



**THE EAST OF ENGLAND FAITHS COUNCIL
A SURVEY ON
THE IMPACT OF THE CREDIT CRUNCH
ON CURRENT AND FUTURE
FAITH GROUP ACTIVITY**

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1 INTRODUCTION

The East of England Faiths Council brings together people from the major faith communities in the East of England, providing a way for them to interact with regional governance and other sectors. Through research and seminars it offers support to the faith communities and faith-based projects in the East of England. Following a meeting between the East of England Development Agency and several third sector regional infrastructure bodies in the early part of 2009 it was agreed to conduct a survey of groups associated with the Faiths Council to look at the impact of the credit crunch on current and future activity. The Faiths Council is grateful to those individuals and communities that took the time to respond to the survey.

2 HEADLINE FINDINGS

- The full impact of a potential decline in income has yet to work its way through
- There is an increasing mismatch forecast between the number of volunteers required and the number available
- Demand for services is expected to grow
- There is a concern that the government will concentrate on issues relating to employment and training to the detriment of other issues relating to social cohesion

3 METHODOLOGY

An electronic survey form was distributed to all the contacts of the Faiths Council and FaithNetEast, (some 800 faith and inter faith groups, and faith-based projects). The survey was conducted by the Diocese of St Edmundsbury and Ipswich on behalf of the Faiths Council. Returns were analysed by Vanessa Rees-Heavers and Graham Hedger on behalf of the diocese.

A total of 20 responses were received back.

Congregation	11
Inter-faith Forum	3
Other	6

As a result of the low response it is impossible to offer a valid qualitative view on how the 'credit crunch' is affecting faith communities. However, the responses do provide an insight to perceptions of the impact on faith communities and ways in which they are positioned to respond to the ongoing effects of the 'credit crunch'.

The geographical coverage of responses was:

Bedfordshire	1
Cambridgeshire	4
Essex	3
Hertfordshire	2
Herts/Essex/Beds	1
Norfolk	6

4 FINANCIAL ISSUES

Most respondents are expecting income to stay the same or improve, especially if funds are provided by members. However, four out of 10 who access grants expect to see income decline. Two out of the eight which receive payments for services also expect this to decline.

In response to the question '*How do you predict your sources of income will increase/decrease in the financial year 2009/10?*'

Source	Increase	Decrease	Stay the same	n/a
Congregation/ national faith group	5	1	11	1
Private grants e.g. Trusts	1	4	5	7
Public sector grants	2	0	2	12
Public sector contracts	0	1	2	12
Direct payments for services	2	2	4	8

'What will be the impact on your work if the income decreases?'

Respondents expect to lay off staff, reduce services and training, and spend less on maintenance.

5 VOLUNTEERS

Most of the respondents use volunteers, with the majority using fewer than 30.

Do your projects/work use volunteers, and if so how many?

Do you use volunteers?

Yes	19
No	1

Number of Volunteers

1-10	5
11-20	4
21-30	7
31-40	3
41-50	3
51-60	1
61-70	1
71-80	1
81-90	1
91-100	1

100+

5

Over the financial year 2009/10, do you believe the availability of volunteers will:

Increase	2
Decrease	1
Stay the same	16

Over the financial year 2009/10, do you believe your requirement for volunteers will:

Increase	9
Decrease	0
Stay the same	10

The expectation is that the demand for volunteers will rise in line with an increased demand for services or the decline in paid staff.

Do you expect the need for training for volunteers to...?

Increase	8
Decrease	0
Stay the same	11

The specific need for training has not been identified and indeed affects less than half of those who responded.

Do you see any particular opportunities or challenges in this area?

The following is a summary of the major changes that respondents expected to face.

Volunteering

Respondents felt that there would both be a need for more volunteers but less possibility of that happening.

- Seeking volunteers to cover areas of work previously done by paid employees.
- We will need more volunteers in view of the reduced core funding.
- There may be more volunteers available because people are being made redundant.
- Some financial allowances, if made available for volunteers' time, might boost volunteers' availability.

Demand for services

- There will be a greater demand for welfare support.
- Debt management will be an issue.

Income

- Amount of items coming into our charity shop will decrease. (A recent press release by Oxfam (8 May 2009) highlighted this issue and stated that donations to charity shops were down 12% on last year)
- I am sure the wider community is aware of the possible impact of the economic downturn on the services we offer and will respond with increased awareness of our needs.

6 THE PEOPLE WHO USE YOUR PROJECTS/SERVICES

If your work benefits particular groups of people, please predict whether you think their needs will change over the year 2009/10.

The following categories match the categories used by FaithNetEast for analysing the work of faith communities, and are also used for category-based searches on FaithsBase.

Increase in demand for services

	Increase	Decrease	Stay the same
Worshipping community	11	0	5
Social action – community work	10	0	4
Children and families	9	0	5
Community facilities (services)	9	0	5
Older people	9	0	5
Skills improvement / life long learning	7	0	2
Social action – youth work	6	0	4
Community facilities (spaces/venues)	4	1	8
Fundraising advice	4	0	7
Grant making	4	1	9
Returning to employment	4	0	4
Neighbourhood renewal	3	0	6
Public sector services	3	0	5
Social action – drugs/alcohol	3	1	3
Social action - homelessness	3	0	4
Social action - other	3	0	6
Social enterprise	2	0	6
Migrant worker projects	1	1	6
Work with refugees/ asylum seekers	1	0	6

Decrease in demand for services

	Increase	Decrease	Stay the same
Community facilities (spaces/venues)	4	1	8
Grant making	4	1	9
Social action – drugs/alcohol	3	1	3
Migrant worker projects	1	1	6
Worshipping community	11	0	5
Social action – community work	10	0	4
Children and families	9	0	5
Community facilities (services)	9	0	5
Older people	9	0	5
Skills improvement / life long learning	7	0	2

	Increase	Decrease	Stay the same
Social action – youth work	6	0	4
Fundraising advice	4	0	7
Returning to employment	4	0	4
Neighbourhood renewal	3	0	6
Public sector services	3	0	5
Social action - homelessness	3	0	4
Social action - other	3	0	6
Social enterprise	2	0	6
Work with refugees/ asylum seekers	1	0	6

Demand expected to remain the same

	Increase	Decrease	Stay the same
Grant making	4	1	9
Community facilities (spaces/venues)	4	1	8
Fundraising advice	4	0	7
Neighbourhood renewal	3	0	6
Social action - other	3	0	6
Social enterprise	2	0	6
Migrant worker projects	1	1	6
Work with refugees/ asylum seekers	1	0	6
Worshipping community	11	0	5
Children and families	9	0	5
Community facilities (services)	9	0	5
Older people	9	0	5
Public sector services	3	0	5
Social action – community work	10	0	4
Social action – youth work	6	0	4
Returning to employment	4	0	4
Social action - homelessness	3	0	4
Social action – drugs/alcohol	3	1	3
Skills improvement / life long learning	7	0	2

The major increases in demand for services are expected to be for social action, work with children, families and older people, skills improvement and also a demand for community facilities. The latter may well be because faith communities offer their facilities at below market rates to community groups.

7 YOUR PLANS FOR THE NEXT THREE YEARS

People were asked to list three challenges, three opportunities and also any other comments.

Challenges

Main Challenges

- Finding suitably skilled and committed volunteers x5
- Finding financial support x4.
- To motivate members and volunteers x3.
- An ageing congregation or residents x3.
- To develop our skills and resources to meet the needs of the communities in which we work x3.
- To raise the profile of inter-faith amongst young people x3.
- Training new ministers to respond to changing culture x2.
- To find relevant monies for sustaining staff x2.
- Maintaining a sense of community with increased residential building in the area x2.
- Wise and visionary use of all our resources x2.

Services

- Maintain the service with a declining level of support.
- Opening of new premises.
- Expand our Community Programme within our target areas (Elderly, Mental Health, Families).
- Maintaining decaying properties.
- Developing leaders.

Community

- Family breakdown and pressures due to economic crisis and uncertainty/hopelessness.
- Newcomers to the community not being involved in the community.
- Community cohesion issues-political consequences-BNP activity etc.
- To raise the profile of the congregation in the wider community.
- Linking our Community Programme with our Worship Community.

Faith

Several respondents raised issues about maintaining a balance between the issues of faith and responding to the needs of legislative demand and also the demands of funders.

Opportunities

Main Opportunities

- Work in new communities x5.
- To build community at this time when folk have less and need each other more x3.
- Opening new premises and widening the use of our buildings x2.
- New ways of training in community as well as in churches x2.

- Several responded with the need for improved interfaith relations.

Community

- Mental Health issues x2.
- Working with children and families.
- Meeting changing needs of the community.
- The growth in interest by the lonely and isolated in the community through better communications.
- To be part of improving the quality of life in all aspects for those who live in our communities.
- Forging partnerships with voluntary and public sectors.
- Developing a high level of trust in a mistrustful world.
- People looking for alternative social engagement.

Resources

- Resources (finance, premises, facilities & Staff/volunteers).
- Acceptability of our presence.
- Persuade the statutory bodies to take us seriously.
- Increasing influence in local government.
- A steady growth in the number of potential customers.

Comments

- The downturn is likely to have an adverse effect on subscription levels, as we would never turn anyone away by reason of their inability to pay.
- The prediction for Charity Shops is that, although finance is up at the moment with so many people having to shop more cheaply, donations will begin to dry up later in the year due to people not buying new and therefore donating their old. The jury is out on whether this nationally predicted trend will affect Cambridge. We will continue to offer a Community Centre with cheap food every day so that we continue to attract people who use us as their main meal of the day. That then becomes our link to helping them become part of the Community Programme we offer.
- I am concerned about the impact on the total community. People are fearful for their savings and are really angry at what they see is "Rip off Britain" and now the ordinary people have to carry the can, without any real admission of guilt by those who got us into this mess in the first place.
- There is still sense of a phony war with uncertainty and hopelessness about future jobs, housing prospects for the young; need for re-skilling of working people in certain sectors; support for those facing poverty and threat to savings etc; fuel poverty etc.
- In my wider job representing faith in matters relating to the (a regeneration project), I see an increasing marginalisation of the faith community and the voluntary sector generally - the elected politicians are taking back more control.
- I see even less addressing of issues of deprivation in the credit crunch. There is a drawing back to concentrate on issues relating to employment, which means that those

with long term deprivation and employment issues are getting less attention than previously.

- Some members of the community may suffer from the current very low interest rates if they rely on income from investments; some will have to eat into their capital. If people lose their jobs not knowing how long they will be unemployed. Those whose savings are just above the threshold to qualify for tax credits etc will probably be the ones who are worst affected. Rising supermarket and utility prices are already affecting everyone.
- We are anticipating that the economic downturn will increase the demand on Corps in our Division for the provision of food parcels, clothing, debt advice, help with basic utility bills, emotional support and counseling for depressed and distressed families, sign-posting to other agencies for help and professional advice and support for the homeless and elderly.
- Pensioners, and others, are severely affected by the very low interest rates Some people's pensions and investments have been almost wiped out Young people, including those with good qualifications, find it hard to obtain suitable employment, and even harder to find affordable housing.

8 CONCLUSIONS

Finance

Generally the situation in the third sector is fairly pessimistic: *'a survey conducted by ACEVO and CAF in September 2008 found that 88% of respondents thought income to the sector would fall in real terms and 17% had already seen their income fall. This is a particular issue for third sector organisations who are currently experiencing an increase in demand for their services. While evidence from previous recessions is not conclusive about the impact on charitable giving, a survey conducted by the Charity Commission in October 2008 found that one in four charities that collect monetary donations was already experiencing a decrease in donations.'* Real Help for Communities p 22

The faith sector is slightly different. Previous experiences of downturns in the economy show that the faith sector is slightly more stable and vigorous in maintaining its levels of income. This is presumably due to the commitment of members. Within the response to this survey the majority of respondents expected income to remain the same or increase. However, many chief executives of organisations are privately predicting a downturn. If the survey were to be conducted in six months time specifically targeting chief executives and finance officers of countywide bodies or dioceses or the equivalent then the picture might not be so optimistic. Even at this stage one of the main challenges facing faith communities now and over the next few years will be to maintain and grow the level of income.

For those organisations that raise funds through charity shops the future may be bleak. Although more people may be using the shops there is a recognition that in many areas the level of donations has decreased.

In line with the rest of the third sector there is an expectation that there could be a reduction in services and staff reductions due to cuts in grants.

Volunteers

There are issues around volunteering with the expectation that the level of volunteering will remain the same whilst the need will increase. This was seen as one of the main challenges facing faith communities. Further work is needed to identify why this is the case. *'Where numbers decline, this is likely to be because people cannot afford to volunteer. As such, people who may benefit most are least able to participate.'* Real Help for Communities p8

Demand for services

In line with the third sector the faith communities which responded expected an increased demand for services, especially in the area of mental health and debt management. It was not specified whether this was amongst members or the wider community. *'Evidence from the third sector suggests that demands on third sector organisations are increasing as a result of the recession. Third sector providers are finding it increasingly difficult to provide people with the real help that they need. A survey in August 2008 by the Association of Chief Executives of Voluntary Organisations (ACEVO) and the Charities Aid Foundation (CAF) found that 72% of charities have experienced an increase in demand for services in the last 12 months. Particular service areas are experiencing very high increases in demand – notably those relating to housing and debt, employment, and mental health – and other services will need to act pre-emptively to maintain downward pressure on property crime, drugs and alcohol and domestic family breakdown. For example, Citizens Advice Bureaux across England and Wales received 35% more requests for advice on mortgage and secured loan arrears over the last 12 months to September 08, and 51% more between July and September 08 than the same period in 2007.'* Real Help for Communities p12

Perceptions

It is still very early days and the full impact of the credit crunch has yet to work its way through to all parts of the country and especially this region and sector. If the survey were to be repeated in six months or 12 months time then the picture may well be significantly different. Among respondents there was a perception that there may be a concentration by the government on issues relating to employment and training to the detriment of social cohesion and long term deprivation in communities.

The need for the faith communities to exercise a 'prophetic voice' to the nation and highlight the real issues that lie behind the credit crunch only came out in a small number of responses. This may well change as the situation develops.

**Appendix A
EAST OF ENGLAND FAITHS COUNCIL
SURVEY OF IMPACT OF RECESSION ON FAITH GROUPS AND BENEFICIARIES
QUESTIONNAIRE**

Name

Job Title

Organisation

Email address

You may complete this form anonymously if you wish, but it would help our analysis to have the information in section 1. The information required for the survey starts with question 2.

1. Your details

Nature of organisation

Address or nearest large town

Is your organisation

Single faith congregation

Interfaith body

Other

What are the main area(s) of your work?

Worship

Welfare of congregation

Services to wider community

Other (please describe)

2. Financial issues

How do you predict your sources of income will increase/decrease in the financial year 2009/10? If you think there will be a change, please put an 'X' in chosen answer box and add a percentage if possible.

Source	Increase	Decrease	Stay the same	n/a
Congregation/national faith group				
Private grants e.g. Trusts				
Public sector grants				
Public sector contracts				
Direct payments for services				

What will be the impact on your work if the income decreases?

3. Volunteers

Do your projects/work use volunteers, and if so how many?

Over the financial year 2009/10, do you believe the availability of volunteers will:

Increase / decrease / stay the same

Over the financial year 2009/10, do you believe your requirement for volunteers will:

Increase / decrease / stay the same

Do you see any particular opportunities or challenges in this area?

Do you expect to the need for training for volunteers to

Increase / decrease / stay the same

4. The people who use your projects/services

If your work benefits particular groups of people, please predict whether you think their needs will change over the year 2009/10.

children & families
community facilities (services)
community facilities (spaces / venues)
fundraising advice
grant making
migrant worker projects
neighbourhood renewal
older people
public sector services
returning to employment
social action – community work
social action – drugs / alcohol
social action – homelessness
social action – other
social action – youth work
social enterprise
skills improvement / life long learning
work with refugees / asylum seekers
worshipping community

5. Your plans for the next three years

What are your three greatest challenges?

1:
2:
3:

What are your three greatest opportunities?

1:
2:
3: