

# FUNDRAISING IN SPORT FOR DEVELOPMENT

2020 STATE OF THE SECTOR REPORT

**OAKS**



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## FOREWORD

**VICKY LOWE,  
GLOBAL DIRECTOR OF DEVELOPMENT  
AT LAUREUS SPORT FOR GOOD**

In these challenging times of uncertainty brought about by the global Covid-19 pandemic, Laureus Sport for Good and the whole of the sport for development sector has worked to ensure that the people and communities who we support do not get left behind. Almost all of us have faced challenges as a result of the pandemic, but for the world's most vulnerable those challenges have been exacerbated. They are most at risk. And they are the ones who rely on the support of the organisations who have contributed to this report. Laureus couldn't be more proud of our network and partners who have innovated, adapted, collaborated and who continue to find new ways to reach the communities they serve. What this report clearly shows is the resilience of many of those organisations, but also that the future for some remains in doubt. The challenge we now face is to ensure that our sector remains resilient, and I would like to thank Oaks Consultancy and everyone who has taken the time to contribute to the first State of the Sector Report.

# INTRODUCTION



# INTRODUCTION

**RAHUL BISSOONAUTH,**  
**DIRECTOR OF BUSINESS DEVELOPMENT AT OAKS CONSULTANCY**



Thousands of organisations, of all shapes and sizes, around the world are using sport as a tool to bring about positive change in the lives of vulnerable people and communities. This is not a new phenomenon. Over many, many years, these organisations have proven that sport can have a positive impact beyond the obvious physical benefits of taking part; from empowering women and girls to resolving conflicts between communities. Each and every day, someone somewhere in the world is using sport and physical activity in a focused and targeted way to create a positive change in someone's life.

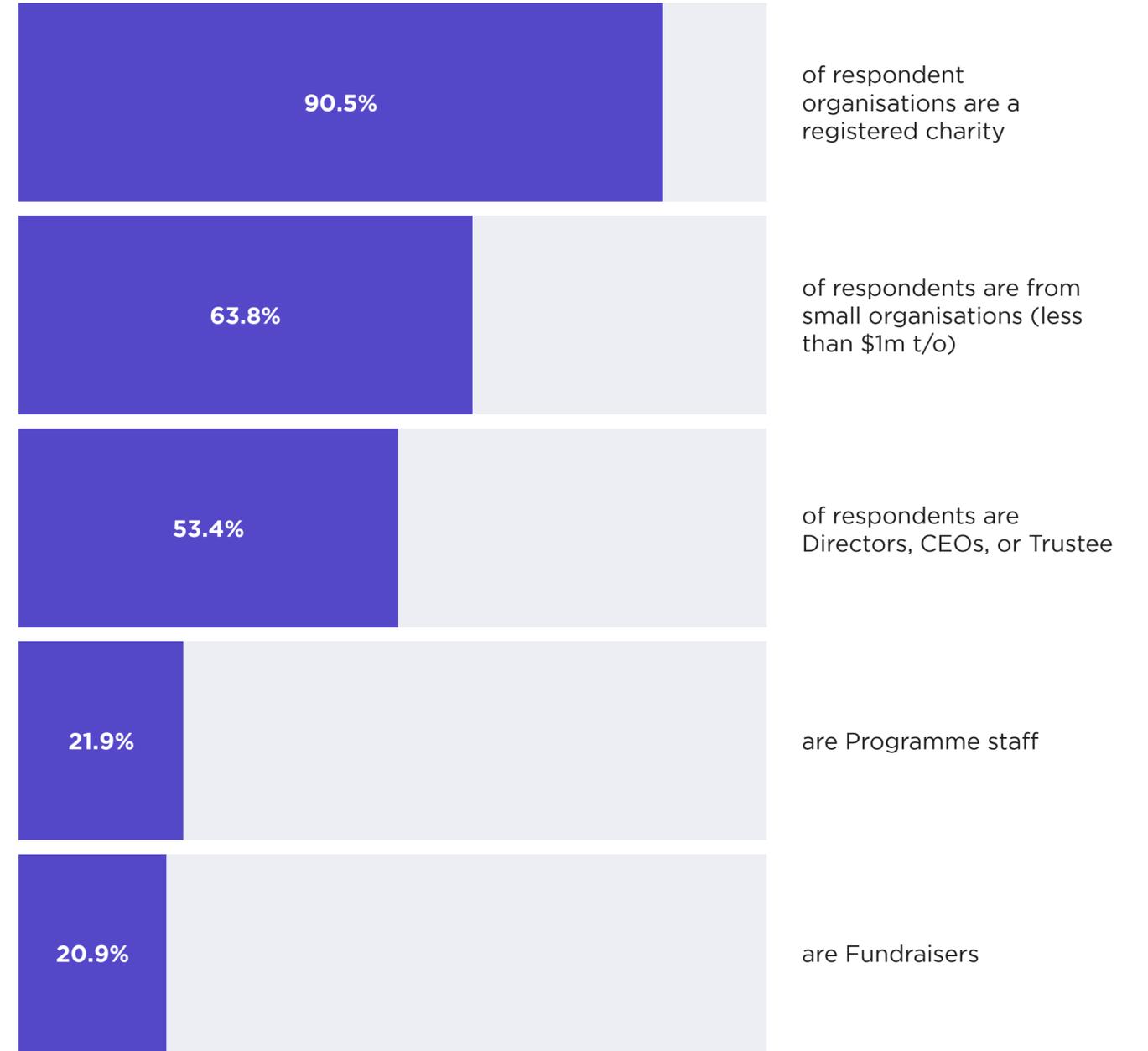
The reach and diversity of organisations in Sport for Development is quite simply incredible. The 234 Sport for Development organisations funded and supported by the Laureus Sport for Good movement positively impact over 300,000 young people across

43 countries. The Beyond Sport network supports 2,690 organisations in 154 countries, utilising 56 different sports. There are over 100 organisations in the streetfootballworld global network too, using football specifically to empower over 385,000 people each year. Not to mention those organisations in the Sport for Development coalition of the UK, members of sportanddev.org, and those in the far corners of the world not currently covered by these existing networks. The sector is global, growing, and a shining light in the broader world of international development. The sector, like all others, has been significantly impacted by COVID-19. All over the world, Sport for Development organisations have adapted and played a crucial role in supporting vulnerable individuals and communities to navigate and survive the crisis; pivoting to provide food and medical aid; creating safe spaces for vulnerable individuals; and continuing to educate children and young people no longer able to attend school. They have done this vital work against a backdrop of economic uncertainty; fighting for their own survival on a day-to-day basis in possibly the most competitive fundraising environment ever encountered.

The **2020 State of the Sector Report** captures this fundraising response in Global Sport for Development. In September 2020, Laureus Sport for Good, the International Platform on Sport and Development, streetfootballworld and the Sport for Development Coalition partnered with our team at Oaks to benchmark fundraising performance across the sector and analyse the impact of COVID-19 on income.

Data was collected between September and November 2020 via an online survey of 22 questions. A total of 105 organisations responded to the survey from a diverse range of sizes and geographies.

## 105 ORGANISATIONS



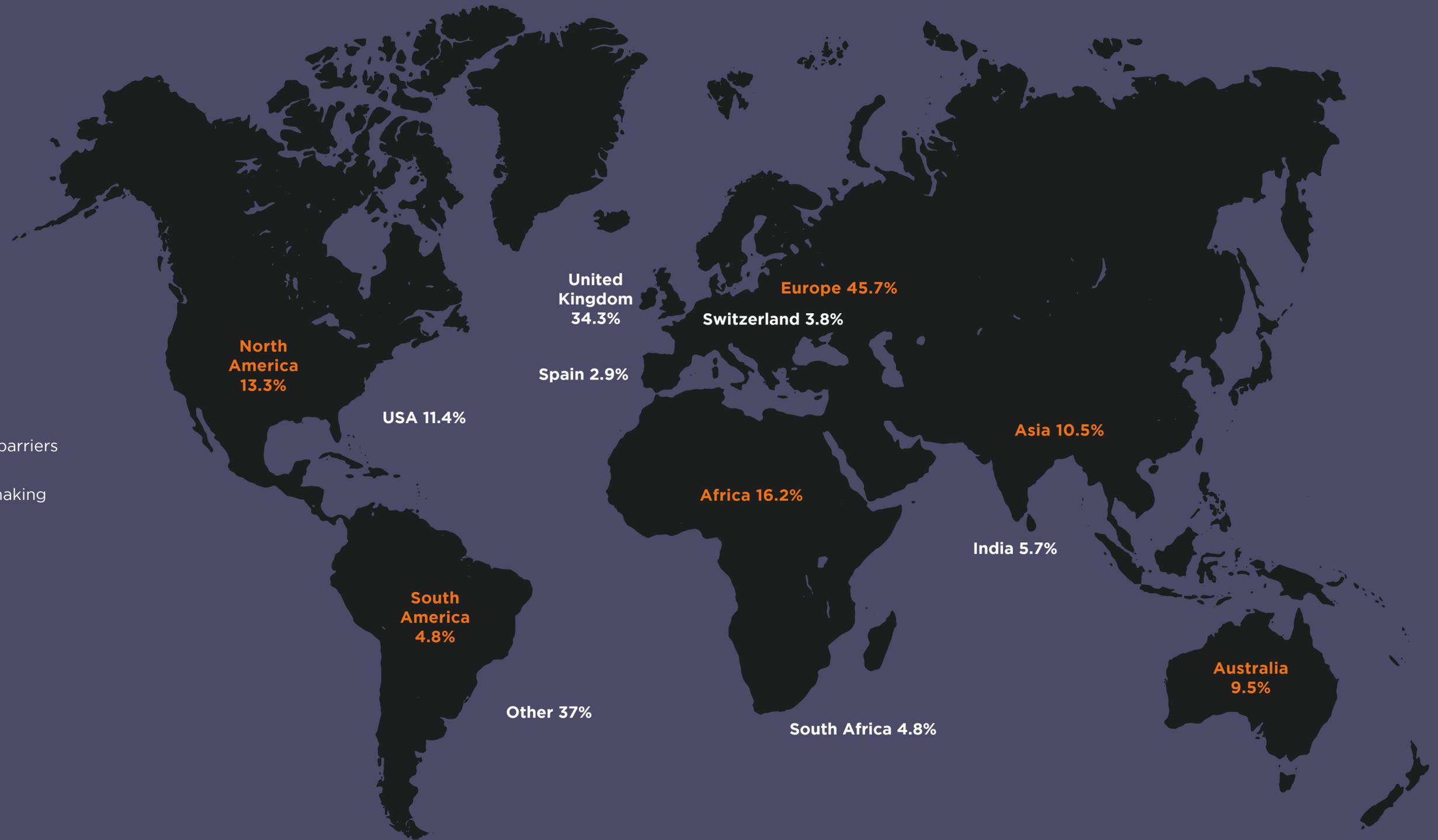
# INTRODUCTION

## Percentage breakdown of sports

- 53.3% football
- 32.4% multi-sport
- 30.5% general play
- 19% basketball
- 15.2% cricket
- 15.2% rugby
- 14.3% boxing
- 11.4% dance
- 10.5% athletics

## Percentage breakdown of themes

- 81.9% health and well-being
- 64.8% education
- 46.7% gender equality
- 41% breaking down cultural/ethnic/physical barriers
- 35.2% employment and livelihoods
- 21.9% resolving conflict/community peace-making



# KEY FINDINGS

**It will be of no surprise to learn that the economic impact of COVID-19 on the Sport for Development sector has been universally devastating. Regardless of size, sport, outcome, themes or fundraising mix, the trend is the same across the world: income levels are falling at a precipitous rate.**

These pressures create an ominous paradox; **56.2%** of organisations highlighted recovering financially from the pandemic as a main fundraising challenge for the Sport for Development sector over the next three years, yet **53.4%** of organisations reported they have actually reduced their fundraising spend in response to the crisis. Tough choices must be made and many of the organisations we surveyed simply could not afford to maintain their desired levels of fundraising expenditure, despite recognising it as the way to ensure their survival and sustainability.

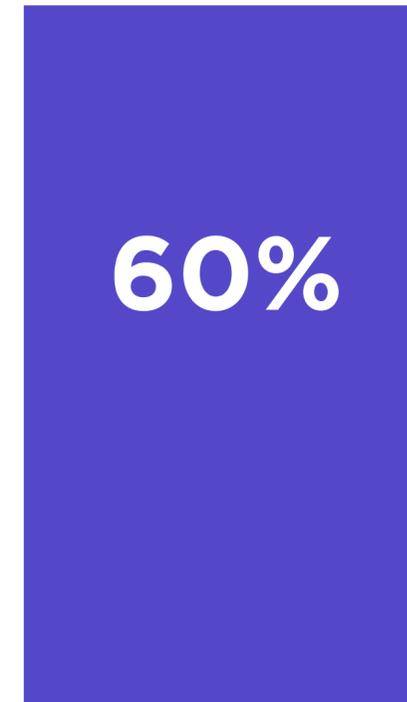
The findings suggest that those fortunate enough to secure some level of financial support during the crisis are feeling more positive about their long-term prospects. Of those who have not been able to secure any emergency grant funding, **31.4%** reported they had low - or no - confidence they would recover. In contrast, of those who have managed to secure some emergency grant support, only **11.1%** reported such low confidence levels.

Grants from institutions overwhelmingly comprises the largest single fundraising area across the sector, with **63.8%** of respondents highlighting this as their predominant income stream. Whilst no fundraising area was immune from the negative effects of the

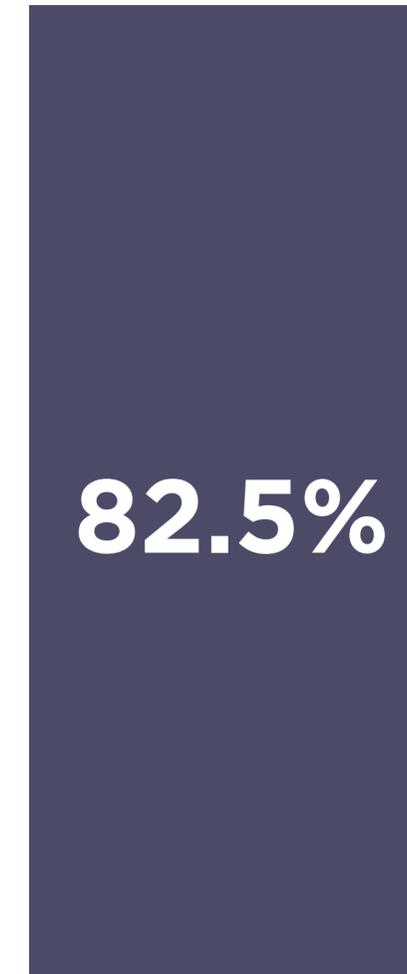
crisis, the results suggest that those most reliant on income from corporate partners would be hardest hit, with **81.8%** of those who cite this area as their largest source of funding projecting a year-on-year decrease.

Despite the inevitably difficult days that lie ahead, there is still reason to be optimistic; and characteristic resilience and positivity still shone through from the respondents:

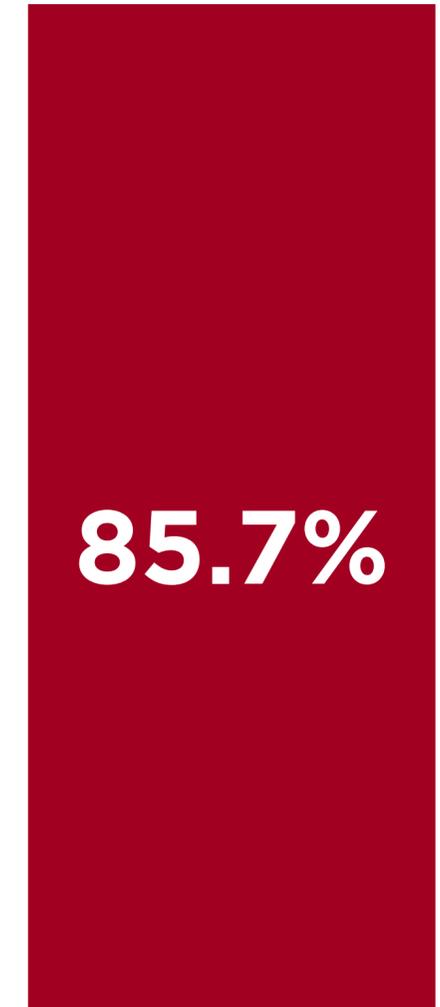
- **79%** of organisations remain relatively or very confident about their organisation's ability to recover from the financial impact of the pandemic
- The importance of working in partnership and collaboration was frequently cited as being crucial to future prosperity of the sector
- Innovation in approach - to programming, delivery and fundraising - were similarly highlighted as determinants of future sustainability; attributes for which the Sport for Development sector is renowned



**Proportion of organisations forecasting a reduction of income this year compared to their previous full financial year**



**Proportion of organisations forecasting a reduction of income this year, who also expect either stagnation or further reductions in 2021/22**



**Proportion of organisations who cited the Covid-19 pandemic disrupting fundraising activity as the primary factor in their reduction of income this year**

# CASE STUDY: SALAAM PEACE

**Salaam Peace is a UK-based non-profit community organisation that runs sport and education programmes for children, young people and adults living in the London boroughs of Waltham Forest and Hackney.**

Founded by Sab Bham in 2009, Salaam Peace's vision is to 'be the change you want to see' – using sport and education to address important socio-cultural issues and create positive pathways for people living in inner-city London, particularly those from Black, Asian and Minority Ethnic (BAME) communities. The organisation delivers a range of activities, including football, multi-sport and cycling, and engages around 250 young people each week – over 70% of whom are from BAME backgrounds.

Sab, Salaam Peace's founder and CEO, explains:

**“As Salaam Peace evolved, our idea was to provide young people with something that would engage them. So if I met you, I would be thinking: ‘What’s going to get you to come through the door? Is it sport? Is it cycling? Is it education? Is it art?’ And once you were through the door, it would then be about where that journey took us. Rather than sport for sport’s sake, our ethos is that sport is what brings you here but what counts is the relationship that develops. Our unique selling point is that every member of staff has started their journey as a participant.”**

Salaam Peace's income comes from a range of grant funders and some traded income, which is re-invested back into its community activities. Grants make up

around 66% of its overall income, with earned income from school/college outreach work and participant pay-and-play sessions making up an additional 23%. The organisation receives some funding from Waltham Forest and Hackney borough councils. Salaam Peace's staff members oversee both project delivery and fundraising for the organisation; utilising an external agency to provide additional fundraising support.

“The income that comes in is very diverse. We've always tried to look at what our principles are and what our objectives are, rather than chase money for money's sake. We've turned down funding in the past because certain principles weren't there. It's always got to fit with what we're trying to achieve and there has to be enough time for there to be a change in the lives of the people we work with. So if a participant comes to us, we want to make sure that by the end of the funding programme, the participant will have travelled a journey. And if there's no journey to be travelled, there's no motivation for us because anyone can run a short-term sports activity or event.

**“The other thing we always try to do is to make sure we're aware of what else is going on in the areas we're working in geographically, so we avoid duplication. And we're always open to partnerships.”**

COVID-19 has not deterred Salaam Peace from implementing their organisational strategy. At the beginning of the year, the organisation employed two additional members to their senior leadership team, both of whom have contributed a high level of skill and dynamism to the organisation – being adaptable to changing circumstances and delivering across different areas of the organisation; from fundraising to administration, partnership engagement to project

delivery. This flexibility has enabled Salaam Peace to be on the front foot when it comes to adapting their services in response to COVID-19. Similarly, it has enabled Salaam Peace to respond quickly to new funding opportunities.

**“At the start of COVID-19, where we had the first national lockdown, there were a lot of organisations who seemed to be comfortable doing nothing because the government's advice was all around what couldn't be done. Whereas our approach was: ‘what can we do?’ So we pushed the bar, finding creative ways to provide activities when there were organisations with fifty times more resources who weren't doing anything. And that approach has kept us ahead of the game and helped make us look stronger to a lot of funders.**

**“Similarly, when funding opportunities have come along, we haven't discounted ourselves – thinking ‘we can't do this, or we can't do that’ – but we've been prepared to look at what we can do.”**

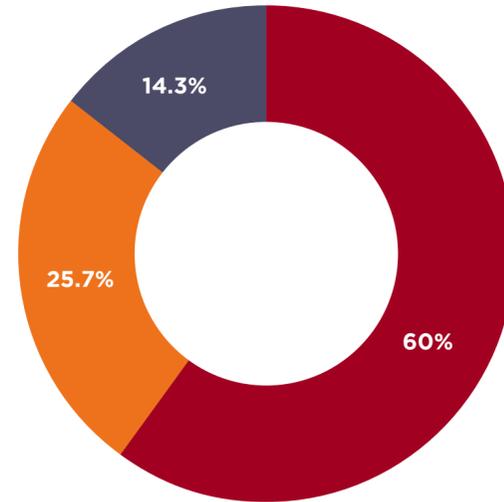


# INCOME



**There is no doubt about it. The majority of Sport for Development organisations are facing a loss of income in 2020/21 and beyond, which will significantly impact their work in the coming months and years and increase the importance of diverse and effective fundraising activities.**

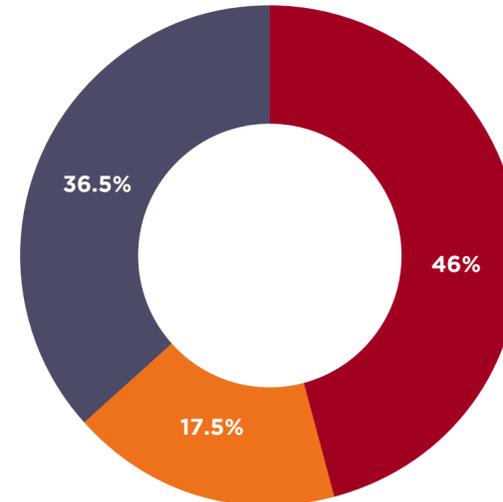
*Nearly two out of every three organisations we spoke to are facing a reduction in income in 2020, and over 75% are forecasting income to remain stagnant or reduce further in 2021. These are worrying indicators, and it will be interesting to monitor how accurately these forecasts play out over the next twelve months.*



● **60%** of respondents were forecasting a reduction in income this year compared to previous full financial year

● **25.7%** of respondents were forecasting an increase in income this year compared to previous full financial year

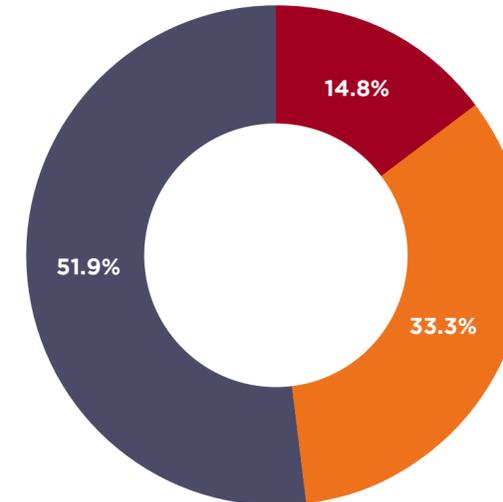
● **14.3%** of respondents were forecasting income to remain static this year compared to previous full financial year



● **46%** of respondents who were forecasting a reduction in income this year expected a further reduction in income next year

● **17.5%** of respondents who were forecasting a reduction in income this year expected an increase in income next year

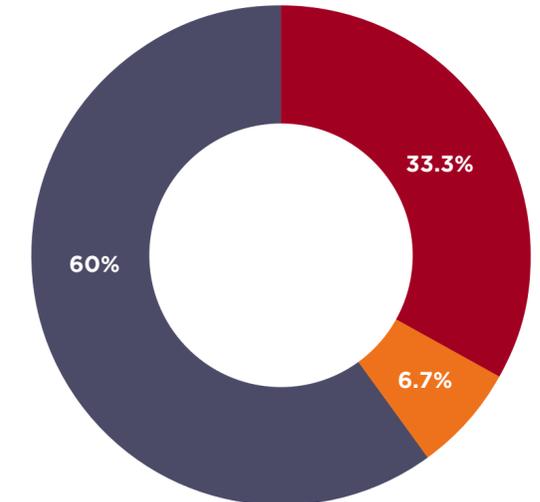
● **36.5%** of respondents who were forecasting a reduction in income this year expected income to remain static next year



● **14.8%** of respondents who were forecasting an increase in income this year expected a reduction in income next year

● **33.3%** of respondents who were forecasting an increase in income this year expected a further increase in income next year

● **51.9%** of respondents who were forecasting an increase in income this year expected income to remain static next year



● **33.3%** of respondents who were forecasting income to remain static this year expected a reduction in income next year

● **6.7%** of respondents who were forecasting income to remain static this year expected an increase in income next year

● **60%** of respondents who were forecasting income to remain static this year expected income to remain static next year

# INCOME

**We are seeing a relatively consistent picture globally, with organisations across every continent feeling the economic impact of COVID-19.**

Sport for Development organisations in Australia, Europe and North America were not more, or less, likely to forecast a loss of income than those in Africa, Asia and South America.

In four out of the five continents represented in the survey, at least 50% of organisations were forecasting a reduction in their income this year compared to the previous financial year.

## Breakdown of forecasted income for current financial

-  Forecasting a **reduction** in income this year compared to previous full financial year
-  Forecasting an **increase** in income this year compared to previous full financial year
-  Forecasting income to remain **static** this year compared to previous full financial year

### AFRICA



### ASIA



### AUSTRALIA



### EUROPE



### NORTH AMERICA



### SOUTH AMERICA

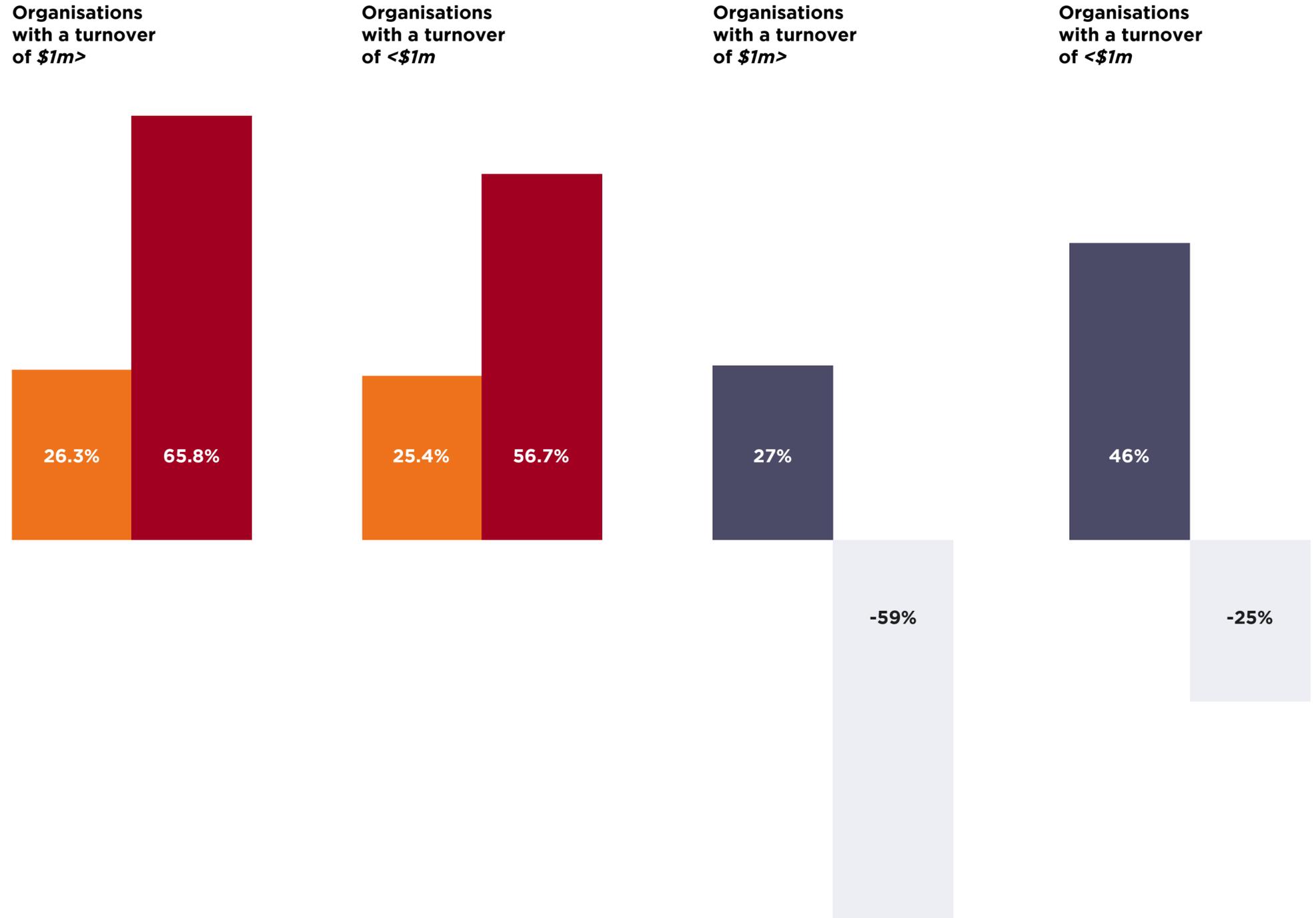


# INCOME

**Larger Sport for Development organisations were not more, or less, likely to forecast a loss of income than smaller organisations – and, in many cases, faced a sharper decline in their income.**

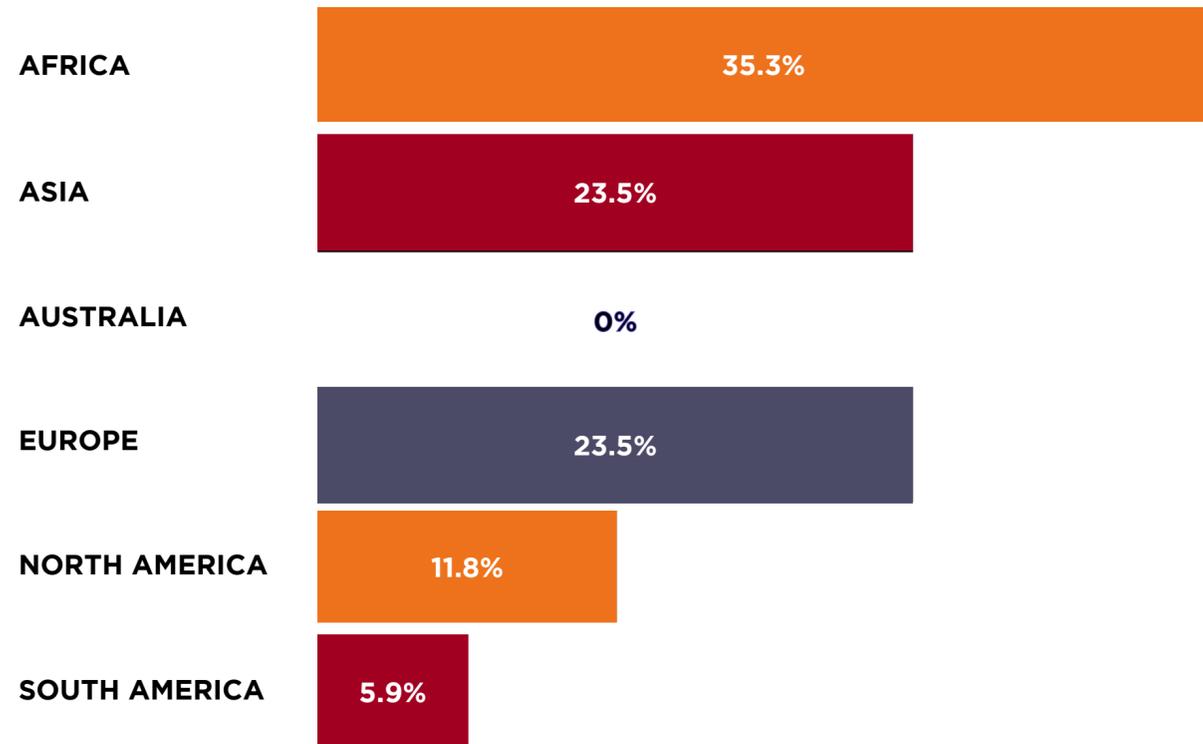
The survey had a good representation of organisations of varying size and income, with just under 65% reporting a turnover of less than \$1m. In general terms, COVID-19 has had a negative impact on income across the sector, regardless of individual organisations’ size. The survey did show some variation, however. **Organisations with a turnover of over \$1m who were forecasting a drop in income predicted an average decrease of -59%** (this figure was -25% for organisations with less than \$1m turnover in the same position). By contrast, organisations with a turnover of less than \$1m who were forecasting income growth predicted an average increase of 46% (this figure was 27% for organisations with more than \$1m turnover in the same position).

-  Forecasting an **increase** in income this year compared to previous full financial year
-  Forecasting a **reduction** in income this year compared to previous full financial year
-  Average % **increase** in income for those organisations forecasting an increase in income this year compared to previous full financial year
-  Average % **reduction in income** for those organisations forecasting a reduction in income this year compared to previous full financial year

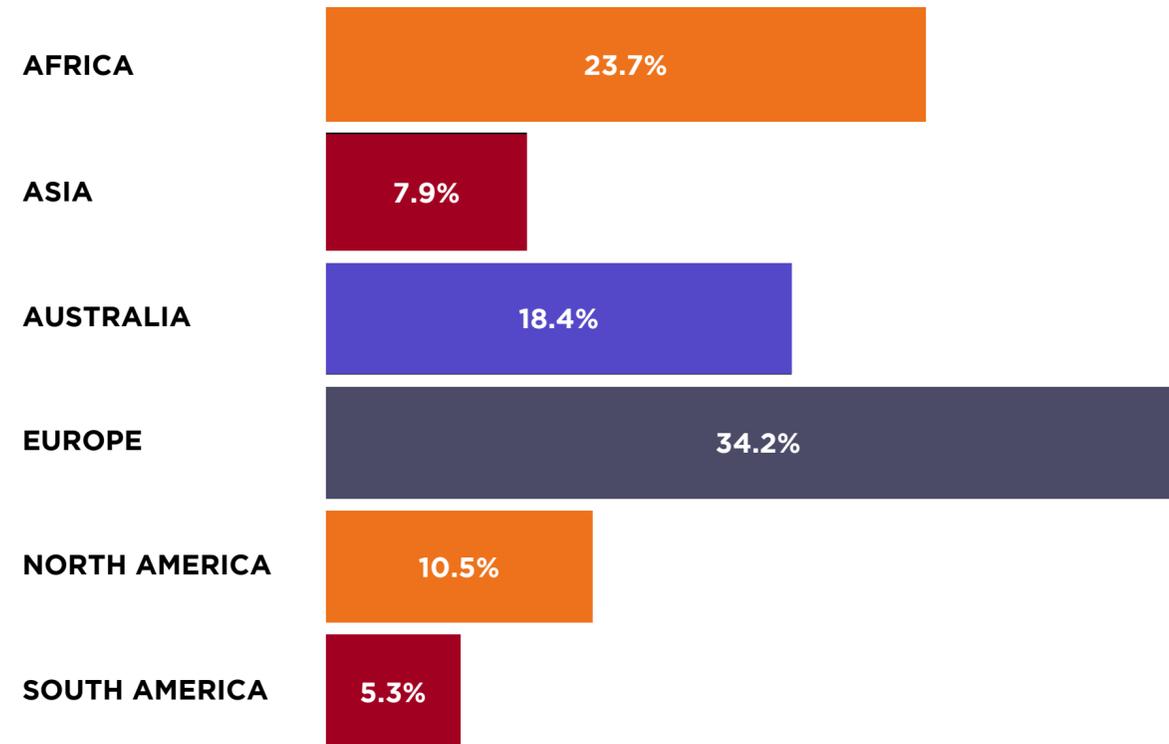


# INCOME

Percentage breakdown of organisations with a turnover of <\$1m AND forecasting an *increase* in income this year compared to previous full financial year by continent:



Percentage breakdown of organisations with a turnover of <\$1m AND forecasting a *reduction* in income this year compared to previous full financial year by continent:

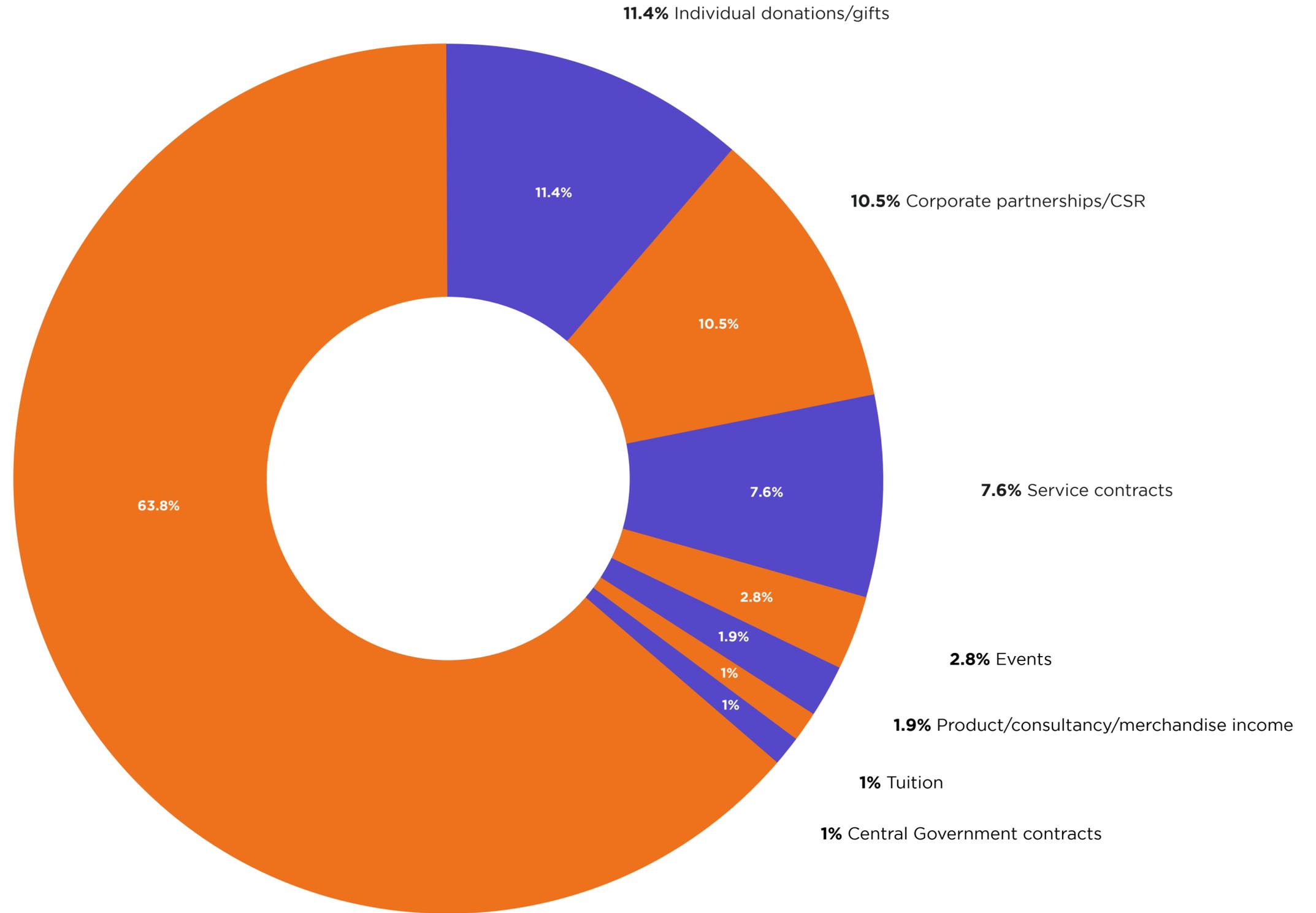


# INCOME

**A significant reduction in grant funding from trusts, foundations or institutions (due to the COVID-19 pandemic or any other factor) could have a disastrous effect on the sector.**

The 2020 State of the Sector survey found that grants from trusts, foundations or institutions were the largest source of income for just under 65% of organisations. Over 60% of those same organisations were forecasting a drop in income compared to the previous financial year. Sport for Development organisations may need to diversify their income to ensure there is financial resilience across the sector.

**63.8%**  
Grants from trusts,  
foundations or institution

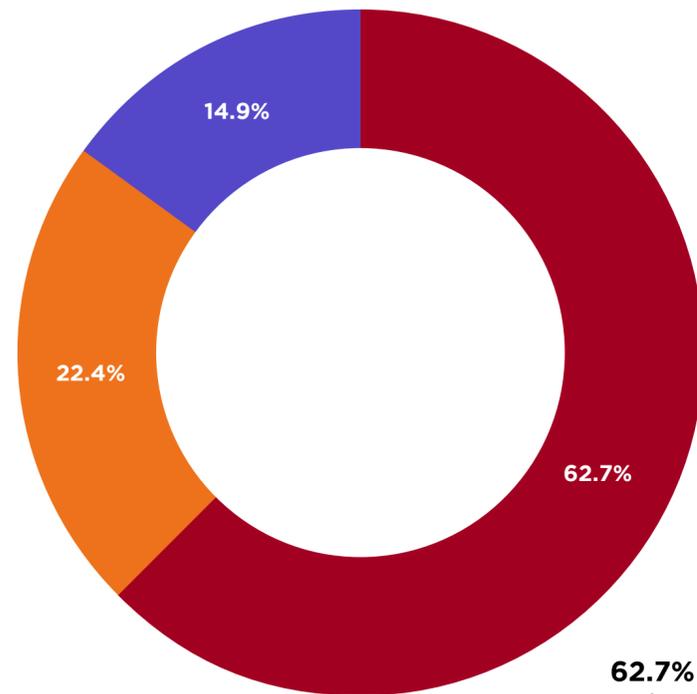


# INCOME

The 2020 State of the Sector Survey revealed a largely negative picture for organisations whose largest area of income was grants from trusts, foundations or institutions:

**14.9%** were forecasting income to remain static this year compared to previous full financial year

**22.4%** were forecasting an increase in income this year compared to previous full financial year

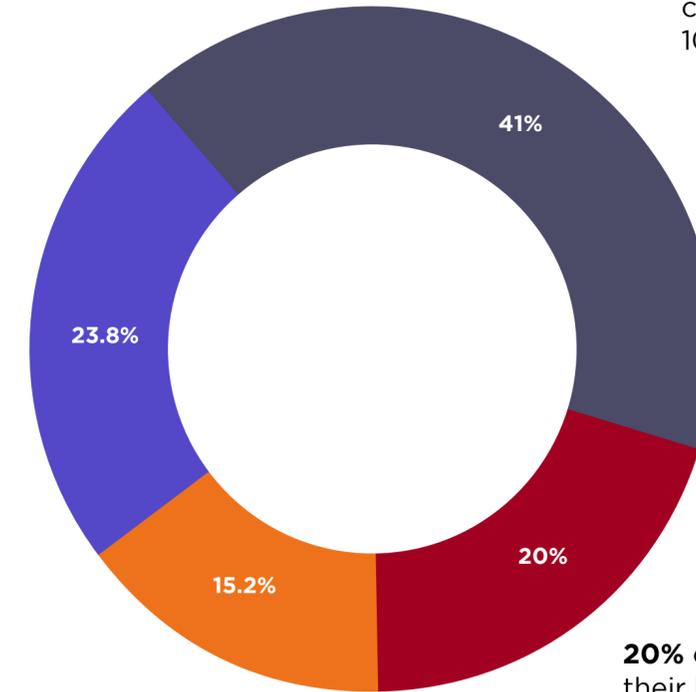


**62.7%** were forecasting a reduction in income this year compared to previous full financial year

**Over 60% of organisations reported that funding from their largest donor, grant or corporate partner made up no more than a quarter of their total income** – with only 15% reporting their largest donor contributed over half of their total income. This suggests that most organisations are unlikely to be at risk of closure if a single donor cancels their giving (a relevant issue given the current economic climate).

Percentage breakdown of reliance on single donor/ income stream:

**23.8%** of respondents reported their largest single donor/grant/ corporate partner made up 25-50% of their total income



**41%** of respondents reported their largest single donor/grant/ corporate partner made up 10-25% of their total income

**15.2%** of respondents reported their largest single donor/grant/ corporate partner made up over 50% of their total income

**20%** of respondents reported their largest single donor/grant/ corporate partner made up less than 10% of their total income

# CASE STUDY: WORLD PARKS WORLD CUP & FRIENDS OF MUTALE

**World Parks World Cup (WPWC) is a small, registered non-profit based in South Africa, founded with the support of UK based charity Friends of Mutale back in 2016.**

Driven by founder Vince Mehers, and part of the Coaches Across Continents network, WPWC works primarily in rural communities bordering the Great Limpopo Trans-frontier Conservation area across South Africa, Mozambique and Zimbabwe. Their vision is to bring communities and conservation together through sport; recognising the power of sport to bridge divides between cultures and across borders.

Vince explains **“These communities have high levels of school drop-out, no formal sporting facilities or activities, and few opportunities for girls to progress in education and in life. 90% of the children we work with have eaten elephant meat, but less than 40% have seen these iconic animals in the wild despite living less than 20km from a national park. Poaching is rife, education levels are low, and we are trying to bridge the gap.”**

Working primarily in school settings, WPWC deliver a curriculum of purposeful play – primarily using football – to over 500 children per week (pre-pandemic). This curriculum uses sport to educate young people outside

of the classroom; challenging gender stereotypes, fostering critical thinking and problem-solving skills, and engaging young people in conservation and community action. In addition, the charity run a unique cross-border football league for over 250 girls, bringing communities together from across South Africa, Zimbabwe and Mozambique. These activities are supplemented by close relationships with the respective national parks and local conservation bodies, who regularly engage with the young people on WPWC programmes through community action projects.

WPWC derives most of its annual income from fundraising in the UK via a combination of small grants and donations – typically in the region of £10,000 - £25,000 per year. In addition, the charity has benefited from local partnerships with The Kruger National Park, Vhembe Biosphere Reserve and Gonarezhou National park, securing team kits, sports equipment and free visits for local young people. The small volunteer team is spread thinly across projects, operations and fundraising.

**“Fundraising is challenging for small, under-resourced grassroots Sport for Development organisations as we need to balance delivering programmes, finding funding where we can, networking and building local connections, carrying out monitoring and evaluation, organising and supporting celebration days, and developing**

**activities and curriculums. If it wasn’t for our support from Coaches Across Continents, we would not have survived this long.”**

In an already difficult funding environment, COVID-19 has had a significant impact on the operations and fundraising activity of WPWC. Cross-border activities were cancelled, weekly sessions put on hold, and the lack of tourism has had a direct impact on their existing local partnerships. The team had worked hard to diversify and think creatively about possible income opportunities, exploring promising opportunities in Voluntarism and CSR partnerships with local businesses; all of which were stalled or cancelled entirely as a result of the pandemic.

**“COVID-19 has had a huge impact on our income and sustainability. Due to competing demands we were unable to secure a grant we have received regularly in recent years, trustee meetings were delayed, and we were unable to benefit from pre-agreed auditing support because of the travel ban. In order to apply for further funds we now need to pay for our accounts to be audited (despite no legal requirement) and now we are forced to choose between paying auditing fees or paying our coaches stipends – which have already been reduced by 50%.”**

Like most other charities, WPWC turned to digital fundraising to try and secure new donations since March, but this has proved difficult. **“Fundraising via**

**social media campaigns has been the hardest and most mentally stressful. If you don’t have a large enough network, it is hard to gain traction. If you do have connections, it’s the same people being asked for donations each time. There is a lot of competition on social media from various causes.”**

Looking at 2021 and beyond, Vince and the WPWC team are unfortunately not feeling confident about the charity’s future. **“Our historic fundraising challenges are likely to continue to hinder us going forward, and this will be compounded by the fact that we have been unable to operate on the ground this year, thereby not having evidence of our impact and our programme. It feels like we will be at square one once again and a decision has to be made about whether the mental stress and anguish is healthy moving forward, how long can our coaches wait on the hope of more funding? The rejection of funding proposals, the stress of running social media campaigns, the continual writing and seeking of grants whilst trying to survive is tough.”**



## DR VLADIMIR BORKOVIC AND KAROLIN WAGNER, STREETFOOTBALLWORLD

Sadly, the increased uncertainty for all organisations and businesses is even more disastrous in the sport for development sector. We can see the COVID-19 pandemic has impacted it financially and operationally. It appears the not-for-profit organisations have been hit double as first their income reduced, as most givers were faced with a reduced income themselves due to the restrictions for the economy, and secondly the non-profits' actual work could mostly not take place or had to be adjusted tremendously to the new circumstances.

There are two important take-aways of this survey: The organisations that were able to be flexible and tried many different income streams have performed better during the pandemic. Closely linked to that are the organisations' networks and support from institutions.

Especially the fundraising strategies have shown whether an organisation managed the crisis successfully, many of them built up on well-functioning networks, and were open to new methods and flexible with their income streams.

And so it is not surprising that most of the optimistic organisations work with football and multi-sport. These are the organisations with the biggest reach and best linked networks, with relationships to both corporations and public actors.

Also, streetfootballworld benefited from its unique goal of "football for development" and its reliable network, which was already in place before COVID-19 and still intact despite the crisis. Luckily, especially football have remained publicly visible, no matter what difficulties, players, clubs

and matches went on, as well as the fan culture. Also the training in the sports for development organisations went on, but largely different using creative approaches and new online tools.

However, this survey paints an unoptimistic picture for most other organisations. That football organisations stick out positively shows even more the troubles of uneven distribution of means in the sport for development sector and the missing awareness and support of society. Where organisations could not secure government grants, they were faced with most troubles; and even if they received help from the governments, it did not guarantee that they can continue their work. Since the sports for development organisations are closely linked and all have the same goal, it weakens the whole sector if some are in trouble.

Even more troublesome is the outcome for the beneficiaries, especially in the times of the pandemic and afterwards, the need for sport for development is bigger than ever.

Nonetheless, the Corona crisis seems to have not only negative outcomes. For streetfootballworld, the situation led to a stronger focus on its mission: football for good. The main values sustainability, responsibility, and the power of societal engagement of football have received much more attention now that the work at the pitches paused. That time of "inactivity" was effectively used to over-think the fundraising strategy as well, which opens opportunities for much more interactive, long-term partnerships. Now it is time to activate the new concepts and bring people back to the pitches.



# FUNDRAISING IMPACT

# FUNDRAISING IMPACT

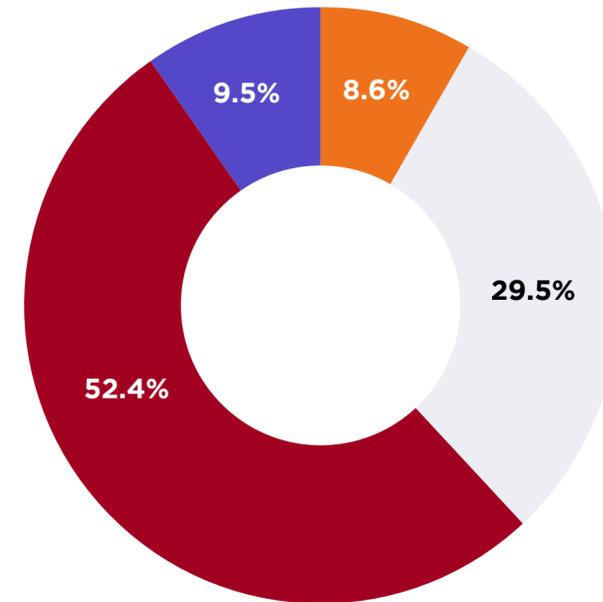
**Given the income data presented previously, it is unsurprising to find that over 50% of organisations did not achieve their fundraising target over the last full financial year.**

This suggests organisations are struggling to gain the income needed to fully deliver their social mission – limiting their reach and the opportunity to support more beneficiaries.

The **2020 State of the Sector survey** indicated that fundraising income was decreasing across the sector when compared to previous years.

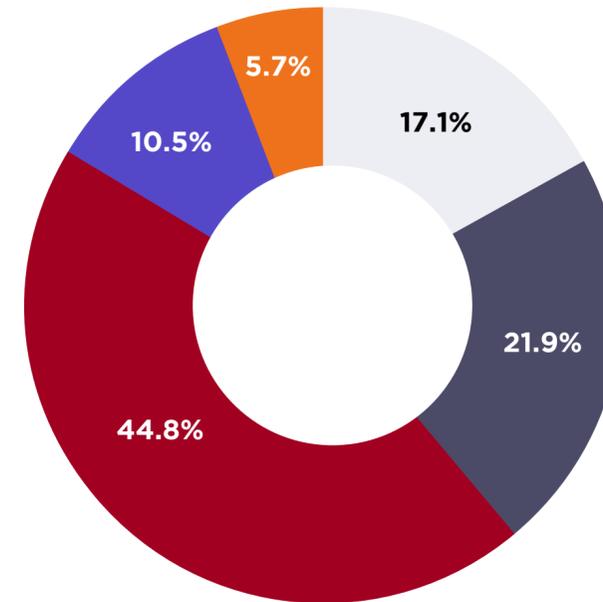
45% of organisations did not match their fundraising income from the previous year. The number of organisations failing to match their previous year's income was more than double those who matched their previous year's income (22%), as well as those who exceeded it (17%). Organisations are not just failing to reach their fundraising targets; they are not even matching their income levels from the previous year. If this trend continues, it is likely Sport for Development organisations will be forced to significantly reduce their services, or even close completely.

**Percentage breakdown of organisations fundraising performance over last full financial year:**



- **52.4%** of organisations did not reach their fundraising target over the last full financial year
- **9.5%** of organisations did not set a fundraising target
- **8.6%** of organisations exceeded their fundraising target over the last full financial year
- **29.5%** of organisations just met their fundraising target over the last full financial year

**Comparison between this year's fundraising performance and last:**



- **44.8%** of organisations did not match their fundraising income from the previous year
- **10.5%** of organisations did not set a fundraising target the previous year
- **5.7%** of organisations were not fundraising the previous year (e.g. they were a relatively new organisation)
- **17.1%** of organisations beat their fundraising income from the previous year
- **21.9%** of organisations achieved the same level of fundraising income as the previous year

**The 2020 State of the Sector survey suggested that adaptability could be key to Sport for Development organisations' future fundraising success.**

Organisations who experienced income growth reported a range of factors for this increase, with 'trying new and different fundraising activity' the most popular reason given. No single factor was significantly more likely than another to guarantee an organisation fundraising success. To weather the current economic storm, organisations may need to take a broad, holistic approach to their fundraising, ensuring they are:

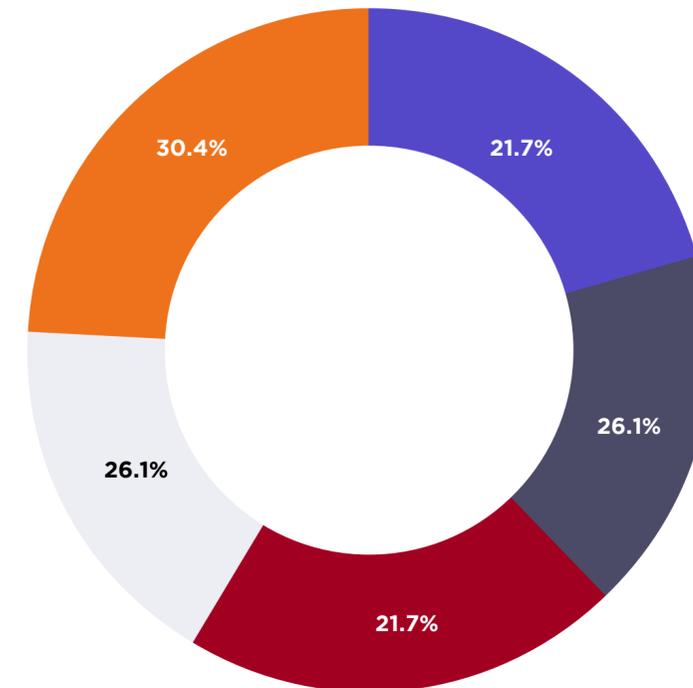
- open to trying new and different fundraising activity
- investing more in their existing fundraising activity
- being responsive to the challenges and opportunities presented by COVID-19
- recruiting or maintaining the right people with the right fundraising skills
- stewarding their existing supporters well – increasing the likelihood of one-off/exceptional donations
- partnering with organisations with complementary skills and networks to increase the chances of a project being funded
- thinking strategically about what kinds of projects are most needed during and after the pandemic

**88.9% of organisations who were forecasting an increase in income this year compared to previous full financial year used football and/or multi-sport in their work. In comparison, of those forecasting a reduction in income 68.3% used football and/or multi-sport in their work; and of those forecasting income to remain static and 53.3% used football and/or multi-sport in their work.**

**For those who experienced income growth compared to the previous full financial year, percentage breakdown of factors:**

**30.4%** of organisations mentioned trying new and different fundraising activity as a contributing factor

**21.7%** of organisations mentioned recruiting or maintaining the right people with the right skills as a contributing factor



**26.1%** of organisations mentioned their response to the coronavirus crisis as a contributing factor

**26.1%** of organisations mentioned investing more in their existing fundraising activity as a contributing factor

**21.7%** of organisations mentioned one-off/exceptional large donations as a contributing factor

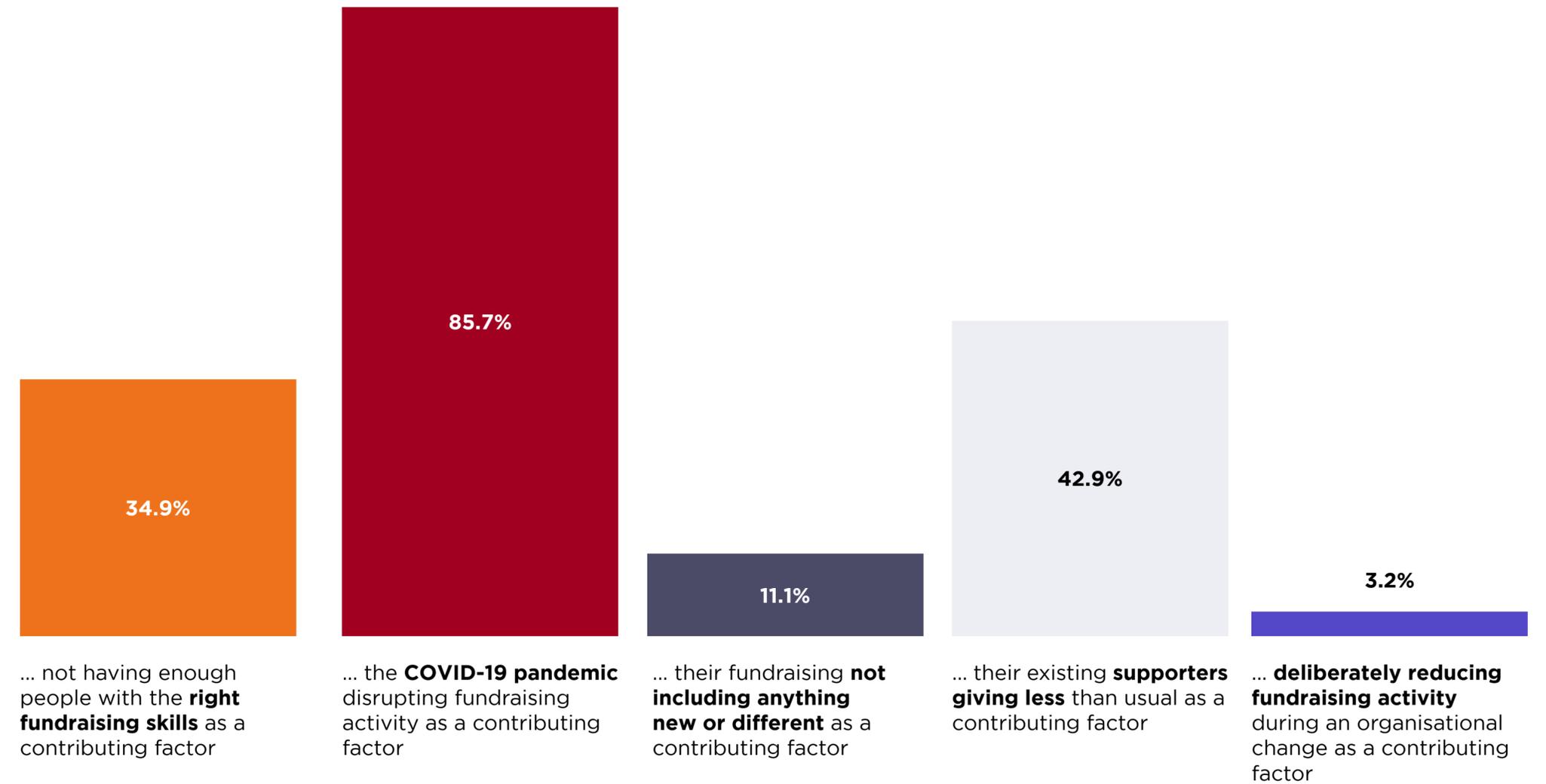
# FUNDRAISING IMPACT

**If organisations cannot combat the negative impact of COVID-19 on their fundraising income, they may be forced to reduce their services or close altogether.**

Over 85% of organisations who experienced a reduction in their fundraising income reported that the coronavirus pandemic had disrupted their fundraising activity; furthermore, 43% stated that their existing supporters had given less than usual – a potentially lethal combination.

**\*46.3% of organisations who reported that COVID-19 had disrupted their fundraising activity also reported that their existing supporters had given less than usual.**

**For those who experienced a reduction, percentage breakdown of factors:  
Percentage of organisations who experienced a reduction in their fundraising income compared to the previous full financial year mentioned...**



# FUNDRAISING IMPACT

**Sport for Development organisations who relied on corporate partnerships were likely to have been hit hard by the COVID-19 pandemic.**

Over 80% of organisations whose largest area of income was corporate partnerships were forecasting a reduction in income this year compared to the previous full financial year.

37% of organisations reported their corporate partners had reduced their investment and/or engagement since the COVID-19 pandemic – significantly more than those who reported their corporate partnerships had remained roughly the same (23%) or whose corporate partners had invested and/or engaged more (7%). Of those organisations whose largest area of income was corporate partnerships, around 55% reported their corporate partners had reduced their engagement, with only 9% reporting their corporate partners had engaged more.

Organisations need to ensure they have a diverse fundraising income portfolio to balance the risk of corporate partners continuing to disengage from the sector.

## 81.8%

**of organisations whose largest area of income was corporate partnerships/CSR were forecasting a reduction in income this year compared to previous full financial year.**

## 54.5%

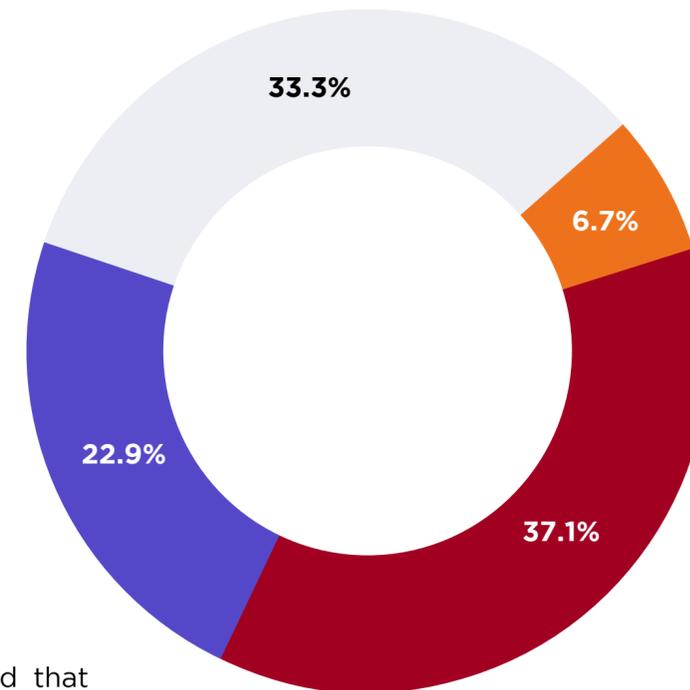
**of organisations whose largest area of income was corporate partnerships reported their corporate partners had reduced their investment/engagement. Only 9% of organisations whose largest area of income was corporate partnerships reported their corporate partners had invested/engaged more.**

The findings unfortunately do not indicate why corporate partners reduced their engagement, but ongoing observations would suggest that these businesses were facing financial difficulties themselves, or didn't feel safe about engaging in Sport for Development due to the high uncertainty surrounding their own businesses and the future of their Sport for Development partner.

**22.9%** of organisations reported that their corporate partnerships had remained roughly the same since COVID-19

### Impact of COVID-19 on corporate partnerships:

**33.3%** of organisations reported they didn't/don't have any corporate partners



**6.7%** of organisations reported that their corporate partners had invested/engaged more since COVID-19

**37.1%** of organisations reported that their corporate partners had reduced their investment/engagement since COVID-19

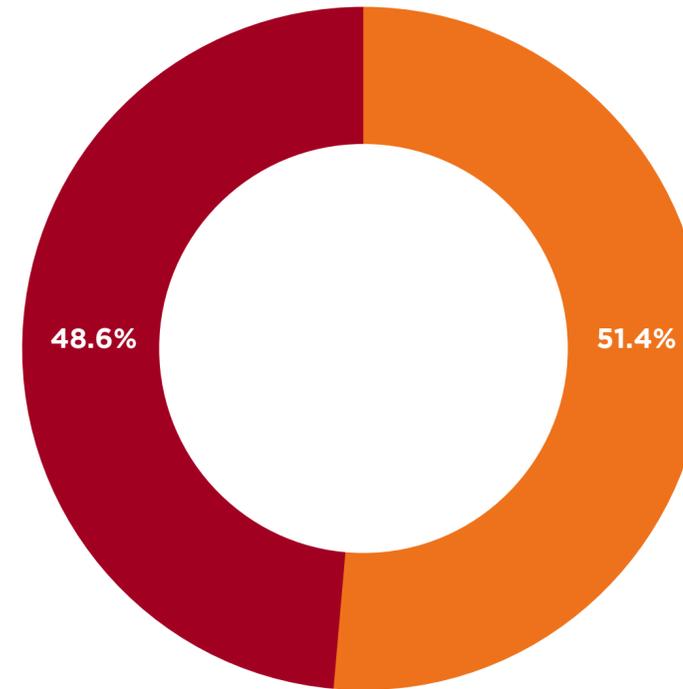
**There were hopeful signs that Sport for Development organisations would be able to absorb the initial impact of COVID-19 and re-build during the recovery phase.**

Over 50% of organisations had been able to secure grants specifically to help them deal with the impact of COVID-19 on their organisation. This is a positive sign that funders are committed to the sector and gives cause for hope that they will continue to back organisations as they seek to recover.

The importance of ongoing grant support to the sector was underpinned by the survey, with 18.5% of those organisations who had received emergency grants reporting they were very confident they would recover financially (compared with only 7.8% of those organisations who had not received emergency grants). By contrast, 31.4% of organisations who had not received emergency grants reported they had low - or no - confidence they would recover from the pandemic (compared with just 11.1% of organisations who had received emergency grants).

**Ability to secure grants to help with COVID-19 impact:**

**48.6%** of organisations reported they had not been able to secure grants specifically to help them deal with the impact of COVID-19 on their organisation.



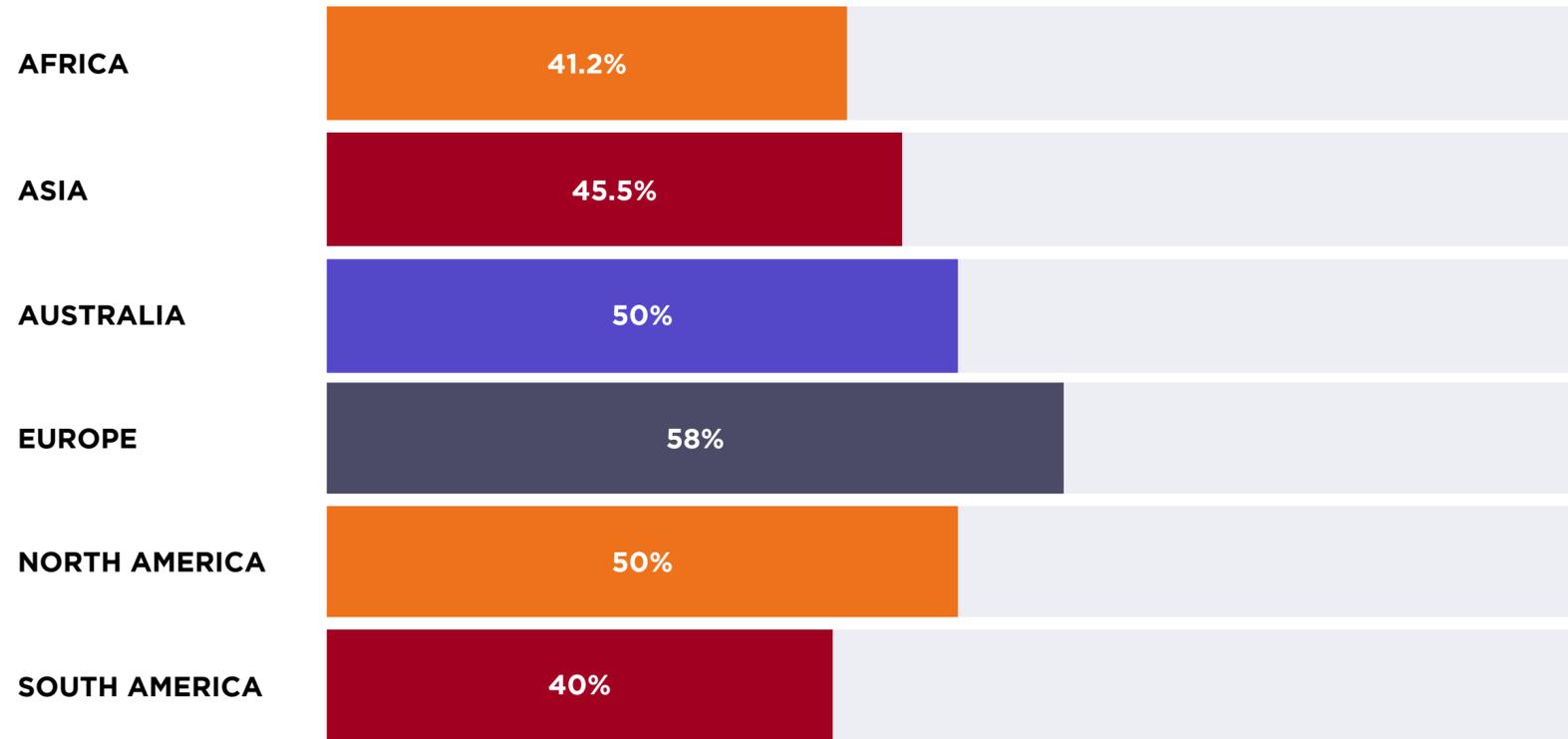
**51.4%** of organisations reported they had been able to secure grants specifically to help them deal with the impact of COVID-19 on their organisation

# FUNDRAISING IMPACT

**The 2020 State of the Sector survey found that Sport for Development organisations right across the world had been able to access funding to support their beneficiaries.**

Organisations in every continent were able to secure grants to help with the financial impact of COVID-19, with organisations in Australia, Europe and North America slightly more likely to receive funding than those in Africa, Asia and South America. This is a positive indicator that access to funding has been relatively even across different continents (although of course this does not take into account the amount of funding available to organisations in different parts of the world, nor does it reflect the relative severity of need of beneficiaries based in different continents).

**Breakdown of organisations able to secure grants to help with COVID-19 by continent:**



# CASE STUDY: DAME KELLY HOLMES TRUST

**While at school, Col Dame Kelly Holmes was inspired by her PE teacher, who spotted her talent for running and encouraged her to pursue athletics, a turning point in her life that led to Kelly winning two gold medals at the 2004 Olympic Games in Athens. Kelly had struggled to engage in school, spent time in the care system as a child and struggled with her mental health while she competed as an athlete. Looking back to the influence of her PE teacher, she wanted to create a legacy from her athletics career that would benefit young people, believing every child needs a hero – someone to look up to, be inspired by and who will help them to transform their life. That’s why, on the eve of the Beijing 2008 Olympics, she founded Dame Kelly Holmes Trust, with a vision to get young lives on track using the unique skills of world class athletes to engage, enable and empower.**

Over the last 13 years the Trust has worked with thousands of young people all over the United Kingdom, who for one reason or another were facing disadvantage. In the same period the Trust has helped over 400 world class athletes’ transition to a life beyond sport and trained these athletes as youth workers to help these young people transform their lives. The results have been consistently impressive.

In our most recent Impact Report, over 80% of young people were more active after attending our Get on Track programme and mental wellbeing increased by 7.5% across all programmes.

As with many organisations and charities, the current pandemic has affected our fundraising capabilities significantly. Our income is derived from Corporates, Trusts and Foundations, fundraising events and partnerships, individual giving and public funding, and we aim to not become over reliant on any one funding source.

Trusts and Foundations that we would normally apply to have shifted priority or in many cases stopped funding in the current climate. Funding for direct delivery which for the Trust, historically comes through restricted grants, pretty much stopped with funders shifting priorities to COVID resilience and the immediate need to reach vulnerable groups. While we would argue that the services we deliver to young people are essential, understandably more focus in 2020 has gone to funding emergency type organisations such as NHS charities, foodbanks and vital grass root community organisations. While we have been fortunate to secure some emergency coronavirus funding - for example to provide IT support for young people in order to access our programmes and to increase wellbeing support sessions for young people - this has proved difficult to forecast and highly competitive. Additionally, although our service may not be seen as ‘front line’, we are seeing a surge in demand for our support. We recently received three times as many applications for our school based AQA Unlocking Potential programme than we could support and demand for our community programmes has also increased over the last three months.



# CASE STUDY: CONTINUED DAME KELLY HOLMES TRUST

Whilst this financial year is now looking secure, this change in focus makes it hard to predict how we can budget and forecast in the immediate future. Will funding bodies be looking at COVID recovery funds or will 2021 see a return to business as normal? Trying to make your voice heard as a small charity has proved difficult. As an example, the Julia and Hans Rausing Trust received 2600 applications requesting £174m in total against an £18m funding pot this year and in the first three months of the Coronavirus Community Support Fund (CCSF) in England, the National Lottery had already received 10,000 applications.

Corporate partnerships understandably have also found it difficult to support charities as they would normally, due to juggling needs, reduced workforces and new priorities that have reduced corporate investments and employee engagement fundraising initiatives. Whilst the will and values remain, operational priorities and budget constraints have limited activities and engagement opportunities.

During the summer just gone we had a number of fundraising initiatives that unfortunately were cancelled. The postponement of the Tokyo Olympics meant cancelling our eve of Olympics dinner at the Orbit in Stratford. This event was to be the highlight of the year and we were busy selling tables and recruiting sporting celebrities when it had to be

cancelled. Similarly, we had a mass fundraising event in place with a schools organisation which would have seen tens of thousands of children and their families raising money by running, walking and taking part in wellbeing activities in schools and within the local community.

This has meant we have had to do things differently and try new or innovative ways to make up for the shortfall. We've shifted sessions online to deliver Mental Health First Aid accredited training and delivered a series of free bite size briefings where we've encouraged donations at the end. We took part as a team in the 2.6 challenge in April and raised over £10,000 and recently we set up an online charity auction and used paid social media for the first time to try and reach new audiences. We have also looked to re-purpose some of the funding we currently had in place to ensure we are able to support the immediate need of young people in different ways. We've focused our offer to concentrate more about mental and physical wellbeing, something always important to the charity but which the events of the last few months have brought to the forefront of young people's minds.

We all know 2021 is going to be a difficult year for charities and the Sport for Development sector as a whole but closer collaboration with similar charities will be crucial to position the sector as an important

asset for society in the years ahead. Within the sector we know that sport and physical activity has a huge benefit, but it's reaching outside of our current spheres of influence that's crucial. How do we as a sector talk to Health or to Justice to ensure our outcomes are better understood and that as a sector, we are investment ready.

From funders we'd like to see a greater clarity about what they are wanting to fund so charities can focus their time on the most relevant opportunities rather than opening funds with broad definitions. Having an idea of what the future funding landscape could look like over the next 3-5 years would ensure charities can plan more effectively to ensure they can support the beneficiaries they are here for.



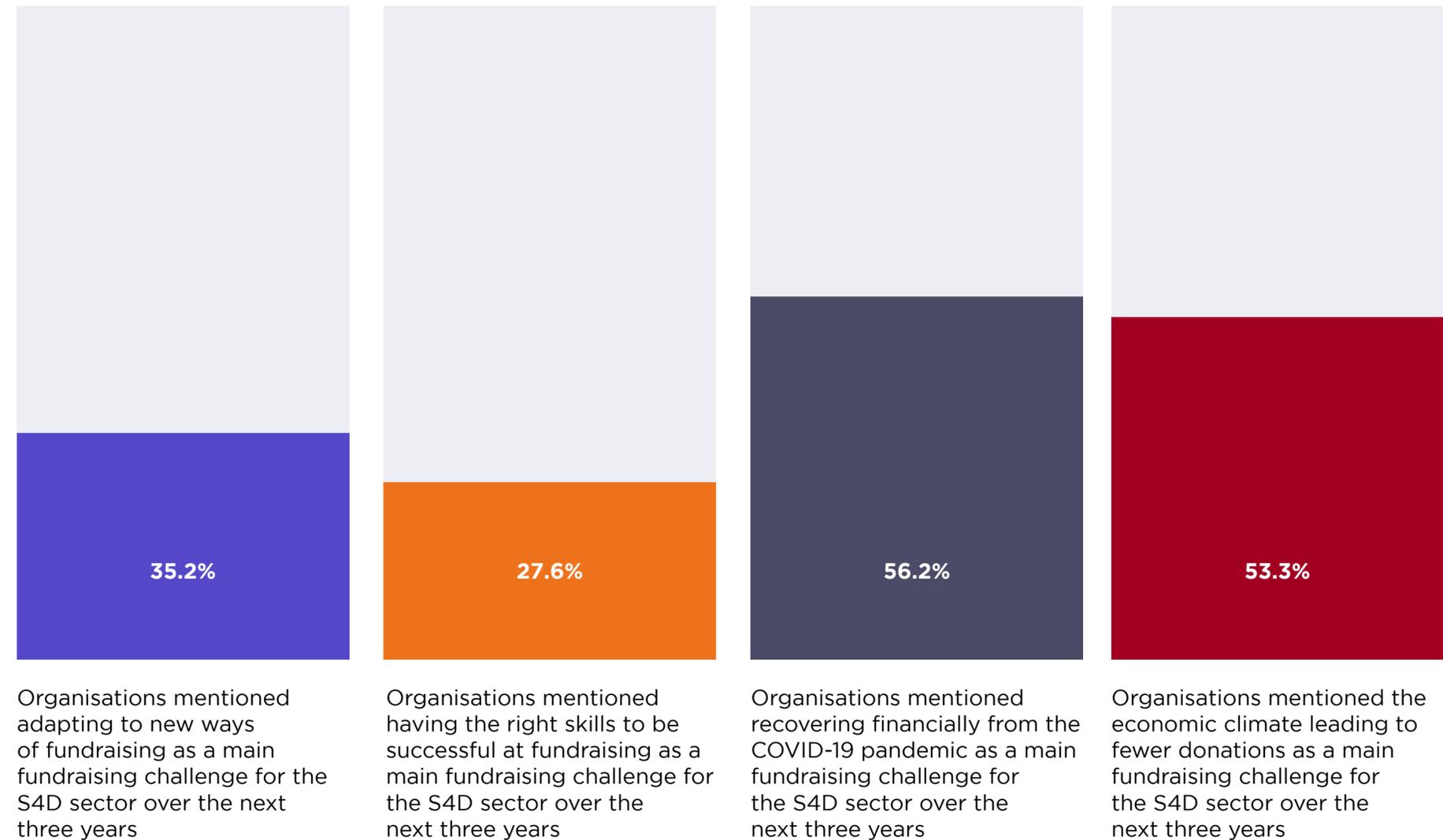
# FUNDRAISING RESPONSE

# FUNDRAISING RESPONSE

**The 2020 State of the Sector survey suggested that reduced levels of fundraising income are likely to continue in future years, impacting the long-term sustainability of the sector.**

Over 55% of organisations cited external factors – ‘recovering financially from the COVID-19 pandemic’ and ‘the economic climate leading to fewer donations’ – as the main fundraising challenge for the Sport for Development sector over the next three years. With the pandemic likely to continue to affect fundraising income for at least the next twelve months, the sector may see more organisations competing over fewer sources of fundraising income.

Percentage breakdown of main fundraising challenges facing S4D sector over next 3 years



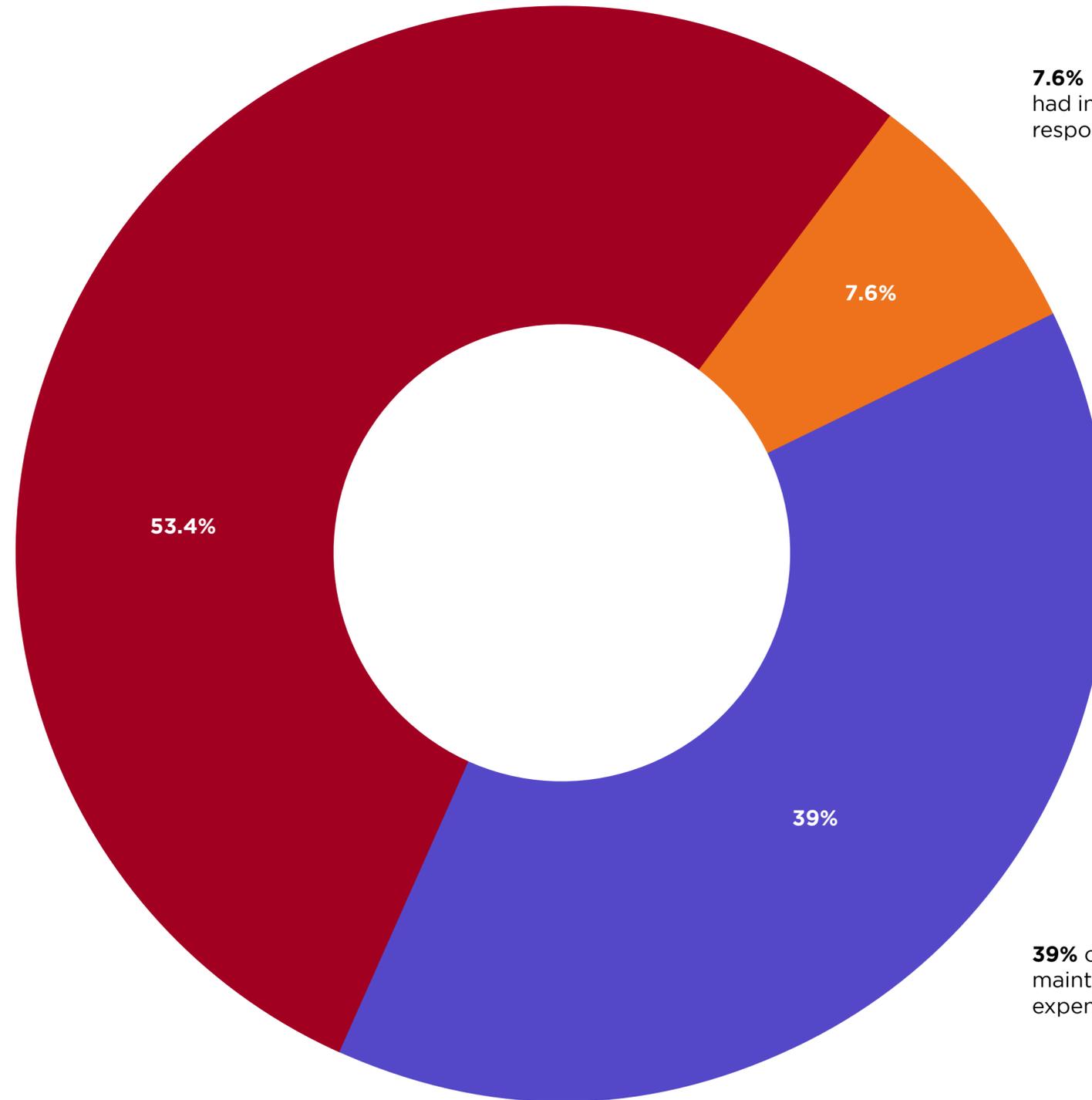
# FUNDRAISING RESPONSE

**The 2020 State of the Sector survey suggested that a lack of investment in fundraising could accelerate the decline in fundraising income across the sector.**

Over 50% of organisations reported they had reduced their fundraising spend in response to the COVID-19 pandemic. It is well established that, in general, there is a positive correlation between fundraising spend and fundraising income. The survey itself reflected this: organisations who increased their fundraising spend were more likely to exceed their fundraising target than those who maintained or reduced their fundraising spend; whereas organisations who reduced their fundraising spend were less likely to reach their fundraising target than those who maintained or increased their fundraising spend.

Organisations need to invest in their fundraising if they are to continue to generate fundraising income. Organisations who fail to invest in their fundraising are likely to see their income remain static or decrease over the next few years.

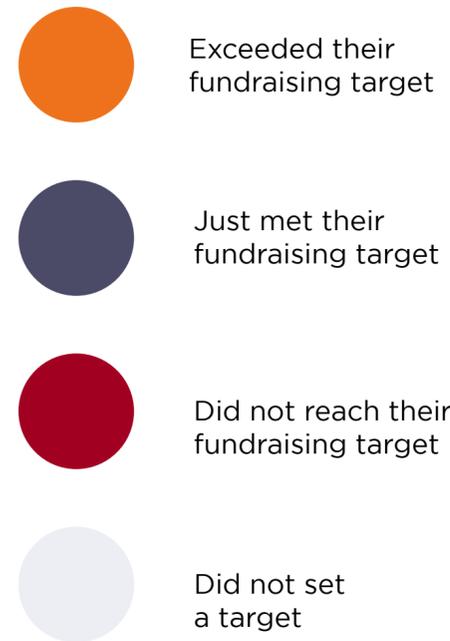
**53.4%** of organisations reported they had reduced their fundraising spend in response to COVID-19



**7.6%** of organisations reported they had increased their fundraising spend in response to COVID-19

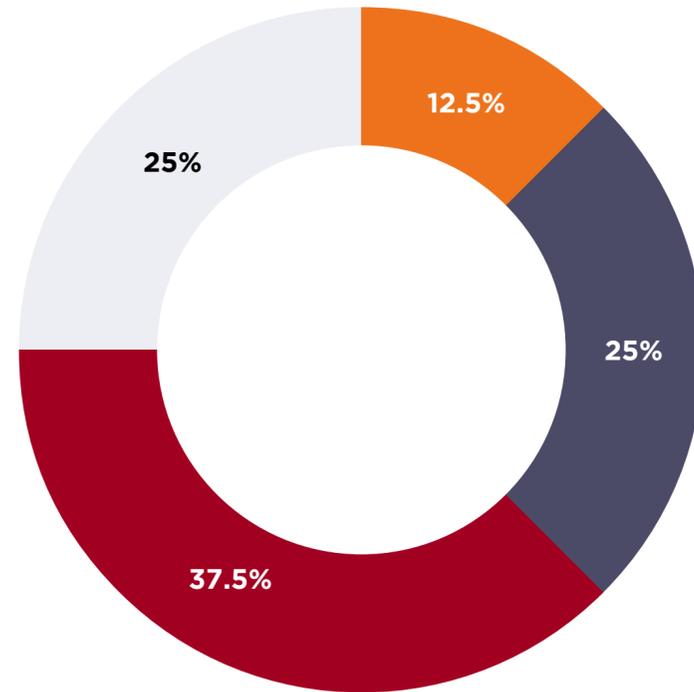
**39%** of organisations reported they had maintained the same level of fundraising expenditure in response to COVID-19

# FUNDRAISING RESPONSE

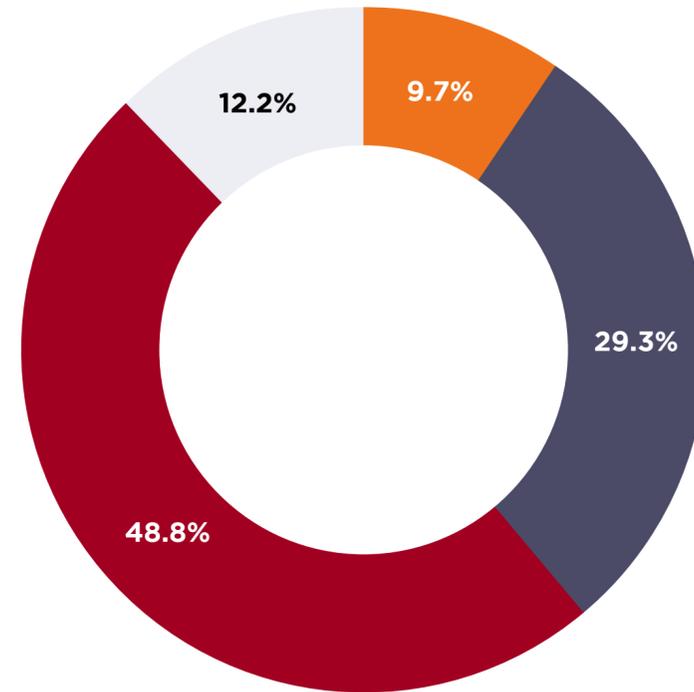


Correlation between increases/reductions in fundraising spend, on fundraising performance:

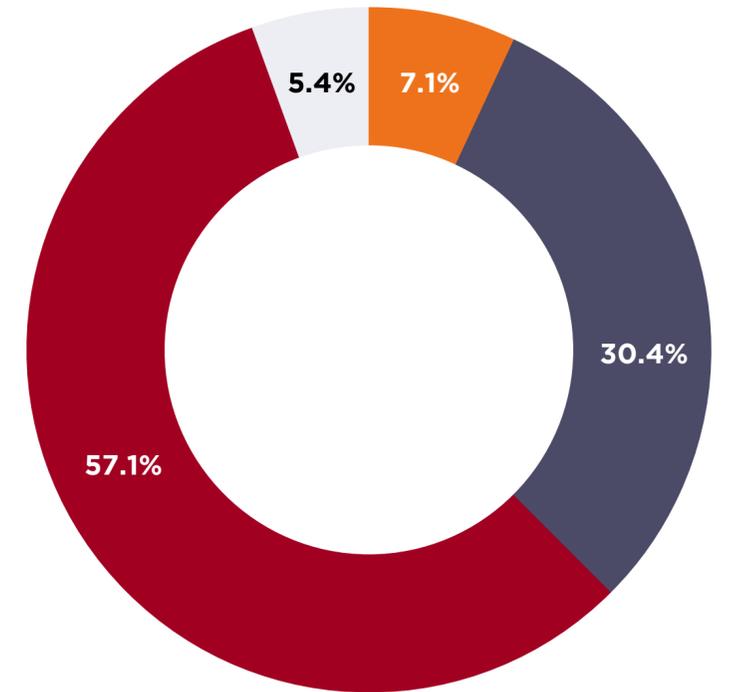
Of those organisations who had increased their fundraising spend in response to COVID-19



Of those organisations who had maintained their fundraising spend in response to COVID-19



Of those organisations who had reduced their fundraising spend in response to COVID-19



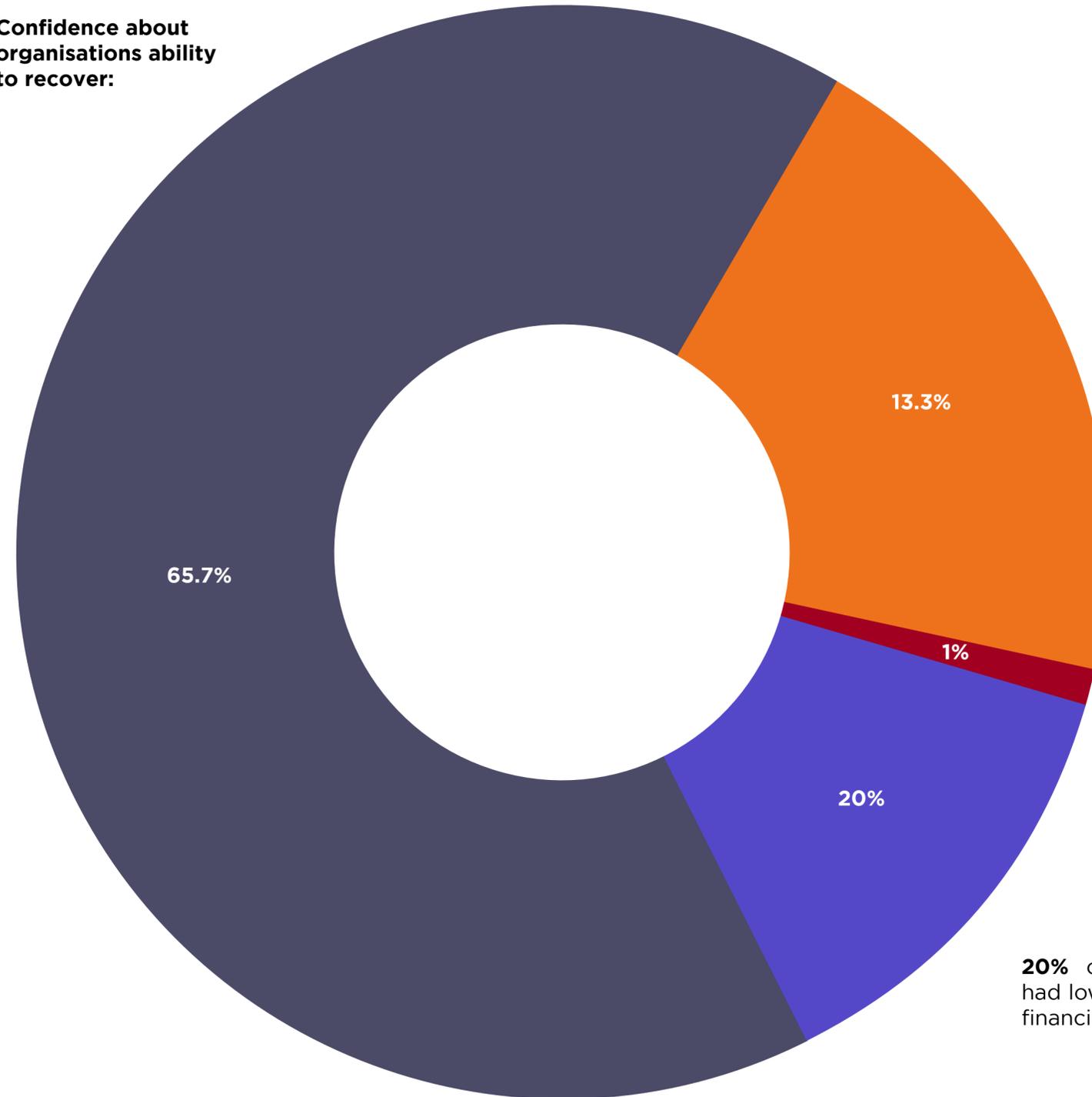
# FUNDRAISING RESPONSE

**The 2020 State of the Sector survey found that, across the sector, organisations were broadly optimistic about their chances of surviving the COVID-19 pandemic.**

Over 75% of organisations were either relatively or very confident they would recover financially from COVID-19. This is a positive indicator for the sector, with significantly more organisations believing they will continue longer-term than those that do not. If this attitude can be translated into positive action in response to the present challenges, it is more likely the sector will be able to adapt and survive.

**Confidence about organisations ability to recover:**

**65.7%** of organisations reported they were relatively confident they would recover financially from COVID-19



**13.3%** of organisations reported they were very confident they would recover financially from COVID-19

**1%** of organisations reported they had no confidence they would recover financially from COVID-19

**20%** of organisations reported they had low confidence they would recover financially from COVID-19

# FUNDRAISING RESPONSE

## The 2020 State of the Sector survey suggested organisations may need support to innovate and find new sources of funding.

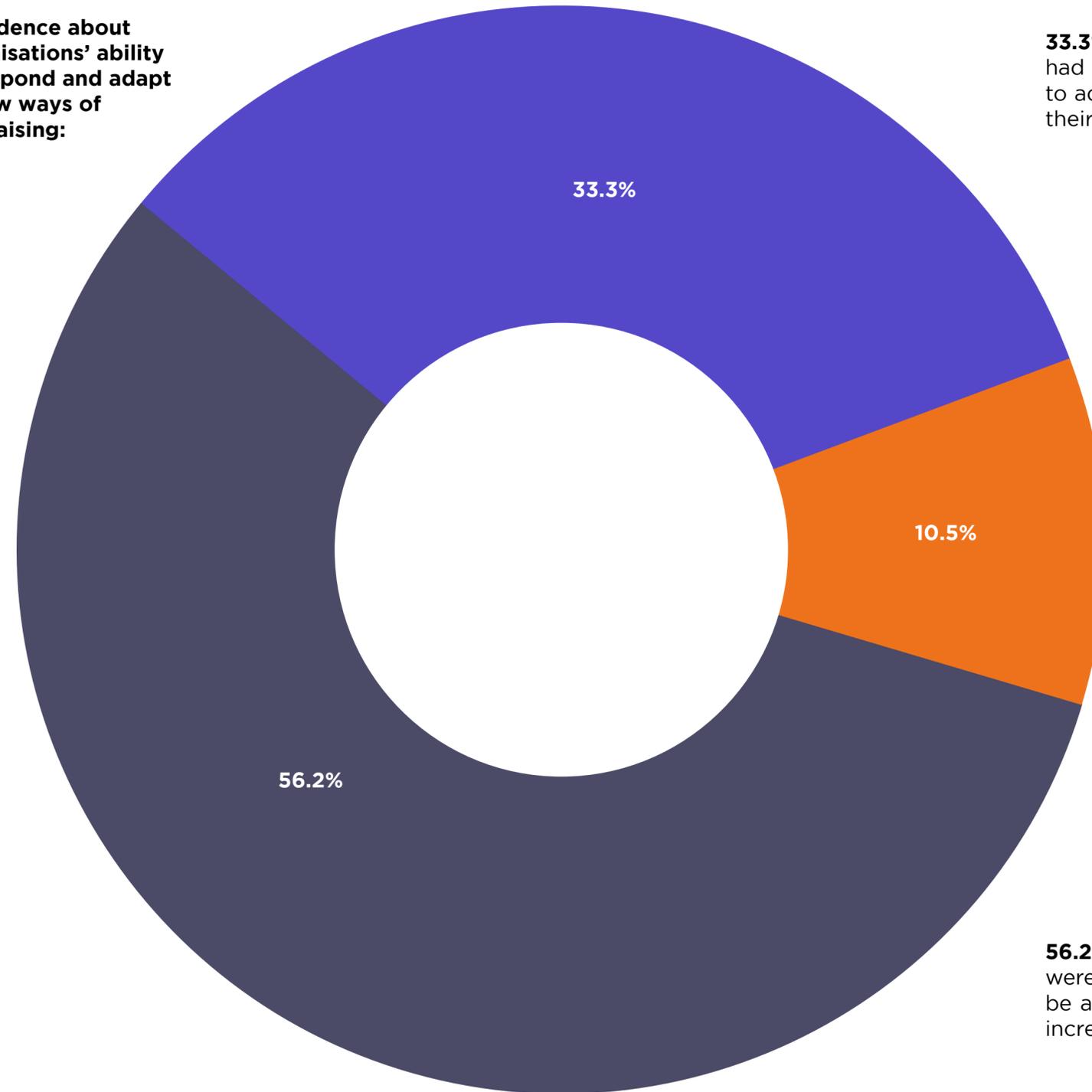
Over 55% of organisations were relatively confident they would be able to adapt and find new ways to increase their fundraising income, while 33% had low confidence and only around 10% were very confident. Organisations are not completely confident in their ability to innovate. A lack of confidence may lead organisations to shy away from trying new ways to increase their fundraising – which could have a negative impact on their overall fundraising income (particularly given that existing sources have been badly affected by the COVID-19 pandemic).

The 2020 State of the Sector survey found that most organisations were focused on external factors affecting their fundraising, while others were keen to explore internal factors that could give them a fundraising advantage.

55% of organisations who commented on fundraising in the sector mentioned challenges to do with access to (or distribution of) funding, while 35% emphasised the importance of forming partnerships and being innovative. Of those who mentioned external factors, 3.2% reported they were very confident they would recover financially from COVID-19, while 38.7% reported they had low – or no – confidence they would recover. By contrast, 19% of those who mentioned internal factors were very confident they would recover financially, with only 9.5% reporting they had low confidence.

In order to adapt and survive, organisations will need to shift their focus away from factors beyond their control – such as funding access and distribution – towards those they can control – such as forming partnerships and finding new, creative ways to fundraise and deliver their services.

**Confidence about organisations' ability to respond and adapt to new ways of fundraising:**



**33.3%** of organisations reported they had low confidence they would be able to adapt and find new ways to increase their fundraising

**10.5%** of organisations reported they were very confident they would be able to adapt and find new ways to increase their fundraising

**56.2%** of organisations reported they were relatively confident they would be able to adapt and find new ways to increase their fundraising

## PAUL HUNT, THE INTERNATIONAL PLATFORM ON SPORT AND DEVELOPMENT

Over the last 20 years, the Sport for Development sector has made a lot of progress. The number of organisations using sport for social, economic or environmental goals has increased dramatically. Sport was recognised as “enabler of development” in the United Nations’ Agenda 2030, which is just one of many examples illustrating how its role is increasingly appreciated internationally.

However, the findings in this report show that the outlook for Sport for Development organisations is now very challenging. Many will experience a loss in their income, and some may not survive. There is a risk that gains made since the turn of the century will be lost.

This highlights an urgent need to demonstrate and advocate for the importance of Sport for Development in the pandemic recovery. That is not only in the interests of organisations but also of society. The global health crisis is also a mental health crisis, and sport can be extremely important in addressing the symptoms of trauma, depression, anxiety and other issues. The pandemic is also

most severely affecting the most vulnerable in our communities – women, people with disabilities, ethnic minorities and others – and sport can help to redress these inequalities.

While it is no easy task, there are certain opportunities. One effect of lockdowns is that many people now appreciate sport and physical activity more than ever before, as they leave confinement to exercise outdoors or practice physical activity in the home. Sport for Development organisations have been adaptable, supporting their communities and moving project activities online. And the sector is unusual in its ability to bring together a wide range of actors from sports federations and governments to universities and UN agencies, which offers opportunities for NGOs to create partnerships.

So, although the coming months and years will be difficult, there is room for optimism. Key to ensuring continued investment in Sport for Development will be advocacy, revising business models, building partnerships, and effectively measuring and demonstrating impact.



# KEY TRENDS FROM THE COMMENTS SECTION

Comments split roughly along the lines of those organisations who emphasised external factors and those who emphasised internal factors:

**55%** of organisations who commented on fundraising in the sector mentioned concerns about funding access/distribution in their comments

**35%** of organisations who commented on fundraising in the sector mentioned the importance of partnerships/innovation in their comments

\*Of the organisations who mentioned external factors (concerns about funding access/distribution) in their comments on fundraising in the sector, 3.2% reported they were very confident they would recover financially from COVID-19, while 38.7% reported they had low – or no – confidence they would recover financially from COVID-19. Of those organisations who mentioned internal factors (importance of partnerships/innovation), 19% reported they were very confident they would recover financially from COVID-19, while 9.5% reported they had low confidence they would recover financially from COVID-19.



# CONCLUSION

## LUKE SOUTHALL, MANAGING DIRECTOR AT OAKS CONSULTANCY

This has unquestionably been one of the most testing, uncertain and turbulent periods in the history of the Sport for Development sector. As it has the whole of the third sector, the pandemic has presented profound challenges to Sport for Development organisations across the world, challenges that show no imminent sign of abating. With 21% of respondents indicating a lack of confidence that they will survive the pandemic, it is impossible not to be alarmed and to underestimate the gravity of the situation. But I am sure this is not a surprise to any reader, so let's close with some reasons for optimism and a reminder of the characteristics and values on which the Sport for Development sector is built.

There is a relentless determination about this sector. Evident in the responses to this survey, organisations are trying everything they can to innovate and adapt to the turbulent landscape. There are some amazing, inspiring, and uplifting examples of Sport for Development charities doing vital, life-saving work in the communities they serve during the pandemic – despite all circumstances and external factors conspiring against them.

There have been encouraging reports of our respondents receiving emergency COVID-19 relief

funding, which is genuine recognition of the critical role played by Sport for Development organisations across global communities. But it is not enough. Nowhere near it. For organisations to survive and grow again, urgent funding support will be required from institutions and corporations across the world.

The financial pressures call on almost every organisation to think differently about their business model. It is imperative to look at reducing reliance on small numbers of funders and diversify the income mix as much as possible. A banal truism, sure – but it is essential, and it can be achieved.

If you are reading this and feeling unsure of what to do next, do not suffer in silence. Reach out to us, friends, peers and networks who can provide invaluable support, guidance and sounding boards.

Finally, thank you to everyone who took the time to respond to the survey and to speak to us over the past few months. We have been overwhelmed – although not surprised – by the openness, enthusiasm, and willingness to share and collaborate by partners across the world. It is this spirit, ingenuity and resilience that gives us the confidence that the sector can – and will – come through this pandemic.



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