenges confronting the non-profit sector, the need for innovative and effective strategies to recruit, support, and retain volunteers, especially those with financial skills, has never been greater. This section of the whitepaper consolidates our findings and recommendations into four main areas:

- (i) Volunteer recruitment and diversity enhancement**
- (ii) Volunteer support and retention**
- (iii) Non-profit volunteer engagement**
- (iv) Strategic partnerships and capacity building**

These areas represent a comprehensive approach, reflecting the views and feedback from a cross-section of stakeholders (e.g. non-profits, volunteer organisations, finance professionals, employers) to not only address the immediate challenges but also to lay a foundation for greater financial resilience and impact in the non-profit sector.

(i) Volunteer recruitment and diversity enhancement:

- **Targeted recruitment campaigns:** Non-profit sector to use social media and digital platforms to engage younger demographics (25-34 age group) and early-career professionals to begin their volunteer journeys.
- **Partnerships for diversity:** Non-profits and volunteer organisations to collaborate with diverse community organisations, institutes and universities to attract a broader range of volunteers.
- **Awareness and education:** Non-profit sector to run campaigns to address misconceptions about time commitments and volunteer roles, with testimonials from diverse volunteers and non-profits.



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(ii) Volunteer support and retention:

- **Mentoring and support programmes:** Volunteer organisations to establish mentoring programmes for new volunteers, providing guidance from experienced peers, alongside support hubs for peer learning / advice
- **Recognition and rewards:** Non-profits and volunteer organisations to extend volunteer appreciation initiatives to acknowledge and celebrate contributions and impact.
- **Role flexibility and sharing:** Non-profit sector to promote more flexible volunteering including shared roles to accommodate volunteers' schedules and prevent burnout.

(iii) Non-profit volunteer engagement:

- **Clarity of responsibilities:** Non-profit sector to embed standardised job descriptions for financial volunteers including comprehensive task lists and estimated time commitments.

- **Project-based opportunities:** Non-profits and volunteer organisations to offer and promote project-specific or short-term roles or discrete tasks, particularly for professionals with seasonal availability.
- **Training and succession planning:** Develop the wider board capability for financial governance through targeted training and clinics, supported by robust succession plans for key positions to ensure smooth transitions.

(iv) Strategic partnerships and capacity building:

- **Corporate collaboration:** Non-profits of all sizes to forge stronger relationships with corporates and institutes to embed skill-based volunteering in the careers of all finance professionals.
- **Support for small charities:** Volunteer organisations to create specialised programmes to assist small charities with financial management and operational challenges.
- **Promoting mutual benefits:** Across all parties, emphasise the 'win-win' aspect of volunteering, highlighting personal and professional growth opportunities for volunteers.

CONCLUSION AND THANKS



In conclusion, the series of [#EveryHourCounts](#) events held this past year in partnership with Marks Sattin, have been full of expert insights and inspiring stories. We extend our thanks again to Marks Sattin for their ongoing support of Charterpath's mission to chart a path between non-profits and financial skills. We also thank all the individuals and organisations who have actively participated in our events - your contributions have been invaluable in shaping the findings and recommendations in this whitepaper.

This [#EveryHourCounts](#) whitepaper underscores an important truth - every hour of volunteer effort truly counts, especially in these challenging times. Together, we have the power to build a more resilient and impactful non-profit sector.

Alice and Alex
Co-Founders, Charterpath

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For finance professionals reading this - if the idea of volunteering your skills with a non-profit has caught your imagination - follow these three simple steps:

1. Follow Charterpath on [LinkedIn](#) for all the latest news, inspiration and roles.
2. Have a look around our website at www.charterpath.org.uk for case studies, helpful resources and live volunteer opportunities.
3. Sign the [Charterpath pledge](#) to show your support for our mission and volunteer your skills for at least two days each year.

And for any non-profits who would like to promote their volunteer roles for free to our community of engaged and diverse finance professionals then [submit your role here](#).

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ABOUT CHARTERPATH

Alice Clementi and Alex Marsh co-founded Charterpath as a community interest company in 2020, with a mission to increase the proportion of finance professionals volunteering from 10% to 50%. Charterpath has already built a diverse and highly engaged community of over 2,000 professionals with financial skills, having successfully connected over 150 non-profits with volunteers, ranging from The Trussell Trust, to Together founded by the Archbishop of Canterbury, the Scouts and Manchester Deaf Centre. For more information, visit www.charterpath.org.uk.

ABOUT MARKS SATTIN

Marks Sattin is a heritage recruitment brand. With offices across the UK, Ireland and Europe, they have over 30 years' experience of finding professionals their next exciting opportunity, and consulting with companies - from global organisations to growing SMEs - to find the very best talent to drive their businesses forward. They offer a full multi-channel recruitment service for interim and permanent financial, accounting, risk compliance, business change and technology positions. For more information, visit: www.markssattin.co.uk.

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